

UX Jumps 15% After President's Disappearance Equity

Local Ukrainian equities saw their largest one-day rise since 2010 on Monday as the market reacted enthusiastically to the abandonment of the presidency by Viktor Yanukovich. Investors assumed that the new authorities will probably renew Ukraine's cooperation with the IMF, leading to a possible influx of foreign capital into local stocks. The UX index shot up by 15.2% to close at 1076 points. The biggest gainers were Yenakievo Steel, Azovstal, and Raiffeisen Aval, which added 29.8%, 24.5%, and 20.9% respectively; quotes for all other blue chips moved higher by double digits, with the exception of top liquid name Motor Sich, whose gain was 7.2% to UAH 2101. Volume was elevated, with the 6 most actively traded issues combining to print UAH 13.7mn in deals. In London, Ferrexpo and MHP were both firmly in the black, adding 3.9% and 6.2% respectively, with the latter ending at USD 15.40.

Fixed Income

Ukrainian sovereigns rallied sharply on what international markets perceived as the positive political news of President Yanukovich's departure on Monday, with Ukraine-23s advancing by a hefty 5.1p.p. to 89.4/91.4 (9.2%/8.9%). Corporate names also saw impressive improvements. MHP-20s and UkrLandFarming-18s gained 3.6p.p. and 3.0p.p., finishing at 86.2/87.8 (11.4%/11.0%) and 89.0/90.5 (14.5%/14.0%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2101.00	7.3%	3.3	294
Ukrnafta	UNAF	176.00	14.3%	3.0	217
Centrenergo	CEEN	5.217	13.4%	2.5	311

Growth Leaders

Bogdan Motors	LUAZ	0.04	41.0%	0.01	8
Yenakievo Steel	ENMZ	40.99	29.8%	2.03	227
Azovstal	AZST	0.76	24.6%	0.40	110

Loss Leaders

Mariupol Heavy Machine	MZVM	0.11	2.4%	0.009	10
Motor Sich	MSICH	2,101.00	7.3%	3.268	294
Zakhidenergo	ZAEN	130.00	9.7%	0.149	25

Highlights

POLITICS AND ECONOMICS

- > 50,000 Demonstrate in Sevastopol to Secede from Ukraine
- > Batkivschyna's Kubiv Named to Lead National Bank

STOCKS IN THE NEWS

- > Motor Sich's Net Profit Falls 15% YoY to UAH 1.37bn
- > Astarta's Preliminary FY13 EBITDA Down 26% YoY

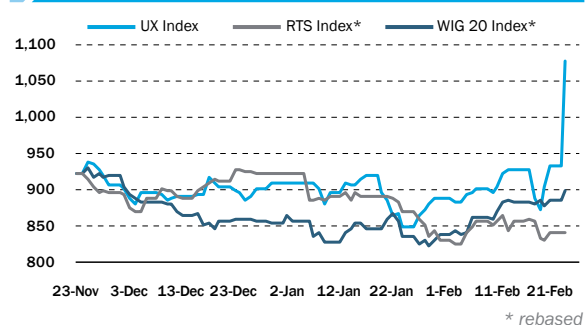
FIXED INCOME

- > Customs Union and US Set Anti-Dumping Duties for Interpipe

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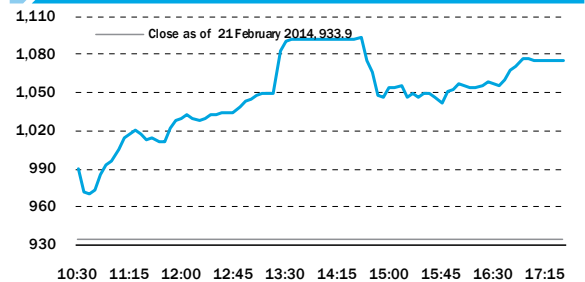
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1076.0	15.2%	26.7%	18.2%
RTS	1319.0	0.3%	-3.3%	-8.6%
WIG20	2526.9	1.6%	7.6%	5.2%
MSCI EM	958.4	-0.1%	0.9%	-4.3%
S&P 500	1847.6	0.6%	3.2%	0.4%

UX INTRADAY FEBRUARY 24, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	354.6	-2.4%	-3.5%	7.2%
CDS 5Y UKR	945.0	-16.7%	2.2%	15.2%
Ukraine-17	10.2%	-1.1 p.p.	0.7 p.p.	1.2 p.p.
Naftogaz Ukr-14	22.5%	-4.2 p.p.	9.4 p.p.	13.7 p.p.
Ukraine-23	9.1%	-0.9 p.p.	-0.2 p.p.	1.6 p.p.
Privatbank-16	22.7%	-2.8 p.p.	3.0 p.p.	-2.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.18	2.5%	8.8%	11.3%
EUR	12.61	2.5%	8.7%	10.9%
RUB	0.26	2.5%	5.5%	2.8%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	277.4	0.0%	1.9%	-3.5%
Steel, USD/t	530.0	0.0%	-2.3%	-1.4%
Oil, USD/bbl	110.6	0.7%	3.2%	-0.5%
Gold, USD/oz	1337.0	1.0%	5.3%	11.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

50,000 Demonstrate in Sevastopol to Secede from Ukraine

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NEWS

An estimated 50,000 pro-Russian demonstrators gathered in the Crimean port city of Sevastopol on Monday (Feb 24) to demand that Crimea secede from Ukraine, Euronews reported. Crimea is the only one of Ukraine's 25 provinces which has autonomous status. In Crimea's third-largest city, Kerch, Euronews showed video footage of angry crowds attacking a small collection of pro-EuroMaidan demonstrators in the street.

COMMENTARY

In spite of the very large size of the Sevastopol demonstration, which to our knowledge is the largest pro-Russian public action since the start of Ukraine's political upheaval in November, it went unreported across the entire spectrum of Ukrainian media. This suggests to us that there may be a deliberate effort by the newly-forming central government authorities, acting in concert with the country's media-owning oligarchs, to sweep "anti-Maidan" secessionist sentiment in Crimea under the rug. We currently see the situation in Crimea as considerably more volatile than in other parts of Eastern Ukraine, where relatively minor demonstrations and counter-demonstrations have thus far been reported.

Batkivschyna's Kubiv Named to Lead National Bank

by Dmitry Churin
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NEWS

Parliament on Monday (Feb 24) appointed Stepan Kubiv (51), an MP from Batkivschyna party, as the new National Bank (NBU) chief. Kubiv was supported by 310 votes. Previous NBU governor Igor Sorkin, a Yanuovich appointee who had been in the job since December 2012, was removed a nearly unanimous 352 votes. Kubiv promised to make the NBU more transparent in its regulatory functions and to strengthen the country's banking system.

COMMENTARY

The new appointment continues the trend of handing out top jobs in the newly-forming power Ukrainian structure to loyal members of Yulia Tymoshenko's Batkivschyna Party. UDAR party leader Vitaliy Klitschko was reported as having some complaints that UDAR and MP and economist Viktor Pynzenyk was denied the job. For his part, Kubiv is most widely known as one of the top commandants of the EuroMaidan street protests. However, we believe he is qualified to head the NBU, as since 2000 he has occupied top management positions in several Ukrainian banks. For the last 8 years he was CEO at Kredobank, the Ukrainian subsidiary of PKO Bank Polski. The removal of Sorkin and the new NBU appointment came suddenly, as it was not included in preliminary agenda of yesterday's Parliament session. In our opinion, the most urgent task for Kubiv is to restore trust in the hryvnia, which yesterday plunged by some 4% against the dollar to 9.35.

Motor Sich's Net Profit Falls 15% YoY to UAH 1.37bn

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 2,101 Market Cap: USD 480mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.4	0.5	2.8	2.1	1.3%
2014E	0.4	0.4	2.5	1.9	1.5%

NEWS

Motor Sich, Ukraine's monopoly aircraft engine producer and the country's most actively traded equity issue, said that its net profit fell by 15% YoY to UAH 1.37bn (USD 168mn) in FY13, according to the company's shareholders meeting announcement published on Monday (Feb 24). The full IFRS financial report for 2013 has not been released yet. The company's net profit in FY12 was UAH 1.62bn (USD 198mn).

COMMENTARY

The announced net profit is somewhat short of our forecast of UAH 1.50bn for FY13. Although Motor Sich failed to demonstrate another consecutive year of outstanding financial results, we are not disappointed with the announced figure. In our opinion, the company managed to stay in good shape amid an overall 13% decline in output in Ukraine's machinery sector in 2013. Motor Sich's shareholder meeting is set for Mar 27. Taking into account the company's historical dividend payout ratio, we expect the dividend for FY13 to be UAH 27.5 per share, implying a modest dividend yield of 1.3%.

Currently Motor Sich trades at 2013 P/E of 2.8x, indicating that fundamentally the stock has further room for potential price growth. At this point, given its monopoly status in Ukraine and Russia, we do not see elevated political risk for Motor Sich in the ongoing change of power, even though the company's CEO Viacheslav Boguslaev is a member of the pro-Russian wing of the Party of Regions.

Astarta's Preliminary FY13 EBITDA Down 26% YoY

by Ivan Dzvinka
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ASTARTA (AST PW)

Price: PLN 58.6 Market Cap: USD 476mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	1.6	35.8	10.0	0%
2014E	1.4	5.8	5.9	0%

NEWS

Astarta, Ukraine's largest sugar producer, reported preliminary selected financial results for FY13 on Friday (Feb 21). According to the data, the company's top line rose by 3.9% YoY to EUR 368mn in 2013 while EBITDA declined by 25.8% YoY to EUR 63mn. Astarta plans to report the full set of its audited financial results for 2013 on Apr 15.

COMMENTARY

The full-year results suggest that in 4Q, Astarta's net revenue came in at EUR 108mn (-10% YoY and +12% QoQ) and EBITDA amounted to negative EUR 40mn (vs. EUR -30mn in 4Q12 and EUR +39mn in 3Q13). The poor earnings result in 4Q13 was likely due to the same reason as that which caused the negative 4Q12 EBITDA. At that time, revaluation of biological assets in the amount of EUR 36mn was the main reason for weak operational earnings and the negative bottom line of EUR -39mn. In turn, the negative revaluations occurred because of lower crop prices at the point of harvest.

We expect the situation with Astarta's financials to significantly improve in 1Q14 on the back of higher sugar prices. In Jan-Feb 2014, sugar prices rose by 14% compared to 4Q13.

Customs Union and US Set Anti-Dumping Duties for Interpipe

by Ivan Dzvinka
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NEWS

The Eurasian Economic Commission (the main regulatory body of the Moscow-led Customs Union) decided to leave the current levels of anti-dumping duties unchanged for Interpipe in the range of 18.9-19.9%.

In a news release on Feb 20, the US Department of Commerce announced preliminary duties in the amount of 5.3% for the oil & gas pipes of Interpipe. A final decision on the duties is expected in mid August after the completion of an anti-dumping investigation. Previously, Interpipe was exporting to the US duty-free.

Additionally, Brazil's foreign trade ministry initiated anti-dumping duties last week against the pipes for oil and gas from Ukraine.

COMMENTARY

The news is, overall, slightly positive for Interpipe. While the US made a preliminary decision to impose anti-dumping duties, the duties are not large, leaving Interpipe's US sales profitable. As the US accounts for some 10% of Interpipe's total revenue, this is an important market for the group.

Probably in attempt to avoid potential complaints from Interpipe, the Customs Union had previously announced heavily increased preliminary duties earlier this month of up to 67%, which were then revised back to the current levels. Still, the current duties make the deliveries of Ukrainian pipes to Russia barely profitable. And with a likely change to a more pro-Western direction of Ukraine's foreign policy vector, the probability of either renewal of export quota for Interpipe by Russia (was intact up to June 2013) or reduction of antidumping duties looks unlikely. Thus, as we stated previously, the definite target for the company in the near term should be market diversification.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.76	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	171.0	218.0	27%	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	9.55	U/R	na	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	7.70	U/R	na	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders will consider an approval of additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	3.34	6.2	87%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.67	3.4	417%	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	0.53	2.9	457%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	23.0	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.55	5.2	238%	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	2101	5250	150%	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	64.3	370	476%	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	40.1	72.0	80%	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	5.22	15.00	188%	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	15.4	22.10	44%	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	58.6	90.0	54%	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	74.1	109.50	48%	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	1075.97	1094.59	781.22	15.2%	15.8%	26.7%	18.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	12.5%	10.0%	13.5%	2.1%	-2.7%	-5.8%	-13.3%	-16.2%
Azovstal	AZST	0.76	0.90	0.31	23.6%	24.6%	29.7%	13.4%	8.4%	8.8%	3.0%	-4.8%
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	41.0	49.9	20.0	29.8%	30.5%	34.4%	28.1%	14.6%	14.6%	7.7%	9.8%
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	0.19	0.20	0.05	46.2%	72.7%	26.7%	90.0%	30.9%	56.9%	-0.1%	71.8%
Coke												
Avdyivka Coke	AVDK	3.34	4.80	1.60	15.2%	20.4%	28.0%	12.8%	0.0%	4.6%	1.2%	-5.4%
Yasnyivsky Coking	YASK	0.67	0.84	0.49	17.5%	21.8%	28.8%	26.4%	2.3%	6.0%	2.1%	8.2%
Iron Ore Mining												
Centralny GOK	CGOK	7.70	n/a	n/a	4.3%	4.3%	22.2%	18.5%	-10.9%	-11.5%	-4.5%	0.2%
Ferrexpo	FXPO	2.85	3.72	2.02	3.6%	-0.7%	6.6%	-9.7%	-11.6%	-16.5%	-20.1%	-28.0%
Pivnichny GOK	SGOK	9.55	10.00	5.77	10.3%	17.9%	15.1%	19.4%	-4.9%	2.1%	-11.7%	1.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.53	0.70	0.10	17.8%	8.2%	71.0%	32.5%	2.6%	-7.7%	44.2%	14.3%
Komsomolets Donbasa	SHKD	0.66	n/a	n/a	32.0%	8.2%	10.0%	6.5%	16.8%	-7.6%	-16.7%	-11.8%
Energy Coal	CLE	0.61	3.76	0.31	41.4%	59.9%	81.0%	74.0%	26.2%	44.1%	54.3%	55.8%
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	0.62	0.85	0.30	19.2%	31.9%	24.0%	3.3%	4.0%	16.1%	-2.7%	-14.9%
Interpipe NMPP	NVTR	0.29	n/a	n/a	16.0%	26.1%	38.1%	38.1%	0.8%	10.3%	11.4%	19.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.0	29.0	12.0	15.1%	26.4%	35.3%	32.9%	-0.2%	10.6%	8.6%	14.7%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	10.7%	3.3%	11.5%	3.3%	-4.5%	-12.5%	-15.2%	-14.9%
Stakhanov Wagon	SVGZ	1.40	n/a	n/a	11.1%	12.0%	16.7%	7.7%	-4.1%	-3.8%	-10.1%	-10.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	41.0%	61.5%	37.5%	42.6%	25.8%	45.7%	10.7%	24.4%
Motor Sich	MSICH	2,101	2,640	1,303	7.7%	6.5%	25.1%	15.2%	-7.5%	-9.3%	-1.6%	-3.0%
Sumy Frunze Engineering	SMASH	3.50	n/a	n/a	34.6%	40.0%	40.0%	40.0%	19.4%	24.2%	13.3%	21.8%
Turboatom	TATM	3.25	n/a	n/a	0.0%	0.0%	n/a	-7.1%	-15.2%	-15.8%	n/a	-25.4%
WESTA ISIC	WES	0.26	0.26	0.13	35.5%	37.8%	76.2%	98.6%	20.3%	22.0%	49.5%	80.4%
Telecom												
Ukrtelecom	UTLM	0.13	0.17	0.09	18.5%	7.2%	19.0%	21.8%	3.3%	-8.6%	-7.7%	3.6%
Oil & Gas												
Regal Petroleum	RPT	0.21	0.47	0.18	13.7%	8.4%	-9.1%	-1.2%	-1.5%	-7.5%	-35.9%	-19.4%
JKX Oil	JKX	1.07	1.21	0.75	-1.1%	-5.8%	-6.1%	-9.7%	-16.3%	-21.6%	-32.8%	-28.0%
Ukrnafta	UNAF	176	179	96	14.1%	15.0%	61.9%	62.1%	-1.1%	-0.9%	35.2%	43.8%
Power Utilities												
Centrenerg	CEEN	5.22	7.40	2.50	13.4%	14.3%	20.2%	9.4%	-1.8%	-1.5%	-6.5%	-8.8%
Donbasenergo	DOEN	40.1	43.0	15.4	16.2%	21.8%	36.2%	45.2%	1.0%	6.0%	9.5%	26.9%
Zakhidenergo	ZAEN	130.0	134.0	64.0	9.7%	11.1%	62.1%	43.8%	-5.5%	-4.7%	35.4%	25.6%
Consumer												
Agroton	AGT	1.49	3.5	0.36	4.8%	58.7%	103.1%	129.7%	-10.4%	42.9%	76.4%	111.4%
Astarta	AST	19.4	24.4	14.5	3.8%	-2.4%	-9.7%	-13.0%	-11.4%	-18.2%	-36.4%	-31.2%
Avangardo	AVGR	11.0	13.0	7.61	5.3%	-3.2%	-4.3%	-6.4%	-9.9%	-19.0%	-31.0%	-24.6%
Industrial Milk Company	IMC	3.47	5.21	2.57	11.5%	20.5%	-5.1%	-14.3%	-3.7%	4.7%	-31.8%	-32.5%
Kernel	KER	12.6	21.5	11.0	6.3%	-0.7%	-3.7%	-0.9%	-8.9%	-16.5%	-30.5%	-19.1%
Mriya Agro Holding	MAYA	7.08	8.2	5.36	0.0%	2.7%	0.1%	-4.9%	-15.2%	-13.1%	-26.6%	-23.2%
MHPC	MHPC	15.4	19.9	13.05	6.2%	9.2%	-11.4%	-9.5%	-9.0%	-6.6%	-38.1%	-27.7%
Milkiland	MLK	3.37	4.9	3.02	2.0%	-2.7%	5.1%	-19.0%	-13.2%	-18.6%	-21.6%	-37.2%
Ovostar Union	OVO	24.5	33.3	21.3	8.6%	-1.3%	-10.5%	-26.5%	-6.6%	-17.2%	-37.2%	-44.7%
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	15.5	n/a	n/a	14.4%	27.7%	23.6%	23.6%	-0.8%	11.9%	-3.1%	5.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.137	0.149	0.077	21.0%	20.4%	31.0%	21.1%	5.7%	4.6%	4.3%	2.8%
UkrSotsbank	USCB	0.186	0.257	0.111	11.8%	10.3%	2.9%	-0.7%	-3.4%	-5.5%	-23.9%	-18.9%

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	169	188	20.4%	16.9%	16.9%
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	505	559	109	81	138	20.0%	13.4%	20.5%	58	13	82	10.6%	2.2%	12.2%
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	111	3.9%	4	1,905	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	492	459	446	\$/tonne
Yenakievo Steel	ENMZ	47	8.8%	4	41	5.5	neg	neg	neg	1.9	1.3	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	348	3.0%	10	331	neg	neg	neg	neg	neg	9.4	0.1	0.2	0.2	72	73	73	\$/tonne
Coke																		
Avdyivka Coke	AVDK	71	6.8%	5	68	neg	neg	neg	neg	1.5	2.3	0.1	0.1	0.1	16	18	18	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	21	2.4	1.8	4.2	0.8	0.7	1.1	0.0	0.1	0.1	0.8	0.7	1.1	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	983	0.3%	2	982	10.3	5.5	6.6	4.2	3.1	3.5	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,398	0.4%	10	2,392	5.5	4.4	5.2	3.2	2.6	2.9	1.7	1.5	1.6				
Ferrexpo	FXPO	1,676	24.0%	402	2,242	7.8	7.0	6.8	5.6	5.2	5.0	1.6	1.5	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	3.4	1.4	1.4	1.0	1.4	1.3	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	28	25.0%	7	138	0.7	neg	neg	2.2	6.5	15.3	0.8	1.1	1.4	2.2	6.5	15.3	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	176	2.0%	4	221	5.2	10.2	8.8	4.3	7.1	6.4	0.5	0.7	0.6	351	582	553	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	37	24.0%	9	79	7.7	2.1	1.8	2.7	2.2	2.1	0.4	0.2	0.2				
Kruiw Wagon	KVBZ	287	5.0%	14	287	3.0	11.7	16.0	2.1	4.4	5.8	0.3	0.7	0.9				
Stakhanov Wagon	SVGZ	35	8.0%	3	74	>30	neg	neg	10.2	12.5	13.5	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	161	5.8%	9	93	4.2	2.2	2.1	1.8	1.0	1.0	0.6	0.4	0.4				
Motor Sich	MSICH	476	24.0%	114	492	2.4	2.8	2.5	1.6	2.1	1.9	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	273	7.2%	20	595	6.0	5.5	4.2	2.9	2.8	2.9	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,040	3.0%	31	1,032	5.9	7.9	8.6	3.2	2.8	2.9	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	67	21.6%	14	38	5.8	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	184	50.4%	93	292	neg	9.2	7.6	2.1	3.4	3.2	1.4	1.4	1.3	53	40	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	210	21.7%	46	279	7.3	4.9	4.2	4.1	4.5	4.1	0.2	0.3	0.3	16	20	17	\$/MWh
DonbasEnergO	DOEN	103	14.2%	15	174	27.0	2.1	2.4	5.4	2.4	2.7	0.3	0.3	0.2	21	22	21	\$/MWh
Consumer																		
MHP	MHPC	1,627	34.1%	555	2,787	5.2	8.0	6.0	6.0	6.7	5.1	2.0	2.0	1.7				
Kernel	KER	1,000	61.8%	618	1,706	4.7	9.5	13.0	5.3	5.9	6.6	0.8	0.6	0.7				
Astarta	AST	484	37.0%	179	818	8.3	>30	5.9	7.5	10.1	5.9	1.8	1.6	1.5				
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	32	26.2%	8	81	4.8	neg	neg	4.0	6.5	6.9	0.9	1.2	1.1	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	450	3.6%	16		>30	5.0	3.9	0.6	0.5	0.5	0.08	0.08	0.08				
Ukrsotsbank	USCB	374	1.4%	5		>30	>30	19.4	0.5	0.4	0.4	0.08	0.07	0.08				

Source: Eavex Research

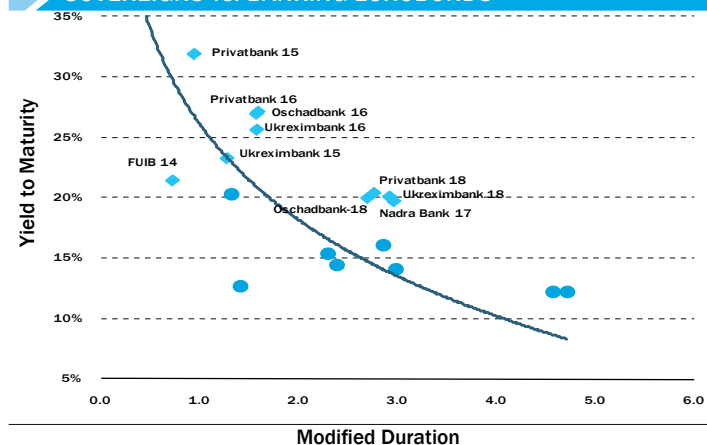
UKRAINIAN EUROBONDS

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	97.0	98.0	26.3%	20.4%	-2.5%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/B-
Naftogaz Ukraine, 2014	92.4	93.8	33.3%	28.8%	-7.4%	0.5	9.50%	S/A	30 Sept 2014	1,595	//B-
Ukraine, 2015 (EUR)	95.7	97.0	8.2%	7.2%	0.4%	1.5	4.95%	A	13 Oct 2015	600*	Caa2/CCC/B-
Ukraine, 2015	92.3	93.8	13.2%	12.0%	-4.7%	1.4	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/B-
Ukraine, 2016	89.9	91.9	11.2%	10.3%	-3.3%	2.4	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/B-
Ukraine, 2016-2	90.0	92.0	10.7%	9.7%	-3.5%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/B-
Ukraine, 2017	88.0	91.0	11.0%	9.9%	-3.5%	3.1	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/B-
Ukraine, 2017-2	94.1	95.6	11.7%	11.1%	-4.4%	2.9	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/B-
Ukraine, 2017 Infr. projects	87.0	88.5	13.8%	13.2%	6.2%	2.9	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	84.3	86.0	13.1%	12.4%	8.4%	3.3	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	91.2	92.7	9.8%	9.4%	-1.2%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/B-
Ukraine, 2021	91.2	92.7	9.8%	9.5%	-1.8%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/B-
Ukraine, 2022	89.6	91.1	9.6%	9.3%	-0.8%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/B-
Ukraine, 2023	89.4	91.4	9.2%	8.9%	-0.1%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/B-
Corporate Eurobonds											
Agroton, 2014	35.0	43.0	51.1%	40.5%	n/a	2.5	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.5	100.5	11.9%	11.3%	-3.3%	1.1	10.25%	S/A	29 Apr 2015	235	Caa1//B-
MHP, 2020	86.2	87.8	11.4%	11.0%	-2.7%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/B-
Avangardco, 2015	96.0	99.0	13.8%	11.5%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	89.0	90.5	14.5%	14.0%	-0.5%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/B-
Mriya, 2016	97.0	99.5	13.7%	12.1%	-2.0%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC/B-
Mriya, 2018	84.0	86.0	14.7%	14.0%	-2.4%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/B-
DTEK, 2015	97.7	98.5	12.9%	12.0%	-4.0%	1.0	9.50%	S/A	28 Apr 2015	200	Caa1//B-
DTEK, 2018	85.5	87.5	12.5%	11.8%	-8.2%	3.2	7.88%	S/A	4 Apr 2018	750	Caa1//B-
Metinvest, 2015	99.0	99.5	12.3%	11.7%	-0.3%	1.1	10.25%	S/A	20 May 2015	500	Caa1//B-
Metinvest, 2018	92.2	94.2	11.4%	10.8%	-1.9%	3.2	8.75%	S/A	14 Feb 2018	750	Caa1//B-
Ferrexpo, 2016	95.0	97.2	11.1%	9.7%	-1.9%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC/B-
UZ Rail, 2018	86.5	88.5	13.8%	13.1%	-4.6%	3.2	9.50%	S/A	21 May 2018	500	/CCC/B-
Interepipe, 2017	83.0	86.0	17.6%	15.9%	7.9%	2.7	10.25%	S/A	2 Aug 2017	200	/NR/C
JKX Oil&Gas, 2018	108.5	110.3	8.8%	8.4%	-1.5%	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%	3.6	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	95.0	95.0	23.3%	23.3%	-3.6%	0.7	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	79.3	85.0	27.0%	20.8%	7.9%	2.7	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	89.0	22.7%	19.7%	-1.8%	1.3	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	74.0	75.0	23.9%	23.0%	6.0%	1.6	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	80.4	82.3	18.0%	17.2%	-2.9%	3.0	10.88%	S/A	28 Feb 2018	175	Caa2//B-
UkrEximBank, 2015	87.8	91.0	23.4%	19.2%	-7.3%	1.0	8.38%	S/A	27 Apr 2015	750	Caa2//B-
UkrEximBank, 2016	76.0	76.0	23.1%	23.1%	-10.9%	1.6	8.40%	S/A	2 Sept 2016	125	Caa2//B-
UkrEximBank, 2018	80.8	84.0	15.5%	14.2%	-7.6%	3.1	8.75%	S/A	22 Jan 2018	500	Caa2//B-
VAB Bank, 2014	78.0	82.0	n/a	n/a	-6.4%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	86.0	88.0	18.0%	16.5%	-6.5%	1.7	8.25%	S/A	10 Mar 2016	700	Caa2//B-
Oschadbank, 2018	80.8	84.0	15.4%	14.2%	-7.4%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//B-
Municipal Eurobonds											
City of Kyiv, 2015	90.0	92.0	15.9%	14.3%	-2.1%	1.5	8.00%	S/A	6 Nov 2015	250	Caa2/CCC/
City of Kyiv, 2016	89.0	91.0	15.1%	13.9%	-3.2%	2.0	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

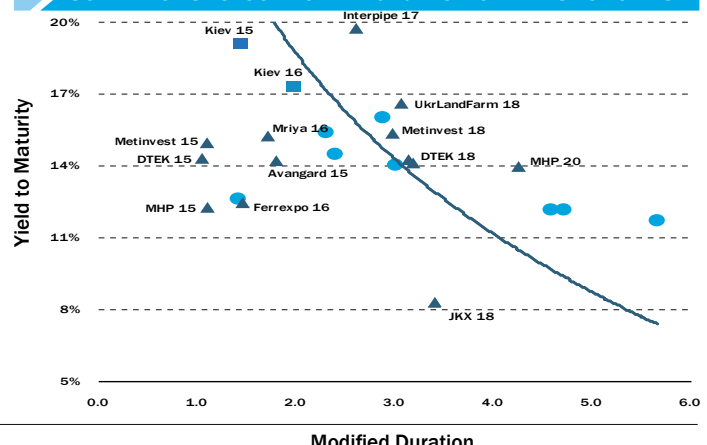
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



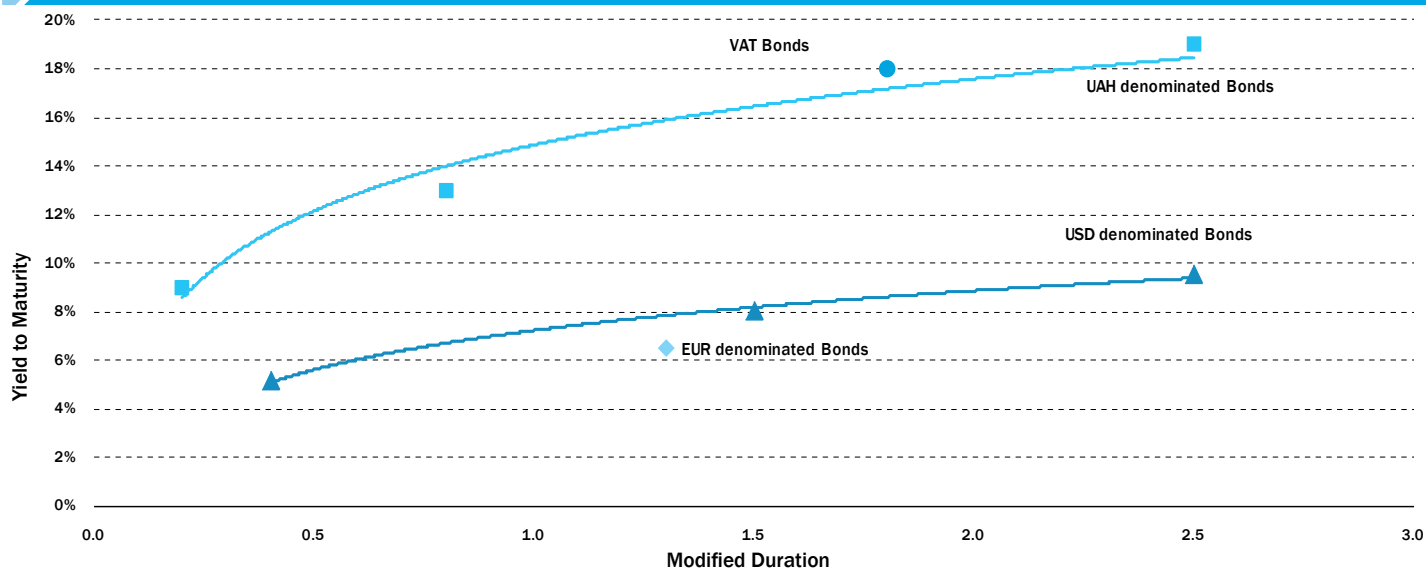
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			12.0%	9.0%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			17.5%	15.0%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			22.0%	18.0%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000140362	n/a	n/a	7.0%	5.5%	n/a	9.20%	S/A	21 May 2014	171
UA4000142699	n/a	n/a	10.0%	9.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	10.4%	9.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	10.4%	9.5%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	7.4%	5.5%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			20.5%	17.3%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			20.5%	17.3%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			20.5%	17.3%	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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