

Market Update

Equity

Ukrainian stocks, both local and foreign-listed, suffered their worst 1-day rout since the onset of the 2008 global financial crisis on Monday (Mar 3) following Russia's military takeover of Crimea this past weekend and the new Ukrainian government's uncompromising stance that the territory must be returned. The developments also sparked furious asset selloffs in Russia and Germany, where the DAX lost 3.4%, and the West launched a frenetic round of diplomacy to try to defuse the crisis. The UX index plunged by 11.7% to close at 988 points. Losses in the top names were more or less uniform across the board, with Motor Sich, Raiffeisen Aval, CentrEnerg, and UkrNafta all down in line with the benchmark. In London, Ferrexpo and MHP finished off their worst lows of the day but still finished lower by around 8% each, while less liquid Avangard plummeted 16% to USD 8.40. In Warsaw, the losses of Kernel, Astarta and Ovostar were in the range of 15%. We expect some rebound this morning as the threat of heavy Western economic sanctions against Moscow appears to be going some way toward forcing a peaceful resolution of the conflict.

Fixed Income

Ukrainian sovereigns were hit hard on Monday as the country was put on a full military alert due to the threat of further Russian military incursions. Ukraine-23s declined by 5.1p.p. to 82.2/84.7 (10.6%/10.1%). Corporate names followed the sovereigns; the steepest plunge was registered in UkrLandFarming-18s, which dropped by 7.9p.p. to 77.9/78.9 (18.9%/18.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	175.00	-11.5%	3.4	174
Motor Sich	MSICH	1836.00	-11.1%	3.4	177
Centrenerg	CEEN	4.910	-11.4%	0.9	189

Growth Leaders

Krymenergo	KREN	1.34	18.1%	0.02	7
Poltavsky GOK	PGOK	11.79	-7.9%	0.05	13
Yenakievo Steel	ENMZ	34.20	-8.0%	0.23	108

Loss Leaders

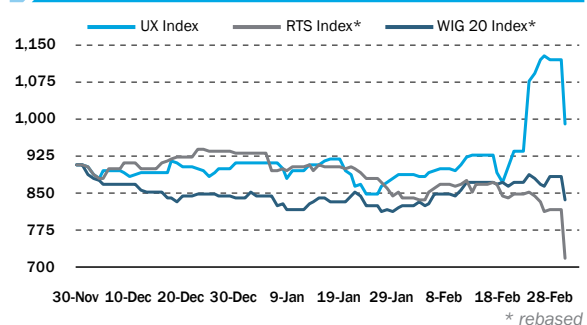
Khartsyzk Pipe	HRTR	0.49	-20.3%	0.094	21
Bank Forum	FORM	0.70	-18.5%	0.103	10
Yasynivsky Coke	YASK	0.61	-18.0%	0.032	32

Highlights

POLITICS AND ECONOMICS

- Obama Calls for Fast-Tracking of Ukraine Aid, Threatens Sanctions on Moscow

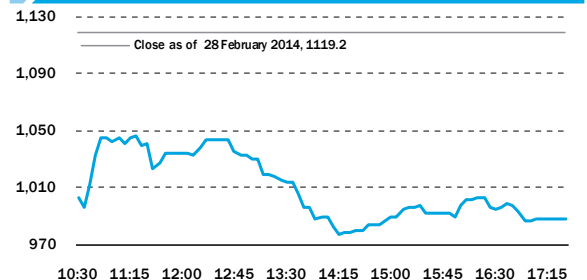
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	988.0	-11.7%	11.1%	8.6%
RTS	1115.1	-12.0%	-14.3%	-22.7%
WIG20	2389.9	-5.1%	1.4%	-0.5%
MSCI EM	950.7	-1.6%	1.5%	-5.1%
S&P 500	1845.7	-0.7%	3.5%	0.3%

UX INTRADAY MARCH 3, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	358.0	4.0%	-8.2%	8.2%
CDS 5Y UKR	1129.2	9.4%	7.2%	37.7%
Ukraine-17	11.8%	1.6 p.p.	0.9 p.p.	2.8 p.p.
Naftogaz Ukr-14	44.2%	14.6 p.p.	26.0 p.p.	35.4 p.p.
Ukraine-23	10.3%	1.0 p.p.	0.5 p.p.	2.8 p.p.
Privatbank-16	24.5%	0.0 p.p.	3.5 p.p.	-0.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.75	-2.0%	13.1%	18.3%
EUR	13.39	-2.5%	15.2%	17.8%
RUB	0.27	-3.0%	9.1%	6.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	277.4	0.0%	4.5%	-3.5%
Steel, USD/t	527.5	-0.5%	-2.8%	-1.9%
Oil, USD/bbl	111.2	2.0%	5.1%	0.0%
Gold, USD/oz	1350.6	1.8%	8.5%	12.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Obama Calls for Fast-Tracking of Ukraine Aid, Threatens Sanctions on Moscow

by Will Ritter
w.ritter@eavex.com.ua

NEWS

In comments broadcast live from the Washington on Monday (Mar 3), US President Barack Obama said Russia “is on the wrong side of history” with its military occupation of Crimea, and that the US is considering economic and diplomatic measures that will “isolate” Russia and “hurt” the country’s economy if hostilities continue to escalate in Ukraine. In his most direct comments on the Ukrainian crisis to date, Obama also said the US fully supports the interim government in Kyiv, and said he will ask the US Congress to consider emergency financial assistance to Ukraine at today’s legislative sessions. At the United Nations in New York, US Ambassador Samantha Power delivered a scathing condemnation of Russia’s actions in Crimea and its supposed rationale of “protecting Russian speakers”; Secretary of State John Kerry is due in Kyiv today for discussions with the Ukrainian government. Meanwhile, Prime Minister Arseniy Yatseniuk addressed a large gathering of investors in Kyiv yesterday and promised to comply with all IMF requirements for a renewal of stabilization lending. In Crimea itself, there were few changes in the situation on the ground yesterday and overnight, with Russia’s military maintaining its tight control of the region and no major violence reported.

COMMENTARY

In our view, the ongoing focus on the Crimea situation is masking the much more serious threat of widespread unrest and Russian military intervention in the major cities of southeastern Ukraine, which would likely spark chaos and all-out war. It seems, however, that Washington has recognized the danger of such a serious escalation and is quickly positioning itself to be able to inflict tens of billions of dollars’ worth of pain on Russia’s elite, including a loss of access to the Western banking system, to deter any such development. Indeed, the crushing losses yesterday in Moscow’s financial markets and currency indicated the worries of investors there about the possible widening of the crisis. In terms of US financial assistance to Kyiv, the figures that are being discussed are reportedly in the range of USD 3-5bn, considerably less than the total needed amount but certainly a significant sum that could get the government through the next few months. However, discussions about financial aid and stabilization can not really become a front-burner issue until the threat of military conflict is defused. Despite the ratcheting up of Western diplomacy, we still cannot foresee a scenario whereby Moscow will relinquish its control of Crimea, but again, we believe that Crimea is not the main issue which is at stake here.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.68	0.56	-18%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	141.4	218.0	54%	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	9.20	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	8.99	U/R	na	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	2.92	6.2	114%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.61	3.4	466%	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	0.45	2.9	554%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	22.0	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	1836	5250	186%	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	10.6	42.0	295%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	55.5	370	567%	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	35.6	72.0	102%	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	4.91	15.00	205%	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	13.3	22.10	66%	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	47.0	90.0	91%	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	8.4	19.35	130%	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	59.4	109.50	84%	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	987.96	1153.01	781.22	-11.7%	-8.2%	11.1%	8.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.039	0.06	0.02	-10.0%	-2.8%	7.2%	-0.8%	1.7%	5.4%	-3.8%	-9.3%
Azovstal	AZST	0.68	0.90	0.31	-13.2%	-10.5%	14.3%	1.5%	-1.4%	-2.3%	3.2%	-7.1%
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	34.2	52.0	20.0	-8.0%	-16.6%	8.2%	6.8%	3.8%	-8.4%	-2.8%	-1.7%
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	0.16	0.20	0.05	-11.1%	-15.8%	23.1%	60.0%	0.6%	-7.6%	12.0%	51.4%
Coke												
Avdivka Coke	AVDK	2.92	4.80	1.60	-9.4%	-12.7%	6.2%	-1.5%	2.3%	-4.5%	-4.8%	-10.1%
Yasnyivsky Coking	YASK	0.61	0.84	0.49	-17.6%	-9.0%	5.2%	15.1%	-5.8%	-0.8%	-5.9%	6.5%
Iron Ore Mining												
Centralny GOK	CGOK	8.99	n/a	n/a	-0.1%	16.8%	28.4%	38.3%	11.6%	24.9%	17.4%	29.7%
Ferrexpo	FXPO	2.36	3.37	2.02	-8.0%	-17.3%	-5.9%	-25.3%	3.7%	-9.1%	-16.9%	-33.9%
Pivnichny GOK	SGOK	9.20	10.00	5.77	-3.6%	-3.7%	15.0%	15.0%	8.2%	4.5%	3.9%	6.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.70	0.10	0.0%	-15.1%	25.0%	12.5%	11.7%	-6.9%	13.9%	3.9%
Komsomolets Donbasa	SHKD	0.75	n/a	n/a	-49.3%	13.6%	74.4%	21.0%	-37.6%	21.8%	63.4%	12.4%
Energy Coal	CLE	0.46	3.23	0.31	-23.4%	-23.9%	30.0%	32.5%	-11.7%	-15.7%	19.0%	23.9%
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	0.49	0.81	0.30	-21.0%	-21.0%	-2.0%	-18.3%	-9.2%	-12.8%	-13.1%	-26.9%
Interpipe NMPP	NVTR	0.22	n/a	n/a	-24.1%	-24.1%	4.8%	4.8%	-12.4%	-16.0%	-6.3%	-3.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	22.0	29.0	12.0	0.0%	-4.3%	25.7%	27.2%	11.7%	3.8%	14.7%	18.6%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	0.0%	0.0%	2.0%	3.3%	11.7%	8.2%	-9.1%	-5.2%
Stakhanov Wagon	SVGZ	1.25	n/a	n/a	-2.3%	-10.7%	-1.6%	-3.8%	9.4%	-2.5%	-12.6%	-12.4%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-5.0%	-19.6%	16.9%	14.7%	6.7%	-11.4%	5.9%	6.2%
Motor Sich	MSICH	1,836	2,630	1,303	-11.9%	-12.6%	6.1%	0.7%	-0.1%	-4.4%	-4.9%	-7.9%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	-23.1%	-14.3%	20.0%	20.0%	-11.3%	-6.1%	8.9%	11.4%
Turboatom	TATM	4.00	n/a	n/a	0.0%	23.1%	122.2%	14.3%	11.7%	31.3%	111.2%	5.7%
WESTA ISIC	WES	0.19	0.26	0.13	-20.9%	-28.5%	26.6%	42.0%	-9.2%	-20.3%	15.5%	33.5%
Telecom												
Ukrtelecom	UTLM	0.14	0.17	0.09	-3.6%	0.7%	-3.1%	22.7%	8.2%	8.9%	-14.1%	14.2%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.47	0.18	-10.0%	-15.0%	-15.7%	-16.0%	1.8%	-6.8%	-26.7%	-24.5%
JXX Oil	JKX	0.92	1.21	0.75	-10.1%	-13.6%	-21.5%	-22.0%	1.6%	-5.4%	-32.5%	-30.6%
Ukrnafta	UNAF	175	208	96	-11.3%	-0.6%	38.3%	61.1%	0.4%	7.6%	27.3%	52.6%
Power Utilities												
Centrenerg	CEEN	4.91	7.40	2.50	-11.9%	-5.9%	10.6%	3.0%	-0.2%	2.3%	-0.5%	-5.6%
Donbasenergo	DOEN	35.6	43.0	15.4	-12.3%	-11.1%	10.2%	29.0%	-0.5%	-3.0%	-0.9%	20.4%
Zakhidenergo	ZAEN	121.4	134.0	64.0	-4.4%	-6.6%	2.0%	34.3%	7.3%	1.6%	-9.0%	25.7%
Consumer												
Agroton	AGT	1.37	3.5	0.36	-22.8%	-7.9%	74.1%	111.5%	-11.0%	0.2%	63.1%	102.9%
Astarta	AST	15.3	24.4	14.5	-14.6%	-20.9%	-27.2%	-31.2%	-2.9%	-12.7%	-38.2%	-39.8%
Avangardo	AVGR	8.4	13.0	7.61	-16.0%	-23.6%	-27.3%	-28.5%	-4.2%	-15.5%	-38.3%	-37.1%
Industrial Milk Company	IMC	2.61	5.14	2.57	-15.9%	-24.8%	-18.4%	-35.5%	-4.1%	-16.6%	-29.4%	-44.1%
Kernel	KER	8.3	19.8	8.3	-22.0%	-33.8%	-31.4%	-34.4%	-10.3%	-25.6%	-42.4%	-43.0%
Mriya Agro Holding	MAYA	5.62	8.2	5.36	-30.5%	-20.7%	-20.0%	-24.6%	-18.8%	-12.5%	-31.1%	-33.2%
MHPC	MHPC	13.3	19.9	12.01	-7.7%	-13.6%	-11.9%	-21.8%	4.0%	-5.5%	-23.0%	-30.4%
Milkiland	MLK	2.77	4.9	2.77	-16.5%	-17.8%	-11.0%	-33.4%	-4.8%	-9.6%	-22.1%	-42.0%
Ovostar Union	OVO	19.4	33.3	19.4	-17.9%	-20.9%	-25.0%	-41.8%	-6.2%	-12.7%	-36.1%	-50.4%
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	14.5	n/a	n/a	3.2%	-6.5%	10.3%	15.6%	14.9%	1.7%	-0.7%	7.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.138	0.163	0.077	-12.7%	0.4%	21.1%	21.6%	-0.9%	8.6%	10.0%	13.0%
UkrSotsbank	USCB	0.177	0.257	0.111	-8.0%	-4.9%	-4.3%	-5.5%	3.7%	3.3%	-15.3%	-14.1%

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	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
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	255	14.9%	10.4%	10.3%	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	5,180	793	888	864	679	723	572	4	90	108	0.5%	10.1%	12.5%
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	102	3.9%	4	1,896	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	490	457	444	\$/tonne
Yenakievo Steel	ENMZ	37	8.8%	3	31	4.3	neg	neg	neg	1.4	0.9	0.0	0.0	0.0	11	11	11	\$/tonne
Azovstal	AZST	293	3.0%	9	275	neg	neg	neg	neg	neg	7.8	0.1	0.1	0.1	60	61	60	\$/tonne
Coke																		
Avdyivka Coke	AVDK	58	6.8%	4	56	neg	neg	neg	neg	1.2	1.9	0.1	0.1	0.1	13	14	15	\$/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	1,080	0.3%	3	1,079	11.4	5.6	6.6	4.6	3.5	3.9	1.8	1.6	1.7				
Pivnichny GOK	SGOK	2,174	0.4%	9	2,168	5.0	4.0	4.7	2.9	2.4	2.7	1.5	1.3	1.4				
Ferrexpo	FXPO	1,386	24.0%	333	1,952	6.4	5.8	5.6	4.9	4.5	4.3	1.4	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	3.6	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	21	25.0%	5	131	0.5	neg	neg	2.1	6.2	14.6	0.8	1.0	1.3	2.1	6.2	14.6	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	131	2.0%	3	176	3.9	7.6	6.5	3.4	5.6	5.1	0.4	0.6	0.5	280	464	441	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	35	24.0%	8	77	7.2	2.0	1.7	2.6	2.2	2.0	0.4	0.2	0.2				
Kruiiv Wagon	KVBZ	259	5.0%	13	259	2.7	10.5	14.4	1.9	4.0	5.2	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	29	8.0%	2	68	>30	neg	neg	9.5	11.6	12.5	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	152	5.8%	9	83	4.0	2.1	2.0	1.6	0.9	0.9	0.5	0.4	0.3				
Motor Sich	MSICH	391	24.0%	94	406	2.0	2.3	2.1	1.3	1.7	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	259	7.2%	19	581	5.7	5.2	4.0	2.8	2.7	2.8	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	973	3.0%	29	965	5.5	7.4	8.0	3.0	2.6	2.7	0.5	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	57	21.6%	12	28	4.9	11.2	4.4	1.3	1.6	0.9	0.6	0.7	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	159	50.4%	80	267	neg	7.9	6.6	2.0	3.1	3.0	1.3	1.3	1.2	49	37	36	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	186	21.7%	40	255	6.5	4.3	3.7	3.7	4.1	3.7	0.2	0.3	0.3	14	18	16	\$/MWh
DonbasEnerg	DOEN	86	14.2%	12	157	22.6	1.8	2.0	4.9	2.2	2.4	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,405	34.1%	479	2,566	4.5	6.9	5.2	5.5	6.2	4.7	1.8	1.8	1.6				
Kernel	KER	662	61.8%	409	1,368	3.1	6.3	8.6	4.2	4.7	5.4	0.6	0.5	0.6				
Astarta	AST	383	37.0%	142	717	6.6	28.8	4.7	6.6	8.8	5.2	1.6	1.4	1.3				
Avangardco	AVGR	537	22.5%	121	736	2.4	2.1	1.8	2.6	2.2	2.0	1.2	1.0	0.9	167	127	119	\$/mneggs
Agroton	AGT	30	26.2%	8	79	4.4	neg	neg	3.9	6.3	6.7	0.9	1.1	1.0	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	425	3.6%	15		>30	4.7	3.9	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	334	0.7%	2		>30	>30	19.4	0.4	0.3	0.3	0.08	0.07	0.08				

Source: Eavex Research

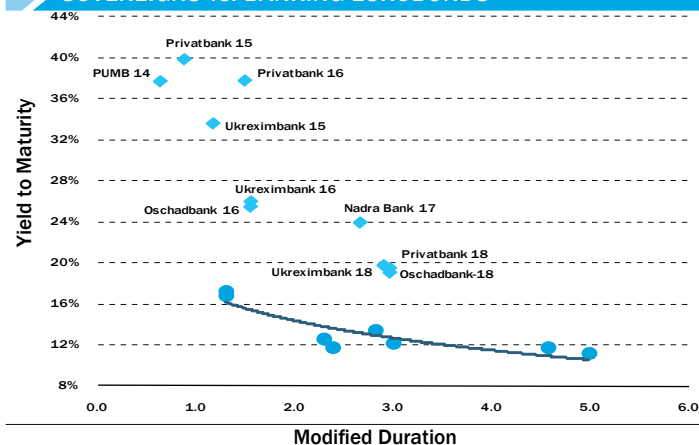
UKRAINIAN EUROBONDS

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	91.0	94.0	89.9%	53.3%	-7.5%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa1/CCC/CCC
Naftogaz Ukraine, 2014	82.9	85.2	n/a	74.7%	-16.4%	n/a	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	83.4	87.9	19.0%	14.7%	-10.8%	1.3	4.95%	A	13 Oct 2015	600*	Caa1/CCC/CCC
Ukraine, 2015	86.2	89.7	18.8%	15.6%	-9.9%	1.3	6.875%	S/A	23 Sept 2015	500	Caa1/CCC/CCC
Ukraine, 2016	85.8	88.8	13.3%	11.8%	-7.1%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa1/CCC/CCC
Ukraine, 2016-2	86.5	89.5	12.4%	11.0%	-6.7%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa1/CCC/CCC
Ukraine, 2017	83.9	86.5	12.6%	11.6%	-8.1%	3.0	6.75%	S/A	14 Nov 2017	700	Caa1/CCC/CCC
Ukraine, 2017-2	88.5	91.0	14.0%	12.9%	-9.5%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa1/CCC/CCC
Ukraine, 2017 Infr. projects	85.0	87.0	14.7%	13.8%	4.1%	2.9	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	84.3	86.0	13.1%	12.4%	8.4%	3.2	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	81.9	84.6	12.1%	11.4%	-10.6%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa1/CCC/CCC
Ukraine, 2021	83.7	86.2	11.5%	10.9%	-9.3%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/CCC/CCC
Ukraine, 2022	82.7	85.2	11.0%	10.5%	-7.8%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa1/CCC/CCC
Ukraine, 2023	82.2	84.7	10.6%	10.1%	-7.8%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa1/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	43.5	51.6%	40.1%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	96.5	98.5	15.5%	14.3%	-5.8%	1.0	10.25%	S/A	29 Apr 2015	235	Caa1//CCC
MHP, 2020	75.4	78.3	14.5%	13.6%	-14.0%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	90.0	91.0	18.9%	18.1%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	77.9	78.9	18.9%	18.5%	-13.1%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	90.0	94.9	18.6%	15.1%	-7.8%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	75.0	80.0	18.3%	16.3%	-11.0%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	88.0	90.0	25.3%	22.5%	-12.9%	0.9	9.50%	S/A	28 Apr 2015	200	Caa1//CCC
DTEK, 2018	77.1	78.1	15.7%	15.3%	-17.6%	3.1	7.88%	S/A	4 Apr 2018	750	Caa1//CCC
Metinvest, 2015	89.9	91.6	22.9%	20.7%	-11.1%	1.0	10.25%	S/A	20 May 2015	500	Caa1//CCC
Metinvest, 2018	84.2	86.4	14.4%	13.6%	-10.2%	3.1	8.75%	S/A	14 Feb 2018	750	Caa1//CCC
Ferrexpo, 2016	86.5	90.0	16.7%	14.1%	-9.9%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	69.1	75.0	20.9%	18.2%	-21.4%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	75.0	82.0	21.7%	17.7%	-2.5%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	94.6	96.9	13.0%	12.2%	-13.7%	3.3	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	70.0	80.0	18.9%	15.2%	-9.6%	3.6	9.25%	S/A	25 Jan 2019	100	Caa1//
PUMB, 2014	88.0	91.0	42.3%	33.6%	-9.1%	0.6	11.00%	Q	31 Dec 2014	275	Caa1//
Nadra Bank, 2017	79.3	85.0	27.0%	20.8%	-2.5%	2.7	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	77.0	77.0	33.6%	33.6%	-13.6%	1.2	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	70.0	75.0	27.7%	23.2%	3.1%	1.6	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	77.0	80.0	19.4%	18.1%	-6.2%	3.0	10.88%	S/A	28 Feb 2018	175	Caa1//CCC
UkrEximBank, 2015	75.0	80.0	44.6%	35.5%	-19.6%	0.9	8.38%	S/A	27 Apr 2015	750	Caa1//CCC
UkrEximBank, 2016	60.0	65.0	41.1%	34.7%	-26.7%	1.5	8.40%	S/A	2 Sept 2016	125	Caa1//CCC
UkrEximBank, 2018	70.5	75.0	20.0%	18.0%	-18.5%	3.0	8.75%	S/A	22 Jan 2018	500	Caa1//CCC
VAB Bank, 2014	75.0	79.0	n/a	n/a	-9.9%	n/a	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	76.0	77.2	26.5%	25.4%	-17.7%	1.6	8.25%	S/A	10 Mar 2016	700	Caa1//CCC
Oschadbank, 2018	70.0	74.0	20.3%	19.1%	-19.1%	2.9	8.88%	S/A	20 Mar 2018	500	Caa1//CCC
Municipal Eurobonds											
City of Kyiv, 2015	77.0	78.1	28.3%	27.1%	-16.6%	1.3	8.00%	S/A	6 Nov 2015	250	Caa1/CCC/
City of Kyiv, 2016	77.5	79.6	22.1%	20.7%	-15.2%	1.9	9.375%	S/A	30 Jun 2016	300	Caa1/CCC/

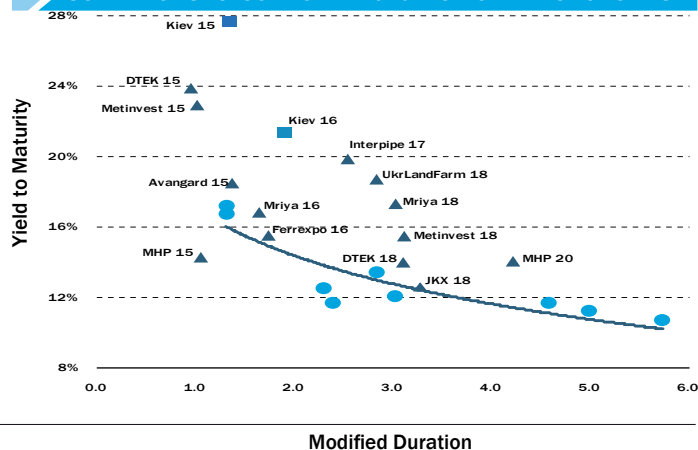
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



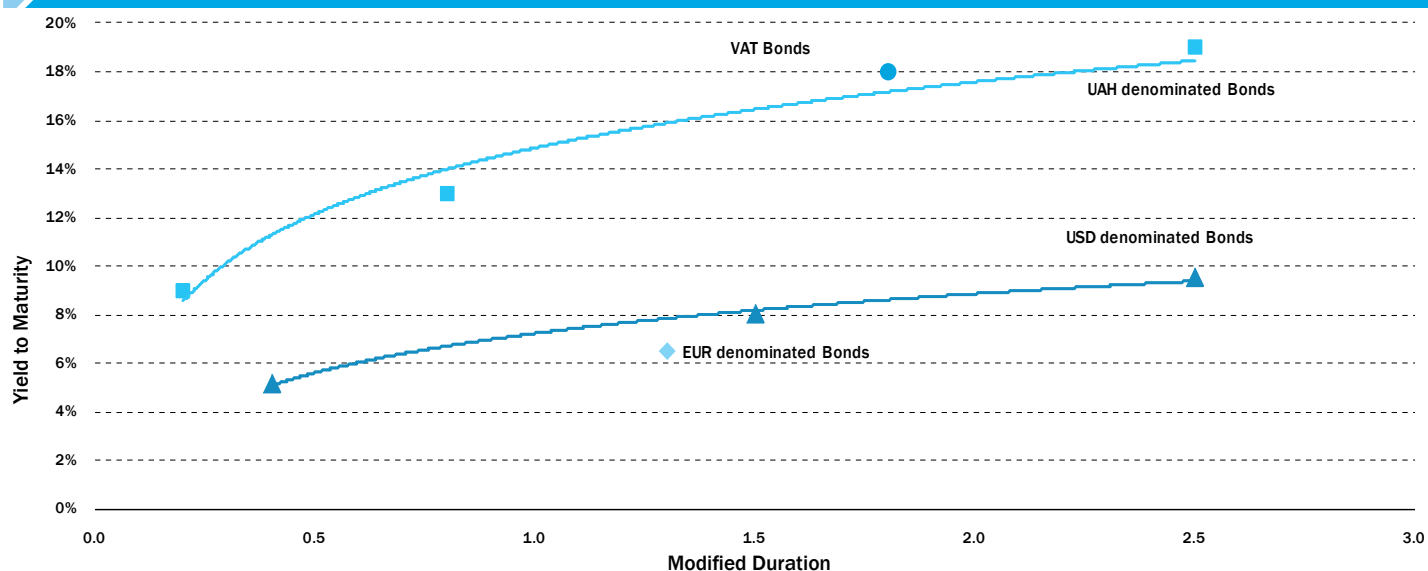
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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			17.5%	15.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			17.5%	15.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			17.5%	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

Eavex Capital

Evropa Plaza
33 Shevchenko Blvd.
Floor 11
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity & Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales & Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua