

Market Update

Equity

The Ukrainian stock market rose for a second straight trading session on Tuesday (Sept 23). Among positive impulses we can mention some progress in ensuring natural gas deliveries in the country for the upcoming winter season. The state gas monopoly Naftogaz said there were preliminary discussions with EU gas operators about transferring the EU's ownership right point to the Ukraine-Russia border from the Ukraine-EU border; in theory, such changes in contracts with Gazprom would allow Ukraine to buy gas from EU operators without taking into account the reverse pipeline capacity limitations. The UX index added 0.7% to close at 1085 points. Avdyivka Coke (AVDK) closed at UAH 2.40, demonstrating that its "rise" by 28% a day earlier to UAH 2.84 was either an anomalous last trade or a technical glitch. In utility sector stocks, DonbasEnergo (DOEN) advanced by 3.9% and CentrEnergo (CEEN) added 2.2%. In London trading, MHP (MHPC) fell 1.8% to USD 12.40 and JKK Oil&Gas (JKX) was up 0.6% after its 7% loss on Monday. Top liquid issue Ferrexpo (FXPO) lost 3.4% amid downward movement in iron ore prices. Warsaw-listed names were also broadly lower, with Astarta (AST) and KSG Agro (KSG) sliding by 2.7% and 4.5% respectively.

Fixed Income

Ukrainian sovereigns were lower on Tuesday with Ukraine-23s declining by 1.7p.p. to 81.7/82.7 (10.8%/10.6%). The corporate universe closed mixed. Following the strange release of Mriya (see the news below), the group's 16s papers moved down by 5.0p.p. to 25.0/30.0 while DTEK-15s improved by 0.9p.p. closing at 74.0/75.9 (70.5%/64.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	326.00	2.4%	4.4	178
Motor Sich	MSICH	2281.00	1.2%	3.0	206
Centrenergo	CEEN	7.40	2.2%	1.9	242

Growth Leaders

Donbasenergo	DOEN	27.22	3.9%	0.65	101
Azovstal	AZST	0.64	3.1%	0.22	169
Ukrnafta	UNAF	326.00	2.4%	4.39	178

Loss Leaders

Alchevsk Steel	ALMK	0.02	-2.5%	0.174	63
Yenakievo Steel	ENMZ	25.00	-2.3%	0.037	50
Yasynivsky Coke	YASK	0.45	-2.2%	0.375	14

Highlights

STOCKS IN THE NEWS

- > Ukraine's Poultry Export Quota to EU Could be Increased to 90,000 tonnes
- > Ovostar Issues Optimistic 25% YoY Top Line Growth Forecast

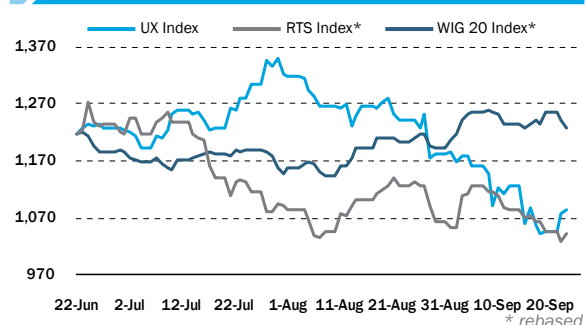
FIXED INCOME

- > Mriya Appoints New CEO, Establishes Financial "Dataroom"

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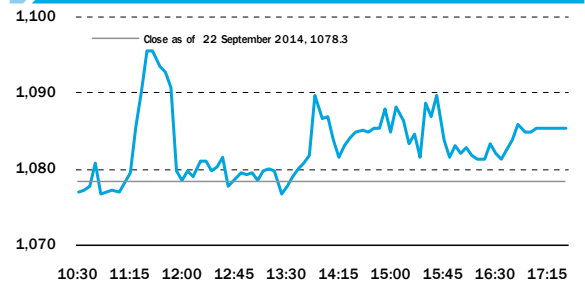
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1085.4	0.7%	-12.5%	19.3%
RTS	1167.3	1.4%	-7.4%	-19.1%
WIG20	2485.3	-1.2%	1.9%	3.5%
MSCI EM	1032.8	-0.7%	-4.6%	3.1%
S&P 500	1982.8	-0.6%	-0.3%	7.7%

UX INTRADAY SEPTEMBER 23, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	318.3	0.6%	3.1%	-3.8%
CDS 5Y UKR	1262.0	3.2%	32.9%	53.8%
Ukraine-17	13.2%	0.4 p.p.	3.7 p.p.	4.2 p.p.
Naftogaz Ukr-14	144.3%	38.3 p.p.	110.4 p.p.	134.5 p.p.
Ukraine-23	10.7%	0.4 p.p.	1.6 p.p.	3.2 p.p.
Privatbank-16	37.8%	0.7 p.p.	6.0 p.p.	17.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	13.25	-6.5%	-2.2%	60.8%
EUR	17.02	0.0%	-5.1%	49.7%
RUB	0.34	-4.3%	-8.5%	36.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	211.6	0.0%	-11.2%	-26.4%
Steel, USD/t	544.5	0.0%	0.4%	1.3%
Oil, USD/bbl	96.9	-0.1%	-6.0%	-9.7%
Gold, USD/oz	1223.3	0.7%	-4.4%	2.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Poultry Export Quota to EU Could be Increased to 90,000 tonnes

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 12.37 Market Cap: USD 1,307mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.6	8.1	6.2	6.1%
2014E	1.9	neg	5.1	0.0%

NEWS

The Poultry Union of Ukraine, an industry association, hopes for expansion of the poultry duty-free export quota to the EU for Ukraine from the current 36,000 tonnes to 80,000-100,000 tonnes per annum, Interfax reported on Tuesday (Sept 23) citing Aleksandr Bakumenko, the head of association. The Poultry Union intends to conduct negotiations with its EU partners on expansion of the current quotas. Based on the organization's data, Ukraine exported 10,000 tonnes of poultry meat to the EU over the last four months. MHP accounted for 95% of this figure, while the remaining 5% was exported by Agromars, the country's second-largest producer.

COMMENTARY

The announced intention is positive for London-listed MHP, Ukraine's largest poultry maker. MHP is obviously the primary beneficiary from the opening of the EU market to Ukraine's poultry makers, as the figures from the Poultry Union show. If negotiations on expansion of the export quota are successful, MHP will be able to further increase its export sales, strengthening its natural hedge against hryvnia devaluation. We reiterate our BUY recommendation for MHPC stock with a target price of USD 15.7 per share.

Ovostar Issues Optimistic 25% YoY Top Line Growth Forecast

by Ivan Dzvinka
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OVOSTAR UNION (OVO PW)

Price: PLN 69.99 Market Cap: USD 129mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.7	4.2	3.8	0.0%
2014E	1.9	8.1	6.4	0.0%

NEWS

The management of Ovostar, Ukraine's third-largest egg producer, expects net revenue to increase by 25% YoY to USD 102mn in FY14, Interfax reported on Tuesday (Sept 23) citing the company's CEO, Boris Belikov. Ovostar intends to produce 1.0bn shell egg pieces in 2014 suggesting a 12% YoY increase, after output of 893mn pieces in 2013, according to Mr. Belikov. The company is targeting an increase in the share of export sales in its revenue to 35% (presumably in the medium term) from 10-15% currently. In addition, the CEO said the company plans to start export of its egg products to the EU "after Sept 29", after ongoing technical negotiations are finalized.

COMMENTARY

While we do not rule out an error in the Interfax report regarding the revenue projection, if it is indeed true, we treat the top line forecast of USD 102mn for Ovostar as overly optimistic in light of the large devaluation of the Ukrainian hryvnia and the focus of the company on selling to the domestic market. At the moment, we are sticking to our forecast of FY14 revenue at USD 70mn, implying a 14% YoY decline. Needless to say, the intention to start export sales to EU is a step forward in the company's stated quest to reach a share of export sales of 35%. Still, the stated timing of this start ("after Sept 29") looks rather non-specific, leaving us to wonder if the actual launch of the EU exports might be several weeks or even months later.

Mriya Appoints New CEO, Establishes Financial “Dataroom”

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, appointed Vladislav Lugovskiy as its CEO, the company said on its web site on Tuesday (Sept 23). Mr. Lugovskiy before the appointment served as COO of Mriya. Also, the company said it has established a so-called “dataroom” which will contain financial information relevant to its lenders. The statement was accompanied by the disclaimer “Mriya nor any of its advisers makes any representation regarding the accuracy, sufficiency, relevance of any information contained in the Dataroom... Bondholders should be aware that accessing the Dataroom may result in such Noteholder being prevented from dealing or encouraging another person to deal in the Notes or any other notes of Mriya or in Mriya’s shares”. To gain access to the dataroom, bondholders will have to send a request to the company.

COMMENTARY

Some statements of the release look strange and insufficiently specific. We wonder how the company could establish a dataroom and at the same time not take any responsibility for the accuracy and relevance of the information included there. Also, no timing regarding the forbiddance of operations with the Mriya securities is specified in the release. It would be fair to expect “clever” bondholders to find options to gain access to the dataroom without losing their ability to make trades with the securities. Overall, the idea of creating such a peculiar system of access to information indicates to us that the real financial situation and future prospects for Mriya’s recovery are grim. Following the release, Mriya-16s moved down by 5.0p.p. reaching new historic low of 25.0/30.0.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.64	0.56	-13%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	125.5	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	8.20	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	7.28	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	2.40	U/R	-	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.45	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	15.9	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.10	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2281	5250	130%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	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	43.3	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	27.2	72.0	165%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.40	15.00	103%	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	12.4	15.65	27%	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	36.7	90.0	145%	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	0.129	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	1085.35	1368.76	799.72	0.7%	-0.1%	-12.5%	19.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.024	0.06	0.02	-4.5%	-9.9%	-30.8%	-39.2%	-5.1%	-9.8%	-18.3%	-58.4%
Azovstal	AZST	0.64	0.95	0.35	3.0%	2.4%	-26.0%	-4.2%	2.4%	2.5%	-13.5%	-23.4%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	-0.7%	0.1%	-17.5%	-105.8%
Enakievo Steel	ENMZ	25.0	65.0	17.0	-1.6%	-4.7%	-35.4%	-21.9%	-2.3%	-4.6%	-22.9%	-41.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-0.7%	0.1%	12.5%	228.6%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	0.0%	40.0%	40.0%	-0.7%	0.1%	52.5%	20.7%
Coke												
Avdiyivka Coke	AVDK	2.40	4.80	1.46	-15.7%	4.9%	-18.8%	-18.9%	-16.4%	5.1%	-6.2%	-38.2%
Yasynivsky Coking	YASK	0.45	0.84	0.30	-2.2%	-8.2%	-30.8%	-15.1%	-2.8%	-8.0%	-18.2%	-34.4%
Iron Ore Mining												
Centralny GOK	CGOK	7.28	n/a	n/a	1.3%	4.9%	12.0%	12.0%	0.6%	5.0%	24.5%	-7.3%
Ferrexpo	FXPO	125.5	199.0	121.8	-3.4%	-2.3%	-9.1%	-34.3%	-4.0%	-2.1%	3.5%	-53.6%
Pivnichny GOK	SGOK	8.20	9.80	4.50	7.9%	3.8%	-1.2%	2.5%	7.2%	3.9%	11.3%	-16.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.44	0.79	0.10	0.0%	-2.2%	-22.8%	10.0%	-0.7%	-2.1%	-10.3%	-9.3%
Komsomolets Donbasa	SHKD	0.58	n/a	n/a	11.5%	5.5%	-22.7%	-6.5%	10.9%	5.6%	-10.1%	-25.7%
Energy Coal	CLE	0.96	2.86	0.55	-6.8%	-2.0%	4.3%	-8.6%	-7.4%	-1.9%	16.9%	-27.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-0.7%	0.1%	12.5%	-54.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.57	1.01	0.30	18.8%	9.6%	-5.0%	-5.0%	18.1%	9.8%	7.5%	-24.3%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	-0.7%	0.1%	29.2%	47.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	15.9	26.0	10.0	-1.7%	-6.3%	-5.7%	-8.4%	-2.4%	-6.1%	6.9%	-27.6%
Luhanskeplovoz	LTPL	1.10	1.80	0.85	-1.8%	-2.7%	-8.3%	-26.7%	-2.4%	-2.5%	4.2%	-45.9%
Stakhanov Wagon	SVGZ	0.85	n/a	n/a	4.9%	21.4%	-8.6%	-34.6%	4.3%	21.6%	3.9%	-53.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	5.6%	-20.4%	-20.2%	50.6%	4.9%	-20.2%	-7.7%	31.3%
Motor Sich	MSICH	2,281	2,879	1,303	1.7%	2.3%	-2.5%	25.1%	1.0%	2.5%	10.0%	5.8%
Summy Frunze Engineering	SMASH	4.70	n/a	n/a	46.9%	46.9%	56.7%	88.0%	46.2%	47.0%	69.2%	68.7%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	50.0%	28.6%	-0.7%	0.1%	62.5%	9.3%
WESTA ISIC	WES	0.32	0.80	0.21	-3.0%	14.3%	10.3%	-20.0%	-3.7%	14.4%	22.9%	-39.3%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	0.0%	4.7%	63.6%	-0.7%	0.1%	17.2%	44.4%
Oil & Gas												
Regal Petroleum	RPT	9.00	16.63	4.88	5.9%	2.9%	33.3%	-29.4%	5.2%	3.0%	45.9%	-48.7%
JXX Oil	JKX	43.25	75.00	36.00	0.6%	-1.1%	-4.7%	-39.7%	-0.1%	-1.0%	7.9%	-59.0%
Ukrnafta	UNAF	326	370	54	2.4%	2.7%	3.5%	200.2%	1.7%	2.9%	16.0%	180.9%
Power Utilities												
Centrenerg	CEEN	7.40	8.70	2.50	2.2%	-0.5%	-6.8%	55.2%	1.6%	-0.4%	5.7%	35.9%
Donbasenergo	DOEN	27.2	50.2	11.0	4.2%	0.4%	-28.5%	-1.3%	3.6%	0.6%	-16.0%	-20.6%
Zakhidenergo	ZAEN	132.9	157.0	64.0	0.0%	3.0%	-3.8%	47.0%	-0.7%	3.2%	8.7%	27.7%
Consumer												
Agroton	AGT	2.11	5.5	1.79	-1.4%	-1.9%	-5.0%	8.2%	-2.1%	-1.7%	7.6%	-11.1%
Astarta	AST	36.7	73.7	34.4	-2.7%	-1.9%	-3.0%	-45.2%	-3.3%	-1.7%	9.6%	-64.4%
Avangardo	AVGR	8.0	13.0	7.99	0.0%	-0.1%	-11.2%	-32.0%	-0.7%	0.0%	1.4%	-51.3%
Industrial Milk Company	IMC	7.68	15.50	7.60	-0.3%	-5.2%	-10.7%	-36.8%	-0.9%	-5.0%	1.8%	-56.1%
Kernel	KER	25.5	53.9	23.2	-0.1%	1.7%	-7.5%	-33.1%	-0.7%	1.8%	5.0%	-52.4%
Mriya Agro Holding	MAYA	1.45	6.0	1.44	0.0%	-17.9%	-12.7%	-73.1%	-0.7%	-17.7%	-0.1%	-92.4%
MHPC	MHPC	12.4	18.5	10.91	-1.8%	-2.2%	2.9%	-27.3%	-2.5%	-2.1%	15.5%	-46.5%
Milkiland	MLK	4.10	14.2	4.10	-1.9%	-8.9%	-13.7%	-67.2%	-2.6%	-8.7%	-1.1%	-86.5%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	0.0%	0.0%	-30.0%	-0.7%	0.1%	12.5%	-49.3%
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	9.8	n/a	n/a	-4.0%	-6.7%	-21.6%	-21.6%	-4.7%	-6.5%	-9.1%	-40.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.129	0.190	0.085	-0.6%	-1.5%	-7.7%	14.0%	-1.3%	-1.4%	4.8%	-5.3%
UkrSotsbank	USCB	0.145	0.257	0.090	0.0%	-5.4%	-15.7%	-22.7%	-0.7%	-5.3%	-3.2%	-41.9%

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	46	3.9%	2	1,395	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	360	336	326	\$/tonne
Yenakievo Steel	ENMZ	20	8.8%	2	16	2.3	neg	neg	neg	0.7	0.5	0.0	0.0	0.0	6	6	6	\$/tonne
Azovstal	AZST	204	3.0%	6	188	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	33	neg	neg	neg	neg	0.7	1.1	0.0	0.0	0.0	8	8	9	\$/tonne
Yasynivsky Coke	YASK	9	9.0%	1	10	1.1	neg	2.0	0.4	0.4	0.5	0.0	0.0	0.0	0.4	0.4	0.5	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	644	0.3%	2	642	6.8	3.3	3.9	2.8	2.1	2.3	1.1	0.9	1.0				
Pivnichny GOK	SGOK	1,426	0.4%	6	1,419	3.3	2.6	3.1	1.9	1.6	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,203	24.0%	289	1,882	5.6	4.6	4.3	4.7	3.7	3.8	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	44	25.0%	11	154	1.1	neg	neg	2.4	7.3	17.1	0.9	1.2	1.5	2.4	7.3	17.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	112	2.0%	2	158	3.3	23.8	27.2	3.0	5.0	6.1	0.3	0.5	0.6	250	415	394	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	18	24.0%	4	55	3.8	0.9	0.8	1.9	1.6	1.5	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	137	5.0%	7	127	1.4	3.3	neg	0.9	2.5	9.6	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	15	8.0%	1	47	24.7	27.3	>30	6.6	8.0	8.6	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	112	5.8%	6	51	2.9	1.6	1.7	1.0	0.6	0.7	0.3	0.2	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	254	7.2%	18	558	5.6	14.9	9.7	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,334	3.0%	40	1,326	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	47	21.6%	10	22	4.1	neg	23.6	1.0	neg	0.9	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	122	50.4%	61	230	neg	18.7	15.6	1.7	3.5	3.4	1.1	1.3	1.2	42	32	31	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	206	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	49	14.2%	7	114	12.7	0.7	1.2	3.6	1.6	2.5	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,307	34.1%	446	2,435	4.2	8.1	neg	5.2	6.2	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	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	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	293	3.5%	10		>30	3.3	neg	0.4	0.3	0.5	0.05	0.05	0.07				
Ukrsotsbank	USCB	201	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

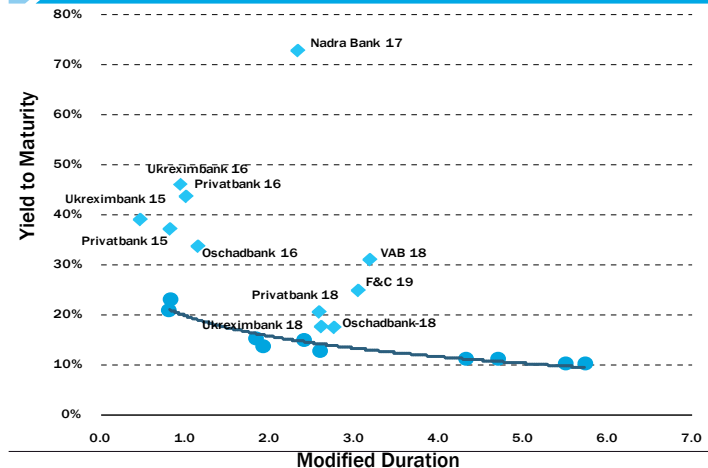
UKRAINIAN EUROBONDS

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	98.8	179.0%	109.7%	-1.4%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	87.2	88.9	24.3%	21.2%	-8.3%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	87.6	89.6	28.8%	24.7%	-9.3%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	83.7	85.2	17.3%	16.2%	-10.2%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	84.8	86.3	15.6%	14.6%	-9.3%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	83.1	84.6	14.5%	13.7%	-9.6%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	86.0	87.0	16.9%	16.3%	-12.8%	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	79.2	80.6	17.3%	16.6%	1.8%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	83.8	85.3	12.2%	11.7%	-9.1%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	83.8	85.3	11.9%	11.5%	-9.7%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	83.5	85.2	11.1%	10.7%	-7.4%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	81.7	82.7	10.8%	10.6%	-9.2%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	81.5%	63.7%	-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	85.0	86.5	12.1%	11.6%	-4.1%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.0	89.0	37.1%	32.2%	-10.2%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	73.0	75.8	22.4%	21.0%	-17.5%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	25.0	30.0	179.2%	148.4%	-72.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	25.0	30.0	76.8%	65.2%	-68.4%	1.7	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	74.0	75.9	70.5%	64.8%	-26.5%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	63.0	65.0	24.0%	22.9%	-32.1%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	79.0	57.1%	52.1%	-23.9%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	69.6	71.0	23.9%	23.0%	-26.0%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	91.1	93.1	17.2%	15.0%	-6.0%	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	47.0%	32.9%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.4	90.9	15.9%	15.3%	-18.8%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	34.6%	27.7%	-39.8%	2.9	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	79.6%	66.4%	-34.8%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	80.0	41.2%	34.9%	-14.3%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	66.0	70.0	48.4%	41.1%	-10.5%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.4	79.4	20.9%	19.4%	-7.0%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	86.0	44.3%	37.0%	-12.0%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	69.0	41.8%	36.5%	-21.5%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.8	77.1	18.8%	18.2%	-14.3%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	60.0	65.0	33.1%	29.2%	-26.9%	1.9	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	78.8	80.0	37.2%	34.9%	-14.7%	1.2	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	76.4	78.0	18.5%	17.6%	-13.2%	2.8	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.0	81.0	50.0%	41.4%	-14.5%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	78.3	80.4	25.1%	23.4%	-14.4%	1.5	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

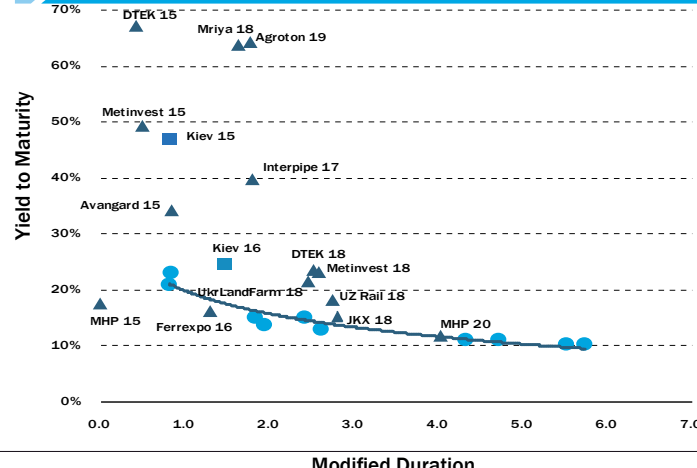
¹ Moody's/S&P/Fitch; * EUR

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 UAH
UAH denominated Bonds									
UA4000141592			16.5%	15.0%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			20.0%	18.0%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142699	n/a	n/a	14.0%	12.0%	n/a	9.45%	S/A	22 Apr 2015	n/a
UA4000141071	n/a	n/a	14.0%	12.0%	n/a	9.45%	S/A	27 May 2015	n/a
UA4000142673	n/a	n/a	14.0%	12.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
EUR denominated Bonds									
UA4000142681	n/a	n/a	12.5%	12.0%	n/a	4.80%	S/A	6 May 2015	n/a
VAT Bonds									
UA4000082531			20.5%	16.5%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			20.5%	16.5%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			20.5%	16.5%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			20.3%	19.0%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			20.3%	19.0%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			20.3%	19.0%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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