

Market Update

Equity

Kyiv-listed Ukrainian stocks edged higher on Friday (Jul 11) as the local benchmark reached its highest level (in UAH terms) since the spring of 2012, while London-listed issues showed little activity in line with the recent low volatility on the main developed-market bourses. The UX index gained 0.5% to finish the week at 1258 points. The largest growth among blue chips was registered in UkrNafta, which rose by 3.0% to near UAH 257 amid speculation that the company could be a candidate for privatization in the coming year. Heavyweight Motor Sich edged up by 0.7% after news that the company has started certification of its own helicopter model which is supposed to be produced in a joint venture with Poland's PZL Swidnik. Among second tier stocks, UkrTelecom added 2.2% to close at 17.50 kopecks. London-listed MHP and Ferrexpo were both little-changed, while in Warsaw, Milkiland and Astarta saw solid rises of 4.3% and 3.6% respectively.

Fixed Income

Ukrainian sovereign Eurobonds improved on Friday, with Ukraine-23s up by 0.9p.p. to 95.1/96.1 (8.3%/8.1%). In corporate names, DTEK-18s inched down by 0.2p.p. to 81.0/83.4 (14.7%/13.7%) while Avangard-15s, which are due next April, advanced by 0.7p.p., closing at 96.5/99.0 (15.5%/12.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2489.00	0.7%	5.1	76
Centrenergy	CEEN	7.83	-0.8%	4.5	276
Ukrnafta	UNAF	256.70	3.0%	2.7	137

Growth Leaders

Ukrnafta	UNAF	256.70	3.0%	2.69	137
Azovstal	AZST	0.82	2.7%	0.16	76
Avdyivka Coke	AVDK	3.29	1.7%	0.07	53

Loss Leaders

Poltavsky GOK	PGOK	14.00	-8.2%	0.010	8
Krymenergo	KREN	1.70	-8.1%	0.431	9
Yasynivsky Coke	YASK	0.69	-4.7%	0.019	7

Highlights

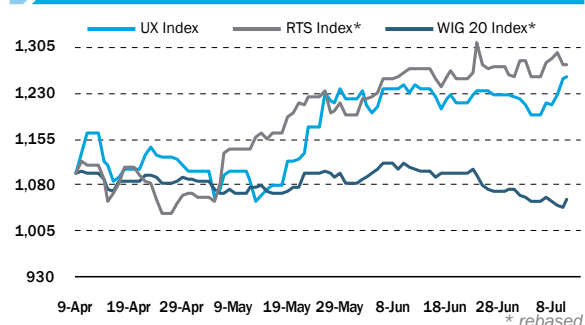
POLITICS AND ECONOMICS

- > Civilian Deaths Reported Amid Donetsk, Lugansk Shelling; Avakov Calls Maidan "FSB Project"

STOCKS IN THE NEWS

- > Kernel's Management Acquires KER Shares for Some USD 40,000

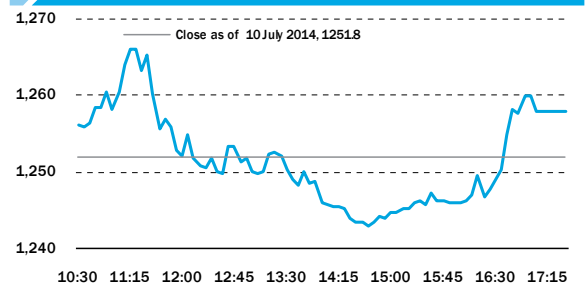
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1257.8	0.5%	1.3%	38.2%
RTS	1383.2	0.0%	1.0%	-4.1%
WIG20	2372.1	1.3%	-5.1%	-1.2%
MSCI EM	1058.7	-0.3%	0.1%	5.7%
S&P 500	1967.6	0.1%	0.9%	6.9%

UX INTRADAY JULY 11, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	280.6	0.3%	2.6%	-15.2%
CDS 5Y UKR	751.2	0.1%	-0.5%	-8.4%
Ukraine-17	7.9%	-0.1 p.p.	-0.1 p.p.	-1.1 p.p.
Naftogaz Ukr-14	16.6%	0.6 p.p.	1.6 p.p.	7.8 p.p.
Ukraine-23	8.2%	-0.1 p.p.	-0.3 p.p.	0.7 p.p.
Privatbank-16	5.6%	0.0 p.p.	0.0 p.p.	-19.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.71	0.3%	0.6%	42.1%
EUR	15.93	0.3%	1.0%	40.1%
RUB	0.35	1.9%	3.1%	39.3%

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	106.7	-1.8%	-2.0%	-4.1%
Gold, USD/oz	1338.6	0.2%	6.2%	11.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Civilian Deaths Reported Amid Donetsk, Lugansk Shelling; Avakov Calls Maidan “FSB Project”

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NEWS

An unspecified number of civilians were killed over the weekend in areas near the rebel-occupied cities of Donetsk and Lugansk as the Ukrainian army stepped up its efforts re-take the towns from pro-Russian paramilitaries, international media reported on Sunday (Jul 13). The Kyiv Post online newspaper said that a 32-year-old woman died after rockets struck her house on the southwestern edge of Donetsk and that residential buildings and other civilian infrastructure were being reduced to rubble there. Interfax said 6 civilians died in Lugansk from gunfire, while the New York Times, also reporting from Lugansk, said there were rocket and artillery attacks there that appeared to come from Ukrainian army positions south of the town. In domestic political news, meanwhile, Interior Minister Arseniy Avakov said on the 1+1 television network that the protest camp on Independence Square has turned into “an FSB [Russian Security Service] project and that its “marginal” occupants have only a limited time to “leave and go to fight on the front [the Donbass]” before the government disperses the camp by force. The square is now populated mostly by Ukrainian nationalist radicals opposed to the regime of new president Petro Poroshenko.

COMMENTARY

We believe that Poroshenko has a limited window of time, perhaps only a couple of weeks more, to push pro-Russian paramilitary groups out of Donetsk and Lugansk, as the level of civilian casualties – whether due to government or rebel shelling - in these cities is quickly going to reach a level that is politically unsustainable. We suppose that Poroshenko is trying to weaken the rebel movement as much as possible before he yields to outside pressure from the EU (led by Germany) and the US to agree to a new truce to stop the violence. Even under the optimistic assumption that a peace deal can in fact be reached in the coming months, in the longer term, the political outlook in the Donbass is bleak, as there is practically no electoral support for Poroshenko’s pro-European agenda in the region. However, the consequences of refusing to take on the pro-Russian rebels – a chaotic, lawless, fanatically anti-Ukrainian statelet – could be even worse than forcibly holding the region inside Ukraine. Meanwhile, in Kyiv, Avakov’s pronouncement about an impending dispersion of the Maidan indicates that the new pro-EU government is coming closer to a confrontation with the radical nationalists who played a major role in bringing it to power via the ouster of President Viktor Yanukovich in February.

Kernel's Management Acquires KER Shares for Some USD 40,000

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 31.00 Market Cap: USD 816mn

	EV/S	P/E	EV/EBITDA	Div. Yield
FY13	0.5	7.8	5.2	0%
FY14E	0.6	17.4	8.7	2%

NEWS

Companies related to Kernel's management bought 4,000 shares of the group on Friday (Jul 11), according to a company notification released on the same day. The average price of the acquisition was provided at PLN 31.0, implying a deal value of PLN 124,000 (USD 40,700).

COMMENTARY

This is the second time in the past month when management of the group has expanded its holding in the company's shares, indicating a positive insider view of the company's prospects in the short run. As we have noted before, a prominent near-term catalyst for the KER stock could be an announcement about a significant improvement in crop yields this season. This news on harvest progress will become available as soon as July 18 when Kernel is set to unveil its operating results for April-June quarter.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.82	0.56	-32%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	140.4	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	3.29	6.2	89%	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	0.75	2.9	294%	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	1.04	5.2	403%	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	2489	5250	111%	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	9.3	42.0	354%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	56.5	120	112%	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	39.5	72.0	82%	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	7.83	15.00	92%	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	15.1	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	44.3	90.0	103%	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	9.4	U/R	--	U/R	
Ovostar Union	OVO	70.0	58.74	-16%	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	1257.79	1266.30	799.72	0.5%	5.4%	1.3%	38.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	-1.1%	1.4%	-2.1%	-4.9%	-1.5%	-4.0%	-3.4%	-43.1%
Azovstal	AZST	0.82	0.95	0.35	2.5%	5.9%	8.3%	22.4%	2.0%	0.6%	7.1%	-15.8%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-0.5%	-5.4%	-1.3%	-38.2%
Enakievo Steel	ENMZ	42.4	52.0	17.0	-2.4%	2.2%	-4.3%	32.3%	-2.9%	-3.2%	-5.6%	-5.9%
Arcelor Mittal KR	KSTL	2.97	n/a	n/a	19.8%	-25.8%	-25.8%	158.3%	19.3%	-31.1%	-27.0%	120.0%
Mariupol Ilyicha	MMKI	0.16	n/a	n/a	0.0%	0.0%	6.7%	60.0%	-0.5%	-5.4%	5.4%	21.8%
Coke												
Avdyivka Coke	AVDK	3.29	4.80	1.46	1.7%	4.7%	0.7%	11.3%	1.3%	-0.6%	-0.6%	-26.9%
Yasnyivsky Coking	YASK	0.69	0.84	0.30	-4.2%	1.5%	3.0%	30.2%	-4.6%	-3.9%	1.7%	-8.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	0.0%	-5.4%	6.9%	-0.5%	-5.4%	-6.7%	-31.3%
Ferrexpo	FXPO	2.40	3.20	2.07	0.3%	-0.4%	4.4%	-23.8%	-0.1%	-5.7%	3.1%	-62.0%
Pivnichny GOK	SGOK	7.90	10.00	4.50	0.0%	-12.2%	-2.5%	-1.3%	-0.5%	-17.6%	-3.7%	-39.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.75	0.79	0.10	7.1%	7.1%	25.0%	87.5%	6.7%	1.8%	23.7%	49.3%
Komsomolets Donbasa	SHKD	0.85	n/a	n/a	0.0%	0.0%	-15.0%	37.1%	-0.5%	-5.4%	-16.3%	-1.1%
Energy Coal	CLE	0.38	0.93	0.31	3.7%	1.1%	-17.4%	9.1%	3.2%	-4.3%	-18.7%	-29.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	10.0%	-4.3%	-0.5%	-5.4%	8.7%	-42.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	0.0%	0.0%	46.7%	-0.5%	-5.4%	-1.3%	8.5%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	0.0%	85.7%	-0.5%	-5.4%	-1.3%	47.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	19.3	26.0	10.0	-0.9%	5.1%	16.3%	11.3%	-1.4%	-0.2%	15.1%	-26.9%
Luhanskeplovoz	LTPL	1.04	2.20	0.85	-16.8%	-24.6%	-25.2%	-30.7%	-17.3%	-30.0%	-26.4%	-68.9%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	0.0%	2.7%	-11.5%	-0.5%	-5.4%	1.4%	-49.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	0.0%	6.1%	6.1%	122.6%	-0.5%	0.7%	4.9%	84.4%
Motor Sich	MSICH	2,489	3,000	1,303	0.7%	4.6%	6.3%	36.5%	0.3%	-0.8%	5.0%	-1.8%
Summy Frunze Engineering	SMASH	5.99	n/a	n/a	0.0%	0.0%	42.6%	139.6%	-0.5%	-5.4%	41.4%	101.4%
Turboatom	TATM	4.60	n/a	n/a	0.0%	0.0%	15.0%	31.4%	-0.5%	-5.4%	13.7%	-6.8%
WESTA ISIC	WES	0.11	0.26	0.11	0.1%	-8.4%	n/a	-21.0%	-0.4%	-13.7%	n/a	-59.2%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	-2.6%	-2.6%	8.7%	59.1%	-3.1%	-8.0%	7.4%	20.9%
Oil & Gas												
Regal Petroleum	RPT	0.16	0.27	0.12	4.2%	8.5%	12.8%	-24.8%	3.7%	3.1%	11.5%	-63.0%
JKX Oil	JKX	0.97	1.21	0.78	-1.3%	-3.3%	-6.9%	-18.4%	-1.8%	-8.7%	-8.2%	-56.6%
Ukrnafta	UNAF	257	271	54	3.0%	6.6%	-4.2%	136.4%	2.5%	1.2%	-5.5%	98.2%
Power Utilities												
Centrenerg	CEEN	7.83	8.00	2.50	-1.6%	8.4%	7.1%	64.1%	-2.1%	3.0%	5.9%	25.9%
Donbasenergo	DOEN	39.5	50.2	11.0	1.5%	5.9%	-7.9%	43.2%	1.1%	0.5%	-9.1%	5.0%
Zakhidenergo	ZAEN	140.0	157.0	64.0	2.2%	2.2%	-8.1%	54.9%	1.7%	-3.2%	-9.4%	16.7%
Consumer												
Agroton	AGT	0.97	1.8	0.43	0.8%	0.9%	-2.0%	48.9%	0.3%	-4.5%	-3.3%	10.7%
Astarta	AST	14.5	24.4	12.1	3.6%	4.4%	-7.9%	-34.6%	3.1%	-1.0%	-9.2%	-72.8%
Avangardo	AVGR	9.4	13.0	8.26	-1.2%	-7.1%	-3.4%	-20.3%	-1.6%	-12.5%	-4.7%	-58.5%
Industrial Milk Company	IMC	3.12	5.14	2.49	1.2%	-5.2%	-5.3%	-22.8%	0.7%	-10.5%	-6.6%	-61.0%
Kernel	KER	10.2	17.7	7.6	0.1%	-3.4%	-9.0%	-19.6%	-0.4%	-8.7%	-10.3%	-57.8%
Mriya Agro Holding	MAYA	6.26	8.2	5.62	2.3%	-0.3%	2.7%	-16.0%	1.8%	-5.6%	1.4%	-54.2%
MHPC	MHPC	15.1	18.7	11.00	0.3%	-0.3%	0.3%	-11.5%	-0.1%	-5.7%	-0.9%	-49.7%
Milkiland	MLK	2.20	4.7	1.71	4.3%	-4.1%	-6.6%	-47.1%	3.8%	-9.4%	-7.9%	-85.3%
Ovostar Union	OVO	23.0	33.3	19.4	4.5%	-2.5%	-4.5%	-30.9%	4.1%	-7.9%	-5.7%	-69.1%
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%	-0.5%	-5.4%	-13.9%	-38.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.152	0.188	0.077	0.1%	3.1%	-6.3%	33.9%	-0.4%	-2.3%	-7.6%	-4.3%
UkrSotsbank	USCB	0.169	0.257	0.090	0.5%	3.1%	-2.8%	-9.8%	0.1%	-2.3%	-4.0%	-48.0%

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	141	20.4%	16.9%	14.9%
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	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	4.5	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	12	\$/tonne
Azovstal	AZST	294	3.0%	9	279	neg	neg	neg	neg	neg	7.9	0.1	0.1	0.1	61	62	61	\$/tonne
Coke																		
Avdyivka Coke	AVDK	55	6.8%	4	52	neg	neg	neg	neg	1.1	1.8	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	16	9.0%	1	17	1.9	neg	3.4	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	1,554	0.4%	6	1,548	3.6	2.8	3.4	2.1	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,406	24.0%	338	2,085	6.5	5.3	7.1	5.2	4.1	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	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
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	383	634	603	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	19	24.0%	5	57	4.0	1.0	0.9	2.0	1.6	1.5	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	442	24.0%	106	465	2.2	2.6	3.1	1.5	1.7	1.8	0.5	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	280	7.2%	20	583	6.2	16.4	10.6	2.8	3.1	3.4	0.7	0.7	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,189	3.0%	36	1,181	6.7	>30	10.4	2.6	4.1	3.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	51	21.6%	11	26	4.4	neg	25.4	1.2	neg	1.0	0.6	0.7	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	166	50.4%	84	274	neg	25.5	21.3	2.0	4.1	4.0	1.4	1.5	1.4	50	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	247	21.7%	54	326	8.6	4.1	4.4	4.7	3.5	3.8	0.3	0.4	0.4	18	24	21	\$/MWh
DonbasEnergO	DOEN	80	14.2%	11	146	20.9	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,590	34.1%	542	2,718	5.1	9.8	neg	5.8	7.0	5.7	1.9	1.8	1.9				
Kernel	KER	811	61.8%	501	1,517	3.8	7.7	17.3	4.7	5.2	8.7	0.7	0.5	0.6				
Astarta	AST	364	37.0%	135	697	6.3	10.7	4.4	6.3	7.7	5.1	1.5	1.4	1.2				
Avangardco	AVGR	598	22.5%	135	706	2.6	2.5	2.0	2.5	2.3	1.9	1.1	1.1	0.9	160	121	114	\$/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	390	3.5%	14		>30	4.4	12.3	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	266	0.7%	2		>30	>30	17.9	0.3	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

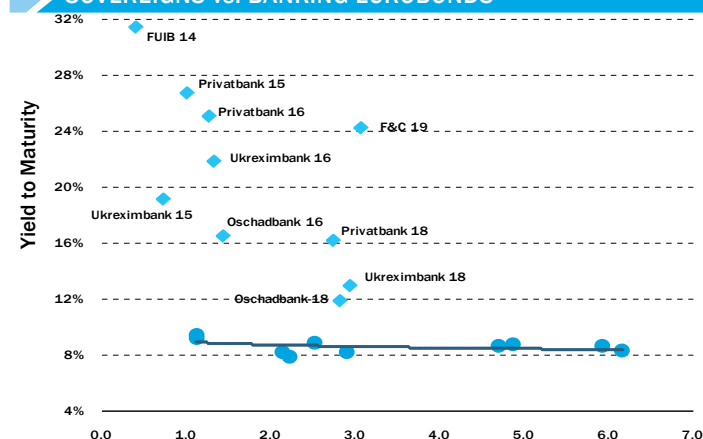
UKRAINIAN EUROBONDS

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	10.7%	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%	4.8	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	71.8%	60.5%	-39.0%	2.0	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	12.3%	12.3%	1.6%	1.1	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	18.0%	16.2%	-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	25.4%	22.9%	-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	20.1%	18.1%	-2.8%	0.7	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%	9.6%	-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	22.6%	21.4%	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	31.6%	28.0%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	74.5	79.5	29.1%	23.6%	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	22.9%	19.1%	-1.9%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.5	81.5	26.5%	23.0%	-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	18.7%	17.0%	-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	19.0%	16.2%	-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/

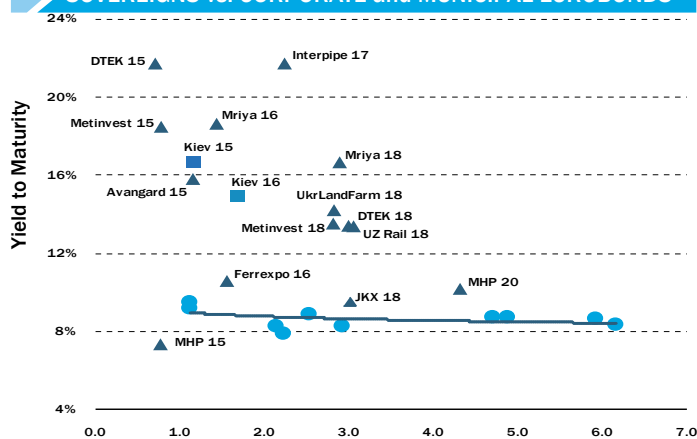
¹ Moody's/S&P/Fitch; * EUR

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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