

Market Update

Equity

The main Ukrainian equity benchmark was essentially unchanged on Tuesday (Nov 25), with the UX index ending at 988 points. Among the most actively traded stocks, CentrErgo (CEEN) rose by 1.6% after the State Property Fund announced the sale of a 10% stake in the company through an unspecified stock exchange. DonbasErgo (DOEN) declined by 0.9% and UkrNafta (UNAF) edged down 0.7% to close at UAH 225. In second-tier names, UkrSotsBank (USCB) lost 10% to 13.5 kopecks on rumors that the bank needs a huge capital injection. London-listed Ferrexpo (FXPO) added 0.9% while MHP (MHPC) was dragged down by the negative news flow regarding the holdings of agro-industrialist Oleg Bakhmatiuk, falling 4.9% to USD 10.70. In Warsaw trading, Astarta (AST) and Agroton (AGT) tumbled by 8.0% and 3.3%, with the former ending at PLN 15.60.

Fixed Income

Eurobond issues related to the holdings of agro-industrialist Oleg Bakhmatiuk were hammered on Tuesday following the apparent bond default by Bakhmatiuk's VAB Bank. UkrLandFarming-18s plunged 6.5p.p. to 53.0/53.0 (36.2%/36.2%) and Avangard-15s were down 3.0p.p. to 76.0/76.0 (44.4%/44.4%). Sovereign issues were mostly higher following Monday's declines, with Ukraine-23s increasing by 0.7p.p. to close at 76.1/77.6 (12.1%/11.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	225.40	-0.7%	1.5	45
Centrenerg	CEEN	7.55	1.6%	1.0	170
Motor Sich	MSICH	2045.00	0.6%	0.9	109

Growth Leaders

KRAZ	KRAZ	0.12	3.4%	0.01	7
Centrenerg	CEEN	7.55	1.6%	1.01	170
Yenakievo Steel	ENMZ	19.46	1.3%	0.07	57

Loss Leaders

Stakhanov Wagon	SVGZ	0.37	-26.2%	0.006	7
Yasynivsky Coke	YASK	0.28	-9.7%	0.004	7
Alchevsk Steel	ALMK	0.02	-4.6%	0.060	41

Highlights

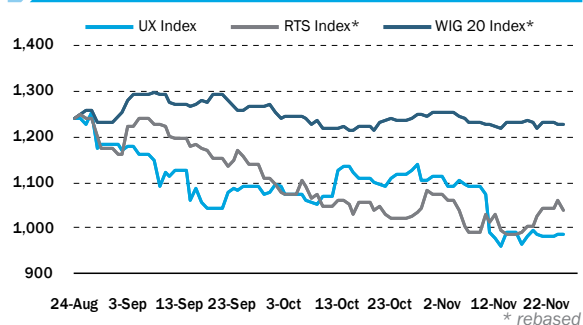
STOCKS IN THE NEWS

- > Kernel Reports Highest Bulk Oil EBITDA/t in Past 6 Quarters
- > SPF Planning to Float 10% Stake in CentrErgo in December

FIXED INCOME

- > Metinvest Goes Ahead on Bond Exchange at Reduced Threshold

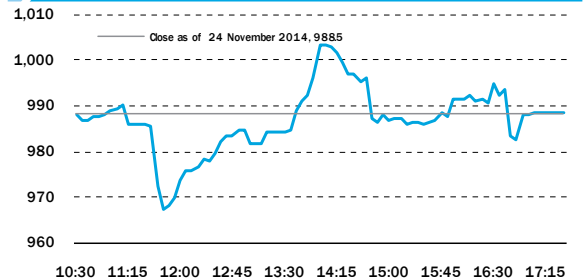
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	988.3	0.0%	-11.4%	8.6%
RTS	1054.4	-2.0%	1.7%	-26.9%
WIG20	2410.3	0.0%	-0.7%	0.4%
MSCI EM	1009.1	-0.2%	2.5%	0.7%
S&P 500	2067.0	-0.1%	5.2%	12.3%

UX INTRADAY NOVEMBER 25, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	353.4	1.3%	0.9%	6.8%
CDS 5Y UKR	1532.0	0.4%	25.3%	86.8%
Ukraine-17	15.2%	0.8 p.p.	3.1 p.p.	6.2 p.p.
Ferrexpo-16	20.6%	0.5 p.p.	8.3 p.p.	11.7 p.p.
Ukraine-23	11.9%	-0.1 p.p.	1.6 p.p.	4.4 p.p.
Privatbank-16	63.5%	0.3 p.p.	22.0 p.p.	43.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.10	0.0%	16.2%	83.3%
EUR	18.84	0.3%	14.3%	65.7%
RUB	0.33	-2.0%	6.0%	31.0%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	225.5	0.0%	-0.3%	-21.5%
Steel, USD/t	475.0	0.0%	-10.0%	-11.6%
Oil, USD/bbl	78.3	-1.7%	-9.4%	-27.0%
Gold, USD/oz	1201.0	0.3%	-2.4%	0.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kernel Reports Highest Bulk Oil EBITDA/t in Past 6 Quarters

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 24.07 Market Cap: USD 575mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014*	0.5	neg	5.5	0%
2015E	0.4	3.4	4.0	3%

NEWS

Kernel, Ukraine's largest sunflower oil producer, reported strong financial results for the Jul-Sept quarter (1Q in its 2015 financial year) this morning (Nov 26) that decisively eclipsed the company's results from a year earlier. Revenue increased by 40% YoY to USD 579mn in 1Q15 on the back of a doubling in bulk sunflower oil revenue to USD 233mn as well as 25% growth in the grain segment revenue to USD 287mn. Kernel's EBITDA rose to USD 81mn in 1Q15 from USD 3mn in 1Q14 thanks to a robust 18% EBITDA margin in the bulk oil segment (14% over the full 2014 financial year). A relatively high EBITDA margin achieved in the grain trading segment of 6.2% (vs. 4.1% in 1Q14 and 5.6% in FY14) despite depressed grain prices also contributed positively to the overall result, and farming segment EBITDA was USD 10.7mn, compared to USD -6.4mn in 1Q14. Operating cash flow before working capital change rose by 6x YoY to USD 74.3mn, with net operating cash flow amounting to USD 46.0mn vs. negative USD 36mn in 1Q14. The positive results were also reflected on the bottom line, with Kernel's net profit for the quarter coming in at USD 24.1mn vs. a net loss of USD 31.5mn in 1Q14.

The company said it has finished harvesting of its crops with the exception of corn, where the harvest stands at some 95%. Kernel improved its net yields across the board. Corn and wheat yields rose by 29% and 24% YoY to 7.1 t/ha and 5.4 t/ha, respectively. Sunflower and soybean yields grew by 16% and 28% to 2.5 t/ha and 1.8 t/ha, respectively.

At Kernel's upcoming annual shareholder meeting set for Dec 10, the company is expected to approve a previously-announced USD 0.25 dividend per share.

With a higher last-12 month EBITDA, Kernel's Net Debt/EBITDA ratio has fallen to 2.2x (as of 30 Sept 2014) from vs. 3.3x a year earlier, while adjusting for readily marketable inventories, the company said that its leverage ratio on the same date was 1.1x, down from 2.0x in 1Q14.

COMMENTARY

The latest financials look positive for the Warsaw-listed KER stock. The company reported the highest EBITDA per tonne (USD 202) of bulk oil sold posted in the last six quarters, reflecting lower competition for sunflower seeds on the market. This enabled Kernel to procure strong inventories as of the beginning of July. Tough competition on the seed-buying market last year had caused Kernel to post EBITDA of only USD 8 per tonne of bulk oil sold in 1Q14. The grain trading segment's EBITDA also improved to USD 14 per tonne of sales despite low international grain prices, reflecting the negotiating strength of Kernel vis-a-vis Ukrainian farmers in its purchasing operations.

With no assets located in the Donbass war zone and most of its sales tied to hard currency, we have a positive outlook on Kernel and its stock, which currently trades at an attractive 2015E EV/EBITDA multiple of 4.0x.

SPF Planning to Float 10% Stake in CentrEnergO in December

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 7.55 Market Cap: USD 186mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.2	3.1	1.8	9.6%
2014E	0.2	8.9	3.9	3.4%

NEWS

The State Property Fund of Ukraine (SPF) announced its intention to sell a 10% stake in the country's second-largest thermal electricity generator CentrEnergO (CEEN) in December, it was reported on the SPF's website on Tuesday (Nov 25). The SPF provided no details regarding its pricing intentions or the exchange which will be used for the float. According to the announcement, the remaining 68% state-owned stake in CentrEnergO is supposed to be auctioned off by Mar 31 next year.

COMMENTARY

CentrEnergO, one of Ukraine's most valuable state-controlled assets, has been on the government's priority privatization list since 2012, but there has been no actual progress in the privatization process due the political turmoil of the last 12 months. The Cabinet of Ministers had previously explained its intention float a trial 10% stake in the company as a way to determine its real market value. Current quotes for CentrEnergO on Ukrainian Exchange valuing CentrEnergO at around USD 0.50 per share can not be considered as related to the market price, as most transactions are conducted on low volumes and represent the speculative nature of trading than an economically justified value of the company based on its generating capacity. We are quite skeptical that the 10% stake can be successfully sold, as the current political environment in Ukraine places a heavy discount to any asset in the country, and the privatization of the controlling stake by 31 March 2015 also looks problematic. The main issue facing CentrEnergO is the war-related shortage of coal supplies from the Donbass-controlled separatist territories. Although Ukraine has recently been buying Russian coal, these deliveries have been suspended, which we see as a sign that Moscow wants Kyiv to work out a formal structure for buying coal from the mines now under the control of pro-Russian separatists in Donetsk and Lugansk provinces. We view the privatization news as having no substantial effect on the CEEN stock.

Metinvest Goes Ahead on Bond Exchange at Reduced Threshold

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining group, has decided to waive the minimum participation condition of 90%+ for its USD 500mn 2015 bond exchange offer, according to the company's announcement on Tuesday (Nov 25). As of Nov 24, holders of USD 386.4mn of the 2015 bonds (77.3% of the nominal bond amount) had accepted the exchange offered by Metinvest. This means that the group will make an exchange of USD 386.4mn in the 2015 bonds to USD 289.7mn bonds maturing in November 2017, with the settlement date for cash and coupon payments on Friday (Nov 28). Meanwhile, the remaining bonds in an amount of USD 113.6mn held by investors who did not agree to the exchange will remain outstanding and due in May 2015.

COMMENTARY

As we stated consistently in previous remarks, we expected such a decision from Metinvest to reduce its bondholder approval threshold level as necessary in order to delay the redemption of a considerable portion of the bonds for 30 months. Out of the previous USD 1.3bn in debt coming due in 2015, the amount has now been reduced by 30%, diminishing the liquidity gap risk of the group. The holders who declined the exchange offer will naturally be hoping for a cash redemption in May 2015, but we certainly do not rule out that in case of further political trouble in Eastern Ukraine, the outstanding 2015 bonds and other short-term Metinvest debt could appear on a new list of debt exposed to restructuring, the conditions of which could hardly be predicted as of today.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	71.8	108.0	50%	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	7.25	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	1.92	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	0.28	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	2045	5250	157%	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						
DonbasEnergO	DOEN	31.8	72.0	126%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.55	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.
Consumer						
MHP	MHPC	10.7	17.96	68%	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	15.6	90.0	478%	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	4.9	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	0.102	0.24	136%	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	988.34	1368.76	821.17	0.0%	0.7%	-11.4%	8.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.019	0.05	0.01	-5.6%	-4.1%	-29.4%	-52.3%	-5.6%	-4.9%	-18.0%	-60.9%
Azovstal	AZST	0.70	0.95	0.35	0.0%	0.7%	-6.0%	5.1%	0.0%	0.0%	5.4%	-3.5%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	0.0%	-0.7%	11.4%	-95.1%
Enakievo Steel	ENMZ	19.5	65.0	16.0	1.3%	6.9%	-34.0%	-39.2%	1.3%	6.2%	-22.5%	-47.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.0%	-0.7%	11.4%	239.2%
Mariupol Ilyicha	MMKI	0.19	n/a	n/a	0.0%	-5.0%	-29.6%	90.0%	0.0%	-5.7%	-18.2%	81.4%
Coke												
Avdyivka Coke	AVDK	1.92	3.70	1.46	0.2%	0.1%	-27.7%	-35.0%	0.2%	-0.6%	-16.2%	-43.6%
Yasnyivsky Coking	YASK	0.28	0.84	0.28	-9.7%	-24.3%	-40.4%	-47.2%	-9.7%	-25.1%	-29.0%	-55.8%
Iron Ore Mining												
Centralny GOK	CGOK	7.25	n/a	n/a	0.0%	-0.7%	3.0%	11.5%	0.0%	-1.4%	14.4%	2.9%
Ferrexpo	FXPO	71.80	191.0	71.2	0.9%	-7.2%	-17.6%	-62.4%	0.9%	-7.9%	-6.2%	-71.0%
Pivnichny GOK	SGOK	8.14	9.80	4.50	0.0%	0.0%	-5.3%	1.8%	0.0%	-0.7%	6.1%	-6.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	-5.9%	-31.9%	-20.0%	0.0%	-6.6%	-20.5%	-28.6%
Komsomolets Donbasa	SHKD	0.33	n/a	n/a	43.5%	106.3%	-60.2%	-46.8%	43.5%	105.5%	-48.8%	-55.4%
Energy Coal	CLE	0.65	2.12	0.55	-3.0%	-4.4%	-18.8%	-38.1%	-3.0%	-5.2%	-7.3%	-46.7%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	0.0%	-0.7%	11.4%	-43.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.39	1.01	0.37	-7.1%	-11.4%	-30.4%	-35.0%	-7.1%	-12.1%	-18.9%	-43.6%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	2.6%	85.7%	0.0%	-0.7%	14.1%	77.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.7	25.0	10.0	-0.6%	-1.6%	-17.4%	-32.2%	-0.6%	-2.3%	-6.0%	-40.8%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	0.0%	0.0%	-16.9%	-28.0%	0.0%	-0.7%	-5.5%	-36.6%
Stakhanov Wagon	SVGZ	0.37	n/a	n/a	-26.0%	-35.1%	-69.7%	-71.5%	-26.0%	-35.8%	-58.3%	-80.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	0.3%	-28.3%	13.6%	0.0%	-0.4%	-16.9%	5.0%
Motor Sich	MSICH	2,045	2,879	1,507	0.6%	-0.3%	-13.9%	12.1%	0.7%	-1.0%	-2.5%	3.5%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	0.0%	-10.0%	-10.0%	80.0%	0.0%	-10.7%	1.4%	71.4%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	0.0%	-0.7%	11.4%	62.8%
WESTA ISIC	WES	0.26	0.80	0.21	0.0%	0.0%	-10.3%	-35.0%	0.0%	-0.7%	1.1%	-43.6%
Telecom												
Ukrtelecom	UTLM	0.14	0.20	0.09	0.0%	-9.9%	-27.8%	22.8%	0.0%	-10.7%	-16.3%	14.2%
Oil & Gas												
Regal Petroleum	RPT	5.63	15.63	4.88	0.0%	2.3%	-13.5%	-55.9%	0.0%	1.5%	-2.0%	-64.5%
JKX Oil	JKX	29.00	74.25	28.00	3.6%	-10.8%	-23.7%	-59.6%	3.6%	-11.5%	-12.3%	-68.2%
Ukrnafta	UNAF	225	375	54	-0.9%	0.4%	-17.8%	107.6%	-0.9%	-0.3%	-6.3%	98.9%
Power Utilities												
Centrenerg	CEEN	7.55	8.70	3.00	1.6%	1.5%	-0.2%	58.3%	1.6%	0.7%	11.2%	49.7%
Donbasenergo	DOEN	31.8	50.2	11.0	-1.2%	6.6%	-4.3%	15.2%	-1.1%	5.9%	7.1%	6.6%
Zakhidenergo	ZAEN	148.0	199.8	80.0	0.0%	2.1%	-8.6%	63.7%	0.0%	1.3%	2.8%	55.1%
Consumer												
Agroton	AGT	1.19	5.5	1.19	-3.3%	-19.0%	-38.0%	-39.0%	-3.2%	-19.8%	-26.6%	-47.6%
Astarta	AST	15.56	68.0	15.6	-8.0%	-17.9%	-52.8%	-76.7%	-8.0%	-18.6%	-41.4%	-85.3%
Avangardo	AVGR	4.90	12.3	4.85	0.0%	-5.8%	-24.2%	-58.3%	0.0%	-6.5%	-12.8%	-66.9%
Industrial Milk Company	IMC	6.68	14.05	6.50	-1.0%	-2.3%	-3.2%	-45.0%	-1.0%	-3.1%	8.2%	-53.6%
Kernel	KER	24.07	44.5	22.0	-1.3%	-4.4%	2.5%	-36.8%	-1.3%	-5.2%	13.9%	-45.4%
Mriya Agro Holding	MAYA	0.80	6.0	0.58	0.0%	-30.0%	39.1%	-85.2%	0.0%	-30.8%	50.6%	-93.8%
MHPC	MHPC	10.70	18.5	10.00	-4.9%	-4.5%	-3.8%	-37.1%	-4.9%	-5.2%	7.6%	-45.7%
Milkiland	MLK	1.90	13.0	1.90	-4.5%	-13.2%	-45.6%	-84.8%	-4.5%	-14.0%	-34.1%	-93.4%
Ovostar Union	OVO	72.0	100.0	59.4	2.9%	1.4%	5.1%	-28.0%	2.9%	0.7%	16.5%	-36.6%
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%	0.0%	-12.7%	-34.4%	0.0%	-0.7%	-1.3%	-43.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.102	0.190	0.091	-1.2%	-1.7%	-16.8%	-10.2%	-1.1%	-2.5%	-5.4%	-18.8%
UkrSotsbank	USCB	0.136	0.205	0.090	-9.7%	5.8%	-9.1%	-27.7%	-9.7%	5.0%	2.4%	-36.3%

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	1,524	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%
Ukrstsobank	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	32	3.9%	1	1,380	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	357	333	323	\$/tonne
Yenakievo Steel	ENMZ	14	8.8%	1	10	1.6	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	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	41	\$/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	1,242	0.4%	5	1,236	2.8	2.3	2.7	1.6	1.4	1.5	0.9	0.8	0.8				
Ferrexpo	FXPO	656	24.0%	158	1,350	3.0	2.5	2.4	3.4	2.7	2.7	0.9	0.9	0.9				
Coal Mining																		
Komsomolets Donbasa	SHKD	7	5.4%	0	109	1.0	0.4	0.4	0.9	1.2	1.2	0.4	0.5	0.5	27	26	24	\$/tonne
Coal Energy	CLE	30	25.0%	7	140	0.8	neg	neg	2.2	6.6	15.5	0.8	1.1	1.4	2.2	6.6	15.5	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	67	2.0%	1	113	2.0	14.3	16.4	2.2	3.6	4.4	0.2	0.4	0.4	179	297	282	\$/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				
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	6	8.0%	0	38	9.4	10.4	12.0	5.3	6.5	7.0	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	98	5.8%	6	38	2.6	1.4	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	281	24.0%	68	274	1.4	1.7	1.5	0.9	1.0	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	168	7.2%	12	471	3.7	9.8	6.4	2.3	2.5	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	809	3.0%	24	804	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	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																		
CentrEnergO	CEEN	185	21.7%	40	171	6.4	3.1	8.9	2.5	1.8	3.9	0.2	0.2	0.2	10	12	11	\$/MWh
DonbasEnergO	DOEN	50	14.2%	7	94	13.0	0.8	1.2	3.0	1.3	2.1	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	1,131	34.1%	386	2,211	3.6	7.0	neg	4.7	5.7	4.1	1.6	1.5	1.5				
Kernel	KER	570	61.8%	352	1,254	2.7	5.4	neg	3.9	4.3	5.6	0.6	0.4	0.5				
Astarta	AST	116	37.0%	43	511	2.0	3.4	neg	4.6	5.6	3.7	1.1	1.0	0.9				
Avangardco	AVGR	313	22.5%	70	419	1.4	1.3	n/a	1.5	1.4	n/a	0.7	0.6	n/a	95	72	68	\$/mneggs
Agroton	AGT	8	26.2%	2	57	1.1	neg	neg	2.8	7.5	16.3	0.6	0.7	0.6	n/a	n/a	n/a	
Banks																		
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	165	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

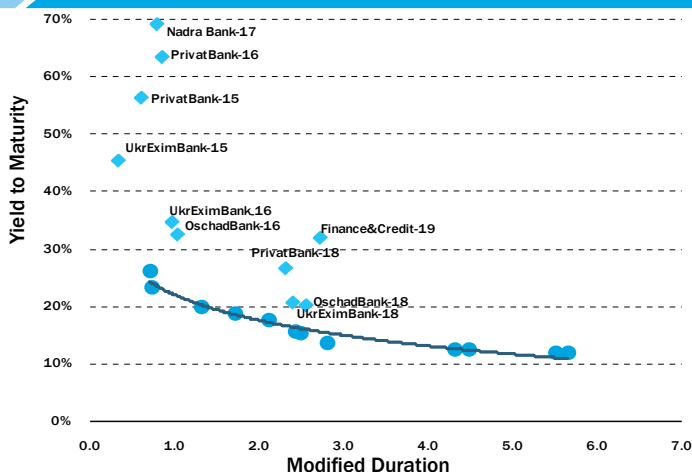
UKRAINIAN EUROBONDS

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)	85.5	87.5	24.9%	21.7%	-9.9%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	86.1	87.2	27.0%	25.2%	-11.4%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	80.0	81.3	19.2%	18.3%	-14.3%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	82.0	83.1	20.4%	19.5%	-12.3%	1.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	79.6	81.1	15.6%	14.9%	-13.3%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	81.9	83.2	18.1%	17.4%	-16.8%	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	14.1%	13.5%	5.9%	2.8	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	80.0	82.0	12.7%	12.1%	-12.9%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	79.8	81.3	12.7%	12.3%	-14.0%	4.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	78.0	80.0	12.2%	11.7%	-13.2%	5.5	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	76.1	77.6	12.1%	11.8%	-15.3%	5.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	43.4%	39.8%	-39.5%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	96.0	98.0	20.6%	15.3%	-6.5%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.4	83.9	12.9%	12.5%	-7.8%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	76.0	76.0	44.4%	44.4%	-22.4%	0.7	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	53.0	53.0	36.2%	36.2%	-39.2%	2.2	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	242.8%	201.7%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	18.0	114.8%	80.2%	-83.7%	1.9	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	85.0	86.0	53.8%	50.4%	-16.1%	0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	56.0	59.0	29.4%	27.3%	-39.0%	2.5	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	59.0%	49.5%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	65.0	67.0	25.3%	24.1%	-25.9%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	85.0	86.0	21.1%	20.1%	-12.8%	1.2	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	63.0	67.0	26.4%	24.0%	-27.8%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.6%	30.2%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	68.4	70.7	26.6%	25.3%	-38.0%	1.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.5%	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	75.3%	63.2%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	71.0	73.0	58.6%	54.2%	-20.9%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	55.0	57.0	65.5%	61.5%	-26.3%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	65.9	68.4	27.3%	25.8%	-19.7%	2.3	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	86.0	88.0	48.7%	42.1%	-9.8%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	72.0	75.0	36.7%	32.6%	-12.0%	1.0	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	73.0	74.0	20.8%	20.3%	-17.4%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	664.0%	275.8%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	75.0	77.1	33.7%	31.2%	-18.3%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	73.2	74.3	20.4%	19.8%	-16.8%	2.6	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.3	75.6	44.2%	42.0%	-19.1%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	72.4	74.0	32.6%	30.9%	-21.3%	1.3	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

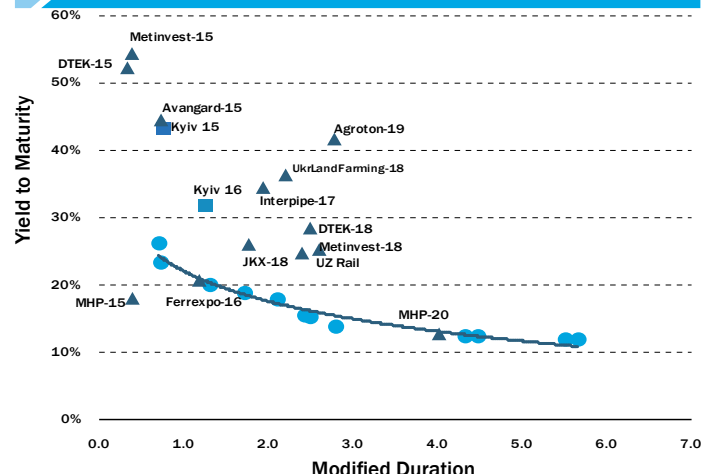
¹ Moody's/S&P/Fitch; * EUR

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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