

Market Update

Equity

The UX index finally closed back the above 1000 level on Wednesday (Dec 3), snapping a sideways trend that had lasted for more two weeks following the big Donbass war-related drop seen in mid-November. The gauge rose by 1.0% to reach 1008 points, as it appeared that most of the new Cabinet of Ministers appointments were cheered by investors. Among the most actively traded local names, Motor Sich (MSICH) rose by 1.6% to UAH 2177 per share, CentrErgo (CEEN) added 1.9% to UAH 7.69, and UkrNafta (UNAF) slipped 0.5% to UAH 218. In lower-liquidity blue chips, Yenakievo Steel (ENMZ) jumped 6.3% and Krukiv Wagon (KVBZ) advanced by 1.8%. Outside the UX basket, Yasynivsky Coke (YASK) surged by 6.4% to 35 kopecks. In London trading, JX Oil&Gas suffered through a third straight disastrous session, plunging all the way to GBp 14.50 on a 15% plunge. Agro names were under pressure across the board, with MHP (MHPC) sliding 8.2% to USD 10.05 and Avangard (AVGR) down 3.1% to USD 4.65. Warsaw-listed Kernel (KER) retreated by 2.3% and Astarta (AST) tumbled 7.8% to PLN 19.00.

Fixed Income

Ukrainian sovereigns continued to decline on restructuring/haircut concerns yesterday despite the news of the new government's appointment. Ukraine-17s slumped 2.7p.p. to 72.2/73.7 (19.6%/18.8%) and benchmark Ukraine-23s were down by 0.7p.p., closing at 68.5/70.5 (14.0%/13.5%). Corporate names were volatile and mixed. MHP-20s fell 3.4p.p. to 75.9/77.3 (15.0%/14.5%) while beaten-down UkrLandFarming-18s improved by 4.0p.p. to 51.0/60.0 (38.1%/31.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2177.00	1.6%	2.8	199
Centrenerg	CEEN	7.69	1.9%	2.0	179
Ukrnafta	UNAF	217.90	-0.5%	1.4	44

Growth Leaders

Yasynivsky Coke	YASK	0.35	6.4%	0.16	16
Yenakievo Steel	ENMZ	23.05	6.3%	0.07	68
Centrenerg	CEEN	7.69	1.9%	2.02	179

Loss Leaders

Mariupol Heavy Machine	MZVM	0.10	-16.9%	0.230	14
Alchevsk Steel	ALMK	0.02	-2.7%	0.009	41
Avdyivka Coke	AVDK	1.90	-1.7%	0.008	36

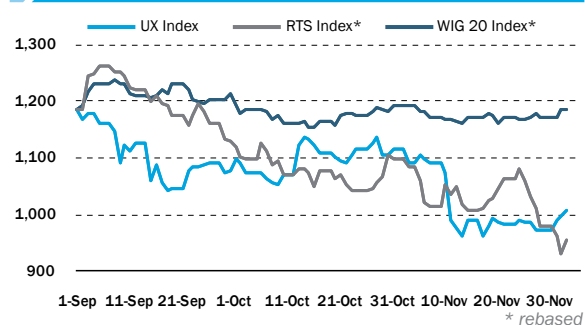
POLITICS AND ECONOMICS

- Ukraine's Steel Output Down 5% MoM and 29% YoY in November

STOCKS IN THE NEWS

- SPF Sets Initial Prices for CEEN, DOEN at UAH 6.98, UAH 47.70
- Ferrexpo Owner Zhevago Wins in Supreme Court Against Previous PGOK Owner
- IMC Completes 2014 Harvest; Corn Yield Up, Soybean Down

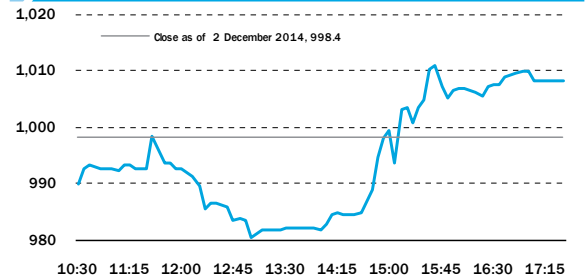
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1008.2	1.0%	-9.5%	10.8%
RTS	948.6	2.5%	-13.1%	-34.3%
WIG20	2445.4	0.0%	-0.7%	1.9%
MSCI EM	985.9	0.1%	-3.0%	-1.6%
S&P 500	2074.3	0.4%	2.8%	12.7%

UX INTRADAY DECEMBER 3, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	364.4	0.1%	9.9%	10.2%
CDS 5Y UKR	1741.2	0.0%	46.4%	112.3%
Ukraine-17	19.2%	1.5 p.p.	7.9 p.p.	10.2 p.p.
Ferrexpo-16	25.4%	0.6 p.p.	13.5 p.p.	16.6 p.p.
Ukraine-23	13.7%	0.2 p.p.	3.7 p.p.	6.2 p.p.
Privatbank-16	67.7%	0.2 p.p.	25.7 p.p.	47.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.24	0.5%	17.2%	85.0%
EUR	18.76	-0.1%	15.2%	65.0%
RUB	0.28	-0.7%	-5.7%	11.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	232.8	0.0%	4.6%	-19.0%
Steel, USD/t	475.0	0.0%	-5.5%	-11.6%
Oil, USD/bbl	69.9	-0.9%	-19.0%	-34.8%
Gold, USD/oz	1209.4	0.9%	3.1%	1.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Steel Output Down 5% MoM and 29% YoY in November

by Ivan Dzvinka
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NEWS

Ukraine's crude steel output declined by 16% YoY to 25.24mn tonnes year-to-date through November (11M14), according data from industry publication Metal Courier. In November alone, Ukrainian mills smelted 1.82mn tonnes of steel, a 5% MoM and 29% YoY decline. If adjusted for the number of days, average daily output in November was down 1.9% MoM from October.

UKRAINE'S CRUDE STEEL PRODUCTION, 000T							
Group	Company	Nov'14	YoY	Nov daily	MoM	11M14	YoY
AM	ArchelorMittal KR	498	-8%	16.6	-11%	5,821	-1%
Metinvest	MMK Illich	203	-47%	6.8	9%	3,353	-27%
Metinvest	Azovstal	286	-14%	9.5	-3%	3,332	-19%
Metinvest	Zaporizhstal	341	22%	11.4	-1%	3,637	4%
Metinvest	Yenakievo Steel	84	-64%	2.8	247%	1,866	-29%
IUD	Alchevsk Steel	0	-100%	0.0	-	2,503	-34%
IUD	Dzerzhinsky Steel	215	-2%	7.2	-7%	2,299	-15%
Evrz	Petrovsky Steel	77	-16%	2.6	21%	914	-2%
na	Dniprospeztstal	21	11%	0.7	-17%	259	2%
-	Others	97		3.2		1,256	
TOTAL		1,822	-29%	60.7	-2%	25,240	-16%

Source: Metal Courier, Metallurgprom

COMMENTARY

War-related problems with logistics for the Donbass-based steel plants continue to be exacerbated by the prevailing tough situation on export markets for Ukrainian steel mills. Deceleration of economic growth in China and more attractive profitability margin from exports vs. domestic sales has been stimulating Chinese steel producers to redirect an increasing share of their output to export markets, while low iron ore pricing makes them more "flexible" in terms of offering attractive (lower) steel prices. Over 10M14, Chinese steel exports surged 42% YoY to 74mn tonnes, an incremental rise of some 22mn tonnes. This is comparable to annual Ukrainian export volume, which was 23.2mn tonnes in 2013. In addition to its Middle East sales, China is also actively expanding its presence on the European long and flat steel market, according to agency Eurofer. The export volume of Chinese finished steel (long + flat) to Europe more than doubled in 3Q14 YoY. The Middle East and Europe are the core export markets for Ukrainian steelmakers. Pricing dynamics provides numeric proof of the hard situation, with average export HRC and billet prices having dropped by 7-9% in November vs. October (FOB, Black Sea). Competition to sell to European and Middle East clients is also going to be strengthened by the US decision to impose anti-dumping duties on Russian flat steel in the amount of 74-185%, which will go into effect by the middle of this month. All in all, the prospects for domestic steel mills in the near term remain quite gloomy.

Improving output at previously shuttered Yenakievo Steel allowed Metinvest to increase its November production total by 3.8% MoM, which was still 26% lower YoY. With Metinvest's announcement that one more blast furnace at Yenakievo was re-started on Dec 3, the company could further increase its production in December if a sufficient order book is formed. Over 1H14, average monthly steel production at Yenakievo was 246,000 tonnes, almost 3x higher than in November.

SPF Sets Initial Prices for CEEN, DOEN at UAH 6.98, UAH 47.70

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 7.69 Market Cap: USD 187mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.2	3.1	1.8	9.6%
2014E	0.2	9.0	4.0	3.3%

NEWS

The State Property Fund of Ukraine (SPF) has set “starting prices” for a 10% stake in the country’s second-largest thermal electricity generator CentrEnergO (CEEN) and a 25% stake in the fifth-largest generator DonbasEnergO (DOEN) for auctions planned in late December, it was reported on the SPF’s website on Wednesday (Dec 3). The SPF said the 10% stake in CentrEnergO will be offered through the Ukrainian Interbank Currency Exchange (UICE) on Dec 24 at a starting price of UAH 258mn (USD 17mn), implying a valuation of UAH 6.98 per share. The government’s remaining 25% + 1 blocking stake in DonbasEnergO will be offered through the Kyiv-based EESE exchange at a starting price of UAH 282mn (USD 19mn), implying a valuation at UAH 47.70 per share. The SPF has not mentioned any requirements for potential buyers.

COMMENTARY

The price for CentrEnergO looks very low. On the Ukrainian Exchange (UX), the CEEN stock trades at UAH 7.69, about 10% higher than the announced price. We do not rule out that the SPF intentionally offered the stake very cheaply in an effort to attract bidders to the placement. The SPF did not unveil the methodology of how it had determined the price. Meanwhile, for the 25% stake in DonbasEnergO, the price is 48% higher than the stock quotes on the UX. Although the price still looks too cheap and not advantageous to the state, in the current economic environment, there is no guarantee that the announced placements will not be cancelled due to a lack of bidders.

As we reported last week, the Cabinet of Ministers had explained its intention to float a trial 10% stake in CentrEnergO as a way to determine its real market value. Current quotes for CentrEnergO on the 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 rather than an economically justified value of the company based on its generating capacity. 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 either the CEEN or DOEN stocks.

Ferrexpo Owner Zhevago Wins in Supreme Court Against Previous PGOK Owner

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBP 68.6 Market Cap: USD 629mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	0.84	2.4	2.6	12%
2014E	0.91	2.3	2.7	3%

IMC Completes 2014 Harvest; Corn Yield Up, Soybean Down

by Ivan Dzvinka
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NEWS

With a ruling on Tuesday (Dec 2), Ukraine's Supreme Court threw out a lawsuit of several Britain companies ultimately related to Russian entrepreneur Alexander Babakov aimed at cancelling additional share issues that took place at iron ore mine Poltavsky GOK since 2002. The suit also demanded the transfer of a 40% stake in Poltavsky GOK from Ferrexpo, which is controlled by industrialist Constantine Zhevago, to Babakov's VS Energy. The court's ruling was reported by Interfax yesterday. Back in October, the Kyiv Commercial Court made a similar ruling in this lawsuit, after which VS Energy filed an appeal.

COMMENTARY

The speeding-up of the resolution of this long-running dispute (since 2005) in favor of Zhevago is positive news for Ferrexpo and its securities. With the latest ruling, we now see even less chance for VS Energy to succeed in this dispute, at least in the domestic court system. It remains to be seen, though, whether VS Energy will try to initiate a suit against Zhevago in some foreign court(s). Overall, we stick to our view that chances for VS Energy to reclaim its former stake in Poltavsky GOK are insignificant.

NEWS

Central-Ukraine-based crop grower IMC has completed its 2014 harvest campaign of late crops, the company stated in its press release on Wednesday (Dec 3). IMC harvested 604,000 tonnes of corn (+39% YoY) with the net yield improving by 3% YoY to 7.3 t/ha. The soybean harvest amounted to 13,000 tonnes (+64% YoY) with the net yield declining by 11% YoY to 1.6 t/ha. Along with the already-reported winter wheat and sunflower harvests in the amount of 43,000 tonnes and 48,100 tonnes, respectively, IMC had an overall harvest of some 708,000 tonnes of crops, representing 27% YoY growth. The harvested land bank for 2014 was 118,000 ha, up from 101,700 ha in 2013. The current total land bank of the company stands at 136,700 ha.

COMMENTARY

We see this news as providing mixed sentiment for the Warsaw-listed IMC stock. While the company's achieved yield for its major crop, corn, was slightly higher YoY and better than the Ukrainian average of 5.9 t/ha this season, it remains much below the 9.0 t/ha achieved by MHP, Ukraine's largest poultry producer, which grows grain as part of its vertical integration structure. Of course, it could be attributed with lower production cost per hectare of IMC compared to MHP. The news about the double-digit YoY decline in the soybean yield is obviously disappointing. This occurred in spite of an 85% expansion YoY in land planted under soybean in 2014, which should have entailed a positive effect from economy on scale.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.71	0.56	-22%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	68.6	108.0	57%	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	8.22	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	1.90	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	0.35	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	11.2	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.04	U/R	--	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2177	5250	141%	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	4.9	U/R	--	U/R	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	14.5	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	7.69	15.00	95%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	10.1	17.96	79%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	19.0	90.0	374%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	4.7	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	0.104	0.24	132%	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	1008.23	1368.76	821.17	1.0%	2.1%	-9.5%	10.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.018	0.05	0.01	-1.6%	0.0%	-26.8%	-53.6%	-2.6%	-2.1%	-17.3%	-64.4%
Azovstal	AZST	0.71	0.95	0.35	0.3%	0.7%	-10.9%	6.6%	-0.7%	-1.4%	-1.3%	-4.2%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-1.0%	-2.1%	9.5%	-97.3%
Enakievo Steel	ENMZ	23.1	65.0	16.0	6.3%	12.9%	-17.0%	-28.0%	5.3%	10.7%	-7.5%	-38.8%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-1.0%	-2.1%	9.5%	237.0%
Mariupol Ilyicha	MMKI	0.17	n/a	n/a	0.0%	-10.5%	-41.4%	70.0%	-1.0%	-12.7%	-31.9%	59.2%
Coke												
Avdyivka Coke	AVDK	1.90	3.70	1.46	-0.4%	1.3%	-25.7%	-35.8%	-1.4%	-0.9%	-16.1%	-46.6%
Yasnyivsky Coking	YASK	0.35	0.84	0.28	6.1%	16.7%	-16.7%	-34.0%	5.1%	14.5%	-7.1%	-44.8%
Iron Ore Mining												
Centralny GOK	CGOK	7.30	n/a	n/a	0.7%	0.7%	-7.6%	12.3%	-0.3%	-1.5%	1.9%	1.5%
Ferrexpo	FXPO	68.60	191.0	68.0	0.9%	-2.6%	-18.5%	-64.1%	-0.1%	-4.8%	-9.0%	-74.9%
Pivnichny GOK	SGOK	8.22	9.80	4.50	-4.4%	0.2%	-4.4%	2.8%	-5.4%	-1.9%	5.1%	-8.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	0.0%	-25.6%	-20.0%	-1.0%	-2.1%	-16.1%	-30.8%
Komsomolets Donbasa	SHKD	0.31	n/a	n/a	0.0%	-6.1%	-62.7%	-50.0%	-1.0%	-8.2%	-53.1%	-60.8%
Energy Coal	CLE	0.68	2.02	0.55	-2.9%	3.0%	-18.1%	-35.2%	-3.8%	0.9%	-8.5%	-46.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-1.0%	-2.1%	9.5%	-45.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.44	1.01	0.33	4.8%	12.8%	-4.3%	-26.7%	3.8%	10.7%	5.2%	-37.5%
Interpipe NMPP	NVTR	0.30	n/a	n/a	20.0%	3.4%	-16.7%	42.9%	19.0%	1.3%	-7.1%	32.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.2	25.0	10.0	3.0%	-3.7%	-19.6%	-35.5%	2.1%	-5.9%	-10.0%	-46.3%
Luhanskeplovoz	LTPL	1.04	1.80	0.85	-3.7%	-3.7%	-16.8%	-30.7%	-4.7%	-5.9%	-7.3%	-41.5%
Stakhanov Wagon	SVGZ	0.39	n/a	n/a	0.0%	-11.4%	-51.3%	-70.0%	-1.0%	-13.5%	-41.7%	-80.8%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	0.0%	-0.7%	-7.1%	12.8%	-1.0%	-2.8%	2.4%	2.0%
Motor Sich	MSICH	2,177	2,879	1,507	1.8%	6.4%	-4.8%	19.4%	0.8%	4.3%	4.7%	8.6%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	33.3%	11.1%	140.0%	-1.0%	31.2%	20.6%	129.2%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	-1.0%	-2.1%	9.5%	60.6%
WESTA ISIC	WES	0.23	0.80	0.21	-11.5%	-11.5%	-23.3%	-42.5%	-12.5%	-13.7%	-13.8%	-53.3%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	0.0%	-3.8%	-27.8%	18.2%	-1.0%	-5.9%	-18.3%	7.4%
Oil & Gas												
Regal Petroleum	RPT	4.88	15.00	4.88	-4.9%	-11.4%	-22.0%	-61.8%	-5.9%	-13.5%	-12.5%	-72.6%
JKX Oil	JKX	14.50	72.75	14.50	-14.7%	-47.7%	-62.1%	-79.8%	-15.7%	-49.9%	-52.6%	-90.6%
Ukrnafta	UNAF	218	375	54	-0.7%	-3.4%	-20.3%	100.6%	-1.7%	-5.5%	-10.7%	89.9%
Power Utilities												
Centrenerg	CEEN	7.69	8.70	3.00	2.1%	2.1%	1.1%	61.3%	1.1%	0.0%	10.6%	50.5%
Donbasenergo	DOEN	32.1	50.2	11.0	0.6%	1.0%	-5.3%	16.4%	-0.4%	-1.1%	4.2%	5.6%
Zakhidenergo	ZAEN	153.9	199.8	80.0	0.0%	4.0%	-9.5%	70.2%	-1.0%	1.8%	0.1%	59.5%
Consumer												
Agroton	AGT	1.29	5.5	1.19	-7.2%	2.4%	-37.7%	-33.8%	-8.2%	0.2%	-28.2%	-44.6%
Astarta	AST	19.00	68.0	14.5	-7.8%	31.0%	-39.7%	-71.6%	-8.8%	28.9%	-30.2%	-82.4%
Avangardo	AVGR	4.65	12.0	4.65	-3.1%	-5.1%	-28.5%	-60.4%	-4.1%	-7.2%	-18.9%	-71.2%
Industrial Milk Company	IMC	6.60	13.34	6.50	1.5%	-3.5%	-10.1%	-45.7%	0.5%	-5.7%	-0.6%	-56.5%
Kernel	KER	29.80	42.0	22.0	-2.3%	13.5%	12.5%	-21.7%	-3.3%	11.4%	22.0%	-32.5%
Mriya Agro Holding	MAYA	0.90	6.0	0.58	0.0%	11.9%	31.0%	-83.4%	-1.0%	9.7%	40.6%	-94.2%
MHPC	MHPC	10.05	18.5	10.00	-8.2%	-6.1%	-5.2%	-40.9%	-9.2%	-8.2%	4.3%	-51.7%
Milkiland	MLK	2.39	12.7	1.89	1.7%	21.3%	-25.8%	-80.9%	0.7%	19.2%	-16.3%	-91.7%
Ovostar Union	OVO	72.0	100.0	59.4	2.9%	0.0%	-3.8%	-28.0%	1.9%	-2.1%	5.7%	-38.8%
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	0.0%	-20.7%	-29.3%	-48.0%	-1.0%	-22.9%	-19.8%	-58.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.104	0.190	0.091	-0.4%	2.5%	-15.8%	-8.7%	-1.4%	0.3%	-6.3%	-19.5%
UkrSotsbank	USCB	0.138	0.205	0.090	-8.0%	1.8%	-9.2%	-26.4%	-9.0%	-0.3%	0.4%	-37.2%

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%
Ukrspasbank	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	1,379	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	356	332	323	\$/tonne
Yenakievo Steel	ENMZ	16	8.8%	1	12	1.9	neg	neg	neg	0.6	0.4	0.0	0.0	0.0	5	4	4	\$/tonne
Azovstal	AZST	197	3.0%	6	186	neg	neg	5.9	neg	neg	7.4	0.1	0.1	0.1	40	41	41	\$/tonne
Coke																		
Avdyivka Coke	AVDK	24	6.8%	2	-24	neg	neg	neg	neg	-0.5	neg	0.0	0.0	0.0	-6	-6	-6	\$/tonne
Yasynivsky Coke	YASK	6	9.0%	1	7	0.7	neg	1.3	0.3	0.2	0.4	0.0	0.0	0.0	0.3	0.2	0.4	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	561	0.3%	1	560	5.9	2.9	3.4	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,243	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	627	24.0%	151	1,321	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	0.9	0.4	0.4	0.9	1.2	1.2	0.4	0.5	0.5	27	26	24	\$/tonne
Coal Energy	CLE	31	25.0%	8	141	0.8	neg	neg	2.2	6.7	15.7	0.9	1.1	1.4	2.2	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	15	24.0%	4	52	3.1	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiw Wagon	KVBZ	84	5.0%	4	73	0.9	2.0	neg	0.5	1.5	5.5	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	6	8.0%	0	38	9.8	10.9	12.5	5.3	6.5	7.0	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	97	5.8%	6	37	2.5	1.4	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	297	24.0%	71	289	1.5	1.8	1.6	0.9	1.1	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	160	7.2%	12	463	3.5	9.4	6.1	2.3	2.4	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	775	3.0%	23	770	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	24	21.6%	5	-1	2.1	neg	12.2	0.0	neg	0.0	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	39	50.4%	20	147	neg	6.0	5.0	1.1	2.2	2.2	0.7	0.8	0.7	27	20	20	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	186	21.7%	40	173	6.5	3.1	8.9	2.5	1.8	3.9	0.2	0.2	0.2	10	13	11	\$/MWh
DonbasEnerg	DOEN	50	14.2%	7	97	13.0	0.8	1.2	3.0	1.3	2.2	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	1,062	34.1%	362	2,142	3.4	6.5	neg	4.6	5.5	4.0	1.5	1.4	1.4				
Kernel	KER	706	61.8%	436	1,359	3.3	6.7	neg	4.2	4.7	6.1	0.6	0.5	0.6				
Astarta	AST	141	37.0%	52	537	2.4	4.1	neg	4.9	5.9	3.9	1.2	1.1	1.0				
Avangardco	AVGR	297	22.5%	67	403	1.3	1.2	n/a	1.4	1.3	n/a	0.6	0.6	n/a	91	69	65	\$/mneggs
Agroton	AGT	8	26.2%	2	57	1.2	neg	neg	2.8	7.6	16.5	0.7	0.7	0.6	n/a	n/a	n/a	
Banks																		
							P/E			P/Book				P/Assets				
Raiffeisen Bank Aval	BAVL	204	3.5%	7		>30	2.3	neg	0.3	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	167	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

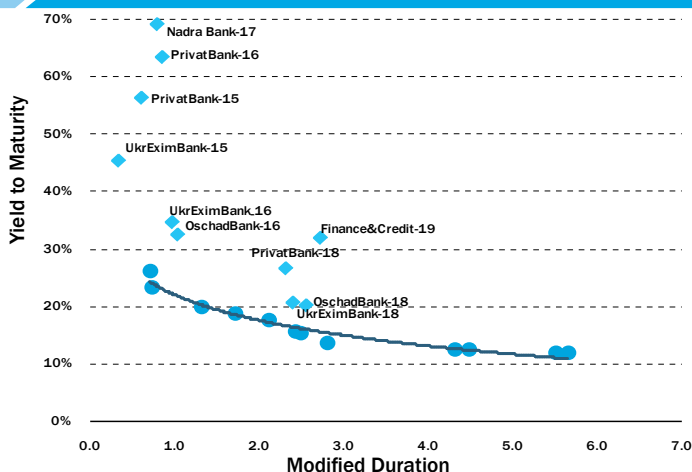
UKRAINIAN EUROBONDS

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)	80.9	83.9	33.4%	28.1%	-14.1%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	80.8	82.0	37.2%	35.1%	-16.8%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	72.3	73.5	25.4%	24.4%	-22.5%	1.6	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	73.5	74.5	29.0%	27.9%	-21.4%	1.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	72.2	73.7	19.6%	18.8%	-21.4%	2.4	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	72.7	75.2	23.7%	22.1%	-25.4%	2.0	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	73.0	74.0	21.3%	20.7%	-11.0%	2.3	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	73.5	75.5	18.2%	17.3%	-5.1%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	72.1	74.1	15.1%	14.5%	-21.5%	4.2	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	72.2	74.2	15.0%	14.4%	-21.9%	4.3	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	69.0	71.0	14.5%	13.9%	-23.1%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	68.5	70.5	14.0%	13.5%	-23.4%	5.5	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.1	43.7%	40.0%	-39.5%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	95.5	97.5	22.5%	16.9%	-7.0%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	75.9	77.3	15.0%	14.5%	-15.1%	4.0	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	70.0	72.0	56.9%	52.8%	-27.5%	0.7	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	51.0	60.0	38.1%	31.0%	-36.3%	2.3	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	248.2%	206.0%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	16.5	116.0%	85.6%	-84.5%	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	44.0	49.0	39.5%	35.0%	-50.7%	2.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	60.9%	51.0%	-18.5%	0.4	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	62.0	64.0	27.3%	26.0%	-29.2%	2.3	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	80.0	82.0	26.5%	24.4%	-17.3%	1.1	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	60.0	65.0	28.4%	25.2%	-30.6%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.8%	30.3%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	62.4	64.2	30.4%	29.2%	-43.5%	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%	0.0	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	75.9%	63.6%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.0	73.0	67.0%	55.3%	-22.5%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	52.0	57.0	73.2%	62.5%	-28.3%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	59.9	62.4	31.5%	29.7%	-26.9%	2.2	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	80.0	82.5	73.0%	63.3%	-15.8%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	70.0	48.0%	40.1%	-19.2%	0.9	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	69.0	70.5	23.2%	22.3%	-21.6%	2.3	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	737.7%	287.4%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	67.5	68.5	44.4%	43.0%	-26.9%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	64.0	66.0	25.7%	24.5%	-26.7%	2.4	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	70.0	75.1	53.2%	43.7%	-21.7%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	70.0	72.0	35.5%	33.3%	-23.6%	1.2	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

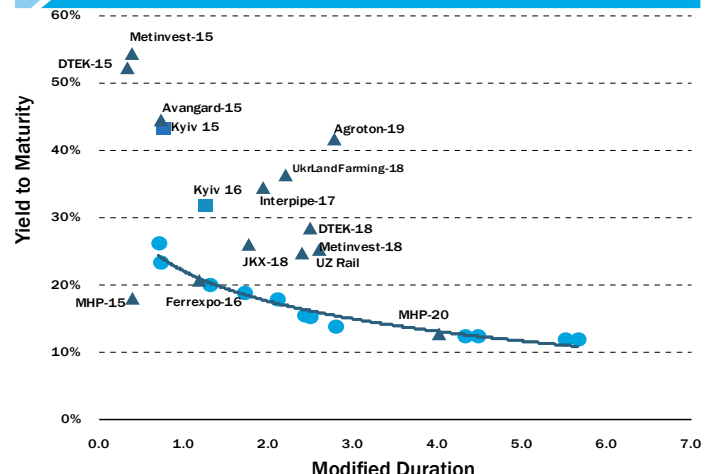
¹ Moody's/S&P/Fitch; * EUR

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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