

Market Update

Equity

Locally-listed Ukrainian stocks recovered most of their massive losses from Monday's session in line with a big rebound in Europe, after global investors appeared to be reassured by comments from Russia's President Putin that he does not want a war in Ukraine. However, Putin broadly maintained his tough line that Russia has a right to intervene militarily, and given the ongoing possibility of pro-Russian unrest in Eastern Ukraine, we thus see the large relief rally as looking a bit premature and/or overdone. The UX index gained 9.8%, closing at 1082 points. DonbasEnergo was the day's standout performer, adding 14.9% to UAH 40.50, and UkrNafta and Raiffeisen Aval erased their Monday losses with respective rises of 12.8% and 13.9%. Top liquid name Motor Sich, which had fallen by less than other blue chips on Monday, posted a smaller rebound of 4.9%. In London, the gains were less pronounced, with Avangard and JKX Oil&Gas picking up around 2% each, while MHP appreciated by 3.7% to USD 13.80. In Warsaw, Kernel and Astarta rose by 10% and 2.9% respectively.

Fixed Income

Ukrainian sovereigns rebounded on Tuesday as the crisis in Crimea appeared to stabilize somewhat. Ukraine-23s advanced by 4.3p.p. to 87.0/88.5 (9.7%/9.4%). Corporate names were mixed, however; the 2015 Eurobonds of Metinvest, which has potential conflict-zone exposure in Eastern Ukraine, plummeted by 4.4p.p. to 90.0/93.0 (22.8%/19.0%), while MHP-20s shot up by 5.4p.p. to 81.7/82.9 (12.7%/12.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	197.40	12.8%	4.1	150
Centrenergo	CEEN	5.37	9.3%	3.1	227
Motor Sich	MSICH	1928.000	5.0%	1.5	113

Growth Leaders

Sevastopolenergo	SMEN	3.99	31.7%	0.03	7
Pokrovske Mine	SHCHZ	0.60	25.3%	0.04	18
KRAZ	KRAZ	0.04	22.7%	0.00	7

Loss Leaders

Ukrtelecom	UTLM	0.13	-2.2%	0.262	12
Zakhidenergo	ZAEN	122.50	4.0%	0.029	12
Motor Sich	MSICH	1,928.00	5.0%	1,501	113

Highlights

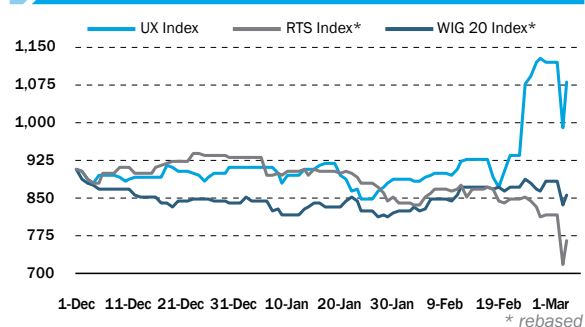
POLITICS AND ECONOMICS

- Ukraine's Current Gas Debt is USD 1.53bn, Gazprom says

STOCKS IN THE NEWS

- ING Bank Expands Its Investment in IMC

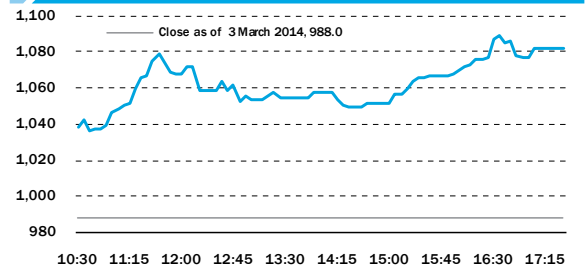
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1082.1	9.5%	21.6%	18.9%
RTS	1184.2	6.2%	-9.0%	-17.9%
WIG20	2442.9	2.2%	3.7%	1.7%
MSCI EM	956.2	0.6%	2.1%	-4.6%
S&P 500	1873.9	1.5%	5.1%	1.8%

UX INTRADAY MARCH 4, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	342.0	-4.5%	-12.3%	3.4%
CDS 5Y UKR	1183.7	4.8%	12.4%	44.3%
Ukraine-17	10.5%	-1.3 p.p.	-0.4 p.p.	1.4 p.p.
Naftogaz Ukr-14	27.8%	-16.4 p.p.	9.6 p.p.	19.0 p.p.
Ukraine-23	9.5%	-0.8 p.p.	-0.3 p.p.	2.0 p.p.
Privatbank-16	31.4%	6.9 p.p.	10.4 p.p.	6.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.10	-6.7%	5.6%	10.4%
EUR	12.51	-6.6%	7.6%	10.0%
RUB	0.25	-5.5%	3.0%	0.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	278.0	0.0%	4.7%	-3.3%
Steel, USD/t	527.5	0.0%	-2.8%	-1.9%
Oil, USD/bbl	109.3	-1.7%	3.3%	-1.7%
Gold, USD/oz	1334.3	-1.2%	7.2%	11.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Current Gas Debt is USD 1.53bn, Gazprom says

by Dmitry Churin
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NEWS

Ukraine's current debt owed by state company Naftogaz to Russia's Gazprom for natural gas supplies is USD 1.53bn, Gazprom CEO Alexey Miller told journalists on Tuesday (Mar 4). He said the debt is considered by Gazprom as sufficient reason to rescind the previously agreed "discounted" gas price for Ukraine. The discount, which allowed to lower import price for Ukraine from a level of USD 400 per 1,000 cubic meters (cu-m) to USD 268.5 per cu-m will be removed starting in April. Under the December deal, Gazprom has the right to quarterly revision of the price, between the 5th and 10th day of the first month of every quarter. April is thus the next month when the price can be revised. In a separate statement, Miller said his company could offer Naftogaz a loan up to USD 3.0bn to cover the debt and to pay off the February gas deliveries.

COMMENTARY

The tough pricing position of Gazprom regarding the Ukrainian gas debt once again illustrated Moscow's attempt to pressure the newly appointed Ukrainian government. Ukraine was fortunate that consistently-above-average temperatures throughout February allowed it to save enough gas in underground storage for a smooth end to the heating season. According to the latest data from the Energy Ministry, the underground storages had 9.2bn cu-m of gas as of Mar 1, compared to 13.1bn cu-m on Jan 1. Naftogaz indeed has a lack of cash for immediate payment to Gazprom, but transferring the gas debt into debt guaranteed by the state could be a bad choice in current situation. In our opinion, Naftogaz should negotiate some additional restructuring of the current debt and pay it off in parts in synchronization with its collection of payments from the country's domestic heating companies, which owe Naftogaz about UAH 23bn (USD 2.4bn; we note that the UAH-denominated debt is being heavily devaluated to Naftogaz's further detriment). As we reported earlier this year, Naftogaz's last payment to Gazprom was financed through an increase of the company's charter fund, i.e. a state cash injection, by UAH 11bn (USD 1.3bn). The Ukrainian government issued 5-year hryvnia bonds at 14.4% in February and allocated them into the monopoly's charter fund.

Naftogaz's outstanding Eurobonds maturing in September currently quote at 90.0/92.0, implying an enormous yield of 45%/38%. There are wide expectations that the issue will be restructured through an exchange for a new sovereign Eurobond issue.

ING Bank Expands Its Investment in IMC

by Ivan Dzvinka
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NEWS

Warsaw-listed crop grower Industrial Milk Company (IMC) reported on Tuesday (Mar 4) that the Polish branch of ING Bank bought some 48,000 shares in the company during the second half of February. As a result, ING's stake in IMC now stands at 5.05% vs. 4.90% previously.

COMMENTARY

The increased exposure to IMC's shares by a respected investor is positive news in at least two aspects. First, this reflects ING's belief in IMC as a solid medium-term investment. Second, this provides some confidence in the view of Ukraine's securities as a currently appropriate investment story despite obviously heightened country risk. Following the heavy losses across the board of Ukrainian stocks on Monday (Mar 3), IMC rebounded by 15%, recovering all of its loss from the previous session.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.74	0.56	-25%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	148.2	218.0	47%	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	9.80	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	3.08	6.2	103%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.70	3.4	391%	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	0.60	2.9	391%	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	1928	5250	172%	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	56.8	370	552%	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	40.5	72.0	78%	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	5.37	15.00	179%	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	13.8	22.10	60%	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	48.0	90.0	88%	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	8.6	19.35	126%	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	66.0	109.50	66%	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	1082.12	1153.01	781.22	9.5%	-0.9%	21.6%	18.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.041	0.06	0.02	6.2%	-1.7%	13.9%	5.4%	-3.3%	-0.8%	-7.7%	-13.5%
Azovstal	AZST	0.74	0.90	0.31	8.5%	-4.2%	24.0%	10.1%	-1.0%	-3.2%	2.4%	-8.8%
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	37.7	52.0	20.0	10.1%	-0.9%	19.1%	17.6%	0.6%	0.0%	-2.5%	-1.3%
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	0.17	0.20	0.05	6.3%	-10.5%	30.8%	70.0%	-3.3%	-9.6%	9.1%	51.1%
Coke												
Avdyivka Coke	AVDK	3.08	4.80	1.60	5.6%	-3.4%	12.2%	4.0%	-3.9%	-2.5%	-9.4%	-14.9%
Yasnyivsky Coking	YASK	0.70	0.84	0.49	14.8%	-2.8%	20.7%	32.1%	5.2%	-1.8%	-0.9%	13.2%
Iron Ore Mining												
Centralny GOK	CGOK	8.99	n/a	n/a	0.0%	12.4%	28.4%	38.3%	-9.5%	13.3%	6.8%	19.4%
Ferrexpo	FXPO	2.47	3.28	2.02	4.9%	-12.4%	-1.2%	-21.7%	-4.6%	-11.5%	-22.9%	-40.6%
Pivnichny GOK	SGOK	9.80	10.00	5.77	6.5%	5.4%	22.5%	22.5%	-3.0%	6.3%	0.9%	3.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	33.3%	20.0%	66.7%	50.0%	23.8%	20.9%	45.0%	31.1%
Komsomolets Donbasa	SHKD	0.75	n/a	n/a	0.0%	13.6%	74.4%	21.0%	-9.5%	14.6%	52.8%	2.1%
Energy Coal	CLE	0.54	3.21	0.31	15.6%	-20.0%	50.4%	53.2%	6.1%	-19.1%	28.7%	34.3%
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	0.81	0.30	22.4%	-3.2%	20.0%	0.0%	12.9%	-2.3%	-1.6%	-18.9%
Interpipe NMPP	NVTR	0.26	n/a	n/a	18.2%	-7.1%	23.8%	23.8%	8.7%	-6.2%	2.2%	4.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	22.0	29.0	12.0	0.0%	-8.3%	25.7%	27.2%	-9.5%	-7.4%	4.1%	8.3%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	0.0%	0.0%	2.0%	3.3%	-9.5%	0.9%	-19.7%	-15.6%
Stakhanov Wagon	SVGZ	1.25	n/a	n/a	0.0%	-2.3%	-1.6%	-3.8%	-9.5%	-1.4%	-23.2%	-22.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-19.6%	16.9%	14.7%	-9.5%	-18.6%	-4.7%	-4.2%
Motor Sich	MSICH	1,928	2,630	1,303	5.0%	-7.4%	11.4%	5.7%	-4.5%	-6.5%	-10.2%	-13.2%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	16.3%	4.8%	39.6%	39.6%	6.8%	5.7%	18.0%	20.7%
Turboatom	TATM	4.00	n/a	n/a	0.0%	23.1%	122.2%	14.3%	-9.5%	24.0%	100.6%	-4.6%
WESTA ISIC	WES	0.20	0.26	0.13	4.2%	-20.7%	31.9%	48.0%	-5.3%	-19.8%	10.3%	29.1%
Telecom												
Ukrtelecom	UTLM	0.13	0.17	0.09	-2.2%	-8.9%	-5.2%	20.0%	-11.8%	-8.0%	-26.9%	1.1%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.47	0.18	13.1%	6.5%	-4.7%	-5.0%	3.5%	7.4%	-26.3%	-23.9%
JXX Oil	JKX	0.95	1.21	0.75	2.4%	-9.0%	-19.6%	-20.1%	-7.2%	-8.0%	-41.2%	-39.1%
Ukrnafta	UNAF	197	208	96	12.8%	6.7%	56.0%	81.8%	3.3%	7.6%	34.4%	62.9%
Power Utilities												
Centrenerg	CEEN	5.37	7.40	2.50	9.4%	1.5%	21.0%	12.6%	-0.1%	2.5%	-0.7%	-6.3%
Donbasenergo	DOEN	40.5	43.0	15.4	13.8%	-2.2%	25.4%	46.8%	4.3%	-1.2%	3.8%	27.9%
Zakhidenergo	ZAEN	122.5	134.0	64.0	0.9%	-6.4%	2.9%	35.5%	-8.6%	-5.5%	-18.7%	16.6%
Consumer												
Agroton	AGT	1.40	3.5	0.36	1.7%	-6.4%	77.1%	115.1%	-7.8%	-5.4%	55.4%	96.2%
Astarta	AST	15.8	24.4	14.5	2.9%	-18.0%	-25.1%	-29.2%	-6.6%	-17.0%	-46.7%	-48.1%
Avangardo	AVGR	8.6	13.0	7.61	1.8%	-18.3%	-26.0%	-27.2%	-7.7%	-17.3%	-47.6%	-46.1%
Industrial Milk Company	IMC	3.02	5.14	2.57	16.0%	-8.3%	-5.3%	-25.2%	6.5%	-7.4%	-26.9%	-44.1%
Kernel	KER	9.1	19.6	8.3	10.0%	-24.9%	-24.5%	-27.8%	0.5%	-23.9%	-46.1%	-46.7%
Mriya Agro Holding	MAYA	6.79	8.2	5.36	20.9%	-5.9%	-3.3%	-8.9%	11.4%	-5.0%	-24.9%	-27.8%
MHPC	MHPC	13.8	19.9	12.01	3.8%	-9.6%	-8.6%	-18.9%	-5.8%	-8.7%	-30.2%	-37.8%
Milkiland	MLK	2.96	4.9	2.77	7.0%	-14.1%	-4.8%	-28.7%	-2.5%	-13.2%	-26.4%	-47.6%
Ovostar Union	OVO	21.7	33.3	19.4	11.9%	-12.8%	-16.1%	-34.9%	2.4%	-11.8%	-37.7%	-53.8%
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	0.0%	-6.7%	10.3%	15.6%	-9.5%	-5.8%	-11.3%	-3.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.157	0.163	0.077	14.0%	8.5%	38.0%	38.6%	4.5%	9.4%	16.3%	19.7%
UkrSotsbank	USCB	0.187	0.257	0.111	5.8%	-2.4%	1.2%	-0.1%	-3.8%	-1.5%	-20.4%	-19.0%

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	116	3.9%	4	1,910	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	494	460	447	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	38	5.1	neg	neg	neg	1.7	1.2	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	341	3.0%	10	323	neg	neg	neg	neg	neg	9.2	0.1	0.2	0.2	70	72	71	\$/tonne
Coke																		
Avdyivka Coke	AVDK	66	6.8%	4	63	neg	neg	neg	neg	1.4	2.2	0.1	0.1	0.1	15	16	17	\$/tonne
Yasynivsky Coke	YASK	21	9.0%	2	22	2.5	1.9	4.5	0.8	0.8	1.2	0.1	0.1	0.1	0.8	0.8	1.2	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	1,158	0.3%	3	1,156	12.2	6.0	7.1	5.0	3.7	4.1	1.9	1.7	1.8				
Pivnichny GOK	SGOK	2,481	0.4%	10	2,475	5.7	4.5	5.4	3.3	2.7	3.0	1.7	1.5	1.6				
Ferrexpo	FXPO	1,454	24.0%	349	2,020	6.7	6.1	5.9	5.0	4.7	4.5	1.4	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	28	5.4%	1	130	3.8	1.6	1.6	1.0	1.4	1.4	0.5	0.6	0.6	32	30	29	\$/tonne
Coal Energy	CLE	24	25.0%	6	134	0.6	neg	neg	2.1	6.4	14.9	0.8	1.1	1.3	2.1	6.4	14.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	171	2.0%	3	217	5.1	10.0	8.6	4.2	6.9	6.3	0.5	0.7	0.6	345	571	543	\$/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	277	5.0%	14	277	2.9	11.3	15.5	2.0	4.3	5.6	0.3	0.7	0.9				
Stakhanov Wagon	SVGZ	31	8.0%	2	70	>30	neg	neg	9.8	12.0	12.9	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	162	5.8%	9	94	4.3	2.3	2.1	1.8	1.0	1.0	0.6	0.4	0.4				
Motor Sich	MSICH	440	24.0%	106	455	2.2	2.6	2.3	1.5	2.0	1.8	0.5	0.5	0.4				
Telecom																		
Ukrtelecom	UTLM	272	7.2%	20	593	6.0	5.5	4.1	2.9	2.8	2.8	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,176	3.0%	35	1,168	6.7	9.0	9.7	3.7	3.1	3.3	0.6	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	64	21.6%	14	36	5.5	12.7	5.0	1.7	2.1	1.1	0.7	0.9	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	162	50.4%	82	271	neg	8.1	6.8	2.0	3.2	3.0	1.3	1.3	1.2	49	37	36	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	218	21.7%	47	287	7.6	5.1	4.4	4.2	4.6	4.2	0.3	0.3	0.3	16	20	18	\$/MWh
DonbasEnergO	DOEN	105	14.2%	15	176	27.5	2.1	2.5	5.5	2.4	2.7	0.3	0.3	0.2	21	23	22	\$/MWh
Consumer																		
MHP	MHPC	1,458	34.1%	497	2,618	4.7	7.2	5.4	5.6	6.3	4.8	1.9	1.8	1.6				
Kernel	KER	729	61.8%	450	1,434	3.5	6.9	9.5	4.5	4.9	5.6	0.7	0.5	0.6				
Astarta	AST	394	37.0%	146	728	6.8	29.7	4.8	6.7	9.0	5.3	1.6	1.4	1.3				
Avangardco	AVGR	546	22.5%	123	746	2.4	2.1	1.8	2.7	2.3	2.0	1.2	1.1	0.9	169	128	121	\$/mneggs
Agroton	AGT	30	26.2%	8	79	4.5	neg	neg	3.9	6.3	6.7	0.9	1.1	1.0	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	519	3.6%	19		>30	5.8	4.8	0.7	0.6	0.6	0.09	0.10	0.10				
Ukrsotsbank	USCB	379	0.7%	3		>30	>30	19.4	0.5	0.4	0.4	0.08	0.07	0.08				

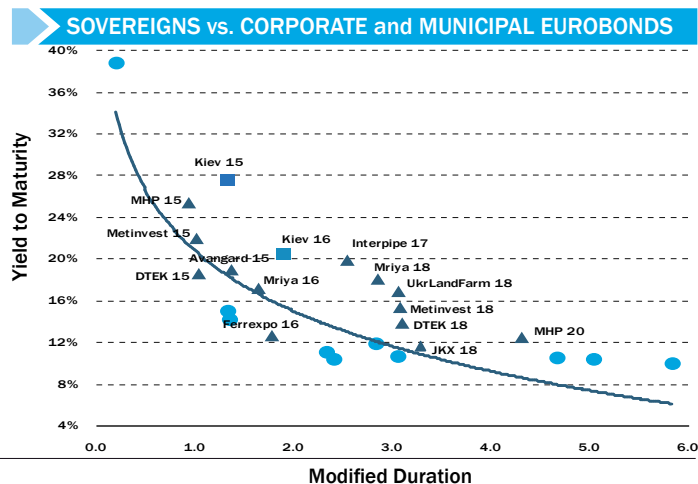
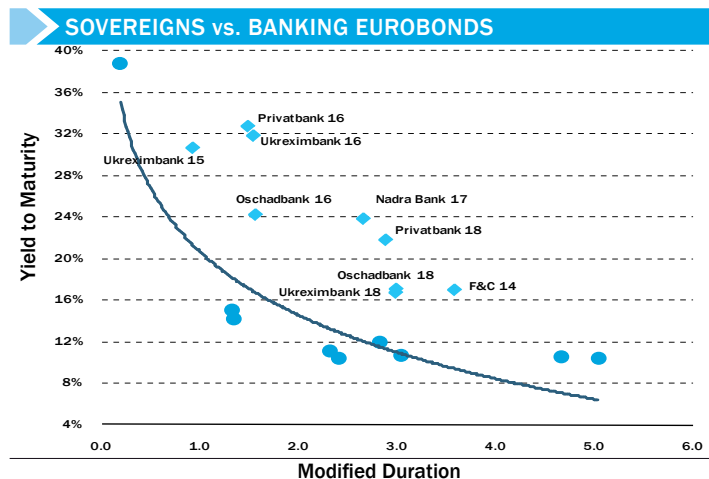
Source: Eavex Research

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	95.0	96.5	45.1%	32.9%	-4.3%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa1/CCC/CCC
Naftogaz Ukraine, 2014	90.2	91.8	44.6%	37.8%	-9.5%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	85.8	89.3	16.7%	13.5%	-8.8%	1.3	4.95%	A	13 Oct 2015	600*	Caa1/CCC/CCC
Ukraine, 2015	90.5	92.0	14.9%	13.6%	-6.5%	1.3	6.875%	S/A	23 Sept 2015	500	Caa1/CCC/CCC
Ukraine, 2016	89.4	91.4	11.5%	10.6%	-3.9%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa1/CCC/CCC
Ukraine, 2016-2	89.6	91.6	10.9%	10.0%	-4.0%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa1/CCC/CCC
Ukraine, 2017	87.7	90.0	11.1%	10.3%	-4.2%	3.0	6.75%	S/A	14 Nov 2017	700	Caa1/CCC/CCC
Ukraine, 2017-2	92.9	93.9	12.2%	11.8%	-5.8%	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	86.9	89.6	10.8%	10.2%	-5.2%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa1/CCC/CCC
Ukraine, 2021	87.0	89.5	10.7%	10.2%	-5.8%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/CCC/CCC
Ukraine, 2022	87.1	88.6	10.1%	9.8%	-3.5%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa1/CCC/CCC
Ukraine, 2023	87.0	88.5	9.7%	9.4%	-3.0%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa1/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	43.8	51.6%	39.8%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	92.9	95.0	19.9%	18.6%	-9.2%	1.0	10.25%	S/A	29 Apr 2015	235	Caa1//CCC
MHP, 2020	81.7	82.9	12.7%	12.3%	-7.9%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	90.0	90.0	19.0%	19.0%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	78.0	81.9	18.9%	17.3%	-11.4%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	90.0	93.9	18.6%	15.8%	-8.3%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	80.0	85.0	16.3%	14.4%	-5.3%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	86.0	90.0	28.3%	22.6%	-13.9%	0.9	9.50%	S/A	28 Apr 2015	200	Caa1//CCC
DTEK, 2018	73.6	74.8	17.1%	16.6%	-21.3%	3.1	7.88%	S/A	4 Apr 2018	750	Caa1//CCC
Metinvest, 2015	90.0	93.0	22.8%	19.0%	-8.1%	1.0	10.25%	S/A	20 May 2015	500	Caa1//CCC
Metinvest, 2018	83.6	87.6	14.7%	13.1%	-9.9%	3.1	8.75%	S/A	14 Feb 2018	750	Caa1//CCC
Ferrexpo, 2016	92.0	93.2	13.1%	12.1%	-5.5%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	73.0	77.0	19.1%	17.4%	-18.2%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	75.0	82.0	21.8%	17.7%	-2.5%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	98.1	99.7	11.9%	11.4%	-10.9%	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	83.0	86.0	n/a	50.0%	-14.2%	n/a	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	72.5	72.5	40.2%	40.2%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	62.9	67.1	35.1%	30.5%	-7.5%	1.5	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	71.8	74.0	21.9%	20.8%	-12.9%	2.9	10.88%	S/A	28 Feb 2018	175	Caa1//CCC
UkrEximBank, 2015	82.0	84.0	32.3%	29.2%	-13.9%	0.9	8.38%	S/A	27 Apr 2015	750	Caa1//CCC
UkrEximBank, 2016	65.0	70.0	34.8%	29.2%	-20.9%	1.5	8.40%	S/A	2 Sept 2016	125	Caa1//CCC
UkrEximBank, 2018	75.0	78.9	18.0%	16.3%	-13.7%	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	77.0	80.0	25.6%	23.0%	-15.7%	1.6	8.25%	S/A	10 Mar 2016	700	Caa1//CCC
Oschadbank, 2018	75.0	78.0	17.8%	15.8%	-14.0%	3.0	8.88%	S/A	20 Mar 2018	500	Caa1//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.8	78.6	28.6%	26.6%	-16.4%	1.3	8.00%	S/A	6 Nov 2015	250	Caa1/CCC/
City of Kyiv, 2016	80.0	80.0	20.5%	20.5%	-14.0%	1.9	9.375%	S/A	30 Jun 2016	300	Caa1/CCC/

¹ Moody's/S&P/Fitch; * EUR

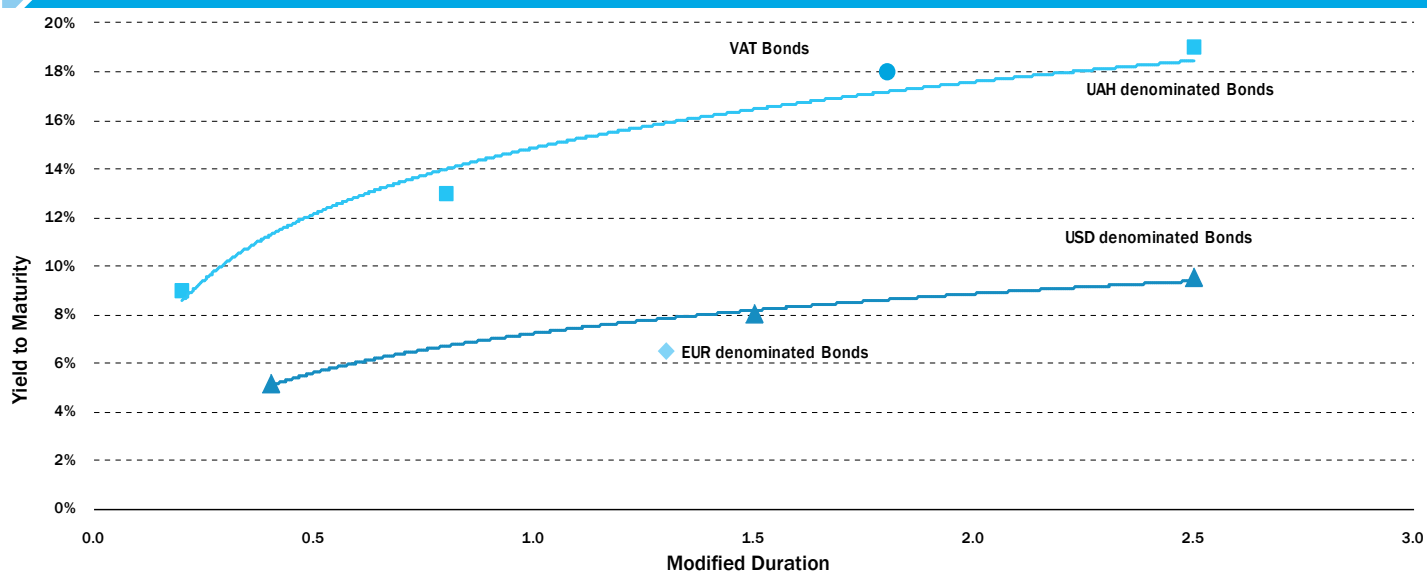
Source: Bloomberg, Cbonds, Eavex Research



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

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