

Market Update

Equity

Kyiv equities were mixed on Wednesday (Aug 20), with only two blue chips, Motor Sich and DonbasEnergy, seeing significant movement. Externally, the S&P 500 has regained all of its August losses (which were largely related to the Ukraine crisis) and now sits just a point below its all-time high, as traders bet on continued Federal Reserve cheap-money support for the US economy. The UX index closed up half a percent at 1279 points. Motor Sich continued its strange pendulum-like behavior, rising for the 5th straight session after having declined for the previous 10, picking up 3.4% to UAH 2480. DonbasEnergy moved lower by the same increment, finishing at UAH 38.70. The rest of the stocks in the UX basket were little-changed, including volume leader UkrNafta, which printed UAH 2.0mn in trades. In Frankfurt, bottom feeders pushed troubled crop grower Mriya up by 8.5% to EUR 1.66, while in Warsaw, agro name Industrial Milk Company added 3.5% to PLN 8.75.

Fixed Income

Ukrainian sovereign Eurobonds ended lower yesterday with Ukraine-23s declining by 1.0 p.p. to close at 90.7/91.7 (9.1%/8.9%). In corporate issues, Metinvest-15s plunged by 4.0 p.p. to 79.0/81.0 (47.0%/44.8%) and Metinvest-18s slumped by 7.5 p.p. to 68.0/70.0 (24.3%/23.0%) on fears that the company will have more problems with its assets located in Donbass region.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	323.50	0.2%	2.0	87
Motor Sich	MSICH	2483.00	3.4%	1.4	132
Centrenergo	CEEN	8.13	0.3%	0.7	147

Growth Leaders

Motor Sich	MSICH	2483.00	3.4%	1.45	132
Avdyivka Coke	AVDK	2.96	0.8%	0.03	55
Centrenergo	CEEN	8.13	0.3%	0.74	147

Loss Leaders

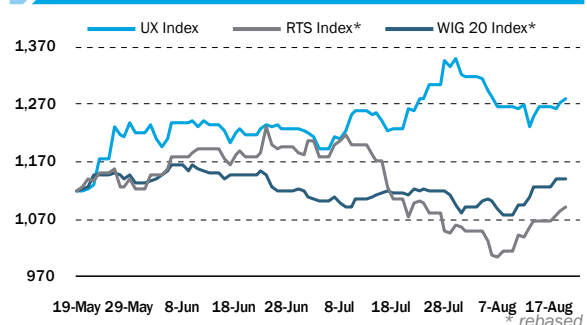
Donbasenergo	DOEN	38.70	-3.4%	0.285	131
Azovstal	AZST	0.89	-0.5%	0.044	32
Alchevsk Steel	ALMK	0.03	-0.3%	0.008	21

Highlights

POLITICS AND ECONOMICS

- > Government Aiming to Keep Budget Deficit at 5.0% of GDP

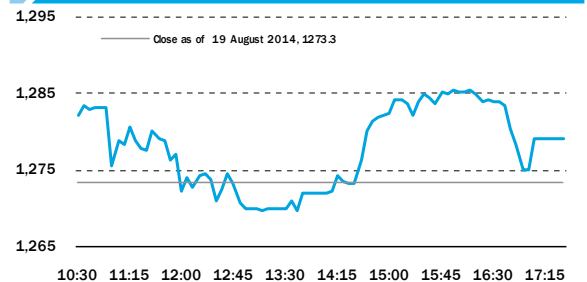
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1279.1	0.5%	4.1%	40.5%
RTS	1257.4	0.5%	-1.5%	-12.8%
WIG20	2451.1	0.1%	2.4%	2.1%
MSCI EM	1085.1	0.1%	2.1%	8.3%
S&P 500	1986.5	0.2%	0.4%	7.9%

UX INTRADAY AUGUST 20, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	303.1	-0.1%	5.8%	-8.4%
CDS 5Y UKR	923.1	0.6%	16.6%	12.5%
Ukraine-17	9.5%	0.2 p.p.	1.2 p.p.	0.5 p.p.
Naftogaz Ukr-14	32.3%	3.8 p.p.	12.5 p.p.	23.5 p.p.
Ukraine-23	9.0%	0.2 p.p.	0.5 p.p.	1.5 p.p.
Privatbank-16	31.1%	1.3 p.p.	7.5 p.p.	10.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	13.30	1.5%	14.3%	61.4%
EUR	17.64	1.1%	12.0%	55.1%
RUB	0.37	1.1%	10.6%	45.8%

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	102.3	0.7%	-4.8%	-8.0%
Gold, USD/oz	1291.9	-0.3%	-1.5%	8.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Government Aiming to Keep Budget Deficit at 5.0% of GDP

by Dmitry Churin
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NEWS

Ukraine's Finance Ministry (MinFin) is aiming to keep the national budget deficit at 5.0% of GDP for full-year 2014, MinFin head Oleksander Shlapak told journalists on Wednesday (Aug 20). He said that the national budget deficit was estimated at UAH 30bn for 1H14, while the deficit for the year is now at UAH 87bn (USD 6.7bn at current official UAH/USD rate). Earlier this year the (post-Yanukovich) government had declared a target for the budget deficit of 4.0% of GDP for 2014, but the Donbass war has made that plan unrealistic.

COMMENTARY

The tricky question for us here is whether the new announced deficit target of 5.0% GDP for the national budget will include payouts to the state-owned energy monopoly Naftogaz, which has traditionally had a liquidity gap of around 2.0% of GDP annually, as low household heating tariffs are de-facto subsidized by the state. The government has been increasing Naftogaz's charter fund by issuing sovereign domestic bonds which are later purchased by the National Bank (NBU) on the secondary market. This year the total amount of government support to Naftogaz is prescribed at UAH 96.6bn. An issuance of UAH 63.3bn in sovereign domestic bonds for Naftogaz "recapitalization" was approved by the government on Aug 4. It is expected that part of the funds will be used by Naftogaz to redeem the company's state-guaranteed USD 1.6bn outstanding Eurobonds maturing next month on Sept 30. Currently the primary source for covering the budget deficit is the IMF 2-year stand-by loan program for USD 17bn, but in our view, a continuation of the Donbass war is likely to put the IMF program under threat, as the war is preventing Kyiv from meeting its fiscal targets as well as from implementing promised reforms. The next IMF installment of USD 1.4bn will be considered by the IMF board on Aug 29 and we think this tranche is likely to be approved, with the government receiving USD 1.0bn and the NBU getting USD 400mn. However, the fate of the third and fourth IMF tranches, which are scheduled for September and December disbursements respectively, will probably hinge on whether President Poroshenko is willing to reach a politically difficult compromise on ending the hostilities in Eastern Ukraine.

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	139.7	108.0	-23%	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	2.96	U/R	-	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
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	0.65	2.9	354%	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	1.02	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2483	5250	111%	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	45.0	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	38.7	72.0	86%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	8.13	15.00	84%	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	21%	HOLD	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	38.3	90.0	135%	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	8.7	8.93	3%	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	1279.06	1368.76	799.72	0.5%	3.8%	4.1%	40.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.035	0.06	0.02	0.3%	2.4%	-2.3%	-10.6%	-0.2%	-1.5%	-6.4%	-51.1%
Azovstal	AZST	0.89	0.95	0.35	-0.1%	1.7%	11.9%	33.1%	-0.6%	-2.1%	7.8%	-7.4%
Dniprospezstal	DNSS	250	n/a	n/a	0.0%	0.0%	-80.8%	-80.8%	-0.5%	-3.8%	-84.9%	-121.3%
Enakievo Steel	ENMZ	41.5	65.0	17.0	0.1%	3.7%	2.6%	29.5%	-0.3%	-0.2%	-1.5%	-11.0%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	34.7%	247.8%	-0.5%	-3.8%	30.5%	207.3%
Mariupol Ilyicha	MMKI	0.11	n/a	n/a	0.0%	0.0%	22.2%	10.0%	-0.5%	-3.8%	18.1%	-30.5%
Coke												
Avdivka Coke	AVDK	2.96	4.80	1.46	0.7%	-1.8%	-5.1%	0.0%	0.3%	-5.6%	-9.2%	-40.5%
Yasnyivsky Coking	YASK	0.70	0.84	0.30	0.0%	0.0%	6.1%	32.1%	-0.5%	-3.8%	1.9%	-8.5%
Iron Ore Mining												
Centralny GOK	CGOK	6.50	n/a	n/a	0.0%	0.0%	-6.5%	0.0%	-0.5%	-3.8%	-10.6%	-40.5%
Ferrexpo	FXPO	139.7	199.0	121.8	0.6%	4.7%	3.1%	-26.9%	0.2%	0.9%	-1.0%	-67.4%
Pivnichny GOK	SGOK	8.30	10.00	4.50	0.0%	0.0%	6.1%	3.8%	-0.5%	-3.8%	2.0%	-36.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.79	0.10	8.3%	8.3%	-13.3%	62.5%	7.9%	4.5%	-17.5%	22.0%
Komsomolets Donbasa	SHKD	0.75	n/a	n/a	0.0%	-6.3%	-16.7%	21.0%	-0.5%	-10.1%	-20.8%	-19.6%
Energy Coal	CLE	0.93	2.86	0.91	-1.1%	1.1%	-13.9%	-11.4%	-1.5%	-2.8%	-18.0%	-52.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	-31.8%	-34.8%	-0.5%	-3.8%	-36.0%	-75.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	1.01	0.30	0.0%	4.5%	7.7%	16.7%	-0.5%	0.6%	3.5%	-23.9%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.5%	-3.8%	-27.2%	2.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.7	26.0	10.0	0.0%	0.3%	-12.3%	-3.8%	-0.5%	-3.5%	-16.5%	-44.3%
Luhanskeplovoz	LTPL	1.02	2.20	0.85	-4.7%	-4.7%	-1.9%	-32.0%	-5.1%	-8.5%	-6.1%	-72.5%
Stakhanov Wagon	SVGZ	0.93	n/a	n/a	2.2%	-17.7%	-19.1%	-28.5%	1.7%	-21.5%	-23.3%	-69.0%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	16.3%	-6.4%	99.6%	-0.5%	12.4%	-10.5%	59.1%
Motor Sich	MSICH	2,483	3,000	1,303	3.1%	10.5%	0.9%	36.1%	2.6%	6.6%	-3.2%	-4.4%
Summy Frunze Engineering	SMASH	3.00	n/a	n/a	0.0%	0.0%	-33.3%	20.0%	-0.5%	-3.8%	-37.5%	-20.5%
Turboatom	TATM	3.00	n/a	n/a	0.0%	-41.7%	-25.0%	-14.3%	-0.5%	-45.6%	-29.1%	-54.8%
WESTA ISIC	WES	0.29	0.80	0.29	-6.5%	0.0%	-9.4%	-27.5%	-6.9%	-3.8%	-13.5%	-68.0%
Telecom												
Ukrtelecom	UTLM	0.17	0.19	0.09	0.0%	3.0%	-1.8%	51.8%	-0.5%	-0.8%	-5.9%	11.3%
Oil & Gas												
Regal Petroleum	RPT	5.50	17.25	4.88	0.0%	12.8%	-39.7%	-56.9%	-0.5%	9.0%	-43.9%	-97.4%
JXX Oil	JKX	45.00	75.00	36.00	1.1%	5.3%	-13.0%	-37.3%	0.7%	1.4%	-17.2%	-77.8%
Ukrnafta	UNAF	324	370	54	0.5%	6.4%	23.5%	197.9%	0.0%	2.6%	19.4%	157.3%
Power Utilities												
Centrenerg	CEEN	8.13	8.70	2.50	0.3%	3.7%	4.8%	70.6%	-0.2%	-0.2%	0.7%	30.0%
Donbasenergo	DOEN	38.7	50.2	11.0	-3.3%	-2.0%	2.6%	40.3%	-3.7%	-5.9%	-1.6%	-0.3%
Zakhidenergo	ZAEN	131.0	157.0	64.0	0.0%	-2.9%	2.3%	44.9%	-0.5%	-6.7%	-1.8%	4.4%
Consumer												
Agroton	AGT	2.25	5.5	1.95	-2.6%	6.1%	-20.2%	15.4%	-3.1%	2.3%	-24.4%	-25.2%
Astarta	AST	38.3	76.0	34.5	0.7%	4.6%	-4.4%	-42.8%	0.2%	0.8%	-8.5%	-83.4%
Avangardo	AVGR	8.7	13.0	8.36	-7.7%	4.2%	-8.8%	-25.9%	-8.1%	0.3%	-13.0%	-66.5%
Industrial Milk Company	IMC	8.75	15.50	7.60	3.6%	5.5%	0.3%	-28.0%	3.1%	1.7%	-3.8%	-68.5%
Kernel	KER	27.1	53.9	23.2	0.3%	-1.0%	-9.6%	-28.8%	-0.1%	-4.9%	-13.7%	-69.3%
Mriya Agro Holding	MAYA	1.66	6.0	1.44	8.5%	-23.1%	-62.3%	-69.3%	8.0%	-27.0%	-66.4%	-109.8%
MHPC	MHPC	12.9	18.5	11.00	0.2%	6.3%	-13.1%	-24.2%	-0.2%	2.4%	-17.3%	-64.7%
Milkiland	MLK	4.70	14.2	4.70	-7.1%	-6.0%	-18.8%	-62.4%	-7.6%	-9.8%	-23.0%	-102.9%
Ovostar Union	OVO	69.9	103.0	59.4	0.0%	0.6%	1.3%	-30.1%	-0.5%	-3.3%	-2.8%	-70.6%
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%	-0.5%	-3.8%	-8.3%	-48.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.142	0.188	0.077	0.2%	2.4%	-1.8%	25.5%	-0.2%	-1.5%	-5.9%	-15.1%
UkrSotsbank	USCB	0.172	0.257	0.090	0.0%	0.6%	2.3%	-8.3%	-0.5%	-3.3%	-1.8%	-48.8%

Source: Bloomberg

* companies listed abroad are in traded currency

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	67	3.9%	3	1,416	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	366	341	331	\$/tonne
Yenakievo Steel	ENMZ	33	8.8%	3	29	3.8	neg	neg	neg	1.3	0.9	0.0	0.0	0.0	11	10	10	\$/tonne
Azovstal	AZST	282	3.0%	8	266	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	58	59	58	\$/tonne
Coke																		
Avdyivka Coke	AVDK	43	6.8%	3	41	neg	neg	neg	neg	0.9	1.4	0.0	0.0	0.1	9	10	11	\$/tonne
Yasynivsky Coke	YASK	14	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	573	0.3%	1	571	6.0	2.9	3.5	2.5	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,438	0.4%	6	1,431	3.3	2.6	3.1	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,355	24.0%	325	2,034	6.3	5.1	4.9	5.1	4.0	4.1	1.4	1.3	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	19	5.4%	1	121	2.6	1.1	1.1	1.0	1.3	1.3	0.4	0.5	0.5	29	28	27	\$/tonne
Coal Energy	CLE	42	25.0%	11	152	1.1	neg	neg	2.4	7.2	16.9	0.9	1.2	1.5	2.4	7.2	16.9	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	137	2.0%	3	182	4.1	29.1	>30	3.5	5.8	7.1	0.4	0.6	0.7	290	480	456	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	17	24.0%	4	54	3.5	0.9	0.7	1.9	1.5	1.4	0.2	0.2	0.1				
Kruiiv Wagon	KVBZ	144	5.0%	7	144	1.5	3.4	neg	1.1	2.2	9.4	0.2	0.3	0.9				
Stakhanov Wagon	SVGZ	16	8.0%	1	48	26.9	29.8	>30	6.7	8.2	8.9	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	111	5.8%	6	45	2.9	1.6	2.1	0.9	0.5	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	388	24.0%	93	378	1.9	2.3	2.1	1.2	1.4	1.5	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	235	7.2%	17	539	5.2	13.8	8.9	2.6	2.8	3.1	0.6	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,319	3.0%	40	1,311	7.5	>30	8.2	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	128	50.4%	65	236	neg	19.7	16.4	1.7	3.6	3.5	1.2	1.3	1.2	43	32	32	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	226	21.7%	49	294	7.8	3.8	10.8	4.3	3.1	6.7	0.3	0.3	0.4	17	21	19	\$/MWh
DonbasEnergO	DOEN	69	14.2%	10	134	18.0	1.1	1.7	4.2	1.9	3.0	0.2	0.2	0.3	16	17	16	\$/MWh
Consumer																		
MHP	MHPC	1,363	34.1%	465	2,491	4.4	8.4	neg	5.3	6.4	5.2	1.8	1.7	1.7				
Kernel	KER	684	61.8%	422	1,390	3.2	6.5	14.6	4.3	4.8	7.9	0.6	0.5	0.6				
Astarta	AST	303	37.0%	112	624	5.2	8.9	3.7	5.6	6.9	4.5	1.4	1.3	1.1				
Avangardco	AVGR	556	22.5%	125	664	2.4	2.3	3.4	2.4	2.2	2.8	1.1	1.0	1.1	150	114	107	\$/mneggs
Agroton	AGT	15	26.2%	4	64	2.3	neg	neg	3.2	8.6	18.6	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	322	3.5%	11		>30	3.6	neg	0.4	0.4	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	238	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

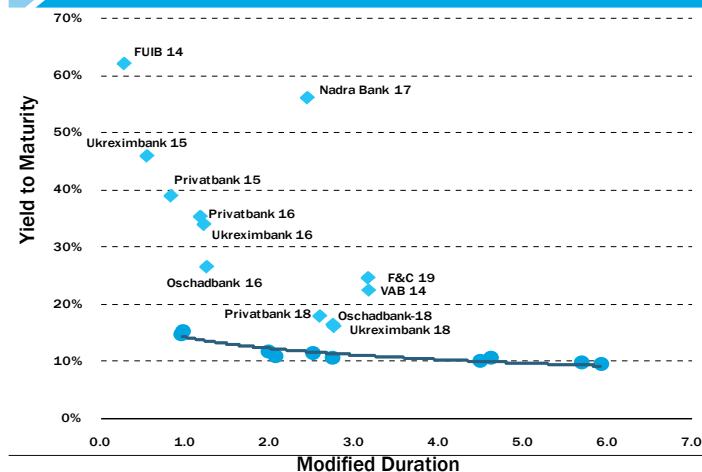
UKRAINIAN EUROBONDS

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	97.3	98.2	36.6%	27.9%	-2.7%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	93.7	95.3	12.7%	10.8%	-1.6%	1.0	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	96.1	97.6	12.8%	10.8%	-0.9%	1.0	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	93.5	95.0	10.5%	9.6%	0.3%	2.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	93.5	95.5	9.9%	8.8%	0.2%	2.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	91.5	93.7	10.4%	9.5%	-0.2%	2.7	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	98.9	99.9	10.2%	9.8%	0.2%	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	92.8	94.3	9.7%	9.3%	0.5%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	93.3	94.8	9.5%	9.2%	0.4%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	93.0	94.5	9.1%	8.8%	2.9%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	90.7	91.7	9.1%	8.9%	0.7%	6.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	29.1	36.0	79.2%	58.6%	-37.6%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	98.5	100.5	12.6%	9.4%	-3.9%	0.6	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	86.8	88.3	11.5%	11.1%	-2.1%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	92.0	92.0	23.2%	23.2%	-6.1%	1.0	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	80.1	80.1	18.7%	18.7%	-11.2%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	50.0	50.0	73.2%	73.2%	-50.1%	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	84.0	42.8%	38.5%	-18.8%	0.5	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	66.5	68.5	21.7%	20.7%	-28.4%	2.7	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	79.0	81.0	47.0%	42.8%	-22.0%	0.6	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	68.0	70.0	24.3%	23.0%	-27.4%	2.6	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	93.5	95.5	14.2%	12.2%	-3.6%	1.4	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	79.2	80.6	17.3%	16.7%	-12.9%	2.8	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	73.5	74.5	25.8%	24.3%	-4.5%	2.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	92.5	94.4	14.5%	13.8%	-15.8%	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	79.5	79.5	85.0%	85.0%	-19.3%	0.2	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	62.4%	52.4%	-28.6%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	83.1	85.1	46.0%	39.7%	-5.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	71.0	73.0	36.2%	33.4%	-5.3%	1.2	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	81.9	84.0	18.1%	17.1%	-0.9%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	88.0	89.5	56.0%	46.1%	-8.0%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	75.0	43.0%	34.2%	-15.0%	1.2	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	83.0	84.0	15.3%	14.9%	-6.4%	2.7	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	72.0	75.0	24.0%	22.2%	-14.0%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	85.5	87.5	24.0%	21.6%	-7.0%	1.3	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	82.1	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	85.3	86.4	28.4%	26.6%	-7.7%	1.0	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	85.1	86.1	19.2%	18.4%	-7.6%	1.6	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

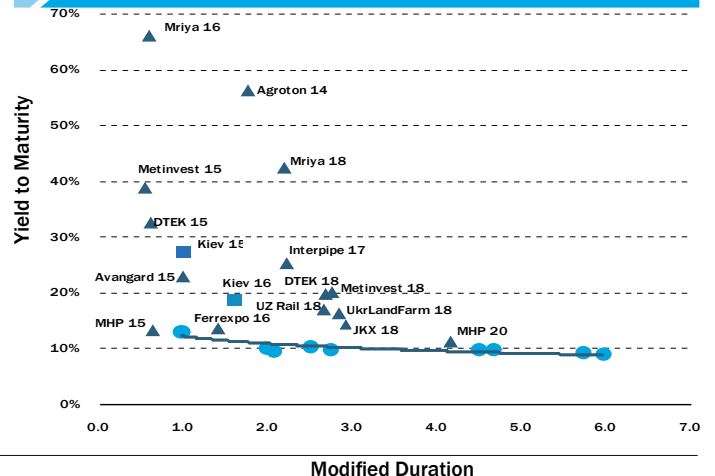
¹ Moody's/S&P/Fitch; * EUR

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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