

Market Update

Equity

Local Ukrainian stocks were mostly higher on Tuesday (Aug 19) in line with gains in the main European and US indices, with news that President Poroshenko will hold meetings with both German Chancellor Merkel and Russian President Putin in the coming days providing some support to investor sentiment. Germany's DAX gained 1% and the UX index picked up 0.8%, closing at 1273 points. Volume leader Motor Sich added 1.8% on turnover of UAH 4.7mn, and CentrEnerg and UkrNafta rose by 1.3% and 1.1% respectively, with the former ending at UAH 8.11. In London, JKG Oil&Gas continued to rebound from its all-time low of GBp 34 hit earlier this month, edging higher by 1.2% to GBp 44.50, while in Frankfurt, beaten-down Mriya moved up by 2.0% to EUR 1.53.

Fixed Income

Ukrainian sovereign Eurobonds increased yesterday with Ukraine-23s adding 1.8 p.p. to close at 91.7%/92.7% (8.9%/8.7%). Medium term Ukraine-17s added 0.8 p.p. to 92.4%/94.1 (10.0%/9.3%). In corporate names, Metinvest-18s gained 1.0 p.p. to close at 75.0/78.0 (20.1%/18.5%). Ferrexpo-16s edged up by 0.7 p.p. to 94.0/95.5 (13.7%/12.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2409.00	1.8%	4.8	161
Ukrnafta	UNAF	322.00	1.1%	2.4	106
Centrenerg	CEEN	8.11	1.3%	2.0	167

Growth Leaders

Motor Sich	MSICH	2409.00	1.8%	4.76	161
Centrenerg	CEEN	8.11	1.3%	1.98	167
Ukrnafta	UNAF	322.00	1.1%	2.41	106

Loss Leaders

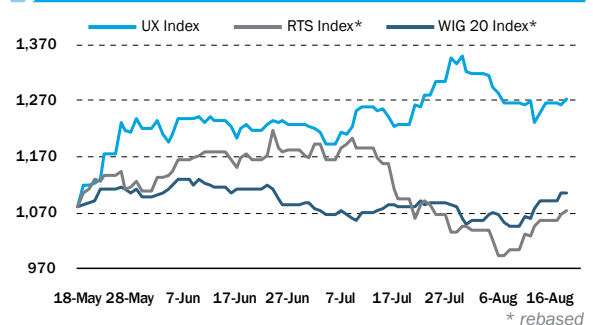
Krymenergo	KREN	2.00	-3.4%	0.035	7
Alchevsk Steel	ALMK	0.03	-0.9%	0.010	25
Avdyivka Coke	AVDK	2.94	-0.3%	0.014	8

Highlights

POLITICS AND ECONOMICS

- > Merkel Surprise Visit to Kyiv Announced for Aug 23
- > Industrial Production Slumps 12% YoY in July on Mine Shutdowns

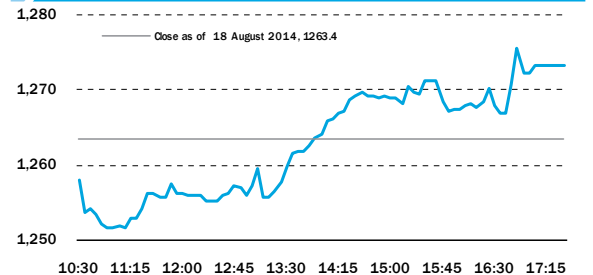
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1273.3	0.8%	3.7%	39.9%
RTS	1251.7	0.7%	-1.9%	-13.2%
WIG20	2448.0	0.0%	2.3%	2.0%
MSCI EM	1084.5	0.7%	2.0%	8.2%
S&P 500	1981.6	0.5%	0.2%	7.6%

UX INTRADAY AUGUST 19, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	303.5	-1.4%	6.0%	-8.2%
CDS 5Y UKR	918.0	-3.6%	16.0%	11.9%
Ukraine-17	9.2%	-0.3 p.p.	0.9 p.p.	0.2 p.p.
Naftogaz Ukr-14	28.4%	-5.3 p.p.	8.7 p.p.	19.7 p.p.
Ukraine-23	8.8%	-0.3 p.p.	0.3 p.p.	1.3 p.p.
Privatbank-16	29.9%	0.0 p.p.	6.3 p.p.	9.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	13.10	0.5%	12.5%	59.0%
EUR	17.45	0.2%	10.8%	53.4%
RUB	0.36	0.3%	9.4%	44.3%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	235.3	0.0%	-6.3%	-18.1%
Steel, USD/t	542.5	0.0%	2.4%	0.9%
Oil, USD/bbl	101.6	0.0%	-5.5%	-8.7%
Gold, USD/oz	1295.7	-0.2%	-1.2%	8.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Merkel Surprise Visit to Kyiv Announced for Aug 23

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NEWS

German Chancellor Angela Merkel will visit Kyiv this Saturday (Aug 23), international and local media reported on Tuesday (Aug 19). The agenda for the chancellor's visit was not announced, but we assume it will include a private meeting with President Poroshenko as well as a joint public appearance. Also announced on Tuesday was an Aug 26 meeting of Poroshenko with CIS heads of state in Minsk, including Russian President Putin, that will also be attended by EU foreign affairs commissioner Catherine Ashton and top EU energy officials. Ukraine's Independence Day is celebrated on Aug 24.

COMMENTARY

Of Tuesday's two major meeting announcements, the visit of Merkel to Ukraine is both more surprising and more significant, in our view, especially given its timing on the eve of Independence Day. Although the chancellor's visit will correctly be interpreted by most observers as a strong signal of German support for Ukraine, we also see it as a sign that Poroshenko may have indicated that he is ready to accept a German-imposed compromise on ending the war in the Donbass and halting the rising cycle of civilian suffering in Donetsk and Lugansk. Since taking office in early June, Poroshenko has appeared politically unwilling or unable to countenance anything short of a total military victory in the Donbass, but as the war drags on and Russia continues to supply and support the separatists, the economic costs for Kyiv (and also the costs to the country's democratic credentials) are rising dramatically. With the West having already played its sanctions card over the downing of Malaysian Airlines Flight 17 last month, the Kremlin appears to have little incentive to seal the border and end its involvement, meaning that the separatists will continue to control at least some Ukrainian territory for the foreseeable future. We therefore think that the current intense fighting in the Donbass is related to expectations by both sides that a ceasefire - and with it, a de-facto border between Ukrainian-controlled and separatist-controlled territory - may soon be imposed. Such an outcome will require something of a climb-down by Poroshenko and expose him to the rage of various hard-line Ukrainian nationalists, but an eventual confrontation between the new president and the hard-liners is anyway inevitable, as the latter are neither pro-market economy nor pro-EU, the two tenets which form the basis of Poroshenko's politics.

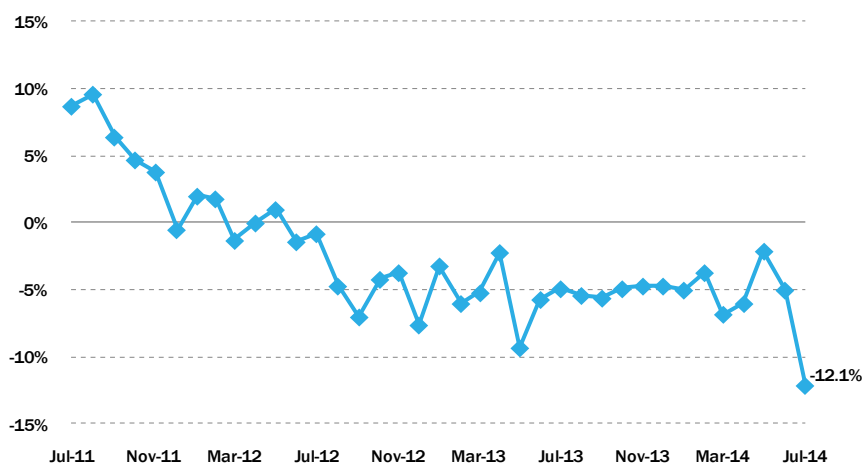
Industrial Production Slumps 12% YoY in July on Mine Shutdowns

by Dmitry Churin
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NEWS

Ukraine's industrial production dropped by 12.1% YoY in July, the State Statistics Committee reported earlier this week. The drop year-to-date (through July) stands at 5.8% YoY. The drop represents Ukrainian industry's worst year-over-year performance in any month since the global financial crisis period of 2009.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

A huge fall of 28.7% YoY in coal extraction in July amid widespread mine shutdowns in the war zone of Eastern Ukraine was the main contributor to the sharp drop in industrial production over the month. For the extraction sector as a whole, the output decrease in July was 12.5% YoY. In the utility sector, which includes electricity, production fell by 7.8% in the period. The declines of the indices in the war-zone provinces of Lugansk and Donetsk were 56% and 29% respectively. The State Statistics Committee also reported this week that retail sales in the country decreased by 1.0% YoY in 7M14, with the retail turnover in Donetsk and Luhansk regions falling by 12.2% and 19.6% respectively. These figures show that the economic situation in the Donbass provinces will remain in bad shape even in an optimistic political scenario whereby the war is ended in the near term. The two provinces have suffered significant railway infrastructure damage, disrupting links between major coal mines and thermal electricity stations, as well as between agro traders and seaports. Given this month's intense fighting, we expect the figures for August industrial production to be even worse than those of July.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.89	0.56	-38%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	138.8	108.0	-22%	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.
Coke						
Avdyivka Coke	AVDK	2.94	U/R	--	Susp.	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.70	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	0.60	2.9	391%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.7	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.
Specialized Machinery						
Motor Sich	MSICH	2409	5250	118%	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	5.5	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	44.5	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						
DonbasEnergO	DOEN	40.0	72.0	80%	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	8.11	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	12.9	15.65	22%	HOLD	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	38.0	90.0	137%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	9.4	8.93	-5%	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	69.9	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	0.142	0.24	69%	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	1273.27	1368.76	799.72	0.8%	0.4%	3.7%	39.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.035	0.06	0.02	-0.9%	-2.5%	-2.5%	-10.8%	-1.6%	-2.9%	-6.2%	-50.7%
Azovstal	AZST	0.89	0.95	0.35	0.0%	-2.6%	12.0%	33.3%	-0.8%	-3.0%	8.4%	-6.6%
Dniprospezstal	DNSS	250	n/a	n/a	0.0%	0.0%	-80.8%	-80.8%	-0.8%	-0.4%	-84.4%	
Enakievo Steel	ENMZ	41.4	65.0	17.0	0.1%	-4.5%	2.5%	29.3%	-0.7%	-4.9%	-1.2%	-10.6%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	34.7%	247.8%	-0.8%	-0.4%	31.0%	207.9%
Mariupol Ilyicha	MMKI	0.11	n/a	n/a	0.0%	0.0%	22.2%	10.0%	-0.8%	-0.4%	18.6%	-29.9%
Coke												
Avdivka Coke	AVDK	2.94	4.80	1.46	-0.2%	-7.0%	-5.8%	-0.7%	-1.0%	-7.4%	-9.5%	-40.7%
Yasnyivsky Coking	YASK	0.70	0.84	0.30	0.0%	-6.7%	6.1%	32.1%	-0.8%	-7.0%	2.4%	-7.8%
Iron Ore Mining												
Centralny GOK	CGOK	6.50	n/a	n/a	0.0%	0.0%	-6.5%	0.0%	-0.8%	-0.4%	-10.1%	-39.9%
Ferrexpo	FXPO	138.8	199.0	121.8	-0.6%	4.8%	2.4%	-27.3%	-1.4%	4.4%	-1.2%	-67.2%
Pivnichny GOK	SGOK	8.30	10.00	4.50	0.0%	0.0%	6.1%	3.8%	-0.8%	-0.4%	2.5%	-36.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	0.79	0.10	-7.7%	-7.7%	-20.0%	50.0%	-8.5%	-8.1%	-23.7%	10.1%
Komsomolets Donbasa	SHKD	0.75	n/a	n/a	0.0%	-6.3%	-16.7%	21.0%	-0.8%	-6.6%	-20.3%	-18.9%
Energy Coal	CLE	0.94	2.86	0.91	-1.1%	2.2%	-13.0%	-10.5%	-1.8%	1.8%	-16.6%	-50.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	-31.8%	-34.8%	-0.8%	-0.4%	-35.5%	-74.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.01	0.30	0.0%	1.4%	7.7%	16.7%	-0.8%	1.1%	4.0%	-23.2%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.8%	-0.4%	-26.7%	2.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.7	26.0	10.0	0.0%	2.4%	-12.3%	-3.8%	-0.8%	2.0%	-16.0%	-43.7%
Luhanskeplovoz	LTPL	1.07	2.20	0.85	0.0%	0.0%	2.9%	-28.7%	-0.8%	-0.4%	-0.8%	-68.6%
Stakhanov Wagon	SVGZ	0.91	n/a	n/a	0.0%	-19.5%	-20.9%	-30.0%	-0.8%	-19.8%	-24.5%	-69.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	16.3%	16.3%	-6.4%	99.6%	15.5%	15.9%	-10.0%	59.7%
Motor Sich	MSICH	2,409	3,000	1,303	1.9%	5.3%	-2.1%	32.1%	1.1%	5.0%	-5.7%	-7.8%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	0.0%	0.0%	-33.3%	20.0%	-0.8%	-0.4%	-37.0%	-19.9%
Turboatom	TATM	3.00	n/a	n/a	0.0%	-41.7%	-25.0%	-14.3%	-0.8%	-42.1%	-28.7%	-54.2%
WESTA ISIC	WES	0.31	0.80	0.29	6.9%	3.3%	-3.1%	-22.5%	6.1%	3.0%	-6.8%	-62.4%
Telecom												
Ukrtelecom	UTLM	0.17	0.19	0.09	0.0%	3.0%	-1.8%	51.8%	-0.8%	2.6%	-5.4%	11.9%
Oil & Gas												
Regal Petroleum	RPT	5.50	17.25	4.88	0.0%	3.3%	-39.7%	-56.9%	-0.8%	2.9%	-43.4%	
JXX Oil	JKX	44.50	75.00	36.00	1.1%	10.9%	-14.0%	-38.0%	0.4%	10.5%	-17.7%	-77.9%
Ukrnafta	UNAF	322	370	54	1.1%	1.6%	22.9%	196.5%	0.3%	1.2%	19.3%	156.6%
Power Utilities												
Centrenerg	CEEN	8.11	8.70	2.50	1.3%	0.8%	4.5%	70.1%	0.5%	0.4%	0.8%	30.1%
Donbasenergo	DOEN	40.0	50.2	11.0	0.7%	-0.5%	6.0%	45.0%	-0.1%	-0.9%	2.3%	5.1%
Zakhidenergo	ZAEN	131.0	157.0	64.0	0.0%	-12.1%	2.3%	44.9%	-0.8%	-12.5%	-1.3%	5.0%
Consumer												
Agroton	AGT	2.31	1.8	0.64	7.4%	9.0%	-18.1%	18.5%	6.7%	8.6%	-21.8%	-21.5%
Astarta	AST	38.0	76.0	34.5	0.0%	3.3%	-5.0%	-43.2%	-0.8%	2.9%	-8.7%	-83.1%
Avangardo	AVGR	9.4	13.0	8.36	0.3%	10.2%	-1.3%	-19.7%	-0.5%	9.8%	-4.9%	-59.7%
Industrial Milk Company	IMC	8.45	15.59	7.60	-3.2%	2.8%	-3.1%	-30.5%	-4.0%	2.4%	-6.8%	-70.4%
Kernel	KER	27.0	53.9	23.2	-0.3%	-0.3%	-9.9%	-29.0%	-1.1%	-0.6%	-13.6%	-68.9%
Mriya Agro Holding	MAYA	1.53	6.0	1.44	2.0%	-34.6%	-65.2%	-71.7%	1.2%	-35.0%	-68.9%	
MHPC	MHPC	12.9	18.5	11.00	1.7%	7.3%	-13.3%	-24.3%	1.0%	6.9%	-17.0%	-64.3%
Milkiland	MLK	5.06	14.2	5.00	-1.7%	-2.7%	-12.6%	-59.5%	-2.5%	-3.1%	-16.3%	
Ovostar Union	OVO	69.9	103.0	59.4	-0.1%	0.6%	1.3%	-30.1%	-0.9%	0.2%	-2.4%	
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	11.5	n/a	n/a	0.0%	0.0%	-4.2%	-8.0%	-0.8%	-0.4%	-7.8%	-47.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.142	0.188	0.077	-0.1%	-0.3%	-2.0%	25.2%	-0.9%	-0.7%	-5.7%	-14.7%
UkrSotsbank	USCB	0.172	0.257	0.090	1.1%	-2.9%	2.3%	-8.3%	0.3%	-3.3%	-1.4%	-48.2%

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	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%
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	68	3.9%	3	1,417	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	366	341	331	\$/tonne
Yenakievo Steel	ENMZ	33	8.8%	3	30	3.9	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	11	10	10	\$/tonne
Azovstal	AZST	287	3.0%	8	271	neg	neg	neg	neg	neg	7.7	0.1	0.1	0.1	59	60	59	\$/tonne
Coke																		
Avdyivka Coke	AVDK	44	6.8%	3	41	neg	neg	neg	neg	0.9	1.4	0.0	0.0	0.1	10	11	11	\$/tonne
Yasynivsky Coke	YASK	15	9.0%	1	15	1.7	neg	3.1	0.6	0.5	0.8	0.0	0.0	0.0	0.6	0.5	0.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	581	0.3%	1	580	6.1	3.0	3.6	2.5	1.9	2.1	1.0	0.9	0.9				
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	1,349	24.0%	324	2,028	6.3	5.1	4.9	5.0	4.0	4.1	1.4	1.3	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	19	5.4%	1	121	2.7	1.1	1.1	1.0	1.3	1.3	0.4	0.5	0.5	30	28	27	\$/tonne
Coal Energy	CLE	43	25.0%	11	153	1.1	neg	neg	2.4	7.2	17.0	0.9	1.2	1.5	2.4	7.2	17.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	139	2.0%	3	185	4.1	29.5	>30	3.6	5.9	7.2	0.4	0.6	0.7	293	486	461	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	18	24.0%	4	55	3.7	0.9	0.8	1.9	1.5	1.4	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	146	5.0%	7	146	1.5	3.5	neg	1.1	2.2	9.5	0.2	0.3	0.9				
Stakhanov Wagon	SVGZ	16	8.0%	1	48	26.7	29.6	>30	6.7	8.2	8.9	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	113	5.8%	7	47	3.0	1.6	2.2	0.9	0.5	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	382	24.0%	92	373	1.9	2.3	2.0	1.2	1.4	1.4	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	239	7.2%	17	542	5.3	14.0	9.1	2.6	2.9	3.1	0.6	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,333	3.0%	40	1,325	7.6	>30	8.3	2.9	4.6	4.1	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	29	21.6%	6	4	2.5	neg	14.6	0.2	neg	0.2	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	127	50.4%	64	235	neg	19.5	16.3	1.7	3.5	3.4	1.2	1.3	1.2	43	32	31	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	229	21.7%	50	297	7.9	3.8	11.0	4.3	3.1	6.8	0.3	0.3	0.4	17	21	19	\$/MWh
DonbasEnergO	DOEN	72	14.2%	10	137	18.9	1.1	1.8	4.3	1.9	3.1	0.2	0.2	0.3	17	18	17	\$/MWh
Consumer																		
MHP	MHPC	1,360	34.1%	464	2,488	4.4	8.4	neg	5.3	6.4	5.2	1.8	1.7	1.7				
Kernel	KER	685	61.8%	423	1,391	3.2	6.5	14.6	4.3	4.8	7.9	0.6	0.5	0.6				
Astarta	AST	302	37.0%	112	623	5.2	8.9	3.7	5.6	6.9	4.5	1.4	1.3	1.1				
Avangardco	AVGR	602	22.5%	136	710	2.6	2.5	3.7	2.5	2.4	3.0	1.1	1.1	1.2	161	122	115	\$/mneggs
Agroton	AGT	16	26.2%	4	65	2.3	neg	neg	3.2	8.6	18.7	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	326	3.5%	11		>30	3.6	neg	0.4	0.4	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	242	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

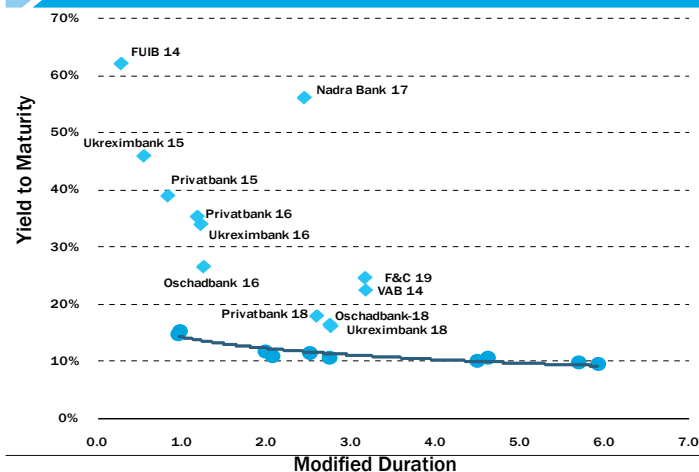
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Naftogaz Ukraine, 2014	97.5	98.4	32.7%	24.2%	-2.5%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.7	95.2	12.7%	10.8%	-1.6%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	94.9	95.9	14.3%	13.0%	-2.3%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	93.7	95.2	10.4%	9.5%	0.4%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	92.8	93.8	10.3%	9.8%	-1.1%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	92.4	94.1	10.0%	9.3%	0.5%	2.7	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	99.3	100.0	10.1%	9.7%	0.4%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	11.9%	11.2%	14.7%	2.6	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.4%	10.9%	16.6%	3.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	93.4	94.9	9.5%	9.2%	1.2%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	93.9	95.4	9.4%	9.1%	1.1%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	93.2	95.2	9.1%	8.7%	3.5%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	91.7	92.7	8.9%	8.7%	1.9%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	29.1	36.0	79.0%	58.6%	-37.6%	1.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	98.0	100.0	13.3%	10.2%	-4.3%	0.6	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.8	87.3	11.8%	11.4%	-3.2%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	92.0	92.0	23.1%	23.1%	-6.1%	1.0	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	80.0	84.5	18.8%	16.8%	-8.8%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	41.0	46.0	95.2%	82.6%	-56.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	44.3	44.3	42.5%	42.5%	-49.2%	2.2	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	82.0	85.0	42.3%	36.0%	-18.3%	0.5	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	68.0	70.0	20.9%	19.9%	-26.8%	2.7	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	86.0	40.4%	32.8%	-18.0%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	75.0	78.0	20.1%	18.5%	-19.5%	2.7	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	94.0	95.5	13.7%	12.3%	-3.3%	1.4	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	79.2	80.6	17.3%	16.6%	-12.9%	2.8	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	73.5	74.5	25.7%	24.3%	-4.5%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	92.5	94.5	14.5%	13.7%	-15.7%	2.9	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.4%	22.0%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	81.3	81.3	75.8%	75.8%	-17.5%	0.2	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	62.0%	52.1%	-28.6%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	83.0	85.0	45.8%	39.6%	-5.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	72.0	74.0	34.7%	32.0%	-3.9%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.9	84.0	18.0%	17.1%	-0.9%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	88.0	89.0	55.0%	48.3%	-8.2%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	72.0	77.0	39.1%	31.0%	-12.7%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	83.3	84.7	15.2%	14.6%	-5.8%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	72.0	75.0	23.9%	22.1%	-14.0%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	85.8	87.3	23.7%	21.9%	-7.1%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	82.0	83.1	15.6%	15.2%	-7.2%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	86.6	89.1	26.1%	22.4%	-5.5%	1.0	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	85.0	86.1	19.2%	18.4%	-7.6%	1.6	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

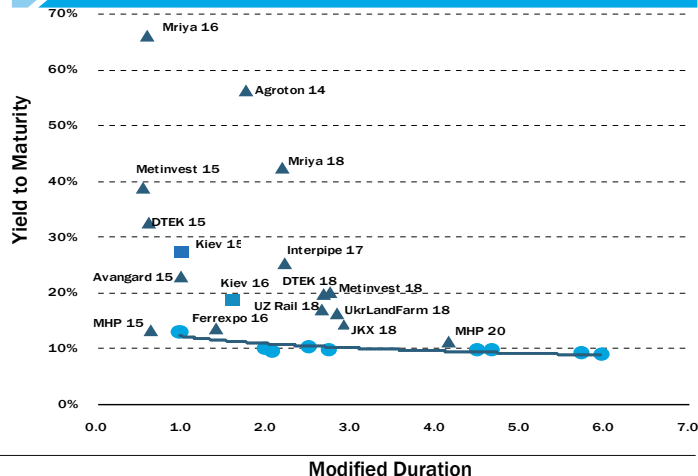
¹ Moody's/S&P/Fitch; * EUR

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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