

Market Update

Equity

Ukrainian stocks regained some of their losses from the previous week on Monday (Jul 7) after news over the weekend that the government's offensive against pro-Russian paramilitaries has pushed the latter out of their strongholds in the cities of northern Donetsk oblast, including Slavyansk. However, it was a fairly rough session for the main European indices in Frankfurt and Paris, both of which lost more than 1%. The UX index added 1.7% to finish at 1214 points, with Raiffeisen Aval and DonbasEnergio leading the way on respective gains of 2.4% and 2.2%. Volume leader CentrEnergio appreciated by 1.7% on turnover of UAH 3.8mn, and Motor Sich picked up 1.4% to UAH 2414. Outside the UX basket, Kremenchuk-based Krukiv Wagon jumped 5.6% to UAH 19.35, albeit on below-average volume. In London, Ferrexpo continued to reclaim territory lost during May and June, rising 1.8% to near GBp 144. Warsaw-listed names were mixed with Agroton rising 5.0% while Kernel edging down 0.4%.

Fixed Income

Ukrainian sovereigns were moderately higher on Monday, with benchmark Ukraine-23s edging up by 0.4p.p. to 93.9/95.1 (8.5%/8.3%). Major corporate debt issues also finished mostly in the black. MHP-20s improved by 1.0p.p. to 92.0/93.4 (10.1%/9.8%) and > UkrLandFarming-18s rose by 1.5p.p., closing at 92.0/93.4 (10.1%/9.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergio	CEEN	7.35	1.8%	3.9	145
Motor Sich	MSICH	2414.00	1.4%	0.6	78
Alchevsk Steel	ALMK	0.04	1.1%	0.3	42

Growth Leaders

Raiffeisen Bank Aval	BAVL	0.15	2.4%	0.11	24
Donbasenergio	DOEN	38.45	2.2%	0.06	51
Yenakievo Steel	ENMZ	42.22	1.9%	0.01	18

Loss Leaders

Ukrsotsbank	USCB	0.16	-0.1%	0.018	10
Azovstal	AZST	0.78	0.9%	0.009	11
Alchevsk Steel	ALMK	0.04	1.1%	0.302	42

Highlights

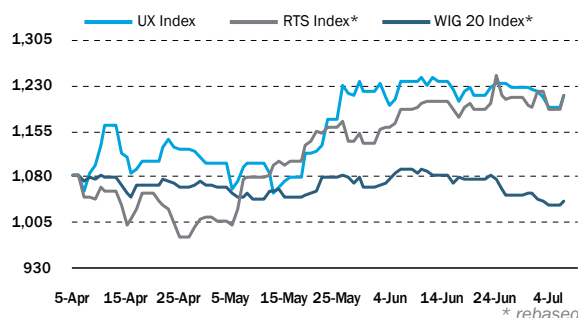
POLITICS AND ECONOMICS

- > NBU Reports USD 1.4bn Inflow from EU, Reserves Decline by USD 800m

STOCKS IN THE NEWS

- > Ferrexpo's 2Q14 Pellet Output Down 5% YoY

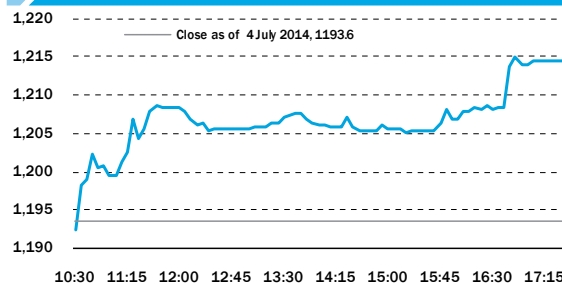
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1214.4	1.7%	-1.9%	33.4%
RTS	1385.2	1.8%	1.9%	-4.0%
WIG20	2378.9	0.7%	-4.8%	-0.9%
MSCI EM	1064.3	0.2%	1.9%	6.2%
S&P 500	1977.7	-0.4%	1.4%	7.4%

UX INTRADAY JULY 7, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	276.9	0.2%	1.4%	-16.3%
CDS 5Y UKR	754.0	-7.0%	-2.7%	-8.1%
Ukraine-17	8.5%	0.0 p.p.	-0.1 p.p.	-0.5 p.p.
Naftogaz Ukr-14	15.9%	-0.4 p.p.	0.9 p.p.	7.1 p.p.
Ukraine-23	8.4%	-0.1 p.p.	-0.2 p.p.	0.9 p.p.
Privatbank-16	23.6%	0.0 p.p.	-2.9 p.p.	-1.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.72	-0.3%	-0.5%	42.2%
EUR	15.94	-0.2%	-0.8%	40.2%
RUB	0.34	-0.5%	-0.7%	35.4%

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	110.2	-0.4%	2.2%	-0.9%
Gold, USD/oz	1319.9	0.0%	5.3%	10.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

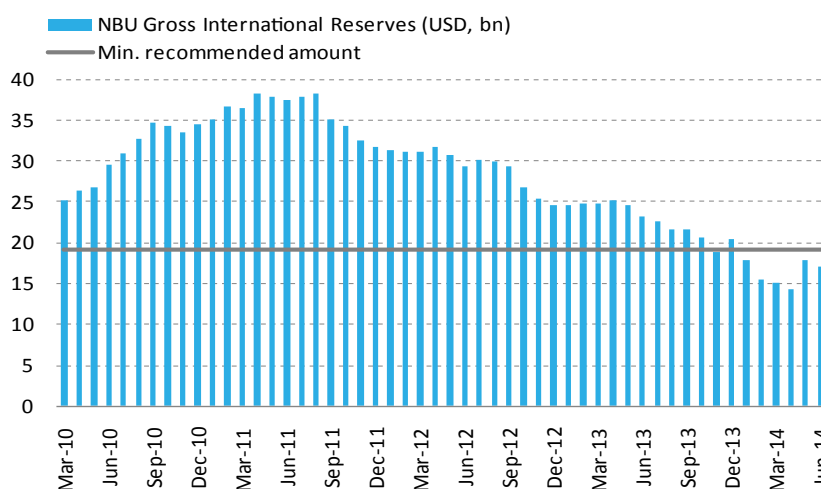
NBU Reports USD 1.4bn Inflow from EU, Reserves Decline by USD 800m

by Dmitry Churin
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NEWS

Ukraine's foreign currency reserves declined by 4.6% (USD 816mn) MoM to USD 17.08bn in June, the National Bank of Ukraine (NBU) reported on Monday (Jul 7). The amount of the reserves was affected by repayment of USD 1.98bn of state and state guaranteed debt over the period, including USD 193mn to the IMF. The NBU said the reserves were supported due by a USD 1.38bn inflow of assistance from the European Union. In the release, the NBU also noted that it had not intervened on the interbank currency market over the month.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

In our opinion, the USD 800mn decrease in the NBU reserves was unsurprising given the month's redemption volumes, although we cannot rule out that expenses related to the Donbass war may have been partially responsible for the drop. The amount of the reserves is sufficient to finance 2.5x months of imports. Moreover, the situation on the interbank currency market has been more or less balanced over the last two months, with average daily turnover standing at the equivalent of USD 300mn. In July, the government repayments in foreign currency are estimated at USD 1.0bn. Meanwhile, the 2nd installment of Ukraine's IMF loan, in the amount of USD 1.42bn, could arrive by the end of this month, assuming a positive review of the government's finances by the Fund. We therefore forecast that the NBU's foreign reserves will strengthen in the short run, providing some support to the hryvnia which, has been firm near 11.80 against the dollar over the last several weeks.

Ferrexpo's 2Q14 Pellet Output Down 5% YoY

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBP 1.41 Market Cap: USD 1,409mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.32	5.3	4.1	5.5%
2014E	1.35	7.1	4.7	1.7%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, produced 2.55mn tonnes of pellets in 2Q14, representing declines of 9.4% QoQ and 5.3% YoY, according to the company's production report released on Monday (Jul 7). The pellet output from ore extracted at the company's new Yeristovo Mine increased by 19.9% QoQ and 59.7% YoY to 847,000 tonnes. However, there was an output decline of 17.7% QoQ at Ferrexpo's flagship mining asset in Poltava, to 1.65mn tonnes, in the period. Pellet output from ore supplied by third parties amounted to 54,000 tonnes, down 47.3% QoQ and 43.5% YoY. The company stated that it completed refurbishment of one of its pellet lines in 2Q14 and remains on track to reach annualized capacity of 12mn tonnes of pellets in 2H14.

COMMENTARY

The nearly double-digit decline in pellet output in 2Q14 is explained by ongoing renovations of Ferrexpo's pelletizing facilities. Still, even if the stated target of 6.0mn tonnes of output in 2H14 is reached, Ferrexpo's FY14 production will amount to 11.4mn tonnes, i.e. below our projection of 11.7mn tonnes and also below the bottom of the range of 11.5-12.0mn tonnes provided by management in its FY13 annual report.

The company managed to expand the share of 65% Fe (vs. 62% Fe) content pellets to 50% from 48% in 2Q13. Also, the roughly 30% QoQ devaluation of the Ukrainian hryvnia bodes well for Ferrexpo's financials in the second quarter. However, in our estimation, these positives will be more than offset by a 15% QoQ (-19% YoY) drop in benchmark prices for ore fines in China to USD 103/t in 2Q14 following their 11% QoQ fall in 1Q14, and we reiterate our SELL recommendation for the FXPO stock.

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	143.0	125.0	-13%	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	9.00	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	3.20	6.2	95%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.69	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	0.70	2.9	321%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	19.3	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.38	5.2	279%	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	2414	5250	117%	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	9.0	42.0	367%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	58.3	120	106%	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	38.5	72.0	87%	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	7.35	15.00	104%	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%	HOLD	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	10.0	U/R	--	U/R	
Ovostar Union	OVO	72.0	58.74	-18%	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	0.151	0.24	59%	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	1214.38	1254.58	799.72	1.7%	-1.0%	-1.9%	33.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	1.4%	-0.5%	-2.6%	-4.9%	-0.4%	0.5%	-0.7%	-38.3%
Azovstal	AZST	0.78	0.95	0.35	0.9%	-0.3%	0.3%	16.6%	-0.8%	0.7%	2.2%	-16.9%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-1.7%	1.0%	1.9%	-33.4%
Enakievo Steel	ENMZ	42.2	52.0	17.0	1.9%	-5.5%	-2.9%	31.9%	0.1%	-4.5%	-1.0%	-1.5%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-1.7%	1.0%	1.9%	214.4%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	0.0%	6.7%	60.0%	-1.7%	1.0%	8.6%	26.6%
Coke												
Avdiyivka Coke	AVDK	3.20	4.80	1.46	1.7%	-1.3%	-2.5%	8.1%	0.0%	-0.3%	-0.6%	-25.4%
Yasnyivsky Coking	YASK	0.69	0.84	0.30	1.5%	-4.2%	3.0%	30.2%	-0.3%	-3.2%	4.9%	-3.3%
Iron Ore Mining												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	0.0%	-5.4%	6.9%	-1.7%	1.0%	-3.5%	-26.5%
Ferrexpo	FXPO	2.45	3.20	2.03	1.6%	9.3%	6.4%	-22.3%	-0.2%	10.3%	8.3%	-55.8%
Pivnichny GOK	SGOK	9.00	10.00	4.50	0.0%	11.1%	11.1%	12.5%	-1.7%	12.1%	13.0%	-20.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.70	0.75	0.10	0.0%	-5.4%	16.7%	75.0%	-1.7%	-4.4%	18.6%	41.6%
Komsomolets Donbasa	SHKD	0.85	n/a	n/a	0.0%	-5.6%	-15.0%	37.1%	-1.7%	-4.6%	-13.1%	3.7%
Energy Coal	CLE	0.40	0.93	0.31	5.4%	-5.8%	-6.8%	13.7%	3.6%	-4.8%	-4.9%	-19.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	10.0%	-4.3%	-1.7%	1.0%	11.9%	-37.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	0.0%	-1.1%	46.7%	-1.7%	1.0%	0.8%	13.2%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	30.0%	85.7%	-1.7%	1.0%	31.9%	52.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	19.3	29.0	10.0	5.6%	2.8%	13.8%	11.8%	3.9%	3.8%	15.7%	-21.7%
Luhanskeplovoz	LTPL	1.38	2.20	1.04	0.0%	-1.4%	0.0%	-8.0%	-1.7%	-0.4%	1.9%	-41.4%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	0.0%	2.7%	-11.5%	-1.7%	1.0%	4.6%	-45.0%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	0.0%	-8.1%	-5.6%	109.8%	-1.7%	-7.1%	-3.7%	76.4%
Motor Sich	MSICH	2,414	3,000	1,303	1.4%	-0.3%	3.6%	32.3%	-0.3%	0.7%	5.6%	-1.1%
Sumy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	0.0%	39.6%	139.6%	-1.7%	1.0%	41.5%	106.2%
Turboatom	TATM	4.60	n/a	n/a	0.0%	0.0%	15.0%	31.4%	-1.7%	1.0%	16.9%	-2.0%
WESTA ISIC	WES	0.11	0.26	0.11	-5.6%	-25.0%	n/a	-18.6%	-7.3%	-24.0%	n/a	-52.0%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	2.7%	23.1%	63.4%	-1.7%	3.7%	25.0%	29.9%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.27	0.12	5.7%	3.0%	3.4%	-26.8%	3.9%	4.0%	5.3%	-60.2%
JKX Oil	JKX	1.00	1.21	0.78	-0.2%	1.0%	-2.7%	-15.8%	-1.9%	2.0%	-0.7%	-49.2%
Ukrnafta	UNAF	245	271	54	1.5%	-0.4%	-6.9%	125.1%	-0.2%	0.6%	-5.0%	91.7%
Power Utilities												
Centrenerg	CEEN	7.35	8.00	2.50	1.8%	0.2%	2.3%	54.1%	0.0%	1.2%	4.3%	20.6%
Donbasenergo	DOEN	38.5	50.2	11.0	3.1%	-2.7%	-10.6%	39.4%	1.3%	-1.7%	-8.7%	5.9%
Zakhidenergo	ZAEN	137.0	157.0	64.0	0.0%	-3.5%	-9.8%	51.5%	-1.7%	-2.5%	-7.9%	18.1%
Consumer												
Agroton	AGT	1.00	1.8	0.43	5.0%	4.8%	17.4%	54.8%	3.2%	5.8%	19.3%	21.4%
Astarta	AST	14.3	24.4	12.1	2.4%	-1.5%	-8.8%	-35.9%	0.7%	-0.5%	-6.9%	-69.3%
Avangardo	AVGR	10.0	13.0	8.26	-1.0%	0.9%	9.0%	-15.0%	-2.7%	1.9%	10.9%	-48.4%
Industrial Milk Company	IMC	3.28	5.14	2.49	-0.2%	-2.7%	-3.2%	-18.8%	-2.0%	-1.6%	-1.2%	-52.2%
Kernel	KER	10.5	17.7	7.6	-0.4%	-4.5%	1.0%	-17.2%	-2.2%	-3.5%	2.9%	-50.6%
Mriya Agro Holding	MAYA	6.35	8.2	5.62	1.2%	1.9%	3.7%	-14.8%	-0.5%	2.9%	5.6%	-48.2%
MHPC	MHPC	15.0	18.7	11.00	-0.7%	0.0%	-0.7%	-11.8%	-2.4%	1.0%	1.3%	-45.3%
Milkiland	MLK	2.22	4.7	1.71	-3.4%	-3.3%	1.8%	-46.7%	-5.2%	-2.3%	3.7%	-80.2%
Ovostar Union	OVO	23.6	33.3	19.4	0.2%	-1.7%	-2.8%	-29.0%	-1.5%	-0.7%	-0.8%	-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%	-12.6%	0.2%	-1.7%	1.0%	-10.7%	-33.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.151	0.188	0.077	2.4%	-2.1%	-7.6%	33.0%	0.6%	-1.1%	-5.7%	-0.4%
UkrSotsbank	USCB	0.164	0.257	0.090	-0.1%	-2.1%	-5.1%	-12.5%	-1.8%	-1.1%	-3.2%	-46.0%

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	1,430	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	370	345	335	\$/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	280	3.0%	8	265	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	58	59	58	\$/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	16	9.0%	1	17	1.9	neg	3.4	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	695	0.3%	2	694	7.3	3.6	4.3	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,770	0.4%	7	1,764	4.1	3.2	3.8	2.4	1.9	2.2	1.2	1.1	1.2				
Ferrexpo	FXPO	1,433	24.0%	344	2,112	6.6	5.4	7.3	5.3	4.2	4.7	1.5	1.3	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	3.4	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%	5	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	195	2.0%	4	241	5.8	>30	>30	4.6	7.7	7.9	0.5	0.8	0.8	382	634	602	\$/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				
Krukiv Wagon	KVBZ	189	5.0%	9	189	2.0	4.5	neg	1.4	2.9	12.3	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	126	5.8%	7	60	3.3	1.8	1.8	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	428	24.0%	103	451	2.1	2.5	2.6	1.5	1.6	1.7	0.5	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	287	7.2%	21	591	6.3	16.9	10.9	2.9	3.1	3.4	0.7	0.7	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,132	3.0%	34	1,124	6.4	>30	9.9	2.5	3.9	3.7	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	49	21.6%	11	24	4.2	neg	24.7	1.1	neg	0.9	0.6	0.7	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	171	50.4%	86	280	neg	26.3	22.0	2.1	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	232	21.7%	50	311	8.0	3.9	4.2	4.5	3.3	3.6	0.3	0.3	0.4	17	22	20	\$/MWh
DonbasEnergO	DOEN	78	14.2%	11	143	20.3	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	836	61.8%	516	1,542	4.0	8.0	17.8	4.8	5.3	8.8	0.7	0.6	0.6				
Astarta	AST	357	37.0%	132	691	6.1	10.5	4.4	6.3	7.6	5.0	1.5	1.4	1.2				
Avangardco	AVGR	638	22.5%	144	746	2.8	2.7	2.1	2.7	2.5	2.0	1.2	1.1	0.9	169	128	121	\$/mneggs
Agroton	AGT	22	26.2%	6	71	3.2	neg	neg	3.5	9.4	20.4	0.8	0.9	0.8	n/a	n/a	n/a	
Banks																		
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	258	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

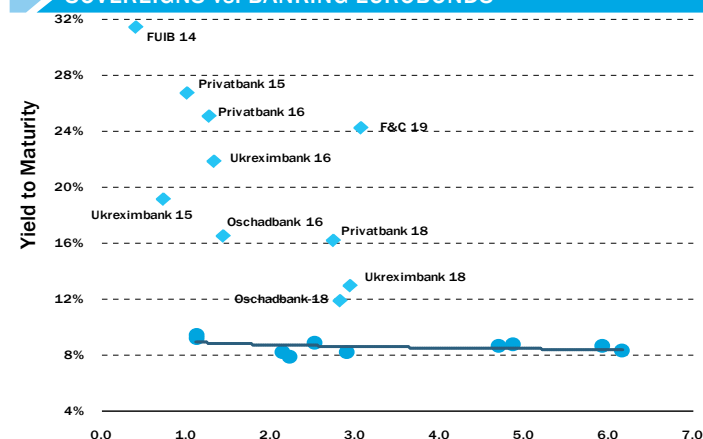
UKRAINIAN EUROBONDS

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	98.1	99.0	18.0%	13.8%	-1.9%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.9	95.4	11.4%	9.8%	-1.4%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	97.7	98.7	10.0%	8.9%	0.6%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	95.5	97.0	9.1%	8.4%	2.4%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	95.8	97.0	8.5%	7.9%	2.2%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.5	95.5	9.0%	8.6%	2.4%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	101.5	102.3	9.0%	8.7%	2.7%	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%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.2%	10.7%	16.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	95.0	96.0	9.1%	8.8%	2.7%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	95.4	96.9	9.0%	8.7%	2.6%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	94.9	95.8	8.7%	8.6%	4.7%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	93.9	95.1	8.5%	8.3%	4.4%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	71.1%	60.1%	-39.0%	1.6	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	103.0	104.0	8.0%	7.1%	0.0%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	92.0	93.4	10.1%	9.8%	3.7%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.0	98.0	16.0%	13.8%	-3.0%	1.1	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	91.6	92.0	13.8%	13.7%	1.8%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.3	94.3	19.5%	17.6%	-7.0%	1.4	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	79.0	81.0	17.2%	16.4%	-8.1%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.0	95.5	24.7%	21.2%	-7.3%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	81.8	83.0	14.3%	13.9%	-12.6%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.5	97.3	19.3%	17.8%	-2.7%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.8	88.2	14.0%	13.5%	-7.9%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	97.0	98.1	10.7%	9.8%	-0.5%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	87.3	89.6	13.8%	13.0%	-3.5%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.0	78.0	22.5%	21.3%	0.1%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.7	107.3	9.8%	9.4%	-4.1%	3.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.0%	21.8%	-27.7%	3.0	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	91.1	91.1	31.8%	31.8%	-7.5%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	55.0	60.0	57.6%	48.7%	-28.6%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	90.0	30.9%	24.2%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	75.0	80.0	28.2%	22.8%	10.2%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	85.4	88.0	16.3%	15.3%	3.6%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	93.5	95.5	22.8%	18.7%	-2.0%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	80.0	82.0	24.4%	22.2%	-5.0%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	90.7	91.0	12.1%	12.0%	1.8%	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	90.4	18.5%	17.2%	-3.6%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	87.8	89.1	13.3%	12.8%	-0.6%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	91.0	93.0	18.2%	15.9%	-1.1%	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/

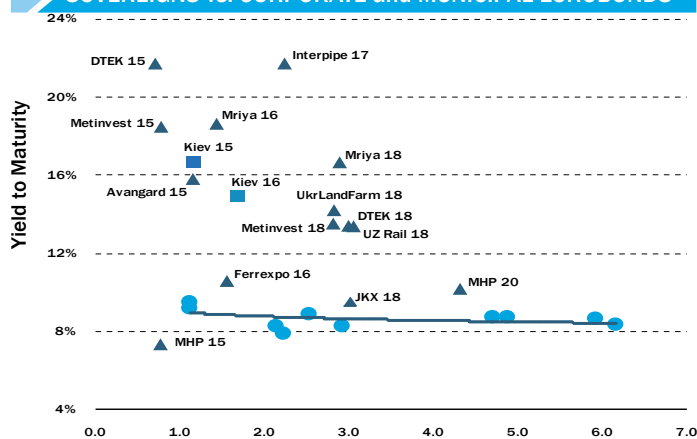
¹ Moody's/S&P/Fitch; * EUR

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			16.0%	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	16.5%	14.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	16.5%	14.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	16.5%	14.0%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	15.0%	12.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			16.0%	14.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			16.0%	14.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			16.0%	14.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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