

**Market Update**

**Equity**

Local Ukrainian blue chips had another mixed performance on Tuesday (Aug 12), although currency traders continued to hammer the hryvnia, further undercutting USD-denominated valuations. In Frankfurt and Paris, the boomerang swung back the other way as Monday's big gains were followed up by losses in the range of 1% for both benchmark indices, while US markets were largely flat. The UX index rose 0.6% to end at 1269 points, fueled by a 4.3% pickup in UkrNafta, which along with CentrEnergy (+2.4%) appeared to be reacting to keep pace with the sharp hryvnia devaluation. Motor Sich, however, continued to slide on defense sector sanctions concerns, falling to UAH 2287 on a 1.2% decline; the double-whammy of devaluation has reduced the issue's USD-denominated price by nearly 30% since the beginning of the month. Alchevsk Steel, located in the epicenter of the Donbass conflict zone, was also a loser on the day, falling 2.2%. In London, Ferrexpo gave back about half of its strong Monday gain, shedding 2.8%, while beaten-down JX Oil&Gas rallied by 7.0% to nudge back above the GBp 40 level.

**Fixed Income**

Ukrainian sovereign Eurobonds were unchanged yesterday, with long-term benchmark Ukraine-23s closing at 88.9/90.2 (9.4%/9.2%). Top corporate bonds finally started to show a rebound from their heavy slide triggered by the announcement of Mriya's liquidity problems almost 2 weeks ago. MHP-15s added 2.0 p.p. to end at 93.0/96.0 (38.4%/26.4%) and Ferrexpo-16s climbed 1.5 p.p. to 91.0/95.9 (16.2%/11.8%). In the banking universe, UkrEximBank-18s gained 1.3 p.p. to 82.0/82.7 (15.7%/15.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	316.90	4.3%	2.5	239
Centrenerg	CEEN	8.05	2.4%	1.5	116
Motor Sich	MSICH	2287.00	-1.2%	1.5	126

**Growth Leaders**

Ukrnafta	UNAF	316.90	4.3%	2.54	239
Pivnichny GOK	SGOK	8.30	3.8%	0.10	13
Krymenergo	KREN	2.04	3.0%	0.03	7

**Loss Leaders**

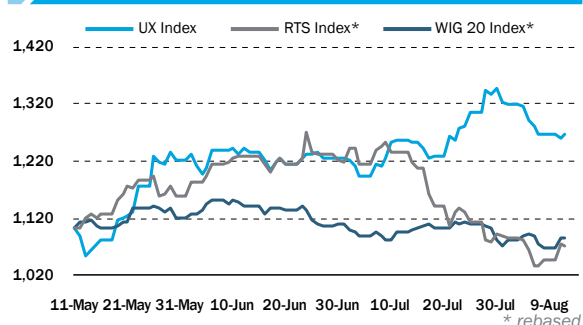
Kryukiv Wagon	KVBZ	16.26	-4.6%	0.137	24
Alchevsk Steel	ALMK	0.04	-2.2%	0.073	63
Motor Sich	MSICH	2,287.00	-1.2%	1.524	126

**Highlights**

**POLITICS AND ECONOMICS**

- > Hryvnia Official NBU Exchange Rate Hits 13.00 Against Dollar

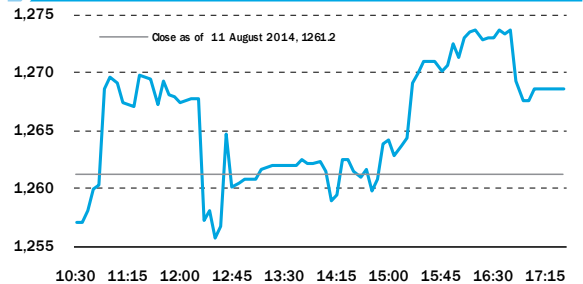
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1268.5	0.6%	0.9%	39.4%
RTS	1198.7	-0.4%	-13.3%	-16.9%
WIG20	2349.5	-0.1%	-1.0%	-2.1%
MSCI EM	1064.4	0.3%	0.5%	6.2%
S&P 500	1933.8	-0.2%	-1.7%	5.0%

**UX INTRADAY AUGUST 12, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	315.1	-0.4%	12.3%	-4.7%
CDS 5Y UKR	987.9	1.3%	31.5%	20.4%
Ukraine-17	9.4%	0.0 p.p.	1.9 p.p.	0.4 p.p.
Naftogaz Ukr-14	32.3%	-0.2 p.p.	15.7 p.p.	23.5 p.p.
Ukraine-23	9.3%	0.0 p.p.	1.1 p.p.	1.8 p.p.
Privatbank-16	29.5%	0.8 p.p.		4.8 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	13.40	4.5%	14.4%	62.6%
EUR	17.92	4.4%	12.5%	57.6%
RUB	0.38	6.2%	8.4%	51.0%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	240.6	0.0%	-1.6%	-16.3%
Steel, USD/t	530.0	0.0%	0.0%	-1.4%
Oil, USD/bbl	103.0	-1.6%	-4.0%	-7.4%
Gold, USD/oz	1309.5	0.1%	-2.2%	9.4%

\*Ukraine FOB

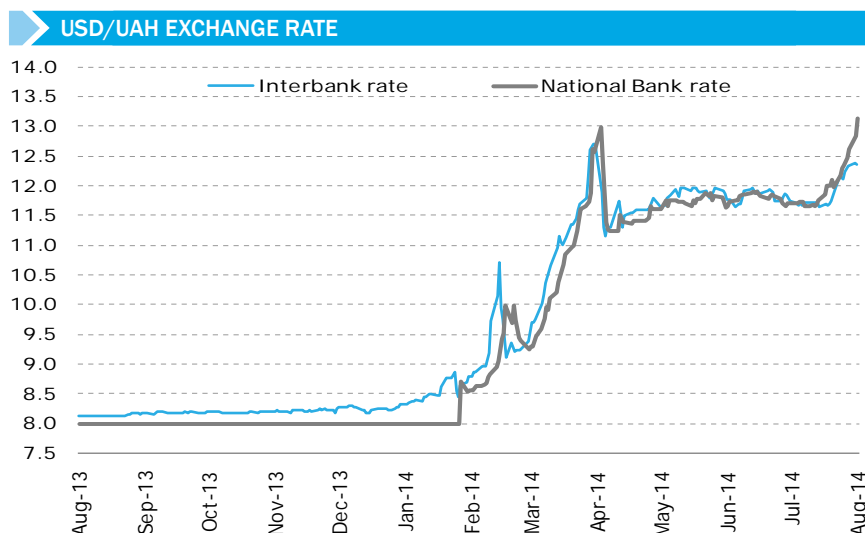
Source: Bloomberg, Ukrainian Exchange

**Hryvnia Official NBU Exchange Rate Hits 13.00 Against Dollar**

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**NEWS**

The National Bank of Ukraine (NBU) lowered its official hryvnia exchange rate from 12.82 to 13.14 against US dollar on Tuesday (Aug 12). The NBU thereby set a fresh historical low for the UAH/USD rate after the previous spike in the currency pair to 13.00 in late April. The official rate has declined by 4.2% since Friday (Aug 8). On the interbank currency market, the hryvnia traded considerably below the official rate in the spread range of 13.45/13.60 yesterday; the interbank rate has devalued by 10.5% since the start of the month due to a new wave of concerns regarding the unsolved Donbass war and worsening macroeconomic outlook for 2H14. The NBU reported that it had spent USD 150mn in recent days to tamp down demand for hard currencies. However, the NBU also said it has no intention to burn up the country's foreign currency reserves, and said it is ready to prepare additional administrative measures to stop currency speculation.



Source: Bloomberg

**COMMENTARY**

Turnover on the interbank market has remained in the range of USD 250-350mn per day, which in our view is a low enough level to mitigate expectations of a further uncontrolled hryvnia fall; however, a return to the Yanukovich-era “administrative measures” to control the currency rate can hardly be viewed as a positive development for Ukraine’s macroeconomic situation. We see the current spike in the UAH/USD rate as basically a speculative attack based on assumptions that the government may in the future have trouble funding the ongoing Donbass war, rather than an economically justified development. Yesterday NBU governor Valeria Hontareva told Parliament that the central bank is still targeting the UAH/USD exchange rate in the range of 11.50-11.90.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.92	0.56	-39%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	132.5	108.0	-18%	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	8.30	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.
<b>Coke</b>						
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	0.75	U/R	-	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	16.3	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.07	5.2	389%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2287	5250	130%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	5.3	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	40.1	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.
<b>Power Utilities</b>						
DonbasEnerg	DOEN	40.2	72.0	79%	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	8.05	15.00	86%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
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	36.8	90.0	145%	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	69.5	58.74	-15%	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.
<b>Banks</b>						
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	1268.53	1368.76	799.72	0.6%	-1.9%	0.9%	39.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.036	0.06	0.02	-2.2%	-1.9%	-3.8%	-8.5%	-2.8%	-0.1%	-4.6%	-47.9%
Azovstal	AZST	0.92	0.95	0.35	0.3%	4.8%	11.8%	36.9%	-0.3%	6.7%	11.0%	-2.5%
Dniprospezstal	DNSS	250	n/a	n/a	0.0%	-50.0%	-80.8%	-80.8%	-0.6%	-48.1%	-81.6%	-120.2%
Enakievo Steel	ENMZ	43.4	65.0	17.0	-0.5%	0.0%	2.4%	35.5%	-1.1%	1.9%	1.5%	-3.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	34.7%	247.8%	-0.6%	1.9%	33.8%	208.4%
Mariupol Ilyicha	MMKI	0.11	n/a	n/a	0.0%	-21.4%	-31.3%	10.0%	-0.6%	-19.6%	-32.1%	-29.4%
<b>Coke</b>												
Avdiyivka Coke	AVDK	3.16	4.80	1.46	1.9%	2.4%	-4.1%	6.7%	1.4%	4.3%	-5.0%	-32.7%
Yasnyivsky Coking	YASK	0.75	0.84	0.30	0.0%	1.4%	8.7%	41.5%	-0.6%	3.2%	7.8%	2.1%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.50	n/a	n/a	0.0%	2.2%	-6.5%	0.0%	-0.6%	4.1%	-7.3%	-39.4%
Ferrexpo	FXPO	2.23	3.20	2.07	-2.6%	-0.2%	-7.3%	-29.4%	-3.2%	1.6%	-8.2%	-68.8%
Pivnichny GOK	SGOK	8.30	10.00	4.50	3.8%	3.1%	5.1%	3.8%	3.2%	5.0%	4.2%	-35.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.65	0.79	0.10	0.0%	-17.7%	-13.3%	62.5%	-0.6%	-15.9%	-14.2%	23.1%
Komsomolets Donbasa	SHKD	0.80	n/a	n/a	0.0%	0.0%	-5.9%	29.0%	-0.6%	1.9%	-6.7%	-10.4%
Energy Coal	CLE	0.29	0.93	0.29	-2.3%	-7.5%	-23.3%	-16.3%	-2.9%	-5.7%	-24.1%	-55.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	-31.8%	-31.8%	-34.8%	-0.6%	-30.0%	-32.7%	-74.2%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.69	1.01	0.30	-1.4%	-1.4%	-21.6%	15.0%	-2.0%	0.4%	-22.4%	-24.4%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.6%	1.9%	-23.9%	3.5%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	16.3	26.0	10.0	-4.6%	-11.0%	-15.5%	-6.0%	-5.2%	-9.1%	-16.4%	-45.4%
Luhanskeplovoz	LTPL	1.07	2.20	0.85	1.9%	-20.7%	2.9%	-28.7%	1.3%	-18.9%	2.0%	-68.1%
Stakhanov Wagon	SVGZ	1.13	n/a	n/a	5.6%	5.6%	-1.7%	-13.1%	5.0%	7.5%	-2.6%	-52.5%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	-12.5%	-22.9%	71.7%	-0.6%	-10.6%	-23.7%	32.3%
Motor Sich	MSICH	2,287	3,000	1,303	-1.2%	-12.3%	-8.1%	25.4%	-1.8%	-10.4%	-9.0%	-14.0%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	0.0%	0.0%	-49.9%	20.0%	-0.6%	1.9%	-50.8%	-19.4%
Turboatom	TATM	5.15	n/a	n/a	0.0%	3.0%	12.0%	47.1%	-0.6%	4.9%	11.1%	7.8%
WESTA ISIC	WES	0.10	0.26	0.09	-0.2%	-3.7%	-9.3%	-28.4%	-0.8%	-1.8%	-10.2%	-67.8%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	-9.2%	-8.8%	-7.4%	47.4%	-9.8%	-6.9%	-8.2%	8.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.09	0.27	0.09	-2.1%	-30.4%	-43.5%	-57.5%	-2.7%	-28.6%	-44.3%	-96.9%
JKX Oil	JKX	0.67	1.21	0.61	7.2%	7.7%	-30.2%	-43.1%	6.6%	9.5%	-31.1%	-82.5%
Ukrnafta	UNAF	317	370	54	4.2%	6.3%	23.5%	191.8%	3.7%	8.2%	22.6%	152.4%
<b>Power Utilities</b>												
Centrenerg	CEEN	8.05	8.70	2.50	2.0%	0.0%	2.8%	68.7%	1.4%	1.8%	1.9%	29.3%
Donbasenergo	DOEN	40.2	50.2	11.0	0.8%	-1.1%	1.8%	45.7%	0.2%	0.8%	0.9%	6.3%
Zakhidenergo	ZAEN	149.0	157.0	64.0	0.0%	0.0%	6.4%	64.8%	-0.6%	1.9%	5.6%	25.4%
<b>Consumer</b>												
Agroton	AGT	0.67	1.8	0.64	-5.6%	-6.2%	-30.2%	3.8%	-6.1%	-4.4%	-31.1%	-35.5%
Astarta	AST	11.7	24.4	11.0	0.1%	-1.0%	-19.6%	-47.5%	-0.5%	0.8%	-20.5%	-86.8%
Avangardo	AVGR	8.6	13.0	8.40	1.3%	-5.0%	-8.6%	-27.1%	0.7%	-3.1%	-9.5%	-66.5%
Industrial Milk Company	IMC	2.61	5.03	2.49	-3.4%	-2.2%	-16.3%	-35.4%	-4.0%	-0.3%	-17.1%	-74.8%
Kernel	KER	8.6	17.7	7.6	-1.5%	-2.5%	-15.4%	-32.0%	-2.1%	-0.6%	-16.3%	-71.4%
Mriya Agro Holding	MAYA	3.13	8.2	2.79	-0.6%	12.1%	-50.0%	-58.0%	-1.2%	14.0%	-50.9%	-97.4%
MHPC	MHPC	12.0	18.5	11.00	0.0%	-7.0%	-20.3%	-29.5%	-0.6%	-5.1%	-21.1%	-68.8%
Milkiland	MLK	1.65	4.7	1.60	-1.2%	-7.6%	-24.9%	-60.3%	-1.7%	-5.7%	-25.8%	-99.7%
Ovostar Union	OVO	22.1	33.3	19.4	-0.9%	3.0%	-3.9%	-33.6%	-1.5%	4.9%	-4.8%	-73.0%
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
<b>Chemicals</b>												
Stirol	STIR	11.5	n/a	n/a	4.5%	-3.0%	-8.1%	-8.0%	4.0%	-1.1%	-9.0%	-47.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.143	0.188	0.077	-0.1%	-1.3%	-6.3%	25.6%	-0.7%	0.5%	-7.1%	-13.8%
UkrSotsbank	USCB	0.177	0.257	0.090	0.0%	1.8%	4.7%	-5.5%	-0.6%	3.7%	3.9%	-44.9%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
Centrenergo	CEEN	1,119	915	714	69	94	44	6.2%	10.3%	6.1%	29	60	21	2.6%	6.5%	2.9%
Donbasenergo	DOEN	574	656	512	32	72	45	5.6%	11.0%	8.8%	4	65	40	0.7%	9.9%	7.8%
<b>Consumer</b>																
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
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	68	3.9%	3	1,417	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	366	341	332	\$/tonne
Yenakievo Steel	ENMZ	34	8.8%	3	30	4.0	neg	neg	neg	1.4	0.9	0.0	0.0	0.0	11	11	10	\$/tonne
Azovstal	AZST	288	3.0%	8	272	neg	neg	neg	neg	neg	7.7	0.1	0.1	0.1	59	60	60	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	46	6.8%	3	43	neg	neg	neg	neg	0.9	1.5	0.0	0.0	0.1	10	11	12	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	16	1.8	neg	3.3	0.6	0.6	0.9	0.0	0.0	0.0	0.6	0.6	0.9	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	568	0.3%	1	567	6.0	2.9	3.5	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,427	0.4%	6	1,421	3.3	2.6	3.1	1.9	1.6	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,303	24.0%	313	1,982	6.0	4.9	4.7	4.9	3.9	4.0	1.4	1.3	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	20	5.4%	1	122	2.8	1.2	1.2	1.0	1.3	1.3	0.4	0.6	0.5	30	29	27	\$/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
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	134	2.0%	3	180	4.0	28.5	>30	3.5	5.7	7.0	0.4	0.6	0.7	285	472	449	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	18	24.0%	4	55	3.6	0.9	0.8	1.9	1.5	1.4	0.3	0.2	0.1				
Kruiiv Wagon	KVBZ	139	5.0%	7	139	1.5	3.3	neg	1.0	2.1	9.1	0.2	0.3	0.9				
Stakhanov Wagon	SVGZ	19	8.0%	2	52	>30	>30	>30	7.2	8.8	9.5	0.2	0.3	0.3				
<b>Specialized Machinery</b>																		
Turboatom	TATM	110	5.8%	6	44	2.9	1.5	2.1	0.9	0.5	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	355	24.0%	85	345	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	227	7.2%	16	530	5.0	13.3	8.6	2.6	2.8	3.1	0.6	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,282	3.0%	38	1,274	7.3	>30	8.0	2.8	4.5	3.9	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	29	21.6%	6	4	2.5	neg	14.4	0.2	neg	0.1	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	116	50.4%	58	224	neg	17.8	14.8	1.6	3.4	3.3	1.1	1.2	1.1	41	31	30	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	222	21.7%	48	290	7.7	3.7	10.6	4.2	3.1	6.6	0.3	0.3	0.4	16	21	18	\$/MWh
DonbasEnergO	DOEN	71	14.2%	10	136	18.5	1.1	1.8	4.3	1.9	3.0	0.2	0.2	0.3	17	18	17	\$/MWh
<b>Consumer</b>																		
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	686	61.8%	424	1,392	3.3	6.5	14.6	4.3	4.8	8.0	0.6	0.5	0.6				
Astarta	AST	292	37.0%	108	614	5.0	8.6	3.6	5.6	6.7	4.5	1.3	1.3	1.1				
Avangardco	AVGR	547	22.5%	123	654	2.4	2.3	3.3	2.3	2.2	2.8	1.0	1.0	1.1	148	113	106	\$/mneggs
Agroton	AGT	15	26.2%	4	64	2.2	neg	neg	3.1	8.5	18.3	0.7	0.8	0.7	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	319	3.5%	11		>30	3.6	neg	0.4	0.4	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	243	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

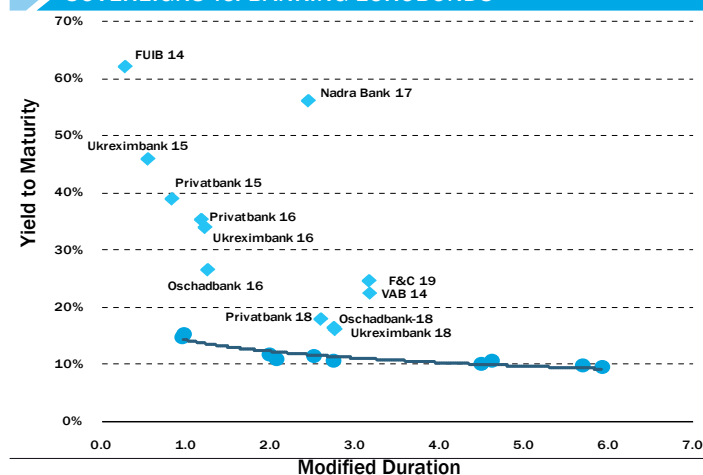
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Naftogaz Ukraine, 2014	96.7	97.5	35.7%	28.9%	-3.4%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	92.6	94.0	13.9%	12.1%	-2.8%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	94.4	95.4	14.8%	13.5%	-2.9%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	92.0	94.0	11.3%	10.1%	-1.1%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	92.4	93.4	10.5%	9.9%	-1.5%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	92.0	93.5	10.1%	9.5%	0.0%	2.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	97.1	98.1	11.0%	10.6%	-1.6%	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	91.0	92.1	11.3%	10.9%	16.6%	3.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	89.2	91.2	10.6%	10.1%	-3.1%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	90.8	92.8	10.1%	9.6%	-2.0%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	90.5	93.5	9.6%	9.0%	1.0%	5.7	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	88.9	90.2	9.4%	9.2%	-1.0%	5.9	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	29.1	37.6	77.9%	54.8%	-36.1%	1.8	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	93.0	96.0	21.4%	16.4%	-8.7%	0.6	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	83.5	86.2	12.4%	11.7%	-5.1%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	94.0	94.0	19.8%	19.8%	-4.1%	1.0	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	86.4	88.6	15.9%	15.1%	-3.0%	2.7	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	45.0	55.0	74.5%	56.8%	-50.1%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	50.0	53.0	36.9%	34.4%	-40.9%	2.4	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	80.0	83.0	45.7%	39.3%	-20.3%	0.6	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018						2.9	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	81.0	86.0	41.6%	32.2%	-18.5%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	75.1	78.3	20.0%	18.3%	-19.3%	2.6	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.0	95.9	16.2%	11.8%	-4.6%	1.4	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	79.2	81.0	17.2%	16.4%	-12.6%	2.9	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	73.5	74.5	25.6%	24.1%	-4.5%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	87.7	89.7	16.3%	15.5%	-20.1%	2.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
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	61.2%	51.5%	-28.6%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	82.0	85.0	47.0%	38.1%	-6.3%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	72.0	74.0	34.1%	31.5%	-3.9%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	82.0	84.3	18.0%	17.0%	-0.7%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	88.0	89.0	49.8%	44.6%	-8.2%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	72.0	77.0	38.3%	30.5%	-12.7%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	82.0	82.7	15.7%	15.4%	-7.7%	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%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	83.0	85.0	26.7%	24.2%	-9.7%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	81.3	82.6	16.6%	15.4%	-7.9%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	85.3	87.0	27.7%	25.1%	-7.4%	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/

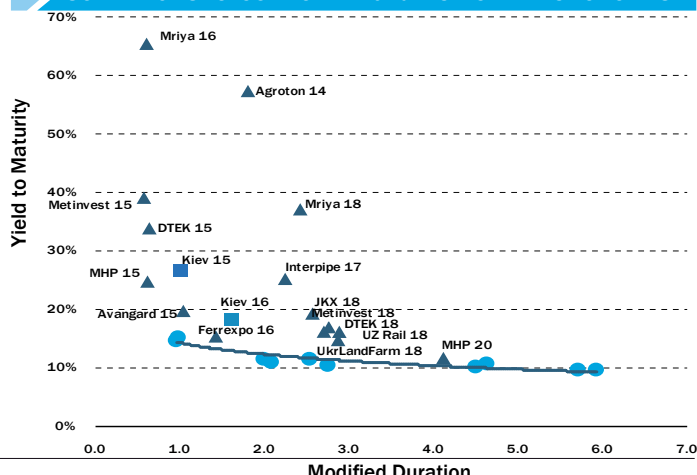
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	14.0%	12.0%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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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