

Market Update

Equity

Ukrainian stocks rebounded on Tuesday (Sept 16) after Monday's steep losses, which had been driven by aggressive index manipulation tactics ahead of the UX futures expiration. The UX index regained 2.5% of Monday's 6% decline to close at 1086 points. General sentiments on the market were positive as the Ukrainian and EU parliaments simultaneously ratified their bilateral political/economic Association Agreement, a landmark document that will ratchet up ties between Kyiv and Brussels. Avdyivka Coke (AVDK) and CentrEnerg (CEEN) added 5.2% and 3.6% respectively, while Motor Sich (MSICH) rose 2.5% to UAH 2229 per share. Krukiv Wagon (KVBZ) finished its first trading session back in the UX index component basket with a rollicking gain of 7.4%. However, steelmaking blue chips Alchevsk (ALMK) and Yenakievo (ENMZ), both of which lost more than 10% on Monday, ended flat. In London, the main Ukrainian names MHP (MHP) and Ferrexpo (FXPO) rose by 0.4% and 1.7% respectively; Avangard (AVGR) was the biggest mover on a 3.4% decline. Astarta (AST) was the top performer in Warsaw, picking up 2.2% to PLN 37.40.

Fixed Income

Ukrainian sovereigns were down on Monday with Ukraine-23s dropping by 0.7p.p. to finish at 83.7/85.2 (10.4%/10.1%). The corporate universe also closed lower. MHP-15s and Avangardco-15s declined by 1.0p.p. ending at 96.0/97.0 (38.4%/31.3%) and 85.0/88.0 (41.1%/33.4%) respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	317.40	-0.2%	2.8	74
Motor Sich	MSICH	2229.00	2.5%	2.2	95
Centrenerg	CEEN	7.44	3.6%	1.1	171

Growth Leaders

Kryukiv Wagon	KVBZ	16.91	7.4%	0.12	33
Avdyivka Coke	AVDK	2.29	5.2%	0.21	83
Centrenerg	CEEN	7.44	3.6%	1.05	171

Loss Leaders

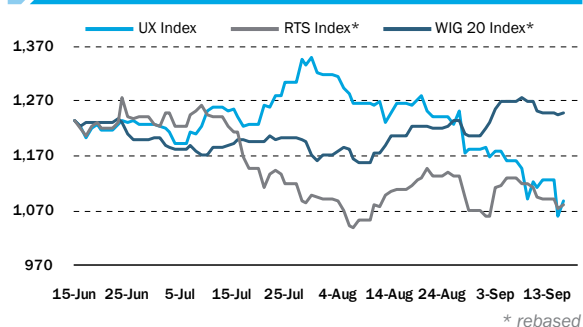
Donbasenergo	DOEN	27.10	-1.3%	0.106	38
Ukrnafta	UNAF	317.40	-0.2%	2.782	74
Yenakievo Steel	ENMZ	26.24	0.1%	0.054	44

Highlights

POLITICS AND ECONOMICS

- AA/DCFTA Ratified in Kyiv and Strasbourg

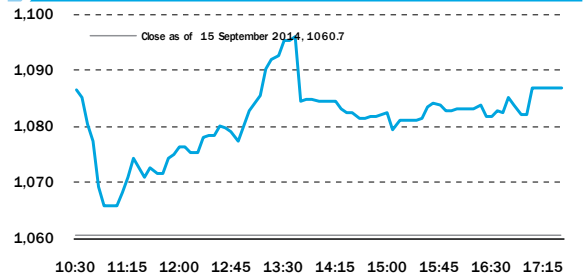
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1086.9	2.5%	-14.1%	19.4%
RTS	1202.0	0.6%	-2.5%	-16.7%
WIG20	2498.5	0.3%	3.4%	4.1%
MSCI EM	1054.1	-0.2%	-1.9%	5.2%
S&P 500	1999.0	0.7%	2.2%	8.6%

UX INTRADAY SEPTEMBER 16, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	313.3	0.6%	0.0%	-5.3%
CDS 5Y UKR	1154.3	0.6%	20.6%	40.7%
Ukraine-17	11.7%	0.2 p.p.	2.3 p.p.	2.7 p.p.
Naftogaz Ukr-14	64.8%	9.3 p.p.	32.0 p.p.	56.1 p.p.
Ukraine-23	10.3%	0.1 p.p.	1.2 p.p.	2.8 p.p.
Privatbank-16	36.7%	0.1 p.p.	6.9 p.p.	16.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.90	-0.5%	-1.8%	56.5%
EUR	16.72	-0.3%	-4.9%	47.0%
RUB	0.34	-0.4%	-7.2%	34.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	214.3	0.0%	-8.9%	-25.4%
Steel, USD/t	540.0	0.0%	1.9%	0.5%
Oil, USD/bbl	99.1	1.2%	-4.9%	-10.9%
Gold, USD/oz	1235.6	0.2%	-5.3%	3.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

AA/DCFTA Ratified in Kyiv and Strasbourg

by Will Ritter
w.ritter@eavex.com.ua

NEWS

In a major symbolic event, Ukraine's Parliament and the European Parliament in Strasbourg simultaneously ratified the bilateral Association Agreement/ Deep and Comprehensive Free Trade Agreement on Tuesday (Sept 16). In the Kyiv, the treaty was supported by 355 MPs, with 26 abstaining and none voting against, while in Strasbourg, the tally was 535 in favor and 127 opposed. European Parliament President Martin Schulz of Germany, a consistently strong backer of Ukraine in recent years who was the Socialist Party nominee to replace outgoing European Commission President Jose Barroso, was quoted by the Kyiv Post as saying, "This is a historical moment.... we are supporting the Ukrainian people in their will to make dreams of Maidan true."

COMMENTARY

Although the AA/DCFTA is currently overshadowed by the Donbass war and physical threats to Ukraine's security as a state, the importance of the moment of completing an agreement that had been under negotiation since 2007 and advocated as a central policy goal by 3 different Ukrainian presidents should not be underestimated. Importantly, the free trade portion of the agreement cannot be amended before it goes into effect at the end of 2015, meaning that Russian President Putin has managed only to delay the deal's implementation by one year, and has fallen short of his goal of altering its terms. As we stated previously, we tend to view the one-year delay as a relatively minor concession, since the continuation of Ukraine's unilateral trade privileges provides the country with significant practical compensation in the meantime.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.63	0.56	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	128.4	108.0	-16%	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	6.94	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	2.29	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	16.9	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	2229	5250	136%	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	8.8	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	43.8	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	27.1	72.0	166%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.44	15.00	102%	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	12.7	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	37.4	90.0	141%	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	8.0	8.93	12%	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	0.131	0.24	83%	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	1086.94	1368.76	799.72	2.5%	-0.6%	-14.1%	19.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.026	0.06	0.02	-1.9%	-12.4%	-24.9%	-32.5%	-4.3%	-11.8%	-10.9%	-51.9%
Azovstal	AZST	0.63	0.95	0.35	1.5%	-5.4%	-30.6%	-6.4%	-1.0%	-4.9%	-16.5%	-25.9%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	-2.5%	0.6%	-15.9%	-106.0%
Enakievo Steel	ENMZ	26.2	65.0	17.0	6.6%	-7.3%	-37.3%	-18.0%	4.1%	-6.8%	-23.3%	-37.5%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-2.5%	0.6%	14.1%	228.4%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	40.0%	27.3%	40.0%	-2.5%	40.6%	41.3%	20.6%
Coke												
Avdyivka Coke	AVDK	2.29	4.80	1.46	4.6%	-3.1%	-25.5%	-22.7%	2.1%	-2.6%	-11.5%	-42.2%
Yasnyivsky Coking	YASK	0.49	0.84	0.30	0.0%	-2.0%	-30.0%	-7.5%	-2.5%	-1.4%	-15.9%	-27.0%
Iron Ore Mining												
Centralny GOK	CGOK	6.94	n/a	n/a	5.5%	-0.9%	6.8%	6.8%	3.0%	-0.3%	20.8%	-12.7%
Ferrexpo	FXPO	128.4	199.0	121.8	1.7%	-2.0%	-4.7%	-32.8%	-0.8%	-1.4%	9.3%	-52.2%
Pivnichny GOK	SGOK	7.90	9.80	4.50	0.0%	-3.7%	-4.8%	-1.3%	-2.5%	-3.1%	9.2%	-20.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.79	0.10	0.0%	-8.2%	-30.8%	12.5%	-2.5%	-7.6%	-16.7%	-6.9%
Komsomolets Donbasa	SHKD	0.55	n/a	n/a	0.0%	10.0%	-31.3%	-11.3%	-2.5%	10.6%	-17.2%	-30.7%
Energy Coal	CLE	0.98	2.86	0.55	-3.9%	2.1%	4.3%	-6.7%	-6.4%	2.6%	18.3%	-26.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-2.5%	0.6%	14.1%	-54.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.52	1.01	0.30	0.0%	4.0%	-25.7%	-13.3%	-2.5%	4.6%	-11.7%	-32.8%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	-2.5%	0.6%	30.7%	47.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.9	26.0	10.0	7.4%	5.7%	1.6%	-2.3%	4.9%	6.2%	15.6%	-21.7%
Luhanskeplovoz	LTPL	1.13	1.80	0.85	0.0%	14.1%	5.6%	-24.7%	-2.5%	14.7%	19.7%	-44.1%
Stakhanov Wagon	SVGZ	0.70	n/a	n/a	0.0%	40.0%	-23.1%	-46.2%	-2.5%	40.6%	-9.0%	-65.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	1.6%	5.3%	10.1%	89.1%	-0.9%	5.8%	24.2%	69.6%
Motor Sich	MSICH	2,229	2,879	1,303	2.5%	-0.4%	-4.9%	22.2%	0.0%	0.2%	9.2%	2.8%
Summy Frunze Engineering	SMASH	3.20	n/a	n/a	0.0%	36.8%	6.7%	28.0%	-2.5%	37.3%	20.7%	8.6%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	50.0%	28.6%	-2.5%	0.6%	64.1%	9.1%
WESTA ISIC	WES	0.28	0.80	0.21	-3.4%	-6.7%	-3.4%	-30.0%	-5.9%	-6.1%	10.6%	-49.4%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	-2.7%	11.0%	63.6%	-2.5%	-2.1%	25.1%	44.2%
Oil & Gas												
Regal Petroleum	RPT	8.75	16.63	4.88	-1.4%	20.7%	52.2%	-31.4%	-3.9%	21.3%	66.2%	-50.8%
JKX Oil	JKX	43.75	75.00	36.00	1.7%	-2.2%	0.0%	-39.0%	-0.7%	-1.7%	14.1%	-58.5%
Ukrnafta	UNAF	317	370	54	-0.5%	-0.7%	1.7%	192.3%	-3.0%	-0.1%	15.8%	172.8%
Power Utilities												
Centrenerg	CEEN	7.44	8.70	2.50	3.7%	0.2%	-7.5%	56.0%	1.2%	0.8%	6.5%	36.6%
Donbasenergo	DOEN	27.1	50.2	11.0	-2.8%	4.2%	-32.4%	-1.8%	-5.3%	4.8%	-18.3%	-21.2%
Zakhidenergo	ZAEN	129.0	157.0	64.0	0.0%	0.0%	-1.5%	42.7%	-2.5%	0.6%	12.5%	23.3%
Consumer												
Agroton	AGT	2.15	5.5	1.79	-1.8%	3.4%	3.4%	10.3%	-4.3%	3.9%	17.4%	-9.2%
Astarta	AST	37.4	73.7	34.4	2.2%	2.2%	-0.8%	-44.1%	-0.3%	2.7%	13.2%	-63.5%
Avangardo	AVGR	8.0	13.0	8.00	-3.4%	-2.4%	-7.9%	-31.9%	-5.9%	-1.9%	6.2%	-51.4%
Industrial Milk Company	IMC	8.10	15.50	7.60	-0.1%	-3.0%	-2.3%	-33.3%	-2.6%	-2.4%	11.8%	-52.8%
Kernel	KER	25.0	53.9	23.2	-0.5%	-1.1%	-7.6%	-34.3%	-3.0%	-0.5%	6.4%	-53.7%
Mriya Agro Holding	MAYA	1.77	6.0	1.44	-2.4%	-2.5%	22.4%	-67.3%	-4.9%	-1.9%	36.4%	-86.7%
MHPC	MHPC	12.7	18.5	10.91	0.4%	6.3%	3.3%	-25.6%	-2.1%	6.9%	17.3%	-45.1%
Milkiland	MLK	4.50	14.2	4.16	-2.8%	-6.3%	-13.1%	-64.0%	-5.3%	-5.7%	0.9%	-83.4%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	-0.7%	0.7%	-30.0%	-2.5%	-0.1%	14.8%	-49.4%
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	10.5	n/a	n/a	0.0%	-13.9%	-8.7%	-16.0%	-2.5%	-13.4%	5.4%	-35.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.131	0.190	0.085	3.2%	-0.1%	-6.8%	15.8%	0.7%	0.5%	7.2%	-3.7%
UkrSotsbank	USCB	0.153	0.257	0.090	-1.0%	-0.3%	-13.2%	-18.2%	-3.4%	0.2%	0.8%	-37.7%

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%
Ukrspasbank	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	52	3.9%	2	1,401	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	362	338	328	\$/tonne
Yenakievo Steel	ENMZ	21	8.8%	2	18	2.5	neg	neg	neg	0.8	0.5	0.0	0.0	0.0	7	6	6	\$/tonne
Azovstal	AZST	204	3.0%	6	189	neg	neg	neg	neg	neg	5.3	0.1	0.1	0.1	41	42	41	\$/tonne
Coke																		
Avdyivka Coke	AVDK	35	6.8%	2	32	neg	neg	neg	neg	0.7	1.1	0.0	0.0	0.0	7	8	9	\$/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	631	0.3%	2	629	6.6	3.2	3.9	2.7	2.0	2.3	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,412	0.4%	6	1,405	3.2	2.6	3.1	1.9	1.5	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,223	24.0%	294	1,902	5.7	4.6	4.4	4.7	3.8	3.9	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	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	105	2.0%	2	151	3.1	22.3	25.5	2.9	4.8	5.8	0.3	0.5	0.6	239	396	376	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	19	24.0%	5	56	4.0	1.0	0.9	1.9	1.6	1.5	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	150	5.0%	8	140	1.6	3.6	neg	1.0	2.8	10.5	0.2	0.3	1.0				
Stakhanov Wagon	SVGZ	12	8.0%	1	45	20.9	23.1	26.5	6.2	7.6	8.2	0.1	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	115	5.8%	7	55	3.0	1.6	1.8	1.1	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	359	24.0%	86	350	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	261	7.2%	19	565	5.8	15.3	9.9	2.7	3.0	3.3	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	3.9	neg	22.8	1.0	neg	0.8	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	122	50.4%	62	231	neg	18.8	15.7	1.7	3.5	3.4	1.1	1.3	1.2	42	32	31	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	213	21.7%	46	281	7.4	3.6	10.2	4.1	3.0	6.4	0.3	0.3	0.4	16	20	18	\$/MWh
DonbasEnerg	DOEN	50	14.2%	7	115	13.0	0.8	1.2	3.6	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,337	34.1%	456	2,464	4.3	8.2	neg	5.3	6.3	5.1	1.8	1.6	1.9				
Kernel	KER	616	61.8%	381	1,322	2.9	5.9	13.1	4.1	4.5	7.6	0.6	0.5	0.5				
Astarta	AST	289	37.0%	107	610	5.0	8.5	3.5	5.5	6.7	4.4	1.3	1.2	1.1				
Avangardco	AVGR	511	22.5%	115	617	2.2	2.1	3.1	2.2	2.0	2.6	1.0	0.9	1.0	140	106	100	\$/mneggs
Agroton	AGT	14	26.2%	4	63	2.1	neg	neg	3.1	8.4	18.3	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	306	3.5%	11		>30	3.4	neg	0.4	0.3	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	219	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

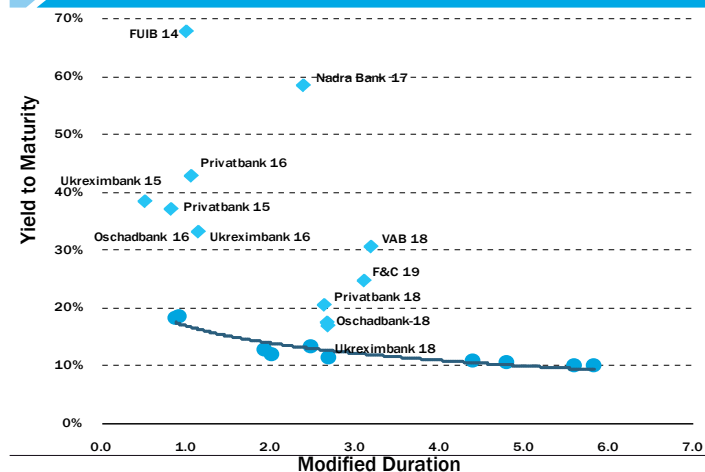
UKRAINIAN EUROBONDS

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	97.9	98.6	74.9%	54.9%	-2.2%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	88.6	91.1	21.3%	17.3%	-6.4%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	90.2	91.5	22.9%	20.7%	-7.0%	0.9	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	86.6	88.1	15.1%	14.1%	-7.1%	1.9	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.2	88.7	13.9%	13.0%	-6.8%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.4	87.9	12.8%	12.1%	-6.0%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	89.5	90.5	14.9%	14.4%	-9.3%	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	83.7	85.0	14.9%	14.2%	7.4%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	85.9	87.4	11.5%	11.1%	-6.9%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	86.2	87.2	11.3%	11.0%	-7.4%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.3	87.3	10.7%	10.3%	-5.3%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.7	85.2	10.4%	10.1%	-6.7%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	80.1%	63.0%	-37.6%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	97.0	17.4%	15.5%	-6.8%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.0	87.2	12.0%	11.4%	-3.7%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	85.0	88.0	41.1%	33.4%	-11.7%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	73.8	75.5	21.9%	21.1%	-17.2%	2.5	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	25.0	35.0	174.8%	122.9%	-70.1%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	28.0	35.0	68.7%	55.8%	-63.8%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	73.9	75.1	68.7%	65.0%	-27.1%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	63.0	66.0	23.9%	22.2%	-31.6%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	78.0	81.0	53.2%	46.2%	-22.4%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	69.0	71.0	24.2%	22.9%	-26.3%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.0	93.0	17.1%	14.8%	-6.1%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	80.0	19.3%	17.1%	-15.5%	2.8	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	46.3%	32.6%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.9	91.4	15.6%	15.0%	-18.3%	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	78.3%	65.5%	-34.8%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	81.0	40.6%	33.0%	-13.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	71.0	47.4%	38.7%	-9.9%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	77.0	79.0	20.5%	19.5%	-6.8%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	85.0	86.5	38.3%	34.9%	-11.1%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	63.0	68.0	44.1%	37.3%	-23.2%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	78.1	80.1	17.7%	16.7%	-11.3%	2.6	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	79.0	82.0	35.8%	30.7%	-13.5%	1.2	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	77.0	79.4	18.0%	17.2%	-12.1%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.3	80.9	47.2%	40.3%	-14.4%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.1	81.0	25.1%	22.7%	-14.1%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

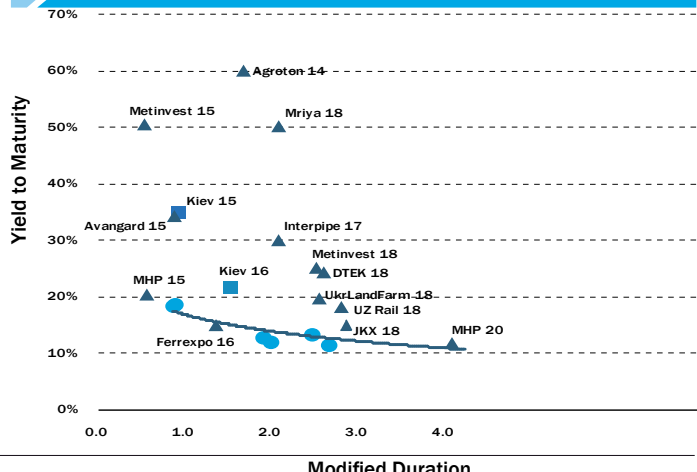
¹ Moody's/S&P/Fitch; * EUR

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

Eavex Capital

12, Ezhena Pottier str.
Kiev 03057
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua