

**Market Update**

This is the final issue of the Ukraine Market Monitor for 2013. We at Eavex Capital extend our Greetings to you for the New Year holidays! Daily coverage will resume on Jan. 9.

**Equity**

Kyiv-listed Ukrainian stocks rallied on Friday (Dec 27) along with the main European indices, as stocks worldwide appeared set to cross the finish line of 2013 with a flourish that should take the full-year gains in the DAX and S&P 500 to more than 25% and 30%, respectively. Ukraine, on the other hand, looks set to end with a miserly performance near -4% in a year marked by a collapse in the liquidity of the local market. On Friday, the UX index picked up 1.1% to close at 901 points, driven by Motor Sich, which added 2.2% to UAH 1764. Azovstal and UkrNafta gained 1.5% and 1.1% respectively, while volume leader CentrEnergO edged up 0.7% on turnover of UAH 3.7mn. Outside the UX basket, Poltavsky GOK saw some action, dropping 3.5% to UAH 7.70. In London, Poltavsky's parent Ferrexpo, the most liquid stock in the Ukrainian universe, moved in the opposite direction, rising 3.1% to near GBp 190.

**Fixed Income**

Ukrainian sovereign Eurobonds saw little to no movement on Friday, with benchmark Ukraine-23s finishing unchanged at 89.8/91.3 (9.2%/8.9%). The corporate universe was equally inactive. Metinvest-15s inched down by 0.1p.p. to 101.5/102.3 (9.6%/9.0%) while DTEK-18s inched up by 0.1p.p., closing at 94.0/94.5 (9.6%/9.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	4.71	0.8%	3.7	82
Oranta	SORN	1.95	17.0%	2.7	46
Motor Sich	MSICH	1764.000	2.2%	2.7	139

**Growth Leaders**

Zaporizhkoks	ZACO	1.90	26.7%	0.02	7
Mariupol Heavy Machine	MZVM	0.11	19.9%	0.15	118
Oranta	SORN	1.95	17.0%	2.75	46

**Loss Leaders**

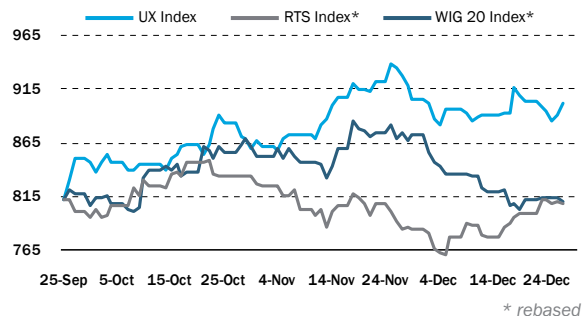
Poltavsky GOK	PGOK	7.70	-3.5%	0.791	8
Enakievo Steel	ENMZ	32.77	-0.3%	0.315	29
Donbasenergo	DOEN	27.06	0.3%	0.021	10

**Highlights**

**POLITICS AND ECONOMICS**

- > Azarov: USD 3.0bn from Russia Used to Plug Budget Gap

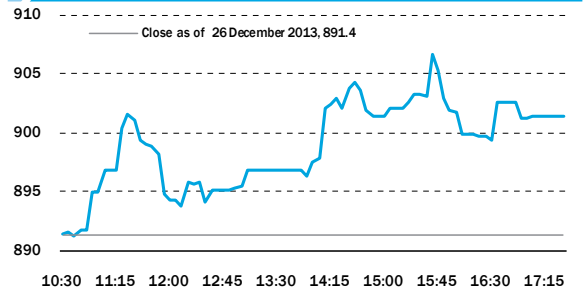
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	901.4	1.1%	-3.7%	-5.2%
RTS	1445.4	-0.2%	2.0%	-5.3%
WIG20	2404.4	-0.4%	-6.6%	-6.9%
MSCI EM	997.6	0.4%	-0.8%	-5.5%
S&P 500	1841.4	0.0%	2.1%	31.3%

**UX INTRADAY DECEMBER 27, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	327.8	1.0%	-7.4%	20.9%
CDS 5Y UKR	799.9	0.0%	-17.3%	28.0%
Ukraine-17	9.0%	0.0 p.p.	-1.1 p.p.	2.1 p.p.
Naftogaz Ukr-14	9.8%	0.0 p.p.	-5.3 p.p.	2.2 p.p.
Ukraine-23	9.0%	0.0 p.p.	-0.5 p.p.	1.5 p.p.
Privatbank-16	24.7%	0.0 p.p.	1.7 p.p.	9.4 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.24	0.3%	0.4%	2.4%
EUR	11.32	0.6%	1.7%	6.0%
RUB	0.25	0.6%	1.5%	-4.6%

**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	112.2	0.2%	1.7%	6.9%
Gold, USD/oz	1213.4	0.2%	-2.4%	-26.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Azarov: USD 3.0bn from Russia Used to Plug Budget Gap

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### NEWS

Prime Minister Nikolay Azarov said USD 3.0bn recently borrowed from Russia in the form of a Eurobond issue has been spent to fill a gap in the national budget, in particular to pay pensions and salaries to state employees, Interfax reported on Friday (Dec 27). On Dec 17, Russia agreed to buy USD 15bn in Ukrainian sovereign bonds and cut the price it charges for gas by 30 percent after Ukraine decided to postpone an association agreement with the European Union.

### COMMENTARY

Ukraine's national budget deficit rose by 12.9% YoY to UAH 46.5bn (USD 5.7bn) in 11M13. However, the deficit was expected to increase sharply in the final month of the year, partly because privatization proceeds fell far short of the planned figure. Total privatization proceeds for the year stand at a puny UAH 1.4bn; the State Property Fund's plan for 2013 was to obtain UAH 10.9bn. The first tranche of financial aid from Russia allows the government to meet its short term needs, but simply using these external borrowings for budgetary expenditures looks unwise to us, as their primary propose is redeeming IMF loans and financing structural improvements to the economy.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	189.7	218.0	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	8.00	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	6.50	10.6	63%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	3.02	6.2	107%	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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.37	2.9	702%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	16.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.54	5.2	239%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1764	5250	198%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	12.5	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	71.5	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	27.1	72.0	166%	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.
<b>Consumer</b>						
MHP	MHPC	17.1	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	64.9	90.0	39%	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	11.8	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	98.0	109.50	12%	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	901.42	1061.97	781.22	1.1%	-0.3%	-3.7%	-5.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.039	0.06	0.02	1.8%	-2.5%	-7.0%	-27.3%	0.7%	-2.2%	-3.3%	-22.2%
Azovstal	AZST	0.67	0.90	0.31	1.5%	-1.6%	-5.3%	-8.8%	0.4%	-1.3%	-1.7%	-3.6%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	30.1%	-1.1%	0.3%	n/a	35.3%
Enakievo Steel	ENMZ	32.8	49.9	20.0	-0.3%	-1.1%	-4.5%	-13.8%	-1.5%	-0.8%	-0.8%	-8.6%
Arcelor Mittal KR	KSTL	1.15	n/a	n/a	0.0%	0.0%	n/a	n/a	-1.1%	0.3%	n/a	n/a
Mariupol Ilyicha	MMKI	0.10	0.26	0.05	25.0%	-9.1%	0.0%	-54.5%	23.9%	-8.8%	3.7%	-49.4%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.02	4.80	1.60	0.5%	-1.5%	-7.3%	-7.9%	-0.6%	-1.1%	-3.6%	-2.7%
Yasnyivsky Coking	YASK	0.53	0.85	0.49	0.0%	0.0%	-3.6%	-20.9%	-1.1%	0.3%	0.0%	-15.7%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.50	7.74	5.00	0.2%	0.2%	1.6%	-5.8%	-1.0%	0.5%	5.2%	-0.6%
Ferrexpo	FXPO	3.13	4.58	2.02	3.8%	6.4%	12.3%	-22.3%	2.7%	6.7%	15.9%	-17.1%
Pivnichny GOK	SGOK	8.00	10.00	5.77	0.0%	-1.2%	-1.2%	7.5%	-1.1%	-0.9%	2.4%	12.7%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.37	0.71	0.10	5.7%	-11.9%	-19.6%	-41.3%	4.6%	-11.6%	-15.9%	-36.1%
Komsomolets Donbasa	SHKD	0.62	1.25	0.27	0.0%	8.8%	-6.1%	-47.5%	-1.1%	9.1%	-2.4%	-42.3%
Energy Coal	CLE	0.33	4.57	0.31	4.9%	6.2%	-47.5%	-89.3%	3.8%	6.5%	-43.9%	-84.1%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.46	n/a	n/a	0.0%	0.0%	0.0%	-20.7%	-1.1%	0.3%	3.7%	-15.5%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.55	0.86	0.30	0.0%	5.8%	10.0%	-21.4%	-1.1%	6.1%	13.7%	-16.3%
Interpipe NMPP	NVTR	0.21	0.29	0.10	0.0%	0.0%	-16.0%	-4.5%	-1.1%	0.3%	-12.3%	0.6%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	16.5	29.0	12.0	1.5%	-1.0%	-4.3%	-14.9%	0.4%	-0.6%	-0.6%	-9.8%
Luhanskeplovoz	LTPL	1.54	2.20	1.26	13.2%	13.2%	-6.7%	-17.6%	12.1%	13.6%	-3.0%	-12.5%
Stakhanov Wagon	SVGZ	1.29	1.95	1.00	7.5%	-1.5%	-0.8%	-25.4%	6.4%	-1.2%	2.9%	-20.3%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.02	7.0%	-1.8%	-8.0%	-38.6%	5.9%	-1.5%	-4.4%	-33.4%
Motor Sich	MSICH	1,764	2,640	1,303	2.1%	2.2%	8.5%	-20.2%	1.0%	2.5%	12.1%	-15.0%
Sumy Frunze Engineering	SMASH	2.50	4.00	1.20	3.7%	0.0%	6.4%	66.7%	2.6%	0.3%	10.0%	71.8%
Turboatom	TATM	3.50	n/a	n/a	0.0%	0.0%	0.0%	n/a	-1.1%	0.3%	3.7%	n/a
WESTA ISIC	WES	0.15	0.26	0.15	-11.4%	-13.0%	-23.3%	-39.2%	-12.5%	-12.7%	-19.6%	-34.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.11	0.17	0.09	0.0%	-15.4%	-25.1%	-31.3%	-1.1%	-15.1%	-21.5%	-26.1%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.21	0.59	0.20	0.7%	-1.2%	-17.9%	-61.9%	-0.4%	-0.8%	-14.2%	-56.8%
JKX Oil	JKX	1.18	1.26	0.75	0.2%	-0.6%	-0.9%	-1.4%	-0.9%	-0.3%	2.7%	3.8%
Ukrnafta	UNAF	107	280	96	1.0%	0.5%	-3.7%	-10.0%	-0.1%	0.8%	0.0%	-4.9%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.71	7.40	2.50	0.7%	-0.8%	-7.9%	-25.8%	-0.4%	-0.5%	-4.2%	-20.6%
Donbasenergo	DOEN	27.1	34.0	15.4	0.3%	-1.8%	-3.4%	27.7%	-0.8%	-1.5%	0.3%	32.9%
Zakhidenergo	ZAEN	90.9	115.0	64.0	1.8%	1.6%	-0.7%	-6.3%	0.7%	1.9%	3.0%	-1.1%
<b>Consumer</b>												
Agroton	AGT	0.66	3.6	0.36	2.2%	1.9%	-6.6%	-79.8%	1.1%	2.2%	-2.9%	-74.6%
Astarta	AST	21.5	24.4	14.5	3.7%	10.9%	0.8%	20.6%	2.6%	11.3%	4.5%	25.8%
Avangardo	AVGR	11.8	13.0	7.61	0.5%	2.5%	-4.5%	3.7%	-0.6%	2.9%	-0.8%	8.9%
Industrial Milk Company	IMC	3.98	5.31	3.63	0.8%	3.8%	-12.1%	-25.0%	-0.4%	4.1%	-8.5%	-19.8%
Kernel	KER	12.6	22.6	11.8	-2.5%	0.9%	-10.1%	-41.7%	-3.7%	1.2%	-6.4%	-36.6%
Mriya Agro Holding	MAYA	7.62	8.2	5.36	-2.4%	-2.2%	16.4%	17.5%	-3.5%	-1.9%	20.1%	22.7%
MHPC	MHPC	17.1	19.9	14.15	0.6%	0.6%	-0.3%	12.1%	-0.5%	0.9%	3.4%	17.3%
Milkiland	MLK	4.17	5.2	3.11	0.0%	2.2%	2.6%	-11.4%	-1.1%	2.5%	6.2%	-6.2%
Ovostar Union	OVO	32.5	33.3	21.3	6.1%	11.1%	6.1%	12.6%	5.0%	11.4%	9.8%	17.7%
Sintal	SNPS	n/a	0.28	0.28	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.57	0.57	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	12.5	15.9	7.1	0.0%	1.2%	-15.5%	-6.7%	-1.1%	1.5%	-11.9%	-1.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.114	0.128	0.077	0.9%	-0.3%	-10.6%	32.4%	-0.2%	0.1%	-6.9%	37.6%
UkrSotsbank	USCB	0.187	0.257	0.107	0.9%	0.4%	-3.7%	44.7%	-0.2%	0.7%	0.0%	49.9%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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%
<b>Banks</b>																
		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%
Ukrspotsbank	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	121	3.9%	5	1,537	3.3	neg	neg	10.6	neg	neg	0.7	0.9	0.9	530	457	412	\$/tonne
Yenakievo Steel	ENMZ	42	8.8%	4	34	1.3	4.9	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	344	4.1%	14	322	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	58	54	52	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	71	7.5%	5	69	neg	neg	neg	11.3	neg	neg	0.0	0.1	0.1	20	15	12	\$/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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	924	0.5%	5	924	2.8	9.7	8.9	1.9	3.9	4.6	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,237	0.5%	12	2,362	2.9	5.1	6.2	2.0	2.9	3.7	1.3	1.6	1.8				
Ferrexpo	FXPO	1,841	24.0%	442	2,092	3.2	8.6	7.0	2.6	5.2	4.7	1.2	1.5	1.3				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	1.6	0.7	0.7	1.9	1.3	1.4	0.7	0.5	0.5	31	30	28	\$/tonne
Coal Energy	CLE	15	11.9%	2	40	0.4	0.4	0.4	0.8	0.6	0.6	0.3	0.2	0.2	0.8	0.6	0.6	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	173	2.0%	3	216	1.8	5.1	5.1	1.5	2.9	2.8	0.3	0.3	0.3	343	569	540	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	41	24.0%	10	41	4.6	5.9	5.0	2.9	3.3	2.7	0.2	0.2	0.2				
Kriviw Wagon	KVBZ	230	5.0%	11	232	2.7	2.4	4.5	2.0	1.7	2.5	0.3	0.3	0.4				
Stakhanov Wagon	SVGZ	35	8.0%	3	75	1.8	>30	12.3	2.2	10.4	6.8	0.2	0.2	0.2				
<b>Specialized Machinery</b>																		
Turboatom	TATM	179	5.8%	10	127	3.4	4.7	4.3	2.0	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	445	24.0%	107	455	2.7	1.8	1.6	1.6	1.5	1.4	0.6	0.5	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	250	7.2%	18	586	neg	5.5	5.2	2.8	2.9	2.8	0.7	0.7	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	702	3.0%	21	692	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	66	49.0%	32	48	10.3	5.5	2.8	neg	2.1	1.4	2.6	1.0	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	202	50.4%	102	311	3.4	5.1	4.0	2.7	2.1	2.1	1.3	1.4	1.2	82	57	43	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	211	21.7%	46	294	>30	7.3	6.3	6.0	4.8	4.3	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
<b>Consumer</b>																		
MHP	MHPC	1,806	34.1%	616	2,851	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8910	8910	8910	\$/tonne
Kernel	KER	930	61.8%	574	1,540	4.1	4.4	4.8	5.0	4.8	4.5	0.8	0.7	0.6				
Astarta	AST	538	31.0%	167	685	4.7	10.8	9.1	4.8	7.0	5.7	1.7	1.5	1.2	3473	2114	1756	\$/tonne
Avangardco	AVGR	750	22.5%	169	899	3.8	3.3	3.2	3.6	3.2	3.1	1.6	1.4	1.3	203	155	146	\$/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
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	414	4.0%	17		>30	>30	14.5	0.5	0.5	0.4	0.06	0.06	0.06				
Ukrsotsbank	USCB	417	1.6%	7		>30	>30	21.8	0.5	0.5	0.5	0.06	0.06	0.06				

Source: Eavex Research

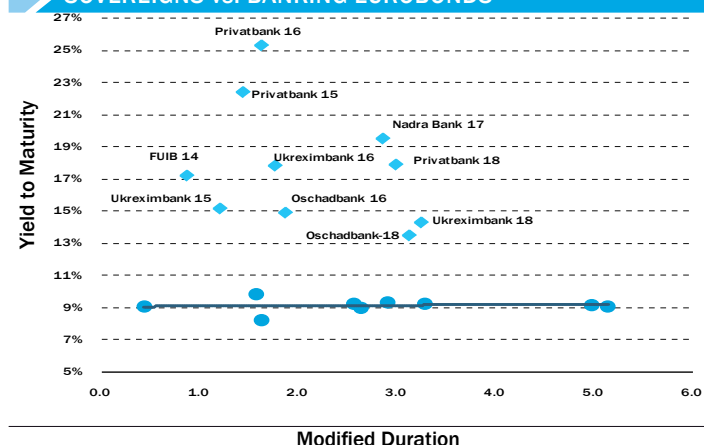
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2014	99.5	100.5	10.0%	7.2%	-2.3%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	99.3	100.2	12.0%	10.3%	-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%	1.6	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	9.4%	8.9%	-5.9%	2.5	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%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	91.9	93.4	9.4%	8.9%	-6.7%	3.3	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	98.8	99.4	9.8%	9.6%	-7.5%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	81.8	83.5	15.7%	14.9%	-15.9%	3.0	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	77.8	79.3	15.3%	14.7%	-17.4%	3.3	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	92.2	93.7	9.5%	9.1%	-9.8%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	92.8	94.3	9.4%	9.1%	-10.0%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	90.3	91.5	9.5%	9.2%	-10.0%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	89.8	91.3	9.2%	8.9%	-9.5%	6.3	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
<b>Corporate Eurobonds</b>											
Agroton, 2014	50.0	54.4	32.8%	29.5%	n/a	2.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	103.0	104.0	8.3%	7.9%	-1.9%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	88.8	89.9	10.7%	10.5%	-10.6%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	98.0	98.0	11.9%	11.9%	n/a	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	89.3	90.9	14.3%	13.8%	-9.9%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.7	101.0	11.7%	11.0%	-2.6%	1.9	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	86.2	87.9	13.8%	13.2%	-12.9%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	101.6	102.1	8.7%	8.2%	0.6%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	94.0	94.5	9.6%	9.5%	-5.8%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	101.5	102.3	9.6%	9.0%	-1.7%	1.3	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	94.1	96.0	10.7%	10.1%	-1.9%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	97.1	98.8	9.6%	8.7%	0.5%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	91.0	92.2	12.2%	11.8%	-8.4%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	20.0%	18.1%	-3.8%	2.6	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	110.1	111.8	8.3%	7.9%	11.0%	3.4	8.00%	S/A	19 Feb 2018	40	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	88.0	98.0	n/a	n/a	45.3%	n/a	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	98.5	98.5	14.8%	14.8%	-3.5%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	79.1	81.7	25.3%	22.7%	-3.8%	2.8	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	88.8	90.3	18.5%	17.3%	-5.6%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	65.6	75.0	29.4%	21.5%	-8.9%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	83.0	84.4	16.7%	16.2%	-16.3%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	95.2	96.6	13.2%	11.9%	-4.0%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	84.8	85.8	15.1%	14.4%	1.7%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	88.5	89.9	12.5%	12.0%	-10.8%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	83.0	88.0	n/a	n/a	52.7%	n/a	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.2	94.0	13.0%	12.0%	-2.1%	1.9	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	88.2	89.9	12.5%	12.0%	-10.9%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	92.0	94.0	13.6%	12.2%	-0.6%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	92.0	93.8	13.2%	12.3%	-0.7%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

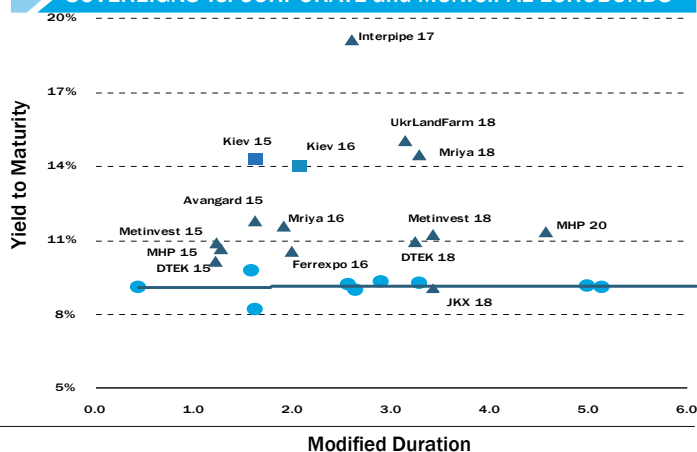
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



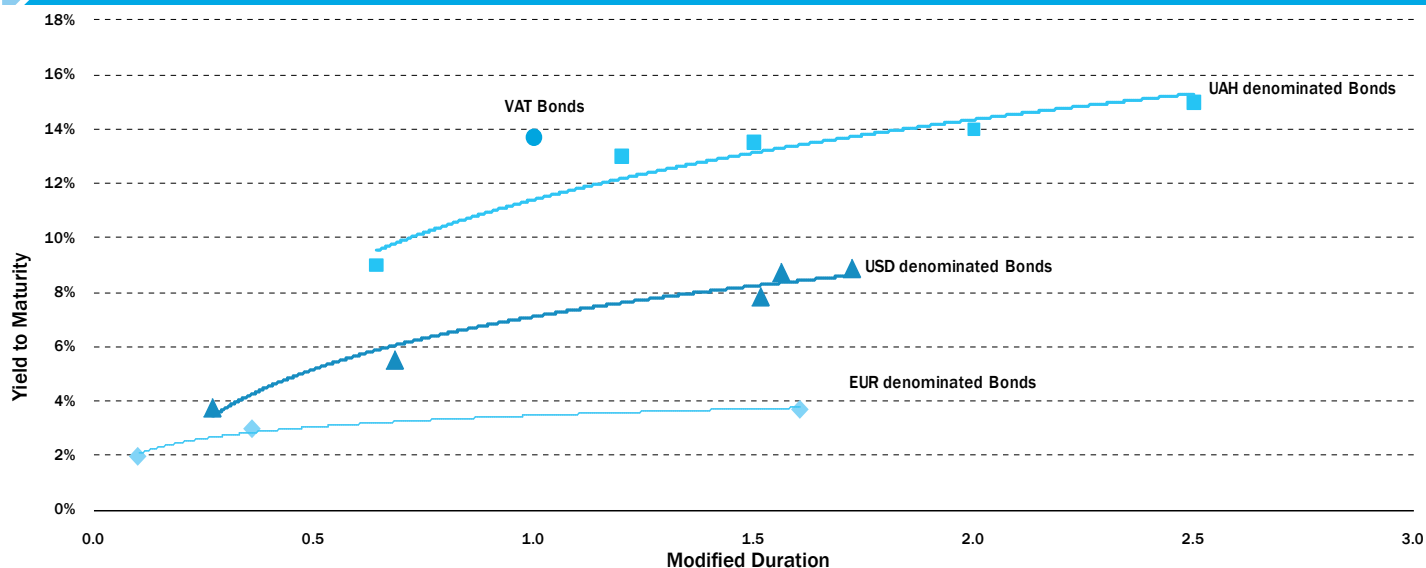
### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	5.4%	5.3%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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



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