

**Market Update**

**Equity**

On Tuesday (May 6), Ukrainian stocks in Kyiv rebounded somewhat from their heavy losses to start the week, as no particularly bad additional news arrived from the hotspots of unrest in Donetsk oblast or Odessa. Externally, the main US and European indices sold off by between half a percent and 1% on weakness in technology stocks. The UX index added 1.3% to end at 1075 points. Monday's biggest losers saw the most notable gains, with UkrNafta and Alchevsk Steel both up by 3.4%, and DonbasEnerg rising 2.4% to UAH 40.75. Motor Sich edged up 0.7% on below-average turnover of UAH 350,000. Outside the UX basket, there was a notable fall in Yasynivsky Coke, which slumped 16.8% to 57 kopecks after it was reported that pro-Russian activists had attacked the Donetsk offices of the company's parent group in recent days. In London, where trading resumed after a Monday holiday, Ferrexpo edged down half a percent and JX Oil&Gas fell 1.6% to near GBp 54.

**Fixed Income**

Ukrainian sovereigns were up on Tuesday with Ukraine-23s increasing by 0.6% and closing at 82.5/84.0 (10.6%/10.3%). The corporate universe was lower. UkrlandFarming-18s and DTEK-15s declined by 1.3p.p. finishing at 78.1/80.4 (19.1%/18.1%) and 89.0/90.6 (28.6%/25.6%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	5.96	0.5%	3.9	146
Donbasenerg	DOEN	40.75	2.5%	1.7	46
Raiffeisen Bank Aval	BAVL	0.17	1.5%	1.3	70

**Growth Leaders**

Alchevsk Steel	ALMK	0.03	3.4%	0.16	64
Ukrnafta	UNAF	231.30	3.4%	0.59	60
Donbasenerg	DOEN	40.75	2.5%	1.71	46

**Loss Leaders**

Yasynivsky Coke	YASK	0.57	-16.8%	0.182	13
Mariupol Heavy Machine	MZVM	0.10	-1.0%	0.087	25
Avdyivka Coke	AVDK	2.98	-0.2%	0.009	14

**Highlights**

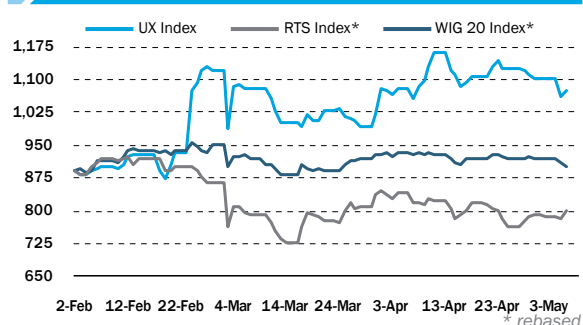
**POLITICS AND ECONOMICS**

- > Kyiv Cancels Victory Day Parade, Sets Up Defensive Perimeter

**STOCKS IN THE NEWS**

- > Gov't Backs off 50% Dividend Payout Requirement for GenCos

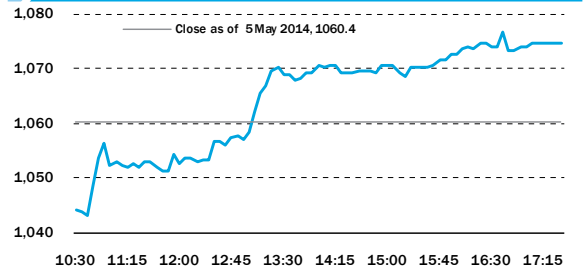
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1074.8	1.4%	-0.7%	18.1%
RTS	1172.9	2.6%	-4.9%	-18.7%
WIG20	2389.3	-0.7%	-3.3%	-0.5%
MSCI EM	1003.9	0.3%	0.2%	0.2%
S&P 500	1867.7	-0.9%	0.1%	1.4%

**UX INTRADAY MAY 6, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	312.1	-0.9%	-1.0%	-5.6%
CDS 5Y UKR	1196.8	-4.4%	34.5%	45.9%
Ukraine-17	12.9%	0.1 p.p.	4.2 p.p.	3.9 p.p.
Naftogaz Ukr-14	39.9%	-0.9 p.p.	21.1 p.p.	31.2 p.p.
Ukraine-23	10.4%	-0.1 p.p.	2.1 p.p.	2.9 p.p.
Privatbank-16	33.6%	0.3 p.p.	5.4 p.p.	8.9 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.80	1.3%	1.7%	43.2%
EUR	16.43	1.5%	3.4%	44.5%
RUB	0.33	2.2%	1.2%	32.6%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	295.3	0.0%	2.6%	2.7%
Steel, USD/t	532.5	0.0%	4.4%	-0.9%
Oil, USD/bbl	107.1	-0.6%	0.4%	-3.7%
Gold, USD/oz	1308.0	-0.2%	0.3%	9.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Kyiv Cancels Victory Day Parade, Sets Up Defensive Perimeter

by Will Ritter  
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### NEWS

Kyiv's city government has called off the traditional May 9 Victory Day parade commemorating the Soviet Union's 1945 defeat of Nazi Germany, Interfax reported on Tuesday (May 6), citing sources in the city administration headed by Volodymyr Bondarenko. Additionally, Acting President Olexander Turchinov said that checkpoints will be set up around the capital to prevent the entry of groups planning to instigate unrest in Kyiv during the May 9 holiday period.

### COMMENTARY

The May 9 holiday traditionally sees a spike in nostalgic pro-Russian/pro-Soviet sentiment and has in recent years sparked clashes between pro-European and pro-Russian street fighters. Considering the explicit threats against Kyiv coming from Eastern Ukrainian paramilitaries and some Moscow politicians, the cancellation of the parade, which normally draws 200,000-300,000 people to the center of the city and would be fertile for dangerous provocations, looks like a wise move. In fact, we would not be surprised if 2014 is the last year that May 9 will be designated as an official holiday in Central and Western Ukraine.

## Gov't Backs off 50% Dividend Payout Requirement for GenCos

by Dmitry Churin  
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### CENTRENERGO (CEEN UK)

Price: UAH 5.96 Market Cap: USD 185mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.7	0.3	3.1	3.0	9.7%
2014E	0.7	0.3	3.3	3.4	9.0%

### DONBASENERGO (DOEN UK)

Price: UAH 40.8 Market Cap: USD 81mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.5	0.2	1.2	2.0	16.5%
2014E	0.5	0.2	1.8	2.8	14.9%

## NEWS

The Cabinet of Ministers adopted a decree on Wednesday (Apr 30) that reinstated the 30% obligatory dividend payout ratio for partially state-owned companies engaged in the electricity sector, Interfax said on Tuesday (May 6). Last month, the government had raised obligatory payout ratio for such companies to 50%. The 30% obligatory payout ratio for state-controlled entities has been in place since 2010.

## COMMENTARY

This news is most directly important for shareholders of CentrEnergO, as we had been expecting the company to hold a special shareholder meeting to distribute an additional 20% from its FY13 profit. As we reported earlier, CentrEnergO approved a dividend per share in the amount of UAH 0.396 at the company's annual meeting on Apr 25, a payout of 30%. The payout will be made by Jul 1. The additional 20% dividend payout from FY13 for CentrEnergO would have implied a new DPS of 26 kopecks.

For blue chip power generation company DonbasEnergO, we had been skeptical from the start about any additional 20% payout, as the company was privatized in August 2013 on terms that promised a 30% dividend payout for FY13. DonbasEnergO approved a dividend per share in the amount of UAH 6.74 at the company's annual meeting on Apr 26, a payout of 30%.

We suppose that the management of the two GenCos had enough political clout to resist the new government's payout demands, and that the 30% requirement will not be raised for next year. In our opinion, the news is NEGATIVE but should not be viewed as a discouraging factor to invest in generation sector, as it continues to look fundamentally strong, especially in light of expected increases in household utility tariffs to economically justifiable levels.

## 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	-19%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	145.3	125.0	-14%	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	7.80	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	2.98	6.2	110%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.57	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	0.55	2.9	435%	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	17.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.45	5.2	261%	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	1708	5250	207%	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	8.3	42.0	409%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	54.1	370	584%	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	40.8	72.0	77%	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	5.96	15.00	152%	BUY	CentrEnergo'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	39.0	90.0	131%	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	8.8	U/R	--	U/R	
Ovostar Union	OVO	67.0	109.50	63%	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	0.173	0.24	39%	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	1074.78	1170.00	799.72	1.4%	-3.5%	-0.7%	18.1%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.031	0.06	0.02	3.4%	-5.8%	-17.3%	-20.9%	2.0%	-2.3%	-16.6%	-39.0%
Azovstal	AZST	0.69	0.90	0.31	2.1%	-2.0%	-6.7%	2.4%	0.7%	1.5%	-6.0%	-15.7%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	-1.4%	3.5%	n/a	-18.1%
Enakievo Steel	ENMZ	33.4	52.0	20.0	0.6%	-3.5%	-6.9%	4.4%	-0.8%	-0.1%	-6.2%	-13.7%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	-1.4%	3.5%	n/a	229.7%
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	0.0%	7.1%	0.0%	50.0%	-1.4%	10.6%	0.7%	31.9%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.98	4.80	1.60	-0.2%	-2.0%	-1.5%	0.6%	-1.5%	1.5%	-0.8%	-17.5%
Yasnyivsky Coking	YASK	0.57	0.77	0.49	-18.6%	-24.0%	-24.0%	7.5%	-19.9%	-20.5%	-23.3%	-10.6%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.40	n/a	n/a	0.0%	0.0%	-17.7%	13.8%	-1.4%	3.5%	-17.0%	-4.3%
Ferrexpo	FXPO	2.47	3.20	2.02	0.2%	-0.9%	-8.2%	-21.8%	-1.2%	2.6%	-7.5%	-39.9%
Pivnichny GOK	SGOK	7.80	10.00	6.20	0.0%	-1.1%	0.0%	-2.5%	-1.4%	2.3%	0.7%	-20.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.55	0.70	0.10	0.0%	-8.3%	1.9%	37.5%	-1.4%	-4.8%	2.5%	19.4%
Komsomolets Donbasa	SHKD	0.76	n/a	n/a	0.0%	-20.0%	-20.0%	22.6%	-1.4%	-16.5%	-19.3%	4.5%
Energy Coal	CLE	0.40	1.63	0.31	2.2%	-8.9%	-20.2%	15.9%	0.9%	-5.4%	-19.5%	-2.2%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	0.0%	0.0%	-13.3%	-15.2%	-1.4%	3.5%	-12.7%	-33.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.83	0.85	0.30	1.2%	1.2%	16.9%	38.3%	-0.1%	4.7%	17.6%	20.2%
Interpipe NMPP	NVTR	0.25	n/a	n/a	0.0%	4.2%	-16.7%	19.0%	-1.4%	7.7%	-16.0%	0.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.0	29.0	10.0	0.9%	0.9%	2.6%	-2.0%	-0.5%	4.4%	3.3%	-20.1%
Luhanskeplovoz	LTPL	1.45	2.20	1.20	0.0%	-9.4%	-8.8%	-3.3%	-1.4%	-5.9%	-8.2%	-21.4%
Stakhanov Wagon	SVGZ	1.00	n/a	n/a	-1.0%	0.0%	-16.7%	-23.1%	-2.3%	3.5%	-16.0%	-41.2%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	-3.3%	-17.8%	55.1%	-1.4%	0.2%	-17.1%	37.0%
Motor Sich	MSICH	1,708	2,545	1,303	0.7%	-4.1%	0.1%	-6.4%	-0.6%	-0.6%	0.8%	-24.5%
Summy Frunze Engineering	SMASH	4.00	n/a	n/a	0.0%	-20.0%	n/a	60.0%	-1.4%	-16.5%	n/a	41.9%
Turboatom	TATM	3.70	n/a	n/a	0.0%	23.3%	15.6%	5.7%	-1.4%	26.8%	16.3%	-12.4%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	-9.0%	-7.3%	23.8%	-1.4%	-5.5%	-6.7%	5.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	1.9%	5.3%	6.7%	45.5%	0.6%	8.8%	7.3%	27.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.14	0.37	0.13	7.2%	-4.8%	-21.4%	-33.5%	5.8%	-1.3%	-20.7%	-51.6%
JKX Oil	JKX	0.92	1.21	0.75	-0.9%	-0.2%	-9.8%	-22.4%	-2.3%	3.3%	-9.2%	-40.5%
Ukrnafta	UNAF	231	270	96	3.9%	-3.8%	-2.4%	113.0%	2.5%	-0.3%	-1.7%	94.9%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.96	7.40	2.50	0.5%	-1.6%	7.7%	24.9%	-0.9%	1.9%	8.4%	6.8%
Donbasenergo	DOEN	40.8	50.2	15.4	3.2%	-7.0%	-3.1%	47.7%	1.8%	-3.5%	-2.5%	29.6%
Zakhidenergo	ZAEN	131.5	137.9	64.0	5.3%	-4.6%	3.5%	45.5%	3.9%	-1.2%	4.2%	27.4%
<b>Consumer</b>												
Agroton	AGT	0.73	1.8	0.43	2.4%	-8.8%	-24.2%	12.0%	1.1%	-5.3%	-23.5%	-6.1%
Astarta	AST	12.9	24.4	12.1	-2.0%	-0.5%	-15.5%	-41.9%	-3.3%	3.0%	-14.9%	-60.0%
Avangardo	AVGR	8.8	13.0	8.26	-0.8%	-2.2%	-10.2%	-25.1%	-2.1%	1.3%	-9.6%	-43.2%
Industrial Milk Company	IMC	2.99	5.14	2.49	-0.6%	-4.0%	1.4%	-26.1%	-1.9%	-0.5%	2.1%	-44.2%
Kernel	KER	9.0	19.1	7.6	0.0%	-2.6%	-12.7%	-29.1%	-1.4%	0.9%	-12.1%	-47.2%
Mriya Agro Holding	MAYA	6.35	8.2	5.36	0.6%	-2.2%	-4.6%	-14.8%	-0.8%	1.3%	-4.0%	-32.9%
MHPC	MHPC	12.0	19.9	11.00	-1.2%	0.0%	-10.7%	-29.5%	-2.6%	3.5%	-10.1%	-47.6%
Milkiland	MLK	2.07	4.7	2.07	-6.8%	-8.7%	-21.8%	-50.1%	-8.1%	-5.2%	-21.1%	-68.2%
Ovostar Union	OVO	22.2	33.3	19.4	2.1%	-2.1%	-8.8%	-33.2%	0.7%	1.4%	-8.1%	-51.3%
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	14.4	n/a	n/a	0.0%	1.9%	6.4%	15.0%	-1.4%	5.4%	7.1%	-3.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.173	0.185	0.077	1.5%	-3.6%	1.7%	52.5%	0.2%	-0.1%	2.4%	34.4%
UkrSotsbank	USCB	0.150	0.257	0.115	0.0%	1.4%	-11.6%	-19.8%	-1.4%	4.9%	-10.9%	-37.9%

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	67	3.9%	3	1,416	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	366	341	331	\$/tonne
Yenakievo Steel	ENMZ	30	8.8%	3	26	3.5	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	9	9	9	\$/tonne
Azovstal	AZST	244	3.0%	7	229	neg	neg	neg	neg	neg	6.5	0.1	0.1	0.1	50	51	50	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	49	6.8%	3	47	neg	neg	neg	neg	1.0	1.6	0.0	0.1	0.1	11	12	13	\$/tonne
Yasynivsky Coke	YASK	13	9.0%	1	14	1.6	neg	2.8	0.5	0.5	0.7	0.0	0.0	0.0	0.5	0.5	0.7	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	735	0.3%	2	733	7.7	3.8	4.5	3.2	2.3	2.6	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,523	0.4%	6	1,517	3.5	2.8	3.3	2.0	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,444	24.0%	347	2,123	6.7	5.5	7.3	5.3	4.2	4.8	1.5	1.3	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	22	5.4%	1	124	3.0	1.3	1.3	1.0	1.3	1.3	0.5	0.6	0.5	30	29	27	\$/tonne
Coal Energy	CLE	18	25.0%	5	128	0.5	neg	neg	2.0	6.1	14.3	0.8	1.0	1.3	2.0	6.1	14.3	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	183	2.0%	4	229	5.4	>30	>30	4.4	7.3	7.5	0.5	0.7	0.7	363	601	571	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	27	24.0%	6	64	5.6	1.4	1.2	2.2	1.8	1.7	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	165	5.0%	8	165	1.7	4.0	6.1	1.2	2.5	3.8	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	19	8.0%	2	52	>30	>30	>30	7.2	8.8	9.5	0.2	0.3	0.3				
<b>Specialized Machinery</b>																		
Turboatom	TATM	125	5.8%	7	57	3.3	1.7	1.8	1.1	0.6	0.6	0.4	0.2	0.2				
Motor Sich	MSICH	301	24.0%	72	316	1.5	1.8	1.8	1.0	1.4	1.4	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	254	7.2%	18	575	5.6	23.7	9.6	2.8	3.0	3.3	0.7	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,063	3.0%	32	1,055	6.0	8.1	8.8	3.3	2.8	3.0	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	45	21.6%	10	20	3.9	neg	22.5	0.9	neg	0.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	158	50.4%	80	266	neg	24.3	20.2	2.0	4.0	3.9	1.3	1.5	1.3	49	36	35	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	186	21.7%	40	255	6.5	3.1	3.0	3.7	3.0	3.1	0.2	0.3	0.3	14	18	16	\$/MWh
DonbasEnergO	DOEN	82	14.2%	12	152	21.4	1.3	1.6	4.7	2.1	2.7	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	715	61.8%	442	1,421	3.4	6.8	9.3	4.4	4.9	5.6	0.7	0.5	0.6				
Astarta	AST	323	37.0%	120	657	5.6	9.5	3.9	5.9	7.2	4.8	1.4	1.3	1.2				
Avangardco	AVGR	562	22.5%	127	762	2.5	2.4	1.9	2.7	2.5	2.0	1.2	1.2	1.0	172	131	123	\$/mneggs
Agroton	AGT	16	26.2%	4	65	2.3	neg	neg	3.2	5.2	5.5	0.7	0.9	0.8	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	440	3.5%	16		>30	4.9	4.3	0.6	0.5	0.5	0.07	0.08	0.09				
Ukrsotsbank	USCB	234	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

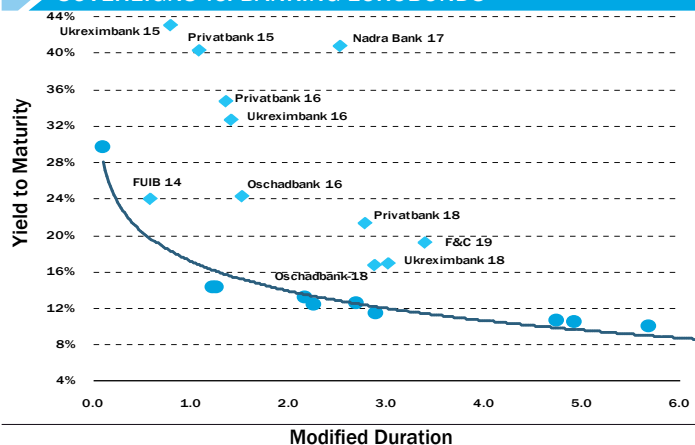
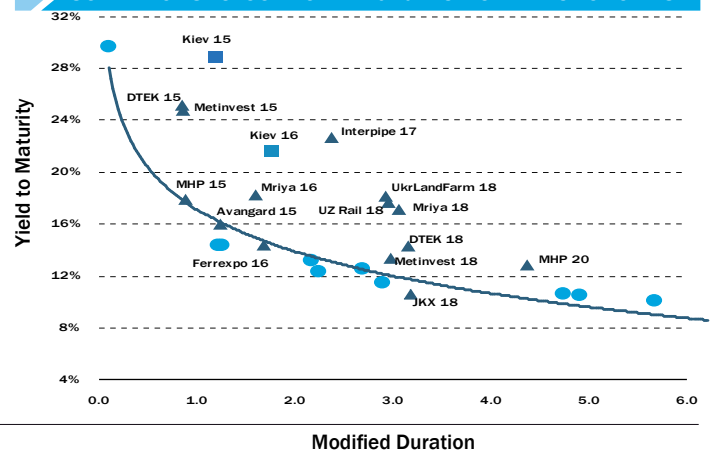
Source: Eavex Research

**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	54.7%	32.6%	-2.5%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	89.0	90.1	41.8%	38.1%	-10.9%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	84.8	89.8	19.7%	14.4%	-9.1%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	86.9	88.4	20.3%	18.6%	-10.2%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	81.9	83.4	16.2%	15.4%	-12.1%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	82.7	84.2	15.0%	14.2%	-11.5%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	82.0	84.0	13.8%	12.9%	-10.5%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	86.7	87.7	15.2%	14.8%	-12.1%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	83.5	85.5	16.0%	15.0%	2.3%	2.8	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	81.3	83.3	12.4%	11.9%	-11.5%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	82.3	84.3	12.0%	11.5%	-11.1%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	82.7	84.7	11.1%	10.6%	-8.1%	5.6	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	82.5	84.0	10.6%	10.3%	-8.0%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	29.9	33.4	65.3%	57.3%	-39.4%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	97.7	99.5	15.5%	14.1%	-4.7%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	81.9	83.5	12.7%	12.3%	-7.5%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	95.0	95.0	15.7%	15.7%	-3.0%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	78.1	80.4	19.1%	18.1%	-12.2%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.5	92.4	18.7%	17.9%	-8.3%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.6	78.8	17.5%	17.0%	-10.2%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	89.0	90.6	28.6%	25.6%	-12.1%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	78.5	81.1	15.4%	14.4%	-15.3%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	93.6	94.9	20.7%	18.9%	-7.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.2	88.1	14.0%	13.2%	-8.3%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	88.0	90.0	16.7%	14.9%	-9.2%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	72.5	74.8	19.7%	18.7%	-19.7%	2.9	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.3%	21.8%	-3.8%	2.4	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	101.4	103.4	11.0%	10.4%	-7.7%	3.1	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	65.0	75.0	21.4%	17.2%	-15.7%	3.4	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	80.0	85.0	49.1%	38.4%	-16.2%	0.5	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	70.0	75.0	47.0%	37.5%	-9.9%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	75.0	78.0	43.5%	38.0%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.6	65.9	36.8%	35.1%	-7.2%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	73.9	75.2	21.2%	20.6%	-10.9%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	81.5	84.0	41.3%	35.9%	-14.2%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	32.7%	29.1%	-16.2%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.0	77.0	18.3%	17.4%	-14.8%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	684.9%	488.0%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	78.0	78.9	27.2%	26.3%	-15.7%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	72.8	74.0	19.2%	18.6%	-17.6%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	73.6	75.5	36.8%	34.1%	-19.8%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	73.3	75.6	26.3%	24.5%	-19.6%	1.7	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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