

Market Update

Equity

Locally-listed Ukrainian stocks corrected on Friday (Dec 5) as market players were disappointed by the news about the worse-than-expected slide in the National Bank's foreign currency reserves, which fell to a fresh ten-year low of just under USD 10bn. The UX index lost 1.5% to close at 990 points. All 10 components of the benchmark finished in the red, with Motor Sich (MSICH) edging down by 0.4% while Avdyivka Coke (AVDK) fell 3.9% to UAH 1.86. In electricity generation names, CentrEnero (CEEN) and DonbasEnero (DOEN) were both lower by about 1%. Outside the UX basket, LuganskTeplovovz (LTPL) shed 1.6% to UAH 1.04 after a notable gain a day earlier. In London trading, JKX Oil&Gas (JKX) was still searching for a bottom, sliding 10.5% to GBP 12.75. Meanwhile Ferrexpo (FXPO) managed to add 2.8% to GBP 64.70, but still lost 5.4% for the week. Warsaw-listed Kernel (KER) gained 1.9% to PLN 30.30 while Astarta (AST) declined by 2.1%.

Fixed Income

Ukrainian sovereign Eurobonds were moderately lower on Friday in lighter activity than what has been seen recently, with Ukraine-23s down by 0.3p.p. to close at 69.8/71.8 (13.7%/13.2%). Corporate names were largely unchanged, with the exception of MHP-20s, which up to now has been the most resilient issue in the local universe; the bonds lost 2.9p.p. to 75.0/81.3 (15.3%/13.3%). Ferrexpo-16s inched down by 0.2p.p., finishing at 80.0/82.0 (26.7%/24.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrEnero	CEEN	7.50	-1.7%	3.4	106
Motor Sich	MSICH	2181.00	-0.5%	1.3	80
Ukrnafta	UNAF	217.00	-1.4%	1.2	14

Growth Leaders

Mariupol Heavy Machine	MZVM	0.12	24.9%	0.11	47
Motor Sich	MSICH	2181.00	-0.5%	1.32	80
Donbasenergo	DOEN	31.40	-1.1%	0.11	92

Loss Leaders

Khartsyzk Pipe	HRTR	0.42	-4.4%	0.011	10
Avdyivka Coke	AVDK	1.86	-3.9%	0.004	19
Yenakievo Steel	ENMZ	22.00	-3.7%	0.007	28

Highlights

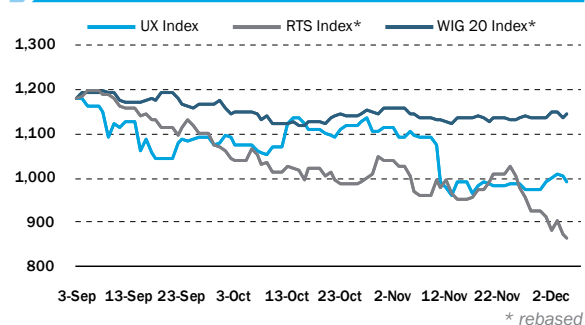
POLITICS AND ECONOMICS

- > New Round of Minsk Peace Talks Set for Tuesday
- > NBU Reserves Slide to USD 10bn After 2.6bn Depletion in November

STOCKS IN THE NEWS

- > MHP Director Acquires 5,000 Shares in the Company

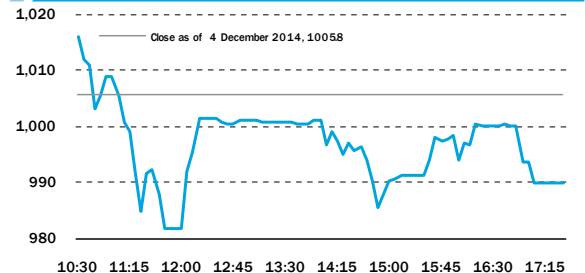
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	990.0	-1.6%	-9.3%	8.8%
RTS	908.8	-1.1%	-15.7%	-37.0%
WIG20	2438.4	0.9%	-1.0%	1.6%
MSCI EM	985.7	-0.1%	-2.1%	-1.6%
S&P 500	2075.4	0.2%	3.1%	12.7%

UX INTRADAY DECEMBER 5, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	364.7	0.1%	7.5%	10.3%
CDS 5Y UKR	1798.7	1.3%	43.4%	119.3%
Ukraine-17	19.5%	0.7 p.p.	7.0 p.p.	10.5 p.p.
Ferrexpo-16	25.6%	0.3 p.p.	13.6 p.p.	16.7 p.p.
Ukraine-23	13.4%	0.1 p.p.	2.8 p.p.	5.9 p.p.
Privatbank-16	68.3%	0.2 p.p.	26.2 p.p.	47.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.46	0.7%	18.9%	87.6%
EUR	19.00	0.0%	16.4%	67.1%
RUB	0.29	3.8%	-1.8%	16.7%

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	69.1	-0.8%	-17.2%	-35.6%
Gold, USD/oz	1192.5	-1.1%	2.1%	-0.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

New Round of Minsk Peace Talks Set for Tuesday

by Will Ritter
w.ritter@eavex.com.ua

NEWS

President Poroshenko announced that fresh peace talks will be held in the Belarussian capital of Minsk on Tuesday (Dec 9), Interfax reported on Saturday (Dec 6). The President said he expects the new talks to pursue the implementation of the Sept 5 Minsk protocol, including a full permanent cease-fire. The previous Minsk talks slowed, but did not stop, fighting in the Donbass war between the Ukrainian army and pro-Russian separatists. Specific information about exactly who will participate in the talks was not announced; the September talks involved the Ukrainian and Russian foreign ministries, EU, and OSCE representatives, but critically, not representatives of the pro-Russian separatist republics. Tuesday will also see a “day of silence” i.e. a test-ceasefire, along the Donbass demarcation line that has seen active mortar shelling and rocket attacks from both sides on a daily basis for the last two months.

COMMENTARY

The new impetus toward peace talks is clearly positive development for the overall political and reform environment in Ukraine. We assume that Russian President Putin may be pushing his separatist proxies in the Donbass toward a peace settlement due to his desire to roll back Western economic sanctions that are hurting Moscow, as well as due to extra pressure from the recent slump in global oil prices that is hitting the Russian budget hard. Poroshenko also has an incentive soften his previous hard-line stance on refusing to negotiate directly with the DNR/LNR separatists, as the sharply deteriorating situation with Ukraine’s state finances and the urgent need for Western financial assistance are making it impossible for him to resist EU demands, first of all from German chancellor Angela Merkel, that he take a more accommodating position. Still, the requirement of Poroshenko that the results of the DNR/LNR unrecognized elections held in early November be rolled back appears as though it could be a serious sticking point in the new negotiations.

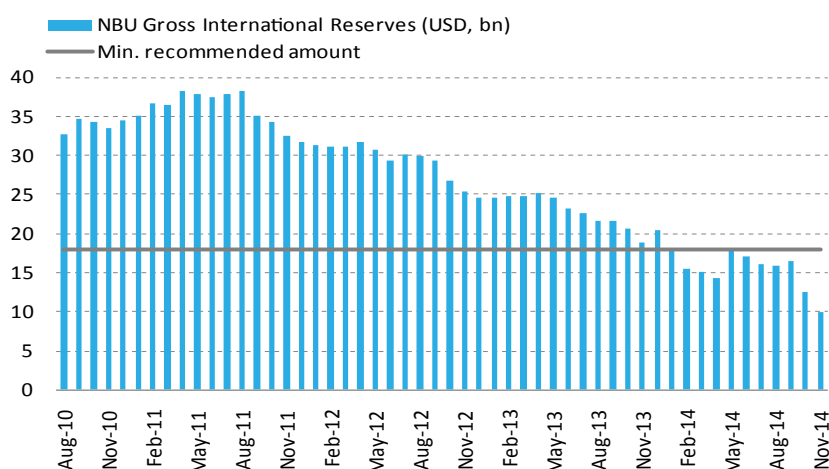
NBU Reserves Slide to USD 10bn After 2.6bn Depletion in November

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Ukraine's foreign currency reserves were depleted by 20.8% (USD 2.6bn) MoM to USD 9.97bn in November, the National Bank of Ukraine (NBU) reported on Friday (Dec 5). The NBU said that its intervention on the interbank market had amounted to USD 573mn in the period. The FX reserves were also used for servicing the government's external debt in the amount of USD 897mn. Meanwhile, the main outflow from the reserves was due to disbursement of USD 1.45bn to the state energy distributor Naftogaz for redemption of the company's debt to Russia, which was required to resume natural gas imports from Russia.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

Last month we forecasted, rather pessimistically, that the FX reserves would fall to USD 10.2bn, and unfortunately our prognosis turned out to be more or less accurate. For December, we estimate the government's need in foreign currency for servicing debt at USD 500mn, but we assume that the source for this amount will not be the NBU reserves, but a loan from the EU. Although December has historically been a month in which household demand for forex is not a strong factor, this year may be a different story, with demand for hard currency from importers keeping up the pressure on the reserves. Also, Naftogaz announced that it will send an advance payment to Gazprom for a delivery of 1.0bn cubic meters of natural gas, implying an additional outflow of USD 378mn from the country. We anticipate that the NBU foreign reserves will amount to USD 9.2bn at month- and year-end. The reserves are now at a ten-year low, but there should be some improvement after the new year, when two IMF loan tranches for a total amount of USD 2.8bn are due to arrive in January-February.

MHP Director Acquires 5,000 Shares in the Company

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 10.30 Market Cap: USD 1,088mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.4	6.7	5.5	7.4%
2014E	1.4	neg	4.0	7.4%

NEWS

Philippe Lamarche, the non-executive director of MHP, Ukraine's largest poultry producer, has acquired 5,000 GDRs (1 GDR = 1 share) in the company on Dec 3, the company reported in a press release on Friday (Dec 5). The average price paid was USD 10.70 per GDR. As a result, Mr. Lamarche expanded his stake in MHP to 20,000 GDRs, or 0.019% of the company's total GDRs outstanding.

COMMENTARY

While the total deal value of USD 53,500 is not very large, the news is still positive for MHP's stock. Interest by the Board's representatives in the shares supports our positive outlook for the company as well as our view that MHPC stock looks cheap. Our target price of USD 17.96 suggests an upside of 74% to the current price of USD 10.30.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-20%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	64.7	108.0	67%	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	1.86	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	1.04	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2181	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	12.8	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	31.4	72.0	129%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.50	15.00	100%	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	10.3	17.96	74%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	18.4	90.0	390%	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	4.5	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	0.101	0.24	138%	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	990.03	1368.76	821.17	-1.6%	1.9%	-9.3%	8.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.018	0.05	0.01	-1.7%	2.3%	-23.8%	-54.6%	-0.1%	0.4%	-14.6%	-63.4%
Azovstal	AZST	0.70	0.95	0.35	-2.1%	0.9%	-10.5%	4.2%	-0.5%	-1.0%	-1.3%	-4.6%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	1.6%	-1.9%	9.3%	-95.3%
Enakievo Steel	ENMZ	22.0	65.0	16.0	-3.7%	10.2%	-13.2%	-31.3%	-2.2%	8.3%	-3.9%	-40.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	1.6%	-1.9%	9.3%	239.0%
Mariupol Ilyicha	MMKI	0.17	n/a	n/a	0.0%	-10.5%	-41.4%	70.0%	1.6%	-12.4%	-32.1%	61.2%
Coke												
Avdyivka Coke	AVDK	1.86	3.70	1.46	-3.9%	2.5%	-25.8%	-37.3%	-2.4%	0.6%	-16.5%	-46.1%
Yasnyivsky Coking	YASK	0.32	0.84	0.28	0.0%	0.0%	-23.8%	-39.6%	1.6%	-1.9%	-14.6%	-48.4%
Iron Ore Mining												
Centralny GOK	CGOK	7.30	n/a	n/a	0.0%	0.7%	2.1%	12.3%	1.6%	-1.2%	11.4%	3.5%
Ferrexpo	FXPO	64.70	191.0	63.0	2.8%	-5.4%	-20.2%	-66.1%	4.3%	-7.3%	-11.0%	-74.9%
Pivnichny GOK	SGOK	8.22	9.80	4.50	0.0%	-1.0%	-3.3%	2.8%	1.6%	-2.8%	6.0%	-6.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	0.0%	-25.6%	-20.0%	1.6%	-1.9%	-16.3%	-28.8%
Komsomolets Donbasa	SHKD	0.31	n/a	n/a	0.0%	-3.1%	-62.7%	-50.0%	1.6%	-5.0%	-53.4%	-58.8%
Energy Coal	CLE	0.68	2.02	0.55	0.0%	6.3%	-10.5%	-35.2%	1.6%	4.4%	-1.3%	-44.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	1.6%	-1.9%	9.3%	-43.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.42	1.01	0.22	-4.5%	5.0%	-25.0%	-30.0%	-3.0%	3.1%	-15.7%	-38.8%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	42.9%	-16.7%	42.9%	1.6%	41.0%	-7.4%	34.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.8	25.0	10.0	-3.4%	-1.5%	-20.5%	-37.7%	-1.8%	-3.3%	-11.3%	-46.5%
Luhanskeplovoz	LTPL	1.04	1.80	0.85	-3.7%	-3.7%	-16.8%	-30.7%	-2.1%	-5.6%	-7.5%	-39.5%
Stakhanov Wagon	SVGZ	0.34	n/a	n/a	0.0%	-20.9%	-69.1%	-73.8%	1.6%	-22.8%	-59.8%	-82.6%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.02	10.4%	-8.0%	-16.7%	3.8%	12.0%	-9.9%	-7.4%	-5.0%
Motor Sich	MSICH	2,181	2,879	1,525	-0.5%	4.6%	-3.3%	19.6%	1.1%	2.7%	6.0%	10.8%
Sumy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	33.3%	11.1%	140.0%	1.6%	31.5%	20.4%	131.2%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	1.6%	-1.9%	9.3%	62.6%
WESTA ISIC	WES	0.25	0.80	0.21	0.0%	0.0%	-16.7%	-37.5%	1.6%	-1.9%	-7.4%	-46.3%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	0.0%	-6.8%	-27.5%	18.6%	1.6%	-8.7%	-18.2%	9.8%
Oil & Gas												
Regal Petroleum	RPT	4.94	15.00	4.88	-2.4%	-12.3%	-21.0%	-61.3%	-0.8%	-14.1%	-11.7%	-70.0%
JKX Oil	JKX	12.75	72.75	12.75	-10.5%	-54.5%	-66.0%	-82.2%	-9.0%	-56.3%	-56.7%	-91.0%
Ukrnafta	UNAF	217	375	54	-1.4%	0.4%	-19.4%	99.8%	0.2%	-1.5%	-10.1%	91.0%
Power Utilities												
Centrenerg	CEEN	7.50	8.70	3.00	-1.7%	1.6%	0.3%	57.3%	-0.2%	-0.2%	9.5%	48.5%
Donbasenergo	DOEN	31.4	50.2	11.0	-1.1%	1.2%	-2.8%	13.8%	0.5%	-0.7%	6.5%	5.0%
Zakhidenergo	ZAEN	153.9	199.8	80.0	0.0%	0.0%	0.6%	70.2%	1.6%	-1.9%	9.8%	61.5%
Consumer												
Agroton	AGT	1.30	5.5	1.19	2.4%	4.8%	-29.7%	-33.3%	3.9%	3.0%	-20.5%	-42.1%
Astarta	AST	18.35	68.0	14.5	-2.1%	-5.4%	-35.8%	-72.6%	-0.6%	-7.3%	-26.6%	-81.4%
Avangardo	AVGR	4.50	11.9	4.50	-6.3%	-6.3%	-30.4%	-61.7%	-4.7%	-8.1%	-21.1%	-70.5%
Industrial Milk Company	IMC	6.30	13.00	6.30	-2.2%	-3.1%	-13.5%	-48.1%	-0.6%	-5.0%	-4.2%	-56.9%
Kernel	KER	30.30	42.0	22.0	1.9%	3.9%	19.8%	-20.4%	3.5%	2.1%	29.1%	-29.2%
Mriya Agro Holding	MAYA	0.96	6.0	0.58	7.3%	7.3%	-4.0%	-82.2%	8.8%	5.4%	5.3%	-91.0%
MHPC	MHPC	10.30	18.5	10.00	0.0%	-5.1%	-6.4%	-39.4%	1.6%	-6.9%	2.9%	-48.2%
Milkiland	MLK	2.17	12.7	1.89	-4.0%	10.7%	-22.5%	-82.6%	-2.4%	8.8%	-13.2%	-91.4%
Ovostar Union	OVO	72.0	100.0	59.4	-1.4%	2.9%	-2.7%	-28.0%	0.2%	1.0%	6.5%	-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	8.7	n/a	n/a	0.0%	33.8%	-1.7%	-30.4%	1.6%	32.0%	7.6%	-39.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.190	0.091	-1.2%	0.4%	-18.5%	-11.0%	0.4%	-1.5%	-9.3%	-19.8%
UkrSotsbank	USCB	0.150	0.205	0.090	0.0%	-0.2%	1.2%	-20.2%	1.6%	-2.1%	10.5%	-28.9%

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	168	20.4%	16.9%	17.7%
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	29	3.9%	1	1,378	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	356	332	322	\$/tonne
Yenakievo Steel	ENMZ	15	8.8%	1	12	1.8	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	190	3.0%	6	179	neg	neg	5.7	neg	neg	7.2	0.1	0.1	0.1	39	40	39	\$/tonne
Coke																		
Avdyivka Coke	AVDK	23	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	0.3	0.0	0.0	0.0	0.2	0.2	0.3	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	553	0.3%	1	552	5.8	2.8	3.4	2.4	1.8	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,225	0.4%	5	1,219	2.8	2.2	2.7	1.6	1.3	1.5	0.9	0.7	0.8				
Ferrexpo	FXPO	591	24.0%	142	1,285	2.7	2.2	2.1	3.2	2.5	2.6	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	71	2.0%	1	116	2.1	15.0	17.2	2.2	3.7	4.5	0.2	0.4	0.4	185	306	291	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	15	24.0%	4	52	3.0	0.8	0.7	1.8	1.5	1.4	0.2	0.2	0.1				
Kruiiv Wagon	KVBZ	80	5.0%	4	69	0.8	1.9	neg	0.5	1.4	5.2	0.1	0.1	0.5				
Stakhanov Wagon	SVGZ	5	8.0%	0	38	8.5	9.4	10.7	5.2	6.4	6.9	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	96	5.8%	6	36	2.5	1.3	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	293	24.0%	70	286	1.5	1.7	1.7	0.9	1.0	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	158	7.2%	11	462	3.5	9.3	6.0	2.2	2.4	2.7	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	761	3.0%	23	756	4.3	>30	4.7	1.7	2.6	2.3	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	25	21.6%	5	0	2.1	neg	12.4	0.0	neg	0.0	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	34	50.4%	17	143	neg	5.3	4.4	1.0	2.1	2.1	0.7	0.8	0.7	26	20	19	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	179	21.7%	39	166	6.2	3.0	8.6	2.4	1.8	3.8	0.1	0.2	0.2	9	12	10	\$/MWh
DonbasEnergO	DOEN	48	14.2%	7	95	12.6	0.7	1.2	3.0	1.3	2.1	0.2	0.1	0.2	12	12	12	\$/MWh
Consumer																		
MHP	MHPC	1,088	34.1%	371	2,168	3.5	6.7	neg	4.6	5.5	4.0	1.5	1.4	1.4				
Kernel	KER	717	61.8%	443	1,371	3.4	6.8	neg	4.3	4.7	6.2	0.6	0.5	0.6				
Astarta	AST	136	37.0%	50	532	2.3	4.0	neg	4.8	5.8	3.9	1.2	1.1	1.0				
Avangardco	AVGR	287	22.5%	65	393	1.3	1.2	n/a	1.4	1.3	n/a	0.6	0.6	n/a	89	68	64	\$/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																		
Raiffeisen Bank Aval	BAVL	196	3.5%	7		>30	2.2	neg	0.2	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	178	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

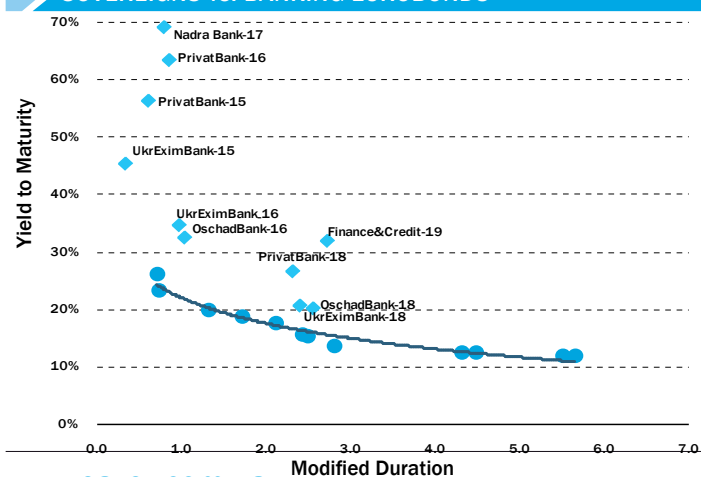
UKRAINIAN EUROBONDS

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)	81.4	84.4	32.9%	27.5%	-13.7%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	81.0	82.4	36.9%	34.3%	-16.5%	0.7	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	72.0	73.7	25.7%	24.3%	-22.6%	1.6	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	74.0	75.4	28.5%	27.1%	-20.6%	1.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	71.7	73.2	19.9%	19.1%	-21.9%	2.4	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	72.0	74.5	24.3%	22.6%	-26.2%	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	18.3%	17.3%	-5.1%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	71.6	73.6	15.3%	14.7%	-22.0%	4.2	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	71.7	73.7	15.1%	14.5%	-22.4%	4.3	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	68.6	70.6	14.6%	14.0%	-23.6%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	69.8	71.8	13.7%	13.2%	-22.0%	5.5	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.0	33.0	43.9%	40.3%	-39.6%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	95.5	97.5	22.7%	17.0%	-7.0%	0.4	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	75.0	81.3	15.3%	13.3%	-13.4%	3.9	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	70.0	72.0	57.5%	53.4%	-27.5%	0.7	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	50.0	52.0	39.0%	37.3%	-41.5%	2.2	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	251.4%	208.5%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	18.0	116.7%	81.4%	-83.7%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	88.9	88.9	37.6%	37.6%	-12.8%	0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	45.0	50.0	38.6%	34.2%	-49.6%	2.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	82.0	85.0	61.5%	51.4%	-18.5%	0.4	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	68.0	70.0	26.8%	25.5%	-1.4%	1.7	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	61.6	66.3	27.7%	24.6%	-28.2%	2.4	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	80.0	82.0	26.7%	24.5%	-17.4%	1.1	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	58.0	65.1	29.8%	25.2%	-31.6%	2.6	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	38.9%	30.4%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	59.5	61.7	32.4%	31.0%	-46.0%	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	76.3%	63.8%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.0	73.0	67.9%	56.0%	-22.5%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	52.0	57.0	73.9%	63.1%	-28.3%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	59.4	61.5	31.9%	30.4%	-27.7%	2.2	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	82.0	83.0	66.7%	62.8%	-14.5%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	70.0	48.4%	40.5%	-19.2%	0.9	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	69.0	70.5	23.2%	22.4%	-21.6%	2.3	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	791.7%	294.7%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	67.5	69.0	44.8%	42.6%	-26.7%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	65.0	66.5	25.1%	24.2%	-25.8%	2.4	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	72.3	74.6	49.3%	45.0%	-20.7%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	69.9	74.7	35.7%	30.6%	-22.3%	1.2	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

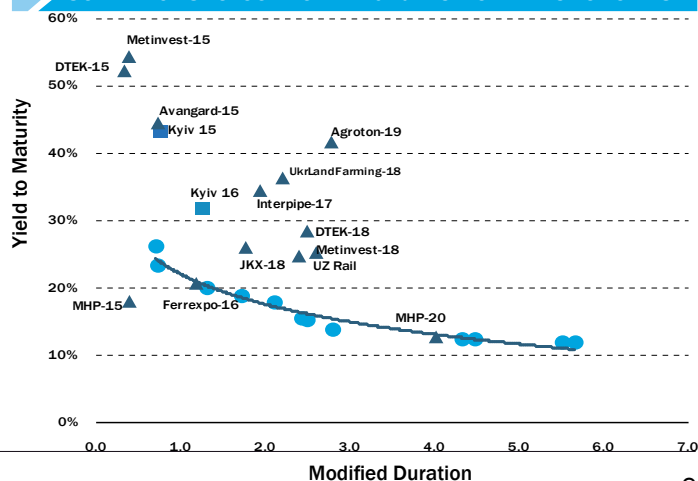
¹ Moody's/S&P/Fitch; * EUR

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

Eavex Capital

12, Ezhena Pottier str.

Kiev 03057

Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua