

Market Update

Equity

Ukrainian stocks moved firmly higher on Monday (Nov 25) amid ongoing protests over the Yanukovich government's apparent refusal to sign a free trade deal with the European Union. The UX index added 1.8% to close at 939 points. The gains were underpinned by hot issues Raiffeisen Aval (BAVL, +3.0%) and DonbasEnerg (DOEN, +2.8%), which has seen speculation ramping up regarding its FY13 dividend payout after three quarters of strong profits. UkrSotsBank (USCB) also jumped by 4.0% to 19.40 kopecks ahead of today's ex-rights date associated with a special shareholder meeting scheduled for Dec 2. Avdyivka Coke (AVDK), Azovstal (AZST), and CentrEnerg (CEEN) each posted rises in the range of 1.5%, while Motor Sich (MSICH) had the smallest gain in the UX basket at 0.6%. In second-tier names, Stirol (STIR), which has a special shareholder meeting set for Thursday (Nov 28), gained 6.5% to reach the UAH 15 level.

Fixed Income

Ukrainian sovereign Eurobonds ended higher yesterday, with investors hoping that the government will receive financing support either from Russia or the EU in the medium term. Ukraine-23s rose by 0.9 p.p. to close at 86.7/88.1 (9.7%/9.4%) and Ukraine-14s edged up 0.3 p.p. to 97.3/98.3 (13.7%/11.5%). Corporate and banking issues were only marginally higher.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1638.00	0.6%	3.7	93
Donbasenergo	DOEN	28.42	2.8%	1.6	181
Centrenerg	CEEN	5.157	1.7%	1.6	187

Growth Leaders

Mariupol Ilyicha	MMKI	0.16	49.0%	0.00	8
Dniproenergo	DNEN	284.90	11.7%	0.16	8
Stirol	STIR	15.00	6.5%	0.54	16

Loss Leaders

Poltavsky GOK	PGOK	8.30	-1.8%	0.009	12
Zakhidenergo	ZAEN	86.10	-1.3%	0.001	7
Ukrtelecom	UTLM	0.14	-0.9%	0.005	15

Highlights

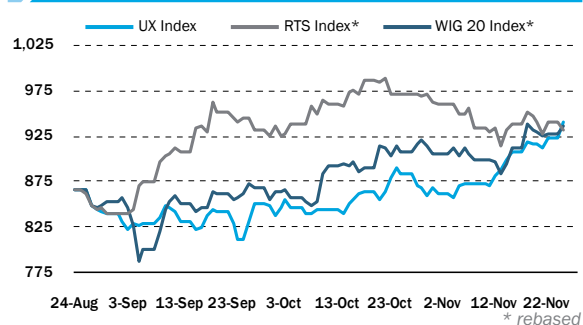
POLITICS AND ECONOMICS

- > Faint Hope Remains for Vilnius After Yanukovich, Kozhara Statements

FIXED INCOME

- > Agroton Seeking New Concessions from Bondholders

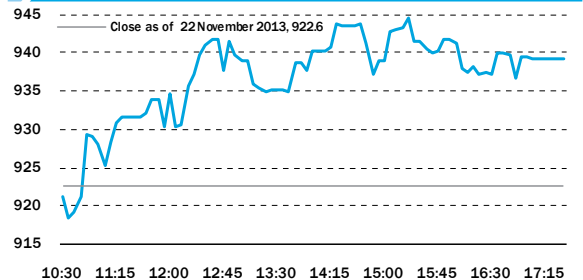
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	939.3	1.8%	6.4%	-1.2%
RTS	1433.6	-0.8%	-3.9%	-6.1%
WIG20	2615.2	1.0%	3.1%	1.2%
MSCI EM	1010.6	0.1%	-1.6%	-4.2%
S&P 500	1802.5	-0.1%	2.4%	28.5%

UX INTRADAY NOVEMBER 25, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	347.9	-0.3%	4.9%	28.4%
CDS 5Y UKR	926.4	-4.3%	-1.0%	48.2%
Ukraine-17	10.0%	-0.3 p.p.	0.7 p.p.	3.0 p.p.
Naftogaz Ukr-14	14.7%	-0.9 p.p.	0.9 p.p.	7.1 p.p.
Ukraine-23	9.4%	-0.2 p.p.	0.1 p.p.	1.9 p.p.
Privatbank-16	23.3%	0.0 p.p.	1.3 p.p.	8.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.20	-0.2%	0.3%	1.9%
EUR	11.09	-0.4%	-1.7%	3.8%
RUB	0.25	-0.7%	-3.2%	-6.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	270.0	0.0%	-0.2%	-22.5%
Steel, USD/t	525.0	0.0%	-0.5%	-1.4%
Oil, USD/bbl	111.0	0.0%	4.1%	5.8%
Gold, USD/oz	1251.3	0.6%	-7.4%	-24.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Faint Hope Remains for Vilnius After Yanukovych, Kozhara Statements

by Will Ritter
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NEWS

President Yanukovych and Foreign Minister Leonid Kozhara broke their silence on Monday (Nov 25) regarding the Ukrainian government's apparent change of heart in its intention to sign a free trade and association deal (AA/DCFTA) with the European Union. Kozhara was quoted by Interfax as saying, "We are speaking about a pause in the process of signing, as both sides – Ukraine and the EU – are not ready for this action as of today, November 25." In remarks broadcast on state television in the evening, the President struck a conciliatory tone, stating that he is committed to building "European standards" for Ukraine, and that his decision-making is guided by economic factors, especially in protecting the most economically vulnerable citizens. Although it was strongly implied, neither the President nor Kozhara specifically stated that the AA/DCFTA will not be signed in Vilnius, and Kozhara said that Yanukovych still plans to attend the summit, which starts on Thursday (Nov 28).

COMMENTARY

The fact that neither Yanukovych nor Kozhara actually ruled out a signing in Vilnius suggests that a glimmer of hope remains for a last-minute deal in the event that the President does indeed decide to travel to Lithuania. However, we reiterate our position that this is unlikely given the hard-line rhetoric over the past week from Prime Minister Nikolay Azarov, who is playing the "bad cop" in this saga. In central Kyiv, protests against a non-signing of the AA/DCFTA continued, although in smaller numbers than Sunday's massive 100,000-plus turnout; the Ukraine situation has begun to receive widespread coverage in the international media after initially having been eclipsed by a story on Iran. It looks to us as though Yanukovych is attempting to create the optimal conditions for his reelection campaign in early 2015, i.e. by pleasing his base of mostly-pro-Russian supporters in southeastern Ukraine by not signing the EU deal. At the same time, the President is also trying not to alienate pro-European voters by stating that he remains committed to a "European future", and we assume that Yanukovych will therefore continue to decline overtures from Russia to join its planned "Eurasian Union" of former Soviet countries. Perhaps most importantly, in return for not signing the AA/DCFTA, the President seems to have secured offers of short-term financing and lower natural gas prices from Moscow that will stop the bleeding in Ukraine's balance of payments deficit and prevent a collapse in the hryvnia's value ahead of the March 2015 election. Overall, this looks dubious to us as an electoral strategy given the support among a majority of Ukrainians for an immediate EU deal, but Yanukovych may view it as the most advantageous choice available to him.

Agroton Seeking New Concessions from Bondholders

by Dmitry Churin
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NEWS

Lugansk-based crop grower Agroton wants to renegotiate the terms of its USD 50mn Eurobonds due in 2019, the company said on Monday (Nov 25). The company said it lacks sufficient operating cash flow to finance the current 8.0% coupon on its bonds as a result of weak operating results. Agroton cited a decrease in its crop harvest in addition to a notable decline in prices for wheat and sunflower this season. The new terms sought by Agroton were not disclosed. The coupon rate on the bonds was already cut earlier in 2013 from the original 12.5% to the current 8.0%.

COMMENTARY

The news is negative for both the Warsaw-listed AGT stock and for the bonds, which are already quoted at a distressed yield of 32.3%/28.6%. Kyiv business daily *Kommersant*, citing undisclosed sources, said that Agroton will ask bondholders to accept a further decrease in coupon from the current set 8.0% to 6.0%, as well as to postpone the next coupon payment from Jan 2014 to Jan 2015. As we reported earlier this year, Agroton's bondholders agreed to extend the bond maturity by 5 years to July 2019, lower the coupon from 12.5% to 8.0%, and postpone the July 2013 coupon payment to January 2014 (for details, see our news as of Jul 18).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.72	0.56	-23%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	174.9	218.0	25%	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.
Coke						
Avdyivka Coke	AVDK	3.28	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	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	0.54	2.9	441%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.2	U/R	--	U/R	
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.
Specialized Machinery						
Motor Sich	MSICH	1638	5250	221%	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	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	73.5	370	403%	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	28.4	72.0	153%	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	5.16	15.00	191%	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	17.1	22.10	29%	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	67.1	90.0	34%	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	12.3	19.35	57%	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	95.50	109.50	15%	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	939.34	1061.97	781.22	1.8%	2.1%	6.4%	-1.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.042	0.06	0.02	1.5%	-1.2%	1.0%	-21.5%	-0.4%	-3.3%	-5.4%	-20.4%
Azovstal	AZST	0.72	0.90	0.31	1.0%	2.1%	6.2%	-2.4%	-0.8%	0.0%	-0.2%	-1.3%
Dniprospezstal	DNSS	1,300	1,300	700	0.0%	0.0%	0.0%	30.1%	-1.8%	-2.1%	-6.4%	31.3%
Enakievo Steel	ENMZ	34.5	49.9	20.0	0.4%	-0.9%	3.0%	-9.2%	-1.4%	-3.0%	-3.4%	-8.0%
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	0.16	0.26	0.05	45.5%	33.3%	23.1%	-27.3%	43.6%	31.2%	16.7%	-26.1%
Coke												
Avdivka Coke	AVDK	3.28	4.80	1.60	1.9%	-0.2%	-0.1%	0.3%	0.1%	-2.3%	-6.4%	1.5%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	0.0%	0.0%	-3.4%	-16.4%	-1.8%	-2.1%	-9.8%	-15.2%
Iron Ore Mining												
Centralny GOK	CGOK	6.40	7.74	4.00	0.0%	0.0%	-3.0%	-7.2%	-1.8%	-2.1%	-9.4%	-6.1%
Ferrexpo	FXPO	2.82	4.58	2.02	-1.3%	-5.9%	-9.8%	-29.8%	-3.1%	-8.0%	-16.2%	-28.6%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	0.0%	-2.2%	8.9%	-1.8%	-2.1%	-8.6%	10.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.54	0.71	0.39	14.9%	8.0%	20.0%	-14.3%	13.1%	5.9%	13.6%	-13.1%
Komsomolets Donbasa	SHKD	0.61	1.30	0.27	0.0%	-3.2%	-7.6%	-48.3%	-1.8%	-5.3%	-14.0%	-47.1%
Energy Coal	CLE	0.68	4.57	0.59	-2.4%	-8.3%	-17.8%	-77.9%	-4.2%	-10.4%	-24.2%	-76.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	0.0%	n/a	-20.7%	-1.8%	-2.1%	n/a	-19.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	0.86	0.30	2.0%	-9.1%	66.7%	-28.6%	0.2%	-11.2%	60.3%	-27.4%
Interpipe NMPP	NVTR	0.25	0.37	0.10	19.0%	0.0%	31.6%	13.6%	17.2%	-2.1%	25.2%	14.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.2	29.0	12.0	0.7%	3.2%	-0.5%	-11.5%	-1.1%	1.0%	-6.8%	-10.3%
Luhanskeplovoz	LTPL	1.60	2.20	1.26	2.6%	0.0%	3.9%	-14.4%	0.8%	-2.1%	-2.5%	-13.3%
Stakhanov Wagon	SVGZ	1.32	2.00	1.00	0.0%	0.8%	0.0%	-23.7%	-1.8%	-1.4%	-6.4%	-22.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	1.4%	-0.3%	-33.3%	-1.8%	-0.8%	-6.7%	-32.1%
Motor Sich	MSICH	1,638	2,640	1,303	0.5%	1.4%	2.4%	-25.9%	-1.3%	-0.7%	-3.9%	-24.7%
Sumy Frunze Engineering	SMASH	2.39	4.00	0.81	-6.3%	-6.3%	8.6%	59.3%	-8.1%	-8.4%	2.3%	60.5%
Turboatom	TATM	3.50	5.00	3.20	0.0%	0.0%	n/a	n/a	-1.8%	-2.1%	n/a	n/a
WESTA ISIC	WES	0.19	0.33	0.17	-3.4%	-8.3%	-18.8%	-20.8%	-5.2%	-10.4%	-25.2%	-19.7%
Telecom												
Ukrtelecom	UTLM	0.14	0.20	0.09	-3.2%	0.1%	-9.6%	-12.4%	-5.1%	-2.1%	-16.0%	-11.3%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.20	-0.4%	0.3%	0.7%	-53.8%	-2.2%	-1.9%	-5.7%	-52.6%
JKX Oil	JKX	1.19	1.29	0.75	-0.4%	-1.1%	3.1%	-0.7%	-2.2%	-3.2%	-3.3%	0.4%
Ukrnafta	UNAF	112	280	96	1.7%	0.2%	3.1%	-5.7%	-0.1%	-2.0%	-3.2%	-4.6%
Power Utilities												
Centrenerg	CEEN	5.16	7.40	2.50	1.5%	0.4%	0.4%	-18.8%	-0.3%	-1.8%	-6.0%	-17.6%
Donbasenergo	DOEN	28.4	34.0	15.4	2.8%	7.5%	17.6%	34.1%	1.0%	5.4%	11.3%	35.3%
Zakhidenergo	ZAEN	86.1	115.0	64.0	-1.3%	3.7%	3.7%	-11.2%	-3.1%	1.6%	-2.6%	-10.1%
Consumer												
Agroton	AGT	0.72	3.6	0.36	-3.6%	-4.0%	-6.5%	-78.0%	-5.4%	-6.1%	-12.9%	-76.8%
Astarta	AST	21.6	24.4	14.5	0.0%	1.2%	-7.3%	21.1%	-1.8%	-1.0%	-13.7%	22.3%
Avangardo	AVGR	12.3	13.0	7.61	3.4%	-0.8%	-5.4%	8.6%	1.6%	-3.0%	-11.8%	9.7%
Industrial Milk Company	IMC	4.53	5.35	3.63	0.5%	-0.1%	-6.6%	-14.7%	-1.3%	-2.3%	-13.0%	-13.5%
Kernel	KER	14.3	22.6	13.5	0.1%	2.3%	-4.4%	-33.8%	-1.7%	0.1%	-10.8%	-32.6%
Mriya Agro Holding	MAYA	6.53	6.8	5.36	-0.2%	0.0%	-1.6%	0.6%	-2.0%	-2.1%	-8.0%	1.8%
MHPC	MHPC	17.1	19.9	14.15	1.0%	5.7%	8.7%	12.3%	-0.8%	3.5%	2.3%	13.4%
Milkiland	MLK	4.09	5.2	3.11	-1.5%	-0.3%	-8.7%	-13.0%	-3.3%	-2.5%	-15.1%	-11.8%
Ovostar Union	OVO	30.8	33.3	21.3	1.0%	1.1%	-5.1%	6.5%	-0.9%	-1.1%	-11.5%	7.7%
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
Chemicals												
Stirol	STIR	15.0	15.9	7.1	7.1%	6.2%	27.4%	11.9%	5.3%	4.1%	21.1%	13.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.124	0.128	0.067	3.6%	5.0%	19.7%	44.6%	1.8%	2.9%	13.3%	45.8%
UkrSotsbank	USCB	0.194	0.257	0.107	3.7%	1.8%	4.8%	50.2%	1.9%	-0.3%	-1.6%	51.4%

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	132	3.9%	5	1,547	3.6	neg	neg	10.6	neg	neg	0.7	0.9	0.9	533	460	414	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	37	1.4	5.2	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	369	4.1%	15	348	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	62	59	56	\$/tonne
Coke																		
Avdivka Coke	AVDK	78	7.5%	6	75	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
Iron Ore Mining																		
Centralny GOK	CGOK	914	0.5%	5	914	2.8	9.6	8.8	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,275	0.5%	13	2,400	2.9	5.2	6.3	2.0	3.0	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,662	24.0%	399	1,913	2.9	7.7	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	1.6	0.6	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/tonne
Coal Energy	CLE	31	11.9%	4	56	0.8	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	158	2.0%	3	201	1.6	4.7	4.6	1.4	2.7	2.6	0.3	0.3	0.3	319	529	502	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.2	5.3	3.0	3.4	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	240	5.0%	12	242	2.8	2.5	4.8	2.1	1.8	2.6	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	36	8.0%	3	76	1.8	>30	12.7	2.3	10.5	6.9	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	415	24.0%	100	425	2.5	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	320	7.2%	23	656	neg	7.1	6.7	3.2	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
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	63	12.5	6.7	3.3	neg	2.7	1.8	3.3	1.3	0.8	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	232	21.7%	50	315	>30	8.0	7.0	6.5	5.2	4.7	0.4	0.3	0.3	22	22	18	\$/MWh
DonbasEnergO	DOEN	82	14.2%	12	139	neg	21.4	8.1	6.7	8.0	5.8	0.3	0.2	0.2	17	16	16	\$/MWh
Consumer																		
MHP	MHPC	1,808	34.1%	617	2,853	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8917	8917	8917	\$/tonne
Kernel	KER	1,056	61.8%	652	1,667	4.7	5.0	5.4	5.4	5.2	4.9	0.9	0.8	0.6				
Astarta	AST	540	31.0%	168	687	4.7	10.8	9.2	4.8	7.0	5.7	1.7	1.5	1.3	3485	2121	1762	\$/tonne
Avangardco	AVGR	786	22.5%	177	934	4.0	3.4	3.4	3.7	3.3	3.2	1.7	1.5	1.3	211	161	151	\$/mneggs
Agroton	AGT	15	44.6%	7	49	neg	0.8	0.7	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/ha
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	453	4.0%	18		>30	>30	15.9	0.6	0.5	0.5	0.07	0.06	0.06				
Ukrsotsbank	USCB	435	1.6%	7		>30	>30	21.8	0.5	0.5	0.6	0.06	0.06	0.06				

Source: Eavex Research

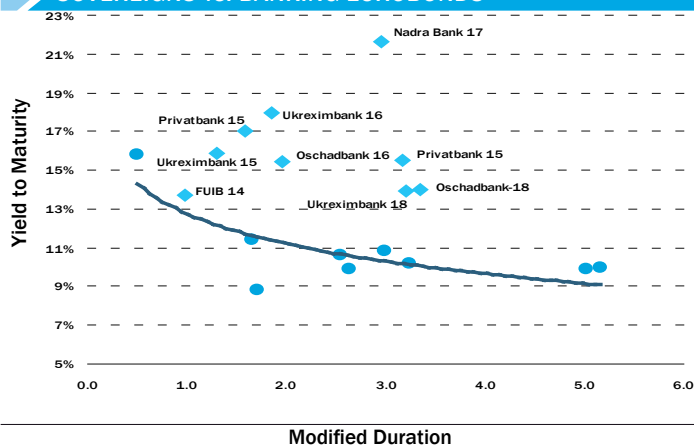
UKRAINIAN EUROBONDS

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	97.3	98.3	14.5%	12.2%	-4.5%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	95.5	96.5	17.2%	15.7%	-6.8%	0.8	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	93.0	94.0	9.4%	8.8%	-4.1%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	93.9	95.6	11.0%	9.9%	-6.4%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	90.2	91.7	10.6%	10.0%	-8.9%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	90.5	92.0	10.1%	9.4%	-8.5%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	88.8	90.6	10.4%	9.8%	-9.6%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	95.2	96.7	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	13.1%	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	89.8	91.3	10.0%	9.6%	-12.1%	5.0	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	90.1	91.6	9.9%	9.6%	-12.6%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	88.2	89.4	9.8%	9.6%	-12.0%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	87.6	89.0	9.5%	9.3%	-11.7%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	55.0	32.3%	28.6%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.0	102.5	10.0%	9.4%	-3.5%	1.3	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	84.6	86.0	11.8%	11.4%	-14.7%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.2	100.9	10.2%	9.8%	5.1%	1.7	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.4	91.9	13.9%	13.4%	-8.9%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.9	101.0	11.5%	10.9%	-2.5%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.9	86.7	14.2%	13.6%	-14.2%	3.4	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	99.2	100.3	10.7%	9.7%	-1.5%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	89.4	89.9	11.0%	10.9%	-10.4%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	101.0	101.5	9.9%	9.5%	-2.5%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	89.6	91.0	12.1%	11.6%	-6.9%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	94.5	96.2	10.9%	9.9%	-2.1%	2.1	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	84.2	86.1	14.4%	13.8%	-14.9%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.7%	17.8%	-3.8%	2.7	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	109.1	111.1	8.6%	8.1%	10.1%	3.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	91.5	93.5	#NUM!	#NUM!	44.5%	#NUM!	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.5	98.5	15.3%	14.1%	-4.0%	0.9	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	19.2%	17.6%	-7.1%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	69.1	73.2	25.3%	22.2%	-7.8%	1.7	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	85.0	86.9	15.8%	15.2%	-14.1%	3.1	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	91.5	92.5	16.1%	15.2%	-7.9%	1.3	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	81.0	83.0	17.1%	15.7%	-2.7%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	82.2	83.7	14.6%	14.0%	-17.0%	3.2	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	87.5	89.5	48.8%	41.8%	58.0%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	88.2	89.6	15.1%	14.3%	-6.5%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	82.8	84.3	14.4%	13.8%	-16.5%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	85.0	87.0	18.1%	16.7%	-8.1%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	84.0	86.8	17.2%	15.7%	-8.7%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

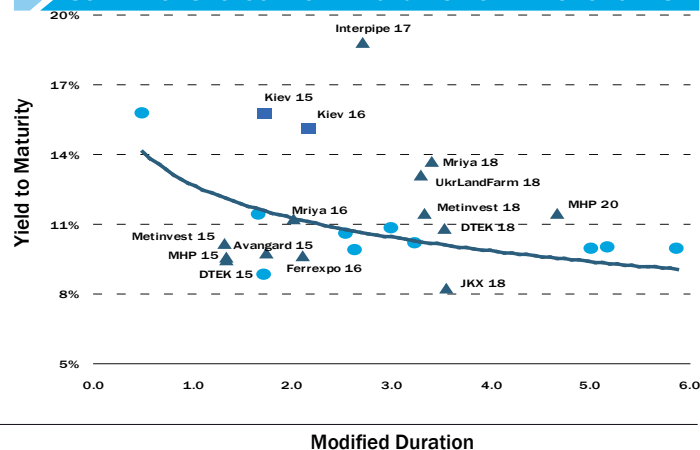
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



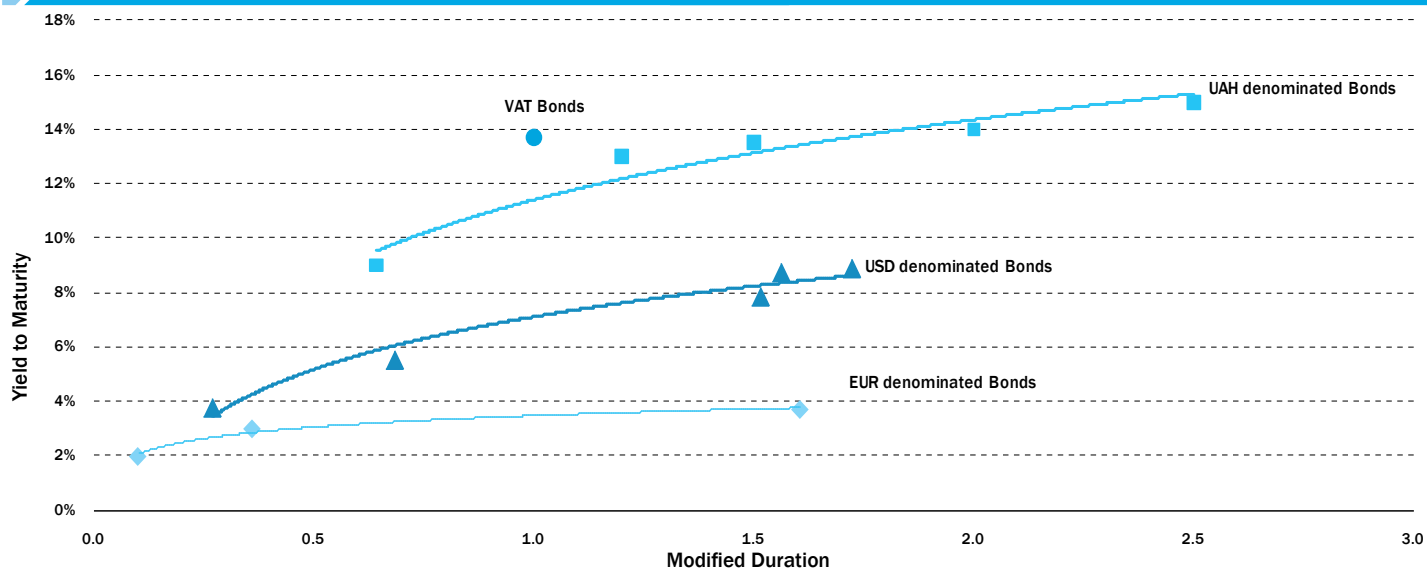
SOVEREIGNS vs. CORPORATE AND MUNICIPAL EUROBONDS



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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