

Market Update

Equity

Locally-listed Ukrainian equities were mixed in light trading on Wednesday (Dec 11), as the political standoff in Kyiv eased slightly after riot police attempting to clear the Independence Square demonstration mostly refrained from using excessive force and President Yanukovich met for a second day with EU foreign policy chief Catherine Ashton. Externally, the main US indices fell by more than 1% after disappointing corporate earnings announcements. The UX index edged up by 0.3% to close at 888 points. Motor Sich and Azovstal each gained 1.3%, while most other blue chips ended marginally lower by less than half a percent. The top Ukrainian names in London were little-changed, although Ferrexpo was up by nearly 3% intraday before slipping back to its opening level near GBP 175. In Warsaw, sunflower oil giant Kernel took a 2.4% hit, finishing at a fresh 46-month low of PLN 38.50.

Fixed Income

Ukrainian sovereigns were predominantly up on Wednesday with Ukraine-23s and Ukraine-17s improving by 0.5p.p. to 82.1/83.9 (10.5%/10.2%) and 84.3/86.3 (12.0%/11.3%), respectively. Corporate names were mixed. DTEK-18s increased by 0.5p.p. to 84.9/86.8 (12.5%/11.9%) while Metinvest-15s dropped by 0.3p.p. to 97.3/99.3 (13.1%/11.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1578.00	1.4%	2.1	86
Ukrnafta	UNAF	106.30	-0.3%	1.6	157
Stirol	STIR	13.330	-1.1%	0.5	22

Growth Leaders

Ukrtelecom	UTLM	0.14	6.2%	0.09	8
Poltavsky GOK	PGOK	8.47	5.9%	0.16	10
Motor Sich	MSICH	1578.00	1.4%	2.07	86

Loss Leaders

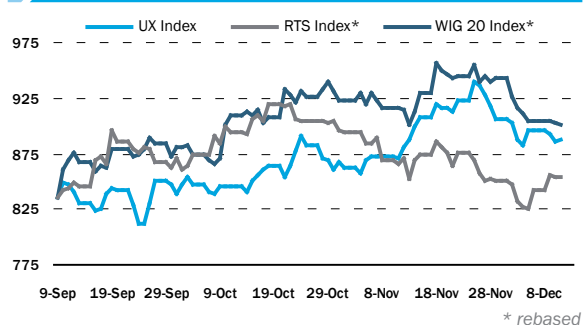
Mostobud	MTBD	14.70	-15.5%	0.001	9
Slavutych Brevery	SLAV	3.00	-11.7%	0.301	7
Mariupol Heavy Machine	MZVM	0.10	-3.0%	0.002	19

Highlights

POLITICS AND ECONOMICS

- > Opposition Plays Hardball on Yanukovich Roundtable Offer
- > Net FX Purchases by Private Citizens at USD 780mn in November

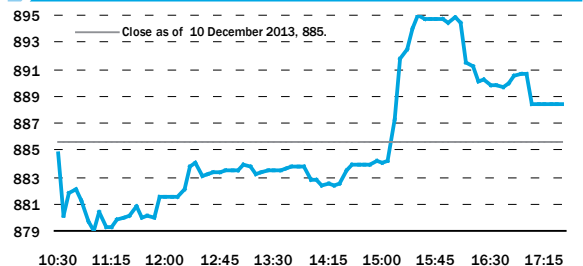
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	888.4	0.3%	1.9%	-6.5%
RTS	1409.3	0.0%	-1.8%	-7.7%
WIG20	2470.2	-0.2%	-1.6%	-4.4%
MSCI EM	1002.6	-1.0%	0.7%	-5.0%
S&P 500	1782.2	-1.1%	0.7%	27.1%

UX INTRADAY DECEMBER 11, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	345.0	-1.1%	-0.2%	27.3%
CDS 5Y UKR	1102.4	-2.9%	9.6%	76.4%
Ukraine-17	11.5%	-0.2 p.p.	1.4 p.p.	4.6 p.p.
Naftogaz Ukr-14	22.9%	-1.0 p.p.	5.3 p.p.	15.3 p.p.
Ukraine-23	10.4%	-0.1 p.p.	0.6 p.p.	2.9 p.p.
Privatbank-16	24.5%	-2.0 p.p.	1.9 p.p.	9.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.27	0.2%	0.8%	2.7%
EUR	11.40	0.4%	3.9%	6.7%
RUB	0.25	0.1%	0.5%	-4.9%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	290.9	0.0%	9.2%	-16.5%
Steel, USD/t	527.5	0.0%	0.5%	-0.9%
Oil, USD/bbl	109.7	0.3%	4.4%	4.5%
Gold, USD/oz	1252.3	-0.8%	-2.8%	-24.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Opposition Plays Hardball on Yanukovych Roundtable Offer

by Will Ritter
w.ritter@eavex.com.ua

NEWS

President Yanukovych issued an invitation on Wednesday (Dec 11) via the presidential website for a national dialogue with civic and opposition leaders, while calling on protesters at Kyiv's Independence Square to avoid what he called "confrontation and ultimatums." However, the two main political opposition leaders, Arseniy Yatseniuk and Vitaliy Klitschko, appeared to reject the call for dialogue, stating that Yanukovych needs to resign.

COMMENTARY

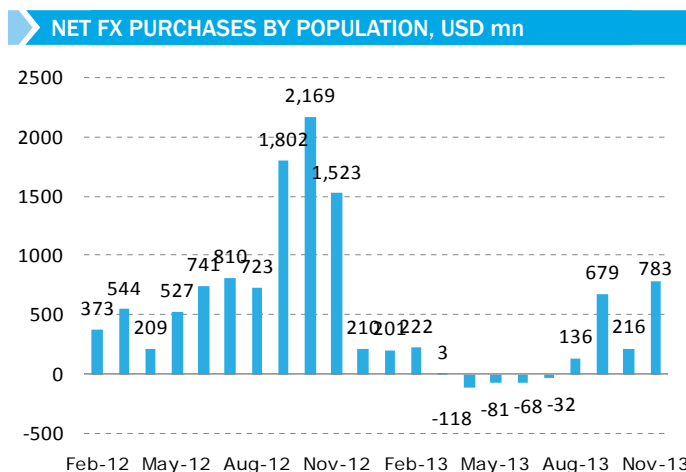
In our view, the opposition is in danger of overplaying its hand a day after Yanukovych called off riot police from advancing on protesters camped out on the square. The opposition's hardline stance of trying to corner the President is in sharp contrast to statements from Western foreign policy officials, who have been keen to stress that Yanukovych still has an electoral mandate and that there is a way out of the crisis for him if he resumes talks on signing the EU free trade agreement. There now appears to be some real movement in terms of drumming up Western financing for the Ukrainian government in case the AA/DCFTA is signed. However, the protest movement risks being taken over by a radical core of demonstrators who were calling for Yanukovych's ouster long before the AA/DCFTA debacle in Vilnius, and who will continue to do so even if the agreement is signed in the near future. Ultimately, we believe that the solution to the Ukrainian political crisis will need to be found at the ballot box and via dialogue, not on the streets.

Net FX Purchases by Private Citizens at USD 780mn in November

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Net foreign currency purchases by private citizens amounted to USD 783mn in November, 48% less than a year ago, according to data from the National Bank of Ukraine (NBU) released on Wednesday (Dec 11). The population bought USD 1.99bn of foreign currency from banks in November while selling USD 1.21bn.



Source: National Bank of Ukraine

COMMENTARY

Although net purchases of foreign currency by citizens in 2013 were much lower than in 2012, they still negatively impacted both the NBU foreign reserves, which slid by USD 1.8bn in November, and the hryvnia retail exchange rate. The current political turmoil in Ukraine could clearly trigger an increase in monthly FX purchases. On the other hand, December is traditionally a month of net forex sales, as people accelerate spending ahead of the New Year holidays. Our base-case scenario assumes that the hryvnia will devalue by 5% to 8.70 against the US dollar in the next couple of months as a result of decline in the country's external liquidity; however, a less controlled devaluation scenario cannot be ruled out.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	174.8	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	6.01	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	3.05	6.2	104%	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	527%	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	16.4	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	1578	5250	233%	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	71.5	370	417%	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	27.2	72.0	165%	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	4.85	15.00	209%	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	15.7	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	65.0	90.0	38%	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	11.7	19.35	65%	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	85.0	109.50	29%	BUY	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	888.38	1061.97	781.22	0.3%	0.7%	1.9%	-6.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	-0.3%	-0.3%	-1.0%	-25.5%	-0.6%	-1.0%	-2.9%	-18.9%
Azovstal	AZST	0.70	0.90	0.31	1.3%	0.9%	4.6%	-5.5%	1.0%	0.1%	2.8%	1.0%
Dniprospezstal	DNSS	1,300	1,300	700	0.0%	0.0%	0.0%	30.1%	-0.3%	-0.7%	-1.9%	36.7%
Enakievo Steel	ENMZ	32.3	49.9	20.0	-1.6%	-2.2%	-2.7%	-15.0%	-1.9%	-2.9%	-4.6%	-8.4%
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	0.17	0.26	0.05	30.8%	41.7%	30.8%	-22.7%	30.4%	40.9%	28.9%	-16.2%
Coke												
Avdivka Coke	AVDK	3.05	4.80	1.60	0.0%	0.1%	-2.0%	-6.7%	-0.4%	-0.7%	-3.9%	-0.1%
Yasynivsky Coking	YASK	0.55	0.85	0.51	1.9%	1.9%	-3.5%	-17.9%	1.5%	1.1%	-5.4%	-11.4%
Iron Ore Mining												
Centralny GOK	CGOK	6.01	7.74	4.00	0.0%	0.2%	-4.6%	-12.9%	-0.3%	-0.6%	-6.5%	-6.4%
Ferrexpo	FXPO	2.87	4.58	2.02	-0.3%	2.5%	-7.2%	-28.8%	-0.6%	1.8%	-9.1%	-22.2%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	1.1%	1.3%	8.9%	-0.3%	0.4%	-0.6%	15.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.71	0.39	-10.0%	-16.7%	0.0%	-28.6%	-10.3%	-17.4%	-1.9%	-22.0%
Komsomolets Donbasa	SHKD	0.63	1.25	0.27	8.6%	5.0%	-11.3%	-46.6%	8.3%	4.3%	-13.1%	-40.1%
Energy Coal	CLE	0.52	4.57	0.51	-1.7%	0.1%	-26.2%	-83.2%	-2.1%	-0.7%	-28.1%	-76.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	n/a	0.51	0.270	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.49	0.86	0.30	0.0%	0.0%	-14.0%	-30.0%	-0.3%	-0.7%	-15.9%	-23.5%
Interpipe NMPP	NVTR	0.23	0.32	0.10	0.0%	0.0%	15.0%	4.5%	-0.3%	-0.7%	13.1%	11.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.4	29.0	12.0	0.5%	-0.2%	-5.5%	-15.7%	0.2%	-1.0%	-7.4%	-9.2%
Luhanskeplovoz	LTPL	1.55	2.20	1.26	-3.1%	1.3%	-4.3%	-17.1%	-3.4%	0.6%	-6.2%	-10.6%
Stakhanov Wagon	SVGZ	1.29	2.00	1.00	0.0%	0.8%	-6.5%	-25.4%	-0.3%	0.0%	-8.4%	-18.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-0.4%	-0.4%	-7.0%	-37.9%	-0.7%	-1.1%	-8.9%	-31.4%
Motor Sich	MSICH	1,578	2,640	1,303	1.4%	3.4%	-0.1%	-28.6%	1.1%	2.7%	-2.0%	-22.1%
Sumy Frunze Engineering	SMASH	2.31	4.00	1.00	0.0%	0.4%	-6.9%	54.0%	-0.3%	-0.3%	-8.7%	60.5%
Turboatom	TATM	n/a	5.00	3.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.19	0.26	0.17	-3.3%	-1.5%	-15.8%	-21.7%	-3.6%	-2.2%	-17.7%	-15.1%
Telecom												
Ukrtelecom	UTLM	0.14	0.19	0.09	7.7%	-6.2%	-8.2%	-15.6%	7.4%	-7.0%	-10.0%	-9.1%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.59	0.20	-5.2%	0.0%	-8.8%	-56.8%	-5.6%	-0.7%	-10.6%	-50.3%
JXX Oil	JKX	1.17	1.26	0.75	-0.9%	-0.7%	-2.3%	-2.0%	-1.3%	-1.4%	-4.2%	4.6%
Ukrnafta	UNAF	106	280	96	-0.3%	1.1%	-1.9%	-10.4%	-0.6%	0.4%	-3.8%	-3.8%
Power Utilities												
Centrenerg	CEEN	4.85	7.40	2.50	-0.4%	-1.1%	-3.9%	-23.6%	-0.7%	-1.9%	-5.8%	-17.1%
Donbasenergo	DOEN	27.2	34.0	15.4	0.6%	0.8%	11.1%	28.4%	0.2%	0.0%	9.2%	35.0%
Zakhidenergo	ZAEN	88.8	115.0	64.0	2.1%	5.6%	11.0%	-8.5%	1.7%	4.8%	9.1%	-1.9%
Consumer												
Agroton	AGT	0.64	3.6	0.36	-2.9%	-3.0%	-10.8%	-80.2%	-3.2%	-3.8%	-12.7%	-73.6%
Astarta	AST	21.5	24.4	14.5	-1.1%	3.6%	3.6%	20.2%	-1.4%	2.8%	1.7%	26.7%
Avangardo	AVGR	11.7	13.0	7.61	0.0%	-1.3%	-8.2%	3.3%	-0.3%	-2.0%	-10.0%	9.8%
Industrial Milk Company	IMC	4.24	5.35	3.63	0.1%	3.1%	-2.3%	-20.1%	-0.2%	2.3%	-4.1%	-13.5%
Kernel	KER	12.7	22.6	12.7	-2.3%	-1.7%	-7.4%	-41.3%	-2.7%	-2.5%	-9.3%	-34.8%
Mriya Agro Holding	MAYA	7.23	7.5	5.36	0.2%	10.1%	13.7%	11.4%	-0.1%	9.3%	11.8%	17.9%
MHPC	MHPC	15.7	19.9	14.15	-0.6%	-4.5%	0.4%	3.0%	-0.9%	-5.2%	-1.5%	9.6%
Milkiland	MLK	3.98	5.2	3.11	-1.1%	-1.7%	-3.8%	-15.5%	-1.4%	-2.5%	-5.7%	-8.9%
Ovostar Union	OVO	28.0	33.3	21.3	2.8%	-0.4%	-12.2%	-2.9%	2.5%	-1.1%	-14.0%	3.7%
Sintal	SNPS	n/a	0.28	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	0.56	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.3	15.9	7.1	-1.8%	4.5%	-1.2%	-0.5%	-2.2%	3.8%	-3.1%	6.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.116	0.128	0.077	0.0%	1.1%	12.6%	35.4%	-0.3%	0.4%	10.7%	41.9%
UkrSotsbank	USCB	0.170	0.257	0.107	0.1%	1.5%	-7.8%	31.8%	-0.2%	0.7%	-9.6%	38.3%

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	124	3.9%	5	1,539	3.4	neg	neg	10.6	neg	neg	0.7	0.9	0.9	531	458	412	\$/tonne
Yenakievo Steel	ENMZ	41	8.8%	4	34	1.3	4.8	neg	neg	neg	neg	0.0	0.0	0.0	13	13	12	\$/tonne
Azovstal	AZST	355	4.1%	15	333	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	60	56	53	\$/tonne
Coke																		
Avdyivka Coke	AVDK	72	7.5%	5	69	neg	neg	neg	11.4	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	852	0.5%	4	851	2.6	9.0	8.2	1.7	3.6	4.2	1.1	1.5	1.7				
Pivnichny GOK	SGOK	2,257	0.5%	12	2,382	2.9	5.2	6.3	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,687	24.0%	405	1,937	2.9	7.8	6.4	2.4	4.8	4.4	1.1	1.4	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	26	5.4%	1	127	1.7	0.7	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/tonne
Coal Energy	CLE	24	11.9%	3	49	0.6	0.6	0.5	1.0	0.8	0.8	0.3	0.3	0.2	1.0	0.8	0.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	154	2.0%	3	197	1.6	4.6	4.5	1.4	2.6	2.5	0.3	0.3	0.3	312	517	491	\$/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				
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	35	8.0%	3	74	1.8	>30	12.3	2.2	10.4	6.8	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	179	5.8%	10	127	3.4	4.7	4.3	2.0	2.7	2.5	0.7	0.7	0.7				
Motor Sich	MSICH	397	24.0%	95	407	2.4	1.6	1.5	1.4	1.3	1.2	0.6	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	306	7.2%	22	642	neg	6.8	6.4	3.1	3.1	3.1	0.8	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	697	3.0%	21	687	2.6	2.2	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	201	50.4%	101	310	3.4	5.0	4.0	2.7	2.1	2.1	1.3	1.4	1.2	81	57	42	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	217	21.7%	47	300	>30	7.5	6.5	6.2	4.9	4.4	0.3	0.3	0.3	20	21	17	\$/MWh
DonbasEnergO	DOEN	78	14.2%	11	134	neg	20.3	7.7	6.5	7.8	5.6	0.3	0.2	0.2	17	16	15	\$/MWh
Consumer																		
MHP	MHPC	1,659	34.1%	566	2,704	6.4	5.3	6.1	6.7	5.8	5.2	2.2	1.9	1.8	8451	8451	8451	\$/tonne
Kernel	KER	937	61.8%	579	1,547	4.1	4.4	4.8	5.0	4.8	4.6	0.8	0.7	0.6				
Astarta	AST	536	31.0%	166	683	4.7	10.7	9.1	4.7	7.0	5.6	1.7	1.5	1.2	3463	2109	1751	\$/tonne
Avangardco	AVGR	747	22.5%	168	896	3.8	3.3	3.2	3.6	3.2	3.1	1.6	1.4	1.3	203	154	145	\$/mneegs
Agroton	AGT	14	44.6%	6	47	neg	0.8	0.7	2.5	1.5	1.4	0.4	0.5	0.4	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	421	4.0%	17		>30	>30	14.7	0.5	0.5	0.5	0.06	0.06	0.06				
Ukrsotsbank	USCB	379	1.6%	6		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

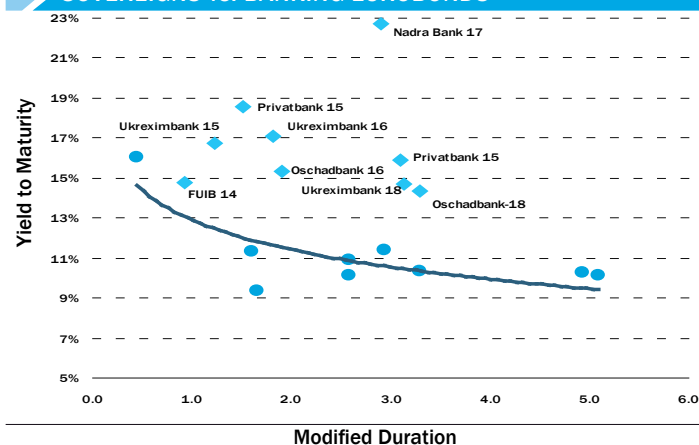
UKRAINIAN EUROBONDS

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	95.0	96.0	21.4%	18.6%	-6.7%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	90.2	91.3	27.9%	25.7%	-11.9%	0.7	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	88.5	90.5	12.8%	11.3%	-8.2%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	90.1	92.1	13.9%	12.4%	-10.0%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	86.1	87.6	12.6%	11.9%	-13.0%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	86.3	87.8	12.0%	11.3%	-12.6%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	84.3	86.3	12.0%	11.3%	-14.0%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	90.5	92.0	12.8%	12.2%	-14.8%	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	83.9	85.6	11.4%	11.0%	-17.7%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	84.8	86.5	11.1%	10.7%	-17.6%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	83.9	85.7	10.6%	10.3%	-16.0%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	82.1	83.9	10.5%	10.2%	-17.0%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.5	32.5%	29.2%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.5	99.4	12.2%	11.8%	-6.3%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	81.2	83.1	12.7%	12.2%	-17.9%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	96.1	98.1	13.0%	11.7%	1.4%	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	88.0	89.5	14.7%	14.2%	-11.3%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	98.3	99.3	12.4%	11.9%	-4.1%	1.9	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	79.7	81.6	16.1%	15.4%	-19.4%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	97.9	98.8	11.9%	11.1%	-3.0%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	84.9	86.8	12.5%	11.9%	-14.2%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	97.3	99.3	13.1%	11.4%	-5.3%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	85.7	88.0	13.5%	12.7%	-10.4%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	92.2	93.6	12.3%	11.3%	-4.7%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	77.5	80.0	16.9%	16.0%	-21.3%	3.3	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	108.2	109.7	8.8%	8.5%	8.9%	3.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	65.0	75.0	n/a	n/a	9.4%	n/a	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	94.0	95.8	20.4%	18.0%	-7.1%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.7	89.0	23.2%	15.8%	-3.8%	2.9	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	84.0	87.0	22.2%	19.6%	-9.8%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	65.0	75.0	29.3%	21.1%	-9.2%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	79.1	80.8	18.2%	17.5%	-20.1%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	84.5	85.5	23.8%	22.7%	-14.9%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	76.5	77.5	20.6%	19.9%	-8.1%	1.7	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	76.0	78.0	17.1%	16.3%	-23.0%	3.0	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	80.0	83.0	n/a	82.1%	45.5%	0.4	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	82.2	83.9	19.3%	18.2%	-12.7%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	76.0	78.0	17.0%	16.2%	-23.0%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	84.0	86.3	19.2%	17.5%	-9.0%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	83.0	84.2	17.9%	17.2%	-10.6%	2.0	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

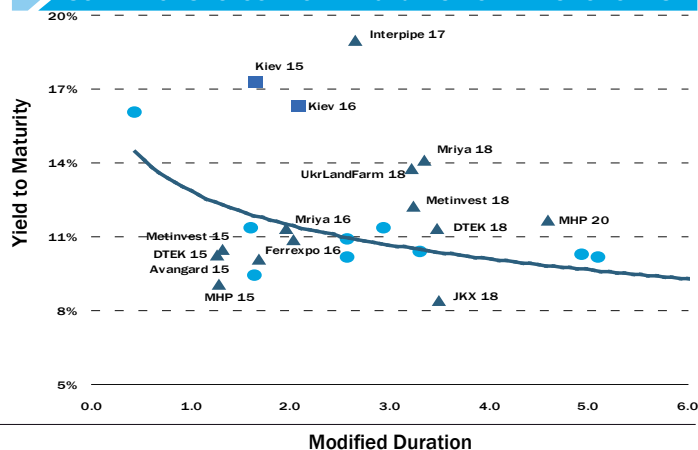
¹ Moody's/S&P/Fitch; * EUR

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

Eavex Capital

Evropa Plaza
33 Shevchenko Blvd.
Floor 11
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity & Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales & Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua

INVESTMENT BANKING

Anatoliy Zaslavchik

Managing Director

Corporate Finance & IB

a.zaslavchik@eavex.com.ua