

Market Update
Equity

Local Ukrainian stocks were mixed on Friday (Aug 1), although the top liquid names ended notably lower. In Europe, the DAX and CAC got hammered for a second straight session on concerns about the effect of the new Russia sanctions; the DAX is now down 8% from its local maximum and closing in on bear market territory. The UX index slipped 0.3% to close at 1318 points. Co-volume leaders Motor Sich and UkrNafta fell 1.6% and 3.1% respectively on combined turnover of UAH 6.9mn, with the latter ending near UAH 311. On the upside, DonbasEnergo provided the main support to the index, gaining 2.9%, and Raiffeisen Aval edged higher by half a percent. It was a bad day for Ukrainian names listed in London, with JKY Oil&Gas continuing its nasty slide, dropping 6.1% to GBP 40.25 after Ukraine's Parliament hiked the royalty on natural gas extraction; the issue had been above GBP 70 as recently as November. Avangard also sold off by 6% to USD 8.50.

Fixed Income

Ukrainian sovereigns were marginally lower on Friday, with Ukraine-23s inching down by 0.2p.p. to 94.3/95.8 (8.4%/8.2%). Corporate names were hit after Mriya's announcement on a likely debt restructuring undercut confidence across the board. Mriya-18s plunged by 21.0p.p. to 50.0/70.0 (34.0%/24.0%), while MHP-15s lost 1.4p.p. to 101.7/103.0 (10.5%/7.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	311.50	-3.1%	3.5	333
Motor Sich	MSICH	2693.0	-1.7%	3.4	178
Centrenerg	CEEN	8.12	-0.2%	2.5	261

Growth Leaders

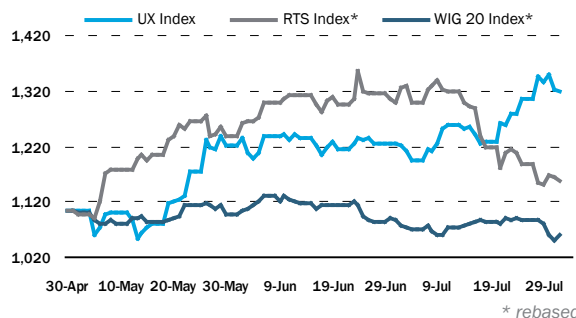
Donbasenergo	DOEN	41.40	2.9%	1.85	67
Krymenergo	KREN	1.95	1.6%	0.13	15
Raiffeisen Bank Aval	BAVL	0.15	0.5%	0.35	101

Loss Leaders

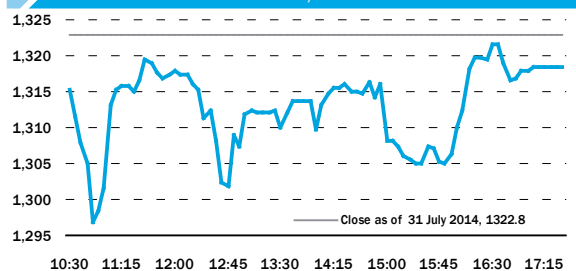
Ukrnafta	UNAF	311.50	-3.1%	3.515	333
Avdyivka Coke	AVDK	3.10	-2.5%	0.044	54
Motor Sich	MSICH	2,693.00	-1.7%	3.355	178

Highlights
FIXED INCOME

- Mriya's Bonds Crash As Company Admits Liquidity Problems

STOCK MARKET PERFORMANCE

MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1318.4	-0.3%	7.7%	44.9%
RTS	1212.7	-0.5%	-11.0%	-15.9%
WIG20	2341.9	0.9%	-2.6%	-2.5%
MSCI EM	1060.1	-0.5%	0.8%	5.8%
S&P 500	1925.2	-0.3%	-2.4%	4.6%

UX INTRADAY AUGUST 1, 2014

FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	304.8	4.9%	8.3%	-7.9%
CDS 5Y UKR	818.3	2.5%	4.3%	-0.2%
Ukraine-17	8.6%	0.3 p.p.	0.4 p.p.	-0.4 p.p.
Naftogaz Ukr-14	26.5%	1.9 p.p.	8.3 p.p.	17.7 p.p.
Ukraine-23	8.3%	0.0 p.p.	-0.1 p.p.	0.8 p.p.
Privatbank-16	25.5%	1.7 p.p.	1.4 p.p.	0.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.33	0.4%	4.2%	49.6%
EUR	16.55	0.7%	2.3%	45.5%
RUB	0.34	0.3%	0.1%	37.3%

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%	0.9%	-0.5%
Oil, USD/bbl	104.8	-1.1%	-6.5%	-5.7%
Gold, USD/oz	1293.3	0.8%	-2.5%	8.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Mriya's Bonds Crash As Company Admits Liquidity Problems

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

Western-Ukraine-based crop grower Mriya Agro Holding has defaulted on several of its debt obligations due to financial difficulties, the company reported in its website on Friday (Aug 1). The obligations on which Mriya is currently in default were not specified. The company said its financial condition has been deteriorating in recent months because of depressed prices for grains, a spike in prices for inputs, and problems with raising working capital. Mriya said it is seeking to hire "international accountants to conduct an independent review of its business" as well as to hire financial advisors to find solutions to improve the cash liquidity of the company. The aim of these steps is to obtain a revised business plan and restructured balance sheet for the company.

COMMENTARY

In our view, Mriya has consistently demonstrated the poorest financial reporting practices of Ukraine's major listed crop growers, with huge margins on the back of regular biological asset revaluation gains making the real condition of the group very difficult to decipher on the basis of its published results. On Friday, the chickens came home to roost, as this news had a devastating effect on Mriya's 2016 and 2018 Eurobonds, which lost more than 20p.p. during the day. The company is basically admitting that in light of its liquidity problems, it is seeking to restructure its debt load, which as of 30 Apr 2014 stood at USD 814mn (including USD 72mn of due in 2016 and USD 400mn due in 2018 on Eurobond debt). Also, the recent precedent of default on some debt obligations by the group significantly increase the risk of default on the interest payment on its Eurobonds in late October. In addition to the obvious destructive effect on Mriya's bonds, we view this news as negative for the overall Ukrainian agricultural universe, including top names MHP, Avangard and UkrLandFarming.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.88	0.56	-37%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	132.5	125.0	-6%	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	7.78	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	6.36	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	3.10	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	0.79	2.9	275%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.3	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	2693	5250	95%	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	7.6	42.0	451%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	40.3	120	198%	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						
DonbasEnergO	DOEN	41.4	72.0	74%	BUY	DonbasEnergO is expected to pay a significant dividend from its FY13 profit that could amount to as much as UAH 5.0 per share, implying a dividend yield of 20%.
CenterEnergO	CEEN	8.12	15.00	85%	BUY	CenterEnergO'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	21%	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	36.0	90.0	150%	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	8.6	8.93	4%	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	70.0	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	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	1318.36	1368.76	799.72	-0.3%	1.0%	7.7%	44.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.3%	1.1%	-0.8%	-5.4%	0.6%	0.1%	-8.5%	-50.3%
Azovstal	AZST	0.88	0.95	0.35	0.5%	0.7%	12.0%	30.7%	0.8%	-0.3%	4.3%	-14.1%
Dniprospezstal	DNSS	500	n/a	n/a	0.0%	-16.9%	-61.5%	-61.5%	0.3%	-17.9%	-69.2%	-106.4%
Enakievo Steel	ENMZ	43.6	65.0	17.0	-1.6%	-0.1%	3.8%	36.2%	-1.2%	-1.0%	-3.9%	-8.7%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.3%	-1.0%	-7.7%	203.0%
Mariupol Ilyicha	MMKI	0.13	n/a	n/a	0.0%	-7.1%	-18.8%	30.0%	0.3%	-8.1%	-26.4%	-14.9%
Coke												
Avdivka Coke	AVDK	3.10	4.80	1.46	-3.0%	-1.2%	-4.2%	4.8%	-2.7%	-2.1%	-11.9%	-40.0%
Yasynivsky Coking	YASK	0.72	0.84	0.30	0.0%	4.3%	0.0%	35.8%	0.3%	3.4%	-7.7%	-9.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.36	n/a	n/a	0.0%	-9.1%	-8.5%	-2.2%	0.3%	-10.1%	-16.2%	-47.0%
Ferrexpo	FXPO	2.23	3.20	2.07	-1.9%	-6.8%	-0.8%	-29.3%	-1.5%	-7.8%	-8.5%	-74.2%
Pivnichny GOK	SGOK	7.78	10.00	4.50	-2.1%	-2.8%	-4.0%	-2.8%	-1.8%	-3.7%	-11.6%	-47.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.79	0.79	0.10	27.4%	21.5%	9.7%	97.5%	27.8%	20.6%	2.0%	52.6%
Komsomolets Donbasa	SHKD	0.80	n/a	n/a	0.0%	-14.9%	-11.1%	29.0%	0.3%	-15.9%	-18.8%	-15.8%
Energy Coal	CLE	0.31	0.93	0.29	2.4%	-11.8%	-25.5%	-10.8%	2.7%	-12.8%	-33.2%	-55.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	0.0%	-4.3%	0.3%	-1.0%	-7.7%	-49.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.01	0.30	0.0%	2.9%	-20.5%	16.7%	0.3%	2.0%	-28.1%	-28.2%
Interpipe NMPP	NVTR	0.30	n/a	n/a	-25.0%	-23.1%	-23.1%	42.9%	-24.7%	-24.0%	-30.8%	-2.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.3	26.0	10.0	-1.9%	-5.4%	-1.4%	5.8%	-1.6%	-6.3%	-9.1%	-39.0%
Luhanskeplovoz	LTPL	1.35	2.20	0.85	0.0%	0.0%	-3.6%	-10.0%	0.3%	-1.0%	-11.3%	-54.9%
Stakhanov Wagon	SVGZ	1.07	n/a	n/a	0.0%	1.9%	-7.0%	-17.7%	0.3%	0.9%	-14.6%	-62.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	-3.7%	-14.0%	96.2%	0.3%	-4.7%	-21.7%	51.4%
Motor Sich	MSICH	2,693	3,000	1,303	-1.6%	-0.7%	11.2%	47.6%	-1.3%	-1.7%	3.5%	2.8%
Summy Frunze Engineering	SMASH	3.50	n/a	n/a	0.0%	-22.2%	-41.6%	40.0%	0.3%	-23.2%	-49.3%	-4.9%
Turboatom	TATM	5.00	n/a	n/a	0.0%	25.0%	8.7%	42.9%	0.3%	24.0%	1.0%	-2.0%
WESTA ISIC	WES	0.09	0.26	0.09	-6.2%	-10.6%	-34.2%	-30.0%	-5.9%	-11.5%	-41.9%	-74.9%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	3.3%	0.0%	-1.2%	61.5%	3.7%	-1.0%	-8.9%	16.7%
Oil & Gas												
Regal Petroleum	RPT	0.13	0.27	0.12	-7.9%	-17.1%	-14.5%	-39.0%	-7.5%	-18.1%	-22.2%	-83.9%
JKX Oil	JKX	0.68	1.21	0.68	-6.7%	-14.1%	-32.2%	-42.8%	-6.3%	-15.1%	-39.9%	-87.7%
Ukrnafta	UNAF	312	370	54	-3.0%	5.5%	25.7%	186.8%	-2.6%	4.5%	18.0%	142.0%
Power Utilities												
Centrenerg	CEEN	8.12	8.70	2.50	-0.2%	2.8%	10.5%	70.2%	0.2%	1.8%	2.8%	25.4%
Donbasenergo	DOEN	41.4	50.2	11.0	2.9%	3.0%	5.3%	50.1%	3.2%	2.1%	-2.4%	5.2%
Zakhidenergo	ZAEN	149.0	157.0	64.0	1.8%	1.8%	4.9%	64.8%	2.2%	0.9%	-2.8%	20.0%
Consumer												
Agroton	AGT	0.78	1.8	0.61	1.5%	-10.8%	-18.3%	20.3%	1.9%	-11.8%	-25.9%	-24.6%
Astarta	AST	11.6	24.4	11.6	-2.4%	-8.8%	-18.3%	-48.1%	-2.1%	-9.8%	-26.0%	-92.9%
Avangardo	AVGR	8.6	13.0	8.40	-6.0%	-7.0%	-13.6%	-27.2%	-5.7%	-7.9%	-21.3%	-72.1%
Industrial Milk Company	IMC	2.80	5.14	2.49	4.2%	3.4%	-17.7%	-30.7%	4.5%	2.4%	-25.4%	-75.5%
Kernel	KER	9.2	17.7	7.6	-0.5%	-4.7%	-13.9%	-27.1%	-0.2%	-5.7%	-21.6%	-72.0%
Mriya Agro Holding	MAYA	4.63	8.2	4.63	-14.5%	-26.0%	-26.8%	-37.8%	-14.2%	-26.9%	-34.5%	-82.7%
MHPC	MHPC	13.0	18.5	11.00	0.0%	1.7%	-13.6%	-23.8%	0.3%	0.8%	-21.3%	-68.7%
Milkiland	MLK	1.83	4.7	1.71	-0.4%	-2.8%	-20.8%	-56.1%	-0.1%	-3.7%	-28.5%	-100.9%
Ovostar Union	OVO	22.5	33.3	19.4	-0.8%	-0.9%	-3.8%	-32.4%	-0.5%	-1.9%	-11.5%	-77.3%
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	11.9	n/a	n/a	11.4%	12.7%	-5.4%	-5.2%	11.7%	11.8%	-13.0%	-50.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.148	0.188	0.077	0.5%	0.3%	-4.6%	30.3%	0.8%	-0.7%	-12.3%	-14.6%
UkrSotsbank	USCB	0.176	0.257	0.090	-0.3%	-1.4%	3.8%	-6.0%	0.0%	-2.4%	-3.9%	-50.8%

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	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%
Ukrspotsbank	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	77	3.9%	3	1,426	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	344	334	\$/tonne
Yenakievo Steel	ENMZ	37	8.8%	3	33	4.4	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	12	11	\$/tonne
Azovstal	AZST	299	3.0%	9	283	neg	neg	neg	neg	neg	8.0	0.1	0.1	0.1	62	63	62	\$/tonne
Coke																		
Avdyivka Coke	AVDK	49	6.8%	3	47	neg	neg	neg	neg	1.0	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	605	0.3%	2	603	6.4	3.1	3.7	2.6	1.9	2.2	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,454	0.4%	6	1,448	3.3	2.7	3.2	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,305	24.0%	313	1,984	6.1	4.9	6.6	4.9	3.9	4.4	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	14	25.0%	4	124	0.4	neg	neg	2.0	5.9	13.8	0.8	1.0	1.2	2.0	5.9	13.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	148	2.0%	3	193	4.4	>30	>30	3.7	6.2	7.5	0.4	0.6	0.7	307	509	483	\$/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				
Kruiiv Wagon	KVBZ	170	5.0%	9	170	1.8	4.1	neg	1.3	2.6	11.1	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	120	5.8%	7	54	3.1	1.7	2.3	1.0	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	454	24.0%	109	444	2.3	2.7	2.4	1.4	1.6	1.7	0.5	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	270	7.2%	19	574	6.0	15.8	10.3	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,371	3.0%	41	1,362	7.8	>30	8.5	3.0	4.8	4.2	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	41	21.6%	9	16	3.5	neg	20.6	0.7	neg	0.6	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	116	50.4%	59	225	neg	17.9	14.9	1.7	3.4	3.3	1.1	1.2	1.1	41	31	30	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	243	21.7%	53	312	8.4	4.1	4.7	4.5	3.3	3.9	0.3	0.3	0.4	18	23	20	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	145	20.8	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,369	34.1%	467	2,497	4.4	8.4	neg	5.3	6.4	5.2	1.8	1.7	1.7				\$/tonne
Kernel	KER	736	61.8%	454	1,442	3.5	7.0	15.7	4.5	5.0	8.2	0.7	0.5	0.6				
Astarta	AST	289	37.0%	107	610	5.0	8.5	3.5	5.5	6.7	4.4	1.3	1.2	1.1				\$/tonne
Avangardco	AVGR	546	22.5%	123	654	2.4	2.3	3.3	2.3	2.2	2.8	1.0	1.0	1.1	148	112	106	\$/mneqgs
Agroton	AGT	17	26.2%	4	66	2.5	neg	neg	3.2	8.8	19.0	0.7	0.8	0.7	n/a	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	360	3.5%	13		>30	4.0	neg	0.5	0.4	0.6	0.06	0.07	0.09				
Ukrsotsbank	USCB	263	1.0%	3		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

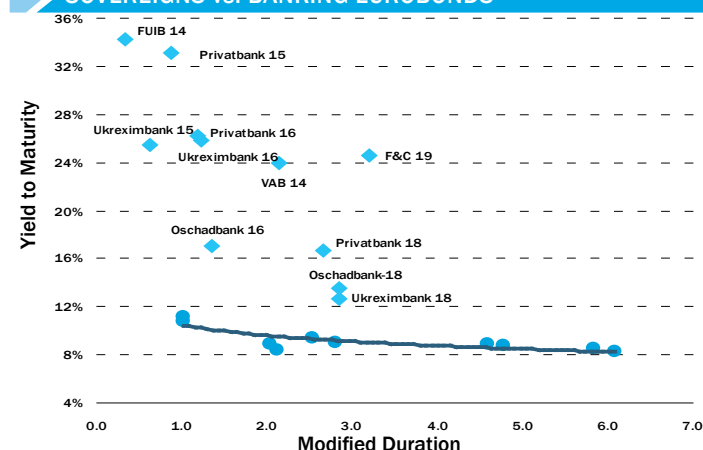
UKRAINIAN EUROBONDS

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	97.8	29.0%	24.0%	-3.1%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.9	95.9	12.0%	9.7%	-1.1%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	96.6	97.6	11.7%	10.5%	-0.6%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	95.6	96.6	9.2%	8.7%	2.2%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	95.6	96.6	8.7%	8.2%	1.9%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	94.3	95.3	9.2%	8.8%	2.2%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	100.3	101.1	9.6%	9.2%	1.5%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	11.8%	11.1%	14.7%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	94.8	95.8	9.8%	9.4%	21.4%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	95.4	96.4	9.0%	8.8%	3.0%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	96.0	97.0	8.9%	8.7%	3.0%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	95.2	97.2	8.7%	8.3%	5.7%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	94.3	95.8	8.4%	8.2%	5.1%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.1	36.4	76.6%	56.6%	-37.3%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.7	103.0	10.5%	9.2%	-1.1%	0.7	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	92.2	93.1	10.1%	9.9%	3.6%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.5	97.5	14.9%	14.9%	-0.5%	1.1	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.2	91.2	14.4%	14.0%	0.6%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	65.0	75.0	42.0%	31.5%	-30.2%	na	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	50.0	70.0	34.0%	24.0%	-31.1%	2.7	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	89.0	89.4	49.2%	47.1%	-12.8%	0.6	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	75.0	76.5	17.4%	16.7%	-19.6%	2.8	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	87.0	92.0	54.2%	33.4%	-12.7%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	82.0	84.7	16.4%	15.1%	-12.2%	2.7	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	95.0	97.5	12.6%	10.4%	-1.8%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	84.2	86.2	15.1%	14.3%	-7.1%	2.9	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.0	78.0	23.0%	21.7%	0.1%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.9	91.5	15.4%	14.7%	-18.3%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.3%	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%	0.3	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	60.3%	50.8%	-28.6%	2.5	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	85.0	88.0	36.5%	30.0%	-2.9%	0.9	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	77.0	79.0	27.3%	25.0%	2.6%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	84.7	88.1	16.7%	15.3%	3.3%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	93.5	94.0	26.0%	24.8%	-2.8%	0.6	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	78.0	82.0	28.5%	23.5%	-6.2%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	88.5	90.1	13.0%	12.3%	0.1%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	70.0	73.0	24.9%	23.1%	-16.4%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	90.5	92.0	17.8%	16.3%	-2.0%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.1	88.1	13.9%	13.2%	-2.2%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.1	92.4	20.3%	17.5%	-1.8%	1.1	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	89.5	91.3	15.9%	14.7%	-2.4%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

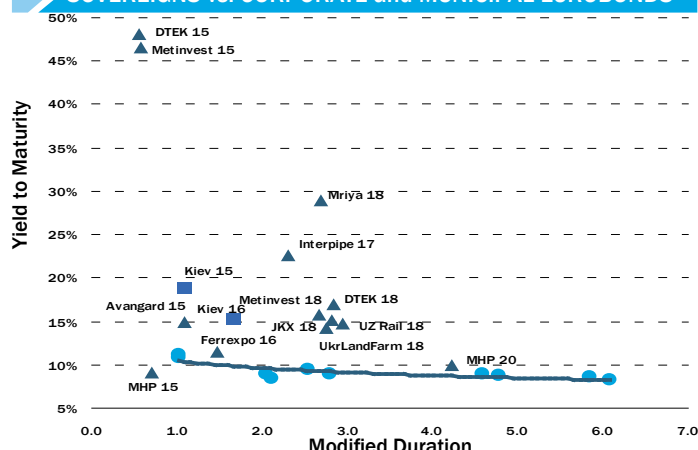
¹ Moody's/S&P/Fitch; * EUR

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	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

Eavex Capital

12, Ezhena Pottier str.
Kiev 03057
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua