

Market Update

Equity

Ukraine's locally-listed stocks started the week in positive territory, rising on Monday (Dec 1) thanks to a report that the NBU has extended its order for obligatory export revenue conversion for another three months, which could help to firm up the domestic currency. The UX index added 1.8% but was still unable to climb above the 1000 mark, closing at 989 points. Steel-related names advanced, mostly on short covering transactions, with Azovstal (AZST) picking up 3.5%. Utility blue chips rose on news that the country's wholesale electricity operator EnergoRynok received a UAH 2bn loan from state-owned OschadBank to pay its arrears to thermal power generation companies; CentrEnergo (CEEN) and DonbasEnergo (DOEN) gained 1.0% and 3.5% respectively. UkrNafta (UNAF) moved down by another 1.0% amid concerns about the medium-term oil price outlook. In London, it was a very bad day for JKK Oil&Gas, which plunged 17.9% to GBP 23.00, and now sits at a price not seen since just after its IPO a decade ago. Ferrexpo (FXPO) remained under pressure edging down by 0.6% to GBP 68.00. In Warsaw, low-liquidity agro name Milkiland (MLK) was unchanged at PLN 1.96 while Astarta (AST) rose 4.6% to PLN 20.30.

Fixed Income

Monday was another nasty day for the Ukrainian Eurobond universe amid rising default concerns, with sovereign Ukraine-23s sliding a further 2.2p.p. to close at 70.2/72.2 (13.5%/13.0%). In corporate issues, JKK-18s got hammered along with the company's stock, slumping 6.0p.p. to 65.0/67.1 (28.7%/27.5%), and it was a similar situation for Avangard-15s, which lost 5.8p.p. to 72.5/75.0 (51.6%/46.8%) following disappointing financial results released on Friday.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	214.00	-1.0%	1.6	67
Centrenergo	CEEN	7.47	1.1%	1.6	137
Donbasenergo	DOEN	32.14	3.5%	0.8	71

Growth Leaders

Alchevsk Steel	ALMK	0.02	7.6%	0.02	45
Avdyivka Coke	AVDK	1.91	4.5%	0.01	33
Donbasenergo	DOEN	32.14	3.5%	0.79	71

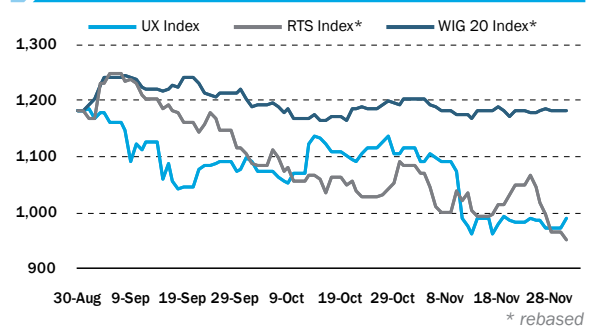
Loss Leaders

Kryukiv Wagon	KVBZ	10.79	-1.3%	0.325	51
Ukrnafta	UNAF	214.00	-1.0%	1.612	67
Centrenergo	CEEN	7.47	1.1%	1.579	137

FIXED INCOME

- > MHP to Secure EUR 85mn Loan from European Investment Bank
- > Metinvest Increases EBITDA by 13% in 9M14, Completes 2015 Bonds Exchange

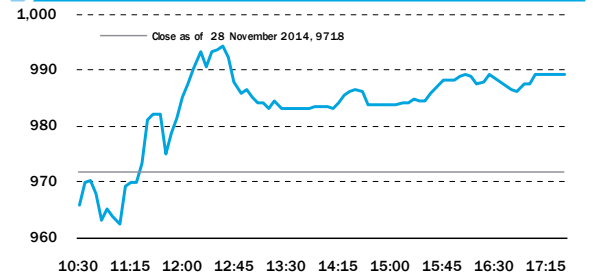
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	989.1	1.8%	-11.2%	8.7%
RTS	958.3	-1.6%	-12.2%	-33.6%
WIG20	2417.1	0.0%	-1.9%	0.7%
MSCI EM	985.1	-2.0%	-3.0%	-1.7%
S&P 500	2053.4	-0.7%	1.8%	11.5%

UX INTRADAY DECEMBER 1, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	365.3	3.6%	10.2%	10.4%
CDS 5Y UKR	1642.0	7.6%	38.0%	100.2%
Ukraine-17	17.4%	1.0 p.p.	6.1 p.p.	8.4 p.p.
Ferrexpo-16	22.4%	0.2 p.p.	10.4 p.p.	13.5 p.p.
Ukraine-23	13.3%	0.6 p.p.	3.3 p.p.	5.8 p.p.
Privatbank-16	67.3%	0.2 p.p.	25.4 p.p.	46.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.11	0.6%	16.2%	83.4%
EUR	18.84	0.7%	15.7%	65.7%
RUB	0.30	-0.9%	-0.4%	17.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	225.5	0.0%	1.3%	-21.5%
Steel, USD/t	475.0	0.0%	-5.5%	-11.6%
Oil, USD/bbl	72.5	3.4%	-16.0%	-32.4%
Gold, USD/oz	1212.1	3.8%	3.3%	1.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP Borrowing EUR 85mn from European Investment Bank

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NEWS

MHP, Ukraine's largest poultry meat producer, announced that it is borrowing EUR 85mn loan from the European Investment Bank with a deal signed on Monday (Dec 1), Interfax reported. The funds will be used to finance construction of a storage elevator in Western Ukraine. Maturity and interest rate details of the loan were not disclosed.

European Union's bank finances projects in Ukraine on the basis of an EU Council and European Parliament mandate for the countries of the Eastern Neighbourhood. The European Commission has announced a comprehensive assistance package amounting to EUR 11 billion over the coming years to support Ukraine. For its part, the EIB would contribute significantly to this package by providing lending over the next three years up to EUR 3 billion should the political and operational conditions allow.

COMMENTARY

Ability of MHP to attract funds from EIB supports our view of strong corporate profile and attractive business prospective of the company and is thus positive news for the company. MHP continues to invest in expansion of its business despite tough economic conditions. By the end of this month, management intends to make a decision on whether to go forward with the construction of a second major phase of its greenfield Vinnytsia poultry complex, the first phase of which came on line two years ago. As of Sept 30, MHP had a Net Debt/EBITDA ratio of 2.1x, vs. its Eurobond covenant of 3.0x. If the new USD 85mn loan is included, the leverage ratio would rise to 2.3x.

Metinvest Increases EBITDA by 13% in 9M14, Completes 2015 Bonds Exchange

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining holding, said on Monday (Dec 1) that it has completed an exchange offer for its USD 500mn 2015 bonds, and also reported its 9M14 trading update.

On Nov 28, Metinvest exchanged its 2015 bonds in a total nominal amount of USD 386.3mn for new 2017 notes (75%) and cash (25%). The remaining USD 113.7mn 2015 bonds remain outstanding. As a result, Metinvest released 10.50% bonds with maturity in Nov 2017 for a total amount of USD 289.7mn as well as paid in cash some USD 96.6mn.

In its trading update, the company said its net revenue was down by 14% YoY to USD 8.46bn in 9M14 on the back of a 25% YoY decline in steel products sales in 3Q14. The latter was caused by destroyed infrastructure due to the Donbass war. EBITDA increased by 13% YoY to USD 2.05bn over 9M14, positively impacted by a forex translation effect of USD 1.04bn. The metallurgical division's EBITDA jumped by 3.5x YoY to USD 791mn in 9M14, while the mining division's EBITDA was down by 20% YoY to USD 1.37bn due to lower iron ore/coking coal prices. In 3Q14 alone, EBITDA declined by 40% QoQ to USD 437mn due to lower sales volume and lower selling price for inputs.

CapEx was down by 3% to USD 412mn in 9M14. Total debt as of Sept 30 declined by 16% YTD to 3.63bn translating into a Net Debt/EBITDA ratio of 1.3x, vs. 1.5x as of end-2013.

COMMENTARY

While Metinvest's 3Q14 operational results were poor due to heavy fighting in the Donbass during this period, devaluation largely offset that adverse affect on the EBITDA level. The EBITDA drop of 23% YoY in 3Q14 on the back of a 26% YoY decline in net revenue actually looks not so bad, especially taking into account that the EBITDA margin stood at 17.9% in 3Q14 vs. 17.2% in 3Q13. Also, the leverage picture of the group has improved after the decrease in net debt as of Sept 30 from Jun 30 and the 2015 bonds exchange offer. Net debt as of Sept 30 stood at USD 3.23bn vs. USD 3.34bn as of Jun 30. The further Ukrainian hryvnia devaluation over 4Q14 should contribute positively to Metinvest's earnings in the last quarter of 2014 with being offset by weakening in steel and iron ore prices. In addition, the ongoing material risk of renewed fighting in the Donbass could prevent the company from recovering its steel production going forward.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.72	0.56	-22%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	68.0	108.0	59%	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	1.91	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	10.8	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	2117	5250	148%	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	5.5	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	22.5	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	32.1	72.0	124%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.47	15.00	101%	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	20.3	90.0	344%	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	0.102	0.24	135%	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	989.12	1368.76	821.17	1.8%	0.1%	-11.2%	8.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.019	0.05	0.01	7.6%	-5.6%	-24.8%	-52.3%	5.8%	-5.7%	-13.6%	-61.0%
Azovstal	AZST	0.72	0.95	0.35	3.5%	1.7%	-10.6%	6.9%	1.7%	1.6%	0.6%	-1.8%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-1.8%	-0.1%	11.2%	-95.2%
Enakievo Steel	ENMZ	20.2	65.0	16.0	1.2%	5.2%	-27.3%	-36.9%	-0.6%	5.1%	-16.0%	-45.6%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-1.8%	-0.1%	11.2%	239.1%
Mariupol Ilyicha	MMKI	0.17	n/a	n/a	-10.5%	-10.5%	-41.4%	70.0%	-12.3%	-10.6%	-30.1%	61.3%
Coke												
Avdyivka Coke	AVDK	1.91	3.70	1.46	5.7%	-0.3%	-25.2%	-35.4%	3.9%	-0.4%	-13.9%	-44.1%
Yasnyivsky Coking	YASK	0.32	0.84	0.28	0.0%	3.2%	-23.8%	-39.6%	-1.8%	3.2%	-12.6%	-48.3%
Iron Ore Mining												
Centralny GOK	CGOK	7.25	n/a	n/a	0.0%	0.0%	-8.2%	11.5%	-1.8%	-0.1%	3.0%	2.8%
Ferrexpo	FXPO	68.00	191.0	68.0	-0.6%	-4.4%	-19.2%	-64.4%	-2.4%	-4.5%	-8.0%	-73.1%
Pivnichny GOK	SGOK	8.30	9.80	4.50	0.0%	2.0%	-3.5%	3.8%	-1.8%	1.9%	7.8%	-4.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	0.0%	-25.6%	-20.0%	-1.8%	-0.1%	-14.3%	-28.7%
Komsomolets Donbasa	SHKD	0.31	n/a	n/a	-3.1%	34.8%	-62.7%	-50.0%	-4.9%	34.7%	-51.4%	-58.7%
Energy Coal	CLE	0.65	2.02	0.55	1.6%	-3.0%	-21.7%	-38.1%	-0.2%	-3.0%	-10.4%	-46.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-1.8%	-0.1%	11.2%	-43.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.42	1.01	0.33	5.0%	0.0%	-8.7%	-30.0%	3.2%	-0.1%	2.5%	-38.7%
Interpipe NMPP	NVTR	0.21	n/a	n/a	0.0%	-46.2%	-41.7%	0.0%	-1.8%	-46.2%	-30.4%	-8.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.8	25.0	10.0	-1.3%	-8.6%	-22.2%	-37.6%	-3.1%	-8.6%	-10.9%	-46.3%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	0.0%	0.0%	-13.6%	-28.0%	-1.8%	-0.1%	-2.4%	-36.7%
Stakhanov Wagon	SVGZ	0.39	n/a	n/a	-9.3%	-22.0%	-51.3%	-70.0%	-11.1%	-22.1%	-40.0%	-78.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-0.7%	-7.1%	12.8%	-1.8%	-0.7%	4.1%	4.1%
Motor Sich	MSICH	2,117	2,879	1,507	1.5%	4.2%	-7.4%	16.1%	-0.3%	4.1%	3.8%	7.4%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	0.0%	0.0%	-16.7%	80.0%	-1.8%	-0.1%	-5.4%	71.3%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	-1.8%	-0.1%	11.2%	62.7%
WESTA ISIC	WES	0.25	0.80	0.21	0.0%	-3.8%	-16.7%	-37.5%	-1.8%	-3.9%	-5.4%	-46.2%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	-7.1%	-3.8%	-27.8%	18.2%	-8.9%	-3.8%	-16.5%	9.5%
Oil & Gas												
Regal Petroleum	RPT	5.50	15.63	4.88	-2.3%	-2.2%	-12.0%	-56.9%	-4.1%	-2.3%	-0.8%	-65.6%
JKX Oil	JKX	23.00	72.75	23.00	-17.9%	-17.9%	-39.9%	-67.9%	-19.6%	-17.9%	-28.6%	-76.6%
Ukrnafta	UNAF	214	375	54	-1.0%	-5.9%	-21.7%	97.1%	-2.8%	-6.0%	-10.5%	88.4%
Power Utilities												
Centrenerg	CEEN	7.47	8.70	3.00	1.2%	0.6%	-1.8%	56.7%	-0.5%	0.5%	9.4%	48.0%
Donbasenergo	DOEN	32.1	50.2	11.0	3.5%	-0.1%	-5.2%	16.5%	1.8%	-0.1%	6.0%	7.8%
Zakhidenergo	ZAEN	153.9	199.8	80.0	0.0%	4.0%	-9.5%	70.2%	-1.8%	3.9%	1.8%	61.6%
Consumer												
Agroton	AGT	1.24	5.5	1.19	0.0%	0.8%	-40.1%	-36.4%	-1.8%	0.8%	-28.9%	-45.1%
Astarta	AST	20.29	68.0	14.5	4.6%	19.9%	-35.6%	-69.7%	2.8%	19.9%	-24.3%	-78.4%
Avangardo	AVGR	4.80	12.0	4.65	0.0%	-2.0%	-26.2%	-59.1%	-1.8%	-2.1%	-14.9%	-67.8%
Industrial Milk Company	IMC	6.70	13.99	6.50	3.1%	-0.7%	-8.7%	-44.9%	1.3%	-0.8%	2.5%	-53.5%
Kernel	KER	31.02	42.4	22.0	6.4%	27.2%	17.1%	-18.5%	4.6%	27.2%	28.3%	-27.2%
Mriya Agro Holding	MAYA	0.90	6.0	0.58	0.0%	11.9%	31.0%	-83.4%	-1.8%	11.8%	42.3%	-92.1%
MHPC	MHPC	10.70	18.5	10.00	-1.4%	-4.9%	0.9%	-37.1%	-3.2%	-5.0%	12.2%	-45.8%
Milkiland	MLK	1.96	13.0	1.89	0.0%	-1.5%	-39.1%	-84.3%	-1.8%	-1.6%	-27.9%	-93.0%
Ovostar Union	OVO	70.0	100.0	59.4	0.0%	0.0%	-6.5%	-30.0%	-1.8%	-0.1%	4.7%	-38.7%
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	0.0%	-20.7%	-29.3%	-48.0%	-1.8%	-20.8%	-18.1%	-56.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.102	0.190	0.091	1.4%	-1.1%	-17.1%	-10.1%	-0.4%	-1.1%	-5.9%	-18.8%
UkrSotsbank	USCB	0.150	0.205	0.090	0.0%	0.0%	-1.3%	-20.0%	-1.8%	-0.1%	10.0%	-28.7%

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%
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	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	11	1.6	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	199	3.0%	6	188	neg	neg	6.0	neg	neg	7.5	0.1	0.1	0.1	41	42	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	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	562	0.3%	1	561	5.9	2.9	3.4	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,266	0.4%	5	1,259	2.9	2.3	2.8	1.7	1.4	1.5	0.9	0.8	0.8				
Ferrexpo	FXPO	622	24.0%	149	1,316	2.9	2.4	2.2	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	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	72	2.0%	1	118	2.1	15.4	17.6	2.3	3.8	4.6	0.2	0.4	0.4	187	310	295	\$/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	82	5.0%	4	71	0.9	2.0	neg	0.5	1.4	5.3	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	6	8.0%	0	38	9.9	11.0	12.6	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	291	24.0%	70	284	1.5	1.7	1.6	0.9	1.0	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	161	7.2%	12	465	3.6	9.5	6.1	2.3	2.4	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	768	3.0%	23	763	4.4	>30	4.8	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	2	2.4	neg	13.8	0.1	neg	0.1	0.1	0.1	0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	62	50.4%	31	170	neg	9.5	7.9	1.2	2.6	2.5	0.8	0.9	0.9	31	23	23	\$/boe
Electric Utilities																		
CentrEnergO	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
DonbasEnergO	DOEN	50	14.2%	7	97	13.2	0.8	1.3	3.0	1.3	2.2	0.2	0.1	0.2	12	13	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	734	61.8%	454	1,388	3.5	7.0	neg	4.3	4.8	6.2	0.6	0.5	0.6				
Astarta	AST	151	37.0%	56	546	2.6	4.4	neg	4.9	6.0	4.0	1.2	1.1	1.0				
Avangardco	AVGR	307	22.5%	69	413	1.3	1.3	n/a	1.5	1.4	n/a	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	203	3.5%	7		>30	2.3	neg	0.3	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	183	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

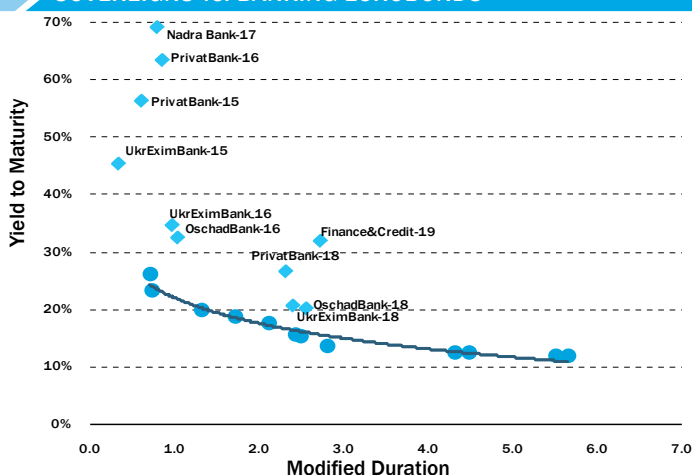
UKRAINIAN EUROBONDS

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)	82.6	84.6	30.3%	26.8%	-12.9%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	82.8	84.1	32.9%	30.7%	-14.6%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	75.6	76.6	22.6%	21.9%	-19.1%	1.7	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	78.0	78.8	24.2%	23.5%	-16.7%	1.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	75.4	76.9	17.8%	17.0%	-17.9%	2.5	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	76.7	78.1	21.2%	20.4%	-22.0%	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	17.3%	16.3%	-2.5%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	73.5	75.5	14.7%	14.1%	-20.0%	4.2	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	73.2	75.2	14.7%	14.1%	-20.8%	4.4	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	71.5	73.5	13.8%	13.3%	-20.4%	5.4	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	70.2	72.2	13.5%	13.0%	-21.5%	5.5	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	22.2%	16.7%	-7.0%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	80.0	82.1	13.7%	13.0%	-10.2%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	72.5	75.0	51.6%	46.8%	-24.7%	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	246.6%	204.7%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	12.5	17.5	101.5%	82.2%	-82.5%	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	53.0	56.0	31.7%	29.5%	-42.2%	2.4	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	59.8%	50.1%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	65.0	67.3	25.3%	23.9%	-25.7%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	82.8	85.0	23.5%	21.3%	-14.4%	1.2	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	60.0	66.0	28.4%	24.6%	-30.0%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.7%	30.3%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	65.0	67.1	28.7%	27.5%	-41.1%	1.7	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	45.0	55.0	35.6%	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	75.8%	63.5%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.0	73.0	66.6%	55.0%	-22.5%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	52.0	57.0	72.8%	62.2%	-28.3%	0.9	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	64.3	67.3	28.5%	26.5%	-21.3%	2.3	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	83.0	84.5	60.7%	55.2%	-13.2%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	70.0	73.0	40.0%	35.6%	-14.4%	1.0	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	69.0	70.5	23.2%	22.3%	-21.6%	2.4	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	714.4%	284.0%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	72.0	74.0	37.9%	35.3%	-21.6%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	70.0	71.0	22.2%	21.6%	-20.5%	2.5	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	74.1	75.5	45.3%	42.6%	-19.2%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	71.3	73.9	33.9%	31.2%	-21.9%	1.3	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

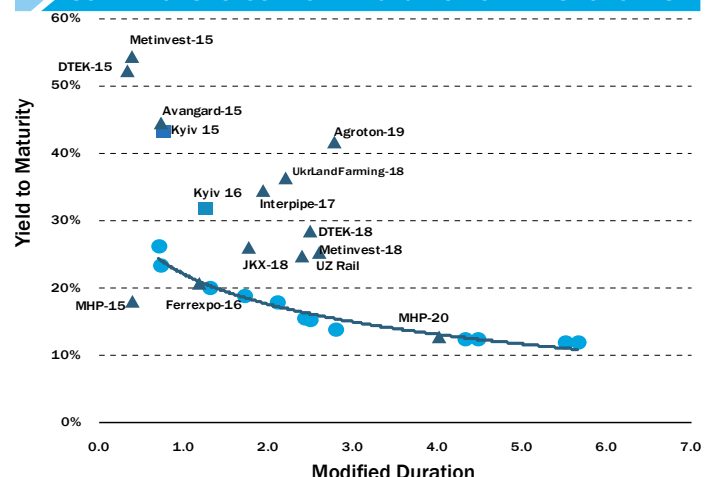
¹ Moody's/S&P/Fitch; * EUR

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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