

Market Update

Equity

Local Ukrainian blue chips resumed their rise on Wednesday (Jul 30) following Tuesday's minor 1-day correction. Meanwhile, an unexpectedly strong 4.0% figure for annualized US GDP growth in the second quarter sent stocks on Wall Street lower, with investors concerned that the surprisingly fast growth might prompt the Federal Reserve to scale back its remaining monetary stimulus ahead of schedule at this week's meeting. European shares were also down as the market digested the possible effects of new trade sanctions against Moscow. The UX index picked up 0.8%, closing at another new two-year UAH-denominated high of 1348 points. UkrNafta was the growth leader, rising 1.9% to near UAH 333, while Motor Sich moved up in line with the overall index and volume leader CentrEnerg added 1.0% on turnover of UAH 3.7mn. Outside the UX basket, Stakhanov Wagon, which is located the area of some of the heaviest separatist control in southern Lugansk oblast, gained 2% to UAH 1.07, and sporadically-traded TurboAtom registered a deal at UAH 5, an 11% rise from its previously listed price. In London, MHP edged up by 1.2%, while Ferrexpo slipped 2.0% to near GBp 137.

Fixed Income

Ukrainian sovereigns were lower on Wednesday with Ukraine-23s declining by 0.3p.p. to 93.7/95.2 (8.5%/8.3%). The corporate universe was mixed. MHP-20s increased by 0.2p.p. to 91.9/93.5 (10.2%/9.8%) while UkrlandFarming-18s dropped by 0.3p.p. closing at 90.7/91.5 (14.2%/13.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	8.20	1.0%	3.7	275
Motor Sich	MSICH	2825.00	0.8%	2.8	92
Ukrnafta	UNAF	332.80	1.9%	2.1	218

Growth Leaders

Krymenergo	KREN	2.08	4.0%	0.03	8
Stakhanov Wagon	SVGZ	1.07	2.0%	0.29	10
Ukrnafta	UNAF	332.80	1.9%	2.14	218

Loss Leaders

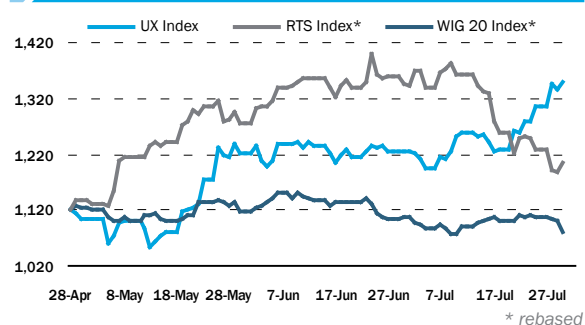
Yenakievo Steel	ENMZ	44.17	0.2%	0.025	25
Azovstal	AZST	0.91	0.4%	0.081	57
Donbasenergo	DOEN	40.70	0.5%	2.042	121

Highlights

POLITICS AND ECONOMICS

- Ukraine Denies Firing Ballistic Missiles in the Donbass - RNBO Spokesman
- Ukraine's GDP Down 4.7% YoY in 2Q14

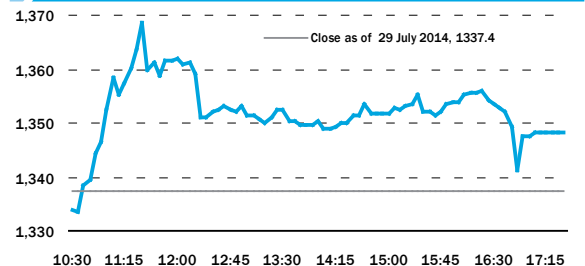
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1348.2	0.8%	9.9%	48.1%
RTS	1224.4	1.4%	-11.3%	-15.1%
WIG20	2346.5	-1.9%	-2.2%	-2.3%
MSCI EM	1078.8	-0.2%	3.1%	7.7%
S&P 500	1970.1	0.0%	0.5%	7.0%

UX INTRADAY JULY 30, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	279.9	-3.3%	-0.5%	-15.4%
CDS 5Y UKR	806.0	-6.8%	-3.9%	-1.7%
Ukraine-17	8.5%	0.1 p.p.	0.4 p.p.	-0.5 p.p.
Naftogaz Ukr-14	25.5%	0.2 p.p.	7.6 p.p.	16.8 p.p.
Ukraine-23	8.4%	0.0 p.p.	0.0 p.p.	0.9 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	12.24	1.0%	4.1%	48.5%
EUR	16.39	0.9%	2.2%	44.2%
RUB	0.34	1.5%	-1.2%	37.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	251.2	0.0%	0.3%	-12.6%
Steel, USD/t	535.0	0.0%	-0.5%	-0.5%
Oil, USD/bbl	106.5	-1.1%	-5.6%	-4.2%
Gold, USD/oz	1296.3	-0.2%	-1.5%	8.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine Denies Firing Ballistic Missiles in the Donbass - RNBO Spokesman

by Will Ritter
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NEWS

Spokesman for the National Security and Defense Council (RNBO) Andriy Lysenko on Wednesday (Jul 30) denied an international media report that the Ukraine has been using short-range ballistic missiles with 1000-pound warheads in its war against Russian-backed guerillas in the east of the country. The report had aired the previous day on the CNN television network. Lysenko, speaking at his daily briefing at a government media center in Kyiv, said the Ukrainian army has “enough less-powerful weapons” to push the guerillas out of the regions in Eastern Ukraine which remain under their occupation. The RNBO is a coordinating body under the control of the Ukrainian president.

COMMENTARY

This development represents a new twist in the information war surrounding the fighting in the Donbass. The report by CNN, a media outlet with close links to the US government, was credited to an unnamed source in the US Department of Defense in what looks like a intentional leak to increase pressure on Kyiv to wind down its military offensive as quickly as possible. The offensive, although it has been highly effective in freeing large areas of Donetsk province from rebel control, has also resulted in significant urban civilian casualties in recent days, most notably in the city of Gorlovka northeast of the provincial capital, where 27 citizens are reported to have died this week. The current Ukrainian military strategy is focused on cutting off the Donetsk rebel groupings from those further east in Lugansk province, which has an unsealed border with Russia and where the guerillas arguably have greater support among the local population, allowing them to conduct urban warfare more effectively than they have been able to do in the Donetsk cities. Overall, the ballistic missiles story supports our view that President Poroshenko has a very limited amount of time to reach a military endgame in the Donbass before he starts to come under open Western pressure; we suppose that the US administration of President Obama is pushing hard behind the scenes to make sure that the Donbass war does not turn into an open-ended partisan conflict that would inevitably take a brutal civilian toll on the cities remaining under pro-Russian paramilitary occupation.

Ukraine's GDP Down 4.7% YoY in 2Q14

by Ivan Dzvinka
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NEWS

Ukraine's gross domestic product experienced a 4.7% YoY decline over 2Q14, the State Statistics Committee reported yesterday (Jul 30). The details of the GDP breakdown were not provided by the committee. In 1Q14, the drop in Ukraine's GDP was registered at 1.1% YoY.

COMMENTARY

The unveiled official figure for 2Q14 is in line with what was reported last week for 1H14 by deputy Economics Minister Anatoliy Maksyuta. The core reason contributing to the worsening GDP number vs. 1Q were sluggish domestic household consumption due to rising inflation, as well as the tendency to save more amid expectations of further hardship. Also, the war in heavily-industrialized Donetsk and Lugansk provinces certainly had an effect, although the full brunt of the conflict may not be visible until the 3Q numbers are released. For full-year 2014, the Economics Ministry forecasts a drop in real GDP by 6%, and the IMF recently lowered its projection for Ukraine's FY14 GDP from -5% to -6.5%. Our expectation for Ukrainian GDP for 2014 is a decline of 5.7%.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.91	0.56	-39%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	137.5	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	8.00	U/R	-	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	7.00	U/R	-	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	3.19	U/R	-	Susp.	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	-	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	0.65	2.9	353%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.7	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.35	5.2	288%	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	2825	5250	86%	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	44.5	120	170%	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	40.7	72.0	77%	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	8.20	15.00	83%	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	13.0	15.65	20%	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	38.0	90.0	137%	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	8.9	8.93	0%	HOLD	The company's FY14 results will be hit by the hryvnia devaluation, while next year's likely elimination of the special VAT regime for large agro producers bodes poorly for FY15 earnings.
Ovostar Union	OVO	70.5	58.74	-17%	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	62%	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	1348.16	1368.76	799.72	0.8%	5.4%	9.9%	48.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	1.9%	1.6%	0.0%	-4.4%	1.1%	-3.7%	-9.9%	-52.5%
Azovstal	AZST	0.91	0.95	0.35	1.5%	2.3%	15.7%	35.2%	0.6%	-3.1%	5.8%	-12.9%
Dniprospeztstal	DNSS	500	n/a	n/a	0.0%	-23.1%	-61.5%	-61.5%	-0.8%	-28.5%	-71.4%	-109.7%
Enakievo Steel	ENMZ	44.2	65.0	17.0	-0.2%	0.7%	-1.1%	38.0%	-1.0%	-4.7%	-11.0%	-10.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-0.8%	-5.4%	-9.9%	199.7%
Mariupol Ilyicha	MMKI	0.13	n/a	n/a	0.0%	44.4%	-18.8%	30.0%	-0.8%	39.1%	-28.7%	-18.1%
Coke												
Avdiyivka Coke	AVDK	3.19	4.80	1.46	1.6%	1.6%	-1.5%	7.8%	0.8%	-3.8%	-11.4%	-40.3%
Yasnyivsky Coking	YASK	0.72	0.84	0.30	-1.4%	4.3%	0.0%	35.8%	-2.2%	-1.0%	-9.9%	-12.3%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	0.0%	0.7%	7.7%	-0.8%	-5.4%	-9.2%	-40.5%
Ferrexpo	FXPO	2.32	3.20	2.07	-2.2%	-3.7%	4.2%	-26.3%	-3.0%	-9.1%	-5.7%	-74.5%
Pivnichny GOK	SGOK	8.00	10.00	4.50	0.0%	2.3%	-1.2%	0.0%	-0.8%	-3.1%	-11.1%	-48.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.79	0.10	0.0%	-13.3%	-12.2%	62.5%	-0.8%	-18.7%	-22.1%	14.4%
Komsomolets Donbasa	SHKD	0.80	n/a	n/a	0.0%	-7.0%	-11.1%	29.0%	-0.8%	-12.4%	-21.0%	-19.1%
Energy Coal	CLE	0.29	0.93	0.29	-8.6%	-18.2%	-29.3%	-16.3%	-9.4%	-23.6%	-39.2%	-64.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	0.0%	-4.3%	-0.8%	-5.4%	-9.9%	-52.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.79	1.01	0.30	0.0%	12.9%	-10.2%	31.7%	-0.8%	7.5%	-20.1%	-16.5%
Interpipe NMPP	NVTR	0.40	n/a	n/a	2.6%	2.6%	2.6%	90.5%	1.8%	-2.8%	-7.3%	42.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.7	26.0	10.0	2.5%	-1.7%	-0.7%	7.9%	1.7%	-7.1%	-10.6%	-40.2%
Luhanskeplovoz	LTPL	1.35	2.20	0.85	0.0%	-6.9%	-3.6%	-10.0%	-0.8%	-12.3%	-13.5%	-58.1%
Stakhanov Wagon	SVGZ	1.07	n/a	n/a	1.9%	-2.7%	-7.0%	-17.7%	1.1%	-8.1%	-16.9%	-65.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	-3.7%	-11.0%	-14.0%	96.2%	-4.5%	-16.3%	-24.0%	48.1%
Motor Sich	MSICH	2,825	3,000	1,303	0.9%	9.3%	16.7%	54.9%	0.1%	3.9%	6.8%	6.7%
Summy Frunze Engineering	SMASH	3.50	n/a	n/a	0.0%	-22.2%	-41.6%	40.0%	-0.8%	-27.6%	-51.5%	-8.1%
Turboatom	TATM	5.00	n/a	n/a	25.0%	25.0%	8.7%	42.9%	24.2%	19.6%	-1.2%	-5.3%
WESTA ISIC	WES	0.10	0.26	0.10	-0.6%	5.4%	-28.8%	-22.7%	-1.4%	0.0%	-38.7%	-70.8%
Telecom												
Ukrtelecom	UTLM	0.17	0.19	0.09	5.3%	-3.2%	-1.7%	56.4%	4.5%	-8.6%	-11.6%	8.2%
Oil & Gas												
Regal Petroleum	RPT	0.15	0.27	0.12	8.7%	-0.8%	8.1%	-26.8%	7.9%	-6.2%	-1.8%	-74.9%
JKX Oil	JKX	0.75	1.21	0.75	-1.3%	-6.1%	-23.5%	-36.5%	-2.2%	-11.5%	-33.4%	-84.7%
Ukrnafta	UNAF	333	370	54	1.9%	27.6%	35.5%	206.4%	1.1%	22.2%	25.6%	158.3%
Power Utilities												
Centrenerg	CEEN	8.20	8.70	2.50	0.8%	2.8%	11.9%	72.0%	0.0%	-2.5%	2.0%	23.9%
Donbasenergo	DOEN	40.7	50.2	11.0	0.5%	5.9%	3.0%	47.5%	-0.3%	0.5%	-6.9%	-0.6%
Zakhidenergo	ZAEN	146.3	157.0	64.0	0.0%	7.6%	3.0%	61.8%	-0.8%	2.2%	-6.9%	13.7%
Consumer												
Agroton	AGT	0.76	1.8	0.61	-7.6%	-13.3%	-21.0%	17.4%	-8.4%	-18.6%	-30.9%	-30.7%
Astarta	AST	12.2	24.4	12.1	-2.7%	-4.9%	-15.0%	-45.1%	-3.5%	-10.3%	-24.9%	-93.3%
Avangardo	AVGR	8.9	13.0	8.40	-3.1%	-3.2%	-10.1%	-24.3%	-3.9%	-8.5%	-20.0%	-72.4%
Industrial Milk Company	IMC	2.70	5.14	2.49	-3.8%	-2.1%	-20.3%	-33.2%	-4.6%	-7.5%	-30.2%	-81.3%
Kernel	KER	9.2	17.7	7.6	-5.3%	-5.6%	-16.9%	-27.7%	-6.1%	-11.0%	-26.8%	-75.8%
Mriya Agro Holding	MAYA	5.55	8.2	5.55	-8.0%	-11.9%	-9.5%	-25.5%	-8.8%	-17.3%	-19.5%	-73.6%
MHPC	MHPC	13.0	18.7	11.00	1.2%	-7.3%	-11.4%	-23.6%	0.4%	-12.7%	-21.3%	-71.7%
Milkiland	MLK	1.84	4.7	1.71	-3.6%	-0.7%	-22.0%	-55.8%	-4.4%	-6.0%	-31.9%	-103.9%
Ovostar Union	OVO	22.7	33.3	19.4	0.1%	1.0%	-5.1%	-31.9%	-0.7%	-4.4%	-15.0%	-80.0%
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	10.6	n/a	n/a	0.0%	-6.1%	-15.0%	-14.9%	-0.8%	-11.5%	-24.9%	-63.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.148	0.188	0.077	0.8%	-0.9%	-3.9%	30.7%	0.0%	-6.3%	-13.8%	-17.5%
UkrSotsbank	USCB	0.177	0.257	0.090	-0.3%	1.2%	5.3%	-5.9%	-1.1%	-4.2%	-4.6%	-54.0%

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	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	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	210	51	90	72	32.2%	42.1%	34.4%	38	72	52	23.8%	33.5%	24.8%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	188	20.4%	16.9%	19.7%
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	2,543	454	286	323	17.8%	11.1%	12.7%	176	23	161	6.9%	0.9%	6.3%
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	765	69	94	80	6.2%	10.3%	10.5%	29	60	52	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	594	280	301	234	44.5%	45.6%	39.5%	228	238	164	36.3%	36.0%	27.6%
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	3,966	793	888	610	679	723	460	4	90	-40	0.5%	10.1%	-6.6%
Ukrspasbank	USCB	4,854	5,283	3,777	957	1,064	775	451	318	400	1	1	15	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	78	3.9%	3	1,427	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	38	8.8%	3	34	4.4	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	13	12	12	\$/tonne
Azovstal	AZST	311	3.0%	9	296	neg	neg	neg	neg	neg	8.4	0.1	0.2	0.1	64	66	65	\$/tonne
Coke																		
Avdyivka Coke	AVDK	51	6.8%	3	48	neg	neg	neg	neg	1.1	1.6	0.0	0.1	0.1	11	12	13	\$/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	670	0.3%	2	669	7.0	3.4	4.1	2.9	2.1	2.4	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,507	0.4%	6	1,500	3.5	2.7	3.3	2.0	1.6	1.8	1.1	0.9	1.0				
Ferrexpo	FXPO	1,360	24.0%	326	2,039	6.3	5.2	6.9	5.1	4.0	4.6	1.4	1.3	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	22	5.4%	1	124	3.0	1.3	1.3	1.0	1.3	1.3	0.5	0.6	0.5	30	29	28	\$/tonne
Coal Energy	CLE	13	25.0%	3	123	0.3	neg	neg	2.0	5.8	13.7	0.7	1.0	1.2	2.0	5.8	13.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	168	2.0%	3	214	5.0	>30	>30	4.1	6.8	8.3	0.4	0.7	0.8	339	562	534	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	24	24.0%	6	61	5.0	1.2	1.1	2.1	1.7	1.6	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	175	5.0%	9	175	1.8	4.2	neg	1.3	2.7	11.4	0.2	0.4	1.1				
Stakhanov Wagon	SVGZ	20	8.0%	2	52	>30	>30	>30	7.3	8.9	9.6	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	121	5.8%	7	55	3.2	1.7	2.3	1.1	0.6	0.8	0.3	0.3	0.3				
Motor Sich	MSICH	480	24.0%	115	470	2.4	2.8	2.6	1.5	1.7	1.8	0.5	0.5	0.5				
Telecom																		
Ukrtelecom	UTLM	263	7.2%	19	567	5.8	15.5	10.0	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,475	3.0%	44	1,467	8.4	>30	9.2	3.2	5.1	4.5	0.6	0.6	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	49	21.6%	11	24	4.2	neg	24.7	1.1	neg	1.0	0.6	0.7	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	129	50.4%	65	237	neg	19.9	16.5	1.7	3.6	3.5	1.2	1.3	1.2	43	33	32	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	248	21.7%	54	316	8.6	4.1	4.7	4.6	3.3	3.9	0.3	0.3	0.4	18	23	20	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	144	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	1,374	34.1%	468	2,501	4.4	8.5	neg	5.3	6.4	5.2	1.8	1.7	1.7				\$/tonne
Kernel	KER	730	61.8%	451	1,436	3.5	7.0	15.5	4.5	4.9	8.2	0.7	0.5	0.6				
Astarta	AST	305	37.0%	113	627	5.3	9.0	3.7	5.7	6.9	4.5	1.4	1.3	1.1				\$/tonne
Avangardco	AVGR	568	22.5%	128	676	2.5	2.4	3.5	2.4	2.2	2.9	1.1	1.0	1.1	153	116	109	\$/mneegs
Agroton	AGT	17	26.2%	4	66	2.4	neg	neg	3.2	8.7	18.9	0.7	0.8	0.7	n/a	n/a	n/a	\$/th/ha
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	364	3.5%	13		>30	4.1	neg	0.5	0.4	0.6	0.06	0.07	0.09				
Ukrsotsbank	USCB	266	1.0%	3		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

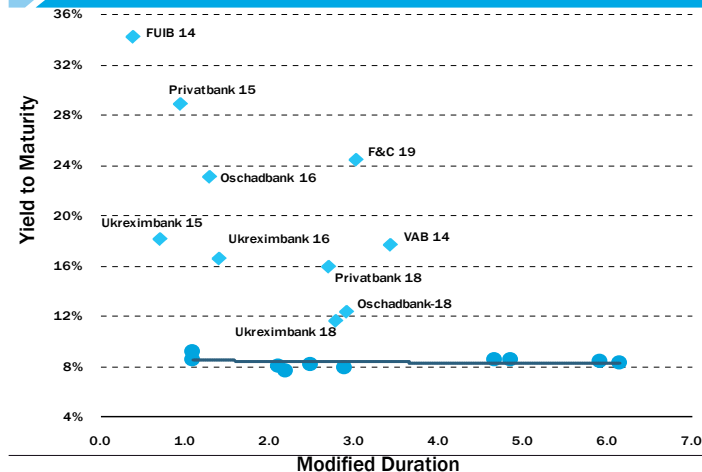
UKRAINIAN EUROBONDS

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	97.1	97.9	28.3%	22.8%	-3.0%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.9	95.9	12.0%	9.7%	-1.2%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	96.3	97.8	12.1%	10.3%	-0.7%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	95.1	96.9	9.4%	8.5%	2.1%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	96.0	97.0	8.5%	8.0%	2.3%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.3	95.6	9.1%	8.6%	2.4%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	100.8	101.5	9.4%	9.1%	2.0%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	11.7%	11.1%	14.7%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.3%	10.8%	16.6%	3.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	94.0	95.5	9.3%	9.0%	1.8%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	95.3	96.8	9.1%	8.8%	2.5%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	94.6	96.6	8.8%	8.5%	5.0%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	93.7	95.2	8.5%	8.3%	4.4%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.1	36.4	76.1%	56.4%	-37.3%	1.9	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	102.8	102.8	8.4%	8.4%	-0.7%	0.7	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	91.9	93.5	10.2%	9.8%	3.7%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.5	96.5	16.0%	16.0%	-1.5%	1.1	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.7	91.5	14.2%	13.9%	1.0%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	90.0	91.8	22.6%	20.7%	-9.4%	1.3	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	77.6	79.1	18.0%	17.3%	-10.0%	2.8	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	90.0	91.5	42.2%	36.1%	-11.2%	0.6	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	81.0	81.0	14.7%	14.7%	-14.1%	2.9	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	91.8	92.8	33.3%	30.4%	-10.0%	0.7	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	83.4	85.8	15.7%	14.6%	-11.0%	2.7	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	95.9	97.4	11.8%	10.5%	-1.3%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	86.0	86.9	14.4%	14.1%	-5.7%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.0	78.0	22.9%	21.7%	0.1%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	92.8	94.6	14.3%	13.6%	-15.6%	2.8	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	89.0	91.0	41.8%	35.7%	-8.6%	0.3	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	60.1%	50.6%	-28.6%	2.5	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	85.0	88.0	35.8%	29.6%	-2.9%	0.9	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	77.0	79.0	27.1%	24.8%	2.6%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	84.2	87.9	16.9%	15.4%	2.8%	2.7	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	93.5	95.5	25.5%	20.5%	-2.0%	0.6	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.0	82.0	28.2%	23.3%	-6.2%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	88.5	89.8	13.0%	12.5%	-0.1%	2.9	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	70.0	73.0	24.9%	23.1%	-16.4%	2.2	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	90.5	92.6	17.7%	15.7%	-1.6%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.6	88.5	13.6%	13.0%	-1.6%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.4	92.1	19.8%	17.6%	-1.8%	1.1	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	89.9	92.1	15.6%	14.2%	-2.1%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

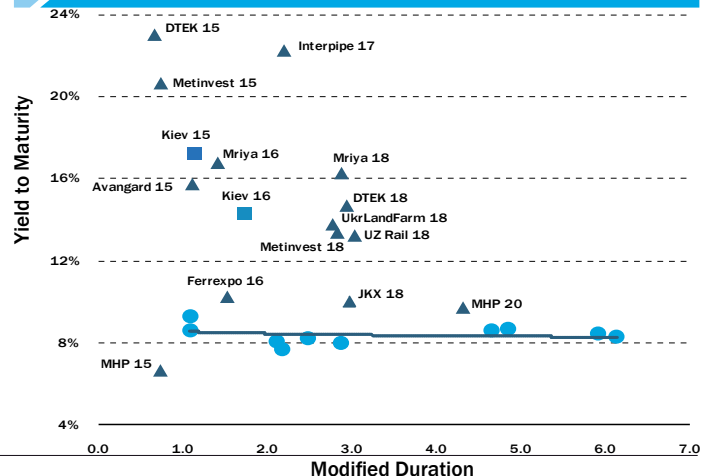
¹ Moody's/S&P/Fitch; * EUR

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	14.5%	13.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	14.5%	13.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	14.5%	13.5%	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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