

Market Update

Equity

Local Ukrainian stocks were mixed in light activity on Friday (Nov 8), with the UX index ending flat at 872 points for a third consecutive session despite having traded down more than 1% intraday. Azovstal (AZST) was the day's biggest mover, adding 1.8% to 66.70 kopecks, while Raiffeisen Aval (BAVL) declined by the same increment on volume of UAH 570,000. DonbasEnergo (DOEN) and UkrNafta (UNAF) ended in positive territory with respective gains of 0.9% and 0.8%, while most other blue chips were marginally lower. Outside the UX basket, second-tier issues ZakhidEnergo (ZAEN) and UkrTelecom (UTLM) dropped by 3.6% and 3.9% respectively, with the former closing at UAH 80 on the nose. In London, Ferrexpo (FXPO) gave back most of its rise from the previous session, sliding 3.0%, while Regal Petroleum (RPT) jumped 4.9% to USD 16.00.

Fixed Income

Ukrainian sovereigns dropped on Friday with Ukraine-23s declining by 0.7p.p. to 85.4/86.6 (9.9%/9.7%). Corporate names also finished in red. DTEK-18s and Metinvest-18s decreased by 0.5p.p. closing at 89.7/90.2 (10.9%/10.7%) and 90.8/92.0 (11.6%/11.2%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1580.00	-0.3%	7.4	78
Centrenergy	CEEN	5.05	-0.3%	2.3	59
Alchevsk Steel	ALMK	0.040	-0.3%	1.3	87

Growth Leaders

Interpepe NMPP	NVTR	0.20	5.3%	0.00	7
Azovstal	AZST	0.67	1.8%	0.85	130
Donbasenergo	DOEN	24.49	0.9%	0.45	57

Loss Leaders

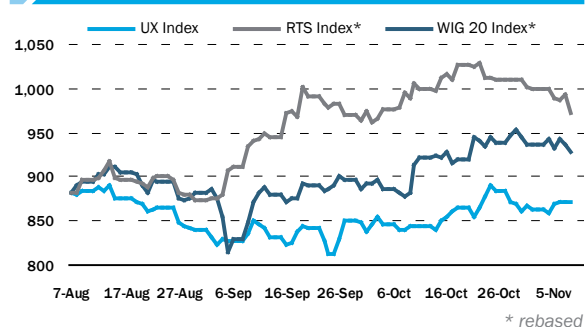
Zaporizhkoks	ZACO	1.10	-15.6%	0.072	7
Ukrtelecom	UTLM	0.15	-3.9%	0.003	12
Zakhidenergo	ZAEN	80.00	-3.6%	0.458	13

Highlights

POLITICS AND ECONOMICS

- > FT: Franklin Templeton Has USD 5bn Position in Ukraine Sovereigns
- > Ukraine's FX Reserves Drops by USD 1.0bn MoM to USD 20.6bn in October

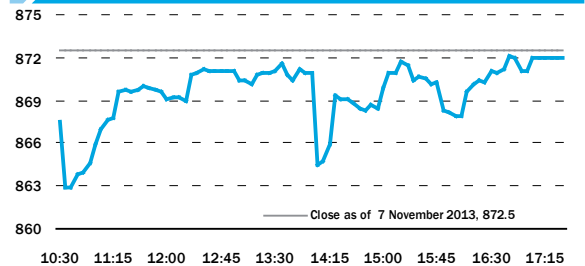
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	872.0	-0.1%	3.9%	-8.3%
RTS	1435.1	-2.3%	-2.5%	-6.0%
WIG20	2509.1	-0.7%	5.7%	-2.9%
MSCI EM	995.3	-1.5%	-1.3%	-5.7%
S&P 500	1770.6	1.3%	7.0%	26.3%

UX INTRADAY NOVEMBER 8, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	345.7	0.1%	0.0%	27.6%
CDS 5Y UKR	1006.2	1.4%	-6.1%	61.0%
Ukraine-17	10.1%	0.1 p.p.	-0.6 p.p.	3.1 p.p.
Naftogaz Ukr-14	17.6%	0.7 p.p.	0.4 p.p.	10.0 p.p.
Ukraine-23	9.8%	0.1 p.p.	-0.1 p.p.	2.3 p.p.
Privatbank-16	22.7%	0.2 p.p.	1.2 p.p.	7.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.20	0.1%	0.2%	1.9%
EUR	10.96	-0.2%	-1.3%	2.6%
RUB	0.25	-0.6%	-0.6%	-5.3%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	270.5	0.0%	5.2%	-22.4%
Steel, USD/t	525.0	0.0%	-0.9%	-1.4%
Oil, USD/bbl	105.1	1.6%	-3.9%	0.2%
Gold, USD/oz	1288.6	-1.5%	-2.3%	-22.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

FT: Franklin Templeton Has USD 5bn Position in Ukraine Sovereigns

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NEWS

US investment banking firm Franklin Templeton has made major purchases of Ukrainian sovereign Eurobonds in 2013, the Financial Times reported on Sunday (Nov 10). The FT story said Franklin Templeton's holdings of Ukrainian sovereign debt at the end of August amounted to USD 5bn, and that the firm purchased USD 171mn worth of Ukraine-23s over the summer.

COMMENTARY

Although the FT article did not specify when the majority of the debt was acquired by Franklin Templeton, the fact that the firm made a large purchase of Ukraine-23s this summer indicates the highly attractive yields which Ukrainian sovereigns are paying. For context, the Ukrainian government's total external debt is around USD 30bn, implying that Franklin Templeton holds some 17% of the total, making the San Francisco-based firm something of a "white knight" for the country. If Ukraine manages to sign the AA/DCFTA with the European Union at the end of this month, we would expect an immediate contraction of Ukrainian bond yields. Conversely, a failure to sign could precipitate a sharp selloff in the country's debt. Despite setbacks last week in the negotiation process, we still expect some sort of compromise to be reached on the status of former PM Yulia Tymoshenko that will allow the AA/DCFTA to be signed, as doing so is in the interest of all the parties involved.

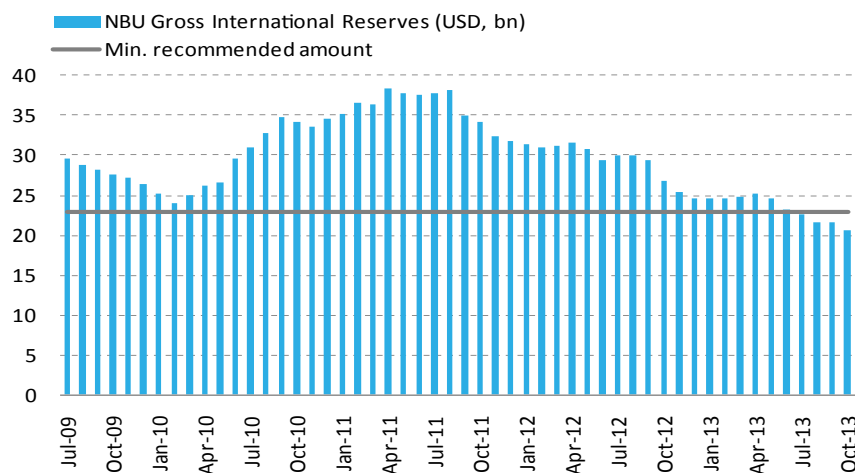
Ukraine's FX Reserves Drops by USD 1.0bn MoM to USD 20.6bn in October

by Dmitry Churin
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NEWS

Ukraine's FX reserves dropped by 4.7% MoM (USD 1.0bn) to USD 20.63bn in October, the National Bank of Ukraine (NBU) reported on Friday (Nov 7). The regulator spent USD 297mn on the hryvnia support on the interbank market while additional outflow from the reserves was related to USD 651mn repayment to the IMF in the period and redemption of USD 108mn of local USD denominated bonds.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

The reported decline in the country's foreign reserves was not a surprise. Importantly, the NBU has managed to keep the national currency rate below 8.20 against the US dollar spending much less money on the interbank market than in previous years. For example, the NBU net negative intervention on the market in October 2012 amounted to USD 1.8bn. Unfortunately, in November there no chance the NBU could keep the reserves above USD 20bn mark as government's external repayments totalling USD 1.5bn over the month. Moreover, pressure on the reserves comes from NaftoGaz which has to repay debt of USD 882mn to Russian Gazprom for imported natural gas in August.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	193.0	218.0	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	8.00	14.5	81%	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	6.30	10.6	69%	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	3.12	6.2	100%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.57	3.4	503%	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	0.45	2.9	554%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.3	50.5	192%	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	1.62	5.2	223%	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	1580	5250	232%	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	16.0	42.0	163%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	75.0	370	393%	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	24.5	72.0	194%	BUY	DonbasEnergO is expected to pay a significant dividend from its FY13 profit that could amount to as much as UAH 5.0 per share, implying a dividend yield of 20%.
CenterEnergO	CEEN	5.05	15.00	197%	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	15.7	22.10	41%	BUY	MHP is ramping up poultry production at its greenfield Vinnytsia complex, which has 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	64.9	90.0	39%	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	12.7	19.35	52%	BUY	A doubling of egg processing capacity to 6mn eggs/day in 1H13 with further expansion to 10mn in early 2014 bode well for the group's earnings due to 1) the higher profitability of the egg products (EP) segment vs. shell eggs and 2) the longer storage life of EP, which enables the company to retain its output for sale in periods of more favorable pricing. Still, the reported selling price for the company's shell eggs appears to be unjustifiably high. Even with financial quality concerns priced in, the stock looks cheap vs. its global peers.
Ovostar Union	OVO	100.00	109.50	10%	HOLD	The company is on its way to implementing a two-stage investment program aimed at expanding egg production capacity to 2.1bn pieces by 2017, or 3x more compared to FY12 production of 719mn eggs. Very low liquidity in the OVO stock is a major concern.

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	872.02	1061.97	781.22	-0.1%	1.1%	3.9%	-8.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	-0.5%	0.5%	-1.5%	-24.7%	-0.4%	-0.6%	-5.3%	-16.5%
Azovstal	AZST	0.67	0.90	0.31	1.7%	3.7%	6.4%	-9.7%	1.7%	2.6%	2.5%	-1.5%
Dniprospezstal	DNSS	1,300	1,300	700	0.0%	0.0%	n/a	30.1%	0.1%	-1.1%	n/a	38.4%
Enakievo Steel	ENMZ	33.2	49.9	20.0	-0.2%	-1.1%	-1.4%	-12.6%	-0.2%	-2.3%	-5.3%	-4.3%
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	0.05	0.0%	44.4%	8.3%	-40.9%	0.1%	43.3%	4.5%	-32.6%
Coke												
Avdyivka Coke	AVDK	3.12	4.80	1.60	-0.3%	0.3%	-2.3%	-4.8%	-0.3%	-0.8%	-6.2%	3.5%
Yasnyivsky Coking	YASK	0.57	0.85	0.51	-1.7%	1.8%	0.0%	-14.9%	-1.7%	0.6%	-3.9%	-6.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	4.00	-4.5%	4.8%	-1.3%	-8.7%	-4.5%	3.7%	-5.1%	-0.4%
Ferrexpo	FXPO	3.09	4.58	2.02	-3.5%	5.4%	10.5%	-23.2%	-3.4%	4.3%	6.7%	-15.0%
Pivnichny GOK	SGOK	8.00	10.00	5.77	0.0%	1.3%	1.8%	7.5%	0.1%	0.1%	-2.1%	15.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.71	0.39	0.0%	-6.2%	-2.2%	-28.6%	0.1%	-7.4%	-6.0%	-20.3%
Komsomolets Donbasa	SHKD	0.71	1.33	0.27	0.0%	0.0%	7.6%	-39.8%	0.1%	-1.1%	3.7%	-31.6%
Energy Coal	CLE	0.70	4.57	0.59	-0.2%	-13.2%	-24.1%	-77.3%	-0.1%	-14.4%	-28.0%	-69.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	n/a	n/a	-20.7%	0.1%	n/a	n/a	-12.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.57	0.86	0.30	0.0%	-5.0%	-6.6%	-18.6%	0.1%	-6.1%	-10.4%	-10.3%
Interpipe NMPP	NVTR	0.20	0.44	0.10	5.3%	5.3%	0.0%	-9.1%	5.3%	4.1%	-3.9%	-0.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.3	29.0	12.0	0.6%	-4.2%	-1.1%	-10.8%	0.7%	-5.3%	-5.0%	-2.6%
Luhanskeplovoz	LTPL	1.62	2.20	1.26	2.5%	5.9%	4.5%	-13.4%	2.6%	4.7%	0.7%	-5.1%
Stakhanov Wagon	SVGZ	1.38	2.15	1.00	0.0%	3.0%	4.5%	-20.2%	0.1%	1.8%	0.7%	-12.0%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-0.3%	-0.3%	1.4%	-33.3%	-0.3%	-1.5%	-2.5%	-25.0%
Motor Sich	MSICH	1,580	2,640	1,303	-0.3%	1.3%	0.4%	-28.5%	-0.3%	0.2%	-3.5%	-20.2%
Summy Frunze Engineering	SMASH	2.48	4.00	0.81	0.0%	7.8%	7.8%	65.3%	0.1%	6.7%	4.0%	73.6%
Turboatom	TATM	3.50	5.00	3.20	0.0%	n/a	n/a	n/a	0.1%	n/a	n/a	n/a
WESTA ISIC	WES	0.22	0.34	0.17	1.3%	-4.5%	-1.4%	-6.9%	1.3%	-5.7%	-5.2%	1.3%
Telecom												
Ukrtelecom	UTLM	0.15	0.21	0.09	-3.9%	-3.9%	4.3%	-8.1%	-3.9%	-5.1%	0.4%	0.1%
Oil & Gas												
Regal Petroleum	RPT	0.26	0.59	0.20	4.4%	9.0%	15.8%	-52.7%	4.5%	7.9%	12.0%	-44.4%
JKX Oil	JKX	1.20	1.29	0.75	-0.1%	1.2%	13.1%	0.4%	-0.1%	0.1%	9.2%	8.6%
Ukrnafta	UNAF	108	280	96	0.5%	0.8%	1.1%	-8.6%	0.5%	-0.3%	-2.7%	-0.3%
Power Utilities												
Centrenerg	CEEN	5.05	7.40	2.50	-0.3%	0.7%	2.0%	-20.5%	-0.2%	-0.4%	-1.9%	-12.2%
Donbasenergo	DOEN	24.5	34.0	15.4	0.9%	-1.1%	6.5%	15.6%	1.0%	-2.2%	2.6%	23.8%
Zakhidenergo	ZAEN	80.0	115.0	64.0	-3.6%	-3.6%	-9.8%	-17.5%	-3.6%	-4.8%	-13.7%	-9.3%
Consumer												
Agroton	AGT	0.72	3.6	0.36	-1.9%	-3.1%	-7.1%	-77.8%	-1.9%	-4.2%	-11.0%	-69.5%
Astarta	AST	20.7	24.4	14.5	0.0%	1.1%	-9.9%	16.0%	0.1%	-0.1%	-13.8%	24.3%
Avangardo	AVGR	12.7	13.0	7.61	1.9%	-0.3%	13.2%	12.4%	2.0%	-1.4%	9.4%	20.7%
Industrial Milk Company	IMC	4.34	5.35	3.63	0.8%	-2.6%	-10.0%	-18.2%	0.9%	-3.7%	-13.9%	-10.0%
Kernel	KER	13.7	22.6	13.5	1.6%	1.8%	-15.6%	-36.6%	1.7%	0.6%	-19.5%	-28.4%
Mriya Agro Holding	MAYA	6.36	6.8	5.36	-0.3%	-3.4%	5.1%	-2.0%	-0.2%	-4.6%	1.2%	6.2%
MHPC	MHPC	15.7	19.9	13.58	-0.4%	1.0%	4.3%	2.6%	-0.3%	-0.2%	0.5%	10.9%
Milkiland	MLK	4.13	5.2	3.11	-4.3%	-6.8%	2.9%	-12.1%	-4.2%	-8.0%	-0.9%	-3.9%
Ovostar Union	OVO	31.9	33.3	21.3	-0.2%	-2.2%	0.1%	10.5%	-0.1%	-3.3%	-3.7%	18.8%
Sintal	SNPS	n/a	0.33	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	13.5	17.5	7.1	0.7%	7.7%	16.6%	0.7%	0.7%	6.6%	12.7%	8.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.103	0.128	0.065	-1.9%	2.3%	16.9%	20.2%	-1.9%	1.1%	13.0%	28.4%
UkrSotsbank	USCB	0.184	0.257	0.107	0.0%	0.5%	1.8%	42.9%	0.1%	-0.6%	-2.1%	51.1%

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%
Ukrspatsbank	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	1,542	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	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	342	4.1%	14	320	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	57	54	51	\$/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	1.3	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	900	0.5%	5	900	2.8	9.5	8.6	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,247	0.5%	12	2,372	2.9	5.2	6.3	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,818	24.0%	437	2,069	3.2	8.5	6.9	2.6	5.1	4.6	1.2	1.5	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	32	11.9%	4	57	0.9	0.8	0.7	1.1	0.9	0.9	0.4	0.3	0.3	1.1	0.9	0.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	181	2.0%	4	223	1.8	5.4	5.3	1.5	3.0	2.9	0.3	0.3	0.3	354	587	558	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.3	5.3	3.1	3.5	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	242	5.0%	12	244	2.9	2.5	4.8	2.1	1.8	2.6	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	38	8.0%	3	77	1.9	>30	13.3	2.3	10.8	7.1	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	180	5.8%	10	128	3.4	4.7	4.3	2.0	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	400	24.0%	96	410	2.4	1.6	1.5	1.4	1.3	1.2	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	336	7.2%	24	672	neg	7.4	7.0	3.3	3.3	3.2	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	717	3.0%	22	707	2.6	2.3	3.2	1.6	1.4	1.6	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	82	49.0%	40	64	12.8	6.8	3.4	neg	2.8	1.8	3.4	1.3	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	206	50.4%	104	314	3.5	5.1	4.1	2.7	2.2	2.1	1.3	1.4	1.3	83	57	43	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	227	21.7%	49	310	>30	7.9	6.8	6.4	5.1	4.6	0.3	0.3	0.3	21	22	17	\$/MWh
DonbasEnergO	DOEN	71	14.2%	10	127	neg	18.5	7.0	6.2	7.4	5.3	0.3	0.2	0.2	16	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,653	34.1%	564	2,698	6.4	5.3	6.1	6.7	5.8	5.2	2.2	1.9	1.8	8432	8432	8432	\$/tonne
Kernel	KER	1,011	61.8%	625	1,622	4.5	4.8	5.2	5.2	5.0	4.8	0.9	0.8	0.6				
Astarta	AST	518	31.0%	161	664	4.5	10.4	8.8	4.6	6.8	5.5	1.7	1.5	1.2	3369	2051	1703	\$/tonne
Avangardco	AVGR	814	22.5%	183	962	4.1	3.6	3.5	3.8	3.4	3.3	1.7	1.5	1.4	218	165	156	\$/mneegs
Agroton	AGT	16	44.6%	7	49	neg	0.8	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	377	4.0%	15		>30	>30	13.2	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	414	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

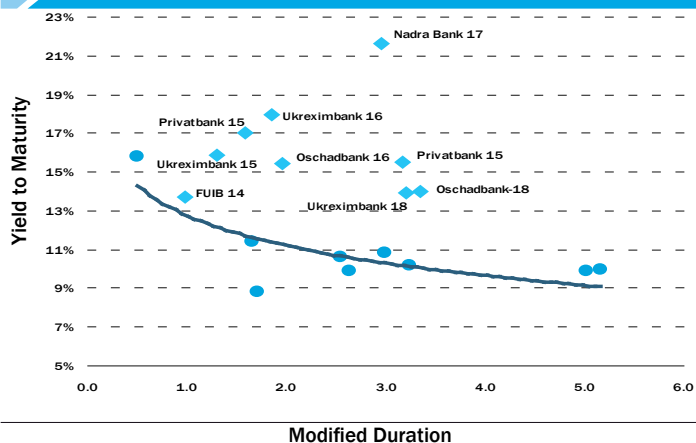
UKRAINIAN EUROBONDS

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	95.8	97.0	17.2%	14.4%	-5.9%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B
Naftogaz Ukraine, 2014	93.1	94.1	20.4%	18.8%	-9.1%	0.8	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	93.3	94.3	9.1%	8.5%	-3.8%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B
Ukraine, 2015	92.5	93.8	11.8%	11.0%	-8.0%	1.7	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B
Ukraine, 2016	89.6	90.8	10.9%	10.3%	-9.7%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B
Ukraine, 2016-2	90.4	91.2	10.0%	9.7%	-8.9%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B
Ukraine, 2017	88.6	90.1	10.4%	9.9%	-10.0%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B
Ukraine, 2017-2	94.8	96.3	11.1%	10.6%	-10.8%	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	12.3%	11.7%	-9.7%	3.6	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	89.1	90.6	10.1%	9.8%	-12.8%	5.0	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B
Ukraine, 2021	89.1	90.4	10.1%	9.9%	-13.6%	5.2	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B
Ukraine, 2022	86.9	88.1	10.1%	9.8%	-13.3%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B
Ukraine, 2023	85.4	86.6	9.9%	9.7%	-14.0%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B
Corporate Eurobonds											
Agroton, 2014	50.0	54.8	32.0%	28.6%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.8	102.3	10.1%	9.5%	-3.7%	1.3	10.25%	S/A	29 Apr 2015	235	Caa1//B
MHP, 2020	85.2	86.3	11.6%	11.3%	-14.3%	4.7	8.25%	S/A	2 Apr 2020	750	/B-/B
Avangardco, 2015	100.0	102.0	10.4%	9.2%	5.5%	1.7	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	91.7	93.7	13.4%	12.8%	-7.3%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.0	101.6	11.9%	10.6%	-2.6%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B
Mriya, 2018	85.4	87.1	14.0%	13.4%	-13.7%	3.4	9.45%	S/A	19 Apr 2018	400	/B-/B
DTEK, 2015	100.1	100.8	9.8%	9.3%	-0.9%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B
DTEK, 2018	89.7	90.2	10.9%	10.7%	-10.1%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B
Metinvest, 2015	100.5	101.5	10.3%	9.6%	-2.7%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B
Metinvest, 2018	90.8	92.0	11.6%	11.2%	-5.7%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B
Ferrexpo, 2016	96.3	97.2	9.9%	9.3%	-0.7%	2.1	7.875%	S/A	07 Apr 2016	500	/B-/B
UZ Rail, 2018	85.0	86.0	14.1%	13.8%	-14.5%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.6%	17.7%	-3.8%	2.7	10.25%	S/A	2 Aug 2017	200	/NR/CCC
JKX Oil&Gas, 2018	110.0	111.0	8.3%	8.1%	10.5%	3.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	91.5	93.5	108.7%	76.0%	44.5%	0.1	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.9	99.5	14.6%	12.8%	-3.3%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.7	82.7	22.5%	20.7%	-3.8%	3.0	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.5	90.5	17.8%	16.3%	-5.6%	1.6	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	68.5	74.7	25.4%	20.7%	-7.2%	1.8	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	85.8	88.8	15.5%	14.4%	-12.7%	3.2	10.88%	S/A	28 Feb 2018	175	Caa1//B
UkrEximBank, 2015	91.0	92.0	16.3%	15.4%	-8.4%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B
UkrEximBank, 2016	78.9	79.9	18.3%	17.6%	-5.3%	1.9	8.40%	S/A	2 Sept 2016	125	Caa1//B
UkrEximBank, 2018	83.2	84.7	14.2%	13.6%	-16.0%	3.2	8.75%	S/A	22 Jan 2018	500	Caa1//B
VAB Bank, 2014	83.0	85.0	59.4%	52.2%	50.0%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	86.8	88.1	15.8%	15.1%	-8.1%	2.0	8.25%	S/A	10 Mar 2016	700	Caa1//B
Oschadbank, 2018	83.1	84.6	14.3%	13.7%	-16.1%	3.4	8.88%	S/A	20 Mar 2018	500	Caa1//B
Municipal Eurobonds											
City of Kyiv, 2015	87.0	89.0	16.5%	15.1%	-6.0%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	86.5	89.1	15.8%	14.4%	-6.1%	2.2	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

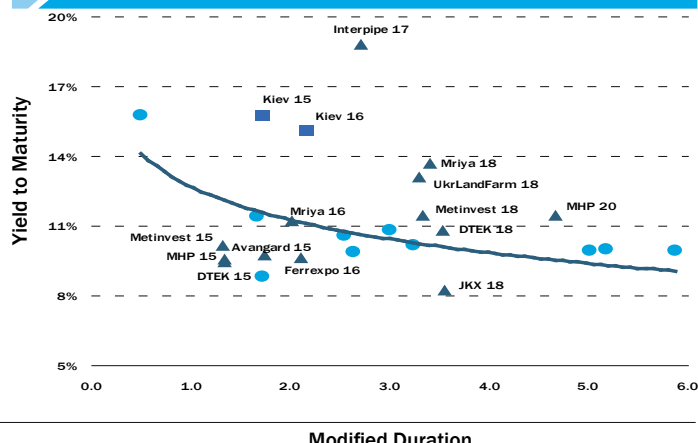
¹ Moody's/S&P/Fitch; * EUR

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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