

Market Update

Equity

Ukraine's stock market continued to be under pressure on Wednesday (Jan 22), as images broadcast around the world showed Hrushevsky Street in central Kyiv increasingly resembling a war zone; meanwhile, talks between opposition leaders and President Yanukovich appeared to lead to a hardening of positions on both sides rather than any form of compromise. The UX index lost 2.6% to close at a 3-month low of 863 points. All 10 blue chips finished in the red, with the biggest drop registered in Avdyivka Coke (AVDK) at -4.9%. Top liquid issue Motor Sich (MSICH) slumped 3.5%, giving back another chunk of its 6-week previous run-up, and CentrEnergO (CEEN) was down by the same increment to UAH 4.44. UkrNafta (UNAF) was the least-badly-performing blue chip, dropping by 0.6%. Second-tier issue Krukiv Wagon (KVBZ) was the day's only notable gainer, added 2.1%. In Warsaw, Ukrainian names were also hit, with Astarta (AST PW) and Agroton (AGT PW) falling by 3.0% and 9.7% respectively; London-traded Ferrexpo posted a relatively moderate decline of 1.6% to GBp 168.

Fixed Income

Ukrainian sovereigns were lower across the board on Wednesday, reflecting the exacerbation of political unrest in the country. Ukraine-23s fell 1.9p.p. to 90.9/92.4 (9.0%/8.7%). Corporate names were also in the red. MHP-20s and Metinvest-18s dropped by 1.7p.p. and 1.5p.p. to 87.2/89.1 (11.2%/10.7%) and 95.8/97.1 (10.2%/9.7%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1770.00	-3.3%	4.0	265
CentrenergO	CEEN	4.44	-3.5%	2.7	110
Mariupol Heavy Machine	MZVM	0.129	17.5%	0.8	167

Growth Leaders

Mariupol Heavy Machine	MZVM	0.13	17.5%	0.83	167
Krukiv Wagon	KVBZ	16.99	2.1%	0.15	8
Yasynivsky Coke	YASK	0.55	-0.1%	0.01	8

Loss Leaders

Avdyivka Coke	AVDK	2.64	-4.9%	0.321	28
Azovstal	AZST	0.60	-3.6%	0.007	8
CentrenergO	CEEN	4.44	-3.5%	2.681	110

Highlights

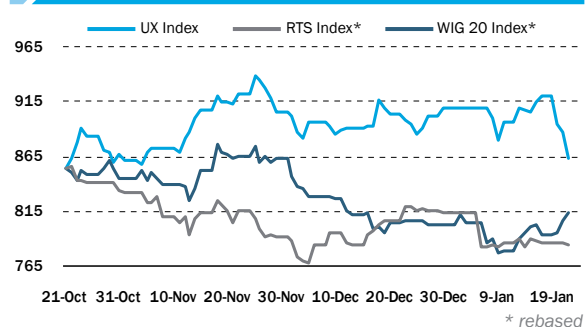
POLITICS AND ECONOMICS

- Opposition Troika Issues Early Elections Ultimatum to Yanukovich

STOCKS IN THE NEWS

- Ovostar's 4Q13 Egg Output Up 9% QoQ But 9% Lower to Sept'13 Guidance

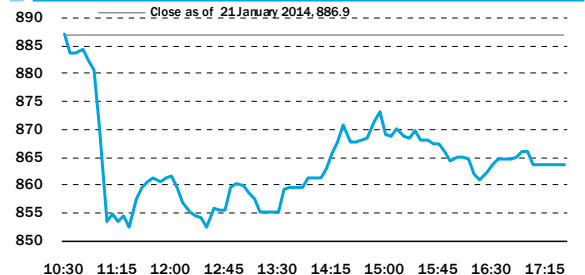
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	863.8	-2.6%	-4.5%	-5.1%
RTS	1391.8	-0.3%	-2.7%	-3.5%
WIG20	2432.8	0.9%	1.0%	1.3%
MSCI EM	976.5	0.6%	-1.2%	-2.5%
S&P 500	1844.9	0.1%	1.5%	0.2%

UX INTRADAY JANUARY 22, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	342.3	0.4%	2.8%	3.5%
CDS 5Y UKR	803.4	7.8%	0.4%	-2.1%
Ukraine-17	8.4%	0.7 p.p.	-0.6 p.p.	-0.6 p.p.
Naftogaz Ukr-14	10.0%	1.3 p.p.	-0.1 p.p.	1.2 p.p.
Ukraine-23	8.8%	0.3 p.p.	-0.1 p.p.	1.3 p.p.
Privatbank-16	19.1%	0.9 p.p.	-3.8 p.p.	-5.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.38	-0.3%	1.8%	1.7%
EUR	11.35	-0.4%	0.9%	-0.2%
RUB	0.25	-0.2%	-0.9%	-1.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	268.2	0.0%	-6.7%	-6.7%
Steel, USD/t	542.5	0.0%	1.9%	0.9%
Oil, USD/bbl	108.3	1.4%	-2.7%	-2.6%
Gold, USD/oz	1237.1	-0.3%	2.8%	3.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Opposition Troika Issues Early Elections Ultimatum to Yanukovich

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NEWS

Ukraine's opposition leadership trio of Vitaliy Klitschko, Arseniy Yatseniuk and Oleg Tiahnybok met for three hours with President Yanukovich on Wednesday (Jan 22), following protestor-police violence that killed at least 3 people on Hrushevsky Street in central Kyiv. The troika demanded that Yanukovich schedule early presidential and parliamentary elections within 24 hours or face a further escalation in anti-government actions. The opposition leaders called for all EuroMaidan protesters, including representatives of the so-called "Praviy Sector" radical group, to retreat back from Hrushevsky Street to the main protest camp on Independence Square while awaiting the President's response. The opposition on Wednesday also said it was setting up a "National Rada" intended as an alternative governing body to the Party of Regions-dominated Parliament; Klitschko, Yatseniuk, and Tiahnybok were named to its presidium.

COMMENTARY

Despite the violence in Kyiv that has erupted, predictably, in recent days, we see the opposition as having failed to make a credible case for why Yanukovich should not be allowed to serve out his democratically elected term, which runs for one more year. Indeed, the political parties of Tiahnybok and Yatseniuk have been calling for Yanukovich's ouster practically from the day he was inaugurated in early 2010, so the latest ultimatum does not even really represent a new position. It is clear that the opposition leadership has no control over the violent radicals who have been throwing homemade bombs and other projectiles at police since Sunday, and sooner or later the mainstream pro-European movement will have to disavow the radicals' agenda, which has been reported as calling for guerilla war. The irony here is that the radical protest movement, which has a clear anti-Russian character, has exactly the same goal as Vladimir Putin's Kremlin: to de-stabilize the Yanukovich regime and isolate it from the West. Meanwhile, we see the opposition's move to set up an alternative governing structure as the initial step in a de-facto division of Ukraine into two administrative halves; although the National Rada will nominally have representatives from all the country's provinces, support for the opposition parties in Eastern and Southern Ukraine is weak or non-existent, and the local governments, not to mention many ordinary citizens, in the major southeastern cities are openly hostile to the EuroMaidan movement. It has even been claimed that Kharkiv mayor Gennadiy Kernes is bussing teams of "titushki" (hired street fighters) to Kyiv to attack protestors and commit random acts of vandalism in the capital.

Ovostar's 4Q13 Egg Output Up 9% QoQ But 9% Lower to Sept'13 Guidance

by Ivan Dzvinka
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OVOSTAR UNION (OVO PW)

Price: PLN 88.7 Market Cap: USD 173mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	2.2	5.6	5.0	0%
2014E	2.0	5.1	4.7	0%

NEWS

Ovostar, Ukraine's third-largest egg producer, completed its capacity expansion program at its Vasylykiv site near Kyiv in December, the company said in an operational release on Wednesday (Jan 22). Ovostar reported higher QoQ and YoY production results for 4Q13. The company's total flock as of end-2013 stood at 5.0mn heads (+13% QoQ) and its laying hens flock was 3.9mn (+4% QoQ). Egg output rose by 8% QoQ to 245mn pieces in 4Q13, with egg sales volume moving up by 14% QoQ to 175mn pcs. The average selling price improved by 17% QoQ to UAH 0.86/piece (ex-VAT).

For full-year 2013, Ovostar's unaudited revenue stood at UAH 652mn (USD 82mn), a 35% YoY increase. The company increased production of eggs by 24% YoY to 893mn pieces, which allowed it to expand its sales volume by 31% YoY to 585mn pcs. The achieved price for eggs moved up by 8% YoY to UAH 0.72/piece. The company sold 1,508 tonnes of dry egg products (+8% YoY) at an average price of UAH 45.63/kg (-4% YoY). Sales of liquid egg products rose by 35% YoY to 6,800 tonnes, with the average selling price improving by 3% YoY to UAH 15.83/kg.

COMMENTARY

Ovostar's FY13 unaudited top line result matches our expectation of USD 82mn. The completion of the Vasylykiv facility corresponds to the company's previously announced plans. On the other hand, the operating results once again show the company's overly optimistic approach in stating its targets, even for the near future. Notably, in its September 2013 presentation, the group expected 9M13 and 2013 egg output at 650mn and 920mn pieces, respectively, translating into 4Q13 guidance of 270mn pieces. The actual figure of 245mn was 9% lower compared to the plan.

We note that although egg prices were firm over most of 2H13, they experienced a sharp drop in late December, which bodes poorly for Ovostar's results in 1Q14. In particular, prices for unpackaged eggs in several supermarkets plunged by more than 2x over the New Year period. Also, indicative prices for eggs at the website "ptichki.net" over the stated period dropped by as much as 55%. Despite the elevated demand on the eve of the Christmas holidays, the plunge in prices in December likely stemmed from a huge inflow of incremental supply, including deliveries from the expanded capacities of publicly traded producers Avangard and Ovostar.

The company's stock negatively reacted on the news posting a 4.4% decline yesterday.

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	168.9	218.0	29%	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	2.64	6.2	136%	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	529%	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	17.0	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	1770	5250	197%	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	14.0	42.0	200%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	71.0	370	421%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	29.4	72.0	145%	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	4.44	15.00	238%	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	17.5	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	65.6	90.0	37%	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	88.7	109.50	23%	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	863.82	1061.97	781.22	-2.6%	-4.6%	-4.5%	-5.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-0.8%	-3.2%	-10.1%	-7.7%	1.8%	1.4%	-5.6%	-2.7%
Azovstal	AZST	0.60	0.90	0.31	-4.2%	-5.2%	-12.7%	-10.7%	-1.6%	-0.6%	-8.2%	-5.7%
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	31.5	49.9	20.0	-1.2%	-1.6%	-5.0%	-1.6%	1.4%	3.1%	-0.5%	3.5%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	0.26	0.05	0.0%	0.0%	36.4%	50.0%	2.6%	4.6%	40.8%	55.1%
Coke												
Avdyivka Coke	AVDK	2.64	4.80	1.60	-4.9%	-3.9%	-13.7%	-10.8%	-2.3%	0.8%	-9.2%	-5.7%
Yasynivsky Coking	YASK	0.55	0.85	0.49	0.0%	-1.8%	3.8%	3.8%	2.6%	2.8%	8.3%	8.9%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	7.74	5.00	0.0%	0.0%	-2.9%	-3.1%	2.6%	4.6%	1.6%	2.0%
Ferrexpo	FXPO	2.80	4.55	2.02	-0.9%	-0.8%	-4.8%	-11.2%	1.7%	3.8%	-0.3%	-6.2%
Pivnichny GOK	SGOK	8.00	10.00	5.77	0.0%	-0.1%	-1.2%	0.0%	2.6%	4.5%	3.2%	5.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	0.71	0.10	0.0%	-10.3%	-16.7%	-12.5%	2.6%	-5.6%	-12.2%	-7.4%
Komsomolets Donbasa	SHKD	0.60	1.25	0.27	0.0%	-10.4%	5.3%	-3.2%	2.6%	-5.8%	9.7%	1.9%
Energy Coal	CLE	0.37	4.57	0.31	-10.9%	-11.3%	18.8%	6.2%	-8.3%	-6.7%	23.3%	11.3%
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%	2.6%	4.6%	12.2%	-1.6%
Interpipe NMPP	NVTR	0.21	0.29	0.10	0.0%	-8.7%	0.0%	0.0%	2.6%	-4.1%	4.5%	5.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.0	29.0	12.0	2.0%	1.1%	2.0%	-1.8%	4.6%	5.8%	6.5%	3.3%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	0.0%	0.0%	10.3%	0.0%	2.6%	4.6%	14.8%	5.1%
Stakhanov Wagon	SVGZ	1.27	1.95	1.00	0.0%	-2.3%	-3.1%	-2.3%	2.6%	2.3%	1.4%	2.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.02	0.0%	0.0%	-14.6%	-9.8%	2.6%	4.6%	-10.2%	-4.7%
Motor Sich	MSICH	1,770	2,640	1,303	-3.3%	-7.6%	2.5%	-3.0%	-0.7%	-3.0%	7.0%	2.1%
Sumy Frunze Engineering	SMASH	2.50	4.00	1.20	0.4%	0.4%	0.0%	0.0%	3.0%	5.0%	4.5%	5.1%
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	-1.9%	3.8%	-4.9%	19.9%	0.7%	8.4%	-0.4%	25.0%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	3.0%	6.9%	26.4%	2.6%	7.6%	11.4%	31.4%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.55	0.19	-0.3%	2.3%	11.3%	10.2%	2.3%	6.9%	15.8%	15.3%
JKX Oil	JKX	1.18	1.22	0.75	0.6%	0.5%	-0.8%	-0.7%	3.2%	5.1%	3.7%	4.4%
Ukrnafta	UNAF	110	280	96	-0.4%	-0.5%	3.7%	1.4%	2.2%	4.1%	8.2%	6.5%
Power Utilities												
Centrenerg	CEEN	4.44	7.40	2.50	-3.4%	-4.3%	-6.5%	-6.8%	-0.8%	0.4%	-2.0%	-1.8%
Donbasenergo	DOEN	29.4	34.0	15.4	-1.8%	-0.4%	6.7%	6.6%	0.8%	4.2%	11.2%	11.6%
Zakhidenergo	ZAEN	91.2	115.0	64.0	0.0%	0.0%	1.9%	0.9%	2.6%	4.6%	6.4%	6.0%
Consumer												
Agroton	AGT	0.78	3.6	0.36	-9.7%	-11.8%	21.2%	20.4%	-7.1%	-7.2%	25.7%	25.5%
Astarta	AST	21.4	24.4	14.5	-3.0%	1.8%	10.1%	-4.0%	-0.4%	6.4%	14.5%	1.0%
Avangardo	AVGR	11.7	13.0	7.61	-0.3%	-0.3%	1.7%	-0.9%	2.3%	4.3%	6.1%	4.2%
Industrial Milk Company	IMC	3.85	5.25	3.63	-1.0%	-7.6%	0.4%	-4.7%	1.6%	-3.0%	4.9%	0.4%
Kernel	KER	13.6	22.6	11.8	2.0%	3.5%	9.0%	7.7%	4.6%	8.1%	13.5%	12.8%
Mriya Agro Holding	MAYA	7.01	8.2	5.36	0.0%	-2.7%	-10.1%	-6.0%	2.6%	1.9%	-5.6%	-0.9%
MHPC	MHPC	17.5	19.9	14.15	-1.1%	-2.8%	2.9%	2.9%	1.5%	1.8%	7.4%	8.0%
Milkiland	MLK	3.26	5.1	3.11	-0.9%	-10.4%	-20.2%	-21.7%	1.7%	-5.8%	-15.7%	-16.6%
Ovostar Union	OVO	28.9	33.3	21.3	-4.4%	-4.0%	-1.4%	-13.2%	-1.8%	0.6%	3.1%	-8.1%
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	12.5	15.9	7.1	-3.8%	-3.8%	1.2%	0.0%	-1.2%	0.8%	5.7%	5.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.104	0.128	0.077	-1.5%	-5.9%	-9.0%	-8.7%	1.1%	-1.3%	-4.5%	-3.6%
UkrSotsbank	USCB	0.167	0.257	0.107	-3.0%	-3.0%	-10.1%	-10.8%	-0.4%	1.6%	-5.6%	-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	373	355	17.2%	15.2%	16.5%	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%
Ukrsporsbank	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	110	3.9%	4	1,904	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	492	459	445	\$/tonne
Yenakievo Steel	ENMZ	40	8.8%	3	34	4.6	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	12	\$/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	61	6.8%	4	59	neg	neg	neg	neg	1.3	2.0	0.1	0.1	0.1	14	15	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	2,193	5.0	4.0	4.8	2.9	2.4	2.7	1.5	1.3	1.5				
Ferrexpo	FXPO	1,648	24.0%	396	2,214	7.6	6.9	6.6	5.5	5.1	4.9	1.6	1.4	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	3.3	1.4	1.4	1.0	1.4	1.3	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	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				
Krukiv Wagon	KVBZ	233	5.0%	12	233	2.4	9.5	10.4	1.7	3.6	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	176	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	439	24.0%	105	457	2.2	2.4	2.1	1.5	2.0	1.8	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	311	7.2%	22	632	6.9	6.3	4.7	3.1	2.9	3.0	0.8	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	713	3.0%	21	704	4.0	5.4	5.9	2.2	1.9	2.0	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	3.7	3.4	1.5	1.5	1.3	57	43	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	196	21.7%	43	265	6.8	4.6	3.9	3.8	4.3	3.9	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	83	14.2%	12	153	21.7	1.7	1.9	4.8	2.1	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,849	34.1%	631	3,009	5.9	9.1	6.9	6.4	7.3	5.5	2.1	2.1	1.8				
Kernel	KER	1,087	61.8%	671	1,793	5.2	10.4	14.1	5.6	6.2	7.0	0.8	0.6	0.7				
Astarta	AST	534	37.0%	198	868	9.2	6.8	4.7	7.9	7.0	5.1	1.9	1.7	1.5				
Avangardco	AVGR	744	22.5%	167	944	3.3	2.8	2.5	3.4	2.9	2.5	1.5	1.3	1.2	213	162	153	\$/mneggs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	5.2	5.6	0.7	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	371	3.6%	13		>30	3.4	3.2	0.5	0.4	0.4	0.06	0.07	0.07				
Ukrsotsbank	USCB	367	1.4%	5		>30	>30	20.7	0.5	0.4	0.4	0.08	0.09	0.09				

Source: Eavex Research

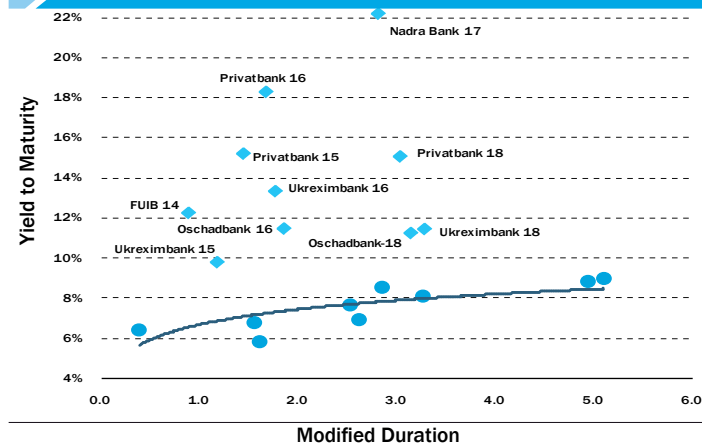
UKRAINIAN EUROBONDS

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	99.5	100.3	10.6%	8.0%	-0.1%	0.3	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	99.1	100.2	12.8%	10.7%	-0.8%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	98.4	99.4	6.1%	5.5%	3.0%	1.6	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	97.5	98.5	8.9%	8.2%	0.4%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	95.0	98.0	8.8%	7.5%	2.6%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	95.2	97.7	8.3%	7.2%	2.3%	2.6	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	93.5	96.0	8.9%	8.1%	2.1%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	101.0	102.0	9.1%	8.7%	2.3%	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	11.3%	10.7%	14.1%	3.4	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	91.8	93.3	9.6%	9.2%	-0.5%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	92.2	94.7	9.5%	9.0%	-0.2%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	90.0	92.0	9.5%	9.2%	0.0%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	90.9	92.4	9.0%	8.7%	1.2%	6.3	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.2%	29.8%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	102.6	103.6	8.6%	8.2%	-0.4%	1.2	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	87.2	89.1	11.2%	10.7%	-1.4%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.4	101.4	10.3%	9.7%	n/a	1.5	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	93.3	95.4	13.0%	12.3%	4.6%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	98.9	101.3	12.2%	10.9%	-0.1%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	86.9	88.8	13.6%	13.0%	0.9%	3.2	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	101.4	102.4	8.9%	8.0%	-0.3%	1.1	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	92.4	93.6	10.1%	9.8%	-1.3%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	102.8	103.3	8.5%	8.1%	0.9%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	95.8	97.1	10.2%	9.7%	1.5%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	96.6	97.8	10.0%	9.2%	-0.8%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	90.6	92.1	12.4%	11.9%	-0.4%	3.3	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	112.0	113.8	7.9%	7.4%	1.7%	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%	3.7	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	92.3	94.0	16.0%	14.6%	4.5%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	75.9	80.9	21.4%	17.7%	11.5%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	86.8	88.4	15.4%	14.8%	4.6%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	94.0	96.2	14.9%	12.6%	-1.4%	1.1	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	86.7	86.7	14.1%	14.1%		1.7	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	87.2	88.6	13.0%	12.5%	-1.5%	3.2	8.75%	S/A	22 Jan 2018	500	Caa1//B-
VAB Bank, 2014	78.0	83.0	n/a	n/a	-5.8%	n/a	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	90.0	92.2	14.7%	13.2%	-2.1%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	86.1	87.9	13.4%	12.7%	-2.3%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	93.0	95.0	13.1%	11.7%	1.1%	1.6	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	93.2	95.4	12.7%	11.6%	1.4%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

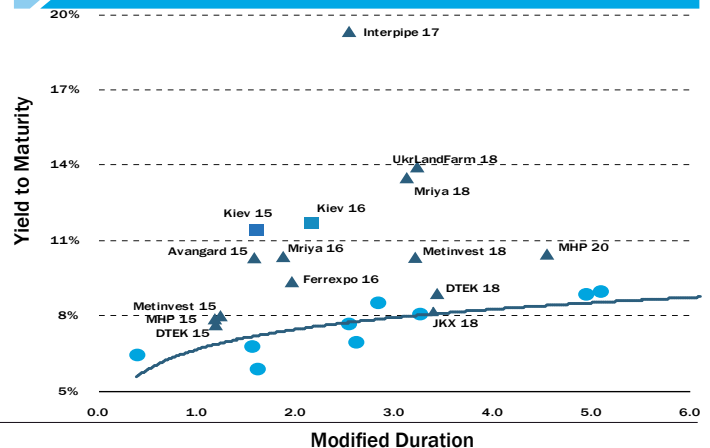
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



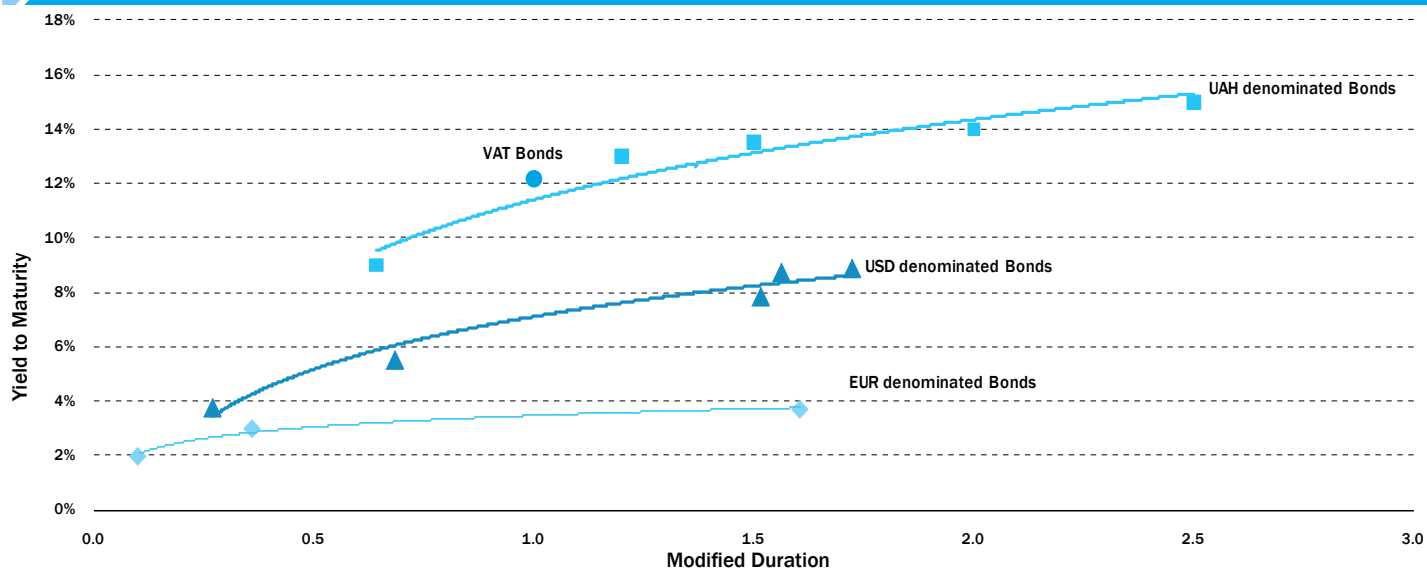
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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