

Market Update

Equity

Kyiv-listed stocks were mixed on Thursday (Nov 21), remaining in a tight trading range amid a lack of any significant fresh drivers for the market. The UX index edged down by 0.7% to close at 986 points. Lower-liquidity blue chips DonbasEnerg (DOEN) and Avdyivka Coke (AVDK) rose by 5.3% and 2.4% respectively, while top liquid name Motor Sich (MSICH) declined by 1.2% to UAH 2009 per share despite unconfirmed claims that the company's engines are still being exported to Russia for installation on civil helicopters and helicopters exported by Russia to other countries. Krukiv Wagon (KVBZ) fell by almost 5% to UAH 11.52 as industrial data for October showed no improvement in railcar output in Ukraine. In London trading, the top Ukrainian names sold off rather harshly, with MHP (MHPC) declining by 0.5% and Ferrexpo (FXPO) down 6.3% to near GBp 71.5 as the global iron ore bear market continues. Warsaw-listed Kernel (KER) and Agroton (AGT) edged higher by 1.6% and 0.7% respectively.

Fixed Income

Ukrainian sovereigns showed some improvement on Thursday as a pro-European coalition in the new Parliament following last month's election finally appears to be coming together. Ukraine-23s rose by 1.2p.p. to 76.4/77.9 (12.0%/11.7%). Meanwhile, corporate names were mostly lower. Avangard-15s declined by 1.5p.p. to 80.0/82.0 (37.3%/34.1%) and Ferrexpo-16s got hammered by 4.3p.p. to 86.0/88.0 (20.0%/18.1%), as the slump in iron ore prices has appeared to deepen in recent days.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	225.80	-2.3%	4.4	64
Motor Sich	MSICH	2009.00	-1.3%	1.5	158
Centreneergo	CEEN	7.52	0.1%	1.1	229

Growth Leaders

Donbasenergo	DOEN	31.90	5.3%	0.17	107
Avdyivka Coke	AVDK	2.05	2.4%	0.22	19
Alchevsk Steel	ALMK	0.02	2.1%	0.04	68

Loss Leaders

Kryukiv Wagon	KVBZ	11.52	-4.9%	0.196	76
Yenakievo Steel	ENMZ	18.40	-2.9%	0.112	62
Ukrnafta	UNAF	225.80	-2.3%	4.446	64

Highlights

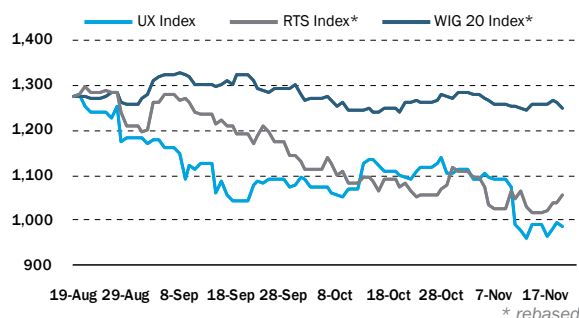
STOCKS IN THE NEWS

- > Avangard to Shutter Two Donbass Poultry Plants
- > IMC Pulls In USD 10mn Loan Backed by IBRD

FIXED INCOME

- > Nadra Bank Increasing Charter Capital by UAH 5.5bn

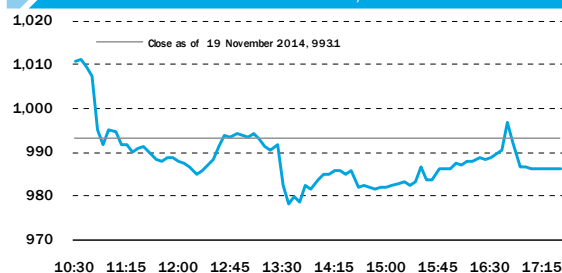
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	986.4	-0.7%	-10.4%	8.4%
RTS	1040.4	1.9%	-1.5%	-27.9%
WIG20	2396.5	-1.0%	0.4%	-0.2%
MSCI EM	990.1	0.0%	0.9%	-1.2%
S&P 500	2052.8	0.2%	7.8%	11.5%

UX INTRADAY NOVEMBER 20, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	353.8	0.3%	-1.1%	7.0%
CDS 5Y UKR	1508.3	-2.5%	11.1%	83.9%
Ukraine-17	14.8%	-0.9 p.p.	1.4 p.p.	5.8 p.p.
Ferrexpo-16	19.1%	4.0 p.p.	6.1 p.p.	10.2 p.p.
Ukraine-23	11.9%	-0.3 p.p.	1.0 p.p.	4.4 p.p.
Privatbank-16	59.0%	0.4 p.p.	15.9 p.p.	38.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.20	0.0%	16.9%	84.5%
EUR	19.06	-0.1%	14.5%	67.6%
RUB	0.33	1.5%	3.9%	31.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	228.2	0.0%	6.2%	-20.6%
Steel, USD/t	482.5	0.0%	-8.5%	-10.2%
Oil, USD/bbl	79.3	1.6%	-7.6%	-26.1%
Gold, USD/oz	1193.9	0.9%	-4.3%	-0.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Avangard to Shutter Two Donbass Poultry Plants

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

▶ AVANGARD (AVGR LI)

Price: USD 5.01 Market Cap: USD 320mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	1.3	1.4	9%
2014E	na	na	na	na

IMC Pulls In USD 10mn Loan Backed by IBRD

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

Avangard, Ukraine's largest egg producer, has decided to close two out of its four poultry plants located in the Donbass region of Eastern Ukraine due to frequent terrorist attacks and the general environment of war in the area, Interfax reported on Thursday (Nov 20). According to Avangard, the two complexes are among the largest assets in the group's structure, and account for some 10% of the company's total laying hen flock.

COMMENTARY

While the news is definitely negative for the AVGR stock, we believe that it has already been largely priced in by the market. The company's operational results for 9M14, known since late October, showed that Avangard's laying hen head count had declined by 31% YtD. The main reason for this decline was a 95% plunge in the flocks at the Donbass-based poultry complexes of the company; the laying hen head count at the above-mentioned two assets had fallen to only 185,000, from 3.6mn at the end of 2013. We thus expect the company to finish 9M14 in the red on the bottom line level [after net profit of USD 52mn for 1H14] due to the write-off of the assets of the two shuttered plants, as well as additional losses from a significant reduction of operations at the other two assets in the Donbass. We are putting our recommendation and target price for Avangard's stock under review.

NEWS

Central Ukraine-based, Warsaw-listed crop grower IMC reported this morning (Nov 21) that it has received a USD 10mn loan from Alfa Bank (Ukraine) which is backed by the International Bank for Reconstruction and Development (IBRD) as part of a program to finance the Ukrainian agricultural sector. The conditions of the loan were not disclosed.

Alfa Bank has received USD 21mn from IBRD to provide financing to representatives of domestic agro sector.

COMMENTARY

The news is positive for IMC, as the new loan will allow the company to refinance part of its short term debt at a presumably lower interest rate. As of Sept 30, IMC's short term debt stood at USD 85mn out of its total debt of USD 137mn. The company's amount of cash on hand was negligible at USD 750,000.

Nadra Bank Increasing Charter Capital by UAH 5.5bn

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

NEWS

Nadra Bank, an affiliate of the business group of Ukrainian industrialist Dmitry Firtash, announced a charter capital increase by UAH 5.5bn to UAH 9.4bn (USD 620mn), according to the bank's press statement released on Thursday (Nov 20). The charter capital increase was approved by Nadra Bank shareholders at a general meeting held on Nov 19. The bank did not specify terms of the additional share issue.

COMMENTARY

The main question for us here is how much cash is Mr. Firtash going to demand from the Ukrainian government for the capital increase to rescue his bank; two weeks ago, tycoon Oleg Bakhmatiuk announced that he wants several billion hryvnias in state funding to save his troubled VAB Bank. The need to strengthen Nadra's capital was known by market players as Nadra's 3Q14 financial report showed current liquidity of just 20.9%, which is well below the NBU-mandated minimum of 40%. It was also quite obvious that Nadra needs additional capital to deal with its rising bad loan portfolio as a result of the sharp hryvnia devaluation. The bank's loan portfolio denominated in foreign currency accounted for 60% of its total loan portfolio of UAH 31bn as of 30 Sept 2014. Although the announcement of Nadra's capital increase is a positive sign for the bank's solvency, we have some uncertainty of how Mr. Firtash, whose fertilizer plants Stirol and

Severodonetsk Azot have not operated for several months due to the Donbass war, will find sources for the bank's capital increase. Mr. Firtash himself was arrested on an FBI warrant in Vienna in March and is currently under house arrest in the Austrian capital.

Nadra Bank reported an essentially flat bottom line (net profit of UAH 3mn) in 9M14. On the balance sheet side (all growth figures in UAH terms without adjusting for devaluation), the bank's loan portfolio grew by 24% YtD to UAH 31bn, while its deposit portfolio decreased by 7.8% YtD to UAH 12bn as of 30 Sept 2014. Total assets rose by 15.3% YtD to UAH 36bn (USD 2.8bn). Nadra's capital adequacy ratio was reported at 12.4% as of 30 Sept 2014.

Nadra Bank-2018 outstanding USD 60mn Eurobonds have indicative quotes of 45.0/50.0 (75.0%/62.9%) and are viewed as a very high risk fixed-income instrument.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.71	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	71.5	108.0	51%	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	2.05	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	0.33	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	0.32	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	11.5	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	2009	5250	161%	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	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	29.9	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						
DonbasEnerg	DOEN	31.9	72.0	126%	BUY	DonbasEnerg is expected to continue practice of 30% dividend payout in a medium term.
CenterEnerg	CEEN	7.52	15.00	100%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	11.1	17.96	63%	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	19.0	90.0	374%	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	5.0	U/R	–	U/R	The company's FY14 results will be hit by the hryvnia devaluation.
Ovostar Union	OVO	71.0	80.8	14%	HOLD	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.
Banks						
Raiffeisen Bank Aval	BAVL	0.104	0.24	131%	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*	1d	Absolute performance				Performance relative to the UX index			
						1w	1m	ytd		1d	1w	1m	ytd
UX Index	UX	986.42	1368.76	821.17	-0.7%	2.7%	-10.4%	8.4%		0.0%	0.0%	0.0%	0.0%
Steel													
Alchevsk Steel	ALMK	0.019	0.05	0.01	0.0%	7.8%	-23.0%	-50.0%		0.7%	5.1%	-12.6%	-58.4%
Azovstal	AZST	0.71	0.95	0.35	-1.0%	5.4%	4.9%	5.5%		-0.3%	2.7%	15.3%	-2.9%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%		0.7%	-2.7%	10.4%	-94.9%
Enakievo Steel	ENMZ	18.4	65.0	16.0	-1.6%	-2.5%	-35.7%	-42.5%		-0.9%	-5.2%	-25.3%	-50.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%		0.7%	-2.7%	10.4%	239.4%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	0.0%	-9.1%	100.0%		0.7%	-2.7%	1.4%	91.6%
Coke													
Avdyivka Coke	AVDK	2.05	3.70	1.46	0.5%	5.5%	-19.0%	-30.8%		1.2%	2.8%	-8.6%	-39.2%
Yasynivsky Coking	YASK	0.33	0.84	0.30	0.0%	-5.7%	-23.3%	-37.7%		0.7%	-8.4%	-12.8%	-46.1%
Iron Ore Mining													
Centralny GOK	CGOK	7.30	n/a	n/a	0.0%	0.0%	-5.2%	12.3%		0.7%	-2.7%	5.2%	3.9%
Ferrexpo	FXPO	71.45	191.0	71.5	-6.3%	-8.3%	-21.9%	-62.6%		-5.6%	-10.9%	-11.4%	-71.0%
Pivnichny GOK	SGOK	8.14	9.80	4.50	0.0%	0.0%	-1.2%	1.8%		0.7%	-2.7%	9.2%	-6.6%
Coal Mining													
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	3.2%	-13.5%	-20.0%		0.7%	0.6%	-3.1%	-28.4%
Komsomolets Donbasa	SHKD	0.23	n/a	n/a	0.0%	-4.2%	-72.3%	-62.9%		0.7%	-6.8%	-61.8%	-71.3%
Energy Coal	CLE	0.69	2.22	0.55	0.0%	-11.5%	-9.2%	-34.3%		0.7%	-14.2%	1.2%	-42.7%
Mining Machinery													
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%		0.7%	-2.7%	10.4%	-43.2%
Pipe Manufacturing													
Khartsyzk Pipe	HRTR	0.44	1.01	0.37	0.0%	0.0%	-12.0%	-26.7%		0.7%	-2.7%	-1.6%	-35.1%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	34.5%	8.3%	85.7%		0.7%	31.8%	18.8%	77.3%
Railcar Manufacturing													
Kryukiv Wagon	KVBZ	11.5	25.0	10.0	-4.9%	-4.4%	-17.7%	-33.4%		-4.2%	-7.1%	-7.3%	-41.8%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	0.0%	0.0%	-13.6%	-28.0%		0.7%	-2.7%	-3.2%	-36.4%
Stakhanov Wagon	SVGZ	0.36	n/a	n/a	-21.7%	-36.8%	-72.1%	-72.3%		-21.1%	-39.5%	-61.6%	-80.7%
Specialized Machinery													
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	9.7%	-20.5%	32.1%		0.7%	7.0%	-10.0%	23.7%
Motor Sich	MSICH	2,009	2,879	1,507	-1.4%	-2.4%	-13.7%	10.1%		-0.7%	-5.1%	-3.3%	1.7%
Sumy Frunze Engineering	SMASH	5.00	n/a	n/a	0.0%	-9.1%	0.0%	100.0%		0.7%	-11.8%	10.4%	91.6%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	33.3%	71.4%		0.7%	-2.7%	43.8%	63.0%
WESTA ISIC	WES	0.28	0.80	0.21	7.7%	7.7%	-3.4%	-30.0%		8.4%	5.0%	7.0%	-38.4%
Telecom													
Ukrtelecom	UTLM	0.13	0.20	0.09	-23.4%	3.4%	-30.5%	18.2%		-22.7%	0.8%	-20.0%	9.8%
Oil & Gas													
Regal Petroleum	RPT	5.88	15.63	4.88	2.2%	-6.0%	-13.0%	-53.9%		2.8%	-8.7%	-2.5%	-62.3%
JKX Oil	JKX	29.88	74.75	29.00	3.0%	-21.4%	-18.7%	-58.4%		3.7%	-24.1%	-8.3%	-66.8%
Ukrnafta	UNAF	226	375	54	-2.6%	5.2%	-32.0%	107.9%		-2.0%	2.5%	-21.6%	99.5%
Power Utilities													
Centrenerg	CEEN	7.52	8.70	3.00	0.0%	7.2%	0.1%	57.7%		0.7%	4.6%	10.6%	49.3%
Donbasenerg	DOEN	31.9	50.2	11.0	5.0%	9.1%	3.4%	15.6%		5.7%	6.4%	13.8%	7.2%
Zakhidenerg	ZAEN	148.0	199.8	80.0	0.0%	3.6%	-8.6%	63.7%		0.7%	0.9%	1.8%	55.3%
Consumer													
Agroton	AGT	1.44	5.5	1.43	0.7%	-4.6%	-25.0%	-26.2%		1.4%	-7.3%	-14.6%	-34.5%
Astarta	AST	19.00	68.0	19.0	-0.1%	-4.9%	-42.5%	-71.6%		0.6%	-7.5%	-32.1%	-80.0%
Avangardo	AVGR	5.01	12.4	4.85	2.2%	-14.9%	-22.9%	-57.4%		2.9%	-17.6%	-12.5%	-65.8%
Industrial Milk Company	IMC	6.75	14.10	6.50	-0.7%	0.0%	-1.5%	-44.4%		-0.1%	-2.7%	9.0%	-52.8%
Kernel	KER	24.74	45.1	22.0	1.6%	4.4%	11.7%	-35.0%		2.2%	1.7%	22.1%	-43.4%
Mriya Agro Holding	MAYA	1.14	6.0	0.58	0.0%	-20.0%	98.8%	-78.8%		0.7%	-22.7%	109.2%	-87.2%
MHPC	MHPC	11.05	18.5	10.00	-0.5%	3.3%	-2.0%	-35.0%		0.2%	0.6%	8.5%	-43.4%
Milkiland	MLK	1.90	13.0	1.90	-9.5%	-24.0%	-45.2%	-84.8%		-8.8%	-26.7%	-34.8%	-93.2%
Ovostar Union	OVO	71.0	100.0	59.4	0.7%	-2.1%	6.0%	-29.0%		1.4%	-4.7%	16.4%	-37.4%
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	8.2	n/a	n/a	0.0%	-8.3%	-12.8%	-34.4%		0.7%	-10.9%	-2.3%	-42.8%
Banks													
Raiffeisen Bank Aval	BAVL	0.104	0.190	0.091	-1.5%	-0.4%	-16.0%	-8.4%		-0.8%	-3.1%	-5.6%	-16.8%
UkrSotsbank	USCB	0.150	0.205	0.090	0.0%	0.0%	11.1%	-20.0%		0.7%	-2.7%	21.6%	-28.4%

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																
Luhanskteplovoy	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																
Centrenerg	CEEN	1,119	915	714	69	94	44	6.2%	10.3%	6.1%	29	60	21	2.6%	6.5%	2.9%
Donbasenerg	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	1,524	468	391	537	33.2%	26.1%	35.2%	311	162	-337	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	0	280	301	0	44.5%	45.6%	#DIV/0!	228	238	0	36.3%	36.0%	#DIV/0!
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%
Ukrsotsbank	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 2012	P/E 2013	P/E 2014E	EV/EBITDA 2012	EV/EBITDA 2013	EV/EBITDA 2014E	EV/Sales 2012	EV/Sales 2013	EV/Sales 2014E	EV/Output 2012	EV/Output 2013	EV/Output 2013E	Units
Steel																		
Alchevsk Steel	ALMK	33	3.9%	1	1,382	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	357	333	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	196	3.0%	6	185	neg	neg	5.9	neg	neg	7.4	0.1	0.1	0.1	40	41	40	\$/tonne
Coke																		
Avdyivka Coke	AVDK	26	6.8%	2	-22	neg	neg	neg	neg	-0.5	neg	0.0	0.0	0.0	-5	-6	-6	\$/tonne
Yasynivsky Coke	YASK	6	9.0%	1	7	0.7	neg	1.3	0.2	0.2	0.4	0.0	0.0	0.0	0.2	0.2	0.4	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	563	0.3%	1	561	5.9	2.9	3.5	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,234	0.4%	5	1,227	2.8	2.3	2.7	1.6	1.3	1.5	0.9	0.8	0.8				
Ferrexpo	FXPO	653	24.0%	157	1,347	3.0	2.5	2.4	3.4	2.7	2.7	0.9	0.9	0.9				
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	31	25.0%	8	141	0.8	neg	neg	2.3	6.7	15.7	0.9	1.1	1.4	2.3	6.7	15.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	75	2.0%	2	121	2.2	16.0	18.3	2.3	3.9	4.7	0.3	0.4	0.4	192	318	302	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	16	24.0%	4	53	3.2	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiiv Wagon	KVBZ	87	5.0%	4	76	0.9	2.1	neg	0.6	1.5	5.7	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	5	8.0%	0	38	9.1	10.1	11.6	5.3	6.5	7.0	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	97	5.8%	6	37	2.6	1.4	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	275	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	160	7.2%	12	464	3.5	9.4	6.1	2.3	2.4	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	806	3.0%	24	801	4.6	>30	5.0	1.8	2.8	2.5	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	29	21.6%	6	4	2.5	neg	14.7	0.2	neg	0.2	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	80	50.4%	40	188	neg	12.3	10.3	1.4	2.8	2.8	0.9	1.0	0.9	34	26	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	183	21.7%	40	169	6.3	3.1	8.8	2.5	1.8	3.9	0.2	0.2	0.2	10	12	11	\$/MWh
DonbasEnerg	DOEN	50	14.2%	7	94	13.0	0.8	1.2	2.9	1.3	2.1	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	1,168	34.1%	398	2,248	3.8	7.2	neg	4.8	5.7	4.2	1.6	1.5	1.5				
Kernel	KER	586	61.8%	362	1,270	2.8	5.6	neg	3.9	4.4	5.7	0.6	0.5	0.5				
Astarta	AST	141	37.0%	52	537	2.4	4.1	neg	4.9	5.9	3.9	1.2	1.1	1.0				
Avangardco	AVGR	320	22.5%	72	426	1.4	1.3	n/a	1.5	1.4	n/a	0.7	0.6	n/a	96	73	69	\$/mneggs
Agroton	AGT	9	26.2%	2	58	1.4	neg	neg	2.9	7.8	16.8	0.7	0.7	0.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	205	3.5%	7		>30	2.3	neg	0.3	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	182	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

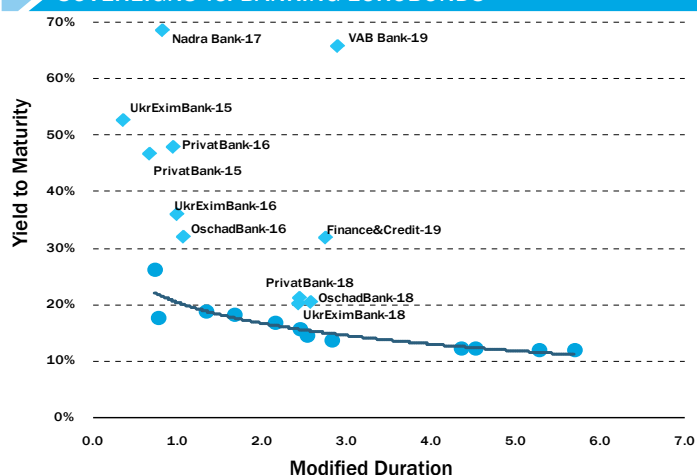
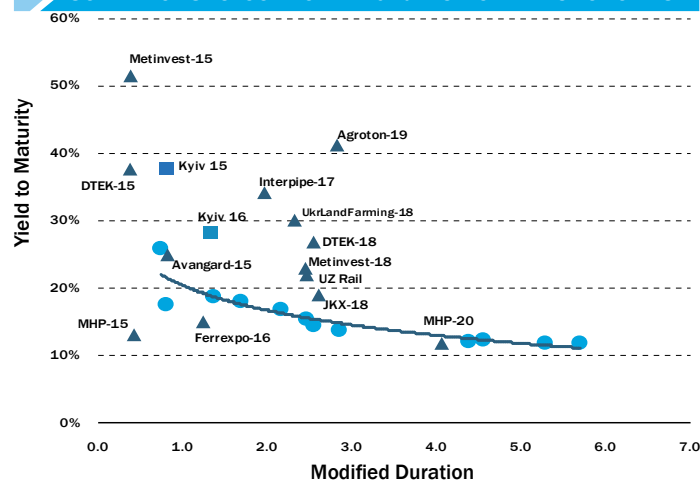
Source: Eavex Research

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)	83.5	86.5	28.1%	23.2%	-11.5%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	86.3	87.5	26.4%	24.5%	-11.1%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	80.7	82.3	18.6%	17.5%	-13.4%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	82.2	84.0	20.0%	18.5%	-11.7%	1.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	80.5	82.0	15.1%	14.4%	-12.4%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	82.7	83.9	17.6%	17.0%	-16.0%	2.1	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	82.5	84.5	16.1%	15.1%	1.1%	2.4	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	82.5	83.8	14.0%	13.5%	5.9%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	79.7	81.2	12.8%	12.4%	-13.5%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	81.0	83.0	12.4%	11.9%	-12.5%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	78.1	79.6	12.2%	11.8%	-13.4%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	76.4	77.9	12.0%	11.7%	-15.0%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	43.2%	39.6%	-39.5%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	98.0	20.3%	15.1%	-6.5%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	83.4	85.0	12.6%	12.1%	-6.7%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	80.0	82.0	37.3%	34.1%	-17.3%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	58.9	62.0	31.7%	29.5%	-30.7%	2.3	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	239.8%	199.3%	-84.1%	0.7	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	12.1	12.1	101.1%	101.1%	-85.8%	1.7	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	57.0	60.0	28.6%	26.6%	-37.9%	2.5	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	57.6%	48.3%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	66.0	68.1	24.6%	23.3%	-24.7%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	86.0	88.0	20.0%	18.1%	-11.2%	1.2	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	66.9	66.9	24.0%	24.0%	-25.7%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.5%	30.1%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	77.8	80.4	21.5%	20.2%	-29.4%	2.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.4%	28.3%	-39.4%	2.7	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	75.0%	62.9%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	72.0	74.0	55.7%	51.5%	-19.8%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	57.0	59.0	60.9%	57.2%	-23.7%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	66.4	68.4	27.0%	25.7%	-19.4%	2.3	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	85.5	87.0	49.3%	44.5%	-10.6%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	72.0	39.2%	36.4%	-15.0%	1.0	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	73.5	75.0	20.5%	19.7%	-16.6%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	20.0	30.0	126.2%	84.3%	-70.8%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	75.3	76.5	33.2%	31.7%	-18.5%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	73.5	75.2	20.2%	19.3%	-16.2%	2.6	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.6	77.6	43.3%	38.3%	-17.8%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	73.5	77.5	31.3%	27.4%	-18.8%	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

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