

Market Update

Equity

Kyiv-listed stocks finished notably lower on Monday (Jan 19) amid escalating violence in the Donbass and a controversial accusation from the Kremlin that President Poroshenko rejected a ceasefire offer sent last week by President Putin. The re-escalation of the Donbass fighting looks like a provocation aimed at undermining Ukraine's chances of obtaining a favorable decision on loan disbursement from the IMF, which currently has a monitoring mission working in Kyiv. The UX index fell 2.0% to close at 1028 points. The worst-performing UX component was Avdyivka Coke (AVDK), which tumbled 7.5% to UAH 1.53. DonbasEnergo (DOEN) and UkrNafta (UNAF) also suffered significant drops of 4.3% and 3.0% respectively. In low-liquidity issues, Krukiv Wagon (KVBZ) slid 6.2% to UAH 11.60 after the company reported a 55% YoY reduction in its freight railcar output for full-year 2014. In London, Jkx Oil&Gas (JKX) declined by 2.0% to GBp 12.10 while Ferrexpo (FXPO) closed unchanged at GBp 55.25. Warsaw-listed Agroton (AGT) rose 4.6% to PLN 1.37.

Fixed Income

Ukrainian long-term sovereigns were flat on Monday, with Ukraine-23s finishing unchanged at 54.2/59.2 (18.5%/16.8%). In corporate names, UkrLandFarming-18s declined by 1.5p.p. to 42.0/46.0 (48.2%/43.8%), while Ferrexpo-16s showed little reaction to the company's announced wish to extend their maturity by 3 years, inching up by 0.2p.p. to 77.0/78.5 (32.2%/30.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	7.63	-0.3%	2.3	110
Motor Sich	MSICH	2535.00	-0.6%	2.1	61
Ukrnafta	UNAF	237.20	-3.0%	0.9	75

Growth Leaders

Yasynivsky Coke	YASK	0.25	6.4%	0.02	10
Dniproenergo	DNEN	609.90	1.7%	0.20	12
Yenakievo Steel	ENMZ	20.50	0.1%	0.10	18

Loss Leaders

Komsomolets Donbasa	SHKD	0.30	-33.3%	0.011	8
Ukrtelecom	UTLM	0.12	-13.0%	0.036	9
Dniproblenergo	DNON	58.00	-10.8%	0.011	9

Highlights

POLITICS AND ECONOMICS

- UkrStat: Ukraine's FY14 Industrial Output Down 10.7% YoY

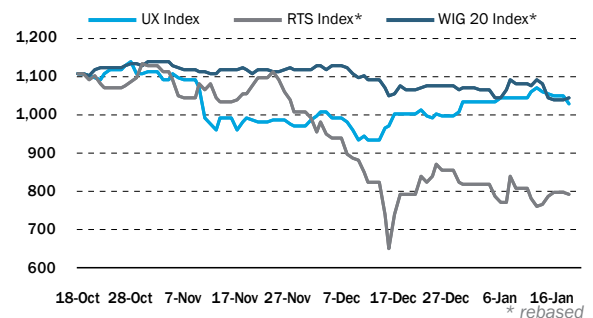
STOCKS IN THE NEWS

- Kernel Posts Robust Operational Results for Oct-Dec Quarter
- Krukiv Wagon's FY14 Freight Car Output Down 55% YoY to 2,400 units

FIXED INCOME

- Kernel Posts Robust Operational Results for Oct-Dec Quarter

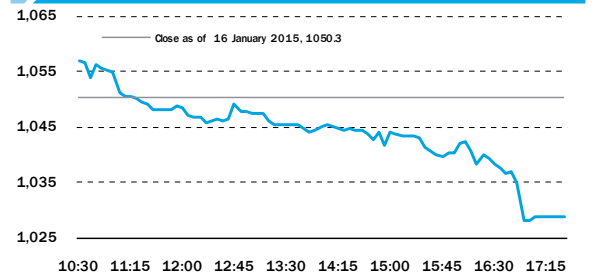
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1028.9	-2.0%	2.6%	-0.4%
RTS	766.6	-0.4%	-0.2%	-3.1%
WIG20	2255.1	0.1%	-2.4%	-2.6%
MSCI EM	952.5	-0.5%	0.8%	-0.4%
S&P 500	2019.4	0.0%	-2.5%	-1.9%

UX INTRADAY JANUARY 19, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	451.8	0.0%	10.9%	11.8%
CDS 5Y UKR	2258.6	-4.4%	15.2%	1.1%
Ukraine-17	27.2%	0.0 p.p.	5.4 p.p.	1.5 p.p.
Ferrexpo-16	31.3%	-0.3 p.p.	-0.1 p.p.	0.0 p.p.
Ukraine-23	17.7%	0.0 p.p.	3.1 p.p.	10.2 p.p.
Privatbank-16	89.3%	0.0 p.p.	6.6 p.p.	3.9 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	15.86	0.1%	0.2%	0.3%
EUR	18.40	0.4%	-4.9%	-3.8%
RUB	0.24	0.6%	-8.5%	-11.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	234.1	0.0%	-4.9%	-4.9%
Steel, USD/t	430.0	-4.4%	-3.9%	-4.4%
Oil, USD/bbl	48.8	-2.7%	-21.3%	-14.8%
Gold, USD/oz	1275.7	-0.4%	6.6%	7.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

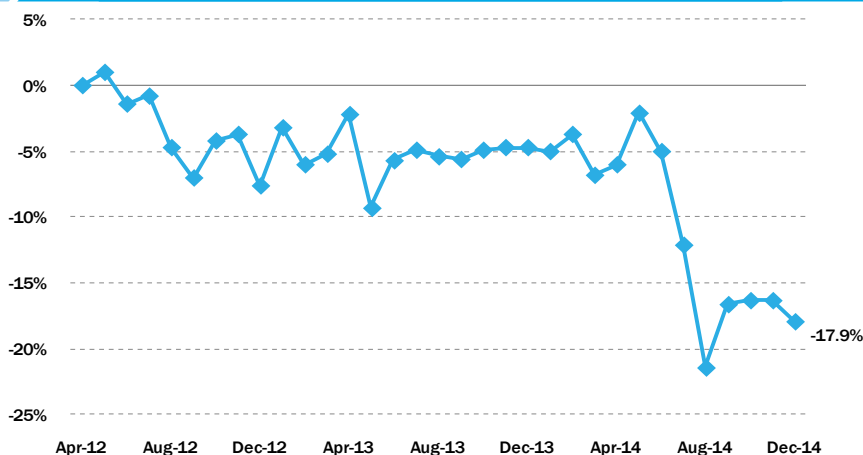
UkrStat: Ukraine's FY14 Industrial Output Down 10.7% YoY

by Dmitry Churin
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NEWS

Ukraine's industrial output declined by 10.7% YoY in full-year 2014, the State Statistics Committee (UkrStat) reported on Monday (Jan 19). Output, which UkrStat measures with a complex indexing procedure, fell by 17.9% YoY and 2.1% MoM in December alone.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

The official figure for the industrial production drop of 10.7% YoY is somewhat better than our full-year forecast of a drop of 12.5%. Nevertheless, as a result of high uncertainty regarding the credibility of industrial production data for the war-hit Donetsk and Lugansk provinces, we definitely do not rule out that actual industrial output for the year was considerably worse than what is being reported by UkrStat.

In a sector breakdown, extraction output in 2014 decreased by 11.3% YoY, manufacturing output fell by 10.1% YoY, and utility sector production dropped by 6.6% YoY. The worst performance among subsectors in 2014 was in coal extraction and automobile production, with output in these subsectors sliding by 30.5% YoY and 35.7% YoY respectively. Meanwhile, an increase in output of 2.0% was registered in both the pharmaceutical subsector and in the food industry. For 1H15, we forecast another double-digit industrial decline, while the situation in 2H15 will be largely dependent on the political status of the pro-Russian occupied territories of the Donbass.

Kernel Posts Robust Operational Results for Oct-Dec Quarter

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 30.55 Market Cap: USD 653mn

	EV/S	P/E	EV/EBITDA	Div. Yield
FY14	0.5	neg	5.9	3%
FY15E	0.5	3.8	4.0	3%

NEWS

Kernel, Ukraine's largest sunflower oil manufacturer and a large grain grower and trader, increased its grain sales by 5% YoY to 1.40mn tonnes in 2Q of its 2015 financial year (the Oct-Dec 2014 quarter), the company reported in its operating update this morning (Jan 20). Sunflower oil sales volume grew by 6% YoY to 278,100 tonnes with a 13% YoY rise in bottled oil sales to 34,200 tonnes, driven by expanded export deliveries. Sunflower seed crushing was down by 4% to 700,400 tonnes due to a later start to the season in Russia. Export terminal throughput rose by 13% YoY to 1.44mn tonnes on the back of higher export sales over the period.

As a result, over 1H15 (Jul-Dec 2014), the company posted double-digit growth across its core business segments, which was partly due the low comparison base from poor 1Q14 data. Grain sales advanced by 18% YoY to 2.62mn tonnes, oil sales grew by 35% to 480,700 tonnes, and bottled oil sales were up by 8% YoY to 57,000 tonnes. Seed crushing rose by 26% to 1.21mn tonnes. Export terminal throughput grew by 30% to 2.65mn tonnes.

Kernel is expected to publish its 2Q15 financials late next month (on Feb 27). Although a USD 0.25 per share dividend was approved by shareholders in December, the company's board has not yet set ex-rights and payout dates.

COMMENTARY

The news is encouraging for the KER stock. The company reported a historical high for grain sales following the growth in its in-house harvest in the recent season. The higher export sales of in-house harvested crops over Oct-Dec was a profitable strategy, as this quarter saw Ukraine's government refunding export VAT to crop growers (whereas no refunds were given over the April 1-Sept 30 period). We note that according to the amendments to Tax Code approved in late December, there will be no export VAT refunds in Jan-Mar this year either for agro producers or for traders, with the regime possibly being revised in April. The KER stock now trades at 2015E EV/EBITDA of 4.0x compared to its historical average of 6.5x, implying a substantial undervaluation.

Krukiv Wagon's FY14 Freight Car Output Down 55% YoY to 2,400 units

by Dmitry Churin
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KRUKIV WAGON (KVBZ UK)

Price: UAH 11.60 Market Cap: USD 84mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014E	0.6	neg	7.4	0.0%
2015E	0.9	neg	11.7	0.0%

NEWS

Kremenchuk-based railcar maker Krukiv Wagon decreased its freight railcar output by 54.7% YoY to 2,406 units in full-year 2014, Interfax reported on Monday (Jan 19) citing a source in the company. Krukiv Wagon produced only one passenger railcar last year compared to 74 units produced in 2013.

COMMENTARY

Krukiv suffered a second consecutive year of a sharp decline in its output. The company had a record-high production result of 11,000 freight railcars in 2012 but more recently has faced problems on the Russian market due to import substitution and weaker demand from freight operators. In 2014, Krukiv renovated subway railcars for the city of Kyiv and started development of high-speed passenger trains. Successful implementation of the train project could eventually allow Krukiv to replace Hyundai and Skoda on the domestic market. However, Ukraine's state-run monopoly railroad operator UkrZaliznytsa is currently unable to finance the purchase of Krukiv's trains. In our view, Krukiv Wagon's ambitious passenger train and passenger railcar targets inside Ukraine will not be rewarded earlier than 2017. We expect the company to post a net loss of UAH 50mn for FY14 on revenue of UAH 2.1bn, compared to net profit of UAH 339mn in FY13. The KVBZ stock fell to an all-time (USD denominated) low of UAH 11 per share last month. The stock is a low-liquidity UX index component and is currently quoted at UAH 11.60.

Rating Agencies Assign Caa2 and CCC Rating for Potential 2019 Ferrexpo bonds

by Ivan Dzvinka
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NEWS

Credit agency Moody's has assigned a Caa2 rating with a negative outlook for the prospective restructured bond issue of Ferrexpo, Ukraine's largest iron ore pellets exporter. Likewise, Fitch assigned a CCC rating. Ferrexpo on Monday (Jan 19) announced an exchange offer for its USD 500mn bonds with maturity in April 2016. The new bonds will be amortized (two equal redemption installments on 7 April 2018 and 7 Apr 2019) and will have a coupon rate at 10.375% (vs. current bond coupon of 7.875%). The issue will envisage a call option in case of changes affecting taxation in UK, Switzerland, Ukraine and the UAE (call price of 100% of par + accrued interest). Also, the prospective bonds will have a put option in case of change of ownership control of the Ferrexpo (at price of 101% of par + accrued interest). The minimum participation condition for approval of the restructuring is set at USD 300mn (60% of the total 2016 bonds), but this threshold may be lowered by the company.

COMMENTARY

The credit ratings assigned by Mitch and Foody's are in line with the company's expectations and the same as those of the current 2016 bonds. At the last trading price of the bond (77.5% of par) prior to the announcement of the offer, the implied yield of the new bond is 20.3%, we estimate (not considering options affect which is difficult to calculate due to no dates specified of its exercise). This figure is far lower than the yield on the 2016 bonds of some 31.2%, with the difference explained by the market's pricing-in of restructuring risk on the existing bonds. Until about 2 months ago (before mid-November 2014) the yield on Ferrexpo's bonds had never risen above 15%. We presume the company will be successful in pushing through its restructuring (likely with improved conditions), as failing to accept this voluntary offer may leave holders stuck with a mandatory restructuring later this year if the iron ore market and/or Ukrainian political conditions further deteriorate.

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	55.3	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	8.40	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	1.53	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	0.38	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	11.6	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	2535	5250	107%	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	12.1	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	31.5	72.0	128%	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	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	25.0	90.0	260%	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	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	0.091	0.24	164%	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	1028.92	1368.76	821.17	-2.0%	-2.9%	2.6%	-0.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	-4.8%	-4.8%	-6.1%	-4.1%	-2.8%	-1.9%	-8.7%	-3.7%
Azovstal	AZST	0.76	0.95	0.35	-0.8%	0.0%	5.0%	1.6%	1.2%	2.9%	2.3%	2.0%
Enakievo Steel	ENMZ	20.50	65.00	16.01	-2.2%	-4.6%	-8.8%	-2.1%	-0.2%	-1.7%	-11.5%	-1.7%
Coke												
Avdyivka Coke	AVDK	1.53	3.70	1.45	-7.5%	-17.2%	-15.0%	-11.6%	-5.5%	-14.3%	-17.6%	-11.1%
Yasnyivsky Coking	YASK	0.25	0.84	0.19	4.2%	-10.7%	-13.8%	-10.7%	6.2%	-7.8%	-16.4%	-10.3%
Iron Ore Mining												
Centralny GOK	CGOK	8.40	n/a	n/a	3.7%	3.7%	1.2%	7.8%	5.7%	6.6%	-1.4%	8.3%
Ferrexpo	FXPO	55.25	181.60	47.91	-0.5%	-3.9%	9.4%	4.2%	1.6%	-1.0%	6.8%	4.7%
Pivnichny GOK	SGOK	9.44	12.30	4.44	0.0%	-4.9%	22.6%	12.8%	2.0%	-2.1%	19.9%	13.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.38	0.79	0.17	8.6%	8.6%	0.0%	-19.1%	10.6%	11.5%	-2.6%	-18.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.38	1.01	0.20	0.0%	8.6%	15.2%	0.0%	2.0%	11.5%	12.5%	0.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.60	24.99	10.00	-7.0%	-9.4%	-3.3%	-9.7%	-4.9%	-6.6%	-6.0%	-9.3%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.0%	4.8%	0.9%	2.0%	2.9%	2.2%	1.3%
Specialized Machinery												
Motor Sich	MSICH	2535	2879	1587	-0.5%	-0.7%	11.4%	2.1%	1.5%	2.1%	8.7%	2.5%
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	0.12	0.20	0.09	-18.0%	-19.1%	-5.7%	-19.1%	-16.0%	-16.2%	-8.4%	-18.7%
Oil & Gas												
Regal Petroleum	RPT	4.32	14.13	3.13	0.0%	-2.4%	13.9%	38.1%	2.0%	0.5%	11.2%	38.5%
JKX Oil	JKX	12.13	72.25	11.00	-1.0%	-3.0%	3.2%	1.0%	1.0%	-0.1%	0.5%	1.5%
Ukrnafta	UNAF	237.2	375.0	54.0	-2.8%	9.7%	15.1%	16.7%	-0.8%	12.6%	12.5%	17.1%
Power Utilities												
Centrenergo	CEEN	7.63	8.70	3.00	-0.3%	-1.1%	2.1%	1.1%	1.7%	1.8%	-0.6%	1.5%
Donbasenergo	DOEN	31.51	50.16	11.00	-4.3%	-9.6%	-2.4%	-4.5%	-2.3%	-6.8%	-5.1%	-4.1%
Zakhidenergo	ZAEN	135.0	199.8	80.0	-2.2%	-8.8%	-11.6%	-8.8%	-0.1%	-6.0%	-14.2%	-8.4%
Consumer												
Agroton	AGT	1.37	5.48	1.19	4.6%	-5.5%	1.5%	11.4%	6.6%	-2.6%	-1.2%	11.8%
Astarta	AST	25.00	67.50	14.50	-2.7%	-5.3%	42.5%	25.0%	-0.7%	-2.5%	39.8%	25.4%
Avangardo	AVGR	1.99	11.70	1.99	0.0%	-7.4%	-17.1%	-2.9%	2.0%	-4.6%	-19.7%	-2.5%
Industrial Milk Company	IMC	5.60	12.77	5.46	-6.7%	-12.5%	-6.7%	-1.2%	-4.6%	-9.6%	-9.3%	-0.8%
Kernel	KER	30.55	41.90	22.00	1.1%	-3.0%	3.9%	7.3%	3.1%	-0.1%	1.3%	7.8%
Mriya Agro Holding	MAYA	0.55	6.00	0.53	4.0%	-6.6%	-37.5%	-2.1%	6.0%	-3.7%	-40.1%	-1.7%
MHPC	MHPC	9.29	18.15	9.00	-0.1%	2.0%	-0.1%	1.0%	1.9%	4.9%	-2.8%	1.4%
Milkiland	MLK	1.51	10.48	1.48	1.3%	-10.7%	-15.2%	2.0%	3.4%	-7.8%	-17.8%	2.5%
Ovostar Union	OVO	72.00	92.90	59.40	1.4%	0.0%	0.0%	0.0%	3.4%	2.9%	-2.6%	0.4%
Chemicals												
Stirol	STIR	7.20	n/a	n/a	0.0%	3.9%	10.8%	3.9%	2.0%	6.8%	8.1%	4.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.091	0.190	0.090	-1.6%	-4.9%	-4.5%	-5.2%	0.4%	-2.0%	-7.2%	-4.8%
UkrSotsbank	USCB	0.130	0.202	0.090	0.0%	-0.2%	-10.5%	-0.2%	2.0%	2.7%	-13.2%	0.3%

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	133	86	50	10	6	10.9%	7.6%	7.5%	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	23	3.9%	1	1,371	neg	neg	neg	neg	neg	neg	0.8	2.0	4.0	354	330	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	3	\$/tonne
Azovstal	AZST	201	3.0%	6	190	neg	5.7	8.7	neg	1.3	1.7	0.1	0.1	0.1	41	42	42	\$/tonne
Coke																		
Avdivka Coke	AVDK	19	6.8%	1	-20	neg	neg	neg	-0.4	neg	neg	0.0	0.0	-0.1	-5	-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	621	0.3%	2	619	3.2	5.4	7.7	2.0	2.8	3.7	0.9	1.0	1.1				
Pivnichny GOK	SGOK	1,371	0.4%	5	1,365	2.5	4.2	6.1	1.5	2.1	2.8	0.8	0.9	1.0				
Ferrexpo	FXPO	488	24.0%	117	1,182	1.8	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	13.2	21.3	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	84	5.0%	4	75	2.0	neg	neg	1.5	7.4	11.6	0.2	0.6	0.9				
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	332	24.0%	80	325	2.0	2.5	3.3	1.2	1.2	1.2	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	145	7.2%	10	449	8.5	9.2	14.1	2.4	4.3	4.9	0.6	1.2	1.5				
Oil & Gas																		
Ukrnafta	UNAF	811	3.0%	24	806	>30	25.6	>30	2.8	5.0	6.1	0.3	0.4	0.8	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	21	21.6%	5	-4	neg	10.4	7.0	neg	-0.3	-0.3	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	31	50.4%	16	140	4.8	4.0	6.3	2.1	2.1	2.0	0.8	0.7	0.9	26	19	19	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	178	21.7%	39	164	3.0	11.2	20.1	1.7	4.9	7.2	0.2	0.3	0.3	9	12	10	\$/MWh
DonbasEnerg	DOEN	47	14.2%	7	92	0.7	1.5	16.0	1.3	2.7	6.9	0.1	0.2	0.3	11	12	11	\$/MWh
Consumer																		
MHP	MHPC	982	34.1%	335	2,062	6.1	neg	10.1	5.3	3.8	3.7	1.4	1.4	1.3				
Kernel	KER	651	61.8%	402	1,305	6.2	neg	3.8	4.5	5.9	4.0	0.5	0.5	0.4				
Astarta	AST	167	37.0%	62	563	>30	neg	5.6	4.9	6.2	6.5	1.2	1.1	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	116	25.0%	29	122	3.7	3.9	4.8	3.4	3.8	4.9	1.5	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	172	3.5%	6		1.9	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

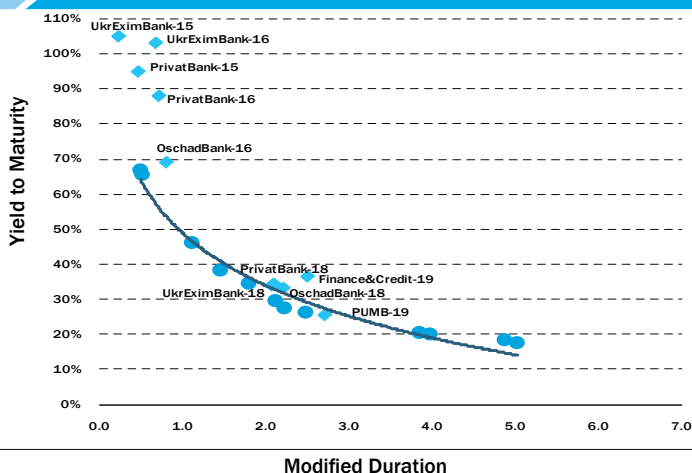
UKRAINIAN EUROBONDS

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)	64.3	73.3	82.4%	55.9%	1.2%	0.5	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	69.3	70.6	72.4%	68.6%	-0.5%	0.5	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	59.7	60.7	39.5%	38.4%	-3.9%	1.4	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	60.2	61.6	48.5%	46.4%	-6.0%	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%	-1.4%	4.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	54.5	59.5	19.3%	17.5%	-5.3%	4.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	54.2	59.2	18.5%	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	67.0	69.0	18.3%	17.6%	-1.4%	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	42.0	46.0	48.2%	43.8%	-5.4%	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	56.0	36.6%	32.4%	-3.6%	2.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	77.0	78.5	32.2%	30.3%	0.9%	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	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	54.1	56.6	36.8%	34.8%	-6.1%	2.0	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	78.0	80.0	113.6%	101.7%	6.0%	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%	2.2	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	57.0	60.0	68.4%	62.3%	0.0%	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	60.3	91.4%	87.1%	-17.9%	0.5	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	55.0	65.0	59.3%	44.1%	-15.1%	1.1	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

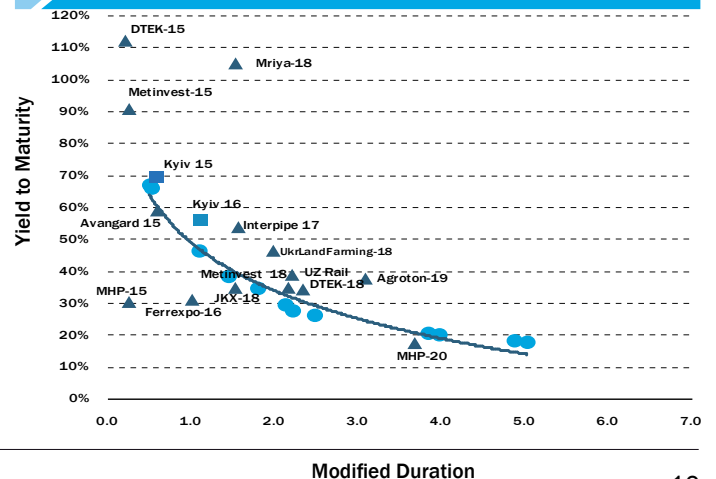
¹ Moody's/S&P/Fitch; * EUR

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			28%	25%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			28%	25%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142699	n/a	n/a	14.0%	8.0%	n/a	9.45%	S/A	22 Apr 2015	n/a
UA4000141071	n/a	n/a	14.0%	8.0%	n/a	9.45%	S/A	27 May 2015	n/a
UA4000142673	n/a	n/a	14.0%	8.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
EUR denominated Bonds									
UA4000142681	n/a	n/a	12.5%	8.0%	n/a	4.80%	S/A	6 May 2015	n/a
VAT Bonds									
UA4000082531			29%	25%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			29%	25%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			29%	25%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			29%	25%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			29%	25%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			29%	25%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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