

Market Update

Equity

Locally-listed Ukrainian stocks were lower on Monday (Oct 14), failing to follow the gains seen in the major global indices at the end of last week when the Ukrainian Exchange was closed for technical adjustments. In what was effectively a half-day of trading due to a late opening, the UX index slipped 0.6% to close at 840 points. Motor Sich (MSICH) was the biggest casualty, sliding 1.7% to UAH 1562 while leading the exchange on volume with UAH 2.4mn in registered deals. Alchevsk Steel (ALMK) dropped 1.2% to 4.05 kopecks, while CentrEnergO (CEEN) and Raiffeisen Aval (BAVL) edged down by 0.7% and 0.4% respectively. In London, it was a good day for Avangard (AVGR LI), which moved up by 3.7% to USD 11.60, but MHP (MHPC LI) slipped back below the USD 15 level after a 0.9% decline.

Fixed Income

Ukrainian sovereigns were largely unchanged on Monday with Ukraine-23s inching up down by 0.1p.p. to 86.6/87.9 (9.7%/9.5%). Corporate papers finished in red. Mtiya-16s and Avangard-15s declined by 0.5p.p. and closed at 98.2/100.2 (12.2%/11.2%) and 99.8/101.0 (10.4%/9.7%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1562.00	-1.7%	2.4	17
Azovstal	AZST	0.64	-0.4%	1.0	30
CentrenergO	CEEN	4.937	-0.7%	0.9	14

Growth Leaders

Ukrnafta	UNAF	108.80	0.5%	0.00	7
Azovstal	AZST	0.64	-0.4%	0.95	30
Raiffeisen Bank Aval	BAVL	0.09	-0.5%	0.26	32

Loss Leaders

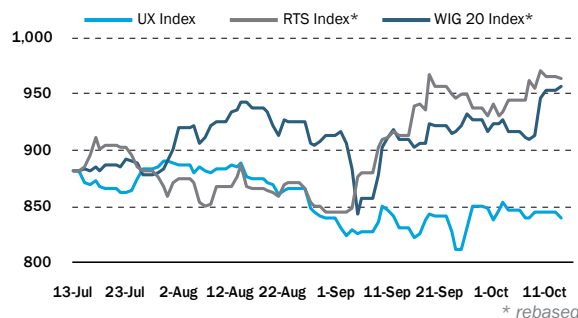
Stirol	STIR	10.15	-13.5%	0.010	15
Motor Sich	MSICH	1,562.00	-1.7%	2.406	17
Alchevsk Steel	ALMK	0.04	-1.2%	0.826	48

Highlights

STOCKS IN THE NEWS

- > Forbes: Raiffeisen Negotiating Sale of Aval
- > JKC Announces Successful Completion of New Well at Zaplavsk Field

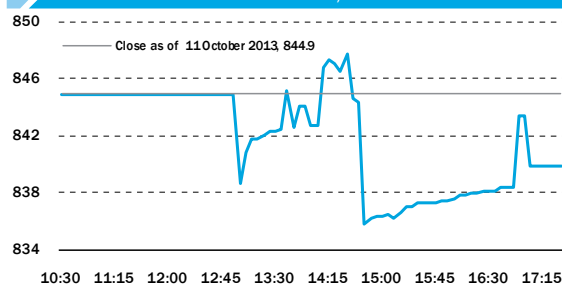
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	839.9	-0.6%	1.1%	-11.6%
RTS	1474.0	-0.2%	5.5%	-3.5%
WIG20	2498.8	0.4%	5.2%	-3.3%
MSCI EM	1022.7	-0.1%	3.6%	-3.1%
S&P 500	1710.1	0.4%	1.3%	21.9%

UX INTRADAY OCTOBER 14, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	337.1	0.0%	-4.4%	24.4%
CDS 5Y UKR	1007.9	-0.3%	14.9%	61.3%
Ukraine-17	9.8%	0.0 p.p.	-0.1 p.p.	2.9 p.p.
Naftogaz Ukr-14	15.8%	0.0 p.p.	4.3 p.p.	8.2 p.p.
Ukraine-23	9.6%	0.0 p.p.	-0.4 p.p.	2.1 p.p.
Privatbank-16	21.5%	0.0 p.p.	6.5 p.p.	6.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.19	0.0%	0.4%	1.7%
EUR	11.10	0.1%	2.4%	3.9%
RUB	0.25	-0.1%	1.2%	-4.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	257.2	0.0%	5.1%	-26.2%
Steel, USD/t	530.0	0.0%	-2.8%	-0.5%
Oil, USD/bbl	111.0	-0.2%	-0.6%	5.8%
Gold, USD/oz	1272.4	0.0%	-4.1%	-23.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Forbes: Raiffeisen Negotiating Sale of Aval

by Dmitry Churin
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RAIFFEISEN BANK AVAL (BAVL UK)

Price: UAH 0.088 Market Cap: USD 323mn

	P/Assets	P/Book	P/E	Div. Yield
2012	0.05	0.4	>30	0%
2013E	0.06	0.4	11.1	0%

NEWS

Vienna-based Raiffeisen International is negotiating with several potential bidders in an effort to sell its majority-owned Ukrainian subsidiary Raiffeisen Bank Aval, business magazine Forbes Ukraine reported on Monday (Oct 14), citing an undisclosed source. The CEO of Raiffeisen Aval, Vladimir Lavrenchuk, said that he knows nothing about the parent group's alleged plan to sell the bank. Nevertheless, the Forbes source claimed that Raiffeisen International is ready to sell Aval at book value, or about USD 800mn, i.e. at Price/Book of 1.0x. Through its press office, Raiffeisen International denied that any negotiations are taking place.

COMMENTARY

Although, in our view, there is a high chance that Forbes provided incorrect information, we note that the valuation of 1.0x Price/Book is more than double Raiffeisen Aval's current capitalization on the Ukrainian Exchange. As of yesterday's close, the stock was trading at UAH 0.088 per share, implying a valuation of 0.4x Book. In our opinion, as in the case of UniCredit and UkrSotsBank, it is unlikely that Raiffeisen International will receive a suitable offer for Aval. The bank finally emerged from the 2009 crisis just this year, reporting a net profit of UAH 521mn (USD 64mn) in 1H13, up from a negligible UAH 16mn in 1H12.

According to Ukrainian law, in case a controlling stake in a public company is sold, the buyer must offer to purchase minority stakes at a price not less than a market quote for the stock. The BAVL stock has one of the highest effective free floats among Ukrainian-listed issues.

JKX Announces Successful Completion of New Well at Zaplavske Field

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 72.0 Market Cap: USD 197mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.3	1.0	neg	1.4	0%
2013E	0.3	0.9	9.9	2.3	0%

NEWS

JKX Oil & Gas announced that it has successfully completed and tested exploration of its Z-05 well at the Zaplavske field in Poltava oblast, the company reported on Monday (Oct 14). The well Z-05 flowed at a rate of 820 MMboepd of gas and 328 bpd of condensate. Well Z-05 was initially drilled to a total depth of 2,960 meters, but the Visean reservoirs were found to be poorly developed at the primary target close to the stratigraphic pinchout. The well was then side-tracked to the secondary target approximately 190 meters to the north where the Visean V25 and V26 sandstone reservoirs were found to be gas-bearing. Total depth of the side-tracked well is around 2,940 meters.

COMMENTARY

The news was widely expected by the market, as the stock has risen by 15% since the start of October. However, the test results of the well Z-05 are much worse than those for the well Z-04, which was completed in 1H12. The well Z-04 had a similar depth but flowed at a rate of 3,700 MMboepd of gas and 1,040 bpd of condensate. JKX is now in the process of selecting the location for the next well of the Zaplavske exploration license, and we would expect this well to have a better flow rate than the well Z-05, as we assume that the company is gaining a better understanding of the area.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-13%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.96	3.33	13%	BUY	Operations at Ferrexpo's new Yeristovo Mine should allow the company to increase its iron ore pellet output by 10% YoY to 10.6mn tonnes in 2013, with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	1.04	1.77	70%	BUY	Secure demand for Pivnichny GOK's iron ore products and lucrative pricing allow the company to operate with high profitability (EBITDA margin of not lower than 45% since 2009). Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
Centralny GOK	CGOK	0.79	1.30	64%	BUY	Centralny GOK operates in the highly profitable iron ore industry; its EBITDA margin has remained above 35% since 2009. Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
Coke						
Avdyivka Coke	AVDK	0.39	0.76	96%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.07	0.42	514%	BUY	Yasynivsky Coke benefits from steady demand for its output both in Ukraine & abroad thanks to the high quality of its coke relative to other domestic producers.
Coal						
Pokrovske Mine	SHCHZ	0.05	0.36	555%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.10	6.18	194%	BUY	Having achieving its post-1991 production maximum in 2011, Krukiv Wagon's revenue should rise at a 7% CAGR in 2012-2016E, with the EBITDA and net margins for the period near 15% and 11%, respectively.
LuganskTeplovoz	LTPL	0.19	0.64	240%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
Specialized Machinery						
Motor Sich	MSICH	191	644	237%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	0.61	1.09	79%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.018	0.030	64%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.24	1.52	529%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.2	6.0	422%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	2.81	8.90	217%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.60	1.84	205%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	15.0	22.10	48%	BUY	MHP is well on track with ramping up its poultry production at launched in late 2012 greenfield Vinnytsia complex with annual capacity of 220,000 tonnes. We think MHP will be able to expand its output by 50% over 2012-15 to 600,000 tonnes of poultry with the lion's share of incremental volume to be exported.
Astarta	AST	22.72	30.0	32%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
Avangardco	AVGR	11.60	U/R	n/a	U/R	The company ended 1Q13 with a 6% YoY increase in sales thanks to an expansion of the production. Higher operational results failed to compensate for a 8% YoY drop on selling price for eggs further exacerbated by inflated production costs. This led to decline in both EBITDA and net margins by 10p.p. YoY to 45% and 39%, respectively in 1Q13.

Source: Eavex Research

PRICES AND QUOTES

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	839.86	1061.97	758.71	-0.6%	0.0%	1.1%	-11.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.041	0.06	0.02	-1.0%	-1.0%	6.3%	-24.2%	-0.4%	-0.9%	5.2%	-12.5%
Azovstal	AZST	0.64	0.90	0.31	1.1%	1.7%	2.2%	-13.3%	1.7%	1.8%	1.1%	-1.6%
Dniprospezstal	DNSS	n/a	1,090	700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	33.3	49.9	20.0	-0.9%	-1.3%	0.0%	-12.5%	-0.3%	-1.3%	-1.1%	-0.8%
Arcelor Mittal KR	KSTL	n/a	3.98	1.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.13	0.26	0.10	0.0%	-7.1%	0.0%	-40.9%	0.6%	-7.1%	-1.1%	-29.3%
Coke												
Avdivka Coke	AVDK	3.19	4.80	1.60	-0.6%	-0.6%	0.9%	-2.7%	0.0%	-0.6%	-0.2%	9.0%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	0.0%	-3.4%	1.8%	-16.4%	0.6%	-3.4%	0.7%	-4.8%
Iron Ore Mining												
Centralny GOK	CGOK	6.49	7.74	4.00	0.0%	1.7%	6.4%	-5.9%	0.6%	1.8%	5.3%	5.7%
Ferrexpo	FXPO	2.96	4.58	2.02	1.1%	3.6%	0.0%	-26.5%	1.7%	3.6%	-1.1%	-14.8%
Pivnichny GOK	SGOK	8.50	10.00	5.77	0.0%	9.0%	9.5%	14.2%	0.6%	9.0%	8.4%	25.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.72	0.39	0.0%	0.0%	0.0%	-28.6%	0.6%	0.0%	-1.1%	-16.9%
Komsomolets Donbasa	SHKD	0.66	1.35	0.27	0.0%	0.0%	-4.3%	-44.1%	0.6%	0.0%	-5.4%	-32.4%
Energy Coal	CLE	0.85	5.32	0.59	-4.6%	-0.5%	5.3%	-72.5%	-4.0%	-0.4%	4.2%	-60.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	n/a	0.58	0.270	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.61	0.86	0.45	0.0%	0.0%	1.7%	-12.9%	0.6%	0.0%	0.6%	-1.2%
Interpipe NMPP	NVTR	0.20	0.51	0.10	0.0%	0.0%	5.3%	-9.1%	0.6%	0.0%	4.2%	2.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.2	29.0	12.0	0.0%	-1.8%	-15.2%	-11.3%	0.6%	-1.8%	-16.3%	0.4%
Luhanskeplovoz	LTPL	1.54	2.20	1.26	0.0%	-0.6%	-2.5%	-17.6%	0.6%	-0.6%	-3.6%	-6.0%
Stakhanov Wagon	SVGZ	1.30	2.45	1.00	0.0%	-1.5%	3.2%	-24.9%	0.6%	-1.5%	2.1%	-13.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-5.0%	-17.6%	-36.4%	0.6%	-5.0%	-18.7%	-24.7%
Motor Sich	MSICH	1,562	2,640	1,303	-1.7%	-0.3%	-5.3%	-29.3%	-1.1%	-0.3%	-6.4%	-17.7%
Sumy Frunze Engineering	SMASH	2.45	4.00	0.76	0.0%	6.5%	-2.0%	63.3%	0.6%	6.6%	-3.1%	75.0%
Turboatom	TATM	n/a	5.00	1.88	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.22	0.41	0.17	-2.4%	-3.9%	18.3%	-6.7%	-1.8%	-3.8%	17.2%	5.0%
Telecom												
Ukrtelecom	UTLM	0.15	0.24	0.09	0.0%	-2.6%	0.7%	-5.6%	0.6%	-2.5%	-0.4%	6.0%
Oil & Gas												
Regal Petroleum	RPT	0.24	0.59	0.20	1.2%	4.6%	1.6%	-55.3%	1.8%	4.6%	0.6%	-43.7%
JKX Oil	JKX	1.15	1.29	0.75	0.0%	11.8%	8.7%	-3.7%	0.6%	11.8%	7.6%	7.9%
Ukrnafta	UNAF	109	280	96	0.3%	1.4%	-2.5%	-8.3%	0.9%	1.4%	-3.6%	3.4%
Power Utilities												
Centrenerg	CEEN	4.94	7.40	2.50	-0.7%	0.1%	-2.1%	-22.2%	-0.1%	0.1%	-3.2%	-10.6%
Donbasenergo	DOEN	23.0	34.0	15.1	-1.2%	1.2%	6.5%	8.6%	-0.6%	1.3%	5.4%	20.2%
Zakhidenergo	ZAEN	86.0	115.0	70.0	0.0%	6.3%	3.7%	-11.3%	0.6%	6.4%	2.6%	0.3%
Consumer												
Agroton	AGT	0.80	3.8	0.36	-2.3%	-5.1%	10.0%	-75.4%	-1.7%	-5.1%	8.9%	-63.7%
Astarta	AST	22.7	24.4	14.5	-2.3%	3.3%	5.3%	27.4%	-1.7%	3.3%	4.2%	39.1%
Avangardo	AVGR	11.6	12.0	7.61	3.6%	3.6%	3.6%	2.4%	4.2%	3.6%	2.5%	14.0%
Industrial Milk Company	IMC	4.84	5.48	3.63	-0.6%	-0.4%	0.8%	-8.8%	0.0%	-0.3%	-0.3%	2.8%
Kernel	KER	17.4	22.6	14.0	1.0%	7.2%	5.4%	-19.5%	1.6%	7.2%	4.3%	-7.8%
Mriya Agro Holding	MAYA	6.05	6.7	5.36	0.3%	0.0%	7.2%	-6.7%	0.9%	0.1%	6.1%	4.9%
MHPC	MHPC	15.0	19.9	13.58	-0.9%	-1.9%	-5.9%	-1.9%	-0.3%	-1.9%	-6.9%	9.7%
Milkiland	MLK	4.22	5.5	3.11	0.5%	0.7%	27.9%	-10.3%	1.1%	0.7%	26.9%	1.4%
Ovostar Union	OVO	32.9	33.2	21.3	3.1%	2.6%	18.4%	13.9%	3.7%	2.7%	17.3%	25.5%
Sintal	SNPS	n/a	0.39	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.66	0.49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	10.2	17.5	7.1	-13.5%	-10.8%	5.1%	-24.3%	-12.9%	-10.8%	4.0%	-12.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.088	0.128	0.061	-0.3%	-2.9%	-4.7%	2.2%	0.3%	-2.8%	-5.8%	13.9%
UkrSotsbank	USCB	0.180	0.257	0.107	-1.5%	-0.1%	41.6%	39.6%	-0.9%	0.0%	40.5%	51.3%

Source: Bloomberg

* companies listed abroad are in USD

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
Steel																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,578	1,577	-108	-84	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
Iron Ore Mining																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
Coal Mining																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
Specialized Machinery																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
Telecom																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
Oil & Gas																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
Regal Petroleum	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
Electric Utilities																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
Consumer																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	127	3.9%	5	1,543	3.5	neg	neg	10.6	neg	neg	0.7	0.9	0.9	532	459	413	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	329	4.1%	13	308	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	55	52	49	\$/tonne
Coke																		
Avdyivka Coke	AVDK	76	7.5%	6	73	neg	neg	neg	12.0	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	48	1.2	1.7	1.7	1.7	1.7	1.7	0.1	0.1	0.1	1.7	1.7	1.7	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	929	0.5%	5	928	2.9	9.8	8.9	1.9	3.9	4.6	1.2	1.6	1.8				
Pivnichny GOK	SGOK	2,392	0.5%	13	2,517	3.1	5.5	6.7	2.1	3.1	3.9	1.4	1.7	1.9				
Ferrexpo	FXPO	1,742	24.0%	418	1,992	3.0	8.1	6.6	2.5	5.0	4.5	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	1.8	0.7	0.8	1.9	1.3	1.4	0.7	0.5	0.5	31	30	29	\$/tonne
Coal Energy	CLE	39	11.9%	5	64	1.0	1.0	0.9	1.3	1.0	1.0	0.4	0.4	0.3	1.3	1.0	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	194	2.0%	4	236	2.0	5.7	5.7	1.6	3.2	3.1	0.3	0.4	0.3	375	622	590	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	41	24.0%	10	41	4.6	6.0	5.1	2.9	3.3	2.7	0.2	0.2	0.2				
Kruiiv Wagon	KVBZ	241	5.0%	12	243	2.8	2.5	4.8	2.1	1.8	2.6	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.5	2.3	10.5	6.9	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.7	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	396	24.0%	95	406	2.4	1.6	1.5	1.4	1.3	1.2	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	345	7.2%	25	681	neg	7.6	7.2	3.3	3.3	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	721	3.0%	22	711	2.7	2.3	3.2	1.6	1.4	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	78	49.0%	38	60	12.1	6.5	3.2	neg	2.6	1.7	3.2	1.2	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	198	50.4%	100	306	3.3	4.9	4.0	2.7	2.1	2.0	1.3	1.4	1.2	81	56	42	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	223	21.7%	48	306	>30	7.7	6.7	6.3	5.0	4.5	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	66	14.2%	9	123	neg	17.4	6.6	6.0	7.1	5.2	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,580	34.1%	539	2,625	6.1	5.1	5.8	6.5	5.6	5.0	2.1	1.9	1.7	8204	8204	8204	\$/tonne
Kernel	KER	1,285	61.8%	794	1,895	5.7	6.1	6.6	6.1	5.9	5.6	1.0	0.9	0.7				
Astarta	AST	568	31.0%	176	715	5.0	11.4	9.6	5.0	7.3	5.9	1.8	1.6	1.3	3627	2208	1834	\$/tonne
Avangardco	AVGR	741	22.5%	167	889	3.8	3.2	3.2	3.5	3.2	3.0	1.6	1.4	1.3	201	153	144	\$/mneggs
Agroton	AGT	17	44.6%	8	50	neg	0.9	0.8	2.7	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	321	4.0%	13		>30	>30	11.2	0.4	0.4	0.3	0.05	0.05	0.04				
Ukrsotsbank	USCB	405	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

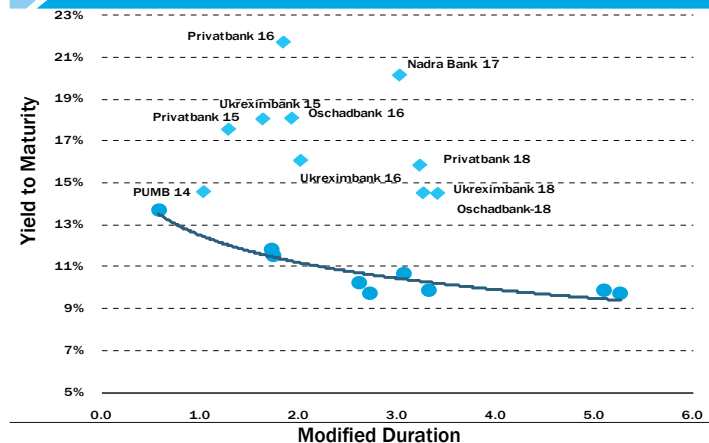
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	96.9	97.4	13.8%	12.8%	-5.2%	0.6	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B/B
Naftogaz Ukraine, 2014	94.2	95.1	17.8%	16.5%	-8.1%	0.9	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	89.9	90.9	11.1%	10.5%	-7.3%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B/B
Ukraine, 2015	91.2	93.0	12.4%	11.3%	-9.1%	1.7	6.875%	S/A	23 Sept 2015	500	Caa1/B/B
Ukraine, 2016	90.1	91.3	10.5%	10.0%	-9.2%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B/B
Ukraine, 2016-2	90.2	91.4	10.0%	9.5%	-8.9%	2.7	6.25%	S/A	17 Jun 2016	1,250	Caa1/B/B
Ukraine, 2017	89.5	90.5	10.0%	9.7%	-9.3%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B/B
Ukraine, 2017-2	95.3	96.3	10.9%	10.5%	-10.6%	3.1	9.25%	S/A	24 Jul 2017	2,000	Caa1/B/B
Ukraine, 2017 Infr. projects	83.0	85.0	14.6%	13.8%	-14.5%	3.1	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	80.0	82.0	13.9%	13.2%	-14.7%	3.4	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	89.2	90.5	10.0%	9.8%	-12.8%	5.1	7.75%	S/A	23 Sept 2020	1,500	Caa1/B/B
Ukraine, 2021	90.0	91.3	9.9%	9.7%	-12.7%	5.3	7.95%	S/A	23 Feb 2021	1,500	Caa1/B/B
Ukraine, 2022	87.2	88.2	10.0%	9.8%	-13.1%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B/B
Ukraine, 2023	86.6	87.9	9.7%	9.5%	-12.7%	6.5	7.50%	S/A	17 Apr 2023	1,250	Caa1/B/B
Corporate Eurobonds											
Agroton, 2014	50.0	57.6	31.7%	26.5%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.9	100.4	10.8%	10.6%	-5.2%	1.4	10.25%	S/A	29 Apr 2015	235	Caa1//B
MHP, 2020	81.5	83.5	12.5%	12.0%	-17.5%	4.7	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	99.8	101.0	10.4%	9.7%	4.9%	1.7	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	90.5	92.4	13.8%	13.2%	-8.6%	3.4	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	98.2	100.2	12.2%	11.2%	-3.7%	2.1	10.95%	S/A	30 Mar 2016	72	/B/B
Mriya, 2018	82.1	84.0	15.1%	14.4%	-17.0%	3.3	9.45%	S/A	19 Apr 2018	400	/B/B
DTEK, 2015	98.9	99.6	10.7%	10.1%	-2.0%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B
DTEK, 2018	87.2	87.9	11.6%	11.4%	-12.5%	3.6	7.88%	S/A	4 Apr 2018	750	Caa1//B
Metinvest, 2015	99.0	99.7	11.3%	10.8%	-4.3%	1.4	10.25%	S/A	20 May 2015	500	Caa1//B
Metinvest, 2018	87.9	89.6	12.5%	12.0%	-8.4%	3.4	8.75%	S/A	14 Feb 2018	750	Caa1//B
Ferrexpo, 2016	93.8	94.8	11.1%	10.4%	-3.2%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	82.2	84.2	15.0%	14.3%	-16.8%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.3%	17.5%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	108.0	109.5	8.8%	8.5%	8.7%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	88.0	91.0	86.9%	63.0%	39.8%	0.2	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	96.5	99.6	15.7%	12.4%	-4.0%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	81.3	84.0	21.3%	19.0%	-3.8%	3.0	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.5	88.5	18.8%	17.3%	-7.7%	1.6	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	70.0	75.0	23.6%	20.0%	-6.1%	1.8	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	84.8	87.3	15.8%	14.9%	-14.0%	3.2	10.88%	S/A	28 Feb 2018	175	Caa1//B
UkrEximBank, 2015	88.0	90.0	18.5%	16.7%	-10.9%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B
UkrEximBank, 2016	77.0	79.5	19.1%	17.4%	-6.6%	1.9	8.40%	S/A	2 Sept 2016	125	Caa1//B
UkrEximBank, 2018	81.2	83.1	14.9%	14.1%	-17.9%	3.3	8.75%	S/A	22 Jan 2018	500	Caa1//B
VAB Bank, 2014	81.5	83.5	54.3%	48.6%	47.3%	0.6	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	85.1	87.2	16.5%	15.3%	-9.4%	2.0	8.25%	S/A	10 Mar 2016	700	Caa1//B
Oschadbank, 2018	81.1	83.2	14.9%	14.1%	-17.9%	3.4	8.88%	S/A	20 Mar 2018	500	Caa1//B
Municipal Eurobonds											
City of Kyiv, 2015	84.4	86.4	17.9%	16.5%	-8.7%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	84.0	86.3	16.9%	15.7%	-9.0%	2.2	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

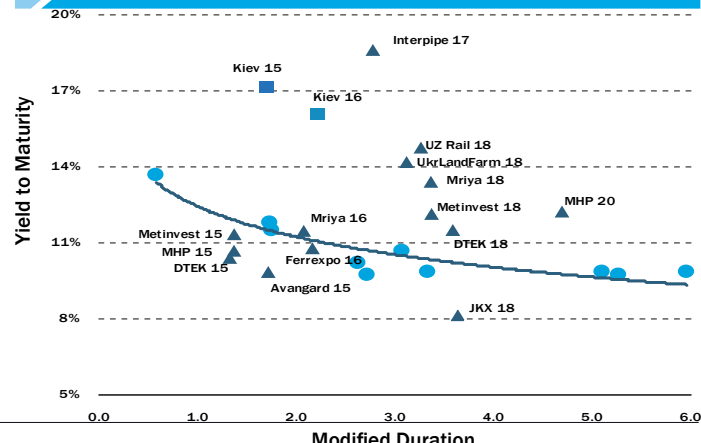
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



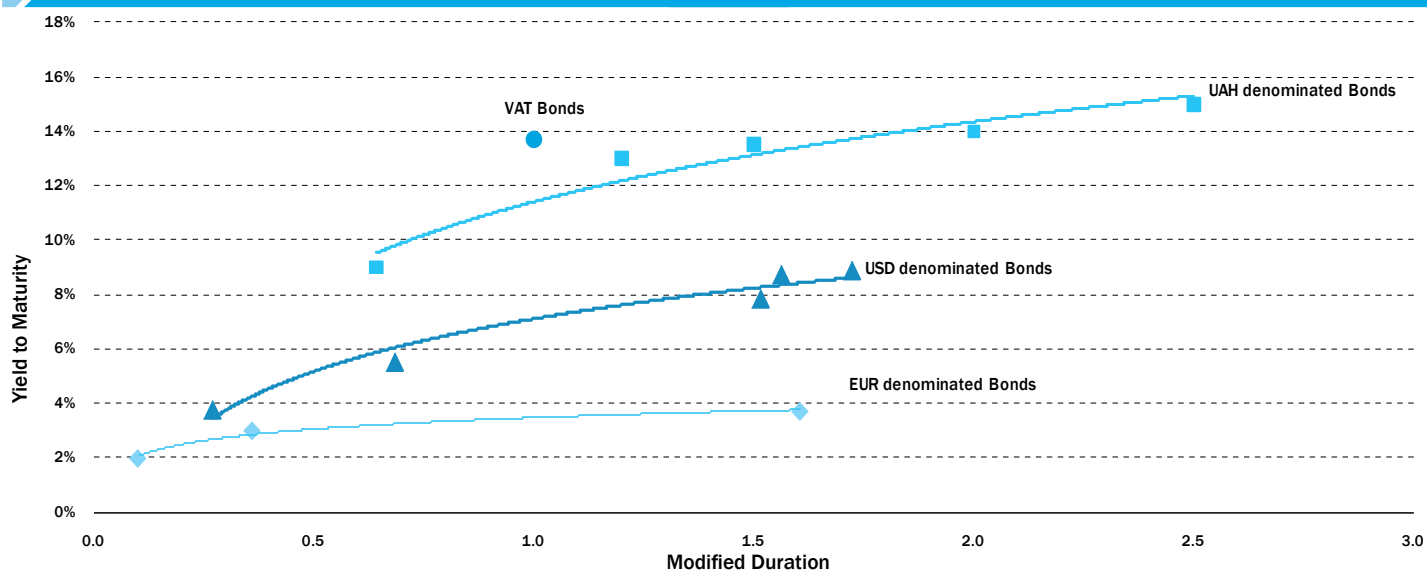
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000115117			12.5%	11.5%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			13.5%	12.0%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			19.0%	17.0%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000138002	n/a	n/a	6.0%	4.5%	n/a	9.30%	S/A	27 Nov 2013	86
UA4000140362	n/a	n/a	8.3%	8.0%	n/a	9.20%	S/A	21 May 2014	171
UA4000142699	n/a	n/a	9.4%	8.4%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	9.6%	8.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	9.6%	8.5%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000138846	n/a	n/a	5.0%	4.9%	n/a	4.80%	S/A	25 Dec 2013	70
UA4000142681	n/a	n/a	5.4%	5.3%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			14.3%	13.8%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.3%	13.8%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.3%	13.8%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

DOMESTIC BONDS YIELD CURVE


Source: Bloomberg, Cbonds, Eavex Research

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