

## Market Update

### Equity

Kyiv-listed stocks were mostly higher on Friday (Oct 10), moving opposite to the selloff on the major European bourses, which saw Germany's DAX bleed off 2.4% for the day to put the benchmark near bear market territory; in New York, the S&P 500 sits more than 5% off its all-time high reached on Sept 18. The UX index rose by 1.8% to close at 1070 points, thanks mainly to UkrNafta (UNAF), which jumped 18% to UAH 357 after the company announced a per-share dividend of UAH 70, thus acting as a locomotive for the local market. Among other actively traded names for the session, Azovstal (AZST) climbed by 0.9% while Motor Sich (MSICH) edged down by 0.6%. In the steel sector, Yenakievo Steel (ENMZ) rose by 1.0% to UAH 25.50. In London, MHP (MHP) sold off by 4.1% to USD 11.5 amid the wider negative European sentiments. Iron ore producer Ferrexpo (FXPO) continued its slide to a fresh 5-year low near GBP 88 on a drop of 4.5%. Warsaw-listed Astarta (AST) tumbled by 4.3% and Kernel (KER) shed 1.8%.

### Fixed Income

Ukrainian sovereigns were down on Friday with Ukraine-23s declining by 3.7p.p. to 80.0/81.0 (11.2%/11.0%). Corporate names were also lower. UkrlandFarming-18s dropped by 0.7p.p. to 66.0/70.0 (26.5%/24.2%) and Avangardco-15s decreased by 1.2p.p. finishing at 85.0/90.0 (50.8%/32.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	357.00	18.3%	7.9	753
Azovstal	AZST	0.65	0.9%	1.7	45
Motor Sich	MSICH	2181.00	-0.6%	1.3	140

### Growth Leaders

Mariupol Ilyicha	MMKI	0.28	48.2%	0.07	8
Ukrnafta	UNAF	357.00	18.3%	7.94	753
Mariupol Heavy Machine	MZVM	0.19	12.3%	0.03	12

### Loss Leaders

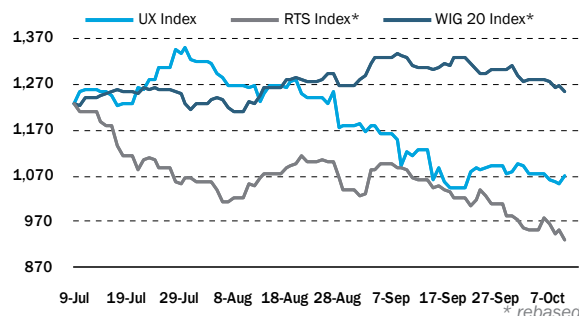
Motor Sich	MSICH	2,181.00	-0.6%	1.253	140
Raiffeisen Bank Aval	BAVL	0.12	-0.2%	0.303	47
Centrenerg	CEEN	7.32	0.0%	0.796	124

## Highlights

### STOCKS IN THE NEWS

- > UkrNafta Surprises to the Upside with UAH 70 Dividend for FY11-FY13
- > Astarta Expands Winter Crops Planting Area by 15% YoY
- > KSG's Owner Announced the Company's Medium Term Plans

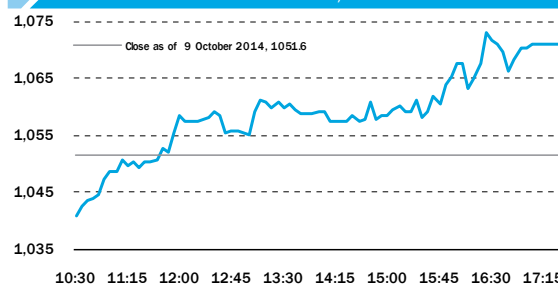
### STOCK MARKET PERFORMANCE



### MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1070.9	1.8%	-2.0%	17.7%
RTS	1064.3	-2.3%	-14.6%	-26.2%
WIG20	2392.6	-1.3%	-5.9%	-0.3%
MSCI EM	989.9	-1.8%	-9.0%	-1.2%
S&P 500	1906.1	-1.1%	-4.1%	3.5%

### UX INTRADAY OCTOBER 10, 2014



### FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	350.0	2.2%	13.8%	5.8%
CDS 5Y UKR	1357.3	6.1%	29.8%	65.5%
Ukraine-17	13.2%	0.9 p.p.	2.0 p.p.	4.2 p.p.
Ferrexpo-16	13.0%	0.1 p.p.	0.7 p.p.	4.1 p.p.
Ukraine-23	11.1%	0.8 p.p.	0.8 p.p.	3.6 p.p.
Privatbank-16	42.6%	0.1 p.p.	6.3 p.p.	22.2 p.p.

### CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	12.95	0.0%	2.4%	57.2%
EUR	16.35	-0.5%	-0.1%	43.8%
RUB	0.32	-0.5%	-5.9%	27.8%

### 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%	-2.7%	-1.9%
Oil, USD/bbl	90.2	0.2%	-9.7%	-15.9%
Gold, USD/oz	1223.1	-0.1%	-2.6%	2.2%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**UkrNafta Surprises to the Upside  
with UAH 70 Dividend for FY11-FY13**

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**UKRNAFTA (UNAF UK)**

Price: UAH 357 Market Cap: USD 1,495mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.7	0.6	64.2	5.2	1.0%
2014E	0.9	0.6	9.3	4.6	n/a

**NEWS**

UkrNafta, Ukraine’s largest oil producer, announced a dividend of UAH 70.06 per share from its FY11-FY13 net profit at its general shareholder meeting in Kyiv on Friday (Oct 10). The decision foresees a dividend of UAH 40.23 per share for FY11, UAH 26.33 for FY12, and UAH 3.50 for FY13. The ex-rights date is 20 Oct 2014, while the payment window will run from Oct 20 this year until next Apr 10.

**COMMENTARY**

It should be noted that by waiting for this year’s sharp hryvnia devaluation, UkrNafta is able to pay out tens of millions of dollars less than it would have paid if the FY11-FY12 dividends had been distributed on time. On the other hand, the announced dividend is well above our (and the market’s) expectation of a DPS near UAH 50, and implies a 20% dividend yield. The news provided strong positive sentiment for the UNAF stock, which surged by 18% to UAH 357 on Friday. Among other decisions approved at the shareholder meeting was the appointment of representatives from state-owned energy monopoly Naftogaz to UkrNafta’s supervisory board. Naftogaz CEO Andriy Kolobov was elected to head UkrNafta’s board for a term of 3 years (the Ukrainian state owns half of UkrNafta through Naftogaz). However, there was no item in the AGM agenda for replacement of UkrNafta’s top management, and we assume that Dnipropetrovsk industrialist Igor Kolomoysky, through his Privat group’s large minority shareholding, has effectively retained operational control of UkrNafta. As we reported earlier, the most recent UkrNafta AGM took place all the way back in March 2011, and since then had not been held due to corporate conflict between Naftogaz as the state shareholder (Naftogaz management was appointed by the Yanukovich regime during the latter’s presidency) and Privat group as owner of 42% (or more) of UkrNafta’s shares. According to Ukrainian law, a quorum for a general shareholders’ meeting is 60%; the AGM held on Friday had a quorum 95%.

## Astarta Expands Winter Crops Planting Area by 15% YoY

by Ivan Dzvinka  
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### ▶ ASTARTA (AST PW)

Price: PLN 35.36 Market Cap: USD 267mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.2	7.8	6.5	0%
2014E	1.1	3.3	4.3	0%

## KSG's Owner Announced the Company's Medium Term Plans

by Ivan Dzvinka  
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### NEWS

Astarta, Ukraine's largest sugar producer and a major crop grower, has completed sowing campaign of winter crops, the company said in its press release on Friday (Oct 10). The planting area under winter crops was expanded by 15% YoY to almost 50,000 hectares this season. Almost all of this area was used for sowing of winter wheat, with barley planted on around 2,000 ha. Importantly, Astarta used its own high quality sowing material from seed treatment plants in Poltava and Khmelnytsky, grown in cooperation with leading Ukrainian and European plant breeding centers.

### COMMENTARY

Astarta increased planting area under winter wheat this season by 18% YoY from 40,000 ha a year ago. As a result, share of winter wheat in the group's crop mix will increase from 17.6% in 2014 to expected 21% in 2015. The positive news here is the use of in-house seeds for the planting campaign in the current environment of inflation of crop production costs. This enables Astarta to kill two rabbits with one stone, i.e. to optimize its cost of sales and also to manage the quality of the produced seed material.

### NEWS

Sergiy Kasianov, the majority shareholder of agricultural company KSG Agro, told medium term plans of the company over the press conference on Friday (Oct 10). Pig complex of KSG is planned to reach its full capacity of 20,000 tonnes of pork per annum by 2017. As of now, the company has invested 50% of the project total CapEx of USD 60mn. The source of financing of the remaining part of the project was not specified. By spring 2015, the company intends to launch plant with production of heating pellets with annual capacity of 90,000 tonnes per annum. Out of estimated project cost of EUR 8mn, the company has already invested EUR 5mn with the remaining amount to be used from operating cash flow.

The company's management said that the cumulative investment in Crimean assets stood at USD 10mn and this is effectively the amount of maximum potential loss from Russia's annexation of the peninsula. He said that the company is in process of finding buyers for its Crimean assets while transferring of the harvested crops as well as equipment from the peninsula to Ukraine is not possible now.

### COMMENTARY

While picturing the plans by the company looks encouraging, the main question on the table is whether the company will be able to repay/restructure its short term debt that prompted KSG's external auditors to raise concern in August 2014 about going concern of its business. This issue was not addressed by the company representative. KSG Agro short term debt as of end 2Q14 amounted USD 37mn representing almost a half of its total debt. While EBITDA in 1H14 amounted to USD 2.4mn vs. USD 18.3mn in 1H13.

## 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	87.9	108.0	23%	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.
<b>Coke</b>						
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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.41	2.9	618%	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	14.2	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2181	5250	141%	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	7.0	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	47.0	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	28.8	72.0	150%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.32	15.00	105%	BUY	CenterEnergO'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	11.5	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	35.4	90.0	155%	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	7.3	8.93	22%	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	67.2	58.74	-13%	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	0.123	0.24	95%	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	1070.86	1368.76	821.17	1.8%	-0.4%	-2.0%	17.7%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.024	0.05	0.02	0.8%	-4.3%	-19.1%	-37.6%	-1.0%	-3.9%	-17.0%	-55.3%
Azovstal	AZST	0.65	0.95	0.35	0.9%	0.2%	-2.1%	-3.1%	-0.9%	0.6%	-0.1%	-20.8%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-1.8%	0.4%	2.0%	-104.2%
Enakievo Steel	ENMZ	25.6	65.0	17.0	1.1%	-0.8%	-9.7%	-20.2%	-0.7%	-0.3%	-7.7%	-37.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-1.8%	0.4%	2.0%	230.2%
Mariupol Ilyicha	MMKI	0.28	n/a	n/a	47.4%	100.0%	180.0%	180.0%	45.5%	100.4%	182.0%	162.3%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.31	3.70	1.46	0.0%	0.4%	-2.2%	-22.0%	-1.8%	0.8%	-0.2%	-39.7%
Yasnyivsky Coking	YASK	0.45	0.84	0.30	0.0%	-4.3%	-10.0%	-15.1%	-1.8%	-3.8%	-8.0%	-32.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.28	n/a	n/a	0.0%	0.0%	4.0%	12.0%	-1.8%	0.4%	6.0%	-5.7%
Ferrexpo	FXPO	87.9	199.0	87.9	-4.5%	-14.0%	-32.9%	-54.0%	-6.3%	-13.6%	-30.9%	-71.7%
Pivnichny GOK	SGOK	8.15	9.80	4.50	0.0%	7.2%	-0.6%	1.9%	-1.8%	7.7%	1.4%	-15.8%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.41	0.79	0.10	2.5%	2.5%	-16.3%	2.5%	0.7%	2.9%	-14.3%	-15.2%
Komsomolets Donbasa	SHKD	0.83	n/a	n/a	0.0%	12.2%	66.0%	33.9%	-1.8%	12.6%	68.0%	16.2%
Energy Coal	CLE	0.88	2.80	0.55	-1.1%	-2.2%	-8.3%	-16.2%	-3.0%	-1.8%	-6.3%	-33.9%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-1.8%	0.4%	2.0%	-52.5%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.50	1.01	0.30	0.0%	2.0%	0.0%	-16.7%	-1.8%	2.5%	2.0%	-34.3%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	0.0%	2.9%	71.4%	-1.8%	0.4%	4.9%	53.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	14.2	25.0	10.0	2.5%	-6.8%	-11.3%	-17.9%	0.7%	-6.3%	-9.2%	-35.6%
Luhanskeplovoz	LTPL	1.14	1.80	0.85	0.0%	-0.9%	15.2%	-24.0%	-1.8%	-0.4%	17.2%	-41.7%
Stakhanov Wagon	SVGZ	1.29	n/a	n/a	0.0%	10.3%	158.0%	-0.8%	-1.8%	10.7%	160.0%	-18.4%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	0.3%	-18.1%	47.2%	-1.8%	0.7%	-16.0%	29.5%
Motor Sich	MSICH	2,181	2,879	1,507	-0.3%	-2.1%	-2.5%	19.6%	-2.2%	-1.7%	-0.5%	1.9%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	-23.3%	156.4%	140.0%	-1.8%	-22.8%	158.4%	122.3%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	-1.8%	0.4%	2.0%	10.9%
WESTA ISIC	WES	0.26	0.80	0.21	-7.1%	-10.3%	-13.3%	-35.0%	-9.0%	-9.9%	-11.3%	-52.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.19	0.20	0.09	0.0%	3.9%	1.1%	70.0%	-1.8%	4.3%	3.1%	52.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	7.00	16.00	4.88	0.0%	-12.5%	-3.4%	-45.1%	-1.8%	-12.1%	-1.4%	-62.8%
JKX Oil	JKX	47.00	75.00	36.00	-3.6%	-7.8%	5.0%	-34.5%	-5.4%	-7.4%	7.1%	-52.2%
Ukrnafta	UNAF	357	370	54	18.3%	10.5%	11.7%	228.7%	16.5%	11.0%	13.8%	211.1%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.32	8.70	3.00	0.0%	0.5%	-1.4%	53.4%	-1.8%	0.9%	0.6%	35.8%
Donbasenergo	DOEN	28.8	50.2	11.0	0.6%	1.3%	10.7%	4.3%	-1.2%	1.7%	12.7%	-13.3%
Zakhidenergo	ZAEN	142.1	160.0	64.0	-4.4%	-3.0%	10.2%	57.2%	-6.3%	-2.6%	12.2%	39.5%
<b>Consumer</b>												
Agroton	AGT	1.85	5.5	1.79	-4.1%	-3.6%	-11.1%	-5.1%	-6.0%	-3.2%	-9.0%	-22.8%
Astarta	AST	35.4	73.7	34.4	-4.3%	-3.9%	-3.4%	-47.1%	-6.1%	-3.4%	-1.4%	-64.8%
Avangardo	AVGR	7.3	13.0	7.30	-2.7%	-7.5%	-11.0%	-37.9%	-4.5%	-7.0%	-8.9%	-55.5%
Industrial Milk Company	IMC	6.70	15.10	6.50	-1.3%	0.8%	-19.8%	-44.9%	-3.2%	1.2%	-17.7%	-62.5%
Kernel	KER	24.1	53.9	23.2	-1.8%	-3.5%	-4.9%	-36.8%	-3.6%	-3.0%	-2.9%	-54.5%
Mriya Agro Holding	MAYA	1.34	6.0	1.34	-6.0%	-6.0%	-26.0%	-75.2%	-7.8%	-5.5%	-24.0%	-92.9%
MHPC	MHPC	11.5	18.5	10.91	-4.1%	-2.1%	-3.4%	-32.4%	-5.9%	-1.7%	-1.3%	-50.1%
Milkiland	MLK	3.50	14.2	3.50	0.0%	-8.9%	-27.1%	-72.0%	-1.8%	-8.4%	-25.1%	-89.7%
Ovostar Union	OVO	67.2	102.0	59.4	-1.9%	-2.7%	-4.8%	-32.9%	-3.7%	-2.2%	-2.7%	-50.5%
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
<b>Chemicals</b>												
Stirol	STIR	9.0	n/a	n/a	0.0%	-9.1%	-26.2%	-28.0%	-1.8%	-8.7%	-24.2%	-45.7%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.123	0.190	0.086	-0.2%	-2.2%	-6.4%	8.5%	-2.1%	-1.8%	-4.4%	-9.2%
UkrSotsbank	USCB	0.135	0.205	0.090	-6.8%	-6.4%	-12.2%	-28.0%	-8.7%	-6.0%	-10.2%	-45.7%

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
<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%
Ukrspasbank	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	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	211	3.0%	6	200	neg	neg	neg	neg	neg	5.7	0.1	0.1	0.1	43	44	44	\$/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	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
<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	1,450	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	829	24.0%	199	1,508	3.8	3.1	3.0	3.8	3.0	3.1	1.1	1.0	1.0				
<b>Coal Mining</b>																		
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	16.7	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	56	4.0	1.0	0.9	1.9	1.6	1.5	0.3	0.2	0.2				
Kriviw Wagon	KVBZ	126	5.0%	6	115	1.3	3.0	neg	0.9	2.3	8.6	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				
<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	350	24.0%	84	341	1.8	2.1	1.9	1.1	1.2	1.3	0.3	0.3	0.4				
<b>Telecom</b>																		
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				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,495	3.0%	45	1,487	8.5	>30	9.3	3.3	5.2	4.6	0.6	0.6	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	36	21.6%	8	11	3.1	neg	18.1	0.5	neg	0.4	0.3	0.3	0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	130	50.4%	66	238	neg	20.0	16.7	1.8	3.6	3.5	1.2	1.3	1.2	44	33	32	\$/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	53	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	1,215	34.1%	414	2,343	3.9	7.5	neg	5.0	6.0	4.9	1.7	1.6	1.8				
Kernel	KER	582	61.8%	360	1,288	2.8	5.5	12.4	4.0	4.4	7.4	0.6	0.5	0.5				
Astarta	AST	268	37.0%	99	590	4.6	7.9	3.3	5.3	6.5	4.3	1.3	1.2	1.1				
Avangardco	AVGR	466	22.5%	105	572	2.0	2.0	2.8	2.0	1.9	2.4	0.9	0.9	1.0	129	98	93	\$/mneggs
Agroton	AGT	12	26.2%	3	61	1.8	neg	neg	3.0	8.1	17.6	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	285	3.5%	10		>30	3.2	neg	0.4	0.3	0.5	0.05	0.05	0.07				
Ukrsotsbank	USCB	192	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

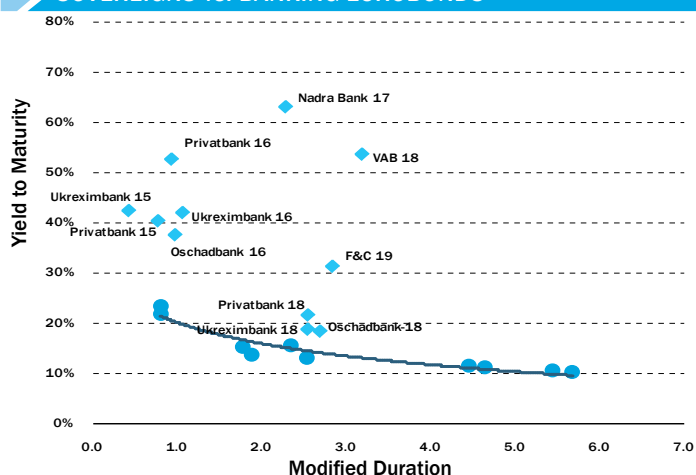
UKRAINIAN EUROBONDS

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)	87.9	90.7	24.6%	19.5%	-7.0%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	89.9	92.4	26.1%	21.0%	-6.7%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	86.2	87.5	15.8%	14.9%	-7.6%	1.8	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.3	88.6	14.2%	13.3%	-6.7%	1.9	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	85.3	86.8	13.6%	12.8%	-7.3%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	88.2	89.7	15.9%	15.1%	-10.3%	2.4	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	81.5	83.0	19.5%	18.5%	-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%	-7.5%	4.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	85.0	86.7	10.8%	10.4%	-5.7%	5.4	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	83.6	84.6	10.4%	10.2%	-7.0%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.0	35.1	85.8%	65.7%	-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	85.2	12.4%	12.0%	-5.5%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	87.5	90.0	40.2%	32.8%	-9.4%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	67.8	69.5	25.4%	24.5%	-23.9%	2.5	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	25.0	30.0	153.7%	129.8%	-72.6%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	20.0	30.0	96.6%	66.9%	-71.3%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	76.6	78.4	68.5%	62.9%	-24.0%	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	64.5%	58.8%	-24.9%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	66.8	70.0	26.3%	24.0%	-28.0%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.9	94.0	15.9%	14.5%	-4.6%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	73.9	74.9	20.0%	19.5%	-18.9%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	49.0%	33.8%	-28.5%	1.7	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	89.8	91.5	15.8%	15.1%	-18.3%	2.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	45.0	55.0	34.9%	27.9%	-39.8%	2.8	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	68.4%	58.1%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	75.0	80.0	44.7%	36.2%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	64.0	67.0	56.2%	49.4%	-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	84.0	86.0	45.1%	39.9%	-11.5%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	69.0	72.0	37.7%	33.8%	-17.4%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.2	77.3	19.3%	18.3%	-14.5%	2.6	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	57.4%	50.1%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	77.0	79.0	44.7%	39.7%	-16.2%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	75.6	77.2	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	77.3	80.2	53.9%	48.9%	-15.3%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	75.5	77.4	28.0%	26.3%	-17.5%	1.4	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

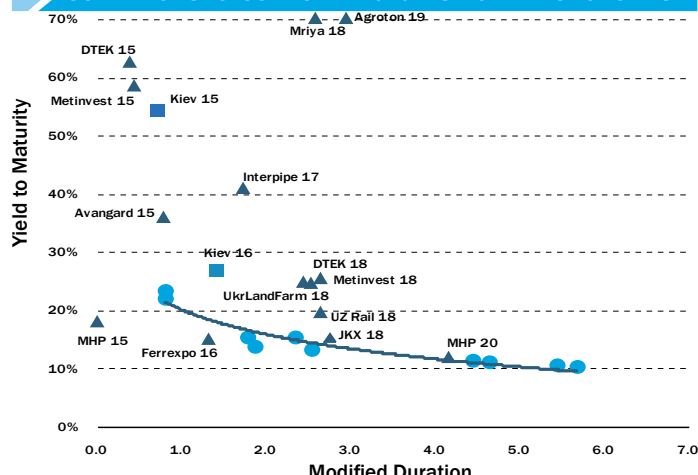
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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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