

Market Update

Equity

Kyiv-listed stocks ended firmly higher on Monday (Dec 22) despite the country's long-term sovereign credit rating being cut by S&P from CCC to CCC-, putting it nine steps below investment grade. The UX index rose by 0.9% to close at 1011 points. UkrNafta (UNAF) continued to rebound from its local bottom, advancing 4.3% to UAH 215. Meanwhile, heavyweight CentrEnerg (CEEN) and Azovstal (AZST) underperformed the broad market, edging up by a moderate 0.3% each. Volume leader Motor Sich (MSICH) added 1.0% on turnover of UAH 2.6mn, ending at UAH 2300 on the nose. Outside the UX basket, iron ore producer Centralny GOK (CGOK) lost 3.6%. In London, Avangard (AVGR) remained under pressure, edging down 2.1% after Friday's 20% plunge, while MHP (MHPC) picked up 1.1% to USD 9.40. Warsaw-listed Ukrainian names finished mixed, with agro flagship Kernel (KER) rising 3.4% to PLN 30.40 while Astarta (AST) lost 1.0% to PLN 17.37.

Fixed Income

Ukrainian benchmark sovereigns finished flat on Monday, with Ukraine-23s closing unchanged at 64.4/68.4 (15.2%/14.0%), leaving their yield premium to US Treasuries in the range of 1250bps. Top corporate issues were mixed. Metinvest-18s improved by 1.0p.p. to 50.0/58.0 (36.9%/30.4%) while DTEK-18s declined by 2.0p.p. to 43.0/48.0 (41.0%/36.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2300.00	1.1%	2.6	97
Ukrnafta	UNAF	215.00	4.3%	1.5	127
Avdyivka Coke	AVDK	1.83	1.9%	1.1	18

Growth Leaders

Ukrnafta	UNAF	215.00	4.3%	1.53	127
Yenakievo Steel	ENMZ	22.79	2.3%	0.01	16
Alchevsk Steel	ALMK	0.02	2.0%	0.00	13

Loss Leaders

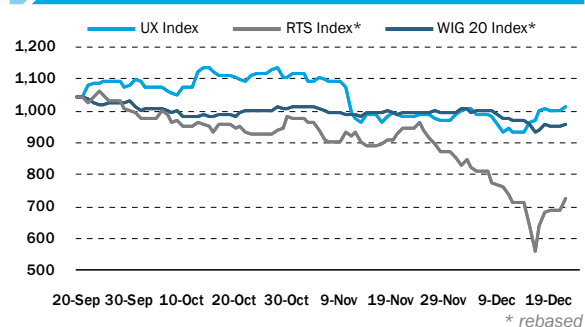
Azovstal	AZST	0.72	0.3%	0.015	18
Centrenerg	CEEN	7.50	0.4%	0.832	172
Motor Sich	MSICH	2,300.00	1.1%	2.626	97

Highlights

POLITICS AND ECONOMICS

- > S&P Downgrades Ukraine's Credit Rating to CCC-

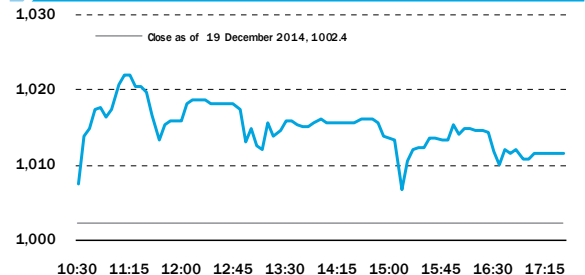
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1011.5	0.9%	3.0%	11.2%
RTS	811.0	5.6%	-23.4%	-43.8%
WIG20	2321.8	0.5%	-4.0%	-3.3%
MSCI EM	957.6	1.4%	-4.7%	-4.4%
S&P 500	2078.5	0.4%	0.7%	12.9%

UX INTRADAY DECEMBER 22, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	403.1	-1.1%	15.4%	21.9%
CDS 5Y UKR	2093.9	6.8%	42.0%	155.3%
Ukraine-17	21.8%	0.0 p.p.	8.1 p.p.	12.8 p.p.
Ferrexpo-16	30.8%	-0.6 p.p.	10.8 p.p.	21.9 p.p.
Ukraine-23	14.6%	0.0 p.p.	3.1 p.p.	7.1 p.p.
Privatbank-16	83.0%	0.2 p.p.	23.8 p.p.	62.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.91	0.5%	4.7%	93.1%
EUR	19.45	0.6%	3.3%	71.1%
RUB	0.29	7.7%	-13.5%	14.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	246.1	0.0%	9.1%	-14.4%
Steel, USD/t	447.5	0.0%	-7.3%	-16.7%
Oil, USD/bbl	60.1	-2.1%	-25.7%	-44.0%
Gold, USD/oz	1176.5	-1.7%	-2.1%	-1.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

S&P Downgrades Ukraine's Credit Rating to CCC-

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

NEWS

Standard & Poor's has downgraded Ukraine's credit rating by one notch to CCC-, according to the statement released by S&P on Friday (Dec 19). The credit agency had previously anticipated that IMF disbursements would be paid to Ukraine in 2014, but these have been delayed. S&P said that this delay, coupled with significantly reduced foreign currency official reserves, increases the risk that the Ukrainian government might not be able to meet its obligations. A default could become inevitable in the next few months if circumstances do not change, for instance if additional international financial support is not forthcoming. S&P estimates the government's foreign currency debt repayment obligations in 2015 - including foreign currency domestic issuance, external official and commercial debt obligations, and the servicing of government guaranteed debt - will amount to some USD 11bn. The government expects to meet its debt repayment obligations next year with IMF sources, some of which it hopes to use for budgetary rather than balance-of-payments support. S&P's release emphasized that the timing of the next disbursement from the IMF of USD 2.7bn remains unclear. While the new pro-reform government formed following the October parliamentary elections supports a continuation of the IMF program, S&P considers that the program itself remains at risk of not going ahead: Ukraine's macroeconomic outlook has deteriorated and, as a result, its external financing needs are greater than we previously expected. There have been significant deviations from the program's base-case assumptions.

COMMENTARY

In our opinion, the credit rating downgrade by S&P only reflects the risk of the IMF program for the country, and does not consider the worse scenario of a possible re-escalation of the Donbass war; on the positive side, it increasingly looks like such a new escalation can be avoided, if Kyiv is willing to accept the Donbass's de-facto status as a "frozen conflict". Ukraine is clearly facing a lot of uncertainties right now, but quotes for the country's shortest Eurobond (due next September) at 70 cents on the dollar have already adjusted for these uncertainties, in our view. We have a high degree of confidence that, for the next 12 months, Ukraine's new pro-European leaders will be able to tap support from the European Union and the United States in meeting the country's fiscal challenges; the larger question is whether the West will be ready to continue such support for the medium term of two-to-three years in the likely event that the Poroshenko/Yatseniuk government's reform progress is slower than promised. In terms of the coming months, there are reports about top-level discussions regarding an additional USD 15bn in aid to Ukraine from the West, but concrete information will probably only appear in mid-January.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.72	0.56	-23%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	50.5	108.0	114%	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	7.70	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	8.00	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	1.83	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	0.38	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	12.2	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	2300	5250	128%	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	3.6	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	11.8	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	32.8	72.0	120%	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	9.4	17.96	91%	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	17.4	90.0	418%	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	2.4	U/R	--	U/R	The company's FY14 results will be hit by the hryvnia devaluation.
Ovostar Union	OVO	71.9	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	0.095	0.24	152%	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	1011.54	1368.76	821.17	0.9%	4.9%	3.0%	11.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.05	0.01	1.4%	0.0%	-21.1%	-61.3%	0.4%	-4.9%	-24.0%	-72.5%
Azovstal	AZST	0.72	0.95	0.35	0.3%	2.0%	2.6%	7.9%	-0.6%	-3.0%	-0.4%	-3.2%
Dniprospezstal	DNSS	175	n/a	n/a	0.0%	0.0%	0.0%	-86.5%	-0.9%	-4.9%	-3.0%	-97.7%
Enakievo Steel	ENMZ	22.8	65.0	16.0	1.4%	18.2%	24.4%	-28.8%	0.5%	13.3%	21.4%	-40.0%
Arcelor Mittal KR	KSTL	3.50	n/a	n/a	0.0%	-12.5%	-12.5%	204.3%	-0.9%	-17.4%	-15.5%	193.2%
Mariupol Ilyicha	MMKI	0.14	n/a	n/a	0.0%	-26.3%	-30.0%	40.0%	-0.9%	-31.3%	-33.0%	28.8%
Coke												
Avdyivka Coke	AVDK	1.83	3.70	1.46	1.9%	8.0%	-7.2%	-38.0%	1.0%	3.1%	-10.2%	-49.2%
Yasnyivsky Coking	YASK	0.27	0.84	0.25	-6.9%	-10.0%	-10.0%	-49.1%	-7.8%	-14.9%	-13.0%	-60.2%
Iron Ore Mining												
Centralny GOK	CGOK	8.00	n/a	n/a	-3.6%	9.6%	9.6%	23.1%	-4.5%	4.7%	6.6%	11.9%
Ferrexpo	FXPO	50.50	191.0	47.9	0.0%	1.8%	-31.1%	-73.6%	-0.9%	-3.2%	-34.0%	-84.7%
Pivnichny GOK	SGOK	7.70	9.80	4.50	0.0%	-6.3%	-5.4%	-3.8%	-0.9%	-11.3%	-8.4%	-14.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.38	0.79	0.10	0.0%	2.7%	18.8%	-5.0%	-0.9%	-2.2%	15.8%	-16.2%
Komsomolets Donbasa	SHKD	0.29	n/a	n/a	45.0%	3.6%	26.1%	-53.2%	44.1%	-1.4%	23.1%	-64.4%
Energy Coal	CLE	0.67	2.02	0.55	-4.3%	-4.3%	-2.9%	-36.2%	-5.2%	-9.2%	-5.9%	-47.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.30	n/a	n/a	0.0%	0.0%	0.0%	-34.8%	-0.9%	-4.9%	-3.0%	-45.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.39	1.01	0.22	18.2%	2.6%	-11.4%	-35.0%	17.3%	-2.3%	-14.3%	-46.2%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	-23.1%	42.9%	-0.9%	-4.9%	-26.0%	31.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.2	25.0	10.0	1.7%	8.2%	4.3%	-29.5%	0.8%	3.2%	1.3%	-40.6%
Luhanskeplovoz	LTPL	1.04	1.80	0.85	0.0%	0.0%	-3.7%	-30.7%	-0.9%	-4.9%	-6.7%	-41.8%
Stakhanov Wagon	SVGZ	0.36	n/a	n/a	0.0%	63.6%	-2.7%	-72.3%	-0.9%	58.7%	-5.7%	-83.5%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.08	0.01	0.0%	-2.0%	-28.6%	-5.7%	-0.9%	-6.9%	-31.5%	-16.8%
Motor Sich	MSICH	2,300	2,879	1,587	1.1%	5.3%	14.9%	26.1%	0.1%	0.4%	12.0%	14.9%
Summy Frunze Engineering	SMASH	6.89	n/a	n/a	14.8%	14.8%	37.8%	175.6%	13.9%	9.9%	34.8%	164.4%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.18	0.80	0.18	-5.3%	-10.0%	-33.3%	-55.0%	-6.2%	-14.9%	-36.3%	-66.2%
Telecom												
Ukrtelecom	UTLM	0.13	0.20	0.09	0.0%	0.0%	-3.4%	18.6%	-0.9%	-4.9%	-6.4%	7.5%
Oil & Gas												
Regal Petroleum	RPT	3.55	14.13	3.55	-6.3%	-25.3%	-36.9%	-72.2%	-7.2%	-30.2%	-39.8%	-83.3%
JKX Oil	JKX	11.75	72.50	11.00	0.0%	-8.7%	-59.5%	-83.6%	-0.9%	-13.7%	-62.4%	-94.8%
Ukrnafta	UNAF	215	375	54	4.4%	16.8%	-3.6%	98.0%	3.5%	11.9%	-6.6%	86.8%
Power Utilities												
Centrenerg	CEEN	7.50	8.70	3.00	0.4%	1.6%	0.7%	57.3%	-0.5%	-3.3%	-2.3%	46.1%
Donbasenergo	DOEN	32.8	50.2	11.0	1.4%	7.6%	2.8%	18.7%	0.5%	2.7%	-0.2%	7.5%
Zakhidenergo	ZAEN	152.7	199.8	80.0	0.0%	0.0%	3.2%	68.9%	-0.9%	-4.9%	0.2%	57.8%
Consumer												
Agroton	AGT	1.25	5.5	1.19	-7.4%	-8.8%	-11.3%	-35.9%	-8.3%	-13.7%	-14.3%	-47.1%
Astarta	AST	17.37	68.0	14.5	-1.0%	2.8%	-5.1%	-74.0%	-1.9%	-2.1%	-8.0%	-85.2%
Avangardo	AVGR	2.35	11.9	2.35	-2.1%	-35.1%	-53.0%	-80.0%	-3.0%	-40.0%	-56.0%	-91.2%
Industrial Milk Company	IMC	6.05	12.77	5.85	0.8%	1.7%	-11.0%	-50.2%	-0.1%	-3.3%	-14.0%	-61.4%
Kernel	KER	30.40	42.0	22.0	3.4%	8.5%	24.3%	-20.1%	2.5%	3.6%	21.3%	-31.3%
Mriya Agro Holding	MAYA	0.73	6.0	0.58	-17.0%	-19.8%	-36.1%	-86.5%	-18.0%	-24.7%	-39.1%	-97.6%
MHPC	MHPC	9.40	18.5	9.00	1.1%	-5.1%	-14.5%	-44.7%	0.2%	-10.0%	-17.5%	-55.9%
Milkiland	MLK	1.78	12.7	1.68	0.0%	-2.7%	-11.9%	-85.8%	-0.9%	-7.7%	-14.8%	-96.9%
Ovostar Union	OVO	71.9	100.0	59.4	-0.1%	2.6%	-0.1%	-28.1%	-1.0%	-2.3%	-3.1%	-39.2%
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%	0.0%	-20.7%	-48.0%	-0.9%	-4.9%	-23.7%	-59.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.095	0.190	0.090	-0.2%	0.0%	-7.3%	-16.2%	-1.1%	-4.9%	-10.3%	-27.4%
UkrSotsbank	USCB	0.145	0.202	0.090	0.0%	3.8%	-3.1%	-22.5%	-0.9%	-1.1%	-6.1%	-33.7%

Source: Bloomberg

* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E
Steel																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,400	-181	-31	25	neg	neg	1.8%	-333	-308	33	neg	neg	2.4%
Coke																
Avdyivka Coke	AVDK	1,090	914	555	-112	46	-42	neg	5.0%	neg	-137	-6	-17	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
Iron Ore Mining																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,449	402	506	492	28.2%	32.0%	33.9%	216	264	277	15.1%	16.7%	19.1%
Coal Mining																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	271	52	31	26	10.8%	10.1%	9.5%	34	5	4	7.0%	1.5%	1.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	462	142	135	50	13	15.2%	10.9%	9.4%	95	42	-4	10.7%	9.0%	neg
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
Specialized Machinery																
Turboatom	TATM	160	214	196	51	90	73	32.2%	42.1%	37.3%	38	72	65	23.8%	33.5%	33.0%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	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	2,730	957	1,064	518	451	197	222	1	1	-32	0.1%	0.1%	-6.1%

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	15	8.8%	1	12	1.8	neg	neg	neg	0.5	0.4	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	191	3.0%	6	180	neg	neg	5.7	neg	neg	7.2	0.1	0.1	0.1	39	40	40	\$/tonne
Coke																		
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	1.0	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	589	0.3%	1	588	6.2	3.0	3.6	2.5	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,115	0.4%	4	1,109	2.6	2.0	2.4	1.5	1.2	1.4	0.8	0.7	0.7				
Ferrexpo	FXPO	462	24.0%	111	1,156	2.1	1.7	1.7	2.9	2.3	2.3	0.8	0.7	0.8				
Coal Mining																		
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	30	25.0%	8	140	0.8	neg	neg	2.2	6.6	15.6	0.8	1.1	1.4	2.2	6.6	15.6	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	64	2.0%	1	109	1.9	13.6	15.5	2.1	3.5	4.2	0.2	0.4	0.4	174	288	274	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	14	24.0%	3	52	3.0	0.7	0.6	1.8	1.4	1.3	0.2	0.2	0.1				
Kruiw Wagon	KVBZ	88	5.0%	4	77	0.9	2.1	neg	0.6	1.5	5.8	0.1	0.2	0.5				
Stakhanov Wagon	SVGZ	5	8.0%	0	38	8.7	9.6	11.0	5.2	6.4	6.9	0.1	0.2	0.3				
Specialized Machinery																		
Turboatom	TATM	93	5.8%	5	33	2.4	1.3	1.4	0.6	0.4	0.4	0.2	0.2	0.2				
Motor Sich	MSICH	300	24.0%	72	293	1.5	1.8	1.8	0.9	1.1	1.1	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	154	7.2%	11	457	3.4	9.0	5.8	2.2	2.4	2.6	0.5	0.6	0.7				
Oil & Gas																		
Ukrnafta	UNAF	733	3.0%	22	727	4.2	>30	4.6	1.6	2.5	2.3	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	18	21.6%	4	-7	1.5	neg	8.9	-0.3	neg	-0.3	-0.2	-0.2	-0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	31	50.4%	16	140	neg	4.8	4.0	1.0	2.1	2.1	0.7	0.8	0.7	26	19	19	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	174	21.7%	38	161	6.0	2.9	11.1	2.3	1.7	4.9	0.1	0.2	0.3	9	12	10	\$/MWh
DonbasEnerg	DOEN	49	14.2%	7	94	12.7	0.7	1.6	2.9	1.3	2.7	0.2	0.1	0.2	11	12	11	\$/MWh
Consumer																		
MHP	MHPC	993	34.1%	339	2,073	3.2	6.1	neg	4.4	5.3	3.9	1.5	1.4	1.4				
Kernel	KER	720	61.8%	445	1,374	3.4	6.9	neg	4.3	4.7	6.2	0.6	0.5	0.6				
Astarta	AST	129	37.0%	48	525	2.2	3.8	neg	4.7	5.8	3.8	1.2	1.1	0.9				
Avangardco	AVGR	150	22.5%	34	256	0.7	0.6	n/a	0.9	0.9	n/a	0.4	0.4	n/a	58	44	41	\$/mneggs
Agroton	AGT	8	26.2%	2	57	1.2	neg	neg	2.8	7.6	16.4	0.6	0.7	0.6	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	179	3.5%	6		>30	2.0	neg	0.2	0.2	0.3	0.03	0.03	0.05				
Ukrsotsbank	USCB	168	1.0%	2		>30	>30	neg	0.2	0.2	0.3	0.04	0.04	0.07				

Source: Eavex Research

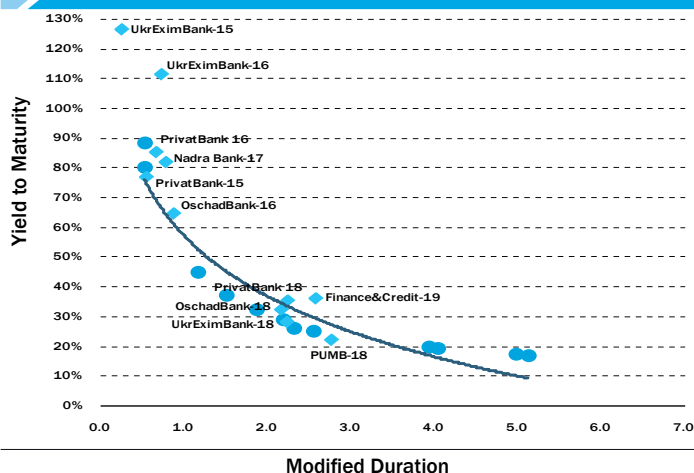
UKRAINIAN EUROBONDS

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)	67.9	73.9	65.1%	49.9%	-26.1%	0.6	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CCC
Ukraine, 2015	70.1	71.2	63.0%	60.3%	-27.7%	0.6	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CCC
Ukraine, 2016	65.8	68.5	31.8%	29.3%	-28.6%	1.6	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CCC
Ukraine, 2016-2	67.2	68.8	37.0%	35.1%	-27.7%	1.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CCC
Ukraine, 2017	66.4	71.4	23.4%	20.3%	-25.7%	2.4	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CCC
Ukraine, 2017-2	66.5	71.5	28.4%	24.8%	-30.4%	1.9	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.2%	28.0%	-25.6%	2.2	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	60.0	63.0	26.1%	24.2%	-21.7%	2.5	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	63.1	67.1	18.4%	16.9%	-30.0%	4.0	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CCC
Ukraine, 2021	64.9	68.9	17.4%	16.1%	-28.6%	4.2	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CCC
Ukraine, 2022	65.1	69.1	15.6%	14.5%	-26.4%	5.2	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CCC
Ukraine, 2023	64.4	68.4	15.2%	14.0%	-26.8%	5.4	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.4	44.3%	36.4%	-35.3%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	94.0	96.0	29.1%	22.5%	-8.4%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	75.2	75.2	15.2%	15.2%	-16.7%	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	44.5	44.5	44.5%	44.5%	-48.9%	2.0	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	11.0	15.0	312.8%	251.2%	-87.1%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	11.0	112.0%	112.0%	-87.2%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	75.0	78.0	108.8%	93.6%	-25.0%	0.3	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	43.0	48.0	41.0%	36.2%	-51.7%	2.3	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	79.0	82.0	78.4%	66.5%	-21.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	61.0	64.8	32.0%	29.2%	-10.2%	1.6	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	50.0	58.0	36.9%	30.4%	-39.3%	2.2	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	76.0	78.0	32.0%	29.6%	-21.4%	1.1	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	65.3	65.3	25.1%	25.1%	-27.5%	2.5	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	55.0	65.0	39.3%	30.7%	-22.0%	1.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	58.0	59.9	33.8%	32.5%	-47.4%	1.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	40.0	50.0	40.4%	32.0%	-45.5%	2.6	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	#N/A	#N/A	#N/A	#VALUE!	#VALUE!	2.7	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	35.0	40.0	116.6%	94.3%	-53.4%	0.5	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	63.0	68.0	85.7%	71.4%	-28.0%	0.5	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	89.7%	76.7%	-34.9%	0.8	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	58.0	60.0	33.2%	31.7%	-29.4%	2.1	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	75.4	75.4	104.7%	104.7%	-21.8%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	37.0	47.0	122.9%	89.7%	-49.7%	0.7	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	63.0	66.0	27.3%	25.3%	-27.5%	2.2	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	495.4%	251.8%	-92.4%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	60.0	65.0	58.7%	50.0%	-32.8%	0.9	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	57.0	59.4	30.7%	29.0%	-34.4%	2.4	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	73.9	75.1	48.2%	45.8%	-19.6%	0.7	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	69.7	71.6	36.7%	34.5%	-24.0%	1.2	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

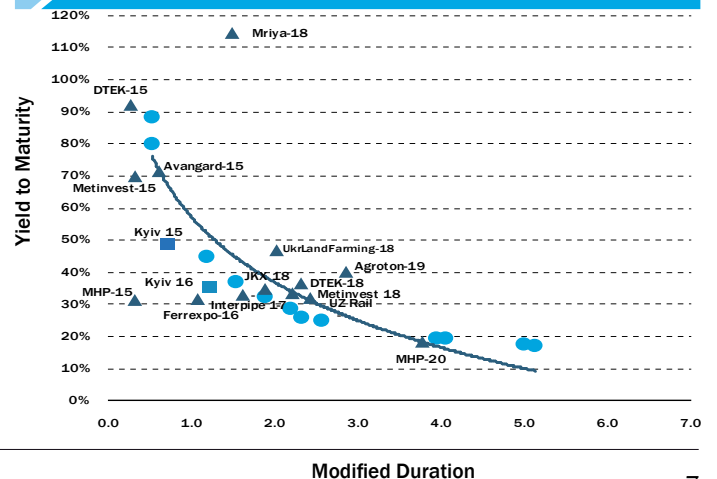
¹ Moody's/S&P/Fitch; * EUR

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

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