

Market Update

Equity

Most Kyiv-listed blue chips were higher on Monday, with the local market outpacing the moderate gains seen in the main European and Asian indices. The UX index rose by 1.5% to end at 909 points. Financial names Raiffeisen Aval (BAVL) and UkrSotsBank (USCB) appreciated by 4.0% and 4.4% respectively, and hot issue Motor Sich (MSICH) kept its foot on the gas pedal, closing above UAH 1900 for the first time since July on a 2.5% pickup. The major exception to the day's upward trend was Avdyivka Coke (AVDK), which slumped another 2.2% to UAH 2.77, its lowest level since November 2012. Outside the UX basket, Yasynivsky Coke (YASK) added 3.2% on above-average reported volume of UAH 580,000. In London, MHP (MHPC) and Regal Petroleum (RPT) posted respective declines of 2.2% and 3.6%, while Ferrexpo (FXPO) edged up by 0.8%.

Fixed Income

Ukrainian sovereign Eurobonds ended somewhat lower yesterday with Ukraine-23s decreasing by 0.3 p.p. to 91.9/92.9 (8.8%/8.6%). Ukraine-17s lost 0.5 p.p. finishing at 94.9/96.1 (8.4%/8.0%). In corporate issues, UkrLandFarming-18s continue to rise adding 2.0 p.p. to 93.7/96.2 (12.9%/12.1%) on news of the group's 5% stake acquisition by global trader Cargill.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1906.00	2.5%	1.9	104
Donbasenergo	DOEN	28.39	1.5%	0.6	56
Yasynivsky Coke	YASK	0.555	3.2%	0.6	30

Growth Leaders

Alchevsk Coke	ALKZ	0.08	16.4%	0.04	8
Ukrsotsbank	USCB	0.18	4.4%	0.44	12
Raiffeisen Bank Aval	BAVL	0.11	4.0%	0.37	55

Loss Leaders

Avdyivka Coke	AVDK	2.77	-2.2%	0.247	76
Kryukiv Wagon	KVBZ	16.67	-1.7%	0.296	10
Yenakievo Steel	ENMZ	31.95	-0.3%	0.545	32

Highlights

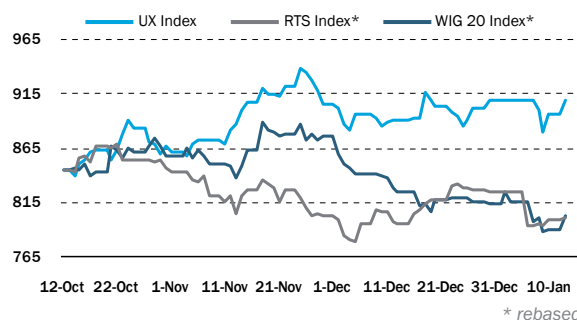
POLITICS AND ECONOMICS

- > NBU Reserves Add USD 1.6bn to USD 20.4bn in December

FIXED INCOME

- > Cargill Acquires 5% Stake in UkrLandFarming

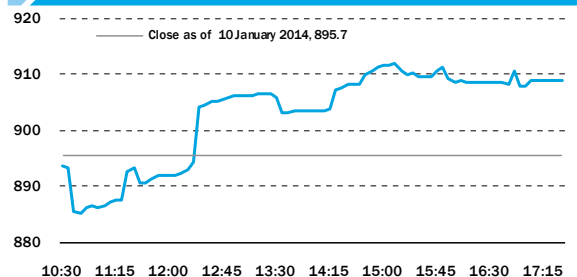
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	909.0	1.5%	2.1%	-0.1%
RTS	1401.8	0.4%	0.7%	-2.8%
WIG20	2363.9	1.5%	-2.7%	-1.5%
MSCI EM	977.4	0.7%	-1.3%	-2.4%
S&P 500	1819.2	-1.3%	2.5%	-1.2%

UX INTRADAY JANUARY 13, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	342.3	0.8%	1.4%	3.5%
CDS 5Y UKR	705.3	-1.4%	-33.3%	-14.0%
Ukraine-17	8.1%	0.2 p.p.	-2.9 p.p.	-0.9 p.p.
Naftogaz Ukr-14	7.8%	-0.3 p.p.	-12.3 p.p.	-1.0 p.p.
Ukraine-23	8.7%	0.1 p.p.	-1.4 p.p.	1.2 p.p.
Privatbank-16	17.8%	-0.2 p.p.	-6.7 p.p.	-6.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.31	0.3%	0.5%	0.9%
EUR	11.36	0.3%	0.0%	-0.1%
RUB	0.25	-0.4%	-0.6%	-0.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	276.3	0.0%	-3.9%	-3.9%
Steel, USD/t	537.5	0.0%	1.9%	0.0%
Oil, USD/bbl	106.8	-0.5%	-1.4%	-4.0%
Gold, USD/oz	1253.2	0.4%	1.2%	4.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

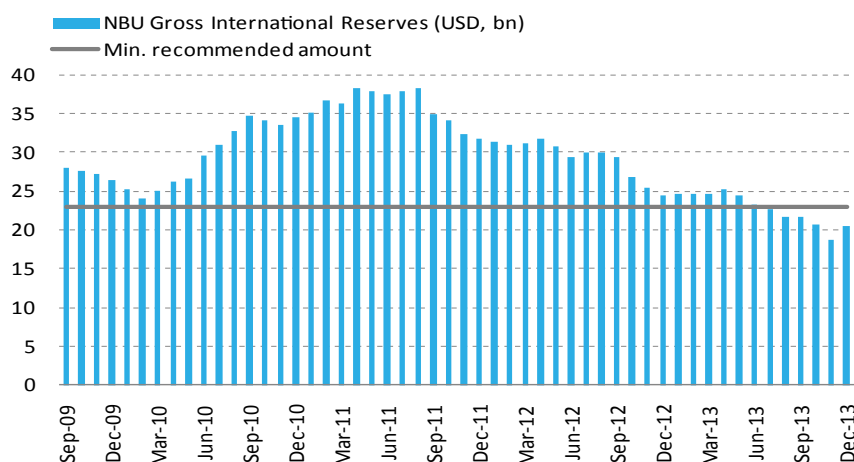
NBU Reserves Add USD 1.6bn to USD 20.4bn in December

by Dmitry Churin
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NEWS

Ukraine's foreign currency reserves rose by 8.6% (USD 1.6bn) MoM to USD 20.43bn in December, the National Bank of Ukraine (NBU) reported on Saturday (Jan 11). The reserves increased due to inflow of USD 3.0bn after Ukraine sold Eurobonds to Russia at the end of December.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

We note that, contrary to its usual practice, the NBU did not reveal its volume of interventions on the interbank market for December. We suspect that the net intervention expenditure was substantial, as the hryvnia exchange rate against the dollar fluctuated in a comparatively wide range of 8.16-8.30 during the period.

We estimate that, despite a pledge from Russia to invest an additional USD 12bn in Ukrainian bonds during 2014-2015, the NBU reserves will end 2014 nearly flat at around USD 21bn. We make this forecast based on an assumption that the NBU will be forced to intervene on the interbank market to smooth the expected hryvnia devaluation to a rate of 8.70 against the dollar by year-end. We also take into account that the Ukrainian government needs to repay USD 5.6bn of external borrowings this year (compared to USD 8.5bn repaid in 2013).

Cargill Acquires 5% Stake in UkrLandFarming

by Ivan Dzvinka
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NEWS

Multinational agricultural and commodity-trading giant Cargill has purchased a 5% stake in UkrLandFarming (ULF), Ukraine's largest agricultural holding in terms of land under lease, the Financial Times website reported on Sunday (Jan 12). Cargill revealed the deal to the newspaper, while ULF confirmed to local news agency Interfax that a transaction was completed in late 2013. According to the FT story, the deal was valued at USD 200mn, implying a valuation of UkrLandFarming's equity at USD 4.0bn and a total business value of USD 5.3bn (based on the group's net debt as of 30 Sept 2013).

COMMENTARY

Using ULF's most recently available 12-month EBITDA of USD 900mn and its net debt (as of 9M13), the reported transaction figure of USD 200mn suggests that the group was valued at an EV/12M EBITDA multiple of 5.9x, or almost twice as high as the 3.2x EV/12M EBITDA ratio of ULF's London-traded subsidiary Avangard. This implied valuation of ULF looks suspiciously high to us, given that the corporate governance of ULF now leaves at least as much to be desired as in the case of Avangard. In particular, ULF's financials can be obtained only by request to the company. In addition, the news about the deal with Cargill was disclosed on the company's web site only after it had been reported in the Financial Times article. Also, there was no announcement from ULF to analysts regarding the deal, although in the past we have received the company's releases on far less important issues such as the coupon payments made on its bonds.

The deal with Cargill provides several positives for ULF, including synergies in business operations as well as a likely improvement its image in the investment community, given the worldwide Cargill brand name. Cargill already has been cooperating with ULF in recent years, purchasing and exporting some 1.0-1.5mn tonnes of ULF's grain p.a. Also, ULF is now targeting an increase in its grain exports to China; Cargill's support should make this goal more reachable. Notably, ULF plans to triple its corn exports to China in the medium term from an expected 700,000 tonnes in the 2013/14 marketing year.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.64	0.56	-12%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	176.6	218.0	23%	BUY	Operations at Ferrexpo's new Yeristovo Mine should allow the company to increase its iron ore pellet output by 10% YoY to 10.6mn tonnes in 2013, with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	8.01	14.5	80%	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	6.30	10.6	69%	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	2.77	6.2	125%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.56	3.4	519%	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	0.41	2.9	618%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.7	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.50	5.2	249%	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	1906	5250	175%	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	13.3	42.0	217%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	72.0	370	414%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	28.4	72.0	154%	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	4.70	15.00	219%	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	17.6	22.10	26%	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	71%	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	92.0	109.50	19%	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	909.04	1061.97	781.22	1.5%	-0.1%	2.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.5%	-4.6%	-6.6%	-4.6%	-0.9%	-4.5%	-8.7%	-4.5%
Azovstal	AZST	0.64	0.90	0.31	-0.2%	-5.2%	-7.4%	-5.2%	-1.6%	-5.1%	-9.5%	-5.1%
Dniprospeztstal	DNSS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	32.0	49.9	20.0	-0.3%	-0.2%	-2.2%	-0.2%	-1.8%	-0.1%	-4.3%	-0.1%
Arcelor Mittal KR	KSTL	1.15	n/a	n/a	0.0%	0.0%	n/a	0.0%	-1.5%	0.1%	n/a	0.1%
Mariupol Ilyicha	MMKI	0.10	0.26	0.05	0.0%	0.0%	-16.7%	0.0%	-1.5%	0.1%	-18.8%	0.1%
Coke												
Avdivka Coke	AVDK	2.77	4.80	1.60	-2.6%	-6.4%	-7.8%	-6.4%	-4.1%	-6.3%	-9.9%	-6.3%
Yasnyivsky Coking	YASK	0.56	0.85	0.49	3.7%	5.7%	7.7%	5.7%	2.2%	5.8%	5.6%	5.8%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	5.00	-3.1%	-3.1%	4.8%	-3.1%	-4.6%	-3.0%	2.7%	-3.0%
Ferrexpo	FXPO	2.89	4.55	2.02	0.2%	-4.2%	1.4%	-8.4%	-1.3%	-4.1%	-0.6%	-8.2%
Pivnichny GOK	SGOK	8.01	10.00	5.77	0.0%	0.1%	-2.4%	0.1%	-1.5%	0.2%	-4.5%	0.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.41	0.71	0.10	0.0%	2.5%	-10.9%	2.5%	-1.5%	2.6%	-13.0%	2.6%
Komsomolets Donbasa	SHKD	0.62	1.25	0.27	0.0%	0.0%	-7.5%	0.0%	-1.5%	0.1%	-9.6%	0.1%
Energy Coal	CLE	0.37	4.57	0.31	-4.3%	12.8%	-25.2%	5.3%	-5.8%	12.9%	-27.3%	5.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.56	0.86	0.30	1.8%	-6.7%	14.3%	-6.7%	0.3%	-6.6%	12.2%	-6.6%
Interpipe NMPP	NVTR	0.23	0.29	0.10	0.0%	9.5%	15.0%	9.5%	-1.5%	9.6%	12.9%	9.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.7	29.0	12.0	-1.7%	-3.6%	2.3%	-3.6%	-3.2%	-3.5%	0.2%	-3.5%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	0.0%	0.0%	-3.8%	0.0%	-1.5%	0.1%	-5.9%	0.1%
Stakhanov Wagon	SVGZ	1.12	1.95	1.00	0.0%	-13.8%	-13.8%	-13.8%	-1.5%	-13.7%	-15.9%	-13.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.02	36.6%	-9.8%	-14.3%	-9.8%	35.1%	-9.7%	-16.4%	-9.7%
Motor Sich	MSICH	1,906	2,640	1,303	2.5%	4.5%	18.2%	4.5%	1.0%	4.6%	16.1%	4.6%
Summy Frunze Engineering	SMASH	2.40	4.00	1.20	0.0%	-4.0%	-4.0%	-4.0%	-1.5%	-3.9%	-6.1%	-3.9%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.16	0.26	0.13	2.0%	2.8%	-15.4%	21.0%	0.5%	2.9%	-17.5%	21.1%
Telecom												
Ukrtelecom	UTLM	0.13	0.17	0.09	-6.4%	19.2%	4.8%	19.2%	-7.8%	19.3%	2.7%	19.3%
Oil & Gas												
Regal Petroleum	RPT	0.22	0.57	0.19	-4.2%	12.5%	-6.6%	3.0%	-5.7%	12.6%	-8.7%	3.1%
JKX Oil	JKX	1.18	1.26	0.75	-1.0%	-0.6%	1.9%	-0.5%	-2.5%	-0.5%	-0.2%	-0.4%
Ukrnafta	UNAF	108	280	96	1.5%	-0.4%	0.7%	-0.4%	0.0%	-0.3%	-1.4%	-0.3%
Power Utilities												
Centrenerg	CEEN	4.70	7.40	2.50	0.3%	-1.5%	-3.5%	-1.5%	-1.2%	-1.4%	-5.6%	-1.4%
Donbasenergo	DOEN	28.4	34.0	15.4	1.5%	2.9%	4.0%	2.9%	0.0%	3.0%	1.9%	3.0%
Zakhidenergo	ZAEN	90.4	115.0	64.0	0.0%	0.0%	5.1%	0.0%	-1.5%	0.1%	3.0%	0.1%
Consumer												
Agroton	AGT	0.93	3.6	0.36	1.0%	31.8%	43.6%	43.8%	-0.5%	31.9%	41.5%	43.9%
Astarta	AST	21.0	24.4	14.5	-2.4%	-5.2%	0.9%	-5.5%	-3.9%	-5.1%	-1.2%	-5.4%
Avangardo	AVGR	11.3	13.0	7.61	0.0%	-5.4%	-1.7%	-3.8%	-1.5%	-5.3%	-3.8%	-3.7%
Industrial Milk Company	IMC	4.17	5.25	3.63	1.7%	0.2%	0.0%	3.2%	0.2%	0.3%	-2.1%	3.3%
Kernel	KER	13.7	22.6	11.8	-1.0%	1.7%	13.0%	7.9%	-2.5%	1.8%	11.0%	8.0%
Mriya Agro Holding	MAYA	7.24	8.2	5.36	4.7%	8.6%	-12.1%	-2.9%	3.2%	8.7%	-14.2%	-2.8%
MHPC	MHPC	17.6	19.9	14.15	-2.2%	-2.4%	11.7%	3.5%	-3.7%	-2.3%	9.7%	3.6%
Milkiland	MLK	3.79	5.2	3.11	0.4%	-1.4%	-3.6%	-8.8%	-1.1%	-1.3%	-5.7%	-8.6%
Ovostar Union	OVO	30.2	33.3	21.3	-3.2%	-3.5%	13.7%	-9.1%	-4.7%	-3.4%	11.6%	-9.0%
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
Chemicals												
Stirol	STIR	11.3	15.9	7.1	-6.0%	-9.6%	-15.5%	-9.6%	-7.5%	-9.5%	-17.6%	-9.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.115	0.128	0.077	4.2%	1.1%	-1.0%	1.1%	2.7%	1.2%	-3.1%	1.2%
UkrSotsbank	USCB	0.183	0.257	0.107	4.4%	-2.5%	7.0%	-2.5%	2.9%	-2.3%	4.9%	-2.3%

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		
		2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E
Steel																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-173	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,938	1,976	-181	-31	35	neg	neg	1.8%	-333	-173	-24	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,090	914	784	-112	47	29	neg	5.1%	3.8%	-137	-6	-24	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	11	5	1.9%	3.1%	1.4%
Iron Ore Mining																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	179	150	15.6%	26.4%	23.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	549	461	30.8%	33.7%	30.6%
Ferrexpo	FXPO	1,424	1,545	1,623	402	433	449	28.2%	28.0%	27.7%	216	240	248	15.1%	15.5%	15.3%
Coal Mining																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	361	52	31	34	10.8%	10.1%	9.5%	34	17	20	7.0%	5.5%	5.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	18	20	2.2%	5.4%	5.5%
Kryukiv Wagon	KVBZ	891	427	387	135	65	59	15.2%	15.2%	15.3%	95	25	22	10.7%	5.7%	5.7%
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	-1	-1	0.2%	neg	neg
Specialized Machinery																
Turboatom	TATM	160	199	222	51	73	78	32.2%	36.7%	35.2%	38	55	59	23.8%	27.8%	26.6%
Motor Sich	MSICH	979	1,000	1,116	309	233	258	31.6%	23.3%	23.1%	200	184	205	20.4%	18.4%	18.4%
Telecom																
Ukrtelecom	UTLM	838	749	654	206	215	209	24.5%	28.7%	31.9%	45	50	65	5.4%	6.6%	10.0%
Oil & Gas																
Ukrnafta	UNAF	1,853	2,454	2,143	319	414	393	17.2%	16.9%	18.3%	176	131	121	9.5%	5.4%	5.7%
Regal Petroleum	RPT	51	38	60	21	17	31	42.0%	45.0%	52.0%	12	5	13	22.7%	13.2%	21.3%
JKX Oil	JKX	203	210	231	136	85	90	67.1%	40.5%	39.0%	-11	20	24	neg	9.5%	10.4%
Electric Utilities																
Centrenergo	CEEN	1,119	902	1,006	69	62	69	6.2%	6.8%	6.8%	29	43	50	2.6%	4.8%	5.0%
Donbasenergo	DOEN	574	656	732	32	72	64	5.6%	11.0%	8.8%	4	49	43	0.7%	7.5%	5.9%
Consumer																
MHP	MHPC	1,408	1,422	1,635	468	413	545	33.2%	29.0%	33.3%	311	202	269	22.1%	14.2%	16.5%
Kernel	KER	2,157	2,797	2,480	322	291	257	14.9%	10.4%	10.4%	211	105	77	9.8%	3.8%	3.1%
Astarta	AST	456	504	598	109	125	169	20.0%	20.6%	23.6%	58	78	113	10.6%	12.9%	15.8%
Avangardco	AVGR	629	703	785	280	328	373	44.5%	46.6%	47.5%	228	262	300	36.3%	37.2%	38.3%
Agroton	AGT	88	69	76	20	13	12	23.2%	18.1%	15.4%	7	-2	-1	7.7%	neg	neg
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,497	5,664	793	905	856	679	665	613	4	110	115	0.5%	12.2%	13.5%
Ukrspatsbank	USCB	5,151	4,564	4,846	957	950	1,029	451	389	475	1	2	20	0.1%	0.2%	2.0%

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		
				2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2013E			
Steel																		
Alchevsk Steel	ALMK	115	3.9%	4	1,909	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	493	460	447	\$/tonne
Yenakievo Steel	ENMZ	41	8.8%	4	35	4.7	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	321	3.0%	9	303	neg	neg	neg	neg	neg	8.6	0.1	0.2	0.2	66	67	67	\$/tonne
Coke																		
Avdyivka Coke	AVDK	65	6.8%	4	62	neg	neg	neg	neg	1.3	2.1	0.1	0.1	0.1	14	16	17	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	19	2.2	1.6	3.9	0.7	0.7	1.0	0.0	0.1	0.1	0.7	0.7	1.0	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	888	0.3%	2	887	9.3	5.0	5.9	3.8	2.8	3.2	1.5	1.3	1.4				
Pivnichny GOK	SGOK	2,220	0.4%	9	2,214	5.1	4.0	4.8	3.0	2.4	2.7	1.6	1.4	1.5				
Ferrexpo	FXPO	1,702	24.0%	409	2,268	7.9	7.1	6.9	5.6	5.2	5.0	1.6	1.5	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	3.5	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	17	25.0%	4	127	0.4	neg	neg	2.0	6.0	14.1	0.8	1.0	1.3	2.0	6.0	14.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	175	2.0%	4	221	5.2	10.2	8.8	4.3	7.1	6.4	0.5	0.7	0.6	350	581	552	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	40	24.0%	9	81	8.2	2.2	2.0	2.8	2.3	2.1	0.4	0.2	0.2				
Kruiiv Wagon	KVBZ	230	5.0%	11	230	2.4	9.4	10.4	1.7	3.5	3.9	0.3	0.5	0.6				
Stakhanov Wagon	SVGZ	31	8.0%	2	70	>30	neg	neg	9.7	11.9	12.8	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	178	5.8%	10	105	4.7	3.2	3.0	2.0	1.4	1.3	0.7	0.5	0.5				
Motor Sich	MSICH	476	24.0%	114	495	2.4	2.6	2.3	1.6	2.1	1.9	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	295	7.2%	21	617	6.5	6.0	4.5	3.0	2.9	3.0	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	706	3.0%	21	698	4.0	5.4	5.8	2.2	1.7	1.8	0.4	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	70	21.6%	15	41	6.0	13.8	5.4	1.9	2.4	1.3	0.8	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	202	50.4%	102	311	neg	10.1	8.4	2.3	3.7	3.5	1.5	1.5	1.3	57	43	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	209	21.7%	45	278	7.2	4.9	4.2	4.0	4.5	4.0	0.2	0.3	0.3	16	19	17	\$/MWh
DonbasEnergO	DOEN	81	14.2%	11	151	21.1	1.6	1.9	4.7	2.1	2.4	0.3	0.2	0.2	18	19	19	\$/MWh
Consumer																		
MHP	MHPC	1,860	34.1%	634	3,020	6.0	9.2	6.9	6.5	7.3	5.5	2.1	2.1	1.8				
Kernel	KER	1,089	61.8%	673	1,795	5.2	10.4	14.1	5.6	6.2	7.0	0.8	0.6	0.7				
Astarta	AST	526	37.0%	195	859	9.1	6.7	4.6	7.9	6.9	5.1	1.9	1.7	1.4				
Avangardco	AVGR	722	22.5%	162	921	3.2	2.8	2.4	3.3	2.8	2.5	1.5	1.3	1.2	208	158	149	\$/mneggs
Agroton	AGT	20	26.2%	5	69	3.0	neg	neg	3.4	5.5	5.9	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	414	3.6%	15		>30	3.8	3.6	0.5	0.5	0.5	0.07	0.08	0.07				
Ukrsotsbank	USCB	405	1.4%	6		>30	>30	20.7	0.5	0.4	0.4	0.08	0.09	0.09				

Source: Eavex Research

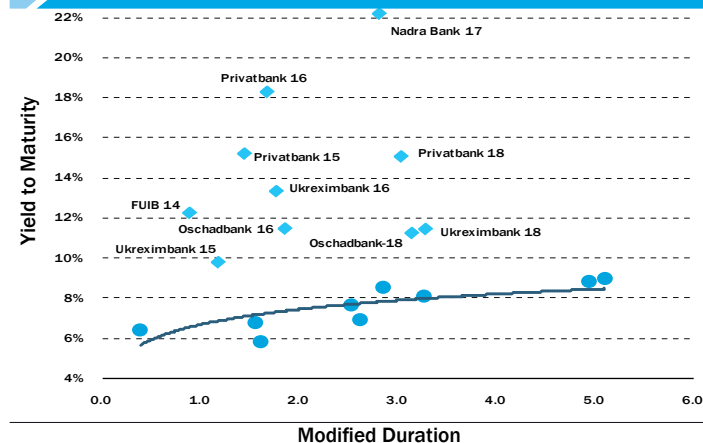
UKRAINIAN EUROBONDS

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	100.5	101.3	7.2%	4.9%	0.9%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	100.7	101.6	9.6%	8.1%	0.7%	0.7	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	98.5	99.5	6.0%	5.4%	3.1%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	99.4	100.4	7.5%	6.9%	2.3%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	97.2	98.2	7.8%	7.4%	3.9%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	97.2	98.2	7.4%	7.0%	3.6%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	94.9	96.1	8.4%	8.0%	3.0%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	102.4	103.5	8.6%	8.2%	3.8%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	92.0	93.5	11.6%	11.0%	12.3%	3.1	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	88.8	90.4	11.2%	10.7%	14.1%	3.4	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	93.9	94.8	9.1%	8.9%	1.4%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	93.9	94.7	9.2%	9.0%	0.7%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	92.3	93.0	9.1%	9.0%	1.8%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	91.9	92.9	8.8%	8.6%	2.1%	6.3	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.0%	29.7%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	103.4	104.3	8.0%	7.6%	0.3%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	89.7	91.2	10.6%	10.2%	1.1%	4.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.0	102.0	10.5%	9.2%	n/a	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	93.7	96.2	12.9%	12.1%	5.2%	3.2	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	101.0	102.6	11.0%	10.1%	1.6%	1.9	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	89.6	91.2	12.7%	12.1%	3.8%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	102.1	103.0	8.3%	7.5%	0.3%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	95.4	96.2	9.2%	9.0%	1.7%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	103.0	104.5	8.4%	7.0%	4.2%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	97.3	98.6	9.7%	9.3%	3.1%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	98.6	100.0	8.9%	8.1%	1.3%	2.0	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	93.4	94.7	11.5%	11.0%	2.6%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	20.1%	18.2%	0.0%	2.5	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	110.8	112.8	8.2%	7.7%	0.7%	3.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2014	88.0	98.0	12.9%	10.0%	0.0%	3.8	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.0	102.0	13.0%	10.2%	2.5%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.0	85.0	24.8%	19.8%	0.0%	2.8	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	93.0	95.0	15.3%	13.7%	5.5%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	77.5	82.5	20.0%	16.4%	13.8%	1.7	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	87.9	91.0	14.9%	13.8%	6.9%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	97.3	98.5	11.5%	10.3%	1.5%	1.2	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	86.5	89.0	14.1%	12.5%	5.1%	1.8	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	91.3	92.9	11.5%	11.0%	3.2%	3.1	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	85.0	90.0	n/a	n/a	2.3%	n/a	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	93.5	95.1	12.3%	11.4%	1.3%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	90.2	91.8	11.9%	11.4%	2.2%	3.3	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	94.8	96.4	11.8%	10.7%	2.8%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	94.7	96.0	11.9%	11.3%	2.5%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

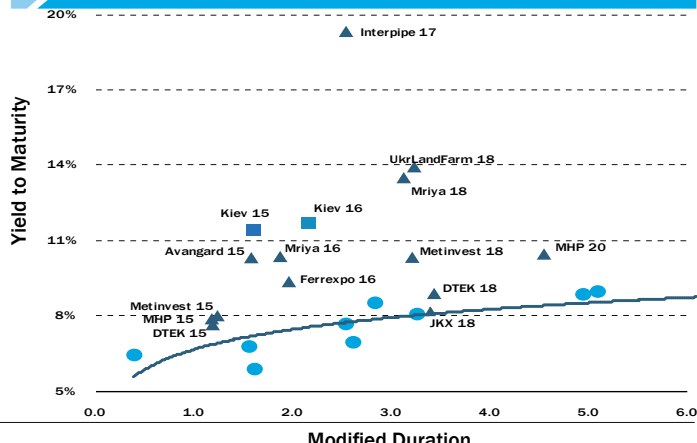
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



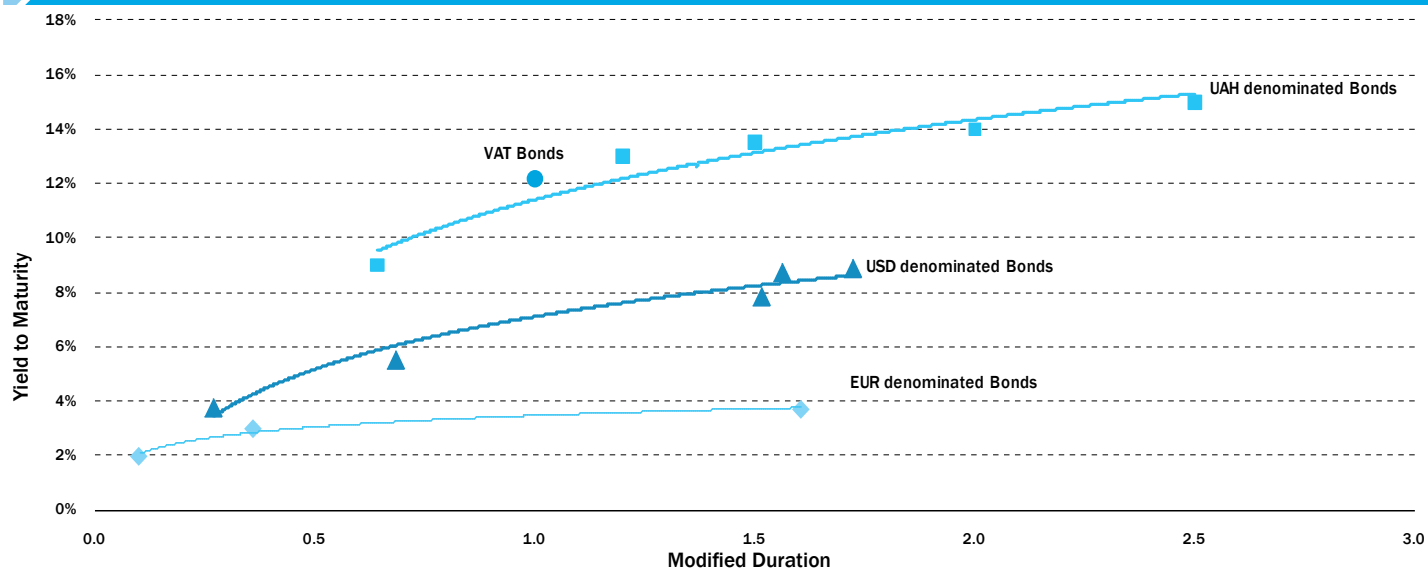
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			9.0%	7.5%	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									
UA4000140362	n/a	n/a	5.8%	4.5%	n/a	9.20%	S/A	21 May 2014	171
UA4000142699	n/a	n/a	9.5%	6.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	9.5%	6.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	9.6%	7.0%	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			12.5%	11.3%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	11.3%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	11.3%	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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