

**Market Update**

**Equity**

Ukrainian stocks rallied sharply in the afternoon on Monday (Jan 27) after a bad start that saw the local benchmark plunge 3% at the opening. The UX index ended its losing streak, finishing with a solid gain of 1.8% at 864 points despite spending most of the session in the red. Kyiv was relatively quiet on Monday, with Parliament due to hold an emergency session today to seek a solution to the country's crisis, amid growing signs of internal division in the protest movement even as it succeeds in putting more pressure on the Yanukovich government. All Ukrainian local blue chips closed higher. Avdyivka Coke (AVDK UK) led the rally, jumping 4.8%. Heavyweights Motor Sich (MSICH UK) and CentrErgo (CEEN UK) both added about 1.5%. Fertilizer producer Stirol (STIR UK), a second-tier issue surged by 11% on news that the company is going to resume ammonia production as prices on export markets have started to rise. Ukrainian agro names traded abroad were generally lower, with MHP (MHPC LI) finally reacting to the unrest and sliding 4.0% to USD 16.70. In Warsaw, Astarta (AST PW) edged down by 0.6%.

**Fixed Income**

Ukraine's sovereign Eurobonds got pounded on Monday as the market reacted to the spread of political turbulence to provincial cities around the country. Ukraine-23s lost 2.1p.p. to 86.3/88.3 (9.8%/9.4%), with corporate names following the sovereigns. MHP-20s declined by 1.5p.p. to close at 83.5/85.6 (12.1%/11.6%) and Mriya-16s decreased by 1.1p.p., finishing at 97.8/100.2 (13.0%/11.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1706.00	1.5%	3.7	148
Alchevsk Steel	ALMK	0.04	1.7%	1.3	88
Yenakievo Steel	ENMZ	31.000	1.6%	0.8	25

**Growth Leaders**

Stirol	STIR	13.85	10.8%	0.44	16
Yasynivsky Coke	YASK	0.56	6.8%	0.01	8
Avdyivka Coke	AVDK	2.74	4.8%	0.63	81

**Loss Leaders**

Pivnichny GOK	SGOK	8.20	-1.2%	0.178	7
Azovstal	AZST	0.59	1.0%	0.049	38
Donbasenergo	DOEN	29.70	1.1%	0.755	94

**Highlights**

**POLITICS AND ECONOMICS**

- > Opposition Disavows Radicals' Takeover of Justice Ministry

**STOCKS IN THE NEWS**

- > UkrSotsBank Reports Marginal Profit of UAH 11mn for FY13

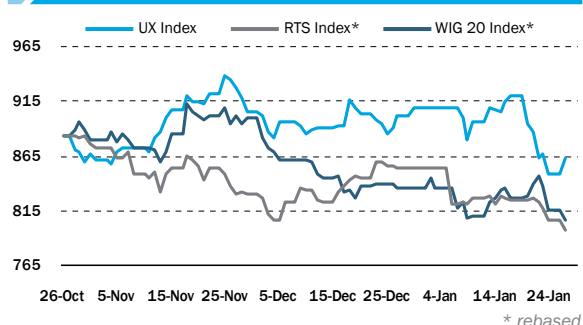
**FIXED INCOME**

- > PrivatBank Increases Profit by 22% YoY to UAH 1.9bn in FY13

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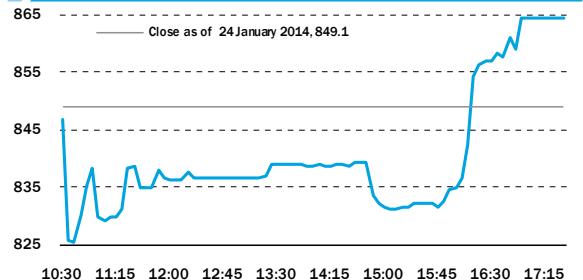
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	864.5	1.8%	-4.1%	-5.0%
RTS	1346.5	-1.3%	-6.8%	-6.7%
WIG20	2318.1	-1.3%	-3.6%	-3.5%
MSCI EM	931.6	-1.9%	-6.6%	-7.0%
S&P 500	1781.6	-0.5%	-3.2%	-3.2%

**UX INTRADAY JANUARY 27, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	366.4	-0.3%	11.8%	10.8%
CDS 5Y UKR	933.4	0.9%	16.7%	13.8%
Ukraine-17	10.0%	0.5 p.p.	1.0 p.p.	1.0 p.p.
Naftogaz Ukr-14	13.9%	0.8 p.p.	4.1 p.p.	5.1 p.p.
Ukraine-23	9.6%	0.4 p.p.	0.6 p.p.	2.1 p.p.
Privatbank-16	20.6%	0.9 p.p.	-4.1 p.p.	-4.1 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.49	0.7%	3.0%	3.0%
EUR	11.61	0.1%	2.5%	2.1%
RUB	0.25	0.2%	-3.0%	-2.3%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	272.2	0.0%	-5.3%	-5.3%
Steel, USD/t	542.5	0.0%	1.9%	0.9%
Oil, USD/bbl	106.7	-1.1%	-4.6%	-4.1%
Gold, USD/oz	1257.1	-1.0%	3.6%	5.1%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Opposition Disavows Radicals' Takeover of Justice Ministry

by Will Ritter  
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### NEWS

Batkivschyna party opposition MP Lesya Orobets called Saturday's (Jan 25) takeover of the Justice Ministry building in Kyiv by activists from the radical Spilna Sprava (Shared Cause) organization a "provocation" that was deliberately carried out in order to provide the Ukrainian government with justification for introducing a state of emergency in the country. Orobets was speaking on the CNN international television network on Monday evening (Jan 27). Justice Minister Olena Lukash had threatened to demand a state of emergency if the building was not freed, and the activists pulled out earlier on Monday, possibly due to opposition pressure. Spilna Sprava is headed by Olexander Danyliuk, a prominent figure in the two-month long EuroMaidan protest who is not affiliated with the major political parties.

### COMMENTARY

Danyliuk, who had been organizing anti-Yanukovich demonstrations long before the EuroMaidan and as far back as 2010, had harsh words for the mainstream opposition, calling them "brainless" on his social media page and accusing them of having no plan of action. According to a Kyiv Post report, Danyliuk bills himself as a "civil society activist", yet he is leading an organization that made global headlines last week for its members' use of petrol bombs in clashes with riot police. Orobets' accusation that Spilna Sprava's takeovers of ministry buildings are deliberate provocations is a serious one that implies that the group has been infiltrated by the Ukrainian and/or Russian security services. With the opposition coming under increasing pressure from European Union diplomats to renounce violence, we view a rise in this type of infighting between mainstream and radical elements of the EuroMaidan as inevitable.

## UkrSotsBank Reports Marginal Profit of UAH 11mn for FY13

by Dmitry Churin  
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### UKRSOTSBANK (USCB UK)

Price: UAH 0.185 Market Cap: USD 402mn

	P/Assets	P/Book	P/E	Div. Yield
2013E	0.09	0.4	>30	0%
2014E	0.08	0.4	19.8	0%

### NEWS

UkrSotsBank, the Ukrainian subsidiary of Italy-based UniCredit, reported a net profit of UAH 10.9mn (USD 1.3mn) for FY13 compared to UAH 8.1mn for FY12, according to financials released on Monday (Jan 27). The bank's gross interest income decreased by 3.2% YoY to UAH 4.4bn and net interest income was down 5.7% YoY to UAH 2.3bn in the period. On the balance sheet side, the bank's total assets grew by 11% YoY to UAH 43.1bn (USD 5.3bn) and its loan portfolio was up by 15.6% YoY, to UAH 27.4bn, as of Jan 1.

### COMMENTARY

UkrSotsBank's assets and loan portfolio increased in 4Q13 as a result of its acquisition of another UniCredit subsidiary in Ukraine. Surprisingly, the acquisition did not improve UkrSots' bottom line despite UniCredit Ukraine having posted a net profit of UAH 90mn for 9M13. Moreover, UkrSots' net profit remained marginal even after the bank decreased its loan loss provisions by 35% YoY to UAH 940mn (USD 115mn). We suppose that one of the explanations for this could be a notable increase in administrative costs, which rose by 23% YoY to UAH 2.1bn (USD 255mn). We expect the bank to optimize its administrative costs after finishing its acquisition of UniCredit Ukraine. We assume that this merger of the two subsidiaries may have been related to UniCredit's rumored desire to sell its Ukrainian operations and exit the country. Our net profit forecast for UkrSots for FY14 is UAH 170mn (USD 20mn), which implies a projected P/E ratio of 20x.

## PrivatBank Increases Profit by 22% YoY to UAH 1.9bn in FY13

by Dmitry Churin  
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### NEWS

PrivatBank, Ukraine's largest bank by assets, increased its net profit by 22% YoY to UAH 1.91bn (USD 230mn) in FY13, the bank announced on Monday (Jan 27). PrivatBank's net interest income rose by 4.9% YoY to UAH 8.4bn while its loan loss provisions fell by 46% YoY to UAH 2.6bn. The bank's total assets grew by 24% YoY to UAH 214bn (USD 26bn). In 4Q13, net profit dropped by 74% YoY to UAH 141mn as a result of increased loan loss provisions in the period.

### COMMENTARY

Overall, PrivatBank reported strong financial results for FY13, as its net profit is a new historical high for the financial institution. PrivatBank had a capital adequacy ratio of 12.2% and a current liquidity ratio of 90% as of 1 Oct 2013. The NBU-mandated minimum is 10% for capital adequacy and 40% for current liquidity.

PrivatBank-18s outstanding Eurobonds are currently quoted at 16.1%/15.3% YTM, implying a spread to sovereign papers of 580 basis points.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.59	0.56	-6%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	157.9	218.0	38%	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	8.20	14.5	76%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	2.74	6.2	128%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.56	3.4	513%	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.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	17.7	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1706	5250	208%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	13.3	42.0	217%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	68.5	370	440%	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	29.7	72.0	142%	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	4.40	15.00	241%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	16.7	22.10	32%	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	11.0	19.35	76%	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	83.7	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	864.51	1061.97	781.22	1.8%	-3.4%	-4.1%	-5.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.036	0.06	0.02	1.7%	-1.9%	-8.5%	-8.5%	-0.1%	1.5%	-4.4%	-3.5%
Azovstal	AZST	0.59	0.90	0.31	1.0%	-1.0%	-12.2%	-11.6%	-0.8%	2.4%	-8.1%	-6.6%
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	31.0	49.9	20.0	1.6%	-0.9%	-5.4%	-3.2%	-0.2%	2.5%	-1.3%	1.8%
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	0.09	0.26	0.05	-40.0%	-40.0%	-10.0%	-10.0%	-41.8%	-36.6%	-5.9%	-5.0%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.74	4.80	1.60	4.8%	0.3%	-9.3%	-7.6%	3.0%	3.7%	-5.2%	-2.6%
Yasnyivsky Coking	YASK	0.56	0.85	0.49	7.7%	1.8%	5.7%	5.7%	5.9%	5.2%	9.8%	10.7%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.30	n/a	n/a	0.0%	0.0%	-3.1%	-3.1%	-1.8%	3.4%	1.0%	1.9%
Ferrexpo	FXPO	2.62	4.55	2.02	-2.0%	-11.4%	-16.3%	-17.0%	-3.8%	-8.0%	-12.2%	-12.0%
Pivnichny GOK	SGOK	8.20	10.00	5.77	-1.2%	2.5%	2.5%	2.5%	-3.0%	5.9%	6.6%	7.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.31	0.71	0.10	0.0%	-11.4%	-16.2%	-22.5%	-1.8%	-8.0%	-12.1%	-17.5%
Komsomolets Donbasa	SHKD	0.60	n/a	n/a	0.0%	-10.4%	-3.2%	-3.2%	-1.8%	-7.0%	0.9%	1.8%
Energy Coal	CLE	0.33	4.57	0.31	-0.3%	-25.7%	0.9%	-4.2%	-2.2%	-22.3%	5.0%	0.8%
<b>Mining Machinery</b>												
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
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.50	0.86	0.30	0.0%	-10.7%	-9.1%	-16.7%	-1.8%	-7.3%	-5.0%	-11.7%
Interpipe NMPP	NVTR	0.21	n/a	n/a	0.0%	10.5%	0.0%	0.0%	-1.8%	13.9%	4.1%	5.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.7	29.0	12.0	4.4%	6.5%	7.5%	2.5%	2.5%	9.9%	11.6%	7.5%
Luhanskeplovoz	LTPL	1.39	2.20	1.26	0.0%	-7.3%	-9.7%	-7.3%	-1.8%	-3.9%	-5.6%	-2.3%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	0.0%	-5.5%	-7.0%	-7.7%	-1.8%	-2.1%	-2.9%	-2.7%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	15.1%	0.0%	3.8%	-1.8%	18.5%	4.1%	8.8%
Motor Sich	MSICH	1,706	2,640	1,303	1.6%	-11.1%	-3.3%	-6.5%	-0.2%	-7.7%	0.8%	-1.5%
Sumy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.4%	0.0%	0.0%	-1.8%	3.8%	4.1%	5.0%
Turboatom	TATM	3.45	n/a	n/a	n/a	n/a	-1.4%	-1.4%	n/a	n/a	2.7%	3.6%
WESTA ISIC	WES	0.15	0.26	0.13	-0.3%	-6.5%	2.4%	12.3%	-2.2%	-3.1%	6.5%	17.3%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.11	0.17	0.09	0.0%	-16.6%	2.4%	2.4%	-1.8%	-13.2%	6.5%	7.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.22	0.54	0.19	-4.1%	-5.3%	6.6%	4.4%	-5.9%	-1.9%	10.7%	9.4%
JXX Oil	JKX	1.14	1.21	0.75	-0.3%	-3.3%	-3.6%	-4.1%	-2.1%	0.1%	0.5%	0.9%
Ukrnafta	UNAF	112	280	96	3.0%	-0.7%	5.0%	3.1%	1.2%	2.7%	9.1%	8.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.40	7.40	2.50	1.4%	-3.4%	-6.6%	-7.7%	-0.4%	0.0%	-2.5%	-2.7%
Donbasenergo	DOEN	29.7	34.0	15.4	1.0%	-2.1%	9.8%	7.6%	-0.8%	1.3%	13.9%	12.7%
Zakhidenergo	ZAEN	83.5	115.0	64.0	4.1%	-8.4%	-8.1%	-7.6%	2.3%	-5.0%	-4.0%	-2.6%
<b>Consumer</b>												
Agroton	AGT	0.73	3.6	0.36	0.1%	-14.7%	11.8%	13.2%	-1.7%	-11.3%	15.9%	18.2%
Astarta	AST	21.3	24.4	14.5	-0.6%	-3.2%	-1.0%	-4.2%	-2.4%	0.2%	3.1%	0.8%
Avangardo	AVGR	11.0	13.0	7.61	-4.3%	-5.9%	-6.4%	-6.4%	-6.1%	-2.5%	-2.3%	-1.4%
Industrial Milk Company	IMC	3.70	5.25	3.63	1.3%	-7.4%	-7.0%	-8.4%	-0.5%	-4.0%	-2.9%	-3.4%
Kernel	KER	13.2	22.6	11.8	0.9%	-1.6%	4.2%	3.9%	-0.9%	1.8%	8.3%	8.9%
Mriya Agro Holding	MAYA	7.07	8.2	5.36	0.0%	-1.6%	-7.2%	-5.1%	-1.8%	1.8%	-3.1%	-0.1%
MHPC	MHPC	16.7	19.9	14.15	-4.0%	-7.2%	-2.4%	-1.9%	-5.8%	-3.8%	1.7%	3.1%
Milkiland	MLK	3.14	5.1	3.11	-2.2%	-4.1%	-24.8%	-24.6%	-4.0%	-0.7%	-20.7%	-19.6%
Ovostar Union	OVO	27.2	33.3	21.3	-0.5%	-10.3%	-16.4%	-18.3%	-2.3%	-6.9%	-12.3%	-13.3%
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
<b>Chemicals</b>												
Stirol	STIR	13.9	n/a	n/a	10.8%	6.5%	10.8%	10.8%	9.0%	9.9%	14.9%	15.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.108	0.128	0.077	3.0%	0.2%	-4.8%	-4.8%	1.1%	3.6%	-0.8%	0.2%
UkrSotsbank	USCB	0.185	0.257	0.111	2.0%	7.1%	-1.1%	-1.5%	0.2%	10.5%	3.0%	3.5%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	361	52	31	34	10.8%	10.1%	9.5%	34	17	20	7.0%	5.5%	5.5%
<b>Railcar Manufacturing</b>																
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
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	749	654	206	215	209	24.5%	28.7%	31.9%	45	50	65	5.4%	6.6%	10.0%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<b>Banks</b>																
		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	377	461	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	108	3.9%	4	1,902	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	492	458	445	\$/tonne
Yenakievo Steel	ENMZ	39	8.8%	3	33	4.5	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	11	11	\$/tonne
Azovstal	AZST	293	3.0%	9	275	neg	neg	neg	neg	neg	7.8	0.1	0.1	0.1	60	61	60	\$/tonne
<b>Coke</b>																		
Avdivka Coke	AVDK	63	6.8%	4	60	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	2.2	1.6	3.8	0.7	0.7	1.0	0.0	0.1	0.1	0.7	0.7	1.0	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	870	0.3%	2	868	9.1	4.9	5.8	3.7	2.8	3.1	1.4	1.3	1.4				
Pivnichny GOK	SGOK	2,225	0.4%	9	2,219	5.1	4.1	4.8	3.0	2.4	2.7	1.6	1.4	1.5				
Ferrexpo	FXPO	1,541	24.0%	370	2,107	7.1	6.4	6.2	5.2	4.9	4.7	1.5	1.4	1.3				
<b>Coal Mining</b>																		
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	29	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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	153	2.0%	3	199	4.5	8.9	7.7	3.8	6.4	5.8	0.4	0.6	0.6	316	523	497	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	36	24.0%	9	78	7.4	2.0	1.8	2.7	2.2	2.0	0.4	0.2	0.2				
Kruiw Wagon	KVBZ	240	5.0%	12	240	2.5	9.8	10.7	1.8	3.7	4.0	0.3	0.6	0.6				
Stakhanov Wagon	SVGZ	32	8.0%	3	71	>30	neg	neg	9.9	12.1	13.0	0.2	0.4	0.5				
<b>Specialized Machinery</b>																		
Turboatom	TATM	174	5.8%	10	101	4.6	3.2	3.0	2.0	1.4	1.3	0.6	0.5	0.5				
Motor Sich	MSICH	418	24.0%	100	436	2.1	2.3	2.0	1.4	1.9	1.7	0.4	0.4	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	248	7.2%	18	570	5.5	5.0	3.8	2.8	2.7	2.7	0.7	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	715	3.0%	21	707	4.1	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	70	21.6%	15	42	6.1	14.0	5.5	2.0	2.4	1.3	0.8	1.1	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	195	50.4%	98	303	neg	9.7	8.1	2.2	3.6	3.4	1.5	1.4	1.3	55	42	40	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	191	21.7%	42	260	6.6	4.5	3.8	3.8	4.2	3.8	0.2	0.3	0.3	15	18	16	\$/MWh
DonbasEnerg	DOEN	83	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
<b>Consumer</b>																		
MHP	MHPC	1,764	34.1%	601	2,924	5.7	8.7	6.5	6.3	7.1	5.4	2.1	2.1	1.8				
Kernel	KER	1,049	61.8%	648	1,754	5.0	10.0	13.6	5.4	6.0	6.8	0.8	0.6	0.7				
Astarta	AST	533	37.0%	197	867	9.2	6.8	4.7	7.9	6.9	5.1	1.9	1.7	1.4				
Avangardco	AVGR	703	22.5%	158	902	3.1	2.7	2.3	3.2	2.8	2.4	1.4	1.3	1.1	204	155	146	\$/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	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	382	3.6%	14		>30	3.5	3.3	0.5	0.4	0.4	0.06	0.07	0.07				
Ukrsotsbank	USCB	400	1.4%	6		>30	>30	19.8	0.5	0.4	0.4	0.08	0.09	0.08				

Source: Eavex Research



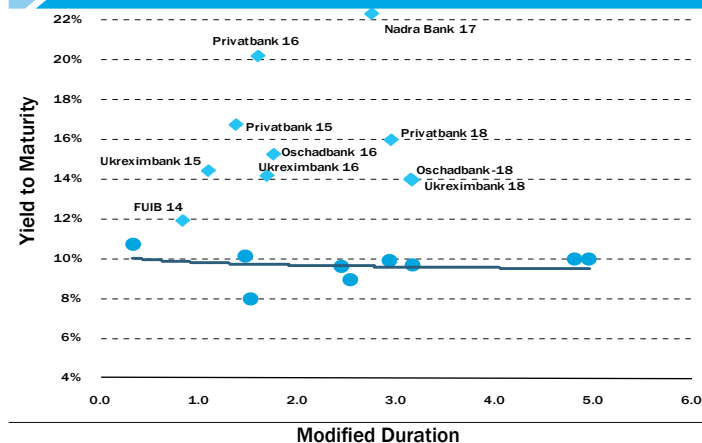
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2014	97.5	99.5	18.3%	10.7%	-1.5%	0.3	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	96.7	97.8	18.1%	15.7%	-3.2%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	95.6	96.9	8.1%	7.2%	0.2%	1.5	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	94.2	95.7	11.3%	10.2%	-2.7%	1.5	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	92.8	95.8	9.7%	8.4%	0.3%	2.5	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	93.2	95.7	9.1%	8.1%	0.2%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	89.1	90.8	10.5%	9.9%	-3.0%	3.2	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	96.9	98.2	10.5%	10.1%	-1.7%	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	88.3	89.8	10.4%	10.0%	-4.3%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	88.3	90.3	10.4%	10.0%	-4.7%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	87.4	89.4	10.0%	9.6%	-2.9%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	86.3	88.3	9.8%	9.4%	-3.6%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
<b>Corporate Eurobonds</b>											
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	99.9	100.9	11.3%	10.8%	-3.0%	1.1	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	83.5	85.6	12.1%	11.6%	-5.5%	4.4	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	99.9	101.3	10.6%	9.7%	n/a	1.5	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.9	94.5	13.8%	12.6%	2.8%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	97.8	100.2	13.0%	11.5%	-1.2%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	83.7	85.0	14.7%	14.3%	-3.1%	3.2	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	100.0	101.0	10.3%	9.3%	-1.7%	1.1	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	91.6	92.2	10.4%	10.2%	-2.5%	3.3	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	99.9	101.3	11.1%	9.9%	-1.5%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	94.4	96.0	10.6%	10.1%	0.2%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	94.0	96.1	11.5%	10.2%	-3.0%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	90.2	91.7	12.5%	12.0%	-0.9%	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	109.4	111.5	8.6%	8.0%	-0.5%	3.3	8.00%	S/A	19 Feb 2018	40	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	88.0	98.0	12.9%	10.0%	0.0%	3.9	10.50%	S/A	25 Jan 2019	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	80.2	90.3	25.1%	15.3%	0.0%	2.8	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	89.0	21.7%	18.9%	-1.8%	1.3	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	73.0	80.0	23.9%	18.4%	8.8%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	84.9	87.0	16.1%	15.3%	2.7%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	91.0	93.0	18.3%	16.0%	-4.6%	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	82.1	83.9	14.9%	14.2%	-7.0%	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	88.9	89.8	15.4%	14.9%	-4.0%	1.8	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	80.6	84.1	15.7%	15.0%	-7.5%	3.1	8.88%	S/A	20 Mar 2018	500	Caa1//B-
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	93.0	94.0	13.2%	12.4%	0.6%	1.5	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	92.6	94.0	13.0%	12.3%	0.3%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

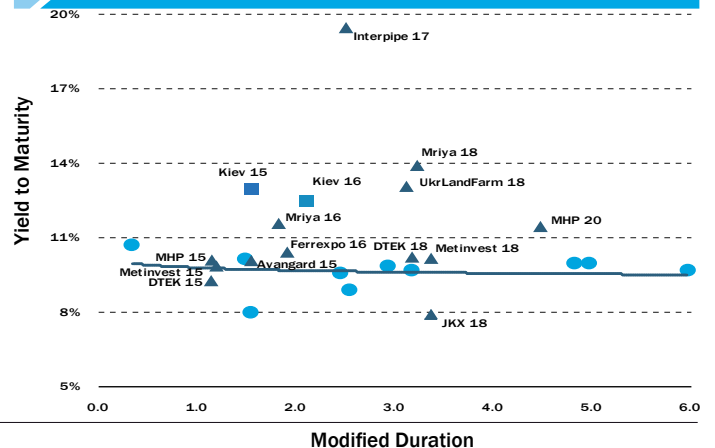
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



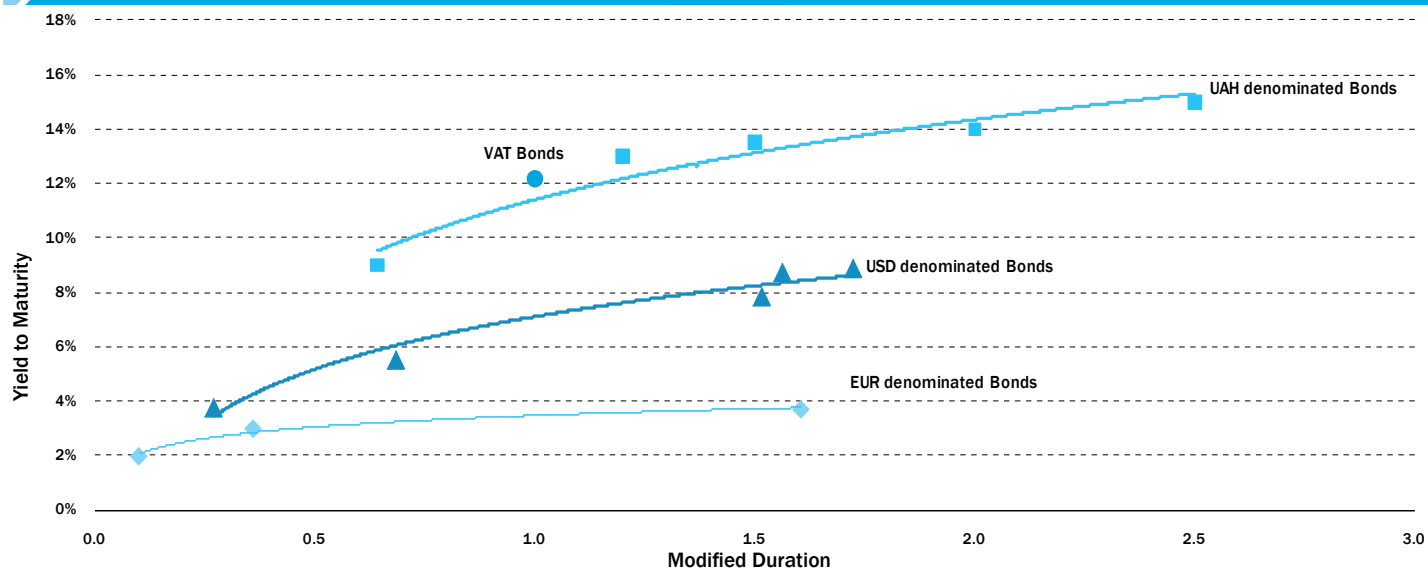
### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	5.4%	5.3%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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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