

**Market Update**

**Equity**

The Ukrainian stock market ended lower on Tuesday (Dec 9) as news about a delay in the new round of Donbass peace talks in Minsk provided negative sentiment to traders. The talks aimed at firming up the much-violated truce agreement signed three months ago now are scheduled for Thursday (Dec 11). The UX index lost 2.0% to close at 958 points. Among the most actively traded names, UkrNafta (UNAF) continued to fall after reports that the government is going to prolong its “temporary” increase in the production tax for oil&gas extractors. The stock slid 6.0% to UAH 193. Heavyweights Motor Sich (MSICH) and CentrEnergO (CEEN) declined by 1.8% and 0.3% respectively on combined turnover of UAH 1.8mn. In banking issues, Raiffeisen Aval (BAVL) edged down by 0.5%, slipping back below the 10-kopeck level for the first time since early 2014, back before the hryvnia devaluation. In London, Avangard (AVGR) rebounded by 15.7% to USD 4.50 after sliding sharply over most of the past two months. Ferrexpo (FXPO) also finished in the black, rising 2.9% to GBP 66.20. Warsaw-listed Kernel (KER) slipped below PLN 30 level, edging down by 1.7% to PLN 29.50, and Astarta (AST) shed 0.3% to PLN 18.49.

**Fixed Income**

Ukrainian benchmark sovereigns were moderately higher on Tuesday, with Ukraine-23s increasing by 0.4p.p. to close at 70.3/72.3 (13.6%/13.1%), putting their yield premium over US Treasuries at around 1120bps. In top corporate names, UkrlandFarming-18s were the biggest mover, declining by 1.5p.p. to 50.0/52.0 (39.1%/37.3%), while Metinvest-18s inched up by 0.2p.p., finishing at 61.0/64.5 (28.1%/25.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	193.00	-6.0%	1.8	105
Motor Sich	MSICH	2121.00	-1.8%	1.1	65
CentrenergO	CEEN	7.39	-0.3%	0.7	147

**Growth Leaders**

LuhanskteplovOz	LTPL	1.08	0.1%	0.21	8
CentrenergO	CEEN	7.39	-0.3%	0.72	147
Raiffeisen Bank Aval	BAVL	0.10	-0.5%	0.67	81

**Loss Leaders**

Ukrnafta	UNAF	193.00	-6.0%	1.800	105
Alchevsk Steel	ALMK	0.02	-5.9%	0.034	70
Azovstal	AZST	0.67	-3.7%	0.052	72

**Highlights**

**STOCKS IN THE NEWS**

- Avdyivka Coke Faced Temporary Input Supply Stoppage Due to Damaged Rail Line

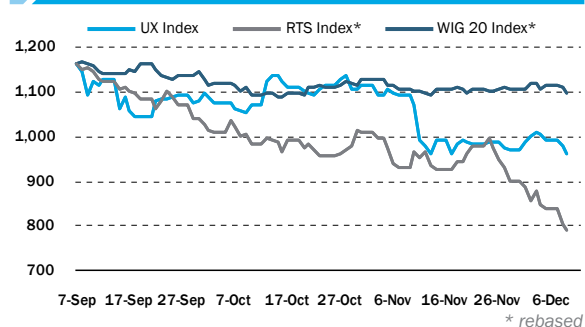
**FIXED INCOME**

- DTEK Reports Single-Digit Declines in Output for Its Major Segments in 9M14

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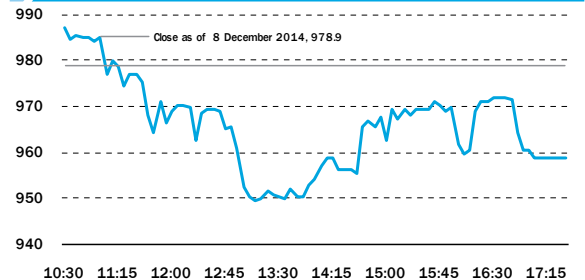
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	959.0	-2.0%	-12.1%	5.4%
RTS	857.5	-1.5%	-14.9%	-40.6%
WIG20	2398.0	-1.4%	-0.8%	-0.1%
MSCI EM	965.4	-1.2%	-2.3%	-3.6%
S&P 500	2059.8	0.0%	1.4%	11.9%

**UX INTRADAY DECEMBER 9, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	392.8	3.6%	11.6%	18.8%
CDS 5Y UKR	1812.1	9.0%	38.3%	120.9%
Ukraine-17	19.0%	-0.5 p.p.	5.3 p.p.	10.0 p.p.
Ferrexpo-16	26.2%	0.0 p.p.	12.9 p.p.	17.3 p.p.
Ukraine-23	13.3%	-0.1 p.p.	2.1 p.p.	5.8 p.p.
Privatbank-16	73.1%	0.2 p.p.	30.5 p.p.	52.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	15.63	0.3%	7.6%	89.7%
EUR	19.34	0.8%	6.9%	70.1%
RUB	0.29	-0.2%	-7.9%	15.1%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	235.4	0.0%	7.3%	-18.1%
Steel, USD/t	470.0	0.0%	-6.5%	-12.6%
Oil, USD/bbl	66.8	1.0%	-20.4%	-37.7%
Gold, USD/oz	1230.9	2.3%	4.5%	2.9%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Avdyivka Coke Faced Temporary Input Supply Stoppage Due to Damaged Rail Line

by Ivan Dzvinka  
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### NEWS

Supplies of coking coal to Avdyivka Coke, Ukraine's largest coke maker, have been halted since Saturday (Dec 6), the company's parent group Metinvest reported on Tuesday (Dec 9). This took place after an explosion on the railway lines used by the group to deliver coking coal to the plant. Metinvest said Avdyivka's current inventories of inputs allows it to operate for up to 5 days without deliveries. However, Metinvest emphasized that Avdyivka is providing support to Ukrainian national railway operator UkrZaliznytsa in repairing the damaged line as quickly as possible.

In November, Avdyivka produced 121,000 tonnes of coke, compared to its monthly average of 325,000 tonnes in the period between January 2013 and June 2014.

### COMMENTARY

The serious problems with Avdyivka's logistics place downside risk on the ability of Metinvest's two Mariupol-based steel mills, Azovstal and MMK Illich, to continue to operate at their current capacity usage of around 70%. On the positive side, UkrZaliznytsa this morning (Dec 10) said that the damaged railway lines has been repaired.

Given that Avdyivka is located very near to the de-facto border demarcating government- and separatist-controlled territory in the Donbass war, the risk of disrupted infrastructure and/or artillery damage to the plant's facilities will remain high until a permanent ceasefire is reached between the warring parties..

**DTEK Reports Single-Digit Declines in Output for Its Major Segments in 9M14**

by Dmitry Churin  
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**NEWS**

Vertically-integrated thermal power plant operator DTEK reported a single-digit decline in output for all its major segments in 9M14, according to production figures released by the company on Wednesday (Dec 10). DTEK's coal production dropped by 4.9% YoY to 28.8mn tonnes and its electricity output decreased by 7.1% YoY to 35.4 TWh in the period. The electricity distribution segment showed a 5.9% YoY decline to 39.9 TWh in 9M14. DTEK reported coal imports of 1.1mn tonnes and natural gas production of 557mn cubic meters for 9M14, figures which do not have a comparison base with 9M13. Rather surprisingly, the group's coal exports rose by 12% YoY to 3.6mn tonnes in 9M14.

DTEK PRODUCTION FIGURES				
Segment	Unit	9M14	9M13	Change YoY
Coal production	mn tonnes	28.8	30.3	-4.9%
Electricity generation	TWh	35.4	38.1	-7.1%
Electricity distribution	TWh	39.9	43.9	-5.9%
Electricity export	TWh	6.9	7.4	-6.7%

Source: Companies' data

**COMMENTARY**

DTEK's reported output declines look rather moderate amid the 9.6% YoY drop registered in Ukrainian industrial production over the 9M14 period, although it is obvious that the 3Q standalone declines are considerably worse. The company said that its key coal mines located in the pro-Russian separatist controlled territories, Rovenky-Anthracite, Sverdlovsk-Anthracite, and Komsomolets Donbassa, had an aggregate coal production drop of 18.5% YoY, or 2.4mn tonnes, for 9M14 due to the military hostilities. Meanwhile, among mines in government-controlled territory, Pavlograd Coal increased its production by 5.7% YoY or 759,100 tonnes, while DTEK's the Obukhovska Mines in Russia saw production jump by 69.5% YoY or 622,900 tonnes. Regarding the electricity segment, the main factor of output decline was a 5.8% YoY decrease in overall electricity consumption in Ukraine in 9M14. Taking into account that the worst period for DTEK this year was in August when there was a sharp escalation of the war in Donetsk and Lugansk provinces, and that this situation appears to have passed its most critical point, we assume that company may be able to stabilize its operations. Although there is no clarity about how DTEK will continue its operations in the separatist-controlled territories, we assume that the group will retain control of its assets on these territories.

DTEK-18s Eurobonds are currently trading at a distressed level, with quotes at 46.0/51.0 (37.7%/33.4)% YTM, implying a spread to sovereign papers of 17 percentage points.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.67	0.56	-17%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	66.2	108.0	63%	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.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.80	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	0.30	U/R	-	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
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.
<b>Railcar Manufacturing</b>						
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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2121	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	4.8	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	12.3	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	29.8	72.0	142%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.39	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.
<b>Consumer</b>						
MHP	MHPC	10.2	17.96	77%	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	18.5	90.0	387%	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.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.099	0.24	142%	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	958.97	1368.76	821.17	-2.0%	-3.9%	-12.1%	5.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.016	0.05	0.01	-5.9%	-12.6%	-28.9%	-58.8%	-3.8%	-8.6%	-16.8%	-64.1%
Azovstal	AZST	0.67	0.95	0.35	-4.1%	-5.9%	-12.3%	0.0%	-2.1%	-2.0%	-0.2%	-5.4%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	2.0%	3.9%	12.1%	-91.9%
Enakievo Steel	ENMZ	21.0	65.0	16.0	-2.3%	-3.3%	-15.4%	-34.5%	-0.3%	0.6%	-3.3%	-39.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	2.0%	3.9%	12.1%	242.4%
Mariupol Ilyicha	MMKI	0.19	n/a	n/a	0.0%	11.8%	-9.5%	90.0%	2.0%	15.7%	2.6%	84.6%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.80	3.70	1.46	-4.9%	-5.9%	-24.5%	-39.4%	-2.9%	-2.0%	-12.5%	-44.7%
Yasnyivsky Coking	YASK	0.30	0.84	0.25	0.0%	-9.1%	-30.2%	-43.4%	2.0%	-5.1%	-18.2%	-48.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.30	n/a	n/a	0.0%	0.7%	0.7%	12.3%	2.0%	4.6%	12.8%	6.9%
Ferrexpo	FXPO	66.20	191.0	63.0	2.9%	-2.6%	-17.1%	-65.3%	4.9%	1.3%	-5.0%	-70.7%
Pivnichny GOK	SGOK	8.22	9.80	4.50	0.0%	-4.4%	1.5%	2.8%	2.0%	-0.5%	13.6%	-2.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.32	0.79	0.10	0.0%	0.0%	-25.6%	-20.0%	2.0%	3.9%	-13.5%	-25.4%
Komsomolets Donbasa	SHKD	0.28	n/a	n/a	0.0%	-9.7%	-68.9%	-54.8%	2.0%	-5.7%	-56.8%	-60.2%
Energy Coal	CLE	0.73	2.02	0.55	5.8%	4.3%	1.4%	-30.5%	7.8%	8.2%	13.5%	-35.9%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	2.0%	3.9%	12.1%	-40.2%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.36	1.01	0.22	2.9%	-14.3%	-35.7%	-40.0%	4.9%	-10.3%	-23.6%	-45.4%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	20.0%	-16.7%	42.9%	2.0%	23.9%	-4.6%	37.5%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	10.9	25.0	10.0	-3.6%	1.0%	-18.1%	-36.8%	-1.6%	5.0%	-6.1%	-42.2%
Luhanskeplovoz	LTPL	1.08	1.80	0.85	0.0%	0.0%	-13.6%	-28.0%	2.0%	3.9%	-1.5%	-33.4%
Stakhanov Wagon	SVGZ	0.34	n/a	n/a	0.0%	-12.8%	-69.1%	-73.8%	2.0%	-8.9%	-57.0%	-79.2%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.03	0.08	0.01	-9.1%	-16.4%	-30.4%	-5.7%	-7.1%	-12.4%	-18.3%	-11.0%
Motor Sich	MSICH	2,121	2,879	1,525	-1.7%	-0.8%	-7.7%	16.3%	0.3%	3.1%	4.3%	10.9%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	0.0%	11.1%	140.0%	2.0%	3.9%	23.2%	134.6%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	2.0%	3.9%	12.1%	66.1%
WESTA ISIC	WES	0.24	0.80	0.21	-4.0%	-7.7%	-14.3%	-40.0%	-2.0%	-3.7%	-2.2%	-45.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.20	0.09	0.0%	0.4%	-27.5%	18.6%	2.0%	4.3%	-15.4%	13.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.78	15.00	4.50	6.1%	-6.8%	-23.6%	-62.5%	8.1%	-2.9%	-11.5%	-67.9%
JKX Oil	JKX	12.25	72.75	11.00	11.4%	-27.9%	-68.0%	-82.9%	13.4%	-24.0%	-55.9%	-88.3%
Ukrnafta	UNAF	193	375	54	-6.0%	-12.1%	-27.6%	77.7%	-4.0%	-8.1%	-15.5%	72.3%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.39	8.70	3.00	-0.2%	-1.9%	-2.3%	55.0%	1.8%	2.1%	9.8%	49.6%
Donbasenergo	DOEN	29.8	50.2	11.0	-1.6%	-6.6%	-9.5%	8.0%	0.4%	-2.7%	2.5%	2.7%
Zakhidenergo	ZAEN	152.7	199.8	80.0	0.0%	-0.8%	-0.7%	68.9%	2.0%	3.2%	11.4%	63.5%
<b>Consumer</b>												
Agroton	AGT	1.41	5.5	1.19	7.6%	1.4%	-7.2%	-27.7%	9.7%	5.4%	4.8%	-33.1%
Astarta	AST	18.49	68.0	14.5	-0.3%	-10.2%	-17.4%	-72.4%	1.8%	-6.3%	-5.3%	-77.7%
Avangardo	AVGR	4.50	11.9	3.89	15.7%	-6.3%	-27.4%	-61.7%	17.7%	-2.3%	-15.3%	-67.1%
Industrial Milk Company	IMC	5.85	12.85	5.85	-2.5%	-10.0%	-17.5%	-51.9%	-0.5%	-6.1%	-5.4%	-57.2%
Kernel	KER	29.50	42.0	22.0	-1.7%	-3.3%	24.4%	-22.5%	0.3%	0.7%	36.5%	-27.9%
Mriya Agro Holding	MAYA	1.01	6.0	0.58	10.0%	12.3%	-33.0%	-81.4%	12.0%	16.2%	-20.9%	-86.8%
MHPC	MHPC	10.15	18.5	10.00	-3.8%	-7.3%	-7.3%	-40.3%	-1.8%	-3.4%	4.8%	-45.7%
Milkiland	MLK	1.92	12.7	1.89	-6.3%	-18.3%	-26.2%	-84.6%	-4.3%	-14.4%	-14.1%	-90.0%
Ovostar Union	OVO	72.0	100.0	59.4	0.0%	2.9%	0.0%	-28.0%	2.0%	6.8%	12.1%	-33.4%
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
<b>Chemicals</b>												
Stirol	STIR	8.7	n/a	n/a	0.0%	33.8%	2.0%	-30.4%	2.0%	37.8%	14.1%	-35.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.099	0.190	0.091	-0.3%	-4.5%	-19.4%	-12.5%	1.7%	-0.6%	-7.3%	-17.9%
UkrSotsbank	USCB	0.140	0.205	0.090	0.0%	-6.7%	-5.3%	-25.3%	2.0%	-2.7%	6.7%	-30.7%

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
<b>Steel</b>																
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%
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	26	3.9%	1	1,375	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	355	331	322	\$/tonne
Yenakievo Steel	ENMZ	14	8.8%	1	11	1.7	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	180	3.0%	5	169	neg	neg	5.4	neg	neg	6.8	0.1	0.1	0.1	37	37	37	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	22	6.8%	2	-26	neg	neg	neg	neg	-0.6	neg	0.0	0.0	0.0	-6	-7	-7	\$/tonne
Yasynivsky Coke	YASK	5	9.0%	0	6	0.6	neg	1.1	0.2	0.2	0.3	0.0	0.0	0.0	0.2	0.2	0.3	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	547	0.3%	1	546	5.8	2.8	3.4	2.4	1.7	2.0	0.9	0.8	0.9				
Pivnichny GOK	SGOK	1,212	0.4%	5	1,205	2.8	2.2	2.6	1.6	1.3	1.5	0.9	0.7	0.8				
Ferrexpo	FXPO	605	24.0%	145	1,299	2.8	2.3	2.2	3.2	2.6	2.6	0.9	0.8	0.9				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	6	5.4%	0	108	0.8	0.4	0.4	0.9	1.2	1.2	0.4	0.5	0.5	26	25	24	\$/tonne
Coal Energy	CLE	33	25.0%	8	143	0.9	neg	neg	2.3	6.8	15.9	0.9	1.1	1.4	2.3	6.8	15.9	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	60	2.0%	1	106	1.8	12.7	14.6	2.0	3.4	4.1	0.2	0.3	0.4	168	278	264	\$/tonne
<b>Railcar Manufacturing</b>																		
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				
Kruiiv Wagon	KVBZ	80	5.0%	4	70	0.8	1.9	neg	0.5	1.4	5.2	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	5	8.0%	0	37	8.4	9.3	10.6	5.2	6.4	6.9	0.1	0.2	0.2				
<b>Specialized Machinery</b>																		
Turboatom	TATM	95	5.8%	5	34	2.5	1.3	1.5	0.7	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	282	24.0%	68	275	1.4	1.7	1.7	0.9	1.0	1.1	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	156	7.2%	11	460	3.5	9.2	5.9	2.2	2.4	2.6	0.5	0.6	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	670	3.0%	20	664	3.8	28.7	4.2	1.5	2.3	2.1	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	24	21.6%	5	-1	2.1	neg	12.0	-0.1	neg	0.0	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	33	50.4%	17	141	neg	5.1	4.2	1.0	2.1	2.1	0.7	0.8	0.7	26	19	19	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	175	21.7%	38	161	6.1	2.9	8.4	2.3	1.7	3.7	0.1	0.2	0.2	9	12	10	\$/MWh
DonbasEnergO	DOEN	45	14.2%	6	91	11.8	0.7	1.1	2.8	1.3	2.0	0.2	0.1	0.2	11	12	11	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,073	34.1%	366	2,153	3.4	6.6	neg	4.6	5.5	4.0	1.5	1.4	1.4				
Kernel	KER	698	61.8%	431	1,352	3.3	6.7	neg	4.2	4.7	6.1	0.6	0.5	0.6				
Astarta	AST	137	37.0%	51	533	2.4	4.0	neg	4.8	5.9	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	\$/mneqgs
Agroton	AGT	9	26.2%	2	58	1.3	neg	neg	2.8	7.7	16.7	0.7	0.7	0.6	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	191	3.5%	7		>30	2.1	neg	0.2	0.2	0.3	0.03	0.04	0.05				
Ukrsotsbank	USCB	165	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research



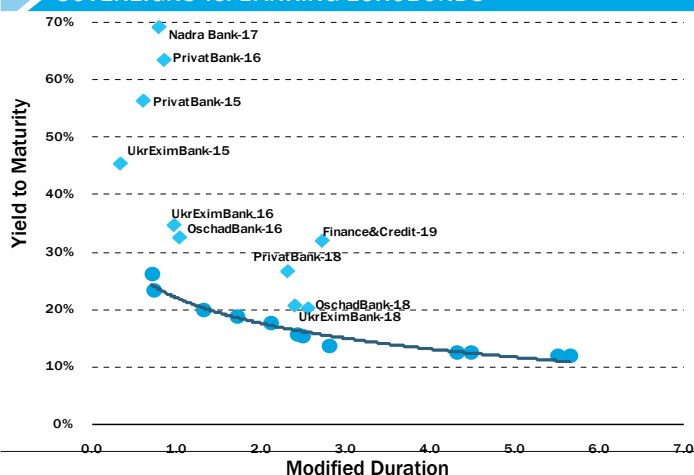
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	81.2	84.7	33.4%	27.2%	-13.6%	0.7	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	80.7	82.6	37.9%	34.3%	-16.5%	0.6	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	72.0	73.3	25.9%	24.7%	-22.8%	1.6	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	73.7	75.5	28.9%	27.0%	-20.7%	1.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	72.6	74.1	19.5%	18.6%	-20.9%	2.4	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	73.3	75.0	23.5%	22.3%	-25.3%	2.0	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	70.5	72.5	22.8%	21.6%	-13.5%	2.3	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	70.0	72.5	20.1%	18.8%	-9.2%	2.7	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	72.8	74.8	14.9%	14.3%	-20.7%	4.1	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	72.8	74.8	14.8%	14.2%	-21.2%	4.3	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	71.0	72.5	14.0%	13.6%	-21.3%	5.3	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	70.3	72.3	13.6%	13.1%	-21.4%	5.5	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.1	36.8	43.8%	36.5%	-35.9%	2.9	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	93.0	95.0	30.4%	24.3%	-9.4%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	75.0	77.3	15.3%	14.5%	-15.6%	3.9	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	68.0	68.0	61.6%	61.6%	-30.6%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	50.0	52.0	39.1%	37.3%	-41.5%	2.1	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	14.0	18.0	253.1%	209.8%	-84.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	17.5	117.0%	83.0%	-84.0%	1.8	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015						0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	46.0	51.0	37.7%	33.4%	-48.5%	2.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	81.0	84.0	65.6%	55.2%	-19.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	67.4	70.1	27.2%	25.5%	-1.8%	1.7	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	61.0	64.5	28.1%	25.8%	-29.5%	2.3	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	80.0	81.0	26.7%	25.6%	-17.8%	1.1	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	58.0	63.0	29.8%	26.5%	-32.8%	2.5	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	39.0%	30.4%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	57.5	59.5	33.9%	32.5%	-47.8%	1.6	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	45.0	55.0	35.7%	28.4%	-39.4%	2.7	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	71.0	71.0	21.8%	21.8%	-27.9%	2.8	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	45.0	50.0	76.5%	64.0%	-41.0%	0.8	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	66.0	71.0	73.5%	61.0%	-24.7%	0.6	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	50.0	55.0	79.0%	67.6%	-30.9%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	61.0	64.6	30.8%	28.3%	-24.8%	2.2	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	81.5	83.5	69.5%	61.7%	-14.5%	0.3	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	65.0	70.0	48.6%	40.6%	-19.2%	0.9	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	66.0	67.5	25.1%	24.2%	-25.0%	2.3	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	823.2%	298.6%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	68.0	69.0	44.2%	42.7%	-26.4%	1.0	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	63.0	66.0	26.4%	24.6%	-27.2%	2.4	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	72.3	74.6	49.6%	45.3%	-20.7%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	66.9	68.1	39.4%	37.9%	-27.4%	1.2	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

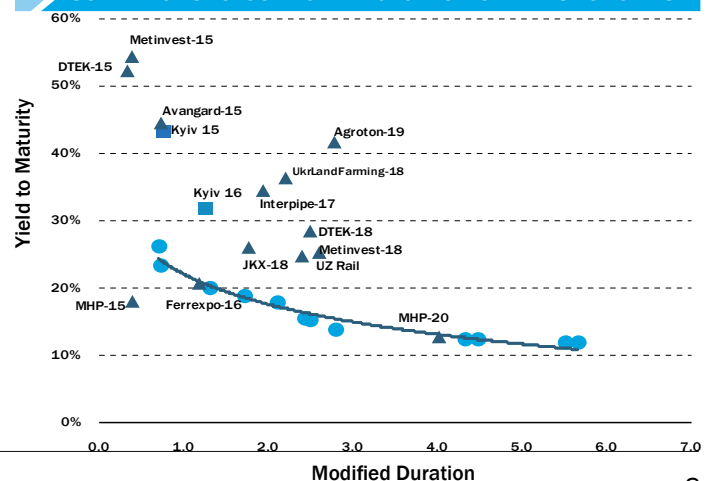
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	12.5%	12.0%	n/a	4.80%	S/A	6 May 2015	n/a
<b>VAT Bonds</b>									
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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