

Market Update

Equity

Kyiv-listed stocks were back under pressure on Wednesday (Sept 17) after a 1-session respite. The overall perception of Kyiv's offer of "decentralization" to the Donbass separatists is that it is only a temporary solution, and uncertainty over how the vaguely-worded deal will actually play out is spoiling investors' risk appetite. The UX index lost 2.7% to close at 1057 points. All 10 index basket components ended in the red. Volume leaders Motor Sich (MSICH) and UkrNafta (UNAF) were somewhat better than the broad market, edging down by 0.6% and 0.9% respectively on combined turnover of UAH 9.4mn. For the second time in three days, the steel sector got pounded, with Alchevsk Steek (ALMK) plunging by 7.6% to a stunning new all-time low of 2.42 kopecks, and Azovstal (AZST UK) falling by 3.1%. Second-tier name Khartsysk Pipe (HRTR), a Metinvest conflict zone stock, dropped by 5.9% to near 48 kopecks. In London, MHP (MHPC) continued to edge higher, climbing 0.9% to USD 12.80, while Avangard (AVGR) was unchanged at USD 8.00. Warsaw-listed Astarta (AST) and Agrotion (AGT) moved down by 1.0% and 1.9% respectively.

Fixed Income

Ukrainian sovereigns decreased on Wednesday with Ukraine-23s dropping by 0.9p.p. to finish at 83.0/84.0 (10.6%/10.4%). The corporate universe was mixed. Metinvest-15s declined by 1.0p.p. to 77.0/80.0 (56.3%/52.6%) while Avangardco-15s improved by 2.0p.p. closing at 87.0/90.0 (36.0%/29.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	314.60	-0.9%	7.8	154
Centrenerg	CEEN	7.20	-2.9%	1.8	290
Motor Sich	MSICH	2211.00	-0.6%	1.6	76

Growth Leaders

Luhanskteplov	LTPL	1.14	6.2%	0.06	8
Motor Sich	MSICH	2211.00	-0.6%	1.60	76
Ukrnafta	UNAF	314.60	-0.9%	7.82	154

Loss Leaders

Dniproblenergo	DNON	67.10	-10.5%	0.046	9
Alchevsk Steel	ALMK	0.02	-7.6%	0.046	77
Kryukiv Wagon	KVBZ	15.96	-4.3%	0.962	54

Highlights

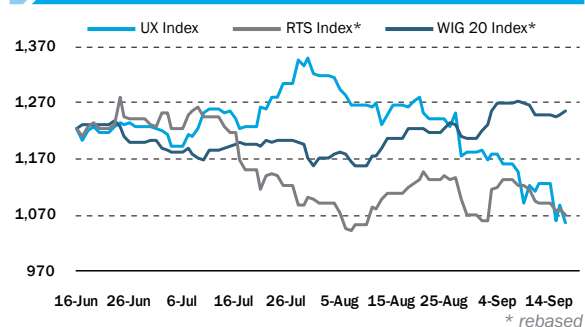
POLITICS AND ECONOMICS

- > Economics Ministry Expects FY14 Grain Harvest at 60mn tonnes

STOCKS IN THE NEWS

- > CentrEnerg to Buy Coal from South Africa and Russia to Cover Shortage

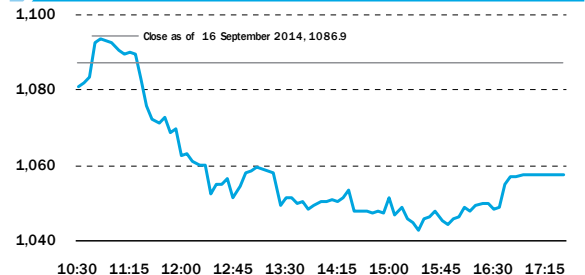
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1057.4	-2.7%	-16.4%	16.2%
RTS	1190.1	-1.0%	-3.4%	-17.5%
WIG20	2515.3	0.7%	4.1%	4.8%
MSCI EM	1062.4	0.8%	-1.1%	6.0%
S&P 500	2001.6	0.1%	2.4%	8.7%

UX INTRADAY SEPTEMBER 17, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	315.1	0.6%	0.5%	-4.7%
CDS 5Y UKR	1226.5	6.3%	28.1%	49.5%
Ukraine-17	13.0%	1.3 p.p.	3.6 p.p.	4.0 p.p.
Naftogaz Ukr-14	94.2%	29.4 p.p.	61.3 p.p.	85.5 p.p.
Ukraine-23	10.5%	0.2 p.p.	1.4 p.p.	3.0 p.p.
Privatbank-16	36.9%	0.2 p.p.	7.1 p.p.	16.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.85	-0.3%	-2.1%	55.9%
EUR	16.53	-1.1%	-6.0%	45.4%
RUB	0.33	-0.8%	-8.0%	32.9%

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	99.0	-0.1%	-5.0%	-11.0%
Gold, USD/oz	1223.6	-1.0%	-6.2%	2.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Economics Ministry Expects FY14
Grain Harvest at 60mn tonnes**

by Ivan Dzvinka
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NEWS

Ukraine's Economics Ministry foresees the country's grains harvest for full-year 2014 coming in at 59.9mn tonnes, Interfax reported on Wednesday (Sept 17). This suggests a 4% drop in the harvest (adjusted for Crimea's non-participation) of 62.4mn tonnes compared to last year. Crimea harvested 700,000 tonnes of grains last year, representing 1.0% of the national total.

COMMENTARY

The Economics Ministry harvest forecast is considerably more conservative than that of the Agriculture Ministry, which is projecting at least 63mn tonnes. Given that corn is number one in terms of harvested grain amount in Ukraine, and its harvesting only started recently (the harvest is at less than 10% of planted area), there is still a significant weather risk for this crop if heavy autumn rains arrive in the coming weeks. We thus apply a conservative approach and project the FY14 harvest in the range of 58-59mn tonnes. We also note that while harvests both in Ukraine and in other major grain-growing countries are expected to be robust this year, this is negatively affecting price levels, which are now nearing a 4-year low for Ukraine's core crops of wheat and corn.

CentrEnergO to Buy Coal from South Africa and Russia to Cover Shortage

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 7.19 Market Cap: USD 205mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.7	0.3	3.4	2.9	8.8%
2014E	0.7	0.4	9.8	6.2	3.1%

NEWS

Government-controlled CentrEnergO, Ukraine's second largest thermal electricity generation company, will purchase steam coal from South Africa and Russia to cover its shortage due to coal infrastructure damage in the Donbass region, Interfax reported on Wednesday (Sept 17) citing Energy Minister Yuriy Prodan. According to preliminary estimates, South African coal will cost USD 91 per tonne while Russian coal will cost USD 80 per tonne. The contract with South Africa foresees average monthly deliveries of 250,000 tonnes. The minister noted that the most obvious solution of purchasing steam coal from Poland, where there is a surplus of the fuel this year, is unviable because Polish coal does not fit technical parameters of CentrEnergO's power plants, most of which use an anthracite-grade of coal.

As we reported earlier this month, CentrEnergO temporarily halted operations at its Zmievska TPP located in Kharkiv province until at least the end of September as a result of a shortage of coal in storage facilities.

COMMENTARY

The news is in line with our expectations. However, the notable difference in the price for imported coal from South Africa and Russia will create additional pressure on the company's profitability this year. Without imports, the coal deficit in Ukraine for 2014 is expected to be some 5mn tonnes. This implies that domestic coal consumers will have to pay about USD 500mn for imported coal. We believe that Zmievska TPP will resume normal operation starting in October as CentrEnergO ramps up its activity for the 2014-15 heating season.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.61	0.56	-9%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	128.0	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	7.19	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	2.23	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.47	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	16.0	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.14	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2211	5250	137%	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	9.0	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	44.0	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	26.2	72.0	174%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.20	15.00	108%	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	12.8	15.65	23%	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	37.0	90.0	143%	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	0.130	0.24	85%	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	1057.40	1368.76	799.72	-2.7%	-5.9%	-16.4%	16.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.024	0.06	0.02	-7.6%	-20.4%	-30.7%	-37.6%	-4.9%	-14.5%	-14.3%	-53.8%
Azovstal	AZST	0.61	0.95	0.35	-3.0%	-11.6%	-32.7%	-9.3%	-0.3%	-5.7%	-16.3%	-25.4%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	2.7%	5.9%	-13.6%	-102.7%
Enakievo Steel	ENMZ	25.7	65.0	17.0	-1.9%	-12.6%	-38.5%	-19.6%	0.8%	-6.7%	-22.2%	-35.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	2.7%	5.9%	16.4%	231.6%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	40.0%	27.3%	40.0%	2.7%	45.9%	43.7%	23.8%
Coke												
Avdyivka Coke	AVDK	2.23	4.80	1.46	-2.7%	-8.0%	-27.5%	-24.8%	0.1%	-2.1%	-11.1%	-41.0%
Yasynivsky Coking	YASK	0.47	0.84	0.30	-4.1%	-6.0%	-32.9%	-11.3%	-1.4%	-0.1%	-16.5%	-27.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.19	n/a	n/a	3.6%	14.7%	10.6%	10.6%	6.3%	20.6%	27.0%	-5.6%
Ferrexpo	FXPO	128.0	199.0	121.8	-0.3%	-1.5%	-5.0%	-33.0%	2.4%	4.3%	11.3%	-49.2%
Pivnichny GOK	SGOK	7.90	9.80	4.50	0.0%	-3.7%	-4.8%	-1.3%	2.7%	2.2%	11.6%	-17.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.45	0.79	0.10	0.0%	-8.2%	-30.8%	12.5%	2.7%	-2.3%	-14.4%	-3.7%
Komsomolets Donbasa	SHKD	0.56	n/a	n/a	1.8%	12.0%	-30.0%	-9.7%	4.5%	17.9%	-13.6%	-25.9%
Energy Coal	CLE	0.84	2.86	0.55	-14.3%	-22.9%	-10.6%	-20.0%	-11.6%	-17.0%	5.8%	-36.2%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	2.7%	5.9%	16.4%	-51.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.48	1.01	0.30	-7.7%	-9.4%	-31.4%	-20.0%	-5.0%	-3.5%	-15.0%	-36.2%
Interpipe NMPP	NVTR	0.32	n/a	n/a	-8.6%	-8.6%	6.7%	52.4%	-5.9%	-2.7%	23.1%	36.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.0	26.0	10.0	-5.6%	-2.1%	-4.1%	-7.7%	-2.9%	3.8%	12.2%	-23.9%
Luhanskeplovoz	LTPL	1.14	1.80	0.85	0.9%	12.9%	6.5%	-24.0%	3.6%	18.8%	22.9%	-40.2%
Stakhanov Wagon	SVGZ	0.81	n/a	n/a	15.7%	8.0%	-11.0%	-37.7%	18.4%	13.9%	5.4%	-53.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.08	0.02	-10.2%	2.0%	-1.1%	69.8%	-7.5%	7.9%	15.3%	53.6%
Motor Sich	MSICH	2,211	2,879	1,303	-0.8%	-2.4%	-5.6%	21.2%	1.9%	3.5%	10.8%	5.0%
Sumy Frunze Engineering	SMASH	3.20	n/a	n/a	0.0%	0.3%	6.7%	28.0%	2.7%	6.2%	23.1%	11.8%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	50.0%	28.6%	2.7%	5.9%	66.4%	12.4%
WESTA ISIC	WES	0.29	0.80	0.21	3.6%	0.0%	0.0%	-27.5%	6.3%	5.9%	16.4%	-43.7%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	-2.7%	11.0%	63.6%	2.7%	3.2%	27.4%	47.4%
Oil & Gas												
Regal Petroleum	RPT	9.00	16.63	4.88	2.9%	18.0%	56.5%	-29.4%	5.6%	23.9%	72.9%	-45.6%
JKX Oil	JKX	44.00	75.00	36.00	0.6%	-1.1%	0.6%	-38.7%	3.3%	4.8%	17.0%	-54.9%
Ukrnafta	UNAF	315	370	54	-0.9%	-1.9%	0.8%	189.7%	1.8%	4.0%	17.2%	173.5%
Power Utilities												
Centrenerg	CEEN	7.20	8.70	2.50	-3.2%	-6.2%	-10.5%	51.0%	-0.5%	-0.3%	5.9%	34.8%
Donbasenergo	DOEN	26.2	50.2	11.0	-3.2%	-7.9%	-34.5%	-4.9%	-0.5%	-2.0%	-18.1%	-21.1%
Zakhidenergo	ZAEN	127.9	157.0	64.0	-0.9%	-0.9%	-2.4%	41.5%	1.9%	5.0%	14.0%	25.3%
Consumer												
Agroton	AGT	2.11	5.5	1.79	-1.9%	-2.8%	1.4%	8.2%	0.9%	3.1%	17.8%	-8.0%
Astarta	AST	37.0	73.7	34.4	-1.0%	-4.6%	-1.9%	-44.7%	1.7%	1.2%	14.5%	-60.9%
Avangardo	AVGR	8.0	13.0	8.00	0.0%	-2.4%	-7.9%	-31.9%	2.7%	3.5%	8.5%	-48.1%
Industrial Milk Company	IMC	7.94	15.50	7.60	-2.0%	-5.0%	-4.2%	-34.7%	0.7%	0.9%	12.2%	-50.8%
Kernel	KER	25.0	53.9	23.2	0.0%	-2.6%	-7.6%	-34.3%	2.7%	3.3%	8.8%	-50.4%
Mriya Agro Holding	MAYA	1.60	6.0	1.44	-9.4%	-15.8%	10.9%	-70.4%	-6.7%	-9.9%	27.3%	-86.6%
MHPC	MHPC	12.8	18.5	10.91	0.9%	7.2%	4.2%	-25.0%	3.6%	13.1%	20.6%	-41.2%
Milkiland	MLK	4.50	14.2	4.16	0.0%	-5.5%	-13.1%	-64.0%	2.7%	0.4%	3.3%	-80.2%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	0.0%	0.7%	-30.0%	2.7%	5.9%	17.1%	-46.2%
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	-1.9%	-15.6%	-10.4%	-17.6%	0.8%	-9.7%	6.0%	-33.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.130	0.190	0.085	-1.4%	-2.7%	-8.2%	14.1%	1.3%	3.2%	8.2%	-2.1%
UkrSotsbank	USCB	0.150	0.257	0.090	-2.2%	-2.5%	-15.1%	-20.0%	0.6%	3.4%	1.3%	-36.2%

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	49	3.9%	2	1,397	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	361	337	327	\$/tonne
Yenakievo Steel	ENMZ	21	8.8%	2	18	2.5	neg	neg	neg	0.8	0.5	0.0	0.0	0.0	6	6	6	\$/tonne
Azovstal	AZST	199	3.0%	6	183	neg	neg	neg	neg	neg	5.2	0.1	0.1	0.1	40	41	40	\$/tonne
Coke																		
Avdyivka Coke	AVDK	34	6.8%	2	31	neg	neg	neg	neg	0.7	1.1	0.0	0.0	0.0	7	8	8	\$/tonne
Yasynivsky Coke	YASK	10	9.0%	1	11	1.2	neg	2.1	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	656	0.3%	2	654	6.9	3.4	4.0	2.8	2.1	2.3	1.1	1.0	1.0				
Pivnichny GOK	SGOK	1,417	0.4%	6	1,410	3.2	2.6	3.1	1.9	1.5	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,220	24.0%	293	1,899	5.7	4.6	4.4	4.7	3.8	3.9	1.3	1.2	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	15	5.4%	1	117	2.0	0.9	0.9	0.9	1.3	1.2	0.4	0.5	0.5	28	27	26	\$/tonne
Coal Energy	CLE	38	25.0%	10	148	1.0	neg	neg	2.4	7.0	16.5	0.9	1.2	1.5	2.4	7.0	16.5	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	97	2.0%	2	143	2.9	20.7	23.7	2.7	4.6	5.5	0.3	0.5	0.5	227	376	357	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	19	24.0%	5	57	4.0	1.0	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	142	5.0%	7	132	1.5	3.4	neg	1.0	2.6	9.9	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	14	8.0%	1	47	24.2	26.9	>30	6.5	8.0	8.6	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	115	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	358	24.0%	86	349	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	262	7.2%	19	566	5.8	15.4	10.0	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,328	3.0%	40	1,320	7.5	>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	47	21.6%	10	22	4.0	neg	23.5	1.0	neg	0.9	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	123	50.4%	62	231	neg	18.9	15.8	1.7	3.5	3.4	1.1	1.3	1.2	42	32	31	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	207	21.7%	45	275	7.2	3.5	9.9	4.0	2.9	6.3	0.2	0.3	0.4	15	20	17	\$/MWh
DonbasEnergO	DOEN	48	14.2%	7	114	12.6	0.7	1.2	3.5	1.6	2.5	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,348	34.1%	460	2,476	4.3	8.3	neg	5.3	6.3	5.2	1.8	1.7	1.9				
Kernel	KER	613	61.8%	379	1,319	2.9	5.8	13.0	4.1	4.5	7.5	0.6	0.5	0.5				
Astarta	AST	284	37.0%	105	606	4.9	8.3	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	18.2	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
							P/E			P/Book								P/Assets
Raiffeisen Bank Aval	BAVL	303	3.5%	11		>30	3.4	neg	0.4	0.3	0.5	0.05	0.06	0.08				
Ukrsotsbank	USCB	215	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

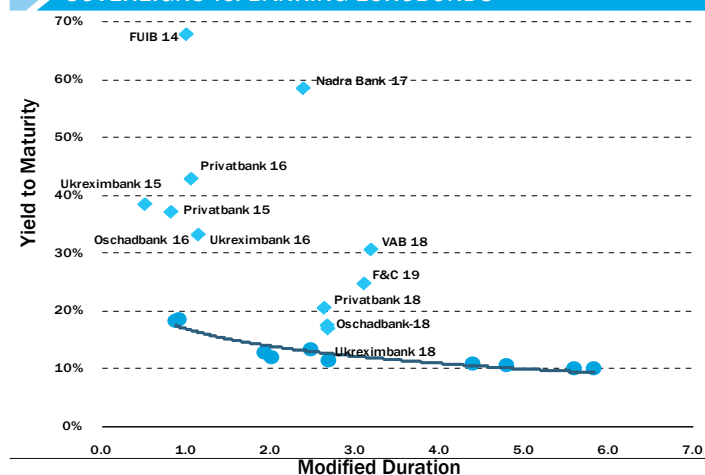
UKRAINIAN EUROBONDS

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	97.7	98.5	112.0%	76.6%	-2.4%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	87.5	89.5	23.3%	19.9%	-7.8%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.5	90.5	24.3%	22.5%	-7.8%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	84.6	86.6	16.6%	15.2%	-9.0%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.0	88.0	14.1%	13.4%	-7.2%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	83.5	85.0	14.2%	13.5%	-9.2%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	86.0	89.3	16.8%	15.1%	-11.7%	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	81.8	83.9	15.8%	14.8%	5.6%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	85.5	86.5	11.7%	11.4%	-7.6%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	85.0	86.0	11.6%	11.4%	-8.7%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.5	86.5	10.6%	10.4%	-5.6%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.0	84.0	10.6%	10.4%	-7.7%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	80.3%	63.1%	-37.6%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	97.0	17.5%	15.6%	-6.8%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.2	86.9	12.0%	11.5%	-3.8%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.0	90.0	36.0%	29.2%	-9.7%	0.9	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	73.9	74.9	21.9%	21.4%	-17.5%	2.5	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	28.0	33.0	157.4%	132.3%	-69.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	28.0	33.0	69.0%	59.4%	-65.0%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	73.8	74.9	70.0%	66.6%	-27.3%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	63.0	66.0	24.0%	22.3%	-31.6%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	80.0	56.3%	49.0%	-23.4%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	68.8	70.7	24.3%	23.1%	-26.6%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.0	92.5	17.1%	15.4%	-6.4%	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	46.4%	32.6%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.6	91.0	15.8%	15.2%	-18.6%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	27.7%	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	78.9%	65.9%	-34.8%	2.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	81.0	40.9%	33.2%	-13.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	71.0	47.5%	38.8%	-9.9%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.6	78.9	20.7%	19.6%	-7.1%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	86.0	43.5%	36.5%	-12.4%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	68.0	41.5%	37.5%	-22.0%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.0	76.9	19.2%	18.3%	-14.9%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	60.0	65.0	33.0%	29.1%	-26.9%	2.0	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	77.5	79.5	38.8%	35.1%	-15.6%	1.2	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	77.2	79.4	18.0%	16.9%	-12.0%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.4	81.3	47.1%	39.6%	-14.1%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.3	80.5	25.1%	23.2%	-14.3%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

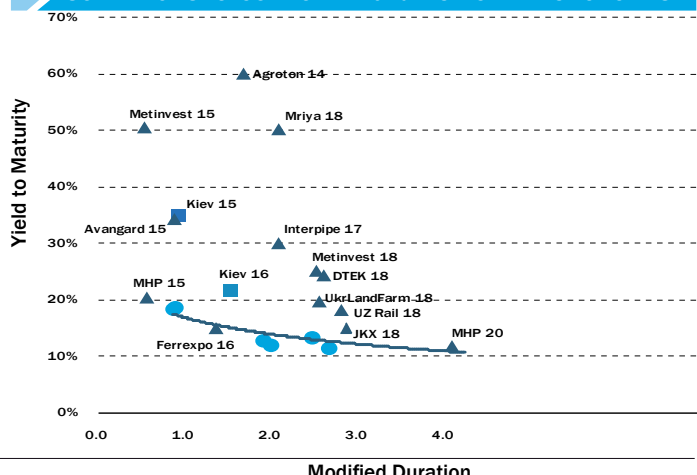
¹ Moody's/S&P/Fitch; * EUR

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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