

**Market Update**

**Equity**

Local Ukrainian stocks were higher on Wednesday (Apr 9), although by considerably less than the 5% slide in the value of the hryvnia against the dollar and euro that occurred yesterday. Uncertainty over the unrest in Eastern Ukraine and its effect on the overall economic and political situation in the country is putting considerable pressure on the currency this week, with yesterday's closing rate at approximately 12.15 to the dollar, an all-time low. The hryvnia-denominated UX index rose by 1.1% to close at 1098 points. Motor Sich was the lone name to keep pace with the devaluation, adding 5.4% to UAH 1847. UkrNafta was the second-best blue chip performer, picking up 1.9%, while Azovstal and DonbasEnergo were both higher in line with the overall index. Raiffeisen Aval and CentrEnergo both ended lower by around half a percent. Among London-traded names, MHP slipped back below the USD 13 level on a 1.3% decline, Regal Petroleum lost 2.4% to GBP 10, and Ferrexpo was essentially unchanged for a second consecutive session.

**Fixed Income**

Ukrainian sovereign and corporate Eurobonds ended lower yesterday. Long-term Ukraine-23s declined by 0.4 p.p. to close at 87.9/92.6 (9.5%/8.7%). Among corporate issues, a notable decrease was in Metinvest-15s which slid 1.7 p.p. to 94.4/96.0 (18.5%/16.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergo	CEEN	5.48	-0.6%	1.7	181
Motor Sich	MSICH	1847.00	5.4%	0.8	89
Ukrnafta	UNAF	245.900	1.9%	0.7	79

**Growth Leaders**

Bank Forum	FORM	0.52	16.7%	0.17	9
Motor Sich	MSICH	1847.00	5.4%	0.83	89
Ukrnafta	UNAF	245.90	1.9%	0.71	79

**Loss Leaders**

Stirol	STIR	12.66	-0.6%	0.082	9
Centrenergo	CEEN	5.48	-0.6%	1.713	181
Raiffeisen Bank Aval	BAVL	0.17	-0.4%	0.191	48

**Highlights**

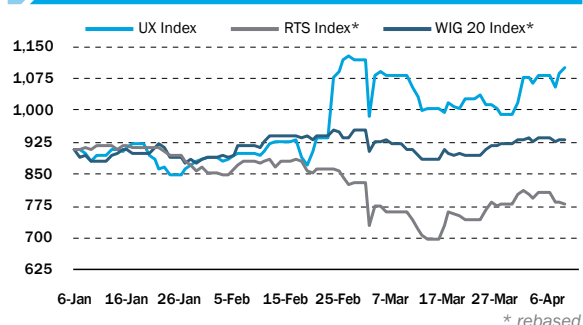
**POLITICS AND ECONOMICS**

- > Crimean Scenario Not Materializing in Donetsk

**STOCKS IN THE NEWS**

- > Khartsysk Pipe Output Falls 47% YoY to 25,100 Tonnes in 1Q14

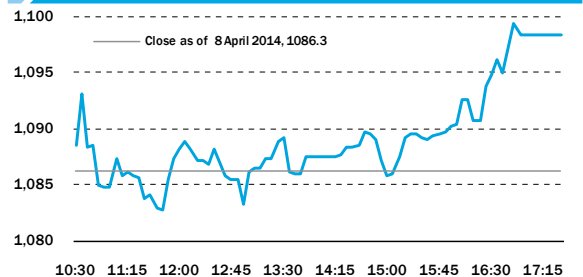
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1098.4	1.1%	1.6%	20.7%
RTS	1190.1	-0.5%	2.7%	-17.5%
WIG20	2461.8	-0.2%	1.1%	2.5%
MSCI EM	1014.8	0.3%	5.0%	1.3%
S&P 500	1872.2	1.1%	-0.3%	1.7%

**UX INTRADAY APRIL 9, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	313.0	-1.2%	-6.3%	-5.4%
CDS 5Y UKR	890.1	0.0%	-17.6%	8.5%
Ukraine-17	9.9%	0.1 p.p.	-1.2 p.p.	0.9 p.p.
Naftogaz Ukr-14	26.8%	-0.2 p.p.	-10.0 p.p.	18.1 p.p.
Ukraine-23	9.1%	0.1 p.p.	-0.9 p.p.	1.6 p.p.
Privatbank-16	28.1%	0.0 p.p.	-5.9 p.p.	3.4 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	12.15	3.1%	31.6%	47.5%
EUR	16.83	3.2%	31.4%	48.0%
RUB	0.34	3.5%	34.8%	36.0%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	287.9	0.0%	-3.7%	0.2%
Steel, USD/t	522.5	0.0%	-0.9%	-2.8%
Oil, USD/bbl	108.0	0.3%	-0.4%	-2.9%
Gold, USD/oz	1311.8	0.2%	-2.1%	9.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Crimean Scenario Not Materializing in Donetsk

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### NEWS

Groups of armed pro-Russian activists in the eastern cities of Donetsk and Lugansk remained holed up in government buildings on Wednesday (Apr 9) for a fourth day despite Interior Minister Arseniy Avakov's threat to use force to clear them out by Friday. Tensions appeared to ease somewhat after Donetsk governor Serhiy Taruta met with the activists to discuss their demands, and Lugansk oligarch and leading Party of Regions MP Alexander Yefremov said he was urging the protesters occupying the Security Service building to refrain from "radical actions". Meanwhile, in the southern Russian-speaking city of Nikolaev, Party of Regions MP Oleg Tsarev was hounded by pro-European demonstrators when he tried to visit pro-Russian activists in a hospital, the Ukrayinska Pravda news website reported. Tsarev has been one of the PoR's most visible and aggressive opponents of Ukraine's European integration.

### COMMENTARY

Although the situation remains dangerous, the apparent lack of grassroots popular support in Eastern Ukraine for the armed separatists is in stark contrast to the situation observed in Crimea last month, where large crowds of ordinary citizens publicly embraced the Russian military presence and the idea of secession from Kyiv. We suppose that Russian President Putin is well aware of this difference, and that his strategy therefore does not involve a military occupation of the eastern cities, but rather a slow-burn destabilization that would either disrupt or severely undermine the holding of the May 25 presidential vote. We believe that the Kremlin is desperate to prevent the election of moderate pro-European oligarch Petro Poroshenko to the Ukrainian presidency, as this would invalidate the ongoing Russian claims that the Kyiv government is controlled by right-wing extremists. In our view, Putin's Ukraine strategy going forward may therefore involve a back-door alliance with Batkivschyna party leader Yulia Tymoshenko, who is Poroshenko's closest rival for the presidency. Despite her vocal attacks on Putin, Tymoshenko has a clear incentive to make common cause with him in delaying the presidential election: first because it would give her time to make up ground on Poroshenko, and second because her close allies, including Avakov, Acting President Oleksandr Turchinov, Prime Minister Arseniy Yatseniuk, and Energy Minister Yuriy Prodan, hold the most powerful posts in the interim government.

## Khartsysk Pipe Output Falls 47% YoY to 25,100 Tonnes in 1Q14

by Dmitry Churin  
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### KHARTSYSK PIPE (HRTR UK)

Price: UAH 0.70 Market Cap: USD 150mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	0.7	35.5	6.8	0%
2014E	0.7	34.5	7.0	0%

### NEWS

Khartsysk Pipe, Ukraine's monopoly producer of large diameter pipes, decreased its output by 47% YoY to 25,100 tonnes of pipe in 1Q14, Interfax reported yesterday (Apr 9), citing a source in the Industry Ministry. The company's production in March alone amounted to 15,700 tonnes. Total steel pipe output in Ukraine declined by 15.4% YoY to 337,100 tonnes in 1Q14.

### COMMENTARY

The Rinat Akhmentov-controlled pipe maker has clearly suffered from a lack of orders for its products both on internal and external markets. In 2013, the primary market for Khartsysk was Kazakhstan, where it sold 193,000 tonnes of pipe out of the 255,200 tonnes which it produced during the year. The large order was attributed to construction of the 'C' branch of the Central Asia-China pipeline, which is scheduled to be put into operation later this year. For the moment we do not see any new potential large orders for Khartsysk, although management says it has recently begun to penetrate into the Iraq market. We forecast that the company's net profit will decrease by 50% YoY to UAH 20mn in FY14. Over the past two months, the HRTR stock has been sporadically traded in the rather wide range of 60-80 kopecks per share. In our opinion, the 80-kopeck level looks like a strong resistance level for the stock.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.73	0.56	-24%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	155.5	125.0	-20%	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	7.99	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	9.00	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	3.07	6.2	103%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.70	U/R	na	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	0.58	2.9	408%	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	17.7	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.49	5.2	252%	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	1847	5250	184%	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	10.0	42.0	320%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	60.0	370	517%	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>						
DonbasEnergO	DOEN	43.2	72.0	67%	BUY	DonbasEnergO 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%.
CenterEnergO	CEEN	5.48	15.00	174%	BUY	CenterEnergO'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	12.9	U/R	--	U/R	
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	9.6	19.35	102%	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	70.9	109.50	54%	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	0.170	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	1098.41	1153.01	781.22	1.1%	2.1%	1.6%	20.7%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.037	0.06	0.02	1.7%	-0.3%	-8.0%	-5.2%	0.5%	-2.3%	-9.6%	-25.9%
Azovstal	AZST	0.73	0.90	0.31	1.5%	-1.2%	2.8%	9.0%	0.4%	-3.3%	1.2%	-11.7%
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	34.9	52.0	20.0	0.1%	-0.3%	-3.3%	9.0%	-1.0%	-2.3%	-5.0%	-11.7%
Arcelor Mittal KR	KSTL	2.00	n/a	n/a	17.6%	n/a	n/a	73.9%	16.5%	n/a	n/a	53.2%
Mariupol Ilyicha	MMKI	0.14	0.21	0.05	-33.3%	-6.7%	-17.6%	40.0%	-34.4%	-8.7%	-19.3%	19.3%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.07	4.80	1.60	0.7%	-0.2%	2.0%	3.8%	-0.4%	-2.2%	0.3%	-16.9%
Yasnyivsky Coking	YASK	0.70	0.77	0.49	9.4%	-6.7%	-2.8%	32.1%	8.3%	-8.7%	-4.4%	11.4%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	9.00	n/a	n/a	0.0%	0.1%	-3.9%	38.5%	-1.1%	-2.0%	-5.6%	17.8%
Ferrexpo	FXPO	2.60	3.20	2.02	0.2%	-1.0%	9.9%	-17.4%	-0.9%	-3.1%	8.3%	-38.1%
Pivnichny GOK	SGOK	7.99	10.00	5.77	0.0%	-0.1%	-18.2%	-0.1%	-1.1%	-2.2%	-19.9%	-20.8%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.58	0.64	0.10	-1.7%	16.0%	9.4%	45.0%	-2.8%	13.9%	7.8%	24.3%
Komsomolets Donbasa	SHKD	0.95	n/a	n/a	0.0%	8.0%	-15.2%	53.2%	-1.1%	5.9%	-16.8%	32.5%
Energy Coal	CLE	0.49	1.92	0.31	1.5%	-9.4%	2.5%	41.4%	0.3%	-11.5%	0.9%	20.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.45	n/a	n/a	0.0%	0.0%	n/a	-2.2%	-1.1%	-2.1%	n/a	-22.9%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.70	0.80	0.30	0.0%	-12.5%	16.7%	16.7%	-1.1%	-14.6%	15.0%	-4.0%
Interpipe NMPP	NVTR	0.24	n/a	n/a	-20.0%	-20.0%	-7.7%	14.3%	-21.1%	-22.1%	-9.3%	-6.4%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.7	29.0	12.0	3.6%	3.6%	-13.9%	2.1%	2.5%	1.5%	-15.5%	-18.6%
Luhanskeplovoz	LTPL	1.49	2.20	1.20	-6.3%	-6.9%	0.7%	-0.7%	-7.4%	-8.9%	-1.0%	-21.4%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	0.0%	-8.3%	-8.3%	-15.4%	-1.1%	-10.4%	-10.0%	-36.1%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	1.2%	6.5%	25.7%	60.8%	0.1%	4.4%	24.0%	40.1%
Motor Sich	MSICH	1,847	2,545	1,303	5.1%	8.5%	-0.4%	1.3%	3.9%	6.5%	-2.1%	-19.4%
Summy Frunze Engineering	SMASH	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Turboatom	TATM	3.20	n/a	n/a	0.0%	14.3%	-20.0%	-8.6%	-1.1%	12.2%	-21.6%	-29.3%
WESTA ISIC	WES	0.18	0.26	0.13	-1.7%	-1.5%	2.3%	37.0%	-2.8%	-3.5%	0.7%	16.3%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.19	0.09	-0.9%	-11.9%	-18.7%	38.7%	-2.0%	-14.0%	-20.4%	18.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.17	0.41	0.17	-2.4%	-6.4%	-14.8%	-20.5%	-3.5%	-8.4%	-16.4%	-41.2%
JXX Oil	JKX	1.00	1.21	0.75	0.3%	-0.4%	1.8%	-15.2%	-0.9%	-2.4%	0.2%	-35.9%
Ukrnafta	UNAF	246	246	96	1.8%	5.9%	20.9%	126.4%	0.7%	3.8%	19.3%	105.7%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.48	7.40	2.50	-0.6%	1.6%	-3.4%	14.9%	-1.7%	-0.5%	-5.0%	-5.8%
Donbasenergo	DOEN	43.2	43.2	15.4	1.2%	3.8%	3.6%	56.6%	0.1%	1.8%	2.0%	35.9%
Zakhidenergo	ZAEN	128.8	134.0	64.0	0.0%	1.4%	13.1%	42.5%	-1.1%	-0.6%	11.4%	21.8%
<b>Consumer</b>												
Agroton	AGT	0.91	2.7	0.36	1.6%	-12.2%	-34.9%	40.0%	0.5%	-14.2%	-36.6%	19.3%
Astarta	AST	14.6	24.4	12.1	2.4%	-8.5%	-0.5%	-34.5%	1.3%	-10.5%	-2.1%	-55.2%
Avangardo	AVGR	9.6	13.0	8.05	-0.1%	-4.1%	10.9%	-18.3%	-1.2%	-6.1%	9.3%	-39.0%
Industrial Milk Company	IMC	2.72	5.14	2.49	2.2%	-8.5%	-2.5%	-32.8%	1.1%	-10.6%	-4.2%	-53.5%
Kernel	KER	9.9	19.1	7.6	-0.2%	-3.5%	13.7%	-21.5%	-1.4%	-5.6%	12.1%	-42.2%
Mriya Agro Holding	MAYA	6.71	8.2	5.36	0.1%	-4.5%	-9.1%	-10.0%	-1.0%	-6.5%	-10.8%	-30.7%
MHPC	MHPC	12.9	19.9	11.21	-1.3%	-3.7%	-7.1%	-24.2%	-2.4%	-5.8%	-8.8%	-44.9%
Milkiland	MLK	2.55	4.7	2.22	-0.6%	-10.1%	-4.2%	-38.6%	-1.7%	-12.1%	-5.8%	-59.3%
Ovostar Union	OVO	23.5	33.3	19.4	0.0%	-7.4%	4.6%	-29.4%	-1.1%	-9.5%	3.0%	-50.1%
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	12.7	n/a	n/a	0.0%	5.0%	-9.6%	1.3%	-1.1%	2.9%	-11.2%	-19.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.170	0.177	0.077	-0.4%	-1.4%	8.5%	50.0%	-1.5%	-3.5%	6.8%	29.3%
UkrSotsbank	USCB	0.168	0.257	0.113	1.0%	-3.0%	-8.3%	-10.6%	-0.2%	-5.0%	-10.0%	-31.3%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E
<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	1,542	402	506	447	28.2%	32.0%	29.0%	216	264	198	15.1%	16.7%	12.8%
<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	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%
<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	1,496	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
<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%
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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	78	3.9%	3	1,427	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	30	8.8%	3	26	3.5	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	9	9	\$/tonne
Azovstal	AZST	253	3.0%	7	237	neg	neg	neg	neg	neg	6.7	0.1	0.1	0.1	52	53	52	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	49	6.8%	3	47	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	0.1	0.6	0.6	0.9	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	868	0.3%	2	867	9.1	4.5	5.3	3.7	2.8	3.1	1.4	1.3	1.4				
Pivnichny GOK	SGOK	1,515	0.4%	6	1,509	3.5	2.8	3.3	2.0	1.7	1.8	1.1	0.9	1.0				
Ferrexpo	FXPO	1,524	24.0%	366	2,162	7.1	5.8	7.7	5.4	4.3	4.8	1.5	1.4	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	3.6	1.6	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	29	\$/tonne
Coal Energy	CLE	22	25.0%	6	132	0.6	neg	neg	2.1	6.3	14.7	0.8	1.1	1.3	2.1	6.3	14.7	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	150	2.0%	3	195	4.4	>30	>30	3.8	6.2	6.4	0.4	0.6	0.6	310	514	489	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	27	24.0%	6	64	5.6	1.4	1.2	2.2	1.8	1.7	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	167	5.0%	8	167	1.8	4.0	6.2	1.2	2.6	3.8	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	20	8.0%	2	53	>30	>30	>30	7.4	9.0	9.7	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	122	5.8%	7	53	3.2	1.7	1.8	1.0	0.6	0.5	0.3	0.2	0.2				
Motor Sich	MSICH	316	24.0%	76	331	1.6	1.9	1.9	1.1	1.4	1.4	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	235	7.2%	17	557	5.2	21.9	8.9	2.7	2.9	3.2	0.7	0.7	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,098	3.0%	33	1,089	6.2	8.4	9.1	3.4	2.9	3.1	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	54	21.6%	12	29	4.6	neg	26.8	1.3	neg	1.1	0.7	0.8	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	172	50.4%	87	281	neg	26.5	22.1	2.1	4.2	4.1	1.4	1.6	1.4	51	38	37	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	167	21.7%	36	235	5.8	2.8	2.7	3.4	2.8	2.8	0.2	0.3	0.3	13	17	14	\$/MWh
DonbasEnergO	DOEN	84	14.2%	12	154	22.0	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	1,363	34.1%	465	2,491	4.4	8.4	5.1	5.3	6.4	4.6	1.8	1.7	1.5				
Kernel	KER	792	61.8%	489	1,498	3.8	7.5	10.3	4.7	5.2	5.9	0.7	0.5	0.6				
Astarta	AST	365	37.0%	135	698	6.3	6.5	4.5	6.4	8.6	5.1	1.5	1.4	1.2				
Avangardco	AVGR	613	22.5%	138	812	2.7	2.3	2.0	2.9	2.5	2.2	1.3	1.2	1.0	184	140	132	\$/mneggs
Agroton	AGT	20	26.2%	5	69	2.9	neg	neg	3.4	5.5	5.8	0.8	1.0	0.9	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	421	3.5%	15		>30	4.7	4.1	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	254	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

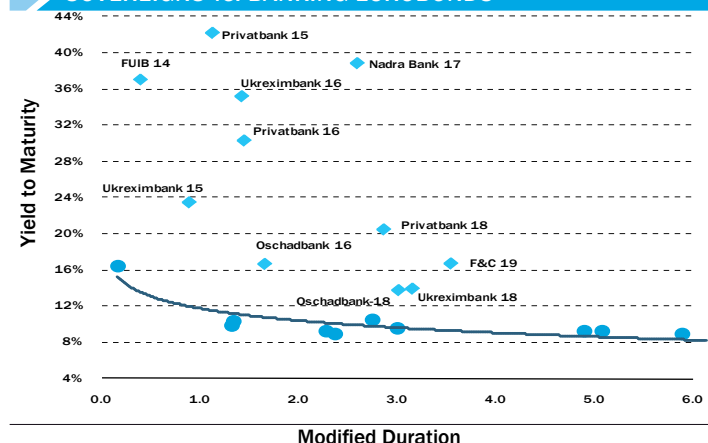
## UKRAINIAN EUROBONDS

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	96.8	97.8	31.5%	24.0%	-2.8%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	92.3	93.4	28.3%	25.3%	-7.6%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.0	92.0	14.5%	11.7%	-5.7%	1.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	93.5	94.5	12.9%	12.0%	-3.8%	1.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	90.8	91.8	11.1%	10.6%	-3.0%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	91.0	92.0	10.4%	10.0%	-3.0%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	90.3	91.3	10.3%	9.9%	-2.1%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	95.3	96.3	11.3%	10.9%	-3.5%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	88.0	90.0	13.7%	12.8%	7.7%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	86.5	89.0	12.4%	11.5%	11.8%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	90.1	91.1	10.1%	9.8%	-2.6%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	90.5	91.5	10.0%	9.8%	-2.9%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	89.3	90.3	9.7%	9.5%	-1.4%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	87.9	92.6	9.5%	8.7%	-0.3%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	34.9	44.6	53.1%	39.8%	-23.8%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	96.9	98.6	15.9%	14.7%	-5.6%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.9	86.1	12.4%	11.5%	-5.4%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.1	98.3	13.4%	12.4%	-2.3%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	82.5	82.5	17.1%	17.1%	-8.5%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.8	91.8	17.9%	17.9%	-8.5%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	80.1	82.0	16.4%	15.6%	-6.9%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.0	96.0	20.1%	15.9%	-7.5%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	82.5	84.3	13.7%	13.1%	-11.5%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	94.4	96.0	18.5%	16.4%	-6.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.3	90.8	13.0%	12.1%	-5.7%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	94.0	96.0	12.1%	10.6%	-3.1%	1.8	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	77.5	80.0	17.4%	16.4%	-14.1%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	76.0	79.0	21.7%	19.5%	-1.2%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	103.4	105.4	10.4%	9.8%	-6.0%	3.2	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	70.0	80.0	19.1%	15.3%	-9.6%	3.5	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	91.6	91.6	24.0%	24.0%	-7.0%	0.6	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	70.0	75.0	44.2%	35.6%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	80.0	84.0	32.3%	27.0%	n/a	1.2	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	73.4	33.5%	25.9%	-0.9%	1.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	78.8	81.0	18.8%	17.9%	-4.6%	2.9	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	85.0	88.5	30.7%	24.9%	-10.0%	0.9	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016							8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	80.0	83.0	16.0%	14.8%	-8.6%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	63.0	71.0	364.0%	256.7%	-21.6%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	83.0	85.5	21.4%	19.3%	-9.5%	1.6	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	81.7	83.8	15.3%	14.4%	-7.0%	3.1	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.0	84.0	24.6%	22.5%	-10.7%	1.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	82.4	83.3	19.4%	18.8%	-10.6%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

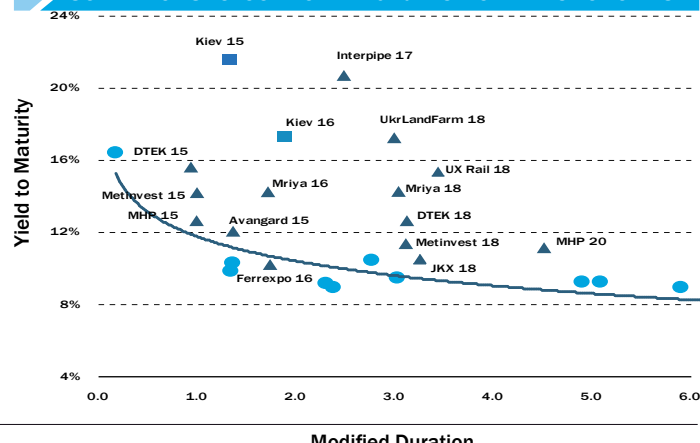
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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			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
<b>USD denominated Bonds</b>									
UA4000142699	n/a	n/a	12.0%	11.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	12.0%	11.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	12.0%	11.5%	n/a	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	11.5%	10.8%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			20.0%	17.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			20.0%	17.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			20.0%	17.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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