

Market Update

Equity

Ukrainian local stocks ended higher on Wednesday (Nov 5), as news that Naftogaz has paid USD 1.45bn to unlock natural gas supplies from Gazprom provided more confidence in a smooth passing of the winter season. The UX index rose 1.4% to close at 1106 points. Krukiv Wagon (KVBZ) was the only blue chip loser for the session with a decline of 0.6%. Yenakievo Steel (ENMZ) and Azovstal (AZST) gained 4.1% and 2.8% respectively due to short covering by market players. Top liquid issues UkrNafta (UNAF) and Motor Sich (MSICH) both added 1.4%, with the latter ending at UAH 2280. In London, Ferrexpo (FXPO) shed another 1.7% to a fresh 5-year low of GBp 79.75. Warsaw-listed Agrotion (AGT) continue to slide after a war-related asset write-off of USD 15mn, tumbling 16.2% to PLN 1.55. Astarta (AST) also got hammered, plunging 9.0% to a 4-year low near PLN 26.0.

Fixed Income

Ukrainian sovereigns slid again on Wednesday after the Poroshenko government refused to end national energy subsidies to the occupied Donbass territories. Ukraine-23s lost 1.2p.p. to close at 80.9/82.4 (11.0%/10.7%). In corporate names, Ferrexpo-16s edged down by 0.3p.p. after iron ore prices in China moved further to the south, while Metinvest-15s shot up by 5.0p.p. following the group's improvement of its exchange offer for the USD 500mn issue.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	272.90	1.4%	1.8	56
Motor Sich	MSICH	2280.00	1.4%	0.8	47
Donbasenergo	DOEN	32.70	1.2%	0.4	28

Growth Leaders

Zakhidenergo	ZAEN	161.20	4.9%	0.04	7
Yenakievo Steel	ENMZ	26.39	4.1%	0.35	25
Azovstal	AZST	0.80	2.8%	0.23	91

Loss Leaders

Krukiv Wagon	KVBZ	13.58	-0.6%	0.020	14
Raiffeisen Bank Aval	BAVL	0.13	0.8%	0.181	48
Donbasenergo	DOEN	32.70	1.2%	0.430	28

Highlights

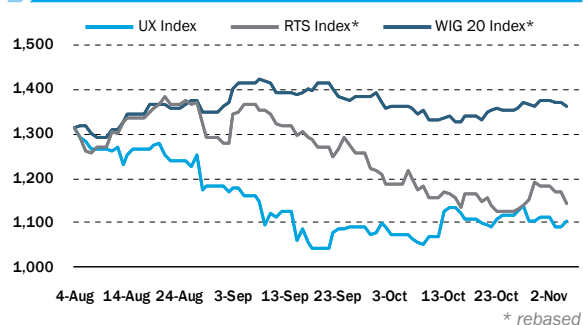
POLITICS AND ECONOMICS

- > Daily Steel Output Up 3% MoM, Down 27% YoY in October
- > NBU Weakens Hryvnia to 13.50 Against the Dollar

FIXED INCOME

- > Metinvest Adds Amortization to its Eurobond Exchange Offer

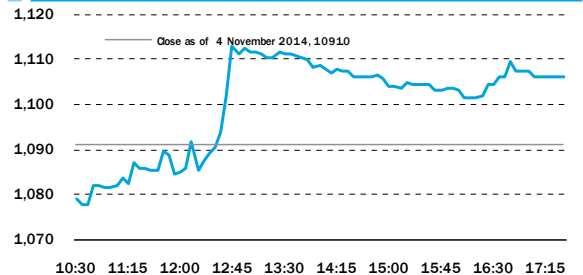
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1106.2	1.4%	2.8%	21.5%
RTS	1054.5	-2.2%	-3.4%	-26.9%
WIG20	2441.6	-0.8%	-0.1%	1.7%
MSCI EM	998.4	-0.9%	0.1%	-0.3%
S&P 500	2023.6	0.6%	2.8%	9.9%

UX INTRADAY NOVEMBER 5, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	341.1	0.5%	0.4%	3.1%
CDS 5Y UKR	1267.6	1.1%	-2.1%	54.5%
Ukraine-17	13.1%	0.5 p.p.	0.7 p.p.	4.1 p.p.
Ferrexpo-16	12.2%	0.2 p.p.	-2.6 p.p.	3.4 p.p.
Ukraine-23	10.9%	0.3 p.p.	0.4 p.p.	3.4 p.p.
Privatbank-16	42.2%	0.1 p.p.	0.2 p.p.	21.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	13.55	4.2%	4.6%	64.4%
EUR	16.91	3.7%	4.4%	48.8%
RUB	0.30	0.1%	-7.5%	18.9%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	222.5	0.0%	5.3%	-22.6%
Steel, USD/t	502.5	0.0%	-6.5%	-6.5%
Oil, USD/bbl	83.0	0.2%	-10.7%	-22.7%
Gold, USD/oz	1140.7	-2.4%	-4.3%	-4.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Daily Steel Output Up 3% MoM,
Down 27% YoY in October**

 by Ivan Dzvinka
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NEWS

Ukraine's crude steel output declined by 15% YoY to 23.42mn tonnes in 10M14, based on the data of industry association Metallurgprom. In October, Ukrainian steel mills smelted 1.92mn tonnes of steel implying a 6.0% MoM increase and 27% YoY drop. If adjusted for the number of days, average daily output in October was 2.8% MoM higher.

UKRAINE'S CRUDE STEEL PRODUCTION, 000T

Group	Company	Oct'14	YoY	Oct daily	MoM	10M14	YoY
AM	Archelormittal KR	579	2%	18.7	-6%	5,323	-1%
Metinvest	MMK Illich	193	-48%	6.2	-2%	3,150	-26%
Metinvest	Azovstal	306	-18%	9.9	35%	3,046	-20%
Metinvest	Zaporizhstal	357	7%	11.5	1%	3,286	2%
Metinvest	Yenakievo Steel	25	-90%	0.8	100%	1,783	-26%
IUD	Alchevsk Steel	0	-100%	0.0	-	2,503	-28%
IUD	Dzerzhinsky Steel	240	9%	7.7	2%	2,084	-16%
Evr	Petrovsky Steel	66	-19%	2.1	-24%	837	0%
na	Dniprospeztstal	26	37%	0.8	5%	238	2%
-	Others	128		4.1		1,165	
	TOTAL	1,920	-27%	61.9	3%	23,415	-15%

Source: Metal Courier, Metallurgprom

COMMENTARY

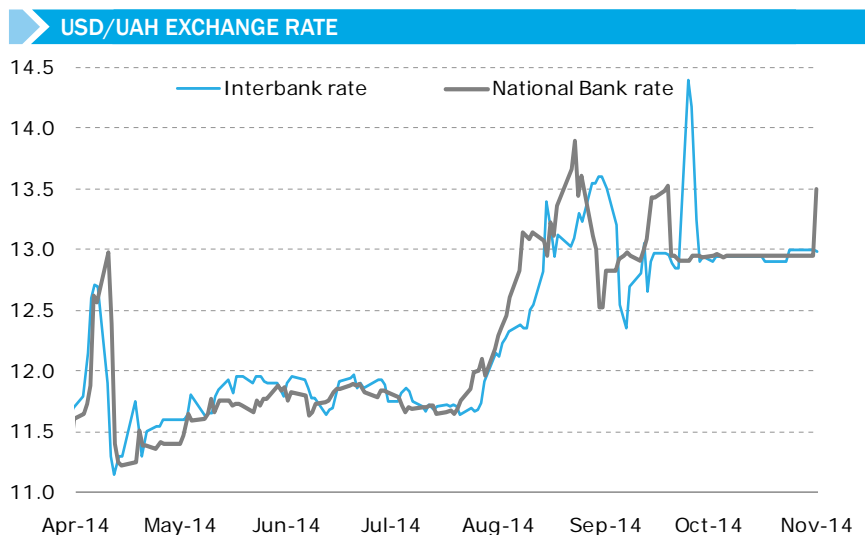
The main positive development in October was substantial growth in output at Metinvest-owned Azovstal and the relaunch of the group's Yenakievo Steel plant in late October. That became possible following the partial solution of logistics issues with inputs and finished products related to the plants. Still, the situation is far from the pre-war conditions in the region, as even after 28% MoM growth in steel output at Donbass-located mills in October, production remains some 45% below monthly output in 1H14. Notably, steel output at MMK Illich in October was only about half of its average 1H14 figure. Alchevsk Steel remains completely idle, and Yenakievo Steel is now working at only around 40% of capacity. All these problems are because of railway damage and (in the case of Alchevsk Steel) electricity problems. Given the ongoing risk of a renewal of the Donbass fighting, the sustainability of the improved results of the Donbass steel mills is under a big question mark in the near term. According to Metinvest, its coke plant at Avdyivka, which is on the perimeter of government-controlled territory northwest of Donetsk, came under artillery fire on Tuesday (Nov 4). Overall, Metinvest-operated steel mills posted a 17% MoM increase in production to 881,000 tonnes in October; compared to October 2013 output, this was a 34% YoY decline.

**NBU Weakens Hryvnia to 13.50
Against the Dollar**

by Dmitry Churin
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NEWS

The National Bank of Ukraine (NBU) weakened the official hryvnia exchange rate to 13.49 against the US dollar on Wednesday (Nov 5), according to the regulator's official data. The NBU hryvnia exchange rate had been fixed at 12.95 against dollar from Sept 24 to Nov 4.



Source: Bloomberg

COMMENTARY

The sharp change of 4.2% in the official UAH/USD exchange rate was attributed to new procedures that the NBU started to employ yesterday, and was accompanied by a corresponding fall in the non-banking cash dollar buy rate, which slid to around UAH 14.70. In particular, the NBU changed from its weekly currency market auctions to a daily event. These so-called morning auctions with a limited USD 10mn offer from the NBU are supposed to show the indicative UAH/USD rate, which then will be used as a benchmark for the interbank currency market during the trading session. The NBU also proposed to use the indicative UAH/USD rate with a deviation in the frame of 5% for foreign currency exchange transaction outside the banking system. Although the proposed scheme looks complicated and non-transparent, it is aimed at squeezing the fast-growing foreign currency black market. According to our estimates, the NBU spent USD 1.1bn of the country's foreign reserves on hryvnia support in October, which was partly for political reasons ahead of the Parliamentary election held on Oct 26. Taking into account that the NBU also sold USD 1.6bn to Naftogaz in the period and about USD 300mn to the Finance Ministry to service foreign-denominated debt, we expect that the country's foreign reserves fell from USD 16.4bn to USD 13.3bn last month. The NBU is expected to report the actual level of its reserves as of Nov 1 either today or tomorrow.

Metinvest Adds Amortization to its Eurobond Exchange Offer

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining holding, made amendments on Nov 4 to improve the initial exchange offer for its USD 500mn Eurobonds with maturity in May 2015. The group now proposes to exchange every USD 1000 of existing bonds for USD 250 in cash and USD 750 in new bonds with maturity in November 2017. The initial proposal had a 20/80 ratio for cash and new 2017 notes, respectively. The 2017 bonds are now expected to be amortized (vs. non-amortization structure initially), with redemption in 4 equal instalment amounts starting from 24 May 2016. The amended offer also includes "additional restrictions on the ability of the group to make payments during 2015-16", which we interpret as being related to the hierarchy for Metinvest's debt repayments.

The exchange offer conditions continue to envisage a coupon of 10.50% p.a., with offer to be implemented in case holders of at least USD 450mn of the existing 2015 bonds accept it. These conditions were left unchanged in the addendum.

COMMENTARY

As we noted previously, while the initial conditions of the Metinvest offer looked objectively fair to us, we presume that bondholders were reluctant to accept it amid the current highly uncertain environment in the Donbass. The proposed amendments imply that we were correct in assuming that a rather high share of Metinvest-2015s bondholders were not ready to agree to the original offer. Given the price of Metinvest-15s at near 79.0 as of day of amended offer, we estimate that the amendments to the offer improved the YTM of the new (proposed) 2017 bonds from 24.4% to 27.0%. Importantly, we presume that Metinvest may still exercise its right to lower the threshold level for going ahead with the exchange from the currently proposed 90% of bondholder approval to 80% or even less.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.80	0.56	-31%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	79.8	108.0	35%	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	7.20	U/R	--	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	2.52	U/R	--	Susp.	Avdyivka Coke was forced to shut down operations amid military conflict in the region.
Yasynivsky Coke	YASK	0.48	U/R	--	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.43	2.9	586%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	13.6	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.
Specialized Machinery						
Motor Sich	MSICH	2280	5250	130%	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	6.5	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	37.6	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	32.7	72.0	120%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.59	15.00	98%	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	11.0	15.65	42%	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	26.0	90.0	246%	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	6.5	8.93	37%	HOLD	The company's FY14 results will be hit by the hryvnia devaluation, while next year's likely elimination of the special VAT regime for large agro producers bodes poorly for FY15 earnings.
Ovostar Union	OVO	70.1	U/R	--	U/R	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 15% 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	0.125	0.24	92%	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	1106.15	1368.76	821.17	1.4%	0.1%	2.8%	21.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.024	0.05	0.02	1.7%	-6.0%	-7.1%	-39.4%	0.3%	-6.1%	-10.0%	-61.0%
Azovstal	AZST	0.80	0.95	0.35	2.8%	3.0%	23.8%	19.7%	1.4%	2.8%	20.9%	-1.8%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-1.4%	-0.1%	-2.8%	-108.1%
Enakievo Steel	ENMZ	26.4	65.0	17.0	4.1%	-5.3%	2.5%	-17.6%	2.8%	-5.4%	-0.4%	-39.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-1.4%	-0.1%	-2.8%	226.3%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	-31.0%	-25.9%	42.9%	100.0%	-32.4%	-26.0%	40.0%	78.5%
Coke												
Avdyivka Coke	AVDK	2.52	3.70	1.46	0.8%	-3.8%	9.6%	-14.9%	-0.6%	-3.9%	6.7%	-36.4%
Yasnyivsky Coking	YASK	0.48	0.84	0.30	14.3%	4.3%	2.1%	-9.4%	12.9%	4.2%	-0.7%	-31.0%
Iron Ore Mining												
Centralny GOK	CGOK	7.20	n/a	n/a	0.7%	-2.0%	-1.1%	10.8%	-0.7%	-2.1%	-3.9%	-10.8%
Ferrexpo	FXPO	79.75	199.0	79.8	-1.7%	-11.0%	-22.0%	-58.2%	-3.1%	-11.1%	-24.8%	-79.8%
Pivnichny GOK	SGOK	8.24	9.80	4.50	-3.1%	-4.2%	8.4%	3.0%	-4.5%	-4.3%	5.6%	-18.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.43	0.79	0.10	0.0%	-8.5%	7.5%	7.5%	-1.4%	-8.6%	4.7%	-14.0%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	20.5%	20.5%	35.1%	61.3%	19.1%	20.4%	32.3%	39.7%
Energy Coal	CLE	0.77	2.30	0.55	1.3%	-8.3%	-14.4%	-26.7%	-0.1%	-8.4%	-17.3%	-48.2%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-1.4%	-0.1%	-2.8%	-56.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.56	1.01	0.32	0.0%	0.0%	14.3%	-6.7%	-1.4%	-0.1%	11.4%	-28.2%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	-5.3%	0.0%	71.4%	-1.4%	-5.4%	-2.8%	49.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	13.6	25.0	10.0	0.2%	-1.9%	-10.8%	-21.5%	-1.2%	-2.1%	-13.7%	-43.1%
Luhanskeplovoz	LTPL	1.25	1.80	0.85	0.0%	0.0%	8.7%	-16.7%	-1.4%	-0.1%	5.9%	-38.2%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	0.0%	-9.8%	-6.0%	-15.4%	-1.4%	-9.9%	-8.8%	-36.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-8.3%	-15.2%	24.5%	-1.4%	-8.4%	-18.0%	3.0%
Motor Sich	MSICH	2,280	2,879	1,507	1.1%	1.8%	2.3%	25.0%	-0.3%	1.7%	-0.5%	3.5%
Summy Frunze Engineering	SMASH	5.40	n/a	n/a	0.0%	8.0%	-30.9%	116.0%	-1.4%	7.9%	-33.8%	94.5%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	33.3%	71.4%	-1.4%	-0.1%	30.5%	49.9%
WESTA ISIC	WES	0.28	0.80	0.21	-6.7%	-6.7%	-3.4%	-30.0%	-8.1%	-6.8%	-6.3%	-51.5%
Telecom												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	-3.7%	0.0%	63.6%	-1.4%	-3.8%	-2.8%	42.1%
Oil & Gas												
Regal Petroleum	RPT	6.50	16.00	4.88	4.0%	4.0%	-18.8%	-49.0%	2.6%	3.9%	-21.6%	-70.6%
JKX Oil	JKX	37.63	75.00	36.00	0.3%	-2.0%	-26.2%	-47.6%	-1.1%	-2.1%	-29.1%	-69.1%
Ukrnafta	UNAF	273	375	54	1.4%	3.6%	-15.5%	151.3%	0.0%	3.5%	-18.4%	129.7%
Power Utilities												
Centrenerg	CEEN	7.59	8.70	3.00	1.5%	-0.4%	4.2%	59.2%	0.1%	-0.5%	1.4%	37.6%
Donbasenergo	DOEN	32.7	50.2	11.0	1.2%	-3.3%	15.1%	18.5%	-0.2%	-3.4%	12.2%	-3.0%
Zakhidenergo	ZAEN	161.2	199.8	76.0	5.4%	0.5%	10.0%	78.3%	4.0%	0.4%	7.2%	56.8%
Consumer												
Agroton	AGT	1.55	5.5	1.55	-16.2%	-25.5%	-19.3%	-20.5%	-17.6%	-25.6%	-22.1%	-42.1%
Astarta	AST	26.02	68.0	26.0	-9.0%	-17.4%	-29.3%	-61.1%	-10.4%	-17.5%	-32.1%	-82.7%
Avangardo	AVGR	6.50	12.9	6.30	0.5%	3.2%	-17.6%	-44.7%	-0.9%	3.1%	-20.5%	-66.2%
Industrial Milk Company	IMC	7.25	14.10	6.50	-0.4%	2.1%	9.0%	-40.3%	-1.8%	2.0%	6.2%	-61.9%
Kernel	KER	25.27	45.1	22.0	-0.1%	-4.6%	1.4%	-33.6%	-1.5%	-4.7%	-1.4%	-55.2%
Mriya Agro Holding	MAYA	1.19	6.0	0.58	19.0%	91.6%	-16.5%	-78.0%	17.6%	91.5%	-19.3%	-99.5%
MHPC	MHPC	11.00	18.5	10.00	0.0%	0.9%	-6.4%	-35.3%	-1.4%	0.8%	-9.2%	-56.9%
Milkiland	MLK	2.65	13.5	2.65	-5.4%	-24.3%	-31.0%	-78.8%	-6.7%	-24.4%	-33.8%	-100.3%
Ovostar Union	OVO	70.1	101.0	59.4	-5.3%	-2.6%	1.6%	-29.9%	-6.6%	-2.7%	-1.2%	-51.4%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	8.5	n/a	n/a	-3.6%	-7.3%	-13.8%	-31.8%	-5.0%	-7.4%	-16.7%	-53.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.125	0.190	0.091	0.8%	1.1%	-0.7%	10.1%	-0.6%	0.9%	-3.6%	-11.4%
UkrSotsbank	USCB	0.148	0.205	0.090	0.0%	-2.1%	2.5%	-21.1%	-1.4%	-2.2%	-0.3%	-42.7%

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	1,400	-181	-31	25	neg	neg	1.8%	-333	-308	33	neg	neg	2.4%
Coke																
Avdyivka Coke	AVDK	1,090	914	555	-112	46	-42	neg	5.0%	neg	-137	-6	-17	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	765	69	94	47	6.2%	10.3%	6.1%	29	60	22	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	2,393	322	291	223	14.9%	10.4%	9.3%	211	105	-107	9.8%	3.8%	neg
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%
Ukrspatsbank	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	45	3.9%	2	1,393	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	360	336	326	\$/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	249	3.0%	7	238	neg	neg	7.5	neg	neg	9.5	0.1	0.1	0.2	52	53	52	\$/tonne
Coke																		
Avdyivka Coke	AVDK	36	6.8%	2	-12	neg	neg	neg	neg	-0.3	neg	0.0	0.0	0.0	-3	-3	-3	\$/tonne
Yasynivsky Coke	YASK	10	9.0%	1	11	1.2	neg	2.1	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	623	0.3%	2	621	6.5	3.2	3.8	2.7	2.0	2.2	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,402	0.4%	6	1,395	3.2	2.6	3.0	1.9	1.5	1.7	1.0	0.9	0.9				
Ferrexpo	FXPO	752	24.0%	181	1,431	3.5	2.9	2.7	3.6	2.8	2.9	1.0	0.9	1.0				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	3.4	1.5	1.4	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	35	25.0%	9	145	0.9	neg	neg	2.3	6.9	16.1	0.9	1.2	1.4	2.3	6.9	16.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	107	2.0%	2	153	3.2	22.9	26.2	2.9	4.9	5.9	0.3	0.5	0.6	243	403	383	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	20	24.0%	5	57	4.2	1.0	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	115	5.0%	6	104	1.2	2.8	neg	0.8	2.1	7.8	0.1	0.2	0.7				
Stakhanov Wagon	SVGZ	18	8.0%	1	51	>30	>30	>30	7.1	8.7	9.3	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	109	5.8%	6	49	2.9	1.5	1.7	1.0	0.5	0.7	0.3	0.2	0.3				
Motor Sich	MSICH	350	24.0%	84	341	1.7	2.1	1.9	1.1	1.2	1.3	0.3	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	249	7.2%	18	552	5.5	14.6	9.5	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,093	3.0%	33	1,086	6.2	>30	6.8	2.4	3.8	3.4	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	34	21.6%	7	9	2.9	neg	16.8	0.4	neg	0.3	0.2	0.2	0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	104	50.4%	52	213	neg	16.0	13.3	1.6	3.2	3.1	1.0	1.2	1.1	39	29	28	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	207	21.7%	45	194	7.2	3.5	9.3	2.8	2.1	4.1	0.2	0.2	0.3	11	14	12	\$/MWh
DonbasEnergO	DOEN	57	14.2%	8	117	14.9	0.9	1.4	3.7	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
Consumer																		
MHP	MHPC	1,162	34.1%	396	2,312	3.7	7.2	neg	4.9	5.9	4.8	1.6	1.5	1.8				
Kernel	KER	611	61.8%	378	1,295	2.9	5.8	neg	4.0	4.5	5.8	0.6	0.5	0.5				
Astarta	AST	197	37.0%	73	519	3.4	5.8	2.4	4.7	5.7	3.8	1.1	1.1	0.9				
Avangardco	AVGR	415	22.5%	93	521	1.8	1.7	2.5	1.9	1.7	2.2	0.8	0.8	0.9	118	90	84	\$/mneggs
Agroton	AGT	10	26.2%	3	59	1.5	neg	neg	2.9	7.9	17.1	0.7	0.7	0.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	277	3.5%	10		>30	3.1	neg	0.3	0.3	0.5	0.05	0.05	0.07				
Ukrsotsbank	USCB	201	1.0%	2		>30	>30	21.1	0.3	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

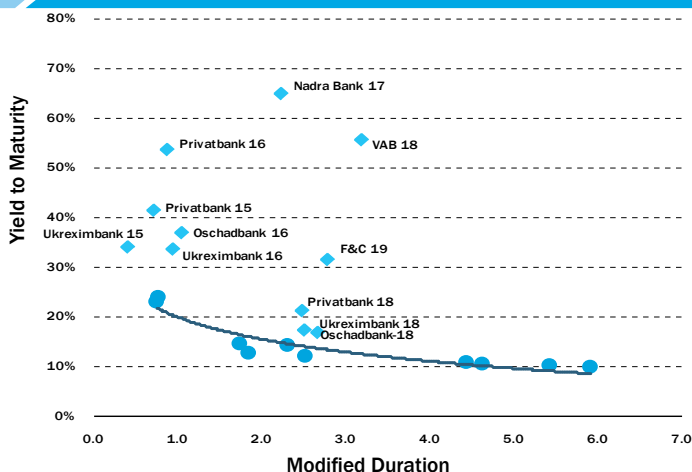
UKRAINIAN EUROBONDS

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)	88.7	90.9	25.6%	20.8%	-6.5%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	88.9	90.4	32.2%	28.1%	-8.2%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	84.9	85.9	17.3%	16.5%	-9.2%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	87.1	88.3	14.7%	13.8%	-7.0%	1.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	83.9	85.4	14.5%	13.7%	-8.8%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	87.1	88.4	16.8%	16.0%	-11.5%	2.3	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	82.5	84.5	19.3%	18.0%	1.1%	2.4	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	82.5	83.8	16.1%	15.4%	5.9%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	84.4	85.9	12.1%	11.7%	-8.5%	4.4	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	84.3	86.3	11.9%	11.4%	-9.0%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	82.8	84.3	11.3%	11.0%	-8.3%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	80.9	82.4	11.0%	10.7%	-9.8%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	93.3%	68.7%	-37.6%	1.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	99.0	101.0	12.5%	8.0%	-3.4%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	86.3	88.0	11.8%	11.3%	-2.5%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	88.6	88.6	44.7%	44.7%	-9.6%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	64.9	66.1	27.4%	26.6%	-27.3%	2.4	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	20.0	25.0	199.5%	164.4%	-77.6%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	20.0	25.0	82.6%	69.6%	-74.2%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	87.9	89.0	40.2%	37.0%	-13.2%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	64.0	65.0	23.9%	23.3%	-31.6%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	83.0	86.0	50.8%	42.5%	-17.6%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	69.5	71.0	24.9%	23.9%	-26.1%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	93.5	95.4	15.9%	13.6%	-3.6%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	72.0	73.9	21.1%	20.2%	-20.4%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	52.3%	35.1%	-28.5%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	82.1	83.9	19.3%	18.5%	-25.3%	2.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.2%	28.1%	-39.8%	2.8	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	68.0	68.0	313.9%	313.9%	-31.0%	0.1	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	70.5%	59.6%	-41.0%	2.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	80.0	45.3%	38.2%	-14.3%	0.7	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.0	69.0	59.3%	49.3%	-11.8%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	75.9	78.5	21.4%	20.0%	-7.8%	2.5	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	88.1	89.3	37.9%	34.8%	-7.6%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	73.0	75.0	33.9%	31.3%	-13.2%	0.9	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	78.8	79.6	17.7%	17.3%	-11.2%	2.5	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	59.7%	52.0%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	80.5	82.5	40.7%	35.8%	-12.4%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	78.7	79.5	17.5%	17.1%	-11.1%	2.7	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	77.6	78.8			-15.9%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	76.0	80.0	28.2%	24.6%	-16.1%	1.3	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

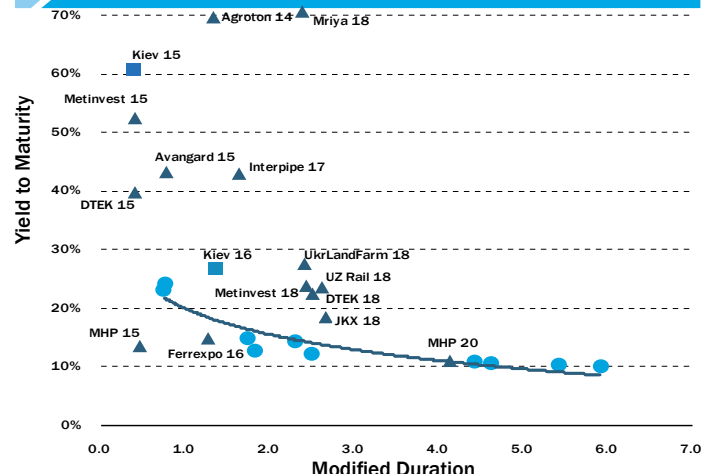
¹ Moody's/S&P/Fitch; * EUR

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			19.0%	15.5%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			21.0%	16.5%	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			20.0%	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			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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