

Market Update

Equity

Locally-listed Ukrainian equities were notably lower again on Wednesday (Mar 12) as no obvious resolution to the standoff between Ukraine and Russia over the Crimean peninsula emerged ahead of Sunday's secession referendum, and the main European indices in Frankfurt, Paris and London each finished down by about 1% on concerns that Western economic sanctions could be applied against Moscow over the affair. The UX index slid 2.3% to close at 1030 points. The utility sector was hit hardest, with CentrErgo (CEEN UK) and DonbasErgo (DOEN UK) dropping by 3.2% and 3.6% respectively. Low-liquidity blue chip UkrSotsBank (USCB UK) tumbled by 6.4% to 17.50 kopecks. Azovstal (AZST UK) was the only blue chip to end in the black, rising by 2.8%. In London trading, MHP (MHPC LI) edged down by 0.8% while Ferrexpo (FXPO LN) rose by solid 3.5% after announcing a special dividend that caught the market somewhat by surprise. Warsaw listed Ukrainian agro companies Kernel (KER WW) and Astarta (AST PW) suffered a second straight very bad day, declining by 7.0% and 5.3% respectively.

Fixed Income

Ukrainian sovereigns were substantially lower again on Wednesday amid continued tensions in Crimea. Ukraine-23s declined by 1.0p.p. to 81.0/82.8 (10.8%/10.5%) and Ukraine-17s dropped by 1.5p.p., closing at 82.9/84.6 (13.1%/12.4%). Corporate names were mixed. Metivnest-18s fell 1.3p.p. to 85.0/88.9 (14.1%/12.7%) while UkrLandfarming-18s improved by 1.0p.p. to 82.5/83.0 (17.1%/16.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1790.00	-1.0%	4.0	53
Ukrnafta	UNAF	193.90	-1.6%	2.0	76
Centrenerg	CEEN	5.337	-3.2%	1.5	110

Growth Leaders

Pivnichny GOK	SGOK	9.78	4.9%	0.03	7
Azovstal	AZST	0.70	2.4%	0.13	59
Yenakievo Steel	ENMZ	35.85	-0.7%	0.19	15

Loss Leaders

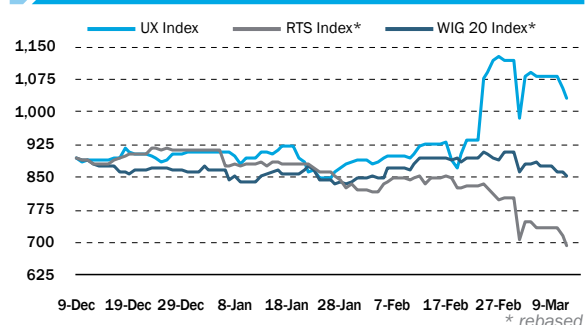
Krymenergo	KREN	0.97	-28.8%	0.175	11
Ukrtelecom	UTLM	0.16	-8.8%	0.025	9
UkrSotsbank	USCB	0.17	-6.4%	0.073	31

Highlights

POLITICS AND ECONOMICS

- > US, Russia on Collision Course After Yatseniuk's Washington Visit
- > MinFin Targeting Central Budget Deficit at 4.0% of GDP for 2014

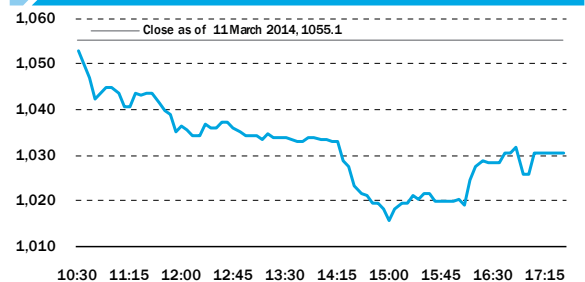
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1030.4	-2.3%	14.4%	13.2%
RTS	1098.7	-2.9%	-18.1%	-23.8%
WIG20	2369.5	-1.3%	-2.1%	-1.3%
MSCI EM	944.6	-1.2%	0.8%	-5.7%
S&P 500	1868.2	0.0%	4.0%	1.5%

UX INTRADAY MARCH 12, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	345.9	1.4%	-6.5%	4.6%
CDS 5Y UKR	1297.2	20.0%	21.4%	58.1%
Ukraine-17	12.4%	0.6 p.p.	1.7 p.p.	3.4 p.p.
Naftogaz Ukr-14	42.8%	1.7 p.p.	22.1 p.p.	34.0 p.p.
Ukraine-23	10.7%	0.2 p.p.	1.1 p.p.	3.2 p.p.
Privatbank-16	30.2%	0.1 p.p.	8.5 p.p.	5.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.39	1.7%	9.8%	13.9%
EUR	13.05	2.0%	12.0%	14.8%
RUB	0.26	1.6%	4.6%	2.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	299.0	0.0%	11.1%	4.0%
Steel, USD/t	527.5	0.0%	-1.9%	-1.9%
Oil, USD/bbl	108.0	-0.5%	-0.8%	-2.9%
Gold, USD/oz	1366.8	1.3%	7.9%	14.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

US, Russia on Collision Course After Yatseniuk's Washington Visit

by Will Ritter
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NEWS

Prime Minister Arseniy Yatseniuk made a joint appearance at the White House on Wednesday (Mar 12) with US President Barack Obama, stating that the new Ukrainian government will “defend our sovereignty” and “never surrender”, apparently in reference to Russia’s effort to pry the southern province of Crimea away from Kyiv’s control. Meanwhile, Obama pledged his support, saying that the US and the international community will “apply a cost” to Russia “if it continues on the same path it’s been on” of aggression against Ukraine. Crimea’s pro-Russian authorities have scheduled a secession referendum in the province on Sunday. The top US and Russian diplomats, John Kerry and Sergey Lavrov, are scheduled to meet tomorrow in a final effort to resolve the situation before the referendum takes place.

COMMENTARY

Yatseniuk’s high-profile visit to Washington indicates that, after remaining mostly in the background during the 3-month long EuroMaidan protest that eventually toppled Viktor Yanukovich from the presidency, the US is now taking a lead role in addressing the ongoing confrontation between Moscow and the new Ukrainian government. However, we see little chance that Russian President Vladimir Putin will back down on the Crimean issue between now and Sunday, meaning that the US threat on instituting some type of economic sanctions against Russia will be called in. In our view, one possible way of de-escalating the situation is that Russia could decline to annex Crimea after the referendum, providing some breathing space and allowing negotiations over the autonomous province’s status to continue.

MinFin Targeting Central Budget Deficit at 4.0% of GDP for 2014

by Dmitry Churin
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NEWS

Ukraine's Finance Ministry (MinFin) is targeting the central budget deficit at 4.0% of GDP for 2014, new minister Oleksander Shlapak told journalist on Wednesday (Mar 12). Currently the government is revising the central budget parameters, as the budget adopted in January by the Azarov government was based on overly optimistic assumptions of 3.0% GDP growth in the country in 2014 and consumer inflation of 4.7%.

COMMENTARY

According to our base-case scenario with a peaceful solution of the Crimean conflict, Ukraine's economy will expand by a moderate 0.5% this year. If the government leaves the existing central budget spending without revision, then the deficit will amount to 7.0% of GDP. In our opinion, the government has no other choice except budget cutting, as borrowing costs for the country have risen and external markets are, de-facto, closed to new Ukrainian sovereign bond issues. We believe that the revised central budget will include comprehensive economic reforms promised by the new authorities. Among the most important questions for a successful overhaul of the state finances is whether the new team will be able to eliminate corruption schemes that have been a crucial impediment to a normal business climate in the country over the last five years.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	144.2	218.0	51%	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	9.78	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	8.00	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	3.00	6.2	108%	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	377%	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	553%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	20.4	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.54	5.2	240%	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	1790	5250	193%	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	11.0	42.0	282%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	64.0	370	478%	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	39.0	72.0	85%	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	5.34	15.00	181%	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	13.0	22.10	70%	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	38.0	90.0	137%	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	67.7	109.50	62%	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.
Banks						
Raiffeisen Bank Aval	BAVL	0.146	0.24	64%	BUY	We base our valuation on an assumption of the bank's fair value at 0.9x of its book value, the level at which Italian lender Intesa Sanpaolo sold its Ukrainian subsidiary in early 2014.

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	1030.35	1153.01	781.22	-2.3%	-5.5%	14.4%	13.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.038	0.06	0.02	-3.5%	-5.5%	4.4%	-1.8%	-1.2%	0.0%	-10.1%	-15.0%
Azovstal	AZST	0.70	0.90	0.31	1.2%	-5.0%	16.3%	4.3%	3.5%	0.5%	1.9%	-8.9%
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	35.9	52.0	20.0	-0.7%	-2.8%	13.3%	12.0%	1.6%	2.6%	-1.2%	-1.2%
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%	0.0%	41.7%	70.0%	2.3%	5.5%	27.2%	56.8%
Coke												
Avdivka Coke	AVDK	3.00	4.80	1.60	-2.1%	-1.6%	5.7%	1.2%	0.3%	3.9%	-8.7%	-12.0%
Yasynivsky Coking	YASK	0.72	0.84	0.49	0.0%	2.9%	30.9%	35.8%	2.3%	8.3%	16.5%	22.6%
Iron Ore Mining												
Centralny GOK	CGOK	8.00	n/a	n/a	0.0%	-11.0%	22.1%	23.1%	2.3%	-5.5%	7.7%	9.9%
Ferrexpo	FXPO	2.40	3.28	2.02	3.5%	-2.4%	-9.0%	-24.1%	5.9%	3.1%	-23.4%	-37.3%
Pivnichny GOK	SGOK	9.78	10.00	5.77	0.1%	-0.2%	22.1%	22.3%	2.4%	5.3%	7.7%	9.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.70	0.10	-15.1%	-25.0%	12.5%	12.5%	-12.7%	-19.5%	-1.9%	-0.7%
Komsomolets Donbasa	SHKD	1.13	n/a	n/a	0.0%	43.0%	162.8%	82.3%	2.3%	48.5%	148.4%	69.0%
Energy Coal	CLE	0.51	3.18	0.31	-8.6%	-2.9%	36.0%	46.0%	-6.3%	2.6%	21.6%	32.8%
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	0.60	0.81	0.30	0.0%	0.0%	20.0%	0.0%	2.3%	5.5%	5.6%	-13.2%
Interpipe NMPP	NVTR	0.26	n/a	n/a	0.0%	0.0%	13.0%	23.8%	2.3%	5.5%	-1.4%	10.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.4	29.0	12.0	-0.5%	-7.3%	13.3%	17.9%	1.9%	-1.8%	-1.1%	4.7%
Luhanskeplovoz	LTPL	1.54	2.20	1.20	-2.5%	15.8%	1.3%	2.7%	-0.2%	21.3%	-13.1%	-10.6%
Stakhanov Wagon	SVGZ	1.25	n/a	n/a	4.2%	0.0%	-0.8%	-3.8%	6.5%	5.5%	-15.2%	-17.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	12.0%	5.0%	20.0%	26.8%	14.3%	10.5%	5.6%	13.6%
Motor Sich	MSICH	1,790	2,555	1,303	-0.8%	-6.0%	-2.1%	-1.9%	1.5%	-0.6%	-16.5%	-15.1%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	39.6%	39.6%	2.3%	5.5%	25.2%	26.4%
Turboatom	TATM	2.00	n/a	n/a	0.0%	-50.0%	11.1%	-42.9%	2.3%	-44.5%	-3.3%	-56.1%
WESTA ISIC	WES	0.17	0.26	0.13	-3.5%	-14.5%	7.1%	28.6%	-1.1%	-9.0%	-7.3%	15.4%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	-17.4%	6.6%	26.1%	41.0%	-15.1%	12.1%	11.7%	27.8%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.43	0.18	0.0%	-9.0%	-6.1%	-13.2%	2.3%	-3.5%	-20.6%	-26.4%
JKX Oil	JKX	1.06	1.21	0.75	5.3%	11.5%	-6.0%	-10.3%	7.7%	16.9%	-20.4%	-23.5%
Ukrnafta	UNAF	194	212	96	-1.6%	-6.1%	44.3%	78.5%	0.8%	-0.6%	29.8%	65.3%
Power Utilities												
Centrenerg	CEEN	5.34	7.40	2.50	-3.5%	-3.6%	20.5%	11.9%	-1.2%	1.9%	6.1%	-1.3%
Donbasenergo	DOEN	39.0	43.0	15.4	-3.8%	-8.3%	20.2%	41.3%	-1.4%	-2.8%	5.8%	28.1%
Zakhidenergo	ZAEN	110.5	134.0	64.0	-6.8%	-8.2%	-6.3%	22.2%	-4.5%	-2.7%	-20.7%	9.0%
Consumer												
Agroton	AGT	1.00	3.5	0.36	-10.4%	-40.0%	27.4%	53.7%	-8.1%	-34.5%	13.0%	40.5%
Astarta	AST	12.5	24.4	12.5	-5.3%	-18.1%	-40.1%	-43.8%	-3.0%	-12.6%	-54.5%	-57.0%
Avangardo	AVGR	9.0	13.0	7.61	0.0%	1.7%	-18.2%	-23.4%	2.3%	7.2%	-32.6%	-36.6%
Industrial Milk Company	IMC	2.57	5.14	2.57	-4.6%	-15.5%	-9.5%	-36.5%	-2.3%	-10.0%	-23.9%	-49.7%
Kernel	KER	7.6	19.6	7.6	-7.0%	-10.5%	-36.7%	-39.7%	-4.6%	-5.0%	-51.2%	-52.9%
Mriya Agro Holding	MAYA	7.44	8.2	5.36	-5.0%	6.9%	8.5%	-0.2%	-2.7%	12.4%	-6.0%	-13.4%
MHPC	MHPC	13.0	19.9	12.01	-0.8%	-7.1%	-11.9%	-23.6%	1.6%	-1.7%	-26.3%	-36.8%
Milkiland	MLK	2.50	4.9	2.50	-4.9%	-15.3%	-22.4%	-39.9%	-2.5%	-9.8%	-36.9%	-53.1%
Ovostar Union	OVO	22.3	33.3	19.4	-3.4%	3.2%	-9.4%	-33.0%	-1.1%	8.7%	-23.8%	-46.3%
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	14.4	n/a	n/a	-4.3%	-0.7%	8.5%	14.8%	-1.9%	4.8%	-5.9%	1.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.146	0.163	0.077	-2.9%	-6.5%	29.9%	28.6%	-0.5%	-1.0%	15.5%	15.4%
UkrSotsbank	USCB	0.175	0.257	0.111	-7.4%	-5.5%	1.6%	-6.9%	-5.0%	0.0%	-12.9%	-20.2%

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	1,581	1,623	402	506	449	28.2%	32.0%	27.7%	216	264	248	15.1%	16.7%	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	105	3.9%	4	1,899	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	491	458	444	\$/tonne
Yenakievo Steel	ENMZ	40	8.8%	4	35	4.7	neg	neg	neg	1.6	1.0	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	313	3.0%	9	298	neg	neg	neg	neg	neg	8.4	0.1	0.2	0.2	65	66	65	\$/tonne
Coke																		
Avdyivka Coke	AVDK	62	6.8%	4	60	neg	neg	neg	neg	1.3	2.0	0.1	0.1	0.1	14	15	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	999	0.3%	2	997	10.5	5.1	6.1	4.3	3.2	3.6	1.6	1.5	1.6				
Pivnichny GOK	SGOK	2,401	0.4%	10	2,395	5.5	4.4	5.2	3.2	2.6	2.9	1.7	1.5	1.6				
Ferrexpo	FXPO	1,410	24.0%	339	1,976	6.5	5.3	5.7	4.9	3.9	4.4	1.4	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	40	5.4%	2	142	5.6	2.4	2.4	1.1	1.5	1.5	0.5	0.6	0.6	35	33	32	\$/tonne
Coal Energy	CLE	23	25.0%	6	133	0.6	neg	neg	2.1	6.3	14.8	0.8	1.1	1.3	2.1	6.3	14.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	166	2.0%	3	212	4.9	>30	>30	4.1	6.8	6.2	0.4	0.7	0.6	336	558	530	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	36	24.0%	9	73	7.4	1.9	1.6	2.5	2.1	1.9	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	249	5.0%	12	249	2.6	10.2	13.9	1.8	3.8	5.1	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	30	8.0%	2	69	>30	neg	neg	9.6	11.8	12.7	0.2	0.4	0.5				
Specialized Machinery																		
Turboatom	TATM	158	5.8%	9	89	4.1	2.2	2.1	1.7	1.0	0.9	0.6	0.4	0.3				
Motor Sich	MSICH	396	24.0%	95	411	2.0	2.3	2.1	1.3	1.8	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	309	7.2%	22	631	6.8	6.3	4.7	3.1	2.9	3.0	0.8	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,120	3.0%	34	1,112	6.4	8.5	9.2	3.5	3.0	3.1	0.6	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	59	21.6%	13	30	5.1	11.6	4.6	1.4	1.8	1.0	0.6	0.8	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	182	50.4%	92	291	neg	9.1	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	98	14.2%	14	169	25.7	2.0	2.3	5.3	2.3	2.6	0.3	0.3	0.2	21	22	21	\$/MWh
Consumer																		
MHP	MHPC	1,374	34.1%	468	2,534	4.4	6.8	5.1	5.4	6.1	4.7	1.8	1.8	1.5				
Kernel	KER	608	61.8%	376	1,314	2.9	5.8	7.9	4.1	4.5	5.2	0.6	0.5	0.5				
Astarta	AST	313	37.0%	116	646	5.4	23.5	3.8	5.9	8.0	4.7	1.4	1.3	1.2				
Avangardco	AVGR	575	22.5%	129	774	2.5	2.2	1.9	2.8	2.4	2.1	1.2	1.1	1.0	175	133	125	\$/mneggs
Agroton	AGT	22	26.2%	6	71	3.2	neg	neg	3.5	5.6	6.0	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	467	3.5%	16		>30	5.2	4.3	0.6	0.5	0.5	0.08	0.09	0.09				
Ukrsotsbank	USCB	342	0.7%	2		>30	>30	19.4	0.4	0.3	0.3	0.08	0.07	0.08				

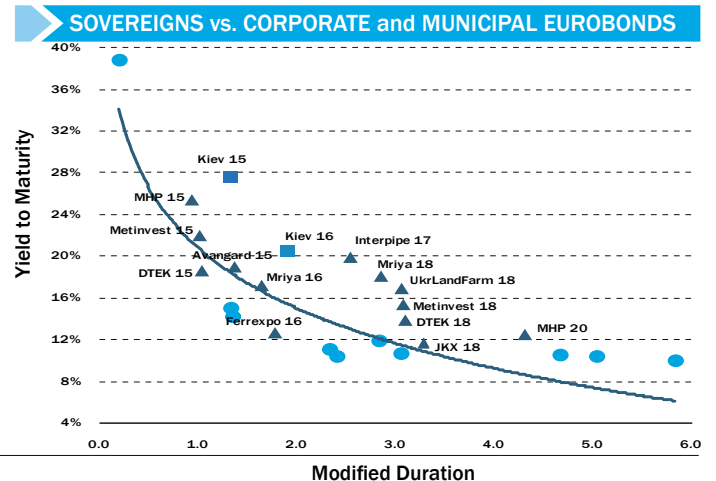
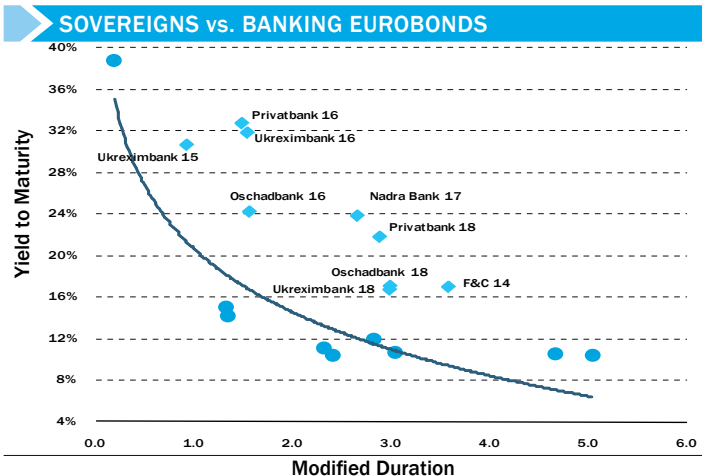
Source: Eavex Research

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	90.0	92.0		110.4%	-9.0%		7.95%	S/A	4 Jun. 2014	1,000	Caa1/CCC/CCC
Naftogaz Ukraine, 2014	84.6	86.2		79.7%	-15.0%		9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	81.6	87.1	21.1%	15.6%	-12.1%	1.3	4.95%	A	13 Oct 2015	600*	Caa1/CCC/CCC
Ukraine, 2015	86.8	88.8	18.6%	16.7%	-10.2%	1.3	6.875%	S/A	23 Sept 2015	500	Caa1/CCC/CCC
Ukraine, 2016	84.0	86.0	14.4%	13.3%	-9.6%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa1/CCC/CCC
Ukraine, 2016-2	84.3	86.3	13.6%	12.6%	-9.6%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa1/CCC/CCC
Ukraine, 2017	82.9	84.6	13.1%	12.4%	-9.7%	3.0	6.75%	S/A	14 Nov 2017	700	Caa1/CCC/CCC
Ukraine, 2017-2	86.1	87.4	15.1%	14.5%	-12.6%	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	13.2%	12.5%	8.4%	3.2	7.40%	S/A	20 Apr 2018	690	Caa1//
Ukraine, 2020	82.5	84.3	11.9%	11.5%	-10.4%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa1/CCC/CCC
Ukraine, 2021	85.0	86.5	11.2%	10.9%	-8.5%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa1/CCC/CCC
Ukraine, 2022	81.8	83.6	11.2%	10.8%	-9.2%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa1/CCC/CCC
Ukraine, 2023	81.0	82.8	10.8%	10.5%	-9.5%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa1/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.5	51.9%	39.2%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	94.3	95.8	18.5%	17.5%	-8.2%	1.0	10.25%	S/A	29 Apr 2015	235	Caa1//CCC
MHP, 2020	81.3	84.5	12.8%	11.9%	-7.3%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.0	96.0	14.0%	14.0%	n/a	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	82.5	82.5	17.1%	17.1%	-8.5%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.0	95.0	17.2%	15.1%	-6.7%	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	87.6	89.4	26.4%	23.9%	-13.4%	0.9	9.50%	S/A	28 Apr 2015	200	Caa1//CCC
DTEK, 2018	79.0	79.3	15.0%	14.9%	-16.0%	3.1	7.88%	S/A	4 Apr 2018	750	Caa1//CCC
Metinvest, 2015	92.8	93.4	19.6%	18.8%	-8.8%	1.0	10.25%	S/A	20 May 2015	500	Caa1//CCC
Metinvest, 2018	85.0	88.9	14.1%	12.7%	-8.5%	3.1	8.75%	S/A	14 Feb 2018	750	Caa1//CCC
Ferrexpo, 2016	92.0	94.0	13.1%	11.7%	-5.1%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	70.0	75.0	20.5%	18.3%	-20.9%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	77.0	82.0	20.8%	17.8%	0.1%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	101.6	103.5	10.8%	10.3%	-7.6%	3.3	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	70.0	80.0	19.0%	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	45.2%	37.1%	-18.7%	1.1	9.38%	S/A	23 Sept 2015	200	Caa1//
PrivatBank, 2016	63.1	70.0	35.3%	28.0%	-5.4%	1.5	8.75%	S/A	9 Feb 2016	150	Caa1//
PrivatBank, 2018	70.0	71.5	22.8%	22.0%	-15.5%	2.8	10.88%	S/A	28 Feb 2018	175	Caa1//CCC
UkrEximBank, 2015	80.0	81.0	36.5%	34.7%	-16.5%	0.9	8.38%	S/A	27 Apr 2015	750	Caa1//CCC
UkrEximBank, 2016	66.0	66.0	34.1%	34.1%	-22.6%	1.5	8.40%	S/A	2 Sept 2016	125	Caa1//CCC
UkrEximBank, 2018	75.2	77.9	17.9%	16.8%	-14.2%	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	75.6	78.0	27.3%	25.0%	-17.5%	1.6	8.25%	S/A	10 Mar 2016	700	Caa1//CCC
Oschadbank, 2018	72.5	78.3	19.0%	16.5%	-15.3%	3.0	8.88%	S/A	20 Mar 2018	500	Caa1//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.6	78.3	29.2%	27.4%	-16.7%	1.3	8.00%	S/A	6 Nov 2015	250	Caa1/CCC/
City of Kyiv, 2016	75.0	80.0	24.0%	20.6%	-16.7%	1.9	9.375%	S/A	30 Jun 2016	300	Caa1/CCC/

¹ Moody's/S&P/Fitch; * EUR

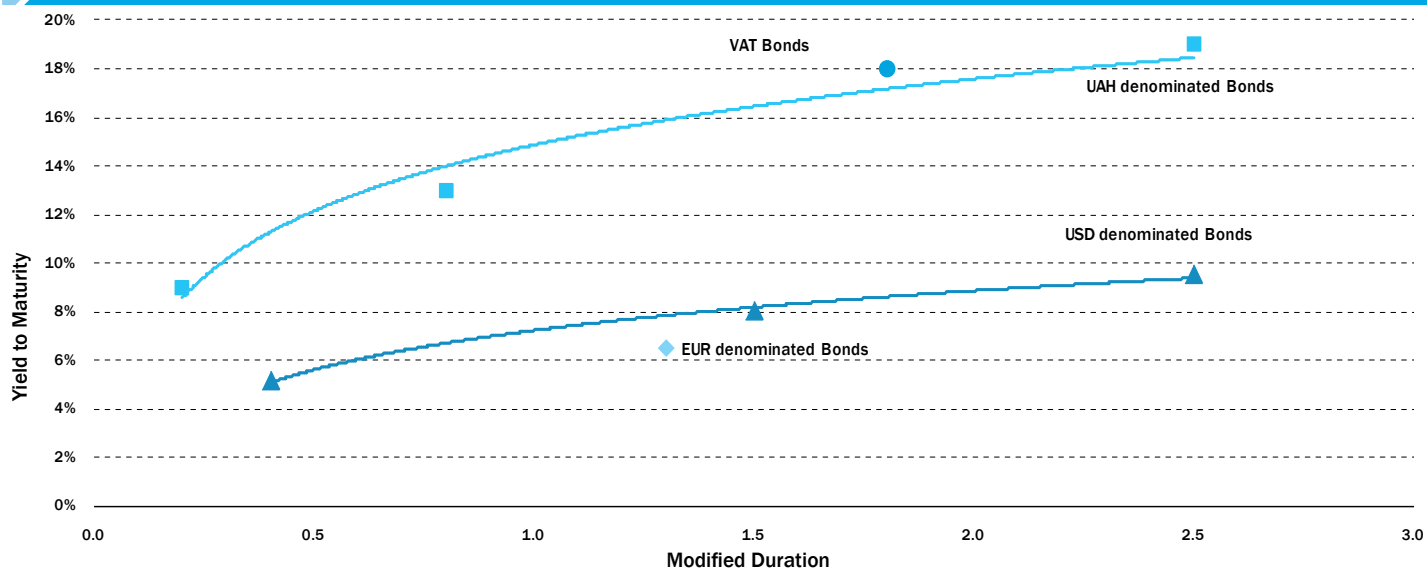
Source: Bloomberg, Cbonds, Eavex Research



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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