

**Market Update**

**Equity**

Kyiv-listed equities were mixed on Wednesday (Mar 26), reflecting the situation on global markets, which saw a second day of strong gains in Europe while US shares were substantially lower. In local political news, a new multi-agency poll confirmed the recent trend of a sharp rise in the rating pro-EU oligarch Petro Poroshenko at the expense of previous front-runner Vitaliy Klitschko, as the campaign for the May 25 vote appears to finally be getting under way. The UX index inched down by 0.2%, with Yenakievo Steel the biggest mover on a 2.7% gain and Raiffeisen Aval also picking up 2.5%. On the downside, top liquid issue Motor Sich slid 2.1% to UAH 1684 and Avdyivka Coke shed 1.9%. Outside the UX basket, DniproEnergo moved up 5.0% to UAH 375. In London, Ferrexpo added a solid 4.8% on active volume of nearly GBP 3mn, while MHP and Regal Petroleum declined by 2.3% and 4.5% respectively, with the latter ending at GBp 10.50.

**Fixed Income**

Quotes for Ukrainian sovereign Eurobonds rose yesterday with Ukraine-23s adding 1.0 p.p. to close at 88.5/93.8 (9.4%/8.5%). In corporate issues, MHP-20s advanced by 2.4 p.p. to 85.2/87.8 (11.8%/11.1%)

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergo	CEEN	5.20	-1.1%	3.1	138
Donbasenergo	DOEN	39.27	-0.5%	1.9	47
Motor Sich	MSICH	1684.000	-2.1%	1.5	67

**Growth Leaders**

Dniproblenergo	DNON	128.50	28.5%	0.07	9
Bank Forum	FORM	0.30	17.6%	0.01	12
Bogdan Motors	LUAZ	0.04	14.6%	0.11	88

**Loss Leaders**

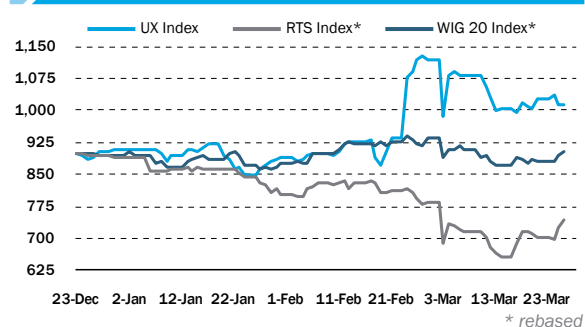
Donetskoblenergo	DOON	10.00	-40.3%	0.039	13
Motor Sich	MSICH	1,684.00	-2.1%	1,458	67
Avdyivka Coke	AVDK	2.89	-1.9%	0.302	25

**Highlights**

**FIXED INCOME**

- > DTEK Reports Moderate Output Increase in All Key Segments in FY13

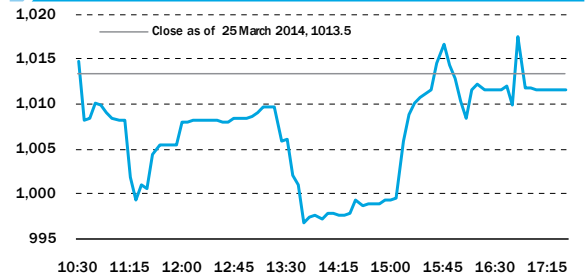
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1011.6	-0.2%	8.3%	11.2%
RTS	1198.9	2.5%	-8.9%	-16.9%
WIG20	2424.6	1.0%	-2.5%	1.0%
MSCI EM	968.2	1.0%	0.9%	-3.4%
S&P 500	1852.6	-0.7%	0.9%	0.6%

**UX INTRADAY MARCH 26, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	334.1	-0.7%	-8.1%	1.0%
CDS 5Y UKR	1047.6	-10.7%	-7.6%	27.7%
Ukraine-17	9.8%	-0.5 p.p.	-1.6 p.p.	0.7 p.p.
Naftogaz Ukr-14	28.3%	-2.8 p.p.	1.5 p.p.	19.5 p.p.
Ukraine-23	9.0%	-0.2 p.p.	-1.1 p.p.	1.5 p.p.
Privatbank-16	29.3%	-0.4 p.p.	3.8 p.p.	4.6 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.15	1.9%	24.6%	35.3%
EUR	15.37	1.4%	25.0%	35.2%
RUB	0.31	-0.6%	21.7%	22.1%

**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	0.0%	-2.2%	-3.8%
Gold, USD/oz	1304.5	-0.5%	-1.5%	9.0%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## DTEK Reports Moderate Output Increase in All Key Segments in FY13

by Dmitry Churin  
d.churin@eavex.com.ua

### NEWS

DTEK, Ukraine's largest non-government electricity group, demonstrated a moderate output increase in its all of its key business segments for full-year 2013, according to the company's press release published on Wednesday (Mar 26). DTEK's electricity generation and distribution rose by 3.1% and 10.8% YoY to 53.0 TWh and 59.7 TWh respectively, while electricity exports inched up by 1.2% YoY to 9.7 TWh. The company also increased coal production by 4.3% YoY to 41.4mn tonnes and lifted coal exports by 73% YoY to 4.7mn tonnes. DTEK said it will disclose its financial results for FY13 in the second half of April.

### DTEK PRODUCTION FIGURES

Segment	Unit	2013	2012	Change YoY
Coal production	mn tonnes	41.4	39.7	+4.3%
Electricity generation	TWh	53.0	51.4	+4.8%
Electricity distribution	TWh	59.7	53.9	+10.8%
Electricity export	TWh	9.8	9.7	+1.2%

Source: Companies' data

### COMMENTARY

In our opinion, the DTEK 2013 operational results are outstanding given the overall 4.7% drop in Ukraine's industrial output during the period. We forecast that DTEK will post an increase in revenues by about 10% YoY to UAH 90bn and will report a drop in its net profit by 40% YoY to UAH 3.5bn (USD 435mn at the average UAH/USD exchange rate for 2013). The main drag on the company's profitability in FY13 was lower coal prices in the period.

DTEK-18 Eurobonds are currently quoted at 13.9%/13.4% YTM, with a spread to sovereign papers of 450 basis points, up from less than 100 basis points a year earlier. In our view, the elevated spread reflects political risk related to the location of DTEK's main assets in Eastern Ukraine.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.68	0.56	-18%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	150.3	218.0	45%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	2.89	6.2	116%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.64	3.4	435%	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	18.3	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1684	5250	212%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	10.5	42.0	300%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	60.8	370	509%	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.
<b>Power Utilities</b>						
DonbasEnerg	DOEN	39.3	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	5.20	15.00	189%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
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	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	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.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.153	0.24	57%	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	1011.56	1153.01	781.22	-0.2%	0.5%	8.3%	11.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-1.7%	-2.7%	0.9%	-8.5%	-1.5%	-3.2%	-7.5%	-19.7%
Azovstal	AZST	0.68	0.90	0.31	0.1%	-0.6%	10.4%	1.3%	0.3%	-1.1%	2.1%	-9.8%
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	34.4	52.0	20.0	2.7%	4.3%	8.8%	7.4%	2.9%	3.9%	0.5%	-3.8%
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%	0.2%	-0.5%	-0.6%	28.8%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.89	4.80	1.60	-1.9%	-3.1%	-0.2%	-2.3%	-1.7%	-3.6%	-8.6%	-13.4%
Yasnyivsky Coking	YASK	0.64	0.77	0.49	-15.8%	-9.9%	12.3%	20.8%	-15.6%	-10.3%	4.0%	9.6%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.90	n/a	n/a	0.0%	6.0%	20.6%	36.9%	0.2%	5.5%	12.3%	25.8%
Ferrexpo	FXPO	2.49	3.20	2.02	5.1%	4.8%	-9.4%	-21.1%	5.3%	4.4%	-17.7%	-32.2%
Pivnichny GOK	SGOK	8.90	10.00	5.77	0.0%	-1.1%	2.8%	11.3%	0.2%	-1.6%	-5.5%	0.1%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.47	0.68	0.10	0.0%	-2.1%	4.4%	17.5%	0.2%	-2.6%	-3.9%	6.3%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	0.0%	11.1%	100.0%	61.3%	0.2%	10.6%	91.7%	50.1%
Energy Coal	CLE	0.52	1.94	0.31	6.5%	-0.7%	21.1%	49.0%	6.7%	-1.1%	12.8%	37.9%
<b>Mining Machinery</b>												
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
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.66	0.80	0.30	0.0%	10.0%	26.9%	10.0%	0.2%	9.5%	18.6%	-1.2%
Interpipe NMPP	NVTR	0.30	n/a	n/a	3.4%	30.4%	20.0%	42.9%	3.6%	30.0%	11.7%	31.7%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	18.3	29.0	12.0	-1.1%	-15.1%	-8.5%	5.8%	-0.9%	-15.6%	-16.8%	-5.4%
Luhanskeplovoz	LTPL	1.60	2.20	1.20	0.0%	22.1%	14.3%	6.7%	0.2%	21.7%	6.0%	-4.5%
Stakhanov Wagon	SVGZ	1.12	n/a	n/a	1.8%	-1.8%	-11.1%	-13.8%	2.0%	-2.2%	-19.4%	-25.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	14.6%	49.8%	52.6%	54.3%	14.8%	49.3%	44.3%	43.2%
Motor Sich	MSICH	1,684	2,545	1,303	-2.1%	-4.0%	-13.6%	-7.7%	-1.9%	-4.5%	-22.0%	-18.8%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	34.2%	39.6%	0.2%	-0.5%	25.9%	28.4%
Turboatom	TATM	2.50	n/a	n/a	0.0%	47.1%	-23.1%	-28.6%	0.2%	46.6%	-31.4%	-39.7%
WESTA ISIC	WES	0.17	0.26	0.13	1.8%	-4.3%	-12.2%	28.7%	1.9%	-4.8%	-20.5%	17.6%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	-3.1%	37.0%	40.9%	0.2%	-3.6%	28.7%	29.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.17	0.41	0.17	-4.3%	-5.0%	-5.0%	-17.4%	-4.1%	-5.5%	-13.3%	-28.5%
JKX Oil	JKX	1.01	1.21	0.75	5.5%	-2.9%	-6.9%	-15.1%	5.6%	-3.3%	-15.3%	-26.2%
Ukrnafta	UNAF	203	212	96	1.0%	4.9%	31.6%	86.9%	1.2%	4.4%	23.2%	75.8%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.20	7.40	2.50	-0.8%	-0.1%	12.9%	9.0%	-0.6%	-0.6%	4.6%	-2.2%
Donbasenergo	DOEN	39.3	43.0	15.4	-0.4%	4.7%	13.9%	42.3%	-0.2%	4.3%	5.6%	31.2%
Zakhidenergo	ZAEN	117.9	134.0	64.0	-0.8%	-1.8%	-0.5%	30.4%	-0.6%	-2.2%	-8.8%	19.3%
<b>Consumer</b>												
Agroton	AGT	0.98	2.7	0.36	0.8%	-5.7%	-31.0%	51.3%	1.0%	-6.2%	-39.3%	40.2%
Astarta	AST	14.5	24.4	12.1	-1.8%	-0.7%	-22.3%	-34.9%	-1.6%	-1.1%	-30.6%	-46.0%
Avangardo	AVGR	10.0	13.0	7.70	0.2%	14.7%	-4.3%	-14.9%	0.4%	14.2%	-12.6%	-26.0%
Industrial Milk Company	IMC	2.75	5.14	2.49	-0.4%	-3.6%	-11.5%	-31.9%	-0.3%	-4.0%	-19.8%	-43.1%
Kernel	KER	9.6	19.1	7.6	0.0%	5.1%	-19.1%	-24.6%	0.2%	4.7%	-27.4%	-35.7%
Mriya Agro Holding	MAYA	7.72	8.2	5.36	1.5%	-0.9%	9.0%	3.6%	1.7%	-1.4%	0.7%	-7.5%
MHPC	MHPC	13.0	19.9	11.21	-2.3%	-2.7%	-10.4%	-23.6%	-2.1%	-3.2%	-18.7%	-34.8%
Milkiland	MLK	2.50	4.7	2.22	-0.2%	-3.8%	-24.2%	-39.8%	0.0%	-4.3%	-32.5%	-50.9%
Ovostar Union	OVO	22.4	33.3	19.4	-0.2%	3.2%	-0.6%	-32.7%	0.0%	2.8%	-8.9%	-43.8%
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
<b>Chemicals</b>												
Stirol	STIR	12.8	n/a	n/a	1.2%	7.6%	-5.2%	2.4%	1.4%	7.1%	-13.5%	-8.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.153	0.163	0.077	2.5%	4.5%	34.9%	35.1%	2.7%	4.0%	26.6%	23.9%
UkrSotsbank	USCB	0.158	0.257	0.111	-0.4%	-2.5%	-5.4%	-15.9%	-0.2%	-3.0%	-13.7%	-27.1%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	749	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	82	3.9%	3	1,876	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	485	452	439	\$/tonne
Yenakievo Steel	ENMZ	33	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	256	3.0%	8	240	neg	neg	neg	neg	neg	6.8	0.1	0.1	0.1	52	53	53	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	51	6.8%	3	48	neg	neg	neg	neg	1.0	1.6	0.0	0.1	0.1	11	12	13	\$/tonne
Yasynivsky Coke	YASK	16	9.0%	1	17	1.9	neg	3.3	0.6	0.6	0.9	0.0	0.0	0.0	0.6	0.6	0.9	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	935	0.3%	2	934	9.8	4.8	5.7	4.0	3.0	3.3	1.5	1.4	1.5				
Pivnichny GOK	SGOK	1,839	0.4%	7	1,833	4.2	3.4	4.0	2.4	2.0	2.2	1.3	1.1	1.2				
Ferrexpo	FXPO	1,457	24.0%	350	2,096	6.8	5.5	5.9	5.2	4.1	4.7	1.5	1.3	1.3				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	30	5.4%	2	132	4.2	1.8	1.8	1.1	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	14.8	0.8	1.1	1.3	2.1	6.3	14.8	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	154	2.0%	3	200	4.6	>30	>30	3.8	6.4	6.6	0.4	0.6	0.6	317	525	499	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	31	24.0%	8	69	6.5	1.6	1.4	2.4	1.9	1.8	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	188	5.0%	9	188	2.0	4.5	7.0	1.4	2.9	4.3	0.2	0.4	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				
<b>Specialized Machinery</b>																		
Turboatom	TATM	133	5.8%	8	64	3.5	1.9	1.9	1.2	0.7	0.7	0.4	0.3	0.2				
Motor Sich	MSICH	314	24.0%	75	329	1.6	1.9	1.9	1.1	1.4	1.4	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	260	7.2%	19	582	5.7	24.2	9.9	2.8	3.1	3.3	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	987	3.0%	30	979	5.6	7.5	8.2	3.1	2.6	2.8	0.5	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	56	21.6%	12	27	4.8	11.1	4.4	1.3	1.6	0.9	0.5	0.7	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	173	50.4%	87	281	neg	8.6	7.2	2.1	3.3	3.1	1.4	1.3	1.2	51	39	37	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	172	21.7%	37	241	6.0	2.9	2.8	3.5	2.9	2.9	0.2	0.3	0.3	14	17	15	\$/MWh
DonbasEnergO	DOEN	83	14.2%	12	154	21.8	1.3	1.7	4.8	2.1	2.7	0.3	0.2	0.2	19	20	19	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,373	34.1%	468	2,533	4.4	6.8	5.1	5.4	6.1	4.6	1.8	1.8	1.5				
Kernel	KER	761	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	362	37.0%	134	696	6.2	6.5	4.4	6.4	8.6	5.1	1.5	1.4	1.2				
Avangardco	AVGR	639	22.5%	144	838	2.8	2.4	2.1	3.0	2.6	2.2	1.3	1.2	1.1	190	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	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	413	3.5%	15		>30	4.6	4.0	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	260	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

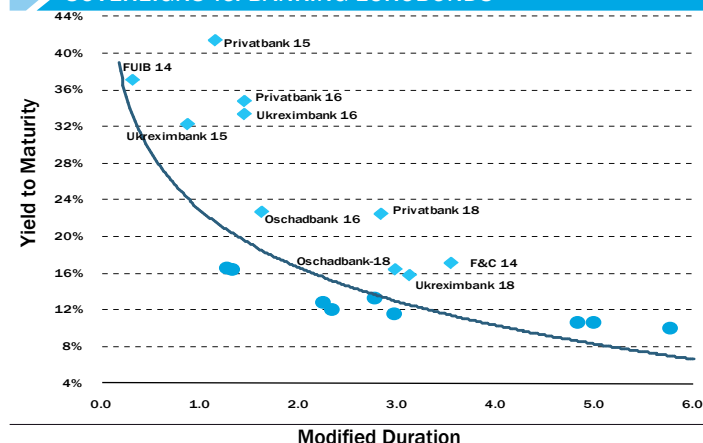
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
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	18.5%	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%	11.7%	-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
<b>Corporate Eurobonds</b>											
Agroton, 2014	34.9	44.5	52.5%	39.6%	-23.8%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	94.3	95.9	19.0%	17.9%	-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%	-0.5%	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%	-5.3%	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%	24.0%	-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	19.8%	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	
<b>Bank Eurobonds</b>											
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	42.8%	34.6%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	73.0	73.0	41.7%	41.7%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	64.4	66.3	34.5%	32.5%	-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	34.1%	31.1%	-13.8%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	35.0%	35.0%	-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	23.7%	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
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	76.5	78.9	30.1%	27.4%	-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/

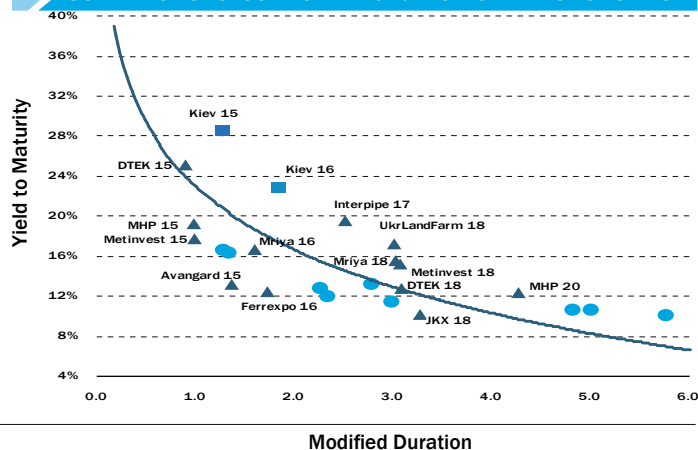
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



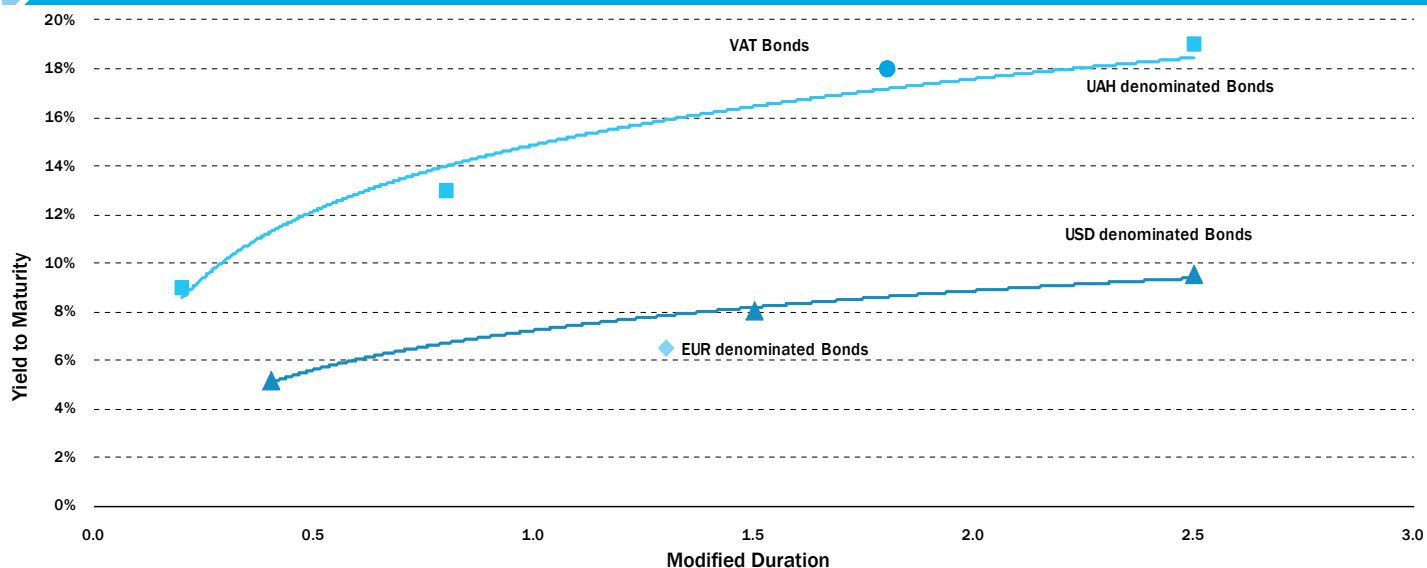
### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	7.0%	5.3%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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



## Eavex Capital

Evropa Plaza  
33 Shevchenko Blvd.  
Floor 11  
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: [office@eavex.com.ua](mailto:office@eavex.com.ua)

Web-page: [www.eavex.com.ua](http://www.eavex.com.ua)

Yuriy Yakovenko

**Chairman of the Board**

[yuriy.yakovenko@eavex.com.ua](mailto:yuriy.yakovenko@eavex.com.ua)

### SALES & TRADING

Pavel Korovitskiy

**Managing Director**

**Equity and Fixed Income**

[p.korovitsky@eavex.com.ua](mailto:p.korovitsky@eavex.com.ua)

Alexander Klymchuk

**Equity & Fixed Income**

[a.klymchuk@eavex.com.ua](mailto:a.klymchuk@eavex.com.ua)

Eugene Klymchuk

**Fixed Income Sales & Trading**

[e.klymchuk@eavex.com.ua](mailto:e.klymchuk@eavex.com.ua)

Serhiy Scherbaniuk

**Equity Trading**

[s.shcherbaniuk@eavex.com.ua](mailto:s.shcherbaniuk@eavex.com.ua)

Nazar Malinyak

**Online Trading**

[n.malinyak@eavex.com.ua](mailto:n.malinyak@eavex.com.ua)

### RESEARCH

Dmitry Churin

**Head of Research**

[d.churin@eavex.com.ua](mailto:d.churin@eavex.com.ua)

Ivan Dzvinka

**Research Associate**

[i.dzvinka@eavex.com.ua](mailto:i.dzvinka@eavex.com.ua)

Will Ritter

**Research editor**

[w.ritter@eavex.com.ua](mailto:w.ritter@eavex.com.ua)