

Market Update

Equity

Most locally-listed Ukrainian stocks ended in positive territory on Monday (Jun 23) in another low-energy session that saw several blue chips register turnover of less than UAH 100,000, while European shares were substantially lower in Frankfurt and Paris and the main US indices traded nearly flat. The UX index gained 0.9% to close at 1226 points, led by Alchevsk Steel's pickup of 2.5% and Avdyivka Coke's rise of 1.0% to UAH 3.31. Motor Sich was the only blue chip to see substantial volume, appreciating by 0.9% on UAH 4.4mn in deals. Outside the UX basket, it was a good day for shares of struggling railcar maker Krukiv Wagon, which rose 3.9% to UAH 18.80. In London, Ferrexpo rebounded off its nearly-5-year low by 2.0% to near GBP 125, while Avangard regained almost of its 10% loss from Friday, indicating the weak liquidity of the issue. In Warsaw, top agro name Kernel was up 2.0% to above PLN 34.

Fixed Income

Ukrainian sovereigns were lower on Monday with Ukraine-23s dropped by 0.8p.p. to 89.9/91.4 (9.2%/8.9%). The corporate universe finished in red. DTEK-18s inched down by 0.1p.p. to 83.4/84.4 (13.6%/13.3%) and Ferrexpo-16s dropped by 0.2p.p. to 95.5/97.0 (11.7%/10.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2352.00	0.9%	4.4	146
Kryukiv Wagon	KVBZ	18.80	3.9%	0.4	40
Yenakievo Steel	ENMZ	44.39	-0.2%	0.3	35

Growth Leaders

Pokrovske Mine	SHCHZ	0.65	14.0%	0.02	8
KRAZ	KRAZ	0.10	10.0%	0.03	14
Kryukiv Wagon	KVBZ	18.80	3.9%	0.41	40

Loss Leaders

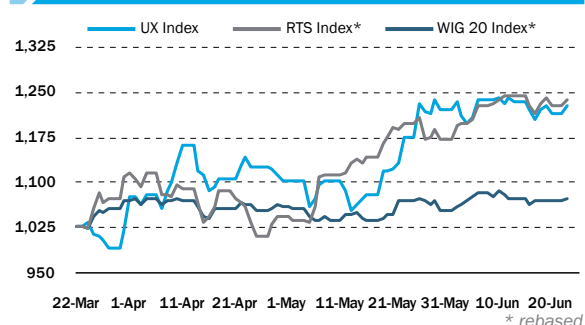
Yenakievo Steel	ENMZ	44.39	-0.2%	0.287	35
UkrSotsbank	USCB	0.17	-0.1%	0.018	11
Centrenerg	CEEN	7.33	0.6%	0.264	42

Highlights

STOCKS IN THE NEWS

- > KSG Agro Sells Off Subsidiary with Leasing Rights on 1,700 ha
- > UkrNafta Gets Green Light to Sell 2bn cu-m of Gas Stuck in Storage Since 2006
- > Ovostar Won't Pay Dividend from FY13 Profit

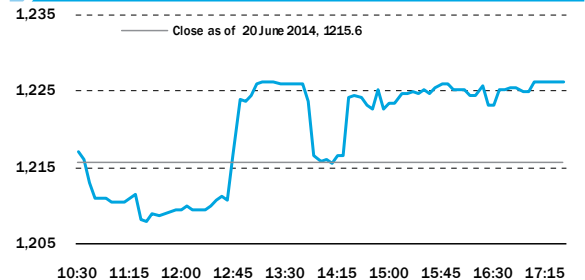
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1226.2	0.9%	4.2%	34.7%
RTS	1369.1	0.8%	3.2%	-5.1%
WIG20	2475.9	0.6%	0.4%	3.1%
MSCI EM	1042.3	-0.1%	-0.1%	4.0%
S&P 500	1962.6	0.0%	3.3%	6.6%

UX INTRADAY JUNE 23, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	279.4	-0.4%	-7.1%	-15.5%
CDS 5Y UKR	867.2	-0.1%	-9.5%	5.7%
Ukraine-17	8.9%	0.0 p.p.	-0.1 p.p.	-0.1 p.p.
Naftogaz Ukr-14	19.6%	0.9 p.p.	-6.0 p.p.	10.8 p.p.
Ukraine-23	9.1%	0.1 p.p.	0.1 p.p.	1.6 p.p.
Privatbank-16	22.9%	-0.2 p.p.	-7.0 p.p.	-1.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.86	-0.4%	-0.8%	43.9%
EUR	16.13	-0.4%	-0.9%	41.9%
RUB	0.35	0.8%	-0.7%	38.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	251.1	0.0%	-7.4%	-12.6%
Steel, USD/t	537.5	0.0%	0.0%	0.0%
Oil, USD/bbl	114.1	-0.6%	3.9%	2.6%
Gold, USD/oz	1317.4	0.2%	1.9%	10.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

KSG Agro Sells Off Subsidiary with Leasing Rights on 1,700 ha

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NEWS

Dnipropetrovsk-based crop grower KSG Agro has sold a 100% stake in one of its subsidiaries in Kherson province with leasing rights for 1,700 hectares of arable land, the company reported on last Friday (Jun 20). KSG said its total land under lease will decrease to 94,000 ha following the deal.

The company failed to meet a previous commitment to release its annual report for 2013, as well as its 1Q14 results, on Jun 20.

COMMENTARY

Although KSG is not unique among Ukrainian public companies in terms of its possession of agricultural assets in Crimea, it is the only one which has refused to release its FY13 financial report without providing a reason for the delay. This gives us substantial grounds to presume that the main reason for the delay in publication of the results is their poor quality, and the sale of the land leasing subsidiary supports this view. Lower crop yields in Kherson province compared to the overall Ukrainian average lead us to suppose that the deal's value did not exceed USD 1.0mn. We would not be surprised to hear about additional selloffs of leasing rights by KSG in the coming months.

UkrNafta Gets Green Light to Sell 2bn cu-m of Gas Stuck in Storage Since 2006

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 259 Market Cap: USD 1,180mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.5	0.5	50.7	4.1	n/a
2014E	0.7	0.4	10.3	3.8	n/a

NEWS

UkrNafta, the largest Ukrainian oil producer, has received a court ruling that allows it to sell 2.0bn cubic meters (cu-m) of natural gas pumped by the company into underground storages back in 2006, the Ukrainian business daily *Capital* reported on Monday (Jun 23). Importantly, the High Arbitration Court ruling said UkrNafta's gas in storage may be sold to ammonia nitrate fertilizer producers instead of being confiscated by the government for subsidized household heating. In general, UkrNafta is forced to hand over all of its extracted natural gas to the Ukrainian government at a small nominal price in order to support subsidized household users.

COMMENTARY

The news is POSITIVE for the Kyiv-listed UNAF stock. If UkrNafta is able to sell gas extracted in 2006 to fertilizer producers at a market price, this will bring UAH 9.5bn in extra revenue to the company's top line. However, we are quite skeptical regarding UkrNafta's ability to sell the entire volume at the market price. In the worst case, the sale of 2.0bn cu-m of gas will add UAH 1.1bn to the top line, based on the confiscatory price of UAH 560 (USD 48) per 1,000 cu-m which the National Energy Regulatory Commission (NERC) set for UkrNafta's gas for 2014. We forecast UkrNafta's net revenue at UAH 28.5bn in FY14, an increase of 35% YoY (roughly flat YoY in USD terms). We suppose that UkrNafta will sell some of the gas to either DniproAzot or the Odessa Port Plant, both of which are ammonia nitrate producers reportedly controlled by Privat Group, which owns a 42% stake in UkrNafta and controls its management; because of the related party factor, such gas sales could be vulnerable to transfer pricing to the detriment of UkrNafta.

Ovostar Won't Pay Dividend from FY13 Profit

by Ivan Dzvinka
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OVOSTAR UNION (OVO PW)

Price: PLN 73.99 Market Cap: USD 145mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.8	4.7	4.2	0%
2014E	2.1	9.1	7.0	0%

NEWS

Kyiv-based Ovostar, Ukraine's third-largest egg producer, said it has decided not to pay a dividend from its FY13 profit as per a vote taken at its annual shareholder meeting on Jun 19. Also, the shareholders authorized the board of directors to issue new shares in the amount of 10% of the company's current share capital.

COMMENTARY

The news is neutral for the Warsaw-listed OVO stock. Although the authorization to issue additional shares is the most important point to come out of the meeting, the company has no intention to conduct the issue in 2014, management has told us. Meanwhile, the zero dividend was expected in light of Ovostar's capacity expansion program; however, we are uncertain whether the program remains on schedule given the political upheaval which Ukraine has been experiencing in 2014.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.78	0.56	-29%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	124.2	125.0	1%	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	7.85	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	7.00	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	3.31	6.2	88%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.82	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	353%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.8	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.36	5.2	286%	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	2352	5250	123%	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	58.8	120	104%	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	40.4	72.0	78%	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	14.9	15.65	5%	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	45.0	90.0	100%	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	9.9	U/R	--	U/R	
Ovostar Union	OVO	74.0	58.74	-21%	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	0.154	0.24	56%	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	1226.24	1254.58	799.72	0.9%	0.3%	4.2%	34.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	2.7%	3.0%	11.6%	-3.6%	1.9%	2.7%	7.4%	-38.4%
Azovstal	AZST	0.78	0.95	0.31	2.1%	2.4%	1.4%	16.9%	1.2%	2.1%	-2.8%	-17.9%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	-0.9%	-0.3%	n/a	-34.7%
Enakievo Steel	ENMZ	44.4	52.0	17.0	-0.2%	3.4%	26.0%	38.7%	-1.1%	3.1%	21.8%	3.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	-0.9%	-0.3%	n/a	213.1%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	11.1%	33.3%	100.0%	-0.9%	10.8%	29.1%	65.3%
Coke												
Avdivka Coke	AVDK	3.31	4.80	1.46	1.5%	2.5%	3.1%	11.8%	0.6%	2.2%	-1.1%	-22.9%
Yasnyivsky Coking	YASK	0.82	0.84	0.30	0.0%	13.9%	32.3%	54.7%	-0.9%	13.6%	28.0%	20.0%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	-4.8%	-6.5%	7.7%	-0.9%	-5.1%	-10.8%	-27.1%
Ferrexpo	FXPO	2.11	3.20	2.02	2.0%	-0.1%	-8.6%	-33.0%	1.1%	-0.4%	-12.9%	-67.7%
Pivnichny GOK	SGOK	7.85	10.00	4.50	-5.4%	-5.4%	-5.4%	-1.9%	-6.3%	-5.7%	-9.7%	-36.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	14.0%	8.3%	18.2%	62.5%	13.2%	8.0%	13.9%	27.8%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	-8.2%	-10.0%	-10.9%	45.2%	-9.0%	-10.3%	-15.1%	10.4%
Energy Coal	CLE	0.43	1.10	0.31	-2.0%	-0.2%	2.1%	22.6%	-2.9%	-0.5%	-2.2%	-12.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.43	n/a	n/a	0.0%	7.5%	10.3%	-6.5%	-0.9%	7.2%	6.0%	-41.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	-6.4%	8.6%	46.7%	-0.9%	-6.7%	4.4%	11.9%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	44.4%	85.7%	-0.9%	-0.3%	40.2%	51.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.8	29.0	10.0	3.9%	7.6%	17.5%	8.7%	3.0%	7.3%	13.3%	-26.1%
Luhanskeplovoz	LTPL	1.36	2.20	1.20	0.0%	-1.4%	-8.1%	-9.3%	-0.9%	-1.7%	-12.4%	-44.1%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	-6.8%	-4.3%	8.9%	-15.4%	-7.7%	-4.6%	4.7%	-50.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-1.5%	6.1%	53.0%	128.7%	-2.3%	5.8%	48.8%	93.9%
Motor Sich	MSICH	2,352	2,545	1,303	1.1%	1.0%	14.5%	28.9%	0.2%	0.7%	10.3%	-5.8%
Summy Frunze Engineering	SMASH	4.34	n/a	n/a	0.0%	0.0%	8.5%	73.6%	-0.9%	-0.3%	4.3%	38.9%
Turboatom	TATM	4.60	n/a	n/a	0.0%	15.0%	-8.0%	31.4%	-0.9%	14.7%	-12.2%	-3.3%
WESTA ISIC	WES	0.14	0.26	0.13	-8.5%	n/a	-16.7%	3.2%	-9.4%	n/a	-20.9%	-31.6%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	0.0%	7.0%	60.5%	-0.9%	-0.3%	2.7%	25.7%
Oil & Gas												
Regal Petroleum	RPT	0.14	0.30	0.12	9.7%	0.2%	-3.1%	-31.3%	8.8%	-0.1%	-7.4%	-66.0%
JKX Oil	JKX	1.00	1.21	0.78	-0.8%	1.5%	-0.1%	-15.6%	-1.7%	1.2%	-4.3%	-50.4%
Ukrnafta	UNAF	259	271	80	0.7%	0.2%	3.6%	138.6%	-0.1%	-0.1%	-0.6%	103.8%
Power Utilities												
Centrenerg	CEEN	7.33	8.00	2.50	0.5%	-0.1%	8.8%	53.6%	-0.3%	-0.4%	4.5%	18.9%
Donbasenergo	DOEN	40.4	50.2	11.0	1.6%	-2.5%	-10.6%	46.4%	0.8%	-2.8%	-14.8%	11.7%
Zakhidenergo	ZAEN	145.0	157.0	64.0	-1.4%	-3.3%	4.4%	60.4%	-2.2%	-3.6%	0.1%	25.7%
Consumer												
Agroton	AGT	0.89	1.8	0.43	-2.6%	-0.6%	15.4%	37.1%	-3.5%	-0.9%	11.2%	2.3%
Astarta	AST	14.7	24.4	12.1	-0.8%	1.8%	11.1%	-33.9%	-1.6%	1.5%	6.9%	-68.6%
Avangardo	AVGR	9.9	13.0	8.26	9.2%	-1.0%	13.8%	-15.7%	8.3%	-1.3%	9.5%	-50.5%
Industrial Milk Company	IMC	3.33	5.14	2.49	0.2%	1.8%	13.0%	-17.5%	-0.7%	1.5%	8.8%	-52.3%
Kernel	KER	11.2	17.7	7.6	2.2%	2.8%	27.5%	-11.4%	1.3%	2.5%	23.3%	-46.1%
Mriya Agro Holding	MAYA	6.28	8.2	5.52	5.3%	-1.8%	-12.2%	-15.7%	4.5%	-2.1%	-16.5%	-50.5%
MHPC	MHPC	14.9	18.7	11.00	2.4%	2.3%	6.1%	-12.7%	1.5%	2.0%	1.9%	-47.4%
Milkiland	MLK	2.13	4.7	1.71	-4.0%	-4.6%	23.7%	-48.8%	-4.9%	-4.9%	19.4%	-83.6%
Ovostar Union	OVO	24.2	33.3	19.4	3.1%	8.6%	8.5%	-27.3%	2.3%	8.3%	4.3%	-62.0%
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	13.0	n/a	n/a	0.0%	-4.1%	-5.1%	3.6%	-0.9%	-4.4%	-9.4%	-31.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.154	0.188	0.077	0.0%	-0.8%	-4.5%	35.4%	-0.9%	-1.1%	-8.7%	0.7%
UkrSotsbank	USCB	0.167	0.257	0.120	-0.1%	-0.5%	-0.4%	-11.0%	-0.9%	-0.8%	-4.6%	-45.7%

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	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%
Ukrspasbank	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	81	3.9%	3	1,430	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	370	345	335	\$/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	278	3.0%	8	262	neg	neg	neg	neg	neg	7.4	0.1	0.1	0.1	57	58	57	\$/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	19	9.0%	2	20	2.3	neg	4.0	0.7	0.7	1.1	0.0	0.1	0.1	0.7	0.7	1.1	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	692	0.3%	2	690	7.3	3.6	4.2	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,525	0.4%	6	1,519	3.5	2.8	3.3	2.0	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,237	24.0%	297	1,916	5.7	4.7	6.3	4.8	3.8	4.3	1.3	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	3.5	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	19	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	193	2.0%	4	239	5.7	>30	>30	4.6	7.6	7.8	0.5	0.8	0.7	379	628	596	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	25	24.0%	6	62	5.2	1.3	1.1	2.1	1.7	1.6	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	182	5.0%	9	182	1.9	4.4	neg	1.3	2.8	11.8	0.2	0.4	1.2				
Stakhanov Wagon	SVGZ	21	8.0%	2	54	>30	>30	>30	7.5	9.1	9.8	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	412	24.0%	99	435	2.1	2.4	2.5	1.4	1.6	1.7	0.4	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	279	7.2%	20	582	6.2	16.4	10.6	2.8	3.1	3.4	0.7	0.7	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,185	3.0%	36	1,177	6.7	>30	10.4	2.6	4.1	3.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	46	21.6%	10	21	4.0	neg	23.2	1.0	neg	0.8	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	172	50.4%	86	280	neg	26.4	22.0	2.1	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	228	21.7%	50	307	7.9	3.8	4.1	4.5	3.3	3.6	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	81	14.2%	11	146	21.1	1.2	1.8	4.6	2.0	2.8	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,569	34.1%	535	2,697	5.0	9.7	neg	5.8	6.9	5.6	1.9	1.8	1.8				
Kernel	KER	894	61.8%	552	1,600	4.2	8.5	19.0	5.0	5.5	9.1	0.7	0.6	0.6				
Astarta	AST	368	37.0%	136	701	6.3	10.8	4.5	6.4	7.7	5.1	1.5	1.4	1.3				
Avangardco	AVGR	632	22.5%	142	740	2.8	2.7	2.1	2.6	2.5	2.0	1.2	1.1	0.9	167	127	120	\$/mneggs
Agroton	AGT	19	26.2%	5	68	2.8	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	389	3.5%	14		>30	4.3	12.3	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

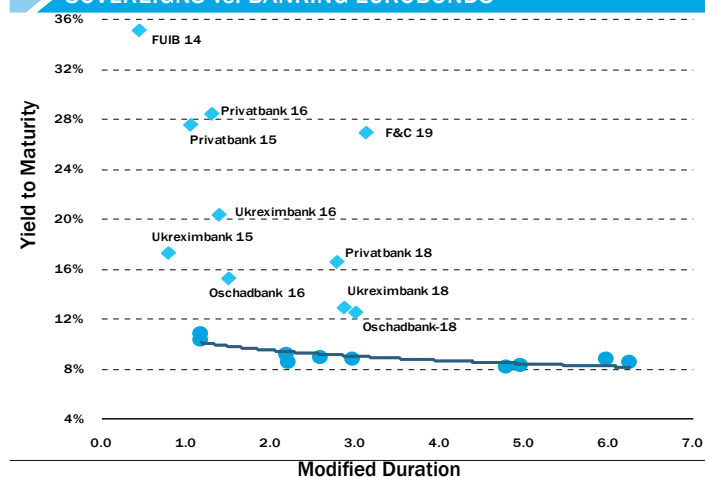
UKRAINIAN EUROBONDS

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	96.9	97.9	21.5%	17.7%	-3.1%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.1	94.9	12.0%	10.2%	-2.1%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	95.8	97.0	11.9%	10.6%	-1.3%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	93.4	94.4	10.2%	9.6%	-0.1%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	93.5	94.5	9.6%	9.1%	-0.4%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	93.2	94.4	9.5%	9.0%	1.2%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	98.6	99.9	10.2%	9.7%	0.0%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	90.8	92.3	13.0%	12.3%	10.7%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.1%	10.7%	16.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.0	94.0	9.5%	9.3%	0.5%	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	90.8	92.3	9.5%	9.2%	0.6%	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	29.8	33.9	69.7%	59.1%	-39.0%	1.7	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.5	102.9	10.5%	9.3%	-1.3%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	89.0	90.8	10.9%	10.4%	0.6%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	95.0	97.0	16.8%	14.6%	-4.0%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	88.5	88.5	15.0%	15.0%	-1.9%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.0	95.0	20.3%	16.6%	-7.2%	1.4	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	79.1	81.0	17.1%	16.3%	-8.1%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.0	96.0	23.3%	19.2%	-7.1%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.4	84.4	13.6%	13.3%	-11.0%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.1	97.1	19.1%	17.4%	-5.3%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.8	88.1	14.0%	13.4%	-7.9%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	95.5	97.0	11.7%	10.5%	-1.8%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	86.1	87.2	14.2%	13.8%	-5.5%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	76.0	78.0	22.8%	21.1%	-1.2%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.8	107.3	9.8%	9.3%	-4.0%	3.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	26.9%	21.7%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	90.5	90.5	31.5%	31.5%	-8.1%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	65.0	70.0	40.3%	33.9%	-16.1%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	85.0	90.0	31.1%	23.3%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	76.0	79.6	26.4%	22.7%	10.7%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	85.8	88.0	16.2%	15.3%	3.8%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	92.0	94.0	24.8%	20.7%	-3.6%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	82.0	23.8%	21.7%	-5.0%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	87.0	88.7	13.5%	12.8%	-1.5%	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	88.0	89.8	19.1%	17.5%	-4.5%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.0	88.8	13.8%	13.0%	-1.8%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.0	92.0	18.8%	16.6%	-2.1%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	90.0	91.9	15.2%	14.0%	-2.2%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

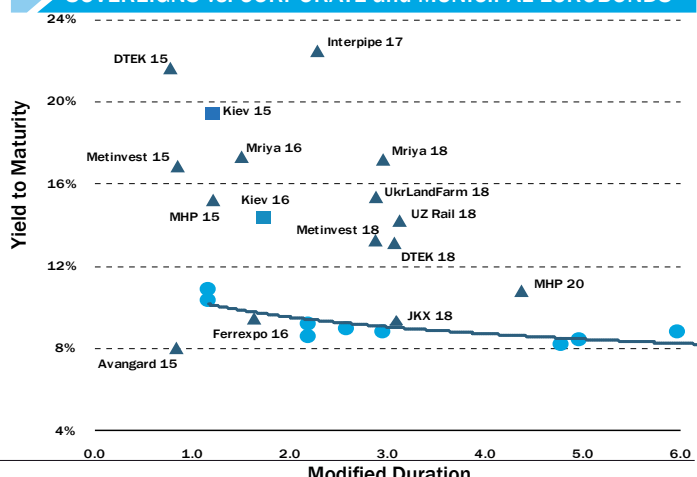
¹ Moody's/S&P/Fitch; * EUR

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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