

Market Update

Equity

Local Ukrainian equities were mixed in a largely uneventful session on Tuesday (Feb 4), although the value of the hryvnia fell sharply to 8.90 against the dollar before the National Bank intervened at 8.60. The slide in the currency from 8.15 a few months ago has undercut the value of hryvnia-denominated securities by around 6% in USD terms. Externally, the main US and European indices were supported by bargain-hunters following Monday's steep declines. The UX index ended the day unchanged at 883 points. Speculative buying pushed UkrNafta higher by 4.5% and top liquid issue Motor Sich picked up 1.0%, but heavyweight CentrEnergO lost 1.6% to UAH 4.35. In London, Ferrexpo resumed its country-risk-driven slide after a 1-day respite, selling off by 3.2% to near GBp 147; MHP and JXK Oil&Gas were also affected, shedding 1.4% and 2.5% respectively.

Fixed Income

Ukrainian sovereigns saw only minimal changes on Tuesday. Ukraine-23s edged up by 0.3p.p. to 87.1/88.6 (9.6%/9.4%) while Ukraine-17s declined by 0.2p.p., closing at 87.4/89.4 (11.1%/10.4%). Corporate names were similarly quiet. DTEK-15s increased by 0.4p.p. to 98.4/99.8 (11.9%/10.6%) while Mriya-16s dropped by 0.4p.p., finishing at 97.1/99.0 (13.4%/12.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1749.00	1.0%	2.5	47
Ukrnafta	UNAF	128.90	4.5%	0.7	106
Pivnichny GOK	SGOK	7.960	-1.7%	0.4	9

Growth Leaders

Centralny GOK	CGOK	7.35	5.0%	0.20	9
Ukrnafta	UNAF	128.90	4.5%	0.72	106
Motor Sich	MSICH	1749.00	1.0%	2.55	47

Loss Leaders

Donbasenergo	DOEN	31.34	-1.9%	0.210	32
Pivnichny GOK	SGOK	7.96	-1.7%	0.363	9
CentrenergO	CEEN	4.35	-1.6%	0.319	62

Highlights

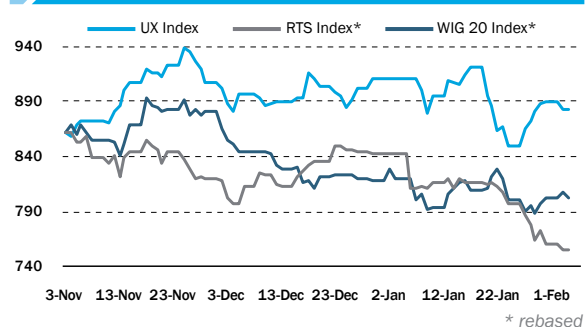
POLITICS AND ECONOMICS

> Conflict Set to Escalate as Parliament Fails to Pass Compromise Bill

STOCKS IN THE NEWS

> MHP Reports Record High Poultry Output/Sales in 4Q13

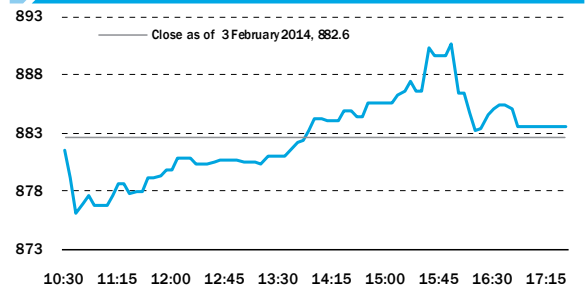
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	883.5	0.1%	-2.9%	-2.9%
RTS	1291.8	-0.1%	-10.5%	-10.5%
WIG20	2353.8	-0.7%	-2.1%	-2.0%
MSCI EM	917.7	-1.0%	-6.3%	-8.4%
S&P 500	1755.2	0.8%	-4.2%	-4.7%

UX INTRADAY FEBRUARY 4, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	384.5	-3.0%	17.0%	16.2%
CDS 5Y UKR	981.4	-4.9%	25.4%	19.6%
Ukraine-17	10.5%	0.1 p.p.	1.5 p.p.	1.5 p.p.
Naftogaz Ukr-14	17.7%	-0.5 p.p.	8.2 p.p.	8.9 p.p.
Ukraine-23	9.5%	-0.1 p.p.	0.5 p.p.	2.0 p.p.
Privatbank-16	23.3%	0.0 p.p.	0.2 p.p.	-1.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.78	1.4%	6.6%	6.5%
EUR	11.87	1.1%	6.0%	4.4%
RUB	0.25	2.7%	1.0%	-0.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	265.4	0.0%	-7.7%	-7.7%
Steel, USD/t	537.5	0.0%	0.0%	0.0%
Oil, USD/bbl	105.8	-0.2%	-0.7%	-4.9%
Gold, USD/oz	1254.7	-0.2%	1.4%	4.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Conflict Set to Escalate as Parliament Fails to Pass Compromise Bill

by Will Ritter
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NEWS

Tuesday (Feb 4) was a day of setbacks for Ukraine's political crisis, as a session of Parliament refused to pass a measure that would return the country to its 2004 constitution and remove some powers from President Yanukovich and hand them to the Cabinet and Parliament. Also, a Monday announcement by one of Yanukovich's few remaining moderate backers that he is ready for an early presidential election date was repudiated by hardliners in the ruling party. In another disturbing development, officials from both the EU and US appeared to be pulling back on previous statements about putting together a financial aid package for Kyiv to replace Moscow's suspended USD 15bn bailout; US State department spokesperson Jennifer Psaki said such a package is "not imminent", while EU Commission President Jose Barroso repeated his earlier line that the EU "is not in a bidding war" for Ukraine. Meanwhile, the German foreign ministry ramped up talk of sanctions against Ukrainian government officials, drawing sharp complaints from the Yanukovich government. The tension took its toll on the hryvnia, which came under attack from speculative selling; the NBU stepped in to offer dollars for UAH 8.60 after the currency fell as low as 8.90.

COMMENTARY

We assume that the dovish remarks about an early presidential election from Party of Regions MP Yuriy Miroshnychenko on Monday were either deliberate disinformation, or that Miroshnychenko simply has no influence on the position of Yanukovich. In any case, with Yanukovich and his hardline entourage led by new administration chief Andrey Kluyev, which is becoming known as the "Party of War", refusing to countenance a return to the 2004 constitution, the ball has been sent back to the opposition's court in terms of how to respond in a way that maintains pressure on the regime. It looks as though the President may be playing for time, trying to get through the period of the Sochi Olympics, after which Moscow would probably have a freer hand to intervene in Ukraine on his behalf. However, there are also reports that the Kremlin views Yanukovich as insufficiently loyal and is therefore backing a more extremist pro-Russian group based in the eastern city of Kharkiv led by provincial governor Mikhail Dobkin. In response to the bureaucratic tone of Barroso's comments on aid, we can only shake our head and state that the EU can pay a few billion dollars now to defuse the situation in Ukraine, or it can pay a few hundred billion later.

MHP Reports Record High Poultry Output/Sales in 4Q13

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 15.02 Market Cap: USD 1,587mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	1.9	7.8	6.7	2%
2014E	1.7	5.9	5.0	2%

NEWS

MHP, Ukraine's largest poultry meat producer, reported on Tuesday (Feb 4) that its poultry output moved up by 15% YoY to 125,800 tonnes in 4Q13. The company's poultry sales volume expanded by 21% YoY to 121,600 tonnes, including export sales of 37,900 tonnes (+49% YoY). The average selling price for poultry declined by 9% YoY to UAH 15.4/kg (ex-VAT), mainly due to the increased share of frozen exported poultry sales (31% vs. 25% in 4Q12) in overall revenue. For full-year 2013, MHP sold 447,000 tonnes of poultry meat (+19% YoY), with export sales expanding by 2.1x YoY to 123,000 tonnes.

In other operational segments, MHP sold 64,800 tonnes of sunflower oil (+35% YoY) in 4Q13 at an average price of USD 861/tonne (-24% YoY). For FY13, sunflower oil sales increased by 23% YoY to 240,000 tonnes, while the average selling price was down by 7% YoY to USD 1,033/t, or in line with market figures.

The company's harvest in 2013 rose by 23% YoY to 2.0mn tonnes, which was a result of higher planted acreage (287,000 hectares vs. 250,000 ha last year) as well as higher crop yields (excluding rapeseed). The company's achieved yield for corn, its major crop, increased by 16% YoY to 8.8 t/ha and was 37% higher than Ukraine's average of 6.4 t/ha.

COMMENTARY

The results look impressive to us, as 4Q13 was the third quarter in a row in which, thanks to increasing capacity utilization at its new Vinnytsia facility, MHP was able to reach new historic highs in its poultry output, overall poultry sales, and poultry exports. We note that the drop in the company's average selling price was expected due to its penetration into new markets, which was likely accompanied by offers of various discounts to new customers. In 2013, the company launched poultry sales in 20 new countries in Asia and MENA, and also started deliveries to the EU (500 tonnes), with further export expansions in the pipeline for this year. However, the elephant in the room for the MHPC stock remains the current spike in Ukraine country risk, with the issue having lost 17% over the past two weeks. Although such strong operating results should normally provide a quick boost to the share price after such a correction, it is political factors that are currently driving the market valuations of Ukrainian securities, with the outcome of the current nationwide standoff impossible to predict with any certainty.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.59	0.56	-6%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	149.7	218.0	46%	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	7.96	-	-	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	7.35	-	-	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	2.73	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	0.56	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.
Coal						
Pokrovske Mine	SHCHZ	0.39	2.9	665%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
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.
Specialized Machinery						
Motor Sich	MSICH	1749	5250	200%	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	69.5	370	432%	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						
DonbasEnerg	DOEN	31.3	72.0	130%	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	4.35	15.00	245%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	15.0	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	11.3	19.35	71%	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	81.7	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	883.51	1061.97	781.22	0.1%	1.3%	-2.9%	-2.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	1.7%	-7.5%	-7.5%	-0.1%	0.4%	-4.6%	-4.6%
Azovstal	AZST	0.59	0.90	0.31	0.3%	0.9%	-11.6%	-11.6%	0.2%	-0.4%	-8.7%	-8.7%
Dniprospezstal	DNSS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	31.4	49.9	20.0	0.4%	1.4%	-1.8%	-1.8%	0.2%	0.1%	1.1%	1.1%
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	0.0%	22.2%	10.0%	10.0%	-0.1%	20.9%	12.9%	12.9%
Coke												
Avdyivka Coke	AVDK	2.73	4.80	1.60	-0.3%	2.1%	-7.9%	-7.9%	-0.4%	0.8%	-5.0%	-5.0%
Yasnyivsky Coking	YASK	0.56	0.85	0.49	0.0%	0.0%	5.7%	5.7%	-0.1%	-1.3%	8.6%	8.6%
Iron Ore Mining												
Centralny GOK	CGOK	7.35	n/a	n/a	5.0%	16.7%	13.1%	13.1%	4.9%	15.4%	16.0%	16.0%
Ferrexpo	FXPO	2.44	4.55	2.02	-3.1%	-9.3%	-20.5%	-22.5%	-3.2%	-10.6%	-17.5%	-19.6%
Pivnichny GOK	SGOK	7.96	10.00	5.77	-1.7%	-2.9%	-0.5%	-0.5%	-1.8%	-4.2%	2.4%	2.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.39	0.71	0.10	8.3%	25.8%	-2.5%	-2.5%	8.2%	24.5%	0.4%	0.4%
Komsomolets Donbasa	SHKD	0.43	n/a	n/a	0.0%	0.0%	-30.6%	-30.6%	-0.1%	-1.3%	-27.7%	-27.7%
Energy Coal	CLE	0.36	4.25	0.31	-0.7%	-5.4%	9.4%	2.2%	-0.8%	-6.6%	12.3%	5.1%
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%	-9.1%	-16.7%	-16.7%	-0.1%	-10.4%	-13.8%	-13.8%
Interpipe NMPP	NVTR	0.22	n/a	n/a	0.0%	22.2%	4.8%	4.8%	-0.1%	20.9%	7.7%	7.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.5	29.0	12.0	0.0%	-4.3%	1.2%	1.2%	-0.1%	-5.6%	4.1%	4.1%
Luhanskeplovoz	LTPL	1.52	2.20	1.26	0.0%	9.4%	1.3%	1.3%	-0.1%	8.1%	4.2%	4.2%
Stakhanov Wagon	SVGZ	1.27	n/a	n/a	0.0%	0.0%	-2.3%	-2.3%	-0.1%	-1.3%	0.6%	0.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-6.3%	-4.5%	-4.5%	-0.1%	-7.6%	-1.6%	-1.6%
Motor Sich	MSICH	1,749	2,640	1,303	0.9%	0.4%	-4.1%	-4.1%	0.8%	-0.9%	-1.2%	-1.2%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-0.1%	-1.3%	2.9%	2.9%
Turboatom	TATM	1.80	n/a	n/a	0.0%	0.0%	-48.6%	-48.6%	-0.1%	-1.3%	-45.7%	-45.7%
WESTA ISIC	WES	0.16	0.26	0.13	7.6%	-1.1%	0.6%	18.4%	7.5%	-2.4%	3.5%	21.3%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	0.0%	7.2%	26.6%	26.6%	-0.1%	5.9%	29.6%	29.6%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.48	0.19	-1.9%	-7.1%	3.5%	-3.1%	-2.0%	-8.3%	6.4%	-0.2%
JKX Oil	JKX	1.13	1.21	0.75	-2.4%	-0.4%	-3.4%	-4.3%	-2.5%	-1.7%	-0.5%	-1.3%
Ukrnafta	UNAF	129	280	96	4.9%	13.7%	18.7%	18.7%	4.8%	12.4%	21.6%	21.6%
Power Utilities												
Centrenerg	CEEN	4.35	7.40	2.50	-1.6%	-1.1%	-8.7%	-8.7%	-1.7%	-2.4%	-5.8%	-5.8%
Donbasenergo	DOEN	31.3	34.0	15.4	-2.1%	1.3%	13.6%	13.6%	-2.2%	0.0%	16.5%	16.5%
Zakhidenergo	ZAEN	117.0	120.0	64.0	-1.7%	40.1%	29.4%	29.4%	-1.8%	38.8%	32.3%	32.3%
Consumer												
Agroton	AGT	0.77	3.6	0.36	-0.6%	-6.6%	9.0%	18.9%	-0.7%	-7.8%	11.9%	21.9%
Astarta	AST	21.3	24.4	14.5	1.1%	-1.5%	-3.9%	-4.2%	1.0%	-2.8%	-1.0%	-1.3%
Avangardo	AVGR	11.3	13.0	7.61	-1.6%	-1.7%	-0.9%	-3.8%	-1.7%	-2.9%	2.0%	-0.9%
Industrial Milk Company	IMC	2.96	5.25	2.96	-6.1%	-19.9%	-28.8%	-26.7%	-6.2%	-21.2%	-25.9%	-23.7%
Kernel	KER	12.3	22.1	11.8	0.0%	-8.3%	-8.6%	-3.0%	-0.1%	-9.6%	-5.7%	-0.1%
Mriya Agro Holding	MAYA	7.17	8.2	5.36	0.0%	1.4%	3.1%	-3.8%	-0.1%	0.1%	6.0%	-0.9%
MHPC	MHPC	15.0	19.9	14.15	0.0%	-8.5%	-15.4%	-11.7%	-0.1%	-9.8%	-12.5%	-8.8%
Milkiland	MLK	3.10	5.0	3.02	-2.2%	-4.5%	-19.4%	-25.4%	-2.3%	-5.7%	-16.5%	-22.5%
Ovostar Union	OVO	26.3	33.3	21.3	1.3%	-1.3%	-16.1%	-21.0%	1.2%	-2.6%	-13.2%	-18.1%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.1	n/a	n/a	0.0%	-6.1%	5.0%	5.0%	-0.1%	-7.4%	8.0%	8.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.113	0.128	0.077	-0.2%	2.2%	-0.8%	-0.8%	-0.3%	0.9%	2.1%	2.1%
UkrSotsbank	USCB	0.183	0.257	0.111	5.2%	1.0%	-2.4%	-2.4%	5.1%	-0.2%	0.5%	0.5%

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
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	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			
Steel																		
Alchevsk Steel	ALMK	105	3.9%	4	1,899	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	491	458	444	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	32	4.4	neg	neg	neg	1.4	1.0	0.0	0.0	0.0	12	11	11	\$/tonne
Azovstal	AZST	284	3.0%	8	266	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	58	59	58	\$/tonne
Coke																		
Avdyivka Coke	AVDK	61	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	2.1	1.6	3.7	0.7	0.6	1.0	0.0	0.0	0.1	0.7	0.6	1.0	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	982	0.3%	2	980	10.3	5.5	6.5	4.2	3.1	3.5	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,090	0.4%	8	2,084	4.8	3.8	4.5	2.8	2.3	2.6	1.5	1.3	1.4				
Ferrexpo	FXPO	1,438	24.0%	345	2,004	6.7	6.0	5.8	5.0	4.6	4.5	1.4	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	16	5.4%	1	118	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
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	148	2.0%	3	194	4.4	8.6	7.4	3.7	6.2	5.6	0.4	0.6	0.5	308	510	484	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	38	24.0%	9	80	7.8	2.1	1.9	2.7	2.2	2.1	0.4	0.2	0.2				
Kruiiv Wagon	KVBZ	229	5.0%	11	229	2.4	9.3	10.2	1.7	3.5	3.8	0.3	0.5	0.6				
Stakhanov Wagon	SVGZ	33	8.0%	3	72	>30	neg	neg	10.0	12.2	13.2	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	169	5.8%	10	95	4.4	3.1	2.9	1.9	1.3	1.2	0.6	0.5	0.4				
Motor Sich	MSICH	414	24.0%	99	432	2.1	2.3	2.0	1.4	1.9	1.7	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	297	7.2%	21	619	6.6	6.0	4.5	3.0	2.9	3.0	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	797	3.0%	24	788	4.5	6.1	6.6	2.5	2.1	2.2	0.4	0.3	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	65	21.6%	14	37	5.6	13.0	5.1	1.7	2.2	1.2	0.7	1.0	0.6	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
Electric Utilities																		
CentrEnergO	CEEN	183	21.7%	40	252	6.4	4.3	3.7	3.7	4.1	3.7	0.2	0.3	0.3	14	18	15	\$/MWh
DonbasEnergO	DOEN	84	14.2%	12	155	22.1	1.7	2.0	4.8	2.1	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
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	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	722	22.5%	162	921	3.2	2.8	2.4	3.3	2.8	2.5	1.5	1.3	1.2	208	158	149	\$/mneqgs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	5.2	5.6	0.7	0.9	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	385	3.6%	14		>30	4.3	3.3	0.5	0.4	0.5	0.06	0.07	0.07				
Ukrsotsbank	USCB	384	1.4%	5		>30	>30	19.4	0.5	0.4	0.4	0.08	0.07	0.08				

Source: Eavex Research

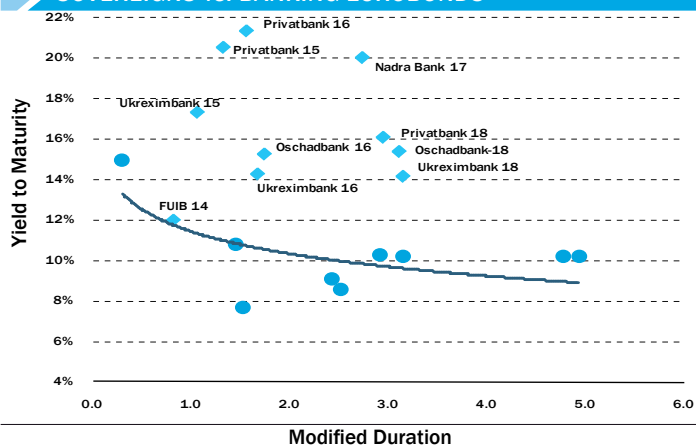
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	97.5	99.5	19.4%	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%	10.1%	-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-
Corporate Eurobonds											
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	//
Bank Eurobonds											
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	15.6%	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-
Municipal Eurobonds											
City of Kyiv, 2015	93.0	94.0	13.3%	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+/

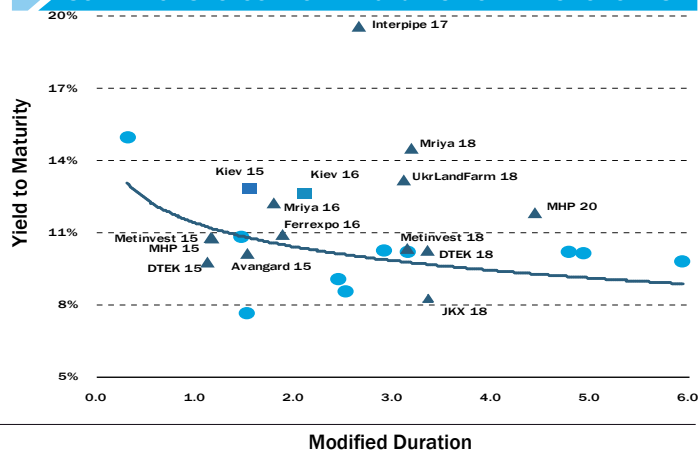
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



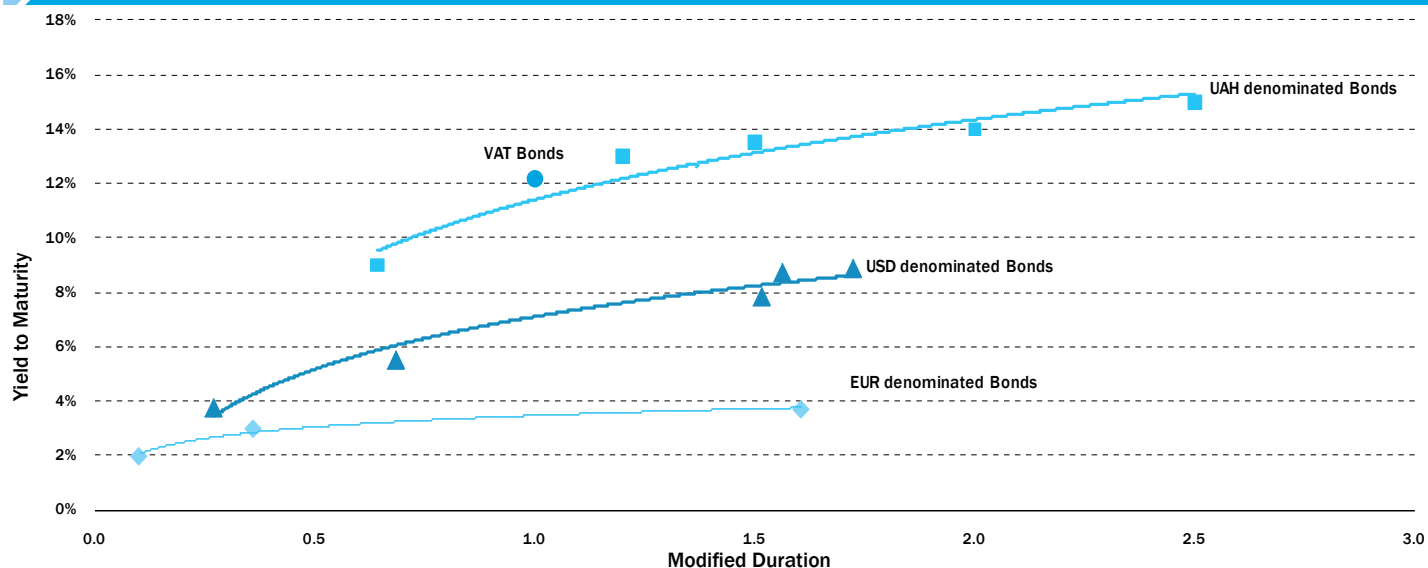
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			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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