

Market Update

Equity

Kyiv-listed blue chips were higher on Thursday (Jul 10), moving opposite to European shares, which sold off on new concerns about the debt situation in EU peripheral countries. The UX index added 2.1% to close at 1252 points, driven by a 6.1% jump in CentrEnergy to UAH 7.95, the issue's highest hryvnia-denominated level since before the local market's pre-Euro 2012 crash in May of that year. DonbasEnergy and UkrNafta gained 2.7% and 2.2% respectively, and Azovstal rose 1.8% to 80 kopecks on the nose. Motor Sich lagged the index but still edged up 0.6%, while a flat finish made Raiffeisen Aval the day's worst performer. In Warsaw, most Ukrainian issues were lower. Sugar major Astarta declined by 3.3% and egg producer Ovostar lost 4.0% to near PLN 67, while in London, MHP was down by 1.9%, ending at USD 15.

Fixed Income

Ukrainian sovereigns were marginally lower on Thursday, with Ukraine-23s edging down by 0.2p.p. to 94.3/95.3 (8.4%/8.3%). The corporate universe closed mostly in positive territory. MHP-20s grew by 0.6p.p. to 93.0/94.5 (9.9%/9.5%) and Avangard-15s advanced by 0.8p.p., closing at 96.3/98.0 (15.8%/13.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.95	6.1%	3.5	368
Motor Sich	MSICH	2471.00	0.6%	1.2	81
Ukrnafta	UNAF	249.30	2.3%	1.1	131

Growth Leaders

Centrenerg	CEEN	7.95	6.1%	3.54	368
Yasynivsky Coke	YASK	0.72	3.6%	0.31	19
Yenakievo Steel	ENMZ	43.40	3.1%	0.25	24

Loss Leaders

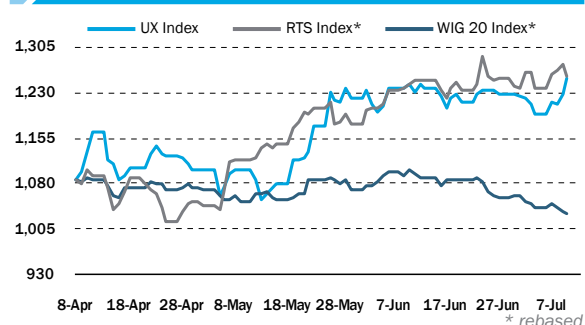
Raiffeisen Bank Aval	BAVL	0.15	-0.1%	0.286	57
Motor Sich	MSICH	2,471.00	0.6%	1.216	81
Avdyivka Coke	AVDK	3.24	0.8%	0.049	23

Highlights

POLITICS AND ECONOMICS

- > Large Agro Companies May Be Brought Into General VAT Framework

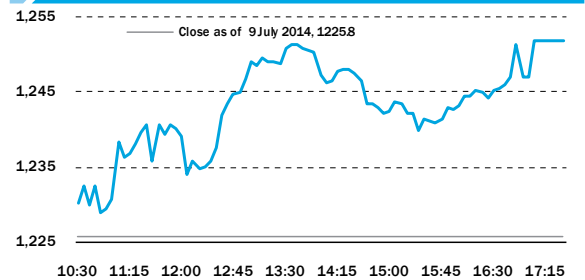
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1251.8	2.1%	1.1%	37.6%
RTS	1383.7	-1.4%	1.6%	-4.1%
WIG20	2341.2	-0.1%	-5.6%	-2.5%
MSCI EM	1062.4	0.1%	1.3%	6.0%
S&P 500	1964.7	-0.4%	0.7%	6.7%

UX INTRADAY JULY 10, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	279.7	1.1%	3.3%	-15.4%
CDS 5Y UKR	750.1	0.0%	3.0%	-8.6%
Ukraine-17	8.0%	0.0 p.p.	-0.1 p.p.	-1.0 p.p.
Naftogaz Ukr-14	16.0%	0.0 p.p.	2.1 p.p.	7.3 p.p.
Ukraine-23	8.4%	0.0 p.p.	0.1 p.p.	0.9 p.p.
Privatbank-16	23.8%	0.0 p.p.	0.1 p.p.	-0.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.68	-0.4%	-0.8%	41.7%
EUR	15.89	-0.7%	-0.8%	39.7%
RUB	0.34	-0.6%	0.2%	36.8%

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	108.7	0.4%	-0.4%	-2.3%
Gold, USD/oz	1335.8	0.6%	6.7%	11.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Large Agro Companies May Be Brought Into General VAT Framework

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NEWS

The value-added tax (VAT) regime for large Ukrainian agricultural holdings could be brought into the general VAT framework, Prime Minister Arseniy Yatsenyuk said on Thursday (July 10). According to the Tax Code, the ordinary VAT rate in Ukraine is 20%, while for agricultural enterprises, there is a preferential VAT framework which allows producers to retain the difference between VAT charged on sales and that which is paid on input purchases. This special regime was previously supposed to remain in effect through the end of 2017. Yatsenyuk made no mention of changing Ukraine's fixed agricultural tax regime (FAT), which allows big producers to pay negligible taxes on their profits.

COMMENTARY

The initiative to change the preferential agro VAT regime is unsurprising, in light of the new Ukrainian government's budget-balancing commitments made to the IMF at the end of April when the country's USD 17bn stand-by loan was signed. We also suppose that the timing of Yatsenyuk's remarks, with an IMF delegation currently in Kyiv to make a decision on releasing Ukraine's next USD 1.5bn loan tranche, is no coincidence. In the stand-by agreement, the government committed to preparing a proposal for the reform of VAT in agriculture by end of this September, with a view to bringing the regime closer to the general VAT framework as soon as next year. Given the resistance of the agro lobby to this change as well as the strategic importance of the sector for the Ukrainian economy, we expect some compromise will be reached between current VAT legislation and the changes being considered. Whatever the changes in VAT regime for agriculture will be, we presume that this compromise will probably include leaving the fixed agricultural tax (FAT) intact. The Agriculture Ministry recently said it expects "non-radical" changes in the agricultural VAT regime no earlier than 2016.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.80	0.56	-30%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	139.9	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	7.90	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	3.24	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	0.70	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	19.4	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.25	5.2	319%	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	2471	5250	112%	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	8.9	42.0	373%	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	38.9	72.0	85%	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	7.95	15.00	89%	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	42.8	90.0	110%	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	9.5	U/R	--	U/R	
Ovostar Union	OVO	67.0	58.74	-12%	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	0.152	0.24	58%	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	1251.84	1254.58	799.72	2.1%	3.3%	1.1%	37.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	1.4%	1.9%	-1.6%	-3.9%	-0.8%	-1.4%	-2.7%	-41.4%
Azovstal	AZST	0.80	0.95	0.35	1.8%	2.8%	2.7%	19.4%	-0.3%	-0.5%	1.6%	-18.2%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-2.1%	-3.3%	-1.1%	-37.6%
Enakievo Steel	ENMZ	43.4	52.0	17.0	2.2%	3.1%	-0.2%	35.6%	0.1%	-0.2%	-1.3%	-2.0%
Arcelor Mittal KR	KSTL	2.48	n/a	n/a	23.4%	-38.0%	-38.0%	115.7%	21.3%	-41.3%	-39.1%	78.1%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	0.0%	6.7%	60.0%	-2.1%	-3.3%	5.6%	22.4%
Coke												
Avdivka Coke	AVDK	3.24	4.80	1.46	0.8%	0.7%	-1.3%	9.4%	-1.3%	-2.6%	-2.4%	-28.2%
Yasnyivsky Coking	YASK	0.72	0.84	0.30	2.9%	4.3%	7.5%	35.8%	0.7%	1.1%	6.4%	-1.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	0.0%	-5.4%	6.9%	-2.1%	-3.3%	-6.5%	-30.6%
Ferrexpo	FXPO	2.39	3.20	2.07	0.2%	0.8%	3.4%	-24.1%	-2.0%	-2.5%	2.3%	-61.6%
Pivnichny GOK	SGOK	7.90	10.00	4.50	-12.2%	-2.5%	-2.5%	-1.3%	-14.3%	-5.8%	-3.6%	-38.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.70	0.79	0.10	0.0%	-6.7%	16.7%	75.0%	-2.1%	-10.0%	15.6%	37.4%
Komsomolets Donbasa	SHKD	0.85	n/a	n/a	0.0%	0.0%	-15.0%	37.1%	-2.1%	-3.3%	-16.1%	-0.5%
Energy Coal	CLE	0.37	0.93	0.31	-3.2%	-5.1%	-15.8%	5.2%	-5.3%	-8.4%	-16.9%	-32.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	10.0%	-4.3%	-2.1%	-3.3%	8.9%	-41.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	0.0%	-1.1%	46.7%	-2.1%	-3.3%	-2.2%	9.1%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	30.0%	85.7%	-2.1%	-3.3%	28.9%	48.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	19.4	29.0	10.0	0.5%	5.0%	14.3%	12.3%	-1.7%	1.7%	13.2%	-25.2%
Luhanskeplovoz	LTPL	1.25	2.20	0.85	8.7%	-6.0%	-9.4%	-16.7%	6.6%	-9.3%	-10.5%	-54.2%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	0.0%	2.7%	-11.5%	-2.1%	-3.3%	1.6%	-49.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	0.0%	-2.5%	0.2%	122.6%	-2.1%	-5.8%	-0.9%	85.1%
Motor Sich	MSICH	2,471	3,000	1,303	0.6%	3.3%	6.1%	35.5%	-1.6%	0.0%	5.0%	-2.1%
Summy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	0.0%	39.6%	139.6%	-2.1%	-3.3%	38.5%	102.0%
Turboatom	TATM	4.60	n/a	n/a	0.0%	0.0%	15.0%	31.4%	-2.1%	-3.3%	13.9%	-6.1%
WESTA ISIC	WES	0.11	0.26	0.11	-11.7%	-15.8%	n/a	-21.1%	-13.8%	-19.1%	n/a	-58.6%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	0.0%	23.1%	63.4%	-2.1%	-3.3%	22.0%	25.8%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.27	0.12	10.9%	-1.6%	1.9%	-27.8%	8.8%	-4.8%	0.8%	-65.4%
JXX Oil	JKX	0.98	1.21	0.78	-0.9%	1.2%	-5.1%	-17.3%	-3.0%	-2.1%	-6.2%	-54.8%
Ukrnafta	UNAF	249	271	54	2.2%	2.1%	-5.1%	129.6%	0.1%	-1.2%	-6.2%	92.0%
Power Utilities												
Centrenerg	CEEN	7.95	8.00	2.50	5.9%	9.5%	10.8%	66.8%	3.8%	6.2%	9.7%	29.3%
Donbasenergo	DOEN	38.9	50.2	11.0	2.2%	-0.6%	-9.5%	41.0%	0.0%	-3.9%	-10.6%	3.4%
Zakhidenergo	ZAEN	137.0	157.0	64.0	0.0%	-2.1%	-9.8%	51.5%	-2.1%	-5.4%	-10.9%	14.0%
Consumer												
Agroton	AGT	0.96	1.8	0.43	-5.2%	0.3%	9.3%	47.7%	-7.3%	-3.0%	8.2%	10.2%
Astarta	AST	14.0	24.4	12.1	-3.3%	0.8%	-11.5%	-36.9%	-5.4%	-2.4%	-12.6%	-74.4%
Avangardo	AVGR	9.5	13.0	8.26	-0.2%	-7.7%	0.3%	-19.3%	-2.3%	-11.0%	-0.8%	-56.9%
Industrial Milk Company	IMC	3.08	5.14	2.49	-4.9%	-4.3%	-9.5%	-23.7%	-7.0%	-7.6%	-10.6%	-61.2%
Kernel	KER	10.2	17.7	7.6	-0.6%	-5.8%	-6.0%	-19.7%	-2.8%	-9.1%	-7.1%	-57.2%
Mriya Agro Holding	MAYA	6.12	8.2	5.62	-1.5%	-2.5%	-3.1%	-17.9%	-3.7%	-5.8%	-4.3%	-55.5%
MHPC	MHPC	15.0	18.7	11.00	-2.0%	0.6%	-0.1%	-11.8%	-4.1%	-2.7%	-1.2%	-49.4%
Milkiland	MLK	2.11	4.7	1.71	-2.7%	-7.5%	-2.3%	-49.3%	-4.9%	-10.8%	-3.4%	-86.8%
Ovostar Union	OVO	22.0	33.3	19.4	-4.8%	-4.3%	-9.0%	-33.9%	-6.9%	-7.6%	-10.1%	-71.5%
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%	-2.1%	-3.3%	-13.7%	-37.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.152	0.188	0.077	-0.1%	0.2%	-7.0%	33.8%	-2.2%	-3.1%	-8.1%	-3.7%
UkrSotsbank	USCB	0.168	0.257	0.090	1.5%	0.1%	-2.6%	-10.2%	-0.6%	-3.2%	-3.7%	-47.8%

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	82	3.9%	3	1,431	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	370	345	335	\$/tonne
Yenakievo Steel	ENMZ	39	8.8%	3	35	4.6	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	288	3.0%	9	272	neg	neg	neg	neg	neg	7.7	0.1	0.1	0.1	59	60	60	\$/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	17	9.0%	2	18	2.0	neg	3.6	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	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	1,559	0.4%	6	1,553	3.6	2.8	3.4	2.1	1.7	1.9	1.1	1.0	1.0				
Ferrexpo	FXPO	1,401	24.0%	336	2,080	6.5	5.3	7.1	5.2	4.1	4.7	1.5	1.3	1.3				
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	17	25.0%	4	127	0.4	neg	neg	2.0	6.0	14.1	0.8	1.0	1.3	2.0	6.0	14.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	196	2.0%	4	242	5.8	>30	>30	4.7	7.7	7.9	0.5	0.8	0.8	383	636	604	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	23	24.0%	6	61	4.9	1.2	1.0	2.1	1.7	1.6	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	191	5.0%	10	191	2.0	4.6	neg	1.4	2.9	12.4	0.2	0.5	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				
Specialized Machinery																		
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	440	24.0%	106	463	2.2	2.6	2.6	1.5	1.7	1.8	0.5	0.5	0.5				
Telecom																		
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				
Oil & Gas																		
Ukrnafta	UNAF	1,158	3.0%	35	1,150	6.6	>30	10.1	2.5	4.0	3.7	0.5	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	49	21.6%	11	24	4.2	neg	24.4	1.1	neg	0.9	0.6	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	168	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	252	21.7%	55	331	8.7	4.2	4.5	4.8	3.5	3.9	0.3	0.4	0.4	19	24	21	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	145	20.6	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	19	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	811	61.8%	501	1,517	3.8	7.7	17.2	4.7	5.2	8.7	0.7	0.5	0.6				
Astarta	AST	351	37.0%	130	685	6.1	10.3	4.3	6.2	7.5	5.0	1.5	1.4	1.2				
Avangardco	AVGR	606	22.5%	136	713	2.7	2.5	2.0	2.5	2.4	1.9	1.1	1.1	0.9	161	123	115	\$/mneggs
Agroton	AGT	21	26.2%	5	70	3.1	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	391	3.5%	14		>30	4.4	12.4	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	265	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

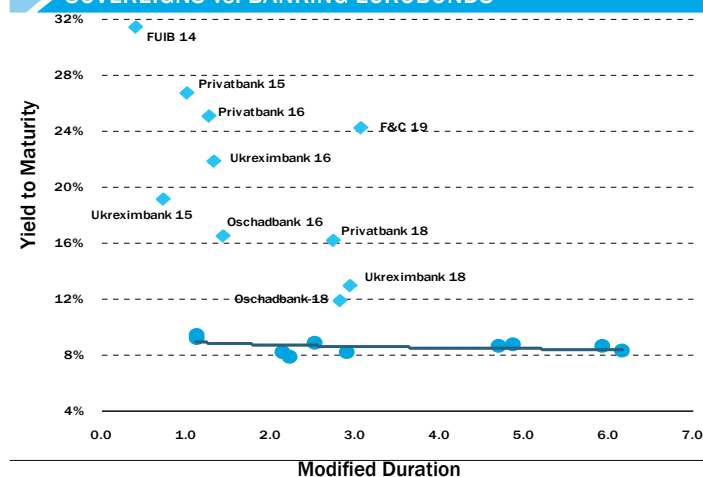
UKRAINIAN EUROBONDS

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	98.2	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	9.4%	8.1%	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%	11.0%	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
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	71.4%	60.3%	-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%	0.7	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	17.9%	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	25.0%	22.6%	-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	19.9%	18.0%	-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	10.8%	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	
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	57.7%	48.8%	-28.6%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	86.0	88.0	31.2%	27.7%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	74.5	79.5	28.9%	23.5%	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	22.6%	18.9%	-1.9%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.5	81.5	26.3%	22.9%	-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	18.6%	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
Municipal Eurobonds											
City of Kyiv, 2015	90.5	92.9	18.9%	16.1%	-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/

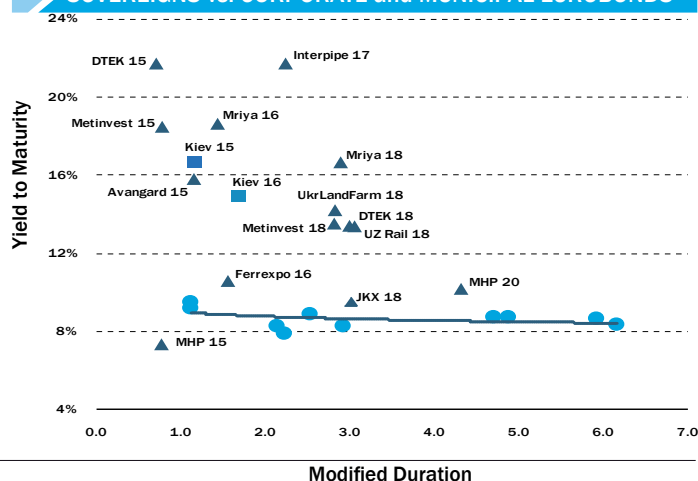
¹ Moody's/S&P/Fitch; * EUR

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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