

Market Update

Equity

Ukrainian stocks were mixed in a rather drab session to end the week on Friday (Nov 1) against an external backdrop of largely flat European shares. The UX index edged down 0.6% to close at 862 points. Raiffeisen Aval (BAVL) lost 2.1% and Avdyivka Coke (AVDK) shed 1.9%, ending at UAH 3.11. On the upside, DonbasEnergo (DOEN) gained 1.3%, trading above UAH 25 intraday on above-average volume of UAH 2.9mn, and UkrSotsBank (USCB) picked up 0.6%. Outside the UX basket, Kruviv Wagon (KVBZ) added 1.2% to reclaim the UAH 18 level. In London, Ferrexpo (FXPO LN) was higher by 1.3%, while MHP (MHPC LI) slipped 2.2% to USD 15.50 on what appeared to be a single trade for the day. Among Warsaw-listed names, car battery maker Westa (WES PW) edged up 1.4% to PLN 0.72, while KSG Agro (KSG PW) was lower by the same increment.

Fixed Income

Ukrainian sovereigns finished in the red on Friday with Ukraine-23s sliding by 0.3p.p. and closing at 86.2/87.8 (9.7%/9.5%). Corporate universe was also sluggish. MHP-15s and Metinvest-18s declined by 0.3p.p. to 100.0/102.0 (10.7%/9.2%) and 90.3/91.9 (11.8%/11.3%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1559.00	-0.4%	3.2	99
Donbasenergo	DOEN	24.75	1.3%	2.9	116
Alchevsk Steel	ALMK	0.040	0.5%	1.4	53

Growth Leaders

Donbasenergo	DOEN	24.75	1.3%	2.88	116
Kryukiv Wagon	KVBZ	18.06	1.2%	0.10	15
Ukrsotsbank	USCB	0.18	0.6%	0.21	24

Loss Leaders

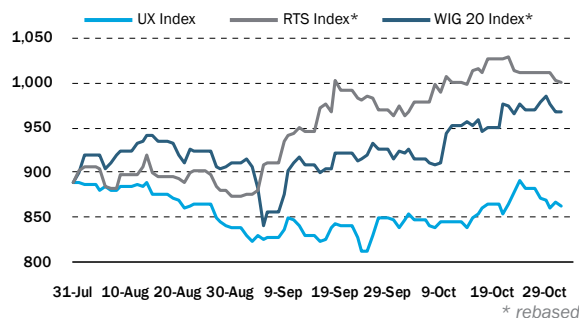
Raiffeisen Bank Aval	BAVL	0.10	-2.1%	0.822	116
Avdyivka Coke	AVDK	3.11	-2.0%	0.654	55
Azovstal	AZST	0.64	-1.1%	1.115	78

Highlights

POLITICS AND ECONOMICS

- > Opposition Ready to Back Labunskia Bill on Tymoshenko Release
- > S&P Downgrades Ukraine's Credit Rating to B-

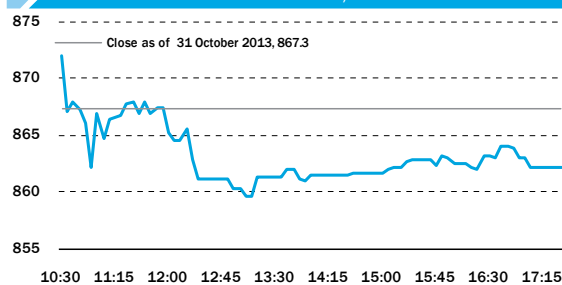
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	862.2	-0.6%	2.8%	-9.3%
RTS	1475.2	-0.4%	2.6%	-3.4%
WIG20	2529.0	0.0%	4.8%	-2.1%
MSCI EM	1027.9	-0.6%	3.2%	-2.6%
S&P 500	1761.6	0.3%	3.9%	25.6%

UX INTRADAY NOVEMBER 1, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	329.4	0.6%	-6.5%	21.6%
CDS 5Y UKR	987.4	1.0%	-6.6%	58.0%
Ukraine-17	9.6%	0.2 p.p.	-1.7 p.p.	2.6 p.p.
Naftogaz Ukr-14	15.9%	0.5 p.p.	0.3 p.p.	8.3 p.p.
Ukraine-23	9.6%	0.1 p.p.	-0.5 p.p.	2.1 p.p.
Privatbank-16	22.4%	0.0 p.p.	1.1 p.p.	7.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.3%	1.2%
EUR	10.62	0.0%	-4.2%	-0.6%
RUB	0.26	-0.3%	-2.6%	-0.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	320.0	0.0%	0.0%	0.0%
Steel, USD/t	580.0	-1.7%	-0.4%	8.9%
Oil, USD/bbl	90.1	-0.6%	-8.3%	-1.3%
Gold, USD/oz	1573.8	-0.2%	-5.6%	-5.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Opposition Ready to Back Labunska Bill on Tymoshenko Release

by Will Ritter
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NEWS

Both jailed former prime minister Yulia Tymoshenko and Batkivschyna party leader Arseniy Yatseniuk made statements on Friday (Nov 1) saying that the opposition will support a bill introduced by independent MP Angelika Labunska that would allow Tymoshenko to travel abroad for medical treatment, Interfax reported. The bill would not overturn Tymoshenko's conviction on abuse of power charges or require a pardon from President Yanukovych. Labunska's bill says that convicts may go abroad for medical treatment in cases when year-long uninterrupted medical treatment at a hospital located outside their penitentiary fails to heal them completely. Tymoshenko and Yatseniuk both said that the opposition would withdraw its own bill, which foresees a full pardoning of Tymoshenko and her immediate return to politics, in favor of Labunska's.

COMMENTARY

Labunska's bill looks like a compromise that could provide the long-sought breakthrough in the Tymoshenko case and clear the way for the signing of the EU-Ukraine Association Agreement later this month. However, President Yanukovych is reportedly seeking some unspecified amendments to this bill, which would probably need to be passed by Parliament no later than the end of this week. More importantly, the EU has not indicated whether it will accept a resolution to the Tymoshenko issue that frees her from prison while excluding her from participating in the 2015 presidential election, which the Labunska bill would appear to do. We suspect that the EU countries are divided on this point and thus have been unable to articulate a clear position; if the three Ukrainian opposition parties and the President's Party of Regions all back Labunska's bill, this will put the ball on the AA/DCFTA signing firmly in the EU's court.

S&P Downgrades Ukraine's Credit Rating to B-

by Dmitry Churin
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NEWS

Standard & Poor's (S&P) downgraded Ukraine's credit rating by one notch from B to B-, according to a statement released by the agency on Friday (Nov 1). The long-term outlook for Ukraine remains negative, S&P's report said, suggesting that the country's large public debt, declining foreign currency reserves, political uncertainty, and weak external liquidity may put downward pressure on the rating.

COMMENTARY

Despite the downgrade, S&P's Ukraine rating remains one notch above that of Moody's, which cut the country's sovereign rating to 7 notches below investment grade in September. One interesting point which S&P raised in its statement accompanying the downgrade is the agency's belief that Ukraine's tight monetary policy aimed at preventing a fall in the UAH/USD rate is partially responsible for the lack of economic growth over the past five quarters. In our view, the biggest concern at the moment regarding Ukraine's sovereign debt lies in the ongoing lack of a lending agreement between the government and the IMF. Although neither side has shown any willingness to compromise in nearly three years, we note that the majority of Ukraine's external redemptions in the next year are owed to the IMF. In 2014, total external redemptions are estimated at USD 5.6bn, including USD 3.6bn due to the IMF. We believe that this could give Ukraine a certain leverage in upcoming negotiations with the Fund, especially if the Eurobond market remains closed to the government. We continue to see Ukraine's external debt-to-GDP ratio of near 40% as a level that should be manageable in the medium term even under zero-growth conditions.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.64	0.56	-14%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	184.0	205.0	11%	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	7.90	14.5	83%	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	6.01	10.6	77%	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	3.11	6.2	101%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.56	3.4	511%	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	0.48	2.9	513%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.1	50.5	180%	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	1.53	5.2	242%	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	1559	5250	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	5.00	8.9	78%	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	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	14.8	42.0	185%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	74.5	370	397%	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	24.8	72.0	191%	BUY	DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergO	CEEN	5.01	15.00	199%	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	15.5	22.10	43%	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	63.0	90.0	43%	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	12.8	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	862.22	1061.97	781.22	-0.6%	-2.4%	2.8%	-9.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	0.3%	-3.6%	-2.0%	-25.1%	0.8%	-1.3%	-4.8%	-15.8%
Azovstal	AZST	0.64	0.90	0.31	-1.4%	-5.3%	2.6%	-13.0%	-0.8%	-2.9%	-0.3%	-3.7%
Dniprospezstal	DNSS	1,300	1,300	700	0.0%	0.0%	n/a	30.1%	0.6%	2.4%	n/a	39.4%
Enakievo Steel	ENMZ	33.6	49.9	20.0	-0.1%	0.3%	0.8%	-11.6%	0.5%	2.6%	-2.0%	-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	0.09	0.26	0.09	0.0%	-30.8%	-35.7%	-59.1%	0.6%	-28.4%	-38.5%	-49.8%
Coke												
Avdyivka Coke	AVDK	3.11	4.80	1.60	-2.0%	-5.4%	-3.0%	-5.0%	-1.4%	-3.0%	-5.9%	4.3%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	0.0%	-3.4%	-5.1%	-16.4%	0.6%	-1.1%	-7.9%	-7.1%
Iron Ore Mining												
Centralny GOK	CGOK	6.01	7.74	4.00	-8.9%	-8.9%	-10.3%	-12.9%	-8.4%	-6.6%	-13.1%	-3.6%
Ferrexpo	FXPO	2.93	4.58	2.02	0.5%	-6.5%	2.8%	-27.2%	1.1%	-4.1%	0.0%	-17.9%
Pivnichny GOK	SGOK	7.90	10.00	5.77	1.5%	-4.6%	2.6%	6.2%	2.1%	-2.2%	-0.2%	15.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.71	0.39	0.0%	6.7%	4.3%	-23.8%	0.6%	9.0%	1.5%	-14.5%
Komsomolets Donbasa	SHKD	0.71	1.33	0.27	7.6%	7.6%	2.9%	-39.8%	8.2%	9.9%	0.1%	-30.5%
Energy Coal	CLE	0.81	4.57	0.59	0.0%	-2.6%	2.9%	-73.8%	0.6%	-0.2%	0.1%	-64.5%
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	0.60	0.86	0.30	0.0%	100.0%	-10.4%	-14.3%	0.6%	102.4%	-13.3%	-5.0%
Interpipe NMPP	NVTR	0.19	0.44	0.10	-24.0%	0.0%	-9.5%	-13.6%	-23.4%	2.4%	-12.3%	-4.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.1	29.0	12.0	1.2%	4.7%	-1.3%	-6.9%	1.8%	7.1%	-4.1%	2.4%
Luhanskeplovoz	LTPL	1.53	2.20	1.26	0.0%	-0.6%	-4.4%	-18.2%	0.6%	1.7%	-7.2%	-8.9%
Stakhanov Wagon	SVGZ	1.34	2.18	1.00	4.7%	1.5%	1.5%	-22.5%	5.3%	3.9%	-1.3%	-13.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	7.9%	0.0%	-0.7%	-33.0%	8.5%	2.4%	-3.5%	-23.7%
Motor Sich	MSICH	1,559	2,640	1,303	-0.6%	-2.5%	-2.7%	-29.5%	0.0%	-0.1%	-5.6%	-20.2%
Sumy Frunze Engineering	SMASH	2.30	4.00	0.81	0.0%	4.5%	-6.5%	53.3%	0.6%	6.9%	-9.3%	62.6%
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	0.35	0.17	0.0%	0.0%	4.2%	-2.5%	0.6%	2.3%	1.3%	6.8%
Telecom												
Ukrtelecom	UTLM	0.15	0.21	0.09	0.0%	-1.3%	5.2%	-4.4%	0.6%	1.1%	2.3%	4.9%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.59	0.20	-4.8%	-5.5%	13.7%	-56.6%	-4.3%	-3.2%	10.9%	-47.3%
JKX Oil	JKX	1.19	1.29	0.75	-0.5%	3.0%	16.7%	-0.8%	0.1%	5.3%	13.8%	8.5%
Ukrnafta	UNAF	108	280	96	-1.2%	-0.8%	0.1%	-9.4%	-0.6%	1.5%	-2.7%	-0.1%
Power Utilities												
Centrenerg	CEEN	5.01	7.40	2.50	0.1%	-2.4%	0.5%	-21.0%	0.6%	-0.1%	-2.4%	-11.7%
Donbasenergo	DOEN	24.8	34.0	15.4	1.1%	2.4%	11.9%	16.8%	1.6%	4.8%	9.1%	26.1%
Zakhidenergo	ZAEN	83.0	115.0	64.0	0.0%	0.0%	-6.6%	-14.4%	0.6%	2.4%	-9.5%	-5.1%
Consumer												
Agroton	AGT	0.74	3.8	0.36	0.0%	-2.7%	-9.4%	-77.1%	0.6%	-0.3%	-12.2%	-67.8%
Astarta	AST	20.5	24.4	14.5	0.0%	-12.2%	-10.1%	14.8%	0.6%	-9.8%	-13.0%	24.1%
Avangardo	AVGR	12.8	13.0	7.61	-1.2%	-1.7%	14.1%	12.8%	-0.7%	0.7%	11.3%	22.1%
Industrial Milk Company	IMC	4.45	5.35	3.63	0.0%	-8.1%	-10.5%	-16.1%	0.6%	-5.8%	-13.3%	-6.8%
Kernel	KER	13.5	22.6	13.5	0.0%	-10.1%	-14.3%	-37.7%	0.6%	-7.7%	-17.1%	-28.4%
Mriya Agro Holding	MAYA	6.58	6.8	5.36	-3.2%	-0.8%	9.2%	1.5%	-2.6%	1.6%	6.4%	10.8%
MHPC	MHPC	15.5	19.9	13.58	-2.2%	-1.6%	0.0%	1.6%	-1.6%	0.8%	-2.8%	10.9%
Milkiland	MLK	4.44	5.3	3.11	0.0%	-1.1%	10.4%	-5.7%	0.6%	1.3%	7.6%	3.6%
Ovostar Union	OVO	32.6	33.3	21.3	0.0%	0.7%	2.7%	13.0%	0.6%	3.0%	-0.1%	22.3%
Sintal	SNPS	n/a	0.34	0.27	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.65	0.49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	12.5	17.5	7.1	-2.3%	6.4%	20.3%	-6.6%	-1.7%	8.7%	17.4%	2.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.128	0.064	-1.9%	-2.7%	9.9%	17.5%	-1.4%	-0.3%	7.1%	26.8%
UkrSotsbank	USCB	0.183	0.257	0.107	-0.1%	-0.8%	13.8%	42.2%	0.5%	1.5%	10.9%	51.5%

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	126	3.9%	5	1,541	3.5	neg	neg	10.6	neg	neg	0.7	0.9	0.9	532	458	413	\$/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	331	4.1%	14	309	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	55	52	50	\$/tonne
Coke																		
Avdyivka Coke	AVDK	74	7.5%	6	71	neg	neg	neg	11.7	neg	neg	0.0	0.1	0.1	20	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	861	0.5%	4	861	2.7	9.1	8.3	1.7	3.6	4.3	1.1	1.5	1.7				
Pivnichny GOK	SGOK	2,226	0.5%	12	2,351	2.8	5.1	6.2	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,724	24.0%	414	1,975	3.0	8.0	6.6	2.5	4.9	4.4	1.1	1.4	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	29	5.4%	2	131	1.9	0.8	0.8	1.9	1.3	1.5	0.7	0.5	0.5	32	31	29	\$/tonne
Coal Energy	CLE	37	11.9%	4	62	1.0	1.0	0.9	1.2	1.0	1.0	0.4	0.4	0.3	1.2	1.0	1.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	191	2.0%	4	233	1.9	5.7	5.6	1.6	3.1	3.0	0.3	0.4	0.3	370	614	583	\$/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	253	5.0%	13	256	3.0	2.7	5.0	2.2	1.9	2.8	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	37	8.0%	3	76	1.9	>30	12.9	2.3	10.6	7.0	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	350	7.2%	25	686	neg	7.7	7.3	3.3	3.4	3.3	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	713	3.0%	21	703	2.6	2.3	3.2	1.6	1.4	1.6	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	75	49.0%	37	58	11.8	6.3	3.1	neg	2.5	1.6	3.0	1.2	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	204	50.4%	103	312	3.5	5.1	4.1	2.7	2.2	2.1	1.3	1.4	1.2	82	57	43	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	226	21.7%	49	309	>30	7.8	6.8	6.4	5.1	4.6	0.3	0.3	0.3	21	22	17	\$/MWh
DonbasEnergO	DOEN	72	14.2%	10	128	neg	18.7	7.1	6.2	7.4	5.4	0.3	0.2	0.2	16	15	15	\$/MWh
Consumer																		
MHP	MHPC	1,637	34.1%	558	2,682	6.3	5.3	6.0	6.7	5.7	5.1	2.2	1.9	1.8	8382	8382	8382	\$/tonne
Kernel	KER	994	61.8%	614	1,604	4.4	4.7	5.1	5.2	5.0	4.7	0.8	0.7	0.6				
Astarta	AST	512	31.0%	159	659	4.5	10.2	8.7	4.6	6.8	5.4	1.6	1.4	1.2	3340	2034	1689	\$/tonne
Avangardco	AVGR	816	22.5%	184	965	4.2	3.6	3.5	3.8	3.4	3.3	1.7	1.5	1.4	218	166	156	\$/mneegs
Agroton	AGT	16	44.6%	7	49	neg	0.9	0.8	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	370	4.0%	15		>30	>30	12.9	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	413	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

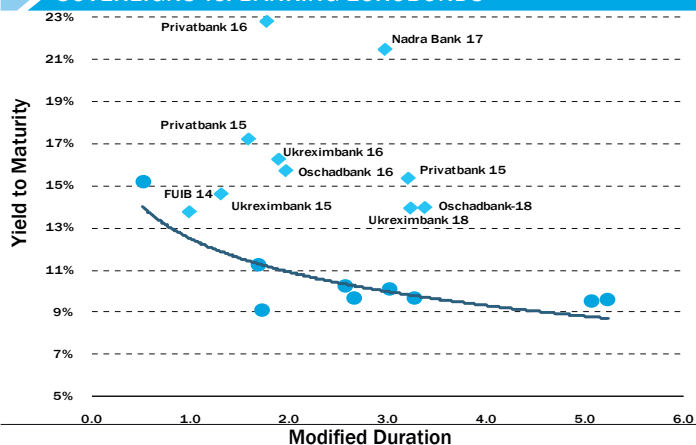
UKRAINIAN EUROBONDS

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	96.0	97.0	16.3%	14.2%	-5.8%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B
Naftogaz Ukraine, 2014	94.3	95.3	18.4%	16.8%	-8.0%	0.8	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	92.8	93.8	9.4%	8.8%	-4.4%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B
Ukraine, 2015	92.8	93.8	11.6%	10.9%	-7.9%	1.7	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B
Ukraine, 2016	90.5	91.3	10.4%	10.1%	-9.0%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B
Ukraine, 2016-2	90.9	91.6	9.8%	9.5%	-8.4%	2.7	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B
Ukraine, 2017	90.4	91.1	9.8%	9.5%	-8.6%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B
Ukraine, 2017-2	97.1	98.1	10.3%	10.0%	-8.9%	3.0	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B
Ukraine, 2017 Infr. projects	88.0	89.8	12.8%	12.1%	-9.5%	3.2	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	85.0	86.5	12.2%	11.7%	-9.7%	3.6	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	91.4	92.1	9.6%	9.4%	-10.9%	5.1	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B
Ukraine, 2021	91.4	92.1	9.6%	9.5%	-11.7%	5.2	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B
Ukraine, 2022	88.2	89.2	9.8%	9.6%	-12.1%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B
Ukraine, 2023	86.8	87.8	9.7%	9.5%	-12.7%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B
Corporate Eurobonds											
Agroton, 2014	50.0	55.0	31.9%	28.4%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.0	102.0	10.7%	9.9%	-4.2%	1.4	10.25%	S/A	29 Apr 2015	235	Caa1//B
MHP, 2020	85.4	87.2	11.5%	11.1%	-13.7%	4.7	8.25%	S/A	2 Apr 2020	750	/B-/B
Avangardco, 2015	100.0	102.0	10.3%	9.2%	5.5%	1.8	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	91.8	93.2	13.4%	13.0%	-7.5%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.8	101.1	11.4%	10.8%	-2.5%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B
Mriya, 2018	85.4	87.1	13.9%	13.4%	-13.7%	3.4	9.45%	S/A	19 Apr 2018	400	/B-/B
DTEK, 2015	100.8	101.3	9.3%	8.9%	-0.3%	1.4	9.50%	S/A	28 Apr 2015	200	Caa1//B
DTEK, 2018	89.9	90.7	10.8%	10.5%	-9.7%	3.6	7.88%	S/A	4 Apr 2018	750	Caa1//B
Metinvest, 2015	100.9	101.5	10.0%	9.5%	-2.5%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B
Metinvest, 2018	90.3	91.9	11.8%	11.3%	-6.0%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B
Ferrexpo, 2016	96.5	97.9	9.8%	9.0%	-0.2%	2.1	7.875%	S/A	07 Apr 2016	500	/B-/B
UZ Rail, 2018	85.3	87.0	14.0%	13.4%	-13.8%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.5%	17.7%	-3.8%	2.7	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	109.4	110.4	8.5%	8.2%	9.9%	3.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	91.5	93.5	86.7%	63.9%	44.5%	0.2	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.5	99.6	14.9%	12.6%	-3.5%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.7	82.7	22.3%	20.5%	-3.8%	3.0	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.3	90.0	17.8%	16.5%	-6.0%	1.6	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	68.9	74.6	24.9%	20.6%	-7.0%	1.8	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	86.3	90.1	15.3%	14.0%	-11.8%	3.2	10.88%	S/A	28 Feb 2018	175	Caa1//B
UkrEximBank, 2015	92.3	93.4	15.1%	14.1%	-7.1%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B
UkrEximBank, 2016	80.5	83.0	17.0%	15.4%	-3.0%	1.9	8.40%	S/A	2 Sept 2016	125	Caa1//B
UkrEximBank, 2018	83.0	84.9	14.3%	13.6%	-16.1%	3.2	8.75%	S/A	22 Jan 2018	500	Caa1//B
VAB Bank, 2014	81.5	83.5	61.8%	54.8%	47.3%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	86.1	87.7	16.2%	15.2%	-8.6%	2.0	8.25%	S/A	10 Mar 2016	700	Caa1//B
Oschadbank, 2018	83.0	84.7	14.3%	13.6%	-16.1%	3.4	8.88%	S/A	20 Mar 2018	500	Caa1//B
Municipal Eurobonds											
City of Kyiv, 2015	87.0	90.0	16.3%	14.3%	-5.4%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	86.2	90.1	15.9%	13.9%	-5.8%	2.2	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

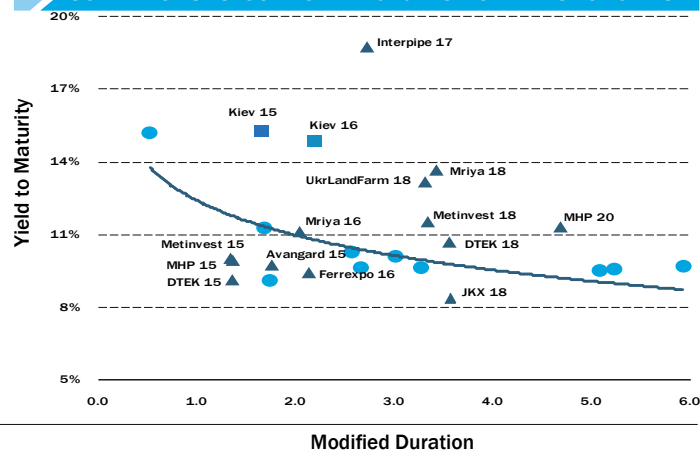
¹ Moody's/S&P/Fitch; * EUR

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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