

Market Update

Equity

Ukraine's local stock market saw a new wave of selling on Monday (Sept 29), with the UX index dropping by 1.6% to close at 1073 points, as local media was flooded with populist political advertisements opposing badly needed economic reforms in the country. Among particular blue chips, Motor Sich (MSICH) and UkrNafta (UNAF) lost 1.1% and 1.6% respectively, albeit on much-below-average combined turnover of UAH 1.2mn. DonbasEnergo (DOEN) lost 3.4% after news that the company failed in its attempt to raise UAH 172mn through a credit line tender. In the steel sector, Azovstal (AZST) edged down by 0.7% to 64 kopecks and Yenakievo Steel (ENMZ) fell 2.5%. In London, the biggest story of the day was poultry giant MHP, which unexpectedly plunged 9.0% to USD 11.50, and Ferrexpo slid deeper into post-2009 low territory on a 2.7% loss. In the winners' circle, JKX Oil&Gas (JKX) advanced by 6.7% to GBp 47.50 on the company's report about extension of one its key licenses. In Warsaw, Kernel (KER) and KSG Agro shed 1.2% and 2.3% respectively.

Fixed Income

Ukrainian sovereigns improved on Monday with Ukraine-23s increasing by 0.9p.p. to 83.9/84.9 (10.4%/10.2%). Meanwhile, corporate names were mixed. UkrLandFarming-18s rose by 0.5p.p. to 68.0/71.0 (25.2%/23.5%) while Metinvest-18s declined by 0.9p.p. closing at 67.0/70.0 (25.8%/23.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Azovstal	AZST	0.64	-0.8%	1.8	35
Centrenergo	CEEN	7.28	-2.5%	1.3	131
Motor Sich	MSICH	2227.00	-1.1%	0.7	82

Growth Leaders

Komsomolets Donbasa	SHKD	0.70	13.1%	0.05	35
Stirol	STIR	11.44	5.3%	0.19	7
Dniproenergo	DNEN	442.80	1.4%	0.00	7

Loss Leaders

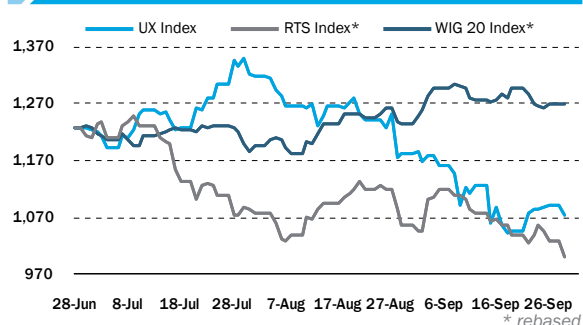
Avdyivka Coke	AVDK	2.27	-5.0%	0.024	55
Donbasenergo	DOEN	27.52	-3.4%	0.135	35
Yasynivsky Coke	YASK	0.43	-3.2%	0.005	8

Highlights

STOCKS IN THE NEWS

- > JKX Extends its Production License in Poltava for 20 Years
- > Avangard Plans to Start Its Egg Products Export to EU This October

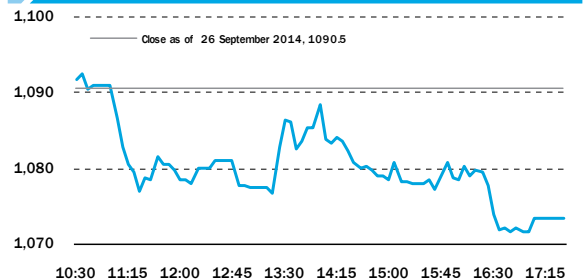
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1073.4	-1.6%	-9.1%	17.9%
RTS	1126.2	-2.6%	-5.4%	-21.9%
WIG20	2485.5	0.1%	2.8%	3.5%
MSCI EM	1009.4	-1.4%	-7.2%	0.8%
S&P 500	1977.8	-0.3%	-1.3%	7.4%

UX INTRADAY SEPTEMBER 29, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	330.6	4.0%	7.9%	-0.1%
CDS 5Y UKR	1306.3	0.3%	21.3%	59.2%
Ukraine-17	12.5%	-0.4 p.p.	1.5 p.p.	3.5 p.p.
Naftogaz Ukr-14	14.6%	-0.1 p.p.	1.6 p.p.	5.7 p.p.
Ukraine-23	10.3%	-0.2 p.p.	0.3 p.p.	2.8 p.p.
Privatbank-16	41.6%	0.8 p.p.	4.6 p.p.	21.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.95	0.4%	-1.9%	57.2%
EUR	16.43	0.4%	-5.2%	44.5%
RUB	0.33	-0.4%	-7.8%	30.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	211.6	0.0%	-10.7%	-26.4%
Steel, USD/t	537.5	-1.3%	-0.9%	0.0%
Oil, USD/bbl	97.2	0.2%	-6.3%	-9.4%
Gold, USD/oz	1215.8	-0.2%	-5.6%	1.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

JKX Extends its Production License in Poltava for 20 Years

by Dmitry Churin
d.churin@eavex.com.ua

JKX OIL&GAS (JKX LN)

Price: GBp 47.5 Market Cap: USD 133mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.3	0.8	20.5	2.1	0%
2014E	0.3	0.7	17.1	2.0	0%

NEWS

Ukraine/Russia-focused hydrocarbons extractor JKX Oil&Gas reported in a Monday (Sept 29) website announcement that it has replaced the existing 5-year exploration license for its Elizavetovske field in Ukraine with a new production license valid for 20 years. The Elizavetovske exploration license is located in the central part of the Dnieper-Donets basin in Poltava province, and covers an area of 70.8 square km; it was due to expire at the end of November. JKX also said in the announcement that it has completed Phase 1 of the production facility upgrade at Elizavetovske. The Phase 1 upgrade doubles the plant capacity to 30 MMcfd (850,000 cu-m/day), and includes debottlenecking, improved metering, enhanced condensate separation, and the addition of a stand-alone gas-powered electricity supply. Phase 2 will be completed in the fourth quarter and is designed to increase the flexibility of the plant by adding compression and a low pressure gas train. Well E-301 began production from the A2 carbonate reservoir in early January this year and was followed by well E-302 in March. Average production from the two wells in 2Q14 was 10.6 MMcfd (300,000 cu-m/d). The plant upgrade has doubled the condensate yield from the production stream. Drilling of well E-303, targeting the underlying G7-G12 sandstone reservoirs, has just been completed at a total depth of near 4,400m, and is now being tested.

COMMENTARY

The news provided a boost to the JKX stock, which jumped by 6.7% to GBp 47.50 per share, pulling back losses seen over the previous week. Although the company secured the license for another 20 years, the main idea here is how successful further development of the field will actually be, and we note that JKX has been underperforming its own production targets at least since 2008. We remain cautiously optimistic that the company will finally start to deliver more impressive production results in the near future. On the other hand, considering that the company has already announced a reduction in its Ukraine CapEx, we are taking a conservative view regarding evaluation of the company's achievement reports, including this one about the production facility upgrade at Elizavetovske.

Avangard Plans to Start Its Egg Products Export to EU This October

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

AVANGARD (AVGR LI)

Price: USD 8.0 Market Cap: USD 509mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.9	2.1	2.0	12%
2014E	1.0	3.1	2.6	8%

NEWS

Avangard, Ukraine's largest shell eggs producer, receives ultimate EU approval to export its egg products to the European Union, the group's released stated on Tuesday (Sept 30). The company plans to made first shipment of its dry egg products to EU this October, according to the company's management.

COMMENTARY

The news is positive for the company's securities. Meanwhile, the currently intact duty-free quota for export of dry egg products for Ukraine constitutes 1,500 tonnes in shell egg weight which corresponds to some 320 tonnes of dry egg products. This is just 1.6% of Avangard's sales volume of 20,000 tonnes in 2013. Avangard and Ovostar, its close domestic peer, now are allowed to export its egg products to EU. Given the negligible quota, both companies are now expecting for expansion of the mentioned duty-free quota. But this reportedly could be done not earlier than next year.

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	115.1	108.0	-6%	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	8.29	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	7.70	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	2.27	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.43	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	0.43	2.9	585%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	15.8	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.25	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2227	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	8.3	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	47.5	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	27.5	72.0	162%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.28	15.00	106%	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	11.5	15.65	36%	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	38.5	90.0	134%	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	0.128	0.24	88%	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	1073.37	1368.76	821.17	-1.6%	-0.5%	-9.1%	17.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.024	0.06	0.02	-0.8%	-1.6%	-24.5%	-37.4%	0.8%	-1.2%	-15.4%	-55.3%
Azovstal	AZST	0.64	0.95	0.35	-0.8%	2.6%	-19.0%	-4.6%	0.8%	3.0%	-9.9%	-22.6%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	1.6%	0.5%	-20.9%	-104.5%
Enakievo Steel	ENMZ	25.5	65.0	17.0	-3.4%	0.4%	-30.0%	-20.3%	-1.8%	0.8%	-20.9%	-38.3%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.6%	0.5%	9.1%	229.9%
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	0.0%	7.1%	50.0%	50.0%	1.6%	7.6%	59.1%	32.1%
Coke												
Avdivka Coke	AVDK	2.27	4.80	1.46	-5.0%	-20.4%	-18.9%	-23.4%	-3.4%	-20.0%	-9.8%	-41.4%
Yasnyivsky Coking	YASK	0.43	0.84	0.30	-2.3%	-6.5%	-24.6%	-18.9%	-0.7%	-6.1%	-15.4%	-36.8%
Iron Ore Mining												
Centralny GOK	CGOK	7.70	n/a	n/a	0.0%	7.1%	12.4%	18.5%	1.6%	7.6%	21.5%	0.5%
Ferrexpo	FXPO	115.1	199.0	115.1	-2.7%	-11.4%	-12.9%	-39.7%	-1.1%	-10.9%	-3.7%	-57.7%
Pivnichny GOK	SGOK	8.29	9.80	4.50	-0.1%	9.1%	1.7%	3.6%	1.5%	9.5%	10.8%	-14.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.43	0.79	0.10	7.5%	-2.3%	-28.3%	7.5%	9.1%	-1.8%	-19.2%	-10.4%
Komsomolets Donbasa	SHKD	0.70	n/a	n/a	12.9%	34.6%	-6.7%	12.9%	14.5%	35.1%	2.5%	-5.0%
Energy Coal	CLE	0.95	2.86	0.55	1.1%	-7.8%	50.8%	-9.5%	2.6%	-7.3%	59.9%	-27.5%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	1.6%	0.5%	9.1%	-52.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	1.01	0.30	2.0%	4.2%	-9.1%	-16.7%	3.6%	4.6%	0.0%	-34.6%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	1.6%	0.5%	25.8%	48.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	15.8	26.0	10.0	-0.2%	-2.0%	0.1%	-8.7%	1.4%	-1.6%	9.2%	-26.6%
Luhanskeplovoz	LTPL	1.25	1.80	0.85	0.0%	11.6%	23.8%	-16.7%	1.6%	12.1%	32.9%	-34.6%
Stakhanov Wagon	SVGZ	0.89	n/a	n/a	27.1%	9.9%	25.4%	-31.5%	28.7%	10.3%	34.5%	-49.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	-2.1%	-16.5%	39.6%	1.6%	-1.7%	-7.4%	21.7%
Motor Sich	MSICH	2,227	2,879	1,303	-1.1%	-0.7%	-3.3%	22.1%	0.5%	-0.3%	5.9%	4.1%
Summy Frunze Engineering	SMASH	6.90	n/a	n/a	0.0%	115.6%	130.0%	176.0%	1.6%	116.1%	139.1%	158.1%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	1.6%	0.5%	9.1%	10.6%
WESTA ISIC	WES	0.29	0.80	0.21	-6.5%	-12.1%	20.8%	-27.5%	-4.9%	-11.7%	30.0%	-45.4%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	0.0%	-10.0%	63.6%	1.6%	0.5%	-0.8%	45.7%
Oil & Gas												
Regal Petroleum	RPT	8.25	16.00	4.88	-5.7%	-2.9%	10.0%	-35.3%	-4.1%	-2.5%	19.1%	-53.2%
JKX Oil	JKX	47.50	75.00	36.00	6.7%	10.5%	5.3%	-33.8%	8.3%	10.9%	14.4%	-51.7%
Ukrnafta	UNAF	321	370	54	-2.0%	0.7%	0.2%	195.3%	-0.5%	1.2%	9.3%	177.4%
Power Utilities												
Centrenerg	CEEN	7.28	8.70	2.50	-2.8%	0.6%	-5.5%	52.7%	-1.3%	1.0%	3.7%	34.7%
Donbasenergo	DOEN	27.5	50.2	11.0	-3.4%	5.4%	-21.3%	-0.3%	-1.8%	5.8%	-12.2%	-18.2%
Zakhidenergo	ZAEN	146.9	160.0	64.0	4.6%	10.5%	13.0%	62.5%	6.2%	11.0%	22.1%	44.6%
Consumer												
Agroton	AGT	2.08	5.5	1.79	0.0%	-2.8%	16.2%	6.7%	1.6%	-2.3%	25.3%	-11.3%
Astarta	AST	38.5	73.7	34.4	1.3%	2.1%	6.9%	-42.5%	2.9%	2.6%	16.1%	-60.4%
Avangardo	AVGR	8.0	13.0	7.98	-0.2%	-0.2%	-9.4%	-32.1%	1.4%	0.3%	-0.3%	-50.1%
Industrial Milk Company	IMC	6.92	15.50	6.92	-5.2%	-10.1%	-17.6%	-43.0%	-3.6%	-9.7%	-8.5%	-61.0%
Kernel	KER	24.9	53.9	23.2	-1.2%	-2.2%	-3.3%	-34.6%	0.4%	-1.7%	5.9%	-52.5%
Mriya Agro Holding	MAYA	1.45	6.0	1.44	0.0%	0.0%	-23.7%	-73.1%	1.6%	0.5%	-14.6%	-91.1%
MHPC	MHPC	11.5	18.5	10.91	-9.0%	-8.7%	-1.2%	-32.3%	-7.4%	-8.2%	7.9%	-50.3%
Milkiland	MLK	3.83	14.2	3.69	3.8%	-8.4%	-14.9%	-69.4%	5.4%	-7.9%	-5.8%	-87.3%
Ovostar Union	OVO	70.0	103.0	59.4	0.7%	0.0%	0.3%	-30.0%	2.3%	0.4%	9.4%	-48.0%
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	11.4	n/a	n/a	4.0%	12.0%	1.2%	-8.5%	5.6%	12.5%	10.4%	-26.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.128	0.190	0.086	-0.3%	-2.1%	0.1%	12.3%	1.3%	-1.6%	9.2%	-5.6%
UkrSotsbank	USCB	0.144	0.257	0.090	2.2%	-0.5%	-15.7%	-23.0%	3.8%	0.0%	-6.6%	-41.0%

Source: Bloomberg

* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E
Steel																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,976	-181	-31	35	neg	neg	1.8%	-333	-308	-24	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,090	914	784	-112	46	29	neg	5.0%	3.8%	-137	-6	-24	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
Iron Ore Mining																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,449	402	506	492	28.2%	32.0%	33.9%	216	264	277	15.1%	16.7%	19.1%
Coal Mining																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	462	142	135	50	13	15.2%	10.9%	9.4%	95	42	-4	10.7%	9.0%	neg
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
Specialized Machinery																
Turboatom	TATM	160	214	196	51	90	73	32.2%	42.1%	37.3%	38	72	65	23.8%	33.5%	33.0%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	188	20.4%	16.9%	19.7%
Telecom																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
Oil & Gas																
Ukrnafta	UNAF	2,554	2,589	2,543	454	286	323	17.8%	11.1%	12.7%	176	23	161	6.9%	0.9%	6.3%
Regal Petroleum	RPT	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
Electric Utilities																
Centrenergo	CEEN	1,119	915	714	69	94	44	6.2%	10.3%	6.1%	29	60	21	2.6%	6.5%	2.9%
Donbasenergo	DOEN	574	656	512	32	72	45	5.6%	11.0%	8.8%	4	65	40	0.7%	9.9%	7.8%
Consumer																
MHP	MHPC	1,408	1,496	1,306	468	391	479	33.2%	26.1%	36.7%	311	162	-44	22.1%	10.8%	neg
Kernel	KER	2,157	2,797	2,480	322	291	175	14.9%	10.4%	7.1%	211	105	47	9.8%	3.8%	1.9%
Astarta	AST	456	491	559	110	91	138	20.2%	15.5%	20.5%	58	34	82	10.6%	5.8%	12.2%
Avangardco	AVGR	629	661	594	280	301	234	44.5%	45.6%	39.5%	228	238	164	36.3%	36.0%	27.6%
Agroton	AGT	88	81	90	20	8	3	23.2%	9.2%	3.9%	7	-6	-1	7.7%	neg	neg
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,333	3,966	793	888	610	679	723	460	4	90	-40	0.5%	10.1%	-6.6%
Ukrspotsbank	USCB	4,854	5,283	3,777	957	1,064	775	451	318	400	1	1	15	0.1%	0.1%	2.0%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2013E			
Steel																		
Alchevsk Steel	ALMK	48	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	17	2.4	neg	neg	neg	0.8	0.5	0.0	0.0	0.0	6	6	6	\$/tonne
Azovstal	AZST	207	3.0%	6	192	neg	neg	neg	neg	neg	5.4	0.1	0.1	0.1	42	43	42	\$/tonne
Coke																		
Avdyivka Coke	AVDK	34	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	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	697	0.3%	2	695	7.3	3.6	4.3	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,475	0.4%	6	1,468	3.4	2.7	3.2	2.0	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	1,096	24.0%	263	1,775	5.1	4.2	4.0	4.4	3.5	3.6	1.2	1.1	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	18	5.4%	1	120	2.5	1.1	1.1	1.0	1.3	1.3	0.4	0.5	0.5	29	28	27	\$/tonne
Coal Energy	CLE	43	25.0%	11	153	1.1	neg	neg	2.4	7.2	17.0	0.9	1.2	1.5	2.4	7.2	17.0	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	100	2.0%	2	146	3.0	21.3	24.4	2.8	4.7	5.7	0.3	0.5	0.5	232	384	365	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	21	24.0%	5	58	4.4	1.1	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	140	5.0%	7	130	1.5	3.4	neg	1.0	2.6	9.8	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	16	8.0%	1	48	26.4	29.3	>30	6.7	8.2	8.8	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	114	5.8%	7	54	3.0	1.6	1.8	1.0	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	357	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	260	7.2%	19	564	5.7	15.3	9.9	2.7	3.0	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,343	3.0%	40	1,335	7.6	>30	8.4	2.9	4.7	4.1	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	43	21.6%	9	18	3.7	neg	21.5	0.8	neg	0.7	0.4	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	133	50.4%	67	241	neg	20.4	17.0	1.8	3.6	3.5	1.2	1.3	1.2	44	33	32	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	208	21.7%	45	276	7.2	3.5	10.0	4.0	2.9	6.3	0.2	0.3	0.4	16	20	17	\$/MWh
DonbasEnergO	DOEN	50	14.2%	7	116	13.1	0.8	1.3	3.6	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,216	34.1%	415	2,344	3.9	7.5	neg	5.0	6.0	4.9	1.7	1.6	1.8				
Kernel	KER	603	61.8%	373	1,309	2.9	5.8	12.8	4.1	4.5	7.5	0.6	0.5	0.5				
Astarta	AST	293	37.0%	108	614	5.0	8.6	3.6	5.6	6.7	4.5	1.3	1.3	1.1				
Avangardco	AVGR	509	22.5%	115	615	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	2.0	neg	neg	3.1	8.3	18.1	0.7	0.8	0.7	n/a	n/a	n/a	
Banks																		
							P/E			P/Book				P/Assets				
Raiffeisen Bank Aval	BAVL	296	3.5%	10		>30	3.3	neg	0.4	0.3	0.5	0.05	0.06	0.07				
Ukrsotsbank	USCB	205	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

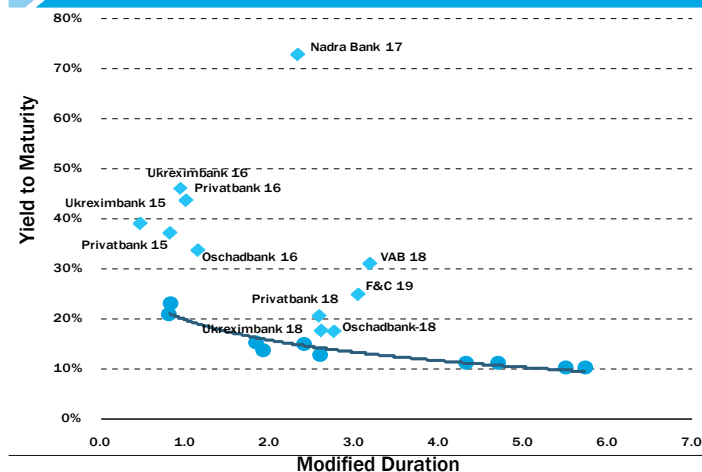
UKRAINIAN EUROBONDS

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	98.6	99.6	n/a	n/a	-0.7%	0.0	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	86.8	90.5	25.7%	19.0%	-7.7%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	88.3	89.5	28.0%	25.4%	-9.0%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	84.3	86.4	17.0%	15.5%	-9.2%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.0	87.5	14.9%	13.9%	-8.0%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	84.8	86.3	13.7%	13.0%	-7.8%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	87.3	88.9	16.3%	15.4%	-11.2%	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	80.1	81.6	16.9%	16.1%	3.0%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	85.2	86.5	11.8%	11.4%	-7.8%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	85.1	86.6	11.6%	11.2%	-8.4%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	84.8	86.4	10.8%	10.5%	-6.0%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.9	84.9	10.4%	10.2%	-6.8%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	82.7%	64.3%	-37.6%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.5	97.5	16.8%	14.9%	-6.3%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	84.7	86.4	12.2%	11.7%	-4.4%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.0	87.0	38.4%	38.4%	-11.2%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	68.0	71.0	25.2%	23.5%	-22.9%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	25.0	30.0	148.7%	125.7%	-72.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	25.0	30.0	77.5%	65.7%	-68.4%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	75.0	76.8	69.3%	64.0%	-25.6%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	60.0	62.0	25.9%	24.7%	-35.3%	2.5	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	76.0	78.0	61.1%	55.8%	-24.9%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	67.0	70.0	25.8%	23.8%	-27.9%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	92.2	18.6%	15.9%	-7.0%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	75.0	77.4	19.4%	18.3%	-16.9%	2.7	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	47.6%	33.2%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	90.6	92.5	15.4%	14.7%	-17.5%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	34.7%	27.7%	-39.8%	2.9	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	68.5	68.5	202.0%	202.0%	-30.5%	0.2	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	97.3%	80.7%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	79.0	41.8%	36.9%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	67.0	53.6%	47.3%	-13.8%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.4	79.1	20.9%	19.5%	-7.1%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	85.0	45.4%	40.3%	-12.5%	0.5	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	66.0	69.0	40.9%	36.9%	-20.9%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	76.4	78.1	18.6%	17.8%	-13.4%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	50.0	55.0	42.7%	37.6%	-38.6%	1.7	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	78.0	79.0	39.7%	37.6%	-15.6%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	75.0	77.0	19.1%	18.2%	-14.6%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	75.0	78.8	66.3%	49.4%	-17.3%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	75.0	80.0	28.2%	23.8%	-16.7%	1.4	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

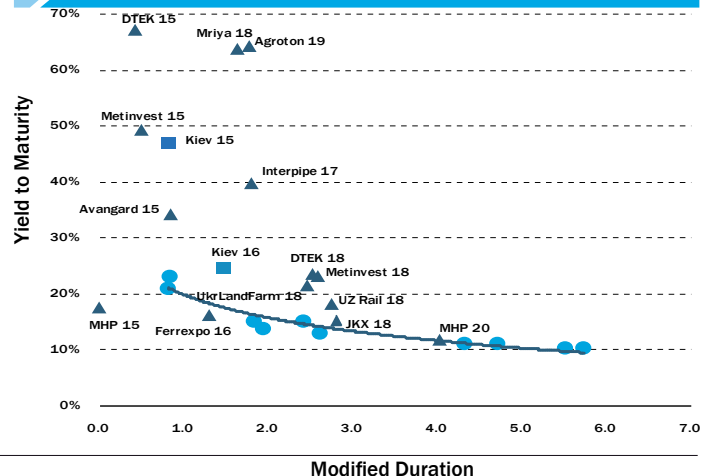
¹ Moody's/S&P/Fitch; * EUR

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			19.0%	15.5%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			21.0%	16.5%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142699	n/a	n/a	26.0%	18.0%	n/a	9.45%	S/A	22 Apr 2015	n/a
UA4000141071	n/a	n/a	26.0%	18.0%	n/a	9.45%	S/A	27 May 2015	n/a
UA4000142673	n/a	n/a	26.0%	18.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
EUR denominated Bonds									
UA4000142681	n/a	n/a	20.0%	15.0%	n/a	4.80%	S/A	6 May 2015	n/a
VAT Bonds									
UA4000082531			20.0%	17.5%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			20.0%	17.5%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			20.0%	17.5%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			21.8%	20.3%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			21.8%	20.3%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			21.8%	20.3%	1.9	9.50%	S/A	20 Aug 2019	955

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