

Market Update

Equity

Most Ukrainian blue chips were lower again on Monday (Dec 23) as the local market continued to give back the gains that had followed the news of Ukraine's Moscow bailout last week. The UX badly underperformed the main European indices, losing 0.7% to close at 898 points even as the DAX blasted another 1% into all-time high territory, with the 10,000 mark now firmly in its sights. Azovstal (AZST) fell 2.3% to 67.20 kopecks and CentrEnergO (CEEN) and Alchevsk Steel (ALMK) lost 1.1% and 1.3% respectively on combined turnover of UAH 2.6mn. Motor Sich (MSICH) managed a small gain of 0.3% for its fourth consecutive rise. In London, JKC Oil & Gas (JKX LN) slipped 2.1% to GBP 71, while in Warsaw, Kernel (KER PW) rebounded by another 3.5% to near PLN 40 and Ovostar picked up 4.7%.

Fixed Income

Ukrainian sovereigns were again marginally lower on Monday, with Ukraine-23s decreasing by 0.2p.p. to 90.0/91.5 (9.1%/8.9%). Corporate names were mixed. MHP-15s were the biggest mover, advancing by 1.4p.p. to 103.0/104.0 (8.3%/7.5%), while Metinvest-18s inched down by 0.2p.p. closing at 94.0/96.0 (10.7%/10.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1730.00	0.4%	8.8	91
Ukrsotsbank	USCB	0.19	-0.5%	2.3	18
CentrenergO	CEEN	4.713	-1.1%	1.8	94

Growth Leaders

Motor Sich	MSICH	1730.00	0.4%	8.78	91
Avdyivka Coke	AVDK	3.07	0.1%	1.74	24
Ukrsotsbank	USCB	0.19	-0.5%	2.32	18

Loss Leaders

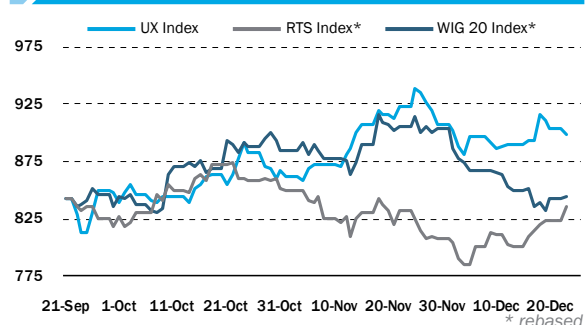
Mariupol Heavy Machine	MZVM	0.11	-14.9%	0.659	100
Azovstal	AZST	0.67	-2.3%	0.771	72
Alchevsk Steel	ALMK	0.04	-1.3%	0.750	83

Highlights

POLITICS AND ECONOMICS

- > VAT Refunds to Agro Groups May be Resumed in January
- > Government Forecasts Hryvnia-Dollar Rate at 8.50 for 2014

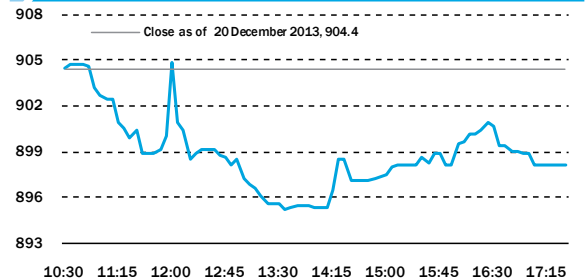
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	898.2	-0.7%	-2.7%	-5.5%
RTS	1453.1	1.6%	0.6%	-4.8%
WIG20	2414.2	0.2%	-6.8%	-6.5%
MSCI EM	992.7	0.4%	-1.6%	-5.9%
S&P 500	1828.0	0.5%	1.3%	30.3%

UX INTRADAY DECEMBER 23, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	330.0	-0.9%	-5.4%	21.8%
CDS 5Y UKR	799.9	0.0%	-17.4%	28.0%
Ukraine-17	9.0%	0.0 p.p.	-1.2 p.p.	2.1 p.p.
Naftogaz Ukr-14	9.9%	-0.2 p.p.	-5.7 p.p.	2.3 p.p.
Ukraine-23	9.0%	0.0 p.p.	-0.6 p.p.	1.5 p.p.
Privatbank-16	22.9%	0.0 p.p.	-0.4 p.p.	7.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.24	0.1%	0.2%	2.3%
EUR	11.28	0.2%	1.3%	5.6%
RUB	0.25	1.1%	0.4%	-5.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	287.4	0.0%	6.4%	-17.5%
Steel, USD/t	532.5	0.0%	1.4%	0.0%
Oil, USD/bbl	111.6	-0.2%	1.0%	6.3%
Gold, USD/oz	1198.8	-0.4%	-3.6%	-27.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

VAT Refunds to Agro Groups May be Resumed in January

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

Parliament on Dec 19 passed “Amendments to the Tax Code” (bill #3757). One of the amendments calls for the resumption of export VAT refunds to companies who either produce crops and export them or who buy crops domestically and resell them on export markets. The amendment will take effect in January.

The regime of such VAT refunds had previously been in force until July 2011. Starting from July 2011, the export of crops was exempted from export VAT, which effectively prevented exporters of crops from receiving VAT credits for their expenses incurred during crop production.

COMMENTARY

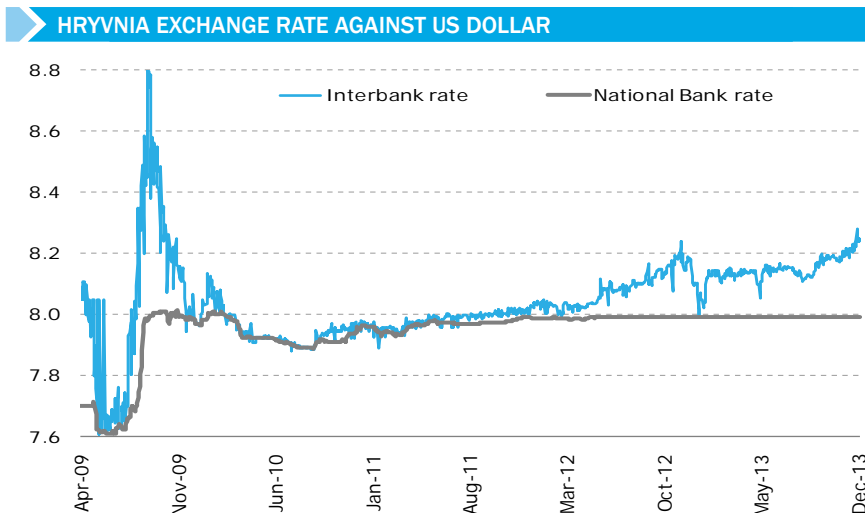
If the bill becomes law, this will be positive for the listed agro stocks with exposure to crop growing and/or exporting, especially for the largest Ukrainian listed grain exporter, Kernel. We note, however, that the bill contradicts the current budget draft for 2014. According to the preliminary schedule, the budget was to be approved in mid-January, but on Monday (Dec 23), President Yanukovich said he expects the budget to be approved in the coming days prior to the end of the year. In any case, as the Tax Code has preclusive priority over the the budget law, we see a rather high chance that the initiatives on VAT refunds will be approved.

Government Forecasts Hryvnia-Dollar Rate at 8.50 for 2014

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

NEWS

Ukraine's government forecasted the average hryvnia exchange rate at 8.50 against the dollar in 2014, according to the prospectus for a USD 3.0bn bond issue sold to Russia on Friday (Dec 20). The average hryvnia exchange rate for 2015 was forecasted at 8.8 against the dollar. The hryvnia official National Bank rate has been unchanged at 7.99 against the US dollar since early 2012.



Source: National bank of Ukraine

COMMENTARY

The government's forecast for 2014 is close to our projection, following the Moscow bailout, of the average hryvnia exchange rate of 8.40. This forecast implies only a slight currency devaluation of 2.0% from the current exchange level of 8.23 against the dollar. We think that the government will use the money from the bailout to keep the hryvnia under control, as they see it as an important task ahead of the 2015 presidential election. Last week's agreement with Russia pledged USD 15bn in support via bond purchases over the next two years, which should help to stabilize foreign reserves and eliminate speculative attacks on the hryvnia in the short term. However, we note that only USD 3bn has been provided up front, and that any problems in receiving later installments of the bailout could lead to speculative pressure on the currency.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	179.0	205.0	15%	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	8.0	14.5	81%	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	6.5	10.6	64%	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	3.07	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	0.53	3.4	548%	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	0.40	2.9	636%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.8	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.50	5.2	250%	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	1730	5250	203%	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	12.50	42.0	236%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	71.0	370	421%	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	4.71	15.00	218%	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	17.0	22.1	30%	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	63.0	90.0	43%	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	11.5	19.35	68%	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	93.0	109.5	18%	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	898.15	1061.97	781.22	-0.7%	0.6%	-2.7%	-5.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.039	0.06	0.02	-1.5%	-1.0%	-5.1%	-26.6%	-0.8%	-1.6%	-2.4%	-21.1%
Azovstal	AZST	0.67	0.90	0.31	-1.9%	-6.1%	-5.9%	-9.1%	-1.2%	-6.8%	-3.2%	-3.6%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	30.1%	0.7%	-0.6%	2.7%	35.6%
Enakievo Steel	ENMZ	33	50	20	-1.1%	0.9%	-4.6%	-13.8%	-0.5%	0.3%	-2.0%	-8.2%
Arcelor Mittal KR	KSTL	1.15	n/a	n/a	0.0%	n/a	n/a	n/a	0.7%	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.08	0.26	0.05	-27.3%	-33.3%	-27.3%	-63.6%	-26.6%	-33.9%	-24.6%	-58.1%
Coke												
Avdivka Coke	AVDK	3.07	4.8	1.6	0.2%	0.3%	-4.8%	-6.4%	0.9%	-0.3%	-2.2%	-0.8%
Yasnyivsky Coking	YASK	0.53	0.85	0.49	0.0%	0.0%	-5.4%	-20.9%	0.7%	-0.6%	-2.7%	-15.4%
Iron Ore Mining												
Centralny GOK	CGOK	6.49	7.74	5.00	0.0%	8.0%	1.4%	-5.9%	0.7%	7.4%	4.1%	-0.4%
Ferrexpo	FXPO	2.93	4.58	2.02	-0.4%	1.8%	2.3%	-27.2%	0.3%	1.2%	5.0%	-21.7%
Pivnichny GOK	SGOK	8.00	10.0	5.8	-1.2%	-2.6%	-1.2%	7.5%	-0.5%	-3.2%	1.4%	13.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.40	0.71	0.37	-4.8%	-14.9%	-14.9%	-36.5%	-4.1%	-15.5%	-12.2%	-31.0%
Komsomolets Donbasa	SHKD	0.59	1.25	0.27	3.5%	-11.9%	-3.3%	-50.0%	4.2%	-12.5%	-0.6%	-44.5%
Energy Coal	CLE	0.32	4.57	0.31	1.2%	-30.4%	-54.8%	-89.8%	1.9%	-31.0%	-52.2%	-84.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.46	0.51	0.27	0.0%	0.0%	0.0%	-20.7%	0.7%	-0.6%	2.7%	-15.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.52	0.86	0.30	0.0%	6.1%	6.1%	-25.7%	0.7%	5.5%	8.8%	-20.2%
Interpipe NMPP	NVTR	0.21	0.29	0.10	0.0%	5.0%	0.0%	-4.5%	0.7%	4.4%	2.7%	1.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.8	29.0	12.0	1.1%	3.3%	-1.2%	-13.2%	1.8%	2.7%	1.4%	-7.7%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	10.3%	-3.8%	-3.8%	-19.8%	11.0%	-4.5%	-1.2%	-14.3%
Stakhanov Wagon	SVGZ	1.31	1.95	1.00	0.0%	0.8%	-0.8%	-24.3%	0.7%	0.2%	1.9%	-18.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	5.7%	-6.4%	-37.5%	0.7%	5.1%	-3.7%	-32.0%
Motor Sich	MSICH	1,730	2,640	1,303	0.2%	9.1%	6.1%	-21.7%	0.9%	8.5%	8.8%	-16.2%
Summy Frunze Engineering	SMASH	2.50	4.00	1.2	0.0%	3.3%	-2.0%	66.7%	0.7%	2.7%	0.7%	72.2%
Turboatom	TATM	3.50	n/a	n/a	0.0%	0.0%	0.0%	n/a	0.7%	-0.6%	2.7%	n/a
WESTA ISIC	WES	0.16	0.26	0.16	-1.8%	-9.1%	-16.3%	-31.4%	-1.1%	-9.7%	-13.6%	-25.9%
Telecom												
Ukrtelecom	UTLM	0.13	0.17	0.09	0.0%	3.9%	-10.2%	-18.8%	0.7%	3.3%	-7.6%	-13.2%
Oil & Gas												
Regal Petroleum	RPT	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil	JKX	1.16	1.26	0.75	-2.0%	0.4%	-2.5%	-2.9%	-1.4%	-0.3%	0.2%	2.7%
Ukrnafta	UNAF	106	280	96	-0.7%	0.7%	-4.0%	-11.0%	0.0%	0.1%	-1.4%	-5.5%
Power Utilities												
Centrenerg	CEEN	4.71	7.4	2.50	-0.8%	-0.1%	-7.2%	-25.8%	-0.1%	-0.7%	-4.6%	-20.3%
Donbasenergo	DOEN	27.5	34.0	15.4	-0.3%	0.5%	-0.7%	29.6%	0.4%	-0.1%	2.0%	35.2%
Zakhidenergo	ZAEN	89.5	115	64	0.0%	4.1%	2.6%	-7.7%	0.7%	3.5%	5.3%	-2.2%
Consumer												
Agroton	AGT	0.64	3.6	0.4	-0.3%	-10.1%	-13.4%	-80.2%	0.4%	-10.7%	-10.7%	-74.7%
Astarta	AST	20.8	24.4	14.5	7.0%	1.7%	-3.9%	16.3%	7.7%	1.1%	-1.3%	21.8%
Avangardo	AVGR	11.5	13.0	7.6	0.3%	0.0%	-3.4%	1.5%	1.0%	-0.6%	-0.7%	7.0%
Industrial Milk Company	IMC	3.95	5.31	3.6	3.0%	-5.7%	-12.3%	-25.5%	3.7%	-6.3%	-9.6%	-20.0%
Kernel	KER	13.0	22.6	11.8	3.5%	6.3%	-9.6%	-40.2%	4.2%	5.7%	-6.9%	-34.7%
Mriya Agro Holding	MAYA	7.81	8.2	5.36	0.2%	7.2%	19.4%	20.4%	0.8%	6.6%	22.1%	25.9%
MHPC	MHPC	17.0	19.9	14.2	0.0%	7.9%	0.3%	11.5%	0.7%	7.3%	2.9%	17.0%
Milkiland	MLK	4.17	5.2	3.1	2.2%	6.8%	0.3%	-11.4%	2.9%	6.2%	2.9%	-5.9%
Ovostar Union	OVO	30.6	33.3	21.33	4.7%	14.8%	0.5%	6.1%	5.4%	14.2%	3.2%	11.6%
Sintal	SNPS	n/a	0.28	0.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.57	0.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.6	15.9	7.1	-6.1%	-11.4%	-17.1%	-13.4%	-5.4%	-12.0%	-14.5%	-7.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.113	0.128	0.077	-0.6%	-2.7%	-5.4%	32.0%	0.1%	-3.3%	-2.8%	37.5%
UkrSotsbank	USCB	0.185	0.257	0.107	-0.5%	-1.2%	-1.0%	43.4%	0.2%	-1.8%	1.6%	48.9%

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	2339	1783	1667	145	-5	-2	6.2%	neg.	neg.	36	-127	-52	1.6%	neg.	neg.
Enakievo Steel	ENMZ	1716	1578	1577	-108	-84	-69	neg.	neg.	neg.	31	9	-125	1.8%	0.5%	neg.
Azovstal	AZST	3867	2814	2788	-102	-181	-64	neg.	neg.	neg.	-64	-333	-170	neg.	neg.	neg.
Coke																
Avdyivka Coke	AVDK	1457	1072	1080	6	-128	47	0.4%	neg.	4.4%	-32	-137	-1	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	573	679	497	241	312	61.8%	42.0%	46.0%	325	96	179	40.4%	16.8%	26.4%
Pivnichny GOK	SGOK	1834	1515	1650	1174	813	925	64.0%	53.6%	56.1%	783	436	556	42.7%	28.8%	33.7%
Ferrexpo	FXPO	1788	1,424	1,545	801	402	433	44.8%	28.2%	28.0%	575	216	240	32.2%	15.1%	15.5%
Coal Mining																
Komsomolets Donbasa	SHKD	388	452	476	71	125	152	18.4%	27.6%	31.9%	-10	15	26	neg.	3.4%	5.4%
Coal Energy	CLE															
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	209	216	240	6	16	15	2.6%	7.5%	6.5%	-8	-1	1	neg.	neg.	0.2%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	199	216	329	14	29	36	7.0%	13.4%	10.8%	2	5	7	1.0%	2.2%	2.0%
Kryukiv Wagon	KVBZ	770	891	427	118	135	57	15.3%	15.2%	13.3%	85	95	25	11.0%	10.7%	5.7%
Stakhanov Wagon	SVGZ	437	311	172	33	7	2	7.6%	2.3%	1.4%	20	1	-1	4.6%	0.2%	neg.
Specialized Machinery																
Turboatom	TATM	169	160	184	63	51	54	37.0%	32.2%	29.1%	53	38	43	31.5%	23.8%	23.4%
Motor Sich	MSICH	722	979	1,000	285	309	233	39.4%	31.6%	23.3%	168	200	184	23.2%	20.4%	18.4%
Telecom																
Ukrtelecom	UTLM	3051	1853	1637	439	319	280	14.4%	17.2%	17.1%	272	176	130	8.9%	9.5%	7.9%
Oil & Gas		237	203	210	114	136	85	48.3%	67.1%	40.5%	59	-11	20	24.9%	neg.	9.5%
Ukrnafta																
Regal Petroleum	RPT	894	1119	902	49	69	62	5.4%	6.2%	6.8%	4	29	43	0.5%	2.6%	4.8%
JKX Oil	JKX	495	574	656	21	32	72	4.2%	5.6%	11.0%	-3	4	49	neg.	0.7%	7.5%
Electric Utilities																
Centrenergo	CEEN	1229	1,408	1,422	401	468	413	32.6%	33.2%	29.0%	259	311	202	21.1%	22.1%	14.2%
Donbasenergo	DOEN	1899	2,157	2,797	310	322	291	16.3%	14.9%	10.4%	226	211	105	11.9%	9.8%	3.8%
Consumer																
MHP	MHPC	553	629	703	251	280	328	45.3%	44.5%	46.6%	196	228	262	35.5%	36.3%	37.2%
Kernel	KER	122	88	52	19	8	6	15.3%	9.2%	11.4%	-2	0	1	neg.	neg.	1.9%
Astarta	AST															
Avangardco	AVGR	6948	7020	7476	812	861	924	750	707	646	0	4	110	n/a	0.5%	12.0%
Agroton	AGT	5032	5151	5219	827	957	944	449	451	469	2	1	2	0.2%	0.1%	0.2%
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%
Ukrsofsbank	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	123	3.9%	5	1,820	3.4	neg.	neg.	12.5	neg.	neg.	0.8	1.0	1.1	628	541	487	\$/tonne
Yenakievo Steel	ENMZ	42	8.8%	4	33	1.3	4.9	neg.	neg.	neg.	neg.	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	343	3.0%	10	304	neg.	neg.	neg.	neg.	neg.	neg.	0.1	0.1	0.1	54	51	49	\$/tonne
Coke																		
Avdyivka Coke	AVDK	73	6.8%	5	70	neg.	neg.	neg.	11.5	neg.	1.5	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	46	1.2	1.6	1.6	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	924	0.5%	5	923	2.8	9.6	5.2	1.9	3.8	3.0	1.1	1.6	1.4				
Pivnichny GOK	SGOK	2238	0.5%	12	2,363	2.9	5.1	4.0	2.0	2.9	2.6	1.3	1.6	1.4				
Ferrexpo	FXPO	1724	24.0%	414	2,290	3.0	8.0	7.2	2.9	5.7	5.3	1.3	1.6	1.5				
Coal Mining																		
Komsomolets Donbasa	SHKD	41	2.0%	1	70	neg.	2.7	1.6	1.0	0.6	0.5	0.2	0.2	0.1	1.0	0.6	0.5	\$/tonne
Coal Energy	CLE																	
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	5	7.4%	0	23	neg.	neg.	8.6	4.1	1.4	1.5	0.1	0.1	0.1	122	106	95	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	40	24.0%	10	82	20.6	8.3	6.0	5.9	2.8	2.3	0.4	0.4	0.2				
Krukiw Wagon	KVBZ	235	5.0%	12	235	2.8	2.5	9.6	2.0	1.7	4.1	0.3	0.3	0.5				
Stakhanov Wagon	SVGZ	36	8.0%	3	75	1.8	>30	neg.	2.3	10.5	>30	0.2	0.2	0.4				
Specialized Machinery																		
Turboatom	TATM	180	5.8%	n/A	n/A	3.4	4.7	4.2	n/A	n/A	n/A	n/A	n/A	n/A				
Motor Sich	MSICH	437	24.0%	105	460	2.6	2.2	2.4	1.6	1.5	2.0	0.6	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	695	3.0%	21	683	2.6	3.9	5.4	1.6	2.1	2.4	0.2	0.4	0.4	n/A	n/A	n/A	\$/boe
Oil & Gas																		
Ukrnafta	UNAF	199	50.4%	100	308	3.4	neg.	10.0	2.7	2.3	3.6	1.3	1.5	1.5	81	56	42	\$/boe
Regal Petroleum	RPT	211	21.7%	46	280	>30	7.3	4.9	5.8	4.1	4.5	0.3	0.3	0.3	19	20	16	\$/MWh
JKX Oil & Gas	JKX	79	14.2%	11	149	neg.	20.6	1.6	7.2	4.7	2.1	0.3	0.3	0.2	18	18	18	\$/MWh
Electric Utilities																		
CentrEnergO	CEEN	1796	34.1%	613	2,975	6.9	5.8	8.9	7.4	6.4	7.2	2.4	2.1	2.1	9298	9298	9298	\$/tonne
DonbasEnergO	DOEN	1032	61.8%	638	1,659	4.6	4.9	9.8	5.4	5.2	5.7	0.9	0.8	0.6				
Consumer																		
MHP	MHPC	735	22.5%	165	934	3.7	3.2	2.8	3.7	3.3	2.8	1.7	1.5	1.3	211	161	151	\$/mneg.
Kernel	KER	14	26.2%	4	63	neg.	neg.	13.9	3.4	7.8	10.6	0.5	0.7	1.2	0.5		n/A	\$/ha
Astarta	AST																	
Avangardco	AVGR	412	3.6%	15		>30	>30	3.7	0.5	0.5	0.4	0.06	0.06	0.06				
Agroton	AGT	414	1.4%	6		>30	>30	>30	0.5	0.4	0.4	0.08	0.08	0.08				
Banks																		
Raiffeisen Bank Aval	BAVL	359	4.0%	14		>30	>30	12.6	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	261	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

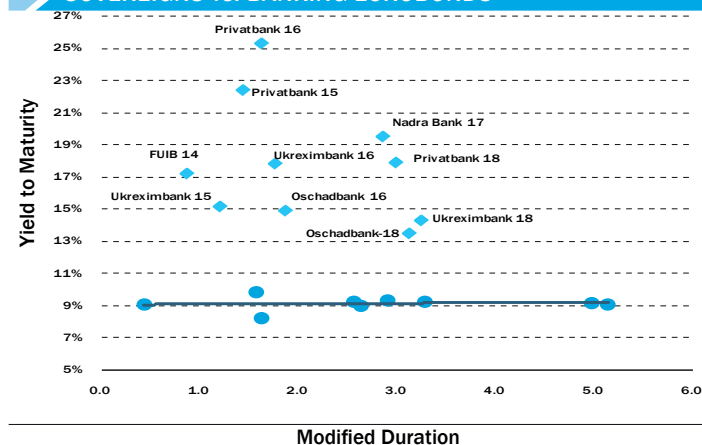
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	99.5	100.5	9.8%	7.2%	-2.3%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	99.3	100.1	11.9%	10.6%	-3.2%	0.7	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	95.0	97.0	8.3%	7.0%	-1.5%	1.7	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	96.9	98.4	9.2%	8.2%	-3.6%	1.6	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	93.5	94.5	9.3%	8.9%	-5.9%	2.6	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	93.7	94.9	8.8%	8.3%	-5.4%	2.7	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	92.0	93.5	9.4%	8.9%	-6.6%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	98.9	99.5	9.8%	9.5%	-7.4%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	81.8	83.5	15.6%	14.9%	-15.9%	3.2	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	77.8	79.3	15.2%	14.6%	-17.4%	3.6	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	92.3	93.8	9.4%	9.1%	-9.6%	5.1	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	93.0	94.5	9.4%	9.1%	-9.8%	5.2	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	90.5	91.7	9.4%	9.2%	-9.7%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	90.0	91.5	9.1%	8.9%	-9.2%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	32.7%	29.4%	n/a	2.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	103.0	104.0	8.3%	7.8%	-1.9%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	88.4	89.9	10.8%	10.5%	-10.9%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.0	101.0	10.5%	9.8%	#VALUE!	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	89.1	90.9	14.4%	13.8%	-10.0%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.0	100.9	12.1%	11.0%	-3.0%	1.9	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	86.2	88.1	13.8%	13.1%	-12.8%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	101.5	102.1	8.8%	8.2%	0.5%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	94.0	94.8	9.6%	9.4%	-5.6%	3.5	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	101.6	102.0	9.5%	9.2%	-1.7%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	94.0	96.0	10.7%	10.0%	-2.0%	3.3	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	97.1	98.8	9.6%	8.6%	0.5%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	91.1	92.0	12.2%	11.9%	-8.5%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	19.9%	18.0%	-3.8%	2.8	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	107.6	109.3	9.0%	8.6%	8.4%	3.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	88.0	98.0	H/A	H/A	45.3%	0.1	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	98.5	98.5	14.7%	14.7%	-3.5%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.7	89.0	33.9%	20.3%	H/A	2.8	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.3	90.0	18.8%	17.4%	-6.0%	1.5	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	70.0	75.0	25.4%	21.4%	-6.1%	1.8	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	82.9	84.3	16.7%	16.2%	-16.4%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	95.0	97.0	13.4%	11.5%	-3.9%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	84.1	85.1	15.0%	14.4%	1.0%	1.9	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	88.5	89.6	12.4%	11.4%	-10.9%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	83.0	88.0	H/A	H/A	52.7%	0.5	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.3	94.0	12.9%	11.9%	-2.1%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	88.3	89.9	12.5%	12.0%	-10.9%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	92.1	94.0	13.5%	12.1%	-0.5%	1.7	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	92.0	93.9	13.2%	12.3%	-0.6%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

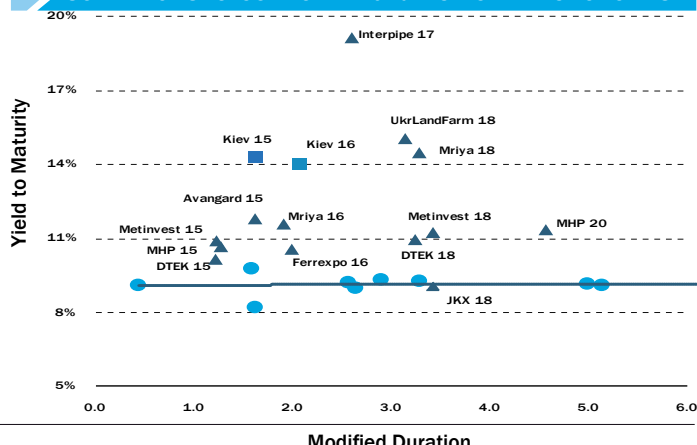
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



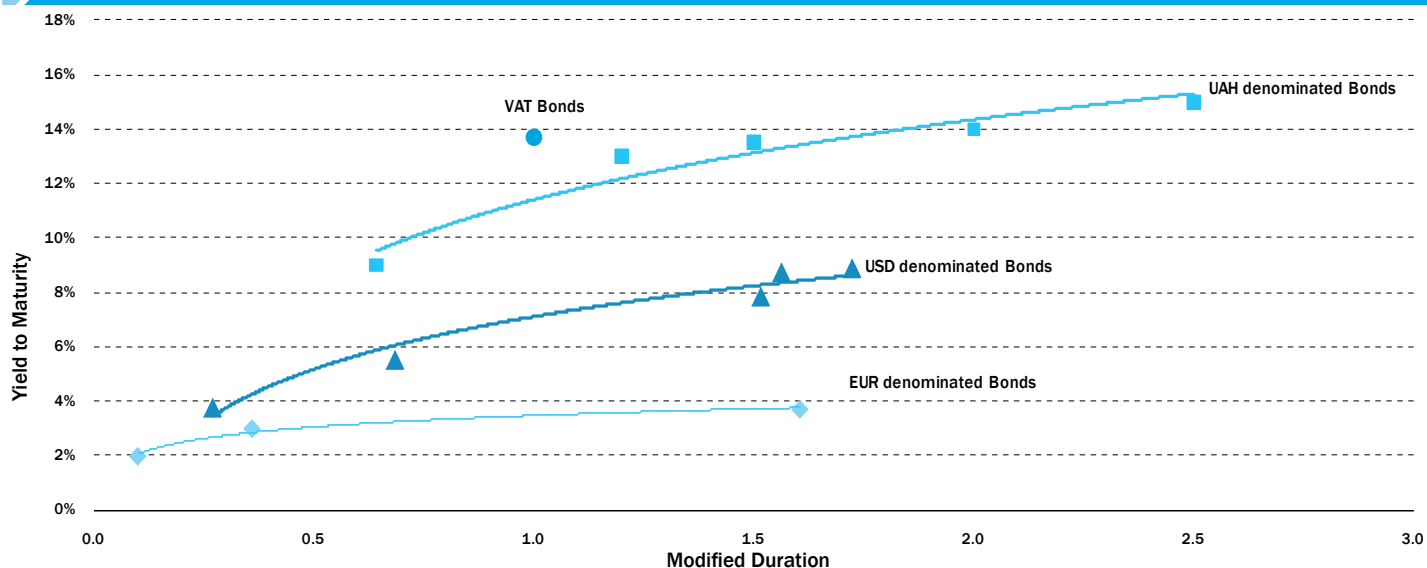
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			12.0%	8.0%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			15.0%	13.0%	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									
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									
UA4000142681	n/a	n/a	5.4%	5.3%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			15.5%	14.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			15.5%	14.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			15.5%	14.0%	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

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