

Market Update

Equity

Kyiv-listed equities finished mostly higher on Tuesday (Dec 16) despite additional concerns regarding the local currency's stability in the near term. The official hryvnia exchange rate against the dollar of 15.77 is far below the rate of 19.50 per dollar on the black market, with the obvious negative implications for local equities, which are bought and sold in hryvnia. The UX index climbed 0.8% to close at 971 points. Electricity stocks added the most points to the indicator, with DonbasEnergo (DOEN) and CentrEnergo (CEEN) rising by 4.5% and 1.2% respectively, and heavyweight Motor Sich (MSICH) added 2.1% to close at UAH 2230. Meanwhile low-liquidity Yenakievo Steel (ENMZ) and Krukiv Wagon (KVBZ) both lost about 2.5%. Outside the UX basket, beaten-down Donbass metallurgy name Yasynivsky Coke (YASK) declined by 0.7% to 27 kopecks per share. In London, Ukrainian agro names suffered a notable sell-off. MHP (MHPC) fell 3.8% to USD 9.52 and Avangard (AVGR) plunged 30% to USD 2.51. Warsaw-listed names also saw losses, with Kernel (KER) down 6.8% to PLN 26.10 and Astarta (AST) down 3.8% to PLN 16.25.

Fixed Income

The sell-off in Ukrainian sovereigns continued on Tuesday, despite being overshadowed by the collapse of the Russian ruble, with Ukraine-23s down by 2.3p.p. to close at 56.8/59.8 (17.6%/16.6%). Corporate names also finished heavily in the red. UkrlandFarming-18s declined by 6.0p.p. to 40.0/45.0 (49.7%/44.1%) and Ferrexpo-16s fell 2.9p.p., finishing at 75.0/77.0 (32.9%/30.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2230.00	2.1%	2.3	140
Centrenergo	CEEN	7.42	1.2%	1.4	250
Ukrnafta	UNAF	182.10	0.1%	1.1	55

Growth Leaders

Donbasenergo	DOEN	31.82	4.5%	0.56	145
Motor Sich	MSICH	2230.00	2.1%	2.33	140
Alchevsk Steel	ALMK	0.02	2.0%	0.02	61

Loss Leaders

Kryukiv Wagon	KVBZ	11.00	-2.5%	0.187	32
Yenakievo Steel	ENMZ	18.82	-2.1%	0.165	26
Avdyivka Coke	AVDK	1.66	-1.1%	0.016	32

Highlights

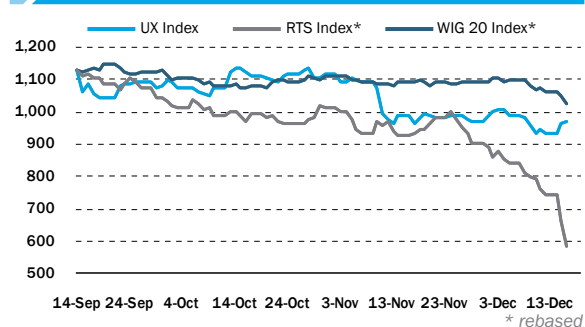
POLITICS AND ECONOMICS

- Obama Has Flexibility in Implementing Congress' New Russia Sanctions

FIXED INCOME

- Agroton Bondholders Approve Coupon Payment Delay to Jan 2016
- Mriya Prepared to Transfer Control of its Business to Creditors

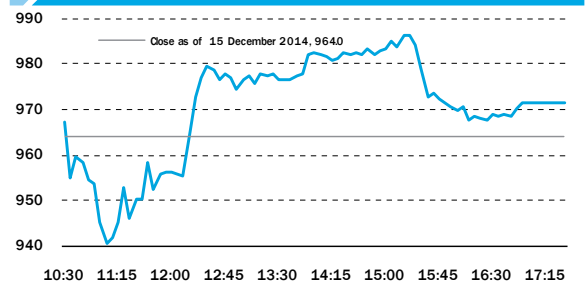
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	971.3	0.8%	-1.8%	6.7%
RTS	629.2	-12.4%	-37.1%	-56.4%
WIG20	2271.3	-2.2%	-6.1%	-5.4%
MSCI EM	910.0	-1.5%	-8.2%	-9.2%
S&P 500	1972.7	-0.8%	-3.3%	7.2%

UX INTRADAY DECEMBER 16, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	477.6	4.1%	34.1%	44.4%
CDS 5Y UKR	2219.5	3.6%	47.8%	170.6%
Ukraine-17	25.9%	0.6 p.p.	11.5 p.p.	16.9 p.p.
Ferrexpo-16	31.7%	3.0 p.p.	16.8 p.p.	22.8 p.p.
Ukraine-23	17.1%	0.8 p.p.	5.2 p.p.	9.6 p.p.
Privatbank-16	81.7%	7.5 p.p.	33.8 p.p.	61.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.82	0.1%	1.9%	92.0%
EUR	19.80	0.7%	1.8%	74.1%
RUB	0.23	-3.9%	-29.4%	-7.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	240.8	0.0%	5.5%	-16.2%
Steel, USD/t	447.5	0.0%	-8.2%	-16.7%
Oil, USD/bbl	60.0	-2.0%	-25.0%	-44.1%
Gold, USD/oz	1196.9	0.3%	0.7%	0.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Obama Has Flexibility in Implementing Congress' New Russia Sanctions

by Will Ritter
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NEWS

White House officials in Washington said on Tuesday (Dec 16) that US President Obama intends to sign a law passed by Congress placing further economic sanctions on Russia for its military aggression against Ukraine, the Associated Press has reported. The AP article quoted White House press spokesman Josh Earnest as saying that the goal of the new bill is “to sharpen the choices he [Russian President Putin] faces”. The bill calls for additional sanctions on the Russian energy sector, including state-owned giant Gazprom, and it specifically requires measures against Russian state weapons exporter RosOboronExport. It also authorizes, but does not require, Obama to provide anti-tank and other advanced weaponry to Ukraine for self-defense and outlays USD 350mn from the federal budget for this purpose. Meanwhile, in Moscow, the crisis of the Russian ruble escalated as concerns about the new sanctions and slumping oil prices have seen the value of the currency suddenly collapse from around 50 to the dollar one week ago to around 68 as of this morning, with spikes well into the 80s on Tuesday.

COMMENTARY

In our view, the recent economic problems in Russia and the scaling back of pro-Russian separatist activity in Eastern Ukraine are not unrelated events, and look like a vindication of Obama's oft-criticized but resolute strategy of using the sanctions policy to keep up a constant, slow-burn pressure on the Putin regime. Ultimately, the key to the new sanctions bill is that it provides the US President with the flexibility to implement the measures as he sees fit, as concerns that Congress' sanctions bill would tie Obama's hands in an overly hawkish policy out of step with the European Union had derailed previous efforts to draw up new US sanctions. Despite the apparent effectiveness of the Obama strategy in forcing the Putin regime to rethink its aggressive stance in regard to the Donbass war, this is certainly no time for Ukraine to declare victory, with the country on the verge of sovereign bankruptcy and the new “kamikaze” government in Kyiv having received, at best, mixed reviews for its initial reform efforts. In the end, Ukraine cannot be “saved” by the West's measures alone; the country has to save itself.

Agroton Bondholders Approve Coupon Payment Delay to Jan 2016

by Ivan Dzvinka
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NEWS

Holders of the Eurobonds of Warsaw-listed, Lugansk-based crop grower Agroton, on Monday (Dec 15) approved the company's decision to postpone until 14 January 2016 payments of 6 coupons due over the July 2013 – January 2016 period, Interfax reported on Tuesday (Dec 16). On Nov 21, Agroton reported that it was seeking the consent of bondholders to postpone by an additional year the payment of 3 semi-annual coupon payments that had previously been delayed to January 2015. In addition, payment of the two semi-annual coupons which are due in 2015 are now also set to be delayed until January 2016.

COMMENTARY

This latest bad news for minority holders of the Agroton bonds comes as no surprise. As we expected in mid-November, bondholders approved the initiative of the company, as we believe that Agroton, directly or through its related parties, has already consolidated the majority of its USD 50mn Eurobonds in its own hands, and therefore controls a bondholder quorum. With the third cycle of value-destructive restructuring passed successfully, we definitely do not rule out that the payment of 6 coupons scheduled for January 2016 will be further postponed.

Mriya Prepared to Transfer Control of its Business to Creditors

by Ivan Dzvinka
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NEWS

Mriya Agroholding, which in August admitting to being in default on some of its obligations, held a meeting with its creditors on Tuesday (Dec 16), the company said in a press release the same day. In light of a lack of consensus between the company and its creditors, the company sees two possible scenarios of development: 1) a continued failure to reach a compromise in the restructuring process leading to the bankruptcy of the group; 2) finding a compromise to help the company to survive with transferring the control of the company from shareholders to creditors. Management said the debt-holders should decide on their preferred scenario by the end of January.

COMMENTARY

The dissatisfaction from the side of Mriya's creditors is understandable. One of the core concerns of the creditors is that Mriya's majority shareholder, the Huta family, reportedly used its allies in management to strip some valuable assets from the umbrella of the Mriya group before and during the default. The transfer of managerial control to the creditors should take place after an audit of the company's assets and operations over the last 12 months, but such an audit, as we understand, is being blocked from the side of the company.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.70	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	48.6	108.0	122%	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	8.30	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	1.66	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	0.27	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	0.37	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	11.0	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	2230	5250	135%	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	4.5	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	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	31.8	72.0	126%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.42	15.00	102%	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	9.5	17.96	89%	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	16.3	90.0	454%	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	2.5	U/R	--	U/R	The company's FY14 results will be hit by the hryvnia devaluation.
Ovostar Union	OVO	71.8	80.8	13%	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	0.095	0.24	153%	BUY	We base our valuation on an assumption of the bank's fair value at 0.9x of its book value, the level at which Italian lender Intesa Sanpaolo sold its Ukrainian subsidiary in early 2014.

Source: Eavex Research

PRICES AND QUOTES

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	971.30	1368.76	821.17	0.8%	1.3%	-1.8%	6.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.05	0.01	0.0%	-6.3%	-20.6%	-61.3%	-0.8%	-7.5%	-18.8%	-68.1%
Azovstal	AZST	0.70	0.95	0.35	-0.8%	4.9%	0.6%	4.9%	-1.6%	3.6%	2.4%	-1.8%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-0.8%	-1.3%	1.8%	-93.3%
Enakievo Steel	ENMZ	18.8	65.0	16.0	-2.4%	-10.3%	-3.2%	-41.2%	-3.1%	-11.5%	-1.4%	-47.9%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	0.0%	247.8%	-0.8%	-1.3%	1.8%	241.1%
Mariupol Ilyicha	MMKI	0.18	n/a	n/a	-5.3%	-5.3%	-10.0%	80.0%	-6.0%	-6.5%	-8.2%	73.3%
Coke												
Avdyivka Coke	AVDK	1.66	3.70	1.46	-2.1%	-7.4%	-13.9%	-43.9%	-2.9%	-8.7%	-12.0%	-50.6%
Yasnyivsky Coking	YASK	0.27	0.84	0.25	-10.0%	-10.0%	-25.0%	-49.1%	-10.8%	-11.3%	-23.2%	-55.8%
Iron Ore Mining												
Centralny GOK	CGOK	8.30	n/a	n/a	13.7%	13.7%	13.7%	27.7%	12.9%	12.4%	15.5%	21.0%
Ferrexpo	FXPO	48.63	191.0	48.6	-2.0%	-26.5%	-38.4%	-74.5%	-2.8%	-27.8%	-36.5%	-81.3%
Pivnichny GOK	SGOK	8.22	9.80	4.50	0.0%	0.0%	1.0%	2.8%	-0.8%	-1.3%	2.8%	-4.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.37	0.79	0.10	0.0%	15.6%	19.4%	-7.5%	-0.8%	14.3%	21.2%	-14.2%
Komsomolets Donbasa	SHKD	0.20	n/a	n/a	-28.6%	-28.6%	-42.9%	-67.7%	-29.3%	-29.9%	-41.0%	-74.5%
Energy Coal	CLE	0.70	2.02	0.55	0.0%	-4.1%	-10.3%	-33.3%	-0.8%	-5.4%	-8.4%	-40.1%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-0.8%	-1.3%	1.8%	-41.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.34	1.01	0.22	-10.5%	-5.6%	-22.7%	-43.3%	-11.3%	-6.8%	-20.9%	-50.1%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.8%	-1.3%	-21.2%	36.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.0	25.0	10.0	-2.5%	0.6%	-9.8%	-36.4%	-3.2%	-0.6%	-7.9%	-43.1%
Luhanskeplovoz	LTPL	1.04	1.80	0.85	0.0%	-3.7%	-3.7%	-30.7%	-0.8%	-5.0%	-1.9%	-37.4%
Stakhanov Wagon	SVGZ	0.33	n/a	n/a	50.0%	-2.9%	-42.1%	-74.6%	49.2%	-4.2%	-40.3%	-81.3%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.01	-2.4%	-0.4%	-17.0%	-6.0%	-3.1%	-1.7%	-15.2%	-12.8%
Motor Sich	MSICH	2,230	2,879	1,558	2.1%	5.1%	6.4%	22.3%	1.3%	3.9%	8.3%	15.5%
Summy Frunze Engineering	SMASH	6.00	n/a	n/a	0.0%	0.0%	9.1%	140.0%	-0.8%	-1.3%	10.9%	133.3%
Turboatom	TATM	6.00	n/a	n/a	0.0%	0.0%	0.0%	71.4%	-0.8%	-1.3%	1.8%	64.7%
WESTA ISIC	WES	0.19	0.80	0.19	-5.0%	-20.8%	-26.9%	-52.5%	-5.8%	-22.1%	-25.1%	-59.2%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	0.0%	0.0%	-6.8%	18.6%	-0.8%	-1.3%	-4.9%	11.9%
Oil & Gas												
Regal Petroleum	RPT	4.50	14.75	4.28	-5.3%	-5.8%	-28.0%	-64.7%	-6.0%	-7.0%	-26.2%	-71.4%
JXX Oil	JKX	12.75	72.75	11.00	-1.0%	4.1%	-66.0%	-82.2%	-1.7%	2.8%	-64.2%	-89.0%
Ukrnafta	UNAF	182	375	54	-1.0%	-5.6%	-21.2%	67.7%	-1.8%	-6.9%	-19.3%	60.9%
Power Utilities												
Centrenerg	CEEN	7.42	8.70	3.00	0.5%	0.4%	2.5%	55.6%	-0.3%	-0.9%	4.3%	48.8%
Donbasenergo	DOEN	31.8	50.2	11.0	4.5%	6.7%	6.9%	15.3%	3.8%	5.5%	8.7%	8.6%
Zakhidenergo	ZAEN	152.7	199.8	80.0	0.0%	0.0%	6.9%	68.9%	-0.8%	-1.3%	8.7%	62.2%
Consumer												
Agroton	AGT	1.33	5.5	1.19	-2.9%	-5.7%	-8.3%	-31.8%	-3.7%	-7.0%	-6.4%	-38.5%
Astarta	AST	16.25	68.0	14.5	-3.8%	-12.1%	-17.6%	-75.7%	-4.5%	-13.4%	-15.8%	-82.4%
Avangardo	AVGR	2.51	11.9	2.51	-30.7%	-44.2%	-48.2%	-78.6%	-31.4%	-45.5%	-46.4%	-85.4%
Industrial Milk Company	IMC	6.00	12.77	5.85	0.8%	2.6%	-11.0%	-50.6%	0.1%	1.3%	-9.1%	-57.3%
Kernel	KER	26.10	42.0	22.0	-6.8%	-11.5%	7.2%	-31.4%	-7.6%	-12.8%	9.0%	-38.2%
Mriya Agro Holding	MAYA	0.91	6.0	0.58	0.0%	-9.5%	-36.3%	-83.1%	-0.8%	-10.7%	-34.5%	-89.9%
MHPC	MHPC	9.52	18.5	9.00	-3.8%	-6.2%	-14.2%	-44.0%	-4.6%	-7.5%	-12.4%	-50.8%
Milkiland	MLK	1.68	12.7	1.68	-8.2%	-12.5%	-32.3%	-86.6%	-9.0%	-13.8%	-30.4%	-93.3%
Ovostar Union	OVO	71.8	100.0	59.4	2.4%	-0.3%	-1.0%	-28.2%	1.7%	-1.6%	0.9%	-34.9%
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%	-25.3%	-27.3%	-48.0%	-0.8%	-26.6%	-25.5%	-54.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.095	0.190	0.090	-0.2%	-4.4%	-12.9%	-16.4%	-1.0%	-5.7%	-11.0%	-23.1%
UkrSotsbank	USCB	0.140	0.202	0.090	0.0%	0.0%	-6.7%	-25.3%	-0.8%	-1.3%	-4.8%	-32.1%

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	536	69	94	33	6.2%	10.3%	6.1%	29	60	16	2.6%	6.5%	2.9%
Donbasenergo	DOEN	574	656	391	32	72	34	5.6%	11.0%	8.8%	4	65	31	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	24	3.9%	1	1,373	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	355	331	321	\$/tonne
Yenakievo Steel	ENMZ	13	8.8%	1	9	1.5	neg	neg	neg	0.4	0.3	0.0	0.0	0.0	3	3	3	\$/tonne
Azovstal	AZST	187	3.0%	6	176	neg	neg	5.6	neg	neg	7.0	0.1	0.1	0.1	38	39	39	\$/tonne
Coke																		
Avdyivka Coke	AVDK	20	6.8%	1	-28	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	1.0	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	615	0.3%	2	613	6.5	3.2	3.8	2.6	2.0	2.2	1.0	0.9	1.0				
Pivnichny GOK	SGOK	1,197	0.4%	5	1,191	2.7	2.2	2.6	1.6	1.3	1.5	0.8	0.7	0.8				
Ferrexpo	FXPO	444	24.0%	107	1,138	2.1	1.7	1.6	2.8	2.3	2.3	0.8	0.7	0.8				
Coal Mining																		
Komsomolets Donbasa	SHKD	4	5.4%	0	106	0.6	0.3	0.2	0.8	1.2	1.1	0.4	0.5	0.5	26	25	24	\$/tonne
Coal Energy	CLE	32	25.0%	8	142	0.8	neg	neg	2.3	6.7	15.8	0.9	1.1	1.4	2.3	6.7	15.8	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	56	2.0%	1	102	1.7	11.9	13.6	2.0	3.2	3.9	0.2	0.3	0.4	161	267	254	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	14	24.0%	3	52	3.0	0.7	0.6	1.8	1.4	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	37	8.0	8.9	10.2	5.2	6.4	6.8	0.1	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	93	5.8%	5	33	2.5	1.3	1.4	0.6	0.4	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	293	24.0%	70	285	1.5	1.7	1.7	0.9	1.0	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	154	7.2%	11	458	3.4	9.1	5.9	2.2	2.4	2.6	0.5	0.6	0.7				
Oil & Gas																		
Ukrnafta	UNAF	624	3.0%	19	619	3.5	26.8	3.9	1.4	2.2	1.9	0.2	0.2	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-3	1.9	neg	11.3	-0.1	neg	-0.1	-0.1	-0.1	-0.1	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	173	21.7%	38	160	6.0	2.9	11.1	2.3	1.7	4.9	0.1	0.2	0.3	9	12	10	\$/MWh
DonbasEnergO	DOEN	48	14.2%	7	92	12.4	0.7	1.6	2.9	1.3	2.7	0.2	0.1	0.2	11	12	11	\$/MWh
Consumer																		
MHP	MHPC	1,006	34.1%	343	2,086	3.2	6.2	neg	4.5	5.3	3.9	1.5	1.4	1.4				
Kernel	KER	618	61.8%	382	1,272	2.9	5.9	neg	4.0	4.4	5.7	0.6	0.5	0.5				
Astarta	AST	121	37.0%	45	516	2.1	3.5	neg	4.7	5.7	3.7	1.1	1.1	0.9				
Avangardco	AVGR	160	22.5%	36	266	0.7	0.7	n/a	1.0	0.9	n/a	0.4	0.4	n/a	60	46	43	\$/mneggs
Agroton	AGT	9	26.2%	2	58	1.3	neg	neg	2.8	7.7	16.6	0.7	0.7	0.6	n/a	n/a	n/a	
Banks																		
							P/E			P/Book								P/Assets
Raiffeisen Bank Aval	BAVL	180	3.5%	6		>30	2.0	neg	0.2	0.2	0.3	0.03	0.03	0.05				
Ukrsotsbank	USCB	163	1.0%	2		>30	>30	21.1	0.2	0.2	0.2	0.07	0.06	0.08				

Source: Eavex Research

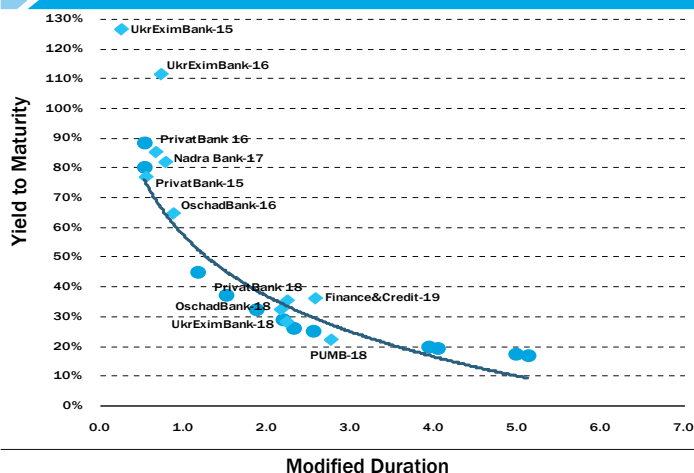
UKRAINIAN EUROBONDS

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)	55.0	65.8	107.1%	70.0%	-37.1%	0.5	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	63.1	63.9	81.3%	78.8%	-35.0%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	59.9	61.2	37.8%	36.4%	-35.6%	1.5	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	60.0	61.6	46.2%	44.0%	-35.4%	1.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	60.4	64.4	27.3%	24.6%	-32.7%	2.3	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	60.1	62.1	33.3%	31.7%	-38.4%	1.9	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.1%	27.9%	-25.6%	2.2	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	60.0	63.0	26.0%	24.1%	-21.7%	2.6	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	58.5	61.5	20.3%	19.0%	-35.6%	3.9	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	57.9	60.9	20.1%	18.9%	-36.6%	4.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	57.7	60.7	18.0%	17.0%	-35.0%	5.0	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	56.8	59.8	17.6%	16.6%	-35.7%	5.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.3	44.1%	36.3%	-35.4%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	92.0	94.0	34.7%	28.2%	-10.4%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	65.0	67.9	19.0%	17.9%	-26.4%	3.8	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	64.5	64.5	71.5%	71.5%	-34.2%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC/
UkrLandFarming, 2018	40.0	45.0	49.7%	44.1%	-51.2%	2.0	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	12.0	16.0	288.7%	234.7%	-86.1%	0.6	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.5	10.5	114.4%	114.4%	-87.8%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	75.0	80.0	103.8%	80.3%	-24.0%	0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	45.0	50.0	38.8%	34.3%	-49.6%	2.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	79.0	82.0	75.6%	64.2%	-21.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	60.6	65.2	32.2%	28.8%	-10.1%	1.6	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	50.0	58.0	36.7%	30.3%	-39.3%	2.2	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	75.0	77.0	32.9%	30.5%	-22.4%	1.1	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	54.0	56.1	32.8%	31.3%	-38.8%	2.4	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	39.2%	30.6%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	58.2	59.7	33.6%	32.5%	-47.4%	1.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	40.0	50.0	40.3%	31.9%	-45.5%	2.6	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	68.0	73.6	23.5%	20.9%	-28.1%	2.8	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2018	40.0	45.0	93.4%	77.1%	-47.2%	0.7	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	63.0	68.0	83.9%	69.9%	-28.0%	0.5	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	88.3%	75.5%	-34.9%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	58.0	60.0	33.1%	31.6%	-29.4%	2.2	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	70.0	71.0	129.4%	123.7%	-26.9%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	35.0	45.0	129.0%	93.9%	-52.1%	0.7	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	60.0	63.0	29.2%	27.2%	-30.9%	2.2	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	474.6%	245.0%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	55.0	58.0	67.6%	61.7%	-39.3%	0.9	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	50.0	52.0	36.2%	34.5%	-42.5%	2.2	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	72.2	74.3	50.8%	46.7%	-20.9%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	69.5	71.8	36.6%	34.0%	-24.0%	1.2	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

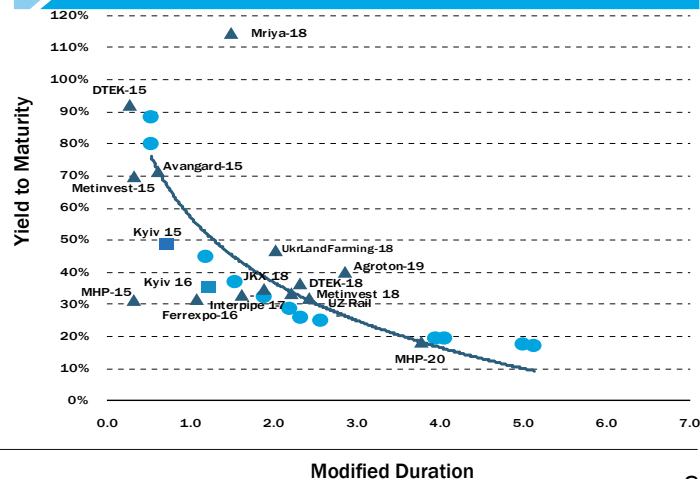
¹ Moody's/S&P/Fitch; * EUR

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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