

**Market Update**

**Equity**

Ukrainian stocks picked up on Monday (May 26) right where they left off at the end of last week, rallying sharply as it appeared that center-right oligarch Petro Poroshenko has won the presidential election outright with some 54% of the vote. Although markets in New York and London were closed for separate holidays, Frankfurt's DAX responded positively to the news, jumping to a new all-time high within striking range of the 10,000 milestone. The UX index added 4.6% on top of Friday's 4% gain to close at 1230 points, its highest level UAH-denominated level (although not USD-denominated) since the spring of 2012. Among liquid blue chips, the top gainers were CentrEnerg, which jumped 6.3% to UAH 7.12, and DonbasEnerg, which was up 4.9%; Raiffeisen Aval and UkrNafta also appreciated by more than 4% each. Second-tier issues also moved higher, with Rinat-Akhmetov-controlled names Mariupol Illich and KrymEnerg rising by 6.1% and 4.7% respectively. Warsaw-listed Ukrainian names also rallied yesterday with Kernel advancing by 12.2% and Astarta rising 7.7%. Milkiland shot up by 24%.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.12	6.3%	6.5	396
Motor Sich	MSICH	2127.00	3.3%	1.9	134
Ukrnafta	UNAF	259.90	4.4%	1.3	145

**Growth Leaders**

Bogdan Motors	LUAZ	0.06	48.5%	0.02	19
Pokrovske Mine	SHCHZ	0.65	18.2%	0.02	9
Stakhanov Wagon	SVGZ	1.20	17.8%	0.03	9

**Loss Leaders**

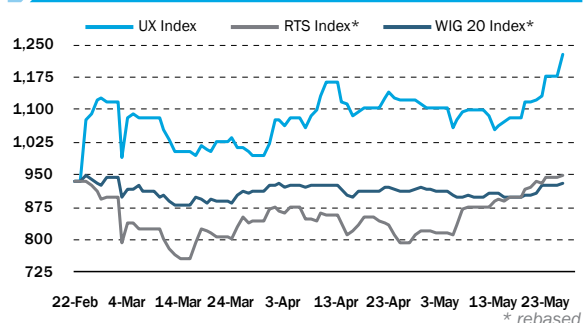
Kryukiv Wagon	KVBZ	16.12	0.8%	0.071	10
Avdyivka Coke	AVDK	3.29	2.6%	0.216	101
Yasynivsky Coke	YASK	0.64	2.9%	0.072	35

**Highlights**

**POLITICS AND ECONOMICS**

- ▶ Poroshenko: Snap Parliamentary Election to be Held in Autumn

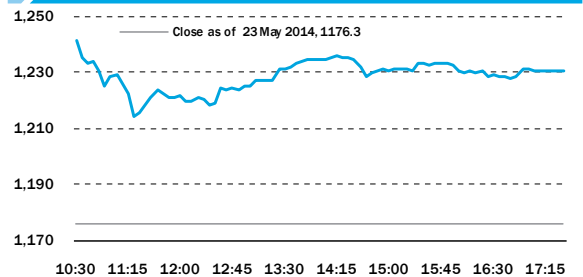
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1230.4	4.6%	9.4%	35.2%
RTS	1335.7	0.7%	19.3%	-7.4%
WIG20	2472.0	0.3%	1.7%	3.0%
MSCI EM	1041.8	-0.1%	4.9%	4.0%
S&P 500	1900.5	0.0%	2.0%	3.2%

**UX INTRADAY MAY 26, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	300.7	0.0%	-6.9%	-9.1%
CDS 5Y UKR	941.5	-1.7%	-21.5%	14.8%
Ukraine-17	9.1%	0.0 p.p.	-2.6 p.p.	0.0 p.p.
Naftogaz Ukr-14	25.2%	-0.3 p.p.	-10.0 p.p.	16.5 p.p.
Ukraine-23	8.9%	0.0 p.p.	-0.9 p.p.	1.4 p.p.
Privatbank-16	29.7%	-0.3 p.p.	-3.0 p.p.	5.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.92	-0.3%	3.6%	44.6%
EUR	16.26	-0.2%	2.2%	43.0%
RUB	0.35	-0.7%	9.0%	38.7%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	275.5	0.0%	-7.5%	-4.1%
Steel, USD/t	537.5	0.0%	2.9%	0.0%
Oil, USD/bbl	110.3	-0.2%	1.1%	-0.8%
Gold, USD/oz	1292.8	0.0%	-0.8%	8.0%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Poroshenko: Snap Parliamentary Election to be Held in Autumn

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### NEWS

A day after winning Ukraine's presidential election with 54% of the vote, center-right oligarch Petro Poroshenko held a media conference at which he said he will press for early national parliamentary elections to be held this autumn (we have heard Sept 28 mentioned as a possible date). The constitutional term of the current parliament runs until 2017. Poroshenko also expressed support for current Prime Minister Arseniy Yatseniuk, saying Yatseniuk should remain in the job. Meanwhile, in the Donbass, it was reported that Ukraine's air force attacked separatist positions at the brand new USD 250mn Donetsk International Airport, and that the major oil-refining city of Lysichansk is on lockdown under the total control of pro-Russian paramilitaries.

### COMMENTARY

Dissolving the Party of Regions-dominated Parliament elected 19 months ago had been a major demand of the EuroMaidan movement, and we agree that the snap election is needed to reflect the enormous political changes that have taken place in Ukraine over the past half year. However, sometimes, the more things change, the more they stay the same, and we view the next election as likely to return many of the same Russia-leaning faces to Parliament from southeastern Ukraine as we have seen in previous years, although perhaps under a different banner than the Party of Regions or the Communists. According to our estimates, even with the departure of Crimea, a large minority of as much as 35% of Ukraine's electorate still favors Russia over the EU, and this will re-ignite the same tussling over Ukraine's strategic direction which we have seen for the last 20 years, especially given the expanded powers of Parliament under February's constitutional changes.

There will also be the obvious problem of how to hold the election in the Donbass provinces, where armed paramilitary gangs are in control of many major municipalities and successfully prevented Sunday's voting from going ahead in most of the region.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.81	0.56	-31%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	137.5	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	8.85	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	7.50	U/R	na	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
<b>Coke</b>						
Avdyivka Coke	AVDK	3.29	6.2	89%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.64	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	0.65	2.9	353%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	16.1	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.45	5.2	260%	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	2127	5250	147%	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	8.9	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	59.5	120	102%	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>						
DonbasEnerg	DOEN	47.4	72.0	52%	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	7.12	15.00	111%	BUY	CenterEnerg'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	14.0	15.65	12%	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	43.5	90.0	107%	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	8.7	U/R	-	U/R	
Ovostar Union	OVO	68.0	58.74	-14%	SELL	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 7% of revenue earned in hard currency. Capacity expansion project for 2014-16 will likely be delayed, according to the management.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.167	0.24	43%	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	1230.43	1241.69	799.72	4.6%	10.0%	9.4%	35.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.035	0.06	0.02	5.7%	10.6%	7.9%	-8.8%	1.1%	0.6%	-1.4%	-44.0%
Azovstal	AZST	0.81	0.90	0.31	4.3%	11.8%	16.2%	20.1%	-0.3%	1.8%	6.8%	-15.1%
Dniprospezstal	DNSS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	37.9	52.0	20.0	7.6%	9.8%	8.3%	18.4%	3.0%	-0.3%	-1.1%	-16.8%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	6.7%	23.1%	-11.1%	60.0%	2.1%	13.0%	-20.5%	24.8%
<b>Coke</b>												
Avdivka Coke	AVDK	3.29	4.80	1.46	2.6%	7.1%	4.7%	11.3%	-2.0%	-2.9%	-4.6%	-24.0%
Yasnyivsky Coking	YASK	0.64	0.77	0.49	3.2%	4.9%	-14.7%	20.8%	-1.4%	-5.1%	-24.0%	-14.5%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.50	n/a	n/a	0.1%	4.5%	7.1%	15.4%	-4.5%	-5.6%	-2.2%	-19.8%
Ferrexpo	FXPO	2.31	3.20	2.02	0.0%	-0.9%	-8.7%	-26.7%	-4.6%	-10.9%	-18.1%	-61.9%
Pivnichny GOK	SGOK	8.85	10.00	6.20	6.6%	8.1%	12.2%	10.6%	2.0%	-2.0%	2.8%	-24.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	18.2%	38.3%	20.4%	62.5%	13.6%	28.3%	11.0%	27.3%
Komsomolets Donbasa	SHKD	1.01	n/a	n/a	0.0%	6.3%	-3.8%	62.9%	-4.6%	-3.7%	-13.2%	27.7%
Energy Coal	CLE	0.46	1.37	0.31	8.6%	14.1%	5.9%	30.5%	4.0%	4.1%	-3.5%	-4.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.81	0.99	0.30	0.0%	2.5%	2.5%	35.0%	-4.6%	-7.5%	-6.8%	-0.2%
Interpipe NMPP	NVTR	0.30	n/a	n/a	11.1%	11.1%	11.1%	42.9%	6.5%	1.1%	1.7%	7.7%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	16.1	29.0	10.0	0.8%	3.3%	-4.0%	-6.8%	-3.9%	-6.7%	-13.4%	-42.0%
Luhanskeplovoz	LTPL	1.45	2.20	1.20	-2.0%	3.6%	-8.8%	-3.3%	-6.6%	-6.5%	-18.2%	-38.5%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	18.8%	9.1%	-4.0%	-7.7%	14.2%	-0.9%	-13.4%	-42.9%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.06	0.08	0.02	50.0%	41.4%	12.1%	124.2%	45.4%	31.4%	2.7%	88.9%
Motor Sich	MSICH	2,127	2,545	1,303	3.6%	11.0%	19.5%	16.6%	-1.1%	0.9%	10.1%	-18.6%
Sumy Frunze Engineering	SMASH	4.10	n/a	n/a	2.5%	-2.4%	-18.8%	64.0%	-2.1%	-12.4%	-28.2%	28.8%
Turboatom	TATM	4.50	n/a	n/a	-10.0%	-10.0%	50.0%	28.6%	-14.6%	-20.0%	40.6%	-6.6%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	0.0%	-5.4%	23.8%	-4.6%	-10.0%	-14.7%	-11.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	-5.7%	-8.1%	-2.8%	41.5%	-10.3%	-18.1%	-12.1%	6.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.15	0.35	0.13	0.0%	0.0%	-1.2%	-29.1%	-4.6%	-10.0%	-10.6%	-64.3%
JKX Oil	JKX	1.00	1.21	0.75	0.0%	0.0%	5.4%	-15.5%	-4.6%	-10.0%	-3.9%	-50.7%
Ukrnafta	UNAF	260	270	96	4.0%	6.5%	6.4%	139.3%	-0.6%	-3.6%	-2.9%	104.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.12	7.40	2.50	5.8%	14.7%	15.5%	49.4%	1.2%	4.7%	6.1%	14.2%
Donbasenergo	DOEN	47.4	50.2	15.4	4.9%	9.6%	5.3%	71.8%	0.3%	-0.4%	-4.1%	36.6%
Zakhidenergo	ZAEN	138.9	138.9	64.0	0.0%	2.4%	6.8%	53.7%	-4.6%	-7.6%	-2.5%	18.4%
<b>Consumer</b>												
Agroton	AGT	0.90	1.8	0.43	16.6%	16.8%	17.9%	38.5%	12.0%	6.8%	8.5%	3.3%
Astarta	AST	14.3	24.4	12.1	7.7%	10.3%	9.0%	-35.9%	3.1%	0.3%	-0.3%	-71.1%
Avangardo	AVGR	8.7	13.0	8.26	0.0%	-1.7%	-3.3%	-26.0%	-4.6%	-11.7%	-12.7%	-61.2%
Industrial Milk Company	IMC	3.38	5.14	2.49	14.7%	20.2%	14.4%	-16.3%	10.1%	10.2%	5.1%	-51.5%
Kernel	KER	9.9	18.2	7.6	12.2%	10.4%	3.6%	-22.1%	7.6%	0.4%	-5.8%	-57.3%
Mriya Agro Holding	MAYA	6.82	8.2	5.36	-4.6%	1.6%	-1.4%	-8.4%	-9.2%	-8.5%	-10.7%	-43.7%
MHPC	MHPC	14.0	19.1	11.00	0.0%	-1.9%	19.6%	-17.8%	-4.6%	-11.9%	10.2%	-53.0%
Milkiland	MLK	2.13	4.7	1.71	23.9%	17.3%	-3.9%	-48.8%	19.2%	7.3%	-13.3%	-84.0%
Ovostar Union	OVO	22.3	33.3	19.4	0.0%	-0.6%	-1.7%	-33.0%	-4.6%	-10.6%	-11.0%	-68.2%
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	5.1%	4.4%	0.2%	14.8%	0.5%	-5.7%	-9.2%	-20.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.167	0.188	0.077	4.0%	3.5%	-7.3%	47.5%	-0.6%	-6.6%	-16.6%	12.3%
UkrSotsbank	USCB	0.177	0.257	0.115	5.6%	12.3%	18.5%	-5.7%	0.9%	2.2%	9.1%	-40.9%

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	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%
<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	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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<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	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	77	3.9%	3	1,425	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	343	333	\$/tonne
Yenakievo Steel	ENMZ	34	8.8%	3	29	3.9	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	11	10	10	\$/tonne
Azovstal	AZST	284	3.0%	8	268	neg	neg	neg	neg	neg	7.6	0.1	0.1	0.1	58	59	59	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	54	6.8%	4	51	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.1	0.6	0.5	0.8	0.0	0.0	0.0	0.6	0.5	0.8	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	738	0.3%	2	736	7.8	3.8	4.5	3.2	2.4	2.6	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,711	0.4%	7	1,705	3.9	3.1	3.7	2.3	1.9	2.1	1.2	1.0	1.1				
Ferrexpo	FXPO	1,353	24.0%	325	2,032	6.3	5.1	6.9	5.1	4.0	4.5	1.4	1.3	1.3				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	28	5.4%	2	130	4.0	1.7	1.7	1.0	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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	177	2.0%	4	222	5.2	>30	>30	4.3	7.1	7.3	0.5	0.7	0.7	353	585	556	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	27	24.0%	6	64	5.5	1.4	1.2	2.2	1.8	1.7	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	155	5.0%	8	155	1.6	3.7	neg	1.1	2.4	10.1	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	23	8.0%	2	55	>30	>30	>30	7.7	9.4	10.2	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	124	5.8%	7	34	3.3	1.7	1.8	0.7	0.4	0.4	0.2	0.2	0.1				
Motor Sich	MSICH	371	24.0%	89	393	1.9	2.2	2.2	1.3	1.4	1.5	0.4	0.4	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	245	7.2%	18	548	5.4	14.4	9.3	2.7	2.9	3.2	0.7	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,183	3.0%	35	1,175	6.7	>30	10.4	2.6	4.1	3.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	48	21.6%	10	23	4.1	neg	23.9	1.1	neg	0.9	0.6	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	172	50.4%	87	280	neg	26.4	22.0	2.1	4.2	4.1	1.4	1.6	1.4	51	38	37	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	221	21.7%	48	290	7.7	3.7	4.0	4.2	3.5	3.8	0.3	0.3	0.4	16	20	18	\$/MWh
DonbasEnergO	DOEN	94	14.2%	13	161	24.6	1.4	2.1	5.0	2.2	3.1	0.3	0.2	0.3	20	21	20	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,478	34.1%	504	2,606	4.8	9.1	neg	5.6	6.7	5.4	1.9	1.7	1.8				
Kernel	KER	787	61.8%	486	1,493	3.7	7.5	10.2	4.6	5.1	5.9	0.7	0.5	0.6				
Astarta	AST	356	37.0%	132	690	6.1	10.5	4.4	6.2	7.6	5.0	1.5	1.4	1.2				
Avangardco	AVGR	556	22.5%	125	663	2.4	2.3	1.8	2.4	2.2	1.8	1.1	1.0	0.8	150	114	107	\$/mneggs
Agroton	AGT	19	26.2%	5	68	2.9	neg	neg	3.3	9.1	19.7	0.8	0.8	0.8	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	422	3.5%	15		>30	4.7	13.4	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	273	0.7%	2		>30	>30	17.9	0.3	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

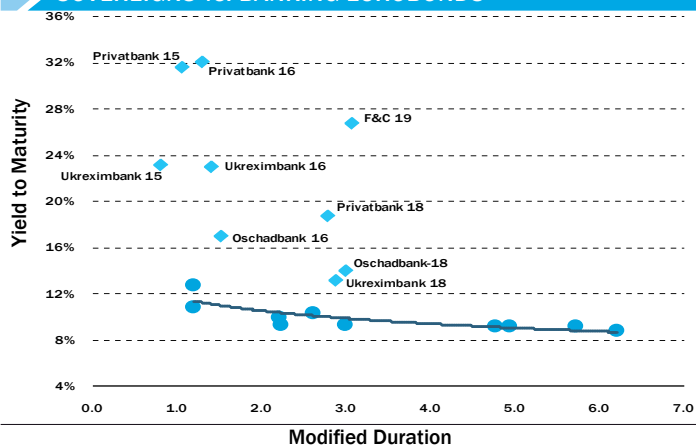
## UKRAINIAN EUROBONDS

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	99.5	100.5	42.5%	-26.9%	0.0%	0.0	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	94.6	95.5	26.7%	23.7%	-5.5%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	92.7	94.7	11.9%	10.0%	-2.4%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	93.6	95.1	13.7%	12.1%	-3.4%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	92.8	94.0	10.3%	9.7%	-0.7%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	93.0	94.2	9.7%	9.1%	-0.8%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	92.3	94.3	9.7%	9.0%	0.6%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	97.2	98.6	10.7%	10.1%	-1.3%	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%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	84.0	86.5	13.8%	12.7%	8.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.3	94.8	9.4%	9.1%	1.0%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	93.7	95.1	9.3%	9.1%	0.8%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	91.0	92.7	9.4%	9.1%	0.9%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	90.5	92.0	9.1%	8.8%	0.9%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	29.9	33.9	66.8%	57.4%	-38.9%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	99.9	101.0	12.7%	11.8%	-3.0%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	87.0	88.5	11.3%	11.0%	-1.8%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.5	94.5	16.6%	16.6%	-3.5%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	85.0	86.1	16.3%	15.8%	-5.1%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	90.0	94.5	20.4%	16.5%	-8.0%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	75.5	77.5	18.6%	17.7%	-12.2%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.4	94.6	20.4%	20.0%	-7.6%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.0	85.0	13.7%	12.9%	-10.9%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.0	97.0	18.0%	16.5%	-3.1%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.2	90.1	13.2%	12.5%	-6.2%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	97.0	99.1	10.4%	8.9%	0.0%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	81.2	84.0	16.1%	15.0%	-9.9%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	74.0	75.5	23.6%	22.1%	-3.8%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.4	107.1	9.9%	9.4%	-4.3%	3.1	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
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	62.5%	49.7%	-16.1%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	82.0	84.0	33.4%	30.2%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	68.9	70.8	32.8%	30.7%	-0.7%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.4	84.0	17.9%	16.8%	-1.2%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	91.3	93.0	23.8%	20.7%	-4.5%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.5	80.5	24.1%	22.1%	-6.8%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	86.3	88.8	13.6%	12.7%	-1.8%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	64.0	68.0	n/a	n/a	-22.8%	0.0	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	88.4	90.4	18.0%	16.3%	-3.9%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	84.0	86.0	14.5%	13.7%	-4.5%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.4	84.8	26.5%	23.6%	-10.1%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	81.0	83.8	20.9%	19.0%	-11.1%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

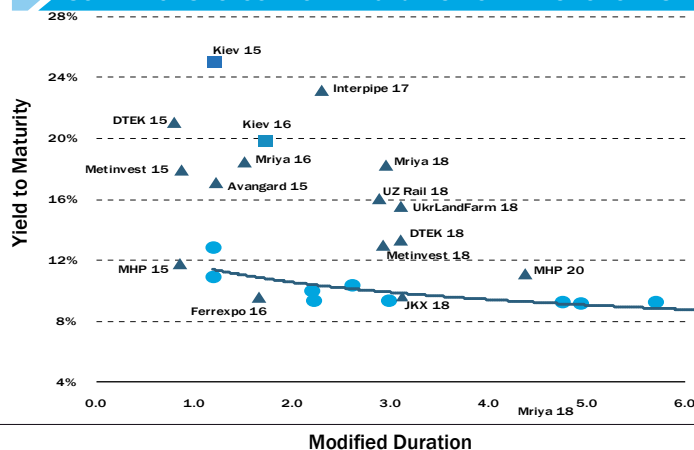
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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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