

Market Update

Equity

Kyiv-listed stocks finished mostly in the red on Thursday (Nov 13) with the UX index falling by 1.6% to a 9-month UAH-denominated low of 960 points even before the sharp fall in the hryvnia is taken into account; it was the 9th consecutive session loss for the benchmark. Among news impacting the local market was an announcement that London-based trading company SteelMont has cancelled its contract to deliver 1mn tonnes of South African coal to Ukraine aimed at covering part of the 5mn-tonne thermal coal shortage in the country for the winter season. The heaviest loss of 6.0% among blue chips was registered in UkrNafta (UNAF). Motor Sich (MSICH) dropped by 3.4% to UAH 2059 while CentrEnerg (CEEN) shed 0.7% to close at UAH 7.00 per share. In the steel sector, the two hardest-hit issues in recent days, Alchevsk Steel (ALMK) and Yenakievo Steel (ENMZ) rebounded by 6.5% and 3.8% respectively on thin turnover. London-listed Ukrainian names were mixed with Ferrexpo (FXPO) declining by 2.9% to near GBp 78 while MHP (MHPC) rose 3.9%. In Warsaw, Kernel (KER) and Astarta (AST) picked up 3.0% and 1.2% respectively, with the latter finishing at PLN 20 on the nose.

Fixed Income

Ukrainian sovereigns halted their recent sharp slide on Thursday, although the long-term yield remained on the cusp of a record 12%. Ukraine-23s improved by 0.4p.p. to 76.3/77.8 (12.1%/11.7%). Meanwhile, corporate names mostly finished in the red. DTEK-18s declined by 3.0p.p. to 58.0/61.0 (27.8%/25.9%) and MHP-20s dropped by 0.7p.p., closing at 85.3/86.4 (12.0%/11.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	214.70	-6.0%	2.9	139
Motor Sich	MSICH	2059.00	-3.4%	1.6	161
Centrenerg	CEEN	7.01	-0.7%	0.9	198

Growth Leaders

Luhanskteplovoz	LTPL	1.08	20.0%	0.21	10
KRAZ	KRAZ	0.11	15.2%	0.02	19
Dniproblergergo	DNON	65.00	8.3%	0.06	21

Loss Leaders

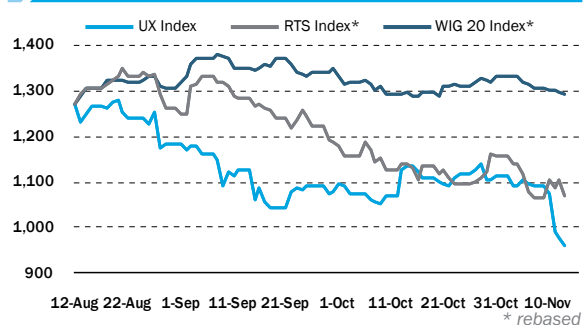
Stakhanov Wagon	SVGZ	0.57	-28.5%	0.007	12
Komsomolets Donbasa	SHKD	0.24	-28.1%	0.011	14
Pokrovske Mine	SHCHZ	0.31	-13.9%	0.017	7

Highlights

STOCKS IN THE NEWS

- > Ferrexpo's Zhevago Wins Court Case Against Previous Poltavsky GOK Owner
- > KSG Agro Reports Net Loss of USD 26mn for 9M14

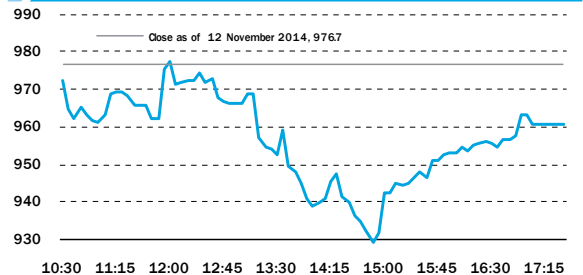
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	960.8	-1.6%	-14.5%	5.6%
RTS	1012.2	-3.2%	-6.0%	-29.8%
WIG20	2393.4	-0.4%	0.0%	-0.3%
MSCI EM	992.7	-0.3%	0.1%	-0.9%
S&P 500	2039.3	0.1%	8.8%	10.8%

UX INTRADAY NOVEMBER 13, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	353.1	1.0%	0.9%	6.8%
CDS 5Y UKR	1425.0	-2.6%	4.4%	73.7%
Ukraine-17	14.5%	-0.1 p.p.	0.7 p.p.	5.5 p.p.
Ferrexpo-16	15.1%	1.6 p.p.	2.1 p.p.	6.2 p.p.
Ukraine-23	11.9%	-0.1 p.p.	0.7 p.p.	4.4 p.p.
Privatbank-16	47.8%	0.3 p.p.	5.1 p.p.	27.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.53	-2.0%	20.4%	88.5%
EUR	19.37	-1.7%	17.8%	70.4%
RUB	0.33	-4.7%	4.4%	32.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	219.4	0.0%	4.2%	-23.7%
Steel, USD/t	487.5	0.0%	-7.6%	-9.3%
Oil, USD/bbl	77.5	-4.5%	-13.9%	-27.8%
Gold, USD/oz	1162.5	0.0%	-5.9%	-2.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ferrexpo's Zhevago Wins Court Case Against Previous Poltavsky GOK Owner

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBP 0.779 Market Cap: USD 767mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.9	2.9	2.9	10%
2014E	1.0	2.8	3.0	3%

NEWS

The situation in long-running dispute between current and previous owners of Ferrexpo-controlled iron ore mine Poltavsky GOK has recently changed in favor of Ferrexpo majority shareholder Constantine Zhevago. In a ruling on Oct 20, The Kyiv Commercial Court threw out a lawsuit brought by several Britain companies ultimately related to Russian entrepreneur Alexander Babakov aimed at cancelling the additional share issues at Poltavsky GOK conducted since 2002, as well as the transfer of a 40% stake in the company to VS Energy. The court ruling was reported by local media on Wednesday (Nov 13) and confirmed to us by Ferrexpo's management, which also acknowledged that VS Energy is filing to appeal the decision.

COMMENTARY

The news looks positive for Ferrexpo's securities (stock and bonds). In spite of Mr. Zhevago having been in opposition to Yanukovich government, Babakov was not able to regain control of the 40% stake in Poltavsky GOK which he is claiming. We thus presume that at this point, Babakov's chances for success in the Ukrainian court system are practically non-existent. The lawsuit of previous owner lacks a substantial ground in our view, while the administrative resources which we assume were possessed by Babakov under the previous regime are highly likely no longer effective.

KSG Agro Reports Net Loss of USD 26mn for 9M14

by Ivan Dzvinka
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NEWS

Dnipropetrovsk-based, Warsaw-listed crop grower KSG Agro reported this week that its net revenue halved YoY to USD 18mn over Jan-Sept 2014. At the operating level, KSG posted a loss of USD 5.2mn vs. USD 19.7mn operating profit for 9M13, on the back of a biological assets revaluation loss of USD 2.8mn in 9M14 compared to USD +26mn last year. The operating loss together with a USD 13.9mn currency translation loss due to hryvnia devaluation pushed the bottom line to a loss of USD 26mn vs. USD +12mn in 9M13. The company's net operating cash flow was USD -600,000. Net debt as of Sept 30 stood at USD 72mn, down reduced from USD 98mn a year earlier.

COMMENTARY

At first glance, the reduction in KSG's net debt by USD 26mn looks encouraging. However, the decrease in debt was largely due to devaluation of hryvnia-denominated debt, as well as to the repayment of USD 11mn in bank loans that reduced the company's available cash. As of the latest available data as of end-2012, the share of UAH debt amounted to 65% in KSG's total debt structure. The company withdrew some USD 11mn of its term deposits to repay the mentioned USD 11mn in loans during 9M14.

Based on 9M14 financials, KSG's risk of failing to continue as a going concern is now as high as ever. With negative operating cash flow, limited ability to raise new debt, and only USD 4.5mn in term deposits + cash left as of Sept 30, the most probable scenario is a near-term default on [at least] part of the company's short term debt (USD 37mn as of Sept 30) unless option(s) of debt restructuring, some asset sales or securing debt from related parties are successfully utilized.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	77.9	108.0	39%	HOLD	Exacerbated issue of global ore oversupply together with sluggish growth in demand will likely keep iron ore prices at depressed level at least in the short run boding bad for Ferrexpo's earnings.
Pivnichny GOK	SGOK	8.14	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	7.30	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	1.94	U/R	-	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
Yasynivsky Coke	YASK	0.35	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	0.31	U/R	-	Susp.	The company's coal production expansion plan were put under high risk of realization due to war in Donbass.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	12.1	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.08	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2059	5250	155%	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	6.3	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	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.
Power Utilities						
DonbasEnergO	DOEN	29.2	72.0	146%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.01	15.00	114%	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	10.7	15.65	46%	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	20.0	90.0	351%	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	5.9	8.93	52%	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	72.5	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	0.104	0.24	130%	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	960.78	1368.76	821.17	-1.6%	-12.5%	-14.5%	5.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.018	0.05	0.01	6.5%	-22.1%	-30.8%	-53.6%	8.1%	-9.6%	-16.2%	-59.2%
Azovstal	AZST	0.67	0.95	0.35	-2.3%	-12.5%	-7.3%	0.1%	-0.7%	-0.1%	7.2%	-5.4%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	1.6%	12.5%	14.5%	-92.1%
Enakievo Steel	ENMZ	18.9	65.0	16.0	2.8%	-24.2%	-35.3%	-41.0%	4.4%	-11.8%	-20.8%	-46.6%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.6%	12.5%	14.5%	242.3%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	-4.8%	-28.6%	100.0%	1.6%	7.7%	-14.0%	94.4%
Coke												
Avdyivka Coke	AVDK	1.94	3.70	1.46	-5.4%	-20.2%	-30.2%	-34.5%	-3.7%	-7.8%	-15.7%	-40.0%
Yasynivsky Coking	YASK	0.35	0.84	0.30	2.9%	-27.1%	-22.2%	-34.0%	4.6%	-14.6%	-7.7%	-39.5%
Iron Ore Mining												
Centralny GOK	CGOK	7.30	n/a	n/a	0.0%	1.4%	-5.8%	12.3%	1.6%	13.8%	8.7%	6.7%
Ferrexpo	FXPO	77.90	191.0	77.9	-2.9%	-0.8%	-14.0%	-59.2%	-1.2%	11.7%	0.6%	-64.8%
Pivnichny GOK	SGOK	8.14	9.80	4.50	0.5%	-1.2%	-0.1%	1.8%	2.1%	11.2%	14.4%	-3.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.31	0.79	0.10	-13.9%	-27.9%	-35.4%	-22.5%	-12.3%	-15.5%	-20.9%	-28.1%
Komsomolets Donbasa	SHKD	0.24	n/a	n/a	-4.0%	-76.0%	-71.1%	-61.3%	-2.4%	-63.5%	-56.5%	-66.9%
Energy Coal	CLE	0.78	2.30	0.55	-2.5%	4.0%	-14.3%	-25.7%	-0.9%	16.5%	0.3%	-31.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	1.6%	12.5%	14.5%	-40.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.44	1.01	0.32	0.0%	-21.4%	-12.0%	-26.7%	1.6%	-9.0%	2.5%	-32.2%
Interpipe NMPP	NVTR	0.29	n/a	n/a	-19.4%	-19.4%	-19.4%	38.1%	-17.8%	-7.0%	-4.9%	32.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.1	25.0	10.0	3.3%	-12.0%	-20.6%	-30.3%	4.9%	0.4%	-6.1%	-35.9%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	20.0%	-13.6%	-5.3%	-28.0%	21.6%	-1.1%	9.3%	-33.6%
Stakhanov Wagon	SVGZ	0.57	n/a	n/a	-28.8%	-48.2%	-55.8%	-56.2%	-27.1%	-35.7%	-41.3%	-61.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	6.3%	-31.4%	20.4%	1.6%	18.8%	-16.9%	14.8%
Motor Sich	MSICH	2,059	2,879	1,507	-3.0%	-11.0%	-7.3%	12.9%	-1.3%	1.5%	7.3%	7.3%
Summy Frunze Engineering	SMASH	5.50	n/a	n/a	0.0%	1.9%	-8.3%	120.0%	1.6%	14.3%	6.2%	114.4%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	33.3%	71.4%	1.6%	12.5%	47.9%	65.9%
WESTA ISIC	WES	0.26	0.80	0.21	-10.3%	-7.1%	-10.3%	-35.0%	-8.7%	5.3%	4.2%	-40.6%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	-1.0%	-30.2%	-32.8%	14.3%	0.6%	-17.7%	-18.2%	8.7%
Oil & Gas												
Regal Petroleum	RPT	6.25	15.63	4.88	0.0%	0.0%	-3.8%	-51.0%	1.6%	12.5%	10.7%	-56.6%
JXX Oil	JKX	38.00	75.00	36.00	0.0%	1.3%	-16.5%	-47.0%	1.6%	13.8%	-1.9%	-52.6%
Ukrnafta	UNAF	215	375	54	-5.9%	-20.4%	-41.5%	97.7%	-4.3%	-7.9%	-26.9%	92.1%
Power Utilities												
Centrenerg	CEEN	7.01	8.70	3.00	-0.7%	-6.8%	-7.4%	47.0%	0.9%	5.6%	7.1%	41.4%
Donbasenergo	DOEN	29.2	50.2	11.0	-1.2%	-11.3%	-6.4%	6.0%	0.4%	1.1%	8.2%	0.4%
Zakhidenergo	ZAEN	142.9	199.8	80.0	2.8%	-10.0%	0.6%	58.1%	4.4%	2.5%	15.1%	52.5%
Consumer												
Agroton	AGT	1.51	5.5	1.51	-1.3%	-1.3%	-21.8%	-22.6%	0.3%	11.1%	-7.2%	-28.1%
Astarta	AST	19.97	68.0	19.4	1.2%	-24.1%	-45.2%	-70.1%	2.8%	-11.6%	-30.7%	-75.7%
Avangardo	AVGR	5.89	12.9	5.89	-1.8%	-8.0%	-13.4%	-49.9%	-0.2%	4.5%	1.2%	-55.4%
Industrial Milk Company	IMC	6.75	14.10	6.50	0.0%	-4.9%	-2.0%	-44.4%	1.6%	7.5%	12.5%	-50.0%
Kernel	KER	23.70	45.1	22.0	3.0%	-3.7%	-1.0%	-37.7%	4.7%	8.8%	13.5%	-43.3%
Mriya Agro Holding	MAYA	1.43	6.0	0.58	0.0%	-2.3%	44.3%	-73.5%	1.6%	10.2%	58.9%	-79.1%
MHPC	MHPC	10.70	18.5	10.00	3.9%	-2.7%	-9.3%	-37.1%	5.5%	9.7%	5.2%	-42.7%
Milkiland	MLK	2.50	13.0	2.48	0.8%	-5.7%	-28.8%	-80.0%	2.4%	6.8%	-14.2%	-85.6%
Ovostar Union	OVO	72.5	100.0	59.4	0.0%	-0.3%	8.2%	-27.5%	1.6%	12.2%	22.7%	-33.1%
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	8.9	n/a	n/a	11.8%	4.8%	-0.7%	-28.5%	13.4%	17.3%	13.9%	-34.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.104	0.190	0.091	-2.8%	-15.6%	-16.1%	-8.0%	-1.2%	-3.1%	-1.6%	-13.6%
UkrSotsbank	USCB	0.150	0.205	0.090	3.4%	1.4%	11.1%	-20.0%	5.1%	13.9%	25.6%	-25.6%

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	714	69	94	44	6.2%	10.3%	6.1%	29	60	21	2.6%	6.5%	2.9%
Donbasenergo	DOEN	574	656	512	32	72	45	5.6%	11.0%	8.8%	4	65	40	0.7%	9.9%	7.8%
Consumer																
MHP	MHPC	1,408	1,496	1,306	468	391	479	33.2%	26.1%	36.7%	311	162	-44	22.1%	10.8%	neg
Kernel	KER	2,157	2,797	2,393	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	-13	10.6%	5.8%	neg
Avangardco	AVGR	629	661	594	280	301	234	44.5%	45.6%	39.5%	228	238	164	36.3%	36.0%	27.6%
Agroton	AGT	88	81	90	20	8	3	23.2%	9.2%	3.9%	7	-6	-1	7.7%	neg	neg
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,333	3,966	793	888	610	679	723	460	4	90	-40	0.5%	10.1%	-6.6%
Ukrspotsbank	USCB	4,854	5,283	3,777	957	1,064	775	451	318	400	1	1	15	0.1%	0.1%	2.0%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2013E			
Steel																		
Alchevsk Steel	ALMK	30	3.9%	1	1,379	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	356	332	323	\$/tonne
Yenakievo Steel	ENMZ	13	8.8%	1	9	1.5	neg	neg	neg	0.4	0.3	0.0	0.0	0.0	3	3	3	\$/tonne
Azovstal	AZST	182	3.0%	5	171	neg	neg	5.4	neg	neg	6.8	0.1	0.1	0.1	37	38	37	\$/tonne
Coke																		
Avdyivka Coke	AVDK	24	6.8%	2	-24	neg	neg	neg	neg	-0.5	neg	0.0	0.0	0.0	-6	-6	-6	\$/tonne
Yasynivsky Coke	YASK	6	9.0%	1	7	0.7	neg	1.3	0.3	0.2	0.4	0.0	0.0	0.0	0.3	0.2	0.4	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	551	0.3%	1	549	5.8	2.8	3.4	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,208	0.4%	5	1,201	2.8	2.2	2.6	1.6	1.3	1.5	0.8	0.7	0.8				
Ferrexpo	FXPO	735	24.0%	176	1,414	3.4	2.8	2.7	3.5	2.8	2.9	1.0	0.9	1.0				
Coal Mining																		
Komsomolets Donbasa	SHKD	5	5.4%	0	107	0.7	0.3	0.3	0.9	1.2	1.1	0.4	0.5	0.5	26	25	24	\$/tonne
Coal Energy	CLE	35	25.0%	9	145	0.9	neg	neg	2.3	6.9	16.2	0.9	1.2	1.4	2.3	6.9	16.2	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	74	2.0%	1	119	2.2	15.7	17.9	2.3	3.8	4.6	0.2	0.4	0.4	189	314	298	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	15	24.0%	4	52	3.2	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiw Wagon	KVBZ	89	5.0%	4	78	0.9	2.1	neg	0.6	1.6	5.9	0.1	0.2	0.6				
Stakhanov Wagon	SVGZ	8	8.0%	1	41	14.1	15.6	17.9	5.7	7.0	7.5	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	95	5.8%	5	35	2.5	1.3	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	276	24.0%	66	267	1.4	1.6	1.5	0.9	1.0	1.0	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	152	7.2%	11	455	3.3	8.9	5.8	2.2	2.4	2.6	0.5	0.6	0.7				
Oil & Gas																		
Ukrnafta	UNAF	750	3.0%	22	745	4.3	>30	4.7	1.6	2.6	2.3	0.3	0.3	0.3	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	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
Electric Utilities																		
CentrEnergO	CEEN	167	21.7%	36	153	5.8	2.8	8.0	2.2	1.6	3.5	0.1	0.2	0.2	9	11	10	\$/MWh
DonbasEnergO	DOEN	45	14.2%	6	89	11.6	0.7	1.1	2.8	1.2	2.0	0.2	0.1	0.2	11	11	11	\$/MWh
Consumer																		
MHP	MHPC	1,131	34.1%	386	2,280	3.6	7.0	neg	4.9	5.8	4.8	1.6	1.5	1.7				
Kernel	KER	573	61.8%	354	1,257	2.7	5.5	neg	3.9	4.3	5.6	0.6	0.4	0.5				
Astarta	AST	152	37.0%	56	547	2.6	4.4	neg	5.0	6.0	4.0	1.2	1.1	1.0				
Avangardco	AVGR	376	22.5%	85	482	1.6	1.6	2.3	1.7	1.6	2.1	0.8	0.7	0.8	109	83	78	\$/mneqgs
Agroton	AGT	10	26.2%	3	59	1.5	neg	neg	2.9	7.8	17.0	0.7	0.7	0.7	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	202	3.5%	7		>30	2.3	neg	0.3	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	178	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

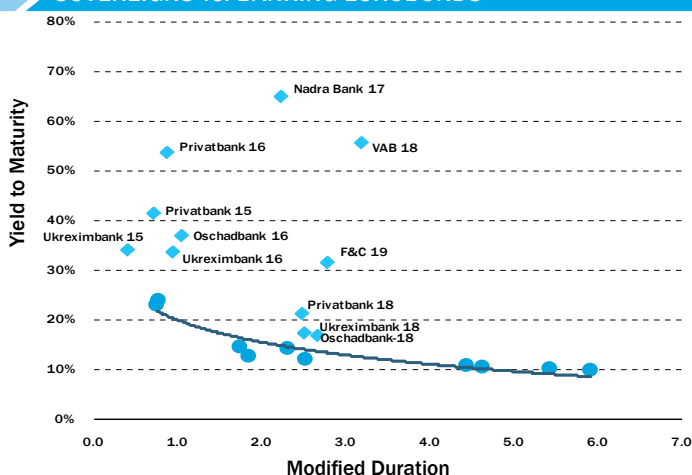
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2015 (EUR)	88.9	91.2	26.0%	21.0%	-6.2%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	84.6	86.6	53.3%	42.4%	-12.3%	0.6	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	80.9	81.9	20.8%	19.9%	-13.4%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	83.8	85.1	17.2%	16.3%	-10.5%	1.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	81.0	82.5	16.2%	15.3%	-11.9%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	83.3	84.6	19.3%	18.5%	-15.4%	2.3	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	82.5	84.5	19.5%	18.1%	1.1%	2.4	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	82.5	83.8	16.2%	15.5%	5.9%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	80.7	82.2	13.3%	12.8%	-12.4%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	80.4	82.4	13.0%	12.5%	-13.1%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	78.3	79.8	12.4%	12.0%	-13.2%	5.2	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	76.3	77.8	12.1%	11.7%	-14.8%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	96.7%	77.6%	-39.5%	1.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	97.8	99.8	15.5%	10.8%	-4.6%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	85.3	86.4	12.0%	11.7%	-4.0%	4.1	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	86.0	90.0	#NUM!	41.6%	-10.2%		10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	60.0	62.0	30.8%	29.4%	-32.4%	2.3	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	15.0	25.0	103.4%	70.5%	-77.0%	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	58.0	61.0	27.8%	25.9%	-36.9%	2.5	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	55.8%	46.9%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	67.8	69.5	26.4%	25.1%	-27.7%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	90.5	92.0	19.8%	17.5%	-6.9%	1.2	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	69.0	72.0	22.8%	21.2%	-23.1%	2.5	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	53.7%	35.6%	-28.5%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	82.0	83.7	19.4%	18.7%	-25.4%	2.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.3%	28.2%	-39.8%	2.8	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	71.0	71.0	350.4%	350.4%	-27.9%	0.1	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	74.4%	62.6%	-41.0%	2.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	74.0	78.0	50.5%	42.8%	-16.5%	0.7	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	62.0	66.0	71.9%	58.6%	-15.8%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	75.3	78.0	21.8%	20.4%	-8.5%	2.5	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	85.0	55.9%	49.3%	-12.5%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	71.0	73.0	37.3%	34.5%	-15.6%	0.9	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	74.0	75.1	20.2%	19.6%	-16.4%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	35.0	40.0	70.6%	60.8%	-56.1%	2.1	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	75.0	77.1		57.6%	-18.3%		8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	72.2	74.0	20.8%	19.9%	-17.9%	2.6	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	77.0	78.0			-16.6%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	74.0	79.1	30.5%	25.7%	-17.7%	1.3	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

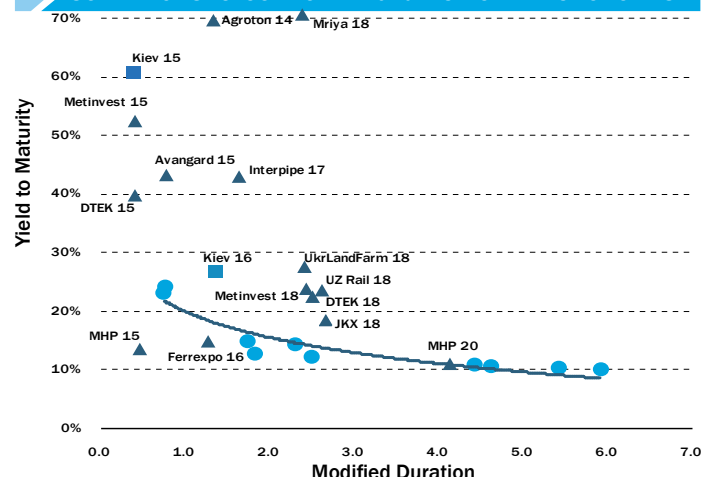
¹ Moody's/S&P/Fitch; * EUR

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			25%	20%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			25%	20%	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			25%	20%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			25%	20%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			25%	20%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			25%	20%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			25%	20%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			25%	20%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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