

**Market Update**

**Equity**

Ukrainian stocks, both local and foreign-listed, saw only minimal changes on Monday (Oct 6) despite generally positive sentiments on global financial markets. News that consumer inflation in Ukraine was very high in September at 2.9% MoM provided a certain drag on the UX index, which inched down by 0.1% to close at 1074 points. Volume leader Ukrnafta (UNAF) slipped half a percent on turnover of UAH 3.5mn, with traders ignoring the closure of the shareholders register for the upcoming general shareholders meeting scheduled for Oct 10. Motor Sich (MSICH) declined by 0.7% after failing to get over its local resistance level of UAH 2230, while CentrEnergO (CEEN) added 0.5% to UAH 7.32. In London trading, JKC Oil&Gas (JKX) finished flat at GBP 51 and Ferrexpo (FXPO) edged up half a percent. It was a similar story in Warsaw, where top dogs Kernel (KER) and Astarta (AST) were essentially unchanged.

**Fixed Income**

Ukrainian sovereigns slightly improved on Monday with Ukraine-23s up by 0.4p.p. to 83.2/84.2 (10.5%/10.3%). Corporate names finished in the red. Metinvest-18s declined by 0.2p.p. to 67.0/69.5 (26.0%/24.3%) and Avangardco-15s dropped by 1.2p.p. finishing at 87.5/90.0 (38.6%/31.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	322.40	-0.5%	3.5	147
Azovstal	AZST	0.65	-0.3%	1.4	38
Motor Sich	MSICH	2211.00	-0.7%	1.3	96

**Growth Leaders**

Dniproenergo	DNEN	639.90	15.3%	0.15	25
Zhytomyroblenergo	ZHEN	1.80	13.9%	0.10	11
Slavutych Brevery	SLAV	8.50	4.9%	0.51	7

**Loss Leaders**

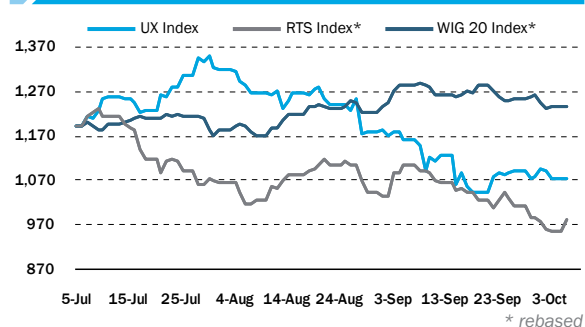
Zakhidenergo	ZAEN	140.00	-3.8%	0.159	11
Motor Sich	MSICH	2,211.00	-0.7%	1.252	96
Ukrnafta	UNAF	322.40	-0.5%	3.519	147

**Highlights**

**STOCKS IN THE NEWS**

- > Ferrexpo's Pellet Output Up 13% But Selling Price Down Some 12% QoQ in 3Q14

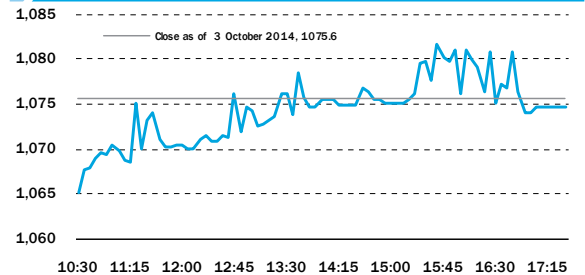
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1074.6	-0.1%	-7.5%	18.1%
RTS	1120.2	2.6%	-10.9%	-22.4%
WIG20	2446.9	0.1%	-3.7%	1.9%
MSCI EM	1010.3	1.3%	-7.9%	0.8%
S&P 500	1964.8	-0.2%	-2.1%	6.7%

**UX INTRADAY OCTOBER 6, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	340.7	0.3%	13.2%	3.0%
CDS 5Y UKR	1279.9	-1.1%	26.8%	56.0%
Ukraine-17	12.2%	-0.2 p.p.	1.9 p.p.	3.2 p.p.
Ferrexpo-16	14.8%	0.0 p.p.	2.3 p.p.	5.9 p.p.
Ukraine-23	10.4%	-0.1 p.p.	1.0 p.p.	2.9 p.p.
Privatbank-16	42.1%	0.0 p.p.	5.9 p.p.	21.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	12.95	0.0%	1.2%	57.2%
EUR	16.39	1.1%	-1.2%	44.1%
RUB	0.33	1.0%	-5.9%	29.8%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	203.2	0.0%	-10.7%	-29.3%
Steel, USD/t	527.5	-1.9%	-3.2%	-1.9%
Oil, USD/bbl	92.8	0.5%	-8.5%	-13.5%
Gold, USD/oz	1207.3	1.3%	-4.9%	0.9%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Ferrexpo's Pellet Output Up 13% But Selling Price Down Some 12% QoQ in 3Q14**

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**FERREXPO (FXPO LN)**

Price: GBP 1.03 Market Cap: USD 1,015mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.07	3.8	3.3	7.6%
2014E	1.17	3.7	3.4	1.9%

**NEWS**

Ferrexpo, Ukraine's largest iron ore pellets exporter, released its trading update for 9M14 on Tuesday (Oct 7). In 9M14, the company expanded pellet output by 2.6% YoY to 8.26mn tonnes as 3.7% YoY increase in production from in-house ore to 8.05mn tonnes more than offset 27% drop in output from purchased ore to insignificant 206,000 tonnes. Over the stated period, Ferrexpo expanded pellet output from Yeristovo Mine (FYM) ore by 71% YoY to 2.40mn tonnes while decreased production from FPM ore by 11% YoY to 5.65mn. In 3Q14, Ferrexpo's pellet production amounted to 2.89mn tonnes representing a 13.2% QoQ and 3.1% YoY growth. Notably, pellet output from FPM ore in 3Q14 increased by 21% QoQ to 1.99mn tonnes while production from FYM ore was flat QoQ at 846,000 tonnes.

In 9M14, the company's sales were in line with production at 8.2mn tonnes (+8% YoY). While Ferrexpo did not specify the precise selling price in 3Q14, it stated that average selling price was down QoQ in line with the benchmark price with the latter dropped by 12% vs. 2Q14. Ferrexpo's 3Q14 production cost figure was not mentioned while management said the cost continued to benefit from expanded output volume and domestic currency devaluation. In addition, due to depressed iron ore prices, Ferrexpo decided to reduce CapEx on growth projects.

**COMMENTARY**

Focus on production of pellets - niche high value added product - enables the company to sell all the produced volume of its output in the environment of exacerbated issue of oversupply on the international markets. This is further supported by the company's statement that the group faced robust demand for its pellets from the whole range of its markets. In terms of output, we observe sharp changes in output from in-house material in 3Q14. In particular, output from FYM ore 62% Fe pellets production more than doubled (+104.6% QoQ) while output of 65% Fe pellets amounted to zero. Meanwhile, output of 62% Fe pellets from FPM ore dropped by 38% QoQ with 85% QoQ increase in output of 65% Fe pellets. The company's explanation of this phenomenon was 'a lot of optionality with the two mines and it thus better to look at overall group's output'. Decision with CapEx program is prudent and we understand that FYM concentrator project will be put on hold at the moment. The company's FXPO stock now trades at 2014E P/E of 3.4x.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.65	0.56	-14%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	103.0	108.0	5%	SELL	Ferrexpo's lower production cost due to UAH devaluation in 2014 together with a 8% increase in output will not be sufficient to offset a projected 13% drop in the group's achieved iron ore pricing.
Pivnichny GOK	SGOK	7.90	U/R	-	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	7.28	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	2.32	U/R	-	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.42	U/R	-	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.40	2.9	634%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	15.2	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2211	5250	137%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	8.0	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	51.0	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	28.7	72.0	151%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.32	15.00	105%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	11.8	15.65	33%	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	36.8	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	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	69.0	58.74	-15%	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.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.126	0.24	91%	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	1074.60	1368.76	821.17	-0.1%	0.1%	-7.5%	18.1%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.026	0.06	0.02	0.8%	4.9%	-19.0%	-34.3%	0.9%	4.8%	-11.6%	-52.4%
Azovstal	AZST	0.65	0.95	0.35	0.0%	1.4%	-13.7%	-3.3%	0.1%	1.3%	-6.2%	-21.4%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	0.1%	-0.1%	7.5%	-104.6%
Enakievo Steel	ENMZ	26.2	65.0	17.0	1.7%	2.7%	-22.3%	-18.2%	1.8%	2.6%	-14.8%	-36.3%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.1%	-0.1%	7.5%	229.7%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	-6.7%	40.0%	40.0%	0.1%	-6.8%	47.5%	21.9%
<b>Coke</b>												
Avdivka Coke	AVDK	2.32	4.80	1.46	0.8%	2.3%	-9.6%	-21.7%	0.9%	2.2%	-2.1%	-39.8%
Yasnyivsky Coking	YASK	0.42	0.84	0.30	-10.6%	-2.3%	-19.2%	-20.8%	-10.5%	-2.4%	-11.7%	-38.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.28	n/a	n/a	0.0%	-5.5%	4.0%	12.0%	0.1%	-5.6%	11.5%	-6.1%
Ferrexpo	FXPO	103.0	199.0	101.3	0.8%	-10.5%	-22.0%	-46.1%	0.9%	-10.6%	-14.5%	-64.2%
Pivnichny GOK	SGOK	7.90	9.80	4.50	3.9%	-4.7%	-6.0%	-1.3%	4.0%	-4.8%	1.5%	-19.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.40	0.79	0.10	0.0%	-7.0%	-21.6%	0.0%	0.1%	-7.1%	-14.1%	-18.1%
Komsomolets Donbasa	SHKD	0.75	n/a	n/a	1.4%	7.1%	87.5%	21.0%	1.4%	7.0%	95.0%	2.9%
Energy Coal	CLE	0.88	2.86	0.55	-2.2%	-7.4%	-11.1%	-16.2%	-2.1%	-7.5%	-3.6%	-34.3%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	0.1%	-0.1%	7.5%	-52.9%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.50	1.01	0.30	2.0%	0.0%	0.0%	-16.7%	2.1%	-0.1%	7.5%	-34.7%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	2.9%	2.9%	71.4%	0.1%	2.7%	10.3%	53.3%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	15.2	26.0	10.0	-0.2%	-3.8%	-4.9%	-12.1%	-0.1%	-3.9%	2.5%	-30.2%
Luhanskeplovoz	LTPL	1.15	1.80	0.85	0.0%	-8.0%	6.5%	-23.3%	0.1%	-8.1%	14.0%	-41.4%
Stakhanov Wagon	SVGZ	1.17	n/a	n/a	0.0%	31.5%	112.7%	-10.0%	0.1%	31.3%	120.2%	-28.1%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	5.1%	-18.3%	46.8%	0.1%	5.0%	-10.8%	28.7%
Motor Sich	MSICH	2,211	2,879	1,303	-0.8%	-0.7%	-3.2%	21.2%	-0.7%	-0.8%	4.3%	3.1%
Summy Frunze Engineering	SMASH	7.82	n/a	n/a	0.0%	13.3%	179.3%	212.8%	0.1%	13.2%	186.8%	194.7%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	0.1%	-0.1%	7.5%	10.5%
WESTA ISIC	WES	0.29	0.80	0.21	0.0%	0.0%	-3.3%	-27.5%	0.1%	-0.1%	4.2%	-45.6%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	0.0%	2.3%	63.6%	0.1%	-0.1%	9.8%	45.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	8.00	16.00	4.88	0.0%	-3.0%	14.3%	-37.3%	0.1%	-3.1%	21.8%	-55.3%
JKX Oil	JKX	51.00	75.00	36.00	0.0%	7.4%	9.7%	-28.9%	0.1%	7.3%	17.2%	-47.0%
Ukrnafta	UNAF	322	370	54	-0.2%	0.5%	-1.4%	196.9%	-0.1%	0.4%	6.1%	178.8%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.32	8.70	2.50	0.5%	0.5%	-5.8%	53.5%	0.6%	0.4%	1.7%	35.4%
Donbasenergo	DOEN	28.7	50.2	11.0	0.8%	4.1%	-8.4%	3.8%	0.9%	4.0%	-0.9%	-14.2%
Zakhidenergo	ZAEN	140.0	160.0	64.0	-4.4%	-4.7%	7.7%	54.9%	-4.3%	-4.8%	15.2%	36.8%
<b>Consumer</b>												
Agroton	AGT	1.97	5.5	1.79	2.6%	-5.3%	-15.1%	1.0%	2.7%	-5.4%	-7.6%	-17.1%
Astarta	AST	36.8	73.7	34.4	0.0%	-4.4%	-5.0%	-45.0%	0.1%	-4.5%	2.5%	-63.1%
Avangardo	AVGR	7.9	13.0	7.89	0.1%	-0.9%	-6.0%	-32.8%	0.2%	-1.1%	1.5%	-50.8%
Industrial Milk Company	IMC	6.90	15.15	6.50	3.8%	-0.3%	-14.7%	-43.2%	3.9%	-0.4%	-7.2%	-61.3%
Kernel	KER	25.2	53.9	23.2	1.1%	1.1%	-3.2%	-33.8%	1.2%	1.0%	4.3%	-51.9%
Mriya Agro Holding	MAYA	1.43	6.0	1.43	0.0%	-1.7%	-25.0%	-73.6%	0.1%	-1.8%	-17.5%	-91.7%
MHPC	MHPC	11.8	18.5	10.91	0.5%	2.6%	-0.8%	-30.6%	0.6%	2.5%	6.7%	-48.7%
Milkiland	MLK	3.82	14.2	3.69	-0.5%	-0.3%	-20.6%	-69.4%	-0.4%	-0.4%	-13.1%	-87.5%
Ovostar Union	OVO	69.0	102.0	59.4	0.0%	-1.4%	-2.1%	-31.0%	0.1%	-1.5%	5.4%	-49.1%
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
<b>Chemicals</b>												
Stirol	STIR	9.9	n/a	n/a	0.0%	-13.5%	-3.9%	-20.8%	0.1%	-13.6%	3.6%	-38.9%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.126	0.190	0.086	-0.2%	-1.5%	-5.4%	10.7%	-0.1%	-1.6%	2.1%	-7.4%
UkrSotsbank	USCB	0.144	0.205	0.090	0.0%	0.0%	-10.4%	-23.0%	0.1%	-0.1%	-2.9%	-41.1%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	51	3.9%	2	1,400	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	362	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	7	6	6	\$/tonne
Azovstal	AZST	210	3.0%	6	195	neg	neg	neg	neg	neg	5.5	0.1	0.1	0.1	42	43	43	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	35	6.8%	2	32	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	1.9	0.4	0.3	0.5	0.0	0.0	0.0	0.4	0.3	0.5	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	659	0.3%	2	657	6.9	3.4	4.0	2.8	2.1	2.4	1.1	1.0	1.0				
Pivnichny GOK	SGOK	1,406	0.4%	6	1,399	3.2	2.6	3.1	1.9	1.5	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	970	24.0%	233	1,649	4.5	3.7	3.5	4.1	3.3	3.4	1.2	1.0	1.1				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	19	5.4%	1	121	2.7	1.2	1.1	1.0	1.3	1.3	0.4	0.6	0.5	30	28	27	\$/tonne
Coal Energy	CLE	40	25.0%	10	150	1.0	neg	neg	2.4	7.1	16.7	0.9	1.2	1.5	2.4	7.1	16.7	\$/tonne
<b>Pipe Manufacturing</b>																		
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
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	19	24.0%	5	57	4.0	1.0	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	135	5.0%	7	124	1.4	3.2	neg	0.9	2.5	9.3	0.1	0.3	0.9				
Stakhanov Wagon	SVGZ	20	8.0%	2	53	>30	>30	>30	7.4	9.0	9.7	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
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	355	24.0%	85	346	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.3	0.4				
<b>Telecom</b>																		
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				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,350	3.0%	41	1,342	7.7	>30	8.4	3.0	4.7	4.2	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	41	21.6%	9	16	3.5	neg	20.6	0.8	neg	0.6	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	141	50.4%	71	249	neg	21.7	18.1	1.8	3.8	3.7	1.2	1.4	1.3	46	34	33	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	209	21.7%	45	277	7.2	3.5	10.0	4.0	2.9	6.3	0.2	0.3	0.4	16	20	17	\$/MWh
DonbasEnergO	DOEN	52	14.2%	7	118	13.7	0.8	1.3	3.7	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,248	34.1%	426	2,376	4.0	7.7	neg	5.1	6.1	5.0	1.7	1.6	1.8				
Kernel	KER	607	61.8%	375	1,312	2.9	5.8	12.9	4.1	4.5	7.5	0.6	0.5	0.5				
Astarta	AST	278	37.0%	103	599	4.8	8.2	3.4	5.4	6.6	4.3	1.3	1.2	1.1				
Avangardco	AVGR	505	22.5%	114	611	2.2	2.1	3.1	2.2	2.0	2.6	1.0	0.9	1.0	138	105	99	\$/mneggs
Agroton	AGT	13	26.2%	3	62	1.9	neg	neg	3.0	8.2	17.8	0.7	0.8	0.7	n/a	n/a	n/a	
<b>Banks</b>																		
							P/E			P/Book								P/Assets
Raiffeisen Bank Aval	BAVL	291	3.5%	10		>30	3.3	neg	0.4	0.3	0.5	0.05	0.05	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

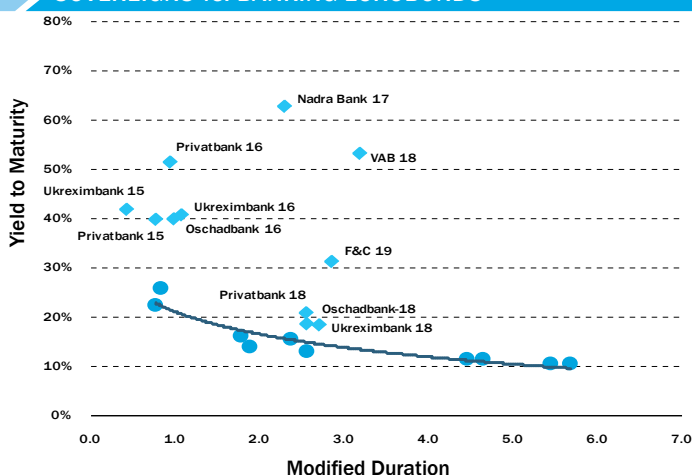
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	87.6	90.4	24.7%	19.7%	-7.3%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.0	91.0	27.3%	23.2%	-7.9%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	85.5	86.8	16.2%	15.3%	-8.4%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.9	88.4	14.4%	13.4%	-7.0%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	85.5	87.0	13.4%	12.7%	-7.0%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	87.9	89.5	16.0%	15.1%	-10.6%	2.4	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	81.5	83.0	19.4%	18.4%	-0.5%	2.4	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	80.5	82.0	16.8%	16.0%	3.5%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	85.2	86.2	11.8%	11.5%	-7.9%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	85.3	86.8	11.6%	11.2%	-8.2%	4.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	84.8	86.5	10.8%	10.4%	-5.9%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.2	84.2	10.5%	10.3%	-7.5%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.0	35.1	84.3%	65.0%	-37.6%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	97.0	18.1%	16.1%	-6.8%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	84.0	85.4	12.3%	12.0%	-5.2%	4.2	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.5	90.0	38.6%	31.8%	-9.4%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	67.7	70.4	25.5%	23.9%	-23.5%	2.5	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	25.0	30.0	151.1%	127.7%	-72.6%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	25.0	30.0	78.3%	66.3%	-68.4%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	75.3	76.8	70.9%	66.1%	-25.4%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	59.5	61.5	26.3%	25.1%	-35.8%	2.7	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	76.0	78.0	62.9%	57.4%	-24.9%	0.5	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	67.0	69.5	26.0%	24.3%	-28.2%	2.5	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.0	92.0	18.8%	16.3%	-7.1%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	74.5	76.1	19.6%	18.9%	-17.9%	2.7	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	48.4%	33.5%	-28.5%	1.7	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	90.6	92.1	15.5%	14.9%	-17.7%	2.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	45.0	55.0	34.8%	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	67.9%	57.7%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	79.0	42.3%	37.4%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	67.0	54.9%	48.4%	-13.8%	1.0	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	76.8	78.8	20.7%	19.8%	-7.1%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	85.1	85.1	41.1%	41.1%	-11.4%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	69.0	72.0	37.3%	33.4%	-17.4%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.4	77.1	19.1%	18.3%	-14.5%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	56.9%	49.6%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	77.0	79.0	43.4%	38.7%	-16.2%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	75.8	77.0	18.7%	18.1%	-14.2%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	74.0	79.0	55.9%	50.9%	-17.7%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	74.7	76.2	28.6%	27.2%	-18.6%	1.4	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

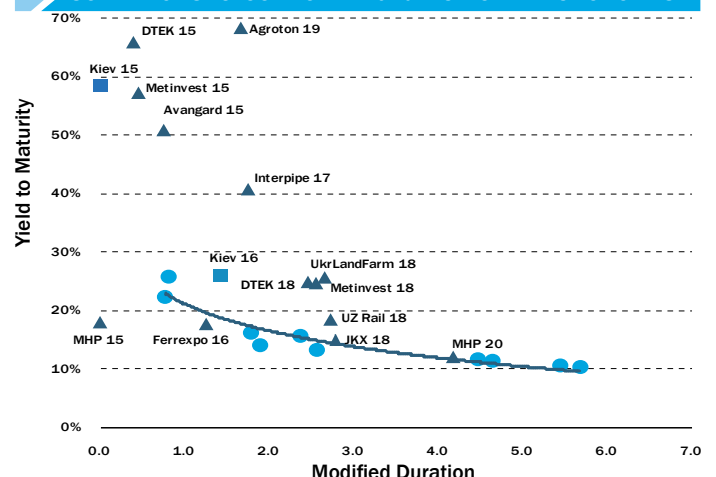
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	12.5%	12.0%	n/a	4.80%	S/A	6 May 2015	n/a
<b>VAT Bonds</b>									
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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