

Market Update

Equity

Locally-listed Ukrainian stocks ended mixed on Friday (Mar 14) in a volatile session that saw the main benchmark down by nearly 3% in the morning and up by 3% in the afternoon. The US index ended the day nearly flat at 1003 points, snapping a 3-day run of heavy declines on worries not only about the likely passage of Crimea's secession referendum, but also over the aggressive confrontations between pro-Russian and pro-Ukrainian demonstrators taking place in the major eastern cities of Kharkiv and Donetsk. Among the top names, Raiffeisen Aval added 3.3%, while Motor Sich and Yenakievo Steel declined by 1.4% and 1.8% respectively. The main London-traded names were little-changed, with Ferrexpo inching up by 0.4% to GBP 139 and JKC Oil&Gas edging lower by 0.8%. In Warsaw, top Ukrainian agro issues Kernel and Astarta were both essentially flat after suffering heavy losses earlier in the week on political risk concerns.

Fixed Income

Ukrainian sovereigns decreased on Friday with Ukraine-23s inching down by 0.1p.p. closing at 82.1/83.3 (10.6%/10.4%). The corporate universe finished mostly in the red. MHP-20s dropped by 1.3p.p. to 79.9/83.6 (13.2%/12.2%) and DTEK-18s declined by 0.8p.p. finishing at 78.5/78.8 (15.2%/15.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1710.00	-1.4%	7.5	151
Centrenergo	CEEN	5.25	0.2%	3.9	132
Ukrnafta	UNAF	185.100	0.6%	1.5	94

Growth Leaders

Poltavsky GOK	PGOK	13.20	12.9%	0.40	37
Raiffeisen Bank Aval	BAVL	0.15	3.3%	0.23	49
Ukrnafta	UNAF	185.10	0.6%	1.47	94

Loss Leaders

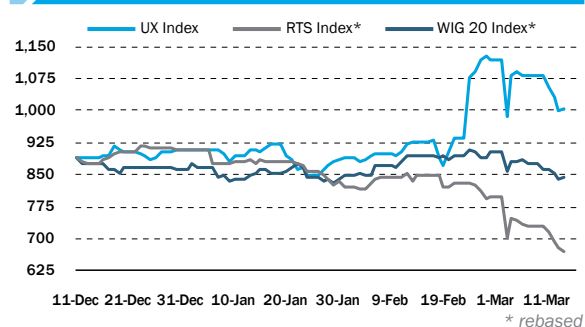
Bank Forum	FORM	0.60	-22.1%	0.106	27
Stakhanov Wagon	SVGZ	1.05	-14.5%	0.028	16
Krymenergo	KREN	0.95	-5.0%	0.080	7

Highlights

FIXED INCOME

> Naftogaz Revenue Down 23% YoY, Net Loss at USD 1.5bn for FY13

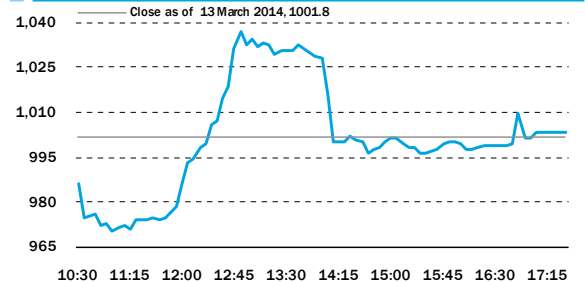
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1003.6	0.2%	10.8%	10.3%
RTS	1062.5	-1.4%	-20.8%	-26.4%
WIG20	2342.0	0.1%	-4.2%	-2.5%
MSCI EM	937.7	-0.6%	-0.7%	-6.4%
S&P 500	1841.1	-0.3%	1.2%	0.0%

UX INTRADAY MARCH 14, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	354.8	0.0%	-3.4%	7.3%
CDS 5Y UKR	1245.7	-0.7%	11.1%	51.9%
Ukraine-17	12.4%	0.0 p.p.	1.4 p.p.	3.3 p.p.
Naftogaz Ukr-14	39.3%	-2.5 p.p.	13.4 p.p.	30.6 p.p.
Ukraine-23	10.5%	0.0 p.p.	0.6 p.p.	3.0 p.p.
Privatbank-16	30.6%	0.3 p.p.	5.9 p.p.	5.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.70	0.0%	12.4%	17.7%
EUR	13.50	0.3%	14.7%	18.7%
RUB	0.27	0.2%	6.8%	5.7%

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	108.2	1.2%	0.3%	-2.7%
Gold, USD/oz	1383.1	0.9%	7.1%	15.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Naftogaz Revenue Down 23% YoY,
Net Loss at USD 1.5bn for FY13**

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NEWS

State-owned energy monopoly Naftogaz Ukraine posted a UAH 12.5bn (USD 1.53bn at the average 2013 exchange rate) net loss for FY13, up from a loss of UAH 10.9bn in FY12, according to the company's IFRS filings released on Friday (Mar 14). Revenue fell by 23.4% YoY to UAH 74.6bn (USD 9.2bn) and the operating loss doubled to UAH 30.7bn (USD 3.8bn) in the period, while the company's gas transit services revenue inched up by 0.8% YoY to UAH 23.9bn (USD 2.9bn). Naftogaz said that natural gas transit accounted for 26.9% of its revenue in the period compared to 22.0% in 2012. In volume terms, the company increased gas transit by 2.2% YoY to 86.1bn cubic meters (cu-m). Naftogaz sold 29.4bn cu-m of gas in 2013, down sharply from 41.9bn in 2012. Gas sales accounted for 67.6% of the company's revenue in FY13 compared to 71.1% in FY12.

NAFTOGAZ FINANCIAL RESULTS (IFRS, UAH mn)			
UAH mn	2013	2012	YoY
Net revenue	74,609	97,409	-23.4%
Operating loss	(30,744)	(15,100)	<i>nm</i>
<i>margin</i>	-41%	-16%	-25p.p.
Net loss	(12,521)	(10,968)	<i>nm</i>
<i>net margin</i>	-16.8%	-11.3%	-5.5 p.p.

Source: Company data.

COMMENTARY

Naftogaz's total debt amounted to UAH 48.4bn (USD 5.9bn) as of 1 Jan 2014, compared to UAH 55.6bn on the same date a year earlier. Most of the company's debt is in short-term domestic bank loans. In our opinion, the financial situation at Naftogas looks unsustainable. However, the company could improve its balance sheet structure if it were to speed up its receivables collection, with receivables amounting to UAH 55.4bn as of start of the year. Naftogaz's financial situation worsened last year after it lost a chunk of its key industrial gas sales business to the Oschem holding of oligarch Dmitry Firtash. Ostchem obtained the right to import up to 8bn cu-m of natural gas per year, which it is able to sell to its own fertilizer producers as well as to other industrial users.

Naftogaz's state-guaranteed 2014 Eurobonds with maturity in September are currently quoted at a distressed yield-to-maturity of 40%, as there are expectations that the bond, previously restructured in 2009, will be restructured again through a new sovereign issue.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	139.0	218.0	57%	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	2.91	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	0.66	3.4	423%	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	0.48	2.9	513%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	20.0	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	1710	5250	207%	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	62.5	370	492%	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	37.5	72.0	92%	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	5.25	15.00	186%	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	12.6	22.10	75%	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	37.0	90.0	143%	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	8.8	19.35	121%	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.
Banks						
Raiffeisen Bank Aval	BAVL	0.148	0.24	62%	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	1003.58	1153.01	781.22	0.2%	-7.1%	10.8%	10.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	-1.6%	-7.3%	2.5%	-4.4%	-1.8%	-0.1%	-8.3%	-14.7%
Azovstal	AZST	0.67	0.90	0.31	-0.1%	-5.6%	10.4%	0.0%	-0.3%	1.5%	-0.5%	-10.3%
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	33.8	52.0	20.0	-1.8%	-6.5%	7.6%	5.5%	-2.0%	0.7%	-3.3%	-4.8%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	0.20	0.05	0.0%	-11.8%	25.0%	50.0%	-0.2%	-4.6%	14.2%	39.7%
Coke												
Avdyivka Coke	AVDK	2.91	4.80	1.60	-0.9%	-3.4%	4.0%	-1.6%	-1.1%	3.8%	-6.8%	-11.9%
Yasnyivsky Coking	YASK	0.66	0.84	0.49	0.0%	-8.3%	17.9%	24.5%	-0.2%	-1.2%	7.0%	14.2%
Iron Ore Mining												
Centralny GOK	CGOK	8.00	n/a	n/a	3.9%	-14.6%	13.0%	23.1%	3.7%	-7.5%	2.2%	12.8%
Ferrexpo	FXPO	2.31	3.20	2.02	0.4%	-2.4%	-15.1%	-26.7%	0.2%	4.7%	-25.9%	-37.0%
Pivnichny GOK	SGOK	9.78	10.00	5.77	0.0%	0.1%	22.3%	22.3%	-0.2%	7.2%	11.4%	12.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.70	0.10	11.6%	-9.4%	26.3%	20.0%	11.4%	-2.3%	15.5%	9.7%
Komsomolets Donbasa	SHKD	1.13	n/a	n/a	0.0%	0.9%	162.8%	82.3%	-0.2%	8.0%	152.0%	72.0%
Energy Coal	CLE	0.50	3.15	0.31	-5.1%	3.2%	38.3%	42.3%	-5.3%	10.3%	27.4%	32.0%
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%	-0.2%	7.1%	9.2%	-10.3%
Interpipe NMPP	NVTR	0.26	n/a	n/a	0.0%	0.0%	13.0%	23.8%	-0.2%	7.1%	2.2%	13.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	20.0	29.0	12.0	8.0%	-2.5%	6.8%	15.5%	7.8%	4.6%	-4.0%	5.2%
Luhanskeplovoz	LTPL	1.54	2.20	1.20	0.0%	4.1%	1.3%	2.7%	-0.2%	11.2%	-9.5%	-7.6%
Stakhanov Wagon	SVGZ	1.05	n/a	n/a	-14.6%	-12.5%	-16.7%	-19.2%	-14.8%	-5.4%	-27.5%	-29.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	1.8%	23.2%	30.2%	-0.2%	8.9%	12.4%	19.9%
Motor Sich	MSICH	1,710	2,545	1,303	-1.6%	-7.8%	-7.2%	-6.3%	-1.8%	-0.7%	-18.0%	-16.5%
Sumy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	39.6%	39.6%	-0.2%	7.1%	28.8%	29.3%
Turboatom	TATM	2.00	n/a	n/a	0.0%	-50.0%	11.1%	-42.9%	-0.2%	-42.9%	0.3%	-53.1%
WESTA ISIC	WES	0.15	0.26	0.13	-5.6%	-15.0%	-1.4%	13.8%	-5.8%	-7.9%	-12.3%	3.5%
Telecom												
Ukrtelecom	UTLM	0.15	0.19	0.09	-14.8%	-20.7%	24.1%	35.5%	-15.0%	-13.5%	13.2%	25.2%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.43	0.18	0.0%	-6.9%	-7.4%	-13.1%	-0.2%	0.2%	-18.2%	-23.4%
JKX Oil	JKX	1.04	1.21	0.75	-0.8%	5.3%	-9.2%	-12.3%	-1.0%	12.4%	-20.0%	-22.6%
Ukrnafta	UNAF	185	212	96	0.7%	-9.0%	24.6%	70.4%	0.5%	-1.9%	13.8%	60.2%
Power Utilities												
Centrenerg	CEEN	5.25	7.40	2.50	0.0%	-7.4%	16.8%	10.1%	-0.1%	-0.3%	6.0%	-0.1%
Donbasenergo	DOEN	37.5	43.0	15.4	-0.1%	-10.1%	18.0%	35.8%	-0.3%	-3.0%	7.2%	25.6%
Zakhidenergo	ZAEN	110.8	134.0	64.0	5.5%	-2.7%	-6.0%	22.6%	5.3%	4.4%	-16.9%	12.3%
Consumer												
Agroton	AGT	1.00	3.5	0.36	9.2%	-28.1%	19.1%	54.8%	9.0%	-20.9%	8.2%	44.5%
Astarta	AST	12.2	24.4	12.1	0.4%	-16.8%	-39.4%	-45.3%	0.2%	-9.7%	-50.3%	-55.5%
Avangardo	AVGR	8.8	13.0	7.61	0.0%	1.2%	-18.9%	-25.5%	-0.2%	8.3%	-29.7%	-35.8%
Industrial Milk Company	IMC	2.61	5.14	2.49	5.1%	-6.3%	-3.7%	-35.3%	4.9%	0.9%	-14.5%	-45.6%
Kernel	KER	7.9	19.4	7.6	1.0%	-9.6%	-32.7%	-37.6%	0.8%	-2.5%	-43.6%	-47.9%
Mriya Agro Holding	MAYA	7.49	8.2	5.36	-3.5%	1.5%	9.0%	0.5%	-3.6%	8.7%	-1.8%	-9.7%
MHPC	MHPC	12.6	19.9	11.21	2.4%	-9.1%	-15.8%	-25.7%	2.2%	-1.9%	-26.6%	-36.0%
Milkiland	MLK	2.22	4.9	2.22	-10.4%	-16.5%	-30.9%	-46.6%	-10.6%	-9.4%	-41.7%	-56.8%
Ovostar Union	OVO	22.7	33.3	19.4	0.6%	1.2%	-6.7%	-31.7%	0.4%	8.4%	-17.5%	-42.0%
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	12.4	n/a	n/a	3.0%	-11.7%	-3.1%	-1.1%	2.8%	-4.6%	-13.9%	-11.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.148	0.163	0.077	3.7%	-5.5%	32.2%	30.7%	3.5%	1.7%	21.3%	20.4%
UkrSotsbank	USCB	0.173	0.257	0.111	0.5%	-5.4%	1.8%	-7.8%	0.3%	1.7%	-9.1%	-18.1%

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	1,926	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	280	51	91	98	32.2%	38.7%	34.9%	38	72	69	23.8%	30.4%	24.8%
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	318	400	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	99	3.9%	4	1,893	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	489	456	443	\$/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	290	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	59	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	19	9.0%	2	19	2.2	1.7	4.0	0.7	0.7	1.0	0.0	0.1	0.1	0.7	0.7	1.0	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	966	0.3%	2	965	10.2	5.0	5.9	4.2	3.1	3.5	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,323	0.4%	9	2,317	5.3	4.2	5.1	3.1	2.5	2.8	1.6	1.4	1.5				
Ferrexpo	FXPO	1,360	24.0%	327	1,926	6.3	5.2	5.5	4.8	3.8	4.3	1.4	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	39	5.4%	2	141	5.4	2.3	2.3	1.1	1.5	1.5	0.5	0.6	0.6	34	33	31	\$/tonne
Coal Energy	CLE	23	25.0%	6	133	0.6	neg	neg	2.1	6.3	14.7	0.8	1.1	1.3	2.1	6.3	14.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	161	2.0%	3	206	4.8	>30	29.4	4.0	6.6	6.0	0.4	0.7	0.6	328	543	516	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	35	24.0%	8	72	7.2	1.8	1.5	2.5	2.0	1.9	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	236	5.0%	12	236	2.5	9.6	13.2	1.7	3.6	4.8	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	25	8.0%	2	64	>30	neg	neg	8.8	10.8	11.7	0.2	0.4	0.4				
Specialized Machinery																		
Turboatom	TATM	152	5.8%	9	84	4.0	2.1	2.2	1.6	0.9	0.9	0.5	0.4	0.3				
Motor Sich	MSICH	366	24.0%	88	381	1.8	2.2	1.9	1.2	1.6	1.5	0.4	0.4	0.3				
Telecom																		
Ukrtelecom	UTLM	288	7.2%	21	609	6.4	5.8	4.4	3.0	2.8	2.9	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,035	3.0%	31	1,026	5.9	7.9	8.5	3.2	2.8	2.9	0.6	0.4	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	178	50.4%	90	287	neg	8.9	7.4	2.1	3.4	3.2	1.4	1.4	1.2	52	39	38	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	200	21.7%	43	269	6.9	4.7	4.0	3.9	4.4	3.9	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnerg	DOEN	91	14.2%	13	162	23.9	1.9	2.1	5.1	2.2	2.5	0.3	0.2	0.2	20	21	20	\$/MWh
Consumer																		
MHP	MHPC	1,335	34.1%	455	2,495	4.3	6.6	5.0	5.3	6.0	4.6	1.8	1.8	1.5				
Kernel	KER	630	61.8%	389	1,336	3.0	6.0	8.2	4.1	4.6	5.2	0.6	0.5	0.5				
Astarta	AST	305	37.0%	113	638	5.2	22.9	3.7	5.8	7.9	4.6	1.4	1.3	1.1				
Avangardco	AVGR	559	22.5%	126	758	2.4	2.1	1.9	2.7	2.3	2.0	1.2	1.1	1.0	172	130	123	\$/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																		
Raiffeisen Bank Aval	BAVL	459	3.5%	16		>30	5.1	4.3	0.6	0.5	0.5	0.08	0.09	0.09				
Ukrsotsbank	USCB	328	0.7%	2		>30	>30	15.8	0.4	0.3	0.3	0.07	0.06	0.06				

Source: Eavex Research

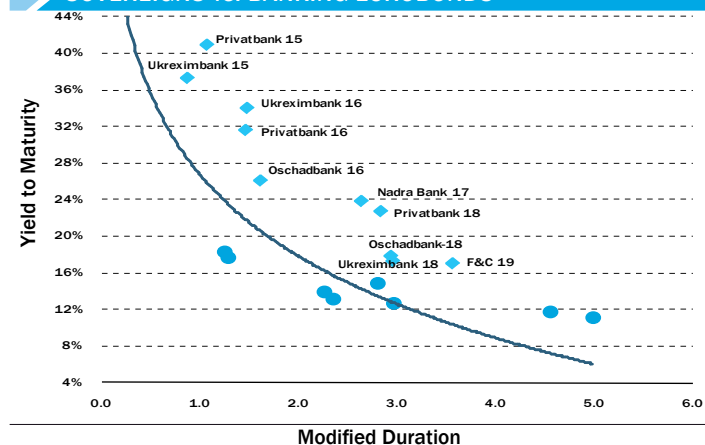
UKRAINIAN EUROBONDS

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	92.0	93.5	49.1%	40.9%	-7.3%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	86.0	87.6	41.4%	37.3%	-13.6%	n/a	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	81.6	87.1	21.2%	15.7%	-12.1%	1.3	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	85.3	87.1	20.1%	18.4%	-11.8%	1.3	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	83.9	85.4	14.5%	13.7%	-9.9%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	83.7	85.7	13.9%	12.9%	-10.2%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	83.0	84.7	13.1%	12.3%	-9.6%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	87.1	88.1	14.7%	14.3%	-11.7%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/CCC
Ukraine, 2017 Infr. projects	78.0	80.0	18.2%	17.2%	-4.4%	2.7	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	77.0	80.3	16.2%	14.8%	0.2%	3.1	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	82.2	84.0	12.0%	11.6%	-10.7%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	82.5	84.3	11.8%	11.4%	-11.0%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	82.3	83.6	11.1%	10.8%	-8.9%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	82.1	83.3	10.6%	10.4%	-8.6%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.5	52.1%	39.3%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	93.5	95.9	19.6%	18.0%	-8.5%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	79.9	83.6	13.2%	12.2%	-8.5%	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	82.0	82.0	17.3%	17.3%	-9.1%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.9	95.0	17.4%	15.2%	n/a	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	81.0	82.0	16.0%	15.6%	-6.4%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	87.8	89.8	26.5%	23.6%	-13.2%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	78.5	78.8	15.2%	15.1%	-16.6%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	92.4	93.4	20.2%	19.0%	-9.0%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.0	89.0	13.8%	12.7%	-7.9%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.0	94.0	13.2%	11.7%	-5.1%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	70.0	73.0	20.5%	19.2%	-22.0%	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	104.7	106.5	10.0%	9.4%	-4.9%	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	Caa2//
PUMB, 2014	82.3	82.3	37.7%	37.7%	-16.5%	n/a	11.00%	Q	31 Dec 2014	275	Caa2//
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	45.7%	37.5%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	62.7	69.9	35.9%	28.4%	-5.8%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	66.9	68.9	24.4%	23.4%	-18.9%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	80.0	82.0	36.9%	33.4%	-16.0%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	34.3%	34.3%	-22.6%	1.5	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	75.2	77.8	18.0%	16.8%	-14.3%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	70.0	78.0	196.1%	132.7%	-13.5%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	76.0	78.0	27.0%	25.2%	-17.3%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	75.0	77.5	17.9%	16.8%	-14.3%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.3	78.8	29.8%	27.0%	-16.6%	1.3	8.00%	S/A	6 Nov 2015	250	Caa2/CCC/
City of Kyiv, 2016	75.0	80.0	24.1%	20.7%	-16.7%	1.9	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

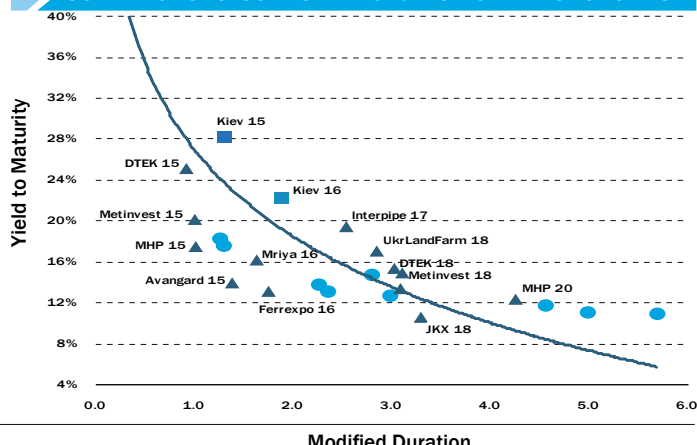
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



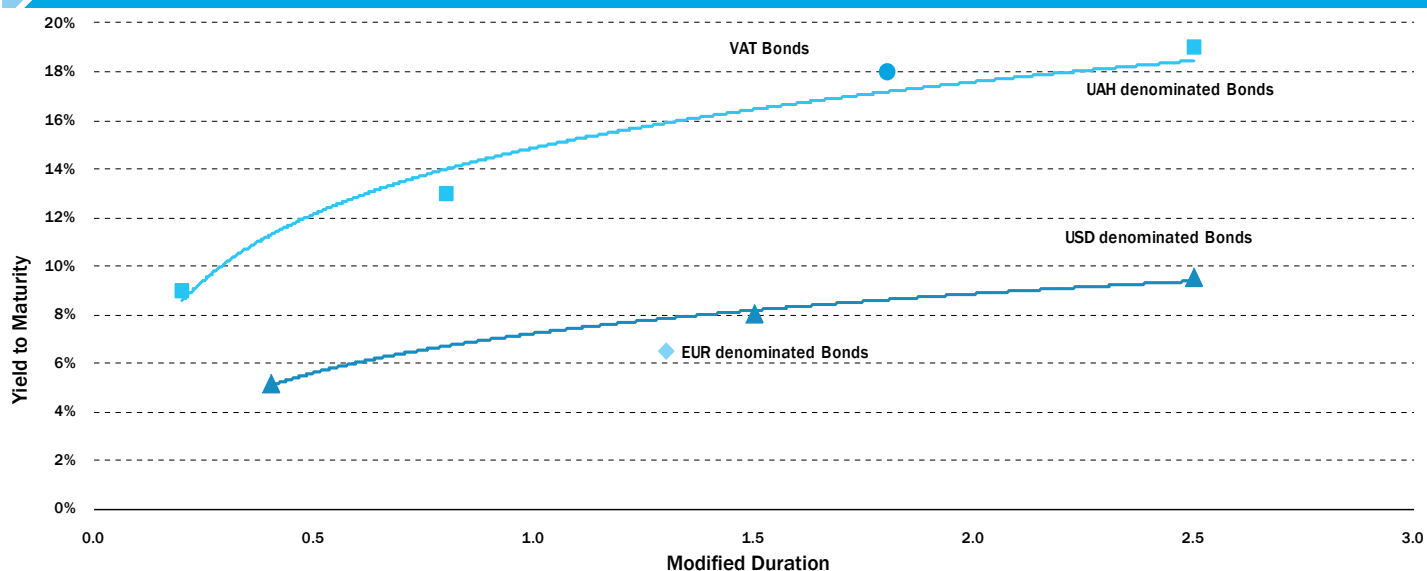
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000115117			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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