

Market Update

Equity

Ukrainian stocks sharply underperformed global markets on Monday (Apr 14), as the weekend's armed takeovers of government buildings in several large provincial towns in Donetsk oblast by pro-Russian paramilitaries took its toll on the investment mood in Kyiv and raised serious doubts about the Ukrainian government's ability to exercise even a minimum of control over the situation. The UX index lost 3.8% to close at 1119 points, led by Donetsk-based Metinvest names Avdyivka Coke and Azovstal, which slumped by 10.1% and 7.2% respectively. DonbasEnergo and Alchevsk Steel, which are located in the same geographic region, lost about 6.5% each, with the former ending at UAH 42.90. Top liquid issues Motor Sich and UkrNafta shed 2.2% and 2.9% respectively on combined turnover of UAH 9.1mn. In London, Ferrexpo moved down by 1.9%, while Kernel sold off by 5.1% in Warsaw to end at PLN 29.70.

Fixed Income

Ukrainian sovereigns slid on Monday on intensified tensions in the eastern regions. Ukraine-23s dropped by 2.3p.p. to 86.0/91.3 (9.9%/8.9%). Corporate names also finished lower. Metinvest-15s and DTEK-18s declined by 2.2p.p. and 1.6p.p. closing at 94.5/96.5 (18.6%/15.9%) and 81.1/81.8 (14.3%/14.0%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	256.40	-2.9%	5.5	195
Motor Sich	MSICH	1913.00	-2.2%	3.6	204
Centrenergo	CEEN	5.761	-2.8%	2.1	392

Growth Leaders

Raiffeisen Bank Aval	BAVL	0.17	-1.8%	1.66	112
Motor Sich	MSICH	1913.00	-2.2%	3.60	204
Centrenergo	CEEN	5.76	-2.8%	2.09	392

Loss Leaders

Pokrovske Mine	SHCHZ	0.40	-41.9%	0.009	8
Bogdan Motors	LUAZ	0.04	-22.5%	0.029	13
Avdyivka Coke	AVDK	3.17	-10.1%	0.559	285

Highlights

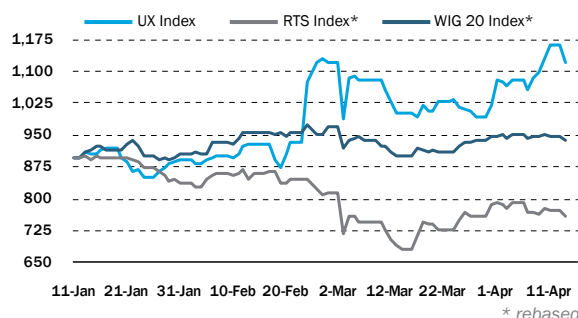
POLITICS AND ECONOMICS

- > Merch Trade Deficit Contracts Sharply to USD 120mn in February

STOCKS IN THE NEWS

- > IMC Raises Land Under Spring Cultivation by 18% YoY to 124,000 ha
- > Agroton Buys Back USD 22mn of Its Eurobonds

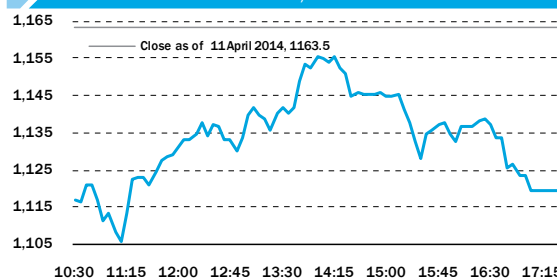
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1119.5	-3.8%	11.5%	23.0%
RTS	1180.0	-2.0%	11.1%	-18.2%
WIG20	2440.7	-1.0%	4.2%	1.7%
MSCI EM	1011.7	-0.4%	7.9%	1.0%
S&P 500	1830.6	0.8%	-0.6%	-0.6%

UX INTRADAY APRIL 14, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	319.1	0.6%	-10.1%	-3.5%
CDS 5Y UKR	1066.8	5.7%	-14.4%	30.0%
Ukraine-17	11.1%	1.1 p.p.	-1.3 p.p.	2.1 p.p.
Naftogaz Ukr-14	31.7%	4.5 p.p.	-7.6 p.p.	23.0 p.p.
Ukraine-23	9.4%	0.4 p.p.	-1.1 p.p.	1.9 p.p.
Privatbank-16	31.6%	2.5 p.p.	1.1 p.p.	7.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.70	-0.1%	30.9%	54.1%
EUR	17.55	-0.6%	30.0%	54.4%
RUB	0.36	1.6%	36.5%	44.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	293.6	0.0%	-1.3%	2.2%
Steel, USD/t	522.5	0.0%	-0.9%	-2.8%
Oil, USD/bbl	109.1	1.6%	0.8%	-1.9%
Gold, USD/oz	1328.0	0.7%	-4.0%	11.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

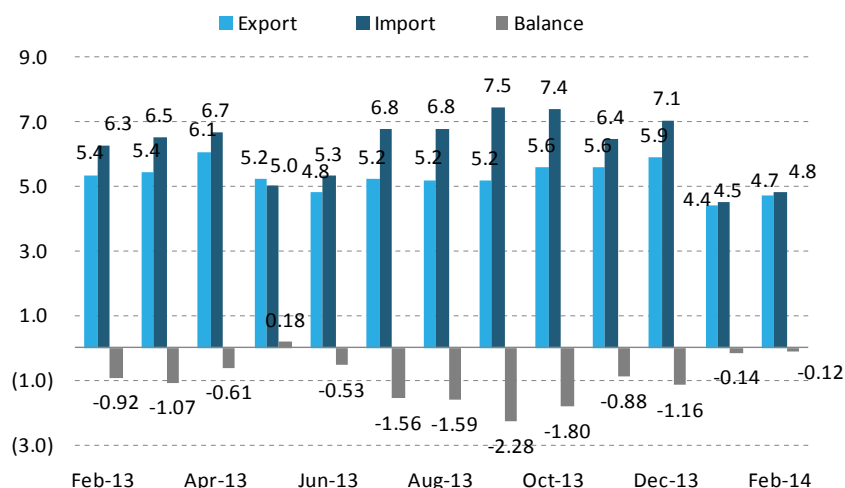
Merch Trade Deficit Contracts Sharply to USD 120mn in February

by Dmitry Churin
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NEWS

Ukraine's merchandise trade deficit fell by 7.3x YoY to USD 123mn in February, according to data from the State Statistics Committee. For 2M14, the deficit is down by 3.4x YoY to USD 270mn. Ukraine's exports fell by 10.0% YoY to USD 9.1bn while imports plunged by 17.9% YoY to USD 9.4bn in the period.

UKRAINE'S TRADE BALANCE DATA, USD bn



Source: State Statistics Committee

COMMENTARY

The slowdown in foreign trade observed in the first two months of the year had a mixed impact on the country's economy. On the one hand, lower imports helped to limit the current account deficit, while on the other, the data for January-February indicated a contraction in business activity and consumer confidence. The considerable decrease in imports was largely a result of the steep devaluation of the hryvnia, while we would attribute the export decline to the disruption of sales to Russia against the background of the Jan-Feb political unrest in Kyiv. Russia remains the most important export market for the Ukrainian machinery sector. In February alone, export of transportation equipment (including railcars) from Ukraine dropped by 45.5% YoY to just USD 172mn in estimated value terms. Meanwhile, the drop in steel products exports was 6.8% YoY to USD 1.37bn. On the import side, Ukraine decreased its natural import purchases from Russia by 54.8% YoY to USD 443mn in value terms in February.

IMC Raises Land Under Spring Cultivation by 18% YoY to 124,000 ha

by Ivan Dzvinka
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NEWS

Central Ukraine-based, Warsaw-listed crop grower Industrial Milk Company (IMC) reported on Monday (Apr 14) that it will expand its land under cultivation with spring crops by 18% YoY to 124,000 ha. The company is set to increase its area planted with corn by 38% to 85,000 ha and with soybean by 85% YoY to 8,100 ha this season. Sunflower seeds will be planted on an area of 18,500 ha (-28% YoY) with land under fodder crops (12,000 ha, -3%) and potato (645 ha, -1%) remaining nearly unchanged.

COMMENTARY

The growth in area under spring crops is a result of a 13% rise in IMC's land bank to 136,700 ha as of early 2014 as well as an 18% drop in the area sown under winter crops to 8,500 ha. IMC is pursuing a strategy of beefing up the share of soybean in its crop mix due to lucrative pricing for that crop last season thanks to strong demand for this oilseed on Asian markets. Meanwhile, the lower area under sunflower seed is explained by the company's application of a rational crop rotation system because of sunflower's exhaustive effect on the land where it is planted.

Agroton Buys Back USD 22mn of Its Eurobonds

by Ivan Dzvinka
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NEWS

Lugansk-based crop grower Agroton has bought back USD 22.1mn of its outstanding USD 50mn Eurobonds, the company reported in a filing on the Warsaw Stock Exchange on Monday (Apr 14). The conditions of the buyback were not disclosed.

COMMENTARY

As we presumed back in early January, parties related to Agroton had consolidated a substantial portion of the bonds, which enabled the group's main beneficiary Vitaliy Zhuravlev to push through a restructuring with detrimental conditions for other bondholders, including lowering the coupon to 6% (vs. 12.5% in the original issue) and postponing the maturity for 5 years until 2019. With the announced buyback amount constituting only 44% of the total issue, we suppose that there may be further buyback announcements (with the bonds in fact purchased from related parties) in the future. Due to the low level of corporate governance demonstrated here, as well as the location of the company's operations in the epicenter of Ukraine's political unrest in the east of the country, we are sticking with our recommendation to stay away from both the bonds and equity of Agroton.

AGROTON (AGT PW)

Price: PLN 2.37 Market Cap: USD 16.9mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.7	2.5	3.2	0%
2013E	1.0	neg	5.2	0%

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.73	0.56	-23%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	151.5	125.0	-17%	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	9.05	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.
Coke						
Avdyivka Coke	AVDK	3.17	6.2	97%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.69	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	0.40	2.9	636%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.6	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.64	5.2	220%	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	1913	5250	174%	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	10.5	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	57.3	370	546%	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						
DonbasEnergO	DOEN	42.9	72.0	68%	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	5.76	15.00	160%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	13.0	U/R	--	U/R	
Astarta	AST	43.0	90.0	109%	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	U/R	--	U/R	
Ovostar Union	OVO	69.0	109.50	59%	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	0.169	0.24	42%	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	1119.49	1170.00	781.22	-3.8%	6.0%	11.5%	23.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-6.9%	2.0%	-2.4%	-6.7%	-3.2%	-4.0%	-14.0%	-29.7%
Azovstal	AZST	0.73	0.90	0.31	-5.6%	2.0%	8.5%	8.5%	-1.8%	-4.0%	-3.0%	-14.5%
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	36.8	52.0	20.0	-4.1%	7.2%	8.8%	14.8%	-0.4%	1.2%	-2.7%	-8.2%
Arcelor Mittal KR	KSTL	3.00	n/a	n/a	0.0%	76.5%	n/a	160.9%	3.8%	70.5%	n/a	137.9%
Mariupol Ilyicha	MMKI	0.17	0.21	0.05	13.3%	13.3%	13.3%	70.0%	17.1%	7.4%	1.8%	47.0%
Coke												
Avdiyivka Coke	AVDK	3.17	4.80	1.60	-10.1%	7.0%	8.9%	7.2%	-6.4%	1.0%	-2.6%	-15.9%
Yasynivsky Coking	YASK	0.69	0.77	0.49	0.0%	7.8%	4.5%	30.2%	3.8%	1.8%	-7.0%	7.2%
Iron Ore Mining												
Centralny GOK	CGOK	9.00	n/a	n/a	0.0%	0.1%	12.5%	38.5%	3.8%	-5.9%	1.0%	15.4%
Ferrexpo	FXPO	2.54	3.20	2.02	-2.0%	-2.0%	9.7%	-19.6%	1.8%	-8.0%	-1.8%	-42.6%
Pivnichny GOK	SGOK	9.05	10.00	5.77	0.0%	16.0%	-7.5%	13.1%	3.8%	10.0%	-19.0%	-9.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.40	0.70	0.10	-42.0%	-25.9%	-16.7%	0.0%	-38.2%	-31.9%	-28.2%	-23.0%
Komsomolets Donbasa	SHKD	1.15	n/a	n/a	0.0%	17.3%	1.8%	85.5%	3.8%	11.4%	-9.8%	62.5%
Energy Coal	CLE	0.46	1.70	0.31	-9.6%	-5.6%	-8.1%	30.8%	-5.9%	-11.6%	-19.7%	7.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.28	n/a	n/a	-37.8%	-37.8%	n/a	-39.1%	-34.0%	-43.8%	n/a	-62.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.72	0.81	0.30	1.4%	4.3%	20.0%	20.0%	5.2%	-1.6%	8.5%	-3.0%
Interpipe NMPP	NVTR	0.25	n/a	n/a	-16.7%	-16.7%	-3.8%	19.0%	-12.9%	-22.6%	-15.4%	-4.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.6	29.0	12.0	-1.0%	3.1%	-12.0%	1.6%	2.8%	-2.9%	-23.6%	-21.4%
Luhanskeplovoz	LTPL	1.64	2.20	1.20	2.5%	3.1%	6.5%	9.3%	6.3%	-2.8%	-5.1%	-13.7%
Stakhanov Wagon	SVGZ	1.27	n/a	n/a	0.0%	15.5%	21.0%	-2.3%	3.8%	9.5%	9.4%	-25.3%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-22.5%	-14.4%	18.8%	54.7%	-18.7%	-20.4%	7.3%	31.7%
Motor Sich	MSICH	1,913	2,545	1,303	-1.4%	12.7%	11.9%	4.9%	2.4%	6.7%	0.3%	-18.1%
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	1.70	n/a	n/a	-50.0%	-46.9%	-15.0%	-51.4%	-46.2%	-52.9%	-26.5%	-74.4%
WESTA ISIC	WES	0.17	0.26	0.13	-6.0%	-5.1%	11.5%	26.9%	-2.2%	-11.0%	-0.1%	3.8%
Telecom												
Ukrtelecom	UTLM	0.15	0.19	0.09	-1.7%	0.0%	0.7%	36.4%	2.1%	-6.0%	-10.9%	13.3%
Oil & Gas												
Regal Petroleum	RPT	0.18	0.41	0.17	0.0%	3.2%	-3.9%	-16.5%	3.7%	-2.8%	-15.5%	-39.6%
JKX Oil	JKX	0.96	1.21	0.75	-4.2%	-3.0%	-7.8%	-19.1%	-0.4%	-9.0%	-19.3%	-42.2%
Ukrnafta	UNAF	256	270	96	-2.9%	10.6%	38.5%	136.1%	0.9%	4.6%	27.0%	113.1%
Power Utilities												
Centrenerg	CEEN	5.76	7.40	2.50	-3.2%	7.2%	9.7%	20.8%	0.6%	1.3%	-1.8%	-2.2%
Donbasenergo	DOEN	42.9	46.9	15.4	-6.8%	5.5%	14.4%	55.4%	-3.0%	-0.5%	2.9%	32.4%
Zakhidenergo	ZAEN	125.0	134.0	64.0	0.0%	-1.6%	12.8%	38.3%	3.8%	-7.6%	1.3%	15.3%
Consumer												
Agroton	AGT	0.78	1.8	0.36	-12.0%	-14.9%	-21.9%	20.9%	-8.2%	-20.9%	-33.4%	-2.1%
Astarta	AST	14.2	24.4	12.1	-2.9%	-1.8%	16.8%	-36.1%	0.9%	-7.8%	5.3%	-59.1%
Avangardo	AVGR	9.8	13.0	8.05	2.1%	3.2%	12.0%	-16.6%	5.9%	-2.8%	0.5%	-39.6%
Industrial Milk Company	IMC	2.68	5.14	2.49	-1.9%	-0.7%	2.4%	-33.8%	1.9%	-6.7%	-9.1%	-56.8%
Kernel	KER	9.8	19.1	7.6	-5.6%	0.5%	24.4%	-22.4%	-1.8%	-5.5%	12.9%	-45.4%
Mriya Agro Holding	MAYA	6.78	8.2	5.36	0.4%	1.5%	-9.6%	-9.1%	4.2%	-4.4%	-21.1%	-32.1%
MHPC	MHPC	13.0	19.9	11.21	-0.7%	-2.0%	3.2%	-23.4%	3.1%	-8.0%	-8.4%	-46.4%
Milkiland	MLK	2.55	4.7	2.22	-0.5%	2.5%	14.7%	-38.7%	3.3%	-3.5%	3.1%	-61.7%
Ovostar Union	OVO	22.8	33.3	19.4	-0.5%	-3.7%	0.5%	-31.3%	3.3%	-9.7%	-11.0%	-54.4%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.4	n/a	n/a	-10.7%	5.8%	8.4%	7.2%	-6.9%	-0.1%	-3.1%	-15.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.169	0.177	0.077	-1.3%	0.7%	13.8%	48.7%	2.5%	-5.3%	2.3%	25.7%
UkrSotsbank	USCB	0.160	0.257	0.113	-4.1%	-1.1%	-7.5%	-14.7%	-0.3%	-7.1%	-19.0%	-37.7%

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	661	785	280	301	373	44.5%	45.6%	47.5%	228	238	300	36.3%	36.0%	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	73	3.9%	3	1,422	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	343	333	\$/tonne
Yenakievo Steel	ENMZ	31	8.8%	3	26	3.6	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	9	9	\$/tonne
Azovstal	AZST	241	3.0%	7	225	neg	neg	neg	neg	neg	6.4	0.1	0.1	0.1	49	50	49	\$/tonne
Coke																		
Avdyivka Coke	AVDK	49	6.8%	3	46	neg	neg	neg	neg	1.0	1.6	0.0	0.1	0.1	11	12	12	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.2	0.6	0.5	0.8	0.0	0.0	0.0	0.6	0.5	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	830	0.3%	2	829	8.7	4.3	5.1	3.6	2.7	3.0	1.4	1.2	1.3				
Pivnichny GOK	SGOK	1,642	0.4%	7	1,635	3.8	3.0	3.6	2.2	1.8	2.0	1.2	1.0	1.1				
Ferrexpo	FXPO	1,483	24.0%	356	2,122	6.9	5.6	7.5	5.3	4.2	4.8	1.5	1.3	1.4				
Coal Mining																		
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	21	25.0%	5	131	0.5	neg	neg	2.1	6.2	14.5	0.8	1.0	1.3	2.1	6.2	14.5	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	147	2.0%	3	193	4.4	>30	>30	3.7	6.2	6.3	0.4	0.6	0.6	306	508	483	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	28	24.0%	7	66	5.9	1.5	1.3	2.3	1.8	1.7	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	159	5.0%	8	159	1.7	3.8	5.9	1.2	2.4	3.6	0.2	0.4	0.6				
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	116	5.8%	7	48	3.1	1.6	1.7	0.9	0.5	0.5	0.3	0.2	0.2				
Motor Sich	MSICH	313	24.0%	75	328	1.6	1.9	1.9	1.1	1.4	1.4	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	221	7.2%	16	543	4.9	20.6	8.4	2.6	2.9	3.1	0.6	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,095	3.0%	33	1,086	6.2	8.3	9.0	3.4	2.9	3.1	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	56	21.6%	12	31	4.8	neg	28.2	1.5	neg	1.2	0.8	0.9	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	164	50.4%	83	273	neg	25.3	21.1	2.0	4.1	4.0	1.3	1.5	1.4	50	37	36	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	168	21.7%	36	236	5.8	2.8	2.7	3.4	2.8	2.8	0.2	0.3	0.3	13	17	14	\$/MWh
DonbasEnergO	DOEN	80	14.2%	11	150	20.9	1.2	1.6	4.7	2.1	2.6	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,377	34.1%	469	2,505	4.4	8.5	5.1	5.4	6.4	4.6	1.8	1.7	1.5				
Kernel	KER	783	61.8%	484	1,489	3.7	7.5	10.2	4.6	5.1	5.8	0.7	0.5	0.6				
Astarta	AST	356	37.0%	132	690	6.1	6.4	4.3	6.3	8.5	5.0	1.5	1.4	1.2				
Avangardco	AVGR	626	22.5%	141	825	2.7	2.6	2.1	3.0	2.7	2.2	1.3	1.2	1.1	187	142	134	\$/mneggs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	5.3	5.6	0.8	1.0	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	399	3.5%	14		>30	4.5	3.9	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	232	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

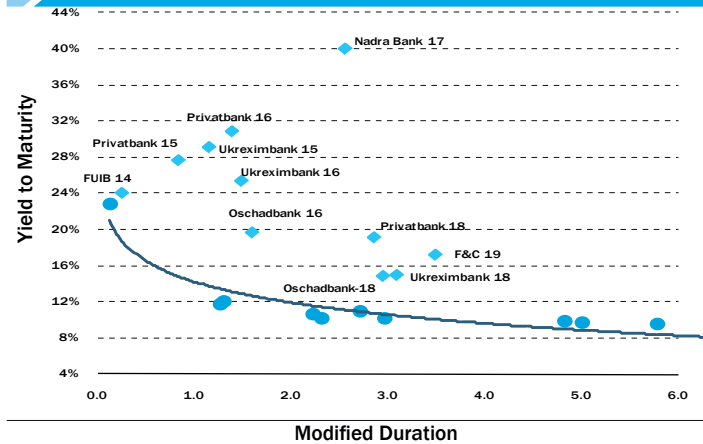
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	95.0	96.5	47.2%	35.0%	-4.3%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	90.3	92.0	34.2%	29.3%	-9.3%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.0	92.0	14.6%	11.8%	-5.7%	1.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	91.5	93.5	14.8%	13.0%	-5.3%	1.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	89.0	90.5	12.0%	11.3%	-4.5%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	89.0	90.5	11.5%	10.7%	-4.8%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.5	88.5	11.8%	11.0%	-5.6%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	92.5	93.5	12.5%	12.1%	-6.3%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	85.0	87.9	15.1%	13.8%	4.6%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	84.0	86.5	13.5%	12.5%	8.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	87.0	89.0	10.9%	10.4%	-5.4%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	87.5	89.0	10.7%	10.3%	-5.8%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	87.3	88.8	10.1%	9.8%	-3.4%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	86.0	91.3	9.9%	8.9%	-2.1%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	34.6	41.0	53.8%	44.2%	-27.5%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	97.8	99.0	14.8%	14.0%	-5.0%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.1	83.7	12.6%	12.2%	-7.3%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	95.3	98.0	15.1%	12.6%	-3.4%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	78.0	82.9	19.0%	17.0%	-10.8%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.8	91.8	18.0%	18.0%	-8.5%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	76.1	78.1	18.1%	17.2%	-11.5%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	90.8	93.0	23.8%	20.4%	-10.1%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	81.1	81.8	14.3%	14.0%	-13.6%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	94.5	96.5	18.6%	15.9%	-4.1%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.2	90.2	13.1%	12.3%	-6.1%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	93.0	14.9%	12.6%	-6.6%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	76.0	77.4	18.0%	17.4%	-16.3%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	22.9%	21.5%	-3.8%	2.4	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	100.6	102.5	11.2%	10.6%	-8.5%	3.2	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
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	44.5%	35.8%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	78.0	84.0	35.7%	27.3%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.0	67.5	34.9%	32.1%	-5.8%	1.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	78.4	81.5	19.0%	17.7%	-4.5%	2.9	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.0	89.0	33.0%	24.5%	-10.3%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	69.0	73.0	32.5%	28.0%	-16.8%	1.5	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	81.4	82.7	15.4%	14.9%	-8.0%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	63.0	71.0	381.8%	269.1%	-21.6%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	81.5	83.5	22.9%	21.1%	-11.4%	1.6	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	79.3	82.2	16.2%	15.2%	-9.2%	3.1	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	81.9	83.4	25.0%	23.4%	-11.1%	1.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	81.6	83.4	19.9%	18.8%	-10.9%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

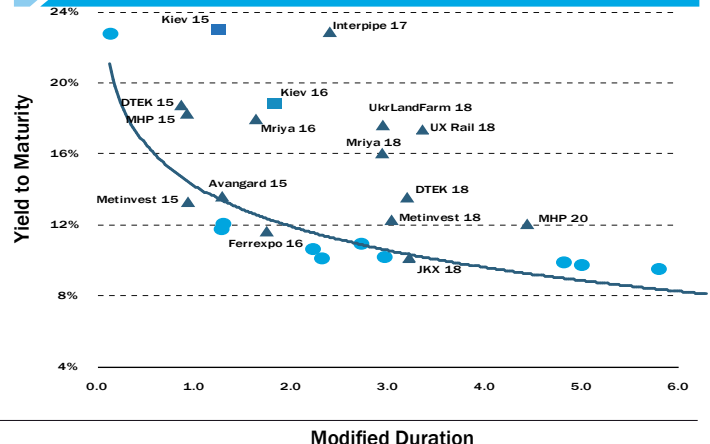
¹ Moody's/S&P/Fitch; * EUR

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	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
EUR denominated Bonds									
UA4000142681	n/a	n/a	11.5%	10.8%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
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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