

Market Update

Equity

Local Ukrainian stocks were higher on Thursday (Jan 30), underpinned by speculative growth in national flagship oil company UkrNafta and renewed momentum in the UX's best performing issue over the last three months, newly-privatized DonbasEnergy. Externally, the main US indices enjoyed a strong rebound after selling off sharply earlier in the week. The UX index added 0.8% to finish at 887 points. UkrNafta, which owes its shareholders a multi-year dividend payout, jumped 5.9% to UAH 123, and DonbasEnergy also added more than 5% to reach a new local maximum. The two issues were the day's volume leaders and combined for UAH 1.8mn in deals. Index heavyweights Motor Sich and CentrEnergy, which together account for 40% of the UX basket, were up by 0.5% and 1.0% respectively. Raiffeisen Aval lost 2.0% to 11.18 kopecks after having risen 4% the previous day. The main London-listed issues continued to sell off on elevated Ukraine country risk; MHP slumped 4.6% to USD 15.60 and Ferrexpo was down another 1.9%, bringing its decline from two weeks ago to near 18%.

Fixed Income

Ukrainian sovereigns got clobbered on Thursday after the Kremlin said it is suspending its bailout for Ukraine until the appointment of a new prime minister in Kyiv. Ukraine-23s lost 2.0p.p. to 85.2/86.7 (10.0%/9.7%), increasing their spread over benchmark US Treasuries to 720 basis points. Corporate names were also on shaky ground, with Metinvest-18s and MHP-20s declining by 1.9p.p. and 1.2p.p. to close at 92.1/94.0 (11.4%/10.8%) and 82.9/84.7 (12.3%/11.8%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Donbasenergo	DOEN	32.08	5.2%	0.9	103
Ukrnafta	UNAF	123.40	5.9%	0.9	121
Centralny GOK	CGOK	7.000	3.0%	0.5	54

Growth Leaders

Ukrnafta	UNAF	123.40	5.9%	0.89	121
Donbasenergo	DOEN	32.08	5.2%	0.94	103
Centralny GOK	CGOK	7.00	3.0%	0.54	54

Loss Leaders

Khartsyzk Pipe	HRTR	0.49	-3.0%	0.258	8
Raiffeisen Bank Aval	BAVL	0.11	-2.0%	0.166	46
Azovstal	AZST	0.60	-1.2%	0.035	7

Highlights

POLITICS AND ECONOMICS

- UkrStat: GDP Jumped 3.7% YoY in 4Q13, Flat for FY13

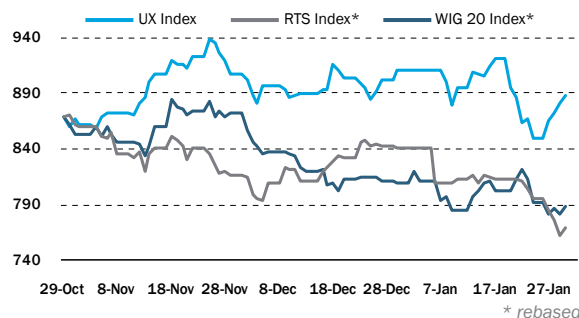
STOCKS IN THE NEWS

- Metinvest: New GOK Share Issues Will Allow Minority Subscriptions

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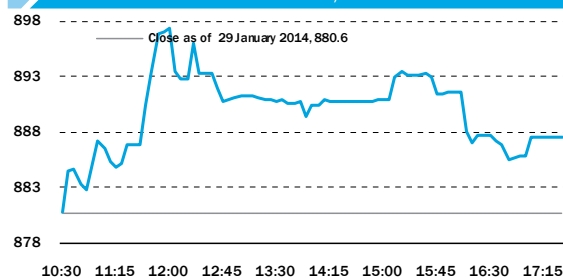
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	887.5	0.8%	-2.5%	-2.5%
RTS	1320.9	1.0%	-8.4%	-8.4%
WIG20	2335.9	1.0%	-2.7%	-2.7%
MSCI EM	936.4	0.0%	-6.5%	-6.5%
S&P 500	1794.2	1.1%	-2.5%	-2.5%

UX INTRADAY JANUARY 30, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	376.8	0.6%	13.9%	13.9%
CDS 5Y UKR	1005.7	8.4%	22.6%	22.6%
Ukraine-17	10.3%	0.6 p.p.	1.3 p.p.	1.3 p.p.
Naftogaz Ukr-14	16.9%	1.8 p.p.	7.2 p.p.	8.1 p.p.
Ukraine-23	9.9%	0.4 p.p.	0.9 p.p.	2.4 p.p.
Privatbank-16	21.0%	0.3 p.p.	-3.7 p.p.	-3.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.47	-0.1%	2.7%	2.7%
EUR	11.39	-1.6%	0.2%	0.2%
RUB	0.24	0.3%	-3.6%	-3.6%

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%	0.9%	0.9%
Oil, USD/bbl	108.0	0.1%	-2.7%	-2.9%
Gold, USD/oz	1243.9	-1.8%	4.0%	4.0%

*Ukraine FOB

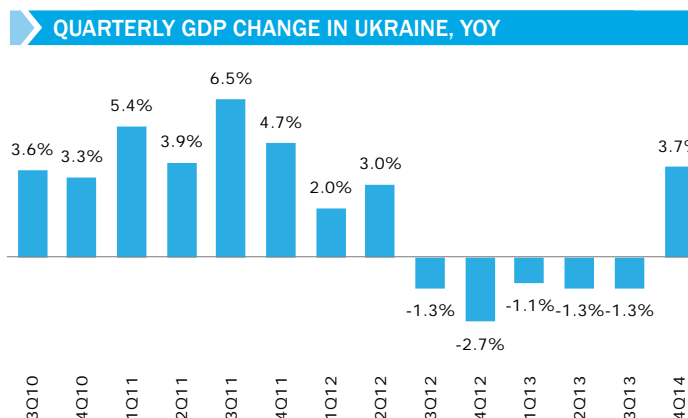
Source: Bloomberg, Ukrainian Exchange

UkrStat: GDP Jumped 3.7% YoY in 4Q13, Flat for FY13

by Dmitry Churin
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NEWS

Ukraine's GDP sharply reversed its decline of the first three quarters of 2013, growing by 3.7% YoY in 4Q13, according to preliminary data from the State Statistics Committee (UkrStat) published on Thursday (Jan 30). This brought the full-year change in GDP to back to flat. UkrStat said the country's nominal GDP for the year amounted to UAH 1.44tn (USD 177bn) in 2013.



Source: State Statistics Committee, Eavex Research

COMMENTARY

The turnaround in 4Q is surprising, although we suppose it could be explained by the two factors of 4Q12's sharply weaker comparison base along with the record high nationwide grain harvest of 63mn tonnes. UkrStat, a government agency, may also have been under orders not to show a full-year decline for the country's GDP; it was quite unexpected for us that Ukraine's economy did not show a contraction in 2013 given the drop of nearly 5% YoY registered in industrial output. The State Statistics Committee has not yet published its breakdown of GDP components.

For 2014, we are currently forecasting that Ukraine's economy will grow by 2.5% (the government forecasted growth at 3.0%). Among the main drivers for the economy will be a gradual recovery in steel demand on international markets and continued improvement in private consumption. As was reported previously, retail sales in Ukraine rose by 9.5% YoY in FY13.

Metinvest: New GOK Share Issues Will Allow Minority Subscriptions

by Ivan Dzvinka
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NEWS

In the first stage of the additional share issues at iron ore companies Pivnichny GOK and Centralny GOK, minority shareholders will be eligible to subscribe to the new shares, a representative of Metinvest (the majority stakeholder in both companies) told Eavex Capital on Thursday (Jan 30). However, the representative refused to shed any light on the reason for the new share issue as well as its volume.

COMMENTARY

With this statement, Metinvest has refuted presumptions that the new share issue is deliberately aimed at diluting the stakes of minority shareholders. However, we still think that the reason for the move is to increase the share of Metinvest in the share capital of both GOKs. We see this goal as being achieved via two means. First, minorities who vote against the additional issue will receive the right to sell their shares to Metinvest at a fixed price, and will probably choose to do so. This category will definitely include many pensioners who will be reluctant to pay even relatively low nominal fee of UAH 0.25 per newly issued share (par value and also the subscription price). Further, in the second stage of the share issue, Metinvest is likely to realize its right to subscribe to the lion's share of the unsubscribed shares remaining from the first stage.

Given the low trading frequency of the stock of both GOKs and the high uncertainty regarding the future dividend policy of the companies, we maintain our recommendation to vote against the additional share issue and use this voting-derived right to sell shares at a predetermined price (i.e. market price on the day prior to EGM announcement) to the issuer. No dividends were approved in 2013 at both mining companies after a nearly decade-long history of dividend payouts.

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	156.6	218.0	39%	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%	Susp.	The rating is suspended after the news in late January that CGOK's EGM on 14 Feb 2014 intends to approve additional share issue with new shares to be privately placed. No details were specified.
Centralny GOK	CGOK	7.00	10.6	52%	Susp.	The rating is suspended after the news in late January that CGOK's EGM on 14 Feb 2014 intends to approve additional share issue with new shares to be privately placed. No details were specified.
Coke						
Avdyivka Coke	AVDK	2.72	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	0.58	3.4	495%	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	0.36	2.9	718%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.8	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.49	5.2	251%	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	1747	5250	201%	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	12.5	42.0	236%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	72.3	370	412%	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	32.1	72.0	124%	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	4.46	15.00	236%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	15.6	22.10	42%	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	66.0	90.0	36%	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	11.3	19.35	72%	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	80.0	109.50	37%	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	887.49	1061.97	781.22	0.8%	2.4%	-2.5%	-2.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.3%	1.7%	-7.2%	-7.2%	-0.5%	-0.7%	-4.7%	-4.7%
Azovstal	AZST	0.60	0.90	0.31	-2.0%	0.7%	-10.7%	-10.7%	-2.7%	-1.7%	-8.3%	-8.3%
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	0.3%	-0.6%	-2.2%	-2.2%	-0.5%	-3.0%	0.3%	0.3%
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	0.11	0.26	0.05	22.2%	-26.7%	10.0%	10.0%	21.4%	-29.1%	12.5%	12.5%
Coke												
Avdyivka Coke	AVDK	2.72	4.80	1.60	-0.4%	1.7%	-8.0%	-8.0%	-1.1%	-0.7%	-5.6%	-5.6%
Yasynivsky Coking	YASK	0.58	0.85	0.49	5.5%	5.5%	9.4%	9.4%	4.7%	3.1%	11.9%	11.9%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	2.9%	11.1%	7.7%	7.7%	2.2%	8.7%	10.2%	10.2%
Ferrexpo	FXPO	2.58	4.55	2.02	-2.3%	-6.4%	-18.2%	-18.2%	-3.1%	-8.8%	-15.7%	-15.7%
Pivnichny GOK	SGOK	8.00	10.00	5.77	-4.8%	-1.5%	0.0%	0.0%	-5.5%	-3.9%	2.5%	2.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.36	0.71	0.10	16.1%	2.9%	-10.0%	-10.0%	15.4%	0.5%	-7.5%	-7.5%
Komsomolets Donbasa	SHKD	0.43	n/a	n/a	0.0%	-23.2%	-30.6%	-30.6%	-0.8%	-25.6%	-28.2%	-28.2%
Energy Coal	CLE	0.37	4.57	0.31	-1.1%	10.4%	6.4%	6.4%	-1.9%	8.0%	8.9%	8.9%
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	0.49	0.86	0.30	-2.0%	-2.0%	-18.3%	-18.3%	-2.8%	-4.4%	-15.9%	-15.9%
Interpipe NMPP	NVTR	0.20	n/a	n/a	0.0%	-4.8%	-4.8%	-4.8%	-0.8%	-7.1%	-2.3%	-2.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.8	29.0	12.0	0.6%	8.9%	2.9%	2.9%	-0.2%	6.5%	5.4%	5.4%
Luhanskeplovoz	LTPL	1.49	2.20	1.26	2.1%	0.7%	-0.7%	-0.7%	1.3%	-1.7%	1.8%	1.8%
Stakhanov Wagon	SVGZ	1.27	n/a	n/a	0.0%	0.0%	-2.3%	-2.3%	-0.8%	-2.4%	0.2%	0.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-5.5%	-1.9%	-1.9%	-0.8%	-7.8%	0.6%	0.6%
Motor Sich	MSICH	1.747	2,640	1,303	0.5%	0.7%	-4.2%	-4.2%	-0.3%	-1.7%	-1.7%	-1.7%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-0.8%	-2.4%	2.5%	2.5%
Turboatom	TATM	1.80	n/a	n/a	0.0%	n/a	-48.6%	-48.6%	-0.8%	n/a	-46.1%	-46.1%
WESTA ISIC	WES	0.15	0.26	0.13	-5.0%	-2.0%	15.6%	15.6%	-5.8%	-4.4%	18.1%	18.1%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	0.2%	26.6%	26.6%	-0.8%	-2.2%	29.1%	29.1%
Oil & Gas												
Regal Petroleum	RPT	0.21	0.50	0.19	-4.3%	-10.6%	-2.1%	-2.1%	-5.1%	-13.0%	0.3%	0.3%
JKX Oil	JKX	1.19	1.21	0.75	2.3%	3.1%	0.5%	0.5%	1.5%	0.7%	3.0%	3.0%
Ukrnafta	UNAF	123	280	96	5.9%	11.6%	13.6%	13.6%	5.1%	9.2%	16.1%	16.1%
Power Utilities												
Centrenerg	CEEN	4.46	7.40	2.50	1.0%	0.0%	-6.5%	-6.5%	0.2%	-2.4%	-4.0%	-4.0%
Donbasenergo	DOEN	32.1	34.0	15.4	5.2%	8.1%	16.3%	16.3%	4.4%	5.7%	18.8%	18.8%
Zakhidenergo	ZAEN	120.0	120.0	64.0	0.0%	31.6%	32.7%	32.7%	-0.8%	29.2%	35.2%	35.2%
Consumer												
Agroton	AGT	0.82	3.6	0.36	0.5%	10.4%	27.0%	27.0%	-0.3%	8.1%	29.4%	29.4%
Astarta	AST	21.1	24.4	14.5	-1.8%	-1.4%	-5.0%	-5.0%	-2.6%	-3.8%	-2.5%	-2.5%
Avangardo	AVGR	11.3	13.0	7.61	-2.1%	-3.0%	-4.3%	-4.3%	-2.9%	-5.4%	-1.8%	-1.8%
Industrial Milk Company	IMC	3.36	5.25	3.36	-8.1%	-7.3%	-16.8%	-16.8%	-8.9%	-9.7%	-14.3%	-14.3%
Kernel	KER	12.5	22.6	11.8	-4.4%	-7.1%	-1.4%	-1.4%	-5.2%	-9.5%	1.0%	1.0%
Mriya Agro Holding	MAYA	7.05	8.2	5.36	-0.2%	-0.3%	-5.4%	-5.4%	-1.0%	-2.7%	-3.0%	-3.0%
MHPC	MHPC	15.6	19.9	14.15	-4.2%	-11.0%	-8.2%	-8.2%	-5.0%	-13.3%	-5.8%	-5.8%
Milkiland	MLK	3.02	5.1	3.02	-6.5%	-5.7%	-27.3%	-27.3%	-7.3%	-8.1%	-24.9%	-24.9%
Ovostar Union	OVO	25.6	33.3	21.3	-1.5%	-6.5%	-22.9%	-22.9%	-2.3%	-8.8%	-20.5%	-20.5%
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	13.1	n/a	n/a	-3.0%	4.8%	4.8%	4.8%	-3.7%	2.4%	7.3%	7.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.112	0.128	0.077	-1.9%	4.3%	-1.5%	-1.5%	-2.7%	1.9%	1.0%	1.0%
UkrSotsbank	USCB	0.181	0.257	0.111	1.1%	0.3%	-3.7%	-3.7%	0.3%	-2.1%	-1.3%	-1.3%

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	884	856	679	665	613	4	90	115	0.5%	10.1%	13.5%
Ukrspotsbank	USCB	4,854	5,283	4,949	957	1,064	1,016	451	366	461	1	1	20	0.1%	0.1%	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	39	8.8%	3	33	4.6	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	11	\$/tonne
Azovstal	AZST	297	3.0%	9	279	neg	neg	neg	neg	neg	7.9	0.1	0.1	0.1	61	62	61	\$/tonne
Coke																		
Avdyivka 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	19	9.0%	2	20	2.2	1.7	4.0	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	969	0.3%	2	968	10.2	5.4	6.5	4.2	3.1	3.5	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,178	0.4%	9	2,171	5.0	4.0	4.7	2.9	2.4	2.7	1.5	1.3	1.4				
Ferrexpo	FXPO	1,519	24.0%	365	2,085	7.0	6.3	6.1	5.2	4.8	4.6	1.5	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	17	5.4%	1	119	2.4	1.0	1.0	0.9	1.3	1.3	0.4	0.5	0.5	29	28	26	\$/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	150	2.0%	3	196	4.5	8.8	7.5	3.8	6.3	5.7	0.4	0.6	0.5	311	516	490	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	39	24.0%	9	80	8.0	2.2	1.9	2.8	2.3	2.1	0.4	0.2	0.2				
Kruviv Wagon	KVBZ	241	5.0%	12	241	2.5	9.8	10.8	1.8	3.7	4.0	0.3	0.6	0.6				
Stakhanov Wagon	SVGZ	34	8.0%	3	73	>30	neg	neg	10.2	12.4	13.4	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	429	24.0%	103	447	2.1	2.3	2.1	1.4	1.9	1.7	0.5	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	308	7.2%	22	630	6.8	6.2	4.7	3.1	2.9	3.0	0.8	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	791	3.0%	24	782	4.5	6.0	6.5	2.5	2.1	2.2	0.4	0.3	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	66	21.6%	14	38	5.7	13.1	5.2	1.8	2.2	1.2	0.7	1.0	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	204	50.4%	103	313	neg	10.2	8.5	2.3	3.7	3.5	1.5	1.5	1.4	57	43	42	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	195	21.7%	42	263	6.8	4.5	3.9	3.8	4.3	3.8	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	90	14.2%	13	160	23.4	1.8	2.1	5.0	2.2	2.5	0.3	0.2	0.2	20	21	20	\$/MWh
Consumer																		
MHP	MHPC	1,649	34.1%	562	2,810	5.3	8.1	6.1	6.0	6.8	5.2	2.0	2.0	1.7				
Kernel	KER	995	61.8%	614	1,701	4.7	9.5	12.9	5.3	5.9	6.6	0.8	0.6	0.7				
Astarta	AST	529	37.0%	196	862	9.1	6.8	4.7	7.9	6.9	5.1	1.9	1.7	1.4				
Avangardco	AVGR	719	22.5%	162	918	3.1	2.7	2.4	3.3	2.8	2.5	1.5	1.3	1.2	208	158	149	\$/mneggs
Agroton	AGT	18	26.2%	5	67	2.6	neg	neg	3.3	5.3	5.7	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	397	3.6%	14		>30	4.4	3.4	0.5	0.4	0.5	0.07	0.07	0.07				
Ukrsotsbank	USCB	393	1.4%	5		>30	>30	19.8	0.5	0.4	0.4	0.08	0.08	0.08				

Source: Eavex Research

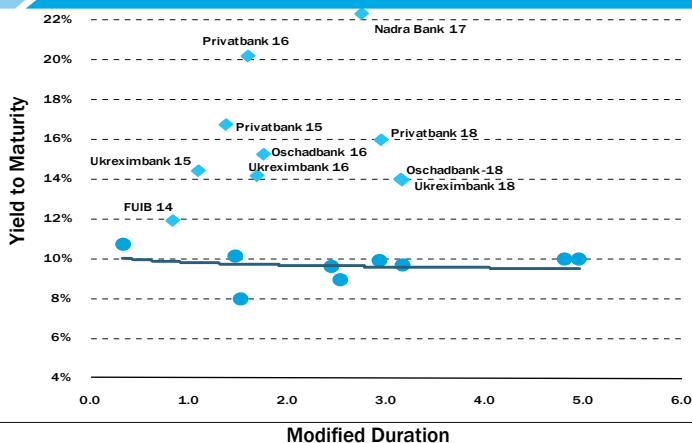
UKRAINIAN EUROBONDS

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	98.5	100.0	14.7%	9.0%	-0.7%	0.3	7.95%	S/A	6 Apr. 2014	1,000	Caa1/B-/B-
Naftogaz Ukraine, 2014	94.9	96.2	22.4%	19.5%	-4.9%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	92.0	93.5	10.8%	9.6%	-3.4%	1.5	4.95%	A	13 Oct 2015	600*	Caa1/B-/B-
Ukraine, 2015	92.6	94.6	12.7%	11.1%	-4.2%	1.4	6.875%	S/A	23 Sept 2015	500	Caa1/B-/B-
Ukraine, 2016	91.5	93.5	10.4%	9.5%	-1.7%	2.4	6.58%	S/A	21 Nov 2016	1,000	Caa1/B-/B-
Ukraine, 2016-2	91.8	93.8	9.7%	8.9%	-1.6%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa1/B-/B-
Ukraine, 2017	88.1	90.1	10.9%	10.1%	-3.9%	3.1	6.75%	S/A	14 Nov 2017	700	Caa1/B-/B-
Ukraine, 2017-2	95.9	97.4	10.9%	10.3%	-2.5%	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	87.5	89.0	10.6%	10.2%	-5.2%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa1/B-/B-
Ukraine, 2021	88.1	90.1	10.4%	10.0%	-4.9%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa1/B-/B-
Ukraine, 2022	85.5	86.5	10.4%	10.2%	-5.5%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa1/B-/B-
Ukraine, 2023	85.2	86.7	10.0%	9.7%	-5.1%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa1/B-/B-
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.3%	29.9%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.8	100.8	11.4%	10.9%	-3.1%	1.1	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	82.9	84.7	12.3%	11.8%	-6.3%	4.4	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2015	100.0	102.1	10.6%	9.2%	n/a	1.5	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.1	91.9	14.1%	13.5%	0.9%	3.1	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	97.5	100.0	13.1%	11.7%	-1.5%	1.8	10.95%	S/A	30 Mar 2016	72	/B-/B-
Mriya, 2018	84.0	86.0	14.7%	13.9%	-2.4%	3.2	9.45%	S/A	19 Apr 2018	400	/B-/B-
DTEK, 2015	99.0	100.0	11.3%	10.3%	-2.7%	1.1	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	90.8	91.9	10.6%	10.3%	-3.1%	3.3	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	99.0	100.5	12.0%	10.6%	0.2%	1.2	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	92.1	94.0	11.4%	10.8%	-2.1%	3.1	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	92.9	94.2	12.2%	11.2%	-4.5%	1.9	7.875%	S/A	07 Apr 2016	500	/B-/B-
UZ Rail, 2018	88.3	91.0	13.1%	12.2%	-2.2%	3.3	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	77.0	80.1	20.3%	18.4%	0.0%	2.5	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	112.8	114.5	7.7%	7.3%	2.4%	3.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	88.0	98.0	12.9%	10.0%	0.0%	3.9	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	97.3	99.5	17.7%	14.1%	-0.1%	0.8	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017	80.1	91.0	25.2%	14.8%	0.0%	2.7	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	87.0	90.0	20.9%	18.1%	-0.7%	1.3	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	72.0	80.0	24.8%	18.5%	8.1%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	85.0	87.1	16.0%	15.2%	2.8%	2.9	10.88%	S/A	28 Feb 2018	175	Caa1//B-
UkrEximBank, 2015	90.0	92.0	19.5%	17.2%	-5.7%	1.1	8.38%	S/A	27 Apr 2015	750	Caa1//B-
UkrEximBank, 2016	81.0	81.0	18.4%	18.4%	-5.0%	1.6	8.40%	S/A	2 Sept 2016	125	Caa1//B-
UkrEximBank, 2018	80.0	83.0	15.7%	14.5%	-8.6%	3.1	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	84.0	86.0	19.0%	17.5%	-8.7%	1.7	8.25%	S/A	10 Mar 2016	700	Caa1//B-
Oschadbank, 2018	79.0	81.0	16.0%	15.2%	-10.1%	3.1	8.88%	S/A	20 Mar 2018	500	Caa1//B-
Municipal Eurobonds											
City of Kyiv, 2015	92.0	94.0	13.9%	12.5%	0.0%	1.5	8.00%	S/A	6 Nov 2015	250	Caa1/B-/
City of Kyiv, 2016	92.0	94.0	13.3%	12.3%	0.0%	2.1	9.375%	S/A	30 Jun 2016	300	Caa1/B-/

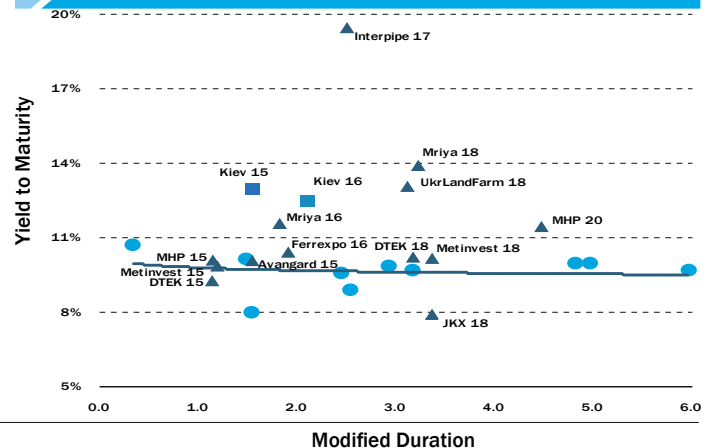
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



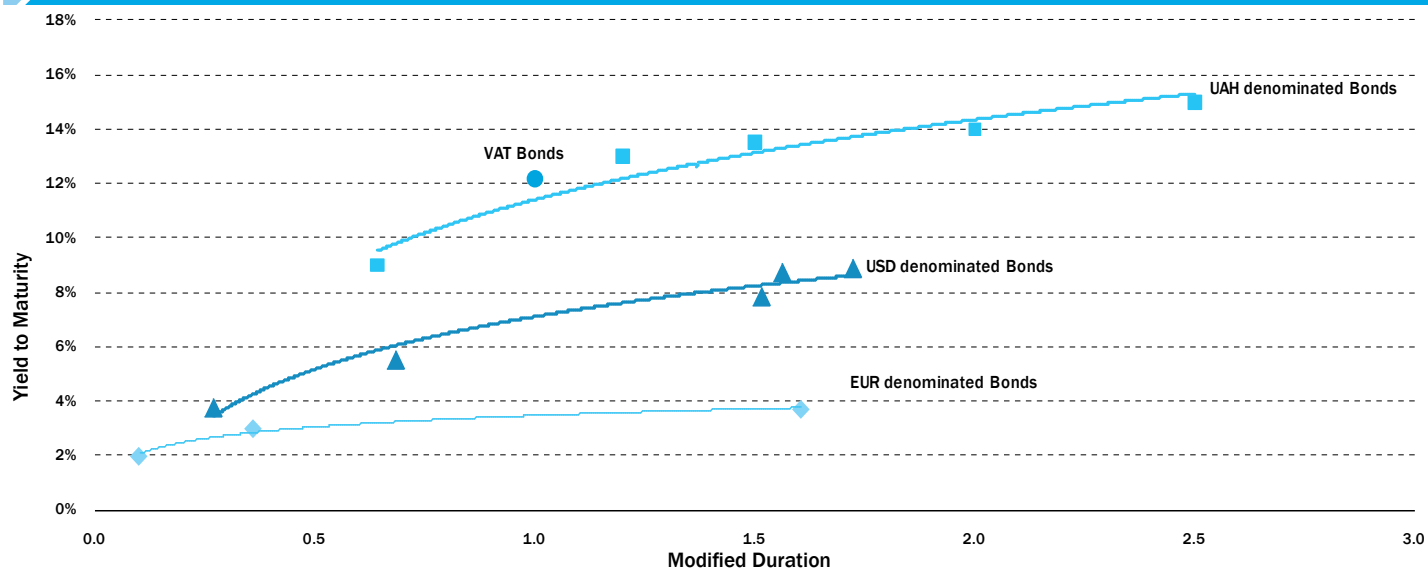
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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