

Market Update
Equity

Local Ukrainian stocks were little-changed on Monday (Aug 4) in a session with much less activity than what we have been seeing recently, with trading more in line with a typical quiet summer pattern. Externally, the DAX declined for a 5th straight session, while the S&P 500 saw a moderate rebound from its heavy losses late last week on concerns about how soon US interest rates might finally start to rise after almost 7 years near zero. The UX index inched down two tenths of a percent to close at 1316 points, with DonbasEnergO's drop of 1.4% to UAH 40.75 the only notable change; Motor Sich and CentrEnergO both finished nearly flat on combined turnover of UAH 3.4mn. Outside the UX basket, Metinvest-controlled steelmaker MMK Illicha moved up 3.8% to 13.50 kopecks. In London, it was another brutal day for Ukrainian natural gas extractors JXO Oil&Gas and Regal Petroleum, which lost around 9% each to fresh respective all-time lows of GBP 36.50 and GBP 6.88, as the Ukrainian government looks set to take a much larger share of the companies' profits in taxes.

Fixed Income

Ukrainian sovereign Eurobonds sold off on Monday, with benchmark Ukraine-23s declining by 2.5p.p. to 92.0/93.3 (8.8%/8.6%). Corporate names were weighed down by negative sentiments from bad news about the likely restructuring of major agro issue Mriya. Mriya-16s posted a last price of 47.5, which is a stunning 22.5p.p. lower than Friday; quotes now stand at 35.0/60.0 (97.5%/48.9%). MHP-20s were also hit, dropping by 2.3p.p. to 89.8/90.9 (10.7%/10.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	8.13	-0.1%	2.6	131
Ukrnafta	UNAF	313.00	0.4%	2.0	204
Motor Sich	MSICH	2692.00	-0.1%	1.0	51

Growth Leaders

Mariupol Illicha	MMKI	0.14	3.9%	0.03	10
KRAZ	KRAZ	0.10	2.6%	0.01	12
Avdyivka Coke	AVDK	3.16	1.8%	0.07	19

Loss Leaders

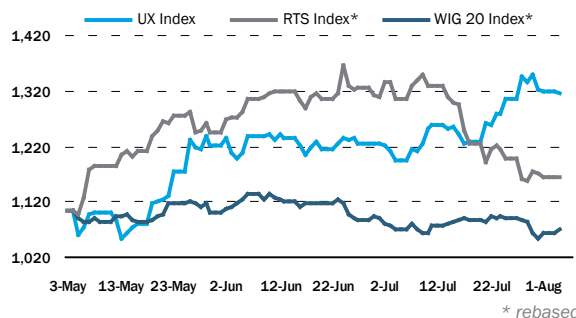
Sumy Frunze Engineering	SMASH	3.00	-14.2%	0.003	7
Bank Forum	FORM	0.21	-12.1%	0.002	9
DonbasenergO	DOEN	40.76	-1.4%	0.064	31

Highlights
STOCKS IN THE NEWS

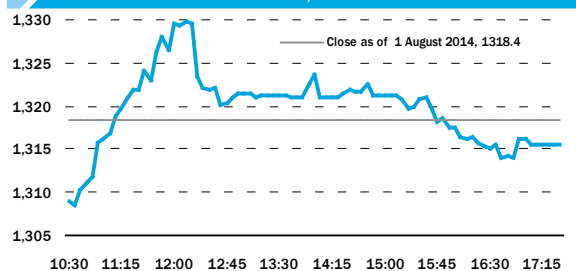
- > MHP Suspends Operations at Breeding Farm in Shakhtarsk
- > IMC Completes Harvesting of Wheat at 5.2 t/ha Yield

FIXED INCOME

- > Fitch Confirms Metinvest at 'CCC', Says Concerned About 2015 Redemptions

STOCK MARKET PERFORMANCE

MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1315.6	-0.2%	10.2%	44.6%
RTS	1212.2	0.0%	-10.9%	-16.0%
WIG20	2361.6	0.8%	-0.1%	-1.6%
MSCI EM	1069.3	0.9%	0.6%	6.7%
S&P 500	1939.0	0.7%	-2.3%	5.3%

UX INTRADAY AUGUST 4, 2014

FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	305.9	0.4%	10.7%	-7.5%
CDS 5Y UKR	829.8	1.4%	2.3%	1.2%
Ukraine-17	8.9%	0.3 p.p.	0.4 p.p.	-0.1 p.p.
Naftogaz Ukr-14	26.1%	-0.4 p.p.	9.8 p.p.	17.3 p.p.
Ukraine-23	8.7%	0.4 p.p.	0.3 p.p.	1.2 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	12.38	0.4%	5.4%	50.2%
EUR	16.62	0.4%	4.1%	46.1%
RUB	0.35	0.3%	1.1%	37.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	237.4	0.0%	-5.0%	-17.4%
Steel, USD/t	537.5	0.5%	1.4%	0.0%
Oil, USD/bbl	105.4	0.5%	-4.7%	-5.2%
Gold, USD/oz	1288.3	-0.4%	-2.4%	7.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP Suspends Operations at Breeding Farm in Shakhtarsk

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 13.05 Market Cap: USD 1,379mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.7	8.5	6.4	5.8%
2014E	1.7	neg	5.2	0%

NEWS

MHP, Ukraine's largest poultry producer, suspended operations at its breeding farm in the Donetsk oblast town of Shakhtarsk on Aug 1 due to war-related activity in the area, the company reported this morning (Aug 5). The town is near the crash site of Malaysian Airlines Flight 17. The Shakhtarska Nova farm is one of the group's three breeding farms, covering some 30% of the group's needs in hatching eggs. To compensate for the suspension, MHP intends to increase hatching egg production at its other assets as well as to increase imports of these eggs from EU suppliers. According to management, the changes will not significantly impact the company's financials, and it said that the FY14 financial outlook remains unchanged. In its most recent forecast, the company projected an EBITDA increase by 20% YoY in 2014, which implies a figure of USD 470mn.

COMMENTARY

The news is slightly negative for MHP's equity and bonds; obviously, the suspension is a necessary move given Shakhtarsk's location (eastern Donetsk oblast) right in the middle of the Donbass conflict, with the city still under the occupation of pro-Russian paramilitary groups. With hatching eggs accounting for some 5% in the company's poultry production cost in 2013, the increase in imports should not have a major impact on the company's cost of sales this year, and we thus leave our FY14 EBITDA projection for MHP unchanged at USD 479mn.

IMC Completes Harvesting of Wheat at 5.2 t/ha Yield

by Ivan Dzvinka
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INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 8.50 Market Cap: USD 86mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.8	3.3	4.2	0%
2014E	1.2	17.1	3.6	0%

NEWS

Central-Ukraine-based crop grower Industrial Milk Company (IMC) completed its harvest of winter wheat on Jul 31, the company said on Monday (Aug 4). The average yield in gross weight achieved was 5.2 tonnes/hectare. This is 6% higher YoY and also 37% higher than the average in Ukraine, the company said. The net yield of 5.1 t/ha is 6% higher compared to the targeted figure of 4.8 t/ha.

COMMENTARY

The news looks positive for the Warsaw-listed IMC stock. Compared to the result from 55% of the wheat harvest reported two weeks ago, the company's total result for the wheat yield edged up from 5.1 to 5.2 t/ha. The most positive news is that the company managed to contract all the volume of wheat harvested. On the other hand, with IMC's area under wheat this season amounting to only 6.4% of its land under cultivation, it remains to be seen what results will be achieved in the company's core crops: corn and sunflower seeds.

Fitch Confirms Metinvest at 'CCC', Says Concerned About 2015 Redemptions

by Ivan Dzvinka
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NEWS

Ratings agency Fitch confirmed its long-term foreign currency rating for Metinvest, Ukraine's largest metals & mining group, at 'CCC' on Monday (Aug 4). Fitch said the rating of Metinvest is limited by the sovereign rating (also CCC), saying Metinvest otherwise merits a 'B-' based on its current operational and financial profile.

The credit agency expects that the group will be able to repay USD 867mn of debt maturing in 2014 but that some uncertainty exists regarding the possibility to repay USD 500mn Eurobonds and a USD 800mn pre-export facility maturing in 2015. The hryvnia devaluation should positively impact the group, and Fitch expects Metinvest's EBITDA margin to improve to 21% (vs. 16.8% in 2013) in 2014 and to remain near 17-18% in the medium term.

COMMENTARY

While the devaluation is having an obviously positive effect on Metinvest's earnings, the group faces a major challenge due to rising war-related problems with the supply of raw materials to its steel mills. Last week, the group was one step away from the loss of all of its coke batteries at Avdyivka due to an electricity cutoff, and was only rescued when government forces retook the city. With the recent heavy escalation in fighting in the Donbass, the risk of damage to Metinvest's assets as well as further supply disruptions to the steel mills are increasing; we see the group as needing a fast resolution to the conflict, but we are far from certain about whether this will occur soon, given the apparent readiness on both the government and pro-Russian sides to continue the war.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.87	0.56	-36%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	133.3	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	3.16	U/R	--	Susp.	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.74	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	2692	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	6.9	42.0	511%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	36.5	120	229%	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	40.8	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	8.13	15.00	85%	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	13.1	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	36.6	90.0	146%	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	9.0	8.93	-1%	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	0.147	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	1315.63	1368.76	799.72	-0.2%	-2.2%	10.2%	44.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	0.0%	-0.8%	0.8%	-5.4%	0.2%	1.4%	-9.4%	-50.0%
Azovstal	AZST	0.87	0.95	0.35	-0.6%	-4.4%	12.5%	30.0%	-0.4%	-2.2%	2.3%	-14.6%
Dniprospezstal	DNSS	500	n/a	n/a	0.0%	-16.9%	-61.5%	-61.5%	0.2%	-14.8%	-71.8%	-106.1%
Enakievo Steel	ENMZ	43.5	65.0	17.0	-0.3%	-2.5%	4.9%	35.8%	-0.1%	-0.3%	-5.4%	-8.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.2%	2.2%	-10.2%	203.3%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	7.7%	7.7%	-12.5%	40.0%	7.9%	9.9%	-22.7%	-4.6%
Coke												
Avdivka Coke	AVDK	3.16	4.80	1.46	1.8%	-3.1%	0.5%	6.8%	2.0%	-0.9%	-9.7%	-37.8%
Yasynivsky Coking	YASK	0.74	0.84	0.30	2.8%	5.7%	8.8%	39.6%	3.0%	7.9%	-1.4%	-4.9%
Iron Ore Mining												
Centralny GOK	CGOK	6.36	n/a	n/a	0.0%	-9.1%	-8.5%	-2.2%	0.2%	-7.0%	-18.7%	-46.7%
Ferrexpo	FXPO	2.25	3.20	2.07	0.7%	-5.2%	-6.9%	-28.8%	0.9%	-3.0%	-17.1%	-73.4%
Pivnichny GOK	SGOK	7.78	10.00	4.50	0.0%	-2.8%	-13.6%	-2.8%	0.2%	-0.6%	-23.8%	-47.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.79	0.79	0.10	0.0%	21.5%	12.9%	97.5%	0.2%	23.7%	2.6%	52.9%
Komsomolets Donbasa	SHKD	0.80	n/a	n/a	0.0%	-14.9%	-5.9%	29.0%	0.2%	-12.7%	-16.1%	-15.5%
Energy Coal	CLE	0.32	0.93	0.29	3.2%	-4.7%	-14.7%	-8.0%	3.4%	-2.5%	-25.0%	-52.6%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.44	n/a	n/a	0.0%	0.0%	0.0%	-4.3%	0.2%	2.2%	-10.2%	-48.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.01	0.30	0.0%	-11.4%	-20.5%	16.7%	0.2%	-9.2%	-30.7%	-27.9%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	-23.1%	-23.1%	42.9%	0.2%	-20.9%	-33.3%	-1.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.3	26.0	10.0	0.0%	-4.2%	0.0%	5.8%	0.2%	-2.0%	-10.2%	-38.7%
Luhanskeplovoz	LTPL	1.35	2.20	0.85	0.0%	0.0%	-2.2%	-10.0%	0.2%	2.2%	-12.4%	-54.6%
Stakhanov Wagon	SVGZ	1.07	n/a	n/a	0.0%	1.9%	-7.0%	-17.7%	0.2%	4.1%	-17.2%	-62.3%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	-3.7%	-6.5%	96.2%	0.2%	-1.5%	-16.7%	51.7%
Motor Sich	MSICH	2,692	3,000	1,303	0.0%	-3.7%	13.1%	47.6%	0.2%	-1.5%	2.9%	3.0%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	-14.3%	-14.3%	-49.9%	20.0%	-14.1%	-12.1%	-60.1%	-24.6%
Turboatom	TATM	5.00	n/a	n/a	0.0%	25.0%	8.7%	42.9%	0.2%	27.2%	-1.5%	-1.7%
WESTA ISIC	WES	0.09	0.26	0.09	0.1%	-10.2%	-18.7%	-30.0%	0.3%	-8.0%	-29.0%	-74.5%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	0.0%	8.8%	-1.1%	61.5%	0.2%	11.0%	-11.3%	17.0%
Oil & Gas												
Regal Petroleum	RPT	0.12	0.27	0.12	-9.8%	-25.3%	-20.6%	-45.0%	-9.5%	-23.1%	-30.8%	-89.6%
JKX Oil	JKX	0.61	1.21	0.61	-9.2%	-19.6%	-38.5%	-48.1%	-9.0%	-17.4%	-48.7%	-92.7%
Ukrnafta	UNAF	313	370	54	0.5%	-4.5%	30.0%	188.2%	0.7%	-2.3%	19.8%	143.6%
Power Utilities												
Centrenerg	CEEN	8.13	8.70	2.50	0.1%	0.3%	12.6%	70.5%	0.3%	2.5%	2.4%	25.9%
Donbasenergo	DOEN	40.8	50.2	11.0	-1.5%	-0.9%	9.2%	47.7%	-1.3%	1.3%	-1.0%	3.2%
Zakhidenergo	ZAEN	149.0	157.0	64.0	0.0%	1.8%	8.8%	64.8%	0.2%	4.0%	-1.5%	20.3%
Consumer												
Agroton	AGT	0.76	1.8	0.61	-2.0%	-10.0%	-20.1%	17.9%	-1.8%	-7.8%	-30.3%	-26.7%
Astarta	AST	11.8	24.4	11.6	1.8%	-6.9%	-15.6%	-47.1%	2.0%	-4.7%	-25.8%	-91.7%
Avangardo	AVGR	9.0	13.0	8.40	5.0%	-2.3%	-11.1%	-23.6%	5.2%	-0.2%	-21.3%	-68.2%
Industrial Milk Company	IMC	2.73	5.14	2.49	-2.5%	1.8%	-17.0%	-32.4%	-2.3%	3.9%	-27.2%	-77.0%
Kernel	KER	9.1	17.7	7.6	-1.0%	-5.7%	-13.2%	-27.8%	-0.7%	-3.5%	-23.4%	-72.4%
Mriya Agro Holding	MAYA	3.69	8.2	3.69	-20.4%	-39.6%	-41.2%	-50.5%	-20.2%	-37.4%	-51.4%	-95.1%
MHPC	MHPC	13.1	18.5	11.00	0.7%	-1.8%	-13.6%	-23.3%	0.9%	0.4%	-23.8%	-67.8%
Milkiland	MLK	1.81	4.7	1.71	-0.8%	-6.2%	-21.0%	-56.4%	-0.6%	-4.0%	-31.2%	-101.0%
Ovostar Union	OVO	22.5	33.3	19.4	0.1%	2.0%	-4.6%	-32.4%	0.3%	4.1%	-14.8%	-76.9%
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	0.0%	-0.1%	-5.4%	-5.2%	0.2%	2.1%	-15.6%	-49.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.147	0.188	0.077	-0.6%	-1.3%	-0.3%	29.5%	-0.4%	0.8%	-10.6%	-15.1%
UkrSotsbank	USCB	0.176	0.257	0.090	0.0%	-3.0%	7.4%	-6.0%	0.2%	-0.8%	-2.8%	-50.5%

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	76	3.9%	3	1,425	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	368	343	333	\$/tonne
Yenakievo Steel	ENMZ	37	8.8%	3	33	4.3	neg	neg	neg	1.5	1.0	0.0	0.0	0.0	12	11	11	\$/tonne
Azovstal	AZST	296	3.0%	9	280	neg	neg	neg	neg	neg	7.9	0.1	0.1	0.1	61	62	61	\$/tonne
Coke																		
Avdyivka Coke	AVDK	50	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	2.0	neg	3.5	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	602	0.3%	2	601	6.3	3.1	3.7	2.6	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,448	0.4%	6	1,441	3.3	2.6	3.1	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,314	24.0%	316	1,993	6.1	5.0	6.7	5.0	3.9	4.5	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	27	\$/tonne
Coal Energy	CLE	15	25.0%	4	125	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	147	2.0%	3	193	4.4	>30	>30	3.7	6.2	7.5	0.4	0.6	0.7	306	507	482	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	24	24.0%	6	61	4.9	1.2	1.1	2.1	1.7	1.6	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	170	5.0%	8	170	1.8	4.1	neg	1.3	2.6	11.0	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	119	5.8%	7	53	3.1	1.7	2.3	1.0	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	452	24.0%	108	442	2.3	2.7	2.4	1.4	1.6	1.7	0.5	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	269	7.2%	19	572	5.9	15.8	10.2	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,371	3.0%	41	1,363	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	37	21.6%	8	12	3.2	neg	18.6	0.6	neg	0.5	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	106	50.4%	53	214	neg	16.2	13.5	1.6	3.2	3.1	1.1	1.2	1.1	39	29	29	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	243	21.7%	53	311	8.4	4.1	4.6	4.5	3.3	3.9	0.3	0.3	0.4	17	22	20	\$/MWh
DonbasEnergO	DOEN	78	14.2%	11	143	20.4	1.2	1.7	4.5	2.0	2.8	0.2	0.2	0.2	17	18	18	\$/MWh
Consumer																		
MHP	MHPC	1,379	34.1%	470	2,507	4.4	8.5	neg	5.4	6.4	5.2	1.8	1.7	1.7				\$/tonne
Kernel	KER	729	61.8%	450	1,434	3.5	6.9	15.5	4.5	4.9	8.2	0.7	0.5	0.6				
Astarta	AST	294	37.0%	109	615	5.1	8.6	3.6	5.6	6.8	4.5	1.4	1.3	1.1				\$/tonne
Avangardco	AVGR	573	22.5%	129	681	2.5	2.4	3.5	2.4	2.3	2.9	1.1	1.0	1.1	154	117	110	\$/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	357	3.5%	13		>30	4.0	neg	0.4	0.4	0.6	0.06	0.07	0.09				
Ukrsotsbank	USCB	262	1.0%	3		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

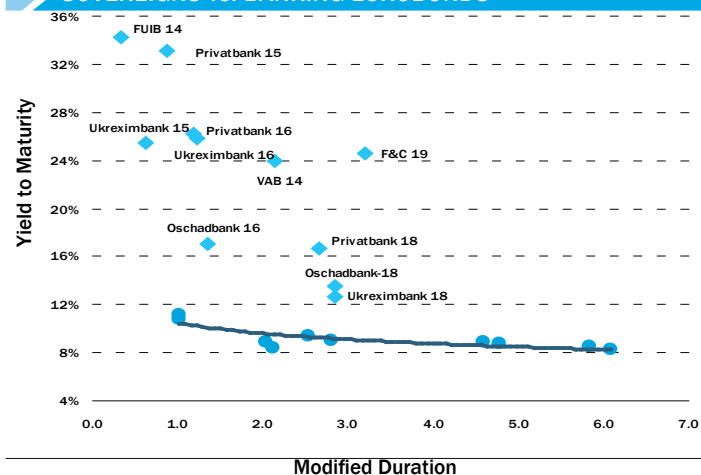
UKRAINIAN EUROBONDS

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	28.7%	23.4%	-3.0%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.9	95.6	12.0%	10.0%	-1.3%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	95.9	97.9	12.6%	10.2%	-0.8%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	94.1	95.7	10.0%	9.1%	1.0%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	94.9	96.1	9.1%	8.5%	1.2%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	93.3	94.8	9.6%	9.0%	1.4%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	99.8	101.0	9.8%	9.3%	1.2%	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	92.6	93.8	10.6%	10.2%	18.8%	3.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.5	95.0	9.5%	9.1%	1.3%	4.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	94.3	95.8	9.3%	9.0%	1.4%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	93.6	95.4	9.0%	8.7%	3.8%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	92.0	93.3	8.8%	8.6%	2.4%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.1	36.4	76.8%	56.7%	-37.3%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	na	na	na	na	na	na	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	89.8	90.9	10.7%	10.4%	1.1%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.0	96.0	16.8%	16.8%	-2.0%	1.1	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	88.7	92.9	15.0%	13.4%	0.7%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	35.0	60.0	97.5%	48.9%	-52.6%	na	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	45.0	60.0	38.5%	27.2%	-39.7%	2.6	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	87.4	88.8	63.2%	51.4%	-13.9%	0.5	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	87.0	92.0	55.0%	33.6%	-12.7%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	80.0	83.8	17.4%	15.6%	-13.8%	2.6	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	94.0	96.0	13.5%	11.6%	-3.1%	1.5	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	84.0	85.9	15.2%	14.5%	-7.4%	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	86.2	87.9	16.8%	16.2%	-21.6%	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	60.4%	50.8%	-28.6%	2.5	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	85.0	86.0	36.7%	34.4%	-4.1%	0.9	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	77.0	79.0	27.4%	25.1%	2.6%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	85.9	88.3	16.2%	15.3%	4.0%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	93.0	94.0	27.7%	24.9%	-3.1%	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	87.2	88.1	13.5%	13.1%	-1.7%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	73.0	76.0	23.1%	21.4%	-12.9%	2.2	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	89.0	91.0	19.4%	17.4%	-3.3%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	86.2	88.1	14.0%	13.3%	-2.1%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	88.3	91.1	22.7%	19.0%	-3.5%	1.1	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	87.6	89.6	17.2%	15.8%	-4.3%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

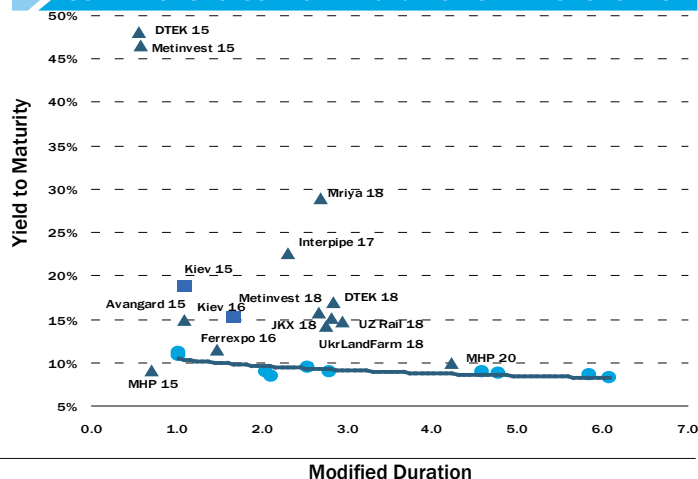
¹ Moody's/S&P/Fitch; * EUR

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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