

Market Update
Equity

The Ukrainian equity market managed to finish in the black on Tuesday (Sept 30) thanks to last minute bargain-hunting by aggressive traders. Signs that the hryvnia is holding firm near the level of 13.00 against the dollar provided investors with some confidence that the National Bank may be able to keep the situation on the currency market under control. The UX index edged up by 0.4% to close at 1077 points. Beaten-down Azovstal (AZST) and DonbasEnergo (DOEN) added the most points to the gauge, rising by 1.8% each. The most actively traded stock, Motor Sich (MSICH), added 0.9% to UAH 2237 on turnover of UAH 2.1mn. Outside the UX basket, there was some movement in Khartsysk Pipe (HRTR), which advanced by 8.0% with the last deal recorded at 54 kopecks. In London, MHP (MHPC) regained part of its big Monday loss, adding 3.4%, but Ferrexpo (FXPO) continued to search for a bottom in its downward trajectory, falling 2.4% to near GBp 112, its lowest close since mid-2009. Warsaw-listed Industrial Agroton (AGT) rose by 2.4% while Astarta (AST) declined by 3.0%.

Fixed Income

Ukrainian sovereigns decreased on Tuesday with Ukraine-23s down by 0.5p.p. to 83.4/84.4 (10.5%/10.3%). Corporate names were sluggish. UkrlandFarming-18s declined by 0.3p.p. to 68.5/70.0 (24.9%/24.1%) and Metinvest-18s inched up by 0.1p.p. closing at 67.3/70.0 (25.7%/23.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2237.00	0.9%	2.1	115
Ukrnafta	UNAF	319.90	0.1%	1.6	53
Azovstal	AZST	0.65	1.8%	1.3	71

Growth Leaders

Sumy Frunze Engineering	SMASH	5.00	47.1%	0.02	15
Mariupol Heavy Machine	MZVM	0.11	9.9%	0.17	27
Dniproenergo	DNEN	470.00	6.1%	0.08	18

Loss Leaders

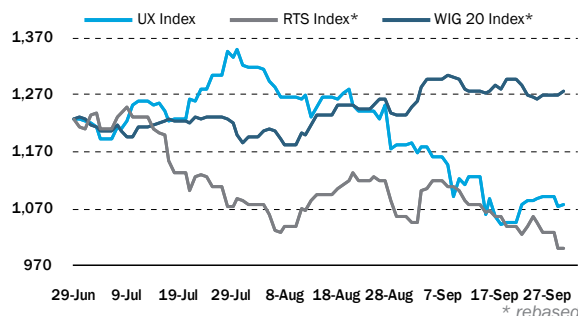
Pivnichny GOK	SGOK	8.00	-3.6%	0.031	9
Kryukiv Wagon	KVBZ	15.58	-1.4%	0.144	14
Centrenergo	CEEN	7.22	-0.9%	1.026	69

Highlights
STOCKS IN THE NEWS

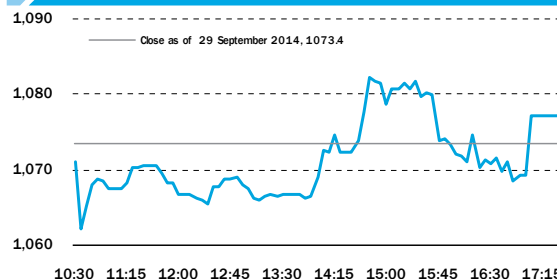
- > IMC Reports Sunflower Harvest of 48,000 Tonnes

FIXED INCOME

- > Mriya to Host Informal Meeting with Bondholders on Oct 3

STOCK MARKET PERFORMANCE

MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1077.2	0.4%	-8.8%	18.4%
RTS	1123.7	-0.2%	-5.6%	-22.1%
WIG20	2500.3	0.6%	3.4%	4.1%
MSCI EM	1005.3	-0.4%	-7.6%	0.3%
S&P 500	1972.3	-0.3%	-1.6%	7.1%

UX INTRADAY SEPTEMBER 30, 2014

FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	333.6	0.9%	8.9%	0.9%
CDS 5Y UKR	1304.0	-0.2%	21.1%	59.0%
Ukraine-17	12.5%	0.0 p.p.	1.5 p.p.	3.5 p.p.
Naftogaz Ukr-14	14.7%	0.1 p.p.	1.7 p.p.	5.9 p.p.
Ukraine-23	10.4%	0.1 p.p.	0.4 p.p.	2.9 p.p.
Privatbank-16	41.7%	0.1 p.p.	4.6 p.p.	21.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.95	0.0%	-1.9%	57.2%
EUR	16.36	-0.4%	-5.6%	43.9%
RUB	0.33	-0.3%	-8.1%	30.3%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	203.2	0.0%	-14.3%	-29.3%
Steel, USD/t	537.5	0.0%	-0.9%	0.0%
Oil, USD/bbl	94.7	-2.6%	-8.8%	-11.8%
Gold, USD/oz	1208.2	-0.6%	-6.2%	1.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

IMC Reports Sunflower Harvest of 48,000 Tonnes

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

INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 6.71 Market Cap: USD 66mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.6	2.5	3.8	0%
2014E	1.1	13.2	3.2	0%

NEWS

Central-Ukraine-based crop grower Industrial Milk Company (IMC) has completed this season's harvest of sunflower, the company said on Tuesday (Sept 30). Sunflower was harvested from 18,700 ha (14% of IMC's land bank) with an average yield of 2.57 t/ha, translating into a harvest amount of 48,000 tonnes. Management's early September projection was for 47,000 tonnes. IMC said it is near the completion of its soybean and potato harvests and has begun harvesting of corn (the core crop in its mix), which is in good condition, according to the company.

COMMENTARY

IMC's achieved average yield for sunflower of 2.57 t/ha is 3% higher compared to 2013 and 46% higher compared to the average yield of sunflower in Ukraine this season. According to Ukraine's Ministry of Agriculture, the overall domestic yield for sunflower is currently 1.75 t/ha. With prices for sunflower seeds in Ukraine and on export markets at depressed levels (-20% YtD and -17% YoY), we presume that IMC will prefer to postpone the sale of its sunflower harvest for a couple of months to wait for some upward correction in prices. Retaining the harvested crops is an easily achievable task for the company thanks to its self-sufficiency in storage capacity. The company's IMC stock now trades at attractive 14E EV/EBITDA multiple of 3.2x.

Mriya to Host Informal Meeting with Bondholders on Oct 3

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

NEWS

Western-Ukraine-based crop grower Mriya Agroholding, which last month admitting to being in default on some of its obligations, plans to host an informal meeting with the holders of its Eurobonds (2016 & 2018 maturities) on Oct 3 in London, the company said on Tuesday (Sept 30). Verification, exact time and other details of the meeting will be presented on the company's website later, Mriya said. The company stated that the meeting is for information purposes only and, in particular, that no significant non-public information will be divulged at the meeting.

COMMENTARY

We presume that the core reason for organizing this event is to hear the views of the bondholders regarding the expected restructuring process, but more importantly, to gain an understanding of the framework of possible compromise between the competing visions for the restructuring conditions of the bondholders and of the company ahead of negotiations.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.65	0.56	-15%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	112.3	108.0	-4%	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	8.00	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	7.20	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	2.35	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.44	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	15.6	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.15	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2237	5250	135%	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	48.3	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	28.2	72.0	155%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.22	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	11.9	15.65	32%	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	37.3	90.0	141%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	7.9	8.93	13%	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	1077.15	1368.76	821.17	0.4%	-0.8%	-8.8%	18.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.025	0.06	0.02	2.1%	5.1%	-23.0%	-36.1%	1.7%	5.8%	-14.2%	-54.4%
Azovstal	AZST	0.65	0.95	0.35	2.3%	1.9%	-17.1%	-2.4%	2.0%	2.6%	-8.3%	-20.8%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	-30.0%	-86.5%	-0.4%	0.8%	-21.2%	-104.9%
Enakievo Steel	ENMZ	25.8	65.0	17.0	1.1%	3.1%	-29.2%	-19.5%	0.7%	3.9%	-20.4%	-37.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-0.4%	0.8%	8.8%	229.5%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	-6.7%	0.0%	40.0%	40.0%	-7.0%	0.8%	48.8%	21.6%
Coke												
Avdivka Coke	AVDK	2.35	4.80	1.46	3.7%	-2.1%	-15.9%	-20.6%	3.3%	-1.4%	-7.1%	-39.0%
Yasnyivsky Coking	YASK	0.44	0.84	0.30	2.3%	-2.2%	-22.8%	-17.0%	2.0%	-1.5%	-14.0%	-35.3%
Iron Ore Mining												
Centralny GOK	CGOK	7.20	n/a	n/a	-6.5%	-1.1%	5.1%	10.8%	-6.8%	-0.3%	13.9%	-7.6%
Ferrexpo	FXPO	112.3	199.0	112.3	-2.4%	-10.5%	-15.0%	-41.2%	-2.8%	-9.8%	-6.2%	-59.6%
Pivnichny GOK	SGOK	8.00	9.80	4.50	-3.5%	-2.4%	-1.8%	0.0%	-3.9%	-1.7%	7.0%	-18.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.43	0.79	0.10	0.0%	-2.3%	-28.3%	7.5%	-0.4%	-1.5%	-19.5%	-10.9%
Komsomolets Donbasa	SHKD	0.71	n/a	n/a	1.4%	22.4%	-5.3%	14.5%	1.1%	23.2%	3.5%	-3.8%
Energy Coal	CLE	0.94	2.86	0.55	-1.1%	-2.1%	49.2%	-10.5%	-1.4%	-1.3%	58.0%	-28.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-0.4%	0.8%	8.8%	-53.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.54	1.01	0.30	8.0%	-5.3%	-1.8%	-10.0%	7.6%	-4.5%	7.0%	-28.4%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	66.7%	-0.4%	0.8%	25.5%	48.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	15.6	26.0	10.0	-1.4%	-1.7%	-1.3%	-9.9%	-1.7%	-0.9%	7.5%	-28.3%
Luhanskeplovoz	LTPL	1.15	1.80	0.85	-8.0%	4.5%	13.9%	-23.3%	-8.4%	5.3%	22.7%	-41.7%
Stakhanov Wagon	SVGZ	0.92	n/a	n/a	3.4%	8.2%	29.6%	-29.2%	3.0%	9.0%	38.4%	-47.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	2.4%	-5.0%	-14.4%	43.0%	2.1%	-4.3%	-5.6%	24.7%
Motor Sich	MSICH	2,237	2,879	1,303	0.4%	-1.9%	-2.8%	22.6%	0.1%	-1.2%	6.0%	4.3%
Summy Frunze Engineering	SMASH	5.00	n/a	n/a	-27.5%	6.4%	66.7%	100.0%	-27.9%	7.1%	75.5%	81.6%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	-0.4%	0.8%	8.8%	10.2%
WESTA ISIC	WES	0.28	0.80	0.21	-3.4%	-12.5%	16.7%	-30.0%	-3.8%	-11.7%	25.5%	-48.4%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	0.0%	-10.0%	63.6%	-0.4%	0.8%	-1.2%	45.3%
Oil & Gas												
Regal Petroleum	RPT	8.25	16.00	4.88	0.0%	-8.3%	10.0%	-35.3%	-0.4%	-7.6%	18.8%	-53.7%
JKX Oil	JKX	48.25	75.00	36.00	1.6%	11.6%	6.9%	-32.8%	1.2%	12.3%	15.7%	-51.1%
Ukrnafta	UNAF	320	370	54	-0.2%	-1.9%	0.0%	194.6%	-0.6%	-1.1%	8.8%	176.2%
Power Utilities												
Centrenerg	CEEN	7.22	8.70	2.50	-0.8%	-2.4%	-6.2%	51.4%	-1.2%	-1.7%	2.6%	33.1%
Donbasenergo	DOEN	28.2	50.2	11.0	2.6%	3.7%	-19.3%	2.4%	2.3%	4.5%	-10.5%	-16.0%
Zakhidenergo	ZAEN	143.0	160.0	64.0	-2.7%	7.6%	10.0%	58.2%	-3.0%	8.4%	18.8%	39.8%
Consumer												
Agroton	AGT	2.13	5.5	1.79	2.4%	0.9%	19.0%	9.2%	2.1%	1.7%	27.8%	-9.1%
Astarta	AST	37.3	73.7	34.4	-3.0%	1.7%	3.7%	-44.2%	-3.4%	2.5%	12.5%	-62.6%
Avangardo	AVGR	7.9	13.0	7.90	-1.0%	-1.2%	-10.3%	-32.8%	-1.4%	-0.4%	-1.5%	-51.2%
Industrial Milk Company	IMC	6.71	15.50	6.71	-3.0%	-12.6%	-20.1%	-44.8%	-3.4%	-11.9%	-11.3%	-63.1%
Kernel	KER	24.9	53.9	23.2	0.0%	-2.2%	-3.3%	-34.6%	-0.4%	-1.4%	5.5%	-53.0%
Mriya Agro Holding	MAYA	1.45	6.0	1.44	0.0%	0.0%	-23.7%	-73.1%	-0.4%	0.8%	-14.9%	-91.5%
MHPC	MHPC	11.9	18.5	10.91	3.4%	-3.8%	2.1%	-30.0%	3.0%	-3.0%	10.9%	-48.4%
Milkiland	MLK	3.83	14.2	3.69	0.0%	-6.6%	-14.9%	-69.4%	-0.4%	-5.8%	-6.1%	-87.7%
Ovostar Union	OVO	70.0	103.0	59.4	0.0%	0.0%	0.3%	-30.0%	-0.4%	0.8%	9.1%	-48.4%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	12.0	n/a	n/a	4.8%	22.3%	6.1%	-4.1%	4.5%	23.1%	14.9%	-22.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.128	0.190	0.086	0.0%	-1.5%	0.1%	12.3%	-0.4%	-0.7%	8.9%	-6.0%
UkrSotsbank	USCB	0.144	0.257	0.090	0.0%	-0.5%	-15.7%	-23.0%	-0.4%	0.3%	-6.9%	-41.4%

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	1,398	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	212	3.0%	6	197	neg	neg	neg	neg	neg	5.6	0.1	0.1	0.1	43	44	43	\$/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	652	0.3%	2	650	6.8	3.4	4.0	2.8	2.1	2.3	1.1	1.0	1.0				
Pivnichny GOK	SGOK	1,423	0.4%	6	1,417	3.3	2.6	3.1	1.9	1.6	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	1,065	24.0%	256	1,744	4.9	4.0	3.8	4.3	3.4	3.5	1.2	1.1	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	18	5.4%	1	120	2.6	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	108	2.0%	2	154	3.2	23.1	26.4	3.0	4.9	6.0	0.3	0.5	0.6	245	405	385	\$/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				
Kruiw Wagon	KVBZ	138	5.0%	7	128	1.4	3.3	neg	0.9	2.5	9.6	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	16	8.0%	1	49	27.3	>30	>30	6.8	8.3	8.9	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	359	24.0%	86	350	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	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	1,340	3.0%	40	1,331	7.6	>30	8.3	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	21.4	0.8	neg	0.7	0.4	0.5	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	134	50.4%	68	243	neg	20.6	17.2	1.8	3.7	3.6	1.2	1.3	1.2	44	33	32	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	206	21.7%	45	274	7.1	3.4	9.9	4.0	2.9	6.3	0.2	0.3	0.4	15	20	17	\$/MWh
DonbasEnerg	DOEN	52	14.2%	7	117	13.5	0.8	1.3	3.6	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,257	34.1%	429	2,385	4.0	7.8	neg	5.1	6.1	5.0	1.7	1.6	1.8				
Kernel	KER	599	61.8%	370	1,305	2.8	5.7	12.7	4.1	4.5	7.5	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	504	22.5%	113	610	2.2	2.1	3.1	2.2	2.0	2.6	1.0	0.9	1.0	138	105	99	\$/mneqgs
Agroton	AGT	14	26.2%	4	63	2.1	neg	neg	3.1	8.4	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

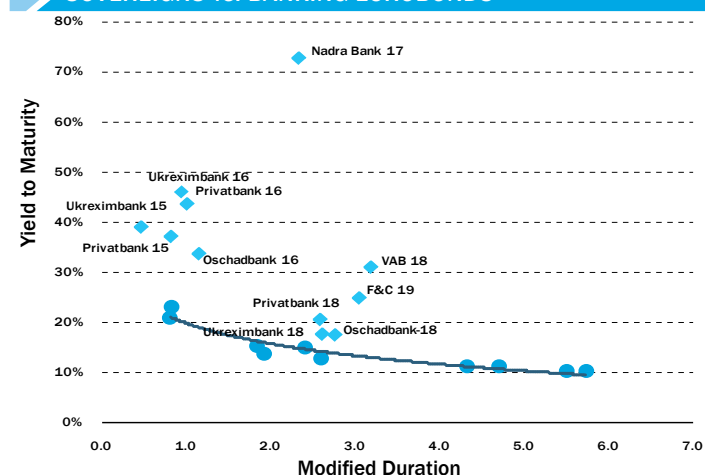
UKRAINIAN EUROBONDS

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											
Ukraine, 2015 (EUR)	87.3	90.0	24.8%	19.8%	-7.6%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	88.3	90.3	28.0%	24.0%	-8.5%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	84.4	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	87.4	88.9	16.2%	15.4%	-11.2%	2.4	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	81.5	83.0	19.3%	18.3%	-0.5%	2.4	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	80.5	82.0	16.7%	15.9%	3.5%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	84.9	86.2	11.8%	11.5%	-8.1%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	84.8	86.3	11.7%	11.3%	-8.7%	4.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	84.5	86.1	10.9%	10.5%	-6.4%	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	82.9%	64.4%	-37.6%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.5	97.5	16.9%	14.9%	-6.3%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	84.5	86.6	12.2%	11.6%	-4.3%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	88.0	88.0	35.9%	35.9%	-10.2%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	68.5	70.0	24.9%	24.1%	-23.2%	2.6	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	25.0	30.0	149.1%	126.1%	-72.6%	na	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	25.0	30.0	77.6%	65.8%	-68.4%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	75.0	76.4	69.7%	65.4%	-25.8%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	60.0	62.0	25.9%	24.7%	-35.3%	2.7	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	76.0	78.0	61.4%	56.1%	-24.9%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	67.3	70.0	25.7%	23.8%	-27.8%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	92.0	18.6%	16.2%	-7.1%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	74.1	77.0	19.8%	18.5%	-17.6%	2.7	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	47.7%	33.2%	-28.5%	1.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	90.3	91.9	15.6%	14.9%	-17.9%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	34.7%	27.8%	-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	97.5%	80.8%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	79.0	41.9%	37.0%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	67.0	53.8%	47.5%	-13.8%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.3	79.3	21.0%	19.5%	-7.1%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	85.0	45.6%	40.5%	-12.5%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	70.0	42.4%	35.6%	-20.9%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.2	76.8	19.2%	18.4%	-14.8%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	50.0	55.0	42.7%	37.7%	-38.6%	1.7	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	78.0	79.0	39.9%	37.8%	-15.7%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	76.0	77.0	18.6%	18.0%	-14.1%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	75.0	80.0	67.1%	45.7%	-16.6%	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/

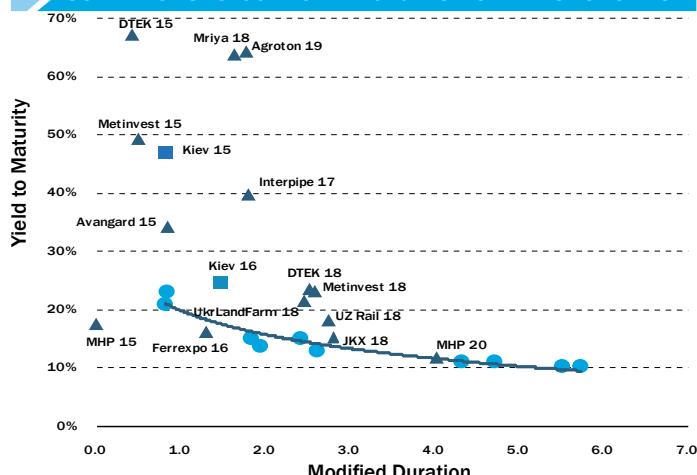
¹ Moody's/S&P/Fitch; * EUR

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			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

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