

Market Update

Equity

Kyiv-listed Ukrainian stocks continued to decline on Wednesday (Oct 8) as uncertainty over natural gas supplies from Russia for the upcoming heating season is creating additional risks for the country's economy and sovereign financial situation. Gazprom claimed that Ukraine might not be able to pump the needed volume of gas into underground storage to ensure reliable gas transit to Europe during periods of peak consumption. The UX index retreated by 0.7% to 1055 points. A notable drop of 3.1% for UkrNafta (UNAF) was related to media reports that the company has not paid oil production taxes in the amount of UAH 1.5bn (USD 115mn) over the past two months. Among other blue chips, Motor Sich (MSICH) added 1.2%, while low-liquidity issues Alchevsk Steel (ALMK) and Krukiv Wagon (KVBZ) plunged by 5.7% and 6.7% respectively, with the latter closing at a 5-year low of UAH 13.90 per share. London-listed MHP (MHPC) added 3.5% to USD 11.90 while Ferrexpo (FXPO) slid below the GBp 100 level for the first time since mid-2009, falling 7.7% to near GBp 95. Warsaw-listed Ukrainian names were mixed, with Kernel (KER) declining by 2.8% while Astarta (AST) and Ovostar (OVO) rose by 3.9% and 2.2% respectively.

Fixed Income

Ukrainian sovereigns were flat on Wednesday with Ukraine-23s closed unchanged at 83.8/84.8 (10.4%/10.2%). Corporate names were mixed. MHP-20s inched down by 0.1.p.p. to 83.8/84.9 (12.4%/12.1%) while Metinvest-18s improved by 1.2p.p. finishing at 66.8/70.0 (26.2%/24.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	310.00	-3.1%	3.0	262
Motor Sich	MSICH	2211.00	1.2%	0.9	124
Centrenergo	CEEN	7.26	0.3%	0.5	54

Growth Leaders

Dniproenergo	DNEN	780.00	11.4%	0.18	28
Yasynivsky Coke	YASK	0.45	6.8%	0.01	9
Zakhidenergo	ZAEN	142.70	1.9%	0.23	40

Loss Leaders

Kryukiv Wagon	KVBZ	13.93	-6.6%	0.077	35
Alchevsk Steel	ALMK	0.02	-5.7%	0.037	62
Pokrovske Mine	SHCHZ	0.36	-4.0%	0.220	24

Highlights

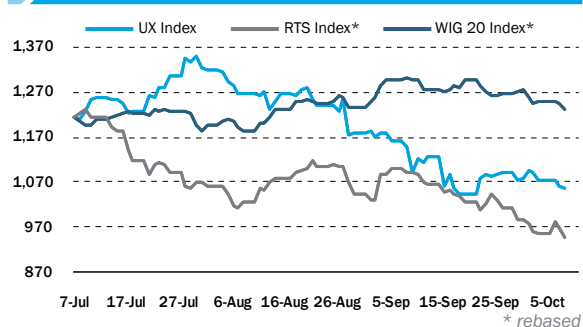
POLITICS AND ECONOMICS

- > OSCE Spots Coal Convoys Moving from Ukraine to Russia
- > Ukraine Asking Moscow to Prevent Nov 9 Separatist Elections

STOCKS IN THE NEWS

- > IMC Ups Winter Wheat Acreage by 40% YoY

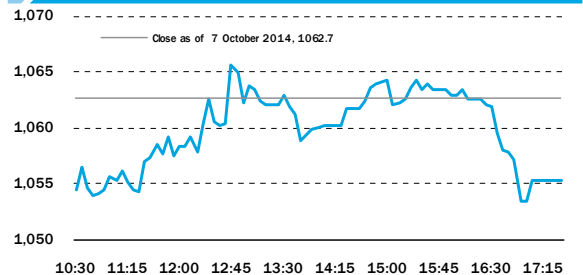
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1055.3	-0.7%	-9.1%	16.0%
RTS	1082.6	-2.2%	-13.9%	-25.0%
WIG20	2410.9	-1.0%	-5.1%	0.4%
MSCI EM	998.8	-1.2%	-8.9%	-0.3%
S&P 500	1968.9	1.7%	-1.9%	6.9%

UX INTRADAY OCTOBER 8, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	345.1	-0.4%	14.7%	4.4%
CDS 5Y UKR	1286.7	0.1%	27.4%	56.8%
Ukraine-17	11.9%	0.0 p.p.	1.9 p.p.	2.9 p.p.
Ferrexpo-16	13.6%	-0.7 p.p.	1.1 p.p.	4.7 p.p.
Ukraine-23	10.3%	0.0 p.p.	0.7 p.p.	2.8 p.p.
Privatbank-16	42.2%	0.1 p.p.	6.1 p.p.	21.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.95	0.0%	1.2%	57.2%
EUR	16.49	0.5%	-0.5%	45.0%
RUB	0.32	-0.1%	-6.5%	29.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	211.4	0.0%	-7.1%	-26.4%
Steel, USD/t	527.5	0.0%	-3.2%	-1.9%
Oil, USD/bbl	91.4	-0.8%	-9.9%	-14.8%
Gold, USD/oz	1221.1	1.0%	-3.8%	2.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

OSCE Spots Coal Convoys Moving from Ukraine to Russia

by Will Ritter
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NEWS

OSCE representatives monitoring the Ukrainian-Russian border have reported spotting convoys of trucks loaded with coal moving out of Lugansk oblast and into Russia at the border points of Gukovo and Donetsk (Russia), the organization said in its weekly update on Wednesday (Oct 8). Many of the major coal mines in southern Lugansk oblast – both state-owned and private - have come under the control of parties related to the separatist authorities there. Ukraine's Energy Ministry says the country's thermal power plants are facing a shortage of around 5mn tonnes of coal for the upcoming winter season.

COMMENTARY

We suppose that the recent odd-sounding proposal from the Ukrainian government to make up the coal deficit by “importing coal from Russia” could in fact be a scheme to purchase - via Russian intermediaries - the Donbass-produced coal currently being trucked out of the country by the separatists. We assume that all of the state-owned mines in southern Lugansk oblast have been commandeered by the separatists; the situation with the mines leased and owned by industrialist Rinat Akhmetov is less clear, but at a minimum, there have been serious disruptions in extraction operations there. In general, we think it is high time for a frank discussion between companies with publicly-traded securities and investors about the fate of assets located on separatist-controlled territory in the Donbass.

Ukraine Asking Moscow to Prevent Nov 9 Separatist Elections

by Will Ritter
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NEWS

Ukraine's Foreign Minister Pavlo Klimkin said he is urging Moscow to dissuade the separatist authorities in Donetsk and Lugansk oblasts from going ahead with their parliamentary and presidential elections announced for Nov 9, Radio Free Europe reported on Wednesday, citing Reuters. Klimkin said "fake elections" organized by the separatists in Donetsk and Lugansk would reinforce impressions that the Donbass is becoming a long-term "frozen conflict" similar to others involving ethnic Russians in other parts of the former Soviet Union. He suggested that instead of the Nov 9 date, the occupied territories should hold local elections on Dec 7 in the framework of local voting all across Ukraine. Kyiv has already acknowledged that it will be unable to force the occupied territories to participate in Ukraine's national parliamentary election scheduled for Oct 26.

COMMENTARY

It appears to us that momentum in the occupied territories (which include approximately two-thirds of the population of Donetsk and Lugansk oblasts) is building toward de-facto independence from Ukraine, and that the Nov 9 votes in the DNR and LNR are likely to go forward. We also believe that President Poroshenko fully understands this, but for the sake of appearances he is maintaining the line pushed yesterday by Foreign Minister Klimkin that the DNR and LNR should hold their elections along with the rest of Ukraine. More concerning to us than the Donbass elections are the repeated violations of the Sept 5 ceasefire near Donetsk Airport as well as the towns of Debaltsevo and Schastya; an eruption of large-scale fighting could provide a justification for renewed Russian military action against Ukraine and a re-escalation of the crisis.

IMC Ups Winter Wheat Acreage by 40% YoY

by Ivan Dzvinka
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INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 6.75 Market Cap: USD 64mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.6	2.5	3.8	0%
2014E	1.1	12.8	3.2	0%

NEWS

Central-Ukraine-based crop grower Industrial Milk Company (IMC) announced on Wednesday (Oct 8) that it has completed its sowing campaign for winter wheat. The planted area for the crop is 11,900 hectares, representing a 40% increase compared with the 2013 planting year of 8,500 ha.

COMMENTARY

IMC's management explained the expansion of the planted area under winter wheat by the high yield achieved for this crop over the last seven years as well as its high level of profitability even in times of falling grain prices over 2013-2014. Last season the company's winter wheat yield stood at 4.8 t/ha which was a 40% higher than Ukraine's average of 3.4 t/ha. Current prices for wheat in Ukraine are down 17% YoY (in USD terms), after already having declined by 28% YoY between Oct 2012 and Oct 2013.

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	94.9	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	8.15	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	2.31	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	0.36	2.9	713%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	13.9	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.14	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
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.
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	6.4	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	49.0	U/R	-	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	29.1	72.0	147%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.26	15.00	107%	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	36.9	90.0	144%	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	7.7	8.93	16%	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	68.5	58.74	-14%	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	0.124	0.24	94%	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	1055.28	1368.76	821.17	-0.7%	-3.9%	-9.1%	16.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.023	0.06	0.02	-4.1%	-11.5%	-26.7%	-40.5%	-3.5%	-7.6%	-17.5%	-56.4%
Azovstal	AZST	0.64	0.95	0.35	-0.3%	-7.2%	-14.8%	-4.5%	0.4%	-3.4%	-5.6%	-20.4%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	0.7%	3.9%	9.1%	-102.5%
Enakievo Steel	ENMZ	24.8	65.0	17.0	1.8%	-7.1%	-26.4%	-22.5%	2.5%	-3.3%	-17.2%	-38.4%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.7%	3.9%	9.1%	231.9%
Mariupol Ilyicha	MMKI	0.21	n/a	n/a	0.0%	50.0%	110.0%	110.0%	0.7%	53.9%	119.1%	94.0%
Coke												
Avdivka Coke	AVDK	2.31	4.80	1.46	-0.4%	-2.6%	-10.0%	-22.1%	0.3%	1.2%	-0.8%	-38.0%
Yasnyivsky Coking	YASK	0.45	0.84	0.30	7.1%	-6.2%	-13.5%	-15.1%	7.8%	-2.4%	-4.3%	-31.1%
Iron Ore Mining												
Centralny GOK	CGOK	7.28	n/a	n/a	0.0%	0.0%	4.0%	12.0%	0.7%	3.9%	13.1%	-4.0%
Ferrexpo	FXPO	94.9	199.0	94.9	-7.7%	-9.7%	-28.1%	-50.3%	-7.0%	-5.8%	-19.0%	-66.3%
Pivnichny GOK	SGOK	8.15	9.80	4.50	1.9%	7.2%	-3.0%	1.9%	2.6%	11.1%	6.2%	-14.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.36	0.79	0.10	-2.7%	-16.3%	-29.4%	-10.0%	-2.0%	-12.4%	-20.3%	-26.0%
Komsomolets Donbasa	SHKD	0.83	n/a	n/a	0.0%	16.9%	107.5%	33.9%	0.7%	20.8%	116.6%	17.9%
Energy Coal	CLE	0.87	2.86	0.55	-4.4%	-2.2%	-12.1%	-17.1%	-3.7%	1.6%	-3.0%	-33.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	0.7%	3.9%	9.1%	-50.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.50	1.01	0.30	0.0%	4.2%	0.0%	-16.7%	0.7%	8.0%	9.1%	-32.6%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	2.9%	2.9%	71.4%	0.7%	6.7%	12.0%	55.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	13.9	26.0	10.0	-6.2%	-10.9%	-12.9%	-19.5%	-5.5%	-7.1%	-3.7%	-35.4%
Luhanskeplovoz	LTPL	1.14	1.80	0.85	-0.9%	-0.9%	5.6%	-24.0%	-0.2%	3.0%	14.7%	-40.0%
Stakhanov Wagon	SVGZ	1.29	n/a	n/a	0.0%	19.4%	134.5%	-0.8%	0.7%	23.3%	143.7%	-16.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	-1.3%	-18.1%	47.2%	0.7%	2.6%	-8.9%	31.2%
Motor Sich	MSICH	2,211	2,879	1,507	1.1%	-0.9%	-3.2%	21.2%	1.7%	2.9%	6.0%	5.3%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	-7.7%	0.0%	114.3%	140.0%	-7.0%	3.9%	123.4%	124.0%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	0.7%	3.9%	9.1%	12.6%
WESTA ISIC	WES	0.28	0.80	0.21	0.0%	-6.7%	-6.7%	-30.0%	0.7%	-2.8%	2.5%	-46.0%
Telecom												
Ukrtelecom	UTLM	0.19	0.20	0.09	0.0%	3.9%	6.3%	70.0%	0.7%	7.7%	15.4%	54.0%
Oil & Gas												
Regal Petroleum	RPT	6.38	16.00	4.88	-12.1%	-22.7%	-8.9%	-50.0%	-11.4%	-18.9%	0.2%	-66.0%
JKX Oil	JKX	49.00	75.00	36.00	-3.4%	4.3%	5.4%	-31.7%	-2.8%	8.1%	14.5%	-47.7%
Ukrnafta	UNAF	310	370	54	-3.2%	-4.8%	-5.2%	185.5%	-2.5%	-0.9%	4.0%	169.5%
Power Utilities												
Centrenerg	CEEN	7.26	8.70	2.50	0.3%	-1.9%	-6.6%	52.3%	1.0%	2.0%	2.6%	36.3%
Donbasenergo	DOEN	29.1	50.2	11.0	-1.0%	-0.5%	-6.8%	5.6%	-0.3%	3.3%	2.3%	-10.3%
Zakhidenergo	ZAEN	142.7	160.0	64.0	1.9%	1.1%	9.8%	57.9%	2.6%	5.0%	18.9%	41.9%
Consumer												
Agroton	AGT	1.94	5.5	1.79	-1.5%	-7.2%	-16.4%	-0.5%	-0.8%	-3.3%	-7.2%	-16.5%
Astarta	AST	36.9	73.7	34.4	3.9%	-1.7%	-4.9%	-44.9%	4.6%	2.2%	4.3%	-60.9%
Avangardo	AVGR	7.7	13.0	7.70	-2.4%	-2.5%	-8.3%	-34.5%	-1.7%	1.4%	0.8%	-50.4%
Industrial Milk Company	IMC	6.75	15.10	6.50	0.7%	3.8%	-16.6%	-44.4%	1.4%	7.7%	-7.4%	-60.4%
Kernel	KER	24.0	53.9	23.2	-2.8%	-3.0%	-7.8%	-37.0%	-2.1%	0.8%	1.4%	-52.9%
Mriya Agro Holding	MAYA	1.43	6.0	1.43	-5.0%	0.0%	-25.0%	-73.6%	-4.3%	3.9%	-15.9%	-89.6%
MHPC	MHPC	11.9	18.5	10.91	3.5%	-0.8%	0.0%	-30.0%	4.2%	3.1%	9.1%	-46.0%
Milkiland	MLK	3.55	14.2	3.55	-4.3%	-3.8%	-26.2%	-71.6%	-3.6%	0.1%	-17.0%	-87.6%
Ovostar Union	OVO	68.5	102.0	59.4	2.2%	-2.2%	-2.9%	-31.6%	2.9%	1.7%	6.2%	-47.5%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	9.0	n/a	n/a	0.0%	-24.9%	-12.6%	-28.0%	0.7%	-21.1%	-3.5%	-44.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.124	0.190	0.086	0.2%	-3.7%	-6.8%	9.1%	0.9%	0.2%	2.4%	-6.9%
UkrSotsbank	USCB	0.145	0.205	0.090	0.4%	0.4%	-10.0%	-22.7%	1.1%	4.3%	-0.9%	-38.7%

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	17	2.4	neg	neg	neg	0.8	0.5	0.0	0.0	0.0	6	6	6	\$/tonne
Azovstal	AZST	208	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	32	neg	neg	neg	neg	0.7	1.1	0.0	0.0	0.0	7	8	9	\$/tonne
Yasynivsky Coke	YASK	10	9.0%	1	10	1.1	neg	2.0	0.4	0.4	0.6	0.0	0.0	0.0	0.4	0.4	0.6	\$/tonne
Iron Ore Mining																		
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	1,450	0.4%	6	1,444	3.3	2.6	3.2	1.9	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	897	24.0%	215	1,576	4.2	3.4	3.2	3.9	3.1	3.2	1.1	1.0	1.1				
Coal Mining																		
Komsomolets Donbasa	SHKD	21	5.4%	1	123	3.0	1.3	1.3	1.0	1.3	1.3	0.5	0.6	0.5	30	29	27	\$/tonne
Coal Energy	CLE	40	25.0%	10	150	1.0	neg	neg	2.4	7.1	16.6	0.9	1.2	1.5	2.4	7.1	16.6	\$/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	19	24.0%	5	56	4.0	1.0	0.9	1.9	1.6	1.5	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	123	5.0%	6	113	1.3	3.0	neg	0.8	2.2	8.5	0.1	0.2	0.8				
Stakhanov Wagon	SVGZ	23	8.0%	2	55	>30	>30	>30	7.7	9.4	10.1	0.2	0.3	0.4				
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	355	24.0%	85	346	1.8	2.1	1.9	1.1	1.3	1.3	0.4	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	270	7.2%	19	574	6.0	15.9	10.3	2.8	3.0	3.3	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,298	3.0%	39	1,290	7.4	>30	8.1	2.8	4.5	4.0	0.5	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	33	21.6%	7	8	2.8	neg	16.5	0.4	neg	0.3	0.2	0.2	0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	136	50.4%	68	244	neg	20.9	17.4	1.8	3.7	3.6	1.2	1.4	1.2	45	33	33	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	207	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	53	14.2%	8	118	13.9	0.8	1.3	3.7	1.6	2.6	0.2	0.2	0.2	14	15	15	\$/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	583	61.8%	360	1,288	2.8	5.6	12.4	4.0	4.4	7.4	0.6	0.5	0.5				
Astarta	AST	281	37.0%	104	602	4.8	8.2	3.4	5.5	6.6	4.4	1.3	1.2	1.1				
Avangardco	AVGR	492	22.5%	111	598	2.2	2.1	3.0	2.1	2.0	2.6	0.9	0.9	1.0	135	103	97	\$/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	
Banks																		
Raiffeisen Bank Aval	BAVL	287	3.5%	10		>30	3.2	neg	0.4	0.3	0.5	0.05	0.05	0.07				
Ukrsotsbank	USCB	206	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

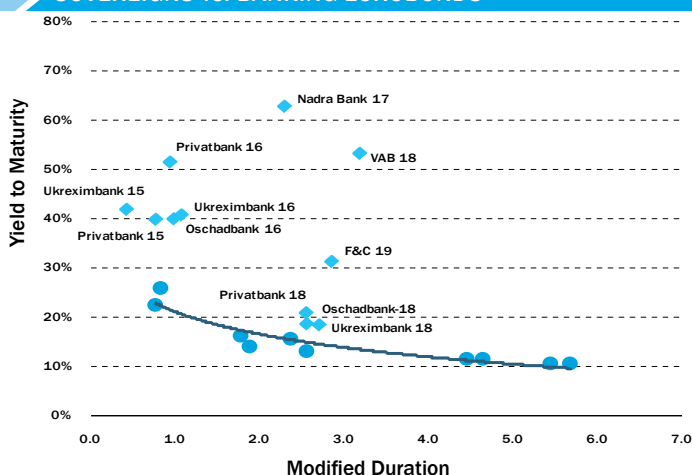
UKRAINIAN EUROBONDS

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)	87.9	90.6	24.4%	19.4%	-7.0%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.8	92.3	25.9%	20.9%	-6.8%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	86.1	87.4	15.8%	14.9%	-7.7%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.3	88.5	14.2%	13.3%	-6.8%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	86.1	87.6	13.1%	12.4%	-6.3%	2.6	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	88.5	89.9	15.7%	14.9%	-10.1%	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%	2.3	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	86.0	87.0	11.6%	11.3%	-7.1%	4.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	85.9	87.4	11.4%	11.1%	-7.6%	4.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.4	87.1	10.7%	10.3%	-5.3%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.8	84.8	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	84.8%	65.2%	-37.6%	1.5	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	98.0	18.3%	14.2%	-6.3%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	83.8	84.9	12.4%	12.1%	-5.7%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.5	90.0	39.0%	32.0%	-9.4%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	67.7	69.0	25.4%	24.7%	-24.2%	2.5	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	25.0	30.0	151.9%	128.4%	-72.6%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	20.0	30.0	95.9%	66.5%	-71.3%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	75.0	78.0	73.5%	63.8%	-25.0%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	59.5	61.5	26.4%	25.1%	-35.8%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	76.0	78.0	64.3%	58.6%	-24.9%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	66.8	70.0	26.2%	24.0%	-28.0%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.0	93.0	16.7%	15.4%	-5.6%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	74.0	76.3	19.9%	18.8%	-18.1%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	48.6%	33.6%	-28.5%	1.7	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	91.0	92.6	15.3%	14.7%	-17.3%	2.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
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%	0.1	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	68.1%	57.8%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	75.0	80.0	44.2%	35.9%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	67.0	55.3%	48.7%	-13.8%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	75.1	80.0	21.6%	19.1%	-7.3%	2.6	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.5	85.5	43.0%	40.4%	-11.5%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	69.0	72.0	37.4%	33.5%	-17.4%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.3	77.2	19.2%	18.3%	-14.5%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	57.0%	49.8%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	77.0	79.0	43.8%	39.0%	-16.2%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	75.4	77.0	19.0%	18.1%	-14.4%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	77.0	80.0	53.2%	48.2%	-15.6%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	74.8	80.0	28.6%	23.9%	-16.8%	1.4	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

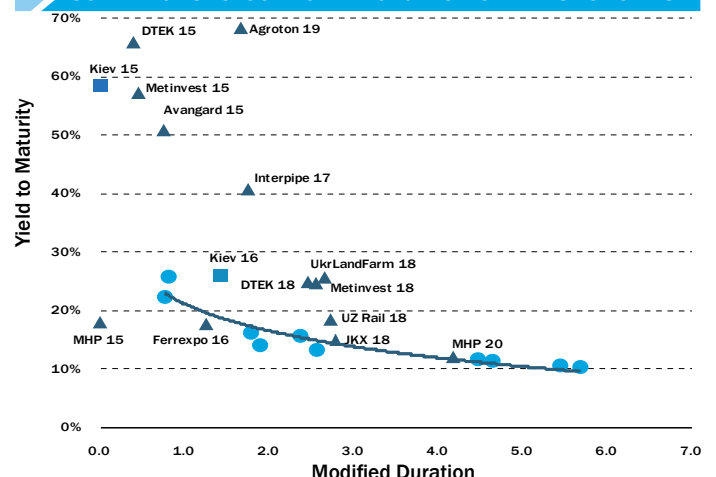
¹ Moody's/S&P/Fitch; * EUR

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

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