

**Market Update**
**Equity**

Kyiv-listed stocks were broadly lower on Thursday (Oct 16) as the local market caught up with this week's negative global sentiments. Local macroeconomic statistics showing a retail sales decrease by 10.9% YoY in September also disappointed market players. The UX index fell by 1.1% to 1121 points despite posting a substantial gain in the first half of the trading session. Heavyweight Motor Sich (MSICH), which accounts for 21% of the index, edged down by 0.4% on turnover of UAH 2.6mn. Azovstal (AZST) had the worst performance among the steel sector names, falling 2.5% to 69.70 kopecks per share. In second-tier names, DTEK-controlled power generators DniproEnergo (DNEN) and ZakhidEnergo (ZAEN) both surged by around 6% without any notable driver. In London, iron ore producer Ferrexpo (FXPO) remained in a downward trend, losing 2.4% to GBp 85.0, while MHP (MHPC) edged up half a percent. Among Warsaw-listed stocks, Kernel (KER) tumbled by 4.4% to another fresh 5-year low near PLN 22, and Ovostar (OVO) shed 1.5%.

**Fixed Income**

Ukrainian sovereign Eurobonds declined on Thursday in line with the worsening global risk environment, with Ukraine-23s declining by 1.0p.p. to 79.4/80.6 (11.4%/11.1%). The corporate universe also finished mostly in the red. DTEK-18s dropped by 1.0p.p. to 59.0/61.0 (26.8%/25.5%) and Metinvest-18s fell 1.4p.p., closing at 66.1/67.3 (26.9%/26.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	346.10	-0.9%	3.4	261
Motor Sich	MSICH	2321.00	-0.4%	2.7	163
Centrenergo	CEEN	7.62	0.2%	0.6	101

**Growth Leaders**

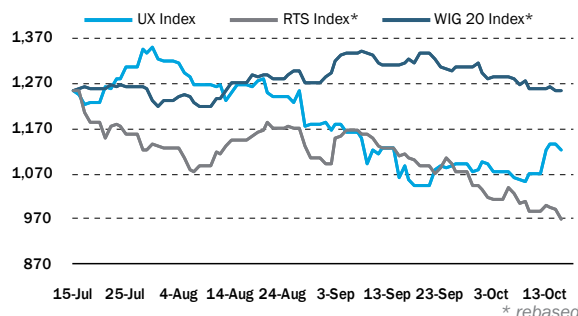
Mariupol Heavy Machine	MZVM	0.22	8.5%	0.04	8
Pokrovske Mine	SHCHZ	0.43	7.5%	0.06	10
Dniproenergo	DNEN	849.90	6.3%	0.53	15

**Loss Leaders**

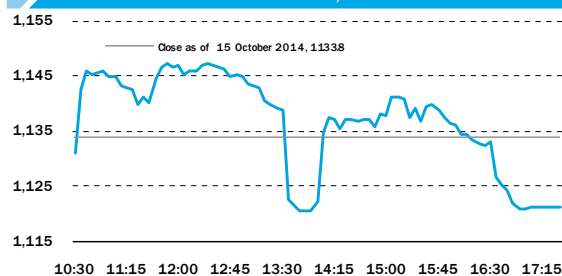
Azovstal	AZST	0.70	-2.5%	0.036	45
Yenakievo Steel	ENMZ	29.49	-2.3%	0.007	15
Kryukiv Wagon	KVBZ	14.58	-1.4%	0.110	41

**Highlights**
**POLITICS AND ECONOMICS**

- 9M14 Retail Sales in Ukraine Down 5% YoY

**STOCK MARKET PERFORMANCE**

**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1121.2	-1.1%	5.7%	23.2%
RTS	1045.2	-2.0%	-12.5%	-27.6%
WIG20	2382.7	0.0%	-4.3%	-0.8%
MSCI EM	970.7	-1.2%	-8.1%	-3.1%
S&P 500	1862.8	0.0%	-6.1%	1.2%

**UX INTRADAY OCTOBER 16, 2014**

**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	369.5	-0.7%	18.6%	11.7%
CDS 5Y UKR	1401.3	2.2%	22.1%	70.8%
Ukraine-17	14.1%	0.5 p.p.	2.6 p.p.	5.1 p.p.
Ferrexpo-16	13.1%	0.1 p.p.	-0.1 p.p.	4.2 p.p.
Ukraine-23	11.2%	0.2 p.p.	1.1 p.p.	3.7 p.p.
Privatbank-16	43.0%	0.2 p.p.	6.4 p.p.	22.6 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	12.90	0.0%	-0.4%	56.6%
EUR	16.52	-0.2%	-1.4%	45.3%
RUB	0.32	-1.3%	-6.7%	25.5%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	210.5	0.0%	-1.8%	-26.8%
Steel, USD/t	527.5	0.0%	-2.3%	-1.9%
Oil, USD/bbl	85.8	2.0%	-13.0%	-20.0%
Gold, USD/oz	1238.9	-0.3%	0.5%	3.5%

\*Ukraine FOB

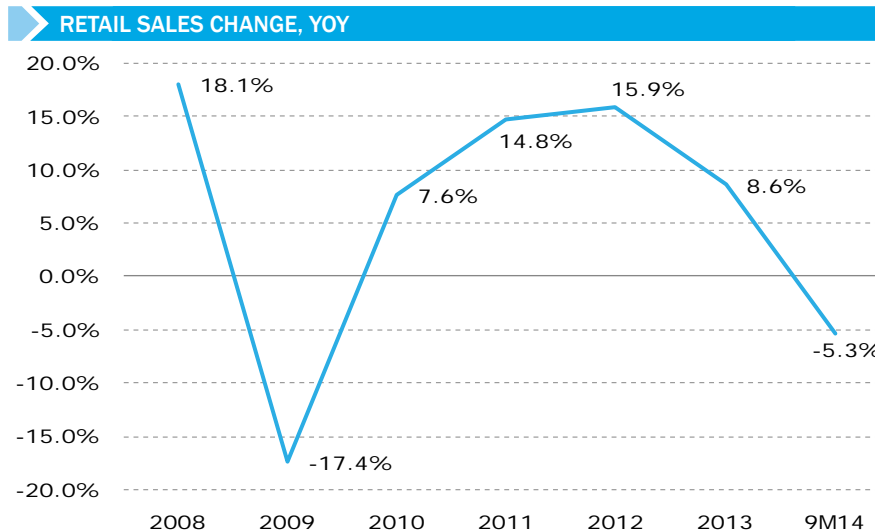
Source: Bloomberg, Ukrainian Exchange

**9M14 Retail Sales in Ukraine Down 5% YoY**

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**NEWS**

Retail Sales in Ukraine dropped by 5.3% YoY, according to State Statistics Committee data released on Thursday (Oct 16). Retail sales adjusted for price change rose by 2.0% YoY to UAH 651bn in 9M14 (USD 59bn at the average UAH/USD exchange rate for the period) UkrStat said the data does not include statistics for Russian-occupied Crimea.



Source: State Statistics Committee, Eavex Research

**COMMENTARY**

We assume that data from the two Donbass oblasts occupied by pro-Russia separatists, where some 15% of Ukraine's population resides, was probably only partially included, and it is therefore very difficult to estimate the real decline in Ukraine's retail sales for the period. Retail sales growth in 2010-2013 was one of the strongest supporting factors for the domestic economy. Retail sales in 2013 rose by 8.6% YoY, while the figures for 2012 and 2011 were 15.9% and 14.8% respectively (in each of these years the hryvnia was approximately stable). The decline in retail sales this year is just another sign of the challenges Ukraine has faced amid the Russian-aided separatist movement. A weak banking system could be also blamed for acceleration of the retail sales decline, as households in Ukraine have only very limited opportunities to finance their spending by borrowing, and even this only at high interest rates with tough loan qualification requirements.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.70	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	85.0	108.0	27%	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	8.24	U/R	--	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	7.70	U/R	--	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
<b>Coke</b>						
Avdyivka Coke	AVDK	2.64	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	0.43	2.9	585%	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	14.6	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.25	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2321	5250	126%	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	5.9	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	38.0	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	31.0	72.0	132%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.62	15.00	97%	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	11.8	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	35.0	90.0	157%	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	6.6	8.93	34%	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	67.0	58.74	-12%	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	0.127	0.24	90%	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	1121.22	1368.76	821.17	-1.1%	6.6%	5.7%	23.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.025	0.05	0.02	-2.4%	3.3%	-7.1%	-36.1%	-1.3%	-3.3%	-12.8%	-59.3%
Azovstal	AZST	0.70	0.95	0.35	-4.5%	8.4%	12.8%	4.0%	-3.4%	1.8%	7.1%	-19.2%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	1.1%	-6.6%	-5.7%	-109.7%
Enakievo Steel	ENMZ	29.5	65.0	17.0	-2.4%	16.7%	19.8%	-7.9%	-1.2%	10.1%	14.1%	-31.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.1%	-6.6%	-5.7%	224.6%
Mariupol Ilyicha	MMKI	0.23	n/a	n/a	-17.9%	21.1%	64.3%	130.0%	-16.7%	14.4%	58.6%	106.8%
<b>Coke</b>												
Avdyivka Coke	AVDK	2.64	3.70	1.46	-0.5%	14.5%	20.8%	-10.7%	0.6%	7.8%	15.1%	-33.9%
Yasnyivsky Coking	YASK	0.42	0.84	0.30	5.0%	-6.7%	-14.3%	-20.8%	6.1%	-13.3%	-20.0%	-44.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.70	n/a	n/a	-1.2%	5.8%	17.0%	18.5%	0.0%	-0.9%	11.3%	-4.7%
Ferrexpo	FXPO	85.0	199.0	85.0	-2.4%	-7.6%	-32.7%	-55.5%	-1.2%	-14.2%	-38.4%	-78.7%
Pivnichny GOK	SGOK	8.24	9.80	4.50	0.0%	1.1%	4.3%	3.0%	1.1%	-5.5%	-1.4%	-20.2%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.43	0.79	0.10	7.5%	7.5%	-4.4%	7.5%	8.6%	0.9%	-10.2%	-15.7%
Komsomolets Donbasa	SHKD	0.83	n/a	n/a	0.0%	0.0%	50.9%	33.9%	1.1%	-6.6%	45.2%	10.7%
Energy Coal	CLE	0.86	2.69	0.55	-4.4%	-3.4%	-15.7%	-18.1%	-3.3%	-10.0%	-21.4%	-41.3%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	1.1%	-6.6%	-5.7%	-58.0%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.55	1.01	0.30	10.0%	10.0%	5.8%	-8.3%	11.1%	3.4%	0.1%	-31.5%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	0.0%	2.9%	71.4%	1.1%	-6.6%	-2.8%	48.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	14.6	25.0	10.0	-1.4%	5.3%	-7.4%	-15.7%	-0.3%	-1.4%	-13.1%	-38.9%
Luhanskeplovoz	LTPL	1.25	1.80	0.85	0.0%	9.6%	10.6%	-16.7%	1.1%	3.0%	4.9%	-39.9%
Stakhanov Wagon	SVGZ	1.29	n/a	n/a	0.0%	0.0%	84.3%	-0.8%	1.1%	-6.6%	78.6%	-24.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	-4.3%	14.1%	-9.7%	67.9%	-3.2%	7.5%	-15.4%	44.7%
Motor Sich	MSICH	2,321	2,879	1,507	-0.8%	6.1%	6.7%	27.2%	0.3%	-0.5%	1.0%	4.0%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	0.0%	87.5%	140.0%	1.1%	-6.6%	81.8%	116.8%
Turboatom	TATM	4.50	n/a	n/a	0.0%	0.0%	0.0%	28.6%	1.1%	-6.6%	-5.7%	5.4%
WESTA ISIC	WES	0.29	0.80	0.21	0.0%	3.6%	0.0%	-27.5%	1.1%	-3.1%	-5.7%	-50.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.19	0.20	0.09	0.0%	0.0%	3.9%	70.0%	1.1%	-6.6%	-1.8%	46.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	5.88	16.00	4.88	0.0%	-16.1%	-33.8%	-53.9%	1.1%	-22.7%	-39.5%	-77.1%
JKX Oil	JKX	38.00	75.00	36.00	-2.6%	-22.1%	-11.6%	-47.0%	-1.5%	-28.7%	-17.3%	-70.2%
Ukrnafta	UNAF	346	375	54	-0.9%	14.7%	8.5%	218.7%	0.2%	8.1%	2.8%	195.5%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.62	8.70	3.00	0.1%	4.2%	6.3%	59.8%	1.3%	-2.5%	0.6%	36.6%
Donbasenergo	DOEN	31.0	50.2	11.0	-0.9%	8.4%	11.2%	12.4%	0.2%	1.7%	5.5%	-10.8%
Zakhidenergo	ZAEN	170.0	199.8	64.0	6.2%	14.3%	31.8%	88.1%	7.3%	7.7%	26.1%	64.8%
<b>Consumer</b>												
Agroton	AGT	1.89	5.5	1.79	-0.5%	-2.1%	-13.7%	-3.1%	0.6%	-8.7%	-19.4%	-26.3%
Astarta	AST	35.0	73.7	34.4	-0.9%	-5.2%	-4.3%	-47.7%	0.2%	-11.8%	-10.0%	-70.9%
Avangardo	AVGR	6.6	13.0	6.64	-0.2%	-11.5%	-19.8%	-43.5%	1.0%	-18.1%	-25.5%	-66.7%
Industrial Milk Company	IMC	7.10	14.84	6.50	-1.4%	4.6%	-12.5%	-41.6%	-0.3%	-2.1%	-18.2%	-64.8%
Kernel	KER	22.0	53.6	22.0	-4.4%	-10.2%	-12.5%	-42.2%	-3.3%	-16.8%	-18.2%	-65.4%
Mriya Agro Holding	MAYA	0.62	6.0	0.62	-5.1%	-56.8%	-66.0%	-88.6%	-4.0%	-63.5%	-71.7%	-111.8%
MHPC	MHPC	11.8	18.5	10.91	0.5%	-1.6%	-6.3%	-30.6%	1.6%	-8.2%	-12.1%	-53.8%
Milkiland	MLK	3.50	14.2	3.50	0.0%	0.0%	-24.4%	-72.0%	1.1%	-6.6%	-30.1%	-95.2%
Ovostar Union	OVO	67.0	102.0	59.4	-1.5%	-2.1%	-4.3%	-33.0%	-0.4%	-8.7%	-10.0%	-56.2%
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	9.4	n/a	n/a	0.0%	4.4%	-10.5%	-24.8%	1.1%	-2.2%	-16.2%	-48.0%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.127	0.190	0.090	-0.7%	2.6%	-0.5%	11.5%	0.4%	-4.0%	-6.3%	-11.7%
UkrSotsbank	USCB	0.135	0.205	0.090	0.0%	-6.8%	-12.8%	-28.0%	1.1%	-13.5%	-18.5%	-51.2%

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	50	3.9%	2	1,398	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	361	337	327	\$/tonne
Yenakievo Steel	ENMZ	24	8.8%	2	21	2.8	neg	neg	neg	0.9	0.6	0.0	0.0	0.0	8	7	7	\$/tonne
Azovstal	AZST	227	3.0%	7	216	neg	neg	neg	neg	neg	6.1	0.1	0.1	0.1	47	48	47	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	40	6.8%	3	37	neg	neg	neg	neg	0.8	1.3	0.0	0.0	0.0	9	10	10	\$/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	699	0.3%	2	698	7.4	3.6	4.3	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,472	0.4%	6	1,465	3.4	2.7	3.2	2.0	1.6	1.8	1.0	0.9	1.0				
Ferrexpo	FXPO	802	24.0%	193	1,481	3.7	3.0	2.9	3.7	2.9	3.0	1.0	0.9	1.0				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	22	5.4%	1	124	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	39	25.0%	10	149	1.0	neg	neg	2.4	7.1	16.6	0.9	1.2	1.5	2.4	7.1	16.6	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	111	2.0%	2	157	3.3	23.6	27.0	3.0	5.0	6.1	0.3	0.5	0.6	248	412	391	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	21	24.0%	5	58	4.4	1.1	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kruiiv Wagon	KVBZ	130	5.0%	6	119	1.4	3.1	neg	0.9	2.4	8.9	0.1	0.3	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	115	5.8%	7	54	3.0	1.6	1.8	1.1	0.6	0.7	0.3	0.3	0.3				
Motor Sich	MSICH	374	24.0%	90	365	1.9	2.2	2.0	1.2	1.3	1.4	0.4	0.4	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	271	7.2%	20	575	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	1,455	3.0%	44	1,447	8.3	>30	9.1	3.2	5.1	4.5	0.6	0.6	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	30	21.6%	7	5	2.6	neg	15.2	0.2	neg	0.2	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	105	50.4%	53	214	neg	16.2	13.5	1.6	3.2	3.1	1.1	1.2	1.1	39	29	28	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	218	21.7%	47	287	7.6	3.7	10.5	4.2	3.0	6.5	0.3	0.3	0.4	16	21	18	\$/MWh
DonbasEnergO	DOEN	57	14.2%	8	122	14.9	0.9	1.4	3.8	1.7	2.7	0.2	0.2	0.2	15	16	15	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,247	34.1%	425	2,375	4.0	7.7	neg	5.1	6.1	5.0	1.7	1.6	1.8				
Kernel	KER	532	61.8%	329	1,238	2.5	5.1	11.3	3.8	4.3	7.1	0.6	0.4	0.5				
Astarta	AST	266	37.0%	98	587	4.6	7.8	3.2	5.3	6.5	4.3	1.3	1.2	1.1				
Avangardco	AVGR	424	22.5%	95	530	1.9	1.8	2.6	1.9	1.8	2.3	0.8	0.8	0.9	120	91	86	\$/mneggs
Agroton	AGT	12	26.2%	3	61	1.8	neg	neg	3.0	8.2	17.7	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	295	3.5%	10		>30	3.3	neg	0.4	0.3	0.5	0.05	0.06	0.07				
Ukrsotsbank	USCB	193	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

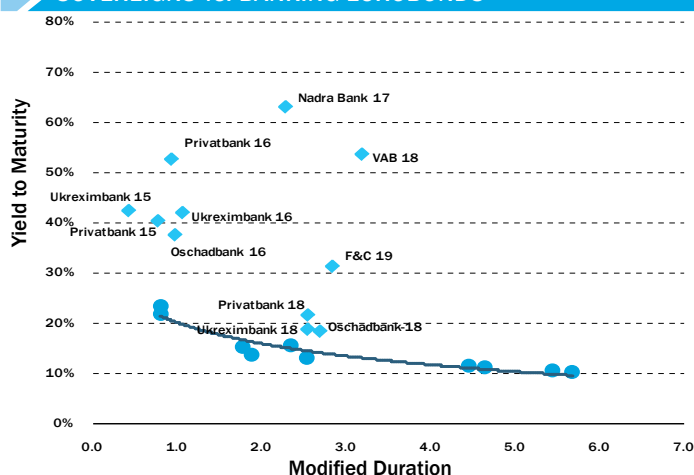
**UKRAINIAN EUROBONDS**

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)	84.9	88.4	31.7%	24.1%	-9.7%	0.8	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	86.4	87.7	35.2%	31.8%	-10.9%	0.8	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	82.1	83.6	19.1%	17.9%	-11.9%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	84.2	85.7	16.4%	15.3%	-9.9%	1.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	81.4	82.9	15.6%	14.8%	-11.4%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	84.1	85.5	18.4%	17.5%	-14.5%	2.3	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	81.5	83.0	19.6%	18.6%	-0.5%	2.3	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	80.5	82.0	16.9%	16.1%	3.5%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	81.7	82.7	12.9%	12.6%	-11.7%	4.4	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	81.8	83.3	12.6%	12.1%	-11.9%	4.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	79.7	82.5	12.0%	11.3%	-10.9%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	79.4	80.6	11.4%	11.1%	-11.6%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.0	35.1	86.8%	66.2%	-37.6%	1.5	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	98.0	18.6%	14.3%	-6.3%	0.5	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	83.6	84.9	12.5%	12.1%	-5.8%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	85.0	90.0	53.7%	33.5%	-10.7%	0.7	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	63.0	65.0	28.4%	27.2%	-29.1%	2.5	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	20.0	25.0	189.2%	156.3%	-77.6%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/C
Mriya, 2018	20.0	25.0	80.6%	68.1%	-74.2%	1.9	9.45%	S/A	19 Apr 2018	400	/SD/C
DTEK, 2015	77.6	78.9	67.3%	63.2%	-23.2%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	59.0	61.0	26.8%	25.5%	-36.3%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	75.0	78.0	69.3%	60.4%	-25.4%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	66.1	67.3	26.9%	26.0%	-29.8%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	92.5	94.0	16.4%	14.6%	-4.8%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	71.8	73.9	21.1%	20.0%	-20.6%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	48.0	58.0	n/a	42.2%	-37.6%	n/a	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	86.7	88.0	17.1%	16.6%	-21.3%	2.7	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	68.9%	58.4%	-41.0%	2.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	75.0	80.0	45.3%	36.7%	-14.8%	0.8	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	63.0	68.0	59.6%	48.0%	-13.8%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	75.5	78.8	21.5%	19.8%	-7.9%	2.5	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.5	85.5	45.0%	42.3%	-11.5%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	36.7%	32.9%	-16.2%	1.0	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	75.0	76.3	19.5%	18.8%	-15.2%	2.5	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	58.0%	50.6%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	76.0	79.0	48.9%	40.4%	-16.7%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	75.2	76.9	19.1%	18.2%	-14.5%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	75.0	77.6	68.0%	63.0%	-17.9%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	75.1	78.0	28.6%	25.9%	-17.7%	1.4	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

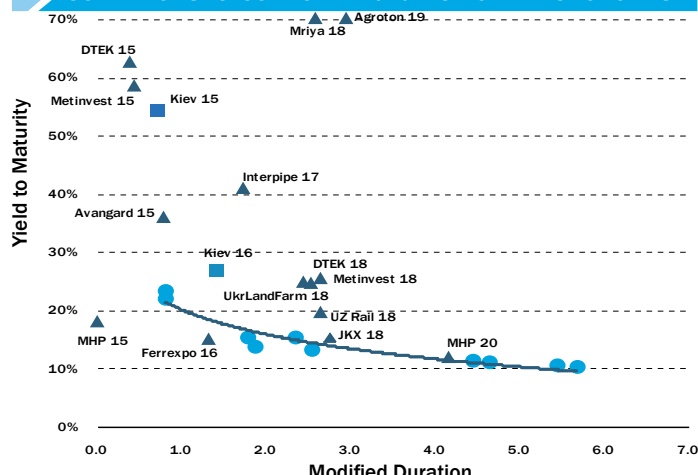
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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			20.0%	17.5%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			20.0%	17.5%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			20.0%	17.5%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			21.8%	20.3%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			21.8%	20.3%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			21.8%	20.3%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research



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