

Market Update

Equity

Wednesday (May 21) was another day of minimal action for the local equity market, with notable changes in only about half of the Ukrainian Exchange's 10 blue chip issues. The UX index inched up by 0.3% to close at 1123 points, moving roughly in line with the major US and European bourses. Motor Sich extended its winning streak to 7 sessions, adding 1.1% to UAH 1943 on turnover of just under UAH 1mn. Among the top liquid names, Raiffeisen Aval was the only notable loser, dropping by 1.7%. Outside the UX basket, there was some trading action in second-tier electricity generation company DniproEnergo, which jumped 19% to UAH 535. In London, Ferrexpo rebounded rather weakly to end a week-long slide, picking up 1.3%, while MHP slid 5.2% even though investors can still obtain the company's 76-cent dividend by buying the stock today. In Warsaw, top agro name Kernel edged higher by 1.2% to PLN 27.

Fixed Income

Ukrainian sovereigns continued to rally on pre-election optimism on Wednesday, with Ukraine-23s advancing by 1.2p.p. to 89.7/91.2 (9.2%/9.0%). Corporate names lagged behind, with few notable changes in the top issues. MHP-15s inched up by 0.1p.p. to 99.5/100.9 (13.1%/11.1%) while DTEK-18s declined by 0.1p.p., closing at 83.2/84.6 (13.6%/13.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergo	CEEN	6.36	0.4%	2.1	133
Motor Sich	MSICH	1943.00	1.2%	1.0	90
Ukrnafta	UNAF	245.00	0.0%	0.7	49

Growth Leaders

Bank Forum	FORM	0.86	31.9%	0.05	14
Dniproenergo	DNEN	535.40	19.0%	0.05	15
Kryukiv Wagon	KVBZ	16.00	3.2%	0.03	8

Loss Leaders

Raiffeisen Bank Aval	BAVL	0.16	-1.7%	0.527	77
Ukrnafta	UNAF	245.00	0.0%	0.701	49
Centrenergo	CEEN	6.36	0.4%	2.130	133

Highlights

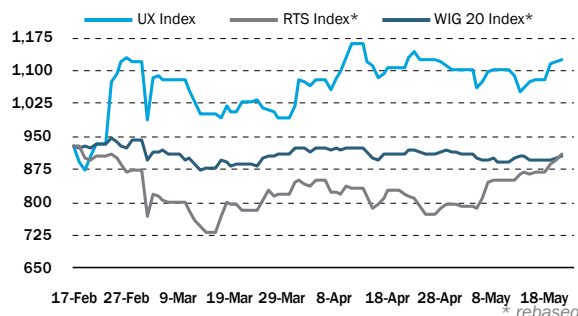
STOCKS IN THE NEWS

- > Ferrexpo Expects to Receive USD 117mn in VAT Bonds in Near Term

FIXED INCOME

- > Metinvest Nearly Doubles EBITDA YoY in 1Q14 on Devaluation

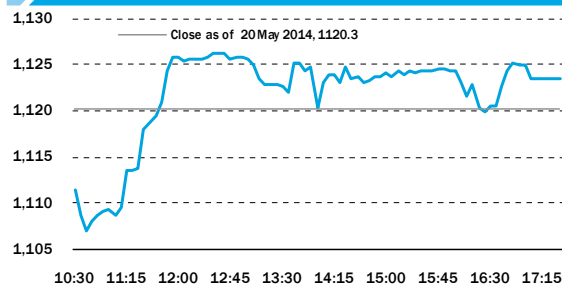
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1123.5	0.3%	1.6%	23.5%
RTS	1317.1	1.4%	9.7%	-8.7%
WIG20	2415.2	0.2%	-0.8%	0.6%
MSCI EM	1031.7	0.2%	2.0%	3.0%
S&P 500	1888.0	0.8%	1.2%	2.6%

UX INTRADAY MAY 21, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	302.8	-1.4%	-2.1%	-8.5%
CDS 5Y UKR	988.0	-1.8%	-13.2%	20.4%
Ukraine-17	9.4%	-0.8 p.p.	-1.6 p.p.	0.4 p.p.
Naftogaz Ukr-14	25.8%	-0.4 p.p.	-7.6 p.p.	17.0 p.p.
Ukraine-23	9.1%	-0.2 p.p.	-0.2 p.p.	1.6 p.p.
Privatbank-16	29.9%	-2.2 p.p.	-3.8 p.p.	5.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.91	-0.4%	5.4%	44.5%
EUR	16.30	-0.5%	4.4%	43.3%
RUB	0.35	0.3%	9.5%	38.3%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	275.5	0.0%	-8.8%	-4.1%
Steel, USD/t	537.5	0.0%	2.9%	0.0%
Oil, USD/bbl	110.6	0.8%	1.3%	-0.6%
Gold, USD/oz	1292.0	-0.2%	-0.2%	8.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ferrexpo Expects to Receive USD 117mn in VAT Bonds in Near Term

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBp 136.8 Market Cap: USD 1,350mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.28	5.1	4.0	5.7%
2014E	1.31	6.8	4.5	1.5%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, revealed in its release this morning (May 22) some of the management statements which are to be announced at today's AGM. With the recent initiative of the Ukrainian government to issue bonds to cover its outstanding export VAT refund obligations, Ferrexpo is expected to qualify to receive bonds with face value of USD 117mn, or 53% of its VAT receivables as of end-April. The remaining amount is, according to the statement, under litigation in Ukrainian courts. Ferrexpo also said that its operations have not been affected by this year's Ukrainian political upheaval, and that its production costs have fallen due to the devaluation of the hryvnia.

COMMENTARY

Receiving around half of the huge outstanding VAT obligation will improve Ferrexpo's liquidity and is thus positive news for the group. While the lower operational costs bode well for the company's financials, the ongoing negative driver for the FXPO stock is the slide in iron ore prices along with a drop in the pellet pricing premium over concentrate/fines. Benchmark iron ore price in China have fallen below USD 100/tonne (near USD 98) in recent days (-27% YtD), a level last seen in September 2012 (and then only for a very short period). The pellet premium has dropped in recent weeks to the region of USD 20-25/t after touching USD 45/t in the first quarter. With sluggish steel demand in China coupled with record high iron ore inventories in Chinese ports, we do not rule out a further downward move in prices. We are thus sticking with our SELL recommendation for the FXPO stock.

Metinvest Nearly Doubles EBITDA YoY in 1Q14 on Devaluation

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals & mining group, saw its net revenue fall by 8% YoY to USD 2.93bn in 1Q14, the company said in its trading update on Monday (May 19). Increases in sales of pig iron and billets were not able to offset the negative effect from a drop in sales of flat and long steel products and lower prices for iron ore and coking coal. Meanwhile, the group's EBITDA rose sharply to USD 878mn (+91%YoY and +82% QoQ), helped by the hryvnia devaluation, which pushed down its costs in USD terms. Metinvest's debt as of Mar 31 dropped by 11% from three months earlier to USD 3.84bn, with the Net Debt/12M EBITDA ratio improving on the quarter's higher EBITDA to 1.4x vs. 1.9x as of year-end 2013. CapEx increased by 29% YoY to USD 124mn in 1Q14.

COMMENTARY

With its revenue linked to USD exceeding 85% and some 60-70% of its operating costs in hryvnia, Metinvest's business benefits greatly from devaluation of the local currency. This was confirmed in 1Q14 when a 10% devaluation contributed USD 301mn (or 72% of EBITDA growth YoY of 418mn) despite lower overall revenue. Lower natural gas use and a drop in prices for coking coal and ferroalloys added an additional USD 105mn to EBITDA vs. 1Q13, according to the management. The average UAH/USD rate of 11.60 thus far in 2Q, implying a 30% devaluation to the 1Q average, should pump up Metinvest's earnings again in the second quarter. That said, we must keep in mind the high exposure of the group to political risk, as its core steel smelting capacities are located in Donetsk oblast, where a number of cities have been taken over by pro-Russian paramilitaries.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.72	0.56	-23%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	136.8	125.0	-9%	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	8.29	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	7.49	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	3.12	6.2	100%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.62	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	0.51	2.9	477%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.40	5.2	274%	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	1943	5250	170%	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	61.0	120	97%	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						
DonbasEnerg	DOEN	43.8	72.0	64%	BUY	DonbasEnerg 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%.
CenterEnerg	CEEN	6.36	15.00	136%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	13.6	15.65	15%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
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	8.5	U/R	--	U/R	
Ovostar Union	OVO	68.0	109.50	61%	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	0.156	0.24	54%	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	1123.47	1170.00	799.72	0.3%	5.6%	1.6%	23.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.032	0.06	0.02	0.0%	0.9%	-7.5%	-17.8%	-0.3%	-4.7%	-9.1%	-41.2%
Azovstal	AZST	0.72	0.90	0.31	0.8%	3.3%	3.0%	7.6%	0.6%	-2.3%	1.4%	-15.8%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-0.3%	-5.6%	-1.6%	-23.5%
Enakievo Steel	ENMZ	34.7	52.0	20.0	1.7%	1.1%	-1.4%	8.3%	1.4%	-4.6%	-3.0%	-15.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-0.3%	-5.6%	-1.6%	224.4%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	0.0%	7.7%	40.0%	-0.3%	-5.6%	6.1%	16.5%
Coke												
Avdivka Coke	AVDK	3.12	4.80	1.46	1.6%	5.5%	5.5%	5.3%	1.3%	-0.2%	3.9%	-18.1%
Yasnyivsky Coking	YASK	0.62	0.77	0.49	0.0%	1.6%	-17.3%	17.0%	-0.3%	-4.0%	-18.9%	-6.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.49	n/a	n/a	4.3%	4.3%	-16.8%	15.2%	4.0%	-1.3%	-18.4%	-8.2%
Ferrexpo	FXPO	2.31	3.20	2.02	1.5%	-7.5%	-8.5%	-26.8%	1.2%	-13.2%	-10.1%	-50.3%
Pivnichny GOK	SGOK	8.29	10.00	6.20	0.0%	3.6%	15.8%	3.6%	-0.3%	-2.0%	14.2%	-19.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.51	0.70	0.10	-7.3%	-5.6%	-15.0%	27.5%	-7.6%	-11.2%	-16.6%	4.0%
Komsomolets Donbasa	SHKD	0.98	n/a	n/a	0.0%	3.2%	-6.7%	58.1%	-0.3%	-2.5%	-8.3%	34.6%
Energy Coal	CLE	0.41	1.54	0.31	-0.8%	4.0%	-2.6%	17.9%	-1.1%	-1.7%	-4.2%	-5.6%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.39	n/a	n/a	0.0%	0.0%	39.3%	-15.2%	-0.3%	-5.6%	37.7%	-38.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.78	0.85	0.30	-1.3%	-4.9%	-3.7%	30.0%	-1.5%	-10.5%	-5.3%	6.5%
Interpipe NMPP	NVTR	0.27	n/a	n/a	0.0%	0.0%	0.0%	28.6%	-0.3%	-5.6%	-1.6%	5.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.0	29.0	10.0	3.2%	3.2%	-8.6%	-7.5%	2.9%	-2.4%	-10.2%	-31.0%
Luhanskeplovoz	LTPL	1.40	2.20	1.20	0.0%	-3.4%	-9.7%	-6.7%	-0.3%	-9.1%	-11.3%	-30.1%
Stakhanov Wagon	SVGZ	1.11	n/a	n/a	0.9%	9.9%	0.9%	-14.6%	0.6%	4.3%	-0.7%	-38.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	0.3%	-15.4%	49.4%	-0.3%	-5.4%	-17.0%	26.0%
Motor Sich	MSICH	1,943	2,545	1,303	1.1%	11.6%	6.5%	6.5%	0.9%	6.0%	4.9%	-16.9%
Summy Frunze Engineering	SMASH	4.29	n/a	n/a	2.1%	14.4%	14.1%	71.6%	1.9%	8.8%	12.5%	48.1%
Turboatom	TATM	5.00	n/a	n/a	0.0%	0.0%	194.1%	42.9%	-0.3%	-5.6%	192.5%	19.4%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	0.0%	-5.9%	23.8%	-0.3%	-5.6%	-7.5%	0.4%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	-5.5%	19.4%	0.0%	45.5%	-5.8%	13.8%	-1.6%	22.0%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.35	0.13	0.2%	0.6%	-13.0%	-28.9%	-0.1%	-5.1%	-14.7%	-52.3%
JKX Oil	JKX	1.03	1.21	0.75	2.1%	4.9%	5.6%	-13.1%	1.8%	-0.8%	4.0%	-36.6%
Ukrnafta	UNAF	245	270	96	0.0%	3.9%	-2.2%	125.6%	-0.3%	-1.8%	-3.8%	102.1%
Power Utilities												
Centrenerg	CEEN	6.36	7.40	2.50	0.4%	7.6%	8.7%	33.4%	0.1%	2.0%	7.1%	9.9%
Donbasenergo	DOEN	43.8	50.2	15.4	0.6%	7.3%	3.3%	58.6%	0.3%	1.7%	1.7%	35.2%
Zakhidenergo	ZAEN	137.0	137.9	64.0	0.0%	1.0%	11.4%	51.5%	-0.3%	-4.6%	9.8%	28.1%
Consumer												
Agroton	AGT	0.77	1.8	0.43	1.7%	-0.2%	8.1%	18.9%	1.4%	-5.8%	6.5%	-4.6%
Astarta	AST	12.9	24.4	12.1	-0.7%	-1.2%	-1.5%	-42.0%	-0.9%	-6.8%	-3.1%	-65.5%
Avangardo	AVGR	8.5	13.0	8.26	-2.3%	-3.1%	-12.6%	-27.7%	-2.6%	-8.7%	-14.2%	-51.1%
Industrial Milk Company	IMC	2.84	5.14	2.49	0.6%	-0.3%	1.3%	-29.7%	0.3%	-5.9%	-0.3%	-53.1%
Kernel	KER	8.8	18.4	7.6	1.2%	-0.8%	-7.3%	-30.3%	0.9%	-6.5%	-8.9%	-53.8%
Mriya Agro Holding	MAYA	6.57	8.2	5.36	-0.2%	-6.7%	4.6%	-11.8%	-0.5%	-12.3%	3.0%	-35.3%
MHPC	MHPC	13.6	19.1	11.00	-5.2%	-9.1%	12.9%	-20.3%	-5.5%	-14.7%	11.3%	-43.8%
Milkiland	MLK	1.71	4.7	1.71	-6.0%	-15.1%	-31.0%	-59.0%	-6.3%	-20.8%	-32.7%	-82.4%
Ovostar Union	OVO	22.2	33.3	19.4	-0.8%	2.9%	-2.3%	-33.2%	-1.0%	-2.8%	-3.9%	-56.6%
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	0.0%	0.0%	1.9%	10.0%	-0.3%	-5.6%	0.2%	-13.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.156	0.188	0.077	-1.8%	-0.3%	-11.1%	37.6%	-2.1%	-6.0%	-12.8%	14.2%
UkrSotsbank	USCB	0.158	0.257	0.115	-0.5%	4.2%	1.3%	-15.8%	-0.8%	-1.5%	-0.3%	-39.3%

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
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	46	29	neg	5.0%	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	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
Oil & Gas																
Ukrnafta	UNAF	2,554	2,589	2,713	454	286	307	17.8%	11.1%	11.3%	176	23	114	6.9%	0.9%	4.2%
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	805	69	84	76	6.2%	9.3%	9.4%	29	60	56	2.6%	6.6%	6.9%
Donbasenergo	DOEN	574	656	585	32	72	51	5.6%	11.0%	8.8%	4	65	46	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	31	8.8%	3	27	3.6	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	9	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
Coke																		
Avdyivka Coke	AVDK	51	6.8%	3	49	neg	neg	neg	neg	1.1	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	0.6	0.5	0.8	0.0	0.0	0.0	0.6	0.5	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	737	0.3%	2	736	7.7	3.8	4.5	3.2	2.4	2.6	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,604	0.4%	6	1,598	3.7	2.9	3.5	2.1	1.7	2.0	1.1	1.0	1.1				
Ferrexpo	FXPO	1,351	24.0%	324	2,030	6.3	5.1	6.8	5.1	4.0	4.5	1.4	1.3	1.3				
Coal Mining																		
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	19	25.0%	5	129	0.5	neg	neg	2.0	6.1	14.3	0.8	1.0	1.3	2.0	6.1	14.3	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	170	2.0%	3	216	5.1	>30	>30	4.2	6.9	7.1	0.4	0.7	0.7	343	568	540	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	26	24.0%	6	63	5.3	1.3	1.1	2.2	1.8	1.6	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	154	5.0%	8	154	1.6	3.7	neg	1.1	2.4	10.0	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	21	8.0%	2	54	>30	>30	>30	7.5	9.1	9.8	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	124	5.8%	7	35	3.3	1.7	1.8	0.7	0.4	0.4	0.2	0.2	0.1				
Motor Sich	MSICH	339	24.0%	81	362	1.7	2.0	2.0	1.2	1.3	1.4	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	252	7.2%	18	555	5.6	14.8	9.6	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,116	3.0%	33	1,108	6.3	>30	9.8	2.4	3.9	3.6	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	48	21.6%	10	23	4.1	neg	24.0	1.1	neg	0.9	0.6	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	177	50.4%	89	285	neg	27.2	22.6	2.1	4.3	4.2	1.4	1.6	1.4	52	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	197	21.7%	43	266	6.8	3.3	3.5	3.9	3.2	3.5	0.2	0.3	0.3	15	19	16	\$/MWh
DonbasEnergO	DOEN	87	14.2%	12	153	22.7	1.3	1.9	4.8	2.1	3.0	0.3	0.2	0.3	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,432	34.1%	488	2,560	4.6	8.8	neg	5.5	6.5	5.3	1.8	1.7	1.7				
Kernel	KER	703	61.8%	434	1,409	3.3	6.7	9.1	4.4	4.8	5.5	0.7	0.5	0.6				
Astarta	AST	323	37.0%	119	656	5.6	9.5	3.9	5.9	7.2	4.8	1.4	1.3	1.2				
Avangardco	AVGR	543	22.5%	122	742	2.4	2.3	1.8	2.7	2.5	2.0	1.2	1.1	0.9	168	128	120	\$/mneggs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	8.7	18.9	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	394	3.5%	14		>30	4.4	12.5	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	244	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

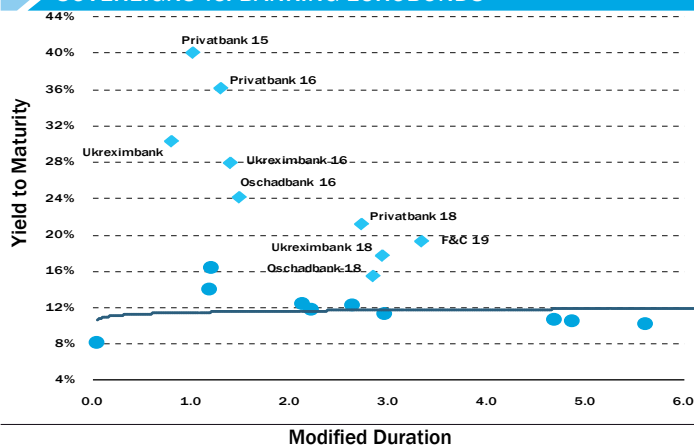
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	97.8	99.3	121.8%	45.1%	-1.5%	0.0	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	94.4	95.2	27.1%	24.5%	-5.7%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	92.6	95.1	11.8%	9.5%	-2.2%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	92.7	95.0	14.4%	12.2%	-3.9%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	92.3	93.6	10.6%	9.9%	-1.2%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	92.8	94.3	9.8%	9.1%	-0.8%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	91.6	92.8	10.0%	9.5%	-0.6%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	96.4	97.4	11.0%	10.6%	-2.3%	2.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	83.5	85.5	16.2%	15.2%	2.3%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	84.0	86.5	13.7%	12.7%	8.6%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	91.4	92.9	9.8%	9.5%	-0.9%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	92.5	93.9	9.6%	9.3%	-0.5%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	89.1	90.9	9.8%	9.4%	-1.2%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	89.7	91.2	9.2%	9.0%	-0.1%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.9	66.4%	57.1%	-38.9%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.5	100.9	13.1%	12.1%	-3.2%	0.9	10.25%	S/A	29 Apr 2015	235	Caa3//CCC
MHP, 2020	86.6	88.2	11.5%	11.0%	-2.3%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	92.0	95.0	19.1%	16.0%	-6.5%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	84.1	86.0	16.6%	15.9%	-5.7%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	90.0	94.5	20.3%	16.4%	-8.0%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	73.0	77.3	19.7%	17.8%	-13.7%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.5	93.8	21.7%	21.2%	-8.4%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.2	84.6	13.6%	13.1%	-11.0%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	95.5	97.0	18.6%	16.3%	-5.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.2	89.4	13.2%	12.8%	-6.5%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	94.9	97.1	11.8%	10.2%	-2.0%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	80.1	83.1	16.5%	15.3%	-11.0%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.5%	22.0%	-3.8%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	106.7	108.5	9.5%	8.9%	-3.0%	3.1	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	50.0	60.0	29.7%	23.9%	-33.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	80.0	80.0	51.4%	51.4%	-18.8%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	62.1%	49.4%	-16.1%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	80.0	83.0	36.3%	31.3%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	67.0	72.0	34.8%	29.1%	-1.1%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	77.0	82.0	19.8%	17.6%	-5.0%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	91.0	92.5	23.8%	21.2%	-4.9%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	77.0	79.0	25.5%	23.4%	-8.6%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	85.3	87.1	14.0%	13.3%	-3.3%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	66.0	70.0	107.2%	89.5%	-20.5%	0.0	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	87.0	89.0	19.1%	17.3%	-5.4%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	83.0	85.1	15.1%	14.0%	-5.6%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	81.5	83.1	27.3%	25.3%	-11.5%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	80.1	82.0	21.5%	20.2%	-12.8%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

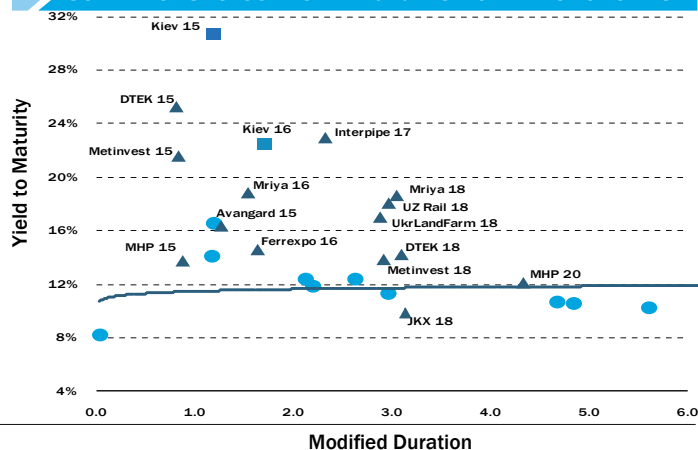
¹ Moody's/S&P/Fitch; * EUR

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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