

Market Update

Equity

Local Ukrainian blue chips saw very little activity in Wednesday (Jun 25) trading, with no substantial price movement in any of the major liquid names. Externally, US stocks were unaffected by a large downward revision in the country's 1st-quarter GDP, which declined at 2.9% annual rate. The drop is largely viewed by economists as a function of severe winter weather across much of the US during 1Q and thus not reflective of economic fundamentals, with a rebound expected in the coming quarters. The UX index ticked down 0.1% percent to close at 1233 points. Among UX basket components, only low-liquidity UkrSotsBank moved by more than half a percent, adding 2.2% to 16.95 kopecks. Azovstal and Raiffeisen Aval each edged lower by 0.5%, while volume leader Motor Sich saw a marginal gain of 0.4% on turnover of UAH 2.5mn. Outside the UX basket, the biggest story was in sporadically-traded Mariupol Heavy Machinery, which jumped 30% from its previously listed price to near 15 kopecks. In Warsaw, top names Kernel and Astarta sold off by 3.8% and 2.2% respectively, with the latter ending at PLN 44, while KSG Agro remained untraded at a listed price of PLN 4.53 following the release of its FY13 financials this week.

Fixed Income

Ukrainian sovereigns were lower on Wednesday with Ukraine-23s down by 0.2p.p. closing at 94.1/95.6 (8.5%/8.2%). Meanwhile, the corporate universe was predominantly higher. MHP-15s improved by 0.7p.p. to 102.7/103.8 (8.4%/6.8%) and Mriya-16s grew by 0.2p.p. and finished at 92.3/93.5 (19.2%/18.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2382.00	0.4%	2.5	104
Centrengo	CEEN	7.38	-0.2%	0.4	78
Mariupol Heavy Machine	MZVM	0.15	30.3%	0.3	60

Growth Leaders

Mariupol Heavy Machine	MZVM	0.15	30.3%	0.27	60
UkrSotsbank	USCB	0.17	2.2%	0.02	13
Motor Sich	MSICH	2382.00	0.4%	2.48	104

Loss Leaders

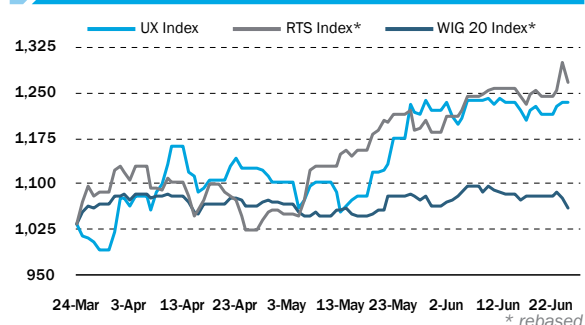
Slavutych Brevery	SLAV	7.01	-6.6%	0.140	7
Raiffeisen Bank Aval	BAVL	0.15	-0.5%	0.241	50
Azovstal	AZST	0.79	-0.5%	0.014	16

Highlights

FIXED INCOME

- DonetskSteel Again Postpones Completion of Its Reconstruction Program
- Nadra Bank Asks for Restructuring of its 2017 Eurobonds

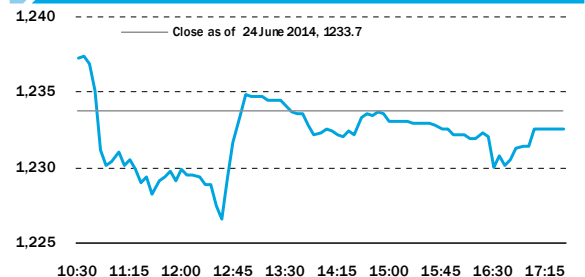
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1232.6	-0.1%	4.8%	35.4%
RTS	1383.0	-2.7%	4.3%	-4.1%
WIG20	2421.1	-1.6%	-1.8%	0.8%
MSCI EM	1041.8	-0.6%	-0.1%	4.0%
S&P 500	1959.5	0.5%	3.1%	6.4%

UX INTRADAY JUNE 25, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	278.9	-0.2%	-7.3%	-15.7%
CDS 5Y UKR	845.7	0.0%	-11.7%	3.1%
Ukraine-17	7.9%	0.1 p.p.	-1.2 p.p.	-1.1 p.p.
Naftogaz Ukr-14	17.7%	1.2 p.p.	-7.9 p.p.	8.9 p.p.
Ukraine-23	8.3%	0.0 p.p.	-0.6 p.p.	0.8 p.p.
Privatbank-16	23.3%	0.3 p.p.	-6.7 p.p.	-1.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.93	0.0%	-0.2%	44.8%
EUR	16.26	0.2%	-0.2%	43.0%
RUB	0.35	0.1%	0.7%	40.7%

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	114.0	-0.4%	3.8%	2.5%
Gold, USD/oz	1319.2	0.1%	2.1%	10.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

DonetskSteel Again Postpones Completion of Its Reconstruction Program

by Ivan Dzvinka
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NEWS

DonetskSteel, Ukraine's metallurgical holding with focus on production of coking coal and coke, made a decision to postpone completion of its modernization program, mayor of Donetsk Oleksandr Lukianchenko said on the press conference on June 24. The decision is reasoned by lack of financing (some USD 20mn) as well as complicated political situation. According to Mr. Lukianchenko, the group has already invested in the reconstruction project some UAH 1,700bn (USD 143mn at current UAH/USD exchange rate of 11.88).

COMMENTARY

While the company initially planned to finish the reconstruction program in 2013, it several times postponed its completion. Since getting relatively immaterial amount of USD 20mn for the project is an issue for the company, this gives a ground to presume the group faces significant problems with liquidity. And these problems are unlikely to be solved in the near future due to tough metallurgical market conditions and strengthening competition on the export coke markets (core merchant product of the group) due to the hike in exports by China.

Nadra Bank Asks for Restructuring of its 2017 Eurobonds

by Dmitry Churin
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NEWS

Nadra Bank, a subsidiary of the DF business group of industrialist Dmitry Firtash, has asked holders of its Eurobonds maturing in 2017 for a restructuring, according to the bank's statement released on Wednesday (Jun 25). Nadra Bank offered the following scheme for the restructuring of the outstanding USD 59.7mn bonds:

- postponement of the redemption from Jul 2017 to Jul 2018;
- amortizing the redemption through equal semi-annual installments starting on 31 Jan 2015;
- a temporary reduction of the coupon from 8.00% to 6.25% for the period from 23 Jun 2014 to 31 Dec 2014;
- a coupon increase to 8.25% effective from 1 Jan 2015.

For bondholders who agree to the restructuring, the bank will pay a premium of USD 5 per USD 1,000 of principal amount.

Nadra Bank originally placed 3-year USD 175mn Eurobonds in 2007 at 9.25% yield, and restructured them in 2010 by getting holders to write off 57% of the debt and cut the coupon to 8.0%.

COMMENTARY

Nadra Bank was Ukraine's 11th largest banks by assets as of 31 Mar 2014. Although the bank did not post losses in 1Q14 as a result of the steep hryvnia devaluation, its assets deteriorated considerably in the period, with loan impairment charges amounting to UAH 815mn. We think Nadra will easily find support from its bondholders for the restructuring, as according to non-official information most of the outstanding bonds are concentrated in the hands of Group DF affiliates. Nadra-17s would become the third Ukrainian banking Eurobond issue to come under restructuring this year, following Finance&Credit-14s and VAB-14s. Yet another issue which may be restructured is PUMB-14s, which are due in December.

Nadra-17s are currently quoted at 60.0/65.0, implying a distressed yield close to 50%.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.79	0.56	-29%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	125.4	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	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	3.33	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	0.71	U/R	na	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.65	2.9	354%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	19.0	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	2382	5250	120%	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	8.3	42.0	409%	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						
DonbasEnergO	DOEN	40.0	72.0	80%	BUY	DonbasEnergO 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%.
CenterEnergO	CEEN	7.38	15.00	103%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	14.8	15.65	6%	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	105%	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	73.0	58.74	-20%	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	1232.55	1254.58	799.72	-0.1%	1.1%	4.8%	35.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.3%	5.7%	11.3%	-3.9%	0.4%	4.6%	6.6%	-39.3%
Azovstal	AZST	0.79	0.95	0.40	-0.5%	0.9%	2.1%	17.6%	-0.4%	-0.2%	-2.7%	-17.8%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	0.1%	-1.1%	n/a	-35.4%
Enakievo Steel	ENMZ	45.8	52.0	17.0	-0.5%	3.4%	29.9%	43.0%	-0.4%	2.3%	25.2%	7.6%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	0.1%	-1.1%	n/a	212.4%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	11.1%	33.3%	100.0%	0.1%	10.0%	28.5%	64.6%
Coke												
Avdivka Coke	AVDK	3.33	4.80	1.46	0.2%	2.2%	3.6%	12.4%	0.3%	1.2%	-1.1%	-23.0%
Yasnyivsky Coking	YASK	0.71	0.84	0.30	0.0%	-13.4%	14.5%	34.0%	0.1%	-14.5%	9.7%	-1.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	-4.8%	-6.5%	7.7%	0.1%	-5.8%	-11.3%	-27.7%
Ferrexpo	FXPO	2.13	3.20	2.02	0.8%	-3.7%	-7.9%	-32.5%	0.9%	-4.8%	-12.7%	-67.9%
Pivnichny GOK	SGOK	7.85	10.00	4.50	0.0%	-5.4%	-5.4%	-1.9%	0.1%	-6.5%	-10.2%	-37.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	0.0%	-7.1%	18.2%	62.5%	0.1%	-8.2%	13.4%	27.1%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	0.0%	-8.2%	-10.9%	45.2%	0.1%	-9.2%	-15.7%	9.7%
Energy Coal	CLE	0.43	1.10	0.31	-0.1%	-0.4%	3.6%	24.4%	0.0%	-1.4%	-1.2%	-11.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.45	n/a	n/a	0.0%	12.5%	n/a	-2.2%	0.1%	11.4%	n/a	-37.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	-6.4%	8.6%	46.7%	0.1%	-7.5%	3.9%	11.2%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	44.4%	85.7%	0.1%	-1.1%	39.7%	50.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	19.0	29.0	10.0	0.3%	6.1%	18.5%	9.6%	0.4%	5.0%	13.7%	-25.8%
Luhanskeplovoz	LTPL	1.36	2.20	1.04	0.0%	-1.4%	-8.1%	-9.3%	0.1%	-2.5%	-12.9%	-44.8%
Stakhanov Wagon	SVGZ	1.17	n/a	n/a	15.8%	1.7%	15.8%	-10.0%	15.9%	0.7%	11.1%	-45.4%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-1.9%	-4.8%	44.2%	115.5%	-1.8%	-5.9%	39.4%	80.0%
Motor Sich	MSICH	2,382	2,545	1,303	0.5%	3.6%	16.0%	30.6%	0.6%	2.5%	11.2%	-4.8%
Summy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	38.0%	49.8%	139.6%	0.1%	36.9%	45.0%	104.2%
Turboatom	TATM	4.60	n/a	n/a	0.0%	15.0%	-8.0%	31.4%	0.1%	13.9%	-12.8%	-4.0%
WESTA ISIC	WES	0.13	0.26	0.13	-1.8%	-12.4%	-18.1%	1.4%	-1.7%	-13.5%	-22.9%	-34.0%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	-7.5%	-1.0%	48.5%	0.1%	-8.6%	-5.8%	13.0%
Oil & Gas												
Regal Petroleum	RPT	0.14	0.28	0.12	-2.9%	-2.8%	-6.2%	-33.5%	-2.8%	-3.8%	-10.9%	-68.9%
JKX Oil	JKX	1.00	1.21	0.78	0.5%	-0.7%	-0.3%	-15.8%	0.6%	-1.7%	-5.1%	-51.2%
Ukrnafta	UNAF	257	271	80	0.2%	-0.7%	3.0%	137.0%	0.3%	-1.8%	-1.8%	101.6%
Power Utilities												
Centrenerg	CEEN	7.38	8.00	2.50	-0.3%	1.3%	9.6%	54.8%	-0.2%	0.2%	4.8%	19.3%
Donbasenergo	DOEN	40.0	50.2	11.0	0.4%	-2.5%	-11.6%	44.8%	0.5%	-3.6%	-16.4%	9.4%
Zakhidenergo	ZAEN	144.0	157.0	64.0	0.0%	2.9%	3.7%	59.3%	0.1%	1.8%	-1.1%	23.9%
Consumer												
Agroton	AGT	0.95	1.8	0.43	-8.5%	5.5%	24.0%	47.2%	-8.4%	4.4%	19.2%	11.7%
Astarta	AST	14.5	24.4	12.1	-1.6%	-3.9%	9.4%	-34.9%	-1.5%	-5.0%	4.6%	-70.4%
Avangardo	AVGR	9.9	13.0	8.26	3.9%	-2.5%	13.8%	-15.7%	4.0%	-3.5%	9.0%	-51.2%
Industrial Milk Company	IMC	3.37	5.14	2.49	-0.9%	2.1%	14.2%	-16.7%	-0.8%	1.0%	9.4%	-52.1%
Kernel	KER	10.9	17.7	7.6	-3.2%	0.9%	24.1%	-13.8%	-3.1%	-0.2%	19.3%	-49.2%
Mriya Agro Holding	MAYA	6.15	8.2	5.52	0.4%	0.7%	-14.0%	-17.5%	0.5%	-0.4%	-18.8%	-52.9%
MHPC	MHPC	14.8	18.7	11.00	-0.9%	1.5%	5.6%	-13.2%	-0.8%	0.4%	0.8%	-48.6%
Milkiland	MLK	2.34	4.7	1.71	-0.1%	4.7%	35.8%	-43.8%	0.0%	3.6%	31.1%	-79.2%
Ovostar Union	OVO	24.0	33.3	19.4	0.6%	1.8%	7.8%	-27.8%	0.7%	0.7%	3.0%	-63.2%
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	12.5	n/a	n/a	0.0%	-3.3%	-8.3%	0.2%	0.1%	-4.4%	-13.1%	-35.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.154	0.188	0.077	-1.0%	-0.5%	-4.4%	35.6%	-0.9%	-1.5%	-9.1%	0.2%
UkrSotsbank	USCB	0.169	0.257	0.120	2.2%	1.9%	1.1%	-9.7%	2.3%	0.8%	-3.7%	-45.1%

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	81	3.9%	3	1,429	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	40	8.8%	4	36	4.7	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	13	12	\$/tonne
Azovstal	AZST	278	3.0%	8	262	neg	neg	neg	neg	neg	7.4	0.1	0.1	0.1	57	58	58	\$/tonne
Coke																		
Avdyivka Coke	AVDK	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	16	9.0%	1	17	1.9	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	688	0.3%	2	686	7.2	3.5	4.2	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,516	0.4%	6	1,510	3.5	2.8	3.3	2.0	1.7	1.8	1.1	0.9	1.0				
Ferrexpo	FXPO	1,246	24.0%	299	1,925	5.8	4.7	6.3	4.8	3.8	4.3	1.4	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	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	192	2.0%	4	237	5.7	>30	>30	4.6	7.6	7.8	0.5	0.8	0.7	377	625	594	\$/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				
Kruiiv Wagon	KVBZ	182	5.0%	9	182	1.9	4.4	neg	1.3	2.8	11.9	0.2	0.4	1.2				
Stakhanov Wagon	SVGZ	22	8.0%	2	55	>30	>30	>30	7.6	9.3	10.0	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	124	5.8%	7	58	3.3	1.7	1.8	1.1	0.6	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	415	24.0%	100	438	2.1	2.5	2.5	1.4	1.6	1.7	0.4	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	256	7.2%	18	560	5.7	15.0	9.7	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,170	3.0%	35	1,162	6.6	>30	10.2	2.6	4.1	3.8	0.5	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	45	21.6%	10	20	3.9	neg	22.5	0.9	neg	0.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	171	50.4%	86	280	neg	26.3	21.9	2.1	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	229	21.7%	50	308	7.9	3.8	4.1	4.5	3.3	3.6	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	144	20.7	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,561	34.1%	532	2,688	5.0	9.6	neg	5.7	6.9	5.6	1.9	1.8	1.8				
Kernel	KER	870	61.8%	538	1,576	4.1	8.3	18.5	4.9	5.4	9.0	0.7	0.6	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	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	21	26.2%	5	70	3.0	neg	neg	3.4	9.3	20.1	0.8	0.9	0.8	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	387	3.5%	14		>30	4.3	12.3	0.5	0.4	0.5	0.06	0.07	0.08				
Ukrsotsbank	USCB	261	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

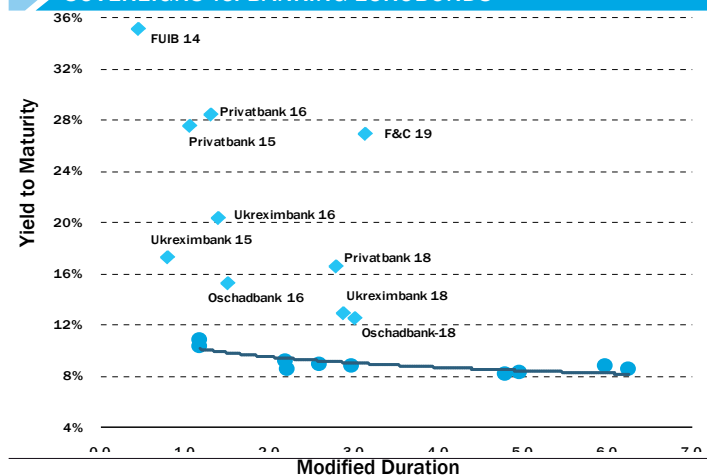
UKRAINIAN EUROBONDS

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	97.6	98.3	19.2%	16.1%	-2.5%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	94.6	96.0	10.5%	9.1%	-0.7%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	97.8	99.3	9.9%	8.3%	0.9%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	96.9	97.9	8.4%	7.8%	3.6%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	97.0	98.3	7.9%	7.3%	3.5%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	96.0	97.3	8.4%	7.9%	4.2%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	101.8	102.3	8.9%	8.7%	2.9%	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	95.3	96.8	9.0%	8.7%	3.1%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	95.8	97.3	8.9%	8.6%	3.0%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	94.7	96.2	8.8%	8.5%	4.8%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	94.1	95.6	8.5%	8.2%	4.8%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	69.9%	59.3%	-39.0%	1.7	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	102.7	103.8	8.4%	7.6%	-0.2%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	91.1	92.3	10.3%	10.0%	2.5%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.7	97.7	13.9%	13.9%	-0.3%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	91.0	91.0	14.0%	14.0%	0.9%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.3	93.5	19.2%	18.0%	-7.4%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	78.5	81.2	17.4%	16.2%	-8.3%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.0	96.0	23.4%	19.3%	-7.1%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.7	84.7	13.5%	13.2%	-10.7%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.0	98.0	19.5%	15.9%	-2.6%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.1	88.6	13.8%	13.2%	-7.5%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.5	98.0	11.0%	9.8%	-0.8%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	87.5	89.8	13.7%	12.9%	-3.4%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.3	78.8	22.1%	20.7%	0.4%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.4	107.4	9.9%	9.3%	-4.1%	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	60.0	65.0	48.0%	40.5%	-22.4%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	85.0	90.0	31.3%	23.4%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	75.1	80.1	27.5%	22.3%	10.4%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	86.0	88.2	16.1%	15.2%	4.1%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	94.3	95.5	20.4%	18.0%	-1.6%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	82.0	84.0	21.7%	19.7%	-2.7%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	89.6	91.3	12.4%	11.8%	1.4%	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	89.0	92.0	18.2%	15.5%	-2.8%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	87.1	88.8	13.4%	12.6%	-1.2%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	91.3	93.0	17.4%	15.6%	-0.9%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	90.8	92.4	14.8%	13.8%	-1.1%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

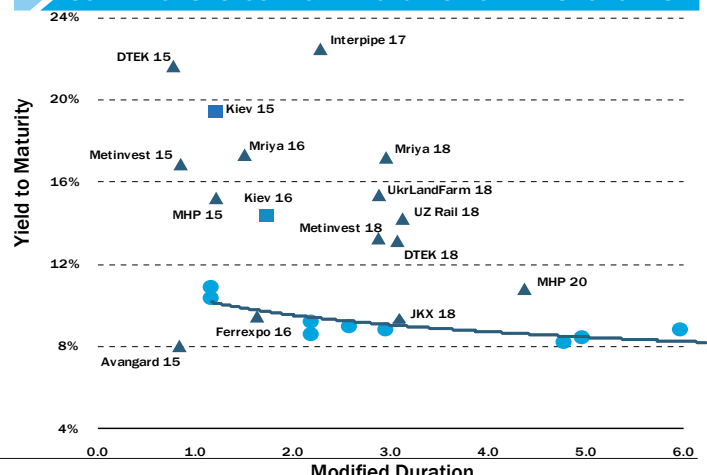
¹ Moody's/S&P/Fitch; * EUR

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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