

Market Update

Equity

Ukrainian stocks snapped their seven-session losing streak on Thursday (Dec 5) in what could only be described as a technical rebound given the ongoing domestic political standoff. External sentiments were also depressed by a strong 3Q GDP growth figure from the US that left investors worried about a reduction in Federal Reserve bond purchases at the Fed meeting later this month. Although most observers still view the “taper” as more likely to start in March than in December, the major global indices were lower. The UX index, meanwhile, added 1.6% to close at 896 points. Top liquid names Motor Sich, Raiffeisen Aval, and DonbasEnergO all rose by close to 2%, while CentrEnergO gained 0.8% to UAH 4.97. In London, agro issues MHP and Avangard were both hit by country-risk-related selling, losing nearly 5% each to finish at USD 15.60 and USD 11.30, respectively.

Fixed Income

Benchmark Ukrainian sovereigns were little-changed on Thursday. Ukraine-23s inched down by 0.1p.p. to 82.0/83.3 (10.6%/10.3%) while Ukraine-17s improved by 0.2p.p. to 84.7/86.4 (11.9%/11.3%). Major corporate issues were mostly higher. MHP-20s and Metinvest-18s increased by 0.5p.p. each, ending at 81.2/82.9 (12.7%/12.2%) and 86.6/88.0 (13.1%/12.7%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1555.00	1.9%	2.0	65
Alchevsk Coke	ALKZ	0.07	-4.0%	0.6	7
Enakievo Steel	ENMZ	33.180	0.5%	0.6	9

Growth Leaders

Raiffeisen Bank Aval	BAVL	0.12	2.0%	0.54	123
Ukrsotsbank	USCB	0.17	2.0%	0.07	24
Motor Sich	MSICH	1555.00	1.9%	1.98	65

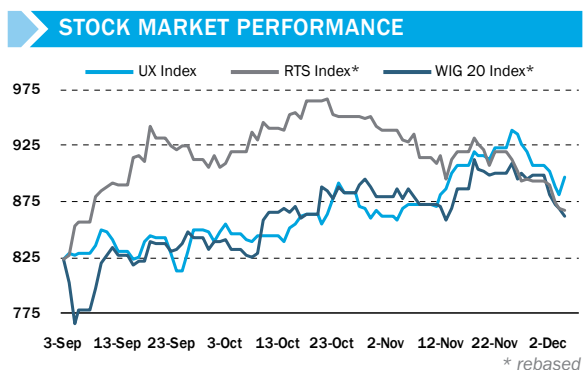
Loss Leaders

Mariupol Heavy Machine	MZVM	0.10	-6.5%	0.003	15
Alchevsk Coke	ALKZ	0.07	-4.0%	0.604	7
Zhytomyroblenergo	ZHEN	0.89	-1.1%	0.013	8

Highlights

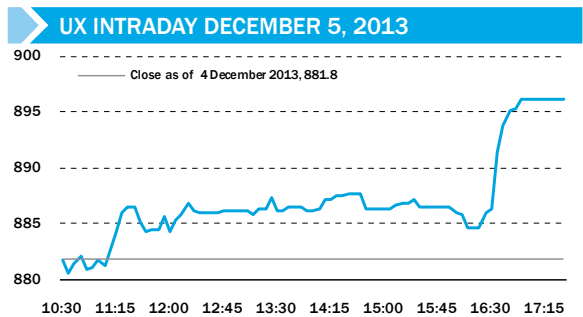
STOCKS IN THE NEWS

- Ukraine’s Steel Output Up by 0.6% YoY in 11M13
- EBRD Raises MHP’s Credit Line to USD 100mn



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	896.1	1.6%	4.4%	-5.7%
RTS	1362.6	-0.1%	-7.6%	-10.8%
WIG20	2478.1	-0.8%	-2.7%	-4.1%
MSCI EM	998.5	0.3%	-2.8%	-5.4%
S&P 500	1785.0	-0.4%	1.0%	27.3%



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	355.1	-1.0%	6.5%	31.0%
CDS 5Y UKR	1098.1	0.0%	13.3%	75.7%
Ukraine-17	11.4%	-0.1 p.p.	2.0 p.p.	4.5 p.p.
Naftogaz Ukr-14	18.5%	-0.9 p.p.	2.7 p.p.	10.9 p.p.
Ukraine-23	10.4%	0.0 p.p.	1.0 p.p.	2.9 p.p.
Privatbank-16	25.4%	0.0 p.p.	4.7 p.p.	10.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.22	-0.4%	0.2%	2.0%
EUR	11.23	0.2%	1.3%	5.1%
RUB	0.25	0.3%	-1.8%	-6.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	273.4	0.0%	1.1%	-21.5%
Steel, USD/t	527.5	0.0%	0.5%	-0.9%
Oil, USD/bbl	111.0	-0.8%	4.6%	5.7%
Gold, USD/oz	1225.2	-1.5%	-6.8%	-26.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Daily Steel Output Edges Up by 0.8% YoY in November

by Ivan Dzvinka
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NEWS

Ukrainian steelmakers produced 2.55mn tonnes of crude steel in November, representing a 4.9% YoY drop, Metal Courier reported. Daily steel output in November was higher by 0.8% MoM at 85,100 tonnes. For 11M13, output rose by 0.6% YoY to 30.02mn tonnes in 11M13.

UKRAINE'S CRUDE STEEL PRODUCTION, '000 T

Owner		Nov'13	YoY	Nov daily	MoM	11M13	YoY
AM	ArcelorMittal KR	544	-4%	18.1	-1%	5,874	0%
Metinvest	MMK Illich	386	-4%	12.9	7%	4,618	-3%
Metinvest	Azovstal	331	-13%	11.0	-8%	4,135	-3%
Metinvest	Zaporizhstal	279	-12%	9.3	-14%	3,486	0%
Metinvest	Yenakievo Steel	236	9%	7.9	-3%	2,645	4%
IUD	Alchevsk Steel	314	-14%	10.5	18%	3,802	9%
IUD	Dzerzhinsky Steel	219	-12%	7.3	3%	2,709	-6%
Evraz	Petrovsky Steel	92	7%	3.1	17%	930	24%
	Dniprospeztstal	19	-17%	0.6	3%	254	-17%
	Others	134		4.5		1,567	
	TOTAL	2,554	-4.9%	85.1	0.8%	30,020	0.6%

Source: Metal Courier, Metallurgprom

COMMENTARY

Ukraine's metallurgical groups showed contrasting results in November. While Arcelor Mittal KR registered flat daily production MoM, the average daily output of Metinvest declined by 4.4% MoM, and Industrial Union of Donbas (ISD) steel mills raised their output by 11.3% during the month. This demonstrates that steel production at the country's mills correlates more with the ability of management to secure orders rather than with the general situation on the marketplace. Metinvest-controlled Zaporizhstal posted a decline of 14% MoM in daily production last month, which was partially due to repairs at its facilities. Meanwhile, ISD's Alchevsk Steel remains the growth leader in the sector, reporting an 18% MoM rise in daily output and a 9% YoY increase through 11M13, thanks to higher demand for semi finished steel from ISD's European rolling plants.

Due to an expected resurgence in steel demand in the latter half of December driven by replenishment of inventories by steel users and traders, we believe Ukrainian steel mills will be able to expand their daily smelting by 2% MoM to 2.7mn tonnes this month. This would bring FY13 production to 32.7mn tonnes, implying a 1.0% YoY increase from FY12's 32.4mn tonnes.

EBRD Raises MHP's Credit Line to USD 100mn

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 15.63 Market Cap: USD 1,652mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.4	2.0	5.3	6.1	7.2%
2013E	1.3	2.0	8.2	6.9	3.0%

NEWS

The European Bank (EBRD) has increased its credit line to MHP, Ukraine's largest poultry producer, to USD 100mn, according to the organization's release. The credit line was originally secured in July 2010 in the amount of USD 50mn, and was later expanded by USD 15mn. With USD 20mn repaid, MHP's debt to EBRD stood at USD 45mn as of Nov 30. EBRD said MHP intends to use the funds to refinance its existing loan, as well for working capital and CapEx needs. The interest rates on the debt facility were not disclosed.

COMMENTARY

Apart from extending the size of the line, MHP also managed to postpone the maturity of the debt facility. Notably, the maturity of USD 33mn out of USD 100mn is set for 2017 and remaining USD 67mn for 2018. Previously, the maturity of USD 50mn (out of the initial USD 65mn line) and USD 15mn loans stood at January 2015 and December 2017, respectively.

The new credit line increase's MHP Net Debt/12M EBITDA ratio to 3.0x, which is the limit for its Eurobond covenant. We therefore expect MHP to use some of the new funds or earned cash from operations to pay down other debt and maintain some breathing room above this covenant.

Despite the deterioration in investment sentiment toward Ukraine following the sovereign credit rating downgrades of the last three months, international credit institutions have expanded their cooperation with some specific names with high credit quality and strong business profiles; MHP is a prime example.

Notably, the increase in MHP's credit line occurred shortly after a debt default to EBRD by another Ukrainian listed company, Sadovaya Group (coal miner and trader) in September, demonstrating most important factor for financial institutions in selecting borrowers is the quality of the company rather than the overall macroeconomic situation in the country.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	172.8	218.0	26%	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	8.18	14.5	77%	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	6.00	10.6	77%	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	3.11	6.2	101%	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	528%	BUY	Yasynivsky Coke benefits from steady demand for its output both in Ukraine & abroad thanks to the high quality of its coke relative to other domestic producers.
Coal						
Pokrovske Mine	SHCHZ	0.45	2.9	554%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.2	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.60	5.2	228%	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	1555	5250	238%	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	14.3	42.0	195%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	70.5	370	425%	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	27.5	72.0	162%	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	4.98	15.00	201%	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	15.6	22.10	41%	BUY	MHP is ramping up poultry production at its greenfield Vinnytsia complex, which has annual capacity of 220,000 tonnes. We think MHP will be able to expand its output by 50% over 2012-15 to 600,000 tonnes of poultry, with the lion's share of incremental volume to be exported.
Astarta	AST	64.0	90.0	41%	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	11.3	19.35	72%	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	87.0	109.50	26%	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	896.10	1061.97	781.22	1.6%	-2.5%	4.4%	-5.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	1.0%	-3.1%	1.5%	-24.5%	-0.6%	-0.7%	-2.9%	-18.8%
Azovstal	AZST	0.70	0.90	0.31	1.2%	0.7%	8.2%	-5.3%	-0.5%	3.2%	3.8%	0.5%
Dniprospeztstal	DNSS	1,300	1,300	700	0.0%	0.0%	0.0%	30.1%	-1.6%	2.5%	-4.4%	35.9%
Enakievo Steel	ENMZ	33.2	49.9	20.0	0.5%	-1.2%	0.6%	-12.7%	-1.2%	1.3%	-3.9%	-7.0%
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	0.13	0.26	0.05	8.3%	-7.1%	0.0%	-40.9%	6.7%	-4.7%	-4.4%	-35.2%
Coke												
Avdyivka Coke	AVDK	3.11	4.80	1.60	1.8%	-3.1%	1.2%	-5.1%	0.2%	-0.6%	-3.2%	0.7%
Yasnyivsky Coking	YASK	0.55	0.85	0.51	1.9%	-3.5%	-1.8%	-17.9%	0.2%	-1.1%	-6.2%	-12.2%
Iron Ore Mining												
Centralny GOK	CGOK	6.00	7.74	4.00	0.0%	-6.3%	-9.1%	-13.0%	-1.6%	-3.8%	-13.5%	-7.3%
Ferrexpo	FXPO	2.82	4.58	2.02	1.0%	-4.9%	-6.5%	-29.9%	-0.6%	-2.5%	-11.0%	-24.1%
Pivnichny GOK	SGOK	8.18	10.00	5.77	2.1%	1.0%	2.3%	9.9%	0.5%	3.4%	-2.2%	15.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.71	0.39	-16.7%	0.0%	-6.2%	-28.6%	-18.3%	2.5%	-10.7%	-22.8%
Komsomolets Donbasa	SHKD	0.60	1.30	0.27	0.0%	-10.4%	-15.5%	-49.2%	-1.6%	-8.0%	-19.9%	-43.4%
Energy Coal	CLE	0.52	4.57	0.52	0.7%	-16.1%	-31.6%	-83.1%	-0.9%	-13.7%	-36.1%	-77.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.58	0.270	0.0%	0.0%	n/a	-20.7%	-1.6%	2.5%	n/a	-15.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.49	0.86	0.30	0.0%	-15.5%	-18.3%	-30.0%	-1.6%	-13.1%	-22.8%	-24.3%
Interpipe NMPP	NVTR	0.23	0.37	0.10	0.0%	-8.0%	21.1%	4.5%	-1.6%	-5.5%	16.6%	10.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.2	29.0	12.0	-0.9%	-5.3%	-7.0%	-16.3%	-2.5%	-2.8%	-11.5%	-10.6%
Luhanskeplovoz	LTPL	1.60	2.20	1.26	4.6%	-1.8%	4.6%	-14.4%	3.0%	0.6%	0.1%	-8.7%
Stakhanov Wagon	SVGZ	1.30	2.00	1.00	1.6%	0.0%	-3.0%	-24.9%	-0.1%	2.5%	-7.4%	-19.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	0.7%	-7.0%	-37.7%	-1.6%	3.2%	-11.4%	-32.0%
Motor Sich	MSICH	1,555	2,640	1,303	1.9%	-3.3%	0.8%	-29.6%	0.3%	-0.8%	-3.7%	-23.9%
Summy Frunze Engineering	SMASH	2.31	4.00	1.00	0.4%	-6.1%	0.4%	54.0%	-1.2%	-3.6%	-4.0%	59.7%
Turboatom	TATM	3.50	5.00	3.20	0.0%	0.0%	n/a	n/a	-1.6%	2.5%	n/a	n/a
WESTA ISIC	WES	0.19	0.26	0.17	0.7%	2.4%	-16.2%	-19.9%	-0.9%	4.8%	-20.6%	-14.2%
Telecom												
Ukrtelecom	UTLM	0.12	0.19	0.09	-15.8%	-14.9%	-20.8%	-24.3%	-17.5%	-12.5%	-25.2%	-18.5%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.59	0.20	-0.4%	-8.1%	-4.3%	-57.0%	-2.0%	-5.6%	-8.8%	-51.3%
JXX Oil	JKX	1.15	1.26	0.75	-2.4%	-5.1%	-3.8%	-3.7%	-4.1%	-2.6%	-8.2%	2.0%
Ukrnafta	UNAF	108	280	96	2.5%	-2.1%	2.1%	-9.2%	0.8%	0.4%	-2.4%	-3.5%
Power Utilities												
Centrenerg	CEEN	4.98	7.40	2.50	1.4%	-2.4%	-0.1%	-21.6%	-0.2%	0.0%	-4.5%	-15.9%
Donbasenergo	DOEN	27.5	34.0	15.4	1.8%	-1.8%	13.8%	29.7%	0.2%	0.7%	9.3%	35.5%
Zakhidenergo	ZAEN	84.1	115.0	64.0	0.0%	-8.2%	1.3%	-13.3%	-1.6%	-5.7%	-3.1%	-7.6%
Consumer												
Agroton	AGT	0.68	3.6	0.36	2.2%	-0.3%	-10.3%	-79.1%	0.6%	2.1%	-14.8%	-73.4%
Astarta	AST	20.9	24.4	14.5	0.7%	-3.3%	2.5%	16.9%	-0.9%	-0.8%	-2.0%	22.6%
Avangardo	AVGR	11.3	13.0	7.61	-4.9%	-8.3%	-11.2%	-0.5%	-6.5%	-5.8%	-15.6%	5.2%
Industrial Milk Company	IMC	4.24	5.35	3.63	3.0%	-6.0%	-4.3%	-20.1%	1.4%	-3.5%	-8.7%	-14.4%
Kernel	KER	13.0	22.6	12.9	0.8%	-3.0%	-6.1%	-39.8%	-0.8%	-0.6%	-10.6%	-34.1%
Mriya Agro Holding	MAYA	6.60	6.8	5.36	0.5%	0.5%	0.1%	1.7%	-1.1%	3.0%	-4.3%	7.5%
MHPC	MHPC	15.6	19.9	14.15	-5.0%	-8.1%	-3.4%	2.5%	-6.6%	-5.6%	-7.8%	8.2%
Milkiland	MLK	3.95	5.2	3.11	-2.4%	-5.5%	-9.5%	-16.1%	-4.1%	-3.1%	-14.0%	-10.4%
Ovostar Union	OVO	28.4	33.3	21.3	0.7%	-7.6%	-14.0%	-1.8%	-0.9%	-5.1%	-18.4%	3.9%
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	0.57	0.49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	12.8	15.9	7.1	0.1%	-10.8%	3.2%	-4.8%	-1.5%	-8.3%	-1.3%	1.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.117	0.128	0.073	2.0%	-5.0%	14.0%	36.5%	0.4%	-2.5%	9.6%	42.3%
UkrSotsbank	USCB	0.172	0.257	0.107	2.7%	-1.6%	-5.8%	33.4%	1.1%	0.9%	-10.2%	39.1%

Source: Bloomberg

* companies listed abroad are in USD

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
Steel																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,578	1,577	-108	-84	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
Iron Ore Mining																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
Coal Mining																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
Specialized Machinery																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
Telecom																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
Oil & Gas																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
Regal Petroleum	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
Electric Utilities																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
Consumer																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrspasbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	126	3.9%	5	1,542	3.5	neg	neg	10.6	neg	neg	0.7	0.9	0.9	532	458	413	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	358	4.1%	15	337	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	60	57	54	\$/tonne
Coke																		
Avdyivka Coke	AVDK	74	7.5%	6	71	neg	neg	neg	11.7	neg	neg	0.0	0.1	0.1	20	15	13	\$/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	856	0.5%	4	855	2.6	9.0	8.2	1.7	3.6	4.2	1.1	1.5	1.7				
Pivnichny GOK	SGOK	2,294	0.5%	13	2,419	2.9	5.3	6.4	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,661	24.0%	399	1,912	2.9	7.7	6.3	2.4	4.8	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	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	24	11.9%	3	49	0.6	0.6	0.6	1.0	0.8	0.8	0.3	0.3	0.2	1.0	0.8	0.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	155	2.0%	3	198	1.6	4.6	4.5	1.4	2.7	2.6	0.3	0.3	0.3	314	520	494	\$/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				
Kriviw Wagon	KVBZ	227	5.0%	11	229	2.7	2.4	4.5	1.9	1.7	2.5	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	393	24.0%	94	403	2.3	1.6	1.5	1.4	1.3	1.2	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	276	7.2%	20	612	neg	6.1	5.8	3.0	3.0	2.9	0.7	0.7	0.8				
Oil & Gas																		
Ukrnafta	UNAF	711	3.0%	21	701	2.6	2.3	3.1	1.6	1.4	1.6	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	75	49.0%	37	57	11.7	6.2	3.1	neg	2.5	1.6	3.0	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	198	50.4%	100	306	3.3	4.9	4.0	2.7	2.1	2.0	1.3	1.4	1.2	81	56	42	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	224	21.7%	49	307	>30	7.8	6.7	6.3	5.0	4.5	0.3	0.3	0.3	21	21	17	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	136	neg	20.7	7.8	6.6	7.9	5.7	0.3	0.2	0.2	17	16	15	\$/MWh
Consumer																		
MHP	MHPC	1,651	34.1%	563	2,696	6.4	5.3	6.1	6.7	5.8	5.2	2.2	1.9	1.8	8425	8425	8425	\$/tonne
Kernel	KER	961	61.8%	593	1,571	4.2	4.6	4.9	5.1	4.9	4.6	0.8	0.7	0.6				
Astarta	AST	522	31.0%	162	668	4.6	10.4	8.8	4.6	6.9	5.5	1.7	1.5	1.2	3389	2063	1714	\$/tonne
Avangardco	AVGR	720	22.5%	162	868	3.7	3.2	3.1	3.5	3.1	3.0	1.6	1.4	1.2	196	149	141	\$/mneegs
Agroton	AGT	15	44.6%	7	48	neg	0.8	0.7	2.6	1.5	1.4	0.4	0.5	0.4	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	428	4.0%	17		>30	>30	15.0	0.5	0.5	0.5	0.06	0.06	0.06				
Ukrsotsbank	USCB	386	1.6%	6		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

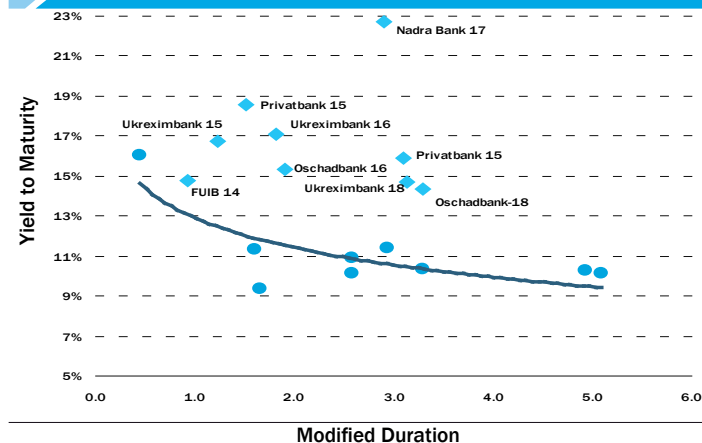
UKRAINIAN EUROBONDS

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	95.3	96.3	20.1%	17.5%	-6.5%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	93.0	93.9	22.0%	20.4%	-9.2%	0.7	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	89.8	90.8	11.8%	11.1%	-7.4%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	89.9	91.9	14.0%	12.5%	-10.3%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	85.7	87.2	12.7%	12.0%	-13.5%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	86.7	88.2	11.7%	11.1%	-12.2%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	84.7	86.4	11.9%	11.3%	-13.8%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	90.5	91.7	12.8%	12.3%	-15.0%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	86.0	87.8	13.7%	13.0%	-11.6%	3.1	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	83.5	85.5	12.9%	12.2%	-11.1%	3.5	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	83.8	85.6	11.4%	11.0%	-17.8%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	84.7	86.4	11.1%	10.7%	-17.6%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	82.6	84.3	10.9%	10.6%	-17.3%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	82.0	83.3	10.6%	10.3%	-17.3%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	57.0	32.4%	27.4%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.4	100.4	12.3%	11.4%	-5.8%	1.3	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	81.2	82.9	12.7%	12.2%	-18.0%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	99.1	100.0	11.0%	10.4%	4.0%	1.7	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	86.9	89.7	15.1%	14.1%	-11.7%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	96.0	100.1	13.7%	11.4%	-4.8%	1.9	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	81.1	83.0	15.6%	14.9%	-17.9%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	98.1	98.8	11.6%	11.1%	-2.8%	1.3	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	85.1	86.0	12.4%	12.1%	-14.5%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	97.2	99.3	13.2%	11.4%	-5.4%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	86.6	88.0	13.1%	12.7%	-10.0%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	91.3	93.0	12.7%	11.6%	-5.4%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	79.7	82.3	16.0%	15.1%	-19.0%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.8%	17.9%	-3.8%	2.6	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	106.2	107.2	9.3%	9.1%	6.7%	3.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	65.0	75.0			9.4%		10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	94.5	96.5	19.5%	16.9%	-6.5%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	79.7	82.3	24.0%	21.4%	-3.8%	2.9	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	88.0	20.3%	18.7%	-8.2%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	65.8	71.6	28.4%	23.6%	-11.0%	1.7	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	80.8	83.7	17.5%	16.4%	-17.8%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	87.7	90.0	20.1%	17.8%	-11.1%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	78.0	80.0	19.4%	17.9%	-6.3%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	79.2	80.0	15.8%	15.5%	-20.4%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	84.0	87.0	69.7%	55.2%	52.7%	0.4	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	84.3	86.1	17.8%	16.6%	-10.4%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	78.5	80.1	16.1%	15.3%	-20.7%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	83.9	85.6	19.2%	17.9%	-9.4%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	83.5	84.1	17.6%	17.3%	-10.4%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

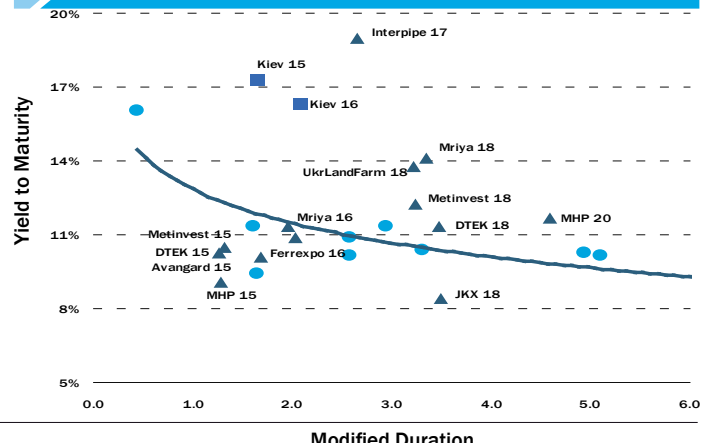
¹ Moody's/S&P/Fitch; * EUR

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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