

Market Update

Equity

Following Monday's large across-the-board drop, locally-listed blue chips were mixed on Tuesday (Apr 15), even as the main European indices were selling off heavily on worries that this week's escalation of conflict in Eastern Ukraine will lead to sanctions against Russia that will hurt the EU's economies. Meanwhile, US investors mostly ignored the Ukrainian crisis, with the S&P 500 and DJIA rising by more than half a percent each. The UX index edged down 0.5% to close at 1114 points. The day's big mover was UkrNafta, which slumped 6.5% on active turnover of UAH 8.3mn. Azovstal lost 2.7% to 71.90 kopecks, while on the upside, Avdyivka Coke and DonbasEnergo added 2.9% and 1.2% respectively after suffering big losses on Monday. In London, Ferrexpo and MHP were lower by 2.1% and 4.1% respectively, and Regal Petroleum slid 7.1% to a new all-time low of GBp 9.75.

Fixed Income

Ukrainian sovereigns were lower on Tuesday with Ukraine-23s dropping by 0.8p.p. to 85.3/90.5 (10.0%/9.1%). Corporate names also finished in the red with MHP-15s showed the deepest decline by 1.9p.p. closing at 96.0/96.9 (17.3%/16.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	243.00	-6.5%	8.3	299
Centrenergo	CEEN	5.72	-0.7%	1.7	265
Raiffeisen Bank Aval	BAVL	0.169	-0.2%	1.7	114

Growth Leaders

Pokrovske Mine	SHCHZ	0.56	21.5%	0.01	7
Avdyivka Coke	AVDK	3.27	2.9%	1.09	106
Donbasenergo	DOEN	43.38	1.2%	0.50	67

Loss Leaders

Ukrnafta	UNAF	243.00	-6.5%	8.293	299
Azovstal	AZST	0.72	-2.8%	0.566	75
Yenakievo Steel	ENMZ	35.93	-2.2%	0.090	25

Highlights

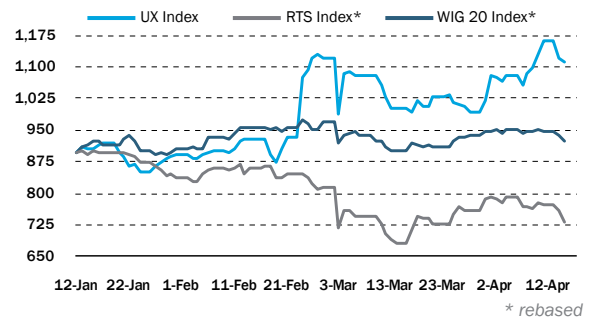
POLITICS AND ECONOMICS

- Ukraine to Place USD 1.0bn Bonds Under US Guarantee

STOCKS IN THE NEWS

- MHP Ups Poultry Sales Volume by 22% YoY in 1Q14
- EU Eliminates Duties on a Number of Ukrainian Goods

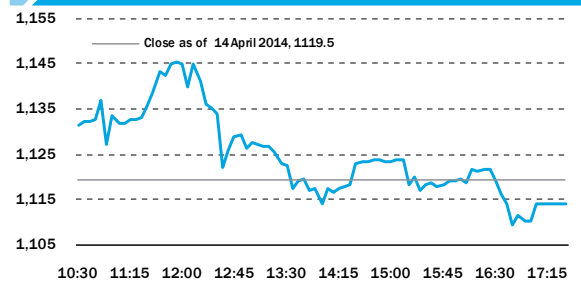
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1114.1	-0.5%	11.0%	22.4%
RTS	1143.0	-3.1%	7.6%	-20.8%
WIG20	2407.3	-1.4%	2.8%	0.3%
MSCI EM	999.9	-1.2%	6.6%	-0.2%
S&P 500	1843.0	0.7%	0.1%	0.1%

UX INTRADAY APRIL 15, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	323.0	1.2%	-9.0%	-2.3%
CDS 5Y UKR	1066.8	0.0%	-14.4%	30.0%
Ukraine-17	11.2%	0.1 p.p.	-1.2 p.p.	2.2 p.p.
Naftogaz Ukr-14	34.6%	2.9 p.p.	-4.7 p.p.	25.8 p.p.
Ukraine-23	9.5%	0.1 p.p.	-1.0 p.p.	2.0 p.p.
Privatbank-16	32.1%	0.4 p.p.	1.5 p.p.	7.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.90	-6.3%	22.7%	44.4%
EUR	16.44	-6.3%	21.8%	44.6%
RUB	0.33	-9.2%	23.9%	30.9%

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	109.4	0.3%	1.3%	-1.7%
Gold, USD/oz	1302.6	-1.9%	-5.8%	8.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine to Place USD 1.0bn Bonds Under US Guarantee

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

NEWS

Ukraine's Finance Ministry will place a USD 1.0bn Eurobond issue under a US government guarantee later this year, according to the Ministry's press statement released on Tuesday (Apr 15). The USD 1.0bn loan guarantee is part of a US bilateral assistance package to the Ukrainian government that was signed by US Treasury Secretary Jack Lew and Finance Minister Oleksandr Shlapak on Monday (Apr 14). The guarantee assures investors of full repayment of principal and interest. The loan guarantee will complement the financing that Ukraine is expected to obtain from the International Monetary Fund (IMF), other international financial institutions, the European Union, and other donors as part of a larger economic reform and restructuring plan.

COMMENTARY

We believe that the Ukrainian government does not have sufficient resources to redeem a USD 1.0bn Eurobond coming due in less than two months on Jun 4. We therefore suppose that the US guarantee will be used in May to secure a refinancing of the existing Ukraine-14 issue. Taking into account that the refinanced bond will be guaranteed by a country with a AAA credit rating, the yield for a 5-year issue is likely to be in the range of 4-5%, compared to the 10-11.0% current yield on outstanding Ukrainian sovereigns. With Ukraine's country risk taken out of the equation, the current international sovereign debt market environment looks quite favorable, with even bottom-feeder Greece having successfully raised EUR 3bn at less than 5% interest last week in its first bond sale in 4 years.

MHP Ups Poultry Sales Volume by 22% YoY in 1Q14

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 12.5 Market Cap: USD 1,321mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.6	8.1	6.3	5%*
2014E	1.6	neg	5.3	1%

*estimate

NEWS

MHP, Ukraine's largest poultry producer, expanded its poultry sales by 22% YoY to 112,300 tonnes during the Jan-Mar quarter, the company reported in its trading update on Tuesday (Apr 15). Sales in Ukraine rose by 20% to 81,900 tonnes, while export sales moved up by 31% to 30,400 tonnes in 1Q14. The average selling price for MHP's poultry declined by 4% YoY to UAH 15.6/kg (ex-VAT). Although sunflower oil sales rose by 37% YoY to 67,500 tonnes, the selling price was down by 26% to USD 853/tonne, reflecting the lower global pricing trend for the product.

Management said that winter crops, which have been planted on 72,000 hectares (which is 25% of MHP's land used for grain growing) are in good condition. MHP's spring planting campaign is currently underway.

COMMENTARY

We see the operating results as encouraging for the company's stock. Solid growth in export deliveries in 1Q14 despite the closure of the Customs Union (CU) market in early February provides credibility to management's statements about strong demand for MHP's poultry on export markets. While the CU accounted for 45% in the structure of the company's poultry exports in 2013, this figure in 1Q has plummeted to 10% or less in 1Q, according to our estimates. The reduction in sales to the CU was offset by expanded deliveries to the Middle East, Africa, EU and some of the non-CU former Soviet countries. We suppose that the notable increase in domestic poultry sales was a result of consumers' shifting toward cheaper meat (compared to pork and beef) in light of the recent deterioration of the macroeconomic situation in the country.

EU Eliminates Duties on a Number of Ukrainian Goods

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

The European Commission on Monday (Apr 14) voted to remove import duties for several categories of Ukrainian products and also eliminated duties on set quotas for particular products. This step becomes effective on Apr 23 and will remain so until either the signing of the already-initiated Free Trade agreement between Ukraine and the EU, or Nov 1 of this year, whichever is earlier.

COMMENTARY

The news is positive for Ukrainian agro and food companies. According to European officials, opening the EU market will result in EUR 500mn in benefits (in reduced duties) for Ukrainian producers, with 80% of this amount (EUR 400mn) relating to food and agricultural companies. We see this news as most positive for MHP, Astarta and Kernel, Ukraine's largest poultry, sugar and sunflower oil producers, respectively. The zero-duty quota for poultry is 36,000 tonnes per annum and 20,070 tonnes for sugar. These figures constitute 8% and 7% of MHP's and Astarta's respective FY13 output. Also, the import duty for refined/unrefined sunflower oil will be reduced to zero from the current 2.9%/6.1%. For listed egg producers Avangard and Ovostar, the news is only marginally positive, as these companies are required to receive certification, which will take at least two months (according to the Ukraine Poultry Association).

Importantly, anti-dumping duties on Ukrainian steel, which are currently the main obstacles for domestic steelmakers wishing to penetrate into the EU market, will be left intact. Thus, the impact of the EU's policy change on the metallurgy sector will probably be immaterial.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.72	0.56	-23%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	148.4	125.0	-16%	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	8.30	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	3.27	6.2	91%	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	0.56	2.9	426%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.5	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	1917	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	9.8	42.0	331%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	57.5	370	543%	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	43.4	72.0	66%	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	5.72	15.00	162%	BUY	CentrEnergo's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	12.5	U/R	--	U/R	
Astarta	AST	41.0	90.0	120%	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	9.7	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	1114.12	1170.00	781.22	-0.5%	2.6%	11.0%	22.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-0.8%	-0.8%	-3.2%	-7.5%	-0.3%	-3.4%	-14.2%	-29.9%
Azovstal	AZST	0.72	0.90	0.31	-1.1%	0.0%	7.3%	7.3%	-0.6%	-2.6%	-3.7%	-15.1%
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	-2.2%	3.1%	6.4%	12.2%	-1.8%	0.5%	-4.6%	-10.2%
Arcelor Mittal KR	KSTL	3.00	n/a	n/a	0.0%	76.5%	n/a	160.9%	0.5%	73.9%	n/a	138.4%
Mariupol Ilyicha	MMKI	0.19	0.21	0.05	11.8%	-9.5%	26.7%	90.0%	12.2%	-12.1%	15.7%	67.6%
Coke												
Avdivka Coke	AVDK	3.27	4.80	1.60	3.1%	7.2%	12.3%	10.4%	3.5%	4.6%	1.2%	-12.0%
Yasnyivsky Coking	YASK	0.69	0.77	0.49	0.0%	7.8%	4.5%	30.2%	0.5%	5.3%	-6.5%	7.8%
Iron Ore Mining												
Centralny GOK	CGOK	9.00	n/a	n/a	0.0%	0.0%	12.5%	38.5%	0.5%	-2.6%	1.5%	16.0%
Ferrexpo	FXPO	2.48	3.20	2.02	-2.1%	-4.5%	7.4%	-21.3%	-1.6%	-7.1%	-3.6%	-43.7%
Pivnichny GOK	SGOK	8.30	10.00	5.77	-8.3%	3.9%	-15.1%	3.8%	-7.8%	1.3%	-26.1%	-18.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.56	0.70	0.10	40.0%	-5.1%	16.7%	40.0%	40.5%	-7.6%	5.7%	17.6%
Komsomolets Donbasa	SHKD	1.15	n/a	n/a	0.0%	21.1%	1.8%	85.5%	0.5%	18.5%	-9.2%	63.1%
Energy Coal	CLE	0.45	1.63	0.31	-0.4%	-6.5%	-8.5%	30.2%	0.1%	-9.1%	-19.5%	7.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.28	n/a	n/a	0.0%	-37.8%	n/a	-39.1%	0.5%	-40.3%	n/a	-61.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.72	0.81	0.30	0.0%	2.9%	20.0%	20.0%	0.5%	0.3%	9.0%	-2.4%
Interpipe NMPP	NVTR	0.25	n/a	n/a	0.0%	-16.7%	-3.8%	19.0%	0.5%	-19.2%	-14.9%	-3.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.5	29.0	12.0	-0.5%	2.6%	-12.4%	1.2%	0.0%	0.1%	-23.4%	-21.3%
Luhanskeplovoz	LTPL	1.64	2.20	1.20	0.0%	3.1%	6.5%	9.3%	0.5%	0.6%	-4.5%	-13.1%
Stakhanov Wagon	SVGZ	1.27	n/a	n/a	0.0%	15.5%	21.0%	-2.3%	0.5%	12.9%	9.9%	-24.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	-2.6%	18.8%	54.7%	0.5%	-5.2%	7.8%	32.3%
Motor Sich	MSICH	1,917	2,545	1,303	0.2%	9.0%	12.1%	5.1%	0.7%	6.5%	1.1%	-17.3%
Sumy Frunze Engineering	SMASH	3.76	n/a	n/a	n/a	n/a	7.7%	50.4%	n/a	n/a	-3.3%	28.0%
Turboatom	TATM	1.70	n/a	n/a	0.0%	-46.9%	-15.0%	-51.4%	0.5%	-49.4%	-26.0%	-73.9%
WESTA ISIC	WES	0.18	0.26	0.13	5.4%	-4.0%	17.5%	33.8%	5.9%	-6.6%	6.5%	11.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	6.7%	3.9%	7.4%	45.5%	7.1%	1.3%	-3.6%	23.0%
Oil & Gas												
Regal Petroleum	RPT	0.16	0.41	0.16	-7.2%	-4.9%	-10.8%	-22.5%	-6.7%	-7.5%	-21.8%	-45.0%
JKX Oil	JKX	0.96	1.21	0.75	0.4%	-4.0%	-7.4%	-18.8%	0.9%	-6.6%	-18.5%	-41.3%
Ukrnafta	UNAF	243	270	96	-5.2%	0.6%	31.3%	123.8%	-4.7%	-1.9%	20.3%	101.3%
Power Utilities												
Centrenerg	CEEN	5.72	7.40	2.50	-0.7%	3.8%	9.0%	20.0%	-0.2%	1.2%	-2.0%	-2.4%
Donbasenergo	DOEN	43.4	46.9	15.4	1.2%	1.6%	15.7%	57.2%	1.6%	-1.0%	4.7%	34.8%
Zakhidenergo	ZAEN	125.0	134.0	64.0	0.0%	-3.0%	12.8%	38.3%	0.5%	-5.5%	1.8%	15.8%
Consumer												
Agroton	AGT	0.77	1.8	0.36	-2.1%	-14.1%	-23.5%	18.4%	-1.6%	-16.6%	-34.5%	-4.0%
Astarta	AST	13.5	24.4	12.1	-5.0%	-5.1%	10.9%	-39.3%	-4.6%	-7.6%	-0.1%	-61.7%
Avangardo	AVGR	9.7	13.0	8.05	-1.1%	1.0%	10.8%	-17.5%	-0.6%	-1.6%	-0.2%	-39.9%
Industrial Milk Company	IMC	2.67	5.14	2.49	-0.2%	0.6%	2.3%	-33.9%	0.3%	-2.0%	-8.7%	-56.3%
Kernel	KER	9.5	19.1	7.6	-3.1%	-4.4%	20.6%	-24.8%	-2.6%	-7.0%	9.6%	-47.2%
Mriya Agro Holding	MAYA	6.77	8.2	5.36	-0.1%	1.1%	-9.6%	-9.1%	0.4%	-1.5%	-20.6%	-31.6%
MHPC	MHPC	12.5	19.9	11.21	-4.1%	-4.4%	-1.0%	-26.5%	-3.6%	-6.9%	-12.0%	-48.9%
Milkiland	MLK	2.52	4.7	2.22	-1.1%	-1.7%	13.5%	-39.4%	-0.6%	-4.3%	2.5%	-61.8%
Ovostar Union	OVO	22.7	33.3	19.4	-0.4%	-3.1%	0.1%	-31.6%	0.1%	-5.7%	-10.9%	-54.1%
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
Chemicals												
Stirol	STIR	13.4	n/a	n/a	0.0%	5.8%	8.4%	7.2%	0.5%	3.3%	-2.6%	-15.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.169	0.177	0.077	-0.2%	-1.4%	13.6%	48.5%	0.3%	-4.0%	2.6%	26.0%
UkrSotsbank	USCB	0.159	0.257	0.114	-0.7%	-4.3%	-8.1%	-15.3%	-0.2%	-6.8%	-19.1%	-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	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	32	8.8%	3	28	3.7	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	10	9	\$/tonne
Azovstal	AZST	254	3.0%	7	238	neg	neg	neg	neg	neg	6.8	0.1	0.1	0.1	52	53	52	\$/tonne
Coke																		
Avdyivka Coke	AVDK	54	6.8%	4	51	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	16	9.0%	1	17	1.9	neg	3.4	0.6	0.6	0.9	0.0	0.0	0.1	0.6	0.6	0.9	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	886	0.3%	2	885	9.3	4.6	5.4	3.8	2.8	3.2	1.5	1.3	1.4				
Pivnichny GOK	SGOK	1,607	0.4%	6	1,601	3.7	2.9	3.5	2.1	1.8	2.0	1.1	1.0	1.1				
Ferrexpo	FXPO	1,452	24.0%	349	2,091	6.7	5.5	7.4	5.2	4.1	4.7	1.5	1.3	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	32	5.4%	2	134	4.5	1.9	1.9	1.1	1.5	1.4	0.5	0.6	0.6	33	32	30	\$/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	157	2.0%	3	203	4.7	>30	>30	3.9	6.5	6.7	0.4	0.7	0.6	322	534	507	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	30	24.0%	7	67	6.2	1.6	1.3	2.3	1.9	1.8	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	169	5.0%	8	169	1.8	4.1	6.3	1.2	2.6	3.9	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	24	8.0%	2	57	>30	>30	>30	7.9	9.7	10.4	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	124	5.8%	7	56	3.3	1.7	1.8	1.1	0.6	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	335	24.0%	80	350	1.7	2.0	2.0	1.1	1.5	1.5	0.4	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	252	7.2%	18	573	5.6	23.5	9.6	2.8	3.0	3.3	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	52	21.6%	11	27	4.5	neg	26.1	1.3	neg	1.1	0.7	0.7	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	165	50.4%	83	273	neg	25.4	21.2	2.0	4.1	4.0	1.3	1.5	1.4	50	37	36	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	178	21.7%	39	246	6.2	3.0	2.9	3.6	2.9	3.0	0.2	0.3	0.3	14	17	15	\$/MWh
DonbasEnerg	DOEN	86	14.2%	12	157	22.5	1.3	1.7	4.9	2.2	2.8	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,321	34.1%	450	2,449	4.2	8.1	4.9	5.2	6.3	4.5	1.7	1.6	1.5				
Kernel	KER	759	61.8%	469	1,465	3.6	7.2	9.9	4.6	5.0	5.7	0.7	0.5	0.6				
Astarta	AST	338	37.0%	125	672	5.8	6.1	4.1	6.2	8.3	4.9	1.5	1.3	1.2				
Avangardco	AVGR	619	22.5%	139	819	2.7	2.6	2.1	2.9	2.7	2.2	1.3	1.2	1.0	185	141	133	\$/mneggs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	5.2	5.6	0.7	0.9	0.9	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	425	3.5%	15		>30	4.7	4.2	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	246	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

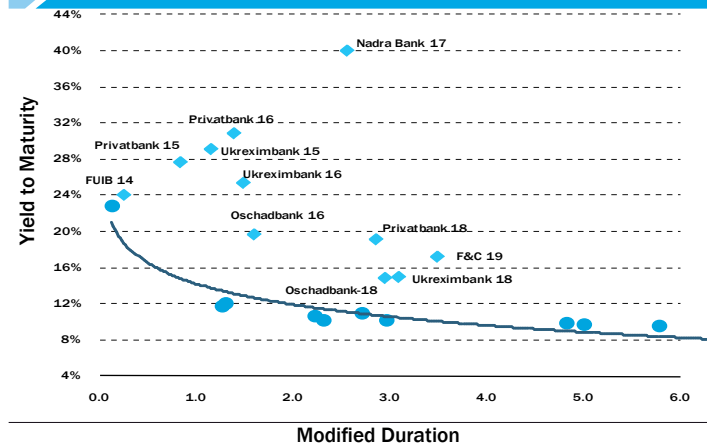
UKRAINIAN EUROBONDS

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	50.8%	37.4%	-4.3%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	89.5	91.1	36.9%	32.4%	-10.1%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	88.5	91.5	15.1%	12.3%	-6.3%	1.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	91.0	92.5	15.3%	13.9%	-6.1%	1.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	87.3	88.8	13.0%	12.2%	-6.4%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.5	89.0	12.2%	11.5%	-6.4%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.5	88.0	11.8%	11.2%	-5.9%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	91.5	92.5	12.9%	12.5%	-7.3%	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	86.5	88.0	11.0%	10.6%	-6.3%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	86.5	88.0	10.9%	10.6%	-6.9%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	86.8	88.3	10.2%	9.9%	-3.9%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	85.3	90.5	10.0%	9.1%	-2.9%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	30.0	34.5	63.5%	54.1%	-38.2%	2.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	96.0	96.9	17.3%	16.7%	-6.8%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.2	82.7	13.1%	12.5%	-8.9%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.8	97.8	12.8%	12.8%	-0.2%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	78.0	82.5	19.1%	17.2%	-11.0%	2.9	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	76.0	79.0	18.2%	16.9%	-11.1%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	91.0	91.6	23.5%	22.5%	-10.7%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	80.0	81.8	14.7%	14.0%	-14.2%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	94.5	96.5	18.6%	16.0%	-4.1%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.8	89.9	13.2%	12.4%	-6.5%	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	73.1	77.0	19.3%	17.6%	-18.2%	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	100.8	102.7	11.2%	10.6%	-8.3%	3.2	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	65.0	75.0	21.3%	17.1%	-15.7%	3.4	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	44.9%	36.1%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	76.0	76.0	39.0%	39.0%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.0	67.0	35.0%	32.7%	-6.1%	1.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	73.6	76.0	21.2%	20.1%	-10.6%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	82.0	84.0	37.0%	33.1%	-13.9%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	68.0	72.0	33.8%	29.1%	-17.9%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	78.1	79.8	16.9%	16.1%	-11.5%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	462.0%	329.9%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	81.3	83.5	23.2%	21.2%	-11.5%	1.6	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	79.0	81.0	16.4%	15.5%	-10.1%	3.1	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.0	80.0	29.4%	27.1%	-15.0%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.3	80.0	22.3%	21.1%	-14.6%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

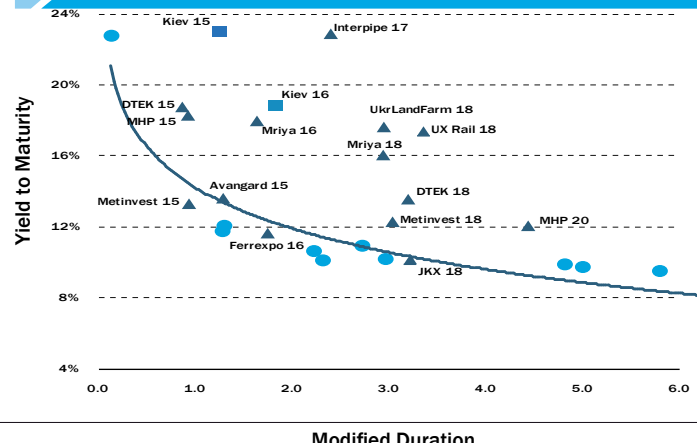
¹ Moody's/S&P/Fitch; * EUR

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

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

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity & Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales & Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua