

Market Update

Equity

Local Ukrainian stocks rallied notably on Monday (Jul 21) despite a pullback in European equities, thanks to a statement from the IMF's mission head in Kyiv that he will recommend the disbursement of a fresh USD 1.4bn loan tranche to Ukraine to the IMF board in Washington. The UX index jumped by 2.8% to close at 1262 points. Volumes were low except in the top heavyweight issues Motor Sich and CentrEnerg, which added 2.5% and 1.9% respectively on combined turnover of UAH 4.5mn. Lower-liquidity issue Azovstal posted a gain of 5.4% to 84 kopecks while UkrNafta rose by a more modest 1.1%. Outside the UX basket, DniproEnergo was also a winner, gaining 3.2% to UAH 453. The advances in Kyiv did not extend to Warsaw-listed names, with Kernel and Milkiland falling by 1.5% and 5.6% respectively, with the former slipping back below the PLN 30 level.

Fixed Income

DTEK's 2018 Eurobonds got hammered on Monday, losing 3.6p.p. to 75.7/77.9 (17.0%/16.0%), as concerns spread about the location of the group's coal mines in war-ravaged southern Lugansk province. Meanwhile, Ukrainian sovereigns were generally flat, with Ukraine-23s closing unchanged at 93.3/94.3 (8.6%/8.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.97	2.5%	2.9	138
Motor Sich	MSICH	2515.00	2.0%	1.6	125
Ukrnafta	UNAF	263.50	1.1%	0.3	50

Growth Leaders

Yenakievo Steel	ENMZ	42.82	6.0%	0.14	63
Azovstal	AZST	0.84	5.4%	0.26	73
Avdyivka Coke	AVDK	3.28	4.6%	0.06	47

Loss Leaders

Ukrnafta	UNAF	263.50	1.1%	0.308	50
Raiffeisen Bank Aval	BAVL	0.15	1.7%	0.201	21
Motor Sich	MSICH	2,515.00	2.0%	1.638	125

Highlights

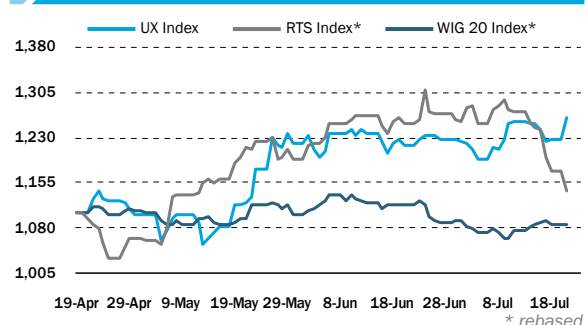
POLITICS AND ECONOMICS

- > Dutch Gov't Calls For War Crimes Tribunal Over Airliner Downing
- > MinFin Targets UAH/USD Rate at 12.0 in Proposed Budget Amendments

STOCKS IN THE NEWS

- > Avangard Suspends Operations at Donetsk Oblast Fodder Mill

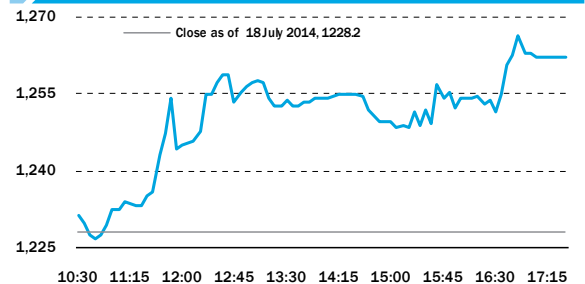
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1262.2	2.8%	3.8%	38.7%
RTS	1239.1	-2.9%	-8.8%	-14.1%
WIG20	2390.3	-0.2%	-2.9%	-0.4%
MSCI EM	1063.3	0.0%	1.9%	6.1%
S&P 500	1973.6	-0.2%	0.5%	7.2%

UX INTRADAY JULY 21, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	289.3	1.0%	3.1%	-12.5%
CDS 5Y UKR	798.3	0.9%	-8.1%	-2.7%
Ukraine-17	8.2%	-0.5 p.p.	-0.7 p.p.	-0.8 p.p.
Naftogaz Ukr-14	21.0%	1.2 p.p.	2.4 p.p.	12.3 p.p.
Ukraine-23	8.5%	0.0 p.p.	-0.4 p.p.	1.0 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	11.70	0.5%	-1.7%	42.0%
EUR	15.82	0.5%	-2.3%	39.2%
RUB	0.33	0.4%	-3.8%	32.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	250.4	0.0%	-0.3%	-12.9%
Steel, USD/t	535.0	0.9%	-0.5%	-0.5%
Oil, USD/bbl	107.7	0.4%	-5.7%	-3.2%
Gold, USD/oz	1312.6	0.1%	-0.2%	9.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Dutch Gov't Calls For War Crimes Tribunal Over Airliner Downing

by Will Ritter
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NEWS

There was growing anger in the Netherlands on Monday (Jul 21) over last week's shooting down of a civilian airliner near Donetsk last week that killed 193 Dutch citizens. The country's government said it intends to initiate a war crimes trial in the International Criminal Court to punish the guilty parties, and the leading Dutch newspaper Die Telegraaf went so far as to call for NATO military intervention against the pro-Russian paramilitary groups suspected of firing the missile that took down the plane. Reuters reported unnamed diplomats as saying that any new European Union economic sanctions against Russia will depend on the Dutch position; after an initial soft reaction to the disaster, the country's Prime Minister Mark Rutte has been forced by public outrage into taking a tougher line.

COMMENTARY

We view an objective international criminal trial as the most appropriate response to the MH17 disaster, and we are under no illusions that the perpetrators of the shootdown are probably hiding in Russia, which should be forced to turn them over if and when the involvement of these individuals can be demonstrated. However, such a process will take a considerable period of time, during which the current outrage in the wider international community against Moscow is bound to diminish. The MH17 tragedy does seem to be pushing the EU toward tougher sanctions against the Putin regime, but given how much some EU member countries - including the Netherlands - have to lose from a ramping up of sanctions, we would only expect to see movement occurring in fits and starts. In general, we disagree with those who see MH17 as a "game-changing event" in the Donbass war, since the effect of the tragedy appears to be a doubling down on the previous hard-line positions in Kyiv and Moscow that led to the war in the first place. In the absence of an ability by either side to apply decisive force, this suggests to us that the humanitarian situation in the war zone will continue to worsen. In our view, an extension of the Donbass war into an indefinite bloody conflict will be disastrous not only for the region in question, but also for Ukraine as a whole, as it will prevent an economic recovery and result in an increasing militarization of Ukrainian society and media. In this sense, the prolongation of the war and the current Ukrainian government's enthusiasm for continuing it perfectly suits the interests of the Putin regime, in our view.

MinFin Targets UAH/USD Rate at 12.0 in Proposed Budget Amendments

by Dmitry Churin
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NEWS

The Finance Ministry of Ukraine (MinFin) proposed a hryvnia exchange rate against dollar at 12.0 in recent amendments for the central budget, Finance Minister Olexander Shlapak told journalists on Monday (Jul 21). The amended central budget bill adopted by Parliament back in late March was based on an assumption of the hryvnia average exchange rate of 10.80 against the dollar. MinFin also changed its forecast for the country's economic performance this year from a GDP contraction of 3.0% YoY to a GDP drop of 6.5% YoY.

COMMENTARY

We suppose that MinFin's central budget amendments could be the result of recommendations from the IMF after the Fund finished its monitoring mission in Kyiv on Jul 18. Indeed, Ukraine's economic development is threatened by the war in the Donbass region and a proper revision of both the central budget revenue and spending is a necessary step. However, we see the target of 12.0 UAH/USD as a pessimistic scenario after the local currency has already devalued by 42% since the start of the year. The current range of the UAH/USD rate of 11.60/11.70 looks quite sustainable. Moreover, currency dealers reported that the National Bank (NBU) entered the interbank market purchasing dollars at 11.71 on Friday (Jul 18) with the aim of limiting the hryvnia's appreciation. For the moment, we keep unchanged our year-end forecast for a UAH/USD rate at 11.40. Our forecast for GDP contraction in Ukraine this year is 5.7%; our forecast takes into account the loss of Crimea's approximate 3.5% contribution to the nation's annual economic output.

Avangard Suspends Operations at Donetsk Oblast Fodder Mill

by Ivan Dzvinka
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AVANGARDCO (AVGR LI)

Price: USD 9.50 Market Cap: USD 607mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.1	2.5	2.4	10%
2014E	na	na	na	na

NEWS

Avangard, Ukraine's largest egg producer, has suspended operations at its fodder mill in the Donetsk oblast town of Vuglegorsk following the plant's occupation by armed individuals on Saturday (Jul 18), the company reported in a press release. The mill accounts for 11% of Avangard's total feedstock production. Vuglegorsk is located in east-central Donetsk oblast in the heart of the Donbass conflict zone; it is better known as the home of one of CentrEnerg's three thermal power stations.

COMMENTARY

While the news is obviously negative, we presume that its impact on Avangard's actual egg-producing operations in the Donbass region will be rather insignificant. In addition to procuring feed in-house after purchasing crops, Avangard also has the option of buying ready-to-use feed on the market, and we suppose that this option will be applied to compensate for the suspended production at Vuglegorsk.

With military activity escalating in the Donbass, the political risk for Avangard's assets in the region remains high. Based on company data, the two Donbass provinces accounted for some 18% of the group's egg output in 2013.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.84	0.56	-34%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	136.7	125.0	-9%	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	7.82	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	7.45	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	3.28	6.2	90%	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	19.0	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	2515	5250	109%	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	9.1	42.0	360%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	51.0	120	135%	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	7.97	15.00	88%	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	40.0	90.0	125%	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	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	0.148	0.24	63%	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	1262.22	1272.84	799.72	2.8%	0.8%	3.8%	38.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	3.9%	1.1%	1.4%	-4.9%	1.2%	0.3%	-2.5%	-43.6%
Azovstal	AZST	0.84	0.95	0.35	5.4%	2.8%	9.5%	25.4%	2.6%	2.0%	5.7%	-13.3%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-2.8%	-0.8%	-3.8%	-38.7%
Enakievo Steel	ENMZ	42.8	52.0	17.0	6.0%	-0.3%	-3.8%	33.8%	3.2%	-1.1%	-7.6%	-4.9%
Arcelor Mittal KR	KSTL	2.97	n/a	n/a	0.0%	0.0%	-25.8%	158.3%	-2.8%	-0.8%	-29.6%	119.6%
Mariupol Ilyicha	MMKI	0.09	n/a	n/a	0.0%	-43.8%	-55.0%	-10.0%	-2.8%	-44.6%	-58.8%	-48.7%
Coke												
Avdivka Coke	AVDK	3.28	4.80	1.46	5.1%	1.9%	0.5%	10.7%	2.3%	1.1%	-3.3%	-28.0%
Yasnyivsky Coking	YASK	0.69	0.84	0.30	4.5%	-2.8%	-15.9%	30.2%	1.8%	-3.6%	-19.7%	-8.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.45	n/a	n/a	7.2%	7.2%	6.4%	14.6%	4.4%	6.4%	2.6%	-24.1%
Ferrexpo	FXPO	2.33	3.20	2.07	0.8%	-4.2%	12.6%	-26.0%	-1.9%	-5.0%	8.8%	-64.7%
Pivnichny GOK	SGOK	7.82	10.00	4.50	0.0%	-1.0%	-5.8%	-2.3%	-2.8%	-1.8%	-9.6%	-40.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.75	0.79	0.10	0.0%	0.0%	31.6%	87.5%	-2.8%	-0.8%	27.7%	48.8%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	0.0%	5.9%	-8.2%	45.2%	-2.8%	5.1%	-12.0%	6.5%
Energy Coal	CLE	0.34	0.93	0.31	-4.6%	-10.3%	-23.1%	-3.8%	-7.3%	-11.1%	-27.0%	-42.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	2.3%	-4.3%	-2.8%	-0.8%	-1.5%	-43.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.65	1.01	0.30	0.0%	-26.1%	-26.1%	8.3%	-2.8%	-26.9%	-30.0%	-30.4%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	0.0%	85.7%	-2.8%	-0.8%	-3.8%	47.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	19.0	26.0	10.0	0.1%	0.7%	5.0%	9.8%	-2.7%	-0.1%	1.2%	-28.9%
Luhanskeplovoz	LTPL	1.04	2.20	0.85	0.0%	0.0%	-23.5%	-30.7%	-2.8%	-0.8%	-27.4%	-69.4%
Stakhanov Wagon	SVGZ	1.15	n/a	n/a	0.0%	0.0%	-2.5%	-11.5%	-2.8%	-0.8%	-6.4%	-50.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	1.8%	1.4%	-6.5%	117.0%	-1.0%	0.6%	-10.3%	78.3%
Motor Sich	MSICH	2,515	3,000	1,303	2.2%	1.0%	8.1%	37.9%	-0.5%	0.2%	4.3%	-0.8%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	0.0%	-24.9%	3.7%	80.0%	-2.8%	-25.7%	-0.1%	41.3%
Turboatom	TATM	4.00	n/a	n/a	0.0%	-13.0%	-13.0%	14.3%	-2.8%	-13.8%	-16.9%	-24.4%
WESTA ISIC	WES	0.10	0.26	0.10	-3.0%	-6.7%	-32.6%	-24.0%	-5.8%	-7.5%	-36.4%	-62.7%
Telecom												
Ukrtelecom	UTLM	0.17	0.19	0.09	0.0%	-2.9%	-3.7%	54.5%	-2.8%	-3.7%	-7.5%	15.8%
Oil & Gas												
Regal Petroleum	RPT	0.16	0.27	0.12	0.0%	-1.4%	18.1%	-26.0%	-2.8%	-2.2%	14.3%	-64.7%
JKX Oil	JKX	0.87	1.21	0.81	-1.5%	-10.2%	-13.6%	-26.5%	-4.3%	-11.0%	-17.5%	-65.2%
Ukrnafta	UNAF	264	300	54	0.6%	3.7%	2.4%	142.6%	-2.2%	2.9%	-1.4%	103.9%
Power Utilities												
Centrenerg	CEEN	7.97	8.10	2.50	2.7%	1.5%	9.4%	67.1%	-0.1%	0.7%	5.5%	28.4%
Donbasenergo	DOEN	38.5	50.2	11.0	2.0%	-0.6%	-3.2%	39.4%	-0.8%	-1.4%	-7.1%	0.7%
Zakhidenergo	ZAEN	128.0	157.0	64.0	0.0%	-8.6%	-12.9%	41.6%	-2.8%	-9.4%	-16.8%	2.9%
Consumer												
Agroton	AGT	0.92	1.8	0.50	-0.3%	-3.1%	0.4%	41.3%	-3.0%	-3.9%	-3.5%	2.6%
Astarta	AST	13.0	24.4	12.1	0.1%	-7.7%	-12.0%	-41.4%	-2.7%	-8.5%	-15.8%	-80.1%
Avangardo	AVGR	9.5	13.0	8.26	-0.5%	1.1%	4.7%	-19.1%	-3.3%	0.3%	0.9%	-57.8%
Industrial Milk Company	IMC	2.77	5.14	2.49	-2.6%	-11.4%	-16.8%	-31.5%	-5.3%	-12.2%	-20.6%	-70.2%
Kernel	KER	9.6	17.7	7.6	-1.6%	-4.9%	-12.4%	-24.0%	-4.4%	-5.7%	-16.2%	-62.7%
Mriya Agro Holding	MAYA	5.96	8.2	5.62	0.2%	-2.4%	0.0%	-20.0%	-2.5%	-3.2%	-3.8%	-58.7%
MHPC	MHPC	15.1	18.7	11.00	1.7%	2.7%	4.1%	-11.2%	-1.1%	1.9%	0.3%	-49.9%
Milkiland	MLK	1.78	4.7	1.71	-5.6%	-18.5%	-19.7%	-57.2%	-8.4%	-19.3%	-23.5%	-95.9%
Ovostar Union	OVO	22.8	33.3	19.4	1.5%	1.8%	-2.7%	-31.4%	-1.3%	1.0%	-6.5%	-70.1%
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	12.0	n/a	n/a	0.0%	-0.4%	-7.3%	-4.0%	-2.8%	-1.2%	-11.2%	-42.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.148	0.188	0.077	1.7%	-2.5%	-4.0%	30.0%	-1.0%	-3.3%	-7.9%	-8.7%
UkrSotsbank	USCB	0.173	0.257	0.090	3.0%	2.2%	3.7%	-7.6%	0.3%	1.4%	-0.1%	-46.3%

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	39	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	302	3.0%	9	286	neg	neg	neg	neg	neg	8.1	0.1	0.1	0.1	62	63	63	\$/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	746	0.3%	2	745	7.8	3.8	4.6	3.2	2.4	2.7	1.2	1.1	1.2				
Pivnichny GOK	SGOK	1,540	0.4%	6	1,533	3.5	2.8	3.3	2.0	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,365	24.0%	328	2,044	6.3	5.2	6.9	5.1	4.0	4.6	1.4	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	3.6	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	15	25.0%	4	125	0.4	neg	neg	2.0	5.9	13.9	0.8	1.0	1.2	2.0	5.9	13.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	144	2.0%	3	190	4.3	>30	29.8	3.7	6.1	6.2	0.4	0.6	0.6	302	500	475	\$/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	186	5.0%	9	186	2.0	4.5	neg	1.4	2.9	12.1	0.2	0.4	1.2				
Stakhanov Wagon	SVGZ	22	8.0%	2	55	>30	>30	>30	7.6	9.3	10.1	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	447	24.0%	107	470	2.2	2.6	3.2	1.5	1.7	1.8	0.5	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	272	7.2%	20	576	6.0	16.0	10.3	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,221	3.0%	37	1,213	6.9	>30	10.7	2.7	4.2	4.0	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	50	21.6%	11	25	4.3	neg	25.0	1.2	neg	1.0	0.6	0.7	0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	149	50.4%	75	258	neg	23.0	19.2	1.9	3.9	3.8	1.3	1.4	1.3	47	35	34	\$/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	78	14.2%	11	144	20.3	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	18	18	\$/MWh
Consumer																		
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	767	61.8%	474	1,473	3.6	7.3	16.3	4.6	5.1	8.4	0.7	0.5	0.6				
Astarta	AST	326	37.0%	121	648	5.6	9.6	4.0	5.9	7.1	4.7	1.4	1.3	1.2				
Avangardco	AVGR	607	22.5%	137	714	2.7	2.5	2.0	2.6	2.4	1.9	1.1	1.1	0.9	162	123	116	\$/mneggs
Agroton	AGT	20	26.2%	5	69	2.9	neg	neg	3.4	9.2	19.8	0.8	0.8	0.8	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	379	3.5%	13		>30	4.2	12.0	0.5	0.4	0.4	0.06	0.07	0.07				
Ukrsotsbank	USCB	273	0.7%	2		>30	>30	17.9	0.3	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

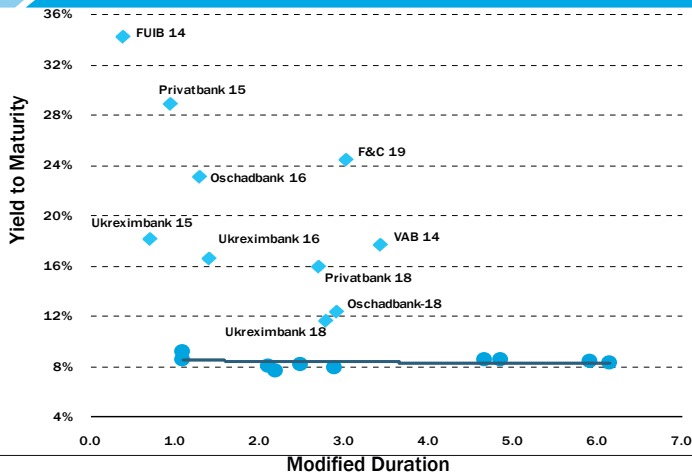
UKRAINIAN EUROBONDS

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	97.5	98.2	23.1%	19.0%	-2.6%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	95.1	96.6	10.4%	8.8%	-0.2%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	98.0	99.0	9.9%	8.8%	0.9%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	95.8	96.7	9.0%	8.5%	2.4%	2.1	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	96.3	97.3	8.3%	7.8%	2.6%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	95.3	96.3	8.7%	8.4%	3.3%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	101.7	102.5	9.0%	8.6%	3.0%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	11.7%	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%	10.8%	16.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	94.4	97.0	9.2%	8.6%	2.8%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	94.8	95.8	9.2%	9.0%	1.7%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	94.7	96.2	8.8%	8.5%	4.8%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	93.3	94.3	8.6%	8.4%	3.7%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	28.8	32.6	76.3%	64.2%	-41.2%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	102.8	102.8	8.4%	8.4%		0.7	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	92.4	93.4	10.0%	9.8%	3.9%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	98.8	98.8	13.1%	13.1%	0.8%	1.1	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.5	92.8	14.3%	13.4%	1.6%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	93.5	95.1	18.7%	17.1%	-5.9%	1.4	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	78.5	81.0	17.5%	16.4%	-8.4%	2.8	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	90.3	91.8	38.1%	33.0%	-11.0%	0.6	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	75.7	77.9	17.0%	16.0%	-18.5%	2.9	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	93.0	94.0	28.3%	25.8%	-8.8%	0.7	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	84.0	86.0	15.4%	14.5%	-10.5%	2.7	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.4	97.8	11.3%	10.2%	-0.9%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	84.8	89.5	14.8%	13.1%	-5.0%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.0	78.0	22.7%	21.5%	0.1%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	99.4	101.3	11.9%	11.3%	-9.6%	2.9	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.2%	21.9%	-27.7%	3.2	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	90.5	90.5	34.2%	34.2%	-8.1%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	55.0	60.0	59.0%	49.7%	-28.6%	2.5	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	85.0	88.0	34.5%	28.7%	-2.9%	0.9	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	77.0	79.0	26.6%	24.4%	2.6%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	87.0	89.0	15.7%	14.9%	5.1%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	94.5	95.7	22.0%	19.2%	-1.4%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.5	82.5	27.0%	22.3%	-5.6%	1.3	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	90.1	91.7	12.3%	11.7%	1.9%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019							9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	91.1	92.5	16.9%	15.6%	-1.4%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.9	89.0	13.5%	12.7%	-1.2%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.9	92.5	18.8%	16.9%	-1.4%	1.1	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	90.1	91.9	15.4%	14.3%	-1.8%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

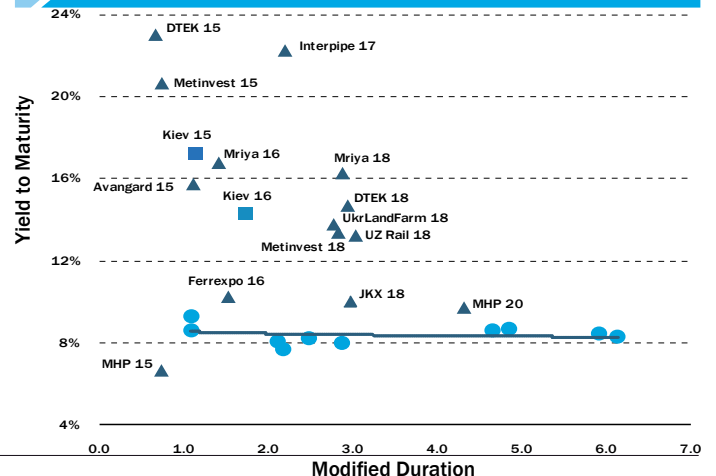
¹ Moody's/S&P/Fitch; * EUR

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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