

## Market Update

### Equity

Kyiv-listed Ukrainian stocks rose on Friday (Apr 18) heading into the 3-day Easter weekend, reducing their losses in a local trading week that benefited from a sharp 12% rebound in the hryvnia from its all-time low near UAH 13 against the dollar registered on Apr 11. In the US, the trio of main indices rose for a 5th straight session on Monday (Apr 21), with the S&P 500 and DJIA returning to near-record territory on improving US macroeconomic data and continued soft monetary policy. The UX index closed up 1.1% at 1105 points. Raiffeisen Aval reclaimed its tradition position as the top local performer, adding 4.6% to 17.58 kopecks, and UkrNafta was up 2.8% to near UAH 250. Volume leaders Motor Sich and CentrEnergo rose in line with the index, while Donetsk-based Metinvest-controlled names Avdyivka Coke and Azovstal underperformed, slipping about half a percent and finishing sharply lower for the week by more than 10% each. Outside the UX basket, Khartsysk Pipe appreciated by 2.6% to 81 kopecks. In Warsaw, Lugansk-based mining group Coal Energy was down 3.7% to PLN 1.28.

### Fixed Income

Quotes for Ukrainian sovereign and corporate Eurobonds were unchanged on Friday, The Benchmark Ukraine-23s ended last week at 86.5/91.8 (9.8%/8.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	250.50	2.9%	3.3	125
Centrenergo	CEEN	5.85	1.1%	1.4	211
Raiffeisen Bank Aval	BAVL	0.176	4.6%	1.3	156

### Growth Leaders

Bogdan Motors	LUAZ	0.05	6.1%	0.00	7
Raiffeisen Bank Aval	BAVL	0.18	4.6%	1.29	156
Ukrnafta	UNAF	250.50	2.9%	3.34	125

### Loss Leaders

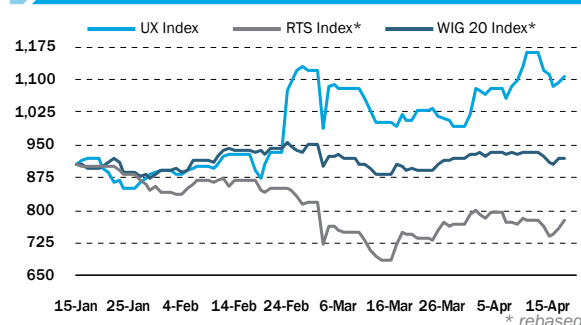
Yenakievo Steel	ENMZ	35.14	-2.1%	0.654	26
Stirol	STIR	13.50	-1.4%	0.529	16
Avdyivka Coke	AVDK	2.96	-0.6%	0.528	121

## Highlights

### STOCKS IN THE NEWS

- > Kernel's Bulk Oil Sales Up 52% YoY in Jan-Mar 2014
- > IMC's EBITDA Rose by 55% YoY in FY13

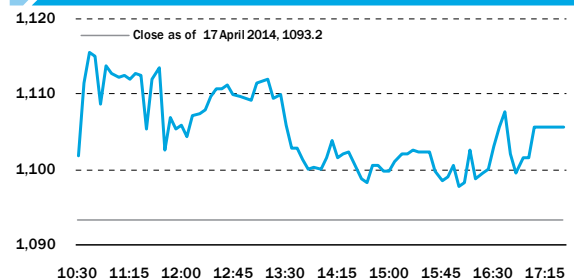
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1105.7	1.1%	8.6%	21.5%
RTS	1200.2	2.4%	3.4%	-16.8%
WIG20	2433.9	0.0%	2.3%	1.4%
MSCI EM	1011.9	0.3%	6.2%	1.0%
S&P 500	1864.9	0.0%	-0.4%	1.3%

## UX INTRADAY APRIL 18, 2014



## FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	309.2	0.0%	-11.4%	-6.5%
CDS 5Y UKR	1138.5	0.0%	-8.9%	38.8%
Ukraine-17	11.0%	0.0 p.p.	-1.8 p.p.	2.0 p.p.
Naftogaz Ukr-14	33.4%	0.2 p.p.	-6.5 p.p.	24.7 p.p.
Ukraine-23	9.3%	0.0 p.p.	-1.4 p.p.	1.8 p.p.
Privatbank-16	33.7%	0.0 p.p.	3.5 p.p.	9.0 p.p.

## CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.30	1.3%	12.7%	37.1%
EUR	15.61	1.3%	11.7%	37.2%
RUB	0.32	1.0%	14.7%	26.3%

## 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	109.5	0.0%	2.8%	-1.5%
Gold, USD/oz	1294.3	-0.1%	-4.5%	8.2%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Kernel's Bulk Oil Sales Up 52% YoY in Jan-Mar 2014**

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**KERNEL (KER PW)**

Price: PLN 28.8 Market Cap: USD 757mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	0.5	7.2	5.0	0%
2014E	0.5	0.6	9.8	5.7	3%

**NEWS**

Kernel, Ukraine's largest sunflower oil producer, said its bulk oil sales grew by 52% YoY to 264,500 tonnes in the January-March quarter, with sales close to production volumes. Crushing volumes rose by 4% YoY to 708,900 tonnes thanks to favorable availability of sunflower seeds. The group doubled its grain sales YoY to 1.34mn tonnes over the period on the back of record output and export levels from Ukraine. Also, export terminal throughput was up by 66% to 1.0mn tonnes in the quarter. Kernel is conducting spring planting on 345,000 hectares, while winter crops (planted on 34,000 ha) are in good condition, management said.

During the quarter, the company divested a 100,000 tonne oilseed crushing plant in Russia for USD 10mn. Also, Kernel attracted a USD 80mn loan from a syndicate of European banks for the 2014 planting campaign. Management stated that all the company's assets in Ukraine and Russia are operating normally despite the tense political situation. Kernel is set to publish its financial results for the Jan-Mar quarter on May 30.

**COMMENTARY**

We see the operational figures as positive for the Warsaw-listed KER stock. The company continued to operate at close to full crushing capacity, as previously promised by management. Also, with grain sales over the 9-month July-March period at 3.0mn tonnes, we think the company will be able to reach its grain export target of 4.0-4.5mn tonnes for its 2014 financial year (which runs from July to June). If it can avoid a repeat of its poor farming result from the Oct-Dec quarter (negative EBITDA of USD -42mn in) in Jan-Mar, the company should significantly improve its EBITDA. Also, we believe that the agricultural practices implemented by Kernel's new management in its farming division (such as increased intensity of fertilizer use by 15-25% and shifting fertilizer application from spring to autumn) should improve the yield of the division this season, thus leading to much better results of the farming segment this financial year.

## IMC's EBITDA Rose by 55% YoY in FY13

by Ivan Dzvinka  
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### IMC (IMC PW)

Price: PLN 8.5 Market Cap: USD 88mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	2.2	3.4	5.2	0%
2014E	1.5	17.6	4.4	0%

### NEWS

Central Ukraine-based crop grower Industrial Milk Company (IMC) reported across-the-board year-on-year improvements in its FY13 financial results, which became available in late last week. The company's net revenue was up by 53% YoY to USD 115mn on an identical 53% increase in crops sales volume to 378,000 tonnes. EBITDA improved by 55% YoY to USD 49mn, implying an EBITDA margin of 43.1% (42.5% last year). EBITDA adjusted for revaluation of biological assets (IAS 41 gain) grew by 31% YoY to USD 29mn. Financial expenses more than doubled to USD 11mn due to a 74% YoY increase in total debt to USD 140mn. Still, the Net Debt/EBITDA ratio was flat YoY at 2.5x. Net income was up by 38% YoY to USD 26mn. In other news, IMC unveiled plans to increase its revenue by a further 50% in 2014, with EBITDA guidance rising by 20% YoY. In the long term, the company intends to expand its land bank under management to 285,000 hectares over the next seven years and reach EBITDA of USD 177mn (3.5x to 2013) in 2019.

### COMMENTARY

The improved financial results, which were registered despite depressed pricing for grain in 2H13, is encouraging news for the Warsaw-listed IMC stock. We attribute this situation to the company's full self-sufficiency in storage capacity, which allowed it to hold more than 85% of its corn harvest (78% share in crop harvest in 2013) in storage to avoid selling at low prices in 4Q13. The decision has paid off, with prices for corn having improved by 20% YtD. Also, some 85% of IMC's revenue is USD- and EUR-linked, compared to 60% for costs, implying that the hryvnia devaluation will have a positive effect on operating earnings. Still, with 80% of the company's debt in hard currency, depreciation of the UAH will result in a loss from currency conversion in 1Q14. Another notable point is that IMC's annual shareholder meeting in May will reportedly authorize a stock buyback program of up to 1.57mn shares (5% of the total outstanding) over the next 18 months, which should provide some support for the stock price going forward.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.70	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	150.2	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	7.16	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	2.96	6.2	111%	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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.60	2.9	391%	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	17.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.55	5.2	238%	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	1824	5250	188%	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	10.3	42.0	310%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	58.0	370	538%	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	42.4	72.0	70%	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	5.85	15.00	156%	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	12.0	U/R	--	U/R	
Astarta	AST	39.7	90.0	127%	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.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.176	0.24	37%	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	1105.65	1170.00	791.51	1.1%	-5.0%	8.6%	21.5%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.035	0.06	0.02	-0.3%	-11.3%	-8.5%	-11.1%	-1.4%	-6.3%	-17.1%	-32.6%
Azovstal	AZST	0.70	0.90	0.31	0.0%	-9.1%	2.5%	4.5%	-1.1%	-4.1%	-6.1%	-17.0%
Dniprospezstal	DNSS	1,300	n/a	n/a	n/a	n/a	n/a	0.0%	n/a	n/a	n/a	-21.5%
Enakievo Steel	ENMZ	35.1	52.0	20.0	-2.1%	-8.3%	6.2%	9.8%	-3.3%	-3.4%	-2.3%	-11.7%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	33.3%	n/a	247.8%	-1.1%	38.3%	n/a	226.3%
Mariupol Ilyicha	MMKI	0.13	0.21	0.05	-7.1%	-13.3%	-7.1%	30.0%	-8.3%	-8.4%	-15.7%	8.5%
<b>Coke</b>												
Avdivka Coke	AVDK	2.96	4.80	1.60	1.1%	-16.3%	-1.4%	-0.2%	0.0%	-11.3%	-10.0%	-21.7%
Yasnyivsky Coking	YASK	0.75	0.77	0.49	0.0%	8.7%	2.7%	41.5%	-1.1%	13.7%	-5.8%	20.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	9.00	n/a	n/a	0.0%	0.0%	21.6%	38.5%	-1.1%	5.0%	13.0%	17.0%
Ferrexpo	FXPO	2.52	3.20	2.02	0.0%	-2.5%	3.2%	-20.0%	-1.1%	2.5%	-5.4%	-41.5%
Pivnichny GOK	SGOK	7.16	10.00	5.77	-16.7%	-20.9%	-20.4%	-10.5%	-17.9%	-15.9%	-29.0%	-32.0%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	0.0%	-13.0%	33.3%	50.0%	-1.1%	-8.1%	24.8%	28.5%
Komsomolets Donbasa	SHKD	1.05	n/a	n/a	1.9%	-8.7%	10.5%	69.4%	0.8%	-3.7%	2.0%	47.9%
Energy Coal	CLE	0.42	1.63	0.31	0.0%	-16.4%	-22.0%	21.0%	-1.1%	-11.4%	-30.6%	-0.5%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.28	n/a	n/a	0.0%	-37.8%	n/a	-39.1%	-1.1%	-32.8%	n/a	-60.6%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.81	0.82	0.30	2.5%	14.1%	35.0%	35.0%	1.4%	19.1%	26.4%	13.5%
Interpipe NMPP	NVTR	0.27	n/a	n/a	12.5%	-10.0%	50.0%	28.6%	11.4%	-5.0%	41.4%	7.1%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.5	29.0	12.0	0.0%	-1.4%	-12.1%	1.2%	-1.1%	3.6%	-20.6%	-20.3%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	-4.3%	-3.1%	18.3%	3.3%	-5.5%	1.9%	9.7%	-18.2%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	0.0%	-13.4%	-3.5%	-15.4%	-1.1%	-8.4%	-12.1%	-36.9%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.08	0.02	6.1%	-11.5%	71.4%	76.6%	5.0%	-6.6%	62.9%	55.1%
Motor Sich	MSICH	1,824	2,545	1,303	0.9%	-6.0%	2.4%	0.0%	-0.2%	-1.0%	-6.2%	-21.5%
Sumy Frunze Engineering	SMASH	3.76	n/a	n/a	0.0%	n/a	7.7%	50.4%	-1.1%	n/a	-0.8%	28.9%
Turboatom	TATM	1.70	n/a	n/a	0.0%	-50.0%	0.0%	-51.4%	-1.1%	-45.0%	-8.6%	-72.9%
WESTA ISIC	WES	0.18	0.26	0.13	0.0%	-2.5%	-3.8%	31.6%	-1.1%	2.5%	-12.3%	10.1%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	4.8%	0.0%	45.5%	-1.1%	9.8%	-8.6%	24.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.17	0.41	0.16	0.0%	-2.0%	-5.6%	-18.2%	-1.1%	2.9%	-14.2%	-39.7%
JKX Oil	JKX	0.97	1.21	0.75	0.0%	-2.6%	-4.8%	-17.8%	-1.1%	2.4%	-13.4%	-39.3%
Ukrnafta	UNAF	251	270	96	2.4%	-5.1%	28.1%	130.7%	1.2%	-0.1%	19.6%	109.2%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.85	7.40	2.50	1.1%	-1.6%	10.4%	22.7%	-0.1%	3.3%	1.8%	1.2%
Donbasenergo	DOEN	42.4	46.9	15.4	-1.1%	-7.9%	12.2%	53.6%	-2.3%	-2.9%	3.6%	32.1%
Zakhidenergo	ZAEN	123.0	134.0	64.0	0.8%	-1.6%	4.7%	36.1%	-0.3%	3.4%	-3.9%	14.6%
<b>Consumer</b>												
Agroton	AGT	0.71	1.8	0.43	0.0%	-19.9%	-29.0%	10.0%	-1.1%	-15.0%	-37.6%	-11.5%
Astarta	AST	13.1	24.4	12.1	0.0%	-10.6%	-8.5%	-41.2%	-1.1%	-5.6%	-17.1%	-62.6%
Avangardo	AVGR	9.7	13.0	8.26	0.0%	1.3%	11.2%	-17.3%	-1.1%	6.2%	2.6%	-38.8%
Industrial Milk Company	IMC	2.81	5.14	2.49	0.0%	2.8%	0.7%	-30.5%	-1.1%	7.8%	-7.9%	-52.0%
Kernel	KER	9.5	19.1	7.6	0.0%	-8.6%	6.5%	-24.9%	-1.1%	-3.6%	-2.1%	-46.4%
Mriya Agro Holding	MAYA	6.28	8.2	5.36	0.0%	-6.9%	-14.2%	-15.7%	-1.1%	-2.0%	-22.8%	-37.2%
MHPC	MHPC	12.0	19.9	11.21	0.0%	-8.5%	-10.4%	-29.5%	-1.1%	-3.6%	-19.0%	-50.9%
Milkiland	MLK	2.47	4.7	2.22	0.0%	-3.4%	-5.7%	-40.5%	-1.1%	1.6%	-14.2%	-62.0%
Ovostar Union	OVO	22.7	33.3	19.4	0.0%	-0.9%	2.6%	-31.6%	-1.1%	4.1%	-5.9%	-53.1%
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	13.5	n/a	n/a	-2.1%	-10.0%	13.4%	8.0%	-3.2%	-5.0%	4.9%	-13.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.176	0.177	0.077	4.6%	2.8%	17.4%	54.9%	3.5%	7.8%	8.8%	33.4%
UkrSotsbank	USCB	0.156	0.257	0.115	0.2%	-6.6%	-3.6%	-16.9%	-0.9%	-1.6%	-12.2%	-38.4%

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	1,570	468	391	458	33.2%	26.1%	29.2%	311	162	-30	22.1%	10.8%	neg
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	491	559	110	91	138	20.2%	15.5%	20.5%	58	34	82	10.6%	5.8%	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
<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	79	3.9%	3	1,427	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	33	8.8%	3	29	3.8	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	10	10	10	\$/tonne
Azovstal	AZST	260	3.0%	8	245	neg	neg	neg	neg	neg	6.9	0.1	0.1	0.1	53	54	54	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	51	6.8%	3	48	neg	neg	neg	neg	1.0	1.6	0.0	0.1	0.1	11	12	13	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	19	2.2	neg	3.9	0.7	0.7	1.0	0.0	0.1	0.1	0.7	0.7	1.0	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	933	0.3%	2	932	9.8	4.8	5.7	4.0	3.0	3.3	1.5	1.4	1.5				
Pivnichny GOK	SGOK	1,460	0.4%	6	1,453	3.3	2.7	3.2	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,476	24.0%	354	2,155	6.8	5.6	7.5	5.4	4.3	4.8	1.5	1.4	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	31	5.4%	2	133	4.3	1.8	1.8	1.1	1.4	1.4	0.5	0.6	0.6	32	31	30	\$/tonne
Coal Energy	CLE	19	25.0%	5	129	0.5	neg	neg	2.1	6.1	14.4	0.8	1.0	1.3	2.1	6.1	14.4	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	186	2.0%	4	232	5.5	>30	>30	4.5	7.4	7.6	0.5	0.7	0.7	368	611	580	\$/tonne
<b>Railcar Manufacturing</b>																		
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				
Kruiiv Wagon	KVBZ	178	5.0%	9	178	1.9	4.3	6.6	1.3	2.7	4.1	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	22	8.0%	2	55	>30	>30	>30	7.6	9.3	10.0	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	131	5.8%	8	63	3.4	1.8	1.9	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	335	24.0%	81	350	1.7	2.0	2.0	1.1	1.5	1.5	0.4	0.4	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	265	7.2%	19	587	5.9	24.7	10.1	2.9	3.1	3.4	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,202	3.0%	36	1,194	6.8	9.1	9.9	3.7	3.2	3.4	0.6	0.5	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	55	21.6%	12	30	4.7	neg	27.6	1.4	neg	1.2	0.7	0.8	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	167	50.4%	84	276	neg	25.7	21.4	2.0	4.2	4.0	1.4	1.5	1.4	50	38	37	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	191	21.7%	42	260	6.6	3.2	3.1	3.8	3.1	3.1	0.2	0.3	0.3	15	18	16	\$/MWh
DonbasEnergO	DOEN	89	14.2%	13	159	23.2	1.4	1.8	5.0	2.2	2.8	0.3	0.2	0.2	19	20	19	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,268	34.1%	432	2,396	4.1	7.8	neg	5.1	6.1	5.2	1.7	1.6	1.5				
Kernel	KER	758	61.8%	468	1,464	3.6	7.2	9.8	4.5	5.0	5.7	0.7	0.5	0.6				
Astarta	AST	327	37.0%	121	661	5.6	9.6	4.0	6.0	7.3	4.8	1.5	1.3	1.2				
Avangardco	AVGR	621	22.5%	140	820	2.7	2.6	2.1	2.9	2.7	2.2	1.3	1.2	1.0	186	141	133	\$/mneggs
Agroton	AGT	15	26.2%	4	64	2.3	neg	neg	3.2	5.1	5.5	0.7	0.9	0.8	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	467	3.5%	16		>30	5.2	4.6	0.6	0.5	0.6	0.08	0.09	0.09				
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

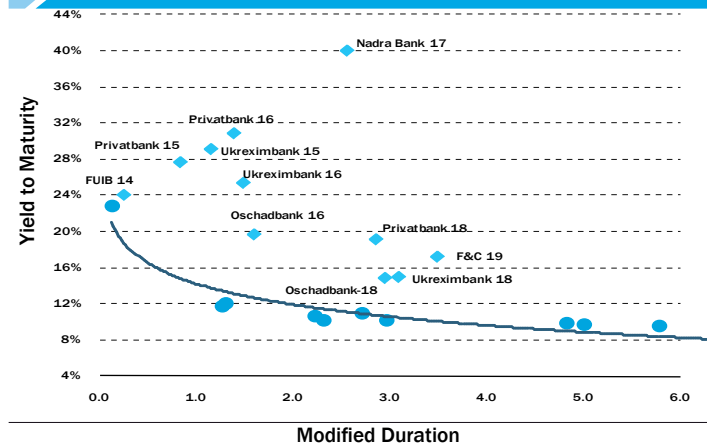
## UKRAINIAN EUROBONDS

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	98.3	36.6%	23.0%	-2.5%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	90.0	91.7	35.8%	31.1%	-9.6%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	88.0	91.0	15.8%	12.9%	-6.8%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	91.5	93.0	15.0%	13.6%	-5.5%	1.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	87.8	89.3	12.7%	11.9%	-5.9%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	88.0	89.5	12.0%	11.3%	-5.9%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	87.0	88.5	11.6%	11.0%	-5.4%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	92.8	93.8	12.4%	12.0%	-6.0%	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%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	87.5	89.0	10.7%	10.4%	-5.2%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	88.0	89.5	10.6%	10.2%	-5.3%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	87.5	88.5	10.1%	9.9%	-3.4%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	86.5	91.8	9.8%	8.9%	-1.5%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	30.0	33.1	63.9%	57.0%	-39.5%	2.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	96.1	97.1	17.3%	16.6%	-6.6%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.1	82.4	13.2%	12.5%	-9.1%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.8	97.8	12.9%	12.9%	-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	18.1%	18.1%	-8.5%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.0	79.0	17.7%	16.9%	-10.5%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	90.6	92.1	24.5%	22.1%	-10.6%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	80.3	81.9	14.6%	14.0%	-14.0%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	91.3	92.5	23.5%	21.7%	-10.0%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.8	88.8	13.6%	12.9%	-7.5%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	92.0	15.0%	13.3%	-7.1%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	78.0	18.5%	17.2%	-16.6%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.0%	21.5%	-3.8%	2.4	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	102.3	104.2	10.7%	10.1%	-7.0%	3.2	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
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	45.1%	36.3%	-9.9%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	76.0	76.0	39.7%	39.7%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	62.0	67.0	39.0%	33.0%	-8.3%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	73.6	75.6	21.2%	20.3%	-10.8%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	79.0	81.0	44.4%	39.9%	-17.1%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	67.0	72.0	35.5%	29.5%	-18.5%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	82.5	82.5	15.0%	15.0%	-7.5%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	479.0%	341.9%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	80.4	82.0	24.2%	22.7%	-12.8%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	76.0	79.0	17.6%	16.3%	-13.0%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	78.0	80.0	29.8%	27.4%	-15.0%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.3	80.1	22.3%	21.0%	-14.5%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

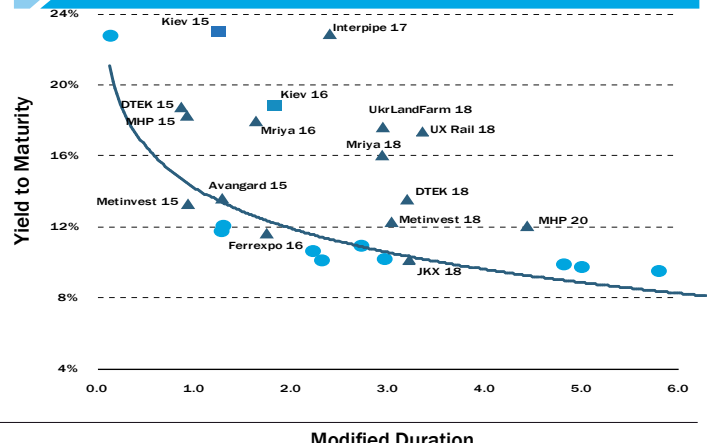
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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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