

Market Update

Equity

Ukrainian blue chips were mixed on Friday (Aug 8), with the local UX benchmark ending unchanged at 1266 points, while Germany's DAX fell for an eighth straight session and closed barely above the 9000 level on worries about the effect of Russia sanctions on the Eurozone economy. The two most active issues, UkrNafta and Motor Sich, moved in starkly opposite directions, with the former gaining 4.4% and the latter losing 3.7% to UAH 2414, bringing its decline for the week to near 13%. Two other top names, Raiffeisen Aval and CentrEnerg, both ended flat. Outside the UX basket, LuganskTeplovovoz fell heavily by 27% to UAH 1.05; the company's operations are stopped due to the Donbass war. In London, it was a nasty day for low-liquidity Regal Petroleum, which fell 13.4% to a new all-time low of GBP 5.63, and MHP was down 4.0% to USD 12.00. In Warsaw, Kernel shot up by 5.5% while Astarta slid 4.6%.

Fixed Income

Ukrainian benchmark sovereigns fell again on Friday with Ukraine-23s declining by 1.2p.p. to 87.4/88.6 (9.7%/9.4%), raising their spread to US Treasuries to near 730bps. Corporate names also continued to slide following the Mriya debacle. MHP-15s lost 2.0p.p. to 91.0/94.0 (48.9%/33.3%) and Metinvest-18s edged down by 0.3p.p., finishing at 75.0/78.0 (20.0%/18.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	302.80	4.4%	3.0	196
Motor Sich	MSICH	2414.00	-3.7%	2.4	197
Donbasenergo	DOEN	39.90	1.0%	1.6	38

Growth Leaders

Ukrnafta	UNAF	302.80	4.4%	2.99	196
Azovstal	AZST	0.90	2.4%	0.11	40
Poltavsky GOK	PGOK	15.81	1.7%	0.29	11

Loss Leaders

Luhanskteplovovoz	LTPL	1.05	-26.7%	0.018	13
Bank Forum	FORM	0.18	-13.7%	0.010	35
Bogdan Motors	LUAZ	0.05	-9.0%	0.010	8

Highlights

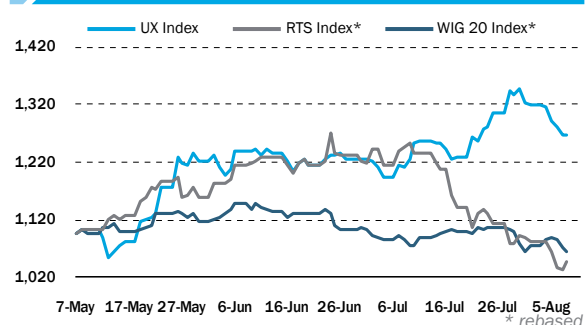
POLITICS AND ECONOMICS

- Ukraine Nearing Recapture of Donetsk, West Presses Poroshenko on Humanitarian Crisis

FIXED INCOME

- DTEK Reports Mixed 1H Operating Results Despite Donbass War

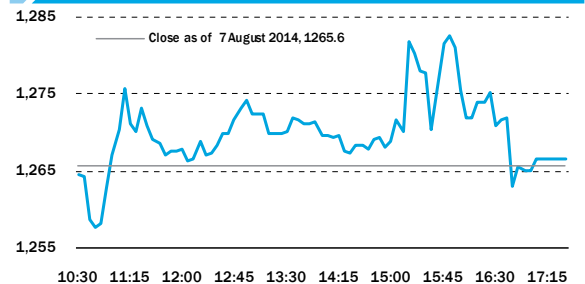
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1266.6	0.1%	4.7%	39.2%
RTS	1170.6	1.1%	-16.0%	-18.9%
WIG20	2315.7	-0.7%	-1.9%	-3.6%
MSCI EM	1045.5	-0.5%	-1.8%	4.4%
S&P 500	1931.6	1.2%	-1.6%	4.9%

UX INTRADAY AUGUST 8, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	321.6	0.1%	15.7%	-2.8%
CDS 5Y UKR	999.3	0.6%	33.2%	21.8%
Ukraine-17	10.1%	0.0 p.p.	2.0 p.p.	1.0 p.p.
Naftogaz Ukr-14	34.7%	0.3 p.p.	19.2 p.p.	25.9 p.p.
Ukraine-23	9.6%	0.2 p.p.	1.2 p.p.	2.1 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	12.55	0.4%	7.5%	52.3%
EUR	16.83	0.7%	5.9%	48.0%
RUB	0.35	-0.2%	1.8%	38.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	237.4	0.0%	-5.0%	-17.4%
Steel, USD/t	537.5	0.0%	1.4%	0.0%
Oil, USD/bbl	105.0	-0.4%	-3.7%	-5.6%
Gold, USD/oz	1311.0	-0.1%	-0.6%	9.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine Nearing Recapture of Donetsk, West Presses Poroshenko on Humanitarian Crisis

by Will Ritter
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NEWS

The separatist-controlled city of Donetsk saw intense fighting on Sunday (Aug 10) as the Ukrainian military said it has cut off the city from separatist-held areas further to the east with access to the Russian border. The New York Times reported shelling of at least 3 districts in the city as well as some urban combat involving the pro-Ukrainian Azov Battallion paramilitary unit. Meanwhile, after conversations with US Secretary of State John Kerry and German Chancellor Angela Merkel, President Poroshenko said he is in favor of a humanitarian mission to the besieged city of Lugansk, which has been without water or electricity for around 10 days. However, Poroshenko stressed that such a mission must be devoid of any military element, rejecting Russia's proposal to conduct the mission with the participation of "peacekeeping" soldiers.

COMMENTARY

This weekend was a key moment in the battle for Donetsk, and it now looks to us that the Kremlin may have decided not to intervene there to stop pro-Russian paramilitaries from being forced to surrender their control of the city. At this point, it would take major military action from Russia to save the separatists in Donetsk. We also assume that Western governments are putting very heavy pressure on Poroshenko to bring the military campaign to a close, which implies that if and when Donetsk is recaptured in the coming days, the West may try to impose a peace settlement on Kyiv in regard to the remaining rebel-held territory: the city of Lugansk as well as industrial and mining urban centers in southern Lugansk province, both of which still have access to Russian military support and fighters. While obviously an unappetizing outcome, a quick settlement whereby Ukraine is forced to accept the de-facto loss of additional territory (similarly to the outcome in Crimea) is – in our view at least – preferable to an open-ended continuation of the Donbass war that would result in ever-higher civilian casualties and undermine the national Ukrainian economy by sapping Kyiv's limited financial and political resources.

DTEK Reports Mixed 1H Operating Results Despite Donbass War

by Dmitry Churin
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NEWS

Vertically integrated thermal power plant operator DTEK managed to report mixed operating results for 1H14 despite the location of most of its assets in the war zone of Donetsk and Lugansk oblasts, creating an extremely difficult environment for its business. In a report published on Friday (Aug 8), DTEK said it increased coal output by 3.5% YoY to 20.6mn tonnes and electricity generation by 1.2% to 24.4 TWh in 1H14, while it decreased electricity distribution by 4.0% YoY to 27.9 TWh and coal exports by 6.2% YoY to 4.6mn tonnes.

DTEK PRODUCTION FIGURES

Segment	Unit	1H14	1H13	Change YoY
Coal production	mn tonnes	20.6	19.9	3.5%
Electricity generation	TWh	24.6	24.3	1.2%
Electricity distribution	TWh	27.9	29.1	-4.0%
Electricity exports	TWh	4.6	4.9	-6.2%

Source: Companies' data

COMMENTARY

DTEK's operational numbers beat our expectations, as overall industrial production in Ukraine fell by 4.7% YoY in 1H14. Moreover, electricity consumption by industrial companies dropped by 3.1% YoY and total demand for electricity in the country decreased by 2.7% YoY in the period. Currently the main question regarding DTEK is whether the company's assets in the Donbass region will make it through the war without sustaining major damages. A number of media reports have said that railway infrastructure in the region has been destroyed, which could endanger coal deliveries to thermal generation plants. Also some of group's coal mines in the separatist hotspot of southern Lugansk oblast have also come under siege, and in at least one instance, have been subjected to armed hostilities.

DTEK-18s Eurobonds currently quote at 14.8%/14.6% YTM, with spread to the sovereign yield curve of 420 basis points.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.90	0.56	-38%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	128.7	108.0	-16%	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	7.95	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	6.50	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	3.09	U/R	-	Susp.	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.69	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	17.1	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.05	5.2	398%	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	2414	5250	117%	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	5.6	U/R	-	U/R	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	U/R	-	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnerg	DOEN	39.9	72.0	80%	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	7.82	15.00	92%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	12.0	15.65	30%	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	34.5	90.0	161%	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	8.4	8.93	6%	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	0.143	0.24	68%	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	1266.55	1368.76	799.72	0.1%	-3.9%	4.7%	39.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.036	0.06	0.02	0.0%	-2.2%	-3.0%	-7.5%	-0.1%	1.8%	-7.6%	-46.6%
Azovstal	AZST	0.90	0.95	0.35	2.4%	2.7%	16.0%	34.3%	2.3%	6.7%	11.3%	-4.8%
Dniprospezstal	DNSS	250	n/a	n/a	-50.0%	-50.0%	-80.8%	-80.8%	-50.1%	-46.1%	-85.4%	-119.9%
Enakievo Steel	ENMZ	43.6	65.0	17.0	0.4%	-0.1%	2.6%	36.1%	0.3%	3.9%	-2.1%	-3.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	99.0%	247.8%	-0.1%	3.9%	94.3%	208.7%
Mariupol Ilyicha	MMKI	0.11	n/a	n/a	0.0%	-15.4%	-31.3%	10.0%	-0.1%	-11.5%	-35.9%	-29.2%
Coke												
Avdivka Coke	AVDK	3.09	4.80	1.46	1.6%	-0.4%	-3.7%	4.4%	1.6%	3.5%	-8.3%	-34.8%
Yasnyivsky Coking	YASK	0.69	0.84	0.30	0.0%	-4.2%	3.0%	30.2%	-0.1%	-0.2%	-1.7%	-9.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.50	n/a	n/a	2.2%	2.2%	-6.5%	0.0%	2.1%	6.1%	-11.1%	-39.2%
Ferrexpo	FXPO	2.16	3.20	2.07	-0.3%	-3.2%	-10.6%	-31.5%	-0.4%	0.7%	-15.3%	-70.7%
Pivnichny GOK	SGOK	7.95	10.00	4.50	-0.6%	2.2%	-11.7%	-0.6%	-0.7%	6.1%	-16.3%	-39.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.79	0.10	10.2%	-17.7%	-7.1%	62.5%	10.1%	-13.8%	-11.8%	23.3%
Komsomolets Donbasa	SHKD	0.80	n/a	n/a	0.0%	0.0%	-5.9%	29.0%	-0.1%	3.9%	-10.5%	-10.1%
Energy Coal	CLE	0.30	0.93	0.29	0.6%	-4.7%	-22.3%	-15.0%	0.6%	-0.8%	-26.9%	-54.2%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	-31.8%	-31.8%	-31.8%	-34.8%	-31.9%	-27.9%	-36.5%	-74.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.01	0.30	0.0%	0.0%	-16.7%	16.7%	-0.1%	3.9%	-21.3%	-22.5%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.1%	3.9%	-27.7%	3.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	17.1	26.0	10.0	0.6%	-6.6%	-11.6%	-1.2%	0.5%	-2.7%	-16.2%	-40.3%
Luhanskeplovoz	LTPL	1.05	2.20	0.85	-27.6%	-22.2%	-8.7%	-30.0%	-27.7%	-18.3%	-13.4%	-69.2%
Stakhanov Wagon	SVGZ	1.07	n/a	n/a	0.0%	0.0%	-7.0%	-17.7%	-0.1%	3.9%	-11.6%	-56.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	-9.0%	-12.5%	-22.9%	71.7%	-9.1%	-8.6%	-27.5%	32.5%
Motor Sich	MSICH	2,414	3,000	1,303	-3.6%	-10.4%	-0.3%	32.3%	-3.7%	-6.4%	-5.0%	-6.8%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	13.2%	-14.3%	-49.9%	20.0%	13.1%	-10.4%	-54.6%	-19.2%
Turboatom	TATM	4.95	n/a	n/a	0.0%	-1.0%	7.6%	41.4%	-0.1%	2.9%	2.9%	2.3%
WESTA ISIC	WES	0.09	0.26	0.09	-2.7%	-0.6%	-19.7%	-30.4%	-2.8%	3.3%	-24.3%	-69.6%
Telecom												
Ukrtelecom	UTLM	0.18	0.19	0.09	-0.3%	0.5%	-0.7%	62.3%	-0.4%	4.4%	-5.3%	23.1%
Oil & Gas												
Regal Petroleum	RPT	0.09	0.27	0.09	-13.8%	-26.5%	-30.3%	-55.2%	-13.8%	-22.6%	-34.9%	-94.4%
JKX Oil	JKX	0.61	1.21	0.61	-1.4%	-9.6%	-37.0%	-48.3%	-1.4%	-5.7%	-41.7%	-87.5%
Ukrnafta	UNAF	303	370	54	4.4%	-2.8%	26.2%	178.8%	4.3%	1.1%	21.5%	139.6%
Power Utilities												
Centrenerg	CEEN	7.82	8.70	2.50	0.0%	-3.7%	6.0%	64.0%	-0.1%	0.3%	1.3%	24.8%
Donbasenergo	DOEN	39.9	50.2	11.0	1.0%	-3.6%	5.1%	44.6%	0.9%	0.3%	0.4%	5.4%
Zakhidenergo	ZAEN	149.0	157.0	64.0	0.0%	0.0%	8.8%	64.8%	-0.1%	3.9%	4.1%	25.6%
Consumer												
Agroton	AGT	0.67	1.8	0.64	-5.6%	-14.1%	-33.3%	3.3%	-5.7%	-10.2%	-37.9%	-35.8%
Astarta	AST	11.0	24.4	11.0	-4.6%	-4.7%	-22.2%	-50.5%	-4.7%	-0.8%	-26.9%	-89.7%
Avangardo	AVGR	8.4	13.0	8.40	-2.1%	-1.3%	-14.8%	-28.2%	-2.2%	2.6%	-19.5%	-67.4%
Industrial Milk Company	IMC	2.62	5.13	2.49	0.6%	-6.6%	-20.4%	-35.2%	0.6%	-2.7%	-25.0%	-74.4%
Kernel	KER	8.7	17.7	7.6	5.5%	-5.3%	-16.5%	-31.0%	5.5%	-1.4%	-21.2%	-70.1%
Mriya Agro Holding	MAYA	3.19	8.2	2.79	-0.3%	-31.1%	-48.4%	-57.1%	-0.4%	-27.1%	-53.1%	-96.3%
MHPC	MHPC	12.0	18.5	11.00	-4.2%	-7.4%	-20.5%	-29.5%	-4.2%	-3.5%	-25.2%	-68.6%
Milkiland	MLK	1.60	4.7	1.60	-1.7%	-12.6%	-26.7%	-61.6%	-1.8%	-8.7%	-31.3%	-100.8%
Ovostar Union	OVO	22.3	33.3	19.4	3.6%	-0.6%	-1.0%	-32.8%	3.5%	3.3%	-5.6%	-72.0%
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	11.0	n/a	n/a	0.0%	-7.2%	-12.1%	-12.0%	-0.1%	-3.2%	-16.8%	-51.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.143	0.188	0.077	0.0%	-3.7%	-4.7%	25.6%	-0.1%	0.3%	-9.3%	-13.6%
UkrSotsbank	USCB	0.177	0.257	0.090	1.8%	0.5%	8.0%	-5.5%	1.8%	4.4%	3.4%	-44.7%

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	1,449	402	506	492	28.2%	32.0%	33.9%	216	264	277	15.1%	16.7%	19.1%
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	74	3.9%	3	1,422	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	301	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	48	6.8%	3	45	neg	neg	neg	neg	1.0	1.5	0.0	0.0	0.1	11	12	12	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.2	0.6	0.6	0.8	0.0	0.0	0.0	0.6	0.6	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	607	0.3%	2	605	6.4	3.1	3.7	2.6	1.9	2.2	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,460	0.4%	6	1,453	3.3	2.7	3.2	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,263	24.0%	303	1,942	5.9	4.8	4.6	4.8	3.8	3.9	1.4	1.2	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	21	5.4%	1	123	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	13	25.0%	3	123	0.4	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	145	2.0%	3	191	4.3	>30	>30	3.7	6.1	7.4	0.4	0.6	0.7	303	502	477	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	18	24.0%	4	56	3.8	0.9	0.8	1.9	1.6	1.5	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	156	5.0%	8	156	1.6	3.8	neg	1.2	2.4	10.2	0.2	0.4	1.0				
Stakhanov Wagon	SVGZ	19	8.0%	2	52	>30	>30	>30	7.2	8.8	9.5	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	118	5.8%	7	52	3.1	1.6	2.3	1.0	0.6	0.7	0.3	0.2	0.2				
Motor Sich	MSICH	400	24.0%	96	390	2.0	2.4	2.1	1.3	1.4	1.5	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	266	7.2%	19	570	5.9	15.6	10.1	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,308	3.0%	39	1,300	7.4	>30	8.1	2.9	4.5	4.0	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	30	21.6%	7	5	2.6	neg	15.1	0.2	neg	0.2	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	105	50.4%	53	213	neg	16.2	13.5	1.6	3.2	3.1	1.1	1.2	1.1	39	29	28	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	230	21.7%	50	299	8.0	3.9	4.4	4.3	3.2	3.7	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnerg	DOEN	75	14.2%	11	140	19.7	1.2	1.6	4.4	1.9	2.7	0.2	0.2	0.2	17	18	17	\$/MWh
Consumer																		
MHP	MHPC	1,268	34.1%	432	2,396	4.1	7.8	neg	5.1	6.1	5.0	1.7	1.6	1.6				
Kernel	KER	697	61.8%	430	1,403	3.3	6.6	14.8	4.4	4.8	8.0	0.7	0.5	0.6				
Astarta	AST	275	37.0%	102	597	4.7	8.1	3.4	5.4	6.6	4.3	1.3	1.2	1.1				
Avangardco	AVGR	539	22.5%	121	646	2.4	2.3	3.3	2.3	2.1	2.8	1.0	1.0	1.1	146	111	105	\$/mneggs
Agroton	AGT	15	26.2%	4	64	2.1	neg	neg	3.1	8.4	18.3	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	341	3.5%	12		>30	3.8	neg	0.4	0.4	0.6	0.06	0.06	0.09				
Ukrsotsbank	USCB	260	1.0%	3		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

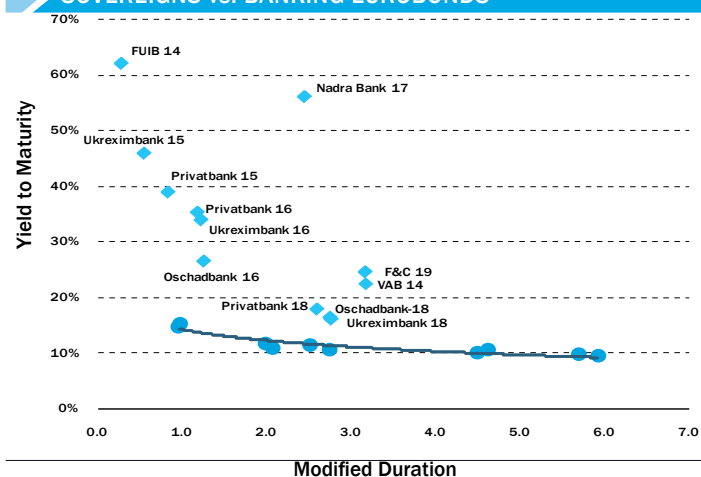
UKRAINIAN EUROBONDS

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	96.3	97.1	37.9%	31.5%	-3.8%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	90.9	92.8	16.0%	13.5%	-4.3%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	93.4	94.4	16.0%	14.7%	-3.9%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	90.9	91.9	12.0%	11.4%	-2.8%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	91.1	92.1	11.2%	10.6%	-2.9%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	90.5	91.5	10.7%	10.3%	-1.9%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	95.3	96.3	11.8%	11.3%	-3.4%	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%	2.6	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	86.4	87.9	13.3%	12.6%	11.0%	3.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	90.4	91.4	10.3%	10.0%	-2.4%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	88.0	89.0	10.8%	10.5%	-5.5%	4.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	88.7	91.1	9.9%	9.5%	-1.3%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	87.4	88.6	9.7%	9.4%	-2.7%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.1	36.3	77.6%	57.4%	-37.4%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	91.0	94.0	24.7%	19.6%	-10.6%	0.6	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.8	87.0	11.8%	11.4%	-3.3%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.0	94.0	19.7%	19.7%	-4.1%	1.0	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	84.8	87.2	16.6%	15.6%	-4.6%	2.7	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	45.0	55.0	74.3%	56.6%	-50.2%	na	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	45.0	55.0	41.4%	32.8%	-42.6%	2.4	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	80.0	83.0	45.4%	39.1%	-20.3%	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	80.0	85.0	43.3%	33.8%	-19.5%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	75.0	78.0	20.0%	18.4%	-19.5%	2.6	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.5	92.5	15.7%	14.6%	-6.1%	1.4	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	80.0	83.0	16.9%	15.6%	-11.1%	2.9	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	73.5	74.5	25.5%	24.1%	-4.5%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	84.9	86.6	17.4%	16.7%	-22.7%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.3%	22.0%	-27.7%	3.2	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	83.6	83.6	62.2%	62.2%	-15.1%	0.3	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	61.0%	51.3%	-28.6%	2.5	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	83.0	86.0	43.2%	35.3%	-5.2%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	70.0	72.0	36.8%	34.0%	-6.6%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	82.0	85.0	17.9%	16.7%	-0.2%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	87.0	90.0	54.4%	39.3%	-8.2%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	72.0	77.0	38.0%	30.3%	-12.7%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	80.2	81.9	16.5%	15.8%	-9.1%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	72.0	75.0	23.8%	22.0%	-14.0%	2.2	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	82.5	83.5	27.2%	25.9%	-10.8%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	79.0	81.0	16.9%	16.0%	-10.1%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	85.3	86.5	27.5%	25.7%	-7.6%	1.0	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	85.0	87.0	19.1%	17.6%	-7.5%	1.6	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

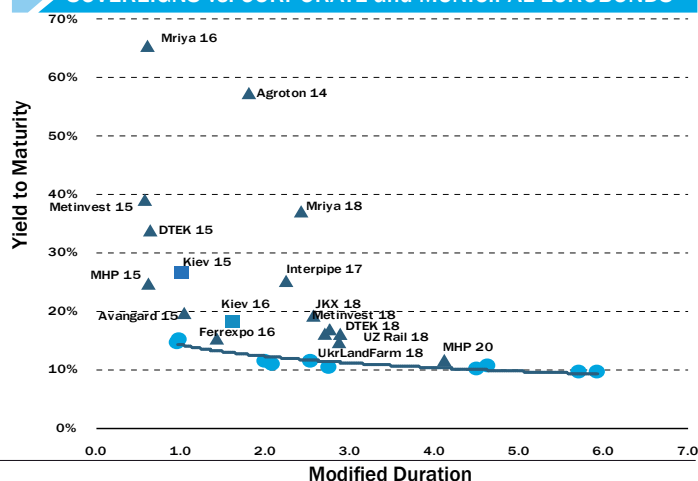
¹ Moody's/S&P/Fitch; * EUR

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%	14.5%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			18.0%	15.5%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000142699	n/a	n/a	13.5%	13.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	13.5%	13.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	13.5%	13.0%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	14.0%	12.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			16.0%	15.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			16.0%	15.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			16.0%	15.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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