

Market Update

Equity

Ukrainian equities ended firmly higher on Wednesday (May 7), helped by news that the government has received initial emergency rescue funding from the IMF. The UX index rallied by 2.1% to close at 1097 points. The largest contribution to the index growth was made by Raiffeisen Bank Aval (BAVL UK), which shot up by 7.7% after the ex-rights date for a generous FY13 dividend payout of 3 kopecks was set for May 12. Among other blue chips posting notable rises for the day were Motor Sich (MSICH UK) and Azovstal (AZST UK), which both moved up by 1.2%. In London trading, Ukrainian agro names were mixed, with MHP (MHPC LI) adding 4.0% while Avangard (AVGR LI) edged down by 0.6%. In Warsaw, low-liquidity issue Agroton (AGT PW) jumped by 12% and Kernel (KER PW) picked up 3.7%.

Fixed Income

Ukrainian sovereign Eurobonds enjoyed a notable rise on Wednesday thanks to the IMF's announcement that it has released a credit tranche of USD 3.2bn to the government. Ukraine-23s added 2.4% to 84.9/86.4 (10.1%/9.8%). Meanwhile, corporate names were mixed. UkrlandFarming-18s edged up by 0.5p.p. to 79.2/80.3 (18.6%/18.2%) while Metinvest-18s declined by 0.4p.p., finishing at 85.8/87.6 (14.1%/13.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergy	CEEN	5.98	0.4%	3.3	84
Ukrnafta	UNAF	232.30	0.4%	2.1	38
Raiffeisen Bank Aval	BAVL	0.19	7.7%	1.2	141

Growth Leaders

Raiffeisen Bank Aval	BAVL	0.19	7.7%	1.20	141
Ukrsotsbank	USCB	0.16	4.8%	0.02	10
Azovstal	AZST	0.69	1.2%	0.14	8

Loss Leaders

Kryukiv Wagon	KVBZ	15.00	-9.0%	0.020	7
Poltavsky GOK	PGOK	13.25	-1.1%	0.111	7
Avdyivka Coke	AVDK	2.98	0.2%	0.100	35

Highlights

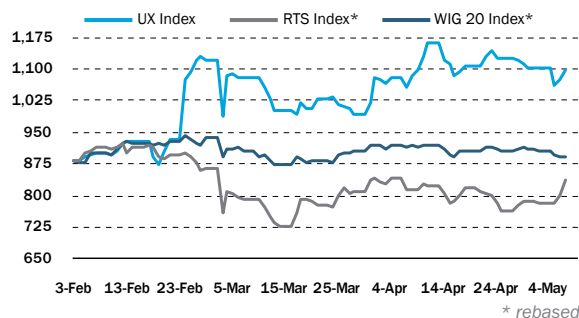
POLITICS AND ECONOMICS

- Putin Pulls About-Face, Backs May 25 Election

STOCKS IN THE NEWS

- Raiffeisen Aval Sets May 12 as Ex-Rights Date for 3-Kopeck DPS

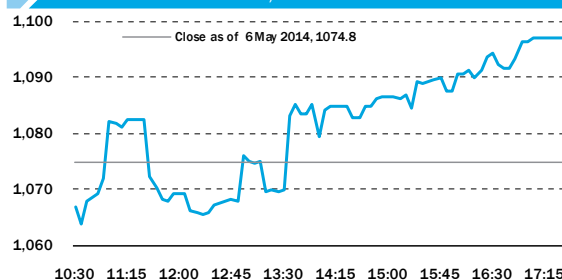
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1097.1	2.1%	1.4%	20.6%
RTS	1227.8	4.7%	-0.5%	-14.9%
WIG20	2389.4	0.0%	-3.3%	-0.5%
MSCI EM	1004.5	0.1%	0.2%	0.3%
S&P 500	1878.2	0.6%	0.7%	2.0%

UX INTRADAY MAY 7, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	303.4	-2.8%	-3.7%	-8.3%
CDS 5Y UKR	1196.8	0.0%	34.5%	45.9%
Ukraine-17	13.0%	0.1 p.p.	4.3 p.p.	4.0 p.p.
Naftogaz Ukr-14	32.8%	-7.1 p.p.	13.9 p.p.	24.1 p.p.
Ukraine-23	10.0%	-0.5 p.p.	1.7 p.p.	2.5 p.p.
Privatbank-16	33.6%	0.0 p.p.	5.4 p.p.	8.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.63	-1.5%	0.2%	41.1%
EUR	16.17	-1.6%	1.7%	42.2%
RUB	0.33	-0.1%	1.2%	32.5%

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	108.1	1.0%	1.4%	-2.8%
Gold, USD/oz	1289.9	-1.4%	-1.1%	7.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Putin Pulls About-Face, Backs May 25 Election

by Will Ritter
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NEWS

Russian President Putin surprised Ukraine and Western governments on Wednesday (May 7) by reversing his tough stance against the holding of Ukraine's May 25 presidential election, in comments made in a Kremlin speech. Just three days after his official spokesman called the idea of holding the election "absurd", Putin said the vote "is a step in the right direction". The Russian president also called on separatist groups to postpone a referendum which they have been intent on holding this Sunday (May 11) to obtain a mandate for unspecified regional autonomy or secession from Ukraine. Finally, Putin said that Russian army units which have been massed near Ukraine for the past month had pulled back from the border.

COMMENTARY

Putin's sudden softening of rhetoric sends the ball back into the court of the Kyiv government and its Western backers by implicitly challenging them to take their own steps to de-escalate the fighting in Eastern Ukraine. We suppose that Putin realized the untenability of continuing to oppose the May 25 election, which had aroused strong public objections from not only the US, but also the major EU governments. This is a positive development, as it means Russia is moving away from the dangerously destabilizing strategy of lambasting the legitimacy of the interim Kyiv government even while trying to keep it in power. Still, Ukraine remains in a very difficult position, as the withdrawal of Russian's overt support for the secession referendum in Donetsk cities does not mean that the security crisis and armed conflicts there are simply going to disappear. Thus far, Kyiv has shown little inclination to compromise with Donetsk, and we can only hope that an elected government emerging in June will show more flexibility and wisdom in trying to defuse the crisis than the current one.

Raiffeisen Aval Sets May 12 as Ex-Rights Date for 3-Kopeck DPS

by Dmitry Churin
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RAIFFEISEN BANK AVAL (BAVL UK)

Price: UAH 0.187 Market Cap: USD 476mn

	P/Assets	P/Book	P/E	Div. Yield
2013	0.09	0.5	4.3	16%
2014E	0.09	0.6	15.1	0%

NEWS

Raiffeisen Bank Aval, the Ukrainian subsidiary of Vienna-based Raiffeisen International, has set next Monday (May 12) as the ex-rights date for a dividend of 3.0 kopecks per share, according to information from Interfax released on Wednesday (May 7). The payout implies a yield of 16.0%. The actual dividend payments will be made by 25 Oct 2014.

COMMENTARY

The news boosted the BAVL stock by 7.7% yesterday to 18.70 kopecks per share. As we reported earlier, (see our daily from Apr 28), Raiffeisen Aval had faced certain regulatory impediments to the dividend distribution, which were removed yesterday. Although FY13 profit was UAH 730mn, 2014 has been considerably less rosy, with the bank finishing 1Q14 with a net loss of UAH 943mn due to revaluation of assets after the start of the hryvnia's slide in the period (which may be even worse in 2Q) and additional charges for loan impairments. Our base-case scenario foresees that Raiffeisen Aval will earn UAH 300mn in net profit in FY14, a 59% YoY decline, and we doubt that there will be a dividend payout from the FY14 profit. We have a BUY recommendation for BAVL with a target price of UAH 0.24 per share, which implies an upside of 28%. The bank's capital adequacy ratio was 18.6% as of Apr 1, compared to 20.6% at the start of the year. The NBU-mandated minimum is 10%.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.69	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	145.8	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.
Coke						
Avdyivka Coke	AVDK	2.98	6.2	109%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.67	U/R	na	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.55	2.9	435%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	15.0	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.
Specialized Machinery						
Motor Sich	MSICH	1728	5250	204%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	8.9	42.0	373%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	53.8	370	588%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergo	DOEN	41.2	72.0	75%	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	5.98	15.00	151%	BUY	CentrEnergo's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	12.5	U/R	--	U/R	
Astarta	AST	38.0	90.0	137%	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	70.0	109.50	57%	HOLD	The company is on its way to implementing a two-stage investment program aimed at expanding egg production capacity to 2.1bn pieces by 2017, or 3x more compared to FY12 production of 719mn eggs. Very low liquidity in the OVO stock is a major concern.
Banks						
Raiffeisen Bank Aval	BAVL	0.187	0.24	28%	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	1097.14	1170.00	799.72	2.1%	-0.6%	1.4%	20.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.031	0.06	0.02	0.7%	-1.6%	-16.7%	-20.4%	-1.4%	-1.0%	-18.1%	-40.9%
Azovstal	AZST	0.69	0.90	0.31	1.2%	-2.1%	-5.6%	3.6%	-0.9%	-1.6%	-7.0%	-17.0%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	-2.1%	0.6%	n/a	-20.6%
Enakievo Steel	ENMZ	33.7	52.0	20.0	0.8%	-3.2%	-6.1%	5.3%	-1.2%	-2.7%	-7.5%	-15.3%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	-2.1%	0.6%	n/a	227.3%
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	0.0%	7.1%	0.0%	50.0%	-2.1%	7.7%	-1.4%	29.4%
Coke												
Avdivka Coke	AVDK	2.98	4.80	1.60	0.2%	0.0%	-1.3%	0.8%	-1.9%	0.5%	-2.7%	-19.8%
Yasnyivsky Coking	YASK	0.67	0.77	0.49	17.5%	8.1%	-10.7%	26.4%	15.5%	8.6%	-12.1%	5.9%
Iron Ore Mining												
Centralny GOK	CGOK	7.40	n/a	n/a	0.0%	0.0%	-17.7%	13.8%	-2.1%	0.6%	-19.1%	-6.7%
Ferrexpo	FXPO	2.47	3.20	2.02	0.2%	0.7%	-8.0%	-21.6%	-1.8%	1.2%	-9.4%	-42.1%
Pivnichny GOK	SGOK	7.80	10.00	6.20	0.0%	0.0%	0.0%	-2.5%	-2.1%	0.6%	-1.4%	-23.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.55	0.70	0.10	0.0%	0.0%	1.9%	37.5%	-2.1%	0.6%	0.4%	16.9%
Komsomolets Donbasa	SHKD	0.76	n/a	n/a	0.0%	-20.0%	-20.0%	22.6%	-2.1%	-19.4%	-21.4%	2.0%
Energy Coal	CLE	0.43	1.63	0.31	5.1%	2.3%	-16.1%	21.8%	3.0%	2.9%	-17.5%	1.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	0.0%	0.0%	-13.3%	-15.2%	-2.1%	0.6%	-14.7%	-35.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.82	0.85	0.30	-1.2%	-2.4%	15.5%	36.7%	-3.3%	-1.8%	14.1%	16.1%
Interpipe NMPP	NVTR	0.25	n/a	n/a	0.0%	0.0%	-16.7%	19.0%	-2.1%	0.6%	-18.1%	-1.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	15.0	29.0	10.0	-11.5%	-10.7%	-9.2%	-13.3%	-13.6%	-10.2%	-10.6%	-33.9%
Luhanskeplovoz	LTPL	1.45	2.20	1.20	0.0%	-5.2%	-8.8%	-3.3%	-2.1%	-4.7%	-10.2%	-23.9%
Stakhanov Wagon	SVGZ	1.05	n/a	n/a	5.0%	-11.0%	-12.5%	-19.2%	2.9%	-10.5%	-13.9%	-39.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	9.0%	-13.7%	-10.4%	69.1%	6.9%	-13.1%	-11.8%	48.5%
Motor Sich	MSICH	1,728	2,545	1,303	1.2%	-1.7%	1.3%	-5.3%	-0.9%	-1.1%	-0.1%	-25.8%
Summy Frunze Engineering	SMASH	4.00	n/a	n/a	0.0%	-13.2%	n/a	60.0%	-2.1%	-12.7%	n/a	39.4%
Turboatom	TATM	3.70	n/a	n/a	0.0%	0.0%	15.6%	5.7%	-2.1%	0.6%	14.2%	-14.8%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	-7.6%	-7.3%	23.8%	-2.1%	-7.0%	-8.8%	3.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	-0.6%	1.3%	6.0%	44.5%	-2.7%	1.8%	4.6%	24.0%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.37	0.13	7.5%	11.5%	-15.5%	-28.5%	5.4%	12.1%	-16.9%	-49.1%
JXX Oil	JKX	0.91	1.21	0.75	-0.8%	-0.8%	-10.6%	-23.0%	-2.9%	-0.3%	-12.0%	-43.6%
Ukrnafta	UNAF	232	270	96	0.4%	-3.0%	-1.9%	113.9%	-1.6%	-2.5%	-3.4%	93.3%
Power Utilities												
Centrenerg	CEEN	5.98	7.40	2.50	0.4%	-1.2%	8.1%	25.4%	-1.7%	-0.7%	6.7%	4.8%
Donbasenergo	DOEN	41.2	50.2	15.4	1.1%	-2.9%	-2.1%	49.3%	-1.0%	-2.3%	-3.5%	28.8%
Zakhidenergo	ZAEN	128.5	137.9	64.0	-2.3%	-1.5%	1.2%	42.1%	-4.4%	-1.0%	-0.2%	21.6%
Consumer												
Agroton	AGT	0.81	1.8	0.43	12.1%	2.4%	-15.0%	25.6%	10.0%	2.9%	-16.4%	5.0%
Astarta	AST	12.6	24.4	12.1	-2.4%	-6.7%	-17.5%	-43.2%	-4.4%	-6.1%	-18.9%	-63.8%
Avangardo	AVGR	8.8	13.0	8.26	-0.6%	-2.7%	-10.7%	-25.5%	-2.6%	-2.2%	-12.1%	-46.1%
Industrial Milk Company	IMC	2.98	5.14	2.49	-0.4%	-3.6%	1.1%	-26.4%	-2.4%	-3.0%	-0.4%	-47.0%
Kernel	KER	9.3	19.1	7.6	3.7%	0.6%	-9.5%	-26.5%	1.6%	1.2%	-10.9%	-47.1%
Mriya Agro Holding	MAYA	6.54	8.2	5.36	3.0%	0.4%	-1.7%	-12.2%	1.0%	0.9%	-3.1%	-32.8%
MHPC	MHPC	12.5	19.4	11.00	4.0%	6.1%	-7.1%	-26.6%	1.9%	6.7%	-8.6%	-47.2%
Milkiland	MLK	2.13	4.7	2.07	2.6%	-6.6%	-19.7%	-48.8%	0.5%	-6.0%	-21.2%	-69.4%
Ovostar Union	OVO	23.3	33.3	19.4	4.6%	0.7%	-4.6%	-30.1%	2.5%	1.2%	-6.0%	-50.7%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	14.3	n/a	n/a	-0.5%	9.3%	5.9%	14.4%	-2.6%	9.9%	4.5%	-6.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.187	0.187	0.077	7.9%	5.3%	9.8%	64.6%	5.8%	5.9%	8.3%	44.0%
UkrSotsbank	USCB	0.158	0.257	0.115	4.8%	0.4%	-7.4%	-16.0%	2.7%	1.0%	-8.8%	-36.6%

Source: Bloomberg

* companies listed abroad are in USD

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E
Steel																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,976	-181	-31	35	neg	neg	1.8%	-333	-308	-24	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,090	914	784	-112	47	29	neg	5.1%	3.8%	-137	-6	-24	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
Iron Ore Mining																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,542	402	506	447	28.2%	32.0%	29.0%	216	264	198	15.1%	16.7%	12.8%
Coal Mining																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	424	274	135	65	44	15.2%	15.3%	15.9%	95	42	27	10.7%	9.8%	9.8%
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
Specialized Machinery																
Turboatom	TATM	160	236	280	51	91	98	32.2%	38.7%	34.9%	38	72	69	23.8%	30.4%	24.8%
Motor Sich	MSICH	979	1,000	987	309	233	228	31.6%	23.3%	23.1%	200	169	167	20.4%	16.9%	16.9%
Telecom																
Ukrtelecom	UTLM	838	749	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
Oil & Gas																
Ukrnafta	UNAF	1,853	2,454	2,143	319	373	355	17.2%	15.2%	16.5%	176	131	121	9.5%	5.4%	5.7%
Regal Petroleum	RPT	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
Electric Utilities																
Centrenergo	CEEN	1,119	902	890	69	84	83	6.2%	9.3%	9.4%	29	60	62	2.6%	6.6%	6.9%
Donbasenergo	DOEN	574	656	647	32	72	57	5.6%	11.0%	8.8%	4	65	50	0.7%	9.9%	7.8%
Consumer																
MHP	MHPC	1,408	1,496	1,570	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
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,333	5,074	793	888	846	679	723	542	4	90	102	0.5%	10.1%	12.1%
Ukrsotsbank	USCB	4,854	5,283	4,439	957	1,064	911	451	318	400	1	1	18	0.1%	0.1%	2.0%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2013E			
Steel																		
Alchevsk Steel	ALMK	76	3.9%	3	1,424	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	250	3.0%	7	235	neg	neg	neg	neg	neg	6.6	0.1	0.1	0.1	51	52	51	\$/tonne
Coke																		
Avdyivka Coke	AVDK	51	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
Iron Ore Mining																		
Centralny GOK	CGOK	706	0.3%	2	704	7.4	3.6	4.3	3.0	2.3	2.5	1.2	1.0	1.1				
Pivnichny GOK	SGOK	1,566	0.4%	6	1,559	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				
Coal Mining																		
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
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	172	2.0%	3	218	5.1	>30	>30	4.2	7.0	7.2	0.5	0.7	0.7	346	573	545	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	29	24.0%	7	66	6.0	1.5	1.3	2.3	1.9	1.7	0.3	0.2	0.2				
Kruiiv 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				
Specialized Machinery																		
Turboatom	TATM	127	5.8%	7	59	3.3	1.8	1.8	1.1	0.6	0.6	0.4	0.2	0.2				
Motor Sich	MSICH	322	24.0%	77	336	1.6	1.9	1.9	1.1	1.4	1.5	0.3	0.3	0.3				
Telecom																		
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				
Oil & Gas																		
Ukrnafta	UNAF	1,219	3.0%	37	1,211	6.9	9.3	10.1	3.8	3.2	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
Electric Utilities																		
CentrEnergO	CEEN	196	21.7%	43	265	6.8	3.3	3.2	3.9	3.2	3.2	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	96	14.2%	14	166	25.0	1.5	1.9	5.2	2.3	2.9	0.3	0.3	0.3	20	21	20	\$/MWh
Consumer																		
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				
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				
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	\$/mneggs
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	
Banks																		
Raiffeisen Bank Aval	BAVL	473	3.5%	17		>30	5.3	4.6	0.6	0.5	0.6	0.08	0.09	0.09				
Ukrsotsbank	USCB	243	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

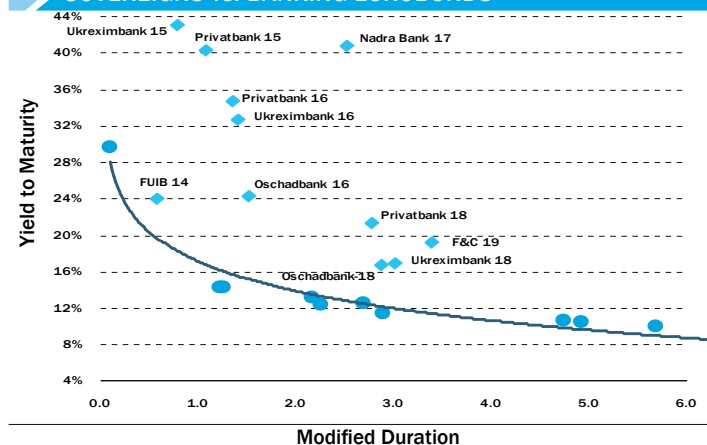
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	97.5	100.5	48.4%	-0.2%	-1.0%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	91.5	92.4	34.3%	31.3%	-8.5%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	87.9	90.9	16.3%	13.3%	-6.9%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	86.8	88.3	20.5%	18.8%	-10.4%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	86.0	87.5	13.8%	13.0%	-7.7%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.2	87.7	13.1%	12.3%	-7.8%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	82.3	83.5	13.7%	13.2%	-10.6%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	89.4	90.9	14.0%	13.3%	-9.1%	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	85.2	87.2	11.4%	10.9%	-7.4%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	85.1	87.1	11.3%	10.8%	-8.1%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	84.8	86.8	10.6%	10.2%	-5.8%	5.6	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	84.9	86.4	10.1%	9.8%	-5.4%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.1	65.4%	57.8%	-39.6%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	97.3	99.4	16.1%	14.5%	-5.0%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.0	83.5	12.7%	12.2%	-7.4%	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	79.2	80.3	18.6%	18.2%	-11.6%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.0	92.4	18.2%	17.9%	-8.0%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.0	79.5	17.8%	16.8%	-10.2%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	89.1	90.1	28.5%	26.6%	-12.3%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	79.0	81.2	15.2%	14.3%	-15.1%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	93.6	94.9	20.8%	18.9%	-7.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	85.8	87.6	14.1%	13.4%	-8.7%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	88.9	89.9	16.0%	15.0%	-8.8%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	72.5	74.9	19.7%	18.6%	-19.6%	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	100.4	101.9	11.4%	10.9%	-8.9%	3.1	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
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	91.6	91.6	24.0%	24.0%	-7.0%	0.5	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	70.0	75.0	47.4%	37.8%	-9.9%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	75.0	78.0	43.7%	38.1%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.6	65.9	36.8%	35.2%	-7.2%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	72.4	75.2	21.9%	20.6%	-11.8%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	82.0	84.0	40.4%	36.0%	-14.0%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	32.8%	29.2%	-16.2%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	76.3	78.7	17.8%	16.7%	-13.2%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	746.5%	531.6%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	78.0	80.0	27.3%	25.2%	-15.1%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	73.0	75.0	19.1%	18.2%	-16.9%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.0	78.0	33.5%	30.8%	-17.2%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	75.6	77.9	24.5%	22.9%	-17.1%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

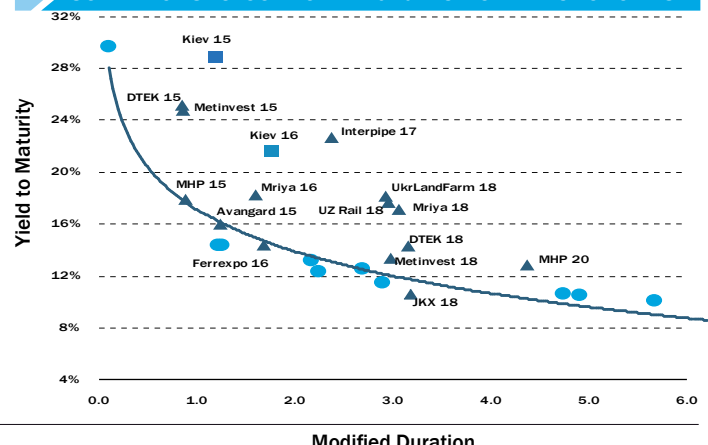
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000141592			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
USD denominated Bonds									
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
EUR denominated Bonds									
UA4000142681	n/a	n/a	20.0%	15.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			20.0%	17.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			20.0%	17.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			20.0%	17.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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