

**Market Update**

**Equity**

Ukrainian stocks posted solid gains for a 4th consecutive session on Monday (Nov 18), following Germany's seemingly unstoppable DAX, which appears to have its sights set on the 10,000 point barrier after a nearly uninterrupted rise over the past two months. In the US, the S&P 500 and DJIA retreated slightly from their record high levels after respectively testing the 1800 and 16,000 milestones intraday. The UX index appreciated by 1.3%, closing at 919 points. The rally was again led by Raiffeisen Aval (BAVL), which jumped another 4.6% to 11.80 kopecks; DonbasEnergO (DOEN) and Alchevsk Steel (ALMK) were up by 2.6% each, while Azovstal (AZST) broke the 70-kopeck barrier with a 1.4% pickup. Top liquid issues CentrEnergO (CEEN) and Motor Sich (MSICH) underperformed again, with both ending nearly unchanged. In Warsaw, cheese producer Milkiland (MLK PW) picked up 3.3% to PLN 12.70.

**Fixed Income**

Ukrainian sovereigns improved across the board on Monday, with Ukraine-23s rising by 1.6p.p. to 87.1/88.5 (9.6%/9.4%). The corporate universe followed a similar path, with MHP-20s and Metinvest-18s both increasing by 0.6p.p. and closing at 83.1/84.9 (12.1%/11.7%) and 88.7/90.4 (12.3%/11.8%) respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1615.00	0.1%	6.9	176
CentrenergO	CEEN	5.14	0.2%	4.1	197
DonbasenergO	DOEN	26.430	2.6%	1.7	154

**Growth Leaders**

Raiffeisen Bank Aval	BAVL	0.12	4.6%	1.34	414
Alchevsk Steel	ALMK	0.04	2.7%	0.22	113
Stirol	STIR	14.12	2.7%	0.43	40

**Loss Leaders**

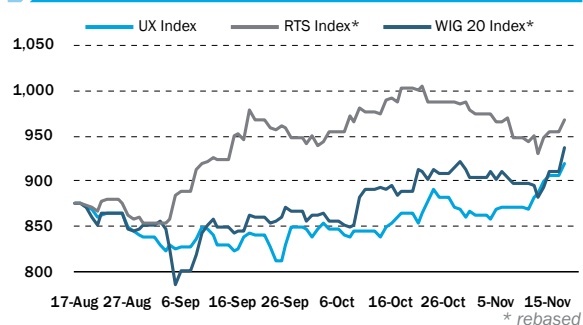
Ukrsotsbank	USCB	0.19	-1.1%	0.008	21
Motor Sich	MSICH	1,615.00	0.1%	6.864	176
CentrenergO	CEEN	5.14	0.2%	4.126	197

**Highlights**

**POLITICS AND ECONOMICS**

- > Merkel Directs Hard-Hitting Comments at Yanukovich, Putin
- > Ukrstat: Industrial Production Slid 4.9% YoY in October

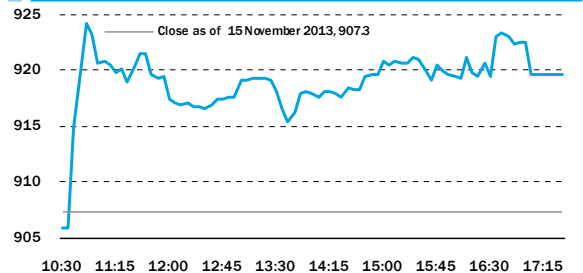
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	919.6	1.4%	6.4%	-3.3%
RTS	1463.0	1.3%	-3.5%	-4.2%
WIG20	2622.3	3.0%	5.5%	1.5%
MSCI EM	1025.3	2.0%	-1.6%	-2.8%
S&P 500	1791.5	-0.4%	2.7%	27.7%

**UX INTRADAY NOVEMBER 18, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	348.4	-0.8%	5.9%	28.6%
CDS 5Y UKR	943.7	-7.6%	4.2%	51.0%
Ukraine-17	10.2%	-0.2 p.p.	0.9 p.p.	3.2 p.p.
Naftogaz Ukr-14	17.2%	-2.0 p.p.	4.1 p.p.	9.6 p.p.
Ukraine-23	9.5%	-0.3 p.p.	0.3 p.p.	2.0 p.p.
Privatbank-16	23.3%	0.0 p.p.	1.2 p.p.	8.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.18	-0.3%	0.0%	1.7%
EUR	11.07	-0.1%	-1.2%	3.6%
RUB	0.25	-0.3%	-2.1%	-5.3%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	267.2	0.0%	1.1%	-23.3%
Steel, USD/t	525.0	0.0%	-0.9%	-1.4%
Oil, USD/bbl	108.5	0.0%	-0.9%	3.4%
Gold, USD/oz	1275.4	-1.1%	-3.1%	-23.0%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Merkel Directs Hard-Hitting Comments at Yanukovych, Putin

by Will Ritter  
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### NEWS

In a speech to the Bundestag on Monday (Nov 18), German Chancellor Angela Merkel said Ukraine will have to act “not at some point, but now” to meet the EU’s demands for the signing of the EU-Ukraine Association Agreement at the end of this month, in a clear reference to the case of jailed opposition politician Yulia Tymoshenko. However, Bloomberg News reported that Merkel also sent a sharp volley in the direction of Russian President Vladimir Putin, who has been pressuring President Yanukovych not to sign the pact, saying that “nations decide for themselves about their future orientation... there can be no veto rights for third parties.”

### COMMENTARY

We view Merkel’s remarks as perhaps the most positive signal to date about the EU’s desire to get a deal done ahead of the Vilnius summit on Nov 28-29. Merkel is far and away Europe’s most important politician, wielding influence that dwarfs that of the technocrats in Brussels, and she has the power to either make or break Ukraine’s AA/DCFTA. In the past, it has not always been obvious whether Merkel and Germany actually support the agreement with Ukraine, but the statement about “no veto rights for third parties”, as well as its critical timing, clearly indicate that the chancellor is now on board. On the other hand, we also understand that Merkel is serious when she says that a failure to release Tymoshenko will scuttle the signing. The Ukrainian Parliament is in session this week working on a compromise law that would allow Tymoshenko to go abroad (probably to Germany) for medical treatment without overturning her criminal conviction, but it is not clear whether such a law would release her from prison quickly enough to satisfy the EU. The negotiations have also been bogged down by partisan bickering between Yanukovych’s Party of Regions and the three main opposition parties; we do not rule out that part of the opposition is deliberately trying to block a compromise, as some opposition factions probably see a failure to sign at Vilnius, and the domestic upheaval which would surely follow, as being in their best political interest.

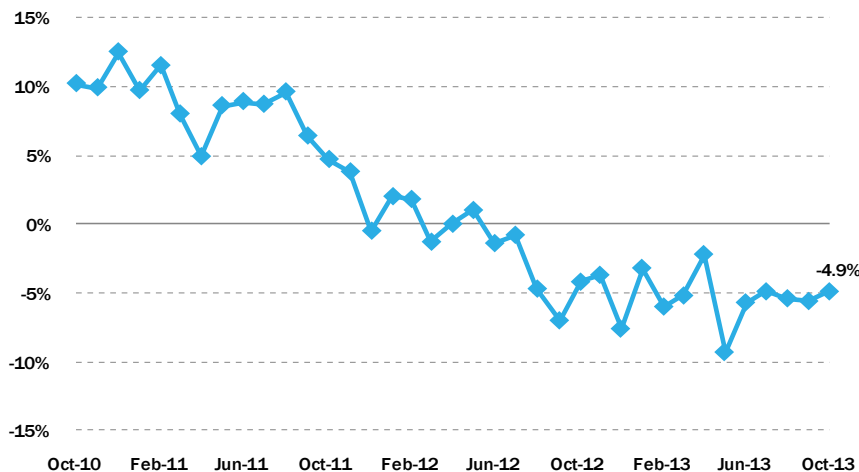
**Ukrstat: Industrial Production Slid  
4.9% YoY in October**

by Dmitry Churin  
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**NEWS**

Ukraine's industrial production was down by 4.9% YoY in October, the State Statistics Committee reported on Monday (Nov 18). The year-to-date decline in the IP index (through 10M13) remained at the previous month's level of 5.2%.

**UKRAINE INDUSTRIAL PRODUCTION INDEX CHANGE, YOY**



Source: State Statistics Committee

**COMMENTARY**

Despite a slight improvement from September's -5.6% YoY figure, the October result still looks awful given 2012's already-weak comparison base. Specific factors, including an earlier-than-usual start to the household heating season and weather-related delays in some harvesting from September to October, saved the index from a larger fall. The start of the heating season resulted in a 17.3% MoM rise in the utility sector's output and in a 6.0% MoM increase in the extraction sector's production.

On a year-on-year basis, only the utility sector demonstrated an increase in output in October, while the manufacturing and the extraction sectors were sluggish amid the overall slowdown in the country's economy this year.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.71	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	186.3	218.0	17%	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	8.10	14.5	78%	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	6.40	10.6	66%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	3.29	6.2	90%	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	509%	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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.50	2.9	490%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	16.6	50.5	204%	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	1.60	5.2	227%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1615	5250	225%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	15.5	42.0	171%	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.
<b>Power Utilities</b>						
DonbasEnergo	DOEN	26.4	72.0	172%	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	5.14	15.00	192%	BUY	CentrEnergo's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	16.2	22.10	36%	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	66.0	90.0	36%	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	12.4	19.35	56%	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	94.00	109.50	16%	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	919.57	1061.97	781.22	1.4%	5.7%	6.4%	-3.3%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.042	0.06	0.02	2.7%	7.1%	1.9%	-20.6%	1.3%	1.4%	-4.5%	-17.3%
Azovstal	AZST	0.71	0.90	0.31	1.4%	5.8%	3.8%	-4.5%	0.1%	0.1%	-2.6%	-1.2%
Dniprospezstal	DNSS	1,300	1,300	700	0.0%	0.0%	n/a	30.1%	-1.4%	-5.7%	n/a	33.4%
Enakievo Steel	ENMZ	34.8	49.9	20.0	1.4%	4.4%	3.4%	-8.4%	0.1%	-1.3%	-3.0%	-5.2%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.12	0.26	0.05	0.0%	-7.7%	-7.7%	-45.5%	-1.4%	-13.4%	-14.1%	-42.2%
<b>Coke</b>												
Avdivka Coke	AVDK	3.29	4.80	1.60	1.5%	5.8%	2.5%	0.4%	0.1%	0.1%	-3.9%	3.7%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	0.0%	-1.8%	-3.4%	-16.4%	-1.4%	-7.5%	-9.9%	-13.2%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.40	7.74	4.00	0.0%	1.6%	22.6%	-7.2%	-1.4%	-4.1%	16.2%	-4.0%
Ferrexpo	FXPO	3.00	4.58	2.02	2.0%	-2.2%	-3.3%	-25.4%	0.6%	-7.9%	-9.7%	-22.2%
Pivnichny GOK	SGOK	8.10	10.00	5.77	-1.2%	1.3%	-1.2%	8.9%	-2.6%	-4.5%	-7.6%	12.1%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.50	0.71	0.39	11.1%	11.1%	11.1%	-20.6%	9.8%	5.4%	4.7%	-17.4%
Komsomolets Donbasa	SHKD	0.63	1.33	0.27	5.0%	0.0%	-4.5%	-46.6%	3.6%	-5.7%	-11.0%	-43.3%
Energy Coal	CLE	0.74	4.57	0.59	5.1%	6.0%	-15.7%	-75.9%	3.8%	0.3%	-22.1%	-72.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	0.0%	n/a	-20.7%	-1.4%	-5.7%	n/a	-17.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.55	0.86	0.30	0.0%	-3.5%	-1.8%	-21.4%	-1.4%	-9.2%	-8.2%	-18.2%
Interpipe NMPP	NVTR	0.25	0.44	0.10	0.0%	25.0%	4.2%	13.6%	-1.4%	19.3%	-2.2%	16.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	16.6	29.0	12.0	0.9%	-3.8%	-5.8%	-14.2%	-0.4%	-9.5%	-12.2%	-11.0%
Luhanskeplovoz	LTPL	1.60	2.20	1.26	0.0%	-1.2%	0.6%	-14.4%	-1.4%	-6.9%	-5.8%	-11.2%
Stakhanov Wagon	SVGZ	1.31	2.09	1.00	0.0%	-5.1%	0.8%	-24.3%	-1.4%	-10.8%	-5.6%	-21.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.3%	5.7%	-15.7%	-34.2%	-1.0%	0.0%	-22.1%	-30.9%
Motor Sich	MSICH	1,615	2,640	1,303	0.1%	2.4%	-0.2%	-26.9%	-1.3%	-3.3%	-6.6%	-23.7%
Sumy Frunze Engineering	SMASH	2.55	4.00	0.81	0.0%	2.8%	4.1%	70.0%	-1.4%	-2.9%	-2.3%	73.3%
Turboatom	TATM	3.50	5.00	3.20	0.0%	0.0%	n/a	n/a	-1.4%	-5.7%	n/a	n/a
WESTA ISIC	WES	0.21	0.33	0.17	-1.0%	-7.3%	-11.1%	-13.7%	-2.4%	-13.0%	-17.5%	-10.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.14	0.20	0.09	0.0%	-9.1%	-4.1%	-12.5%	-1.4%	-14.8%	-10.5%	-9.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.25	0.59	0.20	0.0%	0.8%	0.4%	-53.9%	-1.4%	-4.9%	-6.0%	-50.6%
JKX Oil	JKX	1.20	1.29	0.75	-0.7%	0.1%	1.6%	0.3%	-2.0%	-5.6%	-4.8%	3.6%
Ukrnafta	UNAF	112	280	96	1.0%	3.0%	1.5%	-5.9%	-0.4%	-2.7%	-4.9%	-2.6%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.14	7.40	2.50	0.2%	2.1%	2.9%	-19.1%	-1.2%	-3.6%	-3.5%	-15.8%
Donbasenergo	DOEN	26.4	34.0	15.4	1.9%	9.1%	12.5%	24.7%	0.5%	3.4%	6.1%	28.0%
Zakhidenergo	ZAEN	83.0	115.0	64.0	0.0%	4.1%	-1.1%	-14.4%	-1.4%	-1.6%	-7.5%	-11.2%
<b>Consumer</b>												
Agroton	AGT	0.74	3.6	0.36	-1.6%	3.2%	-5.5%	-77.1%	-3.0%	-2.5%	-11.9%	-73.8%
Astarta	AST	21.4	24.4	14.5	0.5%	3.2%	-10.2%	19.7%	-0.8%	-2.5%	-16.6%	23.0%
Avangardo	AVGR	12.4	13.0	7.61	-2.4%	-1.2%	-0.8%	9.4%	-3.7%	-6.9%	-7.2%	12.7%
Industrial Milk Company	IMC	4.53	5.35	3.63	0.5%	4.5%	-7.0%	-14.6%	-0.8%	-1.2%	-13.4%	-11.3%
Kernel	KER	14.0	22.6	13.5	1.3%	2.1%	-15.8%	-35.3%	0.0%	-3.6%	-22.2%	-32.0%
Mriya Agro Holding	MAYA	6.52	6.8	5.36	-2.2%	2.4%	2.7%	0.6%	-3.6%	-3.3%	-3.7%	3.8%
MHPC	MHPC	16.2	19.9	14.01	0.6%	3.2%	4.2%	6.2%	-0.7%	-2.5%	-2.2%	9.5%
Milkiland	MLK	4.11	5.2	3.11	3.3%	-0.6%	-12.1%	-12.7%	2.0%	-6.3%	-18.5%	-9.4%
Ovostar Union	OVO	30.4	33.3	21.3	-1.6%	-4.7%	-7.3%	5.4%	-2.9%	-10.4%	-13.7%	8.6%
Sintal	SNPS	n/a	0.29	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
<b>Chemicals</b>												
Stirol	STIR	14.1	17.5	7.1	2.6%	5.0%	17.7%	5.4%	1.3%	-0.7%	11.3%	8.6%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.118	0.128	0.066	4.6%	14.1%	27.0%	37.7%	3.3%	8.4%	20.6%	40.9%
UkrSotsbank	USCB	0.190	0.257	0.107	-1.3%	3.3%	5.5%	47.5%	-2.7%	-2.4%	-0.9%	50.8%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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%
<b>Banks</b>																
		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%
Ukrstsobank	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	134	3.9%	5	1,549	3.7	neg	neg	10.6	neg	neg	0.7	0.9	0.9	534	460	415	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	37	1.4	5.2	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	363	4.1%	15	341	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	61	57	55	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	78	7.5%	6	76	neg	neg	neg	12.4	neg	neg	0.1	0.1	0.1	22	16	14	\$/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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	916	0.5%	5	916	2.8	9.6	8.8	1.8	3.9	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,280	0.5%	13	2,405	2.9	5.2	6.4	2.0	3.0	3.8	1.3	1.6	1.8				
Ferrexpo	FXPO	1,766	24.0%	424	2,016	3.1	8.2	6.7	2.5	5.0	4.5	1.1	1.4	1.3				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	1.7	0.7	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/tonne
Coal Energy	CLE	34	11.9%	4	59	0.9	0.9	0.8	1.2	1.0	0.9	0.4	0.4	0.3	1.2	1.0	0.9	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	175	2.0%	3	217	1.8	5.2	5.1	1.5	2.9	2.8	0.3	0.3	0.3	345	572	543	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.2	5.3	3.1	3.4	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	233	5.0%	12	236	2.7	2.4	4.6	2.0	1.8	2.5	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.6	2.3	10.5	6.9	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
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	410	24.0%	98	420	2.4	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	320	7.2%	23	656	neg	7.1	6.7	3.2	3.2	3.2	0.8	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	739	3.0%	22	729	2.7	2.4	3.3	1.7	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	6.7	3.3	neg	2.7	1.7	3.3	1.2	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
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	232	21.7%	50	315	>30	8.0	6.9	6.5	5.2	4.7	0.4	0.3	0.3	22	22	18	\$/MWh
DonbasEnerg	DOEN	76	14.2%	11	133	neg	20.0	7.5	6.4	7.7	5.6	0.3	0.2	0.2	16	16	15	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,711	34.1%	584	2,756	6.6	5.5	6.3	6.9	5.9	5.3	2.2	2.0	1.8	8613	8613	8613	\$/tonne
Kernel	KER	1,033	61.8%	638	1,643	4.6	4.9	5.3	5.3	5.1	4.8	0.9	0.8	0.6				
Astarta	AST	534	31.0%	166	681	4.7	10.7	9.1	4.7	7.0	5.6	1.7	1.5	1.2	3453	2102	1746	\$/tonne
Avangardco	AVGR	792	22.5%	178	940	4.0	3.5	3.4	3.7	3.4	3.2	1.7	1.5	1.3	213	162	152	\$/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
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	433	4.0%	17		>30	>30	15.2	0.5	0.5	0.5	0.06	0.06	0.06				
Ukrsotsbank	USCB	428	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research



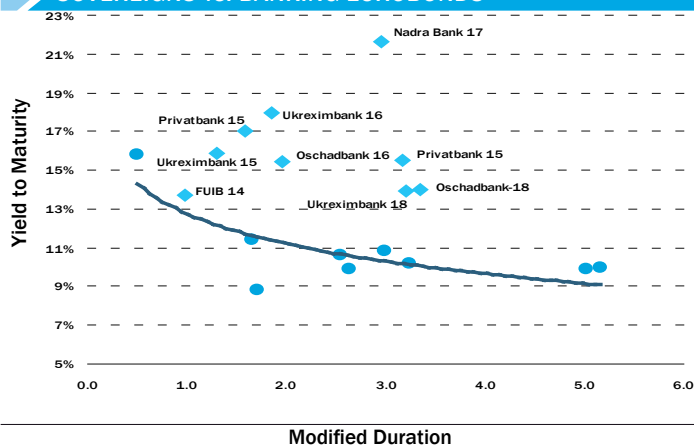
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2014	96.5	97.5	15.9%	13.7%	-5.3%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	93.6	94.6	20.1%	18.5%	-8.7%	0.8	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	92.5	93.5	9.7%	9.0%	-4.6%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	93.4	95.2	11.3%	10.1%	-6.9%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	88.5	89.8	11.3%	10.8%	-10.7%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	89.5	91.0	10.4%	9.8%	-9.4%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	88.1	90.1	10.6%	9.9%	-10.2%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	95.1	96.6	11.0%	10.5%	-10.5%	3.0	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	87.5	89.8	13.0%	12.2%	-9.8%	3.2	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	85.0	86.5	12.3%	11.8%	-9.7%	3.5	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	88.9	90.4	10.1%	9.8%	-13.0%	5.0	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	89.4	90.6	10.1%	9.8%	-13.3%	5.2	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	87.4	88.7	10.0%	9.7%	-12.8%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	87.1	88.5	9.6%	9.4%	-12.2%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
<b>Corporate Eurobonds</b>											
Agroton, 2014	50.0	54.8	32.2%	28.7%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.1	101.0	10.7%	10.4%	-4.7%	1.3	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	83.1	84.9	12.1%	11.7%	-16.0%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	99.0	101.0	11.0%	9.8%	4.5%	1.7	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.1	92.0	14.0%	13.3%	-8.9%	3.3	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.8	101.0	11.5%	10.9%	-2.5%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.2	86.2	14.4%	13.7%	-14.8%	3.4	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	99.3	100.1	10.6%	9.8%	-1.6%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	88.7	90.2	11.2%	10.8%	-10.6%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	100.0	100.8	10.7%	10.1%	-3.1%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	88.7	90.4	12.3%	11.8%	-7.6%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	94.6	96.5	10.8%	9.7%	-1.9%	2.1	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	83.9	84.9	14.5%	14.1%	-15.6%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.6%	17.8%	-3.8%	2.7	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	109.9	111.3	8.4%	8.0%	10.6%	3.5	8.00%	S/A	19 Feb 2018	40	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	91.5	93.5	#NUM!	103.0%	44.5%	0.1	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	98.1	99.0	14.5%	13.4%	-3.5%	1.0	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.0	82.5	23.3%	21.0%	-3.8%	2.9	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	87.0	89.0	19.1%	17.5%	-7.2%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	68.6	73.2	25.5%	22.0%	-8.1%	1.7	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	84.9	87.6	15.9%	14.9%	-13.8%	3.1	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	90.5	91.5	16.9%	16.0%	-8.9%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	77.1	78.1	19.7%	19.0%	-7.4%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	80.9	83.1	15.1%	14.3%	-18.0%	3.2	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	86.0	88.0	51.7%	44.8%	55.4%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	86.6	88.0	16.1%	15.2%	-8.2%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	81.3	83.2	14.9%	14.2%	-17.7%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	86.0	88.0	17.3%	15.9%	-7.0%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	85.2	87.3	16.5%	15.4%	-7.8%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

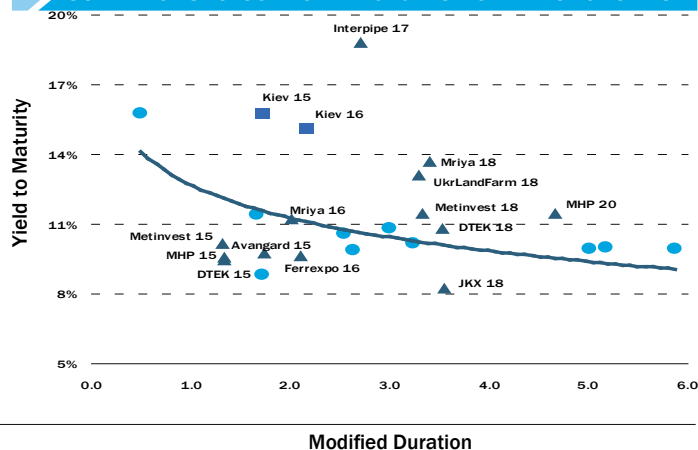
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE AND MUNICIPAL EUROBONDS**

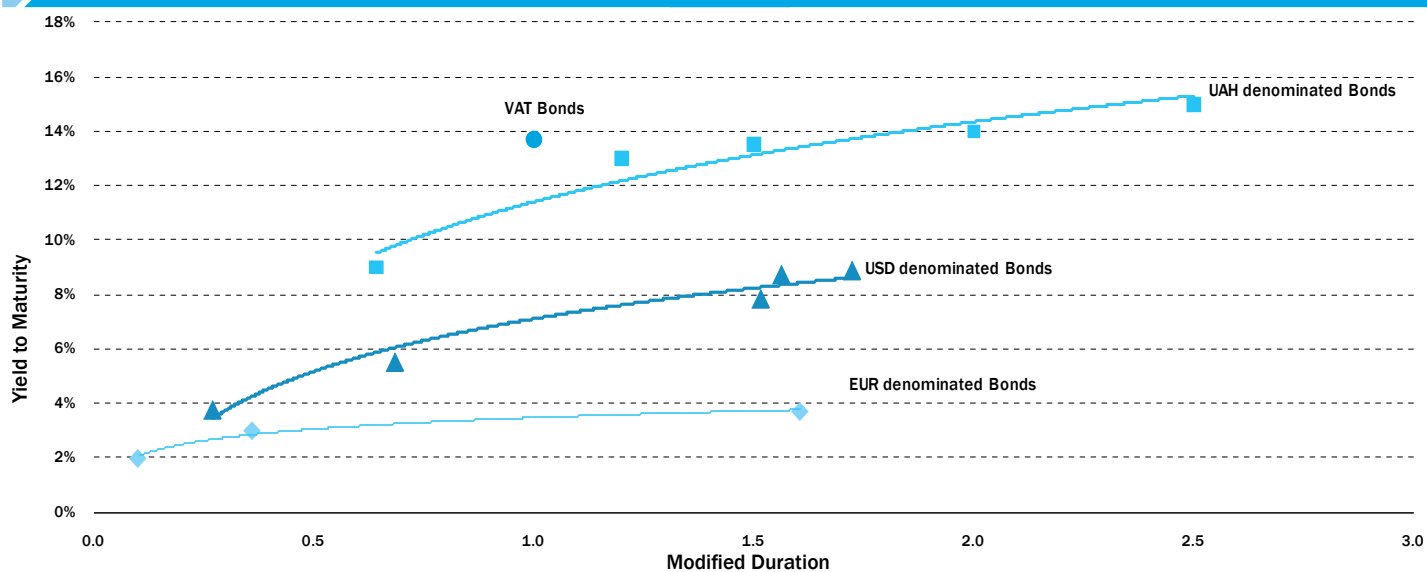




**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
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
<b>VAT Bonds</b>									
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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