

**Market Update**

**Equity**

Local Ukrainian equities were mixed on Wednesday (Apr 23), although gainers managed to outpace losers on a relatively quiet day in terms of the armed standoff in Donetsk oblast. Externally, the S&P 500 saw its 6-day winning streak end with a mild correction, and Frankfurt's DAX was also moderately lower on profit-taking after a weeklong rally that took it higher by some 6%. The UX index added 1.1% to end at 1142 points, while the hryvnia was little-changed against the dollar, closing at 11.60 on the interbank exchange. CentrEnergy and DonbasEnergy, both of which are expected to announce FY13 dividends at the end of this week, appreciated by 2.9% each, with the former finishing at UAH 6.18, its highest hryvnia level in more than a year. UkrNafta and Raiffeisen Aval picked up 2.0% and 1.5% respectively, while Motor Sich declined by 0.6% to UAH 1799. Second-tier issue UkrTelecom lost 4.4% on above-average turnover of UAH 350,000. In London, MHP continued to slide on concerns about high leverage and the effects of devaluation, dropping another 3.5% to USD 11.40.

**Fixed Income**

Ukrainian sovereigns were lower on Wednesday with Ukraine-23s declining by 0.3p.p. to 85.3/90.0 (10.0%/9.2%). Corporate names were mixed. MHP-15s improved by 0.6p.p. to 95.8/97.1 (17.9%/15.9%) while Metinvest-18s dropped by 0.5p.p. to 85.9/88.3 (14.0%/13.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	261.30	2.1%	3.0	56
Centrenergy	CEEN	6.18	2.9%	2.4	230
Donbasenergy	DOEN	46.980	2.9%	1.7	235

**Growth Leaders**

Dniproblenergo	DNON	112.00	49.3%	0.03	9
Dniproenergo	DNEN	569.30	26.5%	0.01	12
Zhytomyroblenergo	ZHEN	1.78	19.8%	0.25	8

**Loss Leaders**

Ukrtelecom	UTLM	0.15	-4.4%	0.346	12
Azovstal	AZST	0.69	-1.1%	0.019	25
Avdyivka Coke	AVDK	3.06	-1.0%	0.010	19

**Highlights**

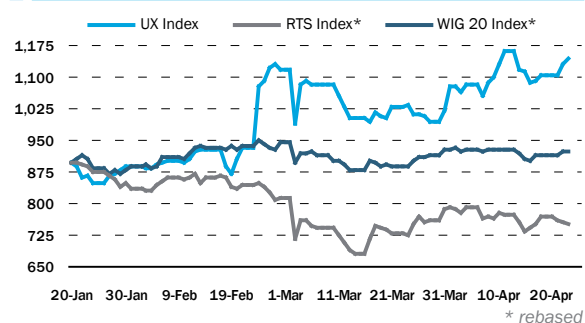
**STOCKS IN THE NEWS**

- > DonbasEnergy's First-Quarter Profit Up 87% YoY in UAH Terms
- > Ovostar Lifts Egg Output by 7% YoY in 1Q14

**FIXED INCOME**

- > MHP Negotiating USD 250mn Loan from IFC

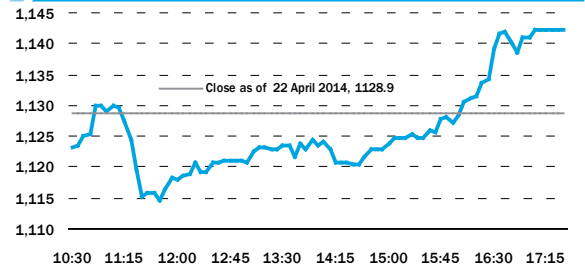
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1142.3	1.2%	11.2%	25.5%
RTS	1172.0	-0.6%	3.1%	-18.8%
WIG20	2453.5	-0.2%	n/a	2.2%
MSCI EM	1003.8	-0.5%	6.2%	0.2%
S&P 500	1875.4	-0.2%	0.5%	1.9%

**UX INTRADAY APRIL 23, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	314.2	1.1%	-8.5%	-5.0%
CDS 5Y UKR	1176.1	4.7%	-0.6%	43.4%
Ukraine-17	11.1%	0.0 p.p.	-0.1 p.p.	2.1 p.p.
Naftogaz Ukr-14	36.5%	1.2 p.p.	4.0 p.p.	27.8 p.p.
Ukraine-23	9.6%	0.0 p.p.	-0.2 p.p.	2.1 p.p.
Privatbank-16	32.5%	0.0 p.p.	0.7 p.p.	7.8 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.55	-1.7%	9.5%	40.2%
EUR	15.96	-1.6%	9.7%	40.4%
RUB	0.32	-1.8%	11.2%	28.9%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	302.2	0.0%	1.6%	5.1%
Steel, USD/t	522.5	0.0%	-0.9%	-2.8%
Oil, USD/bbl	109.1	-0.1%	2.3%	-1.9%
Gold, USD/oz	1283.9	0.0%	-3.8%	7.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**DonbasEnergO's First-Quarter Profit Up 87% YoY in UAH Terms**

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**DONBASENERGO (DOEN UK)**

Price: UAH 47.0 Market Cap: USD 96mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	0.2	1.5	2.3	14.3%
2014E	0.6	0.3	2.3	3.0	0.0%

**NEWS**

DonbasEnergO, Ukraine's fifth largest thermal power generation company, reported that its net profit jumped by 87% YoY (in UAH terms) to UAH 197mn in 1Q14 (USD 22mn at the average UAH/USD exchange rate for the period), according financials published on Wednesday (Apr 23). The company's revenue rose by 20.2% YoY to UAH 1.30bn in the period while EBITDA rose by 83% YoY to UAH 239mn. On the balance sheet side, DonbasEnergO reported a net debt of UAH 776mn as of 31 March 2014.

**DONBASENERGO 1Q14 FINANCIALS**

UAH mn	1Q14	1Q13	chg.
Net revenue	1,304	1,085	20.2%
EBITDA	239	131	82.5%
margin	18.3%	12.0%	+6.3 p.p.
Net Income	197	105	87.4%
net margin	15.1%	9.7%	+6.4 p.p.

Source: Company data.

**COMMENTARY**

With the bulk of the sharp hryvnia devaluation having come in April and the second half of March, year-on-year comparisons of UAH figures are still reasonably appropriate for the first quarter. DonbasEnergO achieved solid financial results in 1Q despite a decrease in electricity sales volume by 8.6% YoY to 2,052 GWh. There are two clear reasons behind the higher profitability for DonbasEnergO this year. The first is a higher wholesale price for thermal electricity and the second is low coal prices amid ongoing domestic coal oversupply. However, we have doubts that the favorable market conditions for thermal power producers will continue in 2H14, as political conflict in the Donbass provinces of Eastern Ukraine is likely to reduce the region's coal output and send prices for the fuel higher. Currently our base-case scenario forecast for DonbasEnergO's net profit in FY14 is UAH 480mn, compared to net profit of UAH 532mn for FY13, a difference that will be sharpened by an estimated 50% drop in the value of the Ukrainian currency compared to last year. On the other hand, DonbasEnergO's stock still looks undervalued at 2014E EV/EBITDA of 3.0x and 2014E P/E of 2.3x.

**Ovostar Lifts Egg Output by 7% YoY in 1Q14**

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**OVOSTAR (OVO PW)**

Price: PLN 70.0 Market Cap: USD 138mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013E	1.8	4.5	4.1	0.0%
2014E	1.6	4.1	3.8	0.0%

**NEWS**

Ovostar, Ukraine's third largest egg producer, expanded its egg production by 7% YoY to 230mn pieces in 1Q14 on the back of a 17% YoY rise in its laying hen flock to 3.9mn heads, the company reported on Wednesday (Apr 13). The company's egg sales volume was up by 13% to 144mn pieces at an average selling price of UAH 0.73/egg (+3% YoY but -8% in USD terms). Higher export deliveries allowed the company to increase dry egg product sales by 22% to 423 tonnes at an average selling price of UAH 48.56/kg (+5% YoY, -6% in USD). Meanwhile, lower domestic demand led to a 9% YoY drop in liquid EP sales to 1,492 tonnes, with the price inching up by 2% (-9% in USD) to UAH 15.90/kg.

Management said that an expansion of its production facilities at Stavysche in Kyiv province is under way, with a plan to put into operation 960,000 new hen places.

**COMMENTARY**

The news is mixed for the Warsaw-listed OVO stock. The growth in operating results is a positive development but was largely expected after the company finalized the first stage of its expansion program late last year. We note that the disproportionately small increase in output compared to the laying hen flock (7% vs. 17%) is definitely a negative surprise for us. Management explains this by the launching of new facilities at the upgraded Valykiv complex, where young less productive laying hens were housed. As a result, the annualized productivity of Ovostar's laying hens was down by 11% YoY, from 266 eggs in 1Q13 to 236 in 1Q14. Probably the most difficult issue facing the company is the ongoing hryvnia devaluation; only up to 10% of its revenue is in hard currency, while some 60% of its operating cost is linked to USD, exposing Ovostar's USD-presented operating earnings to being detrimentally affected by devaluation of hryvnya.

**MHP Negotiating USD 250mn Loan from IFC**

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**NEWS**

The International Finance Corporation (IFC), a World Bank subsidiary, is considering providing a USD 250mn loan to MHP, Ukraine's largest poultry producer, Interfax reported earlier this week. The funds are expected to be used to refinance part of MHP's Eurobonds due one year from now in April 2015, as well as to fund an expansion of production at the company's Vinnytsia facility. The conditions of the possible loan were not disclosed, except for a statement that it would be "long-term".

**COMMENTARY**

The news is positive for the MHP-2015 bonds, as the apparent size of the possible loan is more than enough to pay off the outstanding principal on the issue (USD 350mn of the USD 585mn issue was refinanced last year, leaving the current carrying amount at USD 235mn). MHP currently sits very near its leverage covenant for the bonds of 3.0x, at around 2.9x. With a significant reduction in CapEx in 2014 (USD 100-120 mn vs. USD 265mn in 2013), MHP at this moment does not look to have a need to raise additional debt this year, and the achievement of management's FY14 EBITDA guidance would lead to drop in the leverage ratio. The MHPC stock is sitting near a 2-year low and declined by another 3% to USD 11.40 in London trading yesterday.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.69	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	153.3	125.0	-18%	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	7.90	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	7.00	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	3.06	6.2	104%	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	10.0	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	1799	5250	192%	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	9.3	42.0	354%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	56.8	370	552%	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	47.0	72.0	53%	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	6.18	15.00	143%	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	11.4	U/R	--	U/R	
Astarta	AST	40.9	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	9.6	U/R	--	U/R	
Ovostar Union	OVO	70.0	109.50	56%	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	0.183	0.24	31%	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	1142.33	1170.00	791.51	1.2%	5.2%	11.2%	25.5%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.034	0.06	0.02	-0.3%	-2.3%	-7.3%	-12.1%	-1.5%	-7.5%	-18.5%	-37.6%
Azovstal	AZST	0.69	0.90	0.31	-1.1%	-2.0%	-0.4%	3.3%	-2.3%	-7.1%	-11.6%	-22.2%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	n/a	n/a	0.0%	-1.2%	n/a	n/a	-25.5%
Enakievo Steel	ENMZ	35.0	52.0	20.0	0.7%	0.2%	0.6%	9.3%	-0.4%	-5.0%	-10.6%	-16.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	-1.2%	-5.2%	n/a	222.3%
Mariupol Ilyicha	MMKI	0.13	0.21	0.05	0.0%	-7.1%	-7.1%	30.0%	-1.2%	-12.3%	-18.3%	4.5%
<b>Coke</b>												
Avdivka Coke	AVDK	3.06	4.80	1.60	-1.0%	-3.0%	2.0%	3.4%	-2.2%	-8.2%	-9.2%	-22.1%
Yasnyivsky Coking	YASK	0.75	0.77	0.49	0.0%	8.7%	5.6%	41.5%	-1.2%	3.5%	-5.6%	16.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	-22.2%	-17.6%	7.7%	-1.2%	-27.4%	-28.8%	-17.8%
Ferrexpo	FXPO	2.57	3.20	2.02	-1.4%	1.7%	8.4%	-18.5%	-2.6%	-3.5%	-2.8%	-44.0%
Pivnichny GOK	SGOK	7.90	10.00	6.00	10.3%	-10.6%	-12.2%	-1.3%	9.1%	-15.8%	-23.4%	-26.8%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	0.0%	-7.7%	27.7%	50.0%	-1.2%	-12.9%	16.5%	24.5%
Komsomolets Donbasa	SHKD	1.05	n/a	n/a	0.0%	-1.9%	16.7%	69.4%	-1.2%	-7.0%	5.5%	43.8%
Energy Coal	CLE	0.46	1.63	0.31	-1.3%	3.7%	-7.6%	30.3%	-2.5%	-1.5%	-18.8%	4.8%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	39.3%	39.3%	n/a	-15.2%	38.1%	34.1%	n/a	-40.7%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.77	0.82	0.30	2.7%	5.5%	20.3%	28.3%	1.5%	0.3%	9.1%	2.8%
Interpipe NMPP	NVTR	0.27	n/a	n/a	0.0%	8.0%	17.4%	28.6%	-1.2%	2.8%	6.2%	3.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	10.0	29.0	10.0	-44.4%	-42.9%	-53.6%	-42.2%	-45.6%	-48.0%	-64.8%	-67.7%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	0.0%	-5.5%	18.3%	3.3%	-1.2%	-10.6%	7.1%	-22.2%
Stakhanov Wagon	SVGZ	1.16	n/a	n/a	5.5%	5.5%	1.8%	-10.8%	4.3%	0.3%	-9.4%	-36.3%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.08	0.02	13.7%	21.8%	55.9%	100.0%	12.5%	16.7%	44.7%	74.5%
Motor Sich	MSICH	1,799	2,545	1,303	-0.6%	-2.8%	1.0%	-1.4%	-1.8%	-7.9%	-10.2%	-26.9%
Sumy Frunze Engineering	SMASH	3.76	n/a	n/a	0.0%	0.0%	7.7%	50.4%	-1.2%	-5.2%	-3.5%	24.9%
Turboatom	TATM	2.55	n/a	n/a	0.0%	50.0%	50.0%	-27.1%	-1.2%	44.8%	38.8%	-52.7%
WESTA ISIC	WES	0.18	0.26	0.13	-1.7%	1.8%	6.3%	33.9%	-2.9%	-3.3%	-4.9%	8.3%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.19	0.09	-4.4%	-4.4%	8.9%	39.1%	-5.6%	-9.5%	-2.3%	13.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.16	0.41	0.16	-10.0%	-9.9%	-14.5%	-26.3%	-11.2%	-15.0%	-25.7%	-51.8%
JKX Oil	JKX	0.95	1.21	0.75	-1.6%	-1.4%	-2.2%	-19.6%	-2.8%	-6.6%	-13.4%	-45.2%
Ukrnafta	UNAF	261	270	96	2.1%	9.1%	30.7%	140.6%	0.9%	3.9%	19.5%	115.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	6.18	7.40	2.50	3.1%	10.6%	16.8%	29.6%	1.9%	5.4%	5.6%	4.0%
Donbasenergo	DOEN	47.0	47.0	15.4	2.5%	13.6%	20.8%	70.3%	1.3%	8.4%	9.6%	44.8%
Zakhidenergo	ZAEN	137.0	137.0	64.0	3.8%	12.3%	11.1%	51.5%	2.6%	7.1%	-0.1%	26.0%
<b>Consumer</b>												
Agroton	AGT	0.81	1.8	0.43	-3.0%	7.8%	-17.9%	25.6%	-4.2%	2.6%	-29.1%	0.1%
Astarta	AST	13.5	24.4	12.1	0.1%	4.5%	-8.1%	-39.4%	-1.1%	-0.6%	-19.3%	-64.9%
Avangardo	AVGR	9.6	13.0	8.26	0.5%	-1.5%	-1.6%	-18.7%	-0.7%	-6.7%	-12.8%	-44.2%
Industrial Milk Company	IMC	2.87	5.14	2.49	-0.1%	4.8%	3.4%	-29.0%	-1.3%	-0.4%	-7.8%	-54.5%
Kernel	KER	10.0	19.1	7.6	0.9%	4.3%	5.5%	-21.2%	-0.3%	-0.8%	-5.7%	-46.7%
Mriya Agro Holding	MAYA	6.28	8.2	5.36	0.1%	-7.3%	-16.8%	-15.7%	-1.1%	-12.5%	-28.0%	-41.2%
MHPC	MHPC	11.4	19.9	11.21	-3.5%	-7.4%	-12.0%	-33.0%	-4.7%	-12.6%	-23.2%	-58.6%
Milkiland	MLK	2.39	4.7	2.22	-0.7%	-1.4%	-7.0%	-42.5%	-1.9%	-6.6%	-18.2%	-68.0%
Ovostar Union	OVO	23.1	33.3	19.4	0.1%	1.5%	4.9%	-30.6%	-1.1%	-3.7%	-6.3%	-56.1%
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	14.2	n/a	n/a	6.0%	9.2%	19.3%	13.6%	4.8%	4.1%	8.1%	-11.9%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.183	0.185	0.077	1.5%	9.6%	21.3%	61.4%	0.3%	4.4%	10.1%	35.9%
UkrSotsbank	USCB	0.153	0.257	0.115	0.7%	-3.0%	0.2%	-18.3%	-0.5%	-8.2%	-11.0%	-43.8%

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	76	3.9%	3	1,425	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	343	333	\$/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	252	3.0%	7	236	neg	neg	neg	neg	neg	6.7	0.1	0.1	0.1	51	52	52	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	52	6.8%	3	49	neg	neg	neg	neg	1.0	1.7	0.0	0.1	0.1	11	13	13	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	19	2.1	neg	3.8	0.7	0.6	1.0	0.0	0.1	0.1	0.7	0.6	1.0	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	710	0.3%	2	709	7.5	3.7	4.4	3.1	2.3	2.5	1.2	1.0	1.1				
Pivnichny GOK	SGOK	1,576	0.4%	6	1,569	3.6	2.9	3.4	2.1	1.7	1.9	1.1	1.0	1.0				
Ferrexpo	FXPO	1,505	24.0%	361	2,184	7.0	5.7	7.6	5.4	4.3	4.9	1.5	1.4	1.4				
<b>Coal Mining</b>																		
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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	173	2.0%	3	219	5.1	>30	>30	4.2	7.0	7.2	0.5	0.7	0.7	348	576	547	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	29	24.0%	7	67	6.1	1.5	1.3	2.3	1.9	1.7	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	99	5.0%	5	99	1.0	2.4	3.7	0.7	1.5	2.3	0.1	0.2	0.4				
Stakhanov Wagon	SVGZ	23	8.0%	2	55	>30	>30	>30	7.7	9.4	10.1	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	128	5.8%	7	60	3.4	1.8	1.8	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	324	24.0%	78	338	1.6	1.9	1.9	1.1	1.5	1.5	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	248	7.2%	18	570	5.5	23.1	9.4	2.8	3.0	3.3	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,227	3.0%	37	1,218	7.0	9.3	10.1	3.8	3.3	3.4	0.7	0.5	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	50	21.6%	11	25	4.3	neg	24.9	1.2	neg	1.0	0.6	0.7	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	163	50.4%	82	272	neg	25.1	21.0	2.0	4.1	4.0	1.3	1.5	1.4	50	37	36	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	198	21.7%	43	266	6.9	3.3	3.2	3.9	3.2	3.2	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnerg	DOEN	96	14.2%	14	167	25.1	1.5	1.9	5.2	2.3	2.9	0.3	0.3	0.3	20	21	20	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,204	34.1%	410	2,331	3.9	7.4	neg	5.0	6.0	5.1	1.7	1.6	1.5				\$/tonne
Kernel	KER	796	61.8%	491	1,502	3.8	7.6	10.3	4.7	5.2	5.9	0.7	0.5	0.6				
Astarta	AST	337	37.0%	125	671	5.8	9.9	4.1	6.1	7.4	4.9	1.5	1.4	1.2				\$/tonne
Avangardco	AVGR	610	22.5%	137	809	2.7	2.6	2.0	2.9	2.7	2.2	1.3	1.2	1.0	183	139	131	\$/mneegs
Agroton	AGT	18	26.2%	5	67	2.6	neg	neg	3.3	5.3	5.7	0.8	1.0	0.9	n/a	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	476	3.5%	17		>30	5.3	4.7	0.6	0.5	0.6	0.08	0.09	0.09				
Ukrsotsbank	USCB	244	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research



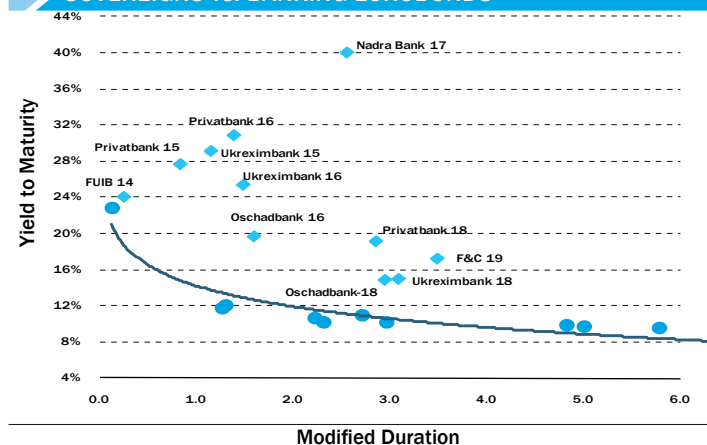
## UKRAINIAN EUROBONDS

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	96.9	98.4	36.8%	22.6%	-2.4%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	89.6	90.9	37.2%	33.5%	-10.2%	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	86.3	87.8	13.6%	12.8%	-7.5%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.5	88.0	12.8%	12.0%	-7.5%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.6	88.1	11.8%	11.2%	-5.8%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	91.8	92.8	12.9%	12.4%	-7.0%	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	87.1	88.1	10.8%	10.6%	-5.9%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	87.5	89.0	10.7%	10.4%	-5.8%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	86.3	87.8	10.3%	10.0%	-4.5%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	85.5	90.3	10.0%	9.1%	-2.9%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	30.0	35.9	64.1%	52.0%	-36.9%	2.0	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	95.1	96.6	18.9%	17.7%	-7.4%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.0	82.6	13.2%	12.5%	-9.0%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.0	95.0	16.4%	15.4%	-5.5%	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	18.2%	18.2%	-8.5%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.0	80.0	17.7%	16.5%	-9.9%	3.1	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	90.3	90.8	25.3%	24.4%	-11.5%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	80.3	82.0	14.6%	14.0%	-13.9%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	90.8	92.4	24.4%	21.9%	-10.3%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.4	88.8	13.8%	12.9%	-7.8%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	91.9	15.0%	13.4%	-7.2%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	79.0	18.5%	16.8%	-16.0%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.0%	21.6%	-3.8%	2.4	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	101.7	103.6	10.9%	10.3%	-7.5%	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	45.3%	36.4%	-9.9%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	76.0	76.0	39.9%	39.9%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.9	66.6	35.5%	33.6%	-6.5%	1.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	73.4	75.6	21.4%	20.3%	-11.0%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	79.0	81.0	44.8%	40.2%	-17.0%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	67.0	72.0	35.6%	29.6%	-18.5%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	77.1	79.7	17.3%	16.2%	-12.1%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	497.4%	354.9%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	79.0	82.0	25.6%	22.8%	-13.5%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	76.2	79.1	17.5%	16.3%	-12.7%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	78.0	80.0	29.9%	27.5%	-15.0%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.4	80.1	22.2%	21.0%	-14.4%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

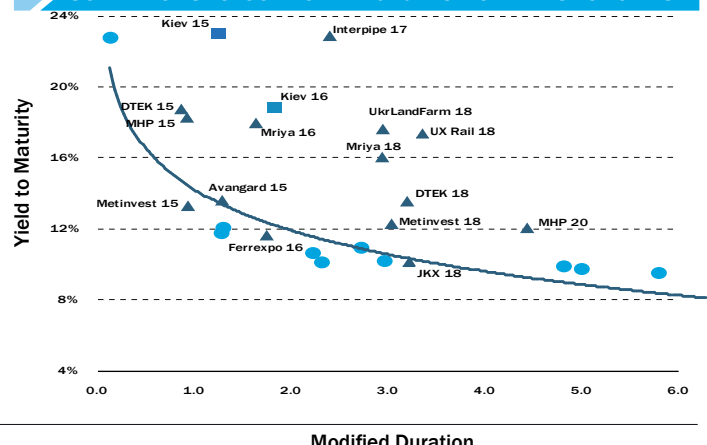
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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			19.0%	15.5%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			21.0%	16.5%	n/a	14.30%	S/A	24 May 2017	184
<b>USD denominated Bonds</b>									
UA4000142699	n/a	n/a	26.0%	18.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	26.0%	18.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	26.0%	18.0%	n/a	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	20.0%	15.0%	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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