

Market Update

Equity

Ukrainian stocks were lower in Kyiv on Monday amid the start of litigation between Russia and Ukraine over the price of natural gas, including already-delivered supplies this quarter, as well as the lack of positive news coming out of the Donbass region, where an undeclared war is taking place between Ukraine's armed forces and pro-Russian guerillas. Externally, the new crisis in Iraq kept a lid on the main global indices, although losses were generally muted. The UX index gave up 1.1% to close at 1223 points. Alchevsk Steel, located near the center of the turmoil in southern Lugansk oblast, fell 2.9% to 3.63 kopecks, and Metinvest-controlled Avdyivka Coke was down 2.7%. Among the top liquid blue chips, Raiffeisen Aval and Motor Sich shed 1.8% each on combined turnover of UAH 7.9mn, while CentrEnergO was somewhat better, edging lower by 0.6%. Outside the UX basket, Bogdan Motors slid by 5.5%. In London, the doom and gloom continued for Ferrexpo, which dropped further into post-2009 low territory on a 3.7% decline to below GBp 125.

Fixed Income

Quotes for Ukraine-23s Eurobonds declined by 1.7 p.p. to close at 89.9/91.4 (9.2%/8.9%). Medium term Ukraine-17s decreased by 1.1 p.p. to 92.8/94.1 (9.6%/9.1%). In corporate issues, MHP-20s lost 1.8 p.p. ending at 88.2/89.5 (11.1%/10.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2329.00	-1.8%	4.9	354
CentrenergO	CEEN	7.33	-0.6%	4.2	420
Raiffeisen Bank Aval	BAVL	0.16	-1.8%	3.1	341

Growth Leaders

Azovstal	AZST	0.77	0.1%	0.56	227
Yasynivsky Coke	YASK	0.72	-0.4%	0.02	8
CentrenergO	CEEN	7.33	-0.6%	4.20	420

Loss Leaders

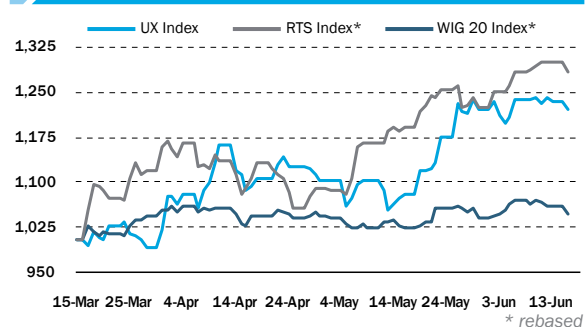
Bank Forum	FORM	0.35	-30.8%	0.003	7
Donetskoblenergo	DOON	7.00	-22.2%	0.205	10
Alchevsk Coke	ALKZ	0.06	-7.1%	0.007	8

Highlights

POLITICS AND ECONOMICS

- ▶ Naftogaz and Gazprom File Lawsuits Seeking Justice in Gas Relationship

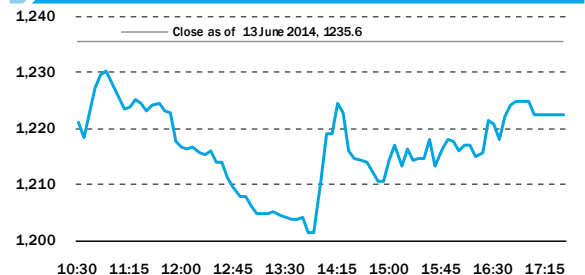
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1222.6	-1.1%	13.1%	34.3%
RTS	1357.8	-1.2%	7.6%	-5.9%
WIG20	2447.0	-1.0%	2.3%	1.9%
MSCI EM	1046.3	-0.3%	1.4%	4.4%
S&P 500	1937.8	0.1%	3.2%	5.3%

UX INTRADAY JUNE 16, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	286.8	2.0%	-6.5%	-13.3%
CDS 5Y UKR	905.1	5.7%	-20.7%	10.3%
Ukraine-17	9.0%	0.4 p.p.	-1.9 p.p.	0.0 p.p.
Naftogaz Ukr-14	18.9%	2.6 p.p.	-10.0 p.p.	10.2 p.p.
Ukraine-23	9.1%	0.3 p.p.	-0.7 p.p.	1.6 p.p.
Privatbank-16	22.7%	0.0 p.p.	-12.0 p.p.	-2.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.92	1.0%	-0.3%	44.7%
EUR	16.18	1.3%	-1.2%	42.3%
RUB	0.34	0.0%	-0.5%	36.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	259.9	0.0%	-5.7%	-9.6%
Steel, USD/t	537.5	0.0%	0.9%	0.0%
Oil, USD/bbl	112.9	0.4%	3.7%	1.6%
Gold, USD/oz	1271.9	-0.4%	-1.7%	6.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Naftogaz and Gazprom File Lawsuits Seeking Justice in Gas Relationship

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NEWS

Ukrainian state-run energy monopoly Naftogaz filed a lawsuit in the Stockholm International Arbitration Court seeking a market approach to forming the price for natural gas supplied by Gazprom, according to a press release published by the company on Monday (Jun 16). Russia-based Gazprom on Monday cut off gas supplies to Ukraine, switching the country from a post-delivery payment mode to pre-payment, according to the company's press statement.

The litigation became the only solution after two months of unsuccessful EU-brokered talks between Kyiv and Moscow regarding amendments to the existing gas pricing formula established in 2009. Gazprom estimates Ukraine's debt for already-supplied gas at USD 4.46bn: USD 1.45 billion – for November and December 2013 and USD 3.01bn for April and May 2014. The Ukrainian side agreed with the debt figure for 2013 but refused to recognize debt accrued since Apr 1, saying the price for this period was not properly determined by Gazprom. During the last round of negotiations, Gazprom was offering a price of USD 385 per 1,000 cubic meters (cu-m), corresponding to the 2009 contract formula but with elimination of a USD 100 Russian export duty, while the Kyiv Post reported that Ukraine's Energy Minister Yuriy Prodan was calling for a compromise price of USD 320/1,000 cu-m.

Gazprom said it has filed its own lawsuit in Stockholm seeking to recover USD 4.5bn in debt from Naftogaz due to the company's non-compliance with obligations under the 2009 contract, which it says runs until 2019.

COMMENTARY

The main issue at stake here is whether Ukraine is going to be able to amend the unfortunate 2009 contract pricing formula (which ties the gas price to benchmark oil prices), or whether that formula will remain in place, making Ukraine dependent on "political discounts" from the Russian side such as the waiving of the export duty that Moscow has proposed. The gas relationship between Ukraine and Moscow has been always a political item, and the current turmoil in Eastern Ukraine with unofficial Russian backing for separatist paramilitaries makes good-faith negotiations between the two countries in any sphere unrealistic. Although there were attempts to find a solution through EU-brokered negotiations, both sides in their final comments blamed each other for taking deliberately unacceptable positions. The basic scenario that we see developing from here is that a transparent trial should expose as groundless Gazprom's demand to set the gas price for Ukraine at the same level as for European consumers when gas transit costs to Ukraine are substantially lower than those to Europe. The experience of other European countries in challenging "non-market" pricing by Gazprom suggests that Ukraine has a high chance of success in court. However, we do not expect that the Stockholm Arbitration Court will rule completely in Ukraine's favor, as Naftogaz's accrued debt should be repaid and further payments will need to be managed in more responsible way. According to estimates from Naftogaz's new CEO Andrey Kobolev, Ukraine has enough gas in its underground storages to last through December. If the gas dispute is not resolved in the next six months, there is a risk that Ukraine will be forced to illegally siphon gas from transit supplies for next winter's needs, which would in turn threaten a cutoff of Gazprom's supplies to Europe.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.77	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	124.6	125.0	0%	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	8.30	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	3.23	6.2	93%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.72	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	391%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	17.5	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.38	5.2	278%	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	2329	5250	125%	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	8.5	42.0	394%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	58.0	120	107%	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	41.4	72.0	74%	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	7.33	15.00	105%	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	14.5	15.65	8%	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	44.1	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	10.0	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	0.155	0.24	55%	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	1222.57	1254.58	799.72	-1.1%	-1.3%	13.1%	34.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-3.5%	-4.2%	14.9%	-6.4%	-2.4%	-3.0%	1.8%	-40.8%
Azovstal	AZST	0.77	0.90	0.31	0.1%	-1.8%	9.6%	14.2%	1.2%	-0.5%	-3.5%	-20.2%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	1.1%	1.3%	-13.1%	-34.3%
Enakievo Steel	ENMZ	42.9	52.0	20.0	-2.4%	-1.3%	26.7%	34.1%	-1.3%	0.0%	13.6%	-0.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.1%	1.3%	-13.1%	213.5%
Mariupol Ilyicha	MMKI	0.18	n/a	n/a	0.0%	20.0%	28.6%	80.0%	1.1%	21.3%	15.5%	45.7%
Coke												
Avdiyivka Coke	AVDK	3.23	4.80	1.46	-2.7%	-1.6%	7.6%	9.1%	-1.6%	-0.3%	-5.5%	-25.2%
Yasnyivsky Coking	YASK	0.72	0.84	0.49	0.0%	7.5%	20.0%	35.8%	1.1%	8.7%	6.9%	1.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.35	n/a	n/a	0.0%	0.0%	2.4%	13.1%	1.1%	1.3%	-10.7%	-21.3%
Ferrexpo	FXPO	2.12	3.20	2.02	-3.6%	-8.6%	-11.6%	-32.9%	-2.5%	-7.3%	-24.6%	-67.2%
Pivnichny GOK	SGOK	8.30	10.00	4.50	0.0%	2.5%	1.3%	3.8%	1.1%	3.7%	-11.7%	-30.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	0.70	0.10	-14.3%	0.0%	11.1%	50.0%	-13.2%	1.3%	-2.0%	15.7%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	0.0%	0.0%	5.3%	61.3%	1.1%	1.3%	-7.8%	26.9%
Energy Coal	CLE	0.43	1.23	0.31	-0.2%	-1.7%	9.3%	22.8%	0.9%	-0.5%	-3.7%	-11.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	n/a	n/a	0.0%	0.0%	2.6%	-13.0%	1.1%	1.3%	-10.5%	-47.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.94	1.01	0.30	0.0%	5.6%	11.9%	56.7%	1.1%	6.9%	-1.2%	22.3%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	30.0%	44.4%	85.7%	1.1%	31.3%	31.4%	51.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.5	29.0	10.0	-1.8%	2.8%	12.8%	1.0%	-0.7%	4.1%	-0.3%	-33.3%
Luhanskeplovoz	LTPL	1.38	2.20	1.20	0.7%	0.0%	-1.4%	-8.0%	1.8%	1.3%	-14.5%	-42.3%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	2.7%	12.7%	-11.5%	1.1%	3.9%	-0.3%	-45.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-4.8%	-3.1%	27.5%	115.5%	-3.8%	-1.8%	14.4%	81.1%
Motor Sich	MSICH	2,329	2,545	1,303	-1.5%	0.0%	26.6%	27.7%	-0.5%	1.3%	13.5%	-6.7%
Summy Frunze Engineering	SMASH	4.34	n/a	n/a	0.0%	1.2%	-1.4%	73.6%	1.1%	2.4%	-14.4%	39.3%
Turboatom	TATM	4.00	n/a	n/a	0.0%	0.0%	-20.0%	14.3%	1.1%	1.3%	-33.1%	-20.1%
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	0.3%	20.9%	9.6%	60.5%	1.3%	22.1%	-3.4%	26.1%
Oil & Gas												
Regal Petroleum	RPT	0.14	0.31	0.12	-2.7%	-3.1%	-3.3%	-31.4%	-1.7%	-1.9%	-16.4%	-65.8%
JKX Oil	JKX	0.99	1.21	0.75	-2.2%	-4.6%	0.1%	-16.9%	-1.1%	-3.4%	-13.0%	-51.2%
Ukrnafta	UNAF	259	271	80	-1.6%	-1.6%	7.7%	138.0%	-0.5%	-0.3%	-5.4%	103.7%
Power Utilities												
Centrenerg	CEEN	7.33	8.00	2.50	-0.5%	2.1%	23.1%	53.8%	0.6%	3.4%	10.1%	19.4%
Donbasenergo	DOEN	41.4	50.2	11.0	0.0%	-3.7%	-1.0%	50.1%	1.1%	-2.4%	-14.1%	15.8%
Zakhidenergo	ZAEN	150.0	156.0	64.0	-2.0%	-1.3%	10.6%	65.9%	-0.9%	0.0%	-2.4%	31.6%
Consumer												
Agroton	AGT	0.89	1.8	0.43	-6.0%	2.0%	17.3%	37.8%	-5.0%	3.3%	4.3%	3.5%
Astarta	AST	14.4	24.4	12.1	-6.1%	-8.9%	10.7%	-35.1%	-5.1%	-7.7%	-2.4%	-69.4%
Avangardo	AVGR	10.0	13.0	8.26	3.1%	5.8%	13.0%	-14.9%	4.1%	7.0%	-0.1%	-49.2%
Industrial Milk Company	IMC	3.28	5.14	2.49	-1.7%	-3.9%	19.8%	-19.0%	-0.6%	-2.6%	6.7%	-53.3%
Kernel	KER	10.9	17.7	7.6	-1.4%	0.9%	25.9%	-13.8%	-0.4%	2.2%	12.8%	-48.1%
Mriya Agro Holding	MAYA	6.39	8.2	5.52	1.4%	1.2%	-4.8%	-14.2%	2.5%	2.5%	-17.8%	-48.5%
MHPC	MHPC	14.5	18.7	11.00	-2.6%	-3.4%	-0.5%	-14.7%	-1.6%	-2.1%	-13.6%	-49.0%
Milkiland	MLK	2.23	4.7	1.71	-8.0%	3.3%	18.8%	-46.4%	-6.9%	4.5%	5.7%	-80.7%
Ovostar Union	OVO	22.3	33.3	19.4	-4.4%	-7.8%	4.4%	-33.1%	-3.3%	-6.5%	-8.6%	-67.4%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.5	n/a	n/a	-5.8%	-5.8%	-1.8%	8.0%	-4.7%	-4.5%	-14.9%	-26.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.155	0.188	0.077	-1.8%	-5.1%	-1.1%	36.6%	-0.7%	-3.9%	-14.2%	2.2%
UkrSotsbank	USCB	0.168	0.257	0.120	-1.6%	-3.0%	9.6%	-10.6%	-0.5%	-1.7%	-3.5%	-44.9%

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
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	78	3.9%	3	1,427	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	34	4.4	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	11	\$/tonne
Azovstal	AZST	270	3.0%	8	254	neg	neg	neg	neg	neg	7.2	0.1	0.1	0.1	55	56	56	\$/tonne
Coke																		
Avdyivka Coke	AVDK	53	6.8%	4	50	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	17	9.0%	1	17	2.0	neg	3.5	0.6	0.6	0.9	0.0	0.0	0.1	0.6	0.6	0.9	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	723	0.3%	2	721	7.6	3.7	4.4	3.1	2.3	2.6	1.2	1.1	1.1				
Pivnichny GOK	SGOK	1,604	0.4%	6	1,598	3.7	2.9	3.5	2.1	1.7	2.0	1.1	1.0	1.1				
Ferrexpo	FXPO	1,238	24.0%	297	1,917	5.7	4.7	6.3	4.8	3.8	4.3	1.3	1.2	1.2				
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	129	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	205	2.0%	4	251	6.1	>30	>30	4.8	8.0	8.2	0.5	0.8	0.8	398	660	627	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	25	24.0%	6	63	5.2	1.3	1.1	2.2	1.8	1.6	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	168	5.0%	8	168	1.8	4.0	neg	1.2	2.6	11.0	0.2	0.4	1.1				
Stakhanov Wagon	SVGZ	22	8.0%	2	54	>30	>30	>30	7.6	9.3	10.0	0.2	0.3	0.4				
Specialized Machinery																		
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	406	24.0%	97	429	2.0	2.4	2.4	1.4	1.6	1.6	0.4	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	277	7.2%	20	581	6.1	16.3	10.5	2.8	3.1	3.3	0.7	0.7	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,176	3.0%	35	1,168	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	46	21.6%	10	21	4.0	neg	23.1	1.0	neg	0.8	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	169	50.4%	85	277	neg	26.0	21.7	2.0	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	227	21.7%	49	306	7.9	3.8	4.1	4.5	3.2	3.6	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	82	14.2%	12	148	21.5	1.3	1.8	4.6	2.0	2.9	0.3	0.2	0.3	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,533	34.1%	523	2,661	4.9	9.5	neg	5.7	6.8	5.6	1.9	1.8	1.8				
Kernel	KER	870	61.8%	537	1,576	4.1	8.3	18.5	4.9	5.4	9.0	0.7	0.6	0.6				
Astarta	AST	361	37.0%	134	695	6.2	10.6	4.4	6.3	7.6	5.0	1.5	1.4	1.2				
Avangardco	AVGR	639	22.5%	144	746	2.8	2.7	2.1	2.7	2.5	2.0	1.2	1.1	1.0	169	128	121	\$/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	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	390	3.5%	14		>30	4.4	12.4	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	259	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

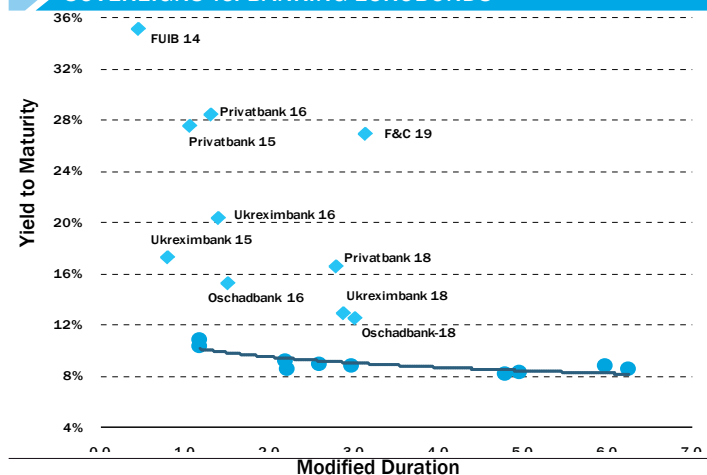
UKRAINIAN EUROBONDS

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	97.0	97.7	20.3%	17.6%	-3.1%	0.3	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	95.0	96.0	10.0%	9.0%	-0.6%	1.2	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	96.2	97.4	11.4%	10.1%	-0.9%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	92.9	93.9	10.4%	9.9%	-0.7%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	93.3	94.3	9.7%	9.2%	-0.6%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	92.8	94.1	9.6%	9.1%	0.8%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	98.1	99.4	10.4%	9.9%	-0.5%	2.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	90.8	92.3	12.9%	12.2%	10.7%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.1%	10.6%	16.6%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.7	94.7	9.4%	9.1%	1.2%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	93.9	95.4	9.3%	9.0%	1.0%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	90.3	91.8	9.6%	9.3%	0.0%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	89.9	91.4	9.2%	8.9%	0.1%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.9	33.9	68.7%	58.7%	-38.9%	1.7	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.1	102.8	11.0%	9.7%	-1.5%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	88.2	89.5	11.1%	10.7%	-0.6%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	95.0	97.5	16.5%	13.9%	-3.7%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	88.9	88.9	14.8%	14.8%	-1.4%	2.9	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	93.5	94.3	17.8%	17.1%	-6.4%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	78.0	80.0	17.6%	16.7%	-9.3%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.5	95.8	21.6%	19.2%	-6.9%	0.8	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	82.9	84.5	13.8%	13.2%	-11.2%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	95.4	97.1	20.1%	17.1%	-5.7%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.0	88.8	13.8%	13.1%	-7.5%	2.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.0	98.9	11.3%	9.1%	-0.5%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	86.0	88.1	14.3%	13.5%	-5.1%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	76.0	78.0	22.7%	21.0%	-1.2%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	104.6	106.4	10.1%	9.6%	-4.9%	3.1	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	26.8%	21.6%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	92.0	92.0	27.4%	27.4%	-6.6%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	67.5%	53.0%	-16.1%	2.4	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	88.0	28.8%	25.8%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	76.1	79.6	26.0%	22.4%	10.7%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	84.2	88.0	16.8%	15.2%	2.9%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	92.1	93.5	23.9%	21.2%	-3.8%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	83.0	23.5%	20.4%	-4.5%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	86.1	88.0	13.8%	13.0%	-2.4%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	n/a	n/a	n/a	n/a	n/a	n/a	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	88.5	91.5	18.4%	15.8%	-3.3%	1.5	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.3	88.1	13.6%	13.1%	-2.0%	3.0	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	89.9	91.9	18.6%	16.5%	-2.2%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	89.3	91.5	15.7%	14.3%	-2.4%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

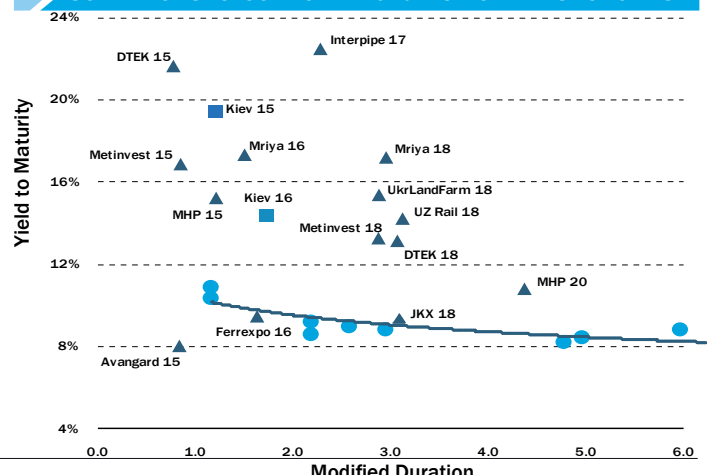
¹ Moody's/S&P/Fitch; * EUR

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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