

**Market Update**

**Equity**

Kyiv-listed Ukrainian stocks finished mixed on Tuesday (Apr 29). The UX index lost 0.8%, dragged down by a plunge of 9.5% in DonbasEnergy, which corrected to reflect the expiration of the ex-rights date for its FY13 dividend of UAH 6.74 per share. Among other blue-chips ending in the red, UkrNafta and Motor Sich edged down by 0.9% and 0.6% respectively. Meanwhile, CentrEnerg and Alchevsk Steel demonstrated solid gains of 2.3% and 1.6% respectively. In the second division, UkrTelecom lost 3.8% after the company reported a 4.3x drop in its net profit to UAH 139mn for FY13. In London trading, Ukrainian agro names MHP and Avangard rose by 0.6% and 2.2% respectively. In Warsaw sugar producer Astarta slipped 1.3% to PLN 39.30. Today the main theme for Ukrainian financial markets is a scheduled meeting of the IMF board, which is expected to approve a USD 16.8bn aid program for the country.

**Fixed Income**

Ukrainian sovereigns were up on Tuesday with Ukraine-23s improving by 0.9p.p. to 84.3/89.0 (10.2%/9.3%). The corporate universe was also mostly up with Metinvest-15s rising by 1.8p.p. and closing at 94.6/95.4 (19.0%/17.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1781.00	-0.6%	8.3	30
Centrenerg	CEEN	6.05	2.3%	2.3	242
Ukrnafta	UNAF	240.50	-0.9%	1.6	22

**Growth Leaders**

Centrenerg	CEEN	6.05	2.3%	2.33	242
Alchevsk Steel	ALMK	0.03	1.6%	0.05	44
Azovstal	AZST	0.70	1.0%	0.16	13

**Loss Leaders**

Mariupol Ilyicha	MMKI	0.14	-20.0%	0.045	9
Stakhanov Wagon	SVGZ	1.00	-13.8%	0.034	21
Donbasenergo	DOEN	43.81	-9.5%	1.217	213

**Highlights**

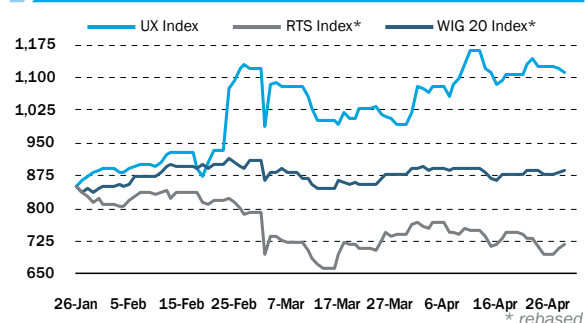
**POLITICS AND ECONOMICS**

- > Tsarev Calls on Southeast Ukraine to Boycott Presidential Vote
- > Pro-Russians Take over Lugansk, Gorlovka Local Administrations

**STOCKS IN THE NEWS**

- > Motor Sich to Pay UAH 12.0 Dividend per Share for FY13

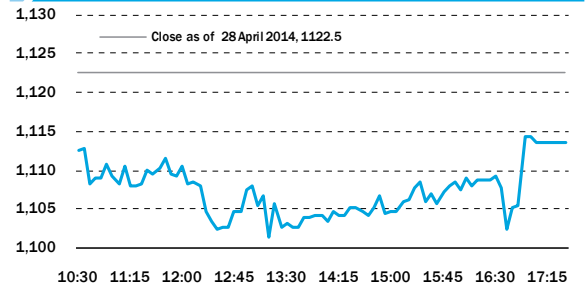
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1113.6	-0.8%	12.2%	22.4%
RTS	1153.4	1.2%	-2.8%	-20.1%
WIG20	2451.4	0.5%	0.7%	2.1%
MSCI EM	999.9	0.7%	1.5%	-0.2%
S&P 500	1878.3	0.5%	1.1%	2.0%

**UX INTRADAY APRIL 29, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	313.5	-1.5%	-4.1%	-5.2%
CDS 5Y UKR	1208.9	0.0%	35.8%	47.4%
Ukraine-17	11.6%	-0.2 p.p.	2.3 p.p.	2.6 p.p.
Naftogaz Ukr-14	33.8%	-2.5 p.p.	11.9 p.p.	25.1 p.p.
Ukraine-23	9.8%	-0.2 p.p.	1.5 p.p.	2.3 p.p.
Privatbank-16	34.4%	0.0 p.p.	5.6 p.p.	9.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.55	0.0%	4.9%	40.2%
EUR	15.95	-0.3%	5.4%	40.3%
RUB	0.32	0.7%	3.5%	29.1%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	297.7	0.0%	1.5%	3.6%
Steel, USD/t	532.5	0.0%	4.4%	-0.9%
Oil, USD/bbl	109.0	0.8%	0.9%	-2.0%
Gold, USD/oz	1295.9	-0.1%	0.0%	8.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Tsarev Calls on Southeast Ukraine to Boycott Presidential Vote

by Will Ritter  
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### NEWS

Ukrainian presidential candidate Oleg Tsarev withdrew from the race on Tuesday (Apr 29) and called on the other candidates from southeastern Ukraine - Mikhail Dobkin, Pyotr Symonenko, Rinat Kuzmin, and Serhiy Tigipko - to follow. "My main goal was to use my candidate status to convey the voice from the southeast to the residents of the rest of Ukraine," Interfax quoted Tsarev as saying. "However, the Kyiv government, in violation of all democratic norms, have deprived me of this opportunity... elections that are taking place amid civil war need to be boycotted". Tsarev was formerly a Party of Regions MP before he was recently kicked out for running against Dobkin, the PoR's officially nominated candidate.

### COMMENTARY

Of the candidates entered the presidential race, Tsarev was the most overtly pro-Moscow and anti-European, and we suppose that his candidacy was from the start designed simply to undermine the legitimacy of the election. Although Tsarev was a no-hoper with support in the low single digits, his withdrawal highlights the problem of southeastern Ukraine's lack of a viable challenger to the two West-Central candidates, Petro Poroshenko and Yulia Tymoshenko, who are dominating the race. There is therefore a risk that whichever of those two ends up winning the election will be viewed as the president of only half of Ukraine.

## Pro-Russians Take over Lugansk, Gorlovka Local Administrations

by Will Ritter  
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### NEWS

The provincial capital of Lugansk became the latest city in Eastern Ukraine to see its city hall and local prosecutor's office taken over by pro-Russian militants on Tuesday (Apr 30). The storming of the building was characterized by a near-total lack of police resistance, and around 1,000 pro-Russian protesters stood outside throughout the day in support, chanting slogans. Overnight, a similar takeover occurred in the Donetsk satellite town of Gorlovka.

### COMMENTARY

If anything, Lugansk actually has a population that is more pro-Russian than in Donetsk, making it a bit curious that the operation to commandeer government buildings there came so late. It is fair to say that the central government in Kyiv has lost all authority over the situation in Donetsk and Lugansk provinces, and any attempt to re-take the captured cities by Ukraine's unreliable military has to be ruled out because it would involve considerable civilian casualties. The government in Kyiv now faces the choice of either not holding the May 25 presidential election in most or all municipalities in Donetsk and Lugansk, or declaring a state of emergency and postponing the vote nationwide. Although we suppose that the interim Kyiv government led by Yulia Tymoshenko's allies would much prefer the latter course, since Tymoshenko is trailing badly in the polls, we think that the Kyiv authorities are under heavy pressure from the US and Europe to go forward with the election even if it is physically impossible for the Donbass to take part.

## Motor Sich to Pay UAH 12.0 Dividend per Share for FY13

by Dmitry Churin  
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### MOTOR SICH (MSICH UK)

Price: UAH 1,781 Market Cap: USD 318mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.3	0.3	1.9	1.2	0.7%
2014E	0.3	0.4	1.9	1.3	2.0%

### NEWS

Zaporizhia-based Motor Sich, Ukraine's monopoly aircraft and helicopter engine producer, said it will pay a UAH 12 dividend per share at the company's annual shareholders meeting held on Apr 27. The total dividend payment amounts to UAH 29.4mn, implying a profit payout ratio of 2%. As we reported earlier, Motor Sich earned UAH 1.38bn in FY13 (USD 170mn at the 2013 average exchange rate).

### COMMENTARY

The DPS of UAH 12.0 implies only a 0.7% dividend yield but is mostly in line with past payouts. One of the reasons for the small dividend payout from FY13 profit is a considerable CapEx program with total spending on the program of UAH 926mn in FY14, a similar amount to what the company spent on CapEx in 2013. Motor Sich's CEO Vyacheslav Boguslaev, in a statement to shareholders, said the company will increase its output by 5% YoY. He said the company has a firm order book and that the ongoing political standoff between Ukraine and Russia should not be impediment to exports of the company's engines to Russian customers. However, in its plans for FY14, the company did not outline any new dividend policy. We forecast that Motor Sich will earn UAH 1.58bn in FY14 in net profit and will pay UAH 30.0 in dividend per share next year.

## 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	148.0	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	7.89	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	7.40	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	3.04	6.2	105%	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	395%	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	16.8	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.60	5.2	228%	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	1781	5250	195%	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	8.8	42.0	380%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	54.8	370	576%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	43.8	72.0	64%	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	6.05	15.00	148%	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	39.5	90.0	128%	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	9.0	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	0.180	0.24	34%	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	1113.62	1170.00	799.72	-0.8%	-1.4%	12.2%	22.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.033	0.06	0.02	1.6%	-4.7%	-5.8%	-16.0%	2.3%	-3.3%	-18.0%	-38.3%
Azovstal	AZST	0.70	0.90	0.31	2.0%	0.0%	4.3%	4.5%	2.8%	1.4%	-7.9%	-17.9%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	0.8%	1.4%	n/a	-22.4%
Enakievo Steel	ENMZ	34.7	52.0	20.0	-0.2%	-0.2%	4.7%	8.2%	0.6%	1.1%	-7.5%	-14.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	0.8%	1.4%	n/a	225.5%
Mariupol Ilyicha	MMKI	0.14	0.21	0.05	-22.2%	7.7%	0.0%	40.0%	-21.4%	9.0%	-12.2%	17.6%
<b>Coke</b>												
Avdivka Coke	AVDK	3.04	4.80	1.60	-0.4%	-1.7%	6.4%	2.6%	0.4%	-0.4%	-5.8%	-19.8%
Yasnyivsky Coking	YASK	0.75	0.77	0.49	0.0%	0.0%	0.0%	41.5%	0.8%	1.4%	-12.2%	19.1%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.40	n/a	n/a	0.0%	5.7%	-16.9%	13.8%	0.8%	7.1%	-29.1%	-8.5%
Ferrexpo	FXPO	2.49	3.20	2.02	0.1%	-4.6%	-2.1%	-21.1%	0.9%	-3.2%	-14.3%	-43.4%
Pivnichny GOK	SGOK	7.89	10.00	6.02	0.0%	10.2%	-11.3%	-1.4%	0.8%	11.5%	-23.6%	-23.7%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	11.1%	0.0%	36.4%	50.0%	11.9%	1.4%	24.1%	27.6%
Komsomolets Donbasa	SHKD	0.95	n/a	n/a	0.0%	-9.5%	5.6%	53.2%	0.8%	-8.2%	-6.7%	30.9%
Energy Coal	CLE	0.44	1.63	0.31	3.8%	-3.7%	-17.3%	27.2%	4.6%	-2.3%	-29.5%	4.8%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	0.0%	39.3%	n/a	-15.2%	0.8%	40.6%	n/a	-37.6%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.82	0.85	0.30	0.0%	9.3%	15.5%	36.7%	0.8%	10.7%	3.3%	14.3%
Interpipe NMPP	NVTR	0.24	n/a	n/a	-11.1%	-11.1%	-20.0%	14.3%	-10.3%	-9.8%	-32.2%	-8.1%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	16.8	29.0	10.0	0.0%	-6.7%	-5.5%	-2.9%	0.8%	-5.3%	-17.7%	-25.3%
Luhanskeplovoz	LTPL	1.60	2.20	1.20	0.0%	3.2%	0.0%	6.7%	0.8%	4.6%	-12.2%	-15.7%
Stakhanov Wagon	SVGZ	1.00	n/a	n/a	-20.0%	-9.1%	-10.7%	-23.1%	-19.2%	-7.7%	-22.9%	-45.4%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-19.8%	-8.8%	6.3%	60.4%	-19.0%	-7.4%	-6.0%	38.0%
Motor Sich	MSICH	1,781	2,545	1,303	-0.4%	-1.6%	9.7%	-2.4%	0.3%	-0.3%	-2.5%	-24.7%
Sumy Frunze Engineering	SMASH	5.00	n/a	n/a	-1.0%	33.0%	43.3%	100.0%	-0.2%	34.3%	31.1%	77.6%
Turboatom	TATM	3.00	n/a	n/a	0.0%	17.6%	20.0%	-14.3%	0.8%	19.0%	7.8%	-36.7%
WESTA ISIC	WES	0.18	0.26	0.13	1.8%	-0.1%	-0.2%	36.0%	2.6%	1.3%	-12.4%	13.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.19	0.09	-3.8%	-5.0%	6.5%	38.2%	-3.0%	-3.6%	-5.7%	15.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.15	0.41	0.15	-2.7%	-14.7%	-23.1%	-30.1%	-1.9%	-13.3%	-35.3%	-52.5%
JKX Oil	JKX	0.92	1.21	0.75	0.6%	-4.8%	-5.4%	-22.3%	1.4%	-3.5%	-17.6%	-44.6%
Ukrnafta	UNAF	241	270	96	-1.8%	-6.1%	18.8%	121.5%	-1.0%	-4.7%	6.6%	99.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	6.05	7.40	2.50	1.8%	1.0%	17.6%	26.9%	2.6%	2.4%	5.4%	4.5%
Donbasenergo	DOEN	43.8	50.2	15.4	-8.0%	-4.4%	13.5%	58.8%	-7.2%	-3.1%	1.3%	36.4%
Zakhidenergo	ZAEN	137.9	137.9	64.0	1.0%	4.5%	14.9%	52.5%	1.8%	5.8%	2.7%	30.2%
<b>Consumer</b>												
Agroton	AGT	0.80	1.8	0.43	1.6%	-5.2%	-18.1%	22.8%	2.4%	-3.8%	-30.3%	0.4%
Astarta	AST	13.0	24.4	12.1	-1.3%	-3.5%	-6.1%	-41.6%	-0.5%	-2.2%	-18.3%	-64.0%
Avangardo	AVGR	9.0	13.0	8.26	2.2%	-5.4%	-6.3%	-23.4%	3.0%	-4.0%	-18.5%	-45.8%
Industrial Milk Company	IMC	3.11	5.14	2.49	2.7%	8.3%	11.0%	-23.1%	3.4%	9.6%	-1.2%	-45.4%
Kernel	KER	9.2	19.1	7.6	-3.0%	-6.9%	-2.8%	-27.2%	-2.2%	-5.5%	-15.0%	-49.6%
Mriya Agro Holding	MAYA	6.49	8.2	5.36	-0.3%	3.5%	-5.6%	-12.9%	0.5%	4.8%	-17.8%	-35.3%
MHPC	MHPC	12.0	19.9	11.00	0.4%	1.7%	-7.7%	-29.5%	1.2%	3.0%	-19.9%	-51.8%
Milkiland	MLK	2.27	4.7	2.22	-1.1%	-5.7%	-10.5%	-45.4%	-0.3%	-4.3%	-22.8%	-67.8%
Ovostar Union	OVO	22.7	33.3	19.4	0.2%	-1.5%	0.0%	-31.7%	1.0%	-0.2%	-12.2%	-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
<b>Chemicals</b>												
Stirol	STIR	14.1	n/a	n/a	-1.5%	5.2%	9.3%	12.8%	-0.7%	6.6%	-2.9%	-9.6%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.180	0.185	0.077	0.3%	-0.6%	19.7%	58.1%	1.1%	0.8%	7.5%	35.8%
UkrSotsbank	USCB	0.148	0.257	0.115	0.0%	-2.6%	-5.9%	-21.0%	0.8%	-1.2%	-18.1%	-43.3%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E
<b>Steel</b>																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,976	-181	-31	35	neg	neg	1.8%	-333	-308	-24	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,090	914	784	-112	47	29	neg	5.1%	3.8%	-137	-6	-24	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,542	402	506	447	28.2%	32.0%	29.0%	216	264	198	15.1%	16.7%	12.8%
<b>Coal Mining</b>																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	424	274	135	65	44	15.2%	15.3%	15.9%	95	42	27	10.7%	9.8%	9.8%
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
<b>Specialized Machinery</b>																
Turboatom	TATM	160	236	280	51	91	98	32.2%	38.7%	34.9%	38	72	69	23.8%	30.4%	24.8%
Motor Sich	MSICH	979	1,000	987	309	233	228	31.6%	23.3%	23.1%	200	169	167	20.4%	16.9%	16.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	749	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	1,853	2,454	2,143	319	373	355	17.2%	15.2%	16.5%	176	131	121	9.5%	5.4%	5.7%
Regal Petroleum	RPT	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
<b>Electric Utilities</b>																
Centrenergo	CEEN	1,119	902	890	69	84	83	6.2%	9.3%	9.4%	29	60	62	2.6%	6.6%	6.9%
Donbasenergo	DOEN	574	656	647	32	72	57	5.6%	11.0%	8.8%	4	65	50	0.7%	9.9%	7.8%
<b>Consumer</b>																
MHP	MHPC	1,408	1,496	1,570	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	73	3.9%	3	1,422	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	367	343	333	\$/tonne
Yenakievo Steel	ENMZ	32	8.8%	3	27	3.7	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	10	9	\$/tonne
Azovstal	AZST	255	3.0%	8	239	neg	neg	neg	neg	neg	6.8	0.1	0.1	0.1	52	53	52	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	51	6.8%	3	49	neg	neg	neg	neg	1.0	1.7	0.0	0.1	0.1	11	12	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	751	0.3%	2	749	7.9	3.9	4.6	3.2	2.4	2.7	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,574	0.4%	6	1,567	3.6	2.9	3.4	2.1	1.7	1.9	1.1	1.0	1.0				
Ferrexpo	FXPO	1,457	24.0%	350	2,136	6.8	5.5	7.4	5.3	4.2	4.8	1.5	1.4	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	28	5.4%	1	130	3.8	1.6	1.6	1.0	1.4	1.4	0.5	0.6	0.6	32	30	29	\$/tonne
Coal Energy	CLE	20	25.0%	5	130	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	184	2.0%	4	230	5.5	>30	>30	4.4	7.4	7.6	0.5	0.7	0.7	365	606	576	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	30	24.0%	7	68	6.3	1.6	1.3	2.3	1.9	1.8	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	167	5.0%	8	167	1.8	4.0	6.2	1.2	2.6	3.8	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	20	8.0%	2	52	>30	>30	>30	7.3	8.9	9.6	0.2	0.3	0.3				
<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	320	24.0%	77	335	1.6	1.9	1.9	1.1	1.4	1.5	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	246	7.2%	18	568	5.4	23.0	9.4	2.8	3.0	3.3	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,129	3.0%	34	1,121	6.4	8.6	9.3	3.5	3.0	3.2	0.6	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	47	21.6%	10	22	4.1	neg	23.6	1.0	neg	0.9	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	158	50.4%	80	266	neg	24.3	20.3	2.0	4.0	3.9	1.3	1.5	1.3	49	37	36	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	193	21.7%	42	262	6.7	3.2	3.1	3.8	3.1	3.1	0.2	0.3	0.3	15	18	16	\$/MWh
DonbasEnergO	DOEN	90	14.2%	13	160	23.5	1.4	1.8	5.0	2.2	2.8	0.3	0.2	0.2	20	21	20	\$/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	734	61.8%	454	1,440	3.5	7.0	9.5	4.5	5.0	5.6	0.7	0.5	0.6				
Astarta	AST	325	37.0%	120	659	5.6	9.5	4.0	6.0	7.2	4.8	1.4	1.3	1.2				
Avangardco	AVGR	575	22.5%	129	774	2.5	2.4	1.9	2.8	2.6	2.1	1.2	1.2	1.0	175	133	125	\$/mneggs
Agroton	AGT	17	26.2%	5	66	2.5	neg	neg	3.2	5.3	5.6	0.8	1.0	0.9	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	236	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

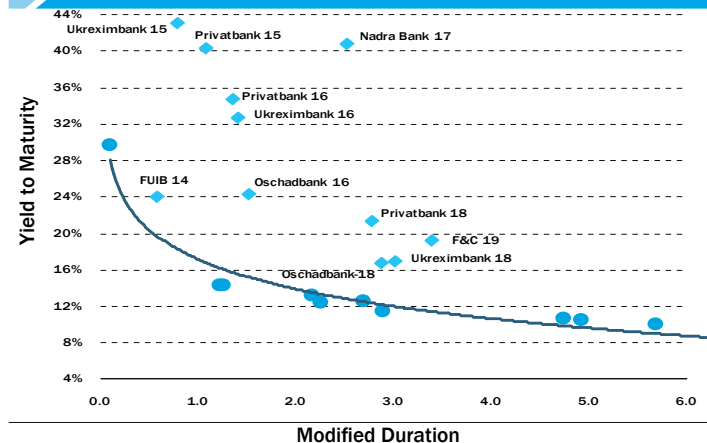
**UKRAINIAN EUROBONDS**

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	16.0%	13.0%	-6.8%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	91.5	93.0	15.2%	13.7%	-5.5%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	86.3	87.8	13.6%	12.8%	-7.5%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.5	88.0	12.9%	12.1%	-7.5%	2.2	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%	12.5%	-7.0%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	85.0	87.9	15.2%	13.9%	4.6%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	84.0	86.5	13.6%	12.6%	8.6%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	87.1	88.1	10.9%	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	64.5%	52.3%	-36.9%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	95.1	96.6	19.1%	18.0%	-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	16.5%	15.6%	-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	18.3%	18.3%	-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	25.7%	24.9%	-11.5%	0.9	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	24.8%	22.3%	-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	15.1%	13.5%	-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	23.1%	21.7%	-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	40.6%	40.6%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.9	66.6	35.9%	33.9%	-6.5%	1.3	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	46.0%	41.2%	-17.0%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	67.0	72.0	36.1%	29.9%	-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	25.9%	23.0%	-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	30.3%	27.8%	-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/

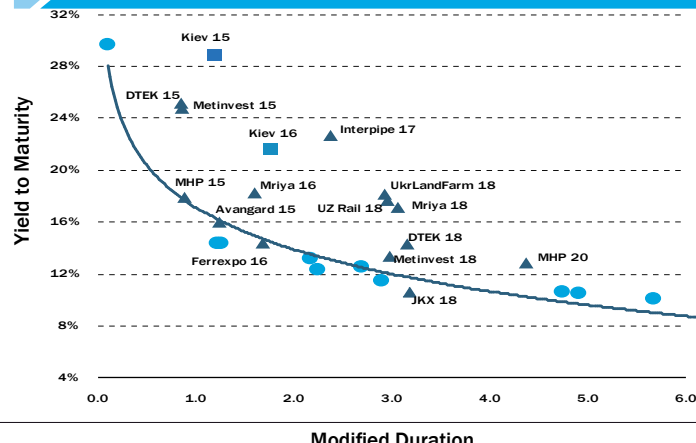
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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	22.0%	18.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	22.0%	18.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	22.0%	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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