

**Market Update**

**Equity**

Local Ukrainian equity issues were mixed on Tuesday (Jul 8), while the main European indices fell sharply for a second day after IMF chief Christine Lagarde said the institution is considering revision of its economic forecasts. Wall Street also posted losses amid investor caution in regard to the upcoming corporate earnings season. The UX index edged down by 0.3% to close at 1210 points. Among the major liquid names, the biggest mover was UkrNafta, which fell 1.8% to UAH 240, while Raiffeisen Aval and DonbasEnergo were down by 1.0% and 1.2% respectively. On the upside, Motor Sich and CentrEnergo inched higher by less than half a percent each. Outside the UX basket, Khartsysk Pipe dropped 4.5% to 84 kopecks. In Warsaw, agro stocks Milkiland and Astarta saw respective declines of 1.8% and 0.8%, with the former ending at PLN 6.60.

**Fixed Income**

Ukrainian sovereigns gained on Tuesday, with Ukraine-23s improving by 0.5p.p. to 94.5/95.5 (8.4%/8.2%), reducing their spread to benchmark US Treasuries to around 580 bps. Most corporate names also finished higher. MHP-20s inched up by 0.2p.p. to 92.2/93.7 (10.1%/9.7%) and Mriya-16s rose 1.2p.p., closing at 94.0/96.0 (17.8%/16.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenergo	CEEN	7.38	0.5%	3.8	120
Motor Sich	MSICH	2421.00	0.3%	0.6	29
Alchevsk Steel	ALMK	0.04	0.3%	0.0	28

**Growth Leaders**

Raiffeisen Bank Aval	BAVL	0.15	-1.0%	0.62	47
Donbasenergo	DOEN	37.96	-1.3%	0.29	55
Yenakievo Steel	ENMZ	42.47	1.2%	0.57	32

**Loss Leaders**

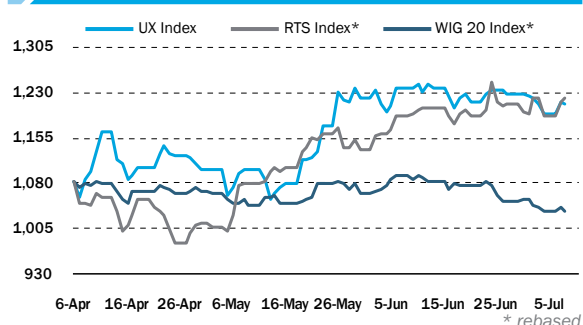
Ukrsotsbank	USCB	0.16		0.002	3
Azovstal	AZST	0.78	-0.6%	0.028	23
Alchevsk Steel	ALMK	0.04	0.3%	0.014	28

**Highlights**

**POLITICS AND ECONOMICS**

- UkrStat: Headline Inflation Reached 12.0% in June

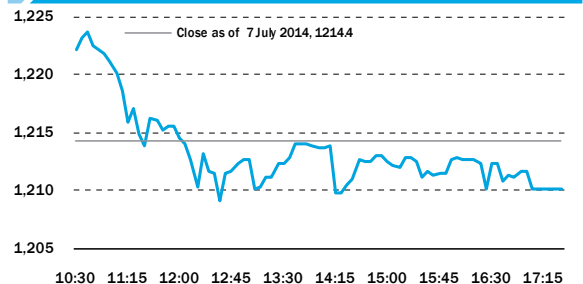
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1210.1	-0.3%	-2.3%	33.0%
RTS	1393.6	0.6%	2.5%	-3.4%
WIG20	2360.9	-0.8%	-5.5%	-1.7%
MSCI EM	1064.7	0.0%	1.9%	6.3%
S&P 500	1963.7	-0.7%	0.7%	6.7%

**UX INTRADAY JULY 8, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	277.9	0.3%	1.8%	-16.0%
CDS 5Y UKR	750.1	-0.5%	-3.2%	-8.6%
Ukraine-17	8.0%	-0.5 p.p.	-0.1 p.p.	-1.0 p.p.
Naftogaz Ukr-14	15.5%	-0.3 p.p.	0.5 p.p.	6.8 p.p.
Ukraine-23	8.3%	-0.1 p.p.	-0.3 p.p.	0.8 p.p.
Privatbank-16	24.2%	0.6 p.p.	-2.3 p.p.	-0.5 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.67	-0.4%	-0.9%	41.6%
EUR	15.89	-0.3%	-1.1%	39.7%
RUB	0.34	0.2%	-0.5%	35.7%

**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	108.9	-1.2%	1.0%	-2.0%
Gold, USD/oz	1319.3	-0.1%	5.3%	10.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

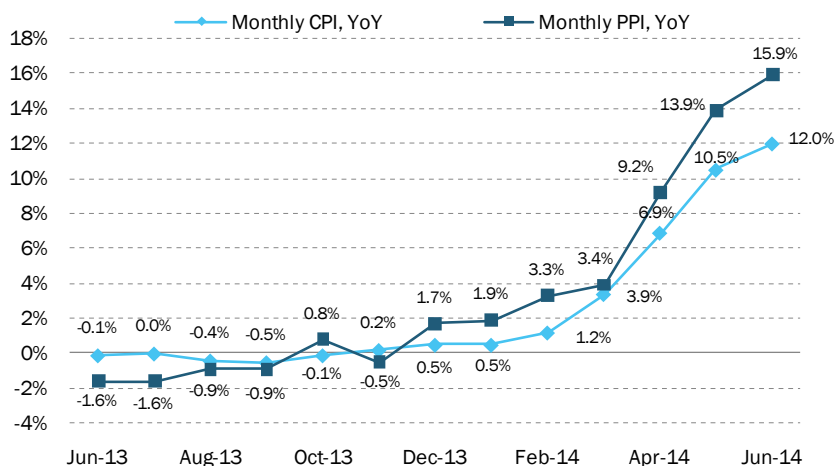
**UkrStat: Headline Inflation Reached 12.0% in June**

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**NEWS**

Ukraine's State Statistics Committee reported that rolling 12-month consumer inflation in the country reached 12.0% in June, although on a monthly basis, price growth slowed from a whopping 3.8% in May to 1.0% in June, according to data published earlier this week. Producer price growth slowed marginally from 4.3% MoM in May to 3.6% MoM in June. On a 12-month basis, the PP index is up 15.9% YoY.

**UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION**



Source: State Statistics Committee

**COMMENTARY**

Both consumer and producer prices are well on the way toward exceeding our initial 2014 forecasts of 11.5% and 15.0% respectively, and we now expect FY14 CPI inflation in the range of 18-20%. Commenting on the latest inflation data, NBU governor Valeria Hontareva said the NBU is targeting a 17% FY14 CPI rise, and aims to limit CPI growth to 10% for 2015. We believe that these plans are achievable, assuming that the hryvnia devaluation factor is taken out of play in 2H14 and beyond.

In particular CPI basket components, household electricity prices advanced by 11.3% MoM in June after the National Electricity Regulatory Commission (NERC) approved a tariff hike which nonetheless leaves the rate well below the economically justified level. Tobacco and alcohol prices continued to rise due to increases in excises duties. Among other important categories, meat prices jumped by 3.1% MoM (8.8% YoY) over the month.

In the major PPI components, June prices in the extraction sector rose by 3.2% MoM (11.0% YoY), by 1.6% MoM in the manufacturing sector (19.6% YoY), and by 9.3% MoM (8.8% YoY) in the utility sector.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.78	0.56	-28%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	141.0	125.0	-11%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	3.21	6.2	94%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.67	U/R	na	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	19.3	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.15	5.2	355%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2421	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	7.9	42.0	432%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	56.8	120	111%	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	38.0	72.0	90%	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.
<b>Consumer</b>						
MHP	MHPC	15.1	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	43.0	90.0	109%	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	68.5	58.74	-14%	SELL	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 7% of revenue earned in hard currency. Capacity expansion project for 2014-16 will likely be delayed, according to the management.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.150	0.24	61%	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	1210.14	1254.58	799.72	-0.3%	-1.2%	-2.3%	33.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.3%	0.0%	-2.4%	-4.6%	0.6%	1.2%	-0.1%	-37.6%
Azovstal	AZST	0.78	0.95	0.35	-0.6%	-0.8%	-0.4%	15.8%	-0.3%	0.4%	1.9%	-17.2%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	0.3%	1.2%	2.3%	-33.0%
Enakievo Steel	ENMZ	42.5	52.0	17.0	0.6%	1.1%	-2.3%	32.7%	0.9%	2.2%	-0.1%	-0.3%
Arcelor Mittal KR	KSTL	2.01	n/a	n/a	-49.8%	-49.8%	-49.8%	74.8%	-49.4%	-48.6%	-47.5%	41.8%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	0.0%	6.7%	60.0%	0.3%	1.2%	8.9%	27.0%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.21	4.80	1.46	0.3%	-1.0%	-2.3%	8.4%	0.6%	0.2%	0.0%	-24.6%
Yasnyivsky Coking	YASK	0.67	0.84	0.30	-2.9%	-6.9%	0.0%	26.4%	-2.5%	-5.8%	2.3%	-6.6%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	0.0%	-5.4%	6.9%	0.3%	1.2%	-3.2%	-26.1%
Ferrexpo	FXPO	2.42	3.20	2.07	-1.4%	7.4%	4.9%	-23.4%	-1.1%	8.6%	7.2%	-56.4%
Pivnichny GOK	SGOK	9.00	10.00	4.50	0.0%	11.1%	11.1%	12.5%	0.3%	12.3%	13.4%	-20.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.70	0.75	0.10	0.0%	-2.8%	16.7%	75.0%	0.3%	-1.6%	18.9%	42.0%
Komsomolets Donbasa	SHKD	0.85	n/a	n/a	0.0%	-5.6%	-15.0%	37.1%	0.3%	-4.4%	-12.7%	4.1%
Energy Coal	CLE	0.38	0.93	0.31	-3.8%	-8.6%	-10.4%	9.4%	-3.5%	-7.5%	-8.1%	-23.6%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	10.0%	-4.3%	0.3%	1.2%	12.3%	-37.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.84	1.01	0.30	-4.5%	-4.5%	-5.6%	40.0%	-4.2%	-3.4%	-3.4%	7.0%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	30.0%	85.7%	0.3%	1.2%	32.3%	52.7%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	19.3	29.0	10.0	0.0%	4.1%	13.8%	11.8%	0.3%	5.3%	16.0%	-21.2%
Luhanskeplovoz	LTPL	1.15	2.20	1.04	-16.7%	-17.9%	-16.7%	-23.3%	-16.3%	-16.7%	-14.4%	-56.3%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	0.0%	2.7%	-11.5%	0.3%	1.2%	4.9%	-44.5%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.06	0.08	0.02	6.1%	-2.5%	0.2%	122.6%	6.5%	-1.3%	2.4%	89.7%
Motor Sich	MSICH	2,421	3,000	1,303	0.3%	0.0%	4.0%	32.7%	0.6%	1.1%	6.2%	-0.2%
Summy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	0.0%	39.6%	139.6%	0.3%	1.2%	41.9%	106.6%
Turboatom	TATM	4.60	n/a	n/a	0.0%	0.0%	15.0%	31.4%	0.3%	1.2%	17.3%	-1.5%
WESTA ISIC	WES	0.12	0.26	0.11	6.4%	-18.6%	n/a	-13.4%	6.8%	-17.4%	n/a	-46.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	-0.1%	23.1%	63.4%	0.3%	1.1%	25.3%	30.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.14	0.27	0.12	-12.2%	-9.9%	-9.3%	-35.7%	-11.9%	-8.7%	-7.0%	-68.7%
JKX Oil	JKX	0.97	1.21	0.78	-2.6%	-2.8%	-5.2%	-18.0%	-2.2%	-1.6%	-2.9%	-50.9%
Ukrnafta	UNAF	240	271	54	-1.8%	-3.2%	-8.6%	121.0%	-1.5%	-2.0%	-6.3%	88.0%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.38	8.00	2.50	0.4%	0.5%	2.8%	54.8%	0.8%	1.6%	5.1%	21.8%
Donbasenergo	DOEN	38.0	50.2	11.0	-1.3%	-3.5%	-11.7%	37.6%	-0.9%	-2.3%	-9.5%	4.6%
Zakhidenergo	ZAEN	137.0	157.0	64.0	0.0%	-3.5%	-9.8%	51.5%	0.3%	-2.4%	-7.5%	18.6%
<b>Consumer</b>												
Agroton	AGT	1.00	1.8	0.43	0.0%	5.2%	17.4%	54.8%	0.3%	6.4%	19.6%	21.8%
Astarta	AST	14.2	24.4	12.1	-0.8%	0.0%	-9.5%	-36.4%	-0.4%	1.2%	-7.3%	-69.4%
Avangardo	AVGR	9.9	13.0	8.26	-0.9%	0.0%	8.0%	-15.7%	-0.6%	1.2%	10.3%	-48.7%
Industrial Milk Company	IMC	3.29	5.14	2.49	0.1%	-3.5%	-3.0%	-18.7%	0.5%	-2.4%	-0.8%	-51.7%
Kernel	KER	10.5	17.7	7.6	-0.2%	-2.3%	0.8%	-17.3%	0.2%	-1.2%	3.1%	-50.3%
Mriya Agro Holding	MAYA	6.20	8.2	5.62	-2.4%	-2.1%	1.2%	-16.9%	-2.1%	-1.0%	3.4%	-49.8%
MHPC	MHPC	15.1	18.7	11.00	0.7%	0.7%	0.0%	-11.2%	1.0%	1.8%	2.3%	-44.2%
Milkiland	MLK	2.18	4.7	1.71	-1.8%	-5.7%	0.0%	-47.7%	-1.4%	-4.5%	2.2%	-80.6%
Ovostar Union	OVO	22.6	33.3	19.4	-4.6%	-3.5%	-7.2%	-32.2%	-4.2%	-2.3%	-4.9%	-65.2%
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
<b>Chemicals</b>												
Stirol	STIR	12.5	n/a	n/a	0.0%	0.0%	-12.6%	0.2%	0.3%	1.2%	-10.4%	-32.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.150	0.188	0.077	-1.0%	-3.6%	-8.5%	31.7%	-0.6%	-2.5%	-6.2%	-1.3%
UkrSotsbank	USCB	0.164	0.257	0.090	0.0%	-3.5%	-5.1%	-12.5%	0.3%	-2.3%	-2.8%	-45.5%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	82	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	4.5	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	280	3.0%	8	264	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	57	59	58	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	54	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	3.3	0.6	0.6	0.9	0.0	0.0	0.0	0.6	0.6	0.9	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	698	0.3%	2	696	7.3	3.6	4.3	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,777	0.4%	7	1,770	4.1	3.2	3.9	2.4	1.9	2.2	1.3	1.1	1.2				
Ferrexpo	FXPO	1,413	24.0%	339	2,092	6.6	5.4	7.2	5.2	4.1	4.7	1.5	1.3	1.4				
<b>Coal Mining</b>																		
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	17	25.0%	4	127	0.5	neg	neg	2.0	6.0	14.1	0.8	1.0	1.3	2.0	6.0	14.1	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	187	2.0%	4	233	5.6	>30	>30	4.5	7.4	7.7	0.5	0.8	0.7	369	613	582	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	22	24.0%	5	59	4.5	1.1	1.0	2.0	1.7	1.5	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	190	5.0%	10	190	2.0	4.6	neg	1.4	2.9	12.4	0.2	0.4	1.2				
Stakhanov Wagon	SVGZ	22	8.0%	2	55	>30	>30	>30	7.6	9.4	10.1	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	127	5.8%	7	61	3.3	1.8	1.8	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	431	24.0%	103	454	2.2	2.6	2.6	1.5	1.7	1.7	0.5	0.5	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	288	7.2%	21	592	6.4	16.9	11.0	2.9	3.1	3.4	0.7	0.7	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,115	3.0%	33	1,107	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	43	21.6%	9	18	3.7	neg	21.7	0.9	neg	0.7	0.4	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	167	50.4%	84	275	neg	25.7	21.4	2.0	4.1	4.0	1.4	1.5	1.4	50	38	37	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	234	21.7%	51	313	8.1	3.9	4.2	4.5	3.3	3.7	0.3	0.3	0.4	18	23	20	\$/MWh
DonbasEnergO	DOEN	77	14.2%	11	143	20.1	1.2	1.7	4.5	2.0	2.8	0.2	0.2	0.2	17	18	17	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,596	34.1%	544	2,723	5.1	9.8	neg	5.8	7.0	5.7	1.9	1.8	1.9				
Kernel	KER	834	61.8%	515	1,540	4.0	8.0	17.8	4.8	5.3	8.8	0.7	0.6	0.6				
Astarta	AST	354	37.0%	131	688	6.1	10.4	4.3	6.2	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	\$/mneqgs
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	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	385	3.5%	14		>30	4.3	12.2	0.5	0.4	0.5	0.06	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

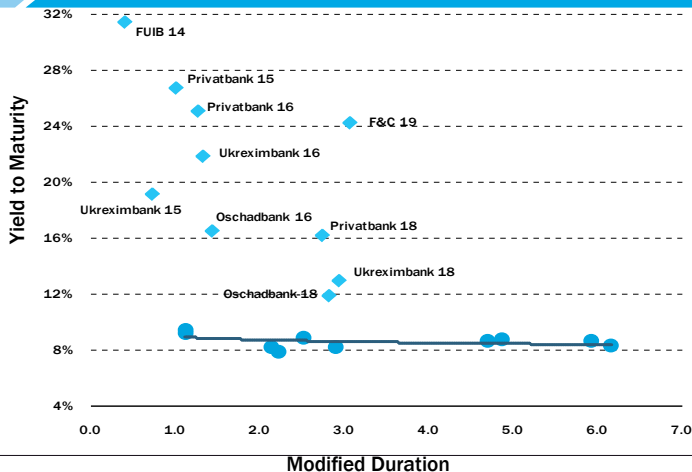
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Naftogaz Ukraine, 2014	98.2	99.0	17.4%	13.7%	-1.9%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	94.7	95.7	10.6%	9.6%	-0.8%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	98.4	99.6	9.3%	8.0%	1.4%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	96.6	97.6	8.6%	8.1%	3.3%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	96.7	97.7	8.1%	7.6%	3.1%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	95.8	96.8	8.5%	8.1%	3.8%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	102.5	103.3	8.6%	8.3%	3.7%	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	96.1	97.6	8.8%	8.5%	4.1%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	96.8	97.8	8.7%	8.5%	3.8%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	96.2	97.4	8.5%	8.3%	6.3%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	94.5	95.5	8.4%	8.2%	5.0%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	29.8	33.9	71.2%	60.2%	-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	92.2	93.7	10.1%	9.7%	4.0%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	99.5	99.5	12.2%	12.2%	1.6%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	91.8	94.3	13.8%	12.8%	3.1%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	94.0	96.0	17.8%	16.1%	-5.3%	1.4	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	78.3	82.8	17.6%	15.7%	-7.6%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.0	95.0	24.8%	22.4%	-7.5%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	82.2	83.3	14.2%	13.8%	-12.2%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.3	97.3	19.8%	17.9%	-2.8%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	86.8	88.2	14.1%	13.5%	-7.9%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	97.0	98.5	10.7%	9.5%	-0.2%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	87.2	89.6	13.9%	13.0%	-3.6%	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	104.7	106.5	10.2%	9.6%	-4.9%	3.0	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
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	57.7%	48.8%	-28.6%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	88.0	31.0%	27.6%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	74.5	79.5	28.8%	23.4%	9.5%	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	93.8	95.5	22.4%	18.8%	-1.9%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.5	81.5	26.2%	22.8%	-6.2%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	90.4	91.8	12.2%	11.6%	2.1%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	75.0	78.0	18.2%	17.1%	n/a	3.4	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	89.0	90.8	18.5%	16.9%	-3.4%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	87.2	89.1	13.3%	12.7%	-1.0%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	90.5	92.9	18.8%	16.0%	-1.4%	1.1	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	90.6	92.7	15.0%	13.7%	-1.4%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

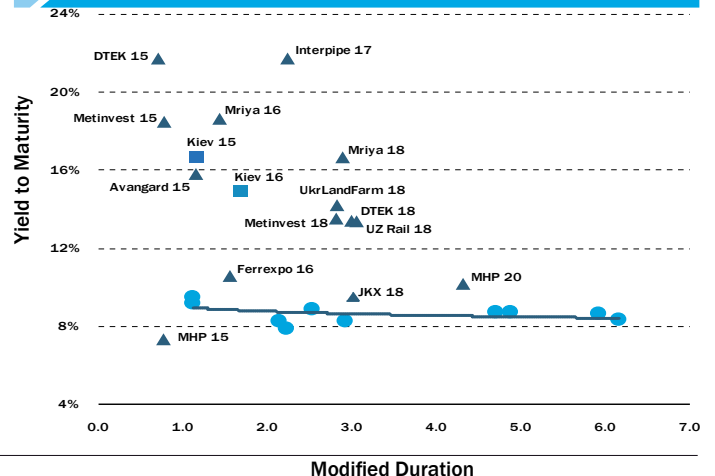
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	15.0%	12.0%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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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