

Market Update

Equity

Kyiv-listed Ukrainian stocks were mixed on Tuesday (Feb 11), but the local benchmark ended higher thanks to speculative activity in oil major UkrNafta. Externally, the DAX blasted ahead by 2%, and the S&P 500 has now posted its biggest 4-day gain in more than a year after jumping by more than 1% for a third straight session on upbeat remarks on the state of the US economy from new central bank chief Janet Yellen; both the German and US indices are back within striking range of their all-time highs after being close to bear market territory just a week ago. The UX index moved up by 1.2% to close at 905 points. UkrNafta, which shot up by more than 100% in February last year on hopes of a multi-year dividend payout that ultimately went unrealized (with the stock losing all of that gain), jumped nearly 11% yesterday to UAH 148. Index heavyweights Motor Sich and CentrEnergopicked up 2.7% and 1.1% respectively. In London, Ferrexpo gained a solid 4.5% to above GBp 165 as global commodity stocks rallied.

Fixed Income

Ukrainian sovereigns were lower yesterday with Ukraine-23s decreasing by 1.1% to 85.1/86.6 (10.0%/9.7%). Corporate issues were almost inactive while in banking universe PrivatBank-18s declined by 1.2% to close at 75.0/80.0 (20.2%/18.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrEnergop	CEEN	4.49	1.1%	1.6	67
Motor Sich	MSICH	1842.00	2.8%	1.6	59
Ukrnafta	UNAF	148.50	10.8%	1.4	121

Growth Leaders

Ukrnafta	UNAF	148.50	10.8%	1.35	121
Centralny GOK	CGOK	7.08	7.3%	0.04	20
Motor Sich	MSICH	1842.00	2.8%	1.58	59

Loss Leaders

Ukrsotsbank	USCB	0.17	-2.8%	0.076	16
Avdyivka Coke	AVDK	2.80	-0.6%	0.307	18
Donbasenergo	DOEN	31.75	-0.4%	0.627	69

Highlights

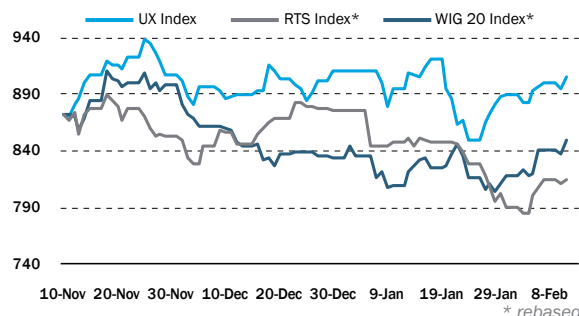
POLITICS AND ECONOMICS

- > Tigipko Calls for Quick Formation of New Government

STOCKS IN THE NEWS

- > Avangard Egg Output Up 12% in FY13 to 7.0bn Pieces
- > TurboAtom Almost Doubles Net Profit to UAH 584mn in FY13

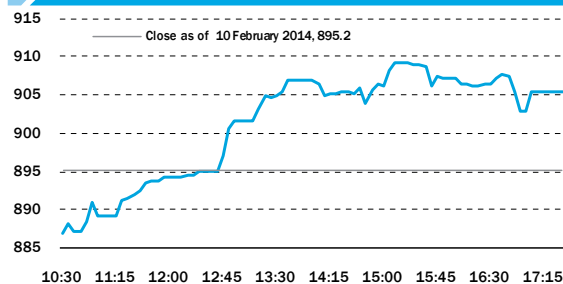
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	905.5	1.2%	1.1%	-0.5%
RTS	1341.9	0.4%	-3.9%	-7.0%
WIG20	2443.7	1.3%	5.0%	1.8%
MSCI EM	944.8	1.0%	-2.6%	-5.7%
S&P 500	1819.8	1.1%	-1.2%	-1.2%

UX INTRADAY FEBRUARY 11, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	367.1	-1.4%	8.1%	11.0%
CDS 5Y UKR	1121.0	6.3%	56.7%	36.7%
Ukraine-17	11.0%	-0.1 p.p.	3.0 p.p.	2.0 p.p.
Naftogaz Ukr-14	25.9%	4.3 p.p.	17.9 p.p.	17.2 p.p.
Ukraine-23	9.9%	0.2 p.p.	1.2 p.p.	2.4 p.p.
Privatbank-16	24.7%	2.9 p.p.	6.7 p.p.	0.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.63	2.3%	4.2%	4.7%
EUR	11.77	2.2%	3.9%	3.5%
RUB	0.25	2.3%	-1.0%	-1.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	269.2	0.0%	-2.6%	-6.3%
Steel, USD/t	537.5	0.0%	0.0%	0.0%
Oil, USD/bbl	108.7	0.0%	1.9%	-2.3%
Gold, USD/oz	1291.5	1.3%	3.4%	7.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Tigipko Calls for Quick Formation of New Government

by Will Ritter
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NEWS

Party of Regions MP and former deputy Prime Minister Serhiy Tigipko on Tuesday (Feb 11) called for the quick formation of a new Ukrainian government, Interfax reported, stating that the slow action on replacing the government of Prime Minister Nikolay Azarov, who resigned two weeks ago, is hurting Ukraine's stability and sovereign credit image.

COMMENTARY

Little has been heard from the formerly prominent economic reform advocate Tigipko since the start of the political crisis in November, or indeed since he left the government to become an MP back in December 2012. Tigipko is believed to lead a sub-faction of Party of Regions lawmakers in Parliament who favor meeting the IMF's conditions for renewed lending. Although some reports have said that Tigipko controls as many as 38 MPs, this sounds like an exaggeration to us. It is clear that the international financial markets would love to see Tigipko appointed as the new prime minister, and his comments indicate obvious dissatisfaction with President Yanukovich's apparent strategy of leaving his close ally Serhiy Arbuzov in charge of the Cabinet as acting PM (Arbuzov and the old government can legally remain in place for up to 60 days from the date of Azarov's resignation). It looks as though Yanukovich may be stalling for time until the end of the Sochi Olympics, when Russia could be expected to take a more active role in backing a hard-line choice for PM, with the name most often mentioned in such a scenario being Andrey Kluyev. We believe that the Kremlin is pushing for Kluyev, a shadowy Donetsk oligarch and power broker who lacks a public persona, to be named PM as a condition for continuing its USD 15bn bailout for Ukraine. However, we think that such an uncompromising appointment will also lead to renewed violence in the streets and a re-escalation of the standoff in Ukraine, which has been in somewhat of a lull for the past 10 days.

Avangard Egg Output Up 12% in FY13 to 7.0bn Pieces

by Ivan Dzvinka
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AVANGARD (AVGR LI)

Price: USD 10.8 Market Cap: USD 690mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.5	1.3	2.6	2.7	9%
2014E	0.4	1.1	2.3	2.4	11%

NEWS

Avangard, Ukraine's largest egg producer, increased its egg production by 12% YoY to 7.0bn pieces in full-year 2013 after expanding its capacity usage at two new production facilities, the company said in an operating update on Tuesday (Feb 12). The group's egg sales volume decreased by 2% YoY to 5.1bn pieces, including 499mn pcs that were exported (-3% YoY). The average realized price was down by 1% YoY to UAH 0.69 (w/o VAT). In 4Q13 alone, Avangard produced 1.9bn pcs (+19% YoY) and sold 1.35bn pcs (+1% YoY) at an average price of UAH 0.80 per egg (-5% YoY).

In FY13, Avangard expanded its volume of eggs processed by 73% YoY to 1.86bn pcs, suggesting a 4Q13 volume of 596mn pcs (+114% YoY). Egg products sales amounted to some 20,000 tonnes in FY13 (+51% YoY), implying a 4Q13 figure of 6,400 tonnes (+48% YoY). Average prices for egg products declined by 5% YoY to USD 7.64/kg for FY13, and were USD 7.70/kg in 4Q13.

The company's laying hen flock as of end-2013 was up by 18% YoY to 27.0mn heads.

COMMENTARY

In the most recent two quarters (3Q13-4Q13), the company's reported selling price looks closer to reflecting market fundamentals than in previous reporting periods, in our view. In both quarters, Avangard's selling price was 6-8% lower than that of its close peer Ovostar, a difference justified by the latter's focus on sales of branded eggs (vs. unbranded in the case of Avangard). That said, this tendency should be proven as sustainable in the next several quarters in order to be accurately called a trend.

While Avangard is actively expanding its egg products output, we are disappointed with two things. First, the expansion of sales volume is taking place by providing significant discounts (the average selling price was down 19% YoY in 4Q), which is resulting in rather poor financial results of the processing segment. Notably, in 3Q13, the egg products segment reported a flat QoQ operating profit in spite of a 45% QoQ rise in volume of sales. We also note that the policy of aggressive export markets penetration with heavy discounts appears to be facing some headwinds, as Avangard was able to sell only 6,400 tonnes of EP in 4Q13 vs. 7,400 tonnes that were produced, even though in seasonal terms, 4Q is the most lucrative of the year for export demand for egg products. Additionally, over April-September 2013, we note that the company produced 12,100 tonnes of EP and sold just 10,300 tonnes.

TurboAtom Almost Doubles Net Profit to UAH 584mn in FY13

by Dmitry Churin
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TURBOATOM (TATM UK)

Price: UAH 2.4 Market Cap: USD 118mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.5	0.2	1.6	0.5	18.2%
2014E	0.4	0.2	1.5	0.5	19.5%

NEWS

Kharkiv-based TurboAtom, a state-controlled manufacturer of power plant turbines, nearly doubled its net profit to UAH 584mn (USD 72mn) in FY13, according to preliminary data released by the government on Tuesday (Feb 11). The company's revenue rose by 37% YoY to UAH 1.91bn (USD 235mn) in the period. Export supplies accounted for 49% of sales.

COMMENTARY

The announced preliminary net profit was much higher than the company's initial guidance of UAH 350mn and well above our latest forecast of UAH 450mn for FY13. As a state-owned company, TurboAtom is obligated to pay out 30% of its net profit in dividends. Based on this requirement, we estimate the dividend for 2013 at UAH 0.41 per share, which implies a dividend yield of 17% to the most recently listed TATM stock price of UAH 2.40 per share (the issue is rarely traded on the Ukrainian Exchange). The outstanding financial results of TurboAtom for FY13 could be an important driver for a higher valuation for the state-owned 75.2% stake, which might be privatized this year. However, Deputy Prime Minister Yuriy Boyko told the press last week that the government is no hurry to sell TurboAtom, as the company's profitability provides an ongoing and substantial source of revenue to the national budget without requiring any major expenditures to upgrade its core assets.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.61	0.56	-8%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	165.4	218.0	32%	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	-	-	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	7.08	-	-	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	2.80	6.2	123%	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	0.38	2.9	667%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.7	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	1842	5250	185%	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	12.0	42.0	250%	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						
DonbasEnergO	DOEN	31.8	72.0	127%	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	4.49	15.00	234%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	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	61.6	90.0	46%	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	10.8	19.35	79%	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	74.5	109.50	47%	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	905.49	1055.64	781.22	1.2%	2.5%	1.1%	-0.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	0.8%	-1.6%	-6.7%	-1.2%	-1.7%	-2.7%	-6.2%
Azovstal	AZST	0.61	0.90	0.31	1.8%	2.5%	-4.6%	-9.4%	0.7%	0.0%	-5.7%	-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	31.4	49.9	20.0	-0.3%	-0.2%	-2.0%	-1.9%	-1.5%	-2.6%	-3.1%	-1.4%
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	0.12	0.26	0.05	0.0%	9.1%	20.0%	20.0%	-1.2%	6.6%	18.9%	20.5%
Coke												
Avdivka Coke	AVDK	2.80	4.80	1.60	-0.6%	2.7%	-1.6%	-5.4%	-1.8%	0.2%	-2.7%	-4.9%
Yasnyivsky Coking	YASK	0.56	0.85	0.49	-1.8%	0.0%	3.7%	5.7%	-2.9%	-2.5%	2.6%	6.2%
Iron Ore Mining												
Centralny GOK	CGOK	7.08	n/a	n/a	7.3%	-3.7%	8.9%	8.9%	6.1%	-6.2%	7.8%	9.4%
Ferrexpo	FXPO	2.72	4.55	2.02	4.7%	11.4%	-5.7%	-13.7%	3.5%	8.9%	-6.8%	-13.2%
Pivnichny GOK	SGOK	8.00	10.00	5.77	2.3%	0.5%	-0.1%	0.0%	1.1%	-2.0%	-1.2%	0.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.38	0.70	0.10	0.0%	-2.6%	-7.3%	-5.0%	-1.2%	-5.1%	-8.4%	-4.5%
Komsomolets Donbasa	SHKD	0.43	n/a	n/a	0.0%	0.0%	-30.6%	-30.6%	-1.2%	-2.5%	-31.7%	-30.1%
Energy Coal	CLE	0.36	4.22	0.31	-0.7%	0.7%	-6.5%	2.9%	-1.9%	-1.7%	-7.6%	3.4%
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%	0.0%	-9.1%	-16.7%	-1.2%	-2.5%	-10.2%	-16.2%
Interpipe NMPP	NVTR	0.23	n/a	n/a	0.0%	4.5%	0.0%	9.5%	-1.2%	2.1%	-1.1%	10.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.7	29.0	12.0	-1.0%	6.9%	10.3%	8.1%	-2.1%	4.4%	9.2%	8.6%
Luhanskeplovoz	LTPL	1.52	2.20	1.26	0.0%	0.0%	1.3%	1.3%	-1.2%	-2.5%	0.2%	1.8%
Stakhanov Wagon	SVGZ	1.26	n/a	n/a	0.0%	-0.8%	12.5%	-3.1%	-1.2%	-3.3%	11.4%	-2.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	10.7%	60.0%	5.7%	-1.2%	8.2%	58.9%	6.2%
Motor Sich	MSICH	1,842	2,640	1,303	2.8%	5.3%	-1.0%	1.0%	1.7%	2.8%	-2.1%	1.5%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.0%	4.2%	0.0%	-1.2%	-2.5%	3.1%	0.5%
Turboatom	TATM	1.80	n/a	n/a	0.0%	0.0%	-48.6%	-48.6%	-1.2%	-2.5%	-49.7%	-48.1%
WESTA ISIC	WES	0.15	0.26	0.13	0.2%	-2.5%	-2.7%	15.4%	-1.0%	-5.0%	-3.8%	15.9%
Telecom												
Ukrtelecom	UTLM	0.12	0.17	0.09	0.0%	-13.8%	-14.2%	9.2%	-1.2%	-16.3%	-15.3%	9.7%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.48	0.18	7.0%	-3.2%	-12.8%	-6.2%	5.8%	-5.7%	-13.9%	-5.7%
JKX Oil	JKX	1.14	1.21	0.75	0.7%	0.8%	-3.9%	-3.5%	-0.5%	-1.7%	-5.0%	-3.0%
Ukrnafta	UNAF	149	178	96	10.8%	15.2%	39.3%	36.7%	9.7%	12.7%	38.2%	37.2%
Power Utilities												
Centrenerg	CEEN	4.49	7.40	2.50	1.1%	3.3%	-4.0%	-5.7%	-0.1%	0.8%	-5.1%	-5.2%
Donbasenergo	DOEN	31.8	34.0	15.4	-0.4%	1.3%	13.5%	15.1%	-1.5%	-1.2%	12.4%	15.6%
Zakhidenergo	ZAEN	117.9	134.0	64.0	-0.1%	0.8%	30.4%	30.4%	-1.2%	-1.7%	29.3%	30.9%
Consumer												
Agroton	AGT	0.84	3.5	0.36	-3.2%	9.3%	-8.7%	30.0%	-4.4%	6.8%	-9.8%	30.5%
Astarta	AST	20.1	24.4	14.5	-0.6%	-5.6%	-6.6%	-9.6%	-1.7%	-8.1%	-7.7%	-9.1%
Avangardo	AVGR	10.8	13.0	7.61	-1.9%	-4.5%	-4.5%	-8.2%	-3.1%	-7.0%	-5.6%	-7.7%
Industrial Milk Company	IMC	2.71	5.25	2.71	-3.3%	-8.5%	-33.9%	-32.9%	-4.5%	-11.0%	-35.0%	-32.4%
Kernel	KER	11.7	22.1	11.7	-2.7%	-4.4%	-14.9%	-7.2%	-3.9%	-6.8%	-16.0%	-6.7%
Mriya Agro Holding	MAYA	6.87	8.2	5.36	0.1%	-4.1%	-0.6%	-7.8%	-1.1%	-6.6%	-1.7%	-7.3%
MHPC	MHPC	15.0	19.9	14.15	-0.3%	-0.1%	-16.7%	-11.8%	-1.5%	-2.6%	-17.8%	-11.3%
Milkiland	MLK	3.22	5.0	3.02	0.2%	3.7%	-14.9%	-22.7%	-1.0%	1.2%	-16.0%	-22.2%
Ovostar Union	OVO	24.3	33.3	21.3	-1.8%	-7.3%	-22.0%	-26.8%	-2.9%	-9.8%	-23.1%	-26.3%
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
Chemicals												
Stirol	STIR	12.8	n/a	n/a	-3.6%	-2.9%	6.1%	2.0%	-4.7%	-5.4%	5.0%	2.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.112	0.128	0.077	-0.3%	-0.4%	1.9%	-1.1%	-1.4%	-2.8%	0.8%	-0.6%
UkrSotsbank	USCB	0.170	0.257	0.111	-2.9%	-7.2%	-3.0%	-9.4%	-4.1%	-9.6%	-4.1%	-8.9%

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	310	135	65	49	15.2%	15.3%	15.9%	95	25	18	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	236	263	51	91	98	32.2%	38.7%	37.1%	38	72	76	23.8%	30.4%	29.0%
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	5,333	5,495	793	888	859	679	723	613	4	90	115	0.5%	10.1%	13.4%
Ukrsotsbank	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	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	38	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	296	3.0%	9	278	neg	neg	neg	neg	neg	7.9	0.1	0.1	0.1	60	62	61	\$/tonne
Coke																		
Avdyivka Coke	AVDK	63	6.8%	4	61	neg	neg	neg	neg	1.3	2.1	0.1	0.1	0.1	14	16	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
Iron Ore Mining																		
Centralny GOK	CGOK	961	0.3%	2	960	10.1	5.4	6.4	4.1	3.1	3.4	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,136	0.4%	9	2,129	4.9	3.9	4.6	2.8	2.3	2.6	1.5	1.3	1.4				
Ferrexpo	FXPO	1,602	24.0%	385	2,168	7.4	6.7	6.5	5.4	5.0	4.8	1.5	1.4	1.3				
Coal Mining																		
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
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	151	2.0%	3	196	4.5	8.8	7.5	3.8	6.3	5.7	0.4	0.6	0.5	312	517	491	\$/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				
Kruiw Wagon	KVBZ	248	5.0%	12	248	2.6	10.1	13.9	1.8	3.8	5.0	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	33	8.0%	3	72	>30	neg	neg	10.0	12.3	13.2	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	171	5.8%	10	101	4.5	2.4	2.2	2.0	1.1	1.0	0.6	0.4	0.4				
Motor Sich	MSICH	444	24.0%	106	462	2.2	2.4	2.2	1.5	2.0	1.8	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	261	7.2%	19	582	5.8	5.3	4.0	2.8	2.7	2.8	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	933	3.0%	28	925	5.3	7.1	7.7	2.9	2.5	2.6	0.5	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	63	21.6%	14	35	5.5	12.5	4.9	1.6	2.0	1.1	0.7	0.9	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	196	50.4%	99	305	neg	9.8	8.2	2.2	3.6	3.4	1.5	1.5	1.3	56	42	41	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	192	21.7%	42	261	6.7	4.5	3.8	3.8	4.2	3.8	0.2	0.3	0.3	15	18	16	\$/MWh
DonbasEnergO	DOEN	87	14.2%	12	157	22.7	1.8	2.0	4.9	2.2	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,585	34.1%	540	2,745	5.1	7.8	5.9	5.9	6.6	5.0	2.0	1.9	1.7				
Kernel	KER	936	61.8%	578	1,642	4.4	8.9	12.2	5.1	5.6	6.4	0.8	0.6	0.7				
Astarta	AST	503	37.0%	186	837	8.7	6.4	4.4	7.7	6.7	5.0	1.8	1.7	1.4				
Avangardco	AVGR	689	22.5%	155	889	3.0	2.6	2.3	3.2	2.7	2.4	1.4	1.3	1.1	201	153	144	\$/mneggs
Agroton	AGT	18	26.2%	5	67	2.7	neg	neg	3.3	5.4	5.7	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	390	3.6%	14		>30	4.4	3.4	0.5	0.4	0.5	0.07	0.07	0.07				
Ukrsotsbank	USCB	362	1.4%	5		>30	>30	19.4	0.5	0.3	0.4	0.08	0.07	0.08				

Source: Eavex Research

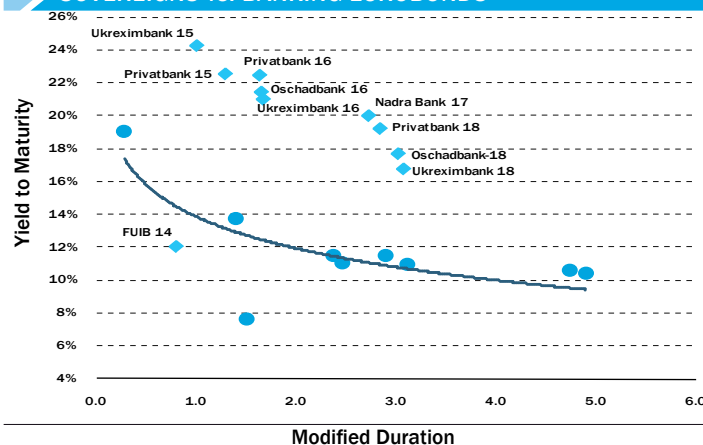
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	96.5	98.0	25.4%	18.1%	-2.8%	0.3	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC+/CCC
Naftogaz Ukraine, 2014	90.2	91.7	37.6%	33.0%	-9.5%	0.5	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.5	91.5	12.9%	11.3%	-5.7%	1.4	4.95%	A	13 Oct 2015	600*	Caa2/CCC+/CCC
Ukraine, 2015	88.7	90.7	16.0%	14.3%	-8.1%	1.4	6.875%	S/A	23 Sept 2015	500	Caa2/CCC+/CCC
Ukraine, 2016	86.8	88.8	12.7%	11.7%	-6.6%	2.4	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC+/CCC
Ukraine, 2016-2	86.8	88.8	12.1%	11.2%	-6.9%	2.5	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC+/CCC
Ukraine, 2017	86.2	88.2	11.6%	10.9%	-6.0%	3.1	6.75%	S/A	14 Nov 2017	700	Caa2/CCC+/CCC
Ukraine, 2017-2	91.5	93.0	12.6%	12.0%	-7.0%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC+/CCC
Ukraine, 2017 Infr. projects	87.0	88.5	13.7%	13.1%	6.2%	2.9	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	84.3	86.0	13.0%	12.3%	8.4%	3.3	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	85.6	87.1	11.1%	10.7%	-7.2%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC+/CCC
Ukraine, 2021	86.1	87.6	10.9%	10.6%	-7.3%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC+/CCC
Ukraine, 2022	84.7	86.7	10.5%	10.1%	-5.8%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC+/CCC
Ukraine, 2023	85.1	86.6	10.0%	9.7%	-5.1%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC+/CCC
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.5%	30.1%	n/a	3.1	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.4	100.5	11.9%	11.3%	-3.4%	1.1	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.7	82.5	12.9%	12.4%	-8.7%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC+/CCC
Avangardco, 2015	98.5	99.2	11.7%	11.2%	n/a	1.5	10.00%	S/A	29 Oct 2015	200	//CCC
UkrLandFarming, 2018	87.9	89.7	14.9%	14.3%	-1.5%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC+/CCC
Mriya, 2016	95.0	98.0	14.8%	12.9%	-3.7%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC+/CCC
Mriya, 2018	80.0	82.0	16.2%	15.4%	-7.0%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC+/CCC
DTEK, 2015	97.0	97.9	13.5%	12.6%	-4.7%	1.1	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	84.4	85.7	12.9%	12.4%	-9.8%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	98.4	99.6	12.7%	11.5%	-3.0%	1.1	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.5	89.6	13.1%	12.3%	-6.8%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.8	93.3	13.0%	11.9%	-5.6%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC+/CCC
UZ Rail, 2018	84.0	86.0	14.7%	13.9%	-7.3%	3.2	9.50%	S/A	21 May 2018	500	/CCC+/CCC
Interepipe, 2017	77.0	80.1	20.5%	18.5%	0.0%	2.6	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	109.8	111.4	8.5%	8.1%	-0.4%	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	96.0	98.0	20.4%	16.9%	-1.5%	0.8	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	80.1	91.0	25.2%	14.8%	0.0%	2.7	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	84.0	86.0	24.3%	22.2%	-4.6%	1.3	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	69.1	74.3	27.8%	23.2%	2.0%	1.6	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	75.0	80.0	20.2%	18.1%	-7.4%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	84.6	85.5	26.9%	25.7%	-11.8%	1.0	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	72.0	72.0	26.3%	26.3%	-15.6%	1.6	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	76.0	78.0	17.4%	16.6%	-13.7%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	77.0	82.0	n/a	n/a	-7.0%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	80.0	82.0	22.4%	20.8%	-13.0%	1.7	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	73.8	76.1	18.2%	17.2%	-15.8%	3.0	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.0	91.5	15.7%	14.5%	-2.4%	1.5	8.00%	S/A	6 Nov 2015	250	Caa2/CCC+/
City of Kyiv, 2016	89.5	90.9	14.7%	13.9%	-3.0%	2.0	9.375%	S/A	30 Jun 2016	300	Caa2/CCC+/

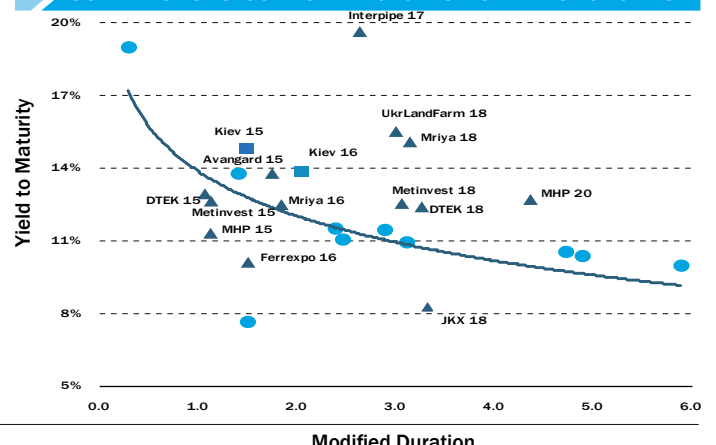
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



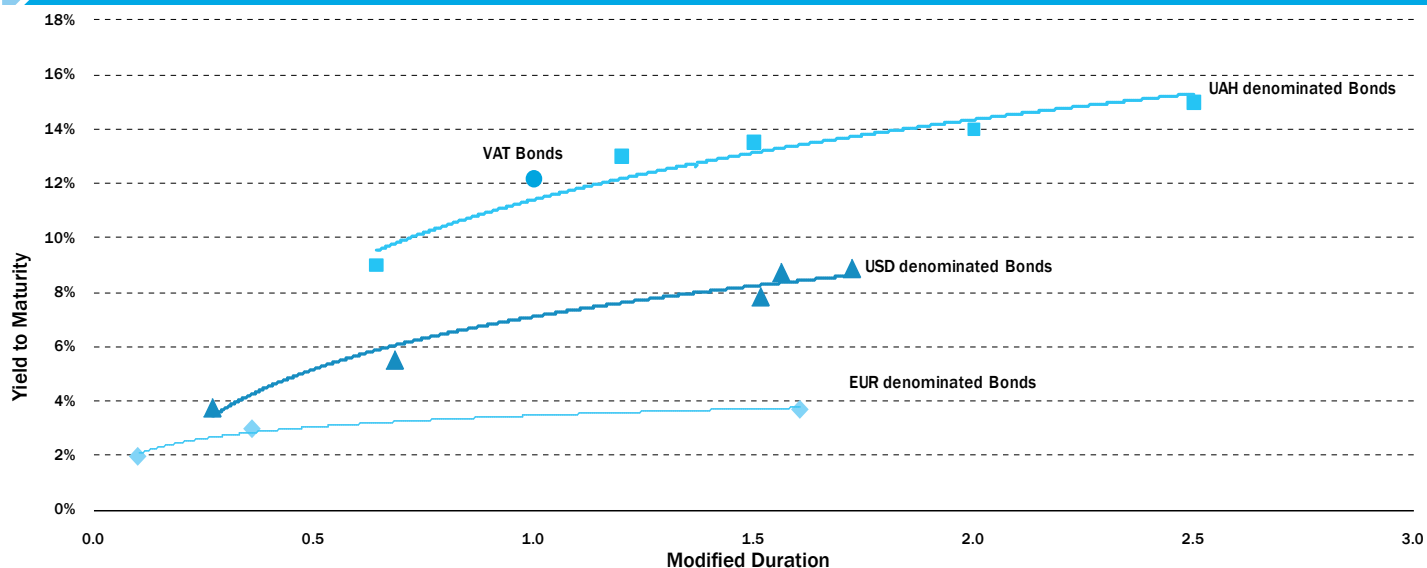
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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