

Market Update

Equity

Local Ukrainian blue chips rose on Thursday (Jun 5), although they still looked set to end the week with a minor correction following the previous two weeks' big gains on optimism about political stability as Kyiv exits the phase of its post-Yanukovich interim government. Externally, it was another good day on Wall Street, with the S&P 500 finishing at another new all-time best of 1940 points and the main European indices also edging higher. The UX index added 1.0% to close at 1208 points. Among the top liquid names, Motor Sich and UkrNafta picked up 1.3% and 1.5% respectively on combined turnover of UAH 6.0mn, while DonbasEnergo and UkrSotsBank were the largest percentage gainers, rising 3.0% and 3.6% respectively on light volume. Outside the UX basket, Yasynivsky Coke was active, appreciating by 3.7% to 66.80 kopecks. London trading saw yet another sluggish day for Ferrexpo, which ended unchanged near GBp 134.

Fixed Income

Most Ukrainian sovereigns were flat yesterday, although the country's shortest issue (following the redemption of Ukraine 14s earlier this week), Ukraine-15s, increased by 0.6 p.p. to 96.0/97.2 (11.4/10.2%). Meanwhile, in corporate Eurobonds, DTEK-15s declined by 1.4 p.p. to close at 93.0/94.0 (23.7%/21.7%). In banking issues, PrivatBank-15s added 0.8 p.p. to 83.5/85.0 (31.9%/29.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2283.00	1.3%	3.5	59
Ukrnafta	UNAF	257.50	1.5%	2.4	34
Centrenergo	CEEN	7.06	0.5%	0.8	174

Growth Leaders

Yasynivsky Coke	YASK	0.67	3.7%	0.14	7
UkrSotsbank	USCB	0.17	3.6%	0.03	10
Donbasenergo	DOEN	41.69	3.0%	0.08	39

Loss Leaders

Luhanskteplovoz	LTPL	1.30	-4.4%	0.034	11
Dniproenergo	DNEN	489.90	-1.8%	0.051	9
Bogdan Motors	LUAZ	0.06	-1.8%	0.026	14

Highlights

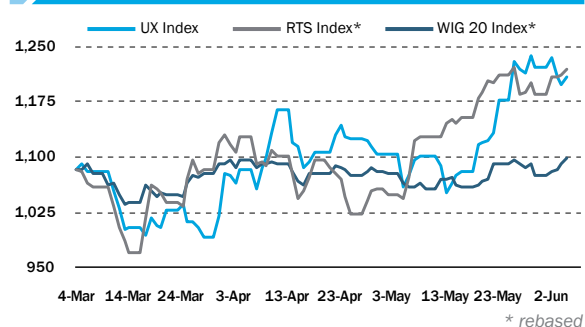
POLITICS AND ECONOMICS

- > Klitschko Assumes Office as Kyiv Mayor

STOCKS IN THE NEWS

- > Blocking Stake in DonbasEnergo Could Be Privatized This Year

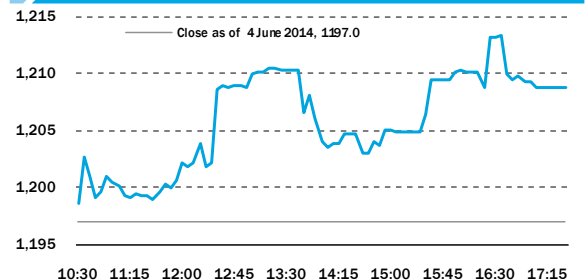
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1208.7	1.0%	14.0%	32.8%
RTS	1333.9	0.7%	16.7%	-7.5%
WIG20	2480.9	0.8%	3.1%	3.3%
MSCI EM	1035.0	0.4%	3.4%	3.3%
S&P 500	1940.5	0.7%	3.0%	5.4%

UX INTRADAY JUNE 5, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	285.9	-1.2%	-9.2%	-13.6%
CDS 5Y UKR	865.2	-2.8%	-30.9%	5.5%
Ukraine-17	8.5%	-0.1 p.p.	-4.3 p.p.	-0.5 p.p.
Naftogaz Ukr-14	17.7%	-0.4 p.p.	-23.2 p.p.	8.9 p.p.
Ukraine-23	8.7%	0.0 p.p.	-1.8 p.p.	1.2 p.p.
Privatbank-16	28.0%	-0.2 p.p.	-5.2 p.p.	3.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.87	-0.5%	1.9%	44.0%
EUR	16.21	0.0%	0.1%	42.5%
RUB	0.34	0.4%	5.0%	36.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	266.8	0.0%	-9.7%	-7.2%
Steel, USD/t	537.5	0.0%	0.9%	0.0%
Oil, USD/bbl	108.8	0.4%	1.6%	-2.2%
Gold, USD/oz	1253.7	0.8%	-4.3%	4.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Klitschko Assumes Office as Kyiv Mayor

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NEWS

UDAR party leader Vitaliy Klitschko was sworn into office as the city of Kyiv's first new elected mayor since 2005, at a ceremony at City Hall on Thursday (Jun 5). Klitschko won the mayorship on May 25 by claiming a dominant 57% of the vote, with second place finisher Lesya Orobets receiving just 11%. Klitschko previously ran for the office unsuccessfully on two occasions, coming up short against billionaire banker Leonid Chernovetsky in 2005 and again in 2008. As part of his taking on the mayor's job, Klitschko gave up his deputy mandate in the Ukrainian Parliament.

COMMENTARY

Klitschko's assumption of power marks the start of a new era of optimism for Kyiv, which suffered under five years of blatantly corrupt management by the erratic Chernovetsky to end the previous decade. The former mayor's "young team" became known for dirty land privatizations and excessive displays of consumption. Shortly after winning the presidency in 2010, Viktor Yanukovich deposed Chernovetsky from City Hall and installed an unelected Party of Regions administrator, Olexander Popov, who headed the city government (to relatively better reviews) until being fired at the start of the EuroMaidan demonstrations in December. Klitschko's landslide win in last month's mayoral election was a reward to him for his leading role in the three-month EuroMaidan movement as well as his unselfish decision to step aside in the presidential race in favor of fellow center-right politician Petro Poroshenko, who was then able to win the presidency in the first round and avoid a divisive runoff. The capital's voters have provided Klitschko and his UDAR party, which will dominate the new city council, with a considerable bank of confidence; the new mayor has promised to clean up the city government and make it more transparent, but as always, the devil will be in the details and in the competence and integrity of the individuals whom Klitschko chooses for his team. One immediate positive development from Klitschko's election (in concert with the general environment of Western support for Ukraine) should be the ability of the city to raise a new Eurobond issue at a reasonable yield.

Blocking Stake in DonbasEnergO Could Be Privatized This Year

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DONBASENERGO (DOEN UK)

Price: UAH 41.7 Market Cap: USD 83mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	0.2	1.3	2.1	16.2%
2014E	0.5	0.3	1.8	2.9	14.6%

NEWS

The remaining 25%+1 state-owned stake in coal-fired power plant operator DonbasEnergO could be privatized this year, Deputy Energy Minister Vadym Ulitsky said earlier this week. Privatization of other state blocking stakes in domestic electricity generation and distribution companies, including in DniproEnergO (generation) and KievEnergO (distribution), should also take place in 2014, he said.

A 60.7% state-owned stake in DonbasEnergO was sold off for UAH 720mn (USD 88mn), or UAH 50.0 per share, to Donetsk-based EnergOInvest Holding in August 2013.

COMMENTARY

We assume that privatization of the remaining state stakes in Ukraine's major electricity generation and distribution companies is being viewed by the government as a quick way to support national budget revenues, and it could also be part of the IMF program demands. However, we would question the timing of the sale given that the ongoing war in Donetsk oblast (the location of DonbasEnergO) makes the valuation of state assets there very complicated. In our opinion, this is not the right time for privatization as it would be difficult to sell state assets for an adequate price. For the moment, we do not see any potential buyer for the blocking stake in DonbasEnergO other than the majority owner, EnergOInvest Holding. We doubt that the State Property Fund will be able to sell the stake in DonbasEnergO for a valuation of more than UAH 50 per share, making the deal disadvantageous for the government. An additional nuance of privatization of the blocking state stake is that the company could become less transparent and end the practice of paying annual dividends. DonbasEnergO paid a generous UAH 6.74 per share dividend from its FY13 profit. There is a high probability that if the government keeps the remaining stake in the company, it will push through a 30% dividend payout from FY14 profit.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.75	0.56	-25%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	134.1	125.0	-7%	SELL	Ferrexpo's lower production cost due to UAH devaluation in 2014 together with a 8% increase in output will not be sufficient to offset a projected 13% drop in the group's achieved iron ore pricing.
Pivnichny GOK	SGOK	7.80	U/R	na	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	7.35	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	3.13	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	0.67	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	394%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.30	5.2	303%	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	2283	5250	130%	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	8.8	42.0	380%	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	41.7	72.0	73%	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	7.06	15.00	112%	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	15.1	15.65	4%	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	47.4	90.0	90%	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	8.9	U/R	--	U/R	
Ovostar Union	OVO	68.9	58.74	-15%	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	0.162	0.24	48%	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	1208.71	1245.20	799.72	1.0%	-2.3%	14.0%	32.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	1.7%	-0.3%	19.9%	-8.2%	0.7%	2.0%	5.9%	-41.1%
Azovstal	AZST	0.75	0.90	0.31	1.2%	-6.1%	10.9%	11.2%	0.2%	-3.8%	-3.1%	-21.6%
Dniprospezstal	DNSS	1,300	n/a	n/a	n/a	n/a	0.0%	0.0%	n/a	n/a	-14.0%	-32.8%
Enakievo Steel	ENMZ	42.4	52.0	20.0	2.0%	-3.2%	27.6%	32.4%	1.1%	-0.9%	13.6%	-0.4%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	n/a	n/a	0.0%	247.8%	n/a	n/a	-14.0%	215.0%
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	7.1%	15.4%	0.0%	50.0%	6.2%	17.7%	-14.0%	17.2%
Coke												
Avdivka Coke	AVDK	3.13	4.80	1.46	-1.4%	-4.8%	4.9%	5.6%	-2.3%	-2.5%	-9.1%	-27.2%
Yasnyivsky Coking	YASK	0.67	0.77	0.49	4.7%	3.1%	-4.3%	26.4%	3.7%	5.4%	-18.3%	-6.4%
Iron Ore Mining												
Centralny GOK	CGOK	7.35	n/a	n/a	0.0%	-0.5%	-0.7%	13.1%	-1.0%	1.8%	-14.7%	-19.7%
Ferrexpo	FXPO	2.25	3.20	2.02	0.3%	-3.0%	-8.5%	-28.6%	-0.7%	-0.7%	-22.5%	-61.4%
Pivnichny GOK	SGOK	7.80	10.00	6.20	0.0%	-5.9%	0.0%	-2.5%	-1.0%	-3.6%	-14.0%	-35.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	0.0%	0.0%	9.1%	50.0%	-1.0%	2.3%	-4.9%	17.2%
Komsomolets Donbasa	SHKD	0.95	n/a	n/a	0.0%	-5.0%	25.0%	53.2%	-1.0%	-2.7%	11.0%	20.4%
Energy Coal	CLE	0.42	1.23	0.31	1.8%	-3.4%	5.8%	20.0%	0.8%	-1.2%	-8.1%	-12.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	n/a	n/a	0.0%	-7.0%	2.6%	-13.0%	-1.0%	-4.7%	-11.4%	-45.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.89	0.99	0.30	0.0%	4.7%	8.5%	48.3%	-1.0%	7.0%	-5.4%	15.5%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	20.0%	42.9%	-1.0%	2.3%	6.0%	10.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.5	29.0	10.0	2.7%	-0.7%	-1.8%	-4.7%	1.8%	1.6%	-15.8%	-37.5%
Luhanskeplovoz	LTPL	1.30	2.20	1.20	-4.4%	-12.8%	-10.3%	-13.3%	-5.4%	-10.5%	-24.3%	-46.2%
Stakhanov Wagon	SVGZ	1.12	n/a	n/a	0.0%	-5.1%	10.9%	-13.8%	-1.0%	-2.8%	-3.1%	-46.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-1.8%	-4.9%	36.3%	111.3%	-2.7%	-2.6%	22.3%	78.5%
Motor Sich	MSICH	2,283	2,545	1,303	1.2%	3.5%	34.6%	25.2%	0.3%	5.8%	20.6%	-7.7%
Summy Frunze Engineering	SMASH	4.30	n/a	n/a	0.0%	-0.9%	7.5%	72.0%	-1.0%	1.4%	-6.5%	39.2%
Turboatom	TATM	4.00	n/a	n/a	0.0%	-11.1%	8.1%	14.3%	-1.0%	-8.8%	-5.9%	-18.5%
WESTA ISIC	WES	n/a	0.26	0.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	7.7%	13.2%	61.5%	-1.0%	10.0%	-0.8%	28.7%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.34	0.13	11.5%	-6.2%	12.5%	-30.2%	10.5%	-3.9%	-1.5%	-63.0%
JXX Oil	JKX	1.02	1.21	0.75	0.4%	-0.7%	10.5%	-13.5%	-0.6%	1.6%	-3.5%	-46.3%
Ukrnafta	UNAF	258	270	96	1.2%	-3.6%	15.6%	137.1%	0.2%	-1.3%	1.6%	104.3%
Power Utilities												
Centrenerg	CEEN	7.06	7.40	2.50	0.4%	-2.4%	19.1%	48.1%	-0.6%	-0.1%	5.2%	15.3%
Donbasenergo	DOEN	41.7	50.2	15.4	1.7%	-8.0%	5.5%	51.1%	0.7%	-5.7%	-8.4%	18.3%
Zakhidenergo	ZAEN	149.8	153.0	64.0	-0.1%	5.1%	19.9%	65.7%	-1.0%	7.4%	6.0%	32.9%
Consumer												
Agroton	AGT	0.83	1.8	0.43	0.2%	-1.2%	16.7%	27.7%	-0.8%	1.1%	2.8%	-5.1%
Astarta	AST	15.6	24.4	12.1	0.7%	8.0%	18.5%	-29.7%	-0.3%	10.3%	4.6%	-62.5%
Avangardo	AVGR	8.9	13.0	8.26	-3.3%	-0.9%	0.3%	-24.3%	-4.2%	1.4%	-13.6%	-57.1%
Industrial Milk Company	IMC	3.30	5.14	2.49	2.4%	3.8%	10.0%	-18.3%	1.4%	6.1%	-4.0%	-51.1%
Kernel	KER	10.2	18.2	7.6	0.7%	12.3%	13.4%	-19.6%	-0.3%	14.6%	-0.6%	-52.5%
Mriya Agro Holding	MAYA	6.48	8.2	5.52	5.6%	-1.8%	2.7%	-13.0%	4.7%	0.5%	-11.3%	-45.8%
MHPC	MHPC	15.1	18.7	11.00	-0.6%	3.3%	24.3%	-11.2%	-1.6%	5.6%	10.3%	-44.0%
Milkiland	MLK	2.12	4.7	1.71	4.6%	1.5%	-4.7%	-49.1%	3.6%	3.8%	-18.7%	-81.9%
Ovostar Union	OVO	22.7	33.3	19.4	4.3%	3.3%	4.4%	-31.7%	3.3%	5.6%	-9.6%	-64.5%
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	14.3	n/a	n/a	0.0%	-15.0%	-0.3%	14.6%	-1.0%	-12.7%	-14.3%	-18.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.162	0.188	0.077	0.8%	-1.2%	-5.0%	42.7%	-0.2%	1.1%	-19.0%	9.9%
UkrSotsbank	USCB	0.170	0.257	0.115	3.8%	0.1%	13.1%	-9.3%	2.9%	2.4%	-0.9%	-42.2%

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	175	14.9%	10.4%	7.1%	211	105	47	9.8%	3.8%	1.9%
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	77	3.9%	3	1,426	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	33	4.4	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	11	\$/tonne
Azovstal	AZST	264	3.0%	8	248	neg	neg	neg	neg	neg	7.0	0.1	0.1	0.1	54	55	55	\$/tonne
Coke																		
Avdyivka Coke	AVDK	51	6.8%	3	49	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	11	13	13	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.3	0.6	0.6	0.9	0.0	0.0	0.0	0.6	0.6	0.9	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	726	0.3%	2	724	7.6	3.7	4.5	3.1	2.3	2.6	1.2	1.1	1.1				
Pivnichny GOK	SGOK	1,515	0.4%	6	1,508	3.5	2.8	3.3	2.0	1.7	1.8	1.1	0.9	1.0				
Ferrexpo	FXPO	1,318	24.0%	317	1,997	6.1	5.0	6.7	5.0	3.9	4.5	1.4	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	27	5.4%	1	129	3.7	1.6	1.6	1.0	1.4	1.4	0.5	0.6	0.6	31	30	29	\$/tonne
Coal Energy	CLE	19	25.0%	5	129	0.5	neg	neg	2.1	6.1	14.3	0.8	1.0	1.3	2.1	6.1	14.3	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	195	2.0%	4	241	5.8	>30	>30	4.6	7.7	7.9	0.5	0.8	0.8	382	633	602	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	24	24.0%	6	61	5.0	1.2	1.1	2.1	1.7	1.6	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	159	5.0%	8	159	1.7	3.8	neg	1.2	2.5	10.4	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	21	8.0%	2	54	>30	>30	>30	7.5	9.2	9.9	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	400	24.0%	96	422	2.0	2.4	2.4	1.4	1.5	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	280	7.2%	20	584	6.2	16.5	10.7	2.8	3.1	3.4	0.7	0.7	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	47	21.6%	10	22	4.0	neg	23.6	1.0	neg	0.9	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	176	50.4%	89	284	neg	27.1	22.5	2.1	4.3	4.2	1.4	1.6	1.4	52	39	38	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	220	21.7%	48	299	7.6	3.7	4.0	4.3	3.2	3.5	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	83	14.2%	12	149	21.7	1.3	1.8	4.6	2.1	2.9	0.3	0.2	0.3	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,596	34.1%	544	2,723	5.1	9.8	neg	5.8	7.0	5.7	1.9	1.8	1.9				
Kernel	KER	811	61.8%	501	1,517	3.8	7.7	17.3	4.7	5.2	8.7	0.7	0.5	0.6				
Astarta	AST	391	37.0%	145	725	6.7	11.5	4.8	6.6	8.0	5.3	1.6	1.5	1.3				
Avangardco	AVGR	568	22.5%	128	676	2.5	2.4	1.9	2.4	2.2	1.8	1.1	1.0	0.9	153	116	109	\$/mneggs
Agroton	AGT	18	26.2%	5	67	2.6	neg	neg	3.3	8.9	19.3	0.8	0.8	0.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	410	3.5%	14		>30	4.6	13.0	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

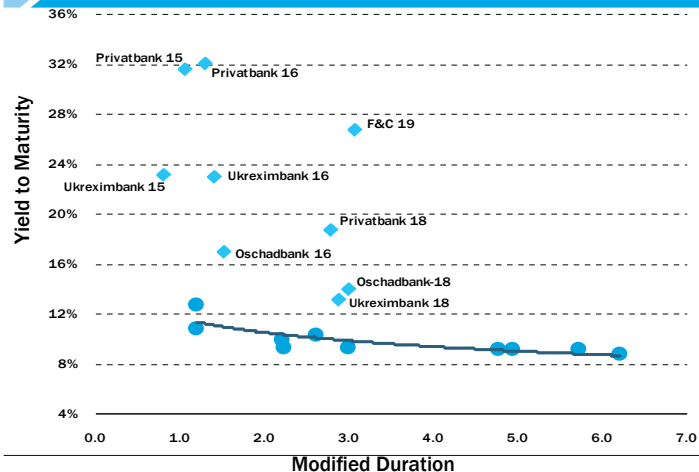
UKRAINIAN EUROBONDS

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											
Naftogaz Ukraine, 2014	97.1	98.0	19.1%	16.2%	-3.0%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.4	94.9	11.3%	9.9%	-1.9%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	96.0	97.2	11.4%	10.2%	-1.1%	1.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	94.5	95.2	9.5%	9.1%	0.9%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	94.5	95.3	9.0%	8.6%	0.6%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.3	95.5	9.0%	8.5%	2.4%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	99.1	100.1	10.0%	9.6%	0.4%	2.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	90.8	92.3	12.8%	12.2%	10.7%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.0%	10.6%	16.6%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	94.3	95.3	9.2%	9.0%	1.8%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	94.7	95.7	9.1%	8.9%	1.7%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	92.0	93.0	9.3%	9.1%	1.5%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	91.8	93.3	8.8%	8.6%	2.3%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	68.0%	58.0%	-39.0%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.0	102.0	11.1%	10.3%	-1.9%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	87.2	88.5	11.3%	11.0%	-1.7%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.8	96.0	16.6%	15.3%	-4.6%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	85.8	87.2	16.0%	15.4%	-4.1%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.6	92.9	19.2%	18.1%	-8.0%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	75.8	78.7	18.5%	17.2%	-11.3%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.0	94.0	23.7%	21.7%	-8.5%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	81.8	83.3	14.2%	13.6%	-12.5%	3.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	95.9	97.1	18.7%	16.6%	-5.5%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.6	88.1	13.9%	13.4%	-8.1%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.8	98.0	10.7%	9.7%	-0.6%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	83.8	85.8	15.1%	14.3%	-7.5%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	75.5	76.9	22.8%	21.4%	-1.9%	2.3	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	107.0	109.0	9.4%	8.8%	-2.7%	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%	3.0	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	85.0	88.0	42.7%	35.6%	-12.2%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	65.2%	51.5%	-16.1%	2.4	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	83.5	85.0	31.9%	29.5%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	69.9	73.9	32.2%	27.7%	2.3%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.4	86.0	17.9%	16.0%	0.0%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	91.0	92.8	25.1%	21.7%	-4.7%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	81.5	23.0%	21.5%	-5.3%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	86.3	88.0	13.7%	13.0%	-2.3%	2.8	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	90.0	91.3	16.8%	15.7%	-2.6%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	85.8	87.0	13.8%	13.3%	-2.9%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	87.0	90.0	21.5%	18.2%	-4.8%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	87.0	89.1	17.0%	15.7%	-5.3%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

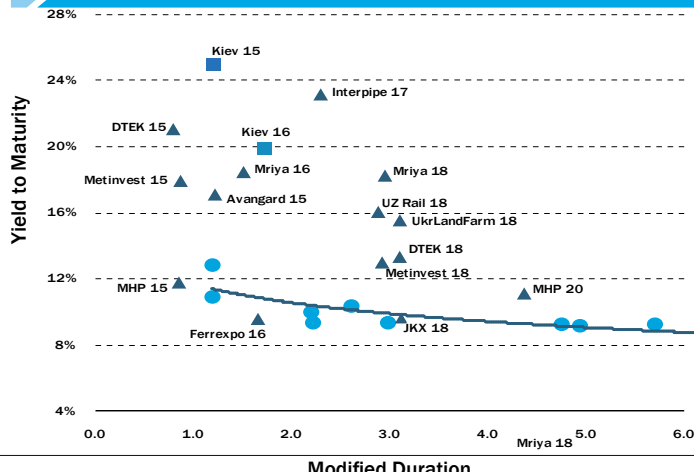
¹ Moody's/S&P/Fitch; * EUR

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			17.0%	13.5%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			18.0%	14.5%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000142699	n/a	n/a	18.0%	17.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	18.0%	17.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	18.0%	17.0%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	18.0%	14.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			17.5%	16.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			17.5%	16.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			17.5%	16.0%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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