

**Market Update**

**Equity**

Kyiv-listed stocks retreated on Wednesday (Jan 14) both due to a technical correction after five sessions of growth, and a worsening military situation in the east of the country. At least 10 civilians were killed this week when an artillery shell hit a passenger bus in a Ukrainian-controlled area of Donetsk province. The UX index declined by 1.3% to close at 1057 points. The steel sector continued to underperform the broader market, as most domestic steel plants are located in or near the war zone. Quotes for Yenakievo Steel (ENMZ) and Alchevsk Steel (ALMK) declined by 2.5% each, and Avdyivka Coke (AVDK) lost 3.1%. In utility sector, CentrEnergO (CEEN) edged down by 0.2% to UAH 7.70 and DonbasEnergO (DOEN) slid 5.2% to UAH 32.50. Top liquid issue UkrNafta (UNAF) saw its correction limited to just 0.7% after a 16% rise of a day earlier. London traded Ukrainian names were mixed, with Ferrexpo (FXPO) slumping 6.0% to GBp 54.40, while MHP (MHPC) picked up 2.0% to USD 9.30. Warsaw-listed Kernel (KER) and Agroton (AGT) fell 2.2% and 3.5% respectively, with the latter closing at PLN 1.40.

**Fixed Income**

Ukrainian sovereigns were nearly flat on Wednesday, with Ukraine-23s closing at 54.1/59.1 (18.6%/16.9%). Corporate names finished either unchanged or in the red. Metinvest-18s closed flat at 48.0/58.0 (39.3%/30.9%) while MHP-20s edged lower by 0.3p.p. to 67.0/69.4 (18.3%/17.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	249.50	-0.7%	1.5	166
CentrenergO	CEEN	7.70	-0.2%	0.4	103
Ukrtelecom	UTLM	0.13	-7.6%	0.3	11

**Growth Leaders**

DniproenergO	DNEN	629.90	2.3%	0.03	10
Kryukiv Wagon	KVBZ	12.70	-0.1%	0.07	12
CentrenergO	CEEN	7.70	-0.2%	0.43	103

**Loss Leaders**

Mostobud	MTBD	10.50	-28.1%	0.021	13
Yasynivsky Coke	YASK	0.23	-22.0%	0.025	54
Ukrtelecom	UTLM	0.13	-7.6%	0.285	11

**Highlights**

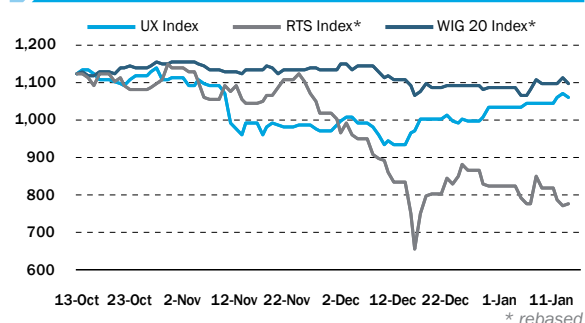
**POLITICS AND ECONOMICS**

- Ukraine to Get USD 2.0bn Loan Guarantees from US in 2015

**FIXED INCOME**

- Mriya's Majority Shareholders Ignored Creditors Request to Meet in mid Jan

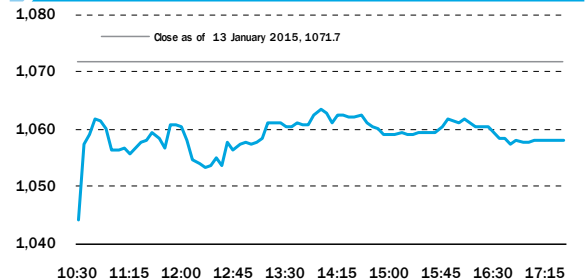
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1057.9	-1.3%	13.2%	2.4%
RTS	743.1	0.7%	-7.0%	-6.0%
WIG20	2336.7	-1.3%	-1.0%	0.9%
MSCI EM	955.7	-0.4%	1.8%	-0.1%
S&P 500	2011.3	-0.6%	0.4%	-2.3%

**UX INTRADAY JANUARY 14, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	451.8	0.5%	2.7%	11.8%
CDS 5Y UKR	2409.3	-0.1%	23.5%	7.9%
Ukraine-17	27.2%	-0.4 p.p.	4.0 p.p.	1.6 p.p.
Ferrexpo-16	31.3%	0.0 p.p.	3.2 p.p.	-0.1 p.p.
Ukraine-23	17.7%	0.0 p.p.	2.7 p.p.	10.2 p.p.
Privatbank-16	88.1%	0.2 p.p.	14.1 p.p.	2.6 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	15.82	0.0%	0.4%	0.0%
EUR	18.65	0.2%	-5.0%	-2.5%
RUB	0.24	2.9%	-9.8%	-11.1%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	236.7	0.0%	-1.7%	-3.8%
Steel, USD/t	450.0	0.0%	-4.3%	0.0%
Oil, USD/bbl	48.7	4.5%	-21.7%	-15.1%
Gold, USD/oz	1228.7	-0.2%	0.5%	3.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Ukraine to Get USD 2.0bn Loan Guarantees from US in 2015

by Dmitry Churin  
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### NEWS

The United States plans to provide up to USD 2.0bn in new loan guarantees to Ukraine this year, a source in the U.S. Treasury Department said earlier this week, as part of an overall Western package to stave off bankruptcy of the country. The Treasury Department will provide a USD 1.0bn loan guarantee to Kiev in 1H15, conditional on Ukraine remaining on track to meet the conditions of its loan program from the IMF, while the second USD 1.0bn guarantee would need approval from Congress in 2H15. IMF officials are in Kiev this week to resume negotiations on the package, currently worth USD 17bn. Moreover, Ukraine's government hopes the IMF's visit will lead to a bigger aid program with the economy suffering from deterioration of the traditional trade relationship with Russia. Ukraine's foreign currency reserves fell to USD 7.5bn at the start of the year, the lowest in 10 years and barely enough to cover five weeks of imports.

Ukraine already received a USD 1.0bn loan guarantee in May 2014 as well as grant assistance worth some USD 340mn from the US last year.

### COMMENTARY

According to our estimates, the Ukrainian government has to repay about USD 9.0bn of foreign-currency denominated debt in 2015. Clearly, the country has no ability to do this without access to international financial markets. The main repayments this year include USD 3.0bn to Russia, USD 1.5bn to the IMF and USD 1.2bn scheduled redemption of Eurobonds in September-October. The government also needs to redeem USD 2.2bn of domestically-issued USD-denominated bonds in 1H15. The latest data from the Finance Ministry indicates that Ukraine's total public debt amounts to USD 69.3bn (as of 1 Dec 2014), including internal UAH-denominated debt of UAH 376bn which accounted for 36% of total public debt. The illustration of the sharply worsened trade relationship between Ukraine and Russia is that bilateral trade turnover declined by 27% YoY to USD 26.2bn in 11M14. Ukraine's trade deficit with Russia decreased by a notably smaller margin of 14.9% YoY to USD 5.9bn, indicating continuing Ukrainian dependence of the country on Russian natural gas supplies.

## Huta Family Ignored Mriya Creditors' Meeting Request

by Ivan Dzvinka  
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### NEWS

The Huta family, the majority owner of Ternopil-based Mriya Agroholding, which in August admitting to being in default on some of its obligations, ignored a request to meet with creditors on Jan 12 to discuss an ownership transfer to creditors. This news was reported by the Kyiv business daily Capital this morning (Jan 15), citing a representative of the creditors. The creditors claimed that the Huta family has left the territory of Ukraine. Also, two creditor committees of Mriya, which together represent the holders of some 60% of the total debt of the group, are planning to complete the selection process for new management of the group by the end of next week. While the creditors prefer to coordinate the ownership transfer process with the Huta family, they intend to go ahead on their own if the family refuses to cooperate. The creditors repeated their intention to keep Mriya operational as a going concern.

Creditors also said that shareholding control over the company is now in the hands of a temporary liquidator from the British Virgin islands which was appointed by a judge.

### COMMENTARY

The actions of creditors' committees unambiguously indicate to us their strong desire to keep Mriya alive, in contrast to the Huta family, which apparently fled Ukraine on the eve of the default back in August, leading us to presume that they were involved in some activities that would warrant prosecution. Still, the Mriya creditors have not mentioned any progress in bringing in Ukrainian law enforcement to help them in resolving the issues around the group. Without such support, gaining control over the company and especially investigating the activities of Huta family will be a hardly achievable task for the creditors.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.76	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	54.5	108.0	98%	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	9.44	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	8.10	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	1.67	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	0.23	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	0.35	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	12.7	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.09	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2585	5250	103%	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	3.7	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	32.5	72.0	122%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.70	15.00	95%	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	9.3	17.96	93%	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	26.0	90.0	246%	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	2.1	2.7	27%	HOLD	Loss of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after some 55% drop in 2014.
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	0.094	0.24	157%	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	1057.93	1368.76	821.17	-1.3%	1.5%	13.2%	2.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.015	0.05	0.01	-2.7%	-2.7%	-3.3%	0.0%	-1.4%	-4.2%	-16.5%	-2.4%
Azovstal	AZST	0.76	0.95	0.35	-1.6%	0.4%	13.9%	2.1%	-0.3%	-1.1%	0.8%	-0.2%
Dniprospezstal	DNSS	650	n/a	n/a	0.0%	0.0%	271.4%	0.0%	1.3%	-1.5%	258.2%	-2.4%
Enakievo Steel	ENMZ	20.5	65.0	16.0	-0.4%	-6.7%	8.4%	-2.1%	0.9%	-8.2%	-4.8%	-4.5%
Arcelor Mittal KR	KSTL	3.00	n/a	n/a	0.0%	-15.3%	-25.0%	-15.3%	1.3%	-16.7%	-38.2%	-17.6%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	25.0%	25.0%	5.3%	25.0%	26.3%	23.5%	-7.9%	22.6%
<b>Coke</b>												
Avdivka Coke	AVDK	1.67	3.70	1.46	-1.8%	-8.1%	0.4%	-3.4%	-0.5%	-9.6%	-12.7%	-5.7%
Yasnyivsky Coking	YASK	0.23	0.84	0.19	-23.3%	21.1%	-23.3%	-17.9%	-22.1%	19.6%	-36.5%	-20.2%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.10	n/a	n/a	0.0%	0.0%	11.0%	4.0%	1.3%	-1.5%	-2.2%	1.6%
Ferrexpo	FXPO	54.50	181.6	47.9	-6.0%	-0.9%	-2.3%	2.8%	-4.8%	-2.4%	-15.5%	0.4%
Pivnichny GOK	SGOK	9.44	12.30	4.44	-4.9%	-4.9%	14.8%	12.8%	-3.7%	-6.4%	1.7%	10.4%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.35	0.79	0.17	0.0%	-25.5%	-5.4%	-25.5%	1.3%	-27.0%	-18.6%	-27.9%
Komsomolets Donbasa	SHKD	0.60	n/a	n/a	33.3%	33.3%	114.3%	36.4%	34.6%	31.8%	101.1%	34.0%
Energy Coal	CLE	0.72	2.02	0.55	-2.7%	2.9%	1.4%	16.1%	-1.4%	1.4%	-11.8%	13.7%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.16	n/a	n/a	0.0%	0.0%	-46.7%	0.0%	1.3%	-1.5%	-59.8%	-2.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.39	1.01	0.20	11.4%	2.6%	2.6%	2.6%	12.7%	1.1%	-10.5%	0.2%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	0.0%	1.3%	-1.5%	3.5%	-2.4%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	12.7	25.0	10.0	-0.1%	3.8%	18.7%	-1.2%	1.2%	2.4%	5.5%	-3.6%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.0%	4.8%	0.9%	1.3%	-1.5%	-8.4%	-1.5%
Stakhanov Wagon	SVGZ	0.30	n/a	n/a	-11.8%	-11.8%	-9.1%	0.0%	-10.5%	-13.3%	-22.3%	-2.4%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.02	0.08	0.01	0.0%	-5.2%	-12.0%	10.0%	1.3%	-6.7%	-25.2%	7.6%
Motor Sich	MSICH	2,585	2,879	1,587	-0.1%	2.3%	20.3%	4.1%	1.2%	0.8%	7.1%	1.7%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	50.0%	-10.0%	-25.0%	-10.0%	51.3%	-11.5%	-38.2%	-12.4%
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	0.17	0.80	0.15	-5.6%	-10.5%	-29.2%	0.0%	-4.3%	-12.0%	-42.3%	-2.4%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.20	0.09	-11.6%	-11.6%	3.0%	-11.6%	-10.3%	-13.1%	-10.2%	-14.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.70	14.13	3.13	-14.5%	-16.8%	-22.2%	18.2%	-13.2%	-18.3%	-35.4%	15.9%
JKX Oil	JKX	12.25	72.25	11.00	-3.9%	0.0%	-3.9%	2.1%	-2.6%	-1.5%	-17.1%	-0.3%
Ukrnafta	UNAF	250	375	54	-0.7%	20.2%	35.5%	22.7%	0.6%	18.7%	22.3%	20.3%
<b>Power Utilities</b>												
Centrenerg	CEEN	7.70	8.70	3.00	-0.2%	1.0%	8.5%	2.1%	1.1%	-0.5%	-4.7%	-0.3%
Donbasenergo	DOEN	32.5	50.2	11.0	-4.8%	-1.6%	12.1%	-1.7%	-3.6%	-3.1%	-1.1%	-4.1%
Zakhidenergo	ZAEN	148.1	199.8	80.0	0.0%	0.0%	-3.0%	0.0%	1.3%	-1.5%	-16.2%	-2.4%
<b>Consumer</b>												
Agroton	AGT	1.39	5.5	1.19	-3.5%	9.4%	-4.1%	13.0%	-2.2%	8.0%	-17.3%	10.6%
Astarta	AST	26.03	67.5	14.5	-0.3%	27.0%	41.9%	30.2%	1.0%	25.5%	28.7%	27.8%
Avangardo	AVGR	2.10	11.7	2.01	0.0%	0.0%	-41.7%	2.4%	1.3%	-1.5%	-54.9%	0.1%
Industrial Milk Company	IMC	6.14	12.77	5.46	0.0%	7.7%	2.3%	8.3%	1.3%	6.2%	-10.8%	5.9%
Kernel	KER	32.11	41.9	22.0	-2.2%	14.8%	10.7%	12.8%	-0.9%	13.4%	-2.4%	10.4%
Mriya Agro Holding	MAYA	0.59	6.0	0.56	0.0%	-4.7%	-41.4%	4.8%	1.3%	-6.2%	-54.6%	2.4%
MHPC	MHPC	9.29	18.2	9.00	0.0%	1.3%	-8.0%	1.0%	1.3%	-0.2%	-21.2%	-1.4%
Milkiland	MLK	1.58	11.5	1.48	-2.5%	-7.1%	-18.6%	6.8%	-1.2%	-8.6%	-31.7%	4.4%
Ovostar Union	OVO	72.0	92.9	59.4	1.4%	-2.7%	0.0%	0.0%	2.7%	-4.2%	-13.2%	-2.4%
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	8.5	n/a	n/a	-3.1%	22.7%	30.8%	22.7%	-1.8%	21.2%	17.6%	20.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.094	0.190	0.090	-1.7%	-2.4%	0.0%	-2.6%	-0.4%	-3.9%	-13.2%	-5.0%
UkrSotsbank	USCB	0.130	0.202	0.090	0.0%	0.0%	-7.0%	0.0%	1.3%	-1.5%	-20.2%	-2.4%

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	106	135	50	10	15.2%	10.9%	9.4%	95	42	-3	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	225	17.8%	11.1%	8.8%	176	23	45	6.9%	0.9%	1.8%
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	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%
<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	443	280	301	130	44.5%	45.6%	29.3%	228	238	-11	36.3%	36.0%	neg
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	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	24	3.9%	1	1,372	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	355	331	321	\$/tonne
Yenakievo Steel	ENMZ	14	8.8%	1	10	1.6	neg	neg	neg	0.5	0.3	0.0	0.0	0.0	4	4	3	\$/tonne
Azovstal	AZST	202	3.0%	6	191	neg	neg	6.1	neg	neg	7.6	0.1	0.1	0.1	42	42	42	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	21	6.8%	1	-28	neg	neg	neg	neg	-0.6	neg	0.0	0.0	0.0	-6	-7	-7	\$/tonne
Yasynivsky Coke	YASK	4	9.0%	0	5	0.5	neg	0.8	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	600	0.3%	1	598	6.3	3.1	3.7	2.6	1.9	2.1	1.0	0.9	0.9				
Pivnichny GOK	SGOK	1,375	0.4%	5	1,368	3.2	2.5	3.0	1.8	1.5	1.7	1.0	0.8	0.9				
Ferrexpo	FXPO	498	24.0%	120	1,192	2.3	1.9	1.8	3.0	2.4	2.4	0.8	0.8	0.8				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	13	5.4%	1	115	1.8	0.8	0.7	0.9	1.2	1.2	0.4	0.5	0.5	28	27	26	\$/tonne
Coal Energy	CLE	33	25.0%	8	143	0.9	neg	neg	2.3	6.7	15.9	0.9	1.1	1.4	2.3	6.7	15.9	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	64	2.0%	1	110	1.9	13.6	15.6	2.1	3.5	4.3	0.2	0.4	0.4	174	289	274	\$/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				
Kruiw Wagon	KVBZ	92	5.0%	5	83	1.0	2.2	neg	0.6	1.7	8.3	0.1	0.2	0.8				
Stakhanov Wagon	SVGZ	4	8.0%	0	37	7.3	8.1	9.3	5.1	6.3	6.8	0.1	0.2	0.2				
<b>Specialized Machinery</b>																		
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	340	24.0%	81	332	1.7	2.0	2.0	1.1	1.2	1.3	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	159	7.2%	11	463	3.5	9.3	6.0	2.3	2.4	2.7	0.6	0.6	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	855	3.0%	26	850	4.9	>30	19.2	1.9	3.0	3.8	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	19	21.6%	4	-7	1.6	neg	9.3	-0.3	neg	-0.3	-0.2	-0.2	-0.1	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>																		
CentrEnerg	CEEN	180	21.7%	39	166	6.2	3.0	11.5	2.4	1.8	5.1	0.1	0.2	0.3	9	12	10	\$/MWh
DonbasEnerg	DOEN	48	14.2%	7	93	12.7	0.7	1.6	2.9	1.3	2.7	0.2	0.1	0.2	11	12	11	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	982	34.1%	335	2,062	3.2	6.1	neg	4.4	5.3	3.8	1.5	1.4	1.4				
Kernel	KER	760	61.8%	470	1,414	3.6	7.2	neg	4.4	4.9	6.3	0.7	0.5	0.6				
Astarta	AST	193	37.0%	72	589	3.3	5.7	neg	5.3	6.5	4.3	1.3	1.2	1.1				
Avangardco	AVGR	134	22.5%	30	322	0.6	0.6	neg	1.1	1.1	2.5	0.5	0.5	0.7	73	55	52	\$/mneggs
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	177	3.5%	6		>30	2.0	neg	0.2	0.2	0.3	0.03	0.03	0.04				
Ukrsotsbank	USCB	151	1.0%	2		>30	>30	neg	0.2	0.1	0.3	0.04	0.04	0.07				

Source: Eavex Research

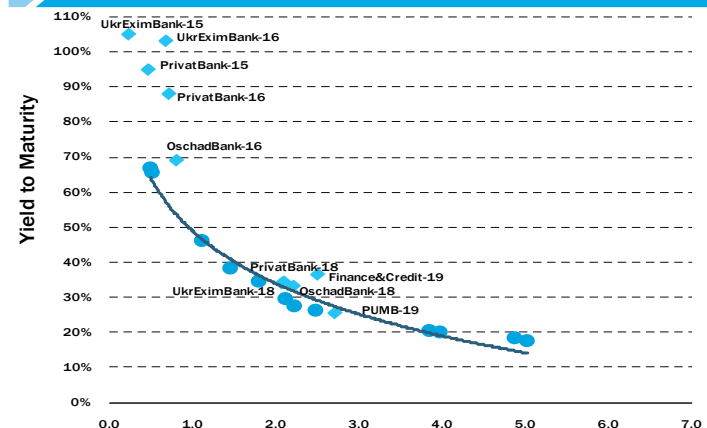
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	65.9	72.9	75.8%	55.9%	2.2%	0.5	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	69.5	70.5	71.0%	68.2%	-0.5%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	59.8	60.9	39.3%	38.1%	-3.8%	1.4	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	60.5	61.9	47.9%	45.9%	-5.6%	1.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	59.3	63.3	28.7%	25.8%	-3.1%	2.2	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	58.2	60.7	35.8%	33.6%	-4.5%	1.8	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.6%	28.4%	0.0%	2.1	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	58.0	62.0	27.8%	25.1%	0.0%	2.5	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	55.9	60.9	21.6%	19.4%	-2.0%	3.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	55.9	60.9	21.1%	19.0%	-1.6%	4.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	54.4	59.4	19.3%	17.5%	-5.5%	4.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	54.1	59.1	18.6%	16.9%	-4.7%	5.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.1	37.6	41.6%	34.1%	0.2%	3.1	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	93.0	96.0	37.5%	25.2%	-0.5%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	67.0	69.4	18.3%	17.4%	-1.1%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	70.0	74.0	64.0%	54.7%	0.0%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	40.0	47.0	50.5%	42.7%	-6.5%	2.0	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	11.0	15.0	339.3%	271.1%	0.0%	0.5	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	12.0	12.0	110.6%	110.6%	9.1%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	75.0	80.0	131.3%	101.0%	0.0%	0.2	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	43.0	48.0	41.6%	36.7%	0.0%	2.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	80.0	100.7%	86.0%	-2.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	60.4	63.6	32.8%	30.4%	-11.5%	1.5	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	48.0	58.0	39.3%	30.8%	-4.5%	2.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	76.0	79.0	33.2%	29.4%	0.7%	1.0	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	40.0	46.0	46.4%	40.1%	-18.9%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	41.0	45.0	56.7%	51.3%	-21.8%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	56.0	58.0	35.9%	34.4%	-2.2%	1.5	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	40.0	50.0	40.8%	32.3%		2.5	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	62.0	67.0	26.9%	24.2%	-4.4%	2.7	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	10.0	15.0	3321.1%	692.7%	0.0%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	60.0	65.0	104.0%	86.8%	0.0%	0.4	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	95.3%	81.3%	0.0%	0.7	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	54.0	60.0	36.9%	32.1%		2.1	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	77.0	80.0	114.6%	97.3%	5.4%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	45.0	50.0	101.5%	86.7%	0.0%	0.7	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	53.0	56.0	35.3%	32.8%	-3.5%	2.1	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	594.6%	281.2%	0.0%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	57.0	60.0	67.6%	61.5%	0.0%	0.8	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	53.0	55.0	34.2%	32.6%	-4.4%	2.2	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	65.1	67.1	72.1%	67.0%	-8.9%	0.6	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	55.4	57.4	58.2%	54.9%	-20.3%	1.1	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

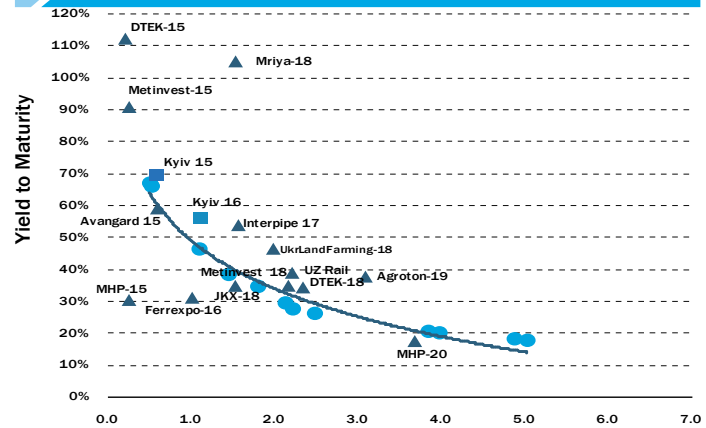
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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%	22%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			25%	22%	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			27%	23%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			27%	23%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			27%	23%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			27%	23%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			27%	23%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			27%	23%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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