

Market Update

Equity

Locally-listed Ukrainian stocks suffered another sharp fall on Friday (Jan 24) amid a dangerous escalation in political tension in the country, as the opposition, radical anti-government demonstrators, and the regime of President Yanukovich continued their three-way standoff with few signs of room for compromise. In a role reversal of sorts, the main global indices sold off heavily on concerns about economic and political instability in a number of important emerging market nations, first of all Argentina, but also including Ukraine. The UX index shed 2.0% to end at 849 points, bringing its weekly drop to 7.8%. Top liquid issues Motor Sich and CentrEnergog were the most prominent decliners, sliding 3.3% and 2.7% respectively, with the latter closing at UAH 4.34; low-liquidity blue chip Yenakievo Steel also took a hit of around 3%. In London, Ferrexpo was not immune to the unrest in Kyiv, slipping 2.5% to a 6-month low near GBp 162.

Fixed Income

Ukrainian sovereign Eurobonds were lower again on Friday, with the benchmark long-term Ukraine-2023 issue slipping 0.7p.p. to 88.3/90.3 (9.4%/9.1%). Corporate names were also down across the board. MHP-15s were the biggest decliner, dropping 1.4p.p. to close at 100.5/101.6 (10.7%/9.6%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1679.00	-3.2%	31.8	151
Raiffeisen Bank Aval	BAVL	0.10	-2.1%	0.5	32
Centrenergog	CEEN	4.339	-2.7%	0.4	61

Growth Leaders

Kievenergog	KIEN	9.60	6.7%	0.35	10
Kryukiv Wagon	KVBZ	17.00	4.0%	0.02	8
Donbasenergog	DOEN	29.40	-0.9%	0.19	44

Loss Leaders

Zakhidenergog	ZAEN	80.20	-11.9%	0.154	33
Yasynivsky Coke	YASK	0.52	-5.5%	0.023	8
Motor Sich	MSICH	1,679.00	-3.2%	31.801	151

Highlights

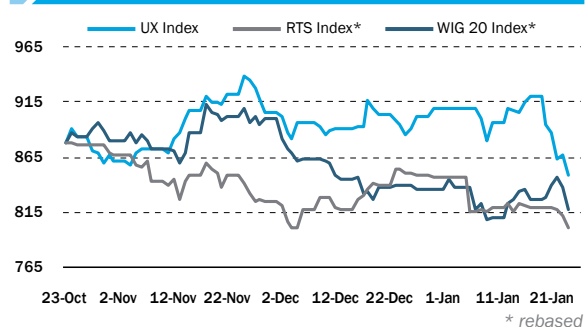
POLITICS AND ECONOMICS

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- > Kluyev Named Head of Presidential Administration

STOCKS IN THE NEWS

- > IMC's Harvest Up 85% YoY in 2013 but 20% Lower Than Oct Guidance

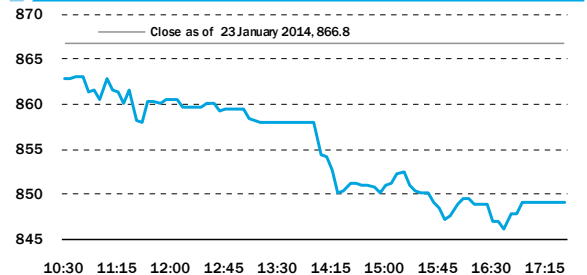
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	849.1	-2.0%	-5.1%	-6.7%
RTS	1364.1	-1.3%	-6.2%	-5.4%
WIG20	2347.4	-2.4%	-2.8%	-2.2%
MSCI EM	949.9	-1.5%	-4.6%	-5.2%
S&P 500	1790.3	-2.1%	-2.3%	-2.8%

UX INTRADAY JANUARY 24, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	367.6	2.7%	13.1%	11.1%
CDS 5Y UKR	924.9	7.7%	15.6%	12.8%
Ukraine-17	9.5%	0.3 p.p.	0.5 p.p.	0.5 p.p.
Naftogaz Ukr-14	13.1%	1.3 p.p.	3.2 p.p.	4.3 p.p.
Ukraine-23	9.2%	0.1 p.p.	0.2 p.p.	1.7 p.p.
Privatbank-16	19.7%	0.6 p.p.	-3.1 p.p.	-5.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.44	-0.1%	3.2%	2.4%
EUR	11.60	0.4%	3.7%	2.0%
RUB	0.24	-1.0%	-2.3%	-2.5%

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	107.9	0.3%	-3.3%	-3.0%
Gold, USD/oz	1270.1	0.5%	5.5%	6.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Yatseniuk, Klitschko Refuse Top Gov't Appointments

by Will Ritter
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NEWS

Opposition leaders Vitaliy Klitschko and Arseniy Yatseniuk refused an offer from President Yanukovich to appoint them to top government positions after a round of negotiations held at the presidential administration in Kyiv on Saturday (Jan 25). In a bid to end the escalating Ukrainian political standoff, Yanukovich said he was prepared to sack longtime Prime Minister Nikolay Azarov and replace him with Yatseniuk, while Klitschko was offered the position of deputy prime minister for humanitarian affairs. The two sides did, however, reportedly make progress on a proposal to reinstate the 2004 constitution, which would reduce the authority of the president in favor of the prime minister and parliament. Meanwhile, there was more violent confrontation between radical protesters and police in central Kyiv over the weekend, although not on the scale seen on Wednesday and Thursday. Protesters stormed the Ukrainian House conference hall at Europe Square, chasing out riot police and adding it to the list of protester-occupied premises.

COMMENTARY

Yatseniuk and Klitschko had little choice but to refuse the President's offer, as taking positions in the Yanukovich regime would have brought them into direct conflict with the radical street fighters who effectively hijacked the leadership of the anti-government protests a week ago when confrontations with riot police began on Hrushevsky Street. Instead, Yatseniuk said the opposition is holding out for a pre-term presidential election to be held "this year", rather than waiting for the March 2015 date implied by the constitution. The EuroMaidan protest has, in the last 7 days, morphed from a pro-European movement into a full-blown tactical revolution, with protesters taking over the provincial administration buildings in at least 8 oblasts in Central and Western Ukraine after facing only minimal resistance from local authorities. These developments have weakened Yanukovich's position by exposing how little support he has among regular Interior Ministry police units in the Ukrainian-speaking half of the nation. We also believe that the President may be coming under pressure from his key backer Rinat Akhmetov to find a non-violent solution to the crisis that will prevent a breakup of the country. Still, the situation is highly precarious and tense; opposition radicals, allied with local football fan groups, have been sufficiently emboldened to attempt to storm at least two provincial administrations in Russian-speaking southeastern Ukraine (Dnipropetrovsk and Zaporizhia), where - unlike in the west - they have clashed with police and plainclothes fighters. As we have previously stated, we are expecting an eventual rise in tensions between the mainstream opposition and radical nationalist fighters who have little or no interest in a pro-European agenda.

Kluyev Named Head of Presidential Administration

by Will Ritter
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NEWS

President Yanukovich on Friday (Jan 24) named Andrey Kluyev, previously the head of the National Security Council) as the new chief of his presidential administration. Kluyev replaces Serhiy Liovochkin, who had served in that capacity for the entire 4 years of the Yanukovich presidency but resigned on Jan 17 after the adoption of a raft of anti-free speech and assembly laws. The President also appointed Party of Regions MP Volodymyr Makeyenko as head of the Kyiv City Administration, replacing Oleksandr Popov, who was suspended on Dec. 1 at the start of the EuroMaidan protest.

COMMENTARY

Kluyev, a super-rich oligarch and Party of Regions stalwart from the eastern city of Donetsk who has long maintained a secretive and non-public profile despite his service in top government posts, is viewed as a conservative hardliner who is willing do whatever it takes to remain in power. He had reportedly long been at odds with the more moderate Liovochkin, and the appointment is not a surprise given the difficult situation faced by President Yanukovich and his need for powerful allies. We view the firing of Popov as a scapegoating operation after the acting Kyiv mayor was blamed for the violent dispersal of pro-European demonstrators on Nov 30 that sparked the EuroMaidan movement. However, in the official inquiry into the dispersal, Popov said it was Kluyev who gave the order to use force against the protesters.

**IMC's Harvest Up 85% YoY in 2013
but 20% Lower Than Oct Guidance**

by Ivan Dzvinka
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NEWS

Industrial Milk Company (IMC), a Ukraine-based, Warsaw-listed crop grower, harvested 555,000 tonnes of grains and oilseeds in 2013 representing an 85% YoY rise, the company reported on Friday (Jan 24). Some 90% of the harvest was contributed by two crops, corn and sunflower seeds. In particular, the group harvested 433,900 tonnes of corn in 2013, a 90% YoY increase. The corn yield improved by 22% YoY to 7.1 tonnes per hectare. IMC harvested roughly 69,000 tonnes of sunflower seeds, implying a yield of 2.7 t/ha, which was 39% higher YoY as well as 23% above the Ukrainian average, the company said.

COMMENTARY

The substantial increase in IMC's harvest this past season was due to a combination of two factors: its land bank expansion along with a substantial improvement in crop yields. The company's land under lease increased from 82,700 ha in 2012 to 120,700 ha in 2013 (+46%). On the other hand, the announced harvest result is lower than the forecast provided by management as recently as October, when CEO Alex Lissitsa projected the company's grain and oilseeds harvest at 700,000 tonnes. If the forecast was given in gross weight, the actual figure was 10% lower than the mentioned target (the actual 555,000 tonnes of harvest is in net weight and is equivalent to about 625,000 tonnes in gross weight). If the projection was provided in net weight, the difference is as much as 20%.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.59	0.56	-5%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	161.8	218.0	35%	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	8.30	14.5	74%	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	2.61	6.2	139%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.52	3.4	561%	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	0.31	2.9	847%	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	1.39	5.2	278%	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	1679	5250	213%	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	13.9	42.0	203%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	69.0	370	436%	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	4.34	15.00	246%	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	17.4	22.10	27%	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	65.8	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	11.5	19.35	68%	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	83.8	109.50	31%	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	849.06	1061.97	781.22	-2.0%	-7.8%	-5.1%	-6.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.035	0.06	0.02	-1.4%	-3.6%	-10.1%	-10.1%	0.6%	4.2%	-4.9%	-3.4%
Azovstal	AZST	0.59	0.90	0.31	-1.3%	-5.9%	-10.8%	-12.5%	0.7%	1.8%	-5.7%	-5.8%
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	30.5	49.9	20.0	-3.1%	-4.7%	-6.5%	-4.7%	-1.1%	3.1%	-1.4%	2.0%
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%	87.5%	50.0%	2.0%	7.8%	92.6%	56.7%
Coke												
Avdiyivka Coke	AVDK	2.61	4.80	1.60	-2.5%	-5.8%	-14.2%	-11.8%	-0.5%	2.0%	-9.0%	-5.1%
Yasnyivsky Coking	YASK	0.52	0.85	0.49	-5.5%	-5.5%	-1.9%	-1.9%	-3.4%	2.3%	3.3%	4.8%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	n/a	n/a	0.0%	0.0%	-2.9%	-3.1%	2.0%	7.8%	2.2%	3.6%
Ferrexpo	FXPO	2.67	4.55	2.02	-3.2%	-10.4%	-11.3%	-15.3%	-1.1%	-2.6%	-6.2%	-8.6%
Pivnichny GOK	SGOK	8.30	10.00	5.77	2.2%	2.5%	3.1%	3.8%	4.3%	10.2%	8.2%	10.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.31	0.71	0.10	-11.4%	-11.4%	-16.2%	-22.5%	-9.4%	-3.7%	-11.1%	-15.8%
Komsomolets Donbasa	SHKD	0.60	n/a	n/a	7.1%	-10.4%	1.7%	-3.2%	9.2%	-2.7%	6.8%	3.5%
Energy Coal	CLE	0.34	4.57	0.31	-0.3%	-26.2%	6.2%	-3.9%	1.7%	-18.5%	11.3%	2.8%
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	0.50	0.86	0.30	0.0%	-10.7%	-3.8%	-16.7%	2.0%	-2.9%	1.3%	-10.0%
Interpipe NMPP	NVTR	0.21	n/a	n/a	0.0%	-8.7%	0.0%	0.0%	2.0%	-0.9%	5.1%	6.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.0	29.0	12.0	4.0%	1.2%	1.5%	-1.7%	6.1%	9.0%	6.6%	5.0%
Luhanskeplovoz	LTPL	1.39	2.20	1.26	-6.1%	-7.3%	-7.3%	-7.3%	-4.0%	0.4%	-2.2%	-0.6%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	-5.5%	-5.5%	-8.4%	-7.7%	-3.5%	2.3%	-3.3%	-1.0%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	15.1%	-1.8%	3.8%	2.0%	22.8%	3.4%	10.5%
Motor Sich	MSICH	1,679	2,640	1,303	-3.2%	-13.9%	-3.7%	-7.9%	-1.2%	-6.1%	1.5%	-1.2%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.4%	0.0%	0.0%	2.0%	8.2%	5.1%	6.7%
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	0.15	0.26	0.13	-4.5%	-11.3%	-9.0%	12.7%	-2.4%	-3.5%	-3.8%	19.4%
Telecom												
Ukrtelecom	UTLM	0.11	0.17	0.09	-19.0%	-16.6%	-13.4%	2.4%	-16.9%	-8.8%	-8.2%	9.1%
Oil & Gas												
Regal Petroleum	RPT	0.23	0.54	0.19	-0.7%	-1.2%	11.9%	8.8%	1.4%	6.6%	17.1%	15.5%
JXX Oil	JKX	1.14	1.21	0.75	-1.4%	-1.9%	-3.2%	-3.9%	0.7%	5.9%	1.9%	2.8%
Ukrnafta	UNAF	109	280	96	-1.7%	-1.5%	3.5%	0.1%	0.3%	6.2%	8.7%	6.8%
Power Utilities												
Centrenerg	CEEN	4.34	7.40	2.50	-2.7%	-8.6%	-7.3%	-9.0%	-0.7%	-0.8%	-2.1%	-2.3%
Donbasenergo	DOEN	29.4	34.0	15.4	-0.9%	-5.9%	6.9%	6.6%	1.1%	1.8%	12.1%	13.3%
Zakhidenergo	ZAEN	80.2	115.0	64.0	-12.1%	-12.1%	-10.4%	-11.3%	-10.0%	-4.3%	-5.2%	-4.6%
Consumer												
Agroton	AGT	0.73	3.6	0.36	-1.6%	-17.4%	14.2%	13.1%	0.4%	-9.6%	19.3%	19.8%
Astarta	AST	21.4	24.4	14.5	-0.1%	1.4%	3.2%	-3.7%	2.0%	9.2%	8.4%	3.0%
Avangardo	AVGR	11.5	13.0	7.61	-0.9%	-1.8%	-1.7%	-2.2%	1.1%	6.0%	3.4%	4.5%
Industrial Milk Company	IMC	3.65	5.25	3.63	0.6%	-12.1%	-7.6%	-9.7%	2.6%	-4.3%	-2.4%	-3.0%
Kernel	KER	13.0	22.6	11.8	-3.0%	-1.0%	0.7%	3.0%	-0.9%	6.8%	5.8%	9.7%
Mriya Agro Holding	MAYA	7.08	8.2	5.36	0.1%	-1.3%	-9.4%	-5.1%	2.1%	6.4%	-4.2%	1.6%
MHPC	MHPC	17.4	19.9	14.15	-0.9%	-1.3%	2.2%	2.2%	1.2%	6.5%	7.4%	8.9%
Milkiland	MLK	3.20	5.1	3.11	0.0%	-5.5%	-23.1%	-22.9%	2.0%	2.3%	-18.0%	-16.2%
Ovostar Union	OVO	27.3	33.3	21.3	-0.3%	-8.7%	-10.8%	-17.9%	1.7%	-0.9%	-5.7%	-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	12.5	n/a	n/a	0.0%	-3.8%	7.8%	0.0%	2.0%	3.9%	12.9%	6.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.105	0.128	0.077	-2.1%	-7.0%	-7.1%	-7.6%	-0.1%	0.8%	-1.9%	-0.9%
UkrSotsbank	USCB	0.181	0.257	0.111	0.6%	1.1%	-2.2%	-3.5%	2.6%	8.9%	3.0%	3.2%

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%
Ukrspotsbank	USCB	5,151	4,564	4,846	957	950	1,029	451	380	464	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	107	3.9%	4	1,901	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	491	458	445	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	32	4.5	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	11	11	\$/tonne
Azovstal	AZST	292	3.0%	9	274	neg	neg	neg	neg	neg	7.8	0.1	0.1	0.1	60	61	60	\$/tonne
Coke																		
Avdyivka Coke	AVDK	60	6.8%	4	58	neg	neg	neg	neg	1.2	2.0	0.1	0.1	0.1	13	15	16	\$/tonne
Yasynivsky Coke	YASK	17	9.0%	2	18	2.0	1.5	3.6	0.6	0.6	0.9	0.0	0.0	0.1	0.6	0.6	0.9	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	875	0.3%	2	874	9.2	4.9	5.8	3.8	2.8	3.1	1.4	1.3	1.4				
Pivnichny GOK	SGOK	2,267	0.4%	9	2,261	5.2	4.1	4.9	3.0	2.5	2.8	1.6	1.4	1.5				
Ferrexpo	FXPO	1,572	24.0%	377	2,138	7.3	6.6	6.3	5.3	4.9	4.8	1.5	1.4	1.3				
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	15	25.0%	4	125	0.4	neg	neg	2.0	5.9	13.9	0.8	1.0	1.2	2.0	5.9	13.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	154	2.0%	3	200	4.6	9.0	7.7	3.8	6.4	5.8	0.4	0.6	0.6	317	526	499	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	36	24.0%	9	78	7.5	2.0	1.8	2.7	2.2	2.0	0.4	0.2	0.2				
Kriviw Wagon	KVBZ	231	5.0%	12	231	2.4	9.4	10.3	1.7	3.6	3.9	0.3	0.5	0.6				
Stakhanov Wagon	SVGZ	32	8.0%	3	71	>30	neg	neg	9.9	12.1	13.1	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	175	5.8%	10	102	4.6	3.2	3.0	2.0	1.4	1.3	0.6	0.5	0.5				
Motor Sich	MSICH	414	24.0%	99	432	2.1	2.2	2.0	1.4	1.9	1.7	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	250	7.2%	18	572	5.5	5.0	3.8	2.8	2.7	2.7	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	699	3.0%	21	690	4.0	5.3	5.8	2.2	1.9	1.9	0.4	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	73	21.6%	16	45	6.3	14.6	5.7	2.1	2.6	1.4	0.9	1.2	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	195	50.4%	99	304	neg	9.8	8.1	2.2	3.6	3.4	1.5	1.4	1.3	55	42	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	190	21.7%	41	259	6.6	4.4	3.8	3.8	4.2	3.8	0.2	0.3	0.3	15	18	16	\$/MWh
DonbasEnergO	DOEN	82	14.2%	12	153	21.6	1.7	1.9	4.8	2.1	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,836	34.1%	626	2,997	5.9	9.1	6.8	6.4	7.3	5.5	2.1	2.1	1.8				
Kernel	KER	1,039	61.8%	642	1,745	4.9	9.9	13.5	5.4	6.0	6.8	0.8	0.6	0.7				
Astarta	AST	536	37.0%	198	870	9.2	6.8	4.7	8.0	7.0	5.1	1.9	1.7	1.5				
Avangardco	AVGR	734	22.5%	165	933	3.2	2.8	2.4	3.3	2.8	2.5	1.5	1.3	1.2	211	161	151	\$/mneggs
Agroton	AGT	16	26.2%	4	65	2.3	neg	neg	3.2	5.2	5.5	0.7	0.9	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	373	3.6%	13		>30	3.4	3.2	0.5	0.4	0.4	0.06	0.07	0.07				
Ukrsotsbank	USCB	395	1.4%	5		>30	>30	19.4	0.5	0.4	0.4	0.08	0.09	0.08				

Source: Eavex Research

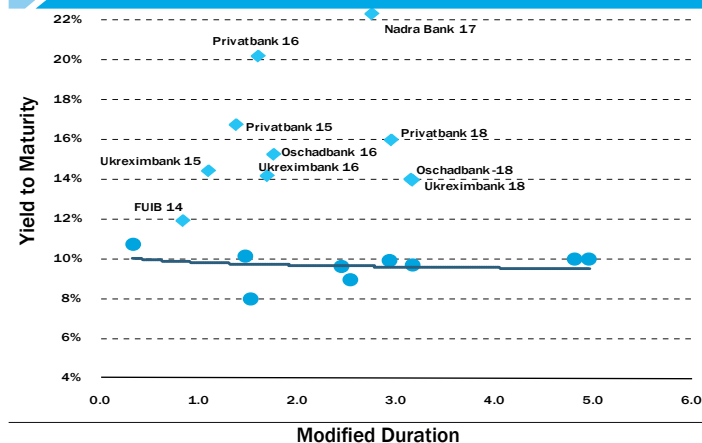
UKRAINIAN EUROBONDS

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	99.0	100.0	12.5%	8.9%	-0.5%	0.3	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	97.2	98.2	16.9%	14.8%	-2.8%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	95.0	96.5	8.5%	7.4%	-0.3%	1.5	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	95.3	96.3	10.5%	9.8%	-1.9%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	91.7	94.7	10.2%	8.9%	-0.9%	2.4	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	92.5	95.0	9.4%	8.4%	-0.7%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	90.3	92.3	10.1%	9.4%	-1.6%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	98.1	99.1	10.1%	9.7%	-0.6%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa1/B-/B-
Ukraine, 2017 Infr. projects	92.0	93.5	11.6%	11.1%	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	89.3	90.8	10.2%	9.8%	-3.2%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	89.1	91.1	10.2%	9.8%	-3.8%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	87.9	89.9	9.9%	9.5%	-2.4%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	88.3	90.3	9.4%	9.1%	-1.3%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.2%	29.9%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.5	101.6	10.7%	10.1%	-2.4%	1.1	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	85.0	87.0	11.7%	11.2%	-3.8%	4.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.0	101.4	10.6%	9.6%	n/a	1.5	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	91.7	94.4	13.6%	12.6%	3.2%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	99.1	101.1	12.2%	11.0%	-0.2%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.1	88.0	14.6%	13.3%	-1.2%	3.2	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	100.0	102.0	10.2%	8.3%	-1.2%	1.1	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	91.7	92.9	10.4%	10.0%	-2.1%	3.4	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	100.9	102.1	10.2%	9.1%	-0.6%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	94.9	96.3	10.5%	10.0%	0.6%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	95.0	96.8	10.9%	9.8%	-2.2%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	90.7	92.1	12.3%	11.9%	-0.3%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	20.3%	18.3%	0.0%	2.5	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	111.1	112.6	8.1%	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%	3.9	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	100.9	100.9	11.9%	11.9%	2.4%	0.8	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	90.4	92.6	17.7%	15.8%	2.5%	1.4	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	75.4	79.9	21.9%	18.5%	10.4%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	85.1	87.4	16.0%	15.1%	3.0%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	94.0	95.0	14.9%	13.9%	-2.0%	1.1	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	86.7	86.7	14.2%	14.2%	1.6%	1.7	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	84.1	85.0	14.1%	13.8%	-5.2%	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	88.6	89.8	15.7%	14.8%	-4.1%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	82.7	86.2	14.2%	13.8%	-5.1%	3.2	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	92.6	94.0	13.5%	12.4%	0.4%	1.5	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	93.0	94.1	12.8%	12.2%	0.6%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

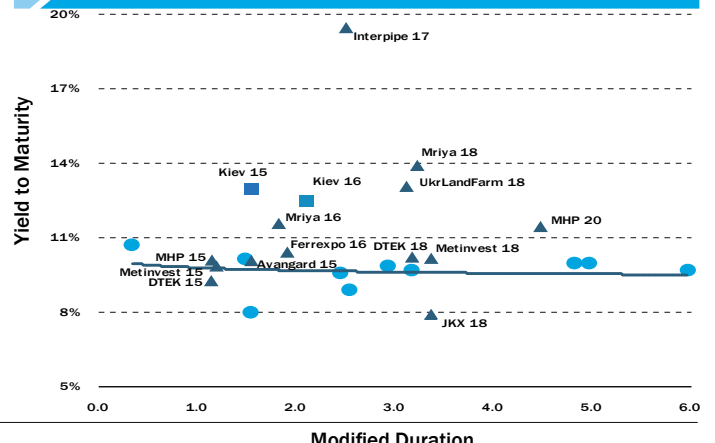
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



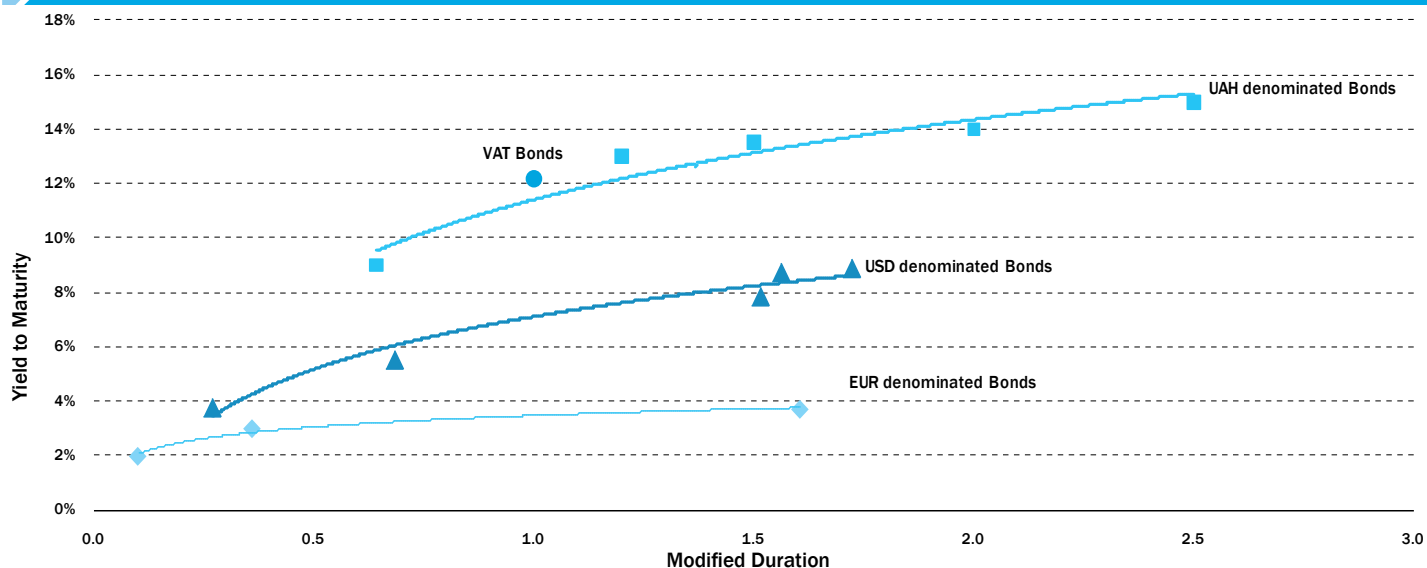
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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