

Market Update

Equity

Kyiv-listed stocks continued to consolidate around the UX benchmark level of 1050 points on Friday (Jan 16). Although there was no negative news during the trading session, market players did not find any convincing arguments to open long positions, and the UX index retreated 0.3% for the day. UkrNafta (UNAF) shed 0.6% to close at UAH 244 per share despite encouraging comments from Prime Minister Arseniy Yatseniuk that his government plans to replace the company's management. In electricity generation blue chips, CentrEnergO (CEEN) and DonbasEnergO (DOEN) climbed by 0.3% and 2.2% respectively. In London, iron ore producer Ferrexpo (FXPO) gained 4.7% to Gbp 55.50 and independent natural gas extractor Regal Petroleum (RPT) jumped 16.8% to Gbp 4.32. Warsaw-listed Kernel (KER) slid 5.4% to PLN 30.20 while Agroton (AGT) edged higher by 0.8% to PLN 1.31.

Fixed Income

Ukrainian benchmark sovereigns were nearly flat again on Friday, with little trading taking place in the current uncertain environment. The mid-price for Ukraine-23s inched down 0.3p.p. to 54.1/59.1 (18.6%/16.8%). Meanwhile, corporate names were mostly higher. MHP-15s, which are due in April, rose 1.0p.p. to 94.0/97.0 (33.7%/21.5%), and Metinvest-18s improved by 1.5p.p. to 51.0/58.0 (36.6%/30.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2549.00	-0.4%	4.3	91
Ukrnafta	UNAF	244.10	-0.6%	1.1	176
CentrenergO	CEEN	7.65	0.3%	0.5	147

Growth Leaders

DonbasenergO	DOEN	32.94	2.2%	0.06	20
Alchevsk Steel	ALMK	0.01	1.4%	0.02	12
CentrenergO	CEEN	7.65	0.3%	0.54	147

Loss Leaders

Kryukiv Wagon	KVBZ	12.47	-3.3%	0.061	26
Avdyivka Coke	AVDK	1.65	-2.6%	0.010	22
Ukrnafta	UNAF	244.10	-0.6%	1.087	176

Highlights

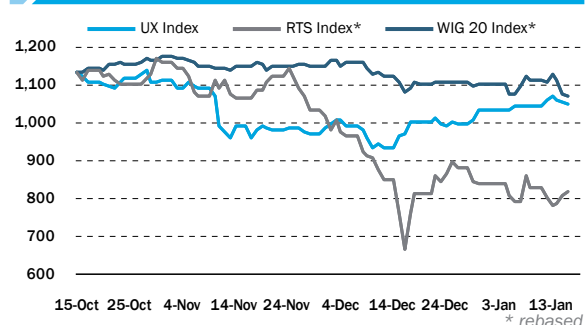
POLITICS AND ECONOMICS

- ▶ Poroshenko Escalates Rhetoric, Promises to Retake Donbass

FIXED INCOME

- ▶ Ferrexpo to Extend Bond Maturity by 3 Years, Jack Up Coupon by 250bps; Reports Growth in 9M14 EBITDA by 17% YOY

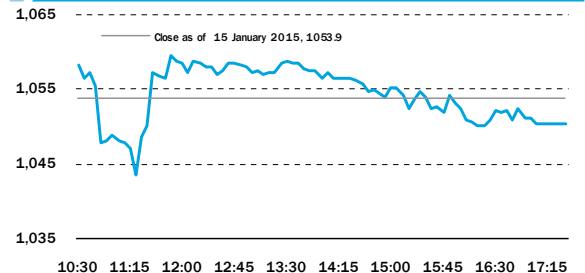
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1050.3	-0.3%	8.1%	1.6%
RTS	769.8	1.0%	22.4%	-2.6%
WIG20	2252.3	-0.6%	-0.8%	-2.7%
MSCI EM	957.5	-0.3%	5.2%	0.1%
S&P 500	2019.4	1.3%	2.4%	-1.9%

UX INTRADAY JANUARY 16, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	451.8	-0.7%	-5.4%	11.8%
CDS 5Y UKR	2361.7	-2.8%	6.4%	5.7%
Ukraine-17	27.2%	0.1 p.p.	1.3 p.p.	1.6 p.p.
Ferrexpo-16	31.6%	0.1 p.p.	-0.1 p.p.	0.2 p.p.
Ukraine-23	17.7%	0.1 p.p.	0.6 p.p.	10.2 p.p.
Privatbank-16	89.3%	0.3 p.p.	7.7 p.p.	3.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.85	0.1%	0.2%	0.2%
EUR	18.33	-0.4%	-7.4%	-4.2%
RUB	0.24	-0.1%	4.5%	-11.6%

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	50.2	3.9%	-17.2%	-12.5%
Gold, USD/oz	1280.5	1.4%	7.0%	8.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Poroshenko Escalates Rhetoric,
Promises to Retake Donbass**

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NEWS

At a state-sanctioned political rally on Sunday (Jan 18) in Kyiv's Independence Square, President Poroshenko told a crowd of several thousand people that Ukraine "won't give up a single scrap of land" to pro-Russian separatists, Reuters reported. The northern outskirts of Donetsk saw intense shelling over the weekend as the Ukrainian military launched a counter-offensive to retake areas around Donetsk Airport, which separatist forces had captured last week in a major escalation not only of the fighting itself, but also the war-like rhetoric on both sides. Donetsk separatist leader Alexander Zaxarchenko last week threatened attacks to expand the zone of separatist-controlled territory further to the north and west, in direct violation of the September Minsk ceasefire deal, while Poroshenko military advisor Yuriy Biriukov wrote on social media on Sunday that "we will show them how much we can smash their [the separatists'] teeth in." Further to the east, Pro-Russian forces were reported to be shelling government-held territory in northern Lugansk province, notably the town of Schastya. Meanwhile, Russian media reported that Poroshenko rejected a de-escalation plan from Russian President Putin that called for a pullback of high-caliber artillery from the conflict zone by both sides.

COMMENTARY

We suppose that Poroshenko is reacting forcefully to the recent separatist offensive because he no longer fears a full-scale Russian military intervention of the type that occurred in late August that would turn the tide of the fighting in the separatists' favor. Still, the aggressive rhetoric now being used by Kyiv is unlikely to go over well in the major European capitals, which are keen to see an end to the Eastern Ukrainian bloodshed, and going forward, Ukraine is going to be critically dependent on the EU's goodwill and financial support. Poroshenko should also be careful what he wishes for, as a recapture of all the occupied Donbass territories would present Kyiv with enormous expenses and new political problems. The peace process, including a summit meeting in Kazakhstan that would include the leaders of Ukraine, Russia, Germany and France, now looks to be on hold indefinitely until the current round of fighting plays out. We believe that the wisest option for Ukraine militarily is to focus on defending the Minsk ceasefire line without launching new offensives, as this strategy is most likely to preserve the West's goodwill and maximize the chances that IMF and other international economic assistance will be delivered sooner rather than later.

Ferrexpo to Extend Bond Maturity by 3 Years, Jack Up Coupon by 250bps; Reports Growth in 9M14 EBITDA by 17% YOY

by Ivan Dzvinka
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NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, announced an exchange offer this morning (Jan 19) for its USD 500mn bonds with maturity in 2016, and also released its 9M14 results. According to the preliminary prospectus released by the company, Ferrexpo wants to exchange its current bonds for new amortized ones with the maturity by 3 years (to April 2019) and with the coupon increased by 2.5p.p. (from the current 7.875% to 10.375%). The new bonds will give Ferrexpo the option of redeeming them in full prior to maturity (at 101% of principal plus accrued and unpaid interest). Unless redeemed early, the bonds will be redeemed in two installments in yet-to-be specified amounts on 7 April 2018 and 7 April 2019.

Bondholders who accept the offer before Feb 2 (the early exchange deadline), will receive 20% of the principal of the existing bonds in a cash redemption and 80% of the principal in new bonds. Holders who accept offer between Feb 2 and Feb 17 (the final exchange deadline) will receive new bonds in amount of 100% of the principal of existing bonds, with no cash.

In terms of its 9M results, Ferrexpo ended 9M14 with a drop in net revenue by 3.0% YoY to USD 1.08bn, as a 9% increase in sales volume of pellets to 8.26mn tonnes was more than offset by a drop in the realized DAF/FOB price by 15% over the period. Devaluation of the Ukrainian hryvnia along with higher output from lower-cost ore at the group's new Yeristovo mine and efficiency improvement led to a drop in production cost from in-house ore from USD 60.1/t in 9M13 to USD 47.1/t in 9M14. EBITDA rose by 17% (or by USD 59mn) to USD 404mn. Meanwhile, net income dropped by 15% on the back of a USD 82mn of impairment loss related to a 15.5% equity stake investment in Australian miner Ferrous Resources.

Ferrexpo's net debt stood at USD 712mn as of 30 September 2014 vs. USD 677mn a year earlier. Cash on hand increased to USD 608mn at the end of 9M14 vs. USD 339mn on 30 Sept 2013. The Net Debt/EBITDA ratio came in at 1.26x, down from 1.60x 12 months ago. Net cash from operations grew by 60% YoY to USD 211mn while capital investments declined by 11% YOY to USD 191mn. The group said it received no VAT refunds in Nov-Dec 2014.

COMMENTARY

The near-crisis economic and political situation in Ukraine has made the chances for Ferrexpo to attract funding to refinance its 2016 bonds highly problematic. Along with the ongoing weak iron ore market and little hope for global pricing improvement over 2015-16, the situation has thus led Ferrexpo to move sooner rather than later on restructuring of its bonds in light of current very high Ukrainian country risk. Looking at the 9M financials, the positive effect from devaluation and higher production of lower cost ore at Yeristovo was almost fully offset by the decline in realized ore pricing, as global benchmark prices slumped by almost 50% over 2014. Without the one-off gain from revaluation of receivables of USD 56mn, Ferrexpo's EBITDA over 9M14 rose by only USD 3mn, or 0.8%. Possible further downward pricing movements in 2015 will hit the company's results, although should be partly mitigated by lower oil prices and freight costs. Another risk that could adversely affect Ferrexpo's operational results in 1Q15 is Ukraine's ongoing coal-related shortage of electricity.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.76	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	55.5	108.0	95%	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	1.65	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	0.24	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	12.5	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	2549	5250	106%	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	4.3	U/R	-	U/R	The company has been constantly missed production targets since 2012.
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.
Power Utilities						
DonbasEnergO	DOEN	32.9	72.0	119%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.65	15.00	96%	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	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	25.7	90.0	250%	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	34%	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	71.0	80.8	14%	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	The bank has quite conservative risk policy therefore we assume it would weathered the current financial crisis in Ukraine and will start to generate solid profit starting from FY16.

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	1050.28	1368.76	821.17	-0.3%	0.8%	8.1%	1.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.045	0.011	0.7%	-2.0%	-2.7%	0.7%	1.0%	-2.8%	-10.8%	-1.0%
Azovstal	AZST	0.76	0.95	0.35	-0.7%	0.7%	8.5%	2.4%	-0.3%	-0.1%	0.4%	0.8%
Enakievo Steel	ENMZ	20.97	65.00	16.01	1.1%	-4.6%	11.4%	0.1%	1.5%	-5.4%	3.3%	-1.5%
Coke												
Avdyivka Coke	AVDK	1.65	3.70	1.46	-2.6%	-9.1%	-0.5%	-4.4%	-2.2%	-9.8%	-8.6%	-6.0%
Yasnyivsky Coking	YASK	0.24	0.84	0.19	-4.0%	26.3%	-11.1%	-14.3%	-3.7%	25.6%	-19.2%	-15.9%
Iron Ore Mining												
Centralny GOK	CGOK	8.10	n/a	n/a	0.0%	0.0%	-2.4%	4.0%	0.3%	-0.8%	-10.5%	2.3%
Ferrexpo	FXPO	55.50	181.60	47.91	4.7%	0.0%	14.1%	4.7%	5.1%	-0.8%	6.0%	3.1%
Pivnichny GOK	SGOK	9.44	12.30	4.44	0.0%	-4.9%	14.8%	12.8%	0.3%	-5.7%	6.7%	11.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	0.79	0.17	0.0%	-25.5%	-5.4%	-25.5%	0.3%	-26.3%	-13.5%	-27.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.38	1.01	0.20	0.0%	0.0%	11.8%	0.0%	0.3%	-0.8%	3.6%	-1.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.47	24.99	10.00	-3.3%	2.0%	13.4%	-3.0%	-3.0%	1.2%	5.2%	-4.6%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.0%	4.8%	0.9%	0.3%	-0.8%	-3.3%	-0.7%
Specialized Machinery												
Motor Sich	MSICH	2549	2879	1587	-0.4%	0.8%	14.3%	2.7%	-0.1%	0.1%	6.2%	1.0%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.15	0.20	0.09	0.0%	-1.3%	14.9%	-1.3%	0.3%	-2.1%	6.8%	-3.0%
Oil & Gas												
Regal Petroleum	RPT	4.32	14.13	3.13	16.8%	-2.3%	-4.1%	38.1%	17.1%	-3.0%	-12.2%	36.4%
JKX Oil	JKX	12.25	72.25	11.00	1.0%	0.0%	-3.9%	2.1%	1.4%	-0.8%	-12.1%	0.4%
Ukrnafta	UNAF	244.1	375.0	54.0	-0.7%	17.6%	34.0%	20.1%	-0.4%	16.8%	25.9%	18.4%
Power Utilities												
Centrenergo	CEEN	7.65	8.70	3.00	0.3%	0.3%	3.1%	1.4%	0.7%	-0.5%	-5.0%	-0.2%
Donbasenergo	DOEN	32.94	50.16	11.00	1.4%	-0.1%	3.5%	-0.2%	1.8%	-0.8%	-4.6%	-1.8%
Zakhidenergo	ZAEN	138.0	199.8	80.0	0.0%	-6.8%	-9.6%	-6.8%	0.3%	-7.6%	-17.8%	-8.5%
Consumer												
Agroton	AGT	1.31	5.48	1.19	0.8%	-7.7%	-1.5%	6.5%	1.1%	-8.5%	-9.6%	4.9%
Astarta	AST	25.70	67.50	14.50	-0.3%	2.9%	58.2%	28.5%	0.0%	2.1%	50.0%	26.9%
Avangardo	AVGR	1.99	11.70	1.99	-0.5%	-5.2%	-20.7%	-2.9%	-0.2%	-6.0%	-28.8%	-4.6%
Industrial Milk Company	IMC	6.00	12.77	5.46	0.0%	0.0%	0.0%	5.8%	0.3%	-0.8%	-8.1%	4.2%
Kernel	KER	30.23	41.90	22.00	-5.4%	3.0%	15.8%	6.2%	-5.0%	2.3%	7.7%	4.6%
Mriya Agro Holding	MAYA	0.53	6.00	0.53	-10.2%	-10.2%	-41.9%	-5.9%	-9.8%	-10.9%	-50.0%	-7.5%
MHPC	MHPC	9.30	18.15	9.00	0.4%	2.2%	-2.3%	1.1%	0.8%	1.4%	-10.4%	-0.6%
Milkiland	MLK	1.49	10.58	1.48	-1.3%	-12.4%	-11.3%	0.7%	-1.0%	-13.1%	-19.4%	-1.0%
Ovostar Union	OVO	71.00	92.90	59.40	-1.4%	-2.7%	-1.1%	-1.4%	-1.0%	-3.5%	-9.2%	-3.0%
Chemicals												
Stirol	STIR	7.20	n/a	n/a	0.0%	3.9%	10.8%	3.9%	0.3%	3.1%	2.6%	2.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.093	0.190	0.090	0.0%	-3.4%	-2.5%	-3.6%	0.3%	-4.2%	-10.7%	-5.3%
UkrSotsbank	USCB	0.130	0.202	0.090	-3.7%	-0.2%	-7.1%	-0.2%	-3.4%	-0.9%	-15.3%	-1.8%

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		
		2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E
Steel																
Alchevsk Steel	ALMK	1,729	700	346	-62	-83	-124	neg	neg	neg	-214	-158	-235	neg	neg	neg
Enakievo Steel	ENMZ	1,507	1,250	1,063	-7	45	51	neg	3.6%	4.8%	-61	-125	-59	neg	neg	neg
Azovstal	AZST	2,562	1,775	1,509	-81	152	113	neg	8.5%	7.5%	-308	35	23	neg	2.0%	1.5%
Coke																
Avdyivka Coke	AVDK	914	509	382	46	-54	-74	5.0%	neg	neg	-6	-75	-106	neg	neg	neg
Yasynivsky Coking	YASK	367	198	159	29	-4	-7	7.8%	neg	neg	-3	-13	-13	neg	neg	neg
Iron Ore Mining																
Centralny GOK	CGOK	679	611	550	312	223	165	46.0%	36.5%	30.1%	194	115	80	28.6%	18.8%	14.6%
Pivnichny GOK	SGOK	1,630	1,467	1,320	914	649	481	56.1%	44.2%	36.4%	548	324	226	33.7%	22.1%	17.2%
Ferrexpo	FXPO	1,581	1,449	1,437	506	492	349	32.0%	33.9%	24.3%	264	277	147	16.7%	19.1%	10.2%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	310	193	118	31	18	23	10.1%	9.5%	19.3%	5	3	2	1.5%	1.5%	2.0%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	329	127	n/a	36	-2	n/a	10.8%	neg	n/a	19	-16	n/a	5.9%	neg	n/a
Kryukiv Wagon	KVBZ	462	108	70	50	10	6	10.9%	9.4%	9.2%	42	-3	-5	9.0%	neg	neg
Specialized Machinery																
Turboatom	TATM	214	149	147	90	56	47	42.1%	37.3%	32.0%	72	49	29	33.5%	33.0%	20.0%
Motor Sich	MSICH	1,000	950	950	274	260	260	27.4%	27.4%	27.4%	169	133	100	16.9%	14.0%	10.5%
Telecom																
Ukrtelecom	UTLM	791	368	290	190	105	91	24.0%	28.5%	31.5%	17	16	10	2.2%	4.3%	3.5%
Oil & Gas																
Ukrnafta	UNAF	2,589	1,808	1,059	286	160	132	11.1%	8.8%	12.5%	23	32	12	0.9%	1.8%	1.1%
Regal Petroleum	RPT	37	38	35	-146	16	13	neg	42.1%	37.1%	-127	2	3	neg	5.3%	8.6%
JKX Oil	JKX	181	199	150	66	68	70	36.7%	34.3%	46.7%	7	8	5	3.6%	3.9%	3.3%
Electric Utilities																
Centrenergo	CEEN	915	544	605	94	33	23	10.3%	6.1%	3.7%	60	16	9	6.5%	2.9%	1.5%
Donbasenergo	DOEN	656	391	271	72	34	13	11.0%	8.8%	4.9%	65	31	3	9.9%	7.8%	1.1%
Consumer																
MHP	MHPC	1,496	1,524	1,544	391	537	550	26.1%	35.2%	35.6%	162	-337	97	10.8%	neg	6.3%
Kernel	KER	2,797	2,393	2,900	291	223	325	10.4%	9.3%	11.2%	105	-107	170	3.8%	neg	5.9%
Astarta	AST	470	491	413	114	91	87	20.2%	15.5%	17.6%	5	-28	30	0.8%	neg	6.1%
Avangardco	AVGR	661	443	405	301	130	109	45.6%	29.3%	26.9%	238	-11	32	36.0%	neg	7.9%
Ovostar	OVO	81	75	79	36	32	25	43.7%	43.1%	31.6%	31	30	24	38.0%	40.0%	30.7%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,333	2,869	2,765	888	441	376	723	327	276	90	-29	-41	10.1%	-6.5%	-10.9%
Ukrsotsbank	USCB	5,283	2,730	2,588	1,064	518	447	197	222	197	1	-32	-18	0.1%	-6.1%	-3.9%

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		
				2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Steel																		
Alchevsk Steel	ALMK	24	3.9%	1	1,372	neg	neg	neg	neg	neg	neg	0.8	2.0	4.0	355	331	321	\$/tonne
Yenakievo Steel	ENMZ	14	8.8%	1	10	neg	neg	neg	neg	0.2	0.2	0.0	0.0	0.0	4	4	4	\$/tonne
Azovstal	AZST	202	3.0%	6	191	neg	5.7	8.8	neg	1.3	1.7	0.1	0.1	0.1	42	42	42	\$/tonne
Coke																		
Avdyivka Coke	AVDK	20	6.8%	1	-19	neg	neg	neg	-0.4	neg	neg	0.0	0.0	0.0	-4	-5	-5	\$/tonne
Yasynivsky Coke	YASK	4	9.0%	0	5	neg	neg	neg	0.2	neg	neg	0.0	0.0	0.0	0.2	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	599	0.3%	1	597	3.1	5.2	7.5	1.9	2.7	3.6	0.9	1.0	1.1				
Pivnichny GOK	SGOK	1,372	0.4%	5	1,366	2.5	4.2	6.1	1.5	2.1	2.8	0.8	0.9	1.0				
Ferrexpo	FXPO	492	24.0%	118	1,186	1.9	1.8	3.3	2.3	2.4	3.4	0.7	0.8	0.8				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	62	2.0%	1	108	13.3	21.4	26.5	3.5	5.9	4.8	0.3	0.6	0.9	171	284	270	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	15	24.0%	4	52	0.8	neg	n/a	1.5	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	90	5.0%	5	82	2.2	neg	neg	1.6	8.0	12.6	0.2	0.8	1.2				
Specialized Machinery																		
Turboatom	TATM	93	5.8%	5	47	1.3	1.9	3.2	0.5	0.8	1.0	0.2	0.3	0.3				
Motor Sich	MSICH	334	24.0%	80	327	2.0	2.5	3.3	1.2	1.3	1.3	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	177	7.2%	13	481	10.4	11.2	17.2	2.5	4.6	5.3	0.6	1.3	1.7				
Oil & Gas																		
Ukrnafta	UNAF	835	3.0%	25	830	>30	26.3	>30	2.9	5.2	6.3	0.3	0.5	0.8	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	21	21.6%	5	-4	neg	10.5	7.0	neg	-0.3	-0.3	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	32	50.4%	16	140	4.9	4.1	6.4	2.1	2.1	2.0	0.8	0.7	0.9	26	19	19	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	178	21.7%	39	165	3.0	11.2	20.2	1.7	4.9	7.3	0.2	0.3	0.3	9	12	10	\$/MWh
DonbasEnerg	DOEN	49	14.2%	7	94	0.8	1.6	16.7	1.3	2.7	7.1	0.1	0.2	0.3	11	12	12	\$/MWh
Consumer																		
MHP	MHPC	983	34.1%	335	2,063	6.1	neg	10.1	5.3	3.8	3.8	1.4	1.4	1.3				
Kernel	KER	646	61.8%	399	1,300	6.2	neg	3.8	4.5	5.8	4.0	0.5	0.5	0.4				
Astarta	AST	172	37.0%	64	568	>30	neg	5.7	5.0	6.2	6.5	1.2	1.2	1.4				
Avangardco	AVGR	127	22.5%	29	315	0.5	neg	4.0	1.0	2.4	2.9	0.5	0.7	0.8	71	54	51	\$/mneqgs
Ovostar	OVO	114	25.0%	29	121	3.7	3.8	4.7	3.4	3.8	4.8	1.5	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	175	3.5%	6		2.0	neg	neg	0.2	0.4	0.5	0.03	0.06	0.06				
Ukrsotsbank	USCB	151	1.0%	2		>30	>30	>30	0.2	0.3	0.3	0.04	0.07	0.08				

Source: Eavex Research

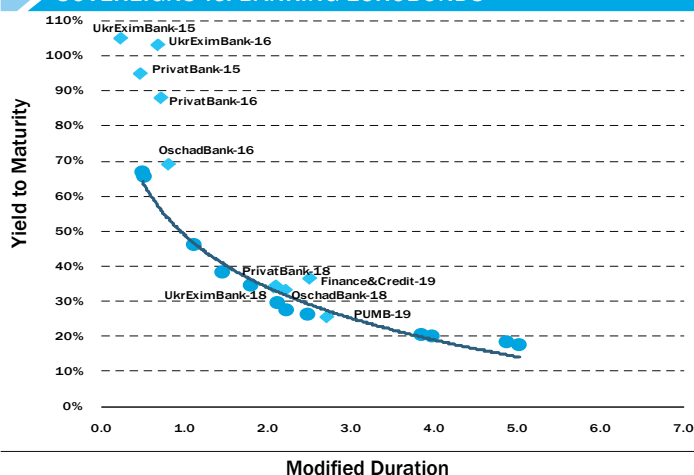
UKRAINIAN EUROBONDS

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)	64.2	73.2	82.4%	55.9%	1.1%	0.5	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CCC
Ukraine, 2015	69.3	70.8	72.1%	68.0%	-0.4%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CCC
Ukraine, 2016	59.8	60.7	39.4%	38.3%	-3.9%	1.4	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CCC
Ukraine, 2016-2	60.2	61.8	48.6%	46.1%	-5.9%	1.1	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CCC
Ukraine, 2017	59.4	63.4	28.7%	25.8%	-2.8%	2.2	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CCC
Ukraine, 2017-2	58.3	61.1	35.8%	33.3%	-4.0%	1.8	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CCC
Ukraine, 2017 Infr. projects	60.0	63.0	30.7%	28.5%	0.0%	2.1	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	58.0	62.0	27.9%	25.2%	0.0%	2.5	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	56.0	61.0	21.5%	19.4%	-1.9%	3.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CCC
Ukraine, 2021	56.0	61.0	21.1%	19.0%	-1.5%	4.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CCC
Ukraine, 2022	54.4	59.4	19.3%	17.5%	-5.4%	4.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CCC
Ukraine, 2023	54.1	59.1	18.6%	16.8%	-4.5%	5.0	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.6	41.8%	34.3%	0.2%	3.1	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	94.0	97.0	33.7%	21.5%	0.5%	0.3	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	67.2	69.0	18.3%	17.6%	-1.3%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	70.0	74.0	65.0%	55.6%	0.0%	0.6	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	45.0	46.0	44.9%	43.9%	-2.2%	1.9	10.88%	S/A	26 Mar 2018	500	/CCC-/CCC
Mriya, 2016	11.0	15.0	345.9%	276.1%	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	133.7%	102.8%	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	102.1%	87.2%	-2.5%	0.3	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	74.0	79.0	23.5%	20.6%	9.3%	1.6	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	51.0	58.0	36.6%	30.9%	-1.8%	2.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	76.0	79.0	33.5%	29.7%	0.6%	1.0	7.875%	S/A	07 Apr 2016	500	/CCC-/CCC
UZ Rail, 2018	43.0	45.0	43.2%	41.2%	-17.0%	2.2	9.50%	S/A	21 May 2018	500	/CCC-/CCC
Interpipe, 2017	41.0	45.0	57.0%	51.5%	-21.8%	1.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	56.0	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%	-45.8%	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		788.0%	0.0%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	60.0	65.0	106.3%	88.6%	0.0%	0.4	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	47.0	52.0	96.7%	82.5%	0.0%	0.7	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	54.0	60.0	36.9%	32.2%	-14.4%	2.1	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	77.0	80.0	119.8%	101.7%	5.4%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	45.0	50.0	103.0%	87.9%	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	624.2%	289.2%	0.0%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	55.0	60.0	72.8%	62.2%	-1.7%	0.8	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	53.0	55.0	34.3%	32.7%	-4.4%	2.2	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	58.9	60.6	91.0%	85.7%	-17.6%	0.5	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	55.0	65.0	59.2%	44.1%	-15.1%	1.1	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

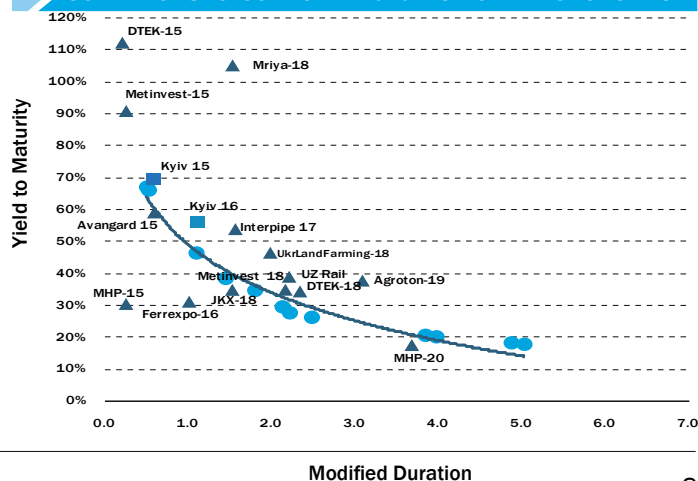
¹ Moody's/S&P/Fitch; * EUR

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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