

Market Update

Equity

Local Ukrainian stocks ended on a negative note on Friday (Nov 21) after the Finance Ministry announced unpleasant economic forecasts for 2015. In particular, the government projected a 4.5% GDP contraction in the country next year and also foresees consumer inflation (rather optimistically) at 13.4%. The UX index declined by 0.4% to close at 982 points. Heavyweights Motor Sich (MSICH) and CentrEnerg (CEEN) inched down by 0.2%, while less liquid Raiffeisen Aval (BAVL) and Avdyivka Coke (AVDK) each dropped by 1.2%. Among London-listed Ukrainian names, MHP (MHPC) slipped 0.4% to close at USD 11 on the nose, while Ferrexpo (FXPO) added 2.5% to GBP 73.25. In Warsaw trading, Kernel (KER) lost 1.1% and Astarta (AST) fell by 3.7% to PLN 18.30.

Fixed Income

Ukrainian sovereigns rebounded on Friday amid the week's relative reduction in tensions in the Donbass, with Ukraine-23s adding 1.7p.p. to 77.8/79.8 (11.7%/11.3%). Meanwhile, corporate names were mostly lower. Avangard-15s declined by 1.5p.p. to 77.0/82.0 (42.4%/34.2%) and Ferrexpo-16s fell 1.0p.p. to 85.1/87.0 (21.0%/19.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	223.10	-1.2%	2.1	46
Motor Sich	MSICH	2001.00	-0.2%	1.9	67
Azovstal	AZST	0.71	-0.3%	0.4	65

Growth Leaders

Dniproenergo	DNEN	630.00	5.0%	0.25	7
KRAZ	KRAZ	0.12	2.2%	0.01	7
Kryukiv Wagon	KVBZ	11.70	0.9%	0.03	19

Loss Leaders

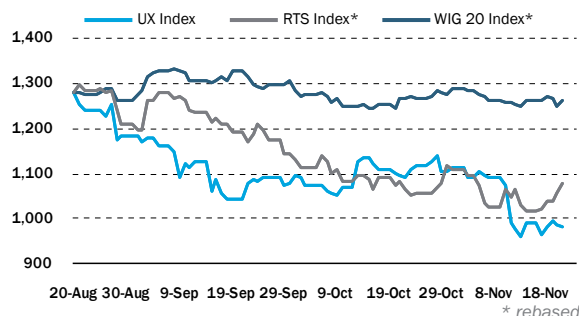
Yasynivsky Coke	YASK	0.30	-9.1%	0.007	8
Raiffeisen Bank Aval	BAVL	0.10	-1.3%	0.171	58
Ukrnafta	UNAF	223.10	-1.2%	2.070	46

Highlights

FIXED INCOME

- VAB Bank Officially Placed in Default by NBU
- Agroton Wants to Postpone Coupon Payments to Jan 2016
- PUMB Adds Amortization to Bond Restructuring Offer

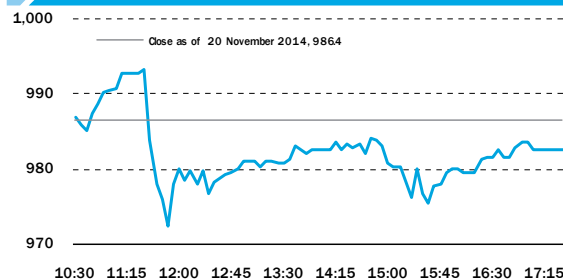
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	982.5	-0.4%	-10.3%	8.0%
RTS	1058.8	1.8%	-0.5%	-26.6%
WIG20	2418.3	0.9%	-0.2%	0.7%
MSCI EM	1004.4	1.4%	2.3%	0.2%
S&P 500	2063.5	0.5%	6.3%	12.1%

UX INTRADAY NOVEMBER 20, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	349.3	-1.3%	-2.2%	5.6%
CDS 5Y UKR	1475.1	-2.2%	8.7%	79.8%
Ukraine-17	13.8%	-1.0 p.p.	0.6 p.p.	4.7 p.p.
Ferrexpo-16	20.0%	0.9 p.p.	7.2 p.p.	11.2 p.p.
Ukraine-23	11.5%	-0.4 p.p.	0.7 p.p.	4.0 p.p.
Privatbank-16	59.2%	0.1 p.p.	15.9 p.p.	38.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.20	0.0%	16.9%	84.5%
EUR	18.83	-1.2%	13.9%	65.6%
RUB	0.33	1.0%	4.8%	32.5%

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	80.4	1.3%	-7.2%	-25.1%
Gold, USD/oz	1201.6	0.6%	-3.8%	0.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

VAB Bank Officially Placed in Default by NBU

by Dmitry Churin
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NEWS

VAB Bank, which is affiliated with the business group of UkrLandFarming beneficiary Oleg Bakhmatiuk, was assigned “default status” by the National Bank (NBU) on Friday (Nov 21). VAB is now under the administration of managers appointed by the State Deposit Guarantee Fund (DGF). According to the law, the DGF guarantees up to UAH 200,000 (USD 13,200) in retail deposits per client. The DGF determined that VAB Bank has 347,300 retail clients holding a total of UAH 6.9bn of deposits in VAB which will be repaid by the fund. The total retail deposits in VAB amounted to UAH 9.7bn as of 1 Nov 2014. The DGF also announced a tender for potential investors who might rescue VAB from bankruptcy.

COMMENTARY

At this point, we are unable to estimate the precise losses to the Ukrainian government from having to repay VAB’s depositors, as it is unclear what proportion of the bank’s assets can be rounded up. The NBU placed VAB under administration after the bank failed to approve a UAH 7.0bn (USD 460mn) charter capital increase. As we reported on Oct 29, Mr. Bakhmatiuk was ready to provide only UAH 3bn from his own sources, and was calling for the remaining UAH 4bn to come in the form of a government bailout. We think it is unlikely that VAB will be bought by another market player in the current economic environment, meaning that bankruptcy is likely.

VAB-2019 outstanding Eurobonds are now at a high risk of not being redeemed. On Friday, the bonds plunged to 6.5 cents per dollar of principal amount in a reported trade. A day earlier, the issue had had indicative quotes of 35.0/40.0 (70%/60%).

Agroton Wants to Postpone Coupon Payments to Jan 2016

by Ivan Dzvinka
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NEWS

Warsaw-listed, Lugansk-based crop grower Agroton is seeking the consent of bondholders to postpone by an additional year the payment of 3 semi-annual coupon payments that had previously been delayed to January 2015, the company reported on its Warsaw Stock Exchange page on Friday (Nov 21). In addition, payment of the two semi-annual coupons which are due in 2015 are now also set to be delayed until January 2016. Voting on the proposal will be considered at an Agroton bondholder meeting on Dec 15.

COMMENTARY

This would be another value-destructive move for minority bondholders of Agroton following two restructurings passed over the last 16 months. We presumed in April of this year that the company, either directly or through related parties, has already bought back a majority of its USD 50mn bonds, allowing it to pass restructuring changes at will. We reiterate this view and see a high probability that the delay of the coupon payment will be approved at Dec 15 bondholder meeting. Needless to say, the latest “mandatory restructuring” by Agroton will not do the already-sluggish Ukrainian investment climate any favors.

PUMB Adds Amortization to Bond Restructuring Offer

by Dmitry Churin
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NEWS

First Ukrainian International Bank (PUMB), which is affiliated with the SCM group of industrialist Rinat Akhmetov, improved its initial bond restructuring offer first released on Nov 10 by adding an amortization scheme, Interfax reported on Thursday (Nov 20). The bank extended the deadline for bondholder approval of the offer to Dec 1 and changed the wording of the offer from a 15% partial redemption to a proportional redemption of USD 45mn on Dec 31 (the original maturity date) out of the USD 252mn outstanding bonds. The amortization scheme in the offer foresees a USD 10mn redemption on 31 Dec 2015 and then 10 equal quarterly redemption payments of USD 19.7mn starting from 30 Sept 2016 through 31 Dec 2018.

COMMENTARY

We assume that PUMB was forced to improve the offer after realizing that only a few bondholders voted in favor of the initial offer by Nov 18, which was the deadline for bondholders who would be rewarded with a partial redemption equal to 15% of the aggregate principal amount of notes. We assume that PUMB needs the approval of 75% of the bondholders in order to go ahead with the restructuring. The improved offer looks similar to the strategy of PUMB's sister group Metinvest holding, which is also trying to restructure its Eurobonds maturing in May 2015 by sweetening the initial offer; the difference, however, is that PUMB's need to restructure is more urgent than Metinvest's.

PUMB-14s are currently quoted at 71 cents on the dollar, and based on this, we estimate the yield for the improved offer (i.e. redemption of USD 45mn of principal on Dec 31 and amortization) at 36.7% versus the 26.5% yield that we had estimated for the initial offer.

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	73.3	108.0	47%	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	1.98	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	0.30	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	11.7	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	2001	5250	162%	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	5.6	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	29.0	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						
DonbasEnerg	DOEN	31.9	72.0	126%	BUY	DonbasEnerg is expected to continue practice of 30% dividend payout in a medium term.
CenterEnerg	CEEN	7.45	15.00	101%	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	11.0	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	18.3	90.0	392%	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	72.0	80.8	12%	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	0.103	0.24	134%	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		1w	1m	ytd	
UX Index	UX	982.45	1368.76	821.17	-0.4%	-0.7%	-10.3%	8.0%		0.0%	0.0%	0.0%	0.0%
Steel													
Alchevsk Steel	ALMK	0.019	0.05	0.01	-2.1%	0.5%	-24.0%	-51.0%		-1.7%	1.2%	-13.7%	-59.0%
Azovstal	AZST	0.71	0.95	0.35	-0.3%	0.9%	1.0%	5.2%		0.1%	1.6%	11.3%	-2.7%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%		0.4%	0.7%	10.3%	-94.5%
Enakievo Steel	ENMZ	18.3	65.0	16.0	-0.4%	-5.8%	-36.6%	-42.8%		0.0%	-5.1%	-26.3%	-50.7%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%		0.4%	0.7%	10.3%	239.9%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	0.0%	0.0%	100.0%		0.4%	0.7%	10.3%	92.0%
Coke													
Avdyivka Coke	AVDK	1.98	3.70	1.46	-3.4%	2.4%	-18.3%	-33.2%		-3.0%	3.1%	-8.0%	-41.2%
Yasynivsky Coking	YASK	0.30	0.84	0.30	-9.1%	-16.7%	-33.3%	-43.4%		-8.7%	-16.0%	-23.0%	-51.4%
Iron Ore Mining													
Centralny GOK	CGOK	7.30	n/a	n/a	0.0%	0.0%	-5.2%	12.3%		0.4%	0.7%	5.1%	4.4%
Ferrexpo	FXPO	73.25	191.0	71.5	2.5%	-7.2%	-17.6%	-61.6%		2.9%	-6.4%	-7.3%	-69.6%
Pivnichny GOK	SGOK	8.14	9.80	4.50	0.0%	0.0%	6.8%	1.8%		0.4%	0.7%	17.1%	-6.2%
Coal Mining													
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	3.2%	-13.5%	-20.0%		0.4%	3.9%	-3.2%	-28.0%
Komsomolets Donbasa	SHKD	0.23	n/a	n/a	0.0%	-34.3%	-72.3%	-62.9%		0.4%	-33.6%	-62.0%	-70.9%
Energy Coal	CLE	0.69	2.22	0.55	0.0%	-11.5%	-9.2%	-34.3%		0.4%	-10.8%	1.1%	-42.2%
Mining Machinery													
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%		0.4%	0.7%	10.3%	-42.7%
Pipe Manufacturing													
Khartsyzk Pipe	HRTR	0.44	1.01	0.37	0.0%	0.0%	-8.3%	-26.7%		0.4%	0.7%	2.0%	-34.6%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	8.3%	85.7%		0.4%	0.7%	18.7%	77.8%
Railcar Manufacturing													
Kryukiv Wagon	KVBZ	11.7	25.0	10.0	1.6%	-4.0%	-16.2%	-32.4%		2.0%	-3.3%	-5.9%	-40.3%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	0.0%	0.0%	-13.6%	-28.0%		0.4%	0.7%	-3.3%	-36.0%
Stakhanov Wagon	SVGZ	0.37	n/a	n/a	2.8%	-35.1%	-68.9%	-71.5%		3.2%	-34.4%	-58.6%	-79.5%
Specialized Machinery													
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	16.7%	-20.5%	32.1%		0.4%	17.4%	-10.1%	24.1%
Motor Sich	MSICH	2,001	2,879	1,507	-0.4%	-4.5%	-16.4%	9.7%		0.0%	-3.8%	-6.1%	1.7%
Sumy Frunze Engineering	SMASH	5.00	n/a	n/a	0.0%	-9.1%	0.0%	100.0%		0.4%	-8.4%	10.3%	92.0%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	33.3%	71.4%		0.4%	0.7%	43.7%	63.5%
WESTA ISIC	WES	0.27	0.80	0.21	-3.6%	3.8%	-6.9%	-32.5%		-3.2%	4.6%	3.4%	-40.5%
Telecom													
Ukrtelecom	UTLM	0.14	0.20	0.09	3.9%	-3.5%	-27.8%	22.8%		4.3%	-2.8%	-17.4%	14.9%
Oil & Gas													
Regal Petroleum	RPT	5.63	15.63	4.88	-4.3%	-10.0%	-13.5%	-55.9%		-3.9%	-9.3%	-3.1%	-63.8%
JKX Oil	JKX	29.00	74.25	29.00	-2.9%	-22.7%	-22.7%	-59.6%		-2.5%	-22.0%	-12.3%	-67.5%
Ukrnafta	UNAF	223	375	54	-1.2%	-3.4%	-20.3%	105.4%		-0.8%	-2.7%	-10.0%	97.5%
Power Utilities													
Centrenerg	CEEN	7.45	8.70	3.00	-0.9%	2.9%	-1.1%	56.2%		-0.5%	3.6%	9.2%	48.2%
Donbasenerg	DOEN	31.9	50.2	11.0	-0.1%	7.1%	4.5%	15.5%		0.3%	7.8%	14.8%	7.6%
Zakhidenerg	ZAEN	148.0	199.8	80.0	0.0%	3.6%	-8.6%	63.7%		0.4%	4.3%	1.7%	55.8%
Consumer													
Agroton	AGT	1.41	5.5	1.41	-2.1%	-2.8%	-22.1%	-27.7%		-1.7%	-2.0%	-11.8%	-35.6%
Astarta	AST	18.30	68.0	18.3	-3.7%	-7.2%	-46.2%	-72.6%		-3.3%	-6.5%	-35.8%	-80.6%
Avangardo	AVGR	5.00	12.4	4.85	-0.2%	3.1%	-22.7%	-57.4%		0.2%	3.8%	-12.3%	-65.4%
Industrial Milk Company	IMC	6.80	14.05	6.50	0.7%	0.9%	-0.7%	-44.0%		1.1%	1.6%	9.6%	-52.0%
Kernel	KER	24.46	44.9	22.0	-1.1%	0.5%	6.8%	-35.7%		-0.7%	1.2%	17.1%	-43.7%
Mriya Agro Holding	MAYA	1.14	6.0	0.58	0.0%	-20.0%	98.8%	-78.8%		0.4%	-19.3%	109.1%	-86.8%
MHPC	MHPC	11.00	18.5	10.00	-0.5%	-0.9%	-4.3%	-35.3%		-0.1%	-0.2%	6.0%	-43.3%
Milkiland	MLK	2.02	13.0	1.90	6.3%	-18.5%	-42.3%	-83.8%		6.7%	-17.8%	-32.0%	-91.8%
Ovostar Union	OVO	72.0	100.0	59.4	1.4%	-0.7%	1.4%	-28.0%		1.8%	0.0%	11.7%	-36.0%
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%	-12.7%	-34.4%		0.4%	-7.6%	-2.4%	-42.4%
Banks													
Raiffeisen Bank Aval	BAVL	0.103	0.190	0.091	-1.3%	-5.8%	-16.6%	-9.6%		-0.9%	-5.1%	-6.3%	-17.6%
UkrSotsbank	USCB	0.150	0.205	0.090	0.0%	0.0%	7.1%	-20.0%		0.4%	0.7%	17.5%	-28.0%

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%
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	1,524	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	32	3.9%	1	1,381	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	195	3.0%	6	184	neg	neg	5.8	neg	neg	7.4	0.1	0.1	0.1	40	41	40	\$/tonne
Coke																		
Avdyivka Coke	AVDK	25	6.8%	2	-23	neg	neg	neg	neg	-0.5	neg	0.0	0.0	0.0	-5	-6	-6	\$/tonne
Yasynivsky Coke	YASK	5	9.0%	0	6	0.6	neg	1.1	0.2	0.2	0.3	0.0	0.0	0.0	0.2	0.2	0.3	\$/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	670	24.0%	161	1,364	3.1	2.5	2.4	3.4	2.7	2.8	1.0	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	88	5.0%	4	78	0.9	2.1	neg	0.6	1.5	5.8	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	6	8.0%	0	38	9.4	10.4	11.9	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	274	24.0%	66	266	1.4	1.6	1.5	0.9	1.0	1.0	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	166	7.2%	12	470	3.7	9.8	6.3	2.3	2.5	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	796	3.0%	24	791	4.5	>30	5.0	1.7	2.8	2.4	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	28	21.6%	6	3	2.4	neg	14.1	0.1	neg	0.1	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	78	50.4%	39	186	neg	12.0	10.0	1.4	2.8	2.7	0.9	1.0	0.9	34	25	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	181	21.7%	39	168	6.3	3.0	8.7	2.4	1.8	3.8	0.1	0.2	0.2	9	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	1,162	34.1%	396	2,242	3.7	7.2	neg	4.8	5.7	4.2	1.6	1.5	1.5				
Kernel	KER	579	61.8%	358	1,263	2.7	5.5	neg	3.9	4.3	5.7	0.6	0.5	0.5				
Astarta	AST	136	37.0%	50	532	2.3	4.0	neg	4.8	5.8	3.9	1.2	1.1	1.0				
Avangardco	AVGR	319	22.5%	72	425	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	1.3	neg	neg	2.8	7.7	16.7	0.7	0.7	0.6	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	203	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				

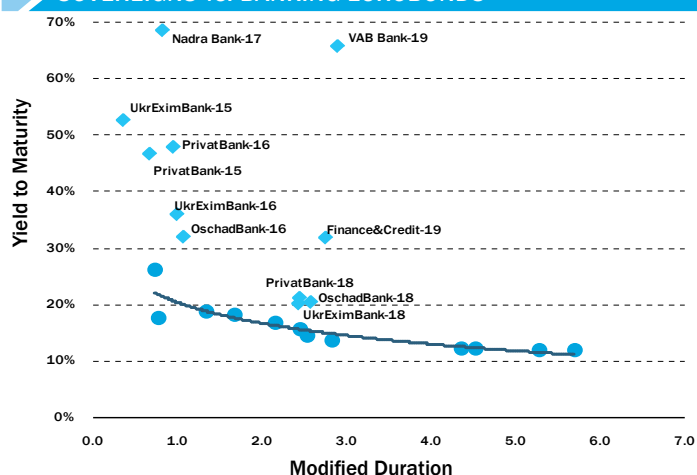
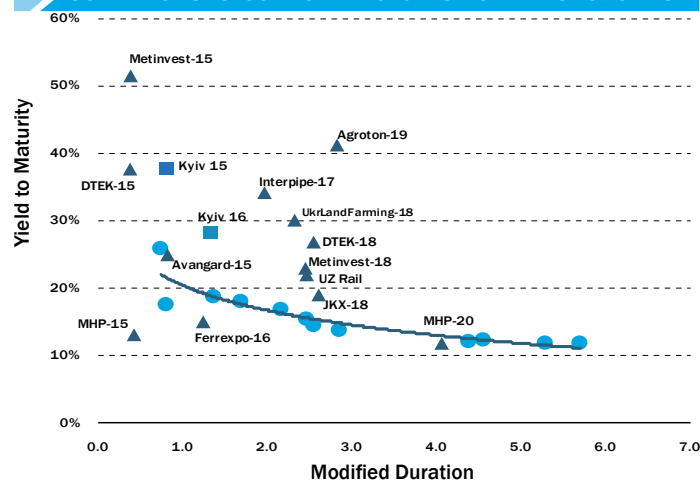
Source: Eavex Research

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)	86.1	88.1	24.0%	20.9%	-9.3%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	87.2	88.6	25.0%	22.8%	-10.1%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	82.0	83.3	17.7%	16.8%	-12.2%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	83.4	85.0	19.0%	17.6%	-10.5%	1.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	82.6	84.1	14.1%	13.4%	-10.1%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	84.0	85.3	16.9%	16.3%	-14.7%	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	81.6	83.6	12.2%	11.7%	-11.2%	4.4	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	82.3	84.3	12.1%	11.5%	-11.1%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	80.0	82.0	11.7%	11.3%	-11.1%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	77.8	79.8	11.7%	11.3%	-13.1%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	43.3%	39.7%	-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	83.8	84.9	12.5%	12.2%	-6.5%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	77.0	82.0	42.4%	34.2%	-18.8%	0.8	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	59.5	59.5	31.1%	31.1%	-31.7%	2.3	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	240.5%	199.9%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	15.9	15.9	86.8%	86.8%	-81.5%	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	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	57.8%	48.5%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	66.0	68.0	24.6%	23.5%	-24.8%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	85.1	87.0	21.0%	19.1%	-12.2%	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	73.1	75.3	23.9%	22.8%	-33.8%	2.5	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	75.1%	63.0%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	72.0	74.0	55.9%	51.6%	-19.8%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	57.0	59.0	61.1%	57.3%	-23.7%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	66.3	68.4	27.1%	25.8%	-19.4%	2.3	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	87.0	89.0	44.7%	38.4%	-8.8%	0.4	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	72.0	75.0	36.5%	32.4%	-12.0%	1.0	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	74.0	75.0	20.3%	19.7%	-16.3%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	638.0%	271.1%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	76.0	78.0	32.3%	30.0%	-17.3%	1.1	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	73.1	75.1	20.4%	19.3%	-16.4%	2.6	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.7	77.6	43.3%	38.4%	-17.8%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	73.5	77.4	31.3%	27.5%	-18.9%	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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