

Market Update

Equity

Ukrainian stocks moved up on Friday (Oct 18) for a 4th straight session, although by less than the gains seen in the US and Europe, as global investors continued to bet that the “bad news” of the recently-ended US government shutdown will provide a justification for the Federal Reserve to leave its bond-buying stimulus unchanged into 1Q14. The S&P 500 surged to another all-time high and the dollar weakened to 1.37 against the euro; US economic data due out this week could either confirm or muddy the outlook for continued quantitative easing. The UX index edged up 0.4% to close at 864 points. Azovstal led the way with a 3.5% rise to 68 kopecks, while fellow steelmakers Alchevsk and Yenakievo added 0.7% and 0.6% respectively. Local heavyweights Motor Sich and Raiffeisen Aval both ended unchanged. In London, Avangard rallied again, picking up 2.7% to USD 12.50, while MHP slid 2.5% and Kernel fell by a similar increment in Warsaw.

Fixed Income

Ukrainian sovereigns were flat on Friday with Ukraine-23s finished unchanged at 89.2/90.2 (9.2%/9.1%). Meanwhile, corporate universe were mostly up. The leader of growth was Metinvest-18s which added 1.0p.p. and closed at 92.1/93.3 (11.2%/10.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1618.00	0.0%	8.7	172
Azovstal	AZST	0.68	3.6%	0.5	187
Mariupol Heavy Machine	MZVM	0.117	13.3%	0.4	59

Growth Leaders

Mariupol Heavy Machine	MZVM	0.12	13.3%	0.42	59
Azovstal	AZST	0.68	3.6%	0.50	187
Alchevsk Steel	ALMK	0.04	0.7%	0.03	33

Loss Leaders

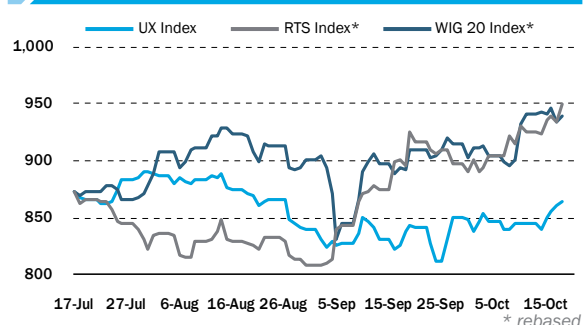
Ukrsotsbank	USCB	0.18	-5.4%	0.075	112
Avdyivka Coke	AVDK	3.21	-0.6%	0.007	14
Donbasenergo	DOEN	23.50	-0.5%	0.103	55

Highlights

STOCKS IN THE NEWS

- > September Rain Hits Kernel's Sunflower Crushing Volume

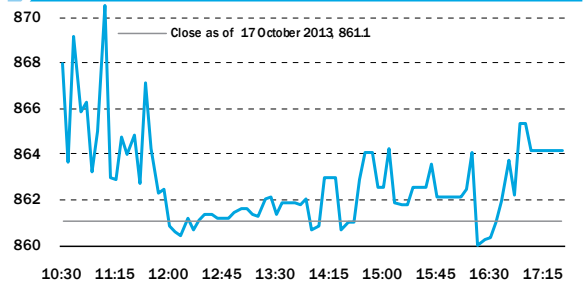
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	864.2	0.4%	4.8%	-9.1%
RTS	1516.6	1.7%	5.3%	-0.7%
WIG20	2485.1	0.4%	5.1%	-3.8%
MSCI EM	1042.1	0.8%	4.0%	-1.2%
S&P 500	1744.5	0.7%	2.3%	24.4%

UX INTRADAY OCTOBER 18, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	328.9	-1.8%	-3.8%	21.4%
CDS 5Y UKR	905.3	-2.2%	2.4%	44.8%
Ukraine-17	9.2%	0.0 p.p.	-0.6 p.p.	2.3 p.p.
Naftogaz Ukr-14	13.0%	-0.6 p.p.	1.8 p.p.	5.4 p.p.
Ukraine-23	9.1%	0.0 p.p.	-0.4 p.p.	1.6 p.p.
Privatbank-16	22.2%	-0.1 p.p.	6.0 p.p.	6.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.18	0.0%	-0.1%	1.7%
EUR	11.20	0.1%	2.4%	4.8%
RUB	0.26	-0.1%	1.0%	-3.2%

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	109.9	0.8%	2.5%	4.8%
Gold, USD/oz	1316.3	-0.3%	0.4%	-20.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

September Rain Hits Kernel's Sunflower Crushing Volume

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KERNEL (KER PW)

Price: PLN 50.70 Market Cap: USD mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.0	6.3	7.0	0%
2013E	0.8	13.2	7.3	2%

NEWS

Kernel, Ukraine's leading sunflower oil producer, unveiled a mixed set of operating results for the Jul-Sept quarter on Friday (Oct 18). The company increased its total grain sales by 74% YoY to 884,800 tonnes as a result of higher export volumes via the Taman Port in Russia (the port is 50%-owned by Kernel). At the same time, export of grains from Ukraine saw a decline in the quarter due to heavy rainfall in September and the unwillingness of farmers to accept low grain prices. Sunflower seed crushed by the company decreased by 49% YoY to 232,200 tonnes in the quarter, leading to a corresponding 50% YoY drop in bulk oil sales to 97,700 tonnes over the period.

According to management, yields for Kernel's various crops are higher by between 22% and 48% YoY due to operational improvements and better overall weather during 2013. Total crop production is expected by the company to surge 2.6x YoY to 1.6mn tonnes on the back of a 58% YoY increase in harvested land to 390,600 ha.

Kernel said it will publish its financial statements for FY13 (the company's financial year runs from July to June) on Oct 31, while the July-September financials will be released on Nov 29.

COMMENTARY

We see this latest release as negative for the KER stock. Adverse weather conditions at the beginning of autumn had a doubly detrimental effect on the company's operations. In addition to delaying the harvest campaign and thereby leading to a sharp decline in the volume of sunflower seed crushed, the heavy September rainfall also provided Ukrainian farmers with the expectation of higher grain prices in the near term, making them reluctant to accept the prevailing spot prices. On the positive side, the reported lower sunflower crushing volume is likely to be offset by higher volume in the current (Oct-Dec) quarter, as the much drier weather conditions seen in October should allow the company to compensate for the difficulties of September.

The KER stock reacted negatively to the release, moving down by 2.6% in Warsaw on Friday.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.08	0.07	-18%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	3.10	3.33	7%	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	1.00	1.77	76%	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	0.64	1.30	104%	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	95%	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	493%	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	2.16	6.18	186%	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	229%	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	198	644	226%	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	0.25	1.52	511%	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	408%	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	2.87	8.90	210%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	0.61	1.84	201%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	15.6	22.10	42%	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	23.74	30.0	26%	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	12.50	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	864.18	1061.97	758.71	0.4%	2.3%	4.8%	-9.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.042	0.06	0.02	1.2%	1.7%	9.2%	-22.1%	0.9%	-0.6%	4.4%	-13.0%
Azovstal	AZST	0.68	0.90	0.31	4.1%	7.3%	8.8%	-8.0%	3.8%	5.0%	4.0%	1.1%
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	33.7	49.9	20.0	0.2%	0.3%	1.3%	-11.4%	-0.1%	-2.0%	-3.4%	-2.3%
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%	0.0%	0.0%	-40.9%	-0.4%	-2.3%	-4.8%	-31.8%
Coke												
Avdiyivka Coke	AVDK	3.21	4.80	1.60	-0.2%	0.1%	2.4%	-2.0%	-0.5%	-2.2%	-2.3%	7.1%
Yasynivsky Coking	YASK	0.58	0.85	0.51	0.0%	3.6%	5.5%	-13.4%	-0.4%	1.3%	0.7%	-4.3%
Iron Ore Mining												
Centralny GOK	CGOK	5.22	7.74	4.00	0.0%	-19.6%	-14.4%	-24.3%	-0.4%	-21.8%	-19.2%	-15.3%
Ferrexpo	FXPO	3.10	4.58	2.02	0.0%	5.9%	6.1%	-22.9%	-0.3%	3.7%	1.4%	-13.8%
Pivnichny GOK	SGOK	8.20	10.00	5.77	0.0%	-3.5%	3.8%	10.2%	-0.4%	-5.8%	-1.0%	19.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.71	0.39	0.0%	0.0%	0.0%	-28.6%	-0.4%	-2.3%	-4.8%	-19.5%
Komsomolets Donbasa	SHKD	0.66	1.35	0.27	0.0%	0.0%	-10.8%	-44.1%	-0.4%	-2.3%	-15.6%	-35.0%
Energy Coal	CLE	0.88	5.16	0.59	3.7%	-1.0%	5.9%	-71.4%	3.3%	-3.3%	1.2%	-62.4%
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	0.56	0.86	0.45	0.0%	-8.2%	-6.7%	-20.0%	-0.4%	-10.5%	-11.4%	-10.9%
Interpipe NMPP	NVTR	0.24	0.51	0.10	0.0%	20.0%	33.3%	9.1%	-0.4%	17.7%	28.6%	18.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.7	29.0	12.0	0.3%	2.7%	-13.3%	-8.9%	-0.1%	0.4%	-18.1%	0.2%
Luhanskeplovoz	LTPL	1.59	2.20	1.26	-2.5%	3.2%	1.9%	-15.0%	-2.8%	1.0%	-2.8%	-5.9%
Stakhanov Wagon	SVGZ	1.30	2.45	1.00	0.0%	0.0%	1.6%	-24.9%	-0.4%	-2.3%	-3.2%	-15.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	34.6%	22.8%	0.9%	-21.9%	34.3%	20.5%	-3.9%	-12.8%
Motor Sich	MSICH	1,618	2,640	1,303	-0.2%	1.8%	-1.6%	-26.8%	-0.5%	-0.5%	-6.4%	-17.7%
Sumy Frunze Engineering	SMASH	2.45	4.00	0.81	0.0%	0.0%	1.7%	63.3%	-0.4%	-2.3%	-3.1%	72.4%
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	0.23	0.41	0.17	1.6%	1.6%	24.6%	-2.9%	1.3%	-0.7%	19.8%	6.2%
Telecom												
Ukrtelecom	UTLM	0.15	0.22	0.09	0.0%	-3.3%	-11.5%	-8.8%	-0.4%	-5.6%	-16.3%	0.3%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.20	1.7%	4.0%	12.6%	-54.1%	1.4%	1.7%	7.9%	-45.0%
JKX Oil	JKX	1.18	1.29	0.75	0.1%	2.5%	13.3%	-1.3%	-0.3%	0.2%	8.5%	7.8%
Ukrnafta	UNAF	110	280	96	0.9%	1.3%	-0.5%	-7.3%	0.6%	-1.0%	-5.3%	1.8%
Power Utilities												
Centrenerg	CEEN	5.00	7.40	2.50	0.3%	0.5%	-0.1%	-21.3%	0.0%	-1.8%	-4.8%	-12.2%
Donbasenergo	DOEN	23.5	34.0	15.1	0.0%	0.9%	8.5%	10.9%	-0.3%	-1.4%	3.8%	20.0%
Zakhidenergo	ZAEN	83.9	115.0	70.0	0.0%	-2.4%	3.6%	-13.5%	-0.4%	-4.7%	-1.2%	-4.4%
Consumer												
Agroton	AGT	0.79	3.8	0.36	-0.2%	-3.6%	9.5%	-75.7%	-0.6%	-5.9%	4.7%	-66.6%
Astarta	AST	23.8	24.4	14.5	3.8%	2.3%	6.9%	33.4%	3.4%	0.0%	2.2%	42.5%
Avangardo	AVGR	12.5	12.5	7.61	2.7%	11.6%	10.6%	10.3%	2.4%	9.3%	5.9%	19.4%
Industrial Milk Company	IMC	4.87	5.48	3.63	1.5%	0.1%	0.4%	-8.2%	1.1%	-2.2%	-4.3%	0.9%
Kernel	KER	16.6	22.6	14.0	-2.4%	-3.6%	-1.0%	-23.2%	-2.8%	-5.9%	-5.8%	-14.1%
Mriya Agro Holding	MAYA	6.35	6.7	5.36	4.4%	5.3%	12.1%	-2.1%	4.0%	3.0%	7.3%	7.0%
MHPC	MHPC	15.6	19.9	13.58	-2.5%	3.0%	-2.8%	2.0%	-2.9%	0.7%	-7.6%	11.1%
Milkiland	MLK	4.67	5.4	3.11	1.9%	11.3%	44.4%	-0.6%	1.5%	9.0%	39.7%	8.4%
Ovostar Union	OVO	32.8	33.2	21.3	0.5%	2.9%	11.3%	13.7%	0.1%	0.6%	6.6%	22.8%
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	12.0	17.5	7.1	-1.6%	2.3%	30.2%	-10.4%	-2.0%	0.0%	25.4%	-1.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.093	0.128	0.061	0.2%	5.7%	3.7%	8.4%	-0.1%	3.4%	-1.1%	17.5%
UkrSotsbank	USCB	0.180	0.257	0.107	-5.4%	-1.4%	42.8%	39.8%	-5.8%	-3.6%	38.0%	48.9%

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%
Ukrspasbank	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	131	3.9%	5	1,546	3.6	neg	neg	10.6	neg	neg	0.7	0.9	0.9	533	460	414	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	14	14	13	\$/tonne
Azovstal	AZST	349	4.1%	14	328	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	59	55	53	\$/tonne
Coke																		
Avdyivka Coke	AVDK	76	7.5%	6	74	neg	neg	neg	12.1	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	48	1.3	1.8	1.8	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	747	0.5%	4	747	2.3	7.9	7.2	1.5	3.1	3.7	0.9	1.3	1.5				
Pivnichny GOK	SGOK	2,309	0.5%	13	2,433	3.0	5.3	6.4	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,826	24.0%	438	2,076	3.2	8.5	6.9	2.6	5.2	4.7	1.2	1.5	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	40	11.9%	5	65	1.1	1.0	0.9	1.3	1.1	1.0	0.4	0.4	0.3	1.3	1.1	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	178	2.0%	4	220	1.8	5.3	5.2	1.5	3.0	2.8	0.3	0.3	0.3	350	580	551	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	42	4.7	6.2	5.2	3.0	3.4	2.8	0.2	0.3	0.2				
Krukiv Wagon	KVBZ	248	5.0%	12	250	2.9	2.6	4.9	2.1	1.9	2.7	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	411	24.0%	99	421	2.5	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	334	7.2%	24	670	neg	7.4	7.0	3.3	3.3	3.2	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	728	3.0%	22	718	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	80	49.0%	39	62	12.5	6.6	3.3	neg	2.7	1.7	3.3	1.2	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	203	50.4%	102	311	3.4	5.1	4.1	2.7	2.1	2.1	1.3	1.4	1.2	82	57	43	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	226	21.7%	49	308	>30	7.8	6.8	6.3	5.1	4.6	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	68	14.2%	10	125	neg	17.8	6.7	6.0	7.2	5.2	0.3	0.2	0.2	15	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,643	34.1%	560	2,688	6.3	5.3	6.1	6.7	5.7	5.1	2.2	1.9	1.8	8399	8399	8399	\$/tonne
Kernel	KER	1,226	61.8%	757	1,837	5.4	5.8	6.3	5.9	5.7	5.4	1.0	0.9	0.7				
Astarta	AST	595	31.0%	185	742	5.2	11.9	10.1	5.2	7.6	6.1	1.8	1.6	1.4	3761	2290	1902	\$/tonne
Avangardco	AVGR	798	22.5%	180	947	4.1	3.5	3.4	3.8	3.4	3.2	1.7	1.5	1.3	214	163	153	\$/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	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	341	4.0%	14		>30	>30	11.9	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	406	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

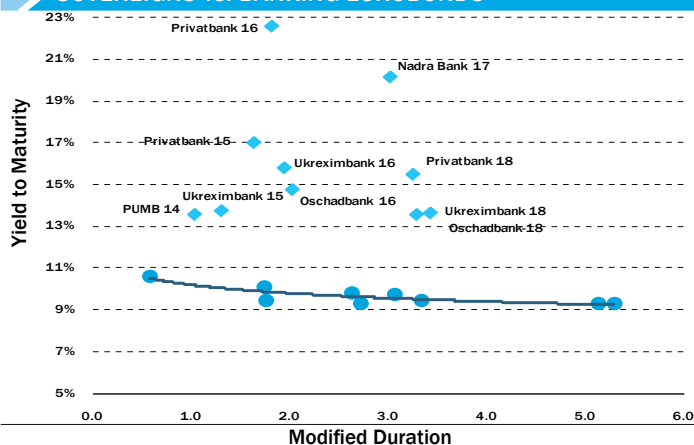
UKRAINIAN EUROBONDS

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	98.1	98.9	11.6%	10.2%	-3.8%	0.6	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B/B
Naftogaz Ukraine, 2014	96.6	97.3	14.6%	13.6%	-5.9%	0.9	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	93.0	94.3	9.2%	8.4%	-4.0%	1.8	4.95%	A	13 Oct 2015	600*	Caa1/B/B
Ukraine, 2015	94.3	95.3	10.5%	9.9%	-6.4%	1.7	6.875%	S/A	23 Sept 2015	500	Caa1/B/B
Ukraine, 2016	91.6	92.6	9.9%	9.5%	-7.8%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B/B
Ukraine, 2016-2	92.0	93.0	9.3%	8.9%	-7.2%	2.7	6.25%	S/A	17 Jun 2016	1,250	Caa1/B/B
Ukraine, 2017	91.3	92.3	9.5%	9.1%	-7.6%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B/B
Ukraine, 2017-2	98.7	99.7	9.7%	9.4%	-7.4%	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%	3.0	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	80.0	82.0	14.0%	13.2%	-14.7%	3.6	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	92.8	93.5	9.3%	9.1%	-9.6%	5.1	7.75%	S/A	23 Sept 2020	1,500	Caa1/B/B
Ukraine, 2021	92.5	93.5	9.4%	9.2%	-10.5%	5.3	7.95%	S/A	23 Feb 2021	1,500	Caa1/B/B
Ukraine, 2022	90.3	91.3	9.4%	9.2%	-10.1%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B/B
Ukraine, 2023	89.2	90.2	9.2%	9.1%	-10.3%	6.5	7.50%	S/A	17 Apr 2023	1,250	Caa1/B/B
Corporate Eurobonds											
Agroton, 2014	50.0	59.5	31.8%	25.4%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.3	101.6	10.5%	10.0%	-4.3%	1.4	10.25%	S/A	29 Apr 2015	235	Caa1//B
MHP, 2020	86.9	88.3	11.2%	10.8%	-12.4%	4.7	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	100.1	102.1	10.3%	9.1%	5.6%	1.7	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	91.5	93.0	13.5%	13.0%	-7.8%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.8	101.6	11.4%	10.5%	-2.2%	2.1	10.95%	S/A	30 Mar 2016	72	/B/B
Mriya, 2018	86.8	88.2	13.5%	13.0%	-12.5%	3.5	9.45%	S/A	19 Apr 2018	400	/B/B
DTEK, 2015	99.3	101.2	10.4%	8.9%	-1.0%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B
DTEK, 2018	90.3	91.1	10.7%	10.4%	-9.3%	3.6	7.88%	S/A	4 Apr 2018	750	Caa1//B
Metinvest, 2015	100.1	100.9	10.5%	9.9%	-3.1%	1.4	10.25%	S/A	20 May 2015	500	Caa1//B
Metinvest, 2018	92.1	93.3	11.2%	10.8%	-4.4%	3.4	8.75%	S/A	14 Feb 2018	750	Caa1//B
Ferrexpo, 2016	95.8	97.3	10.1%	9.2%	-0.9%	2.2	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	86.3	88.3	13.6%	13.0%	-12.7%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.4%	17.6%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	109.3	110.8	8.5%	8.1%	10.0%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	90.5	92.5	73.4%	57.4%	43.0%	0.2	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.9	100.3	14.3%	11.8%	-3.0%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.0	83.3	22.6%	19.7%	-3.8%	3.0	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.0	90.0	17.8%	16.3%	-6.1%	1.6	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	69.0	74.4	24.5%	20.5%	-7.1%	1.8	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	86.8	90.4	15.1%	13.9%	-11.4%	3.2	10.88%	S/A	28 Feb 2018	175	Caa1//B
UkrEximBank, 2015	94.0	95.7	13.4%	12.0%	-5.1%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B
UkrEximBank, 2016	82.1	85.1	15.8%	14.0%	-0.9%	2.0	8.40%	S/A	2 Sept 2016	125	Caa1//B
UkrEximBank, 2018	85.9	87.9	13.2%	12.5%	-13.1%	3.3	8.75%	S/A	22 Jan 2018	500	Caa1//B
VAB Bank, 2014	81.5	83.5	56.3%	50.2%	47.3%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	88.5	90.3	14.6%	13.5%	-6.0%	2.0	8.25%	S/A	10 Mar 2016	700	Caa1//B
Oschadbank, 2018	85.6	87.3	13.2%	12.7%	-13.5%	3.4	8.88%	S/A	20 Mar 2018	500	Caa1//B
Municipal Eurobonds											
City of Kyiv, 2015	85.0	88.0	17.5%	15.5%	-7.5%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	86.0	88.2	15.9%	14.8%	-6.9%	2.2	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

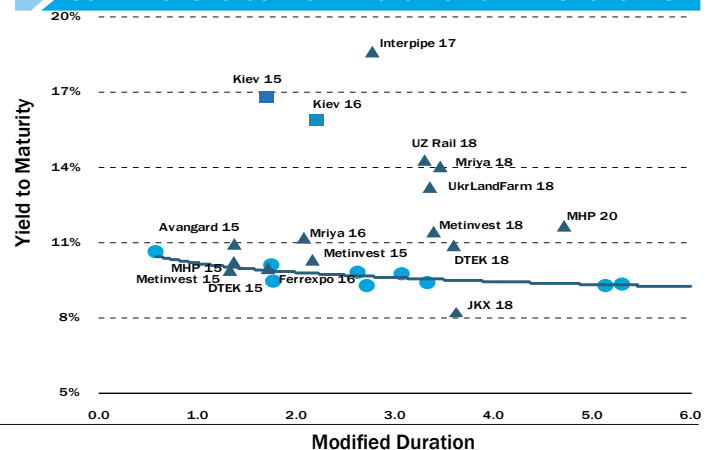
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



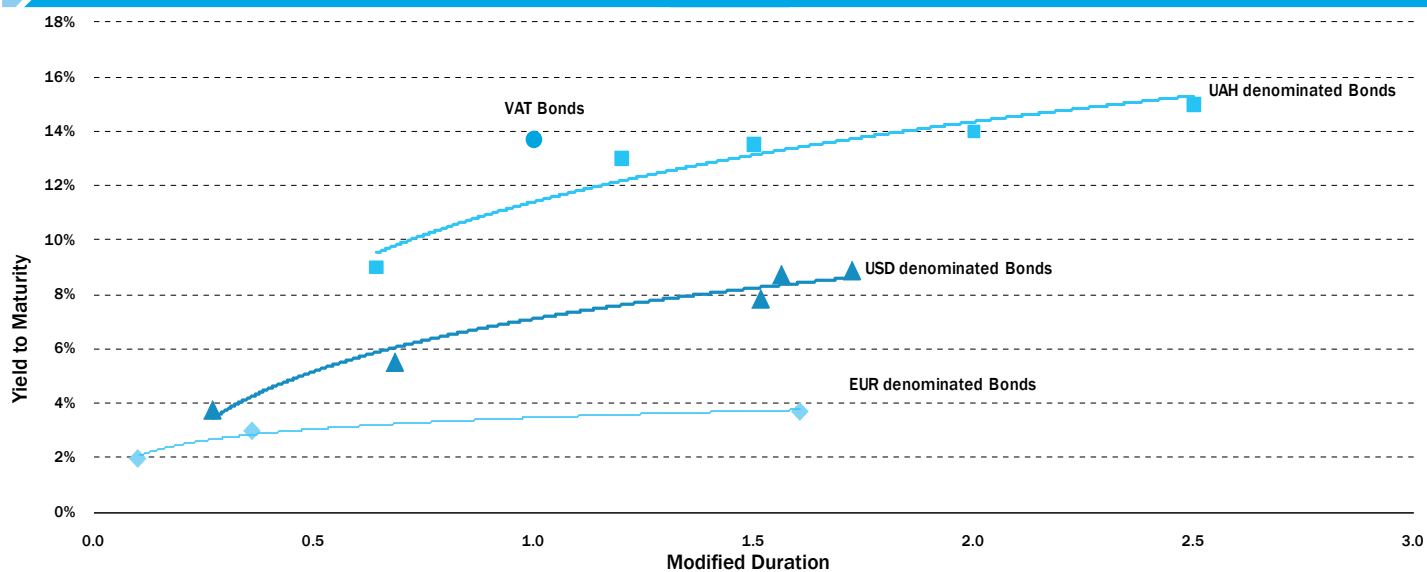
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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