

Market Update

Equity

Ukrainian equities finished generally lower on Thursday (Jan 15) amid more turbulence on the interbank currency market related to the dollar's sharp run-up against the euro, and the hryvnia fell further amid limited foreign currency supply. The market UAH/USD exchange rate outside the banking system reached UAH 20.50 per dollar, while the official NBU rate remained at 15.77 UAH/USD. The UX index edged down 0.4% to close at 1053 points. Raiffeisen Aval (BAVL) declined by 1.3% to 9.30 kopecks, while co-volume leaders Motor Sich (MSICH) and CentrErgo (CEEN) lost 1.0% each on combined turnover of UAH 1.5mn. Meanwhile, Azovstal (AZST) climbed 0.7% and low-liquidity Krukiv Wagon (KVBZ) picked up 1.7% to UAH 12.90. In London it was a down day for both Ferrexpo (FXPO) and Avangard (AVGR) which dropped by 2.8% and 4.8% respectively. Warsaw-listed Kernel (KER) shed 0.5% to PLN 31.95 and Astarta (AST) retreated by 0.9% to PLN 25.80.

Fixed Income

Ukrainian sovereigns were marginally higher on Thursday with the mid-price of Ukraine-23 quotes improving by 0.4p.p. to 54.5/59.5 (18.5%/16.8%). Corporate names were mixed. UkrLandFarming-18s rose 2.6p.p. to 45.0/47.1 (44.8%/42.7%) while MHP-20s inched down by 0.1p.p. to 67.0/69.3 (18.4%/17.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	245.90	-1.9%	0.8	120
Motor Sich	MSICH	2560.00	-1.0%	0.8	78
Centrenergo	CEEN	7.63	-1.0%	0.5	187

Growth Leaders

Yasynivsky Coke	YASK	0.25	7.0%	0.02	20
Kryukiv Wagon	KVBZ	12.90	1.7%	0.05	13
Yenakievo Steel	ENMZ	20.74	1.2%	0.00	10

Loss Leaders

Ukrnafta	UNAF	245.90	-1.9%	0.757	120
Raiffeisen Bank Aval	BAVL	0.09	-1.3%	0.219	83
Centrenergo	CEEN	7.63	-1.0%	0.474	187

Highlights

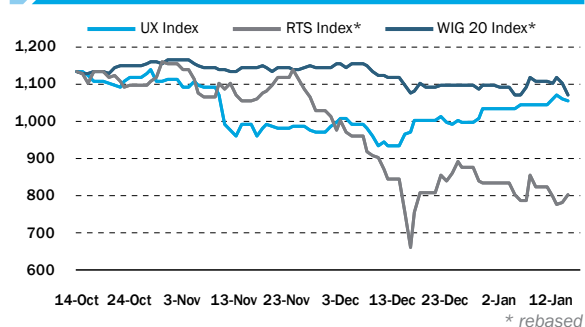
POLITICS AND ECONOMICS

- > Ukraine Denies DNR's Claim of Donetsk Airport Capture

FIXED INCOME

- > MinFin Raises UAH 3.1bn at Primary Bond Auction at 17%

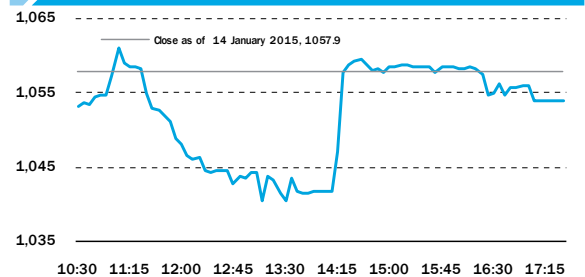
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1053.9	-0.4%	9.3%	2.0%
RTS	762.4	2.6%	6.1%	-3.6%
WIG20	2265.2	-3.1%	-2.4%	-2.2%
MSCI EM	960.0	0.4%	3.9%	0.4%
S&P 500	1992.7	-0.9%	0.2%	-3.2%

UX INTRADAY JANUARY 15, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	454.8	0.7%	-0.9%	12.5%
CDS 5Y UKR	2428.5	0.8%	13.4%	8.7%
Ukraine-17	27.1%	-0.1 p.p.	1.8 p.p.	1.5 p.p.
Ferrexpo-16	31.5%	0.2 p.p.	2.8 p.p.	0.2 p.p.
Ukraine-23	17.6%	-0.1 p.p.	1.3 p.p.	10.1 p.p.
Privatbank-16	89.1%	1.0 p.p.	14.9 p.p.	3.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.83	0.1%	0.1%	0.1%
EUR	18.41	-1.3%	-6.4%	-3.8%
RUB	0.24	-0.5%	0.5%	-11.5%

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%	0.6%	0.0%
Oil, USD/bbl	48.3	-3.2%	-21.9%	-15.8%
Gold, USD/oz	1262.7	2.8%	5.8%	6.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine Denies DNR's Claim of Donetsk Airport Capture

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NEWS

President of the unrecognized separatist Donetsk People's Republic (DNR) Alexander Zakharchenko said at a Thursday (press conference that the DNR's military forces have captured Donetsk Airport, a claim that was disputed by the Ukrainian army and pro-government media. OSCE monitors and Ukrainian army sources said that DNR paramilitaries were intensely shelling the airport from residential areas on the outskirts of Donetsk. At his press conference, Zakharchenko threatened to take back territory in northern and western Donetsk province lost last summer to advancing pro-Kyiv forces. Meanwhile, it is uncertain whether peace talks in Minsk scheduled for today between Ukrainian, Russian and OSCE representatives will actually take place.

COMMENTARY

The Donetsk airport has only symbolic, rather than strategic, importance, as it has been completely destroyed by several months of fighting. We think Zakharchenko's threat to launch a new offensive to capture additional territory well outside of the DNR's current control is a bluff, as such an advance could only occur successfully with open support from the Russian army. Rather, we suppose that Zakharchenko's rhetoric is being coordinated with Moscow in an effort to rile up Ukrainian pro-war sentiment and to further draw Kyiv's attention and resources toward military spending and away from economic reforms. Indeed, we believe that the Kremlin is following a strategy of trying to strengthen the political power of pro-war Ukrainian factions at the expense of pro-reform moderates. We could see a showdown between these two factions taking place as soon as the end of the current month, if the IMF decides to delay disbursement of Ukraine's next standby loan tranche due to non-performance of fiscal targets. A source from the pro-reform Razumkov Center NGO in Kyiv said that military operations in the east of the country are costing the government USD 10mn per day, which translates into a rate of USD 3.6bn per year. We think that the major Western governments will continue to place heavy behind-the-scenes pressure on Kyiv to reach a settlement in the Donbass conflict, and that the latest activity by the DNR is Moscow's way of trying to make such a settlement more difficult.

MinFin Raises UAH 3.1bn at Primary Bond Auction at 17%

by Dmitry Churin
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NEWS

The Finance Ministry of Ukraine (MinFin) raised UAH 3.1bn through a primary local bond auction on Thursday (Jan 15), according to an official statement. MinFin sold ultra-short 76-day UAH-denominated bonds at an annualized 17.0% yield. Since the start of 2015, MinFin has spent UAH 3.9bn on servicing the country's internal debt.

COMMENTARY

The 17% yield on these ultra-short bonds suggests to us that the bidders for the issue were commercial banks rather than so-called "friendly" state-owned financial institutions. Moreover, the placement of bonds with maturity in 76 days indicates to us that the government is really running out of cash to finance regular expenses. According to our estimates, MinFin has covered its UAH-denominated debt redemptions for January, but it still has to repay about USD 450mn to service and redeem foreign-currency denominated debt this month. In February, MinFin is due to pay some UAH 4.8bn to service UAH-denominated debt.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.77	0.56	-28%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	53.0	108.0	104%	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.
Coke						
Avdyivka Coke	AVDK	1.70	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	0.25	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	0.35	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	12.9	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.
Specialized Machinery						
Motor Sich	MSICH	2560	5250	105%	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	3.7	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	12.1	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	32.5	72.0	122%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.63	15.00	97%	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	9.3	17.96	94%	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	25.8	90.0	249%	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	2.0	2.7	33%	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.
Banks						
Raiffeisen Bank Aval	BAVL	0.093	0.24	159%	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	1053.89	1368.76	821.17	-0.4%	1.1%	9.3%	2.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.05	0.01	0.0%	-2.7%	-3.3%	0.0%	0.4%	-3.8%	-12.7%	-2.0%
Azovstal	AZST	0.77	0.95	0.35	0.9%	1.3%	8.3%	3.1%	1.3%	0.2%	-1.0%	1.1%
Dniprospezstal	DNSS	650	n/a	n/a	0.0%	0.0%	271.4%	0.0%	0.4%	-1.1%	262.1%	-2.0%
Enakievo Steel	ENMZ	20.7	65.0	16.0	1.2%	-5.6%	7.6%	-1.0%	1.6%	-6.7%	-1.8%	-3.0%
Arcelor Mittal KR	KSTL	3.00	n/a	n/a	0.0%	-15.3%	-25.0%	-15.3%	0.4%	-16.4%	-34.3%	-17.2%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	25.0%	5.3%	25.0%	0.4%	23.9%	-4.1%	23.0%
Coke												
Avdyivka Coke	AVDK	1.70	3.70	1.46	1.6%	-6.7%	0.0%	-1.8%	1.9%	-7.8%	-9.3%	-3.8%
Yasnyivsky Coking	YASK	0.25	0.84	0.19	8.7%	31.6%	-16.7%	-10.7%	9.1%	30.5%	-26.0%	-12.7%
Iron Ore Mining												
Centralny GOK	CGOK	8.10	n/a	n/a	0.0%	0.0%	11.0%	4.0%	0.4%	-1.1%	1.6%	2.0%
Ferrexpo	FXPO	53.00	181.6	47.9	-2.8%	-7.0%	6.8%	0.0%	-2.4%	-8.1%	-2.5%	-2.0%
Pivnichny GOK	SGOK	9.44	12.30	4.44	0.0%	-4.9%	14.8%	12.8%	0.4%	-6.0%	5.5%	10.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	0.79	0.17	0.0%	-25.5%	-5.4%	-25.5%	0.4%	-26.6%	-14.7%	-27.5%
Komsomolets Donbasa	SHKD	0.60	n/a	n/a	0.0%	33.3%	114.3%	36.4%	0.4%	32.2%	105.0%	34.4%
Energy Coal	CLE	0.69	2.02	0.55	-4.2%	-1.4%	-1.4%	11.3%	-3.8%	-2.5%	-10.8%	9.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.16	n/a	n/a	0.0%	0.0%	-46.7%	0.0%	0.4%	-1.1%	-56.0%	-2.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.38	1.01	0.20	-2.6%	0.0%	0.0%	0.0%	-2.2%	-1.1%	-9.3%	-2.0%
Interpipe NMPP	NVTR	0.35	n/a	n/a	0.0%	0.0%	16.7%	0.0%	0.4%	-1.1%	7.3%	-2.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.9	25.0	10.0	1.6%	5.5%	14.4%	0.4%	2.0%	4.4%	5.0%	-1.6%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.0%	4.8%	0.9%	0.4%	-1.1%	-4.5%	-1.1%
Stakhanov Wagon	SVGZ	0.35	n/a	n/a	16.7%	2.9%	59.1%	16.7%	17.0%	1.8%	49.8%	14.7%
Specialized Machinery												
Bogdan Motors	LUAZ	0.02	0.08	0.01	0.0%	-5.2%	-13.7%	10.0%	0.4%	-6.3%	-23.1%	8.0%
Motor Sich	MSICH	2,560	2,879	1,587	-1.0%	1.3%	17.2%	3.1%	-0.6%	0.2%	7.9%	1.1%
Summy Frunze Engineering	SMASH	4.50	n/a	n/a	0.0%	-10.0%	-25.0%	-10.0%	0.4%	-11.1%	-34.3%	-12.0%
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	0.0%	-10.5%	-15.0%	0.0%	0.4%	-11.6%	-24.3%	-2.0%
Telecom												
Ukrtelecom	UTLM	0.15	0.20	0.09	11.6%	-1.3%	14.9%	-1.3%	12.0%	-2.4%	5.6%	-3.3%
Oil & Gas												
Regal Petroleum	RPT	3.70	14.13	3.13	0.0%	-16.3%	-22.2%	18.2%	0.4%	-17.4%	-31.5%	16.2%
JKX Oil	JKX	12.13	72.25	11.00	-1.0%	0.0%	-5.8%	1.0%	-0.6%	-1.1%	-15.2%	-1.0%
Ukrnafta	UNAF	246	375	54	-1.4%	18.4%	33.6%	21.0%	-1.1%	17.3%	24.3%	19.0%
Power Utilities												
Centrenerg	CEEN	7.63	8.70	3.00	-1.0%	0.0%	3.3%	1.1%	-0.6%	-1.1%	-6.0%	-0.9%
Donbasenergo	DOEN	32.5	50.2	11.0	0.1%	-1.5%	6.7%	-1.6%	0.4%	-2.6%	-2.7%	-3.6%
Zakhidenergo	ZAEN	138.0	199.8	80.0	-6.8%	-6.8%	-9.6%	-6.8%	-6.4%	-7.9%	-19.0%	-8.8%
Consumer												
Agroton	AGT	1.30	5.5	1.19	-6.5%	0.8%	-5.1%	5.7%	-6.1%	-0.3%	-14.4%	3.7%
Astarta	AST	25.79	67.5	14.5	-0.9%	14.6%	52.7%	29.0%	-0.5%	13.5%	43.4%	27.0%
Avangardo	AVGR	2.00	11.7	2.00	-4.8%	-4.8%	-44.8%	-2.4%	-4.4%	-5.9%	-54.1%	-4.4%
Industrial Milk Company	IMC	6.00	12.77	5.46	-2.3%	9.9%	0.8%	5.8%	-1.9%	8.8%	-8.5%	3.8%
Kernel	KER	31.95	41.9	22.0	-0.5%	7.2%	14.1%	12.3%	-0.1%	6.1%	4.7%	10.3%
Mriya Agro Holding	MAYA	0.59	6.0	0.56	0.0%	-4.7%	-35.3%	4.8%	0.4%	-5.8%	-44.6%	2.8%
MHPC	MHPC	9.26	18.2	9.00	-0.3%	0.7%	-6.5%	0.7%	0.1%	-0.5%	-15.8%	-1.3%
Milkiland	MLK	1.51	11.1	1.48	-4.4%	-11.2%	-17.5%	2.0%	-4.0%	-12.3%	-26.8%	0.0%
Ovostar Union	OVO	72.0	92.9	59.4	0.0%	-2.4%	2.7%	0.0%	0.4%	-3.5%	-6.6%	-2.0%
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	7.2	n/a	n/a	-15.3%	3.9%	10.8%	3.9%	-14.9%	2.8%	1.4%	1.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.093	0.190	0.090	-1.1%	-3.4%	-2.7%	-3.6%	-0.7%	-4.5%	-12.1%	-5.6%
UkrSotsbank	USCB	0.135	0.202	0.090	3.7%	3.7%	-3.6%	3.7%	4.1%	2.6%	-12.9%	1.7%

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	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%
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	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%
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	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
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	1,372	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	4	\$/tonne
Azovstal	AZST	204	3.0%	6	193	neg	neg	6.1	neg	neg	7.7	0.1	0.1	0.1	42	43	42	\$/tonne
Coke																		
Avdyivka Coke	AVDK	21	6.8%	1	-27	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	0.9	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	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	1,374	0.4%	5	1,368	3.1	2.5	3.0	1.8	1.5	1.7	1.0	0.8	0.9				
Ferrexpo	FXPO	484	24.0%	116	1,178	2.2	1.8	1.8	2.9	2.3	2.4	0.8	0.7	0.8				
Coal Mining																		
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	31	25.0%	8	141	0.8	neg	neg	2.3	6.7	15.7	0.9	1.1	1.4	2.3	6.7	15.7	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	62	2.0%	1	108	1.9	13.3	15.2	2.1	3.5	4.2	0.2	0.3	0.4	172	285	270	\$/tonne
Railcar Manufacturing																		
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	93	5.0%	5	85	1.0	2.2	neg	0.6	1.7	8.5	0.1	0.2	0.8				
Stakhanov Wagon	SVGZ	5	8.0%	0	38	8.5	9.4	10.8	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	0.5	0.2	0.2	0.2				
Motor Sich	MSICH	336	24.0%	81	329	1.7	2.0	2.0	1.1	1.2	1.3	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	177	7.2%	13	481	3.9	10.4	6.7	2.3	2.5	2.8	0.6	0.6	0.8				
Oil & Gas																		
Ukrnafta	UNAF	842	3.0%	25	837	4.8	>30	18.9	1.8	2.9	3.7	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%	16	141	neg	5.0	4.2	1.0	2.1	2.1	0.7	0.8	0.7	26	19	19	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	178	21.7%	39	165	6.2	3.0	11.4	2.4	1.7	5.0	0.1	0.2	0.3	9	12	10	\$/MWh
DonbasEnergO	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
Consumer																		
MHP	MHPC	978	34.1%	334	2,058	3.1	6.0	neg	4.4	5.3	3.8	1.5	1.4	1.4				
Kernel	KER	756	61.8%	467	1,410	3.6	7.2	neg	4.4	4.9	6.3	0.7	0.5	0.6				
Astarta	AST	192	37.0%	71	587	3.3	5.6	neg	5.3	6.5	4.3	1.3	1.2	1.1				
Avangardco	AVGR	128	22.5%	29	315	0.6	0.5	neg	1.1	1.0	2.4	0.5	0.5	0.7	71	54	51	\$/mneggs
Agroton	AGT	8	26.2%	2	57	1.2	neg	neg	2.8	7.6	16.5	0.7	0.7	0.6	n/a	n/a	n/a	
Banks																		
Raiffeisen Bank Aval	BAVL	175	3.5%	6		>30	2.0	neg	0.2	0.2	0.3	0.03	0.03	0.04				
Ukrsotsbank	USCB	157	1.0%	2		>30	>30	neg	0.2	0.1	0.3	0.04	0.04	0.07				

Source: Eavex Research

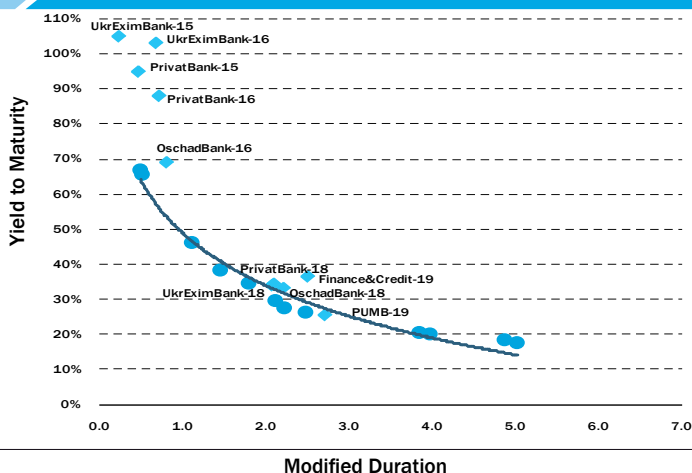
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2015 (EUR)	64.2	73.2	82.4%	55.9%	1.0%	0.5	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	69.7	70.6	70.7%	68.1%	-0.3%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	59.9	61.1	39.2%	37.9%	-3.5%	1.4	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	60.4	61.8	48.1%	46.0%	-5.6%	1.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	59.5	63.5	28.6%	25.7%	-2.7%	2.2	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	58.4	60.9	35.7%	33.5%	-4.1%	1.8	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.7%	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%	25.2%	0.0%	2.5	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	56.3	61.3	21.4%	19.2%	-1.4%	3.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	56.3	61.3	21.0%	18.9%	-0.9%	4.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	54.8	59.8	19.2%	17.4%	-4.9%	4.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	54.5	59.5	18.5%	16.8%	-4.0%	5.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.6	41.7%	34.2%	0.2%	3.1	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	93.0	96.0	37.7%	25.4%	-0.5%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	67.0	69.3	18.4%	17.5%	-1.3%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	70.0	74.0	64.8%	55.4%	0.0%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	45.0	47.1	44.8%	42.7%	-1.0%	2.0	10.88%	S/A	26 Mar 2018	500	/CCC/CCC
Mriya, 2016	11.0	15.0	344.5%	275.1%	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	132.5%	101.9%	0.0%	0.2	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	43.0	48.0	41.6%	36.8%	0.0%	2.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	80.0	101.4%	86.6%	-2.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	60.3	63.6	33.0%	30.4%	-11.5%	1.5	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018						2.2	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	76.0	79.0	33.4%	29.6%	0.6%	1.0	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	40.0	45.0	46.6%	41.2%	-19.9%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	41.0	45.0	56.9%	51.4%	-21.8%	1.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	55.9	57.8	36.0%	34.6%	-2.3%	1.5	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	40.0	50.0	40.9%	32.4%		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	5714.3%	765.8%	0.0%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	60.0	65.0	105.8%	88.2%	0.0%	0.4	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	96.4%	82.3%	0.0%	0.7	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	54.0	60.1	36.9%	32.1%		2.1	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	77.0	80.0	118.8%	100.8%	5.4%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	45.0	50.0	102.7%	87.7%	0.0%	0.7	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	53.0	56.0	35.4%	32.9%	-3.5%	2.1	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	618.0%	287.6%	0.0%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	57.5	60.3	67.2%	61.6%	0.7%	0.8	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	53.1	55.0	34.2%	32.7%	-4.3%	2.2	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	59.5	61.4	88.8%	83.2%	-16.7%	0.5	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	55.0	58.0	59.1%	54.2%	-20.1%	1.1	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

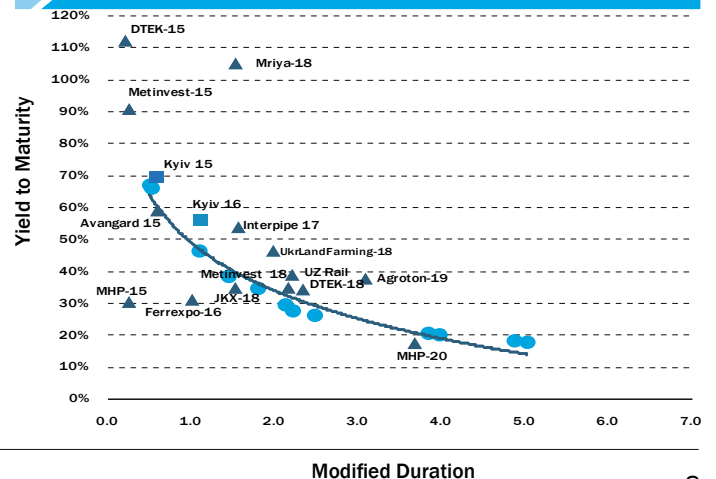
¹ Moody's/S&P/Fitch; * EUR

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%	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
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			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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