

Market Update

Equity

Ukrainian stocks fell sharply at the opening on Monday (Jan 20) and maintained those losses throughout the session, as sentiments were hit by Sunday night's widely reported clashes between anti-government protesters and riot police in central Kyiv. The UX index slumped 2.8%, closing at 895 points and giving up all of last week's rise. Raiffeisen Aval (BAVL) led the decline, sliding 4.4%, and Azostal (AZST) dropped below 60 kopecks for the first time since May on a 4.0% fall. The market's recent big winners, Motor Sich (MSICH) and DonbasEnergo (DOEN), corrected by 1.5% and 2.9% respectively. UkrNafta (UNAF) was the day's lone blue chip gainer, adding 2.2% to UAH 113. In Warsaw, agro issues Kernel (KER PW) and Astarta (AST PW) picked up 1.6% and 4.5%, with the latter closing at PLN 67.50.

Fixed Income

Ukrainian sovereigns were lower on Monday, although perhaps by less than expected, after the ratcheting-up of political unrest over the weekend. Benchmark Ukraine-23s declined by 0.6p.p. to 93.7/94.7 (8.5%/8.3%) and Ukraine-17s dropped by 0.9p.p. to close at 103.104.9 (8.1%/7.7%). Meanwhile, corporate names were mixed. UkrLandFarming-18s improved by 0.6p.p. to 95.2/96.0 (12.4%/12.1%) while Metinvest-15s edged down by 0.3p.p. to 103.0/104.0 (8.3%/7.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1919.00	-1.6%	7.8	144
Centrenergo	CEEN	4.56	-4.0%	1.8	96
Yenakievo Steel	ENMZ	31.270	-2.3%	1.4	29

Growth Leaders

Ukrnafta	UNAF	112.80	2.2%	0.26	53
Motor Sich	MSICH	1919.00	-1.6%	7.82	144
Avdyivka Coke	AVDK	2.73	-1.6%	0.51	19

Loss Leaders

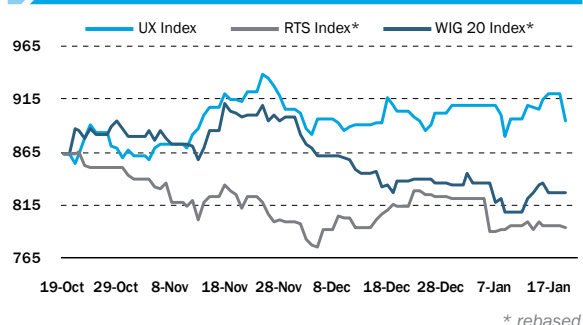
Raiffeisen Bank Aval	BAVL	0.11	-4.4%	0.226	59
Azovstal	AZST	0.60	-4.0%	0.036	20
Centrenergo	CEEN	4.56	-4.0%	1.791	96

Highlights

STOCKS IN THE NEWS

- > Kernel's Crushing Capacity Use Recovers to 97% Over Oct-Dec
- > JJK's Well at Elizavetovske Producing at 1280 boepd

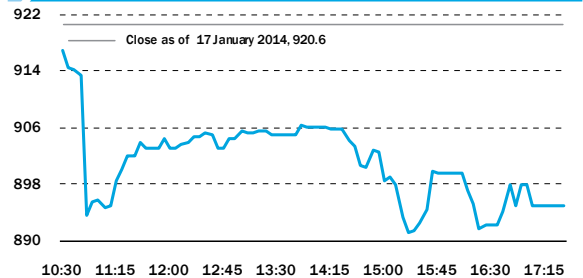
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	895.0	-2.8%	-1.0%	-1.7%
RTS	1394.5	-0.1%	-2.5%	-3.3%
WIG20	2379.2	0.1%	-1.2%	-0.9%
MSCI EM	970.8	-0.1%	-1.8%	-3.1%
S&P 500	1838.7	0.0%	1.1%	-0.1%

UX INTRADAY JANUARY 20, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	340.1	0.0%	2.1%	2.8%
CDS 5Y UKR	717.6	3.3%	-10.3%	-12.5%
Ukraine-17	7.8%	0.3 p.p.	-1.2 p.p.	-1.2 p.p.
Naftogaz Ukr-14	7.7%	0.2 p.p.	-2.4 p.p.	-1.0 p.p.
Ukraine-23	8.4%	0.1 p.p.	-0.5 p.p.	0.9 p.p.
Privatbank-16	18.2%	0.1 p.p.	-4.7 p.p.	-6.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.38	0.1%	1.8%	1.7%
EUR	11.35	0.2%	0.9%	-0.1%
RUB	0.25	-0.6%	-0.6%	-1.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	268.2	0.0%	-6.7%	-6.7%
Steel, USD/t	542.5	0.9%	1.9%	0.9%
Oil, USD/bbl	106.4	-0.1%	-4.5%	-4.4%
Gold, USD/oz	1254.7	0.0%	4.3%	4.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kernel's Crushing Capacity Use Recovers to 97% Over Oct-Dec

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 41.00 Market Cap: USD 1,063mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	10.1	6.1	2%
2014E	0.7	13.8	6.9	2%

NEWS

Kernel, Ukraine's largest sunflower oil producer, sold 261,750 tonnes of bulk sunflower oil in the October-December quarter, a 174% QoQ increase and a 32% YoY drop, the company said in an operational release on Monday (Jan 20). Bottled oil sales volume amounted to 30.4mn liters, (+36% QoQ and -10% YoY). The company's sunflower seed crushing volume tripled QoQ to 726,100 tonnes on a seasonal rise, but was a 4% YoY lower. Grain sales rose by 51% QoQ and 23% YoY to 1.34mn tonnes in the period. Export terminal throughput and grain silo turnover increased by 4% YoY and 51% YoY to 1.27mn and 2.45mn tonnes, respectively.

Kernel said it plans to release its financial results for the quarter on Feb 28.

COMMENTARY

We see the news as positive for the company's stock, which has been languishing for the past three months near a 4-year low. Kernel reported a robust set of operational data, with its crushing capacity utilization standing near 97% (up from just 31% in the previous quarter) and grain sales volume reaching a historical quarterly record in the group's history. The impressive QoQ growth across the board stemmed from rather poor operational data during the Jul-Sept quarter. The year-on-year drop in oil sales was due only to very high sales in the Oct-Dec 2012 quarter, when Kernel sold off a significant part of its inventories and registered bulk oil sales that were 66% higher than the previous 4-quarter average.

Additionally, higher grain export sales boosted Kernel's export throughput and silo turnover, two minor but highly profitable business segments of the group.

**JKX's Well at Elizavetovske
Producing at 1280 boepd**

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 71.5 Market Cap: USD 212mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.3	1.0	10.6	2.5	0%
2014E	0.3	0.9	8.8	2.3	0%

NEWS

JKX Oil & Gas, an exploration and production company with assets in Ukraine and Russia, announced that it has completed drilling and start-up of its E-101 well at its Elizavetovske field in Poltava oblast, according to a statement released on Monday (Jan 20). The well is producing at a stabilized rate of 7.2 MMcfd gas plus 3 bpd condensate (1,286 boepd). The well was drilled to a depth of about 3,100 meters and was connected to Ukraine's main pipeline on Jan 15.

JKX's N-75 Skytop drilling rig has now been moved across the three-well drilling pad to the E-302 well head location and drilling is underway. The primary target for the second well is the A2 carbonate reservoir, but it has been engineered to permit deepening to the Upper Carboniferous G7-12 sandstone reservoirs at a later date. Full development of these deeper sandstone reservoirs will require expansion of the plant capacity.

COMMENTARY

E-101 is the first in a five-well program targeted at development of the primary Permian A2 carbonate reservoir at the Elizavetovske field. JKX's management said the start-up at Elizavetovske has been achieved on time and on budget. The company's London-traded saw a marginal gain of 1.4% after the news. The new well's output represents about 10% of the company's current daily average output; JKX's guidance is for an increase in production by 20% to daily output of 16,000 boepd over 2014, but we note the company's poor performance in meeting its output targets in recent years.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.60	0.56	-7%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	180.0	218.0	21%	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	6.30	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	2.73	6.2	129%	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	16.7	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	1919	5250	174%	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	71.5	370	417%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	30.4	72.0	137%	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	4.56	15.00	229%	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	18.0	22.10	23%	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	67.5	90.0	33%	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	66%	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	92.9	109.50	18%	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	895.02	1061.97	781.22	-2.8%	-1.5%	-1.0%	-1.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	-2.2%	-9.0%	-6.7%	2.8%	-0.6%	-8.0%	-5.1%
Azovstal	AZST	0.60	0.90	0.31	-4.0%	-5.8%	-12.7%	-10.7%	-1.2%	-4.3%	-11.7%	-9.1%
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	31.3	49.9	20.0	-2.3%	-2.1%	-5.7%	-2.3%	0.5%	-0.6%	-4.6%	-0.7%
Arcelor Mittal KR	KSTL	1.15	n/a	n/a	0.0%	0.0%	0.0%	0.0%	2.8%	1.5%	1.0%	1.7%
Mariupol Ilyicha	MMKI	0.15	0.26	0.05	0.0%	50.0%	36.4%	50.0%	2.8%	51.5%	37.4%	51.7%
Coke												
Avdyivka Coke	AVDK	2.73	4.80	1.60	-1.6%	-1.6%	-10.9%	-7.9%	1.2%	0.0%	-9.8%	-6.2%
Yasynivsky Coking	YASK	0.55	0.85	0.49	0.0%	-1.8%	3.8%	3.8%	2.8%	-0.2%	4.8%	5.4%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	5.00	0.0%	0.0%	-2.9%	-3.1%	2.8%	1.5%	-1.9%	-1.4%
Ferrexpo	FXPO	2.96	4.55	2.02	-0.8%	2.3%	0.5%	-6.3%	2.0%	3.8%	1.6%	-4.6%
Pivnichny GOK	SGOK	8.00	10.00	5.77	-1.2%	-0.1%	-1.2%	0.0%	1.5%	1.4%	-0.2%	1.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	0.71	0.10	0.0%	-14.6%	-16.7%	-12.5%	2.8%	-13.1%	-15.6%	-10.8%
Komsomolets Donbasa	SHKD	0.67	1.25	0.27	0.0%	8.1%	17.5%	8.1%	2.8%	9.6%	18.6%	9.7%
Energy Coal	CLE	0.45	4.57	0.31	-1.1%	22.4%	44.1%	28.9%	1.7%	23.9%	45.1%	30.5%
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%	0.0%	7.7%	-6.7%	2.8%	1.5%	8.7%	-5.0%
Interpipe NMPP	NVTR	0.19	0.29	0.10	-17.4%	-17.4%	-9.5%	-9.5%	-14.6%	-15.8%	-8.5%	-7.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.7	29.0	12.0	-0.8%	-0.1%	0.0%	-3.7%	1.9%	1.5%	1.0%	-2.0%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	0.0%	0.0%	10.3%	0.0%	2.8%	1.5%	11.3%	1.7%
Stakhanov Wagon	SVGZ	1.27	1.95	1.00	0.0%	13.4%	-3.1%	-2.3%	2.8%	14.9%	-2.0%	-0.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.02	0.0%	0.0%	-14.6%	-9.8%	2.8%	1.5%	-13.6%	-8.2%
Motor Sich	MSICH	1,919	2,640	1,303	-1.6%	0.7%	11.2%	5.2%	1.2%	2.2%	12.2%	6.9%
Summy Frunze Engineering	SMASH	2.49	4.00	1.20	0.0%	3.8%	-0.4%	-0.4%	2.8%	5.3%	0.6%	1.3%
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	-5.4%	-0.7%	-4.7%	20.1%	-2.7%	0.8%	-3.7%	21.8%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	3.0%	3.8%	22.7%	2.8%	4.5%	4.9%	24.4%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.57	0.19	0.1%	7.0%	11.2%	10.2%	2.8%	8.5%	12.3%	11.8%
JKX Oil	JKX	1.17	1.24	0.75	1.1%	-0.4%	-1.0%	-0.9%	3.9%	1.2%	0.1%	0.8%
Ukrnafta	UNAF	113	280	96	2.2%	4.3%	6.2%	3.9%	4.9%	5.8%	7.2%	5.5%
Power Utilities												
Centrenerg	CEEN	4.56	7.40	2.50	-4.0%	-2.9%	-4.0%	-4.4%	-1.2%	-1.4%	-3.0%	-2.8%
Donbasenergo	DOEN	30.4	34.0	15.4	-2.9%	6.9%	10.2%	10.0%	-0.1%	8.4%	11.2%	11.7%
Zakhidenergo	ZAEN	91.2	115.0	64.0	0.0%	0.9%	1.9%	0.9%	2.8%	2.4%	2.9%	2.5%
Consumer												
Agroton	AGT	0.86	3.6	0.36	-3.0%	-7.7%	33.6%	32.8%	-0.2%	-6.1%	34.6%	34.4%
Astarta	AST	22.0	24.4	14.5	4.2%	4.7%	13.5%	-1.1%	7.0%	6.3%	14.5%	0.6%
Avangardo	AVGR	11.7	13.0	7.61	-0.1%	3.5%	2.0%	-0.5%	2.7%	5.0%	3.0%	1.1%
Industrial Milk Company	IMC	4.00	5.25	3.63	-3.7%	-4.2%	4.2%	-1.1%	-1.0%	-2.7%	5.2%	0.5%
Kernel	KER	13.4	22.6	11.8	1.6%	-2.2%	6.9%	5.6%	4.3%	-0.6%	7.9%	7.3%
Mriya Agro Holding	MAYA	7.19	8.2	5.36	0.2%	-0.7%	-7.8%	-3.6%	3.0%	0.9%	-6.8%	-1.9%
MHPC	MHPC	18.0	19.9	14.15	2.1%	2.2%	5.8%	5.7%	4.9%	3.7%	6.8%	7.4%
Milkiland	MLK	3.27	5.1	3.11	-3.6%	-13.9%	-19.8%	-21.4%	-0.8%	-12.3%	-18.8%	-19.7%
Ovostar Union	OVO	30.3	33.3	21.3	1.3%	0.3%	3.5%	-8.9%	4.1%	1.8%	4.6%	-7.2%
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	0.0%	15.0%	5.3%	4.0%	2.8%	16.6%	6.3%	5.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.108	0.128	0.077	-4.4%	-6.0%	-5.3%	-5.0%	-1.7%	-4.5%	-4.2%	-3.4%
UkrSotsbank	USCB	0.172	0.257	0.107	-3.7%	-5.8%	-7.4%	-8.1%	-1.0%	-4.3%	-6.3%	-6.5%

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	39	8.8%	3	34	4.6	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	11	\$/tonne
Azovstal	AZST	300	3.0%	9	282	neg	neg	neg	neg	neg	8.0	0.1	0.1	0.1	61	63	62	\$/tonne
Coke																		
Avdyivka Coke	AVDK	63	6.8%	4	61	neg	neg	neg	neg	1.3	2.1	0.1	0.1	0.1	14	16	16	\$/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	881	0.3%	2	880	9.3	4.9	5.9	3.8	2.8	3.1	1.4	1.3	1.4				
Pivnichny GOK	SGOK	2,200	0.4%	9	2,194	5.0	4.0	4.8	2.9	2.4	2.7	1.5	1.3	1.5				
Ferrexpo	FXPO	1,740	24.0%	418	2,306	8.1	7.3	7.0	5.7	5.3	5.1	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	20	25.0%	5	130	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	219	5.2	10.1	8.7	4.2	7.0	6.4	0.5	0.7	0.6	348	577	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	228	5.0%	11	228	2.4	9.3	10.2	1.7	3.5	3.8	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	103	4.6	3.2	3.0	2.0	1.4	1.3	0.6	0.5	0.5				
Motor Sich	MSICH	476	24.0%	114	494	2.4	2.6	2.3	1.6	2.1	1.9	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	302	7.2%	22	623	6.7	6.1	4.6	3.0	2.9	3.0	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	730	3.0%	22	722	4.1	5.6	6.0	2.3	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	202	50.4%	102	310	neg	10.1	8.4	2.3	3.6	3.4	1.5	1.5	1.3	57	42	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	201	21.7%	44	270	7.0	4.7	4.0	3.9	4.4	3.9	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	86	14.2%	12	156	22.4	1.7	2.0	4.9	2.2	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,900	34.1%	648	3,060	6.1	9.4	7.1	6.5	7.4	5.6	2.2	2.2	1.9				
Kernel	KER	1,066	61.8%	658	1,772	5.1	10.2	13.8	5.5	6.1	6.9	0.8	0.6	0.7				
Astarta	AST	551	37.0%	204	884	9.5	7.0	4.9	8.1	7.1	5.2	1.9	1.8	1.5				
Avangardco	AVGR	747	22.5%	168	946	3.3	2.9	2.5	3.4	2.9	2.5	1.5	1.3	1.2	214	163	153	\$/mneggs
Agroton	AGT	19	26.2%	5	68	2.7	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	386	3.6%	14		>30	3.5	3.3	0.5	0.4	0.5	0.06	0.07	0.07				
Ukrsotsbank	USCB	379	1.4%	5		>30	>30	20.7	0.5	0.4	0.4	0.08	0.09	0.09				

Source: Eavex Research

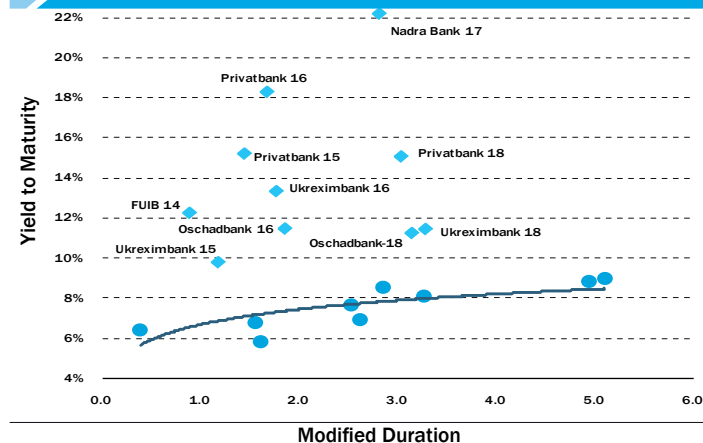
UKRAINIAN EUROBONDS

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	100.3	101.0	8.0%	5.5%	0.6%	0.4	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	100.7	101.5	9.6%	8.2%	0.6%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	98.3	99.9	6.2%	5.2%	3.2%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	99.8	100.8	7.3%	6.6%	2.7%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	98.8	99.8	7.2%	6.8%	5.6%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	98.6	99.6	6.9%	6.5%	5.0%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	96.0	97.3	8.1%	7.7%	4.2%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	103.9	104.9	8.1%	7.7%	5.3%	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%	3.0	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	95.8	97.0	8.7%	8.5%	3.6%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	95.8	97.0	8.8%	8.6%	2.9%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	94.0	95.0	8.8%	8.6%	3.8%	6.1	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	93.7	94.7	8.5%	8.3%	4.1%	6.3	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	89.9	91.2	10.5%	10.2%	1.3%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.5	102.0	10.2%	9.2%	n/a	1.6	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	95.2	96.0	12.4%	12.1%	6.0%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	101.3	102.3	10.9%	10.3%	1.5%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	89.4	90.7	12.8%	12.3%	3.4%	3.3	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	102.4	102.9	8.0%	7.5%	0.4%	1.2	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	95.4	96.5	9.2%	8.9%	1.8%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	103.0	104.0	8.3%	7.4%	4.0%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	98.6	99.7	9.3%	8.9%	4.4%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	98.6	99.7	8.9%	8.2%	1.2%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	94.1	95.2	11.2%	10.9%	3.2%	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	110.3	111.7	8.3%	8.0%	0.0%	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	95.6	15.4%	13.3%	5.8%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	77.5	81.8	20.1%	17.0%	13.2%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	91.4	93.4	13.7%	13.0%	10.4%	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	86.5	86.5	14.2%	14.2%	#VALUE!	1.7	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	91.2	92.3	11.6%	11.2%	2.9%	3.2	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	95.2	12.4%	11.4%	1.4%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	89.6	91.1	12.2%	11.7%	1.5%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	95.2	96.4	11.5%	10.7%	3.1%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	94.9	96.2	11.8%	11.2%	2.7%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

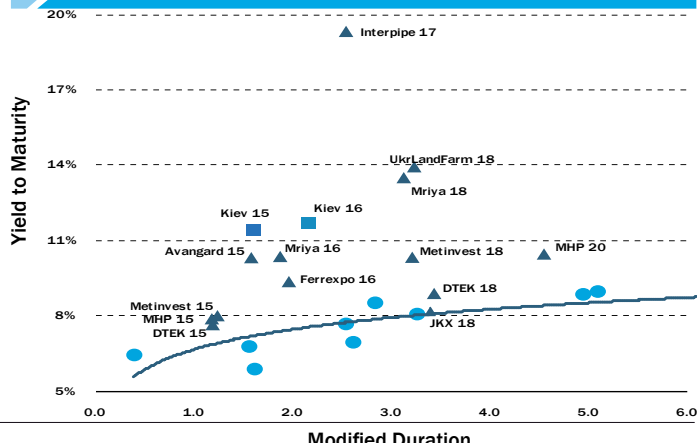
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



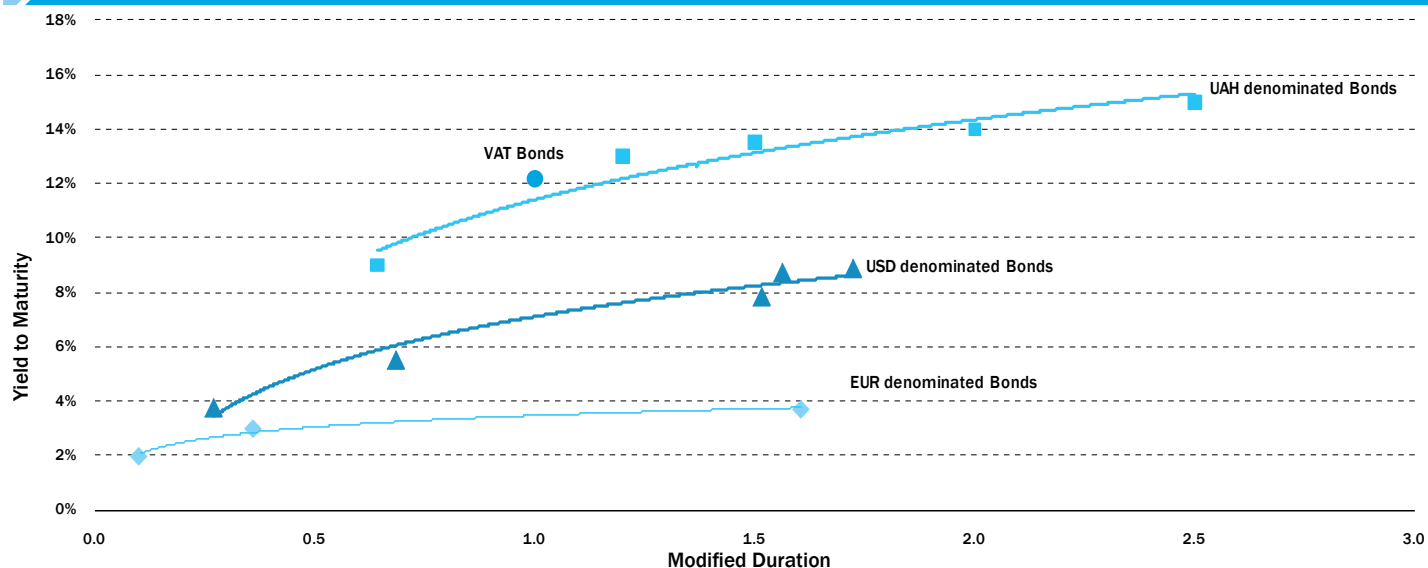
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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