

Market Update

Equity

Ukrainian stocks were down across the board on Tuesday (Mar 24) on political uncertainty about whether the presidential election scheduled for two months from today can be held on time in the current security crisis environment. Meanwhile, European shares rebounded sharply from Monday's losses and US equities also edged back toward record-high territory on positive consumer confidence numbers. The UX index lost 2.1% to end at 1013 points. Volume leaders CentrEnergO and DonbasEnergO declined by 2.5% each on combined turnover of UAH 6.6mn, and Motor Sich ended down 2.7% at UAH 1720. All 10 local blue chips finished in the red, and outside the UX basket, Krukiv Wagon sold off by 9.7% after announcing its net profit for FY13. The UX's only notable gainer for the day was Metinvest-controlled iron ore miner Centralny GOK, which picked up 3.5%. In London, Avangard continued to show volatility, jumping 9.3% to near USD 10, while JKC Oil&Gas edged down by 1.3% to close at GBp 57.75.

Fixed Income

Ukrainian sovereigns were up across the board on Tuesday with Ukraine-23s advancing by 3.6p.p. to close at 87.8/92.5 (9.6%/8.7%). Corporate names were also mostly higher with Avangard-15s rising by 2.5p.p. to 96.5/100.0 (13.7%/10.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	5.24	-2.5%	4.3	246
DonbasenergO	DOEN	39.41	-2.6%	2.3	83
Motor Sich	MSICH	1720.000	-2.7%	2.0	87

Growth Leaders

Krymenergo	KREN	1.15	35.2%	0.71	9
Stirol	STIR	12.65	5.7%	0.01	7
Centralny GOK	CGOK	8.90	3.5%	0.17	9

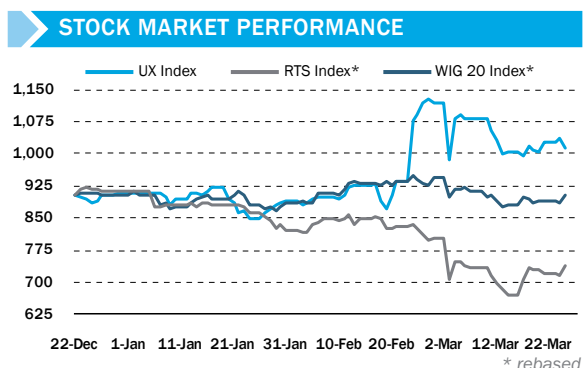
Loss Leaders

Kryukiv Wagon	KVBZ	18.50	-9.8%	0.127	10
DniproenergO	DNEN	360.00	-8.5%	0.183	41
Ukrsotsbank	USCB	0.16	-3.4%	0.046	9

Highlights

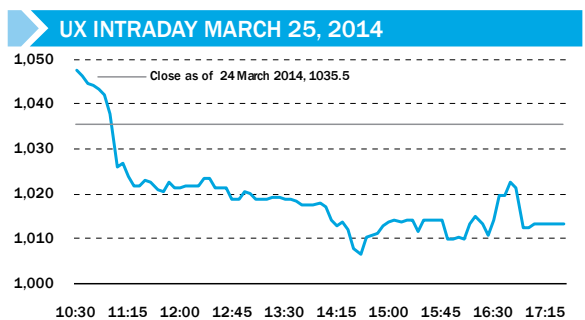
STOCKS IN THE NEWS

- > DonbasEnergO's UAH 530mn FY13 Profit Implies 17% Dividend Yield
- > Krukiv Wagon's Net Profit Drops by 2.3x YoY to UAH 340mn in FY13



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1013.5	-2.1%	8.5%	11.4%
RTS	1170.2	3.4%	-11.0%	-18.9%
WIG20	2401.6	1.7%	-3.5%	0.0%
MSCI EM	958.5	0.5%	-0.1%	-4.3%
S&P 500	1865.6	0.4%	1.6%	1.3%



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	336.4	-1.6%	-7.4%	1.7%
CDS 5Y UKR	1172.7	-0.9%	3.4%	43.0%
Ukraine-17	10.3%	-1.0 p.p.	-1.0 p.p.	1.3 p.p.
Naftogaz Ukr-14	31.0%	-3.3 p.p.	4.3 p.p.	22.3 p.p.
Ukraine-23	9.1%	-0.6 p.p.	-0.9 p.p.	1.6 p.p.
Privatbank-16	29.7%	-1.4 p.p.	4.2 p.p.	5.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	10.95	2.8%	22.3%	32.8%
EUR	15.15	2.8%	23.2%	33.3%
RUB	0.31	4.5%	22.4%	22.9%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	297.4	0.0%	7.2%	3.5%
Steel, USD/t	510.0	0.0%	-3.8%	-5.1%
Oil, USD/bbl	107.0	0.2%	-2.3%	-3.8%
Gold, USD/oz	1311.2	0.2%	-1.0%	9.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

DonbasEnergo's UAH 530mn FY13 Profit Implies 17% Dividend Yield

by Dmitry Churin
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DONBASENERGO (DOEN UK)

Price: UAH 39.4 Market Cap: USD 84mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.8	0.2	1.3*	2.1	17.1%
2014E	0.6	0.2	1.7	2.7	0.0%

*actual

NEWS

DonbasEnergo, Ukraine's fifth-largest thermal electricity generation company, announced a net profit of UAH 531mn for FY13 (USD 65mn at the average UAH/USD exchange rate for 2013), according to the announcement for the company's general shareholder meeting published on Tuesday (Mar 25). The bottom line represents a 17x rise from FY12's nearly negligible profit of USD 4mn. DonbasEnergo did not unveil any other P&L items in the statement. The shareholders meeting is scheduled for Apr 26 in Donetsk.

COMMENTARY

DonbasEnergo's net profit is well above our forecast of UAH 400mn. At the shareholder meeting, the company is obligated to pay out 30% of the FY13 profit as a dividend, as this was one of conditions accompanying the company's privatization in August 2013. We estimate that the dividend will amount to UAH 6.74 per share, implying a 17.1% dividend yield at the current share price; however, in our view, the dividend has already been priced in during the DOEN stock's long run-up from below UAH 25 per share in November to the current level near UAH 40. Importantly, it is expected that DonbasEnergo will end its dividend policy in 2014 and there will be no dividend from FY14 profit.

Krukiv Wagon's Net Profit Drops by 2.3x YoY to UAH 340mn in FY13

by Dmitry Churin
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KRUKIV WAGON (KVBZ UK)

Price: UAH 18.50 Market Cap: USD 193mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.5	4.6*	3.0	3.2%
2014E	0.7	7.2	4.4	2.8%

*actual

NEWS

Krukiv Wagon, a large Ukrainian railcar maker, reported a net profit of UAH 339mn (USD 42mn at the average UAH/USD exchange rate for 2013) for FY13, compared to net profit of UAH 771mn earned in FY12, according to the announcement for the company's general shareholder meeting published on Tuesday (Mar 26). Krukiv Wagon did not unveil any other P&L items in the statement. The shareholders meeting is scheduled for Apr 24 in the city of Kremenchuk (Poltava province).

COMMENTARY

The company's actual net profit for FY13 was substantially higher than our forecasted UAH 200mn, which we attribute to the fact that the railcar maker has low fixed costs in its total cost structure. As we reported earlier this year, Krukiv Wagon's freight railcar output fell by 52% YoY to 5,316 units in 2013. Taking into account that the company has a 20% dividend payout policy, we estimate the potential dividend from FY13 net profit at UAH 0.59 per share, which implies a 3.2% dividend yield. The market was not impressed by the profit announcement, with the KVBZ stock selling off by 9.7% yesterday in Kyiv. We forecast that this year will be tough for Krukiv, as the company has lost much of its key Russian market and currently operates at less than 25% of its capacity.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.68	0.56	-18%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	143.4	218.0	52%	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	8.90	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	8.90	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	2.95	6.2	111%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.76	3.4	352%	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.47	2.9	526%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.60	5.2	227%	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	1720	5250	205%	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	57.8	370	541%	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	39.4	72.0	83%	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	5.24	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	13.3	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	44.7	90.0	101%	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	10.0	19.35	94%	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	68.0	109.50	61%	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	0.150	0.24	60%	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	1013.47	1153.01	781.22	-2.1%	-0.5%	8.5%	11.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-1.4%	-4.2%	2.6%	-7.0%	0.8%	-3.8%	-6.0%	-18.3%
Azovstal	AZST	0.68	0.90	0.31	-0.9%	-0.7%	10.2%	1.2%	1.2%	-0.3%	1.7%	-10.2%
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	33.5	52.0	20.0	-2.7%	1.1%	6.0%	4.5%	-0.6%	1.6%	-2.6%	-6.8%
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	0.14	0.20	0.05	0.0%	0.0%	7.7%	40.0%	2.1%	0.5%	-0.8%	28.6%
Coke												
Avdivka Coke	AVDK	2.95	4.80	1.60	-2.3%	-1.6%	1.7%	-0.3%	-0.1%	-1.1%	-6.8%	-11.7%
Yasynivsky Coking	YASK	0.76	0.77	0.49	7.0%	4.1%	33.3%	43.4%	9.2%	4.6%	24.8%	32.0%
Iron Ore Mining												
Centralny GOK	CGOK	8.90	n/a	n/a	3.5%	20.3%	20.6%	36.9%	5.6%	20.7%	12.1%	25.6%
Ferrexpo	FXPO	2.37	3.20	2.02	1.9%	-3.1%	-13.7%	-24.9%	4.0%	-2.6%	-22.2%	-36.2%
Pivnichny GOK	SGOK	8.90	10.00	5.77	-1.1%	-1.1%	2.8%	11.3%	1.0%	-0.6%	-5.7%	-0.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.47	0.70	0.10	0.0%	4.4%	4.4%	17.5%	2.1%	4.9%	-4.1%	6.1%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	5.3%	5.3%	100.0%	61.3%	7.4%	5.7%	91.5%	49.9%
Energy Coal	CLE	0.49	2.37	0.31	-1.4%	-9.9%	13.7%	39.9%	0.8%	-9.4%	5.1%	28.5%
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	0.66	0.80	0.30	0.0%	10.0%	26.9%	10.0%	2.1%	10.5%	18.4%	-1.4%
Interpipe NMPP	NVTR	0.29	n/a	n/a	20.8%	61.1%	16.0%	38.1%	23.0%	61.6%	7.5%	26.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.5	29.0	12.0	-14.2%	-7.0%	-7.5%	6.9%	-12.0%	-6.6%	-16.0%	-4.4%
Luhanskeplovoz	LTPL	1.60	2.20	1.20	-11.1%	22.1%	14.3%	6.7%	-9.0%	22.6%	5.8%	-4.7%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	0.0%	-3.5%	-12.7%	-15.4%	2.1%	-3.0%	-21.2%	-26.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-3.3%	30.8%	33.2%	34.7%	-1.1%	31.2%	24.7%	23.4%
Motor Sich	MSICH	1,720	2,545	1,303	-2.7%	-3.5%	-11.8%	-5.7%	-0.5%	-3.0%	-20.3%	-17.1%
Sumy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	34.2%	39.6%	2.1%	0.5%	25.7%	28.2%
Turboatom	TATM	2.50	n/a	n/a	0.0%	47.1%	-23.1%	-28.6%	2.1%	47.5%	-31.6%	-39.9%
WESTA ISIC	WES	0.17	0.26	0.13	-3.8%	-7.4%	-13.7%	26.5%	-1.7%	-7.0%	-22.2%	15.2%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	2.6%	-3.1%	37.0%	40.9%	4.8%	-2.6%	28.5%	29.5%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.41	0.18	0.0%	-0.3%	-0.7%	-13.6%	2.1%	0.2%	-9.2%	-25.0%
JKX Oil	JKX	0.95	1.21	0.75	-1.3%	-6.8%	-11.8%	-19.4%	0.8%	-6.3%	-20.3%	-30.8%
Ukrnafta	UNAF	201	212	96	-1.5%	2.8%	30.3%	85.1%	0.6%	3.3%	21.7%	73.7%
Power Utilities												
Centrenerg	CEEN	5.24	7.40	2.50	-2.5%	-1.3%	13.8%	9.8%	-0.4%	-0.8%	5.3%	-1.5%
Donbasenergo	DOEN	39.4	43.0	15.4	-2.5%	4.3%	14.3%	42.8%	-0.4%	4.8%	5.8%	31.5%
Zakhidenergo	ZAEN	118.8	134.0	64.0	0.7%	1.1%	0.3%	31.4%	2.8%	1.6%	-8.3%	20.1%
Consumer												
Agroton	AGT	0.97	2.9	0.36	-1.0%	-3.1%	-31.5%	50.1%	1.1%	-2.7%	-40.0%	38.8%
Astarta	AST	14.8	24.4	12.1	2.5%	3.1%	-20.9%	-33.7%	4.6%	3.6%	-29.4%	-45.1%
Avangardo	AVGR	10.0	13.0	7.61	9.3%	14.2%	-4.5%	-15.1%	11.4%	14.7%	-13.0%	-26.4%
Industrial Milk Company	IMC	2.76	5.14	2.49	-0.4%	-0.9%	-11.1%	-31.6%	1.7%	-0.4%	-19.6%	-43.0%
Kernel	KER	9.6	19.1	7.6	2.6%	6.9%	-19.0%	-24.5%	4.7%	7.4%	-27.6%	-35.9%
Mriya Agro Holding	MAYA	7.60	8.2	5.36	3.3%	3.9%	7.4%	2.1%	5.4%	4.3%	-1.2%	-9.3%
MHPC	MHPC	13.3	19.9	11.21	1.1%	-0.8%	-8.3%	-21.9%	3.2%	-0.3%	-16.9%	-33.2%
Milkiland	MLK	2.51	4.7	2.22	-1.2%	-4.3%	-24.1%	-39.7%	0.9%	-3.9%	-32.6%	-51.0%
Ovostar Union	OVO	22.4	33.3	19.4	3.5%	1.3%	-0.3%	-32.5%	5.6%	1.8%	-8.8%	-43.9%
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	12.7	n/a	n/a	6.3%	6.3%	-6.3%	1.2%	8.4%	6.8%	-14.8%	-10.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.150	0.163	0.077	-1.8%	-0.1%	31.7%	31.8%	0.4%	0.3%	23.2%	20.4%
UkrSotsbank	USCB	0.158	0.257	0.111	-3.4%	-2.1%	-5.0%	-15.6%	-1.2%	-1.6%	-13.6%	-27.0%

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	-3	5	1.9%	neg	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	274	135	65	44	15.2%	15.3%	15.9%	95	42	27	10.7%	9.8%	9.8%
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	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
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	84	83	6.2%	9.3%	9.4%	29	60	62	2.6%	6.6%	6.9%
Donbasenergo	DOEN	574	656	647	32	72	57	5.6%	11.0%	8.8%	4	65	50	0.7%	9.9%	7.8%
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	56	82	10.6%	9.2%	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	5,074	793	888	846	679	723	542	4	90	102	0.5%	10.1%	12.1%
Ukrssotsbank	USCB	4,854	5,283	4,439	957	1,064	911	451	318	400	1	1	18	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	85	3.9%	3	1,879	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	486	453	440	\$/tonne
Yenakievo Steel	ENMZ	32	8.8%	3	27	3.8	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	9	9	\$/tonne
Azovstal	AZST	260	3.0%	8	245	neg	neg	neg	neg	neg	6.9	0.1	0.1	0.1	53	54	54	\$/tonne
Coke																		
Avdyivka Coke	AVDK	53	6.8%	4	50	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	12	13	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	20	2.3	neg	4.0	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	953	0.3%	2	951	10.0	4.9	5.8	4.1	3.0	3.4	1.6	1.4	1.5				
Pivnichny GOK	SGOK	1,874	0.4%	7	1,867	4.3	3.4	4.1	2.5	2.0	2.3	1.3	1.1	1.2				
Ferrexpo	FXPO	1,395	24.0%	335	2,034	6.5	5.3	5.6	5.1	4.0	4.5	1.4	1.3	1.3				
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	29	\$/tonne
Coal Energy	CLE	22	25.0%	6	132	0.6	neg	neg	2.1	6.3	14.7	0.8	1.0	1.3	2.1	6.3	14.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	157	2.0%	3	202	4.7	>30	>30	3.9	6.5	6.7	0.4	0.7	0.6	321	533	506	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	32	24.0%	8	69	6.6	1.7	1.4	2.4	1.9	1.8	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	194	5.0%	10	194	2.0	4.7	7.2	1.4	3.0	4.4	0.2	0.5	0.7				
Stakhanov Wagon	SVGZ	23	8.0%	2	55	>30	>30	>30	7.7	9.4	10.1	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	135	5.8%	8	67	3.5	1.9	1.9	1.3	0.7	0.7	0.4	0.3	0.2				
Motor Sich	MSICH	327	24.0%	78	341	1.6	1.9	2.0	1.1	1.5	1.5	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	265	7.2%	19	587	5.9	24.7	10.1	2.9	3.1	3.4	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	996	3.0%	30	988	5.6	7.6	8.2	3.1	2.6	2.8	0.5	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	58	21.6%	13	30	5.0	11.6	4.5	1.4	1.7	1.0	0.6	0.8	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	164	50.4%	83	272	neg	8.2	6.8	2.0	3.2	3.0	1.3	1.3	1.2	50	37	36	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	177	21.7%	38	246	6.1	3.0	2.9	3.6	2.9	2.9	0.2	0.3	0.3	14	17	15	\$/MWh
DonbasEnergO	DOEN	85	14.2%	12	155	22.3	1.3	1.7	4.9	2.1	2.7	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,404	34.1%	479	2,565	4.5	6.9	5.2	5.5	6.2	4.7	1.8	1.8	1.6				
Kernel	KER	762	61.8%	470	1,467	3.6	7.3	9.9	4.6	5.0	5.8	0.7	0.5	0.6				
Astarta	AST	369	37.0%	137	703	6.4	6.6	4.5	6.4	8.7	5.1	1.5	1.4	1.3				
Avangardco	AVGR	637	22.5%	143	837	2.8	2.4	2.1	3.0	2.6	2.2	1.3	1.2	1.1	189	144	136	\$/mneggs
Agroton	AGT	21	26.2%	6	70	3.1	neg	neg	3.4	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	410	3.5%	14		>30	4.6	4.0	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	266	0.7%	2		>30	>30	17.9	0.3	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

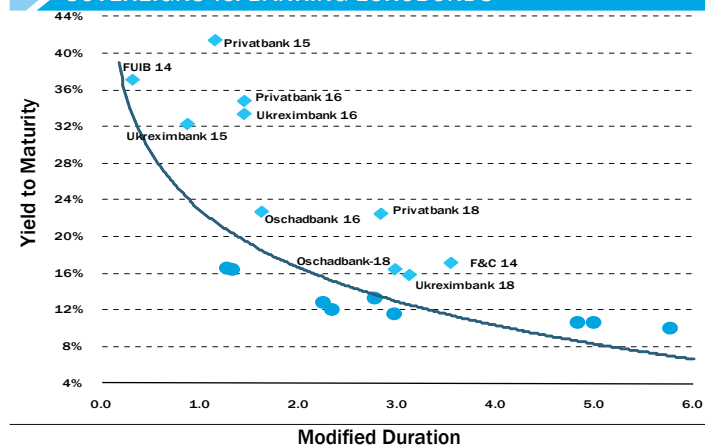
UKRAINIAN EUROBONDS

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	93.0	94.0	47.1%	41.2%	-6.5%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	89.1	90.6	34.6%	30.6%	-10.6%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	84.6	88.1	18.4%	15.0%	-10.0%	1.3	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	88.3	90.3	17.4%	15.5%	-8.5%	1.3	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	86.3	87.8	13.3%	12.5%	-7.5%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	86.8	88.3	12.4%	11.6%	-7.1%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	86.0	87.7	11.9%	11.2%	-6.3%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	89.7	91.0	13.6%	13.0%	-8.9%	2.8	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/CCC
Ukraine, 2017 Infr. projects	78.0	80.0	18.3%	17.3%	-4.4%	2.7	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	77.0	80.3	16.3%	14.9%	0.2%	3.1	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	86.7	88.2	10.9%	10.5%	-6.0%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	87.1	88.3	10.8%	10.5%	-6.4%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	86.6	88.1	10.2%	9.9%	-4.1%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	85.7	87.2	10.0%	9.7%	-4.4%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.5	52.5%	39.6%	-24.1%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	94.3	95.9	18.9%	17.8%	-8.2%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	81.4	83.9	12.8%	12.1%	-7.5%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.0	97.0	13.3%	13.3%	-1.7%	1.4	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	82.0	82.0	17.3%	17.3%	-9.1%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.0	95.0	18.2%	15.3%	-8.2%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	81.0	83.0	16.0%	15.2%	-5.9%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	88.1	89.9	26.6%	23.9%	-12.9%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	77.2	79.5	15.7%	14.8%	-16.8%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	93.0	95.0	19.7%	17.3%	-5.6%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.0	90.0	13.4%	12.3%	-6.8%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.1	94.1	13.2%	11.7%	-5.0%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	70.0	75.0	20.6%	18.3%	-20.9%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	77.0	82.0	20.9%	17.9%	0.1%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	102.8	104.8	10.5%	9.9%	-6.5%	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%	3.5	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	82.3	82.3	37.7%	37.7%	-16.5%	0.6	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	70.0	75.0	42.5%	34.4%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	73.0	73.0	41.6%	41.6%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	64.4	66.3	34.5%	32.4%	-7.1%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	70.8	73.1	22.5%	21.3%	-14.1%	2.8	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	82.3	84.0	33.9%	31.0%	-13.8%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	34.9%	34.9%	-22.6%	1.4	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	76.4	81.3	17.5%	15.4%	-11.6%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	70.0	78.0	211.7%	143.0%	-13.5%	0.2	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	80.0	82.0	23.6%	21.9%	-13.0%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	79.0	81.0	16.3%	15.3%	-10.1%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.5	78.9	30.0%	27.3%	-16.4%	1.3	8.00%	S/A	6 Nov 2015	250	Caa2/CCC/
City of Kyiv, 2016	75.0	79.0	24.2%	21.4%	-17.2%	1.8	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

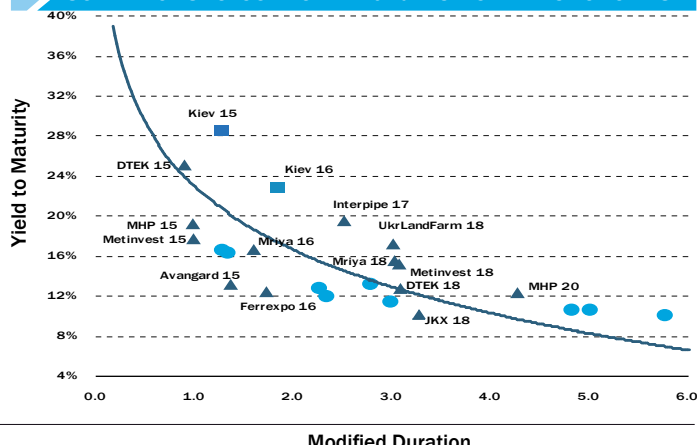
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



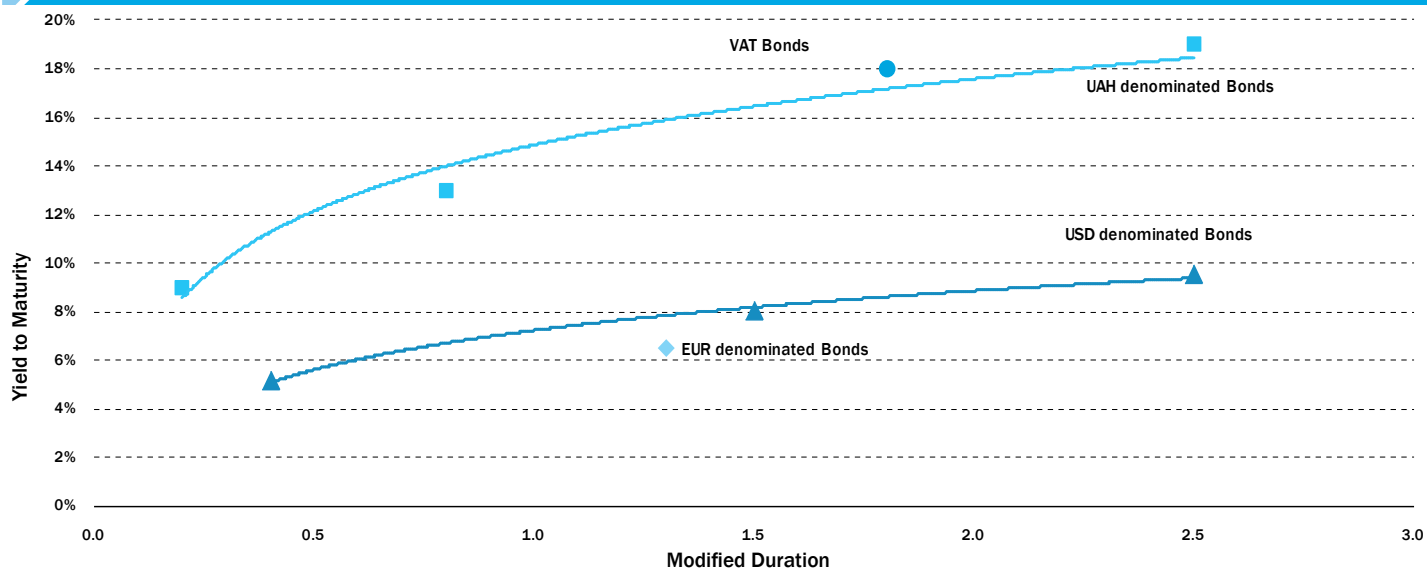
SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



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									
UA4000141592			17.5%	15.0%	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									
UA4000142699	n/a	n/a	11.5%	8.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	12.5%	9.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	12.5%	9.0%	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			21.5%	18.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			21.5%	18.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			21.5%	18.0%	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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