

Market Update

Equity

Ukrainian stocks were mixed on Friday (Feb 14) despite clearly positive external sentiments after Eurostat data showed that the Eurozone's economy expanded by 0.5% YoY in 4Q13, outperforming the consensus forecast of 0.4%. The UX index ended flat at 927 points. Motor Sich (MSICH UK) continued to rally, adding 1.7% and bringing its local rise over the past 3 weeks to near 18%. This was offset in the benchmark by declines of 3.2% in UkrSotsBank (USCB UK) and 2.0% in Azovstal (AZST UK). Meanwhile, low-liquidity AvtoKraz (KRAZ UK) jumped by almost 10% after the company reported a 30% YoY increase in its FY13 net profit to UAH 19.8mn. London-traded Ukrainian agro names were also mixed, with Avandard (AVGR LI) adding 0.4% and MHP (MHPC LI) edging down by 1.3%. In Warsaw, Astarta (AST PW) rose by 1.7%, while in Frankfurt, TMM Real Estate slipped 3.2% to EUR 0.27.

Fixed Income

Ukrainian sovereigns were mixed on Friday. Ukraine-23s declined by 0.8p.p. to 82.3/83.8 (10.6%/10.3%) while Ukraine-17s rose 0.8p.p. to close at 85.2/86.9 (12.0%/11.4%). Corporate names also lacked a general trend. Mriya-16s improved by 1.0p.p. to 93.7/98.1 (15.7%/12.9%) while UkrLandFarming-18s fell 0.8p.p. to 15.4%/14.5%.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Yenakievo Steel	ENMZ	31.25	-0.3%	1.6	17
Motor Sich	MSICH	1958.00	1.7%	1.1	87
Centrenergo	CEEN	4.570	-0.8%	1.0	69

Growth Leaders

Pokrovske Mine	SHCHZ	0.49	24.5%	0.01	14
Motor Sich	MSICH	1958.00	1.7%	1.06	87
Donbasenergo	DOEN	33.05	1.2%	0.29	37

Loss Leaders

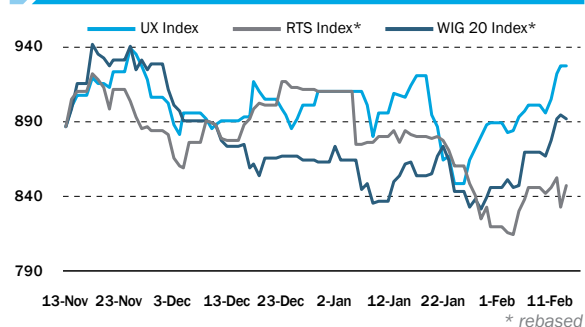
Ukrsotsbank	USCB	0.16	-3.2%	0.027	9
Avdyivka Coke	AVDK	2.80	-0.9%	0.109	22
Centrenergo	CEEN	4.57	-0.8%	0.987	69

Highlights

POLITICS AND ECONOMICS

- > Kyiv on Edge as PM Appointment Expected Tomorrow; EuroMaidan Vacates City Hall
- > UkrStat Reports Trade Deficit of USD 8.5bn for FY13

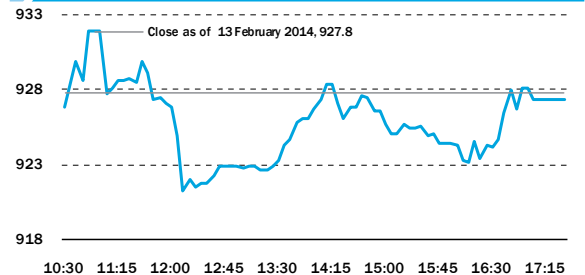
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	927.4	0.0%	2.2%	1.9%
RTS	1343.2	1.6%	-3.3%	-6.9%
WIG20	2482.8	-0.3%	4.4%	3.4%
MSCI EM	957.3	1.2%	-1.8%	-4.5%
S&P 500	1838.6	0.5%	0.0%	-0.1%

UX INTRADAY FEBRUARY 14, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	367.5	-0.4%	8.8%	11.1%
CDS 5Y UKR	1198.4	-0.6%	64.6%	46.1%
Ukraine-17	11.4%	-0.3 p.p.	3.3 p.p.	2.4 p.p.
Naftogaz Ukr-14	34.2%	0.7 p.p.	26.3 p.p.	25.5 p.p.
Ukraine-23	10.4%	0.2 p.p.	1.7 p.p.	2.9 p.p.
Privatbank-16	25.6%	0.0 p.p.	8.0 p.p.	0.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.79	-0.1%	5.6%	6.6%
EUR	12.03	0.1%	5.6%	5.8%
RUB	0.25	-0.1%	0.2%	-0.3%

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	109.1	0.5%	3.6%	-1.9%
Gold, USD/oz	1318.7	1.2%	5.9%	10.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kyiv on Edge as PM Appointment Expected Tomorrow; EuroMaidan Vacates City Hall

by Will Ritter
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NEWS

President Yanukovich is expected to appoint a new prime minister as early as Tuesday (Feb 18), multiple local news outlets reported on Friday (Feb 14) and over the weekend, quoting Parliament speaker Volodymyr Rybak. The new PM will replace Nikolay Azarov, who resigned on Jan 28; currently, Yanukovich's ally Serhiy Arbuzov is the acting head of government. Possible candidates being floated for the job are Arbuzov, Yuriy Boyko, Andrey Kluyev, Alexander Vilkul, Anatoliy Kinakh, and Serhiy Tigipko from the pro-government side and Arseniy Yatseniuk and Petro Poroshenko from the opposition side.

In other news, Kyiv's EuroMaidan demonstrators withdrew from City Hall on Sunday, which they had been occupying since Dec 1, as part of an amnesty deal with the government, and also pulled back from the so-called "front line" on Hrushevsky Street, the scene of violent protester-police clashes in January. Some splinter opposition groups attempted to re-enter City Hall in the overnight hours but were prevented from doing so by organized EuroMaidan defense units led by representatives of the Svoboda party.

COMMENTARY

The appointment of the new prime minister will be a key test of Yanukovich's willingness to compromise with the opposition and lower the temperature of the nearly 3-month long political standoff. Of the mentioned candidates, Kluyev is the most hard-line, as he is viewed as representing Moscow's interests, and this choice would likely set off a new round of street confrontation in Kyiv as well as in the major Western Ukrainian provincial capitals. Kinakh, a has-been former PM from the late 1990s, would hardly be more acceptable, as he would be seen as a pawn of Kluyev. Energy oligarch Boyko or Vilkul, a former top manager in Rinat Akhmetov's business group, could be expected to receive only a marginally better reception from the opposition. The real compromise candidate is economic reform advocate Tigipko, a choice that would be welcomed by international investors and tolerated by the opposition, but Tigipko is also the individual who Yanukovich probably trusts the least of those on the short list. From the opposition side, Yatseniuk looks to be an unlikely pick, as there is little enthusiasm for him taking the reins of government among the EuroMaidan rank-and-file, let alone the Party of Regions.

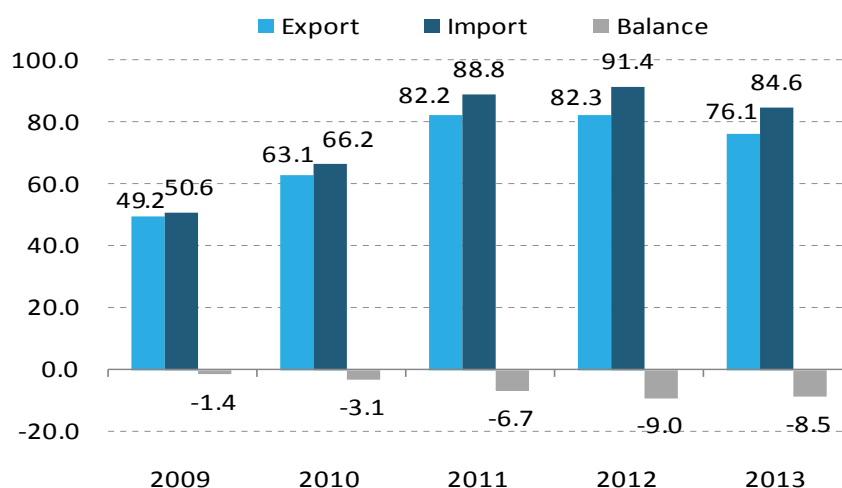
UkrStat Reports Trade Deficit of USD 8.5bn for FY13

by Dmitriy Churin
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NEWS

Ukraine's trade deficit totaled USD 8.5bn in full-year 2013, compared to a deficit of USD 9.0bn in FY12, according to the data from the State Statistics Committee. The merchandise trade deficit (which excludes services) decreased by 13.8% YoY to USD 13.6bn last year, while the trade surplus in services remained almost unchanged at USD 5.2bn.

UKRAINE'S TRADE BALANCE DATA, USD bn



Source: State Statistics Committee

COMMENTARY

Although there was a marginal improvement in Ukraine's headline trade balance in 2013, we would focus on the registered decline of 7.4% YoY in total exports in the period as a highly negative development for economy. Amid a lack of long term investment programs, external markets are crucial for Ukraine's steel and machinery sectors. If exports decline further, this will lead to higher unemployment.

The main contribution to the trade surplus in services was made by pipe transportation services, which rose by 2.9% YoY to USD 3.3bn in 2013. Most of Ukraine's pipe transportation services were related to the transport of Russian oil and gas to Europe. As was reported earlier this year by the National Bank, Ukraine's balance of payment surplus amounted to USD 2.0bn in 2013 due to a batch of successful Eurobond placements both by the government and corporate issuers in 1H13. For the moment, its unclear how the country will cover the expected trade deficit in 2014, as external borrowings are off the table until some sort of resolution to the political standoff in the country can be found.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.60	0.56	-8%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	170.1	218.0	28%	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	7.90	-	-	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	7.38	-	-	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	0.55	3.4	522%	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	0.49	2.9	507%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.0	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.50	5.2	250%	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	1958	5250	168%	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	11.8	42.0	257%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	68.5	370	440%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	33.1	72.0	118%	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	4.57	15.00	228%	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	14.7	22.10	50%	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	59.2	90.0	52%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	11.0	19.35	76%	BUY	A doubling of egg processing capacity to 6mn eggs/day in 1H13 with further expansion to 10mn in early 2014 bode well for the group's earnings due to 1) the higher profitability of the egg products (EP) segment vs. shell eggs and 2) the longer storage life of EP, which enables the company to retain its output for sale in periods of more favorable pricing. Still, the reported selling price for the company's shell eggs appears to be unjustifiably high. Even with financial quality concerns priced in, the stock looks cheap vs. its global peers.
Ovostar Union	OVO	73.0	109.50	50%	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	927.37	1055.64	781.22	0.0%	3.0%	2.2%	1.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.6%	-0.5%	-0.8%	-6.4%	0.6%	-3.5%	-3.0%	-8.3%
Azovstal	AZST	0.60	0.90	0.31	-2.4%	0.2%	-6.2%	-10.1%	-2.4%	-2.8%	-8.4%	-12.1%
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%	-1.3%	-1.2%	-2.4%	-0.3%	-4.3%	-3.4%	-4.3%
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	0.0%	-8.3%	10.0%	10.0%	0.0%	-11.3%	7.8%	8.1%
Coke												
Avdyivka Coke	AVDK	2.80	4.80	1.60	-0.9%	-1.4%	2.3%	-5.6%	-0.8%	-4.4%	0.1%	-7.5%
Yasnyivsky Coking	YASK	0.55	0.84	0.49	0.0%	0.0%	-1.8%	3.8%	0.0%	-3.0%	-4.0%	1.9%
Iron Ore Mining												
Centralny GOK	CGOK	7.38	n/a	n/a	0.0%	12.7%	17.1%	13.5%	0.0%	9.7%	14.9%	11.6%
Ferrexpo	FXPO	2.85	4.55	2.02	1.5%	8.1%	-2.1%	-9.8%	1.5%	5.1%	-4.3%	-11.7%
Pivnichny GOK	SGOK	7.90	10.00	5.77	2.5%	-1.4%	-1.4%	-1.3%	2.5%	-4.4%	-3.6%	-3.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.49	0.70	0.10	25.6%	22.5%	19.5%	22.5%	25.7%	19.5%	17.3%	20.6%
Komsomolets Donbasa	SHKD	0.61	n/a	n/a	0.0%	41.9%	-1.6%	-1.6%	0.0%	38.9%	-3.8%	-3.5%
Energy Coal	CLE	0.37	4.07	0.31	2.4%	-2.2%	-15.3%	5.0%	2.5%	-5.2%	-17.5%	3.1%
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	0.60	0.86	0.30	0.0%	20.0%	7.1%	0.0%	0.0%	17.0%	4.9%	-1.9%
Interpipe NMPP	NVTR	0.23	n/a	n/a	0.0%	0.0%	0.0%	9.5%	0.0%	-3.0%	-2.2%	7.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.0	29.0	12.0	-6.4%	0.1%	7.2%	4.1%	-6.4%	-2.9%	5.0%	2.2%
Luhanskeplovoz	LTPL	1.50	2.20	1.26	-1.3%	-1.3%	0.0%	0.0%	-1.3%	-4.3%	-2.2%	-1.9%
Stakhanov Wagon	SVGZ	1.25	n/a	n/a	0.0%	-0.8%	-3.8%	-3.8%	0.0%	-3.8%	-6.0%	-5.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.02	-10.0%	-16.4%	-2.1%	-11.7%	-10.0%	-19.4%	-4.3%	-13.6%
Motor Sich	MSICH	1,958	2,640	1,303	1.7%	7.1%	1.8%	7.3%	1.8%	4.1%	-0.4%	5.4%
Summy Frunze Engineering	SMASH	2.50	n/a	n/a	0.0%	0.0%	4.2%	0.0%	0.0%	-3.0%	2.0%	-1.9%
Turboatom	TATM	3.25	n/a	n/a	0.0%	80.6%	n/a	-7.1%	0.0%	77.6%	n/a	-9.0%
WESTA ISIC	WES	0.16	0.26	0.13	0.6%	1.3%	0.0%	21.6%	0.6%	-1.7%	-2.2%	19.7%
Telecom												
Ukrtelecom	UTLM	0.13	0.17	0.09	0.0%	1.6%	-4.7%	13.6%	0.0%	-1.4%	-6.8%	11.7%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.48	0.18	-0.5%	1.0%	-15.4%	-6.6%	-0.5%	-2.0%	-17.6%	-8.5%
JKX Oil	JKX	1.15	1.21	0.75	1.3%	1.3%	-2.9%	-3.3%	1.3%	-1.7%	-5.1%	-5.2%
Ukrnafta	UNAF	154	174	96	0.3%	14.9%	43.0%	42.2%	0.4%	11.9%	40.8%	40.3%
Power Utilities												
Centrenerg	CEEN	4.57	7.40	2.50	-0.7%	3.2%	-1.8%	-4.2%	-0.7%	0.2%	-4.0%	-6.1%
Donbasenergo	DOEN	33.1	34.0	15.4	1.1%	1.9%	15.0%	19.8%	1.1%	-1.1%	12.8%	17.9%
Zakhidenergo	ZAEN	117.0	134.0	64.0	0.0%	-0.8%	29.4%	29.4%	0.0%	-3.8%	27.2%	27.5%
Consumer												
Agroton	AGT	0.92	3.5	0.36	2.8%	18.2%	-1.1%	42.6%	2.8%	15.2%	-3.3%	40.7%
Astarta	AST	19.6	24.4	14.5	1.7%	-6.3%	-9.6%	-12.1%	1.8%	-9.3%	-11.8%	-14.0%
Avangardo	AVGR	11.0	13.0	7.61	0.4%	0.0%	-5.9%	-6.4%	0.4%	-3.0%	-8.1%	-8.3%
Industrial Milk Company	IMC	2.57	5.25	2.57	-0.5%	-9.3%	-38.2%	-36.3%	-0.4%	-12.3%	-40.4%	-38.2%
Kernel	KER	12.2	22.1	11.7	0.6%	1.3%	-10.6%	-3.5%	0.6%	-1.7%	-12.8%	-5.4%
Mriya Agro Holding	MAYA	6.90	8.2	5.36	0.2%	0.5%	-4.9%	-7.5%	0.2%	-2.5%	-7.1%	-9.4%
MHPC	MHPC	14.7	19.9	14.15	-1.3%	-0.1%	-16.3%	-13.4%	-1.2%	-3.1%	-18.5%	-15.3%
Milkiland	MLK	3.21	5.0	3.02	2.2%	-0.3%	-15.0%	-22.7%	2.3%	-3.3%	-17.2%	-24.6%
Ovostar Union	OVO	24.1	33.3	21.3	-2.1%	-1.9%	-20.7%	-27.5%	-2.1%	-4.9%	-22.9%	-29.4%
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	11.2	n/a	n/a	0.0%	-15.3%	-11.5%	-10.4%	0.0%	-18.3%	-13.7%	-12.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.115	0.128	0.077	0.1%	2.0%	1.6%	1.0%	0.1%	-1.0%	-0.6%	-0.9%
UkrSotsbank	USCB	0.164	0.257	0.111	-4.0%	-4.5%	-4.9%	-12.5%	-4.0%	-7.5%	-7.1%	-14.4%

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%
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	107	3.9%	4	1,900	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	491	458	445	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	32	4.4	neg	neg	neg	1.4	1.0	0.0	0.0	0.0	12	11	11	\$/tonne
Azovstal	AZST	288	3.0%	9	270	neg	neg	neg	neg	neg	7.7	0.1	0.1	0.1	59	60	59	\$/tonne
Coke																		
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	17	9.0%	2	18	2.0	1.5	3.6	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	984	0.3%	2	983	10.3	5.5	6.6	4.2	3.1	3.5	1.6	1.4	1.6				
Pivnichny GOK	SGOK	2,072	0.4%	8	2,065	4.7	3.8	4.5	2.8	2.3	2.5	1.5	1.3	1.4				
Ferrexpo	FXPO	1,675	24.0%	402	2,241	7.8	7.0	6.8	5.6	5.2	5.0	1.6	1.5	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	23	5.4%	1	125	3.2	1.4	1.4	1.0	1.4	1.3	0.5	0.6	0.5	31	29	28	\$/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	177	2.0%	4	223	5.3	10.3	8.9	4.3	7.1	6.5	0.5	0.7	0.6	354	587	558	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	37	24.0%	9	79	7.7	2.1	1.9	2.7	2.2	2.1	0.4	0.2	0.2				
Kriviw Wagon	KVBZ	235	5.0%	12	235	2.5	9.6	13.1	1.7	3.6	4.8	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	32	8.0%	3	71	>30	neg	neg	9.9	12.1	13.1	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	168	5.8%	10	100	4.4	2.3	2.2	1.9	1.1	1.0	0.6	0.4	0.4				
Motor Sich	MSICH	463	24.0%	111	481	2.3	2.5	2.3	1.6	2.1	1.9	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	266	7.2%	19	588	5.9	5.4	4.1	2.9	2.7	2.8	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	953	3.0%	29	945	5.4	7.3	7.9	3.0	2.5	2.7	0.5	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	63	21.6%	14	35	5.4	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	197	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	89	14.2%	13	159	23.3	1.8	2.1	5.0	2.2	2.5	0.3	0.2	0.2	19	21	20	\$/MWh
Consumer																		
MHP	MHPC	1,556	34.1%	531	2,717	5.0	7.7	5.8	5.8	6.6	5.0	1.9	1.9	1.7				
Kernel	KER	974	61.8%	602	1,680	4.6	9.3	12.6	5.2	5.8	6.5	0.8	0.6	0.7				
Astarta	AST	489	37.0%	181	823	8.4	6.2	4.3	7.5	6.6	4.9	1.8	1.6	1.4				
Avangardco	AVGR	703	22.5%	158	902	3.1	2.7	2.3	3.2	2.8	2.4	1.4	1.3	1.1	204	155	146	\$/mneggs
Agroton	AGT	20	26.2%	5	69	3.0	neg	neg	3.4	5.5	5.9	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	392	3.6%	14		>30	4.4	3.4	0.5	0.4	0.5	0.07	0.07	0.07				
Ukrsotsbank	USCB	344	1.4%	5		>30	>30	19.4	0.4	0.3	0.3	0.08	0.07	0.08				

Source: Eavex Research

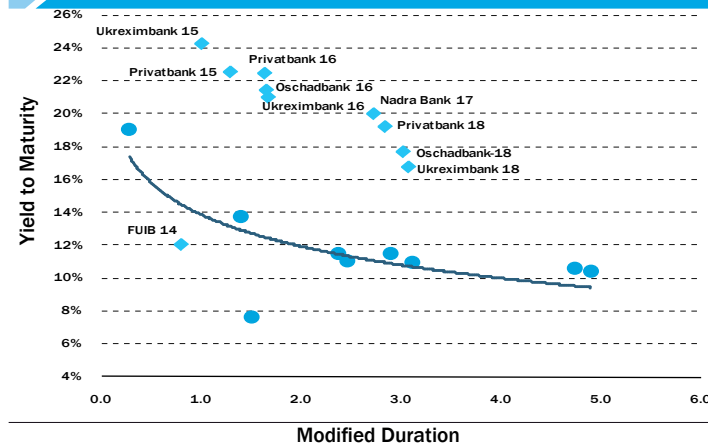
UKRAINIAN EUROBONDS

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	95.6	97.1	31.7%	23.4%	-3.6%	0.3	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC+/CCC
Naftogaz Ukraine, 2014	86.7	87.8	53.0%	48.4%	-13.2%	0.5	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.5	91.5	13.0%	11.4%	-5.7%	1.4	4.95%	A	13 Oct 2015	600*	Caa2/CCC+/CCC
Ukraine, 2015	87.0	88.0	17.7%	16.8%	-10.4%	1.4	6.875%	S/A	23 Sept 2015	500	Caa2/CCC+/CCC
Ukraine, 2016	85.8	87.0	13.2%	12.6%	-8.1%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC+/CCC
Ukraine, 2016-2	86.1	87.1	12.5%	12.0%	-8.2%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC+/CCC
Ukraine, 2017	85.2	86.9	12.0%	11.4%	-7.2%	3.1	6.75%	S/A	14 Nov 2017	700	Caa2/CCC+/CCC
Ukraine, 2017-2	88.9	90.7	13.7%	13.0%	-9.5%	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%	12.4%	8.4%	3.3	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	84.4	85.4	11.4%	11.1%	-8.8%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC+/CCC
Ukraine, 2021	84.0	86.0	11.4%	10.9%	-9.3%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC+/CCC
Ukraine, 2022	82.1	83.1	11.1%	10.9%	-9.3%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC+/CCC
Ukraine, 2023	82.3	83.8	9.9%	9.7%	-8.2%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC+/CCC
Corporate Eurobonds											
Agroton, 2014	50.0	54.4	33.6%	30.2%	n/a	3.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.1	100.0	13.4%	12.3%	-4.3%	1.1	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	79.8	80.9	13.1%	12.9%	-10.1%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC+/CCC
Avangardco, 2015	95.0	99.0	14.5%	11.4%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//CCC
UkrLandFarming, 2018	86.7	89.2	15.4%	14.5%	-2.5%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC+/CCC
Mriya, 2016	93.7	98.1	15.7%	12.9%	-4.4%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC+/CCC
Mriya, 2018	80.0	82.1	16.2%	15.4%	-7.0%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC+/CCC
DTEK, 2015	96.0	96.5	14.7%	14.1%	-5.9%	1.0	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	82.8	84.8	13.4%	12.7%	-11.1%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	97.9	98.8	13.3%	12.4%	-3.7%	1.1	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.3	88.1	13.5%	12.9%	-8.2%	3.2	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.0	93.1	12.9%	12.0%	-5.5%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC+/CCC
UZ Rail, 2018	80.0	82.0	16.2%	15.4%	-11.7%	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	109.4	111.4	8.6%	8.1%	-0.6%	3.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	72.0	82.0	18.1%	14.5%	-7.2%	3.7	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	95.0	97.0	22.7%	18.9%	-2.5%	0.7	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	82.8	85.5	25.8%	22.9%	-5.6%	1.3	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	67.9	73.6	29.1%	24.0%	0.6%	1.6	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	75.0	77.7	20.3%	19.0%	-8.8%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	81.0	83.0	32.4%	29.5%	-15.0%	1.0	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	71.5	71.5	27.0%	27.0%	-16.2%	1.6	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	71.9	73.8	19.3%	18.4%	-18.3%	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	78.0	80.0	24.2%	22.5%	-15.1%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	70.0	72.7	19.9%	18.9%	-19.8%	3.0	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	88.0	90.0	17.4%	15.7%	-4.3%	1.5	8.00%	S/A	6 Nov 2015	250	Caa2/CCC+/
City of Kyiv, 2016	88.0	89.9	15.5%	14.5%	-4.3%	2.0	9.375%	S/A	30 Jun 2016	300	Caa2/CCC+/

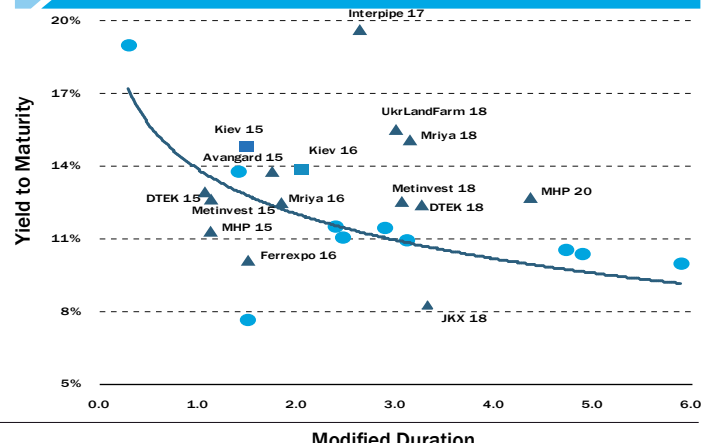
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



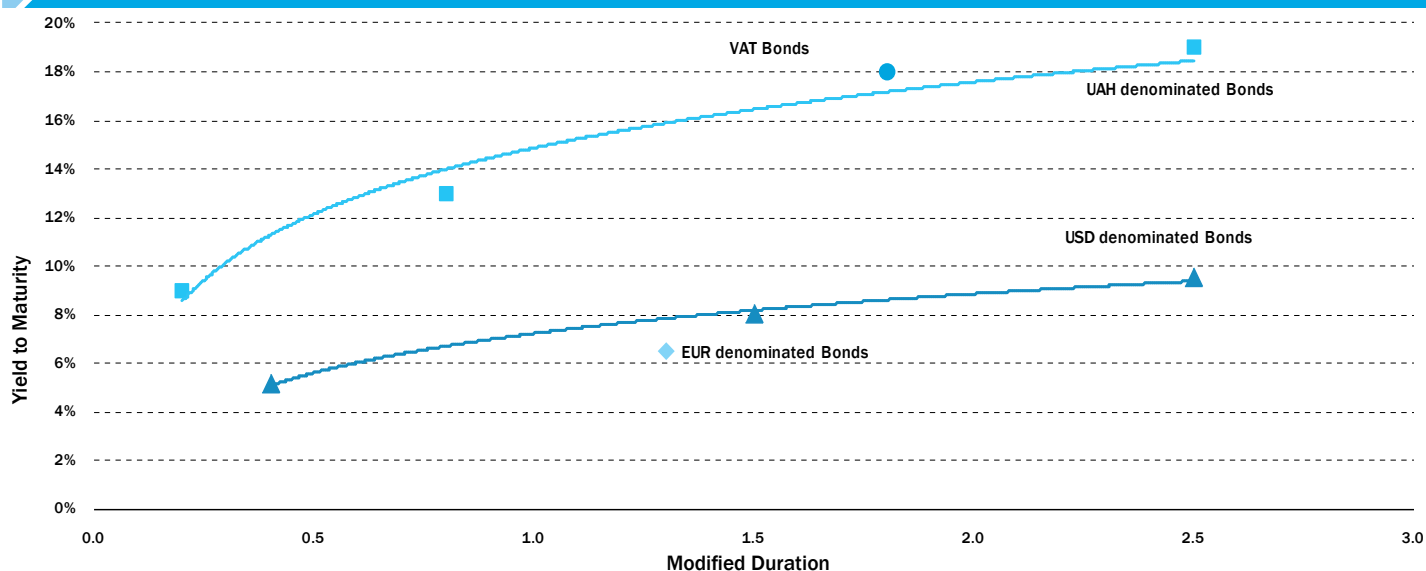
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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	7.0%	5.3%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			18.0%	15.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			18.0%	15.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			18.0%	15.0%	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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