

Market Update

Equity

Kyiv-listed stocks took a pounding on Monday (Sept 15) as large market players attempted to profit by pushing down the expiration value of the UX futures contracts. The price for the expiration is calculated as the average value of the UX index over the three hours before the market close. The UX index ended the day with a loss of 5.8% at 1060 points. The gamers concentrated on pushing down the UX's lower-liquidity issues, including Azovstal (AZST UK), Alchevsk Steel (ALMK UK) and Yenakievo Steel (ENMZ UK), which each plunged by between 12% and 14%. The top liquid names also took substantial hits, with CentrEnerg (CEEN UK) and Motor Sich (MSICH UK) dropping by 5.4% and 3.2% respectively; however, UkrNafta (UNAF UK) emerged unscathed, finishing flat at UAH 319 per share. UkrSotsBank, which is being demoted from the UX basket due its lack of liquidity, celebrated its last day in the top tier with a 5.6% loss, while Krukiv Wagon (KVBZ UK), which is moving back into the UX basket after a 3-year absence, edged down 1.1% to UAH 15.70. In London, MHP (MHPC LI) advanced 2.9% to USD 12.60 while Ferrexpo (FXPO LN) inched lower by 0.7%. Warsaw-listed Ukrainian stocks were mixed, with Astarta (AST PW) retreating by 2.5%, while Kernel (KER PW) moved up 1.0% to PLN 25.20.

Fixed Income

Ukrainian sovereigns dropped on Monday with Ukraine-23s down by 1.3p.p. finishing at 84.4/85.9 (10.3%/10.0%). The corporate universe also closed in the red. UrklandFarming-18s declined by 2.3p.p. to 73.9/75.0 (21.9%/21.3%) and Avangardco-15s decreased by 1.0p.p. finishing at 85.0/90.0 (40.9%/29.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.17	-5.4%	3.9	471
Motor Sich	MSICH	2175.00	-3.2%	3.6	325
Ukrnafta	UNAF	319.00	0.0%	3.0	113

Growth Leaders

Ukrnafta	UNAF	319.00	0.0%	2.98	113
Pivnichny GOK	SGOK	7.90	0.0%	0.25	7
Kryukiv Wagon	KVBZ	15.75	-1.1%	0.04	17

Loss Leaders

Dniproblenergo	DNON	50.10	-44.3%	0.060	14
Azovstal	AZST	0.62	-13.7%	1.067	430
Alchevsk Steel	ALMK	0.03	-12.5%	0.392	253

Highlights

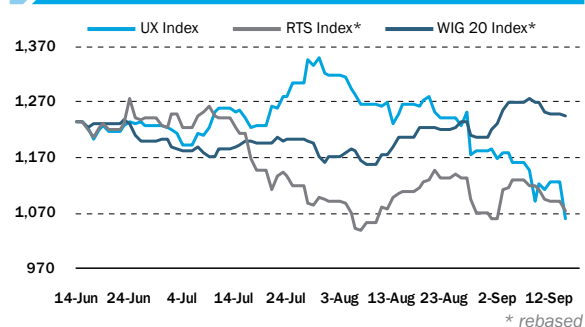
POLITICS AND ECONOMICS

- > Draft 2015 Budget Proposes 40% YoY Military Spending Increase

STOCKS IN THE NEWS

- > KSG's Top Minority Holders Unload Their Stakes

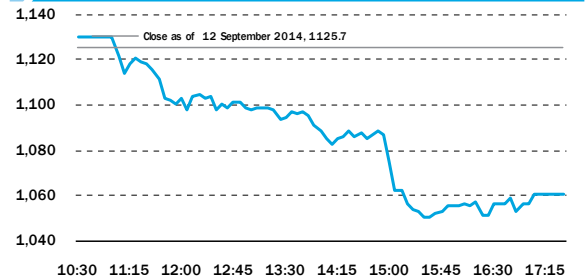
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1060.7	-5.8%	-16.1%	16.6%
RTS	1194.7	-1.5%	-3.1%	-17.2%
WIG20	2489.8	-0.3%	3.1%	3.7%
MSCI EM	1055.8	-0.5%	-1.7%	5.4%
S&P 500	1984.1	-0.1%	1.5%	7.8%

UX INTRADAY SEPTEMBER 15, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	311.5	2.0%	-0.6%	-5.8%
CDS 5Y UKR	1147.6	4.6%	19.9%	39.9%
Ukraine-17	11.5%	0.5 p.p.	2.1 p.p.	2.5 p.p.
Naftogaz Ukr-14	55.6%	6.1 p.p.	22.7 p.p.	46.8 p.p.
Ukraine-23	10.1%	0.2 p.p.	1.1 p.p.	2.6 p.p.
Privatbank-16	36.6%	0.1 p.p.	6.8 p.p.	16.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.96	-0.2%	-1.3%	57.2%
EUR	16.76	-0.4%	-4.7%	47.4%
RUB	0.34	-1.6%	-6.9%	34.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	214.3	0.0%	-8.9%	-25.4%
Steel, USD/t	540.0	-0.4%	1.9%	0.5%
Oil, USD/bbl	97.9	-0.1%	-6.0%	-12.0%
Gold, USD/oz	1233.3	0.3%	-5.5%	3.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Draft 2015 Budget Proposes 40% YoY Military Spending Increase

by Dmitry Churin
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NEWS

Ukraine's Finance Ministry (MinFin) has proposed to increase the country's military spending by 40% YoY to UAH 63bn in 2015, head of the ministry Oleksander Shlapak told journalists on Monday (Sept 15) during a presentation of the draft national budget for 2015. Shlapak said the budget for 2015 is based on the assumptions of 2.0% real GDP growth and consumer inflation of 13%.

COMMENTARY

The government has already increased the country's military budget this year through allocation of UAH 18bn from the central reserve fund. However, even the higher 2015 military budget is rather low compared to neighboring countries. According to the Global Firepower Index, Ukraine is ranked 40th among 106 nations in the survey with annual defense spending of approximately USD 5bn. Annual defense expenditures in Poland and Turkey stand at USD 9bn and USD 18bn respectively. In Russia, military spending is the third highest in the world after the US and China, amounting to USD 77bn per year.

KSG's Top Minority Holders Unload Their Stakes

by Ivan Dzvinka
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NEWS

Dnipropetrovsk-based crop grower KSG Agro announced on Monday that ING Pension Fund OFE sold some 897,000 shares in the company on Sept 3, effectively decreasing its stake in KSG from 6.33% to 0.36% (53,000 shares). The company also said that Generali OFE, another big minority shareholder, reduced its stake in KSG from 11.13% to 3.47% during Aug 29-Sept 2.

COMMENTARY

With KSG's free float standing at 33%, the two mentioned pension funds held 17.5% (i.e. more than half the free float) of the total amount of shares outstanding before the sellouts. The management buyback of the shares was an expected move in light of the significant deterioration in KSG's operations, financial results and corporate governance, as well as rising concerns over the servicing of its debt. This prompted the company's independent auditor Baker Tilly to express doubts about KSG's ability to continue as a going concern.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.62	0.56	-10%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	126.3	108.0	-14%	SELL	Ferrexpo's lower production cost due to UAH devaluation in 2014 together with a 8% increase in output will not be sufficient to offset a projected 13% drop in the group's achieved iron ore pricing.
Pivnichny GOK	SGOK	7.90	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	6.58	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	2.19	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.49	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	0.45	2.9	551%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	15.8	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.13	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2175	5250	141%	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	8.9	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	43.0	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	27.9	72.0	158%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.17	15.00	109%	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	12.6	15.65	24%	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	36.6	90.0	146%	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	8.3	8.93	8%	HOLD	The company's FY14 results will be hit by the hryvnia devaluation, while next year's likely elimination of the special VAT regime for large agro producers bodes poorly for FY15 earnings.
Ovostar Union	OVO	70.0	58.74	-16%	SELL	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 7% of revenue earned in hard currency. Capacity expansion project for 2014-16 will likely be delayed, according to the management.
Banks						
Raiffeisen Bank Aval	BAVL	0.127	0.24	89%	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	1060.70	1368.76	799.72	-5.8%	-7.5%	-16.1%	16.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.027	0.06	0.02	-12.2%	-14.1%	-23.5%	-31.2%	-6.4%	-6.7%	-7.4%	-47.7%
Azovstal	AZST	0.62	0.95	0.35	-13.7%	-17.4%	-31.6%	-7.8%	-7.9%	-9.9%	-15.4%	-24.3%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	5.8%	7.5%	-13.9%	-103.1%
Enakievo Steel	ENMZ	24.6	65.0	17.0	-12.1%	-25.3%	-41.2%	-23.1%	-6.4%	-17.8%	-25.1%	-39.7%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	5.8%	7.5%	16.1%	231.3%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	40.0%	27.3%	40.0%	5.8%	47.5%	43.4%	23.4%
Coke												
Avdyivka Coke	AVDK	2.19	4.80	1.46	-8.5%	-11.8%	-28.8%	-26.1%	-2.7%	-4.3%	-12.7%	-42.7%
Yasnyivsky Coking	YASK	0.49	0.84	0.30	-3.9%	-2.0%	-30.0%	-7.5%	1.9%	5.5%	-13.9%	-24.1%
Iron Ore Mining												
Centralny GOK	CGOK	6.58	n/a	n/a	-9.6%	-6.0%	1.2%	1.2%	-3.8%	1.5%	17.4%	-15.3%
Ferrexpo	FXPO	126.3	199.0	121.8	-0.7%	-3.6%	-6.3%	-33.9%	5.1%	3.9%	9.8%	-50.4%
Pivnichny GOK	SGOK	7.90	9.80	4.50	0.6%	-6.0%	-4.8%	-1.3%	6.4%	1.5%	11.3%	-17.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.79	0.10	-8.2%	-11.8%	-30.8%	12.5%	-2.4%	-4.3%	-14.6%	-4.1%
Komsomolets Donbasa	SHKD	0.55	n/a	n/a	3.8%	22.2%	-31.3%	-11.3%	9.6%	29.7%	-15.1%	-27.8%
Energy Coal	CLE	1.02	2.86	0.55	-2.9%	-1.9%	8.5%	-2.9%	2.9%	5.6%	24.6%	-19.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	5.8%	7.5%	16.1%	-51.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.52	1.01	0.30	-5.5%	4.0%	-25.7%	-13.3%	0.3%	11.5%	-9.6%	-29.9%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	5.8%	7.5%	32.8%	50.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	15.8	26.0	10.0	-1.1%	1.5%	-5.4%	-9.0%	4.7%	9.0%	10.7%	-25.5%
Luhanskeplovoz	LTPL	1.13	1.80	0.85	0.0%	4.6%	5.6%	-24.7%	5.8%	12.1%	21.7%	-41.2%
Stakhanov Wagon	SVGZ	0.70	n/a	n/a	25.0%	-12.5%	-23.1%	-46.2%	30.8%	-5.0%	-6.9%	-62.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	0.0%	3.6%	8.4%	86.0%	5.8%	11.1%	24.5%	69.5%
Motor Sich	MSICH	2,175	2,879	1,303	-3.2%	-4.0%	-7.2%	19.2%	2.5%	3.5%	9.0%	2.7%
Sumy Frunze Engineering	SMASH	3.20	n/a	n/a	0.0%	36.8%	6.7%	28.0%	5.8%	44.2%	22.8%	11.4%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	50.0%	28.6%	5.8%	7.5%	66.1%	12.0%
WESTA ISIC	WES	0.29	0.80	0.21	0.0%	-3.3%	0.0%	-27.5%	5.8%	4.1%	16.1%	-44.1%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	-3.2%	11.0%	63.6%	5.8%	4.3%	27.2%	47.1%
Oil & Gas												
Regal Petroleum	RPT	8.88	16.63	4.88	11.1%	22.2%	54.3%	-30.4%	16.9%	29.7%	70.5%	-46.9%
JXK Oil	JKX	43.00	75.00	36.00	-2.3%	-6.5%	-1.7%	-40.1%	3.5%	1.0%	14.4%	-56.6%
Ukrnafta	UNAF	319	370	54	0.0%	-1.6%	2.2%	193.7%	5.8%	5.9%	18.4%	177.2%
Power Utilities												
Centrenerg	CEEN	7.17	8.70	2.50	-5.5%	-8.1%	-10.9%	50.4%	0.3%	-0.6%	5.3%	33.9%
Donbasenergo	DOEN	27.9	50.2	11.0	-5.5%	-1.0%	-30.4%	1.1%	0.3%	6.5%	-14.3%	-15.5%
Zakhidenergo	ZAEN	129.0	157.0	64.0	0.0%	-0.8%	-1.5%	42.7%	5.8%	6.7%	14.6%	26.1%
Consumer												
Agroton	AGT	2.19	5.5	1.79	2.3%	-0.9%	5.3%	12.3%	8.1%	6.6%	21.4%	-4.2%
Astarta	AST	36.6	73.7	34.4	-2.5%	-6.5%	-2.9%	-45.3%	3.2%	1.0%	13.2%	-61.8%
Avangardo	AVGR	8.3	13.0	8.20	0.0%	1.0%	-4.7%	-29.5%	5.8%	8.5%	11.5%	-46.1%
Industrial Milk Company	IMC	8.11	15.50	7.60	-0.4%	-2.9%	-2.2%	-33.3%	5.4%	4.6%	14.0%	-49.8%
Kernel	KER	25.2	53.9	23.2	1.0%	-0.8%	-7.2%	-33.9%	6.8%	6.7%	8.9%	-50.5%
Mriya Agro Holding	MAYA	1.81	6.0	1.44	1.1%	-4.7%	25.4%	-66.5%	6.9%	2.7%	41.6%	-83.0%
MHPC	MHPC	12.6	18.5	10.91	2.9%	4.1%	2.9%	-25.9%	8.6%	11.6%	19.0%	-42.5%
Milkiland	MLK	4.63	14.2	4.16	-1.5%	-5.5%	-10.6%	-63.0%	4.3%	2.0%	5.5%	-79.5%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	-1.3%	0.7%	-30.0%	5.8%	6.2%	16.8%	-46.6%
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	10.5	n/a	n/a	-13.9%	-12.5%	-8.7%	-16.0%	-8.2%	-5.0%	7.4%	-32.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.127	0.190	0.085	-4.5%	-4.8%	-9.7%	12.2%	1.3%	2.7%	6.4%	-4.4%
UkrSotsbank	USCB	0.155	0.257	0.090	-7.1%	-8.6%	-12.4%	-17.4%	-1.4%	-1.1%	3.7%	-34.0%

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	462	142	135	50	13	15.2%	10.9%	9.4%	95	42	-4	10.7%	9.0%	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	53	3.9%	2	1,402	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	362	338	328	\$/tonne
Yenakievo Steel	ENMZ	20	8.8%	2	17	2.3	neg	neg	neg	0.7	0.5	0.0	0.0	0.0	6	6	6	\$/tonne
Azovstal	AZST	201	3.0%	6	185	neg	neg	neg	neg	neg	5.2	0.1	0.1	0.1	40	41	41	\$/tonne
Coke																		
Avdyivka Coke	AVDK	33	6.8%	2	30	neg	neg	neg	neg	0.7	1.0	0.0	0.0	0.0	7	8	8	\$/tonne
Yasynivsky Coke	YASK	10	9.0%	1	11	1.2	neg	2.2	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	595	0.3%	1	594	6.3	3.1	3.7	2.6	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,405	0.4%	6	1,399	3.2	2.6	3.1	1.9	1.5	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,198	24.0%	288	1,877	5.6	4.5	4.3	4.7	3.7	3.8	1.3	1.2	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	14	5.4%	1	116	2.0	0.8	0.8	0.9	1.3	1.2	0.4	0.5	0.5	28	27	26	\$/tonne
Coal Energy	CLE	46	25.0%	12	156	1.2	neg	neg	2.5	7.4	17.4	0.9	1.2	1.6	2.5	7.4	17.4	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	104	2.0%	2	150	3.1	22.2	25.4	2.9	4.8	5.8	0.3	0.5	0.6	238	395	375	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	19	24.0%	5	56	4.0	1.0	0.8	1.9	1.6	1.5	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	139	5.0%	7	129	1.5	3.3	neg	1.0	2.5	9.7	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	12	8.0%	1	45	20.8	23.0	26.4	6.2	7.6	8.2	0.1	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	114	5.8%	7	54	3.0	1.6	1.8	1.0	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	349	24.0%	84	340	1.7	2.1	1.9	1.1	1.2	1.3	0.3	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	260	7.2%	19	564	5.7	15.3	9.9	2.7	3.0	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,335	3.0%	40	1,327	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	46	21.6%	10	21	4.0	neg	23.1	1.0	neg	0.8	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	120	50.4%	60	228	neg	18.4	15.3	1.7	3.4	3.3	1.1	1.3	1.1	42	31	30	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	205	21.7%	44	273	7.1	3.4	9.8	4.0	2.9	6.2	0.2	0.3	0.4	15	20	17	\$/MWh
DonbasEnerg	DOEN	51	14.2%	7	116	13.3	0.8	1.3	3.6	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,331	34.1%	454	2,459	4.3	8.2	neg	5.3	6.3	5.1	1.7	1.6	1.9				
Kernel	KER	617	61.8%	381	1,323	2.9	5.9	13.1	4.1	4.6	7.6	0.6	0.5	0.5				
Astarta	AST	282	37.0%	104	603	4.9	8.3	3.4	5.5	6.6	4.4	1.3	1.2	1.1				
Avangardco	AVGR	529	22.5%	119	635	2.3	2.2	3.2	2.3	2.1	2.7	1.0	1.0	1.1	144	109	103	\$/mneqgs
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	
Banks																		
Raiffeisen Bank Aval	BAVL	295	3.5%	10		>30	3.3	neg	0.4	0.3	0.5	0.05	0.06	0.07				
Ukrsotsbank	USCB	220	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

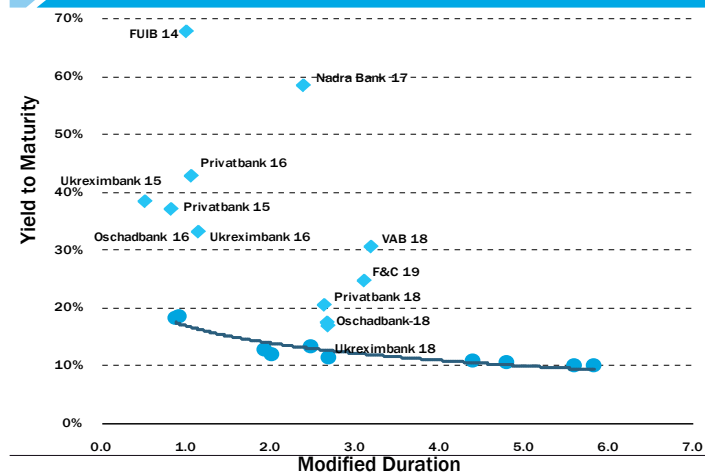
UKRAINIAN EUROBONDS

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	98.1	98.7	64.8%	46.4%	-2.1%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	89.0	91.5	20.6%	16.7%	-6.0%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	90.4	92.2	22.5%	19.5%	-6.5%	0.9	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	88.3	90.3	14.0%	12.7%	-5.0%	1.9	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	88.9	90.9	12.8%	11.6%	-4.7%	2.0	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.7	88.7	12.6%	11.7%	-5.4%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	91.1	92.9	14.1%	13.2%	-7.3%	2.4	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%	2.5	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	83.8	86.1	14.8%	13.7%	8.2%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	87.3	88.8	11.2%	10.8%	-5.4%	4.4	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	87.8	88.8	10.9%	10.6%	-5.7%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.7	87.7	10.6%	10.2%	-4.8%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	84.4	85.9	10.3%	10.0%	-5.9%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	79.9%	62.9%	-37.6%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	97.0	98.0	15.5%	13.7%	-5.8%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.2	87.2	12.0%	11.4%	-3.6%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	85.0	90.0	40.9%	29.0%	-10.7%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	73.9	75.0	21.9%	21.3%	-17.5%	2.5	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	33.0	33.0	130.3%	130.3%	-67.1%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	30.0	35.0	64.4%	55.8%	-62.7%	1.9	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	74.3	75.0	67.3%	65.1%	-27.0%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	64.3	66.3	23.2%	22.1%	-30.8%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	79.0	81.0	50.6%	46.0%	-22.0%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	70.1	71.0	23.4%	22.9%	-25.7%	2.6	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.0	93.5	16.1%	14.4%	-5.4%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	80.0	19.3%	17.0%	-15.5%	2.8	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	46.2%	32.6%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.0	91.3	16.0%	15.1%	-18.8%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.6%	22.2%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	73.8	73.8	133.5%	133.5%	-25.1%	0.1	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	50.0	55.0	78.2%	65.3%	-34.8%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	81.0	40.5%	32.9%	-13.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	71.0	47.2%	38.6%	-9.9%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.9	78.9	20.5%	19.6%	-6.9%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	86.0	88.0	35.9%	31.5%	-9.8%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	64.0	69.0	42.6%	36.0%	-22.0%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	79.8	80.7	16.9%	16.5%	-10.0%	2.7	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	60.0	65.0	32.9%	29.0%	-26.9%	2.0	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	80.0	83.0	34.0%	29.1%	-12.5%	1.2	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	79.1	80.1	17.0%	16.6%	-10.5%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	79.5	80.9	43.6%	40.1%	-13.7%	0.9	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	77.4	81.3	25.7%	22.5%	-14.4%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

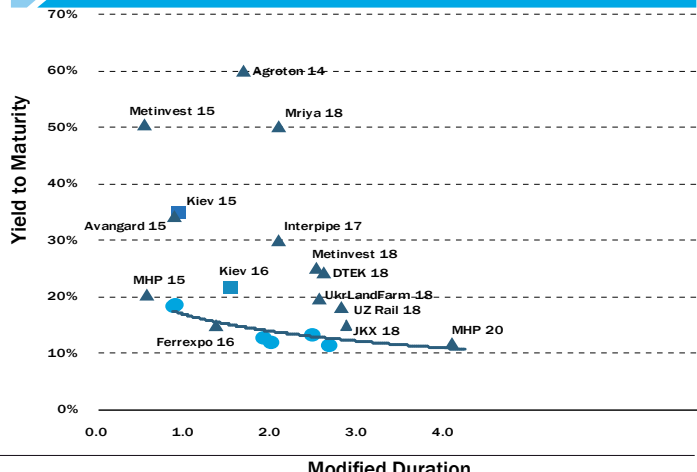
¹ Moody's/S&P/Fitch; * EUR

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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