

Market Update

Equity

Ukrainian stocks were generally lower despite a banner day on global equity markets on Monday (May 12) that saw the S&P 500 add 1% to reach another new all-time high, its first in more than a month, on expectations of continued low interest rates ahead of May 15 comments from Federal Reserve chief Janet Yellen. Germany's DAX also jumped to reach its best level since mid-January, when it last set an all-time high before worries about Ukraine and Russia began to generate selling, and the Nikkei has been getting in on the action today, jumping about 2%. In Kyiv, the market reacted to Sunday's apparent popular rebuke to Kyiv in a Donetsk secession referendum, with the UX index declining by 1.3% to end at 1088 points. Raiffeisen Aval and CentrEnerg were the biggest decliners, dropping by 2.4% and 1.7% respectively, with the latter finishing at UAH 5.97, and volume leader UkrNafta shed 1.4% on turnover of UAH 1.6mn. In London, MHP picked up where it left off last week, adding another 5.0% to USD 14.20, while TMM Real Estate fell 4.1% to EUR 0.141 in Frankfurt. In Warsaw, Milkiland jumped 4.5% after the company unveiled proposal for dividend of EUR 0.07 per share.

Fixed Income

Ukrainian sovereigns were lower on Monday following the unsanctioned Donetsk secession referendum, with Ukraine-23s declining by 0.7p.p. to 83.4/85.2 (10.4%/10.1%). In corporate debt, UkrLandFarming-18s inched down 0.2p.p. to 80.2/82.1 (18.2%/17.4%) while DTEK-15s improved by 1.3p.p. to 91.6/91.9 (24.3%/23.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	234.00	-1.4%	1.6	34
Khartsyzk Pipe	HRTR	0.84	-0.6%	1.3	8
Centrenerg	CEEN	5.97	-1.7%	1.1	111

Growth Leaders

Motor Sich	MSICH	1726.00	-0.2%	0.58	30
Avdyivka Coke	AVDK	2.96	-0.4%	0.26	19
Khartsyzk Pipe	HRTR	0.84	-0.6%	1.33	8

Loss Leaders

Raiffeisen Bank Aval	BAVL	0.18	-2.5%	0.934	111
Centrenerg	CEEN	5.97	-1.7%	1.101	111
Ukrnafta	UNAF	234.00	-1.4%	1.558	34

Highlights

POLITICS AND ECONOMICS

- Iron Ore Price in China at 20-Month Low

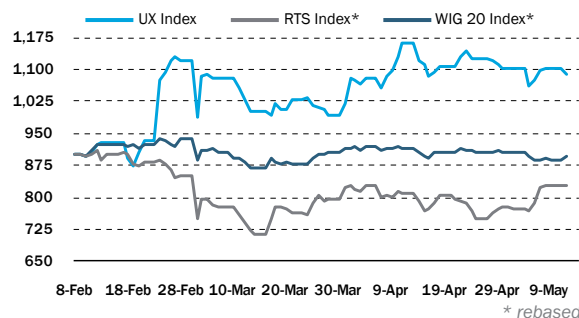
STOCKS IN THE NEWS

- Milkiland to Pay Dividend of EUR 0.07 w/Ex-Rights in November
- Astarta Reports Net Loss for 1Q14; EBITDA Up 58% YoY on Asset Reval

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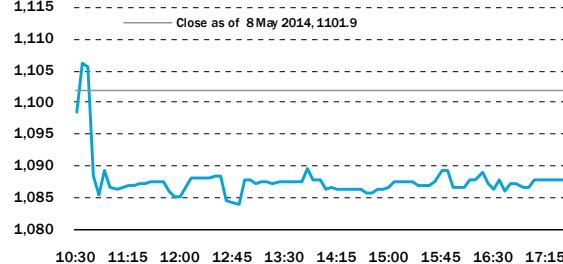
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1087.9	-1.3%	-6.5%	19.5%
RTS	1234.3	0.1%	2.5%	-14.4%
WIG20	2412.7	1.0%	-2.1%	0.5%
MSCI EM	1015.8	0.9%	0.0%	1.4%
S&P 500	1896.7	1.0%	4.5%	3.0%

UX INTRADAY MAY 12, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	297.4	-0.3%	-6.3%	-10.1%
CDS 5Y UKR	1168.1	-2.4%	15.7%	42.4%
Ukraine-17	12.3%	0.5 p.p.	2.3 p.p.	3.3 p.p.
Naftogaz Ukr-14	32.6%	2.0 p.p.	5.4 p.p.	23.9 p.p.
Ukraine-23	10.2%	0.1 p.p.	1.2 p.p.	2.7 p.p.
Privatbank-16	34.0%	0.4 p.p.	4.8 p.p.	9.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.79	1.1%	-7.3%	43.0%
EUR	16.21	1.1%	-8.2%	42.6%
RUB	0.34	1.7%	-5.6%	34.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	286.8	0.0%	-2.3%	-0.2%
Steel, USD/t	532.5	0.0%	1.9%	-0.9%
Oil, USD/bbl	108.4	0.5%	0.9%	-2.5%
Gold, USD/oz	1295.8	0.5%	-1.7%	8.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Iron Ore Price in China at 20-Month Low

by Ivan Dzvinka
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NEWS

The benchmark price for 62% iron ore fines in China was at USD 102.7 per tonne at noon on Monday (May 12), according to Bloomberg data, representing declines of 24% YtD and 21% YoY. The current price is at the lowest level since September 2012.

COMMENTARY

Apart from rather sluggish demand for steel, which is reflected in a 5% drop in steel prices over the past month in China, the downward pressure on the iron price is occurring with unusually high inventories of iron ore in Chinese ports, which currently amount to 108mn tonnes. Inventories are higher by an immense 58% YoY on a 21% YoY increase in Chinese imports of ore over 4M14. Our understanding is that the use of iron ore as credit/debt collateral by iron ore traders (rather than for steel sector needs) is the reason for the inflated import volumes. With banks currently increasing the marginal deposit on loans provided to traders (with iron ore as collateral) and the worsening liquidity position of the latter, we do not rule out a selloff of ore inventories in the near term, pushing the price well below the USD 100 mark.

In this environment of depressed iron ore prices, the pellet-to-concentrate/fines premium has experienced a notable drop in recent weeks. After reaching as high as USD 45, the premium has now narrowed to the region of USD 25-30 per tonne.

The drop in spot prices as well as the reduction in the pellet premium is negative for Ukrainian pellet exporter Ferrexpo, and we thus reiterate our SELL recommendation for the FXPO stock.

Milkiland to Pay Dividend of EUR 0.07 w/Ex-Rights in November

by Dmitry Churin
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MILKILAND (MLK PW)

Price: PLN 6.4 Market Cap: EUR 48mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.4	4.1	4.0	4.6%
2014E	0.4	8.2	12.3	3.3%

NEWS

Milkiland, a diversified cheese & dairy producer operating in Russia, Ukraine and Poland, is planning to pay a dividend of EUR 0.07 per share for FY13, according to a recommendation that the company's board announced to shareholders last week and which was published on the company's website on Saturday (May 10). The ex-rights date for dividend was proposed for Nov 1 of this year, while the payout is expected on Nov 14. Milkiland's annual shareholder meeting is scheduled for Jun 20 in Amsterdam, The Netherlands.

COMMENTARY

The proposed dividend implies an 18.7% payout from FY13 profit, or nearly identical to FY12's 20% payout. The news should be positive for the Warsaw-listed MLK stock and implies a 4.4% dividend yield. Initially, we had forecasted a dividend of EUR 0.09, but the company's net profit for FY13 was somewhat below our expectations (see Eavex Daily from May 6). We forecast that the company's financial results will deteriorate in FY14, with net profit falling by half to EUR 5.8mn. Assuming the that company will leave its dividend payout close to 20%, we therefore expect a dividend of EUR 0.04 per share from the FY14 profit. We do not currently have a recommendation for the MLK stock.

**Astarta Reports Net Loss for 1Q14;
EBITDA Up 58% YoY on Asset Reval**

by Ivan Dzvinka
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▶ ASTARTA (AST PW)

Price: PLN 39.4 Market Cap: USD 324mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.3	9.5	7.2	0%
2014E	1.2	4.0	4.8	0%

NEWS

Astarta, Ukraine's largest sugar producer, reported a mixed set of financial results for 1Q14 late last week. The company increased its net revenue by 7% YoY to EUR 89.4mn on a 17% YoY rise in sugar sales volume (to 73,000 tonnes) as well as robust sugar prices (+67% YoY in UAH terms, outpacing the 40% hryvnia devaluation). Revenue from sugar accounted for 50% of Astarta's total revenue vs. 43% year ago. Export sales amounted to 22% of revenue in 1Q14, with the key contributor being the crop segment, which sells some 95% of its products abroad. EBITDA improved by 58% YoY to EUR 37.0mn. On the bottom line, however, the company finished the period with a net loss of EUR 44.8mn compared to net profit in 1Q13 of EUR 11.4mn.

Management said it has successfully finished the spring sowing campaign and expects a strong harvest of early grains this year as winter crops are in good condition. Given the current political environment in Ukraine, management said it is taking a conservative approach in regard to CapEx.

COMMENTARY

The improvement in EBITDA was a result of a 3.6x jump YoY in revaluation of biological assets to EUR 17.6mn. Meanwhile, the net loss was mainly due to a foreign currency translation loss of EUR 70.0mn from the devaluation of the Ukrainian currency. Astarta is benefiting from rising sugar prices, and a balanced (in terms of demand and supply) domestic sugar market this year bodes well for the sugar price later in 2014 and consequently the profitability of the company's core sugar segment. We are also encouraged by progress in the soybean direction of Astarta's business, which amounted to 11% (EUR 10mn) of group-wide revenue in 1Q14 after zero in 1Q13. The products of the soybean segment are experiencing solid demand, which along with rising prices for soy meal suggest a significant contribution to Astarta's operating profit going forward.

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	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	7.80	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	7.20	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	2.96	6.2	111%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.61	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	0.54	2.9	445%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.5	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	1726	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	9.1	42.0	360%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	54.5	370	579%	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	40.9	72.0	76%	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	5.97	15.00	151%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	14.2	15.65	10%	BUY	The company is set to reach full capacity utilization at its greenfield Vinnytsia facility in late 2014 on the back of favorable export and domestic demand for its poultry.
Astarta	AST	38.8	90.0	132%	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	64.0	109.50	71%	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	0.180	0.24	33%	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	1087.90	1170.00	799.72	-1.3%	2.6%	-6.5%	19.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.032	0.06	0.02	-1.3%	6.4%	-18.8%	-18.6%	0.0%	3.8%	-12.3%	-38.1%
Azovstal	AZST	0.69	0.90	0.31	-0.1%	2.8%	-10.3%	3.1%	1.1%	0.2%	-3.8%	-16.4%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	1.3%	-2.6%	n/a	-19.5%
Enakievo Steel	ENMZ	33.0	52.0	20.0	-1.2%	-0.7%	-13.9%	3.1%	0.1%	-3.3%	-7.4%	-16.5%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	33.3%	247.8%	1.3%	-2.6%	39.8%	228.3%
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	7.1%	0.0%	0.0%	50.0%	8.4%	-2.6%	6.5%	30.5%
Coke												
Avdivka Coke	AVDK	2.96	4.80	1.60	-0.4%	-0.7%	-16.1%	0.0%	0.8%	-3.3%	-9.6%	-19.5%
Yasnyivsky Coking	YASK	0.61	0.77	0.49	-4.7%	-12.9%	-11.6%	15.1%	-3.4%	-15.4%	-5.1%	-4.4%
Iron Ore Mining												
Centralny GOK	CGOK	7.20	n/a	n/a	0.0%	-2.7%	-20.0%	10.8%	1.3%	-5.3%	-13.5%	-8.8%
Ferrexpo	FXPO	2.50	3.20	2.02	1.6%	1.4%	-3.5%	-20.8%	2.9%	-1.2%	3.0%	-40.4%
Pivnichny GOK	SGOK	7.80	10.00	6.20	0.0%	0.0%	-13.8%	-2.5%	1.3%	-2.6%	-7.3%	-22.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.54	0.70	0.10	-1.8%	-1.8%	-21.7%	35.0%	-0.5%	-4.4%	-15.2%	15.5%
Komsomolets Donbasa	SHKD	0.76	n/a	n/a	0.0%	0.0%	-33.9%	22.6%	1.3%	-2.6%	-27.4%	3.0%
Energy Coal	CLE	0.39	1.54	0.31	-4.0%	-2.0%	-23.2%	11.1%	-2.8%	-4.6%	-16.7%	-8.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	0.0%	0.0%	-13.3%	-15.2%	1.3%	-2.6%	-6.8%	-34.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.84	0.85	0.30	-1.2%	2.4%	18.3%	40.0%	0.1%	-0.2%	24.8%	20.5%
Interpipe NMPP	NVTR	0.27	n/a	n/a	0.0%	8.0%	-10.0%	28.6%	1.3%	5.4%	-3.5%	9.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.5	29.0	10.0	0.0%	-2.0%	-7.3%	-4.9%	1.3%	-4.6%	-0.8%	-24.4%
Luhanskeplovoz	LTPL	1.45	2.20	1.20	0.0%	0.0%	-9.4%	-3.3%	1.3%	-2.6%	-2.9%	-22.9%
Stakhanov Wagon	SVGZ	1.01	n/a	n/a	-3.8%	0.0%	-20.5%	-22.3%	-2.5%	-2.6%	-14.0%	-41.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-0.9%	8.0%	-16.1%	67.5%	0.4%	5.4%	-9.6%	48.0%
Motor Sich	MSICH	1,726	2,545	1,303	-0.2%	1.8%	-11.0%	-5.4%	1.0%	-0.8%	-4.5%	-24.9%
Summy Frunze Engineering	SMASH	4.00	n/a	n/a	0.0%	0.0%	n/a	60.0%	1.3%	-2.6%	n/a	40.5%
Turboatom	TATM	3.70	n/a	n/a	0.0%	0.0%	8.8%	5.7%	1.3%	-2.6%	15.3%	-13.8%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	0.0%	-8.2%	23.8%	1.3%	-2.6%	-1.7%	4.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	3.2%	6.2%	47.3%	1.3%	0.6%	12.7%	27.7%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.36	0.13	0.1%	17.7%	-12.4%	-26.9%	1.4%	15.2%	-5.9%	-46.4%
JKX Oil	JKX	0.92	1.21	0.75	1.5%	-0.9%	-8.1%	-22.4%	2.8%	-3.5%	-1.6%	-42.0%
Ukrnafta	UNAF	234	270	96	-1.4%	5.1%	-11.4%	115.5%	-0.2%	2.5%	-4.9%	95.9%
Power Utilities												
Centrenerg	CEEN	5.97	7.40	2.50	-1.7%	0.6%	0.3%	25.1%	-0.5%	-2.0%	6.8%	5.6%
Donbasenergo	DOEN	40.9	50.2	15.4	-1.0%	3.5%	-11.1%	48.2%	0.3%	1.0%	-4.6%	28.7%
Zakhidenergo	ZAEN	133.0	137.9	64.0	0.0%	6.5%	6.4%	47.1%	1.3%	3.9%	12.9%	27.6%
Consumer												
Agroton	AGT	0.76	1.8	0.43	3.2%	6.6%	-15.1%	16.6%	4.4%	4.0%	-8.6%	-2.9%
Astarta	AST	12.8	24.4	12.1	0.7%	-3.3%	-12.9%	-42.7%	2.0%	-5.9%	-6.4%	-62.2%
Avangardo	AVGR	8.8	13.0	8.26	2.0%	-1.4%	-8.9%	-25.5%	3.3%	-3.9%	-2.4%	-45.1%
Industrial Milk Company	IMC	2.99	5.14	2.49	3.4%	-0.3%	9.6%	-25.9%	4.7%	-2.9%	16.1%	-45.5%
Kernel	KER	9.4	19.1	7.6	-0.9%	4.8%	-9.6%	-25.7%	0.4%	2.2%	-3.1%	-45.3%
Mriya Agro Holding	MAYA	6.40	8.2	5.36	0.0%	1.3%	-5.2%	-14.2%	1.3%	-1.3%	1.3%	-33.7%
MHPC	MHPC	14.2	19.1	11.00	5.0%	16.9%	8.2%	-16.5%	6.3%	14.3%	14.7%	-36.1%
Milkiland	MLK	2.13	4.7	2.04	4.5%	-4.2%	-16.8%	-48.7%	5.8%	-6.8%	-10.3%	-68.3%
Ovostar Union	OVO	21.1	33.3	19.4	-1.5%	-3.3%	-8.3%	-36.7%	-0.2%	-5.9%	-1.8%	-56.3%
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
Chemicals												
Stirol	STIR	13.8	n/a	n/a	9.0%	-4.0%	-8.0%	10.4%	10.3%	-6.6%	-1.5%	-9.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.180	0.188	0.077	-2.7%	5.6%	5.3%	58.6%	-1.4%	3.0%	11.8%	39.0%
UkrSotsbank	USCB	0.157	0.257	0.115	-1.2%	4.5%	-5.8%	-16.2%	0.1%	1.9%	0.7%	-35.8%

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
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	158	135	65	15	15.2%	15.3%	9.7%	95	42	-5	10.7%	9.8%	neg
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	214	280	51	90	96	32.2%	42.1%	34.4%	38	72	69	23.8%	33.5%	24.8%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	167	20.4%	16.9%	17.5%
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	1,466	468	391	479	33.2%	26.1%	32.7%	311	162	-44	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	81	90	20	8	3	23.2%	9.2%	3.9%	7	-6	-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	32	0.5%	10.1%	3.7%
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	69	3.9%	3	1,418	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	366	342	332	\$/tonne
Yenakievo Steel	ENMZ	30	8.8%	3	25	3.4	neg	neg	neg	1.1	0.8	0.0	0.0	0.0	9	9	9	\$/tonne
Azovstal	AZST	246	3.0%	7	231	neg	neg	neg	neg	neg	6.5	0.1	0.1	0.1	50	51	51	\$/tonne
Coke																		
Avdyivka Coke	AVDK	49	6.8%	3	46	neg	neg	neg	neg	1.0	1.6	0.0	0.1	0.1	11	12	13	\$/tonne
Yasynivsky Coke	YASK	14	9.0%	1	15	1.7	neg	3.0	0.5	0.5	0.8	0.0	0.0	0.0	0.5	0.5	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	716	0.3%	2	714	7.5	3.7	4.4	3.1	2.3	2.6	1.2	1.1	1.1				
Pivnichny GOK	SGOK	1,525	0.4%	6	1,518	3.5	2.8	3.3	2.0	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,461	24.0%	351	2,140	6.8	5.5	7.4	5.3	4.2	4.8	1.5	1.4	1.4				
Coal Mining																		
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%	4	128	0.5	neg	neg	2.0	6.0	14.2	0.8	1.0	1.3	2.0	6.0	14.2	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	185	2.0%	4	231	5.5	>30	>30	4.4	7.4	7.6	0.5	0.7	0.7	367	608	577	\$/tonne
Railcar Manufacturing																		
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	160	5.0%	8	160	1.7	3.8	neg	1.2	2.5	10.4	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	19	8.0%	2	52	>30	>30	>30	7.2	8.9	9.5	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	125	5.8%	7	36	3.3	1.8	1.8	0.7	0.4	0.4	0.2	0.2	0.1				
Motor Sich	MSICH	304	24.0%	73	327	1.5	1.8	1.8	1.1	1.2	1.3	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	257	7.2%	19	579	5.7	24.0	9.8	2.8	3.0	3.3	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,077	3.0%	32	1,068	6.1	8.2	8.9	3.4	2.9	3.0	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	49	21.6%	11	24	4.2	neg	24.7	1.1	neg	0.9	0.6	0.7	0.5	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
Electric Utilities																		
CentrEnergO	CEEN	187	21.7%	41	256	6.5	3.1	3.0	3.7	3.1	3.1	0.2	0.3	0.3	14	18	16	\$/MWh
DonbasEnergO	DOEN	82	14.2%	12	152	21.5	1.3	1.6	4.8	2.1	2.7	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,500	34.1%	512	2,628	4.8	9.2	neg	5.6	6.7	5.5	1.9	1.8	1.8				
Kernel	KER	750	61.8%	463	1,456	3.6	7.1	9.7	4.5	5.0	5.7	0.7	0.5	0.6				
Astarta	AST	319	37.0%	118	653	5.5	9.4	3.9	5.9	7.2	4.7	1.4	1.3	1.2				
Avangardco	AVGR	559	22.5%	126	758	2.4	2.3	1.9	2.7	2.5	2.0	1.2	1.1	1.0	172	130	123	\$/mneggs
Agroton	AGT	16	26.2%	4	65	2.4	neg	neg	3.2	8.7	18.8	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	459	3.5%	16		>30	5.1	14.5	0.6	0.5	0.5	0.08	0.09	0.09				
Ukrsotsbank	USCB	245	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

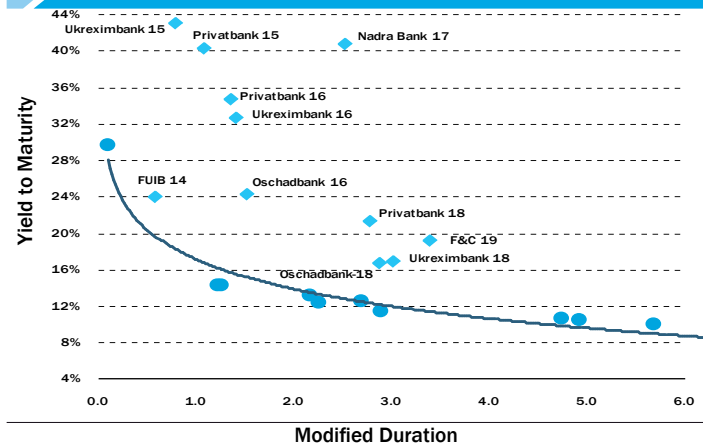
UKRAINIAN EUROBONDS

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	97.8	99.3	49.9%	21.6%	-1.5%	0.0	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	91.6	92.7	34.3%	31.0%	-8.3%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	87.2	91.0	17.2%	13.3%	-7.2%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.0	90.5	18.1%	16.5%	-8.1%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	84.2	86.2	14.9%	13.8%	-9.4%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	84.6	86.6	14.0%	12.9%	-9.3%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	83.7	85.7	13.1%	12.3%	-8.7%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	88.5	90.0	14.4%	13.7%	-10.0%	2.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.3	96.8	11.2%	10.2%	15.6%	2.9	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	92.5	96.1	10.4%	9.1%	20.1%	3.3	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	84.5	86.5	11.6%	11.0%	-8.1%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	84.6	86.6	11.4%	11.0%	-8.7%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	83.6	85.6	10.9%	10.5%	-7.1%	5.6	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.4	85.2	10.4%	10.1%	-6.9%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.0	65.7%	58.4%	-39.8%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.0	100.0	15.2%	13.7%	-4.3%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.5	84.0	12.5%	12.1%	-6.9%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	90.5	90.5	20.4%	20.4%	-7.6%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	80.2	82.1	18.2%	17.4%	-10.1%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.0	93.0	19.2%	17.5%	-8.2%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.0	80.0	17.8%	16.6%	-9.9%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	91.6	91.9	24.3%	23.9%	-10.2%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	80.3	81.3	14.7%	14.3%	-14.3%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	93.9	94.8	20.7%	19.3%	-7.6%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.0	87.8	14.1%	13.3%	-8.5%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	89.0	91.4	16.1%	14.0%	-8.0%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	72.8	75.0	19.6%	18.6%	-19.5%	2.9	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.4%	21.9%	-3.8%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	100.8	102.6	11.2%	10.7%	-8.4%	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%	3.3	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014						0.5	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	59.7%	47.7%	-16.1%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	76.0	79.0	42.5%	36.9%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	66.3	37.9%	35.0%	-7.3%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	72.4	75.1	21.9%	20.6%	-11.9%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.0	86.0	36.7%	32.5%	-11.9%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	33.1%	29.5%	-16.2%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	76.7	78.7	17.6%	16.7%	-12.9%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	60.0	68.0	820.7%	584.3%	-25.1%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	79.0	82.0	26.5%	23.4%	-13.5%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	73.1	76.0	19.0%	17.7%	-16.2%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.0	78.1	33.9%	31.0%	-17.1%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	76.0	77.4	24.3%	23.3%	-17.2%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

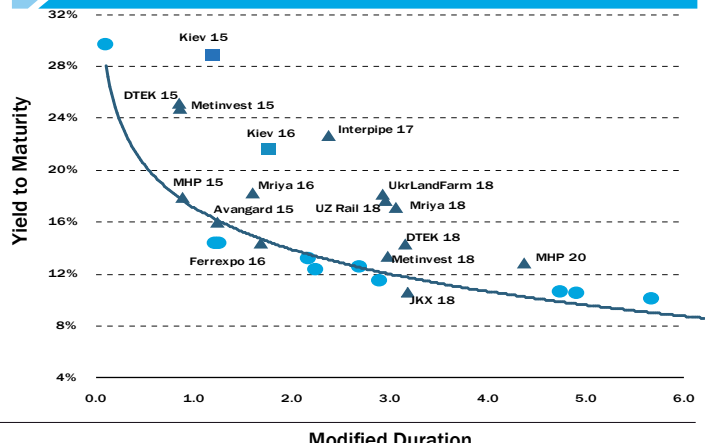
¹ Moody's/S&P/Fitch; * EUR

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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