

Market Update

Equity

Locally-listed Ukrainian stocks ended firmly higher on Thursday (May 29) amid signs of a strengthening of the hryvnia against the major global currencies. The UX index added 1.9% to close at 1237 points. Low-liquidity Yenakievo Steel (ENMZ UK) was the growth leader among blue-chips for the second session in a row, shooting up by 12.9%, and index heavyweight Motor Sich (MSICH UK) climbed above the UAH 2200 level, rising 3.0%. Outside the UX basket, Khartsysk Pipe (HRTR UK) rose by 1.8% to 85 kopecks. In London trading, MHP (MHPC LI) gained 3.0% on news that the company has regained access to the Crimean market. Warsaw-listed Ukrainian names were mixed yesterday, with Kernel (KER PW) edging up by 0.7% ahead of the release of the company's financial results for the Jan-Mar quarter, while Agroton (AGT PW) and Astarta (AST PW) declined by 2.9% and 1.0% respectively.

Fixed Income

Ukrainian sovereigns finally corrected on Thursday after a nearly uninterrupted 2-week rise that saw their spread over US Treasuries reduced by close to 100bps. Ukraine-23s declined by 0.7p.p. to 91.5/93.0 (8.9%/8.6%). Movement in corporate names was muted, with MHP-20s inching up 0.1p.p. to 87.7/89.3 (11.2%/10.8%), while DTEK-18s dropped by 0.4p.p. to close at 83.3/84.6 (13.6%/13.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2205.00	3.0%	23.2	159
Centrenergy	CEEN	7.24	1.7%	3.9	443
Donbasenergo	DOEN	45.33	-0.8%	2.3	93

Growth Leaders

Mariupol Heavy Machine	MZVM	0.12	24.5%	0.07	10
Pokrovske Mine	SHCHZ	0.60	19.8%	0.01	8
Yenakievo Steel	ENMZ	43.79	12.9%	1.28	209

Loss Leaders

Donbasenergo	DOEN	45.33	-0.8%	2.328	93
Raiffeisen Bank Aval	BAVL	0.16	-0.4%	0.435	40
Bank Forum	FORM	0.71	0.1%	0.009	10

Highlights

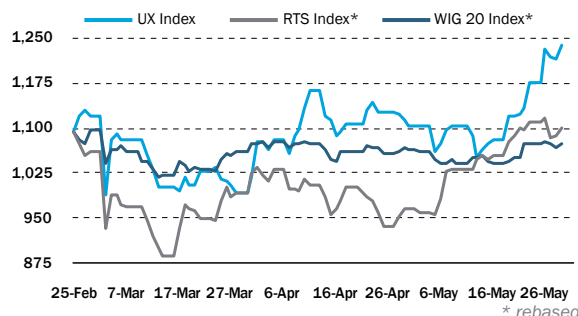
STOCKS IN THE NEWS

- > CEEN, DOEN to Benefit from 10% Household Electricity Tariff Hike
- > Russia Allows MHP to Deliver Its Poultry to Crimea

FIXED INCOME

- > Naftogaz to Receive UAH 22.3bn Cash Injection from Government

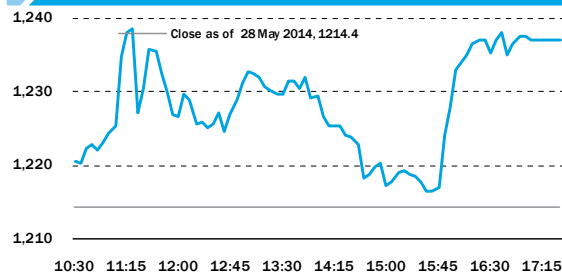
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1237.1	1.9%	10.2%	35.9%
RTS	1314.7	1.1%	15.4%	-8.9%
WIG20	2465.3	0.7%	1.1%	2.7%
MSCI EM	1038.6	0.0%	4.6%	3.7%
S&P 500	1920.0	0.5%	2.7%	4.3%

UX INTRADAY MAY 29, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	293.9	-1.7%	-7.7%	-11.1%
CDS 5Y UKR	884.9	-0.5%	-26.8%	7.9%
Ukraine-17	8.4%	0.0 p.p.	-3.4 p.p.	-0.6 p.p.
Naftogaz Ukr-14	22.1%	0.7 p.p.	-14.2 p.p.	13.4 p.p.
Ukraine-23	8.8%	0.1 p.p.	-1.2 p.p.	1.3 p.p.
Privatbank-16	29.1%	0.0 p.p.	-5.3 p.p.	4.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.84	-0.5%	2.5%	43.7%
EUR	16.10	-0.5%	0.7%	41.6%
RUB	0.34	-0.9%	6.0%	35.9%

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%	0.9%	0.0%
Oil, USD/bbl	110.0	0.1%	2.2%	-1.1%
Gold, USD/oz	1255.6	-0.2%	-3.2%	4.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

CEEN, DOEN to Benefit from 10% Household Electricity Tariff Hike

by Dmitry Churin
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NEWS

The Cabinet of Ministers has instructed the National Electricity Regulatory Commission (NERC) to increase minimum household electricity tariffs by 10% effective from Jun 1, 2014, Interfax reported on Thursday (May 29). The corresponding decision was approved by the government on May 21. The minimal electricity tariff for households will increase from 0.2802 UAH/kWh to 0.3084 UAH/kWh (0.0261 USD/kWh) and the tariff for households which consume more than 150 kWh per month will rise from 0.3648 UAH/kWh to 0.4194 kWh (0.0355 USD/kWh).

COMMENTARY

The announced initial increase in the tariffs looks rather mild as it is much below the 2014 devaluation of the hryvnia (40%), and will leave Ukrainian electricity prices as the lowest of any country in Europe. According to the government's calculations, Ukraine's household tariffs cover only 24% of electricity production and distribution costs. The news is, however, POSITIVE for electricity generation companies, in particular blue-chip CentrEnerg (CEEN UK) and DonbasEnerg (DOEN UK), because revenues in the industry will rise. Thermal generation companies received 0.5819 UAH/kWh from monopoly wholesale market operator EnergoRynok in May. We expect further increases in household electricity tariffs in 2H14 as the IMF program prescribes a gradual rise in these tariffs to their economically justified levels.

Russia Allows MHP to Deliver Its Poultry to Crimea

by Ivan Dzvinka
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NEWS

Russia's veterinarian control agency resumed its certification of poultry products from MHP, Ukraine's largest poultry producer, for delivery to Crimea effective May 29, Interfax reported. As was reported previously, MHP had been banned from exporting its poultry to Custom Union countries in early February. Crimea effectively seceded from Ukraine and joined the Russian Federation in March.

COMMENTARY

With the population of Crimea at some 2.0mn people and poultry consumption in the region in the amount of 26 kg per capita per annum, the size of the Crimean market is near 52,000 tonnes, or roughly on the scale of MHP's poultry capacity of 55,000 tonnes per annum in the peninsula. Thus, although there are limited opportunities for MHP to expand its market presence in Crimea, the continuation of sales there will, in our view, allow the company to export its products to Russia through Crimea, which is a positive signal for the MHPC stock.

MHP (MHPC LJ)

Price: USD 14.62 Market Cap: USD 1,545mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.8	9.5	6.8	5%
2014E	1.8	neg	5.6	0%

Naftogaz to Receive UAH 22.3bn Cash Injection from Government

by Dmitry Churin
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NEWS

The Cabinet of Ministers has decided to increase the charter fund of state-owned gas monopoly Naftogaz Ukraine by UAH 22.3bn (USD 1.9bn), according to a decision adopted on Thursday (May 29). The Finance Ministry plans to issue hryvnia-denominated bonds with maturities of up to 7 years and an interest rate of 14.3% to finance the charter fund increase. As we reported earlier this year, Naftogaz got a UAH 11.1bn in new capital from the government in February with a similar scheme.

COMMENTARY

Currently Naftogaz is in tough negotiations with Gazprom regarding a new gas price to be applied retroactively from Apr 1, when the previously agreed price of USD 268 per 1,000 cubic meters for 1Q14 expired. The negotiations are stuck in a stalemate due to Gazprom's demand that the Ukrainian side pay off what it says is USD 2.16bn in debt that Naftogaz accrued in 1Q14. The massive capital injection, which is occurring via the same below-market bond yield scheme used by the Yanukovich government to subsidize Naftogaz's losses, is close to the debt amount, and we presume that proceeds from the share issue will be used for debt repayment. Meanwhile, the gas price talks between Ukraine and Russia are set to continue today (May 30) in Berlin with the participation of European Commission representatives. However, the previously-brokered two rounds of talks in Berlin brought little progress, and Moscow threatened to stop supplying Kyiv with gas if it fails to make a pre-payment of USD 1.6bn for June supplies by Jun 3. On its side, Ukraine insists on a "market-based approach" to pricing, and is refusing to pay the USD 485 per 1,000 cu-m calculated by Moscow according to the old 2009 Yulia Tymoshenko contract, countering that European consumers pay only about USD 370. Acting Prime Minister Arseniy Yatseniuk said the country is ready to pay off the 1Q14 gas debt immediately after a new price is agreed. The announced capital injection into Naftogaz shows that Ukrainian side has resources to meet its pledge.

Naftogaz's state-guaranteed 2014 Eurobonds with maturity in September are currently quoted at an elevated 23.7%/20.6% YTM, as there are expectations that the bonds, previously restructured in 2009, will be restructured again through a new sovereign issue.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.79	0.56	-30%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	139.0	125.0	-10%	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	7.39	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	3.29	6.2	90%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.65	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	0.60	2.9	392%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.6	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.49	5.2	252%	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	2205	5250	138%	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	9.4	42.0	348%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	61.8	120	94%	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	45.3	72.0	59%	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	7.24	15.00	107%	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	14.6	15.65	7%	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	44.0	90.0	104%	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	67.0	58.74	-12%	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	1237.14	1241.69	799.72	1.9%	9.3%	10.2%	35.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	6.6%	11.6%	11.2%	-8.0%	4.7%	2.2%	1.0%	-43.9%
Azovstal	AZST	0.79	0.90	0.31	0.4%	6.7%	15.6%	18.4%	-1.5%	-2.6%	5.4%	-17.6%
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	43.8	52.0	20.0	12.9%	26.2%	26.1%	36.8%	11.0%	16.9%	15.9%	0.9%
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	0.13	n/a	n/a	0.0%	-18.8%	-27.8%	30.0%	-1.9%	-28.1%	-38.0%	-5.9%
Coke												
Avdivka Coke	AVDK	3.29	4.80	1.46	2.8%	6.4%	7.7%	11.0%	0.9%	-2.9%	-2.5%	-24.9%
Yasnyivsky Coking	YASK	0.65	0.77	0.49	3.2%	8.3%	-13.3%	22.6%	1.3%	-1.0%	-23.5%	-13.3%
Iron Ore Mining												
Centralny GOK	CGOK	7.39	n/a	n/a	0.0%	-1.3%	-0.1%	13.7%	-1.9%	-10.7%	-10.4%	-22.3%
Ferrexpo	FXPO	2.32	3.20	2.02	0.6%	0.3%	-6.6%	-26.3%	-1.2%	-9.0%	-16.8%	-62.3%
Pivnichny GOK	SGOK	8.29	10.00	6.20	-0.1%	-2.1%	5.1%	3.6%	-2.0%	-11.5%	-5.1%	-32.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	20.0%	17.6%	11.1%	50.0%	18.1%	8.3%	0.9%	14.1%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	0.0%	2.0%	5.3%	61.3%	-1.9%	-7.3%	-5.0%	25.3%
Energy Coal	CLE	0.43	1.23	0.31	-2.4%	5.8%	1.4%	24.3%	-4.3%	-3.5%	-8.8%	-11.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.43	n/a	n/a	n/a	10.3%	10.3%	-6.5%	n/a	0.9%	0.0%	-42.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.85	0.99	0.30	1.2%	-14.1%	3.7%	41.7%	-0.7%	-23.5%	-6.6%	5.7%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	11.1%	11.1%	42.9%	-1.9%	1.8%	0.9%	6.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.6	29.0	10.0	0.6%	8.8%	-1.2%	-4.0%	-1.3%	-0.5%	-11.4%	-40.0%
Luhanskeplovoz	LTPL	1.49	2.20	1.20	2.8%	6.4%	-6.9%	-0.7%	0.9%	-2.9%	-17.1%	-36.6%
Stakhanov Wagon	SVGZ	1.18	n/a	n/a	7.3%	6.3%	-5.6%	-9.2%	5.4%	-3.0%	-15.8%	-45.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	4.2%	48.7%	11.1%	122.3%	2.4%	39.4%	0.9%	86.3%
Motor Sich	MSICH	2,205	2,545	1,303	3.0%	10.8%	23.3%	20.9%	1.1%	1.5%	13.0%	-15.1%
Summy Frunze Engineering	SMASH	4.34	n/a	n/a	14.2%	8.5%	-14.1%	73.6%	12.3%	-0.8%	-24.3%	37.7%
Turboatom	TATM	4.50	n/a	n/a	0.0%	-10.0%	50.0%	28.6%	-1.9%	-19.3%	39.8%	-7.4%
WESTA ISIC	WES	0.16	0.26	0.13	0.0%	0.0%	-7.3%	23.8%	-1.9%	-9.3%	-17.5%	-12.1%
Telecom												
Ukrtelecom	UTLM	0.17	0.19	0.09	2.1%	-8.2%	4.4%	50.0%	0.2%	-17.6%	-5.8%	14.1%
Oil & Gas												
Regal Petroleum	RPT	0.16	0.34	0.13	5.7%	4.8%	3.6%	-25.6%	3.8%	-4.6%	-6.6%	-61.5%
JKX Oil	JKX	1.03	1.21	0.75	3.8%	3.8%	12.7%	-12.9%	2.0%	-5.5%	2.5%	-48.8%
Ukrnafta	UNAF	267	270	96	3.4%	9.2%	9.0%	145.9%	1.6%	-0.2%	-1.2%	109.9%
Power Utilities												
Centrenerg	CEEN	7.24	7.40	2.50	2.2%	13.0%	21.7%	51.7%	0.3%	3.7%	11.5%	15.8%
Donbasenergo	DOEN	45.3	50.2	15.4	-0.9%	4.0%	-4.8%	64.3%	-2.8%	-5.3%	-15.0%	28.4%
Zakhidenergo	ZAEN	142.5	142.9	64.0	-0.3%	4.0%	4.4%	57.6%	-2.2%	-5.3%	-5.8%	21.7%
Consumer												
Agroton	AGT	0.84	1.8	0.43	-2.9%	11.6%	7.0%	29.3%	-4.8%	2.3%	-3.2%	-6.7%
Astarta	AST	14.5	24.4	12.1	-1.0%	10.4%	9.9%	-34.9%	-2.9%	1.0%	-0.3%	-70.9%
Avangardo	AVGR	9.0	13.0	8.26	-0.2%	3.2%	2.0%	-23.6%	-2.1%	-6.1%	-8.2%	-59.5%
Industrial Milk Company	IMC	3.18	5.14	2.49	0.2%	11.5%	5.1%	-21.2%	-1.6%	2.2%	-5.1%	-57.2%
Kernel	KER	9.1	18.2	7.6	0.7%	4.0%	-4.6%	-28.5%	-1.1%	-5.4%	-14.9%	-64.4%
Mriya Agro Holding	MAYA	6.60	8.2	5.50	-2.9%	0.5%	1.4%	-11.4%	-4.8%	-8.8%	-8.8%	-47.4%
MHPC	MHPC	14.6	19.0	11.00	3.0%	7.5%	22.3%	-14.1%	1.1%	-1.8%	12.1%	-50.0%
Milkiland	MLK	2.09	4.7	1.71	1.3%	22.4%	-9.0%	-49.8%	-0.5%	13.1%	-19.2%	-85.7%
Ovostar Union	OVO	22.0	33.3	19.4	2.0%	1.7%	-2.9%	-33.8%	0.1%	-7.7%	-13.1%	-69.8%
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	16.9	n/a	n/a	9.6%	23.5%	17.7%	34.9%	7.7%	14.2%	7.5%	-1.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.164	0.188	0.077	-0.5%	6.4%	-8.4%	44.4%	-2.4%	-2.9%	-18.7%	8.5%
UkrSotsbank	USCB	0.170	0.257	0.115	1.3%	3.7%	14.6%	-9.4%	-0.6%	-5.6%	4.4%	-45.3%

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	915	816	69	94	86	6.2%	10.3%	10.5%	29	60	56	2.6%	6.5%	6.8%
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%
Ukrspotsbank	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	78	3.9%	3	1,426	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	39	8.8%	3	35	4.6	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	282	3.0%	8	266	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	58	59	58	\$/tonne
Coke																		
Avdyivka Coke	AVDK	54	6.8%	4	52	neg	neg	neg	neg	1.1	1.8	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.2	0.6	0.6	0.8	0.0	0.0	0.0	0.6	0.6	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	731	0.3%	2	730	7.7	3.8	4.5	3.1	2.3	2.6	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,613	0.4%	6	1,607	3.7	2.9	3.5	2.1	1.8	2.0	1.1	1.0	1.1				
Ferrexpo	FXPO	1,360	24.0%	326	2,039	6.3	5.2	6.9	5.1	4.0	4.6	1.4	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	28	5.4%	2	130	3.9	1.7	1.7	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	187	2.0%	4	232	5.5	>30	>30	4.5	7.4	7.6	0.5	0.7	0.7	369	611	581	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	28	24.0%	7	65	5.7	1.4	1.2	2.2	1.8	1.7	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	161	5.0%	8	161	1.7	3.9	neg	1.2	2.5	10.5	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	23	8.0%	2	55	>30	>30	>30	7.7	9.4	10.1	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	125	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	387	24.0%	93	410	1.9	2.3	2.3	1.3	1.5	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	261	7.2%	19	565	5.8	15.3	9.9	2.7	3.0	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,223	3.0%	37	1,215	6.9	>30	10.7	2.7	4.2	4.0	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	50	21.6%	11	25	4.3	neg	25.1	1.2	neg	1.0	0.6	0.7	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	177	50.4%	89	286	neg	27.3	22.7	2.1	4.3	4.2	1.4	1.6	1.4	52	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	226	21.7%	49	305	7.8	3.8	4.1	4.4	3.2	3.6	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	91	14.2%	13	157	23.7	1.4	2.0	4.9	2.2	3.1	0.3	0.2	0.3	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,545	34.1%	527	2,673	5.0	9.5	neg	5.7	6.8	5.6	1.9	1.8	1.8				
Kernel	KER	722	61.8%	446	1,428	3.4	6.9	9.4	4.4	4.9	5.6	0.7	0.5	0.6				
Astarta	AST	362	37.0%	134	696	6.2	10.6	4.4	6.3	7.6	5.0	1.5	1.4	1.2				
Avangardco	AVGR	574	22.5%	129	681	2.5	2.4	1.9	2.4	2.3	1.8	1.1	1.0	0.9	154	117	110	\$/mneggs
Agroton	AGT	18	26.2%	5	67	2.7	neg	neg	3.3	8.9	19.4	0.8	0.8	0.8	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	416	3.5%	15		>30	4.6	13.2	0.5	0.5	0.5	0.07	0.08	0.08				
Ukrsotsbank	USCB	264	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

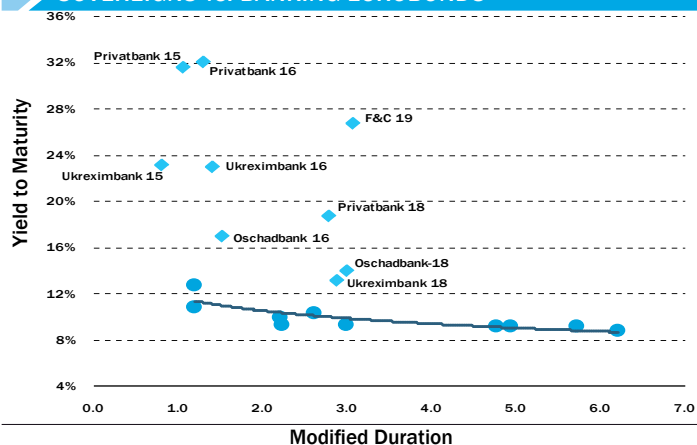
UKRAINIAN EUROBONDS

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	804.3%	269.3%	-1.5%	0.0	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	95.6	96.5	23.7%	20.6%	-4.4%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.3	95.3	11.3%	9.4%	-1.7%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	95.6	96.9	11.6%	10.4%	-1.4%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	94.8	96.1	9.3%	8.7%	1.5%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	94.8	96.0	8.8%	8.2%	1.2%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.0	96.3	9.1%	8.2%	2.6%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	98.7	99.9	10.1%	9.6%	0.1%	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	94.8	95.8	9.1%	8.8%	2.4%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	94.9	95.9	9.1%	8.9%	1.8%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	91.6	92.6	9.3%	9.1%	1.1%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	91.5	93.0	8.9%	8.6%	1.9%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.9	67.1%	57.6%	-38.9%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	100.6	101.8	11.6%	10.7%	-2.2%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	87.7	89.3	11.2%	10.8%	-1.0%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.0	96.0	15.1%	15.1%	-2.0%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	85.7	88.0	16.0%	15.1%	-3.7%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.6	92.5	19.1%	18.3%	-8.2%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	74.9	75.9	18.8%	18.4%	-13.4%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.9	95.4	21.5%	18.9%	-7.4%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.3	84.6	13.6%	13.1%	-10.9%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.5	98.0	17.4%	15.1%	-4.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.3	90.1	13.2%	12.5%	-6.1%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	97.7	99.5	10.0%	8.7%	0.6%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	83.1	85.7	15.3%	14.4%	-8.0%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	75.5	77.5	22.7%	21.0%	-1.9%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.9	107.9	9.7%	9.1%	-3.7%	3.1	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	50.0	60.0	29.8%	24.0%	-33.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	84.5	84.5	42.8%	42.8%	-14.2%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	63.6%	50.4%	-16.1%	2.4	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	83.5	86.0	31.3%	27.5%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	68.6	72.6	33.4%	28.9%	0.3%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.4	86.1	17.9%	16.0%	0.0%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	91.8	93.0	23.1%	20.9%	-4.2%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.5	82.5	22.2%	20.3%	-4.5%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	87.7	88.9	13.1%	12.6%	-1.0%	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	91.0	93.0	15.8%	14.2%	-1.2%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.4	88.2	13.7%	13.0%	-1.9%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	85.0	87.0	23.5%	21.2%	-7.5%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	85.6	86.8	17.8%	17.1%	-6.9%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

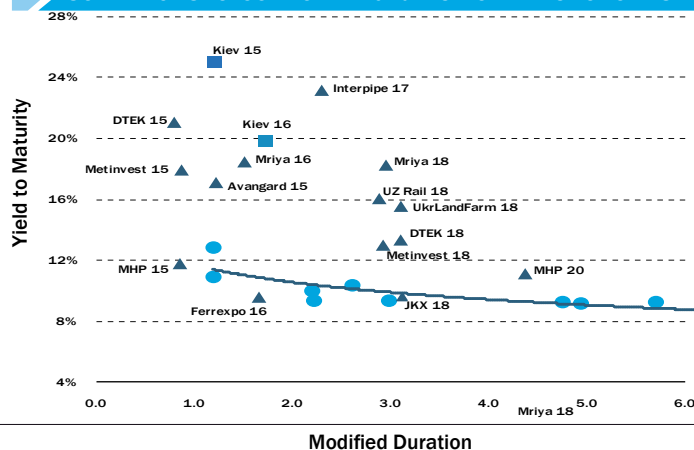
¹ Moody's/S&P/Fitch; * EUR

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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