

Market Update

Equity

Ukraine's equity market has been in a sideways trend for the past two weeks, with the UX index fluctuating in a corridor of 1150-1200 points, as it has become clear that the overall economic situation in the country is now fully dependent on a resolution of the war in the eastern Donbass region. The UX index finished 1.4% lower on Friday (Sept 5), closing at 1161 points. DonbasEnergo (DOEN UK) fell 4.3% to UAH 31.30 per share and Mariupol-based steelmaker Azovstal (AZST UK) lost 3.3%. Motor Sich (MSICH UK) saw a smaller decline of 0.8% after CEO Vyacheslav Boguslaev claimed that the company's export of helicopter engines to Russia is continuing despite a sector ban, since the engines are being installed on helicopters ordered by buyers in third countries. UkrNafta (UNAF UK) was the only blue chip to end in the black, rising by 1.1% after a drop of 3.8% the previous day. In London trading, iron ore producer Ferrexpo (FXPO LN) decreased by 1.0% to near GBp 132, while in Warsaw, Kernel (KER PW) rebounded by 3.0% off its latest low to end just above PLN 26.

Fixed Income

Ukrainian sovereigns rose on Friday following the ceasefire deal between Ukraine and pro-Russian separatists. Ukraine-23s improved by 3.0p.p. to 88.3/89.8 (9.5%/9.2%). Corporate names were also up. MHP-20s improved by 1.2p.p. to 85.3/87.0 (11.9%/11.5%) and DTEK-18s increased by 1.5p.p. finishing at 62.0/64.0 (24.4%/23.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	326.90	1.1%	2.0	145
Motor Sich	MSICH	2284.00	-0.8%	0.5	81
Centrenergo	CEEN	7.77	0.0%	0.5	120

Growth Leaders

Pokrovske Mine	SHCHZ	0.51	2.0%	0.05	13
Ukrnafta	UNAF	326.90	1.1%	2.03	145
Centrenergo	CEEN	7.77	0.0%	0.45	120

Loss Leaders

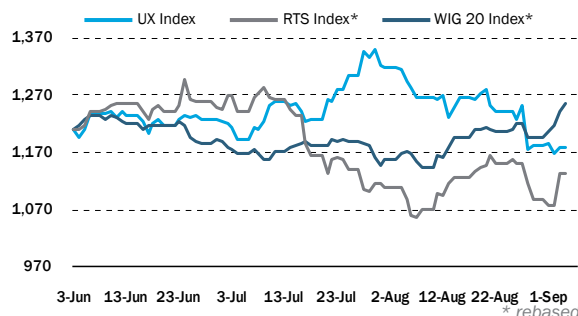
Komsomolets Donbasa	SHKD	0.40	-46.7%	0.035	26
Khartsyzk Pipe	HRTR	0.50	-9.7%	0.046	37
KRAZ	KRAZ	0.08	-7.2%	0.019	20

Highlights

POLITICS AND ECONOMICS

- > Cease-Fire Slows Donbass Violence Despite Breaches

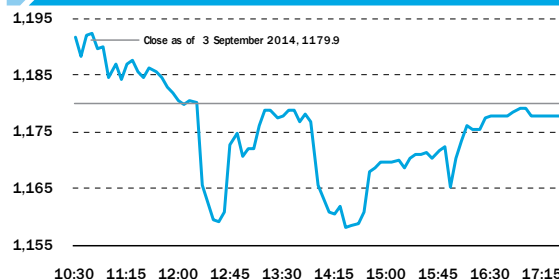
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1161.6	-1.4%	-10.1%	27.6%
RTS	1257.3	1.3%	5.5%	-12.9%
WIG20	2541.4	0.1%	7.3%	5.8%
MSCI EM	1096.8	-0.3%	3.2%	9.5%
S&P 500	2007.7	0.5%	4.6%	9.1%

UX INTRADAY SEPTEMBER 5, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	300.9	0.4%	-3.6%	-9.0%
CDS 5Y UKR	1009.8	-3.3%	12.1%	23.1%
Ukraine-17	10.3%	-1.0 p.p.	1.3 p.p.	1.3 p.p.
Naftogaz Ukr-14	41.6%	-3.0 p.p.	13.8 p.p.	32.9 p.p.
Ukraine-23	9.4%	-0.6 p.p.	0.5 p.p.	1.9 p.p.
Privatbank-16	36.1%	-1.2 p.p.	12.0 p.p.	15.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.80	0.8%	3.6%	55.3%
EUR	16.58	0.9%	0.4%	45.8%
RUB	0.35	0.9%	1.2%	38.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	238.4	0.0%	0.4%	-17.0%
Steel, USD/t	545.0	0.0%	1.4%	1.4%
Oil, USD/bbl	100.8	-1.0%	-4.2%	-9.3%
Gold, USD/oz	1268.9	0.6%	-1.5%	6.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Cease-Fire Slows Donbass Violence Despite Breaches

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NEWS

A ceasefire deal between Ukraine and pro-Russian separatists in the east of the country was violated several times on Sunday (Sept 7) by mortar shelling in areas near Donetsk Airport as well as on the outskirts of the southeastern port city of Mariupol, the Associated Press reported, but generally appeared to be holding up over the weekend. The ceasefire, brokered with EU participation in Minsk on Friday (Sept 5), contains 12 points, most of which deal with relatively uncontroversial issues such as prisoner exchanges and amnesties, and does not address the political root causes of the Donbass conflict, i.e. what the region's status will be after the war ends. In other news related to the conflict, a NATO summit in the UK wrapped up on Friday at which the alliance pledged moral but not military support for the Ukrainian fight against Russia, and Amnesty International released a report accusing both pro-Russian and pro-Ukrainian forces of committing war crime atrocities against civilians during the four-month long war. German Chancellor Merkel indicated at the NATO meeting that a new escalation of EU economic sanctions against Russia will be linked to the success or failure of the cease-fire. Finally, the United States, Poland, and Norway all denied that they have agreed to provide Ukraine with modern weaponry after Yuriy Lutsenko, the head of President Poroshenko's political party, asserted that this was promised at the NATO summit.

COMMENTARY

The cease-fire and the NATO summit have been much-maligned as a capitulation by the West to Putin on Ukraine, but we do not see it that way, or at least we believe it is still too early to make such a call. First of all, the cease-fire, however shaky, was a necessary first step to ending the very costly war, and second, a so-called "frozen conflict" in the Donbass is not such a bad outcome for Ukraine as many "geopolitical experts" would have us believe. At this point, the most important security interest for Ukraine is not what happens with Donetsk and Lugansk, but whether or not Moscow decides to use its powerful regular army to take the strategic port of Mariupol and then to attack other provinces of southeastern Ukraine. The deterrents against Putin pursuing such an openly aggressive course appear to be fairly solid: increasingly costly trade sanctions as well as a guarantee of significant Ukrainian armed resistance. We disagree with the view that the occupied parts of Donetsk and Lugansk are vital to the survival of the Ukrainian economy, as these areas have long enjoyed outsized political power and preferred access to the national budget, and the economy's loss of their hard currency export earnings could be balanced by the removal of the subsidy burden from Kyiv's back. Although it is obvious that Ukraine will not be invited to join NATO any time in the foreseeable future, we nonetheless do not believe that Putin has received the needed levers to prevent Ukraine's implementation of the EU Association Agreement, as we cannot see how he could force Poroshenko to submit to any plan that gives the Donbass veto power over Kyiv's strategic orientation policy. Of course, this rather optimistic outlook is based on the assumption that Poroshenko has now ended his attempt to recapture the Donbass by force, i.e. he re-orientes the army away from its offensive positioning to a defensive stance designed to offer maximum resistance against an invading Russian force.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.75	0.56	-26%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	132.0	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	8.40	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	7.00	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	2.56	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.52	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	0.51	2.9	477%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.08	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2284	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.
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	7.0	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	46.5	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	31.3	72.0	130%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.77	15.00	93%	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	11.9	15.65	32%	BUY	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	38.8	90.0	132%	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	70.5	58.74	-17%	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	0.133	0.24	81%	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	1161.55	1368.76	799.72	-1.4%	-1.7%	-10.1%	27.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.032	0.06	0.02	-1.6%	-2.2%	-13.0%	-18.8%	-0.2%	-0.5%	-2.8%	-46.5%
Azovstal	AZST	0.75	0.95	0.35	-3.6%	-4.8%	-14.2%	12.1%	-2.2%	-3.2%	-4.0%	-15.5%
Dniprospezstal	DNSS	175	n/a	n/a	-30.0%	-30.0%	-65.0%	-86.5%	-28.6%	-28.3%	-54.9%	-114.2%
Enakievo Steel	ENMZ	33.7	65.0	17.0	-1.7%	-7.5%	-22.3%	5.3%	-0.3%	-5.8%	-12.1%	-22.4%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.4%	1.7%	10.1%	220.2%
Mariupol Ilyicha	MMKI	0.10	n/a	n/a	0.0%	0.0%	-28.6%	0.0%	1.4%	1.7%	-18.4%	-27.6%
Coke												
Avdyivka Coke	AVDK	2.56	4.80	1.46	-5.0%	-8.3%	-16.9%	-13.4%	-3.6%	-6.6%	-6.8%	-41.0%
Yasnyivsky Coking	YASK	0.52	0.84	0.30	-1.9%	-8.8%	-29.7%	-1.9%	-0.5%	-7.1%	-19.6%	-29.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	2.2%	2.2%	10.1%	7.7%	3.6%	3.8%	20.2%	-19.9%
Ferrexpo	FXPO	132.0	199.0	121.8	-1.0%	-0.1%	-0.2%	-30.9%	0.4%	1.6%	9.9%	-58.5%
Pivnichny GOK	SGOK	8.40	9.80	4.50	3.7%	3.1%	4.3%	5.0%	5.1%	4.7%	14.5%	-22.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.51	0.79	0.10	2.0%	-15.0%	-35.4%	27.5%	3.4%	-13.3%	-25.3%	-0.1%
Komsomolets Donbasa	SHKD	0.40	n/a	n/a	-46.7%	-46.7%	-50.0%	-35.5%	-45.3%	-45.0%	-39.9%	-63.1%
Energy Coal	CLE	0.99	2.86	0.55	16.5%	57.1%	0.0%	-5.7%	17.9%	58.8%	10.1%	-33.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	-31.8%	-34.8%	1.4%	1.7%	-21.7%	-62.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	1.01	0.30	-9.1%	-9.1%	-28.6%	-16.7%	-7.7%	-7.4%	-18.4%	-44.3%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	16.7%	16.7%	66.7%	1.4%	18.3%	26.8%	39.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.0	26.0	10.0	1.8%	1.3%	-12.4%	-7.6%	3.2%	2.9%	-2.3%	-35.2%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	5.9%	6.9%	-20.0%	-28.0%	7.3%	8.6%	-9.9%	-55.6%
Stakhanov Wagon	SVGZ	0.55	n/a	n/a	-45.0%	-22.5%	-48.6%	-57.7%	-43.6%	-20.9%	-38.5%	-85.3%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	7.4%	-8.5%	79.6%	1.4%	9.1%	1.7%	52.0%
Motor Sich	MSICH	2,284	2,879	1,303	-0.8%	-0.8%	-12.5%	25.2%	0.6%	0.9%	-2.3%	-2.4%
Summy Frunze Engineering	SMASH	2.80	n/a	n/a	-6.7%	-6.7%	-6.7%	12.0%	-5.3%	-5.0%	3.5%	-15.6%
Turboatom	TATM	4.50	n/a	n/a	-13.5%	0.0%	-10.0%	28.6%	-12.1%	1.7%	0.1%	0.9%
WESTA ISIC	WES	0.30	0.80	0.21	11.1%	25.0%	-3.2%	-25.0%	12.5%	26.7%	6.9%	-52.6%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	-12.0%	-12.0%	-1.0%	60.0%	-10.6%	-10.3%	9.2%	32.4%
Oil & Gas												
Regal Petroleum	RPT	7.00	16.63	4.88	5.7%	-6.7%	-8.2%	-45.1%	7.0%	-5.0%	1.9%	-72.7%
JXX Oil	JKX	46.50	75.00	36.00	1.6%	3.0%	25.3%	-35.2%	3.0%	4.7%	35.4%	-62.8%
Ukrnafta	UNAF	327	370	54	2.1%	2.2%	9.7%	201.0%	3.5%	3.8%	19.8%	173.4%
Power Utilities												
Centrenerg	CEEN	7.77	8.70	2.50	-0.1%	0.9%	-3.5%	62.9%	1.3%	2.6%	6.7%	35.3%
Donbasenergo	DOEN	31.3	50.2	11.0	-4.3%	-10.6%	-23.1%	13.3%	-2.9%	-9.0%	-12.9%	-14.3%
Zakhidenergo	ZAEN	130.0	157.0	64.0	0.0%	0.0%	-12.8%	43.8%	1.4%	1.7%	-2.6%	16.2%
Consumer												
Agroton	AGT	2.32	5.5	1.79	4.5%	29.6%	3.1%	19.0%	5.9%	31.3%	13.3%	-8.7%
Astarta	AST	38.8	73.7	34.4	0.4%	7.6%	4.7%	-42.1%	1.8%	9.3%	14.9%	-69.7%
Avangardo	AVGR	8.4	13.0	8.36	0.0%	-4.5%	-6.8%	-28.5%	1.4%	-2.9%	3.4%	-56.1%
Industrial Milk Company	IMC	8.09	15.50	7.60	-3.1%	-3.7%	-3.2%	-33.4%	-1.7%	-2.0%	6.9%	-61.1%
Kernel	KER	26.0	53.9	23.2	3.0%	1.0%	-5.9%	-31.7%	4.4%	2.7%	4.2%	-59.3%
Mriya Agro Holding	MAYA	1.90	6.0	1.44	4.9%	0.0%	-8.9%	-64.8%	6.3%	1.7%	1.2%	-92.5%
MHPC	MHPC	11.9	18.5	10.91	-0.8%	2.1%	-7.8%	-30.0%	0.5%	3.8%	2.4%	-57.7%
Milkiland	MLK	4.81	14.2	4.16	-3.6%	6.9%	-14.1%	-61.5%	-2.2%	8.5%	-4.0%	-89.2%
Ovostar Union	OVO	70.5	103.0	59.4	0.0%	1.0%	5.0%	-29.5%	1.4%	2.7%	15.2%	-57.1%
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	10.3	n/a	n/a	-0.6%	-8.8%	-13.1%	-17.6%	0.8%	-7.2%	-2.9%	-45.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.133	0.190	0.085	-1.4%	4.2%	-5.1%	17.0%	0.0%	5.9%	5.0%	-10.6%
UkrSotsbank	USCB	0.161	0.257	0.090	-4.6%	-6.0%	-7.5%	-14.1%	-3.2%	-4.3%	2.7%	-41.8%

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	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	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	196	51	90	73	32.2%	42.1%	37.3%	38	72	65	23.8%	33.5%	33.0%
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	1,306	468	391	479	33.2%	26.1%	36.7%	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	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2013E			
Steel																		
Alchevsk Steel	ALMK	63	3.9%	2	1,412	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	365	340	330	\$/tonne
Yenakievo Steel	ENMZ	28	8.8%	2	24	3.2	neg	neg	neg	1.1	0.7	0.0	0.0	0.0	9	8	8	\$/tonne
Azovstal	AZST	247	3.0%	7	231	neg	neg	neg	neg	neg	6.5	0.1	0.1	0.1	50	51	51	\$/tonne
Coke																		
Avdyivka Coke	AVDK	39	6.8%	3	36	neg	neg	neg	neg	0.8	1.2	0.0	0.0	0.0	8	9	10	\$/tonne
Yasynivsky Coke	YASK	11	9.0%	1	12	1.3	neg	2.4	0.4	0.4	0.6	0.0	0.0	0.0	0.4	0.4	0.6	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	641	0.3%	2	639	6.7	3.3	3.9	2.8	2.0	2.3	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,512	0.4%	6	1,506	3.5	2.8	3.3	2.0	1.6	1.8	1.1	0.9	1.0				
Ferrexpo	FXPO	1,250	24.0%	300	1,929	5.8	4.7	4.5	4.8	3.8	3.9	1.4	1.2	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	10	5.4%	1	112	1.5	0.6	0.6	0.9	1.2	1.2	0.4	0.5	0.5	27	26	25	\$/tonne
Coal Energy	CLE	45	25.0%	11	155	1.2	neg	neg	2.5	7.3	17.2	0.9	1.2	1.5	2.5	7.3	17.2	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	102	2.0%	2	147	3.0	21.6	24.7	2.8	4.7	5.7	0.3	0.5	0.5	234	387	368	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	18	24.0%	4	56	3.8	1.0	0.8	1.9	1.6	1.5	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	143	5.0%	7	143	1.5	3.4	neg	1.1	2.2	9.3	0.2	0.3	0.9				
Stakhanov Wagon	SVGZ	10	8.0%	1	42	16.5	18.3	21.0	5.9	7.2	7.8	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	116	5.8%	7	55	3.0	1.6	1.8	1.1	0.6	0.8	0.3	0.3	0.3				
Motor Sich	MSICH	371	24.0%	89	361	1.9	2.2	2.0	1.2	1.3	1.4	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	257	7.2%	19	561	5.7	15.1	9.8	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,385	3.0%	42	1,377	7.9	>30	8.6	3.0	4.8	4.3	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	36	21.6%	8	11	3.1	neg	18.2	0.5	neg	0.4	0.3	0.3	0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	129	50.4%	65	238	neg	19.9	16.6	1.7	3.6	3.5	1.2	1.3	1.2	43	33	32	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	224	21.7%	49	293	7.8	3.8	10.8	4.3	3.1	6.7	0.3	0.3	0.4	16	21	18	\$/MWh
DonbasEnergO	DOEN	58	14.2%	8	123	15.1	0.9	1.4	3.8	1.7	2.7	0.2	0.2	0.2	15	16	15	\$/MWh
Consumer																		
MHP	MHPC	1,257	34.1%	429	2,385	4.0	7.8	neg	5.1	6.1	5.0	1.7	1.6	1.8				
Kernel	KER	642	61.8%	397	1,348	3.0	6.1	13.7	4.2	4.6	7.7	0.6	0.5	0.5				
Astarta	AST	300	37.0%	111	621	5.2	8.8	3.7	5.6	6.8	4.5	1.4	1.3	1.1				
Avangardco	AVGR	537	22.5%	121	643	2.4	2.3	3.3	2.3	2.1	2.7	1.0	1.0	1.1	145	110	104	\$/mneggs
Agroton	AGT	16	26.2%	4	65	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	312	3.5%	11		>30	3.5	neg	0.4	0.4	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	232	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

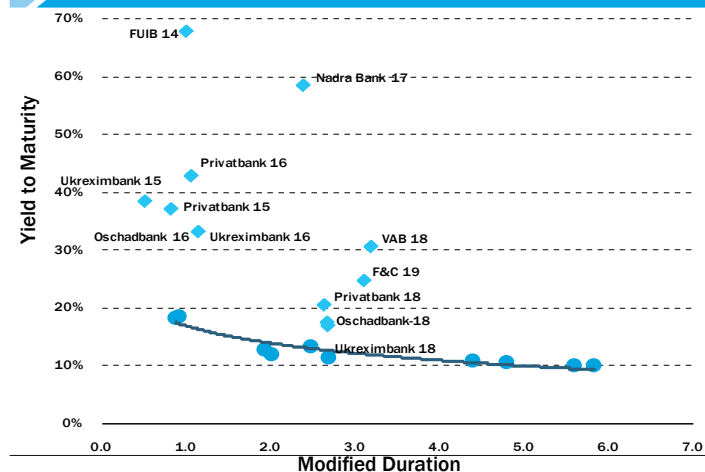
UKRAINIAN EUROBONDS

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	97.1	98.0	55.7%	41.9%	-2.9%	0.1	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.6	93.1	19.1%	14.0%	-4.8%	0.9	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	93.0	94.5	17.7%	15.5%	-4.0%	0.9	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	89.1	91.1	13.3%	12.1%	-4.1%	1.9	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	89.2	91.2	12.6%	11.4%	-4.4%	2.0	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	88.3	90.3	11.9%	11.0%	-3.7%	2.7	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	92.6	94.1	13.2%	12.5%	-5.9%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	12.0%	11.3%	14.7%	2.6	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	84.6	86.2	14.3%	13.6%	8.8%	2.9	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	87.5	89.5	11.1%	10.5%	-4.9%	4.4	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	88.4	90.4	10.7%	10.3%	-4.6%	4.8	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	87.2	89.2	10.3%	9.9%	-3.1%	5.6	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	85.9	87.4	10.0%	9.7%	-4.2%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	35.5	78.0%	61.2%	-37.1%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	95.0	97.0	18.8%	15.3%	-7.2%	0.6	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	83.7	84.5	12.4%	12.2%	-5.9%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	89.0	89.0	30.0%	30.0%	-9.2%	0.9	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	77.9	79.1	19.8%	19.3%	-12.9%	2.5	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	30.0	40.0	140.2%	102.2%	-65.1%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	30.0	40.0	63.5%	48.3%	-59.8%	2.0	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	67.0	70.0	86.6%	77.0%	-33.0%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	59.0	62.0	26.2%	24.4%	-35.8%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	76.0	79.0	55.9%	48.9%	-24.4%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	65.0	70.0	26.7%	23.4%	-28.9%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.8	93.0	16.2%	14.7%	-5.7%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	74.0	77.5	19.7%	18.1%	-17.4%	2.8	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	67.0	70.0	31.6%	28.0%	-12.9%	2.1	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	91.6	93.4	14.9%	14.2%	-16.6%	2.9	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.5%	22.1%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	65.0	65.0	172.5%	172.5%	-34.0%	0.1	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	55.0	60.0	64.0%	53.7%	-28.6%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	75.0	80.0	41.2%	33.7%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.0	70.0	48.0%	39.4%	-11.2%	1.1	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.5	78.6	20.7%	19.7%	-7.3%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	85.0	41.3%	36.8%	-12.9%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	63.0	68.0	43.3%	36.6%	-23.2%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.2	79.2	19.0%	17.1%	-13.5%	2.7	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	60.0	65.0	32.6%	28.8%	-26.9%	1.9	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	80.0	81.0	33.1%	31.4%	-13.5%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	78.0	79.0	17.5%	16.8%	-11.8%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	80.4	81.5	39.9%	37.4%	-12.9%	0.9	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	79.0	81.0	24.1%	22.5%	-13.9%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

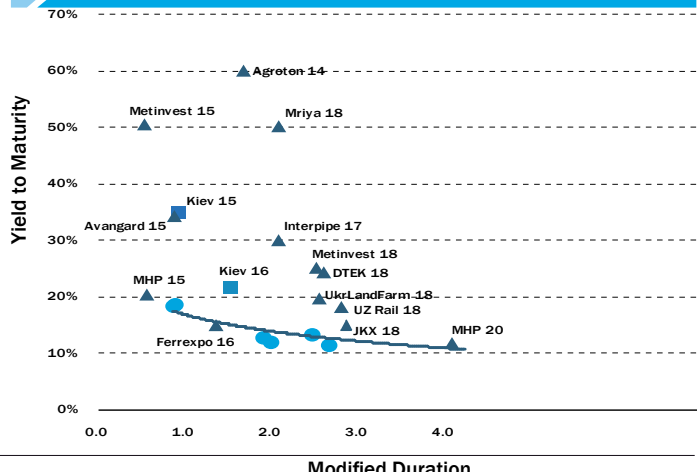
¹ Moody's/S&P/Fitch; * EUR

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			16.5%	15.0%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			19.0%	18.0%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000142699	n/a	n/a	12.5%	12.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	12.5%	12.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	12.5%	12.0%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	12.5%	12.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			18.5%	16.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			18.5%	16.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			18.5%	16.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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