

Market Update

Equity

Kyiv-listed stocks finished mostly lower on Friday (Nov 28) with technical signals once again dominating the trading direction. The UX index briefly plunged to 940 points before recovering back to 970 by the end of the session, a drop of just 0.2% compared to the previous day's close. Domestic oil producer UkrNafta was the loss leader among blue chips, falling 3.4% to UAH 216 per share amid sliding global oil prices. In the steel sector, low-liquidity blue chips Avdyivka Coke and Alchevsk Steel fell by 3.2% and 4.4% respectively after both stocks were put on a watch list for exclusion from the UX index basket. CentrEnerg and DonbasEnerg both edged down by half a percent, while Motor Sich provided some support to the local market with its advance of 2.8% to UAH 2086. In London, Avangard picked up 3.2% after publishing its 3Q14 financial results; the company's poor numbers had previously been priced in by the market. Ferrexpo fell below GBP 70 for the first time since early 2009, losing 2.8% to GBP 68.40 as the iron ore pricing outlook remains weak. In Warsaw, beaten-down Astarta rebounded by 26% to end at PLN 19.40, and Kernel gained 5.6% to PLN 29.15.

Fixed Income

Ukrainian sovereigns finished a very bad week with a marginal drop on Friday. Ukraine-23s edged down 0.3p.p. to close at 72.5/74.5 (13.0%/12.5%). In corporates, MHP-20s inched up 0.2p.p. to 80.5/82.2 (13.5%/13.0%) while UkrlandFarming-18s declined by 1.3p.p., finishing at 51.8/51.8 (37.4%/37.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	216.10	-3.4%	2.8	94
Centrenerg	CEEN	7.38	-0.5%	2.4	163
Motor Sich	MSICH	2086.00	2.8%	1.6	139

Growth Leaders

Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades	
Dniproenergo	DNEN	699.50	7.6%	0.12	12
Zakhidenergo	ZAEN	153.90	4.1%	0.07	7
Motor Sich	MSICH	2086.00	2.8%	1.56	139

Loss Leaders

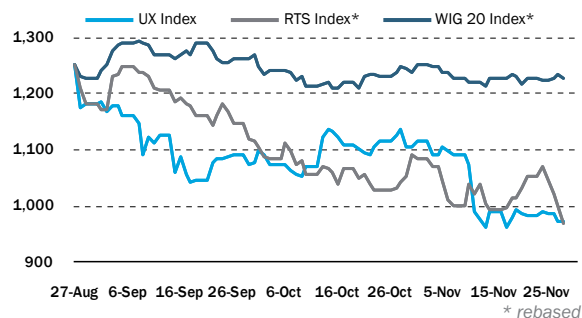
Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades	
Kievenergo	KIEN	10.33	-10.2%	0.361	8
Alchevsk Steel	ALMK	0.02	-4.4%	0.053	29
Ukrnafta	UNAF	216.10	-3.4%	2.826	94

Highlights

STOCKS IN THE NEWS

- Avangard Posts Heavy Net Loss in 3Q14, EBITDA Down 58%

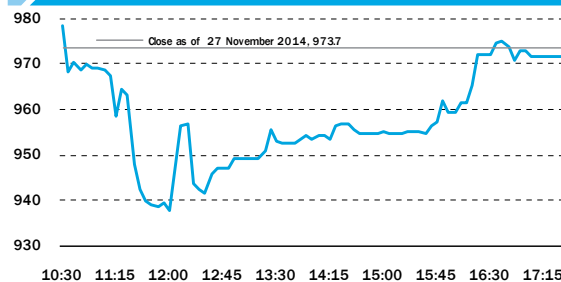
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	971.8	-0.2%	-14.6%	6.8%
RTS	974.3	-3.2%	-7.2%	-32.5%
WIG20	2416.9	-0.5%	-1.6%	0.7%
MSCI EM	1004.7	-0.8%	1.2%	0.3%
S&P 500	2067.6	-0.3%	4.2%	12.3%

UX INTRADAY NOVEMBER 28, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	352.5	0.0%	3.3%	6.6%
CDS 5Y UKR	1563.7	2.5%	32.8%	90.6%
Ukraine-17	16.4%	0.5 p.p.	4.9 p.p.	7.4 p.p.
Ferrexpo-16	22.2%	0.0 p.p.	10.1 p.p.	13.3 p.p.
Ukraine-23	12.7%	0.1 p.p.	2.8 p.p.	5.2 p.p.
Privatbank-16	67.2%	3.3 p.p.	25.5 p.p.	46.8 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.02	0.0%	15.6%	82.3%
EUR	18.70	-0.2%	13.0%	64.5%
RUB	0.30	-3.5%	-2.6%	18.7%

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%	-5.5%	-11.6%
Oil, USD/bbl	70.2	-3.3%	-18.9%	-34.6%
Gold, USD/oz	1167.4	-2.0%	-5.0%	-2.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Avangard Posts Heavy Net Loss in 3Q14, EBITDA Down 58%

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AVANGARD (AVGR LI)

Price: USD 4.80 Market Cap: USD 307mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.6	1.3	1.4	10%
2014E	na	na	na	na

NEWS

Avangard, Ukraine’s largest egg producer, reported a 43% YoY decline in its revenue to USD 92mn in 3Q14, as the hryvnia devaluation adversely affected Ukraine-focused egg revenue in USD terms. Additionally, the export-oriented egg products segment posted declines in both sales volume and achieved price. The company’s achieved shell egg price plunged by 29% YoY to USD 0.062 per piece, with the shell egg sales volume down by 11% YoY to 1.1bn pieces. The egg products (EP) sales volume declined by 35% YoY to some 4,000 tonnes, with the average price dropping by 21% YoY to USD 5.97/kg. Avangard’s EBITDA fell 58% YoY to USD 30mn, as the lower revenue was exacerbated by a revaluation loss of USD 1mn (vs. USD +9mn gain in 3Q13) as well as USD 44mn in “other operating expenses”. After including a USD 20mn forex translation loss, the company finished 3Q14 with reported net loss of USD 58mn.

Overall, for the first 9 months of 2014, Avangard’s revenue dropped by 24% YoY to USD 355mn, while the bottom line turned negative to USD -6mn vs. USD +162mn over 9M13. EBITDA for the period was down 47% YoY to USD 109mn. With essentially unchanged (QoQ) total debt of USD 345mn as of Sept 30, the company’s Total Debt/EBITDA ratio stands at 1.7x, up from 1.4x on June 30; the group’s Eurobond covenant level is 3.0x.

In providing an outlook, Avangard acknowledged that it expects lower egg production in 4Q due to the loss of its Donbass-based facilities and the resulting reduction in its laying hen flock. However, management said egg pricing in 4Q14 should be strong on the back of seasonally high demand and higher production costs across the industry. The company said that it is continuing to work on export market diversification.

COMMENTARY

Avangard reported unsurprisingly poor results, with our prediction about a negative bottom line for 9M14 unfortunately coming true. Poor operating results were exacerbated by a USD 25.8mn loss due to impairment of non-current assets in Crimea as well as several farms in the Donbass. A negative contribution also came from a 12x YoY hike to USD 17.8mn in “other operating expenses”, with no note provided in the report regarding their nature. It looks as though the USD 29.0mn loss in forex translation which was reported in 2Q14 in “other operating expenses” has now been moved to the “other non-operating expenses” line. Still, that did not prevent Avangard from being loss-making on the operational level in the restated P&L. With the higher expected pricing for eggs in 4Q14 likely unable to compensate for lower egg output, further devaluation, and possibly some additional impairment of Donbass-based assets, reaching the breakeven for 2014 now looks unlikely for the company. This, in turn, probably rules out any dividend payout based on the 2014 results.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.69	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	68.4	108.0	58%	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	8.30	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	1.81	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	0.32	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	10.9	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	2086	5250	152%	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	28.0	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	31.0	72.0	132%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.38	15.00	103%	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	10.9	17.96	66%	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	19.4	90.0	364%	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	4.8	U/R	--	U/R	The company's FY14 results will be hit by the hryvnia devaluation.
Ovostar Union	OVO	70.0	80.8	15%	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	0.101	0.24	139%	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	971.77	1368.76	821.17	-0.2%	-1.1%	-14.6%	6.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.017	0.05	0.01	-4.4%	-9.5%	-34.4%	-55.7%	-4.3%	-8.4%	-19.8%	-62.5%
Azovstal	AZST	0.69	0.95	0.35	0.3%	-1.8%	-15.7%	3.3%	0.5%	-0.8%	-1.1%	-3.5%
Dniprospeztstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	0.2%	1.1%	14.6%	-93.3%
Enakievo Steel	ENMZ	20.0	65.0	16.0	1.5%	9.0%	-31.4%	-37.6%	1.7%	10.0%	-16.8%	-44.4%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	0.2%	1.1%	14.6%	241.0%
Mariupol Ilyicha	MMKI	0.19	n/a	n/a	0.0%	-5.0%	-29.6%	90.0%	0.2%	-3.9%	-15.1%	83.2%
Coke												
Avdyivka Coke	AVDK	1.81	3.70	1.46	-3.6%	-8.4%	-30.4%	-38.9%	-3.4%	-7.4%	-15.8%	-45.6%
Yasnyivsky Coking	YASK	0.32	0.84	0.28	0.0%	6.7%	-30.4%	-39.6%	0.2%	7.8%	-15.9%	-46.4%
Iron Ore Mining												
Centralny GOK	CGOK	7.25	n/a	n/a	0.0%	-0.7%	-1.4%	11.5%	0.2%	0.4%	13.2%	4.8%
Ferrexpo	FXPO	68.40	191.0	68.4	-2.8%	-6.6%	-21.0%	-64.2%	-2.6%	-5.5%	-6.4%	-71.0%
Pivnichny GOK	SGOK	8.30	9.80	4.50	1.2%	2.0%	-3.5%	3.8%	1.4%	3.1%	11.1%	-3.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	0.0%	-31.9%	-20.0%	0.2%	1.1%	-17.3%	-26.8%
Komsomolets Donbasa	SHKD	0.32	n/a	n/a	-3.0%	39.1%	-61.4%	-48.4%	-2.8%	40.2%	-46.9%	-55.2%
Energy Coal	CLE	0.64	2.02	0.55	-1.5%	-7.2%	-24.7%	-39.0%	-1.3%	-6.2%	-10.1%	-45.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	0.2%	1.1%	14.6%	-41.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.40	1.01	0.33	-7.0%	-9.1%	-28.6%	-33.3%	-6.8%	-8.0%	-14.0%	-40.1%
Interpipe NMPP	NVTR	0.21	n/a	n/a	-27.6%	-46.2%	-44.7%	0.0%	-27.4%	-45.1%	-30.2%	-6.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.9	25.0	10.0	-2.4%	-6.6%	-21.3%	-36.8%	-2.2%	-5.5%	-6.7%	-43.6%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	1.9%	0.0%	8.0%	-28.0%	2.1%	1.1%	22.6%	-34.8%
Stakhanov Wagon	SVGZ	0.43	n/a	n/a	4.9%	16.2%	-64.8%	-66.9%	5.1%	17.3%	-50.2%	-73.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	-0.7%	-14.6%	-28.0%	12.8%	-0.5%	-13.5%	-13.4%	6.0%
Motor Sich	MSICH	2,086	2,879	1,507	3.0%	4.2%	-10.5%	14.4%	3.2%	5.3%	4.1%	7.6%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	0.0%	-10.0%	-13.5%	80.0%	0.2%	-8.9%	1.1%	73.2%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	0.2%	1.1%	14.6%	64.6%
WESTA ISIC	WES	0.25	0.80	0.21	13.6%	-7.4%	-19.4%	-37.5%	13.8%	-6.3%	-4.8%	-44.3%
Telecom												
Ukrtelecom	UTLM	0.14	0.20	0.09	3.6%	3.6%	-25.1%	27.3%	3.8%	4.7%	-10.6%	20.5%
Oil & Gas												
Regal Petroleum	RPT	5.63	15.63	4.88	0.1%	0.1%	-9.9%	-55.8%	0.3%	1.2%	4.6%	-62.6%
JKX Oil	JKX	28.00	74.25	27.75	0.0%	-3.4%	-27.7%	-61.0%	0.2%	-2.4%	-13.2%	-67.8%
Ukrnafta	UNAF	216	375	54	-3.4%	-3.1%	-19.3%	99.0%	-3.2%	-2.1%	-4.8%	92.2%
Power Utilities												
Centrenerg	CEEN	7.38	8.70	3.00	-0.7%	-0.9%	-5.5%	54.8%	-0.5%	0.2%	9.1%	48.0%
Donbasenergo	DOEN	31.0	50.2	11.0	-0.5%	-2.6%	-10.1%	12.5%	-0.3%	-1.5%	4.5%	5.7%
Zakhidenergo	ZAEN	153.9	199.8	80.0	4.0%	4.0%	-12.0%	70.2%	4.2%	5.1%	2.6%	63.5%
Consumer												
Agroton	AGT	1.24	5.5	1.19	0.0%	-12.1%	-40.7%	-36.4%	0.2%	-11.0%	-26.1%	-43.2%
Astarta	AST	19.40	68.0	14.5	26.3%	6.0%	-39.8%	-71.0%	26.5%	7.1%	-25.3%	-77.8%
Avangardo	AVGR	4.80	12.3	4.65	3.2%	-4.0%	-23.8%	-59.1%	3.4%	-2.9%	-9.2%	-65.9%
Industrial Milk Company	IMC	6.50	13.99	6.50	-3.6%	-4.4%	-9.5%	-46.5%	-3.4%	-3.3%	5.1%	-53.3%
Kernel	KER	29.15	42.4	22.0	5.6%	19.2%	12.2%	-23.4%	5.8%	20.3%	26.8%	-30.2%
Mriya Agro Holding	MAYA	0.90	6.0	0.58	-4.8%	-21.7%	37.9%	-83.4%	-4.6%	-20.6%	52.5%	-90.2%
MHPC	MHPC	10.85	18.5	10.00	-0.5%	-1.4%	-0.5%	-36.2%	-0.3%	-0.3%	14.1%	-43.0%
Milkiland	MLK	1.96	13.0	1.89	3.7%	-3.0%	-43.8%	-84.3%	3.9%	-1.9%	-29.3%	-91.1%
Ovostar Union	OVO	70.0	100.0	59.4	-2.8%	-2.8%	-1.4%	-30.0%	-2.6%	-1.7%	13.2%	-36.8%
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	6.5	n/a	n/a	-20.7%	-20.7%	-30.9%	-48.0%	-20.5%	-19.6%	-16.3%	-54.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.190	0.091	-1.0%	-1.9%	-21.1%	-11.4%	-0.8%	-0.9%	-6.5%	-18.1%
UkrSotsbank	USCB	0.150	0.205	0.090	7.1%	0.0%	0.7%	-20.0%	7.3%	1.1%	15.2%	-26.8%

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	130	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%
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	1,378	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	356	332	322	\$/tonne
Yenakievo Steel	ENMZ	14	8.8%	1	11	1.6	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	194	3.0%	6	183	neg	neg	5.8	neg	neg	7.3	0.1	0.1	0.1	40	40	40	\$/tonne
Coke																		
Avdyivka Coke	AVDK	24	6.8%	2	-25	neg	neg	neg	neg	-0.5	neg	0.0	0.0	0.0	-6	-6	-7	\$/tonne
Yasynivsky Coke	YASK	6	9.0%	1	7	0.7	neg	1.2	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	566	0.3%	1	564	5.9	2.9	3.5	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,273	0.4%	5	1,267	2.9	2.3	2.8	1.7	1.4	1.6	0.9	0.8	0.8				
Ferrexpo	FXPO	625	24.0%	150	1,319	2.9	2.4	2.3	3.3	2.6	2.7	0.9	0.8	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	29	25.0%	7	139	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	69	2.0%	1	115	2.1	14.7	16.9	2.2	3.7	4.5	0.2	0.4	0.4	182	302	287	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	16	24.0%	4	53	3.3	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiiv Wagon	KVBZ	83	5.0%	4	73	0.9	2.0	neg	0.5	1.4	5.5	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	6	8.0%	1	39	11.0	12.2	14.0	5.4	6.7	7.2	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	289	24.0%	69	281	1.4	1.7	1.5	0.9	1.0	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	175	7.2%	13	478	3.9	10.2	6.6	2.3	2.5	2.8	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	780	3.0%	23	775	4.4	>30	4.9	1.7	2.7	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	75	50.4%	38	183	neg	11.5	9.6	1.3	2.8	2.7	0.9	1.0	0.9	34	25	24	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	182	21.7%	39	168	6.3	3.0	8.7	2.4	1.8	3.8	0.2	0.2	0.2	9	12	11	\$/MWh
DonbasEnerg	DOEN	49	14.2%	7	96	12.8	0.7	1.2	3.0	1.3	2.1	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	1,146	34.1%	391	2,226	3.7	7.1	neg	4.8	5.7	4.1	1.6	1.5	1.5				
Kernel	KER	690	61.8%	426	1,344	3.3	6.6	neg	4.2	4.6	6.0	0.6	0.5	0.6				
Astarta	AST	144	37.0%	53	540	2.5	4.2	neg	4.9	5.9	3.9	1.2	1.1	1.0				
Avangardco	AVGR	307	22.5%	69	413	1.3	1.3	n/a	1.5	1.4	3.2	0.7	0.6	n/a	93	71	67	\$/mneggs
Agroton	AGT	8	26.2%	2	57	1.2	neg	neg	2.8	7.6	16.4	0.6	0.7	0.6	n/a	n/a	n/a	
Banks																		
							P/E			P/Book				P/Assets				
Raiffeisen Bank Aval	BAVL	201	3.5%	7		>30	2.2	neg	0.3	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	184	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

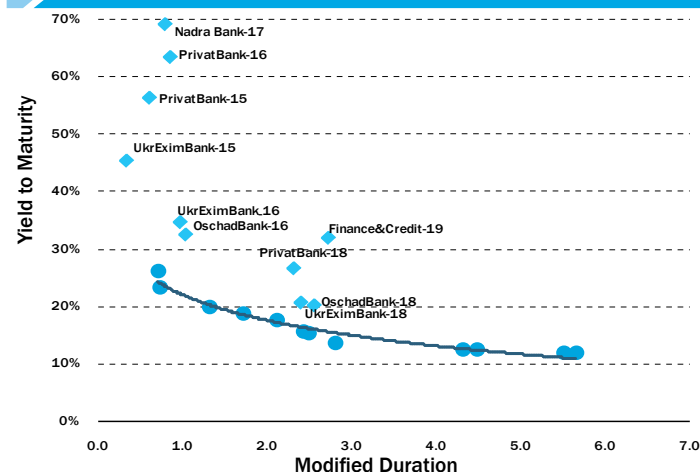
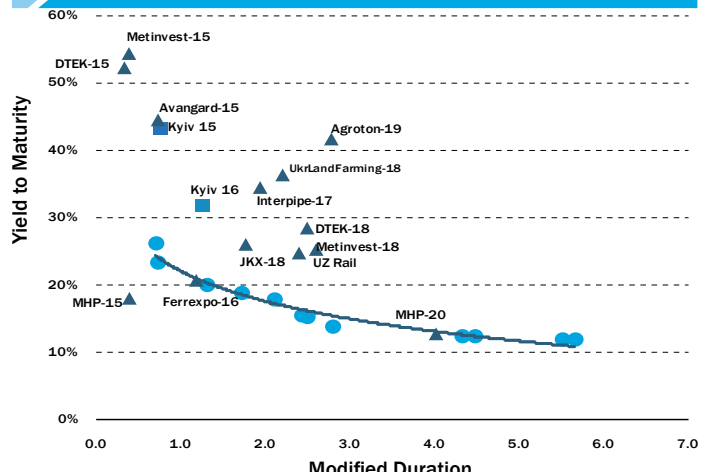
Source: Eavex Research

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)	83.3	85.3	29.0%	25.6%	-12.2%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	84.1	85.2	30.7%	28.7%	-13.4%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	77.2	78.2	21.4%	20.6%	-17.4%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	79.2	80.3	23.0%	22.0%	-15.3%	1.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	77.4	78.9	16.8%	16.0%	-15.8%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	78.8	80.3	19.9%	19.1%	-19.8%	2.1	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	74.0	75.8	20.7%	19.7%	-9.4%	2.3	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	75.5	77.5	17.2%	16.3%	-2.5%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	75.9	77.9	13.9%	13.3%	-17.4%	4.3	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	75.7	77.7	13.9%	13.3%	-18.1%	4.4	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	74.2	76.2	13.1%	12.6%	-17.4%	5.4	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	72.5	74.5	13.0%	12.5%	-19.0%	5.6	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	43.6%	39.9%	-39.5%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	95.5	97.5	22.1%	16.7%	-7.0%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.5	82.2	13.5%	13.0%	-9.8%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	76.3	76.3	44.4%	44.4%	-22.2%	0.7	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	51.8	51.8	37.4%	37.4%	-40.6%	2.2	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	245.9%	204.1%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	18.0	115.5%	80.6%	-83.7%	1.9	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	88.9	88.9	37.6%	37.6%	-12.8%	0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	55.0	58.0	30.2%	28.0%	-40.1%	2.5	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	59.6%	49.9%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	65.0	67.1	25.3%	24.1%	-25.8%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	83.0	85.0	23.2%	21.2%	-14.3%	1.2	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	60.0	70.0	28.3%	22.4%	-27.8%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.7%	30.2%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	70.4	73.7	25.5%	23.7%	-35.8%	1.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.5%	28.4%	-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	75.7%	63.4%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.0	73.0	66.4%	54.8%	-22.5%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	52.0	57.0	72.6%	62.1%	-28.3%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	65.0	67.4	28.0%	26.4%	-20.8%	2.3	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	84.5	85.0	54.9%	53.0%	-12.1%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	39.9%	35.6%	-14.4%	1.0	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	70.0	71.5	22.6%	21.7%	-20.5%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	703.5%	282.3%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	73.0	74.0	36.5%	35.2%	-21.0%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	70.0	71.5	22.1%	21.3%	-20.2%	2.5	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.0	76.2	45.2%	41.4%	-18.9%	0.8	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	71.6	73.5	33.6%	31.6%	-22.0%	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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