

Market Update

Equity

Ukrainian stocks were lower on Wednesday (Mar 19) in a day of global trading dominated by the wait for a US Federal Reserve policy statement, which came after the European close at 2pm in New York. New Fed chief Janet Yellen's announcement that the central bank will further reduce its monetary stimulus by USD 10bn per month sent US stocks tumbling, although the S&P 500 and DJIA's closing losses were limited to well inside of 1%. The UX index moved down 1.1% to finish at 1007 points. Alchevsk Steel led the decline, sliding 3.2% to 3.65 kopecks after announcing a record-high negative bottom line for full-year 2013. CentrEnerg and Raiffeisen Aval were both down in the range of 2.0%, while volume leader UkrNafta fell in line with the index on turnover of UAH 2.4mn. In London, Ferrexpo sold off by 3.6% after two previous sessions of solid gains; agro issues MHP and Avangard were both marginally lower by less than half a percent each.

Fixed Income

Ukrainian sovereigns were up across the board on Wednesday with Ukraine-23s improving by 2.1p.p. closing at 83.2/84.1 (10.4%/10.2%). Corporate names were mixed. MHP-20s grew by 0.3p.p. to 80.0/83.6 (13.2%/12.2%) while DTEK-18s declined by 1.2p.p. finishing at 76.2/77.8 (16.1%/15.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	193.50	-1.2%	2.4	32
Donbasenergo	DOEN	37.49	-0.7%	1.1	96
Centrenerg	CEEN	5.200	-1.9%	1.1	58

Growth Leaders

Alchevsk Coke	ALKZ	0.06	6.5%	0.07	15
Yasynivsky Coke	YASK	0.71	2.9%	0.01	15
Avdyivka Coke	AVDK	2.99	-0.4%	0.46	24

Loss Leaders

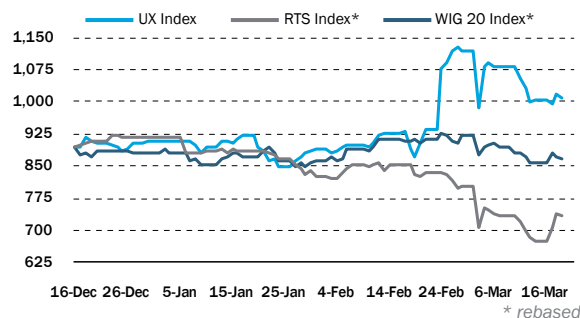
Donetskoblenergo	DOON	16.00	-5.9%	0.221	17
Poltavsky GOK	PGOK	13.17	-4.9%	0.777	25
Alchevsk Steel	ALMK	0.04	-3.2%	0.133	30

Highlights

STOCKS IN THE NEWS

- > CentrEnerg Turns On Repaired Unit #3 at Uglegorsk
- > Motor Sich Reports Order Book of USD 950mn for 2014
- > Alchevsk Steel Reports Record Full-Year Loss of UAH 1.74bn

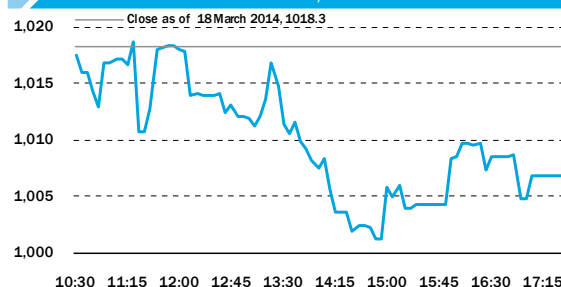
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1006.8	-1.1%	8.6%	10.6%
RTS	1155.8	-0.5%	-14.0%	-19.9%
WIG20	2360.8	-0.8%	-4.9%	-1.7%
MSCI EM	950.6	-0.2%	-0.7%	-5.1%
S&P 500	1860.8	-0.6%	1.2%	1.1%

UX INTRADAY MARCH 19, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	338.9	-2.9%	-7.8%	2.5%
CDS 5Y UKR	1197.1	-4.2%	-0.1%	45.9%
Ukraine-17	12.2%	-0.6 p.p.	0.7 p.p.	3.2 p.p.
Naftogaz Ukr-14	33.2%	-6.7 p.p.	-1.0 p.p.	24.4 p.p.
Ukraine-23	10.3%	-0.4 p.p.	-0.1 p.p.	2.8 p.p.
Privatbank-16	32.0%	1.8 p.p.	6.4 p.p.	7.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	10.16	1.3%	15.7%	23.3%
EUR	14.05	0.6%	16.8%	23.6%
RUB	0.28	1.5%	12.2%	11.8%

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	105.9	-0.9%	-2.7%	-4.8%
Gold, USD/oz	1329.6	-1.9%	0.8%	11.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

CentrEnergO Turns On Repaired Unit #3 at Uglegorsk

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 5.19 Market Cap: USD 189mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.7	0.3	4.4	4.2	6.8%
2014E	0.7	0.3	4.3	4.2	7.0%

NEWS

CentrEnergO, Ukraine's second-largest thermal generation company, has turned on reactor #3 at its fire-damaged Uglegorska thermal power plant, the company reported earlier this week. The unit was operationally connected to the national electricity system on Tuesday (Mar 18). Units #1 and #4, which had been relatively less damaged in an accident at the plant that occurred on Mar 29 of last year were turned on in late 2013, while units #2 and #3 suffered major damage. The accident forced the State Property Fund (SPF), which owns some 78% of CentrEnergO, to postpone the privatization of a controlling stake in the company for an indefinite period.

COMMENTARY

The relaunch of unit #3 occurred in line with the scheduling of the Uglegorska plant's overhaul and the news is definitely positive for CentrEnergO. However, Ukrainian thermal generation companies are historically loss-making in the first quarter, so we do not forecast that CentrEnergO will post a profit in 1Q14, and the CEEN stock showed no positive reaction yesterday. Unit #2 at the plant is supposed to be turned on for testing later this year.

Motor Sich Reports Order Book of USD 950mn for 2014

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 1,755 Market Cap: USD 359mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.3	0.4	2.1	1.6	1.9%
2014E	0.3	0.4	2.2	1.6	1.8%

NEWS

Ukraine's monopoly aircraft engine producer Motor Sich said it has secured a firm order book of USD 950mn for 2014, a 5% increase compared to 2013, Interfax reported on Monday (Mar 18) citing a source in the company's top management. According to the source, 90% of the order book consists of the helicopter/airplane engine models D-436, AI-222 and AI-20. Motor Sich's main customers are located in Russia, China and India.

COMMENTARY

Taking into account the current complicated political situation in Ukraine, Motor Sich's ability to increase its order book is a notable achievement. We believe that confrontation between Kyiv and Moscow will not impede the trade relationship between Motor Sich and Russian Helicopters, the company's key partner, due to the lack of capacity in Russia for building helicopter engines. On the other hand, we now doubt that a resumption in joint Russian-Ukrainian production of the An-124 cargo airliner, which was announced a few months ago, will be implemented. This will restrain Motor Sich from more active top line growth in 2014-2015. Importantly, Motor Sich has an opportunity to increase its profitability margins in FY14, as the hryvnia devaluation by almost 25% YtD will have a positive impact on the company's operations due to the 92% share of export sales in total revenues.

Alchevsk Steel Reports Record Full-Year Loss of UAH 1.74bn

by Dmitry Churin
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▶ ALCHEVSK STEEL (ALMK UK)

Price: UAH 0.0365 Market Cap: USD 126mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	neg	1.11	neg	neg	0%
2014E	neg	1.11	neg	neg	0%

NEWS

Alchevsk Steel, Ukraine's fifth-largest steelmaker, announced a net loss of UAH 1.74bn for full-year 2013, the company reported in its annual shareholder meeting announcement on Wednesday (Mar 19). The figure is 69% larger than the net loss in FY12. Other details from the income statement were not disclosed.

COMMENTARY

The news is negative for the ALMK stock as 1) the FY13 loss was the worst in the company's history and 2) Alchevsk failed to reach its target, stated in mid-2013, on reaching the breakeven level in 4Q13. Ironically, the 4Q13 loss of UAH 586mn was the heaviest negative bottom line at the mill since the crisis period of 4Q08. Last June, management has said it expected to reach breakeven in 4Q due to the full-capacity commissioning of Alchevsk's greenfield electricity station. While the first phase was launched in June, no news has arisen since then about the commissioning of a second such station despite management's previous expectation of this occurring in 4Q13. Interestingly, even the launch of the first phase did not prevent a hike in the company's reported loss to UAH 1.07bn in 2H13 vs. its UAH 663mn loss in 1H.

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	142.7	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	8.40	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	2.99	6.2	109%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.71	3.4	384%	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	520%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	21.6	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.31	5.2	301%	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	1755	5250	199%	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	62.3	370	494%	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	5.20	15.00	188%	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	13.4	22.10	66%	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	44.0	90.0	105%	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	122%	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	65.4	109.50	67%	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	0.147	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	1006.77	1153.01	781.22	-1.1%	-2.3%	8.6%	10.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	-3.2%	-4.2%	0.6%	-5.9%	-2.0%	-1.9%	-8.0%	-16.6%
Azovstal	AZST	0.68	0.90	0.31	0.0%	-2.3%	13.5%	1.9%	1.1%	0.0%	4.9%	-8.7%
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	32.9	52.0	20.0	-0.4%	-8.1%	5.4%	2.9%	0.7%	-5.8%	-3.2%	-7.7%
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	0.14	0.20	0.05	0.0%	-17.6%	27.3%	40.0%	1.1%	-15.4%	18.7%	29.4%
Coke												
Avdivka Coke	AVDK	2.99	4.80	1.60	-0.4%	-0.3%	6.8%	0.9%	0.7%	2.0%	-1.7%	-9.8%
Yasynivsky Coking	YASK	0.71	0.84	0.49	-2.7%	-1.4%	29.1%	34.0%	-1.6%	0.9%	20.5%	23.3%
Iron Ore Mining												
Centralny GOK	CGOK	8.40	n/a	n/a	13.5%	5.0%	13.8%	29.2%	14.6%	7.3%	5.3%	18.6%
Ferrexpo	FXPO	2.38	3.20	2.02	-2.9%	-0.8%	-16.5%	-24.7%	-1.8%	1.5%	-25.1%	-35.3%
Pivnichny GOK	SGOK	9.00	10.00	5.77	0.0%	-8.0%	13.9%	12.5%	1.1%	-5.7%	5.4%	1.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.70	0.10	6.7%	6.7%	-2.0%	20.0%	7.8%	9.0%	-10.6%	9.4%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	-5.3%	-20.4%	47.5%	45.2%	-4.1%	-18.1%	39.0%	34.5%
Energy Coal	CLE	0.52	2.56	0.31	-3.4%	2.7%	42.9%	50.0%	-2.3%	5.0%	34.4%	39.4%
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	0.80	0.30	0.0%	0.0%	0.0%	0.0%	1.1%	2.3%	-8.6%	-10.6%
Interpipe NMPP	NVTR	0.23	n/a	n/a	27.8%	-11.5%	0.0%	9.5%	28.9%	-9.2%	-8.6%	-1.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	21.6	29.0	12.0	8.3%	5.6%	19.7%	24.6%	9.4%	7.9%	11.1%	13.9%
Luhanskeplovoz	LTPL	1.31	2.20	1.20	0.0%	-14.9%	-12.7%	-12.7%	1.1%	-12.6%	-21.2%	-23.3%
Stakhanov Wagon	SVGZ	1.14	n/a	n/a	0.0%	-8.8%	-8.8%	-12.3%	1.1%	-6.5%	-17.4%	-22.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-18.8%	16.7%	3.0%	1.1%	-16.5%	8.1%	-7.6%
Motor Sich	MSICH	1,755	2,545	1,303	-1.5%	-2.0%	-10.4%	-3.8%	-0.4%	0.3%	-18.9%	-14.4%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	39.6%	39.6%	1.1%	2.3%	31.0%	29.0%
Turboatom	TATM	1.70	n/a	n/a	0.0%	-15.0%	-47.7%	-51.4%	1.1%	-12.7%	-56.3%	-62.1%
WESTA ISIC	WES	0.18	0.26	0.13	-1.6%	4.7%	10.7%	34.6%	-0.4%	7.0%	2.1%	24.0%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	3.2%	28.0%	45.5%	1.1%	5.4%	19.4%	34.8%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.42	0.18	0.4%	0.2%	-6.9%	-13.0%	1.5%	2.5%	-15.4%	-23.7%
JKX Oil	JKX	1.04	1.21	0.75	1.2%	-2.5%	-9.6%	-12.6%	2.3%	-0.2%	-18.2%	-23.2%
Ukrnafta	UNAF	194	212	96	-1.0%	-0.2%	25.3%	78.2%	0.1%	2.1%	16.8%	67.5%
Power Utilities												
Centrenerg	CEEN	5.20	7.40	2.50	-1.9%	-2.6%	13.8%	9.1%	-0.8%	-0.3%	5.2%	-1.6%
Donbasenergo	DOEN	37.5	43.0	15.4	-0.7%	-3.8%	13.4%	35.9%	0.4%	-1.5%	4.9%	25.3%
Zakhidenergo	ZAEN	120.0	134.0	64.0	2.1%	8.6%	2.6%	32.7%	3.3%	10.9%	-6.0%	22.1%
Consumer												
Agroton	AGT	1.04	3.2	0.36	3.6%	4.4%	12.6%	60.5%	4.7%	6.7%	4.0%	49.9%
Astarta	AST	14.6	24.4	12.1	2.0%	16.7%	-25.4%	-34.4%	3.1%	19.0%	-33.9%	-45.1%
Avangardo	AVGR	8.7	13.0	7.61	-0.2%	-3.1%	-20.7%	-25.8%	0.9%	-0.8%	-29.3%	-36.4%
Industrial Milk Company	IMC	2.85	5.14	2.49	2.3%	11.1%	10.8%	-29.4%	3.4%	13.4%	2.3%	-40.1%
Kernel	KER	9.1	19.1	7.6	1.7%	19.0%	-25.6%	-28.3%	2.8%	21.3%	-34.2%	-38.9%
Mriya Agro Holding	MAYA	7.79	8.2	5.36	6.4%	4.8%	13.0%	4.6%	7.6%	7.1%	4.5%	-6.1%
MHPC	MHPC	13.4	19.9	11.21	-0.4%	2.7%	-9.4%	-21.5%	0.8%	5.0%	-17.9%	-32.1%
Milkiland	MLK	2.60	4.7	2.22	-0.7%	4.1%	-19.0%	-37.4%	0.4%	6.4%	-27.6%	-48.0%
Ovostar Union	OVO	21.7	33.3	19.4	-2.1%	-2.6%	-10.0%	-34.8%	-1.0%	-0.3%	-18.6%	-45.4%
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	11.9	n/a	n/a	0.0%	-17.1%	6.3%	-4.8%	1.1%	-14.8%	-2.3%	-15.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.147	0.163	0.077	-2.1%	0.5%	28.0%	29.3%	-0.9%	2.8%	19.4%	18.6%
UkrSotsbank	USCB	0.162	0.257	0.111	0.0%	-7.4%	-1.5%	-13.8%	1.1%	-5.1%	-10.0%	-24.4%

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	-214	-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	319	52	31	30	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	987	309	233	228	31.6%	23.3%	23.1%	200	169	167	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	890	69	62	61	6.2%	6.8%	6.8%	29	43	44	2.6%	4.8%	5.0%
Donbasenergo	DOEN	574	656	647	32	72	57	5.6%	11.0%	8.8%	4	49	38	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	93	3.9%	4	1,887	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	488	455	441	\$/tonne
Yenakievo Steel	ENMZ	34	8.8%	3	28	4.0	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	10	10	10	\$/tonne
Azovstal	AZST	283	3.0%	8	267	neg	neg	neg	neg	neg	7.6	0.1	0.1	0.1	58	59	59	\$/tonne
Coke																		
Avdyivka Coke	AVDK	57	6.8%	4	55	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	20	2.3	1.7	4.1	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	969	0.3%	2	967	10.2	5.0	5.9	4.2	3.1	3.5	1.6	1.4	1.5				
Pivnichny GOK	SGOK	2,041	0.4%	8	2,035	4.7	3.7	4.4	2.7	2.2	2.5	1.4	1.2	1.4				
Ferrexpo	FXPO	1,398	24.0%	336	1,964	6.5	5.3	5.6	4.9	3.9	4.4	1.4	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	30	5.4%	2	132	4.1	1.8	1.7	1.0	1.4	1.4	0.5	0.6	0.6	32	31	29	\$/tonne
Coal Energy	CLE	24	25.0%	6	134	0.6	neg	neg	2.1	6.3	14.9	0.8	1.1	1.3	2.1	6.3	14.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	153	2.0%	3	199	4.6	>30	>30	3.8	6.4	6.5	0.4	0.6	0.6	316	524	498	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	28	24.0%	7	65	5.8	1.5	1.3	2.3	1.8	1.7	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	243	5.0%	12	243	2.6	9.9	13.6	1.8	3.7	4.9	0.3	0.6	0.8				
Stakhanov Wagon	SVGZ	25	8.0%	2	58	>30	>30	>30	8.1	9.9	10.6	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	146	5.8%	8	77	3.8	2.0	2.1	1.5	0.8	0.8	0.5	0.3	0.3				
Motor Sich	MSICH	359	24.0%	86	374	1.8	2.1	2.2	1.2	1.6	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	295	7.2%	21	616	6.5	6.0	4.5	3.0	2.9	3.0	0.7	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,033	3.0%	31	1,024	5.9	7.9	8.5	3.2	2.7	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	286	neg	8.9	7.4	2.1	3.4	3.2	1.4	1.4	1.2	52	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	189	21.7%	41	258	6.6	4.4	4.3	3.7	4.2	4.2	0.2	0.3	0.3	14	18	16	\$/MWh
DonbasEnergO	DOEN	87	14.2%	12	158	22.8	1.8	2.3	4.9	2.2	2.8	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,411	34.1%	481	2,571	4.5	7.0	5.2	5.5	6.2	4.7	1.8	1.8	1.6				
Kernel	KER	724	61.8%	447	1,430	3.4	6.9	9.4	4.4	4.9	5.6	0.7	0.5	0.6				
Astarta	AST	365	37.0%	135	699	6.3	27.5	4.5	6.4	8.6	5.1	1.5	1.4	1.2				
Avangardco	AVGR	557	22.5%	125	756	2.4	2.1	1.9	2.7	2.3	2.0	1.2	1.1	1.0	171	130	122	\$/mneggs
Agroton	AGT	23	26.2%	6	72	3.3	neg	neg	3.5	5.7	6.1	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	434	3.5%	15		>30	4.8	4.0	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	293	0.7%	2		>30	>30	15.8	0.4	0.3	0.3	0.07	0.06	0.06				

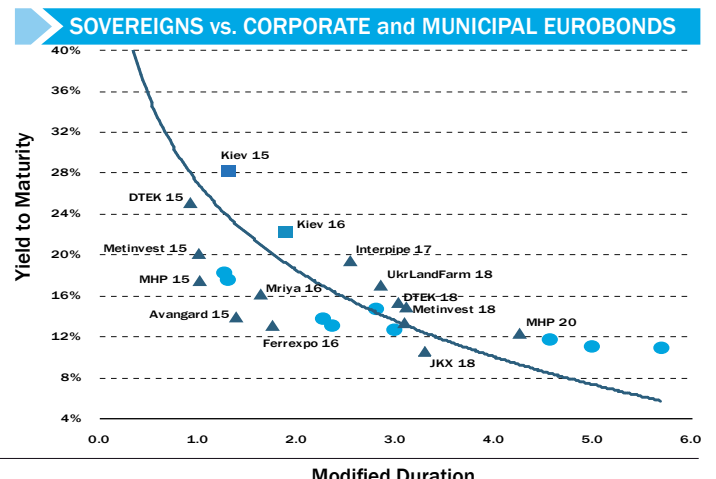
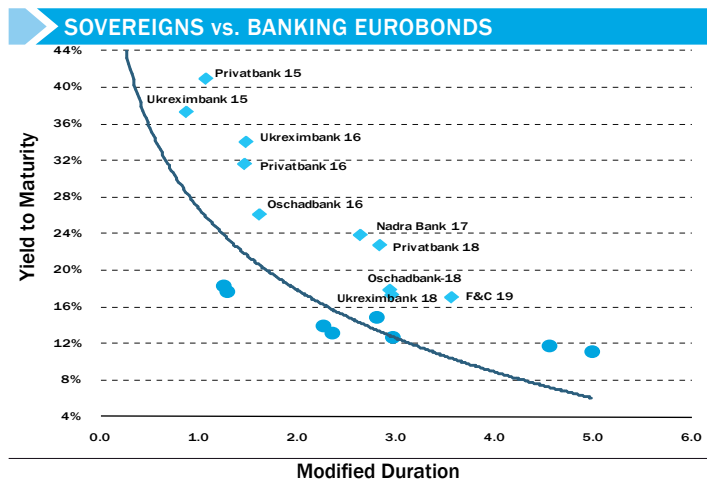
Source: Eavex Research

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	93.8	95.8	41.7%	30.4%	-5.3%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	88.8	90.2	34.9%	31.4%	-10.9%	n/a	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	83.7	87.2	19.1%	15.7%	-11.0%	1.3	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	84.3	86.3	21.3%	19.3%	-12.7%	1.3	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	84.0	85.5	14.5%	13.6%	-9.9%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	84.4	85.9	13.6%	12.8%	-9.7%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	83.5	85.2	12.9%	12.2%	-9.1%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	87.7	88.6	14.4%	14.0%	-11.1%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/CCC
Ukraine, 2017 Infr. projects	78.0	80.0	18.3%	17.2%	-4.4%	2.7	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	77.0	80.3	16.3%	14.8%	0.2%	3.1	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	83.4	84.6	11.7%	11.4%	-9.7%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	84.0	85.8	11.5%	11.1%	-9.4%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	83.9	85.4	10.7%	10.4%	-7.0%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	83.2	84.1	10.4%	10.2%	-7.6%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.5	52.2%	39.4%	n/a	2.4	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	93.6	95.8	19.5%	18.1%	-8.5%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.0	83.6	13.2%	12.2%	-8.5%	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	77.2	82.0	19.3%	17.3%	-11.7%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.8	94.9	17.5%	15.3%	n/a	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	80.8	83.2	16.0%	15.1%	-5.8%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	87.0	88.9	27.9%	25.0%	-14.0%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	76.2	77.8	16.1%	15.5%	-18.3%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	90.0	95.0	23.4%	17.1%	-7.1%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	85.5	89.9	14.0%	12.3%	-7.7%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.5	94.0	13.5%	11.8%	-5.4%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	70.0	73.0	20.6%	19.2%	-22.0%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	77.0	82.0	20.8%	17.9%	0.1%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	103.9	106.3	10.2%	9.5%	-5.3%	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	46.1%	37.7%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	60.0	70.0	39.3%	28.3%	-7.6%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	66.6	70.9	24.6%	22.4%	-17.9%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	80.0	82.0	37.3%	33.8%	-16.0%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	34.5%	34.5%	-22.6%	1.5	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	75.1	79.8	18.0%	16.0%	-13.1%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	70.0	78.0	207.0%	139.9%	-13.5%	n/a	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	78.0	81.0	25.3%	22.6%	-14.6%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	77.5	80.0	16.9%	15.8%	-11.5%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	75.0	79.1	31.4%	26.9%	-17.1%	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

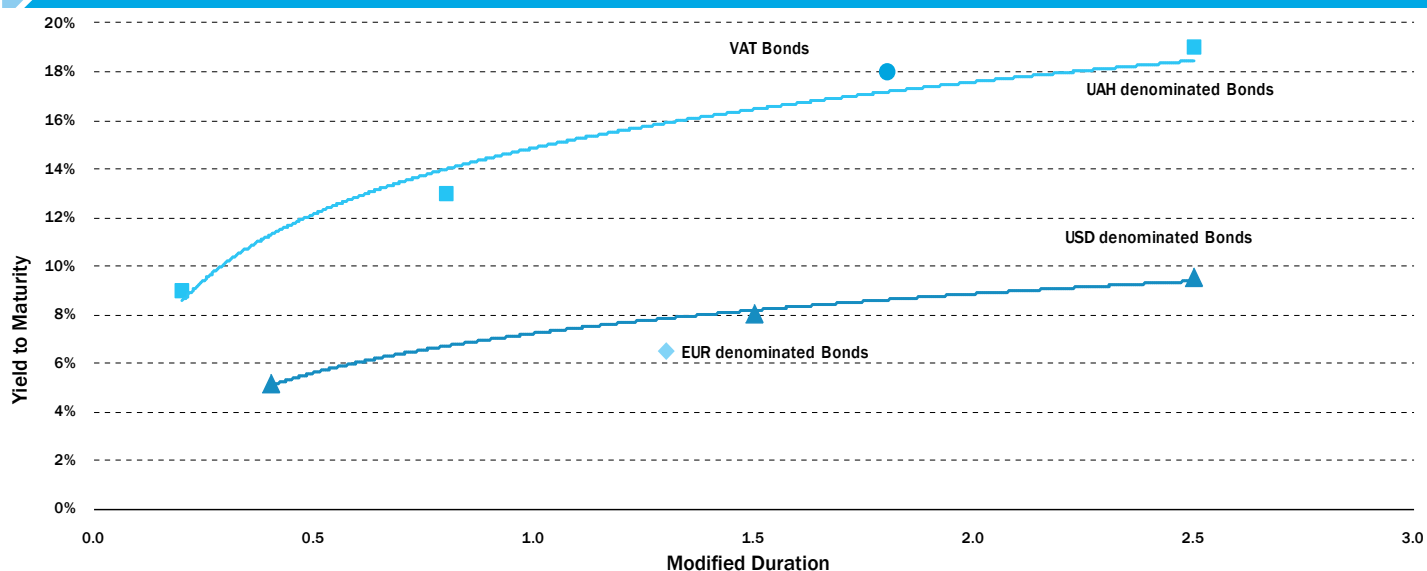
Source: Bloomberg, Cbonds, Eavex Research



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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