

Market Update

Equity

Ukraine's local equity market ended a rather upbeat week with some more gains on Friday (Jan 17) despite unpleasant developments on the political front that saw Parliament adopt several laws intended to criminalize the ongoing EuroMaidan protests. The UX index added 0.7% to close at 921 points. Power generation blue chip DonbasEnergO moved up by 1.7% and is now up by nearly 30% since the beginning of November. CentrEnergO also chipped in with a 1.4% rise, and Motor Sich picked up 1.0% to UAH 1950; the three issues combined for UAH 5.1mn in turnover, with the other 7 blue chips largely inactive during the session. It was a quiet day for Ukrainian agro issues in Warsaw, with Kernel, Astarta, and Ovostar all ending essentially unchanged. In London, Ukraine's top liquid equity issue Ferrexpo gained 3.1% to near GBp 182.

Fixed Income

Ukrainian sovereigns were up on Friday with Ukraine-23s improving by 1.5p.p. to 94.3/95.3 (8.4%/8.2%). The corporate universe was sluggish. Avangard-15s raised by 0.4p.p. to 101.0/102.0 (9.9%/9.2%) while Metinvest-15s dropped by 0.2p.p. closing at 103.6/104.1 (7.8%/7.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1950.00	1.0%	3.4	94
DonbasenergO	DOEN	31.25	1.7%	1.0	144
CentrenergO	CEEN	4.748	1.5%	0.8	32

Growth Leaders

DonbasenergO	DOEN	31.25	1.7%	0.99	144
CentrenergO	CEEN	4.75	1.5%	0.81	32
Motor Sich	MSICH	1950.00	1.0%	3.36	94

Loss Leaders

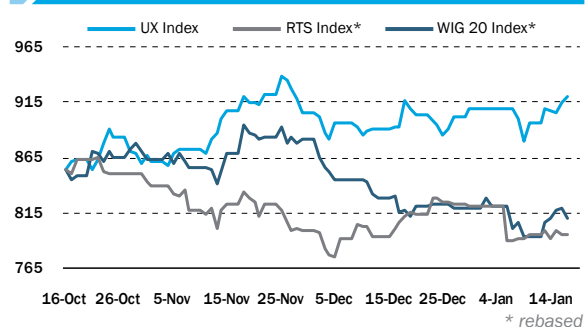
Yasynivsky Coke	YASK	0.55	-0.9%	0.015	8
Azovstal	AZST	0.62	-0.2%	0.286	41
Avdyivka Coke	AVDK	2.77	0.0%	0.624	24

Highlights

POLITICS AND ECONOMICS

- > Protesters Fight Police Overnight at Kyiv's Europe Square
- > Monthly Industrial Output Posts Best Figure Since Mid-2012
- > Parliament Says No Grain Export VAT Refunds Until at Least 2016

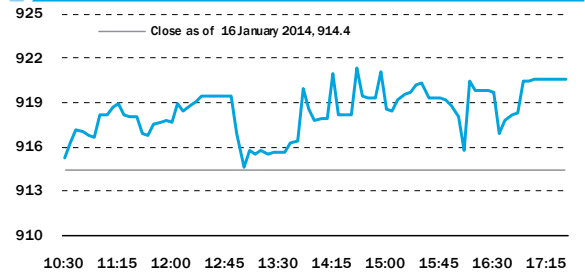
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	920.6	0.7%	3.1%	1.2%
RTS	1395.8	-0.1%	-1.3%	-3.3%
WIG20	2376.3	-1.1%	-0.7%	-1.0%
MSCI EM	972.3	-0.2%	-1.8%	-3.0%
S&P 500	1838.7	-0.4%	3.2%	-0.1%

UX INTRADAY JANUARY 17, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	340.1	0.8%	0.5%	2.8%
CDS 5Y UKR	694.9	0.2%	-28.5%	-15.3%
Ukraine-17	7.5%	-0.1 p.p.	-1.7 p.p.	-1.5 p.p.
Naftogaz Ukr-14	7.5%	0.0 p.p.	-4.4 p.p.	-1.2 p.p.
Ukraine-23	8.3%	-0.1 p.p.	-0.4 p.p.	0.8 p.p.
Privatbank-16	18.1%	0.0 p.p.	-6.5 p.p.	-6.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.37	0.4%	0.9%	1.6%
EUR	11.33	-0.2%	-0.8%	-0.3%
RUB	0.25	-0.2%	-1.0%	-0.8%

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%	0.9%	0.0%
Oil, USD/bbl	106.5	0.7%	-1.6%	-4.3%
Gold, USD/oz	1254.1	0.9%	1.9%	4.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Protesters Fight Police Overnight at Kyiv's Europe Square

by Will Ritter
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NEWS

Several thousand anti-government protesters throwing rocks, Molotov cocktails and other projectiles engaged in running battles with riot police in central Kyiv on Sunday evening (Jan 19) following the latest weekend opposition demonstration on Independence Square. The actions continued overnight, with police occasionally setting off stun grenades and also using a water cannon to keep protesters at bay at the bottom Hrushevsky Street near the Cabinet of Ministers building. Around 30 policemen and a smaller number of protesters were reported to have been injured, several seriously; there were no figures on arrests. The violence was in response to Parliament's Thursday passage - via a highly questionable hand-voting procedure - of a series of anti-assembly and free speech laws designed to criminalize the EuroMaidan pro-European protest, which has been ongoing for the past two months. Presidential administration chief Serhiy Liovochkin and presidential press secretary Darya Chepak resigned following the passage of the laws, which were signed by President Yanukovich on Friday. Also quitting his post was Andriy Yermolaev, who headed a government institute focused on structural economic reforms. UDAR party opposition leader Vitaliy Klitschko was involved on the front lines of the conflict, calling on the protesters to refrain from violence; for his efforts, he was sprayed with a fire extinguisher and called a traitor and a "titushka" (a slang word for government-hired street fighters). The other opposition leaders, Oleg Tiahnybok and Arseniy Yatseniuk, were also heckled by protesters during their speeches earlier in the day for their perceived lack of action. Klitschko was reported to have traveled to President Yanukovich's estate during the overnight hours for a one-on-one meeting after publicly calling on the President "not to go down the path of Ceaucescu and Khadafy" in using violence to disperse the EuroMaidan demonstrations.

COMMENTARY

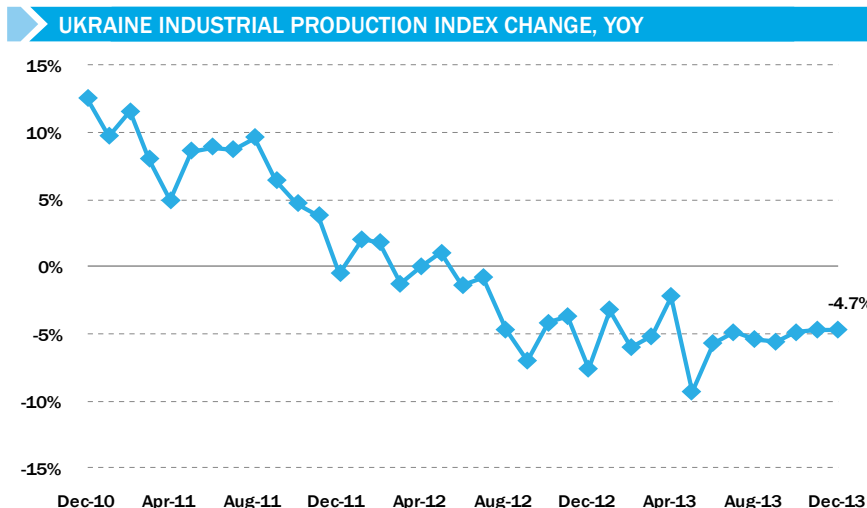
The resignation of Liovochkin, viewed as a stabilizing and moderating influence in the Yanukovich regime, indicates that moderates and pragmatists inside the ruling Party of Regions have lost faith in the President's ability to find a political solution to the ongoing standoff in the country. We view the President's signature of the new anti-assembly laws as a sign that the regime is beginning to act irrationally; prior to the laws' passage, the protest movement had been suffering from declining momentum and disillusion with the opposition leaders, but was immediately invigorated, leading to Sunday's clashes. Meanwhile, the disturbing images of violence and the treatment of Klitschko by protestors indicate that the opposition has its own serious issues of disunity; the opposition is increasingly split between advocates of a peaceful, constitutional approach to changing the government and street thugs with no connection to Ukrainian civil society or regard for "European values". The latter elements are easily infiltrated by the government's security structures, which can use the violence to discredit the opposition movement.

Monthly Industrial Output Posts Best Figure Since Mid-2012

by Dmitry Churin
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NEWS

Ukraine's industrial production fell by 0.5% YoY in December, the State Statistics Committee reported on Friday (Jan 17). It was the monthly index's smallest year-on-year decline since the trend in industrial output turned negative in July 2012. For full-year 2013, the index ended down by 4.7% YoY, after having dropped 1.8% YoY in FY12.



Source: State Statistics Committee

COMMENTARY

The improved December IP figure provides only a marginal basis for optimism, as the comparison base from December 2012 was distorted by a series of heavy snowfalls which hit Ukraine during that month. In terms of the full-year performance, it was the third worst finish for the IP index in the last 10 years after crisis-hit 2008-09 (-5.2% and -21.9% respectively). One of the largest decreases in output (-17.5% YoY) in 2013 was in the chemicals sector, which suffered from high natural gas prices. The machinery sector was also extremely weak, with output falling by 13.8% YoY due to lower demand for Ukrainian freight transportation equipment in Russia.

For 2014, we forecast a moderate recovery in Ukrainian industrial output, with the IP index rising by 2.0% for the year. Improving demand for Ukrainian steel on international markets as well as the announced 30% price cut for Russian gas should be the primary positive drivers.

Parliament Says No Grain Export VAT Refunds Until at Least 2016

by Ivan Dzvinka
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NEWS

Parliament on Thursday (Jan 16) approved a bill effectively prolonging the regime of no VAT refunds to grain exporters for the 2014-15 period. The same regime has been in place since mid-2011. Members of the Budget Committee explained the move by the need to “avoid losses to the budget”. According to Finance Ministry estimates, the refunds would cost the budget some UAH 18.0bn (USD 2.2bn) in 2014.

COMMENTARY

The decision looks logical in light of the already-large deficit of the national budget for this year. It appears that the agricultural lobby in Parliament was not strong enough to push through these changes in the Tax Code, the latest version of which was approved by Parliament last month.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.62	0.56	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	181.6	218.0	20%	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	6.30	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	0.55	3.4	525%	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	0.35	2.9	739%	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	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	1950	5250	169%	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	14.1	42.0	197%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	70.8	370	423%	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	31.3	72.0	130%	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	4.75	15.00	216%	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	25%	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	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	920.57	1061.97	781.22	0.7%	2.8%	3.1%	1.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	-1.6%	-9.0%	-6.7%	-0.7%	-4.4%	-12.1%	-7.9%
Azovstal	AZST	0.62	0.90	0.31	-0.2%	-2.0%	-10.4%	-7.0%	-0.8%	-4.8%	-13.4%	-8.2%
Dniprospezstal	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	0.0%	-0.1%	-3.4%	0.0%	-0.7%	-2.9%	-6.4%	-1.2%
Arcelor Mittal KR	KSTL	1.15	n/a	n/a	0.0%	0.0%	n/a	0.0%	-0.7%	-2.8%	n/a	-1.2%
Mariupol Ilyicha	MMKI	0.15	0.26	0.05	0.0%	50.0%	25.0%	50.0%	-0.7%	47.2%	21.9%	48.8%
Coke												
Avdyivka Coke	AVDK	2.77	4.80	1.60	-0.3%	-2.6%	-9.0%	-6.4%	-1.0%	-5.4%	-12.0%	-7.6%
Yasynivsky Coking	YASK	0.55	0.85	0.49	-1.8%	1.9%	10.0%	3.8%	-2.5%	-0.9%	6.9%	2.6%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	5.00	0.0%	-3.1%	4.8%	-3.1%	-0.7%	-5.9%	1.8%	-4.2%
Ferrexpo	FXPO	2.98	4.55	2.02	3.5%	3.3%	-0.4%	-5.5%	2.9%	0.5%	-3.5%	-6.7%
Pivnichny GOK	SGOK	8.10	10.00	5.77	0.0%	1.1%	-1.3%	1.3%	-0.7%	-1.7%	-4.4%	0.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	0.71	0.10	-10.3%	-14.6%	-10.3%	-12.5%	-10.9%	-17.4%	-13.3%	-13.7%
Komsomolets Donbasa	SHKD	0.67	1.25	0.27	0.0%	8.1%	0.0%	8.1%	-0.7%	5.3%	-3.1%	6.9%
Energy Coal	CLE	0.46	4.57	0.31	9.0%	18.3%	10.7%	30.3%	8.4%	15.6%	7.6%	29.1%
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	0.0%	1.8%	14.3%	-6.7%	-0.7%	-1.0%	11.2%	-7.8%
Interpipe NMPP	NVTR	0.23	0.29	0.10	0.0%	0.0%	15.0%	9.5%	-0.7%	-2.8%	11.9%	8.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.8	29.0	12.0	0.6%	-0.9%	0.6%	-2.9%	-0.1%	-3.7%	-2.5%	-4.0%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	0.0%	0.0%	2.0%	0.0%	-0.7%	-2.8%	-1.0%	-1.2%
Stakhanov Wagon	SVGZ	1.27	1.95	1.00	0.0%	13.4%	-2.3%	-2.3%	-0.7%	10.6%	-5.4%	-3.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.02	0.0%	36.6%	-9.8%	-9.8%	-0.7%	33.8%	-12.9%	-11.0%
Motor Sich	MSICH	1,950	2,640	1,303	1.0%	4.8%	24.1%	6.9%	0.4%	2.1%	21.1%	5.8%
Summy Frunze Engineering	SMASH	2.49	4.00	1.20	0.0%	3.8%	2.9%	-0.4%	-0.7%	1.0%	-0.2%	-1.6%
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	0.17	0.26	0.13	-0.3%	7.1%	-3.0%	27.0%	-1.0%	4.3%	-6.1%	25.9%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	-3.6%	7.9%	22.7%	-0.7%	-6.4%	4.9%	21.6%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.57	0.19	0.4%	2.4%	0.0%	10.1%	-0.3%	-0.4%	-3.0%	8.9%
JKX Oil	JKX	1.16	1.26	0.75	0.1%	-2.4%	2.0%	-2.0%	-0.6%	-5.2%	-1.1%	-3.2%
Ukrnafta	UNAF	110	280	96	0.4%	3.6%	5.7%	1.7%	-0.3%	0.8%	2.7%	0.5%
Power Utilities												
Centrenerg	CEEN	4.75	7.40	2.50	1.7%	1.5%	-0.5%	-0.4%	1.0%	-1.3%	-3.6%	-1.6%
Donbasenergo	DOEN	31.3	34.0	15.4	1.6%	11.7%	12.8%	13.3%	1.0%	8.9%	9.8%	12.1%
Zakhidenergo	ZAEN	91.2	115.0	64.0	0.0%	0.9%	6.0%	0.9%	-0.7%	-1.9%	3.0%	-0.3%
Consumer												
Agroton	AGT	0.89	3.6	0.36	-2.8%	-3.9%	22.6%	36.8%	-3.5%	-6.7%	19.6%	35.7%
Astarta	AST	21.1	24.4	14.5	-0.3%	-1.9%	10.8%	-5.0%	-1.0%	-4.7%	7.7%	-6.2%
Avangardo	AVGR	11.7	13.0	7.61	1.7%	3.5%	1.7%	-0.4%	1.1%	0.8%	-1.3%	-1.6%
Industrial Milk Company	IMC	4.15	5.25	3.63	-0.2%	1.2%	1.0%	2.7%	-0.8%	-1.6%	-2.1%	1.6%
Kernel	KER	13.2	22.6	11.8	-0.1%	-4.6%	7.2%	4.0%	-0.8%	-7.4%	4.1%	2.8%
Mriya Agro Holding	MAYA	7.17	8.2	5.36	-0.4%	3.7%	2.1%	-3.8%	-1.1%	1.0%	-1.0%	-4.9%
MHPC	MHPC	17.6	19.9	14.15	-2.7%	-2.2%	10.1%	3.5%	-3.3%	-4.9%	7.0%	2.4%
Milkiland	MLK	3.39	5.1	3.11	-1.7%	-10.3%	-17.5%	-18.5%	-2.4%	-13.1%	-20.6%	-19.6%
Ovostar Union	OVO	29.9	33.3	21.3	-0.3%	-4.2%	9.6%	-10.1%	-1.0%	-7.0%	6.5%	-11.2%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.0	15.9	7.1	0.1%	8.2%	0.8%	4.0%	-0.6%	5.4%	-2.3%	2.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.113	0.128	0.077	0.3%	2.5%	-3.2%	-0.6%	-0.4%	-0.3%	-6.2%	-1.8%
UkrSotsbank	USCB	0.179	0.257	0.107	-1.0%	2.2%	-5.7%	-4.5%	-1.7%	-0.6%	-8.8%	-5.7%

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	424	387	135	65	60	15.2%	15.3%	15.4%	95	25	22	10.7%	5.8%	5.8%
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%
Ukrspotsbank	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	111	3.9%	4	1,905	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	492	459	446	\$/tonne
Yenakievo Steel	ENMZ	40	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	313	3.0%	9	295	neg	neg	neg	neg	neg	8.4	0.1	0.2	0.1	64	65	65	\$/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	2.1	1.6	3.8	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	882	0.3%	2	881	9.3	4.9	5.9	3.8	2.8	3.2	1.4	1.3	1.4				
Pivnichny GOK	SGOK	2,230	0.4%	9	2,223	5.1	4.1	4.8	3.0	2.4	2.7	1.6	1.4	1.5				
Ferrexpo	FXPO	1,754	24.0%	421	2,320	8.1	7.3	7.1	5.8	5.4	5.2	1.6	1.5	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	3.7	1.6	1.6	1.0	1.4	1.4	0.5	0.6	0.6	31	30	29	\$/tonne
Coal Energy	CLE	21	25.0%	5	131	0.5	neg	neg	2.1	6.2	14.5	0.8	1.0	1.3	2.1	6.2	14.5	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	174	2.0%	3	220	5.2	10.1	8.7	4.2	7.0	6.4	0.5	0.7	0.6	349	578	549	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	39	24.0%	9	81	8.1	2.2	1.9	2.8	2.3	2.1	0.4	0.2	0.2				
Kruiiv Wagon	KVBZ	230	5.0%	12	230	2.4	9.4	10.3	1.7	3.5	3.9	0.3	0.5	0.6				
Stakhanov Wagon	SVGZ	34	8.0%	3	73	>30	neg	neg	10.2	12.5	13.5	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	177	5.8%	10	104	4.6	3.2	3.0	2.0	1.4	1.3	0.6	0.5	0.5				
Motor Sich	MSICH	484	24.0%	116	502	2.4	2.6	2.4	1.6	2.2	1.9	0.5	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	302	7.2%	22	624	6.7	6.1	4.6	3.0	2.9	3.0	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	715	3.0%	21	707	4.1	5.4	5.9	2.2	1.7	1.8	0.4	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	74	21.6%	16	46	6.4	14.7	5.8	2.1	2.7	1.5	0.9	1.2	0.8	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	199	50.4%	100	308	neg	10.0	8.3	2.3	3.6	3.4	1.5	1.5	1.3	56	42	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	210	21.7%	45	278	7.3	4.9	4.2	4.0	4.5	4.1	0.2	0.3	0.3	16	20	17	\$/MWh
DonbasEnergO	DOEN	88	14.2%	13	159	23.1	1.8	2.1	5.0	2.2	2.5	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,861	34.1%	635	3,021	6.0	9.2	6.9	6.5	7.3	5.5	2.1	2.1	1.8				
Kernel	KER	1,049	61.8%	648	1,755	5.0	10.0	13.6	5.5	6.0	6.8	0.8	0.6	0.7				
Astarta	AST	528	37.0%	196	862	9.1	6.7	4.7	7.9	6.9	5.1	1.9	1.7	1.4				
Avangardco	AVGR	747	22.5%	168	947	3.3	2.9	2.5	3.4	2.9	2.5	1.5	1.3	1.2	214	163	153	\$/mneqgs
Agroton	AGT	19	26.2%	5	68	2.8	neg	neg	3.3	5.4	5.8	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	405	3.6%	14		>30	3.7	3.5	0.5	0.4	0.5	0.07	0.07	0.07				
Ukrsotsbank	USCB	394	1.4%	5		>30	>30	20.7	0.5	0.4	0.4	0.08	0.09	0.09				

Source: Eavex Research

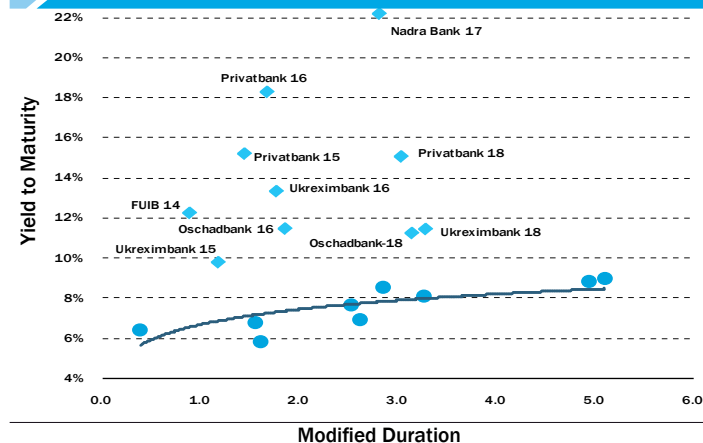
UKRAINIAN EUROBONDS

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%	4.7%	0.9%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	100.9	101.6	9.3%	8.1%	0.8%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	98.3	99.1	6.2%	5.7%	2.8%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	100.5	101.5	6.8%	6.1%	3.4%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	99.4	100.4	6.9%	6.5%	6.2%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	99.1	100.1	6.7%	6.3%	5.6%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	97.0	98.2	7.8%	7.4%	5.2%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	104.8	105.8	7.8%	7.4%	6.2%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	94.3	95.0	10.7%	10.5%	14.6%	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	96.7	97.9	8.5%	8.3%	4.5%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	96.5	97.7	8.7%	8.4%	3.6%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	94.9	95.9	8.7%	8.5%	4.8%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	94.3	95.3	8.4%	8.2%	4.7%	6.4	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.1%	29.8%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	104.8	105.1	6.7%	6.5%	1.4%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	90.1	91.3	10.5%	10.2%	1.5%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	101.0	102.0	9.9%	9.2%	n/a	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	94.0	96.1	12.7%	12.1%	5.4%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	101.2	102.8	10.9%	10.1%	1.8%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	90.1	91.3	12.5%	12.1%	4.1%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	102.0	103.0	8.3%	7.4%	0.3%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	95.5	96.8	9.2%	8.8%	2.0%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	103.6	104.1	7.8%	7.3%	4.3%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	98.8	99.8	9.2%	8.9%	4.5%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	98.7	99.8	8.8%	8.2%	1.3%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	94.4	95.6	11.2%	10.8%	3.6%	3.4	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	20.2%	18.3%	0.0%	2.5	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	109.9	111.4	8.4%	8.0%	-0.3%	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%	3.7	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.9	100.9	11.8%	11.8%	2.4%	0.9	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.1	85.3	24.9%	19.7%	0.0%	2.8	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	93.0	96.0	15.4%	13.0%	6.0%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	77.5	82.0	20.1%	16.8%	13.4%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	91.1	93.1	13.8%	13.1%	10.1%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	97.5	98.5	11.3%	10.3%	1.6%	1.1	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	86.3	88.4	14.4%	12.9%	4.6%	1.7	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	91.3	92.8	11.5%	11.0%	3.2%	3.3	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	94.0	95.7	12.1%	11.1%	1.9%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	89.8	91.6	12.0%	11.5%	1.9%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	95.9	96.9	11.0%	10.4%	3.7%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	95.1	96.6	11.7%	11.0%	3.1%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

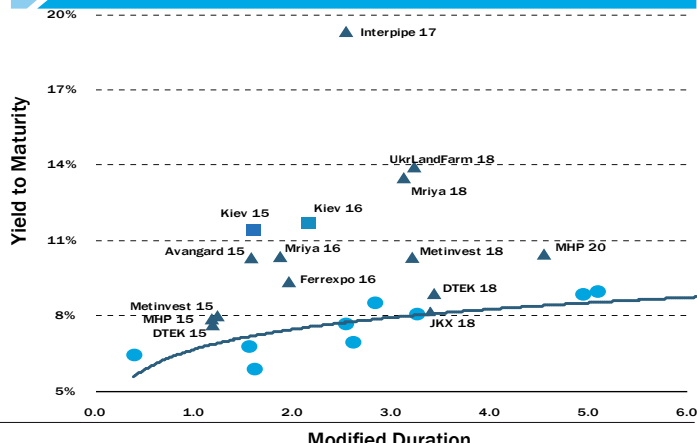
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



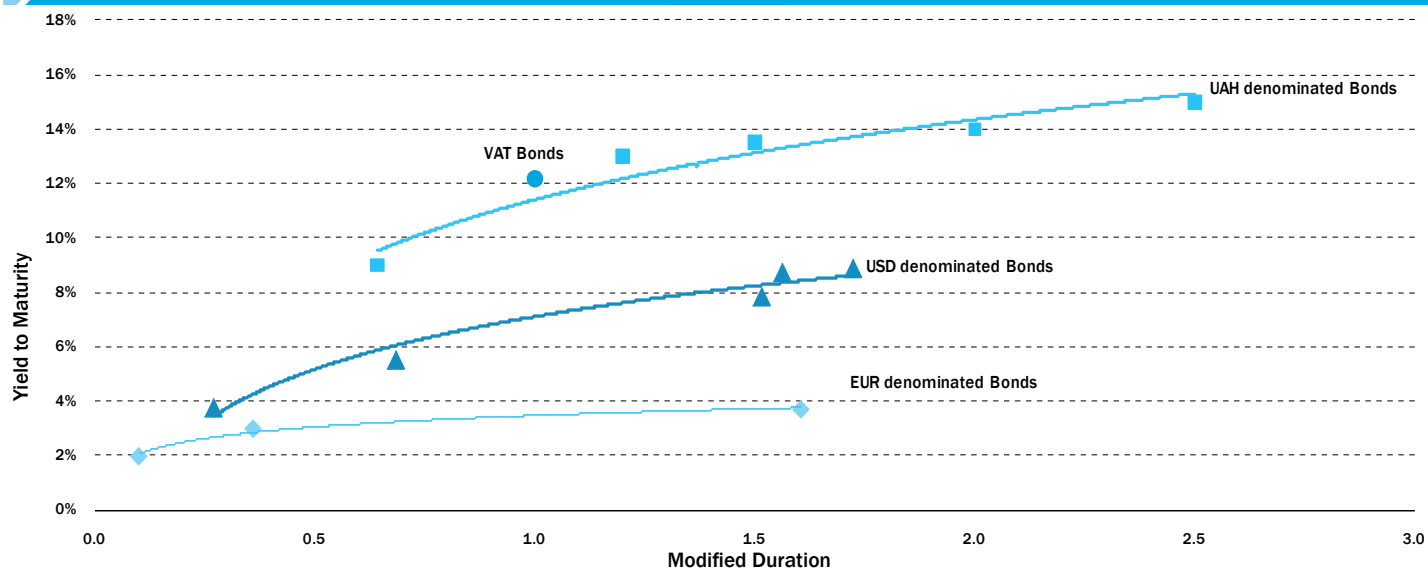
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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