

Market Update

Equity

Local Ukrainian stocks were higher across the board on Friday (Apr 4), a day that saw the main US and European indices move in opposite directions after solid US jobs numbers caused concerns that the Federal Reserve could pare its monetary stimulus and raise interest rates sooner than expected. The UX index gained 1.6% to end the week at 1082 points. DonbasEnergo (DOEN) led the rally, adding 3.0% to above UAH 42, while Yenakievo Steel (ENMZ) picked up 2.0% and volume leader CentrEnergo (CEEN) rose 1.8% on turnover of UAH 4.6mn. The other top liquid issues, Motor Sich (MSICH) and Raiffeisen Aval (BAVL), appreciated by 1.2% and 1.7% respectively. Second-division name Krukiv Wagon (KVBZ) was a loser on the day, falling 3.4% to UAH 16.50. In London, Ferrexpo (FXPO), which has risen moderately but continuously over the past two weeks from a bottom of GBp 140, edged up another 1.4% to GBp 162, and JKX Oil&Gas (JKX) added 1.6%.

Fixed Income

Ukrainian sovereigns were slightly up across the board on Friday with Ukraine-23s improving by 0.3p.p. closing at 92.8/97.5 (8.7%/7.9%). The corporate universe was also up. DTEK-15s advanced by 0.7p.p. to 95.5/97.0 (16.5%/14.5%) and MHP-15s rose by 0.5p.p. to 99.0/101.0 (13.0%/10.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergo	CEEN	5.53	1.8%	4.7	207
Raiffeisen Bank Aval	BAVL	0.17	1.7%	1.5	80
Motor Sich	MSICH	1706.000	1.2%	1.0	48

Growth Leaders

Pokrovske Mine	SHCHZ	0.54	7.8%	0.01	7
Donbasenergo	DOEN	42.07	3.0%	0.51	95
Yenakievo Steel	ENMZ	35.89	2.0%	0.28	31

Loss Leaders

Bogdan Motors	LUAZ	0.05	-14.5%	0.026	11
Ukrtelecom	UTLM	0.15	-11.6%	0.435	8
Kryukiv Wagon	KVBZ	16.52	-3.4%	0.117	21

Highlights

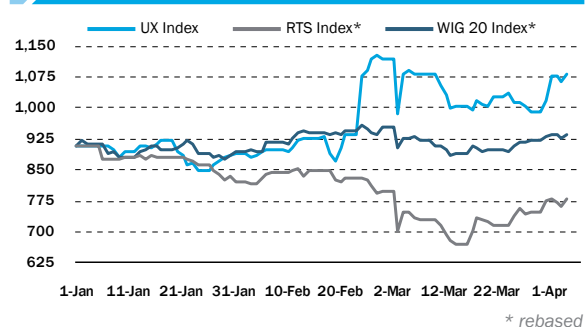
POLITICS AND ECONOMICS

- Pro-Russians Capture Gov't Buildings in 3 Eastern Provinces

FIXED INCOME

- Metinvest Expects Flat EBITDA YoY In FY14

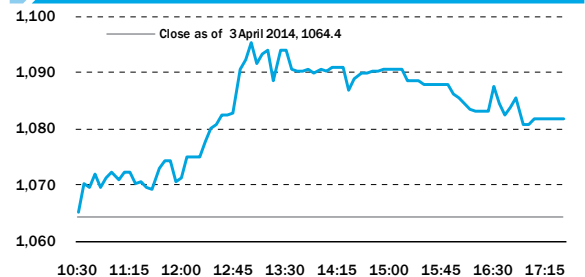
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1081.8	1.6%	0.0%	18.9%
RTS	1233.9	1.9%	4.2%	-14.5%
WIG20	2471.5	0.9%	1.2%	2.9%
MSCI EM	1002.0	0.2%	4.8%	0.0%
S&P 500	1865.1	-1.3%	-0.5%	1.3%

UX INTRADAY APRIL 4, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	315.2	-0.4%	-7.8%	-4.7%
CDS 5Y UKR	890.1	0.0%	-24.8%	8.5%
Ukraine-17	8.7%	-0.1 p.p.	-1.7 p.p.	-0.3 p.p.
Naftogaz Ukr-14	18.9%	-0.7 p.p.	-8.9 p.p.	10.1 p.p.
Ukraine-23	8.3%	0.0 p.p.	-1.3 p.p.	0.8 p.p.
Privatbank-16	28.2%	0.0 p.p.	-3.2 p.p.	3.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.60	1.3%	27.5%	40.8%
EUR	15.90	1.2%	27.1%	39.8%
RUB	0.33	2.3%	30.3%	31.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	293.4	0.0%	5.5%	2.1%
Steel, USD/t	510.0	0.0%	-3.3%	-5.1%
Oil, USD/bbl	106.7	0.5%	-2.0%	-4.0%
Gold, USD/oz	1303.6	1.3%	-2.3%	9.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Pro-Russians Capture Gov't Buildings in 3 Eastern Provinces

by Will Ritter
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NEWS

Pro-Russian fighters armed with sticks and rocks took control of the oblast (provincial) administration headquarters in the eastern cities of Donetsk and Kharkiv, as well the Ukrainian Security Service building in Lugansk, on Sunday (Apr 6), international media reported. In Donetsk, the protesters demanded that the provincial legislature convene by midnight and call a referendum on secession from Ukraine similar to the one which took place on Mar 16 in Crimea. Two people, one of them a riot policeman, were reported injured in the Donetsk action. In Kharkiv, the local police refused to intervene against the activists as they entered the provincial administration building, while in the southern Russian-speaking city of Odessa, pro-Ukrainian and pro-Russian rallies were held concurrently, with no clashes reported. Interior Minister Arseniy Avakov accused Russian President Putin of “ordering and paying for” the building seizures.

COMMENTARY

In our view, the government in Kyiv simply lacks sufficient control over Ukraine's three easternmost provinces to re-impose stability there. This contrasts rather sharply with the situation in two other southeastern provinces, Zaporizhia and Dnipropetrovsk; it appears that oligarch Igor Kolomoyskiy has been quite successful in tamping down separatist sentiment in the latter region since being appointed as governor there a month ago. On the other hand, oligarch Serhiy Taruta seems to be having considerable difficulty with the same task in Donetsk. We think that an important factor in how the situation develops will be the position of Donetsk native and top Ukrainian industrialist Rinat Akhmetov, who turned down the provincial governorship subsequently accepted by Taruta and has been mostly silent in recent weeks. The latest escalation of unrest calls into question the feasibility of holding the May 25 presidential election in large areas of Eastern Ukraine and increases the chances that the presumptive favorite, Petro Poroshenko, will come out of the vote with a diminished mandate representing only the Central and Western half of the country. In this context, we think the future (post-presidential election) Kyiv government will eventually be faced with the choice of either agreeing to calls for increased autonomy, i.e. “federalization” for the three eastern provinces, or letting them go altogether.

Metinvest Expects Flat EBITDA YoY In FY14

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals & mining group, unveiled the full set of its FY14 financial results on Friday afternoon (Apr 4). As was reported in mid-March, the company's top line was up by 2% YoY to USD 12.81bn, with EBITDA improving by 15% YoY to USD 2.29bn. In the new release, Metinvest now revealed a bottom line of USD 392mn (-10% YoY), with the decline resulting from a rise in D&A costs to USD 1.07bn (vs. USD 900mn in 2012) as well as a 40% YoY increase in tax expenses after a write-down of deferred tax assets in the amount of USD 155mn (+6.7x YoY).

The group's cash flow from operations rose by 28% to USD 1.47bn, with free cash flow amounting to USD 252mn compared to negative USD 261mn in the previous year. In the release, Metinvest said its operations in Eastern Ukraine are continuing as normal, with sales to Russian customers being executing as previously, despite the ongoing political unrest in Donetsk oblast.

COMMENTARY

The new FY13 figures are more or less neutral for Metinvest's bonds. The audited results confirmed the preliminary data provided by the company in mid-March. Commenting on projections for FY14, management said it expects the EBITDA and its margin to stay near the level of 2013. The group plans CapEx in 2014 at within the range of USD 700-800mn, i.e. little-changed from USD 747mn in 2013. Metinvest intends to launch pulverized coal injection (PCI) technology at its subsidiary Yenakievo Steel in 3Q14; management says PCI will save some 50 per tonne of hot metal crude steel produced. Based on FY13 output, this translates into USD 130mn of savings per annum for the group.

Metinvest also stated its intention to assume ownership of a 46% stake in its Yuzhnyi GOK mining subsidiary by end-2014 (currently this stake is held by Smart Group, which itself owns 22.75% of Metinvest).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.74	0.56	-24%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	162.1	125.0	-23%	SELL	Ferrexpo's lower production cost due to UAH devaluation in 2014 together with a 8% increase in output will not be sufficient to offset a projected 13% drop in the group's achieved iron ore pricing.
Pivnichny GOK	SGOK	7.80	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	8.99	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	3.02	6.2	106%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.75	U/R	na	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	0.54	2.9	446%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.59	5.2	229%	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	1706	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	10.8	42.0	291%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	61.5	370	502%	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	42.1	72.0	71%	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	5.53	15.00	171%	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	U/R	--	U/R	
Astarta	AST	46.5	90.0	94%	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	9.8	19.35	97%	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	74.0	109.50	48%	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	0.170	0.24	41%	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	1081.83	1153.01	781.22	1.6%	9.0%	0.0%	18.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.8%	7.2%	-9.3%	-4.4%	-0.8%	-1.8%	-9.3%	-23.3%
Azovstal	AZST	0.74	0.90	0.31	0.7%	9.5%	-0.4%	9.7%	-1.0%	0.5%	-0.4%	-9.2%
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	35.9	52.0	20.0	1.8%	8.5%	-4.7%	12.1%	0.2%	-0.5%	-4.6%	-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	0.15	0.20	0.05	0.0%	7.1%	-11.8%	50.0%	-1.6%	-1.9%	-11.7%	31.1%
Coke												
Avdivka Coke	AVDK	3.02	4.80	1.60	1.5%	5.9%	-1.9%	2.1%	-0.1%	-3.1%	-1.8%	-16.8%
Yasnyivsky Coking	YASK	0.75	0.77	0.49	0.0%	0.0%	7.1%	41.5%	-1.6%	-9.0%	7.2%	22.6%
Iron Ore Mining												
Centralny GOK	CGOK	8.99	n/a	n/a	0.0%	1.0%	0.0%	38.3%	-1.6%	-8.0%	0.0%	19.4%
Ferrexpo	FXPO	2.69	3.20	2.02	1.3%	5.6%	8.8%	-14.8%	-0.3%	-3.4%	8.8%	-33.7%
Pivnichny GOK	SGOK	7.80	10.00	5.77	0.0%	-12.4%	-20.4%	-2.5%	-1.6%	-21.4%	-20.4%	-21.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.54	0.64	0.10	8.0%	22.7%	-10.0%	35.0%	6.4%	13.7%	-10.0%	16.1%
Komsomolets Donbasa	SHKD	0.95	n/a	n/a	8.0%	5.6%	26.7%	53.2%	6.3%	-3.5%	26.7%	34.3%
Energy Coal	CLE	0.51	1.92	0.31	-2.6%	-5.6%	-5.2%	45.2%	-4.2%	-14.6%	-5.2%	26.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.45	n/a	n/a	0.0%	n/a	n/a	-2.2%	-1.6%	n/a	n/a	-21.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.71	0.80	0.30	1.4%	0.0%	18.3%	18.3%	-0.2%	-9.0%	18.4%	-0.5%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	15.4%	42.9%	-1.6%	-9.0%	15.4%	24.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.5	29.0	12.0	-3.4%	-7.0%	-24.9%	-4.5%	-5.0%	-16.0%	-24.9%	-23.4%
Luhanskeplovoz	LTPL	1.59	2.20	1.20	-0.6%	-0.6%	2.6%	6.0%	-2.3%	-9.6%	2.6%	-12.9%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	0.0%	7.1%	-4.0%	-7.7%	-1.6%	-1.9%	-4.0%	-26.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	-15.1%	25.0%	64.5%	88.7%	-16.8%	16.0%	64.5%	69.8%
Motor Sich	MSICH	1,706	2,545	1,303	1.4%	5.1%	-11.5%	-6.5%	-0.3%	-3.9%	-11.5%	-25.3%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	0.0%	39.6%	-1.6%	-9.0%	0.0%	20.7%
Turboatom	TATM	3.20	n/a	n/a	0.0%	28.0%	-20.0%	-8.6%	-1.6%	19.0%	-20.0%	-27.4%
WESTA ISIC	WES	0.18	0.26	0.13	0.0%	-1.9%	-9.7%	33.6%	-1.7%	-10.9%	-9.7%	14.8%
Telecom												
Ukrtelecom	UTLM	0.15	0.19	0.09	-13.4%	5.1%	13.6%	36.4%	-15.1%	-3.9%	13.7%	17.5%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.41	0.17	-0.1%	-6.9%	-10.9%	-15.4%	-1.7%	-15.9%	-10.9%	-34.2%
JKX Oil	JKX	1.02	1.21	0.75	1.6%	4.7%	7.8%	-14.0%	-0.1%	-4.3%	7.8%	-32.8%
Ukrnafta	UNAF	237	244	96	0.8%	17.0%	20.0%	118.1%	-0.9%	8.0%	20.0%	99.3%
Power Utilities												
Centrenerg	CEEN	5.53	7.40	2.50	1.4%	7.5%	2.9%	16.0%	-0.2%	-1.5%	3.0%	-2.9%
Donbasenergo	DOEN	42.1	43.0	15.4	2.5%	9.0%	3.9%	52.5%	0.8%	0.0%	3.9%	33.6%
Zakhidenergo	ZAEN	127.0	134.0	64.0	0.0%	5.8%	3.7%	40.5%	-1.6%	-3.2%	3.7%	21.6%
Consumer												
Agroton	AGT	0.96	2.7	0.36	1.0%	-1.5%	-31.3%	47.7%	-0.6%	-10.5%	-31.3%	28.9%
Astarta	AST	15.3	24.4	12.1	-1.1%	10.6%	-2.8%	-31.2%	-2.7%	1.6%	-2.8%	-50.1%
Avangardo	AVGR	9.8	13.0	7.70	0.0%	2.1%	14.6%	-16.6%	-1.6%	-6.9%	14.6%	-35.5%
Industrial Milk Company	IMC	2.94	5.14	2.49	1.3%	5.1%	-2.6%	-27.2%	-0.3%	-3.9%	-2.6%	-46.0%
Kernel	KER	10.3	19.1	7.6	-0.1%	8.5%	12.5%	-18.8%	-1.8%	-0.5%	12.5%	-37.7%
Mriya Agro Holding	MAYA	6.66	8.2	5.36	-4.9%	-3.2%	-2.0%	-10.7%	-6.5%	-12.2%	-2.0%	-29.6%
MHPC	MHPC	13.4	19.9	11.21	0.7%	3.4%	-2.6%	-21.0%	-1.0%	-5.6%	-2.6%	-39.9%
Milkiland	MLK	2.65	4.7	2.22	0.8%	4.4%	-10.6%	-36.2%	-0.8%	-4.6%	-10.5%	-55.1%
Ovostar Union	OVO	24.4	33.3	19.4	3.0%	7.3%	12.5%	-26.7%	1.4%	-1.7%	12.5%	-45.6%
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	13.5	n/a	n/a	11.9%	4.7%	-6.6%	8.0%	10.3%	-4.4%	-6.5%	-10.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.170	0.177	0.077	2.5%	13.5%	8.2%	50.0%	0.9%	4.5%	8.2%	31.1%
UkrSotsbank	USCB	0.170	0.257	0.113	0.7%	7.9%	-9.2%	-9.3%	-0.9%	-1.1%	-9.2%	-28.2%

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	1,542	402	506	447	28.2%	32.0%	29.0%	216	264	198	15.1%	16.7%	12.8%
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	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
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	1,496	1,635	468	391	545	33.2%	26.1%	33.3%	311	162	269	22.1%	10.8%	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%
Ukrsotsbank	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	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	266	3.0%	8	251	neg	neg	neg	neg	neg	7.1	0.1	0.1	0.1	55	56	55	\$/tonne
Coke																		
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	18	9.0%	2	19	2.1	neg	3.8	0.7	0.6	1.0	0.0	0.1	0.1	0.7	0.6	1.0	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	908	0.3%	2	907	9.5	4.7	5.6	3.9	2.9	3.2	1.5	1.3	1.4				
Pivnichny GOK	SGOK	1,549	0.4%	6	1,543	3.6	2.8	3.4	2.1	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,572	24.0%	378	2,211	7.3	6.0	8.0	5.5	4.4	4.9	1.6	1.4	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	3.8	1.6	1.6	1.0	1.4	1.4	0.5	0.6	0.6	32	30	29	\$/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	159	2.0%	3	205	4.7	>30	>30	3.9	6.5	6.7	0.4	0.7	0.6	325	539	512	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	30	24.0%	7	67	6.2	1.5	1.3	2.3	1.9	1.8	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	163	5.0%	8	163	1.7	3.9	6.1	1.2	2.5	3.7	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	23	8.0%	2	56	>30	>30	>30	7.8	9.5	10.3	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	127	5.8%	7	59	3.3	1.8	1.8	1.1	0.6	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	306	24.0%	73	320	1.5	1.8	1.8	1.0	1.4	1.4	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	242	7.2%	17	564	5.3	22.6	9.2	2.7	3.0	3.2	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,107	3.0%	33	1,099	6.3	8.4	9.1	3.5	2.9	3.1	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	57	21.6%	12	32	4.9	neg	28.6	1.5	neg	1.3	0.8	0.9	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	175	50.4%	88	283	neg	26.9	22.4	2.1	4.3	4.2	1.4	1.6	1.4	52	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	176	21.7%	38	245	6.1	2.9	2.9	3.6	2.9	2.9	0.2	0.3	0.3	14	17	15	\$/MWh
DonbasEnergO	DOEN	86	14.2%	12	156	22.4	1.3	1.7	4.9	2.2	2.7	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,420	34.1%	484	2,548	4.6	8.8	5.3	5.4	6.5	4.7	1.8	1.7	1.6				
Kernel	KER	819	61.8%	506	1,525	3.9	7.8	10.6	4.7	5.2	6.0	0.7	0.5	0.6				
Astarta	AST	383	37.0%	142	717	6.6	6.9	4.7	6.6	8.8	5.2	1.6	1.4	1.3				
Avangardco	AVGR	626	22.5%	141	825	2.7	2.4	2.1	3.0	2.5	2.2	1.3	1.2	1.1	187	142	134	\$/mneggs
Agroton	AGT	21	26.2%	5	70	3.1	neg	neg	3.4	5.6	5.9	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	441	3.5%	16		>30	4.9	4.3	0.6	0.5	0.5	0.07	0.08	0.09				
Ukrsotsbank	USCB	270	0.7%	2		>30	>30	17.9	0.3	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

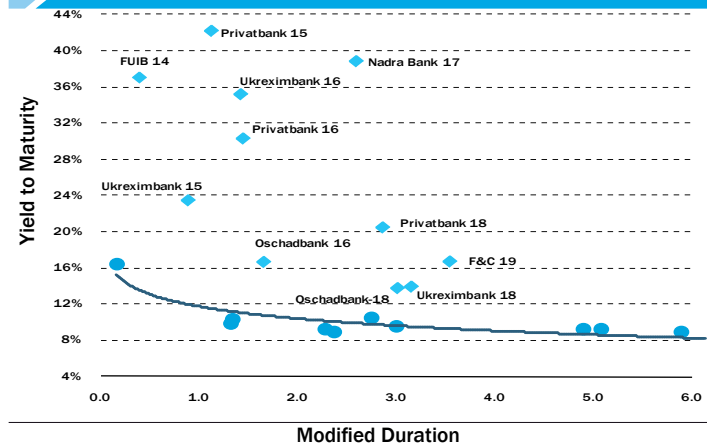
UKRAINIAN EUROBONDS

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	98.1	98.9	20.0%	15.1%	-1.5%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	95.4	96.4	20.1%	17.7%	-4.6%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.3	95.3	10.6%	8.9%	-1.8%	1.3	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	97.0	97.8	9.8%	9.1%	-0.3%	1.3	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	94.5	95.5	9.2%	8.8%	1.0%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	94.5	95.5	8.8%	8.3%	0.7%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	93.5	94.5	9.1%	8.8%	1.4%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	99.5	100.3	9.7%	9.4%	0.7%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/CCC
Ukraine, 2017 Infr. projects	88.0	90.0	13.6%	12.8%	7.7%	2.8	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	86.5	89.0	12.4%	11.5%	11.8%	3.2	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	94.3	95.3	9.1%	8.9%	1.8%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	95.3	96.3	9.0%	8.8%	2.2%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	94.3	95.3	8.8%	8.6%	4.1%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	92.8	97.5	8.7%	7.9%	5.1%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.9	44.6	53.0%	39.7%	-23.8%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.0	101.0	13.0%	11.7%	-3.3%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	86.3	87.7	11.5%	11.1%	-2.7%	4.5	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.1	99.1	13.3%	11.7%	-1.9%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	84.0	87.0	16.5%	15.4%	-5.2%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	95.0	96.5	15.4%	14.3%	-4.5%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	82.7	84.7	15.4%	14.6%	-3.9%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	95.5	97.0	16.5%	14.5%	-5.8%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	85.1	87.0	12.8%	12.1%	-8.7%	3.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	97.8	98.5	14.2%	13.3%	-3.9%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	92.2	94.2	11.5%	10.8%	-1.9%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.1	97.8	10.7%	9.5%	-1.1%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	81.1	83.8	15.9%	14.9%	-10.1%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	76.0	79.0	21.6%	19.5%	-1.2%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	103.8	106.8	10.2%	9.4%	-5.1%	3.2	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	71.0	81.0	18.6%	14.9%	-8.4%	3.5	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	87.5	93.0	30.9%	21.7%	-8.4%	0.6	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	70.0	75.0	43.7%	35.2%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	82.0	84.0	29.3%	26.8%	n/a	1.2	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	67.0	72.0	32.2%	27.1%	-1.1%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	78.5	80.6	18.9%	18.0%	-4.9%	2.9	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	89.0	91.0	23.9%	21.0%	-6.7%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	35.7%	35.7%	-22.6%	1.4	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	84.1	86.6	14.3%	13.4%	-4.3%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	67.0	75.0	285.4%	196.7%	-17.0%	0.1	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	85.7	87.5	19.0%	17.6%	-6.9%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	83.8	85.8	14.4%	13.7%	-4.7%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
Municipal Eurobonds											
City of Kyiv, 2015	84.8	86.3	21.7%	20.2%	-8.0%	1.3	8.00%	S/A	6 Nov 2015	250	Caa2/CCC/
City of Kyiv, 2016	83.5	85.9	18.6%	17.1%	-8.9%	1.9	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

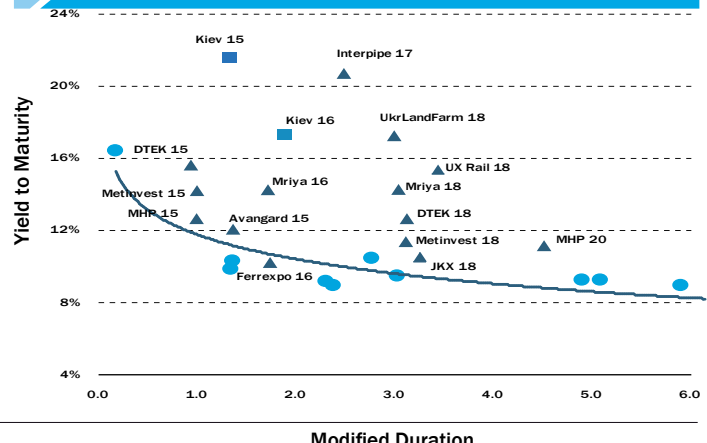
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000141592			20.5%	18.0%	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	20.0%	18.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	20.5%	18.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	20.5%	18.5%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	9.5%	7.3%	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

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