

Market Update

Equity

Kyiv-listed stocks rebounded on Monday (Sept 22), gaining back some territory from last week's miserable performance. Domestic political and military news flow during the day was surprisingly dry, while external market sentiments were negative with the main European indices finishing substantially in the red. The UX index advanced by 3.3% to close at 1078 points. However, a chunk of the benchmark's rise came from low-liquidity Avdyivka Coke (AVDK), which surged by 28% on what appeared to be an anomalous last trade. Top liquid names Motor Sich (MSICH) and CentrEnergO (CEEN) were firmly higher by 3.8% and 2.3% respectively on combined turnover of UAH 3.7mn. Raiffeisen Aval (BAVL) underperformed the broad market, climbing 0.5% to 13.02 kopecks per share. In London, Ukrainian names were lower with MHP (MHPC) correcting by 2.2% and Avangard (AVGR) inching down by 0.1%. JKX Oil&Gas (JKX) sold off by 6.0% on the company's statement about reduction of its CapEx program in Ukraine. Warsaw-listed Astarta (AST) and KSG Agro (KSG) rose by 2.0% and 6.4% respectively, with the latter ending at PLN 1.50.

Fixed Income

Ukrainian sovereigns were lower on Monday with Ukraine-23s dropping by 0.4p.p. to 83.8/84.4 (10.5%/10.3%). The corporate universe was mixed. Avangardco-15s improved by 0.5p.p. to 87.0/90.0 (36.9%/29.8%) while DTEK-15s declined by 0.5p.p. finishing at 73.1/74.9 (72.9%/67.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	318.40	1.2%	3.2	105
Motor Sich	MSICH	2243.00	3.5%	2.4	173
CentrenergO	CEEN	7.24	2.3%	1.4	138

Growth Leaders

Avdyivka Coke	AVDK	2.85	27.8%	0.10	87
Alchevsk Steel	ALMK	0.02	7.9%	0.04	96
Azovstal	AZST	0.62	4.2%	0.06	60

Loss Leaders

Bogdan Motors	LUAZ	0.04	-12.1%	0.004	11
Raiffeisen Bank Aval	BAVL	0.13	0.5%	0.654	48
Ukrnafta	UNAF	318.40	1.2%	3.249	105

Highlights

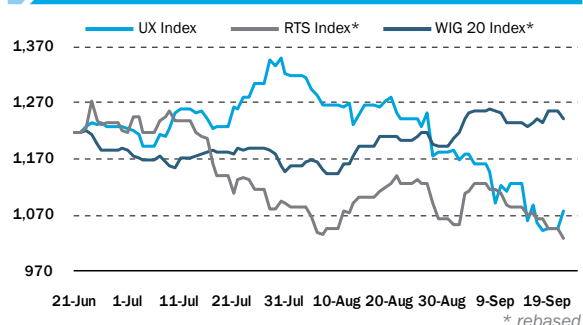
STOCKS IN THE NEWS

- > JKX to Slash 2014 CapEx in Ukraine by 25%

FIXED INCOME

- > Mriya to Release New Financial Projections by Mid-October

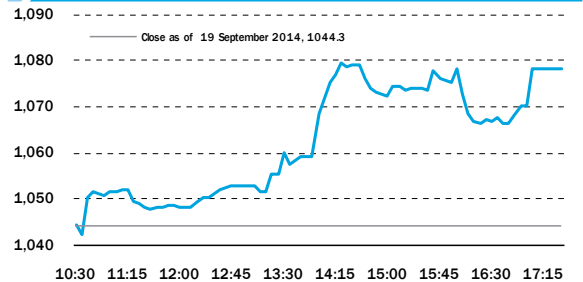
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1078.3	3.3%	-13.1%	18.5%
RTS	1151.2	-1.6%	-8.6%	-20.2%
WIG20	2515.8	-0.9%	3.1%	4.8%
MSCI EM	1040.3	-1.3%	-3.9%	3.8%
S&P 500	1994.3	-0.8%	0.3%	8.3%

UX INTRADAY SEPTEMBER 22, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	316.4	0.3%	2.5%	-4.4%
CDS 5Y UKR	1222.7	2.2%	28.7%	49.1%
Ukraine-17	12.8%	0.7 p.p.	3.7 p.p.	3.8 p.p.
Naftogaz Ukr-14	105.9%	14.6 p.p.	72.1 p.p.	97.2 p.p.
Ukraine-23	10.4%	0.1 p.p.	1.2 p.p.	2.9 p.p.
Privatbank-16	37.1%	0.1 p.p.	5.2 p.p.	16.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	14.18	-1.6%	4.6%	72.0%
EUR	17.03	-7.8%	-5.1%	49.7%
RUB	0.36	-4.3%	-4.3%	42.9%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	211.6	0.0%	-11.2%	-26.4%
Steel, USD/t	544.5	0.8%	0.4%	1.3%
Oil, USD/bbl	97.0	-1.4%	-5.9%	-12.8%
Gold, USD/oz	1215.2	0.0%	-5.1%	1.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

JKX to Slash 2014 CapEx in Ukraine by 25%

by Dmitry Churin
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JKX OIL&GAS (JKX LN)

Price: GBp 43.0 Market Cap: USD 121mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.2	0.7	18.6	1.9	0%
2014E	0.2	0.6	15.5	1.9	0%

NEWS

Russia/Ukraine-focused hydrocarbons extractor JKX Oil&Gas will reduce its capital expenditures to offset additional production tax costs of approximately USD 10mn in 2H14, management has announced. These additional taxation costs amount to approximately 25% of the company's budgeted capital expenditure program in Ukraine for 2014. Meanwhile, the company is continuing its drilling program at Poltava, with the completion of the deep Elizavetovske well E-303, which will be followed by the oil-targeted IG-141 well in the Ignatovske field. In early August, hydrocarbon production taxes in Ukraine were substantially increased for the oil and gas industry for the remainder of 2014 as a result of the adoption of emergency budget legislation. The most significant tax increase was on gas production – JKX's speciality - where the rate almost doubled to 55%.

COMMENTARY

The news hit the JKX stock, which had its worst day since its big losses when the tax hike was originally announced, dropping by 6.0% to GBp 43.0 per share. The emergency budget legislation that increased production taxes for the gas sector was quite controversial. An unidentified source in the Finance Ministry said the bill had been prepared on an assumption that the primary cost for extraction of 1,000 cubic meters (cu-m) of gas was USD 30. In our opinion, the figure is a gross underestimate, with the general industry claiming a primary cost for extraction of 1,000 cu-m of natural gas by independent E&P companies at about USD 100. The energy sector in Ukraine is complicated by multi-tiered pricing schemes for gas, which is sold for household heating purposes at UAH 1090 (USD 80) per 1,000 cu-m, even as the price for imported gas from Poland and Slovakia stands at USD 330 per 1,000 cu-m. The Ukrainian gas industry has special schemes to ensure cheap gas for households and public organizations, but these schemes also create unfair distortions in the gas distribution network which result in a huge budget gap for state energy operator Naftogaz and correspondingly for the national budget. Nevertheless, the additional production taxes for independent producers should be eliminated or at least reduced in 2015, so we do not think the taxes will be a long run obstacle for JKX's Ukrainian development plans.

Mriya to Release New Financial Projections by Mid-October

by Ivan Dzvinka
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NEWS

Western-Ukraine-based crop grower Mriya, which last month admitting to being in default on some of its obligations, expects to be in a position to share with its bondholders and other lenders “certain information” from its medium term P&L and cash flow projections, the company said on Friday (Sept 19). When completed in mid-October, these projections will be, according to Mriya, used as a basis for debt restructuring discussions with lenders. The company has hired Deloitte as an independent consultant to assist its management in financial modelling. Also, following the request of its lenders, Mriya also engaged a company called SGS to conduct an independent review of the group’s assets. The Blackstone Group, which was brought in as a financial adviser earlier this year, has completed its scope of work, according to the company.

COMMENTARY

While it is unclear from Mriya’s announcement exactly which projected figures they are going to disclose (‘certain information’), probably this disclosure could have a material impact on the company’s bond pricing, as it will likely provide more clarity about whether Mriya is going to restructure its loans and bonds with a “haircut”, or without one. Also, if the company does indeed provide its financial performance projections, it will certainly be interesting to see what magnitude of profitability it now forecasts for the foreseeable future. We note that in the past, Mriya consistently reported significantly higher operating profitability vs. its peers, but this was an illusion which was mainly the result of reporting manipulation, according to our calculations.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.62	0.56	-11%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	129.9	108.0	-17%	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	7.60	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	2.85	U/R	-	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.46	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	0.44	2.9	569%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	16.1	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.12	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2243	5250	134%	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	8.5	U/R	-	U/R	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	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	26.1	72.0	176%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.24	15.00	107%	BUY	CentrEnergO'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	37.7	90.0	139%	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	84%	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	1078.32	1368.76	799.72	3.3%	1.7%	-13.1%	18.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.025	0.06	0.02	7.4%	-7.5%	-27.6%	-36.3%	4.1%	-9.2%	-14.5%	-54.8%
Azovstal	AZST	0.62	0.95	0.35	4.4%	0.8%	-28.2%	-7.0%	1.1%	-0.9%	-15.1%	-25.5%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	-3.3%	-1.7%	-16.9%	-105.0%
Enakievo Steel	ENMZ	25.4	65.0	17.0	3.7%	3.3%	-34.3%	-20.6%	0.5%	1.6%	-21.2%	-39.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-3.3%	-1.7%	13.1%	229.3%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	0.0%	40.0%	40.0%	-3.3%	-1.7%	53.1%	21.5%
Coke												
Avdyivka Coke	AVDK	2.85	4.80	1.46	27.8%	30.2%	-3.6%	-3.8%	24.5%	28.6%	9.5%	-22.3%
Yasnyivsky Coking	YASK	0.46	0.84	0.30	0.0%	-6.1%	-29.2%	-13.2%	-3.3%	-7.8%	-16.1%	-31.7%
Iron Ore Mining												
Centralny GOK	CGOK	7.19	n/a	n/a	0.0%	9.3%	10.6%	10.6%	-3.3%	7.6%	23.7%	-7.9%
Ferrexpo	FXPO	129.9	199.0	121.8	-0.3%	2.9%	-5.9%	-32.0%	-3.6%	1.2%	7.2%	-50.5%
Pivnichny GOK	SGOK	7.60	9.80	4.50	0.0%	-3.8%	-8.4%	-5.0%	-3.3%	-5.5%	4.7%	-23.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.44	0.79	0.10	-2.2%	-2.2%	-22.8%	10.0%	-5.5%	-3.9%	-9.7%	-8.5%
Komsomolets Donbasa	SHKD	0.52	n/a	n/a	-7.1%	-5.5%	-30.7%	-16.1%	-10.4%	-7.1%	-17.6%	-34.6%
Energy Coal	CLE	1.03	2.86	0.55	9.6%	1.0%	12.0%	-1.9%	6.3%	-0.7%	25.1%	-20.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-3.3%	-1.7%	13.1%	-53.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.48	1.01	0.30	0.0%	-7.7%	-20.0%	-20.0%	-3.3%	-9.4%	-6.9%	-38.5%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	-3.3%	-1.7%	29.8%	48.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	16.1	26.0	10.0	0.9%	2.4%	-4.0%	-6.8%	-2.4%	0.8%	9.1%	-25.3%
Luhanskeplovoz	LTPL	1.12	1.80	0.85	-1.8%	-0.9%	-6.7%	-25.3%	-5.0%	-2.5%	6.4%	-43.8%
Stakhanov Wagon	SVGZ	0.81	n/a	n/a	0.0%	15.7%	-12.9%	-37.7%	-3.3%	14.1%	0.2%	-56.2%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-14.1%	-23.3%	-24.4%	42.6%	-17.3%	-25.0%	-11.3%	24.2%
Motor Sich	MSICH	2,243	2,879	1,303	3.5%	3.1%	-4.1%	23.0%	0.2%	1.5%	9.0%	4.5%
Summy Frunze Engineering	SMASH	3.20	n/a	n/a	0.0%	0.0%	6.7%	28.0%	-3.3%	-1.7%	19.8%	9.5%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	50.0%	28.6%	-3.3%	-1.7%	63.1%	10.1%
WESTA ISIC	WES	0.33	0.80	0.21	10.0%	13.8%	13.8%	-17.5%	6.7%	12.1%	26.9%	-36.0%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	-5.3%	0.0%	4.7%	63.6%	-8.5%	-1.7%	17.8%	45.1%
Oil & Gas												
Regal Petroleum	RPT	8.50	16.63	4.88	-5.6%	-4.2%	25.9%	-33.3%	-8.8%	-5.9%	39.0%	-51.8%
JXX Oil	JKX	43.00	75.00	36.00	-6.0%	0.0%	-5.2%	-40.1%	-9.3%	-1.7%	7.9%	-58.6%
Ukrnafta	UNAF	318	370	54	1.4%	-0.2%	1.0%	193.2%	-1.9%	-1.8%	14.2%	174.7%
Power Utilities												
Centrenerg	CEEN	7.24	8.70	2.50	2.2%	0.9%	-8.8%	51.8%	-1.0%	-0.7%	4.3%	33.3%
Donbasenergo	DOEN	26.1	50.2	11.0	2.4%	-6.3%	-31.4%	-5.3%	-0.8%	-8.0%	-18.3%	-23.8%
Zakhidenergo	ZAEN	132.9	157.0	64.0	0.0%	3.0%	-3.8%	47.0%	-3.3%	1.4%	9.3%	28.5%
Consumer												
Agroton	AGT	2.14	5.5	1.79	1.4%	-2.3%	-3.6%	9.7%	-1.8%	-3.9%	9.5%	-8.7%
Astarta	AST	37.7	73.7	34.4	2.0%	3.0%	-0.3%	-43.6%	-1.2%	1.3%	12.8%	-62.1%
Avangardo	AVGR	8.0	13.0	7.99	-0.1%	-3.5%	-11.2%	-32.0%	-3.4%	-5.2%	1.9%	-50.5%
Industrial Milk Company	IMC	7.70	15.50	7.60	-1.0%	-5.1%	-10.5%	-36.6%	-4.3%	-6.7%	2.6%	-55.1%
Kernel	KER	25.5	53.9	23.2	1.9%	1.3%	-7.4%	-33.1%	-1.4%	-0.4%	5.7%	-51.6%
Mriya Agro Holding	MAYA	1.45	6.0	1.44	0.0%	-19.9%	-12.7%	-73.1%	-3.3%	-21.6%	0.5%	-91.6%
MHPC	MHPC	12.6	18.5	10.91	-2.2%	0.0%	4.8%	-25.9%	-5.4%	-1.7%	17.9%	-44.4%
Milkiland	MLK	4.18	14.2	4.16	-2.6%	-9.7%	-12.0%	-66.6%	-5.8%	-11.4%	1.1%	-85.1%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	0.0%	0.0%	-30.0%	-3.3%	-1.7%	13.1%	-48.5%
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	10.2	n/a	n/a	0.0%	-2.8%	-18.3%	-18.3%	-3.3%	-4.4%	-5.2%	-36.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.130	0.190	0.085	0.5%	2.3%	-7.1%	14.7%	-2.7%	0.6%	6.0%	-3.8%
UkrSotsbank	USCB	0.145	0.257	0.090	2.8%	-6.3%	-15.7%	-22.7%	-0.4%	-8.0%	-2.6%	-41.2%

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	45	3.9%	2	1,394	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	360	336	326	\$/tonne
Yenakievo Steel	ENMZ	19	8.8%	2	15	2.2	neg	neg	neg	0.7	0.5	0.0	0.0	0.0	6	5	5	\$/tonne
Azovstal	AZST	185	3.0%	5	169	neg	neg	neg	neg	neg	4.8	0.1	0.1	0.1	37	37	37	\$/tonne
Coke																		
Avdyivka Coke	AVDK	39	6.8%	3	37	neg	neg	neg	neg	0.8	1.2	0.0	0.0	0.0	8	9	10	\$/tonne
Yasynivsky Coke	YASK	9	9.0%	1	10	1.1	neg	1.9	0.4	0.3	0.5	0.0	0.0	0.0	0.4	0.3	0.5	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	594	0.3%	1	593	6.2	3.1	3.6	2.6	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,235	0.4%	5	1,229	2.8	2.3	2.7	1.6	1.3	1.5	0.9	0.8	0.8				
Ferrexpo	FXPO	1,245	24.0%	299	1,924	5.8	4.7	4.5	4.8	3.8	3.9	1.4	1.2	1.3				
Coal Mining																		
Komsomolets Donbasa	SHKD	12	5.4%	1	114	1.7	0.7	0.7	0.9	1.2	1.2	0.4	0.5	0.5	28	27	25	\$/tonne
Coal Energy	CLE	47	25.0%	12	157	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	88	2.0%	2	134	2.6	18.7	21.4	2.6	4.3	5.2	0.3	0.4	0.5	212	352	334	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	17	24.0%	4	55	3.6	0.9	0.8	1.9	1.5	1.4	0.3	0.2	0.1				
Kruiiv Wagon	KVBZ	130	5.0%	7	121	1.4	3.1	neg	0.9	2.4	9.1	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	13	8.0%	1	45	22.0	24.3	27.9	6.3	7.8	8.3	0.1	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	104	5.8%	6	44	2.7	1.5	1.6	0.9	0.5	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	329	24.0%	79	320	1.6	1.9	1.8	1.0	1.2	1.2	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	238	7.2%	17	541	5.3	14.0	9.0	2.6	2.8	3.1	0.6	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,218	3.0%	37	1,210	6.9	>30	7.6	2.7	4.2	3.7	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	45	21.6%	10	20	3.8	neg	22.3	0.9	neg	0.8	0.5	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	121	50.4%	61	229	neg	18.6	15.5	1.7	3.5	3.4	1.1	1.3	1.2	42	31	31	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	189	21.7%	41	257	6.5	3.2	9.1	3.7	2.7	5.9	0.2	0.3	0.4	14	19	16	\$/MWh
DonbasEnergO	DOEN	44	14.2%	6	109	11.4	0.7	1.1	3.4	1.5	2.4	0.2	0.2	0.2	13	14	13	\$/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	624	61.8%	385	1,330	3.0	5.9	13.3	4.1	4.6	7.6	0.6	0.5	0.5				
Astarta	AST	290	37.0%	107	611	5.0	8.5	3.5	5.5	6.7	4.4	1.3	1.2	1.1				
Avangardco	AVGR	510	22.5%	115	616	2.2	2.1	3.1	2.2	2.0	2.6	1.0	0.9	1.0	139	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	276	3.5%	10		>30	3.1	neg	0.3	0.3	0.5	0.05	0.05	0.07				
Ukrsotsbank	USCB	188	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

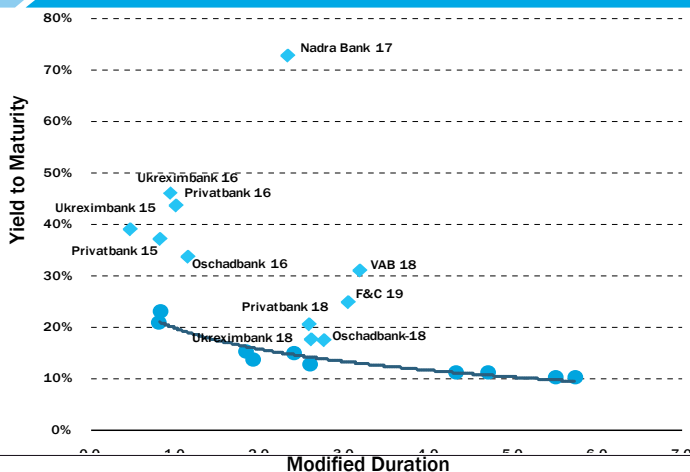
UKRAINIAN EUROBONDS

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	98.2	99.0	133.6%	78.6%	-1.9%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	88.0	89.7	22.9%	19.9%	-7.5%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.5	91.5	24.8%	21.1%	-7.3%	0.9	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	85.1	87.6	16.3%	14.6%	-8.2%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.4	87.9	14.5%	13.5%	-7.6%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	83.9	85.4	14.0%	13.3%	-8.7%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	87.2	88.2	16.2%	15.7%	-11.6%	2.4	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	94.0	95.5	12.1%	11.4%	14.7%	2.5	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	81.0	82.4	16.3%	15.6%	4.1%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	85.8	87.3	11.6%	11.2%	-7.0%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	86.3	87.3	11.3%	11.0%	-7.3%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.2	87.0	10.7%	10.3%	-5.5%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.4	84.4	10.5%	10.3%	-7.3%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	81.3%	63.6%	-37.6%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	97.0	17.6%	15.7%	-6.8%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.1	86.8	12.0%	11.5%	-3.8%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.0	90.0	36.9%	29.8%	-9.7%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	73.9	75.6	21.9%	21.1%	-17.1%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	30.0	35.0	147.9%	125.1%	-67.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	28.0	33.0	69.3%	59.6%	-65.0%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	73.1	74.9	72.9%	67.5%	-27.6%	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	56.9%	49.5%	-23.4%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	69.0	71.5	24.3%	22.7%	-26.1%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.1	93.1	17.2%	15.0%	-6.1%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	77.0	19.3%	18.4%	-17.1%	2.7	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	46.9%	32.9%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.4	91.0	15.8%	15.2%	-18.7%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	50.0	60.0	30.9%	24.8%	-33.7%	3.0	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	79.4%	66.3%	-34.8%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	81.0	41.2%	33.4%	-13.7%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	71.0	48.2%	39.3%	-9.9%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.6	79.0	20.7%	19.6%	-7.0%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.0	86.0	41.6%	36.8%	-11.9%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	69.0	41.8%	36.4%	-21.5%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.3	79.1	19.1%	17.3%	-13.4%	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%	1.9	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	79.0	80.5	36.6%	33.8%	-14.3%	1.2	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	77.0	78.7	18.1%	17.5%	-12.5%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.6	80.5	47.7%	42.5%	-14.4%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.5	80.5	24.9%	23.2%	-14.2%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

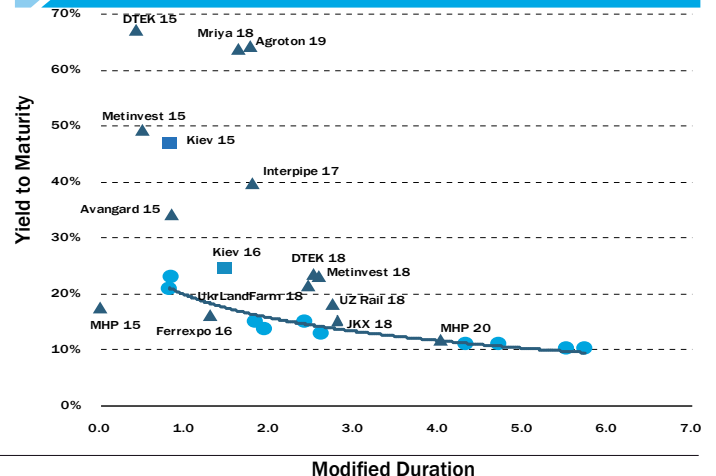
¹ Moody's/S&P/Fitch; * EUR

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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