

Market Update

Equity

Locally-listed Ukrainian stocks ended mixed on Friday (Mar 7) ahead of Monday's Women's Day closure, despite spending most of the session in the red. The UX index finished unchanged at 1,080 points. Among actively traded names, Motor Sich (MSICH UK) and Yenakievo Steel (ENMZ UK) both fell by 2.2%. On the upside, UkrNafta (UNAF UK) and CentrEnergO (CEEN UK) rose by 1.5% and 1.8% respectively. Banking stocks were also higher, with Raiffeisen Aval (BAVL UK) and UkrSotsBank (USCB UK) adding 0.9% and 2.7% respectively. In the second division, there was an impressive 30% jump in UkrTelecom (UTLM UK) to 18.80 kopecks, which we attribute to expectations that the Rinat Akhmetov-controlled company will report a solid profit for FY13. The top Ukrainian agro names traded in London on Monday were mixed, with Avangard (AVGR LI) advancing by 4.1% and MHP (MHPC LI) declining by 2.8%.

Fixed Income

Ukrainian sovereigns were notably lower on Friday against the background of continued tensions in Russian-occupied Crimea. Ukraine-23s declined by 1.9p.p. to 84.7/86.2 (10.1%/9.8%) and Ukraine-17s dropped by 0.9p.p., closing at 86.2/88.0 (11.7%/11.1%). Meanwhile, beaten-down corporate issues managed to rebound. Metinvest-18s and MHP-20s rose by 1.6p.p. and 1.2p.p. to 87./89.2 (13.3%/12.5%) and 82.0/84.2 (12.6%/12.0%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1855.00	-2.2%		
CentrenergO	CEEN	5.67	1.8%		
Ukrnafta	UNAF	203.400	1.5%		

Growth Leaders

Dniproenergo	DNEN	371.00	-7.3%		
Zhytomyroblenergo	ZHEN	1.11	-120.0%		
Luhanskteplovoz	LTPL	1.48	-120.0%		

Loss Leaders

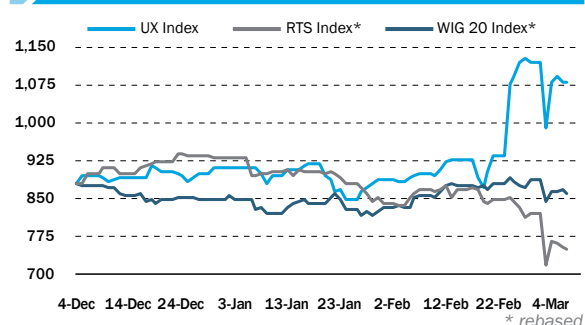
Zakhidenergo	ZAEN	113.90	0.8%		
Bogdan Motors	LUAZ	0.03	10.8%		
Khartsyzk Pipe	HRTR	0.60	5.0%		

Highlights

STOCKS IN THE NEWS

- > February Steel Output Up 6% MoM, Down 8% YoY
- > MHP: Operations in Crimea Running Normally

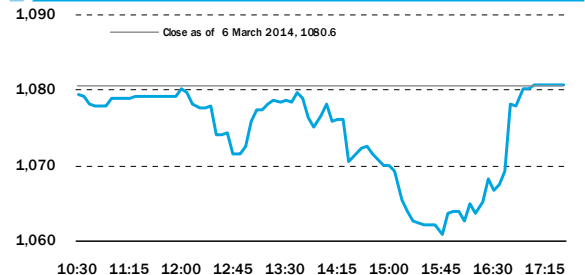
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1080.7	0.0%	22.3%	18.8%
RTS	1158.9	-0.5%	-10.3%	-19.7%
WIG20	2435.2	-1.0%	3.5%	1.4%
MSCI EM	966.7	-0.4%	5.3%	-3.5%
S&P 500	1878.0	0.1%	7.0%	2.0%

UX INTRADAY MARCH 7, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	334.2	-0.7%	-13.1%	1.0%
CDS 5Y UKR	1080.8	0.0%	10.1%	31.8%
Ukraine-17	11.1%	0.3 p.p.	0.6 p.p.	2.1 p.p.
Naftogaz Ukr-14	36.8%	2.3 p.p.	19.2 p.p.	28.1 p.p.
Ukraine-23	10.0%	0.3 p.p.	0.5 p.p.	2.5 p.p.
Privatbank-16	34.0%	0.0 p.p.	10.7 p.p.	9.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.24	0.4%	5.2%	12.1%
EUR	12.81	0.5%	8.0%	12.7%
RUB	0.25	-0.4%	1.1%	1.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	299.0	7.6%	12.7%	4.0%
Steel, USD/t	527.5	0.0%	-1.9%	-1.9%
Oil, USD/bbl	109.0	0.8%	3.6%	-2.0%
Gold, USD/oz	1340.0	-0.8%	6.8%	12.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Steel Output Up by 6% MoM in January

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

Ukraine's crude steel output dropped by 8.3% YoY to 2.39mn tonnes in February 2014, according to the data of industry association Metallurgprom. Daily production in that month was up 5.6% to 85,200 tonnes. In 2M14, steel production in Ukraine was down by 10% YoY to 4.89mn tonnes.

COMMENTARY

While the domestic steel mills managed to improve its daily production in February following the exceptionally poor result of January, 8% YoY decline in the recent February month indicate the demand for the steel on export market leaves much to be desired. This provides the enough evidence to assert the traditional seasonal upswing at the beginning of spring will not be the case this year. The situation is exacerbated by the supply side on the international steel market context. With sluggish demand for steel on the chinese market, local steel companies are aiming at expanding its export deliveries further deteriorating the already tough competition on the global steel market. To put in into prospective, China increased export of steel products by 12% YoY to 62.3mn tonnes in 2013, or by 6.6mn tonnes. The incremental export is equivalent to almost (91%) quarterly finished steel production in Ukraine.

MHP: Operations in Crimea Running Normally

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 13.5 Market Cap: USD 1,426mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	1.8	7.0	6.3	2%
2014E	1.6	5.3	4.7	2%

NEWS

All of MHP's production facilities, including those in Crimea, are operating on a normal regime, the company said in a statement this morning (Mar 11). According to MHP, four facilities located in Crimea (a meat-processing plant, a poultry farm, a cattle/pig farm, and a fruit orchard) are not facing any difficulties in either their operations or in employee security.

COMMENTARY

Taken at face value, the news is encouraging for the MHPC stock, which has dropped by 13% since late February mostly due to inflated political risk. That said, developments in the region remain at this stage rather uncertain, which is keeping bargain-hunters away from the stock.

MHP's operations in Crimea include some 25,000 hectares of land (7% of its total land bank) and around 55,000 tonnes of chicken meat processing capacity (12% of the company's total).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.71	0.56	-22%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	137.0	218.0	59%	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	9.77	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	9.37	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	3.01	6.2	107%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.72	3.4	379%	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	456%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	20.5	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.48	5.2	254%	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	1855	5250	183%	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	11.5	42.0	265%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	58.3	370	535%	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	41.7	72.0	73%	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	5.67	15.00	164%	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	13.5	22.10	64%	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	41.3	90.0	118%	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	9.0	19.35	115%	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	69.0	109.50	59%	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	1080.70	1153.01	781.22	0.0%	-3.4%	22.3%	18.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.040	0.06	0.02	0.3%	-6.5%	11.4%	3.1%	0.2%	-3.1%	-10.9%	-15.7%
Azovstal	AZST	0.71	0.90	0.31	-2.7%	-9.3%	19.9%	6.0%	-2.7%	-5.9%	-2.4%	-12.8%
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	36.1	52.0	20.0	-2.1%	-2.9%	14.8%	12.8%	-2.1%	0.6%	-7.5%	-6.0%
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	0.0%	-5.6%	54.5%	70.0%	0.0%	-2.1%	32.2%	51.2%
Coke												
Avdyivka Coke	AVDK	3.01	4.80	1.60	0.0%	-6.3%	10.5%	1.8%	0.0%	-2.9%	-11.8%	-17.0%
Yasnyivsky Coking	YASK	0.72	0.84	0.49	0.0%	-2.7%	28.6%	35.8%	0.0%	0.7%	6.3%	17.1%
Iron Ore Mining												
Centralny GOK	CGOK	9.37	n/a	n/a	0.0%	4.1%	27.5%	44.2%	0.0%	7.6%	5.2%	25.4%
Ferrexpo	FXPO	2.37	3.28	2.02	-3.4%	-7.5%	-3.1%	-24.9%	-3.4%	-4.0%	-25.4%	-43.7%
Pivnichny GOK	SGOK	9.77	10.00	5.77	-0.3%	2.4%	22.7%	22.1%	-0.3%	5.9%	0.4%	3.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.53	0.70	0.10	0.0%	17.8%	35.9%	32.5%	0.0%	21.2%	13.6%	13.7%
Komsomolets Donbasa	SHKD	1.12	n/a	n/a	41.8%	-24.3%	160.5%	80.6%	41.8%	-20.9%	138.1%	61.9%
Energy Coal	CLE	0.48	3.21	0.31	-10.3%	-20.3%	35.0%	37.9%	-10.3%	-16.8%	12.7%	19.2%
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	5.3%	-3.2%	20.0%	0.0%	5.3%	0.2%	-2.3%	-18.8%
Interpipe NMPP	NVTR	0.26	n/a	n/a	-3.7%	-10.3%	18.2%	23.8%	-3.7%	-6.9%	-4.1%	5.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.5	29.0	12.0	-6.8%	-6.8%	17.1%	18.5%	-6.8%	-3.4%	-5.2%	-0.3%
Luhanskeplovoz	LTPL	1.48	2.20	1.20	0.0%	-4.5%	-2.6%	-1.3%	0.0%	-1.1%	-25.0%	-20.1%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	-2.4%	-6.3%	-5.5%	-7.7%	-2.4%	-2.8%	-27.8%	-26.4%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	12.3%	5.9%	34.0%	27.9%	12.2%	9.4%	11.7%	9.2%
Motor Sich	MSICH	1,855	2,601	1,303	-2.2%	-10.9%	6.1%	1.7%	-2.2%	-7.5%	-16.3%	-17.1%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	-10.5%	39.6%	39.6%	0.0%	-7.1%	17.3%	20.8%
Turboatom	TATM	4.00	n/a	n/a	0.0%	0.0%	122.2%	14.3%	0.0%	3.4%	99.9%	-4.5%
WESTA ISIC	WES	0.18	0.26	0.13	-7.4%	-25.5%	13.1%	33.9%	-7.4%	-22.0%	-9.2%	15.1%
Telecom												
Ukrtelecom	UTLM	0.19	0.19	0.09	29.0%	34.1%	34.8%	70.7%	29.0%	37.6%	12.5%	52.0%
Oil & Gas												
Regal Petroleum	RPT	0.20	0.45	0.18	-6.2%	0.0%	-3.7%	-6.7%	-6.2%	3.4%	-26.0%	-25.4%
JKX Oil	JKX	0.99	1.21	0.75	1.9%	-4.1%	-13.0%	-16.7%	1.9%	-0.6%	-35.3%	-35.5%
Ukrnafta	UNAF	203	212	96	1.5%	3.1%	57.8%	87.3%	1.5%	6.5%	35.5%	68.5%
Power Utilities												
Centrenerg	CEEN	5.67	7.40	2.50	1.8%	1.8%	30.4%	19.0%	1.8%	5.2%	8.0%	0.2%
Donbasenergo	DOEN	41.7	43.0	15.4	1.0%	2.8%	33.1%	51.1%	1.0%	6.3%	10.7%	32.4%
Zakhidenergo	ZAEN	113.9	134.0	64.0	0.8%	-10.3%	-2.6%	26.0%	0.8%	-6.9%	-25.0%	7.2%
Consumer												
Agroton	AGT	1.40	3.5	0.36	-9.3%	-21.4%	80.9%	115.2%	-9.3%	-18.0%	58.6%	96.4%
Astarta	AST	14.7	24.4	14.5	-3.7%	-18.3%	-31.3%	-34.2%	-3.7%	-14.8%	-53.6%	-52.9%
Avangardo	AVGR	8.7	13.0	7.61	-1.7%	-13.5%	-23.5%	-26.4%	-1.7%	-10.0%	-45.8%	-45.1%
Industrial Milk Company	IMC	2.79	5.14	2.57	-7.3%	-10.0%	-5.9%	-31.0%	-7.3%	-6.6%	-28.3%	-49.8%
Kernel	KER	8.7	19.6	8.3	0.4%	-18.0%	-28.8%	-31.0%	0.4%	-14.5%	-51.1%	-49.7%
Mriya Agro Holding	MAYA	7.38	8.2	5.36	5.1%	-8.7%	3.0%	-1.0%	5.1%	-5.3%	-19.3%	-19.7%
MHPC	MHPC	13.9	19.9	12.01	-1.6%	-3.6%	-7.5%	-18.3%	-1.6%	-0.2%	-29.8%	-37.1%
Milkiland	MLK	2.66	4.9	2.66	-8.2%	-19.7%	-14.2%	-36.0%	-8.2%	-16.3%	-36.5%	-54.7%
Ovostar Union	OVO	22.4	33.3	19.4	-0.5%	-4.8%	-14.6%	-32.6%	-0.5%	-1.4%	-36.9%	-51.3%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	14.0	n/a	n/a	-3.1%	0.0%	6.6%	12.0%	-3.1%	3.4%	-15.7%	-6.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.157	0.163	0.077	0.9%	-0.7%	39.3%	38.2%	0.9%	2.7%	17.0%	19.5%
UkrSotsbank	USCB	0.183	0.257	0.111	2.7%	-5.1%	-0.1%	-2.5%	2.7%	-1.6%	-22.4%	-21.3%

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	1,926	1,976	-181	-31	35	neg	neg	1.8%	-333	-308	-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	5	5	7.0%	1.5%	1.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
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	112	3.9%	4	1,906	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	493	459	446	\$/tonne
Yenakievo Steel	ENMZ	41	8.8%	4	36	4.8	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	323	3.0%	10	308	neg	neg	neg	neg	neg	8.7	0.1	0.2	0.2	67	68	68	\$/tonne
Coke																		
Avdyivka Coke	AVDK	64	6.8%	4	61	neg	neg	neg	neg	1.3	2.1	0.1	0.1	0.1	14	16	16	\$/tonne
Yasynivsky Coke	YASK	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	1,189	0.3%	3	1,187	12.5	6.1	7.3	5.1	3.8	4.3	1.9	1.7	1.9				
Pivnichny GOK	SGOK	2,438	0.4%	10	2,431	5.6	4.4	5.3	3.2	2.7	3.0	1.7	1.5	1.6				
Ferrexpo	FXPO	1,394	24.0%	335	1,960	6.5	5.8	5.6	4.9	4.5	4.4	1.4	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	41	5.4%	2	143	5.7	2.4	2.4	1.1	1.5	1.5	0.5	0.6	0.6	35	33	32	\$/tonne
Coal Energy	CLE	22	25.0%	5	132	0.6	neg	neg	2.1	6.2	14.7	0.8	1.0	1.3	2.1	6.2	14.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	169	2.0%	3	215	5.0	>30	>30	4.1	6.9	6.2	0.4	0.7	0.6	341	565	536	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	35	24.0%	8	72	7.3	1.8	1.6	2.5	2.0	1.9	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	255	5.0%	13	255	2.7	10.4	14.2	1.9	3.9	5.2	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	29	8.0%	2	68	>30	neg	neg	9.5	11.7	12.6	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	160	5.8%	9	92	4.2	2.2	2.1	1.8	1.0	0.9	0.6	0.4	0.3				
Motor Sich	MSICH	417	24.0%	100	432	2.1	2.5	2.2	1.4	1.9	1.7	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	381	7.2%	27	702	8.4	7.7	5.8	3.4	3.3	3.4	0.8	0.9	1.1				
Oil & Gas																		
Ukrnafta	UNAF	1,194	3.0%	36	1,186	6.8	9.1	9.9	3.7	3.2	3.3	0.6	0.5	0.6	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	169	50.4%	85	278	neg	8.5	7.1	2.0	3.3	3.1	1.4	1.3	1.2	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	227	21.7%	49	296	7.9	5.3	4.5	4.3	4.8	4.3	0.3	0.3	0.3	17	21	18	\$/MWh
DonbasEnergO	DOEN	107	14.2%	15	177	27.9	2.2	2.5	5.5	2.4	2.8	0.3	0.3	0.2	22	23	22	\$/MWh
Consumer																		
MHP	MHPC	1,468	34.1%	500	2,628	4.7	7.2	5.5	5.6	6.4	4.8	1.9	1.8	1.6				
Kernel	KER	697	61.8%	430	1,403	3.3	6.6	9.0	4.4	4.8	5.5	0.7	0.5	0.6				
Astarta	AST	366	37.0%	136	700	6.3	27.6	4.5	6.4	8.6	5.1	1.5	1.4	1.3				
Avangardco	AVGR	552	22.5%	124	752	2.4	2.1	1.8	2.7	2.3	2.0	1.2	1.1	1.0	170	129	122	\$/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	510	3.5%	18		>30	5.7	4.7	0.6	0.6	0.6	0.09	0.10	0.10				
Ukrsotsbank	USCB	364	0.7%	3		>30	>30	19.4	0.5	0.3	0.4	0.08	0.07	0.08				

Source: Eavex Research

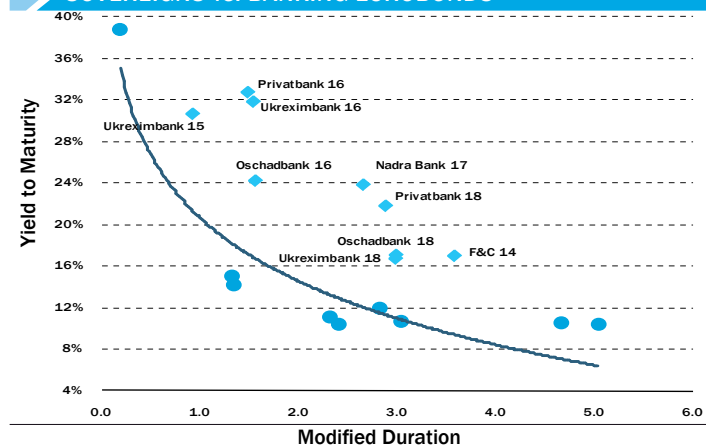
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	91.5	93.0	112.0%	77.5%	-7.8%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa1/CCC/CCC
Naftogaz Ukraine, 2014	86.6	88.2	71.6%	59.2%	-13.1%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	82.6	88.1	20.0%	14.6%	-11.1%	1.3	4.95%	A	13 Oct 2015	600*	Caa1/CCC/CCC
Ukraine, 2015	88.7	90.7	16.7%	14.9%	-8.2%	1.3	6.875%	S/A	23 Sept 2015	500	Caa1/CCC/CCC
Ukraine, 2016	87.7	89.2	12.4%	11.7%	-5.9%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa1/CCC/CCC
Ukraine, 2016-2	87.8	89.3	11.8%	11.1%	-6.2%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa1/CCC/CCC
Ukraine, 2017	86.2	88.0	11.7%	11.1%	-6.1%	3.0	6.75%	S/A	14 Nov 2017	700	Caa1/CCC/CCC
Ukraine, 2017-2	89.8	90.8	13.5%	13.0%	-8.9%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa1/CCC/CCC
Ukraine, 2017 Infr. projects	85.0	87.0	14.8%	13.9%	4.1%	2.8	8.375%	S/A	3 Nov 2017	568	Caa1//
Ukraine, 2018 Infr. projects	84.3	86.0	13.1%	12.5%	8.4%	3.2	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	86.4	87.9	10.9%	10.6%	-6.4%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa1/CCC/CCC
Ukraine, 2021	85.8	87.3	11.0%	10.7%	-7.6%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/CCC/CCC
Ukraine, 2022	85.6	87.1	10.4%	10.1%	-5.1%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa1/CCC/CCC
Ukraine, 2023	84.7	86.2	10.3%	10.0%	-5.5%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa1/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.4	45.3	52.7%	38.4%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	93.6	95.5	19.2%	18.0%	-8.6%	1.0	10.25%	S/A	29 Apr 2015	235	Caa1//CCC
MHP, 2020	82.0	84.2	12.6%	12.0%	-7.1%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.8	96.8	13.3%	13.3%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	81.5	81.5	17.4%	17.4%	-9.6%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.9	94.0	17.3%	15.8%	-7.3%	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	87.9	89.5	25.9%	23.6%	-13.2%	0.9	9.50%	S/A	28 Apr 2015	200	Caa1//CCC
DTEK, 2018	79.1	79.3	14.9%	14.9%	-16.0%	3.1	7.88%	S/A	4 Apr 2018	750	Caa1//CCC
Metinvest, 2015	92.6	93.1	19.7%	19.1%	-9.0%	1.0	10.25%	S/A	20 May 2015	500	Caa1//CCC
Metinvest, 2018	87.1	89.2	13.3%	12.5%	-7.2%	3.1	8.75%	S/A	14 Feb 2018	750	Caa1//CCC
Ferrexpo, 2016	90.0	94.8	14.4%	11.2%	-5.7%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	77.0	18.3%	17.4%	-17.1%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	77.0	82.0	20.7%	17.8%	0.1%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	98.1	100.4	11.9%	11.2%	-10.6%	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	82.3	82.3			-16.5%		11.00%	Q	31 Dec 2014	275	Caa1//
Nadra Bank, 2017	79.3	85.0	27.0%	20.8%	0.1%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	70.0	75.0	44.9%	37.0%	-18.7%	1.1	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	60.0	65.0	38.7%	33.1%	-11.1%	1.4	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	68.0	75.0	23.8%	20.4%	-14.6%	2.9	10.88%	S/A	28 Feb 2018	175	Caa1//CCC
UkrEximBank, 2015	80.0	83.0	36.2%	31.2%	-15.5%	0.9	8.38%	S/A	27 Apr 2015	750	Caa1//CCC
UkrEximBank, 2016	66.0	66.0	33.9%	33.9%	-22.6%	1.5	8.40%	S/A	2 Sept 2016	125	Caa1//CCC
UkrEximBank, 2018	76.2	79.2	17.5%	16.2%	-12.9%	3.0	8.75%	S/A	22 Jan 2018	500	Caa1//CCC
VAB Bank, 2014	70.0	78.0	n/a	n/a	-13.5%	n/a	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	77.0	80.0	25.9%	23.2%	-15.7%	1.6	8.25%	S/A	10 Mar 2016	700	Caa1//CCC
Oschadbank, 2018	75.0	77.5	17.9%	16.0%	-14.3%	3.0	8.88%	S/A	20 Mar 2018	500	Caa1//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.0	80.0	29.8%	25.4%	-16.1%	1.3	8.00%	S/A	6 Nov 2015	250	Caa1/CCC/
City of Kyiv, 2016	76.0	80.0	23.3%	20.6%	-16.1%	1.9	9.375%	S/A	30 Jun 2016	300	Caa1/CCC/

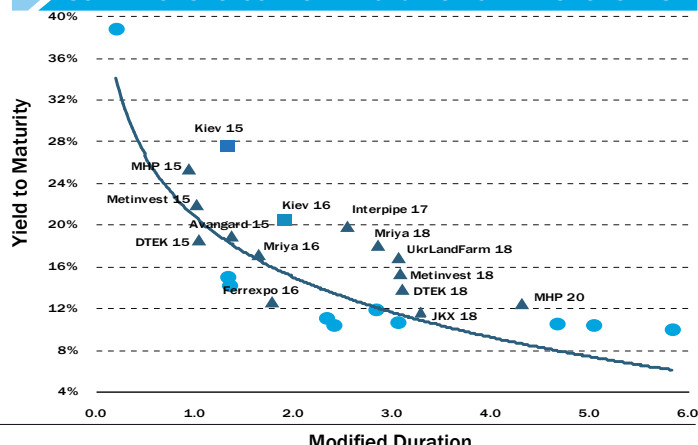
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



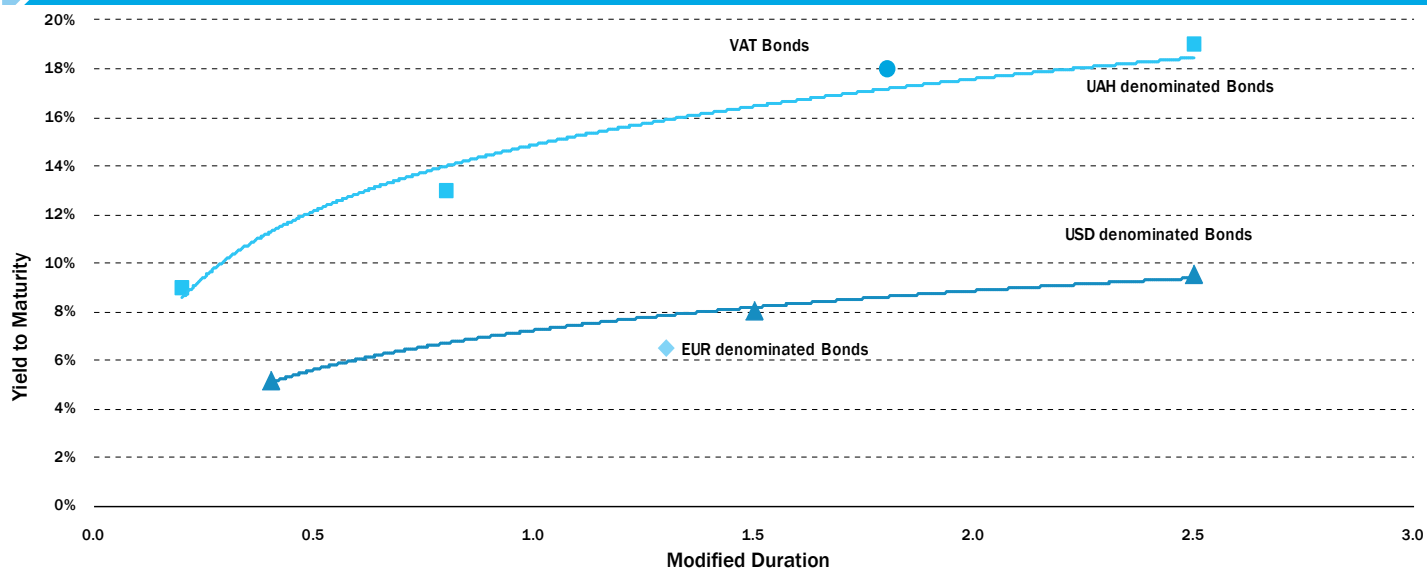
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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