

Market Update

Equity

Wednesday (Jul 2) was another inactive day for Ukraine's stock exchange, as European leaders scrambled to broker a new ceasefire to end this week's fierce battles in Eastern Ukraine between government forces and pro-Russian paramilitaries, which are creating the risk of significant civilian casualties. The UX index inched down three tenths of a percent to close at 1221 points. UkrNafta was the session's only notable mover, slipping 1.3% to near UAH 244; DonbasEnergo and Avdyivka Coke edged up by 0.5% each, while the remaining seven UX basket stocks were nearly unchanged. In second-tier names, Ferrexpo mining subsidiary Poltavskiy GOK fell 3.1% to UAH 15.30. In London, Ferrexpo itself rose 1.5% thanks to some late-day buying, while in Warsaw, Kernel declined by 1.6% and Industrial Milk Company was down 2.3% to PLN 10.10.

Fixed Income

Ukrainian sovereigns were down on Tuesday with Ukraine-23s down by 0.2p.p. to 93.5/94.8 (8.6%/8.4%). The corporate universe finished mixed. DTEK-18s dropped by 1.3p.p. to 81.9/83.2 (14.3%/13.8%) while Ferrexpo-16s improved by 3.0p.p. closing at 97.8/98.0 (10.0%/9.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.32	-0.3%	3.8	89
Motor Sich	MSICH	2411.00	-0.3%	2.0	43
Ukrnafta	UNAF	244.50	-1.3%	0.3	37

Growth Leaders

Avdyivka Coke	AVDK	3.23	0.6%	0.02	10
Donbasenergo	DOEN	39.27	0.5%	0.17	21
Yenakievo Steel	ENMZ	42.93	-0.1%	0.09	49

Loss Leaders

Ukrnafta	UNAF	244.50	-1.3%	0.300	37
Motor Sich	MSICH	2,411.00	-0.3%	2.050	43
Centrenerg	CEEN	7.32	-0.3%	3.818	89

Highlights

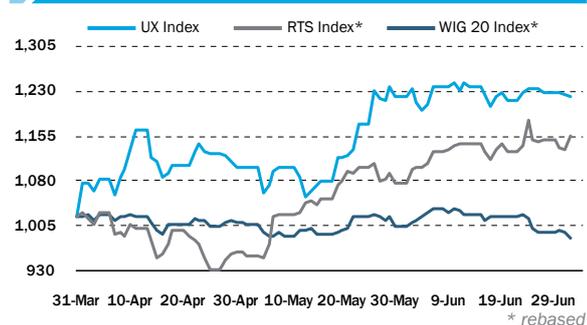
STOCKS IN THE NEWS

- > MHP's CEO Appointed as First Deputy Head of the Presidential Administration

FIXED INCOME

- > VAB Bondholders Agree to Redemption Postponement

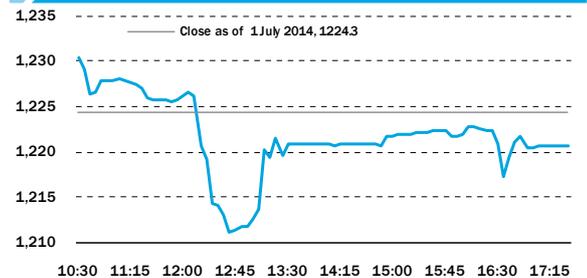
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1220.7	-0.3%	0.0%	34.1%
RTS	1390.5	2.1%	7.3%	-3.6%
WIG20	2381.1	-1.0%	-2.0%	-0.8%
MSCI EM	1060.6	0.9%	3.2%	5.9%
S&P 500	1974.6	0.1%	2.7%	7.3%

UX INTRADAY JULY 2, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	276.7	-1.6%	-5.4%	-16.3%
CDS 5Y UKR	810.8	3.3%	-11.4%	-1.2%
Ukraine-17	8.5%	0.3 p.p.	-0.5 p.p.	-0.6 p.p.
Naftogaz Ukr-14	15.9%	-3.3 p.p.	-7.2 p.p.	7.2 p.p.
Ukraine-23	8.5%	0.0 p.p.	-0.3 p.p.	1.0 p.p.
Privatbank-16	23.6%	-0.5 p.p.	-4.6 p.p.	-1.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.87	0.3%	0.6%	44.0%
EUR	16.21	0.2%	0.7%	42.5%
RUB	0.35	0.4%	2.4%	37.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	250.4	0.0%	-6.1%	-12.9%
Steel, USD/t	530.0	0.0%	-1.4%	-1.4%
Oil, USD/bbl	111.2	-0.9%	2.4%	0.0%
Gold, USD/oz	1326.9	0.0%	6.2%	10.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP's CEO Appointed as First Deputy Head of the Presidential Administration

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 15.0 Market Cap: USD 1,585mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.8	9.8	6.9	5%
2014E	1.9	neg	5.7	0%

NEWS

Yuriy Kosyuk, Chief Executive Officer of MHP, Ukraine's largest poultry producer, was appointed by Ukrainian President Petro Poroshenko as First Deputy Head of Presidential Administration on July 2, according to the Administration press release.

In another news yesterday, the company stated it received green light from Antimonopoly Committee of Ukraine for acquisition of three storage facilities in Vinnytsia region with overall capacity of 62,000 tonnes.

COMMENTARY

With Kosyuk's appointment, MHP, in our view will be hedged from the risk of unexpected and unjustified inspections or unfavourable decisions from domestic ruling authorities. The company also will likely face no difficulties with receiving allowances for acquiring agricultural assets (the one from Antimonopoly Committee, for instance). But all the aforementioned was intact in the past, in our view. On the other side, the appointment of the new CEO of MHP will expose MHP to inherent management risk.

According to the company, the deal value with storage capacity amounted to USD 10mn translating into price of USD 161/t, or within the market price range. The acquisition will increase MHP's storage capacity by 4.4% from current 1.4mn tonnes.

VAB Bondholders Agree to Redemption Postponement

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Bondholders of VAB Bank, a subsidiary of the business group of UkrLandFarming beneficiary Oleg Bakhmatiuk, agreed to a restructuring scheme which the bank offered for its outstanding VAB-14 Eurobonds which were supposed to mature on Jun 14 of this year, according to a statement on the Swiss Stock Exchange published on Wednesday (Jul 2).

VAB's latest offer for restructuring included a postponement of the ultimate redemption by five years, with introduction of an amortized scheme of repayment including the following terms: elimination of the coupon for the 3 months preceding the Jun 14 redemption date, then reduction of it from 10.5% to 9.0% for the following year, and then its increase to 10.9% for the period from June 2015 to June 2019. The amortizing redemption scheme was proposed as the following: 15 equal quarterly installments of USD 50 per USD 1,000 of principal amount starting in June 2015 and ending in December 2018, with another installment of USD 100 in March 2019 and a final payment of USD 150 on 14 June 2019. For bondholders who agreed to the restructuring by Jun 20, VAB promised to pay a premium of USD 26.25 per USD 1,000 principal.

As we reported earlier, the bank had made an initial restructuring offer in late May that the majority of bondholders refused to accept.

VAB originally placed the 3-year USD 125mn Eurobonds in 2007 at 10.125% yield, and restructured them in 2010, increasing the coupon to 10.5%.

COMMENTARY

There was no advance certainty that the bondholders would agree on the VAB's offer, and therefore the approval can be considered as a win for the bank and Mr. Bakhmatiuk, since this will prevent a liquidity outflow from the group at a time when many Ukrainian financial institutions are under pressure. However, we do not rule out that VAB could face new problems in servicing its Eurobonds in the future, especially if the hryvnia devalues further against the major global currencies.

Current quotes for the restructured VAB bonds stand at a wide bid/ask spread of 65.0/78.0. We estimate the effective yield for the bonds at 36.2%/26.7%.

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	132.9	125.0	-6%	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	8.10	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	6.95	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	0.72	2.9	309%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.6	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.40	5.2	274%	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	2411	5250	118%	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	57.3	120	110%	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	39.3	72.0	83%	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	7.32	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	15.0	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	43.5	90.0	107%	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	9.8	U/R	--	U/R	
Ovostar Union	OVO	72.5	58.74	-19%	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	1220.67	1254.58	799.72	-0.3%	-1.0%	0.0%	34.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.0%	-0.8%	4.2%	-4.6%	0.3%	0.2%	4.2%	-38.8%
Azovstal	AZST	0.78	0.95	0.40	0.0%	-0.8%	3.6%	16.7%	0.3%	0.2%	3.6%	-17.4%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	0.3%	1.0%	n/a	-34.1%
Enakievo Steel	ENMZ	42.9	52.0	17.0	2.2%	-6.2%	-2.2%	34.1%	2.5%	-5.3%	-2.2%	0.0%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	0.3%	1.0%	n/a	213.7%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	-20.0%	14.3%	60.0%	0.3%	-19.0%	14.3%	25.9%
Coke												
Avdivka Coke	AVDK	3.23	4.80	1.46	-0.2%	-2.8%	-0.5%	9.3%	0.1%	-1.8%	-0.5%	-24.9%
Yasnyivsky Coking	YASK	0.72	0.84	0.30	0.0%	1.4%	10.8%	35.8%	0.3%	2.4%	10.8%	1.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	-0.7%	-5.4%	6.9%	0.3%	0.2%	-5.4%	-27.2%
Ferrexpo	FXPO	2.28	3.20	2.03	1.4%	7.1%	-0.7%	-27.7%	1.7%	8.1%	-0.6%	-61.8%
Pivnichny GOK	SGOK	8.10	10.00	4.50	0.0%	3.2%	8.0%	1.3%	0.3%	4.1%	8.0%	-32.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.72	0.75	0.10	0.0%	10.8%	22.0%	80.0%	0.3%	11.7%	22.1%	45.9%
Komsomolets Donbasa	SHKD	0.85	n/a	n/a	-5.6%	-5.6%	-15.0%	37.1%	-5.3%	-4.6%	-15.0%	3.0%
Energy Coal	CLE	0.39	0.93	0.31	-5.5%	-9.1%	-7.8%	13.1%	-5.2%	-8.1%	-7.8%	-21.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	-2.2%	10.0%	-4.3%	0.3%	-1.3%	10.0%	-38.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	0.0%	3.5%	46.7%	0.3%	1.0%	3.5%	12.5%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	30.0%	85.7%	0.3%	1.0%	30.0%	51.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.6	29.0	10.0	0.2%	-1.9%	16.2%	7.5%	0.5%	-0.9%	16.2%	-26.6%
Luhanskeplovoz	LTPL	1.40	2.20	1.04	0.0%	2.9%	-6.0%	-6.7%	0.3%	3.9%	-6.0%	-40.8%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	-1.7%	-2.5%	-11.5%	0.3%	-0.7%	-2.5%	-45.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	0.0%	6.0%	2.7%	128.3%	0.3%	6.9%	2.7%	94.2%
Motor Sich	MSICH	2,411	3,000	1,303	-0.5%	1.2%	8.9%	32.2%	-0.2%	2.2%	9.0%	-2.0%
Summy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	0.0%	42.6%	139.6%	0.3%	1.0%	42.6%	105.5%
Turboatom	TATM	4.60	n/a	n/a	0.0%	0.0%	2.2%	31.4%	0.3%	1.0%	2.2%	-2.7%
WESTA ISIC	WES	0.14	0.26	0.13	-2.3%	2.4%	-16.1%	3.9%	-2.0%	3.4%	-16.1%	-30.2%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	10.1%	9.0%	63.5%	0.3%	11.1%	9.0%	29.3%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.27	0.12	0.0%	7.2%	0.9%	-28.7%	0.3%	8.2%	0.9%	-62.8%
JXX Oil	JKX	0.98	1.21	0.78	-1.7%	-1.5%	-4.0%	-17.1%	-1.4%	-0.6%	-3.9%	-51.2%
Ukrnafta	UNAF	245	271	80	-1.4%	-5.0%	-6.3%	125.1%	-1.1%	-4.0%	-6.3%	91.0%
Power Utilities												
Centrenerg	CEEN	7.32	8.00	2.50	-0.3%	-0.8%	1.7%	53.5%	0.0%	0.2%	1.7%	19.4%
Donbasenergo	DOEN	39.3	50.2	11.0	-0.2%	-1.7%	-10.1%	42.3%	0.1%	-0.7%	-10.1%	8.2%
Zakhidenergo	ZAEN	140.0	157.0	64.0	-1.4%	-2.8%	-1.8%	54.9%	-1.1%	-1.8%	-1.7%	20.7%
Consumer												
Agroton	AGT	0.94	1.8	0.43	-1.7%	-1.7%	10.8%	44.6%	-1.4%	-0.8%	10.8%	10.5%
Astarta	AST	14.3	24.4	12.1	1.2%	-1.2%	-6.5%	-35.7%	1.5%	-0.2%	-6.5%	-69.8%
Avangardo	AVGR	9.8	13.0	8.26	-1.5%	-1.5%	8.3%	-17.0%	-1.2%	-0.6%	8.4%	-51.2%
Industrial Milk Company	IMC	3.33	5.14	2.49	-2.3%	-1.2%	1.0%	-17.7%	-2.0%	-0.2%	1.0%	-51.8%
Kernel	KER	10.5	17.7	7.6	-1.6%	-3.4%	14.4%	-16.7%	-1.3%	-2.5%	14.4%	-50.8%
Mriya Agro Holding	MAYA	6.46	8.2	5.59	2.0%	5.0%	-2.4%	-13.3%	2.3%	5.9%	-2.4%	-47.5%
MHPC	MHPC	15.0	18.7	11.00	0.0%	1.6%	1.7%	-11.8%	0.3%	2.5%	1.7%	-46.0%
Milkiland	MLK	2.30	4.7	1.71	-0.1%	-1.4%	10.1%	-44.6%	0.1%	-0.5%	10.1%	-78.7%
Ovostar Union	OVO	23.9	33.3	19.4	2.1%	-0.7%	6.5%	-28.3%	2.4%	0.2%	6.5%	-62.4%
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	12.5	n/a	n/a	0.0%	0.0%	-19.2%	0.2%	0.3%	1.0%	-19.2%	-34.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.154	0.188	0.077	-1.0%	-0.2%	-5.9%	35.3%	-0.7%	0.8%	-5.9%	1.2%
UkrSotsbank	USCB	0.170	0.257	0.120	0.0%	0.3%	-0.1%	-9.4%	0.3%	1.3%	0.0%	-43.5%

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%
Ukrspotsbank	USCB	4,854	5,283	4,439	957	1,064	911	451	318	400	1	1	18	0.1%	0.1%	2.0%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2013E			
Steel																		
Alchevsk Steel	ALMK	80	3.9%	3	1,429	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	34	4.5	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	12	\$/tonne
Azovstal	AZST	277	3.0%	8	261	neg	neg	neg	neg	neg	7.4	0.1	0.1	0.1	57	58	57	\$/tonne
Coke																		
Avdyivka Coke	AVDK	53	6.8%	4	51	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	686	0.3%	2	685	7.2	3.5	4.2	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,573	0.4%	6	1,566	3.6	2.9	3.4	2.1	1.7	1.9	1.1	1.0	1.0				
Ferrexpo	FXPO	1,334	24.0%	320	2,013	6.2	5.1	6.8	5.0	4.0	4.5	1.4	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	3.3	1.4	1.4	1.0	1.4	1.3	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	18	25.0%	4	128	0.5	neg	neg	2.0	6.1	14.2	0.8	1.0	1.3	2.0	6.1	14.2	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	193	2.0%	4	238	5.7	>30	>30	4.6	7.6	7.8	0.5	0.8	0.7	379	628	596	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	26	24.0%	6	63	5.3	1.3	1.1	2.2	1.8	1.7	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	180	5.0%	9	180	1.9	4.3	neg	1.3	2.8	11.7	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	125	5.8%	7	59	3.3	1.7	1.8	1.1	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	422	24.0%	101	445	2.1	2.5	2.5	1.4	1.6	1.7	0.5	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	284	7.2%	20	587	6.3	16.7	10.8	2.9	3.1	3.4	0.7	0.7	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,117	3.0%	34	1,109	6.3	>30	9.8	2.4	3.9	3.6	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	48	21.6%	10	23	4.1	neg	24.1	1.1	neg	0.9	0.6	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	169	50.4%	85	277	neg	25.9	21.6	2.0	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	228	21.7%	49	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	78	14.2%	11	143	20.5	1.2	1.7	4.5	2.0	2.8	0.2	0.2	0.2	18	18	18	\$/MWh
Consumer																		
MHP	MHPC	1,585	34.1%	540	2,713	5.1	9.8	neg	5.8	6.9	5.7	1.9	1.8	1.9				
Kernel	KER	841	61.8%	519	1,546	4.0	8.0	17.9	4.8	5.3	8.8	0.7	0.6	0.6				
Astarta	AST	358	37.0%	133	692	6.2	10.5	4.4	6.3	7.6	5.0	1.5	1.4	1.2				
Avangardco	AVGR	623	22.5%	140	730	2.7	2.6	2.1	2.6	2.4	2.0	1.2	1.1	0.9	165	126	118	\$/mneggs
Agroton	AGT	20	26.2%	5	69	3.0	neg	neg	3.4	9.2	20.0	0.8	0.9	0.8	n/a	n/a	n/a	
Banks																		
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	264	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

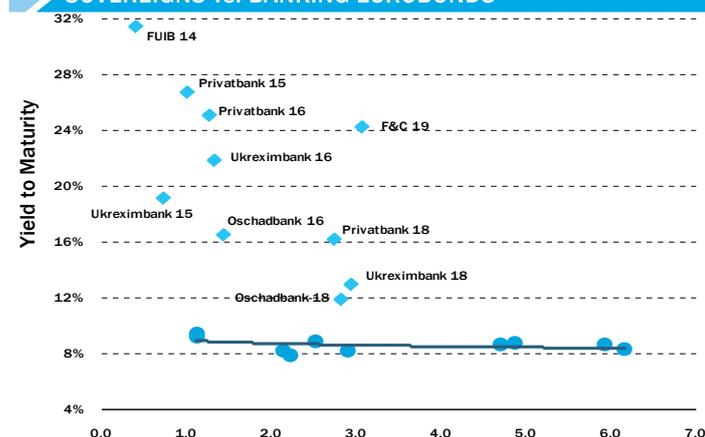
UKRAINIAN EUROBONDS

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	98.5	98.5	15.9%	15.9%	-2.0%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.8	95.3	11.5%	9.9%	-1.5%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	97.5	98.8	10.2%	8.9%	0.5%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	95.8	96.5	9.0%	8.6%	2.3%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	95.9	97.4	8.4%	7.7%	2.4%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.6	95.6	8.9%	8.6%	2.5%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	101.1	101.9	9.2%	8.9%	2.3%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	11.6%	10.9%	14.7%	2.8	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	94.8	95.8	9.1%	8.9%	2.4%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	95.3	96.8	9.0%	8.7%	2.6%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	94.8	95.6	8.8%	8.6%	4.6%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	93.5	94.8	8.6%	8.4%	4.0%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	70.6%	59.7%	-39.0%	1.6	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	102.8	102.8	8.4%	8.4%	#VALUE!	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	92.6	92.6	10.0%	10.0%	3.6%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.0	96.0	15.9%	15.9%	-2.0%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	91.5	91.5	13.9%	13.9%	1.4%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.5	94.5	19.1%	17.3%	-6.7%	1.4	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	79.5	79.5	17.0%	17.0%	-8.7%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.4	95.4	23.3%	21.1%	-7.2%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	81.9	83.2	14.3%	13.8%	-12.4%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.1	97.2	19.7%	17.6%	-2.9%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.3	88.3	13.4%	13.4%	-7.1%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	98.0	98.0	10.0%	9.9%	0.0%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	88.5	88.5	13.4%	13.4%	-3.5%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	76.0	77.5	23.0%	21.5%	-1.2%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.4	106.8	9.9%	9.5%	-4.4%	3.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.0%	21.7%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	90.8	90.8	32.7%	32.7%	-7.9%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	55.0	60.0	57.4%	48.5%	-28.6%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	87.0	87.0	28.6%	28.6%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	75.0	80.0	27.9%	22.7%	10.2%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	85.1	90.0	16.5%	14.5%	4.6%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	94.5	94.5	20.4%	20.4%	-2.0%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	82.0	24.2%	22.0%	-5.0%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	90.5	90.5	12.1%	12.1%	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	89.0	90.5	18.4%	17.0%	-3.6%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	87.5	89.1	13.0%	12.6%	-0.8%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.5	92.7	18.6%	16.1%	-1.5%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	90.8	92.3	14.9%	13.9%	-1.2%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

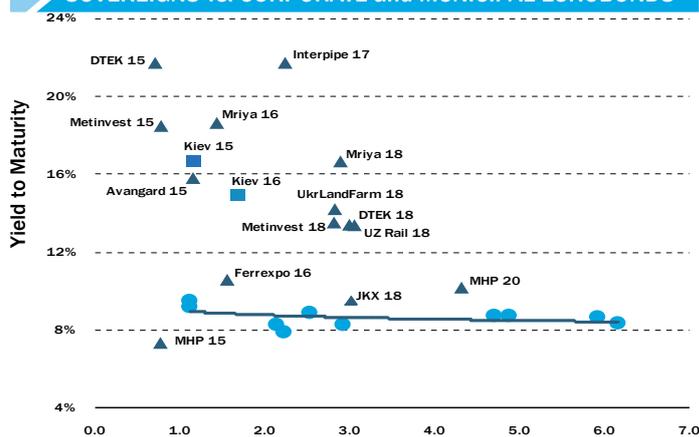
¹ Moody's/S&P/Fitch; * EUR

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

Eavex Capital

12, Ezhena Pottier str.
Kiev 03057
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua