

**Market Update**

**Equity**

Kyiv-listed stocks started off the new month by ending lower on Monday (Feb 3) in an unremarkable session that saw three of the 10 local blue chips, including top financial names UkrSotsbank and Raiffeisen Aval, post negligible trading volumes. Externally, the major global indices continued to sell off, with US bourses suffering the worst; the S&P 500 and the DJIA both slid more than 2% after the release of worse-than-expected US manufacturing data. The UX index finished with a loss of 0.8% at 883 points. UkrNafta was the most notable mover, dropping by 2.9% to UAH 123 after having moved up nearly 20% in recent days on speculative buying. DonbasEnergo and Yenakievo Steel both shed 0.7%, while top liquid name Motor Sich was essentially unchanged on volume of UAH 3.1mn. In London, somewhat ironically given the negative global sentiments, Ferrexpo finally was able to halt its long slide, correcting upward by 1.7%.

**Fixed Income**

Ukraine's sovereign Eurobonds rebounded on Monday amid hopes for a Western financing package for the country, with benchmark Ukraine-23s improving by 1.7p.p. to close at 86.8/88.3 (9.7%/9.4%). Meanwhile, corporate names were mostly lower, with DTEK-18s declining by 1.4p.p. and finishing at 88.3/89.2 (11.5%/11.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1734.00	-0.1%	3.1	38
Centrenergo	CEEN	4.42	-0.5%	1.7	64
Ukrnafta	UNAF	122.900	-2.9%	1.1	44

**Growth Leaders**

Bank Forum	FORM	0.70	15.0%	0.35	7
Pivnichny GOK	SGOK	8.10	1.3%	0.27	8
Motor Sich	MSICH	1734.00	-0.1%	3.09	38

**Loss Leaders**

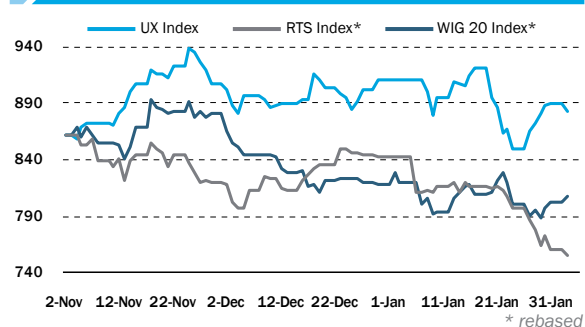
Ukrnafta	UNAF	122.90	-2.9%	1.102	44
Azovstal	AZST	0.59	-0.8%	0.005	9
Donbasenergo	DOEN	32.00	-0.7%	0.113	32

**Highlights**

**POLITICS AND ECONOMICS**

- > Yanukovich Floats Idea of Early Presidential, Parliamentary Elections
- > FY13 Sugar Output Was 1.2mn t (-46% YoY), Should Rebound to 1.8mn t in 2014/15 MY

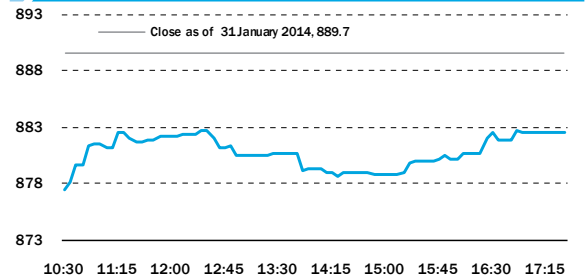
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	882.6	-0.8%	-3.0%	-3.0%
RTS	1293.2	-0.6%	-10.4%	-10.4%
WIG20	2369.6	0.6%	-1.5%	-1.3%
MSCI EM	926.7	-1.0%	-5.4%	-7.5%
S&P 500	1741.9	-2.3%	-4.9%	-5.4%

**UX INTRADAY FEBRUARY 3, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	396.5	1.7%	20.7%	19.9%
CDS 5Y UKR				
Ukraine-17	10.5%	-0.4 p.p.	1.4 p.p.	1.5 p.p.
Naftogaz Ukr-14	18.2%	0.0 p.p.	8.7 p.p.	9.5 p.p.
Ukraine-23	9.6%	-0.3 p.p.	0.5 p.p.	2.1 p.p.
Privatbank-16	23.3%	2.3 p.p.	0.2 p.p.	-1.4 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.66	0.4%	5.1%	5.0%
EUR	11.73	0.9%	4.9%	3.2%
RUB	0.24	-0.4%	-1.6%	-2.7%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	265.4	0.0%	-7.7%	-7.7%
Steel, USD/t	537.5	-0.9%	0.0%	0.0%
Oil, USD/bbl	106.0	-0.3%	-0.5%	-4.6%
Gold, USD/oz	1257.7	1.1%	1.7%	5.1%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Yanukovich Floats Idea of Early Presidential, Parliamentary Elections

by Will Ritter  
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### NEWS

Party of Regions MP Yuriy Miroshnychenko said on Monday evening (Feb 3) that President Yanukovich sees early presidential and parliamentary elections as a way to resolve the current political standoff in Ukraine, Reuters reported this morning. "The president said that if politicians can't now come to an agreement, reach joint decisions and implement them, then the only democratic way of resolving the situation is early elections," Reuters quoted Miroshnychenko as saying. The MP, who is one of Yanukovich's most prominent moderate allies, also said that the President will not declare a state of emergency to clear the EuroMaidan protest from central Kyiv.

### COMMENTARY

The proposal for early elections for both the presidency (the election is due in March 2015) and Parliament (due in late 2017), looks to us like an attempt by Yanukovich to re-take the initiative in the crisis, after having been on the defensive for the past two weeks since the outbreak of the Hrushevsky Street violence. A presidential election in the next few months could put the opposition in an uncomfortable position, as they would be forced to choose their presidential candidate from among several rivals, which could fracture the EuroMaidan movement. Further, the opposition has absolutely nothing to gain from an early parliamentary election unless the single mandate districts are abolished, as the electoral math in mostly pro-Russian Eastern Ukraine is no different now than it was in 2012 and in previous elections. Today's Reuters article stated that Yanukovich leads all potential presidential candidates in the polls, but this is misleading, as the opposition vote is split in opinion polls among several hopefuls, any of whom would be projected to defeat Yanukovich in a one-on-one matchup. We therefore believe that yesterday's remarks by Miroshnychenko are likely a bluff designed to derail Western proposals for an interim unity government and to sow infighting among the opposition.

**FY13 Sugar Output Was 1.2mn t (-46% YoY), Should Rebound to 1.8mn t in 2014/15 MY**

by Ivan Dzvinka  
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**NEWS**

Ukrainian sugar beet refineries have completed their 2013 processing campaign, and produced 1.2mn tonnes of sugar in the recent season, the UNIAN news agency reported, citing the UkrSugar industry association on Monday (Feb 3). This represents a decline of 45.5% YoY. The number of sugar plants in operation in the season was 38 vs. 63 in 2012 (and, for reference, 120 in 2006).

**COMMENTARY**

The drop in sugar output this season was expected against the backdrop of much less acreage in planted with sugar beet (306,000 hectares vs. 448,000 in 2012). The significant reduction in domestic output bodes well for sugar prices, which advanced by 25% over June - December 2013. Better pricing should improve the profitability levels of the remaining sugar makers, including Warsaw-listed Astarta. With sugar inventories in the amount of 900,000 tonnes from the previous season, Ukraine's domestic sugar consumption needs this year are sufficiently covered, according to UkrSugar chief Mykola Yarchuk. Yarchuk forecasts that in the current season, some 350,000 ha of lands will be sown with sugar beet and sugar production will reach 1.8mn tonnes in the 2014/15 marketing year (September 2014 - August 2015).

## 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	154.6	218.0	41%	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	8.10	-	-	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	-	-	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.
<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	519%	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	0.36	2.9	718%	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	17.5	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.52	5.2	244%	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	1734	5250	203%	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	12.8	42.0	229%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	71.3	370	419%	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>						
DonbasEnerg	DOEN	32.0	72.0	125%	BUY	DonbasEnerg 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%.
CenterEnerg	CEEN	4.42	15.00	239%	BUY	CenterEnerg'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	15.0	22.10	47%	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	66.3	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	11.5	19.35	69%	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	81.5	109.50	34%	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	882.60	1061.97	781.22	-0.8%	2.1%	-3.0%	-3.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	1.1%	-7.5%	-7.5%	0.8%	-1.0%	-4.5%	-4.5%
Azovstal	AZST	0.59	0.90	0.31	-0.8%	-0.3%	-11.9%	-11.9%	0.0%	-2.4%	-8.9%	-8.9%
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	-0.9%	1.1%	-2.1%	-2.1%	-0.1%	-1.0%	0.9%	0.9%
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	-15.4%	22.2%	10.0%	10.0%	-14.6%	20.1%	13.0%	13.0%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.74	4.80	1.60	-0.3%	0.0%	-7.6%	-7.6%	0.5%	-2.1%	-4.6%	-4.6%
Yasnyivsky Coking	YASK	0.56	0.85	0.49	-3.4%	0.0%	5.7%	5.7%	-2.7%	-2.1%	8.7%	8.7%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	11.1%	7.7%	7.7%	0.8%	9.0%	10.7%	10.7%
Ferrexpo	FXPO	2.52	4.55	2.02	0.8%	-3.7%	-17.9%	-20.1%	1.6%	-5.8%	-14.9%	-17.0%
Pivnichny GOK	SGOK	8.10	10.00	5.77	1.3%	-1.2%	1.3%	1.3%	2.0%	-3.3%	4.3%	4.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.36	0.71	0.10	0.0%	16.1%	-10.0%	-10.0%	0.8%	14.0%	-7.0%	-7.0%
Komsomolets Donbasa	SHKD	0.43	n/a	n/a	0.0%	-28.3%	-30.6%	-30.6%	0.8%	-30.4%	-27.6%	-27.6%
Energy Coal	CLE	0.36	4.57	0.31	1.0%	7.4%	10.2%	2.9%	1.8%	5.3%	13.2%	5.9%
<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%	0.0%	-16.7%	-16.7%	0.8%	-2.1%	-13.7%	-13.7%
Interpipe NMPP	NVTR	0.22	n/a	n/a	4.8%	4.8%	4.8%	4.8%	5.6%	2.7%	7.8%	7.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.5	29.0	12.0	0.0%	-1.4%	1.2%	1.2%	0.8%	-3.4%	4.2%	4.2%
Luhanskeplovoz	LTPL	1.52	2.20	1.26	0.0%	9.4%	1.3%	1.3%	0.8%	7.3%	4.3%	4.3%
Stakhanov Wagon	SVGZ	1.27	n/a	n/a	0.0%	5.8%	-2.3%	-2.3%	0.8%	3.7%	0.7%	0.7%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-2.7%	-8.0%	-4.5%	-4.5%	-1.9%	-10.1%	-1.5%	-1.5%
Motor Sich	MSICH	1,734	2,640	1,303	0.2%	1.6%	-4.9%	-4.9%	1.0%	-0.5%	-1.9%	-1.9%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.0%	0.0%	0.0%	0.8%	-2.1%	3.0%	3.0%
Turboatom	TATM	1.80	n/a	n/a	0.0%	-47.8%	-48.6%	-48.6%	0.8%	-49.9%	-45.6%	-45.6%
WESTA ISIC	WES	0.15	0.26	0.13	-2.0%	-2.1%	-6.5%	10.0%	-1.2%	-4.2%	-3.5%	13.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	23.7%	26.6%	26.6%	0.8%	21.6%	29.7%	29.7%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.21	0.48	0.19	-0.9%	-5.3%	5.5%	-1.2%	-0.1%	-7.4%	8.5%	1.8%
JKX Oil	JKX	1.16	1.21	0.75	-1.2%	2.3%	-1.1%	-1.9%	-0.5%	0.2%	2.0%	1.1%
Ukrnafta	UNAF	123	280	96	-2.8%	9.7%	13.2%	13.2%	-2.1%	7.6%	16.2%	16.2%
<b>Power Utilities</b>												
Centrenerg	CEEN	4.42	7.40	2.50	-0.5%	0.5%	-7.3%	-7.3%	0.3%	-1.6%	-4.3%	-4.3%
Donbasenergo	DOEN	32.0	34.0	15.4	-0.9%	7.7%	16.0%	16.0%	-0.1%	5.7%	19.0%	19.0%
Zakhidenergo	ZAEN	119.0	120.0	64.0	0.0%	42.5%	31.6%	31.6%	0.8%	40.4%	34.7%	34.7%
<b>Consumer</b>												
Agroton	AGT	0.78	3.6	0.36	-1.5%	5.7%	9.7%	19.7%	-0.7%	3.6%	12.7%	22.7%
Astarta	AST	21.1	24.4	14.5	0.3%	-1.1%	-5.0%	-5.3%	1.1%	-3.2%	-1.9%	-2.2%
Avangardo	AVGR	11.5	13.0	7.61	-0.6%	4.4%	0.7%	-2.3%	0.2%	2.3%	3.7%	0.7%
Industrial Milk Company	IMC	3.16	5.25	3.16	-1.1%	-14.7%	-24.2%	-21.9%	-0.3%	-16.8%	-21.2%	-18.9%
Kernel	KER	12.3	22.4	11.8	1.5%	-6.7%	-8.6%	-3.0%	2.3%	-8.8%	-5.6%	0.0%
Mriya Agro Holding	MAYA	7.16	8.2	5.36	2.0%	1.3%	3.1%	-3.9%	2.8%	-0.8%	6.1%	-0.8%
MHPC	MHPC	15.0	19.9	14.15	-0.5%	-10.0%	-15.4%	-11.7%	0.3%	-12.1%	-12.4%	-8.7%
Milkiland	MLK	3.17	5.1	3.02	1.9%	1.2%	-17.6%	-23.7%	2.7%	-0.9%	-14.6%	-20.7%
Ovostar Union	OVO	25.9	33.3	21.3	0.5%	-4.6%	-17.2%	-22.1%	1.3%	-6.7%	-14.2%	-19.0%
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	13.1	n/a	n/a	0.2%	-5.2%	5.0%	5.0%	1.0%	-7.3%	8.1%	8.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.113	0.128	0.077	-1.1%	4.4%	-0.6%	-0.6%	-0.3%	2.4%	2.4%	2.4%
UkrSotsbank	USCB	0.174	0.257	0.111	-5.9%	-5.7%	-7.2%	-7.2%	-5.2%	-7.8%	-4.2%	-4.2%

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
<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	884	856	679	665	613	4	90	115	0.5%	10.1%	13.5%
Ukrspasbank	USCB	4,854	5,283	4,949	957	1,064	1,016	451	360	453	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			
<b>Steel</b>																		
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	287	3.0%	8	269	neg	neg	neg	neg	neg	7.6	0.1	0.1	0.1	59	60	59	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	62	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	0.6	1.0	0.0	0.1	0.1	0.7	0.6	1.0	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	948	0.3%	2	946	10.0	5.3	6.3	4.1	3.0	3.4	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,156	0.4%	9	2,150	4.9	3.9	4.7	2.9	2.4	2.6	1.5	1.3	1.4				
Ferrexpo	FXPO	1,484	24.0%	356	2,050	6.9	6.2	6.0	5.1	4.7	4.6	1.4	1.3	1.3				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	17	5.4%	1	119	2.3	1.0	1.0	0.9	1.3	1.3	0.4	0.5	0.5	29	28	26	\$/tonne
Coal Energy	CLE	16	25.0%	4	126	0.4	neg	neg	2.0	6.0	14.0	0.8	1.0	1.3	2.0	6.0	14.0	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	150	2.0%	3	196	4.5	8.7	7.5	3.8	6.3	5.7	0.4	0.6	0.5	311	515	490	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	38	24.0%	9	80	8.0	2.2	1.9	2.8	2.3	2.1	0.4	0.2	0.2				
Kruiiv Wagon	KVBZ	232	5.0%	12	232	2.4	9.4	10.4	1.7	3.6	3.9	0.3	0.5	0.6				
Stakhanov Wagon	SVGZ	33	8.0%	3	72	>30	neg	neg	10.1	12.3	13.3	0.2	0.4	0.5				
<b>Specialized Machinery</b>																		
Turboatom	TATM	171	5.8%	10	98	4.5	3.1	2.9	1.9	1.3	1.3	0.6	0.5	0.4				
Motor Sich	MSICH	416	24.0%	100	435	2.1	2.3	2.0	1.4	1.9	1.7	0.4	0.4	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	301	7.2%	22	623	6.7	6.1	4.6	3.0	2.9	3.0	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	770	3.0%	23	762	4.4	5.9	6.4	2.4	2.0	2.1	0.4	0.3	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	67	21.6%	14	38	5.7	13.2	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	199	50.4%	101	308	neg	10.0	8.3	2.3	3.6	3.4	1.5	1.5	1.3	56	42	41	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	189	21.7%	41	258	6.5	4.4	3.8	3.7	4.2	3.7	0.2	0.3	0.3	14	18	16	\$/MWh
DonbasEnergO	DOEN	87	14.2%	12	158	22.9	1.8	2.0	4.9	2.2	2.5	0.3	0.2	0.2	19	20	19	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,587	34.1%	541	2,747	5.1	7.8	5.9	5.9	6.7	5.0	2.0	1.9	1.7				
Kernel	KER	979	61.8%	605	1,685	4.6	9.3	12.7	5.2	5.8	6.6	0.8	0.6	0.7				
Astarta	AST	527	37.0%	195	861	9.1	6.7	4.7	7.9	6.9	5.1	1.9	1.7	1.4				
Avangardco	AVGR	733	22.5%	165	933	3.2	2.8	2.4	3.3	2.8	2.5	1.5	1.3	1.2	211	160	151	\$/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	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	391	3.6%	14		>30	4.4	3.4	0.5	0.4	0.5	0.07	0.07	0.07				
Ukrsotsbank	USCB	370	1.4%	5		>30	>30	19.4	0.5	0.3	0.4	0.08	0.07	0.08				

Source: Eavex Research

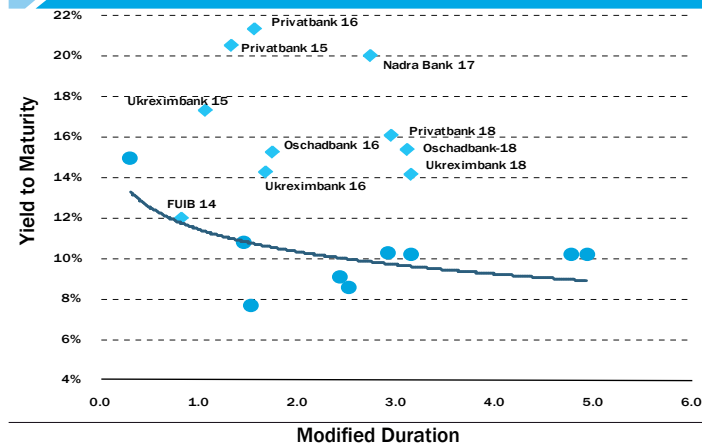
## UKRAINIAN EUROBONDS

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	19.3%	11.0%	-1.5%	0.3	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC+/B-
Naftogaz Ukraine, 2014	96.7	97.8	18.6%	16.1%	-3.2%	0.6	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	95.6	96.9	8.2%	7.2%	0.2%	1.5	4.95%	A	13 Oct 2015	600*	Caa2/CCC+/B-
Ukraine, 2015	94.2	95.7	11.4%	10.3%	-2.7%	1.4	6.875%	S/A	23 Sept 2015	500	Caa2/CCC+/B-
Ukraine, 2016	92.8	95.8	9.8%	8.4%	0.3%	2.4	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC+/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	Caa2/CCC+/B-
Ukraine, 2017	89.1	90.8	10.5%	9.9%	-3.0%	3.1	6.75%	S/A	14 Nov 2017	700	Caa2/CCC+/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	Caa2/CCC+/B-
Ukraine, 2017 Infr. projects	92.0	93.5	11.7%	11.1%	12.3%	3.0	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	88.8	90.4	11.3%	10.7%	14.1%	3.4	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	88.3	89.8	10.4%	10.0%	-4.3%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC+/B-
Ukraine, 2021	88.3	90.3	10.4%	10.0%	-4.7%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC+/B-
Ukraine, 2022	87.4	89.4	10.0%	9.6%	-2.9%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC+/B-
Ukraine, 2023	86.3	88.3	9.8%	9.4%	-3.6%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC+/B-
<b>Corporate Eurobonds</b>											
Agroton, 2014	50.0	54.4	33.4%	30.0%	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	Caa2//B-
MHP, 2020	83.5	85.6	12.1%	11.6%	-5.5%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC+/B-
Avangardco, 2015	99.9	101.3	10.7%	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	/CCC+/B-
Mriya, 2016	97.8	100.2	13.0%	11.5%	-1.2%	1.8	10.95%	S/A	30 Mar 2016	72	/CCC+/B-
Mriya, 2018	83.7	85.0	14.7%	14.3%	-3.1%	3.2	9.45%	S/A	19 Apr 2018	400	/CCC+/B-
DTEK, 2015	100.0	101.0	10.3%	9.3%	-1.7%	1.1	9.50%	S/A	28 Apr 2015	200	Caa2//B-
DTEK, 2018	91.6	92.2	10.4%	10.2%	-2.5%	3.3	7.88%	S/A	4 Apr 2018	750	Caa2//B-
Metinvest, 2015	99.9	101.3	11.2%	9.9%	-1.5%	1.2	10.25%	S/A	20 May 2015	500	Caa2//B-
Metinvest, 2018	94.4	96.0	10.7%	10.1%	0.2%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//B-
Ferrexpo, 2016	94.0	96.1	11.6%	10.2%	-3.0%	1.9	7.875%	S/A	07 Apr 2016	500	/CCC+/B-
UZ Rail, 2018	90.2	91.7	12.5%	12.0%	-0.9%	3.3	9.50%	S/A	21 May 2018	500	/CCC+/B-
Interepipe, 2017	77.0	80.1	20.4%	18.4%	0.0%	2.6	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	75.0	85.0	16.9%	13.5%	-3.6%	3.7	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	100.9	100.9	12.0%	12.0%	2.4%	0.8	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	80.2	90.3	25.2%	14.8%	0.0%	2.7	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	89.0	22.0%	19.1%	-1.8%	1.3	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	73.0	80.0	24.1%	18.6%	8.8%	1.6	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	84.9	87.0	16.1%	15.3%	2.7%	3.0	10.88%	S/A	28 Feb 2018	175	Caa2//B-
UkrEximBank, 2015	91.0	93.0	18.5%	16.2%	-4.6%	1.1	8.38%	S/A	27 Apr 2015	750	Caa2//B-
UkrEximBank, 2016	86.7	86.7	14.3%	14.3%	1.6%	1.7	8.40%	S/A	2 Sept 2016	125	Caa2//B-
UkrEximBank, 2018	82.1	83.9	14.5%	13.8%	-7.0%	3.2	8.75%	S/A	22 Jan 2018	500	Caa2//B-
VAB Bank, 2014	78.0	83.0	n/a	n/a	-5.8%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	88.9	89.8	15.5%	15.0%	-4.0%	1.7	8.25%	S/A	10 Mar 2016	700	Caa2//B-
Oschadbank, 2018	80.6	84.1	15.7%	15.0%	-7.5%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//B-
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	93.0	94.0	13.2%	12.5%	0.6%	1.5	8.00%	S/A	6 Nov 2015	250	Caa2/CCC+/
City of Kyiv, 2016	92.6	94.0	13.0%	12.3%	0.3%	2.1	9.375%	S/A	30 Jun 2016	300	Caa2/CCC+/

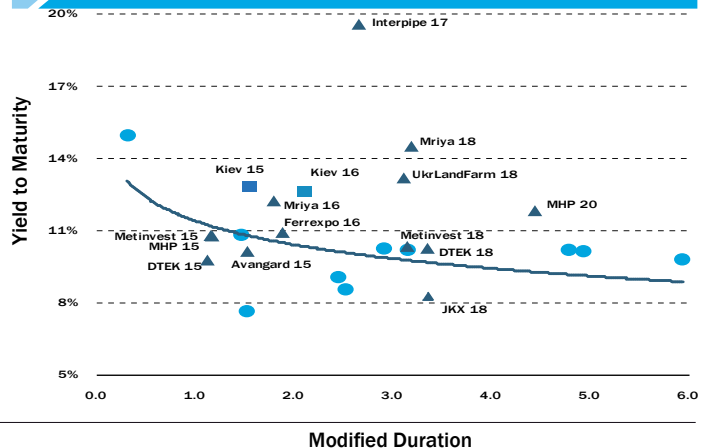
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

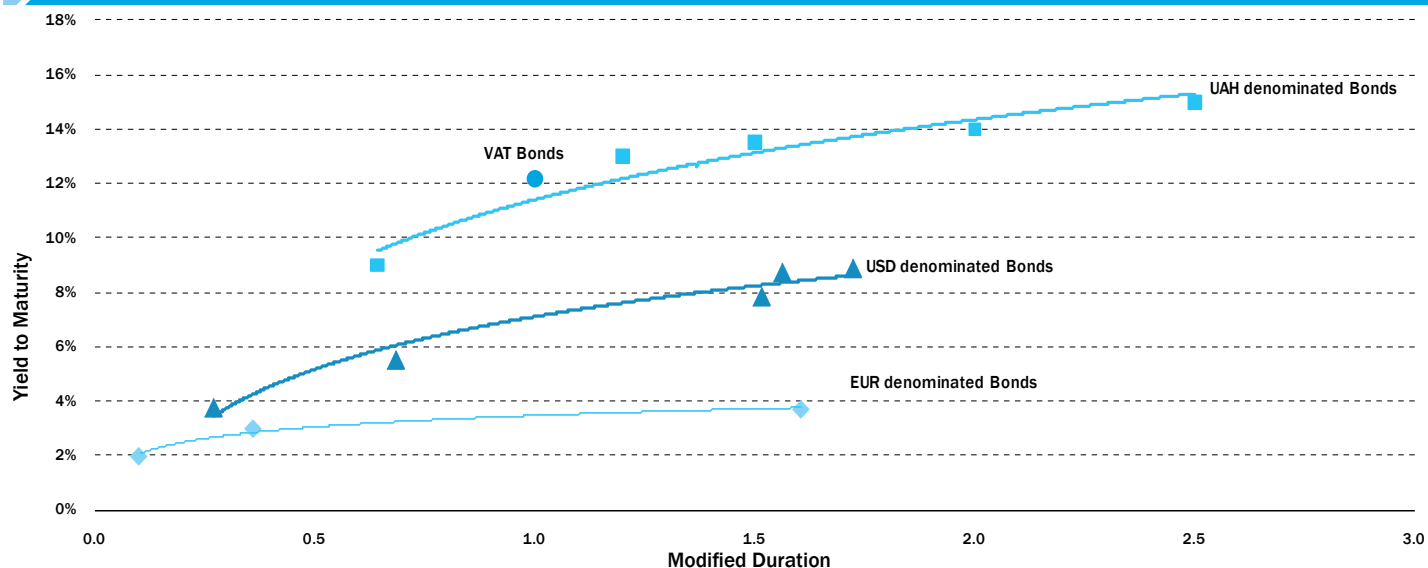




**UKRAINIAN DOMESTIC BONDS**

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			14.5%	12.3%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.5%	12.3%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.5%	12.3%	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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