

**Market Update**

**Equity**

Kyiv-listed stocks pared early gains and finished mostly in the red on Thursday (Nov 6) as the latest wave of hryvnia devaluation discouraged market players from purchasing UAH-denominated assets. The dollar exchange rate against the hryvnia surged by another 4% to 14.60 UAH/USD yesterday. The UX index declined by 0.8% to end at 1097 points; the benchmark is nearing its 2009 all-time low in terms of USD-denominated valuation. Avdyivka Coke (AVDK) lost 3.5% to UAH 2.43 after reports of artillery explosions on the company's territory northwest of Donetsk. Other steel-related names were also sharply lower, with Azovstal (AZST) and Yenakievo Steel (ENMZ) tumbling by 4.4% and 5.7% respectively. Motor Sich (MSICH), Krukiv Wagon (KVBZ) and DonbasEnergo (DOEN), which have less exposure to the occupied territories, each added 0.9% for the session. In London, independent gas producer JX Oil&Gas (JKX) was little-changed near GBp 37.50 despite positive news that the company has extended its Zaplavske exploration license in Poltava province by 5 years. Ferrexpo (FXPO) continued its downward momentum, declining 1.6% to GBp 78.50. Warsaw trading, Kernel (KER) down by 2.7% while Astarta (AST) added 1.1% to PLN 26.30.

**Fixed Income**

Ukraine's sovereign Eurobonds got hammered for a 3rd straight day on Thursday, with Ukraine-23s slumping 1.8p.p. to 79.1/80.6 (11.4%/11.1%) as investors worried about Kyiv's aggressive response to the separatist Donbass elections held last weekend. Corporate names were sluggish. MHP-20s finished unchanged at 86.2/88.0 (11.8%/11.3%) and Ferrexpo-16s inched down by 0.1p.p. to 93.5/95.1 (16.0%/13.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	269.60	-1.2%	2.0	39
Motor Sich	MSICH	2313.00	0.9%	0.9	94
Centrenergo	CEEN	7.52	-0.9%	0.7	233

**Growth Leaders**

Mariupol Heavy Machine	MZVM	0.18	7.3%	0.47	58
Kryukiv Wagon	KVBZ	13.70	0.9%	0.03	9
Motor Sich	MSICH	2313.00	0.9%	0.92	94

**Loss Leaders**

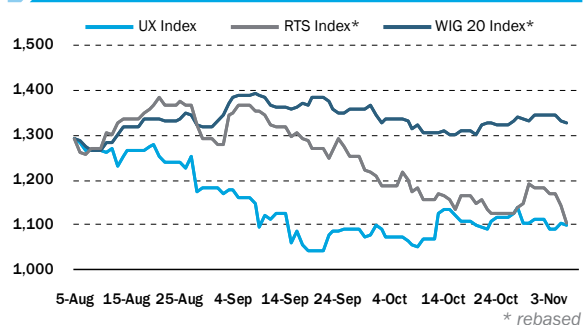
Krymenergo	KREN	1.40	-12.0%	0.009	7
Yenakievo Steel	ENMZ	24.90	-5.7%	0.139	31
Azovstal	AZST	0.77	-4.4%	0.082	36

**Highlights**

**POLITICS AND ECONOMICS**

- > Headline Inflation Reaches 20% But Lags Devaluation

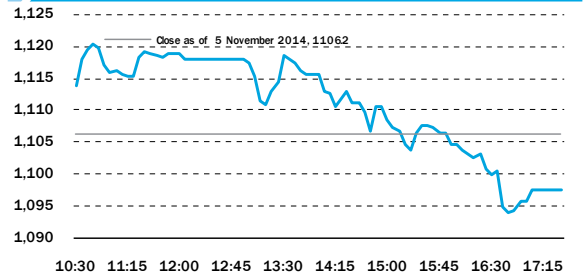
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1097.5	-0.8%	2.1%	20.6%
RTS	1017.3	-3.5%	-9.2%	-29.5%
WIG20	2435.5	-0.2%	-0.5%	1.4%
MSCI EM	991.3	-0.7%	-1.9%	-1.1%
S&P 500	2031.2	0.4%	3.4%	10.3%

**UX INTRADAY NOVEMBER 6, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	342.9	0.5%	0.7%	3.7%
CDS 5Y UKR	1285.7	1.4%	0.5%	56.7%
Ukraine-17	13.8%	0.7 p.p.	1.6 p.p.	4.8 p.p.
Ferrexpo-16	12.4%	0.1 p.p.	-2.4 p.p.	3.5 p.p.
Ukraine-23	11.3%	0.4 p.p.	0.8 p.p.	3.8 p.p.
Privatbank-16	42.5%	0.3 p.p.	0.4 p.p.	22.1 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	14.01	3.4%	8.2%	70.0%
EUR	17.33	2.5%	5.8%	52.5%
RUB	0.30	0.2%	-8.3%	19.1%

**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%	-4.7%	-6.5%
Oil, USD/bbl	82.9	-0.1%	-11.2%	-22.8%
Gold, USD/oz	1141.9	0.1%	-5.4%	-4.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

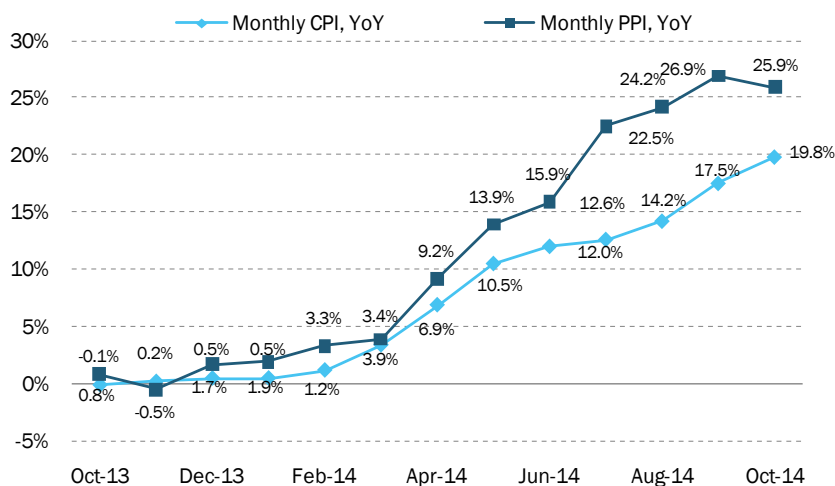
**Headline Inflation Reaches 20% But Lags Devaluation**

by Dmitry Churin  
d.churin@eavex.com.ua

**NEWS**

Ukraine's State Statistics Committee reported that rolling 12-month (headline) consumer inflation in the country has reached 19.8%, while in October alone prices rose by 2.4% MoM, according to data published on Thursday (Nov 6). Producer prices surprisingly decreased by 0.7% MoM but remain up by 25.9% from a year earlier.

**UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION**



Source: State Statistics Committee

**COMMENTARY**

At 20%, the reported headline inflation rate in Ukraine remains far below what would be implied by the decline in the value of the hryvnia against the dollar since the start of this year; the dollar exchange rate against the local currency has skyrocketed by 77% YtD to 14.60 UAH/USD. The reasons for this lagging discrepancy are not fully clear to us, although we would postulate that IMF support of the economy has provided the government with certain levers to restrain a sharper upward spiral in prices. Among CPI basket components, the largest price increase of 27% YoY was in utility services after the heating tariff for households rose by 62% YoY, according to the UkrStat data. Meanwhile, the lowest price growth of 2% YoY was in telecommunication services.

In the PPI groups, prices in the extraction industry and manufacturing industry rose by 21.7% YoY and 28.2% YoY respectively. In the utility sector, the overall price increase was 21.8% YoY in October.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.77	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	78.5	108.0	38%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	2.43	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.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	13.7	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	2313	5250	127%	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	6.3	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	37.5	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	33.0	72.0	118%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.52	15.00	99%	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	11.0	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	26.3	90.0	242%	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	6.4	8.93	40%	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	72.7	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.
<b>Banks</b>						
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	1097.47	1368.76	821.17	-0.8%	-0.8%	2.1%	20.6%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.023	0.05	0.02	-1.7%	-7.6%	-9.4%	-40.5%	-0.9%	-6.8%	-11.5%	-61.1%
Azovstal	AZST	0.77	0.95	0.35	-4.4%	-0.3%	18.4%	14.5%	-3.6%	0.5%	16.2%	-6.1%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	0.8%	0.8%	-2.1%	-107.1%
Enakievo Steel	ENMZ	24.9	65.0	17.0	-5.6%	-11.8%	-4.9%	-22.2%	-4.9%	-11.0%	-7.1%	-42.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.8%	0.8%	-2.1%	227.2%
Mariupol Ilyicha	MMKI	0.21	n/a	n/a	5.0%	-22.2%	50.0%	110.0%	5.8%	-21.5%	47.9%	89.4%
<b>Coke</b>												
Avdivka Coke	AVDK	2.43	3.70	1.46	-3.5%	-6.5%	4.9%	-17.8%	-2.7%	-5.7%	2.8%	-38.4%
Yasnyivsky Coking	YASK	0.48	0.84	0.30	0.0%	4.3%	14.3%	-9.4%	0.8%	5.1%	12.2%	-30.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.20	n/a	n/a	0.0%	-2.0%	-1.1%	10.8%	0.8%	-1.3%	-3.2%	-9.8%
Ferrexpo	FXPO	78.50	199.0	78.5	-1.6%	-8.6%	-23.8%	-58.9%	-0.8%	-7.8%	-25.9%	-79.5%
Pivnichny GOK	SGOK	8.24	9.80	4.50	0.0%	-4.2%	4.3%	3.0%	0.8%	-3.4%	2.2%	-17.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.43	0.79	0.10	0.0%	-8.5%	7.5%	7.5%	0.8%	-7.7%	5.4%	-13.1%
Komsomolets Donbasa	SHKD	1.00	n/a	n/a	0.0%	20.5%	33.3%	61.3%	0.8%	21.2%	31.2%	40.7%
Energy Coal	CLE	0.75	2.30	0.55	-2.6%	-8.5%	-14.8%	-28.6%	-1.8%	-7.8%	-16.9%	-49.2%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	0.8%	0.8%	-2.1%	-55.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.56	1.01	0.32	0.0%	0.0%	12.0%	-6.7%	0.8%	0.8%	9.9%	-27.3%
Interpipe NMPP	NVTR	0.36	n/a	n/a	0.0%	20.0%	0.0%	71.4%	0.8%	20.8%	-2.1%	50.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	13.7	25.0	10.0	0.9%	-0.1%	-9.9%	-20.8%	1.7%	0.6%	-12.0%	-41.4%
Luhanskeplovoz	LTPL	1.25	1.80	0.85	0.0%	0.0%	8.7%	-16.7%	0.8%	0.8%	6.6%	-37.3%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	0.0%	-9.8%	-6.0%	-15.4%	0.8%	-9.1%	-8.1%	-36.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-9.1%	-6.8%	-22.9%	13.2%	-8.3%	-6.1%	-25.0%	-7.4%
Motor Sich	MSICH	2,313	2,879	1,507	1.4%	2.0%	4.6%	26.8%	2.2%	2.8%	2.5%	6.2%
Sumy Frunze Engineering	SMASH	5.40	n/a	n/a	0.0%	8.0%	-30.9%	116.0%	0.8%	8.8%	-33.1%	95.4%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	33.3%	71.4%	0.8%	0.8%	31.2%	50.8%
WESTA ISIC	WES	0.28	0.80	0.21	0.0%	-6.7%	-3.4%	-30.0%	0.8%	-5.9%	-5.6%	-50.6%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.18	0.20	0.09	0.0%	-3.7%	0.0%	63.6%	0.8%	-3.0%	-2.1%	43.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	6.25	16.00	4.88	-3.8%	0.0%	-21.9%	-51.0%	-3.1%	0.8%	-24.0%	-71.6%
JKX Oil	JKX	37.50	75.00	36.00	-0.3%	-2.0%	-26.5%	-47.7%	0.5%	-1.2%	-28.6%	-68.3%
Ukrnafta	UNAF	270	375	54	-1.2%	0.7%	-16.4%	148.3%	-0.4%	1.5%	-18.5%	127.7%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.52	8.70	3.00	-0.9%	-1.6%	2.7%	57.7%	-0.1%	-0.8%	0.6%	37.1%
Donbasenergo	DOEN	33.0	50.2	11.0	0.9%	-1.9%	15.1%	19.5%	1.6%	-1.2%	13.0%	-1.1%
Zakhidenergo	ZAEN	158.7	199.8	76.0	-1.6%	-1.1%	13.4%	75.6%	-0.8%	-0.3%	11.2%	55.0%
<b>Consumer</b>												
Agroton	AGT	1.53	5.5	1.53	-1.3%	-26.4%	-22.3%	-21.5%	-0.5%	-25.7%	-24.5%	-42.1%
Astarta	AST	26.30	68.0	26.0	1.1%	-16.5%	-28.5%	-60.7%	1.9%	-15.7%	-30.7%	-81.3%
Avangardo	AVGR	6.40	12.9	6.30	-1.5%	-1.5%	-19.0%	-45.5%	-0.8%	-0.8%	-21.1%	-66.1%
Industrial Milk Company	IMC	7.10	14.10	6.50	-2.1%	-1.4%	2.9%	-41.6%	-1.3%	-0.6%	0.8%	-62.2%
Kernel	KER	24.60	45.1	22.0	-2.7%	-4.4%	-2.3%	-35.4%	-1.9%	-3.6%	-4.5%	-56.0%
Mriya Agro Holding	MAYA	1.46	6.0	0.58	22.9%	114.1%	2.6%	-72.9%	23.6%	114.8%	0.5%	-93.5%
MHPC	MHPC	11.00	18.5	10.00	0.0%	7.8%	-6.9%	-35.3%	0.8%	8.6%	-9.0%	-55.9%
Milkiland	MLK	2.65	13.5	2.65	0.0%	-17.2%	-30.6%	-78.8%	0.8%	-16.4%	-32.8%	-99.4%
Ovostar Union	OVO	72.7	101.0	59.4	3.7%	-1.1%	5.3%	-27.3%	4.5%	-0.3%	3.2%	-47.9%
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	8.5	n/a	n/a	0.0%	-7.3%	-13.8%	-31.8%	0.8%	-6.5%	-16.0%	-52.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.124	0.190	0.091	-1.0%	0.3%	-1.5%	9.0%	-0.3%	1.1%	-3.6%	-11.6%
UkrSotsbank	USCB	0.148	0.205	0.090	0.0%	-2.1%	2.5%	-21.1%	0.8%	-1.3%	0.4%	-41.7%

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	1,400	-181	-31	25	neg	neg	1.8%	-333	-308	33	neg	neg	2.4%
<b>Coke</b>																
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%
<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	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%
<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	2,393	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
<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	42	3.9%	2	1,391	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	360	335	325	\$/tonne
Yenakievo Steel	ENMZ	19	8.8%	2	15	2.2	neg	neg	neg	0.7	0.5	0.0	0.0	0.0	6	5	5	\$/tonne
Azovstal	AZST	230	3.0%	7	219	neg	neg	6.9	neg	neg	8.8	0.1	0.1	0.2	48	49	48	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	34	6.8%	2	-14	neg	neg	neg	neg	-0.3	neg	0.0	0.0	0.0	-3	-4	-4	\$/tonne
Yasynivsky Coke	YASK	9	9.0%	1	10	1.1	neg	2.0	0.4	0.4	0.5	0.0	0.0	0.0	0.4	0.4	0.5	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	602	0.3%	2	601	6.3	3.1	3.7	2.6	1.9	2.2	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,355	0.4%	5	1,349	3.1	2.5	2.9	1.8	1.5	1.7	1.0	0.8	0.9				
Ferrexpo	FXPO	741	24.0%	178	1,420	3.4	2.8	2.7	3.5	2.8	2.9	1.0	0.9	1.0				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	24	5.4%	1	126	3.3	1.4	1.4	1.0	1.4	1.3	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	34	25.0%	9	144	0.9	neg	neg	2.3	6.8	16.0	0.9	1.1	1.4	2.3	6.8	16.0	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	104	2.0%	2	150	3.1	22.1	25.3	2.9	4.8	5.8	0.3	0.5	0.6	237	394	374	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	20	24.0%	5	57	4.0	1.0	0.9	2.0	1.6	1.5	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	112	5.0%	6	101	1.2	2.7	neg	0.8	2.0	7.6	0.1	0.2	0.7				
Stakhanov Wagon	SVGZ	18	8.0%	1	50	>30	>30	>30	7.0	8.6	9.2	0.2	0.3	0.3				
<b>Specialized Machinery</b>																		
Turboatom	TATM	106	5.8%	6	45	2.8	1.5	1.6	0.9	0.5	0.6	0.3	0.2	0.2				
Motor Sich	MSICH	343	24.0%	82	334	1.7	2.0	1.8	1.1	1.2	1.3	0.3	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	241	7.2%	17	544	5.3	14.1	9.1	2.6	2.9	3.1	0.6	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,044	3.0%	31	1,037	5.9	>30	6.5	2.3	3.6	3.2	0.4	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	32	21.6%	7	7	2.8	neg	16.2	0.3	neg	0.3	0.2	0.2	0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	104	50.4%	52	212	neg	16.0	13.3	1.6	3.2	3.1	1.0	1.2	1.1	39	29	28	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	198	21.7%	43	185	6.9	3.3	8.9	2.7	2.0	3.9	0.2	0.2	0.2	10	13	12	\$/MWh
DonbasEnerg	DOEN	56	14.2%	8	116	14.6	0.9	1.4	3.6	1.6	2.6	0.2	0.2	0.2	14	15	14	\$/MWh
<b>Consumer</b>																		
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	595	61.8%	368	1,279	2.8	5.7	neg	4.0	4.4	5.7	0.6	0.5	0.5				
Astarta	AST	200	37.0%	74	521	3.4	5.9	2.4	4.7	5.7	3.8	1.1	1.1	0.9				
Avangardco	AVGR	409	22.5%	92	515	1.8	1.7	2.5	1.8	1.7	2.2	0.8	0.8	0.9	116	89	83	\$/mneggs
Agroton	AGT	10	26.2%	3	59	1.5	neg	neg	2.9	7.9	17.0	0.7	0.7	0.7	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	265	3.5%	9		>30	3.0	neg	0.3	0.3	0.4	0.04	0.05	0.07				
Ukrsotsbank	USCB	194	1.0%	2		>30	>30	21.1	0.2	0.2	0.3	0.07	0.06	0.08				

Source: Eavex Research

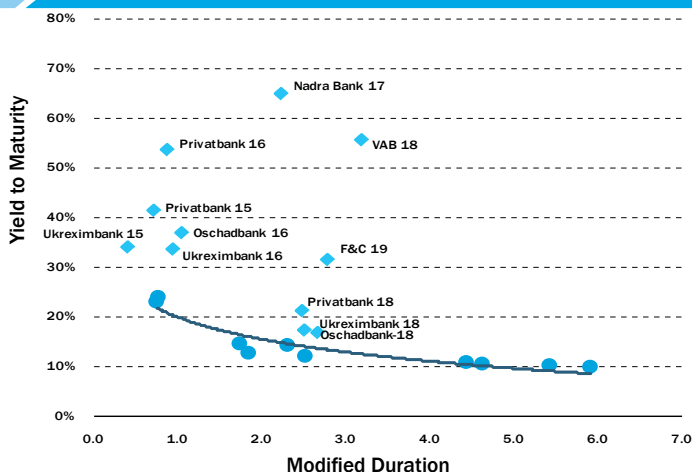
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	88.7	91.0	25.6%	20.8%	-6.4%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	88.1	89.6	34.9%	30.5%	-9.1%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	83.9	84.9	18.2%	17.4%	-10.3%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	86.2	87.5	15.3%	14.4%	-7.9%	1.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	82.4	83.9	15.3%	14.5%	-10.4%	2.4	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	85.7	87.0	17.7%	16.9%	-12.9%	2.3	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	82.5	84.5	19.4%	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	83.0	84.5	12.6%	12.1%	-10.0%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	82.7	84.7	12.4%	11.8%	-10.6%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	81.0	82.5	11.7%	11.4%	-10.2%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	79.1	80.6	11.4%	11.1%	-11.8%	5.8	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.0	35.1	93.7%	68.9%	-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	86.2	88.0	11.8%	11.3%	-2.6%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	88.6	88.6	45.2%	45.2%	-9.6%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	64.6	64.6	27.6%	27.6%	-28.4%	2.4	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016						0.5	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	20.0	25.0	82.9%	69.9%	-74.2%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	88.9	88.9	37.6%	37.6%	-12.8%	0.4	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	64.0	65.0	23.9%	23.4%	-31.6%	2.6	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	83.0	86.0	51.3%	42.9%	-17.6%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	69.0	71.5	25.3%	23.6%	-26.0%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	93.5	95.1	16.0%	13.9%	-3.7%	1.3	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	70.0	73.8	22.2%	20.2%	-21.6%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	52.5%	35.1%	-28.5%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	81.9	83.6	19.4%	18.7%	-25.5%	2.6	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
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	70.8%	59.8%	-41.0%	2.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	76.0	80.0	45.7%	38.5%	-14.3%	0.7	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.0	69.0	59.5%	49.5%	-11.8%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	75.9	78.5	21.4%	20.1%	-7.8%	2.5	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	87.5	89.0	40.2%	35.9%	-8.1%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	73.0	75.0	34.1%	31.5%	-13.2%	0.9	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	78.2	79.6	18.0%	17.3%	-11.6%	2.5	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	40.0	45.0	60.1%	52.3%	-50.3%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	80.6	82.5	40.7%	35.9%	-12.4%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	78.2	79.5	18.1%	17.5%	-11.4%	2.6	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	77.8	78.7			-15.8%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	75.1	78.3	29.2%	26.2%	-17.6%	1.3	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

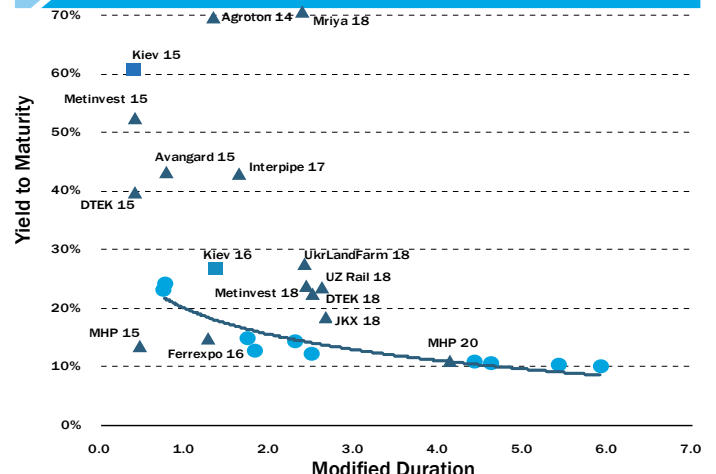
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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			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
<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			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



**Eavex Capital**

12, Ezhena Pottier str.  
Kiev 03057  
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

**Chairman of the Board**

yuriy.yakovenko@eavex.com.ua

**SALES & TRADING**

Pavel Korovitskiy

**Managing Director**

**Equity and Fixed Income**

p.korovitsky@eavex.com.ua

Alexander Klymchuk

**Equity and Fixed Income**

a.klymchuk@eavex.com.ua

Eugene Klymchuk

**Fixed Income Sales and Trading**

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

**Equity Trading**

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

**Online Trading**

n.malinyak@eavex.com.ua

**RESEARCH**

Dmitry Churin

**Head of Research**

d.churin@eavex.com.ua

Ivan Dzvinka

**Research Associate**

i.dzvinka@eavex.com.ua

Will Ritter

**Research editor**

w.ritter@eavex.com.ua