

Market Update

Equity

Most Ukrainian blue chips finished lower on Tuesday (Nov 26) on profit-taking from the two previous strong sessions amid flat external sentiments. The UX index edged down 0.4% to close at 935 points. The ongoing bullish investor outlook on Raiffeisen Aval (BAVL), which pressed higher by 2.5%, kept the benchmark from a more substantial drop. DonbasEnergo (DOEN) and Azovstal (AZST), which have also rallied notably in the last two weeks, corrected by 1.5% and 1.1% respectively. Volume leader Motor Sich (MSICH) moved down by 0.7% on turnover of UAH 2.75mn and UkrNafta (UNAF) slipped 0.8% to UAH 111. In Warsaw, Kernel (KER PW) and Agroton (AGT PW) fell by 2.1% and 1.7% respectively, with the latter ending at PLN 2.18, while Ferrexpo (FXPO LN) slipped by 1.6% in London to near GBP 172.

Fixed Income

Ukrainian sovereigns moved down across the board on Tuesday, with benchmark Ukraine-23s dropping by 0.8p.p. to 86.8/88.2 (9.7%/9.4%). Corporate names were also mostly lower. Metinvest-18s and DTEK-18s slipped by 0.5p.p. and 0.3p.p. to close at 89.1/90.6 (12.2%/11.7%) and 88.7/89.9 (11.2%/10.9%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1626.00	-0.7%	2.8	96
Donbasenergo	DOEN	28.00	-1.5%	1.0	109
Centrenergo	CEEN	5.114	-0.8%	1.0	88

Growth Leaders

Dzerzhinsky Steel	DMKD	0.10	11.8%	0.21	12
Komsomolets Donbasa	SHKD	0.66	4.6%	0.13	8
Raiffeisen Bank Aval	BAVL	0.13	2.5%	0.84	300

Loss Leaders

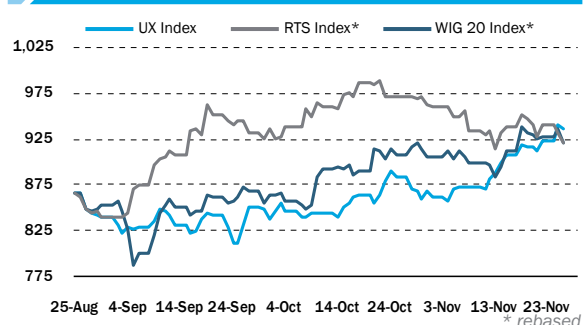
Yasynivsky Coke	YASK	0.55	-2.1%	0.002	13
Donbasenergo	DOEN	28.00	-1.5%	1.028	109
Azovstal	AZST	0.71	-1.1%	0.281	124

Highlights

FIXED INCOME

- > Agroton Proposes Further Coupon Reduction to 6%
- > DTEK Distribution Segment Shows 16% YoY Growth in 9M13

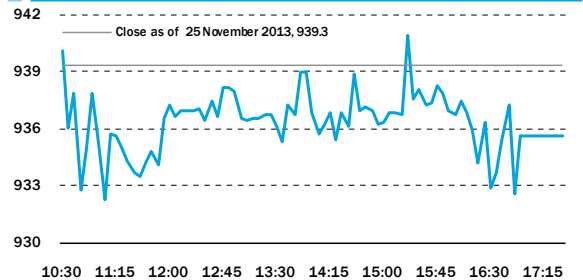
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	935.6	-0.4%	6.0%	-1.6%
RTS	1416.4	-1.2%	-5.1%	-7.2%
WIG20	2573.5	-1.6%	1.4%	-0.4%
MSCI EM	1005.4	-0.5%	-2.1%	-4.7%
S&P 500	1802.8	0.0%	2.4%	28.5%

UX INTRADAY NOVEMBER 26, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	354.1	1.8%	6.8%	30.7%
CDS 5Y UKR	967.0	4.4%	3.3%	54.7%
Ukraine-17	10.1%	0.2 p.p.	0.9 p.p.	3.2 p.p.
Naftogaz Ukr-14	15.1%	0.5 p.p.	1.3 p.p.	7.5 p.p.
Ukraine-23	9.5%	0.1 p.p.	0.2 p.p.	2.0 p.p.
Privatbank-16	23.0%	-0.3 p.p.	1.0 p.p.	7.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.20	0.0%	0.3%	1.9%
EUR	11.14	0.4%	-1.3%	4.2%
RUB	0.25	0.0%	-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	110.9	-0.1%	4.0%	5.7%
Gold, USD/oz	1242.8	-0.7%	-8.0%	-24.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Agroton Proposes Further Coupon Reduction to 6%

by Ivan Dzvinka
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NEWS

Lugansk-based crop grower Agroton announced a request for new restructuring conditions of its USD 50mn Eurobonds, which were already restructured this past summer. While the new offer envisages leaving the new maturity date unchanged at July 2019, several amendments have been proposed, including:

- a reduction in the coupon rate to 6.0% from the 8.0% set by the previous restructuring (vs. the initial rate of 12.5%);
- the postponement to January 2015 a coupon payment due on 14 January 2014 (which includes the previously postponed 14 July 2013 coupon) as well as postponement of the coupon due on 14 July 2014;
- reducing the quorum of a bondholders' meeting aimed at passing an Extraordinary Resolution to two or more persons whose holdings represent 50%+ of principal amount of the notes;
- ability to pass an Extraordinary Resolution if holders of 50%+ (vs. 66.6%+ now) of the principal amount presented at the meeting vote for it.

The final voting deadline for noteholders regarding the proposed restructuring conditions is set on Dec 16, with the meeting of holders set for Dec 18.

COMMENTARY

A second restructuring in four months is obviously value-detrimental for Agroton's bondholders. However, the really bad news is that this may not yet be the end of the story. Given the reportedly large share of bonds held by Agroton majority shareholder Vitaliy Zhuravlov, the proposed changes in quorum and the reduction in the decision-making passing ratio will make it easier to further reduce the coupon to 4% or 2% going forward. In light of this, we continue to recommend staying away from both the bonds and the AGT stock.

DTEK Distribution Segment Shows 16% YoY Growth in 9M13

by Dmitry Churin
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NEWS

DTEK, Ukraine's largest non-government electricity group, demonstrated a 16% YoY increase in its electricity distribution segment in volume terms to 43.9 TWh in 9M13, according to the company's press release published on Tuesday (Nov 26). DTEK's other key business segments showed a mixed performance, with coal production rising by 3.3% YoY to 30.3mn tonnes in the period while electricity generation edged down by 1.2% YoY to 38.1 TWh. The company's electricity exports grew by 4.3% to 7.4 TWh in 9M13.

DTEK PRODUCTION FIGURES				
Segment	Unit	9M13	9M12	Change YoY
Coal production	mn tonnes	30.3	29.3	+3.3%
Electricity generation	TWh	38.1	38.5	-1.2%
Electricity distribution	TWh	43.9	37.8	+16%
Electricity export	TWh	7.4	7.1	+4.3%

Source: Companies' data

COMMENTARY

DTEK's electricity generation segment suffered from the overall slowdown in Ukraine's economy in the period, which resulted in a 3.2% YoY decrease in total electricity consumption in the country in 9M13. The output decline in DTEK's generation segment was lower than the overall consumption decline due to substitution that occurred after a sharp fall in output at the largest state-owned generator, CentrEnergO, which was hit by a fire in March that reduced its capacity by some 16%.

DTEK-18 Eurobonds currently quote at 11.2%/10.9% YTM, with a spread to sovereign papers of 110 basis points.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.71	0.56	-22%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	172.1	218.0	27%	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	3.25	6.2	92%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.55	3.4	525%	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	0.46	2.9	546%	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	1.65	5.2	217%	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	1626	5250	223%	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	28.0	72.0	157%	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	5.11	15.00	193%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	17.2	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	66.2	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	12.3	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	95.00	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	935.58	1061.97	781.22	-0.4%	2.2%	6.0%	-1.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.042	0.06	0.02	-0.5%	0.0%	0.5%	-21.9%	-0.1%	-2.2%	-5.5%	-20.3%
Azovstal	AZST	0.71	0.90	0.31	-1.2%	1.1%	4.9%	-3.7%	-0.8%	-1.1%	-1.1%	-2.1%
Dniprospezstal	DNSS	n/a	1,300	700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	34.3	49.9	20.0	-0.6%	0.4%	2.4%	-9.7%	-0.2%	-1.8%	-3.6%	-8.2%
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	0.10	0.26	0.05	-37.5%	-16.7%	-23.1%	-54.5%	-37.1%	-18.9%	-29.0%	-53.0%
Coke												
Avdyivka Coke	AVDK	3.25	4.80	1.60	-0.9%	1.0%	-1.0%	-0.7%	-0.5%	-1.2%	-7.0%	0.9%
Yasynivsky Coking	YASK	0.55	0.85	0.51	-1.8%	-1.8%	-5.2%	-17.9%	-1.4%	-4.0%	-11.1%	-16.3%
Iron Ore Mining												
Centralny GOK	CGOK	6.40	7.74	4.00	0.0%	0.0%	-3.0%	-7.2%	0.4%	-2.2%	-9.0%	-5.7%
Ferrexpo	FXPO	2.79	4.58	2.02	-1.3%	-5.8%	-11.1%	-30.8%	-0.9%	-8.0%	-17.0%	-29.2%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	1.3%	-2.2%	8.9%	0.4%	-0.9%	-8.1%	10.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.46	0.71	0.39	-14.8%	-8.0%	2.2%	-27.0%	-14.4%	-10.2%	-3.7%	-25.4%
Komsomolets Donbasa	SHKD	0.66	1.30	0.27	8.2%	4.8%	0.0%	-44.1%	8.6%	2.6%	-6.0%	-42.5%
Energy Coal	CLE	0.63	4.57	0.59	-7.5%	-12.8%	-23.9%	-79.6%	-7.1%	-15.0%	-29.9%	-78.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	0.0%	n/a	-20.7%	0.4%	-2.2%	n/a	-19.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	0.86	0.30	0.0%	11.1%	66.7%	-28.6%	0.4%	8.9%	60.7%	-27.0%
Interpipe NMPP	NVTR	0.25	0.37	0.10	0.0%	19.0%	31.6%	13.6%	0.4%	16.9%	25.6%	15.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.2	29.0	12.0	0.4%	6.2%	-0.1%	-11.1%	0.8%	4.0%	-6.0%	-9.6%
Luhanskeplovoz	LTPL	1.65	2.20	1.26	3.1%	3.1%	7.1%	-11.8%	3.5%	0.9%	1.2%	-10.2%
Stakhanov Wagon	SVGZ	1.30	2.00	1.00	-1.5%	-1.5%	-1.5%	-24.9%	-1.1%	-3.7%	-7.5%	-23.3%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	0.0%	-0.3%	-33.3%	0.4%	-2.2%	-6.3%	-31.7%
Motor Sich	MSICH	1,626	2,640	1,303	-0.7%	1.0%	1.7%	-26.4%	-0.3%	-1.2%	-4.3%	-24.8%
Sumy Frunze Engineering	SMASH	2.35	4.00	0.81	-1.7%	-7.8%	6.8%	56.7%	-1.3%	-10.0%	0.9%	58.2%
Turboatom	TATM	3.50	5.00	3.20	0.0%	0.0%	n/a	n/a	0.4%	-2.2%	n/a	n/a
WESTA ISIC	WES	0.19	0.33	0.17	0.1%	-8.1%	-18.7%	-20.8%	0.5%	-10.3%	-24.7%	-19.2%
Telecom												
Ukrtelecom	UTLM	0.15	0.20	0.09	4.9%	-0.5%	-5.2%	-8.2%	5.3%	-2.7%	-11.2%	-6.6%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.20	0.3%	0.4%	1.0%	-53.6%	0.7%	-1.8%	-5.0%	-52.1%
JKX Oil	JKX	1.19	1.29	0.75	0.3%	-0.9%	3.3%	-0.5%	0.7%	-3.1%	-2.6%	1.1%
Ukrnafta	UNAF	111	280	96	-0.9%	0.5%	2.2%	-6.6%	-0.5%	-1.7%	-3.7%	-5.0%
Power Utilities												
Centrenerg	CEEN	5.11	7.40	2.50	-0.8%	0.3%	-0.4%	-19.5%	-0.4%	-1.9%	-6.4%	-17.9%
Donbasenergo	DOEN	28.0	34.0	15.4	-1.5%	5.6%	15.9%	32.1%	-1.1%	3.4%	9.9%	33.7%
Zakhidenergo	ZAEN	91.5	115.0	64.0	6.3%	1.2%	10.2%	-5.7%	6.7%	-1.0%	4.3%	-4.1%
Consumer												
Agroton	AGT	0.70	3.6	0.36	-1.7%	-4.7%	-8.1%	-78.3%	-1.3%	-6.9%	-14.1%	-76.8%
Astarta	AST	21.4	24.4	14.5	-1.2%	-0.1%	-8.4%	19.6%	-0.8%	-2.3%	-14.4%	21.2%
Avangardo	AVGR	12.3	13.0	7.61	0.0%	-0.8%	-5.4%	8.6%	0.4%	-3.0%	-11.3%	10.1%
Industrial Milk Company	IMC	4.53	5.35	3.63	0.1%	0.6%	-6.5%	-14.6%	0.5%	-1.6%	-12.5%	-13.0%
Kernel	KER	14.0	22.6	13.5	-2.1%	0.2%	-6.4%	-35.2%	-1.7%	-2.0%	-12.4%	-33.6%
Mriya Agro Holding	MAYA	6.55	6.8	5.36	0.3%	0.2%	-1.3%	0.9%	0.7%	-2.0%	-7.3%	2.5%
MHPC	MHPC	17.2	19.9	14.15	0.2%	3.4%	8.9%	12.5%	0.6%	1.2%	2.9%	14.0%
Milkiland	MLK	4.06	5.2	3.11	-0.8%	-1.8%	-9.4%	-13.6%	-0.4%	-4.0%	-15.4%	-12.1%
Ovostar Union	OVO	30.6	33.3	21.3	-0.4%	0.5%	-5.5%	6.1%	0.0%	-1.7%	-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	14.8	15.9	7.1	-1.3%	5.7%	25.7%	10.4%	-0.9%	3.5%	19.8%	12.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.127	0.128	0.067	2.4%	6.2%	22.6%	48.1%	2.8%	4.0%	16.7%	49.7%
UkrSotsbank	USCB	0.194	0.257	0.107	0.0%	3.2%	4.8%	50.2%	0.4%	1.1%	-1.1%	51.8%

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
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%
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			
Steel																		
Alchevsk Steel	ALMK	131	3.9%	5	1,546	3.6	neg	neg	10.6	neg	neg	0.7	0.9	0.9	533	460	414	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	37	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	365	4.1%	15	343	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	61	58	55	\$/tonne
Coke																		
Avdyivka Coke	AVDK	77	7.5%	6	75	neg	neg	neg	12.3	neg	neg	0.1	0.1	0.1	21	16	14	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	47	1.2	1.7	1.7	1.6	1.6	1.7	0.1	0.1	0.1	1.6	1.6	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	1,640	24.0%	394	1,891	2.9	7.6	6.2	2.4	4.7	4.2	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	1.8	0.7	0.8	1.9	1.3	1.4	0.7	0.5	0.5	31	30	29	\$/tonne
Coal Energy	CLE	29	11.9%	3	54	0.8	0.7	0.7	1.1	0.9	0.8	0.4	0.3	0.3	1.1	0.9	0.8	\$/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	44	24.0%	11	44	4.9	6.4	5.4	3.1	3.5	2.9	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	241	5.0%	12	243	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	75	1.8	>30	12.5	2.3	10.4	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	412	24.0%	99	422	2.5	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	335	7.2%	24	671	neg	7.4	7.0	3.3	3.3	3.2	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	732	3.0%	22	722	2.7	2.3	3.2	1.6	1.4	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	80	49.0%	39	63	12.6	6.7	3.4	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	313	3.5	5.1	4.1	2.7	2.2	2.1	1.3	1.4	1.3	82	57	43	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	230	21.7%	50	313	>30	8.0	6.9	6.4	5.2	4.6	0.4	0.3	0.3	21	22	18	\$/MWh
DonbasEnergO	DOEN	81	14.2%	11	137	neg	21.1	8.0	6.7	8.0	5.8	0.3	0.2	0.2	17	16	16	\$/MWh
Consumer																		
MHP	MHPC	1,812	34.1%	618	2,857	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8927	8927	8927	\$/tonne
Kernel	KER	1,034	61.8%	639	1,645	4.6	4.9	5.3	5.3	5.1	4.9	0.9	0.8	0.6				
Astarta	AST	534	31.0%	166	680	4.7	10.7	9.0	4.7	7.0	5.6	1.7	1.5	1.2	3451	2101	1745	\$/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	48	neg	0.8	0.7	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	464	4.0%	19		>30	>30	16.3	0.6	0.5	0.5	0.07	0.07	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

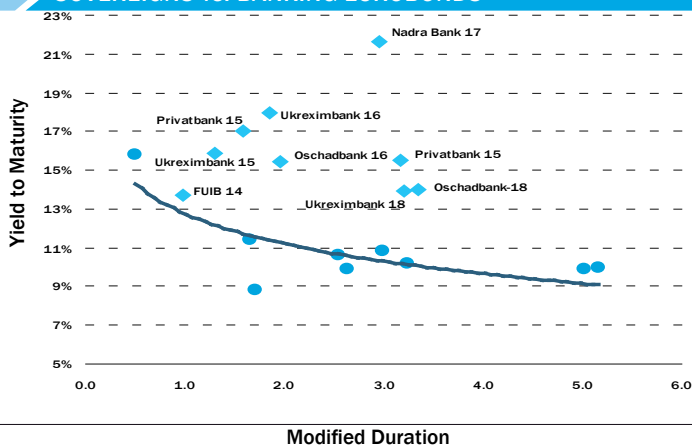
UKRAINIAN EUROBONDS

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	96.5	97.5	16.3%	14.0%	-5.3%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	95.3	96.2	17.7%	16.2%	-7.1%	0.7	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	93.5	94.3	9.1%	8.6%	-3.7%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	92.4	94.1	12.1%	10.9%	-7.9%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	89.3	90.8	11.0%	10.4%	-9.8%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	89.7	91.2	10.4%	9.8%	-9.2%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	88.3	90.1	10.6%	10.0%	-10.1%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	93.8	95.3	11.5%	11.0%	-11.8%	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%	3.1	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	88.3	89.8	10.3%	10.0%	-13.5%	5.0	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	88.9	90.4	10.2%	9.9%	-13.6%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	87.4	88.7	10.0%	9.7%	-12.8%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	86.8	88.2	9.7%	9.4%	-12.5%	6.3	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	86.2	11.8%	11.4%	-14.6%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.6	100.6	10.0%	10.0%	5.4%	1.7	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.1	91.8	14.0%	13.4%	-9.1%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	100.0	100.9	11.4%	10.9%	-2.5%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.8	86.3	14.2%	13.7%	-14.4%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	99.1	100.2	10.8%	9.8%	-1.7%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	88.7	89.9	11.2%	10.9%	-10.7%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	100.6	101.6	10.2%	9.5%	-2.6%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	89.1	90.6	12.2%	11.7%	-7.3%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	94.8	96.0	10.7%	10.0%	-2.1%	2.1	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	84.1	85.5	14.4%	14.0%	-15.2%	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	109.2	110.8	8.6%	8.2%	10.0%	3.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	90.0	92.0			42.2%		10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.6	98.9	15.2%	13.7%	-3.8%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	79.7	82.3	23.9%	21.4%	-3.8%	2.9	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.3	89.9	18.2%	17.0%	-6.0%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	69.2	74.2	25.3%	21.4%	-7.1%	1.7	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	84.8	86.8	15.9%	15.2%	-14.3%	3.1	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	90.9	92.5	16.7%	15.3%	-8.2%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	80.9	83.0	17.2%	15.7%	-2.8%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	81.8	83.4	14.8%	14.2%	-17.4%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	89.0	91.0	43.8%	37.2%	60.7%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	88.3	89.4	15.1%	14.4%	-6.6%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	82.5	84.0	14.5%	13.9%	-16.7%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	84.0	87.0	18.9%	16.7%	-8.6%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	84.4	86.9	17.0%	15.7%	-8.5%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

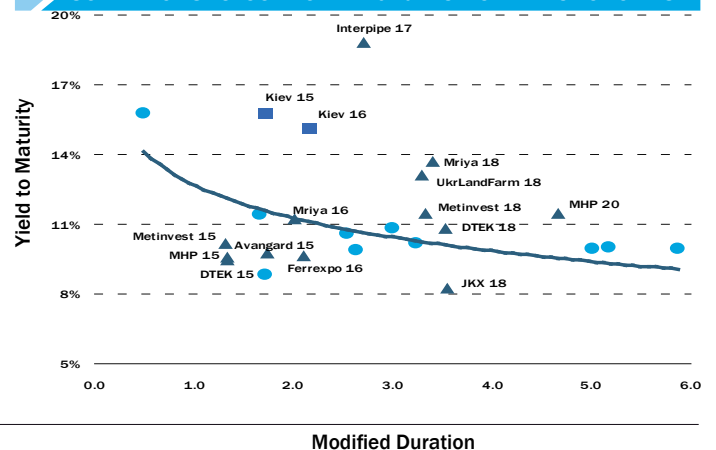
¹ Moody's/S&P/Fitch; * EUR

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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