

Market Update

Equity

Kyiv-listed blue chips were mostly lower on Wednesday (Nov 27) on the eve of President Yanukovich's expected departure to an summit meeting with European Union's top brass in Lithuania, at which the Ukrainian leader may or may not decide to sign a free trade agreement with the bloc. The UX index slipped 0.9% to close at 927 points. The benchmark was weighed down by UkrSotsBank, which slumped 9.7% to 17.65 kopecks following the passing of the ex-rights date associated with the bank's Dec 2 special shareholder meeting. Raiffeisen Aval saw some profit-taking after touching an 18-month high on Tuesday, moving down by 1.5%, and Metinvest-controlled Yenakievo Steel lost 1.9%. Volume leader DonbasEnergo finished in positive territory, adding 1.0% on turnover of UAH 1.6mn. In London, Ferrexpo gained 3.1% to near GBp 177 while other top issues were little-changed.

Fixed Income

Ukrainian sovereigns were lower again on Wednesday, with Ukraine-23s declining by 0.7p.p. to 86.1/87.5 (9.8%/9.6%). Corporate names also finished in the red. MHP-15s and Metinvest-15s each dropped by 0.5p.p., closing at 100.1/102.5 (10.7%/8.8%) and 100.0/101.3 (10.7%/9.7%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Donbasenergo	DOEN	28.29	1.0%	1.6	112
Centrenergo	CEEN	5.13	-0.1%	0.9	81
Ukrsotsbank	USCB	0.177	-9.8%	0.8	314

Growth Leaders

Mariupol Heavy Machine	MZVM	0.11	4.2%	0.00	11
Yasynivsky Coke	YASK	0.56	2.4%	0.00	9
Donbasenergo	DOEN	28.29	1.0%	1.60	112

Loss Leaders

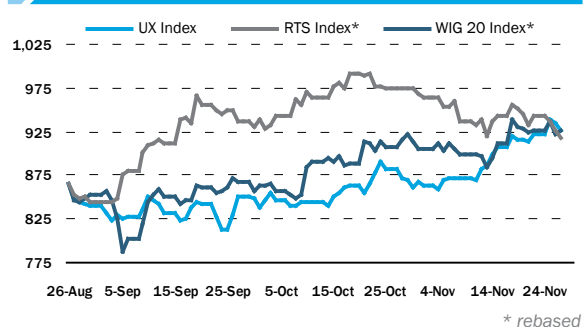
Ukrsotsbank	USCB	0.18	-9.8%	0.801	314
KRAZ	KRAZ	0.04	-2.0%	0.018	11
Enakievo Steel	ENMZ	33.63	-2.0%	0.189	102

Highlights

FIXED INCOME

- > Metinvest's EBITDA Up 14% YoY in 1H13
- > F&C Asking to Restructure USD 100mn Bonds Due in January

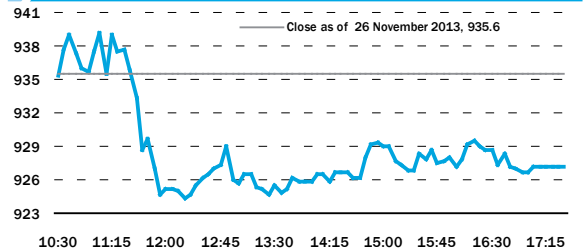
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	927.2	-0.9%	5.0%	-2.5%
RTS	1404.3	-0.9%	-5.9%	-8.0%
WIG20	2590.3	0.7%	2.1%	0.3%
MSCI EM	1008.8	0.3%	-1.8%	-4.4%
S&P 500	1807.2	0.2%	2.7%	28.9%

UX INTRADAY NOVEMBER 27, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	355.0	0.3%	7.1%	31.0%
CDS 5Y UKR	987.4	2.1%	5.5%	58.0%
Ukraine-17	10.2%	0.1 p.p.	0.8 p.p.	3.3 p.p.
Naftogaz Ukr-14	15.8%	0.7 p.p.	2.0 p.p.	8.2 p.p.
Ukraine-23	9.7%	0.1 p.p.	0.3 p.p.	2.2 p.p.
Privatbank-16	23.0%	0.0 p.p.	1.0 p.p.	7.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.23	0.3%	0.7%	2.3%
EUR	11.18	0.4%	-0.9%	4.6%
RUB	0.25	-0.4%	-3.6%	-6.4%

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	111.3	0.4%	4.4%	6.1%
Gold, USD/oz	1238.0	-0.4%	-8.4%	-25.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Metinvest's EBITDA Up 14% YoY in 1H13

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining group, increased its EBITDA by 14% YoY to USD 1.24bn over 1H13, according to financial results released on Wednesday (Nov 27). The rise was mainly a result of positive EBITDA from the group's metallurgical division of USD 165mn (vs. USD -220mn in 1H12) as well as expansion by USD 170mn in other operating income. Revenue declined by 3% YoY to USD 6.52bn on the back of a 13% drop in the average selling price for steel products and a 7% YoY decline in finished steel sales. These falls were, however, largely offset by 19% YoY increase in iron ore sales and additional revenue of USD 544mn from re-sales of Zaporizhstal's steel products (Metinvest acquired half of Zaporizhstal in 2012). Metinvest's net profit moved up by 31% YoY to USD 443mn, largely reflecting the growth in net operating income.

A reduction in working capital allowed the group to increase its net operating cash flow to USD 886mn in 1H13 from USD 360mn in 1H12. Metinvest's CapEx over the period decreased by 36% YoY to USD 250mn.

Total debt as of 30 June 2013 stood at USD 3.78bn, translating into a Total Debt/12M EBITDA of 1.8x, down from 2.2x as of end-2012.

METINVEST: DIVISION RESULTS			
USD mn	Metallurgical	Mining	GROUP
Revenue	4,765	2,710	6,515
YoY change	-4%	-7%	-3%
EBITDA	165	1,188	1,243
YoY change	nm*	-12%	14%
EBITDA margin	3%	44%	19%
YoY change	8pp	-3pp	3pp

* negative USD 220mn was reported for 1H12

Source: Company data

COMMENTARY

Despite challenging metallurgical market conditions, Metinvest managed to keep its profitability at rather high levels. Apart from growth in the EBITDA margin, the group also improved its gross margin by 0.8p.p to 29.3% in 1H13. This was mainly driven by rising sales in the high-profitability iron ore along with a decline by 19% YoY in revenue of lower-profitability finished steel products. A steeper decline in iron ore and coking coal prices than in steel prices allowed Metinvest's metallurgical division to post positive EBITDA in 1H13 for the first time since 1H11, while the mining segment reported a decline in EBITDA by 12% YoY (Metinvest says that its intra-group sales are treated as arm-length transactions).

The yield spread of Metinvest's 2015 Eurobonds to those of its Russian peer Evraz now stands at 550 basis points, up from an average of 350 bps over the last twelve months. This expansion in the spread has stemmed from the revision of Ukraine's sovereign credit rating by Moody's in late September, and has no connection to the business conditions/risks of Metinvest, in our view. As of 30 June 2013, Evraz's gross and EBITDA margins were 27.8% (vs. 29.3% in Metinvest) and 12.8% (19.1%), respectively. The total Debt/EBITDA ratio of Evraz is currently 4.6x, or 2.8 points higher than in the case of the Ukrainian group.

F&C Asking to Restructure USD 100mn Bonds Due in January

by Dmitry Churin
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NEWS

Finance&Credit Bank, which is affiliated with the business group of Ferrexpo owner Konstantyn Zhevago, is asking holders of its outstanding USD 100mn, 10.5% 2014 Eurobonds for a restructuring, according to announcement the bank made on the Irish Stock Exchange on Wednesday (Nov 27). The bonds are due in less than two months on Jan 25. F&C wants to exchange the outstanding bonds for a combination of cash and newly-issued bonds with a 9.125% coupon and maturity in 2019. Each bondholder who agrees to the exchange prior to Dec 10 will get a pro rata share of a USD 5mn cash payment.

COMMENTARY

The offer does not look particularly attractive for bondholders. We do not believe that Konstantyn Zhevago, as the majority owner of the bank, is unable to find the cash to redeem the bonds, implying that the bond restructuring is an attempt to avoid an outflow of funds from his business group.

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	177.5	218.0	23%	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	3.24	6.2	93%	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.
Coal						
Pokrovske Mine	SHCHZ	0.45	2.9	550%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.55	5.2	237%	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	1616	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.
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	73.0	370	407%	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	28.3	72.0	155%	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	5.13	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	66.0	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	12.3	19.35	58%	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	95.0	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	927.23	1061.97	781.22	-0.9%	1.3%	5.0%	-2.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.042	0.06	0.02	0.2%	1.0%	0.7%	-21.7%	1.1%	-0.3%	-4.3%	-19.3%
Azovstal	AZST	0.71	0.90	0.31	-0.4%	0.9%	4.4%	-4.1%	0.5%	-0.4%	-0.6%	-1.6%
Dniprospeztstal	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	33.6	49.9	20.0	-2.0%	-0.7%	0.4%	-11.5%	-1.1%	-2.0%	-4.6%	-9.0%
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	0.14	0.26	0.05	40.0%	40.0%	7.7%	-36.4%	40.9%	38.7%	2.7%	-33.9%
Coke												
Avdivka Coke	AVDK	3.24	4.80	1.60	-0.4%	1.0%	-1.4%	-1.1%	0.5%	-0.2%	-6.4%	1.4%
Yasnyivsky Coking	YASK	0.56	0.85	0.51	1.8%	0.0%	-3.4%	-16.4%	2.7%	-1.3%	-8.5%	-14.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.40	7.74	4.00	0.0%	0.0%	-3.0%	-7.2%	0.9%	-1.3%	-8.0%	-4.8%
Ferrexpo	FXPO	2.89	4.58	2.02	3.7%	0.2%	-7.8%	-28.2%	4.6%	-1.1%	-12.8%	-25.8%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	1.3%	-2.2%	8.9%	0.9%	0.0%	-7.2%	11.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.71	0.39	-2.2%	-10.0%	0.0%	-28.6%	-1.3%	-11.3%	-5.0%	-26.1%
Komsomolets Donbasa	SHKD	0.67	1.30	0.27	1.5%	6.3%	1.5%	-43.2%	2.4%	5.1%	-3.5%	-40.8%
Energy Coal	CLE	0.63	4.57	0.59	0.1%	-11.1%	-23.9%	-79.5%	1.0%	-12.4%	-28.9%	-77.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	0.0%	n/a	-20.7%	0.9%	-1.3%	n/a	-18.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.58	0.86	0.30	16.0%	9.4%	93.3%	-17.1%	16.9%	8.2%	88.3%	-14.7%
Interpipe NMPP	NVTR	0.25	0.37	0.10	0.0%	19.0%	31.6%	13.6%	0.9%	17.8%	26.6%	16.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.0	29.0	12.0	-1.4%	4.7%	-1.4%	-12.4%	-0.5%	3.4%	-6.5%	-9.9%
Luhanskeplovoz	LTPL	1.55	2.20	1.26	-6.1%	-3.1%	0.6%	-17.1%	-5.2%	-4.4%	-4.4%	-14.7%
Stakhanov Wagon	SVGZ	1.30	2.00	1.00	0.0%	-1.5%	-1.5%	-24.9%	0.9%	-2.8%	-6.5%	-22.4%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-1.7%	-2.0%	-2.0%	-34.4%	-0.8%	-3.3%	-7.0%	-31.9%
Motor Sich	MSICH	1,616	2,640	1,303	-0.6%	1.1%	1.1%	-26.9%	0.3%	-0.1%	-3.9%	-24.4%
Sumy Frunze Engineering	SMASH	2.35	4.00	0.81	0.0%	-7.8%	6.8%	56.7%	0.9%	-9.1%	1.8%	59.1%
Turboatom	TATM	3.50	5.00	3.20	0.0%	0.0%	n/a	n/a	0.9%	-1.3%	n/a	n/a
WESTA ISIC	WES	0.19	0.33	0.17	-1.6%	-4.2%	-20.0%	-22.0%	-0.7%	-5.5%	-25.0%	-19.6%
Telecom												
Ukrtelecom	UTLM	0.14	0.20	0.09	-3.3%	-3.9%	-8.4%	-11.3%	-2.4%	-5.1%	-13.4%	-8.8%
Oil & Gas												
Regal Petroleum	RPT	0.25	0.59	0.20	0.5%	0.9%	1.5%	-53.4%	1.4%	-0.4%	-3.5%	-51.0%
JKX Oil	JKX	1.19	1.28	0.75	-0.2%	-1.5%	3.1%	-0.7%	0.7%	-2.8%	-1.9%	1.8%
Ukrnafta	UNAF	111	280	96	-0.3%	1.1%	1.9%	-6.8%	0.6%	-0.2%	-3.1%	-4.4%
Power Utilities												
Centrenerg	CEEN	5.13	7.40	2.50	0.2%	1.2%	-0.2%	-19.3%	1.1%	0.0%	-5.2%	-16.8%
Donbasenergo	DOEN	28.3	34.0	15.4	1.0%	5.2%	17.1%	33.5%	1.9%	4.0%	12.1%	36.0%
Zakhidenergo	ZAEN	91.6	115.0	64.0	0.1%	0.9%	10.4%	-5.6%	1.0%	-0.4%	5.4%	-3.1%
Consumer												
Agroton	AGT	0.71	3.6	0.36	0.6%	-3.3%	-7.6%	-78.2%	1.5%	-4.5%	-12.6%	-75.8%
Astarta	AST	21.3	24.4	14.5	-0.2%	-1.2%	-8.6%	19.4%	0.7%	-2.5%	-13.6%	21.8%
Avangardo	AVGR	12.3	13.0	7.61	-0.4%	-1.2%	-5.8%	8.1%	0.5%	-2.5%	-10.8%	10.6%
Industrial Milk Company	IMC	4.49	5.35	3.63	-0.9%	-0.6%	-7.4%	-15.4%	0.0%	-1.9%	-12.4%	-12.9%
Kernel	KER	14.0	22.6	13.5	0.0%	-2.9%	-6.4%	-35.2%	0.9%	-4.1%	-11.4%	-32.7%
Mriya Agro Holding	MAYA	6.55	6.8	5.36	0.1%	1.0%	-1.2%	1.0%	1.0%	-0.3%	-6.2%	3.5%
MHPC	MHPC	17.2	19.9	14.15	0.0%	2.1%	8.9%	12.5%	0.9%	0.8%	3.9%	14.9%
Milkiland	MLK	4.20	5.2	3.11	3.4%	4.5%	-6.3%	-10.7%	4.3%	3.2%	-11.3%	-8.2%
Ovostar Union	OVO	30.7	33.3	21.3	0.1%	1.2%	-5.4%	6.2%	1.0%	0.0%	-10.4%	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
Chemicals												
Stirol	STIR	14.9	15.9	7.1	0.8%	5.9%	26.8%	11.3%	1.7%	4.6%	21.8%	13.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.125	0.128	0.067	-1.6%	2.5%	20.7%	45.7%	-0.7%	1.3%	15.7%	48.2%
UkrSotsbank	USCB	0.177	0.257	0.107	-8.9%	-4.3%	-4.5%	36.9%	-8.0%	-5.6%	-9.5%	39.4%

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%
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	43	8.8%	4	36	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	362	4.1%	15	341	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	61	57	55	\$/tonne
Coke																		
Avdyivka Coke	AVDK	77	7.5%	6	74	neg	neg	neg	12.2	neg	neg	0.1	0.1	0.1	21	16	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	47	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	911	0.5%	5	911	2.8	9.6	8.8	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,267	0.5%	12	2,392	2.9	5.2	6.3	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,700	24.0%	408	1,951	3.0	7.9	6.5	2.4	4.9	4.4	1.1	1.4	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	32	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	183	2.0%	4	226	1.9	5.4	5.4	1.6	3.0	2.9	0.3	0.3	0.3	358	594	564	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	41	24.0%	10	41	4.6	6.0	5.1	2.9	3.3	2.7	0.2	0.2	0.2				
Kruiiv Wagon	KVBZ	237	5.0%	12	239	2.8	2.5	4.7	2.0	1.8	2.6	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	12.4	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	408	24.0%	98	418	2.4	1.7	1.5	1.5	1.4	1.3	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	323	7.2%	23	659	neg	7.1	6.7	3.2	3.2	3.2	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	728	3.0%	22	718	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	81	49.0%	40	63	12.6	6.7	3.4	neg	2.8	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	230	21.7%	50	313	>30	8.0	6.9	6.4	5.1	4.6	0.3	0.3	0.3	21	22	18	\$/MWh
DonbasEnergO	DOEN	81	14.2%	12	138	neg	21.2	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	1,035	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	533	31.0%	165	679	4.7	10.7	9.0	4.7	7.0	5.6	1.7	1.5	1.2	3445	2097	1742	\$/tonne
Avangardco	AVGR	782	22.5%	176	931	4.0	3.4	3.4	3.7	3.3	3.2	1.7	1.5	1.3	211	160	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	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	456	4.0%	18		>30	>30	15.9	0.6	0.5	0.5	0.07	0.06	0.06				
Ukrsotsbank	USCB	395	1.6%	6		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

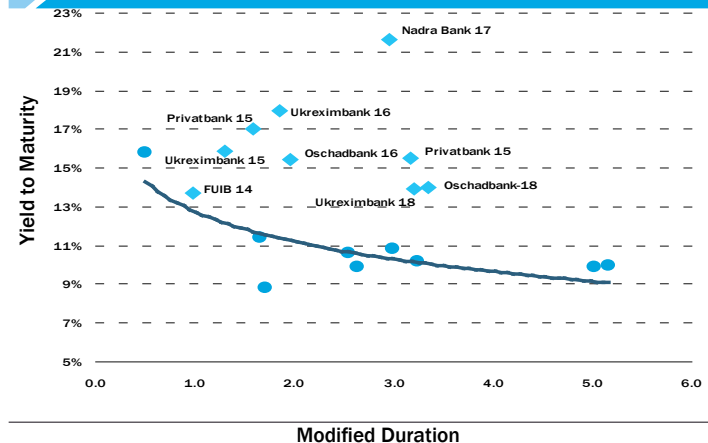
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	96.3	97.3	17.0%	14.6%	-5.5%	0.5	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	94.8	95.7	18.5%	17.1%	-7.5%	0.7	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	92.6	94.4	11.9%	10.7%	-7.7%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	89.2	90.2	11.1%	10.6%	-10.2%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	89.5	91.0	10.5%	9.8%	-9.4%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	88.0	89.8	10.7%	10.1%	-10.5%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	93.5	95.0	11.6%	11.1%	-12.0%	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	87.8	89.3	10.4%	10.1%	-14.0%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	88.4	89.9	10.3%	10.0%	-14.1%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	86.8	88.1	10.1%	9.8%	-13.4%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	86.1	87.5	9.8%	9.6%	-13.2%	6.3	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	55.5	32.3%	28.3%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.1	102.5	10.7%	9.7%	-4.0%	1.3	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	84.5	85.6	11.8%	11.5%	-15.0%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.2	100.9	10.3%	9.8%	5.1%	1.7	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	89.8	91.8	14.1%	13.4%	-9.2%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.7	100.8	11.6%	11.0%	-2.7%	2.0	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.6	85.8	14.3%	13.9%	-14.8%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	98.9	100.2	10.9%	9.8%	-1.7%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	87.6	89.3	11.6%	11.0%	-11.6%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	100.0	101.3	10.7%	9.7%	-3.1%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	88.5	89.9	12.4%	12.0%	-7.9%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	94.0	95.5	11.2%	10.2%	-2.8%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	84.0	85.1	14.5%	14.1%	-15.5%	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	110.0	111.8	8.4%	7.9%	10.9%	3.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	85.0	89.0			35.9%	0.0	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	97.0	98.4	16.0%	14.3%	-4.3%	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	87.1	89.1	19.2%	17.6%	-7.1%	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	84.9	86.2	15.9%	15.4%	-14.5%	3.1	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	90.5	92.1	17.2%	15.7%	-8.7%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	80.0	82.5	17.8%	16.1%	-3.6%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	81.4	83.0	14.9%	14.3%	-17.8%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	88.0	91.0	47.7%	37.4%	59.8%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	88.0	88.7	15.3%	14.9%	-7.1%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	82.2	83.8	14.6%	13.9%	-17.0%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	85.3	87.5	17.9%	16.3%	-7.6%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	83.9	86.8	17.3%	15.7%	-8.8%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

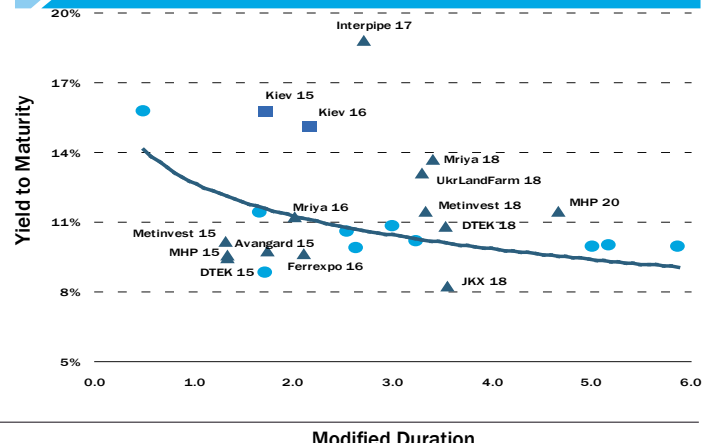
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



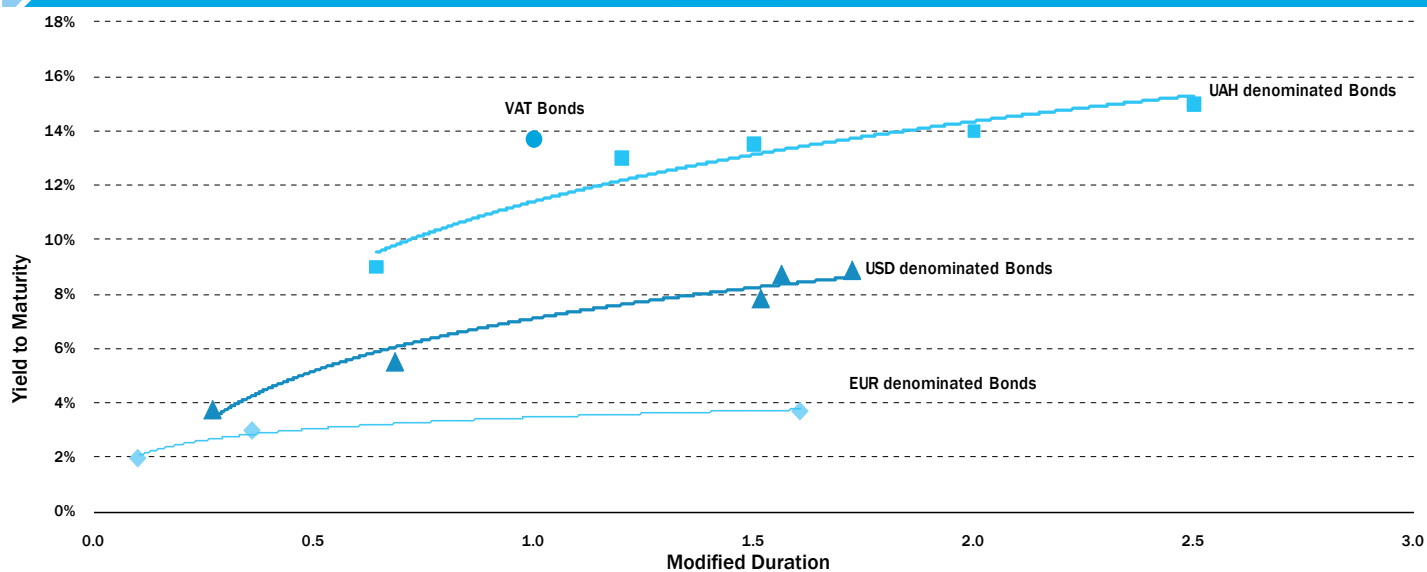
SOVEREIGNS vs. CORPORATE AND MUNICIPAL EUROBONDS



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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