

Market Update

Equity

Kyiv-listed Ukrainian stocks declined on Tuesday (May 27) correcting after notable gains demonstrated a day earlier on optimism that the new elected president would find ways to calm unrest in the eastern regions of Donetsk and Lugansk. The UX index shed 1.0% to close at 1218 points. The steel sector led the decline with Azovstal (AZST UK) and Alchevsk Steel (ALMK UK) losing 2.2% and 3.7% respectively. Meanwhile heavyweight Motor Sich (MSICH UK) added 0.4%. In London trading Ukrainian poultry producer MHP (MHPC LI) climbed 0.4% and iron ore exporter Ferrexpo (FXPO LN) inching down 0.1%. Warsaw-listed grain trader and sunflower oil producer Kernel (KER PW) decreased by 2.8% while sugar maker Astarta (AST PW) advanced 4.3%.

Fixed Income

Ukrainian sovereigns were up on Tuesday with Ukraine-23s improving by 1.1p.p. finishing at 91.7/93.2 (8.9%/8.6%). The corporate universe also showed positive move. Mriya-16s rose by 1.3pp.p. to 92.0/95.0 (18.6%/16.2%) and DTEK-15s grew by 0.9p.p. to 93.9/96.0 (21.4%/17.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2135.00	0.4%	7.2	213
Centrenergy	CEEN	7.04	-1.1%	2.3	285
Azovstal	AZST	0.79	-2.2%	1.4	276

Growth Leaders

Luhanskteplovoz	LTPL	1.55	6.6%	0.04	8
Kryukiv Wagon	KVBZ	16.44	1.9%	0.02	10
Ukrsotsbank	USCB	0.18	0.8%	0.06	34

Loss Leaders

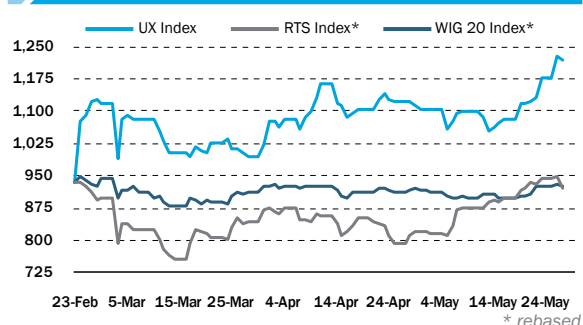
Bogdan Motors	LUAZ	0.06	-5.7%	0.039	26
Alchevsk Steel	ALMK	0.03	-3.7%	0.442	59
Azovstal	AZST	0.79	-2.2%	1.363	276

Highlights

POLITICS AND ECONOMICS

- Gazprom Threatens to Suspend Gas Deliveries to Ukraine

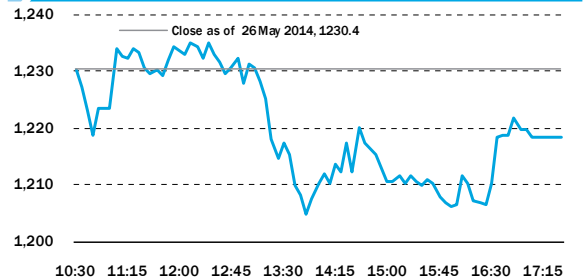
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1218.6	-1.0%	8.3%	33.9%
RTS	1297.5	-2.9%	15.9%	-10.1%
WIG20	2464.2	-0.3%	1.4%	2.6%
MSCI EM	1032.9	-0.9%	4.0%	3.1%
S&P 500	1911.9	0.6%	2.6%	3.8%

UX INTRADAY MAY 27, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	300.4	-0.1%	-7.0%	-9.2%
CDS 5Y UKR	903.7	-4.0%	-24.6%	10.2%
Ukraine-17	8.4%	-0.7 p.p.	-3.3 p.p.	-0.6 p.p.
Naftogaz Ukr-14	21.5%	-3.7 p.p.	-13.7 p.p.	12.7 p.p.
Ukraine-23	8.7%	-0.2 p.p.	-1.1 p.p.	1.2 p.p.
Privatbank-16	29.7%	0.0 p.p.	-3.0 p.p.	5.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.90	-0.1%	3.5%	44.4%
EUR	16.23	-0.2%	2.0%	42.7%
RUB	0.35	-0.7%	8.2%	37.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	271.3	0.0%	-8.9%	-5.6%
Steel, USD/t	537.5	0.0%	2.9%	0.0%
Oil, USD/bbl	110.0	-0.3%	0.8%	-1.1%
Gold, USD/oz	1264.9	-2.2%	-2.9%	5.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Gazprom Threatens to Suspend Gas Deliveries to Ukraine

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NEWS

Russian energy giant Gazprom threatened Ukraine with a suspension of natural gas deliveries as soon as June 3 if Naftogaz does not pay USD 2.5bn in debt, Interfax reported on Tuesday (May 27), citing Gazprom CEO Alexey Miller. Gazprom estimates Ukraine's total gas debt at USD 3.5bn and has said it wants Ukraine to pay USD 1.66bn in advance for June supplies. Meanwhile, Ukraine's Energy Minister Yuri Prodan said that Gazprom has calculated the debt using a price that was not mutually agreed upon. The Ukrainian side had previously called for a compromise price for April-May supplies already delivered, while Gazprom is claiming a price of USD 485 per 1,000 cubic meters (cu-m) for the period and beyond, while the price in 1Q14 was USD 268.50 per 1,000 cu-m.

COMMENTARY

This week will be a crucial point for Ukraine-Russia gas negotiations, as the Ukrainian side has made clear that it is ready to file a lawsuit with the Stockholm Arbitration Court if Gazprom does not back down from the unilateral USD 485 price. Meanwhile, Russian Energy Minister Alexander Novak said talks with Ukraine concerning gas prices will continue only if Ukraine pays off USD 2.0bn in debt accrued as of the end of March. The remaining USD 500mn should be transferred by June 7 as part of payment for gas delivered in May. We suppose that litigation will be the only way to solve the ongoing stalemate between the two countries in the gas relationship. Grounds for optimism on the part of Naftogaz are the cases of German gas operator RWE and Italian operator ENI, which both forced Gazprom in court to amend previously signed gas contracts. In our opinion, Naftogaz is trying to use the agreed gas debt of USD 2.0bn accrued in 1Q14 as a bargaining chip in talks with Gazprom, as immediate repayment does not guarantee that the Russian side would amend the pricing formula.

Ukraine wants to change the conditions of its 2009 contract that locked the country into buying a set volume of gas, whether it needs it or not, at a price linked to oil (currently USD 485 per 1,000 cu-m) - the highest price paid by any client in Europe. Moscow dropped the price to USD 268.50 after President Yanukovich turned his back on a trade and association agreement with the European Union last year, but reinstated the original price after the interim pro-EU government took power. The average gas price paid by European customers to Gazprom is around USD 370 per 1,000 cu-m.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.79	0.56	-29%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	137.7	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	7.39	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	3.26	6.2	92%	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.
Coal						
Pokrovske Mine	SHCHZ	0.65	2.9	354%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.4	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.55	5.2	238%	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	2135	5250	146%	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	59.9	120	100%	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	47.5	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	7.04	15.00	113%	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	14.1	15.65	11%	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	45.5	90.0	98%	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	9.0	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.
Banks						
Raiffeisen Bank Aval	BAVL	0.164	0.24	46%	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	1218.58	1241.69	799.72	-1.0%	8.8%	8.3%	33.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.034	0.06	0.02	-3.7%	6.9%	4.0%	-12.1%	-2.7%	-1.9%	-4.4%	-46.0%
Azovstal	AZST	0.79	0.90	0.31	-2.2%	10.1%	13.6%	17.5%	-1.3%	1.3%	5.2%	-16.4%
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	37.5	52.0	20.0	-1.1%	10.0%	7.1%	17.1%	-0.1%	1.2%	-1.2%	-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	0.0%	14.3%	-11.1%	60.0%	1.0%	5.5%	-19.4%	26.1%
Coke												
Avdivka Coke	AVDK	3.26	4.80	1.46	-1.1%	6.1%	3.6%	10.0%	-0.2%	-2.7%	-4.8%	-23.9%
Yasnyivsky Coking	YASK	0.64	0.77	0.49	0.0%	3.2%	-14.7%	20.8%	1.0%	-5.5%	-23.0%	-13.1%
Iron Ore Mining												
Centralny GOK	CGOK	7.39	n/a	n/a	-1.5%	2.9%	5.6%	13.7%	-0.5%	-5.8%	-2.7%	-20.2%
Ferrexpo	FXPO	2.31	3.20	2.02	-0.1%	1.7%	-8.8%	-26.7%	0.9%	-7.1%	-17.1%	-60.6%
Pivnichny GOK	SGOK	8.85	10.00	6.20	0.0%	6.8%	12.2%	10.6%	1.0%	-2.0%	3.8%	-23.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	0.0%	18.2%	20.4%	62.5%	1.0%	9.4%	12.0%	28.6%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	-1.0%	2.0%	-4.8%	61.3%	0.0%	-6.7%	-13.1%	27.4%
Energy Coal	CLE	0.44	1.29	0.31	-3.8%	5.6%	1.9%	25.5%	-2.8%	-3.2%	-6.4%	-8.4%
Mining Machinery												
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
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.85	0.99	0.30	4.9%	7.6%	7.6%	41.7%	5.9%	-1.2%	-0.7%	7.8%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	11.1%	11.1%	42.9%	1.0%	2.3%	2.8%	9.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.4	29.0	10.0	2.0%	6.1%	-2.1%	-5.0%	2.9%	-2.7%	-10.5%	-38.9%
Luhanskeplovoz	LTPL	1.55	2.20	1.20	6.9%	10.7%	-2.5%	3.3%	7.9%	1.9%	-10.8%	-30.6%
Stakhanov Wagon	SVGZ	1.03	n/a	n/a	-14.2%	-6.4%	-17.6%	-20.8%	-13.2%	-15.1%	-25.9%	-54.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-5.7%	41.4%	5.7%	111.3%	-4.8%	32.6%	-2.7%	77.4%
Motor Sich	MSICH	2,135	2,545	1,303	0.4%	11.1%	19.9%	17.1%	1.3%	2.4%	11.6%	-16.9%
Sumy Frunze Engineering	SMASH	3.80	n/a	n/a	-7.3%	-9.5%	-24.8%	52.0%	-6.4%	-18.3%	-33.1%	18.1%
Turboatom	TATM	4.50	n/a	n/a	0.0%	-10.0%	50.0%	28.6%	1.0%	-18.8%	41.7%	-5.3%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	0.0%	-5.4%	23.8%	1.0%	-8.8%	-13.7%	-10.1%
Telecom												
Ukrtelecom	UTLM	0.19	0.19	0.09	21.1%	11.3%	17.8%	71.4%	22.1%	2.6%	9.5%	37.5%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.35	0.13	-0.2%	-0.3%	-1.4%	-29.2%	0.8%	-9.1%	-9.7%	-63.2%
JKX Oil	JKX	1.01	1.21	0.75	0.4%	-0.3%	5.9%	-15.2%	1.4%	-9.1%	-2.4%	-49.1%
Ukrnafta	UNAF	258	270	96	-0.6%	5.4%	5.8%	137.8%	0.3%	-3.3%	-2.5%	103.9%
Power Utilities												
Centrenerg	CEEN	7.04	7.40	2.50	-1.2%	11.1%	14.1%	47.6%	-0.2%	2.3%	5.8%	13.7%
Donbasenergo	DOEN	47.5	50.2	15.4	0.2%	9.1%	5.5%	72.1%	1.2%	0.3%	-2.8%	38.2%
Zakhidenergo	ZAEN	139.0	139.0	64.0	0.1%	1.5%	6.9%	53.8%	1.0%	-7.3%	-1.4%	19.9%
Consumer												
Agroton	AGT	0.92	1.8	0.43	2.0%	20.8%	20.2%	41.2%	3.0%	12.0%	11.9%	7.3%
Astarta	AST	14.9	24.4	12.1	4.3%	14.5%	13.7%	-33.2%	5.3%	5.7%	5.4%	-67.1%
Avangardo	AVGR	9.0	13.0	8.26	3.4%	3.4%	0.1%	-23.4%	4.4%	-5.3%	-8.3%	-57.3%
Industrial Milk Company	IMC	3.25	5.14	2.49	-3.9%	15.0%	10.0%	-19.5%	-2.9%	6.3%	1.7%	-53.4%
Kernel	KER	9.6	18.2	7.6	-2.8%	10.0%	0.7%	-24.2%	-1.8%	1.3%	-7.6%	-58.1%
Mriya Agro Holding	MAYA	6.81	8.2	5.36	-0.2%	3.4%	-1.6%	-8.6%	0.8%	-5.4%	-9.9%	-42.5%
MHPC	MHPC	14.1	19.1	11.00	0.4%	-1.7%	20.1%	-17.4%	1.4%	-10.5%	11.8%	-51.3%
Milkiland	MLK	2.21	4.7	1.71	3.6%	21.7%	-0.4%	-46.9%	4.6%	13.0%	-8.7%	-80.8%
Ovostar Union	OVO	22.3	33.3	19.4	-0.2%	-0.6%	-1.8%	-33.1%	0.8%	-9.4%	-10.2%	-67.0%
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	15.4	n/a	n/a	7.2%	11.9%	7.5%	23.1%	8.2%	3.2%	-0.8%	-10.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.164	0.188	0.077	-2.1%	3.0%	-9.2%	44.4%	-1.1%	-5.8%	-17.5%	10.5%
UkrSotsbank	USCB	0.177	0.257	0.115	-0.1%	11.3%	18.4%	-5.8%	0.8%	2.6%	10.0%	-39.7%

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	74	3.9%	3	1,423	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	343	333	\$/tonne
Yenakievo Steel	ENMZ	33	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	278	3.0%	8	262	neg	neg	neg	neg	neg	7.4	0.1	0.1	0.1	57	58	58	\$/tonne
Coke																		
Avdyivka Coke	AVDK	53	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
Iron Ore Mining																		
Centralny GOK	CGOK	728	0.3%	2	726	7.6	3.7	4.5	3.1	2.3	2.6	1.2	1.1	1.1				
Pivnichny GOK	SGOK	1,714	0.4%	7	1,707	3.9	3.1	3.7	2.3	1.9	2.1	1.2	1.0	1.1				
Ferrexpo	FXPO	1,352	24.0%	325	2,031	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%	2	130	3.9	1.7	1.6	1.0	1.4	1.4	0.5	0.6	0.6	32	31	29	\$/tonne
Coal Energy	CLE	20	25.0%	5	130	0.5	neg	neg	2.1	6.1	14.4	0.8	1.0	1.3	2.1	6.1	14.4	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	186	2.0%	4	231	5.5	>30	>30	4.5	7.4	7.6	0.5	0.7	0.7	367	609	578	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	29	24.0%	7	66	5.9	1.5	1.3	2.3	1.8	1.7	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	158	5.0%	8	158	1.7	3.8	neg	1.2	2.4	10.3	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	20	8.0%	2	52	>30	>30	>30	7.3	8.9	9.6	0.2	0.3	0.3				
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	373	24.0%	89	395	1.9	2.2	2.2	1.3	1.4	1.5	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	297	7.2%	21	600	6.6	17.4	11.3	2.9	3.2	3.5	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,177	3.0%	35	1,169	6.7	>30	10.3	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	281	neg	26.5	22.1	2.1	4.2	4.1	1.4	1.6	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	218	21.7%	47	287	7.6	3.7	3.9	4.2	3.4	3.8	0.3	0.3	0.4	16	20	18	\$/MWh
DonbasEnergO	DOEN	94	14.2%	13	161	24.7	1.4	2.1	5.0	2.2	3.1	0.3	0.2	0.3	20	21	20	\$/MWh
Consumer																		
MHP	MHPC	1,485	34.1%	506	2,612	4.8	9.2	neg	5.6	6.7	5.5	1.9	1.7	1.8				
Kernel	KER	765	61.8%	472	1,471	3.6	7.3	9.9	4.6	5.1	5.8	0.7	0.5	0.6				
Astarta	AST	372	37.0%	138	706	6.4	10.9	4.5	6.4	7.8	5.1	1.5	1.4	1.3				
Avangardco	AVGR	575	22.5%	129	682	2.5	2.4	1.9	2.4	2.3	1.8	1.1	1.0	0.9	154	117	111	\$/mneggs
Agroton	AGT	20	26.2%	5	69	2.9	neg	neg	3.4	9.2	19.8	0.8	0.8	0.8	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	414	3.5%	15		>30	4.6	13.1	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

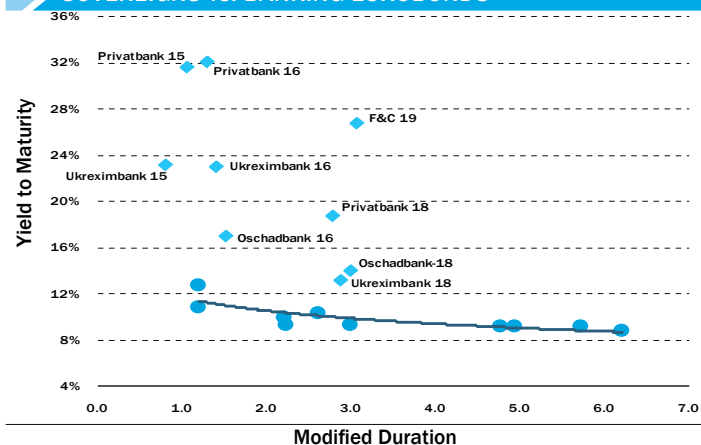
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2014	99.5	100.5	51.2%	-35.5%	0.0%	0.0	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	95.8	96.5	22.7%	20.3%	-4.3%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.3	95.3	11.3%	9.4%	-1.8%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	95.3	96.6	11.9%	10.7%	-1.8%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	94.9	96.4	9.3%	8.5%	1.7%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	94.9	96.4	8.8%	8.1%	1.4%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.2	96.2	9.0%	8.2%	2.7%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	99.2	100.6	9.9%	9.4%	0.7%	2.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	87.0	88.9	14.5%	13.6%	6.4%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	87.0	89.0	12.5%	11.7%	12.1%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.8	95.3	9.3%	9.0%	1.5%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	94.2	95.6	9.2%	8.9%	1.3%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	91.6	93.4	9.3%	9.0%	1.6%	6.0	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	91.7	93.2	8.9%	8.6%	2.1%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.9	66.9%	57.5%	-38.9%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.0	101.5	12.5%	11.4%	-2.7%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	87.5	88.9	11.2%	10.9%	-1.3%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.0	95.0	17.1%	16.1%	-5.5%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	85.5	86.2	16.1%	15.8%	-4.8%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.0	95.0	18.6%	16.2%	-6.7%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	75.8	78.4	18.4%	17.3%	-11.5%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.9	96.0	21.4%	17.7%	-7.1%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.5	85.3	13.5%	12.8%	-10.5%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.3	97.0	17.7%	16.5%	-2.9%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.3	90.2	13.2%	12.5%	-6.0%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	97.6	99.2	10.0%	8.9%	0.4%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	81.7	83.3	15.9%	15.3%	-10.0%	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	105.6	107.5	9.8%	9.3%	-4.0%	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	62.7%	49.8%	-16.1%	2.4	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	83.0	85.0	31.9%	28.8%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	68.9	70.8	32.9%	30.8%	-0.7%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.5	84.5	17.9%	16.6%	-0.9%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	92.0	93.0	22.5%	20.7%	-4.1%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	82.0	22.6%	20.7%	-5.0%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	87.3	88.8	13.3%	12.7%	-1.3%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	66.0	70.0	n/a	n/a	-20.5%	0.0	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	90.5	91.5	16.2%	15.4%	-2.2%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	85.0	88.0	14.2%	13.0%	-2.8%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	84.5	86.1	24.0%	22.1%	-8.2%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	83.9	85.9	19.0%	17.7%	-8.8%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

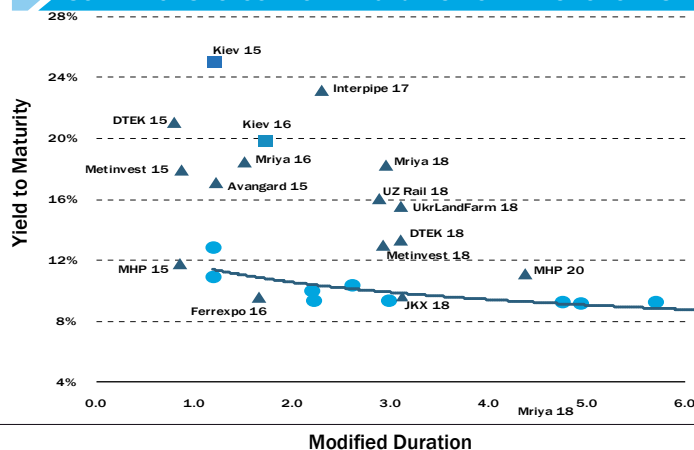
¹ Moody's/S&P/Fitch; * EUR

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			18.5%	17.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			18.5%	17.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			18.5%	17.0%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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