

Market Update

Equity

Local Ukrainian stocks failed to take part in a global technical rebound on Monday (Mar 17) after last week's selloff on concerns about the effect on the world economy of sanctions against Russia, as well as the possibility of a further escalation of the situation in Eastern Ukraine. The main indices in the US and Europe all added at least 1% to start the week, but the UX index fell by 0.9%, slipping below the 1,000 mark to end at 994 points. The big losers were low-liquidity names UkrSotsBank and Yenakievo Steel, which declined by 6.8% and 4.6% respectively, while more actively traded Raiffeisen Aval dropped 2.2% to 14.50 kopecks. DonbasEnergo led on volume with UAH 2.1mn in deals and edged down by half a percent, while national flagship oil company UkrNafta finished higher with a 1.0% gain. In London, Ferrexpo and MHP were lifted by the global bounce, picking up 2.4% and 3.0% respectively. In Warsaw trading, Astarta rebounded by 10% to PLN 40.8 per share.

Fixed Income

Ukrainian sovereigns resumed their slide on Monday due to political risk and instability concerns, with Ukraine-23s declining by 1.6p.p. to close at 80.6/81.6 (10.9%/10.7%), pushing their yield spread over benchmark US treasuries above 800bps. The corporate universe also finished broadly in the red. Metinvest-18s dropped by 1.3p.p. to 85.1/87.2 (14.1%/13.3%) and MHP-15s fell 0.6p.p. to 93.1/95.1 (20.1%/17.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Donbasenergo	DOEN	36.85	-0.6%	2.1	136
Centrenergo	CEEN	5.23	-0.4%	1.7	148
Raiffeisen Bank Aval	BAVL	0.145	-2.2%	0.8	66

Growth Leaders

Yasynivsky Coke	YASK	0.70	5.3%	0.01	13
Azovstal	AZST	0.68	2.0%	0.14	49
Ukrnafta	UNAF	187.70	1.0%	0.52	58

Loss Leaders

UkrSotsbank	USCB	0.16	-6.8%	0.053	29
Yenakievo Steel	ENMZ	32.20	-4.7%	0.206	52
Alchevsk Steel	ALMK	0.04	-3.0%	0.140	108

Highlights

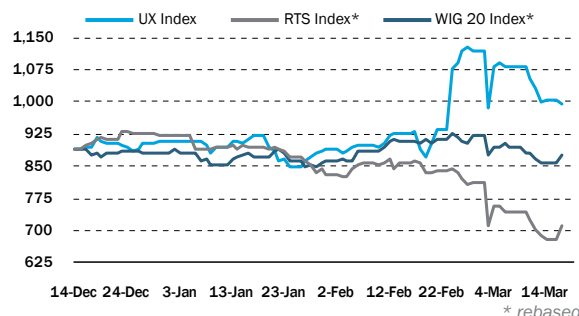
STOCKS IN THE NEWS

- > JXX's New Well at Elizavetovske Producing at 1,120 boepd

FIXED INCOME

- > Metinvest EBITDA Improves by 15% YoY in FY13

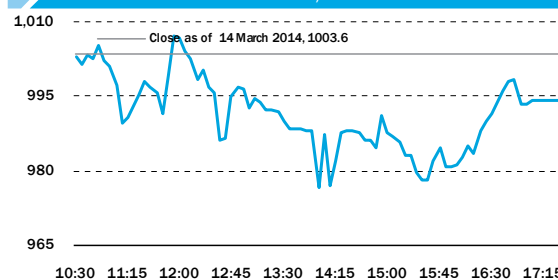
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	994.3	-0.9%	7.2%	9.3%
RTS	1114.7	4.9%	-17.0%	-22.7%
WIG20	2394.8	2.3%	-3.5%	-0.3%
MSCI EM	943.2	0.6%	-1.5%	-5.9%
S&P 500	1858.8	1.0%	1.1%	1.0%

UX INTRADAY MARCH 17, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	349.6	-1.5%	-4.9%	5.7%
CDS 5Y UKR	1246.0	0.0%	4.0%	51.9%
Ukraine-17	12.8%	0.4 p.p.	1.3 p.p.	3.8 p.p.
Naftogaz Ukr-14	40.5%	1.2 p.p.	6.3 p.p.	31.7 p.p.
Ukraine-23	10.8%	0.3 p.p.	0.4 p.p.	3.3 p.p.
Privatbank-16	30.6%	0.0 p.p.	5.0 p.p.	5.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	9.75	0.5%	11.0%	18.3%
EUR	13.57	0.5%	12.8%	19.3%
RUB	0.27	1.2%	7.3%	7.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	297.4	0.0%	8.1%	3.5%
Steel, USD/t	527.5	0.0%	-1.9%	-1.9%
Oil, USD/bbl	106.2	-1.8%	-2.3%	-4.5%
Gold, USD/oz	1367.1	-1.2%	3.7%	14.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

JKX's New Well at Elizavetovske Producing at 1,120 boepd

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 63.0 Market Cap: USD 179mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.3	0.8	9.0	2.1	0%
2014E	0.3	0.8	7.5	2.0	0%

NEWS

JKX Oil & Gas, an exploration and production company with assets in Ukraine and Russia, announced that it has completed drilling and start-up of its E-302 well at its Elizavetovske field in Poltava oblast, according to a statement released on Monday (Mar 17). The well is producing at a stabilized rate of 6.2 MMcfd gas plus 14 bpd condensate (1,119 boepd). The well was drilled to a depth of about 3,160 meters. JKX's N-75 Skytop drilling rig has now been moved from Elizavetovske to drill a development well NN-80 at the company's Novo-Nikolaevskoe field. The next producing well at the Elizavetovske field is planned to be drilled in 3Q14.

COMMENTARY

The E-302 is the second producing well at the Elizavetovske field and its current output is more or less in line with the output at the first well after its launch at the beginning of the year. The news seems generally encouraging, as JKX managed to bring the new well on stream substantially ahead of initial predictions. The company's London-traded shares saw a notable gain of 4.0% after the news. As we reported earlier, JKX is targeting a daily average production level of 16,000 boepd by end-2014 compared to about 12,000 boepd which it was producing in 3Q13. The company is due to release a production update and preliminary financial results for FY13 on Mar 27.

Metinvest EBITDA Improves by 15% YoY in FY13

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining group, increased its EBITDA by 15% YoY to USD 2.29bn in FY13, according to the company's trading update released on Monday (Mar 17). Revenues were up by 2% YoY to USD 12.8bn. Other elements of the P&L statement were not disclosed. Capital expenditures in 2013 declined by 2% YoY to USD 747mn. Total debt as of end-2013 amounted to USD 4.31bn vs. USD 4.28bn a year earlier. The Total Debt/EBITDA ratio was 1.9x vs. 2.1x last year.

Revenue from semi-finished steel products was up by 4% YoY to USD 1.48bn on a 42% jump in sales of pig iron. Finished steel sales declined by 12% YOY to USD 5.80bn amid lower steel prices as well as a 73% plunge in sales of pipes. In the mining division, iron ore sales improved by 9% YoY to USD 2.69bn on an increase in sales volumes, while revenue from coal products was down by 52% YoY to USD 389mn. In a geographical breakdown, the group managed to expand its steel sales to Europe by 15% to USD 2.76bn and to MENA by 35% to USD 2.13bn. Iron ore sales to Asia were up by 37%, partly offsetting a sharp drop in sales to CIS (mainly Russia), which were down by 33% YoY to USD 1.03bn.

COMMENTARY

While Metinvest's EBITDA in 4Q13 was unsurprisingly lower than in 3Q, the group still managed to outperform its FY13 target, which was in the range of USD 2.0-2.2bn. Also, based on Moody's estimates, the devaluation of the Ukrainian hryvnia bodes well for the group's operating earnings. According to Moody's, only 17% of Metinvest's revenue is generated in UAH while at least half of its operating costs are linked to the local currency. Metinvest also has its leverage under control, with the Total Debt/EBITDA ratio as of end-2013 at 1.9x vs. a Eurobond covenant of 3.0x. On the other hand, a projected decline in global iron ore prices of up to 15% over 2014 will have detrimental effect on the group's mining segment financials as well as its profitability in general.

In our view, political risk associated with Russia's occupation of Crimea, as well as unrest in the city of Donetsk, is currently a matter of some concern for the group, whose main assets are located in Eastern Ukraine. Metinvest has stated that all of its production facilities are operating under a normal regime, and that the group is continuing to ship its products via Sevastopol's Avlita port, through which approximately 7% of Metinvest's steel exports are moved.

Metinvest-15s now trades at 92.1/93.6 (20.6%/18.7%) with quotations of Metinvest-18s now standing at 85.1/87.2 (14.1%/13.3%).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.68	0.56	-19%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	142.3	218.0	53%	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	9.00	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	8.25	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	2.93	6.2	113%	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	394%	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	0.43	2.9	593%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.30	5.2	303%	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	1705	5250	208%	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	63.0	370	487%	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	36.9	72.0	95%	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	5.23	15.00	187%	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	40.8	90.0	121%	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	8.7	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	0.145	0.24	66%	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	994.25	1153.01	781.22	-0.9%	-8.0%	7.2%	9.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-3.0%	-10.0%	-0.8%	-7.2%	-2.0%	-2.0%	-8.0%	-16.5%
Azovstal	AZST	0.68	0.90	0.31	2.1%	-3.7%	13.6%	2.1%	3.0%	4.3%	6.4%	-7.2%
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	32.2	52.0	20.0	-4.6%	-10.8%	3.0%	0.6%	-3.7%	-2.8%	-4.2%	-8.7%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	0.20	0.05	0.0%	-11.8%	36.4%	50.0%	0.9%	-3.8%	29.2%	40.7%
Coke												
Avdivka Coke	AVDK	2.93	4.80	1.60	0.7%	-2.7%	4.9%	-1.0%	1.6%	5.3%	-2.3%	-10.2%
Yasnyivsky Coking	YASK	0.70	0.84	0.49	6.1%	-2.8%	27.3%	32.1%	7.0%	5.2%	20.1%	22.8%
Iron Ore Mining												
Centralny GOK	CGOK	8.25	n/a	n/a	3.1%	-12.0%	11.8%	26.9%	4.1%	-4.0%	4.6%	17.7%
Ferrexpo	FXPO	2.37	3.20	2.02	2.5%	3.8%	-16.8%	-24.9%	3.4%	11.8%	-24.0%	-34.2%
Pivnichny GOK	SGOK	9.00	10.00	5.77	-8.0%	-7.9%	13.9%	12.5%	-7.0%	0.1%	6.7%	3.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.43	0.70	0.10	-10.4%	-18.9%	-12.2%	7.5%	-9.5%	-10.9%	-19.5%	-1.8%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	-20.4%	-19.6%	47.5%	45.2%	-19.4%	-11.6%	40.3%	35.9%
Energy Coal	CLE	0.51	3.07	0.31	2.1%	0.2%	38.4%	45.2%	3.0%	8.2%	31.2%	36.0%
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%	0.0%	0.0%	0.9%	8.0%	-7.2%	-9.3%
Interpipe NMPP	NVTR	0.25	n/a	n/a	-3.8%	-3.8%	8.7%	19.0%	-2.9%	4.2%	1.5%	9.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.0	29.0	12.0	-14.9%	-17.1%	-5.6%	-1.7%	-14.0%	-9.1%	-12.8%	-11.0%
Luhanskeplovoz	LTPL	1.30	2.20	1.20	-15.6%	-12.2%	-13.3%	-13.3%	-14.7%	-4.2%	-20.5%	-22.6%
Stakhanov Wagon	SVGZ	1.05	n/a	n/a	0.0%	-12.5%	-16.0%	-19.2%	0.9%	-4.5%	-23.2%	-28.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	1.8%	47.4%	30.2%	0.9%	9.8%	40.2%	20.9%
Motor Sich	MSICH	1,705	2,545	1,303	-0.3%	-8.1%	-12.9%	-6.5%	0.6%	-0.1%	-20.1%	-15.8%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	39.6%	39.6%	0.9%	8.0%	32.4%	30.3%
Turboatom	TATM	3.00	n/a	n/a	50.0%	-25.0%	-7.7%	-14.3%	50.9%	-17.0%	-14.9%	-23.5%
WESTA ISIC	WES	0.17	0.26	0.13	13.1%	0.2%	5.9%	28.7%	14.1%	8.2%	-1.4%	19.5%
Telecom												
Ukrtelecom	UTLM	0.15	0.19	0.09	0.0%	-20.7%	19.2%	35.5%	0.9%	-12.7%	12.0%	26.2%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.43	0.18	0.1%	-4.4%	-6.9%	-13.1%	1.0%	3.6%	-14.1%	-22.3%
JKX Oil	JKX	1.05	1.21	0.75	0.9%	8.1%	-8.6%	-11.5%	1.8%	16.1%	-15.8%	-20.8%
Ukrnafta	UNAF	188	212	96	1.4%	-7.7%	21.6%	72.8%	2.3%	0.3%	14.4%	63.6%
Power Utilities												
Centrenerg	CEEN	5.23	7.40	2.50	-0.4%	-7.8%	14.4%	9.7%	0.5%	0.2%	7.2%	0.4%
Donbasenergo	DOEN	36.9	43.0	15.4	-1.7%	-11.6%	11.5%	33.6%	-0.8%	-3.6%	4.3%	24.3%
Zakhidenergo	ZAEN	110.8	134.0	64.0	0.0%	-2.7%	-5.3%	22.6%	0.9%	5.3%	-12.5%	13.3%
Consumer												
Agroton	AGT	0.90	3.4	0.36	-10.1%	-27.6%	-2.4%	39.2%	-9.2%	-19.6%	-9.6%	29.9%
Astarta	AST	13.4	24.4	12.1	10.3%	-1.1%	-31.3%	-39.6%	11.3%	6.9%	-38.5%	-48.9%
Avangardo	AVGR	8.7	13.0	7.61	-0.1%	-2.8%	-20.5%	-25.6%	0.9%	5.2%	-27.7%	-34.8%
Industrial Milk Company	IMC	2.75	5.14	2.49	5.1%	0.0%	6.8%	-32.0%	6.0%	8.0%	-0.4%	-41.3%
Kernel	KER	8.5	19.4	7.6	7.5%	-0.7%	-30.5%	-33.0%	8.4%	7.3%	-37.7%	-42.2%
Mriya Agro Holding	MAYA	7.32	8.2	5.36	-2.3%	-3.0%	6.2%	-1.7%	-1.3%	5.0%	-1.0%	-11.0%
MHPC	MHPC	13.0	19.9	11.21	2.9%	-3.7%	-11.7%	-23.6%	3.9%	4.3%	-19.0%	-32.8%
Milkiland	MLK	2.39	4.9	2.22	7.3%	-9.4%	-25.8%	-42.6%	8.3%	-1.4%	-33.0%	-51.9%
Ovostar Union	OVO	22.7	33.3	19.4	0.1%	0.2%	-5.7%	-31.7%	1.0%	8.2%	-12.9%	-40.9%
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	0.0%	-11.7%	10.4%	-1.1%	0.9%	-3.7%	3.1%	-10.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.145	0.163	0.077	-2.2%	-7.6%	26.5%	27.8%	-1.3%	0.4%	19.3%	18.5%
UkrSotsbank	USCB	0.161	0.257	0.111	-6.8%	-11.8%	-1.7%	-14.0%	-5.8%	-3.8%	-8.9%	-23.3%

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	1,581	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	0	0.2%	0.3%	0.3%
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%
Ukrstsobank	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	95	3.9%	4	1,889	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	488	455	442	\$/tonne
Yenakievo Steel	ENMZ	35	8.8%	3	29	4.1	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	11	10	10	\$/tonne
Azovstal	AZST	295	3.0%	9	279	neg	neg	neg	neg	neg	7.9	0.1	0.1	0.1	61	62	61	\$/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	20	9.0%	2	21	2.3	1.7	4.2	0.7	0.7	1.1	0.0	0.1	0.1	0.7	0.7	1.1	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	992	0.3%	2	990	10.4	5.1	6.1	4.3	3.2	3.5	1.6	1.5	1.6				
Pivnichny GOK	SGOK	2,127	0.4%	9	2,120	4.9	3.9	4.6	2.8	2.3	2.6	1.5	1.3	1.4				
Ferrexpo	FXPO	1,394	24.0%	335	1,960	6.5	5.3	5.6	4.9	3.9	4.4	1.4	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	31	5.4%	2	133	4.3	1.8	1.8	1.1	1.4	1.4	0.5	0.6	0.6	32	31	30	\$/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	160	2.0%	3	206	4.7	>30	29.2	4.0	6.6	6.0	0.4	0.7	0.6	326	541	514	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	29	24.0%	7	66	6.0	1.5	1.3	2.3	1.9	1.7	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	200	5.0%	10	200	2.1	8.1	11.2	1.5	3.1	4.1	0.2	0.5	0.6				
Stakhanov Wagon	SVGZ	24	8.0%	2	57	>30	>30	>30	7.9	9.7	10.4	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	152	5.8%	9	83	4.0	2.1	2.2	1.6	0.9	0.9	0.5	0.4	0.3				
Motor Sich	MSICH	363	24.0%	87	378	1.8	2.2	1.9	1.2	1.6	1.5	0.4	0.4	0.3				
Telecom																		
Ukrtelecom	UTLM	286	7.2%	21	608	6.3	5.8	4.4	3.0	2.8	2.9	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,044	3.0%	31	1,036	5.9	7.9	8.6	3.3	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	180	50.4%	91	288	neg	9.0	7.5	2.1	3.4	3.2	1.4	1.4	1.2	53	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	198	21.7%	43	267	6.9	4.6	4.0	3.9	4.3	3.9	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	89	14.2%	13	160	23.4	1.8	2.1	5.0	2.2	2.5	0.3	0.2	0.2	20	21	20	\$/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	677	61.8%	418	1,382	3.2	6.4	8.8	4.3	4.8	5.4	0.6	0.5	0.6				
Astarta	AST	336	37.0%	124	670	5.8	25.3	4.1	6.1	8.3	4.9	1.5	1.3	1.2				
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	171	130	123	\$/mneggs
Agroton	AGT	20	26.2%	5	69	2.9	neg	neg	3.4	5.5	5.8	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	447	3.5%	16		>30	5.0	4.1	0.6	0.5	0.5	0.07	0.08	0.09				
Ukrsotsbank	USCB	304	0.7%	2		>30	>30	15.8	0.4	0.3	0.3	0.07	0.06	0.06				

Source: Eavex Research

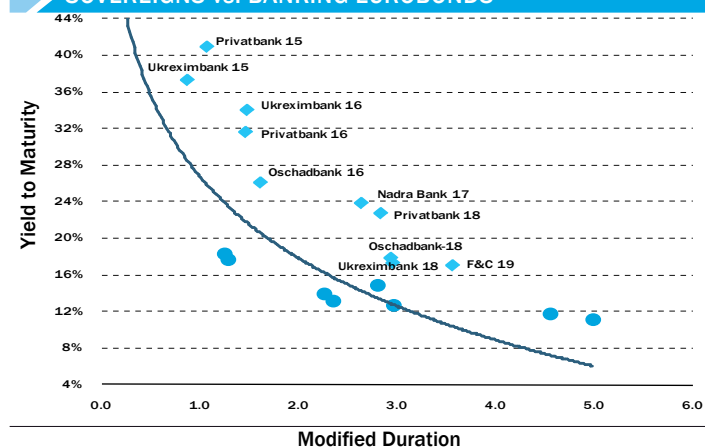
UKRAINIAN EUROBONDS

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	92.5	94.0	46.9%	38.6%	-6.8%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	85.7	87.2	42.6%	38.4%	-14.0%	n/a	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	81.7	87.2	21.2%	15.7%	-12.1%	1.2	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	84.7	86.5	20.7%	19.0%	-12.3%	1.3	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	82.9	84.4	15.0%	14.2%	-11.0%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	82.9	84.9	14.4%	13.3%	-11.1%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	81.9	83.7	13.5%	12.8%	-10.7%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	85.8	86.8	15.3%	14.8%	-13.0%	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	80.7	82.5	12.4%	12.0%	-12.3%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	81.4	83.1	12.1%	11.7%	-12.2%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	81.2	83.7	11.3%	10.8%	-9.5%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	80.6	81.6	10.9%	10.7%	-10.3%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.5	52.1%	39.4%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	93.1	95.1	20.1%	18.8%	-9.1%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	79.6	83.5	13.3%	12.2%	-8.7%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.0	97.0	13.2%	13.2%	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	80.0	85.0	16.3%	14.4%	-5.3%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	87.5	89.5	27.0%	24.0%	-13.4%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	78.0	79.9	15.4%	14.6%	-16.2%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	92.1	93.6	20.6%	18.7%	-9.0%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	85.1	87.2	14.1%	13.3%	-9.3%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.1	93.8	13.1%	11.8%	-5.2%	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	104.2	106.6	10.1%	9.4%	-5.0%	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	45.8%	37.6%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	62.7	69.9	36.0%	28.4%	-5.8%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	66.6	70.0	24.6%	22.8%	-18.4%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	80.0	82.0	37.0%	33.5%	-16.0%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	34.4%	34.4%	-22.6%	1.5	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	75.0	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	198.2%	134.0%	-13.5%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	75.0	77.5	28.1%	25.7%	-18.1%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	74.1	75.9	18.3%	17.5%	-15.7%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.3	79.0	29.9%	26.8%	-16.5%	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%	1.8	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

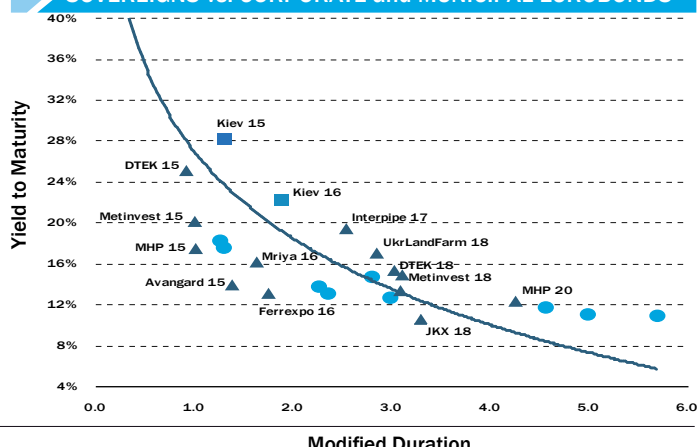
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



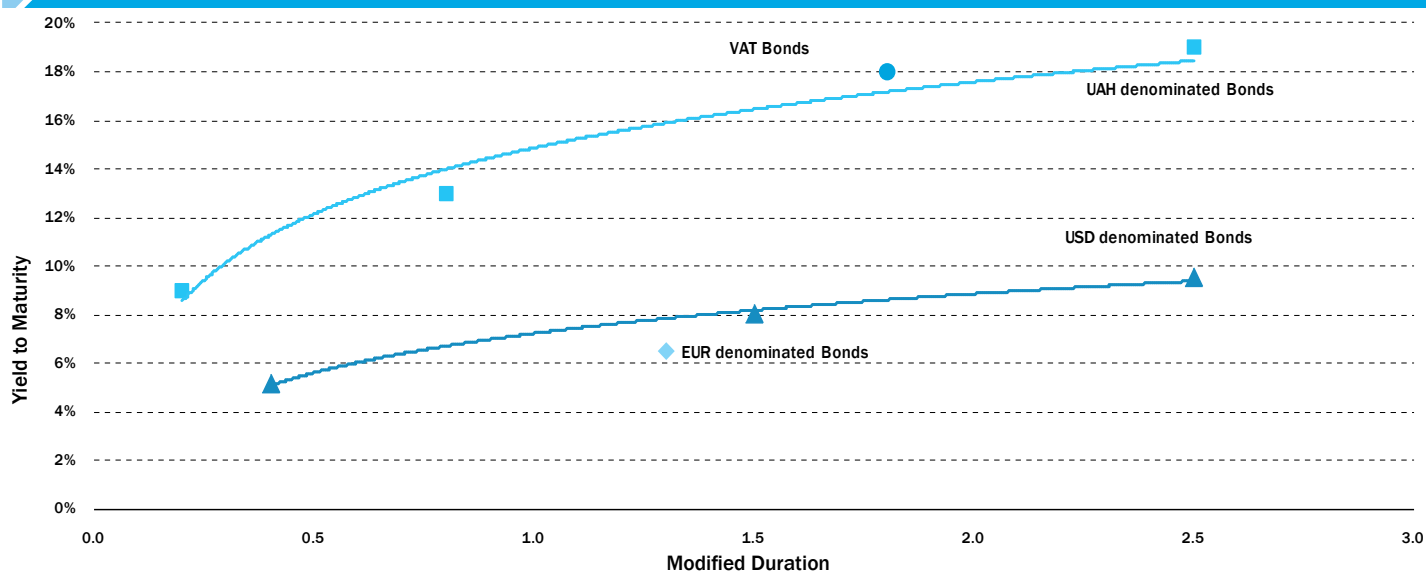
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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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