

Market Update

Equity

The Ukrainian stock market edged up on Friday (Jan 30) with traders covering part of their short positions ahead of the result announcement from the latest Donbass peace talks in Minsk. As we understand this morning, the talks did not lead to any new solution in the conflict with pro-Russian separatists in the east of Ukraine, and the OSCE issued a statement blaming the separatist side for the lack of progress. The UX index inched up by 0.3% to end at 991 points. Raiffeisen Aval (BAVL) and Azovstal (AZST) added 1.0% each while CentrEnergO (CEEN) shed 0.5% on fears that the company could face renewed coal supply problems. In second-tier stocks, Donbass-based large diameter pipe producer Khartsysk Pipe (HRTR) plunged by 17% to 30 kopecks per share. In London trading, Ferrexpo (FXPO) lost 2.4% to close at GBp 50 on the nose, while MHP (MHPC) added 0.8% to USD 9.50 ahead of the release of its operational update today. Warsaw-listed Kernel (KER) and Astarta (AST) both inched down by 0.2%, with the latter closing at PLN 25.0

Fixed Income

Ukrainian sovereigns concluded a rough week with a moderate upward correction on Friday. Ukraine-23s gained 0.5p.p. to close at 49.5/51.5 (20.4%/19.6%). Meanwhile, corporate names were lower or flat. Metinvest-18s dropped by 2.0p.p. to 45.0/46.0 (42.7%/41.7%) and UkrLandFarming-18s finished unchanged at 40.0/45.0 (51.0%/45.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	7.17	-0.5%	2.0	79
Ukrnafta	UNAF	241.80	0.8%	1.2	54
Motor Sich	MSICH	2525.00	0.2%	1.2	18

Growth Leaders

Kryukiv Wagon	KVBZ	11.91	5.2%	0.01	7
Avdyivka Coke	AVDK	1.20	1.2%	0.00	11
Azovstal	AZST	0.71	1.0%	0.02	12

Loss Leaders

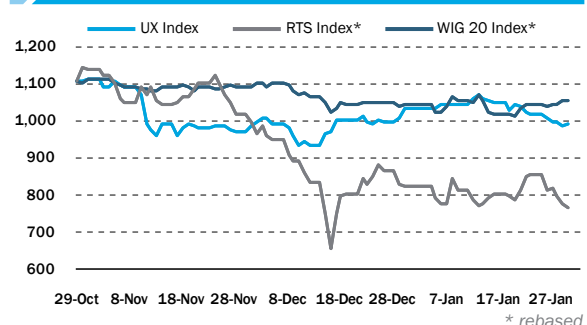
Khartsysk Pipe	HRTR	0.30	-16.6%	0.456	13
Mariupol Ilyicha	MMKI	0.15	-5.1%	0.036	21
Alchevsk Steel	ALMK	0.01	-0.8%	0.003	15

Highlights

STOCKS IN THE NEWS

- > MHP's Poultry Sales Volume Rose 18% YoY in FY14
- > Raiffeisen Aval Reports UAH 1.37bn Net Loss for FY14
- > IMC to Decrease Area Under Corn by 10% YoY

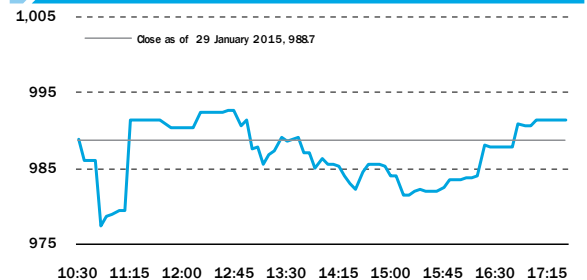
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	991.4	0.3%	-4.1%	-4.1%
RTS	737.4	-1.4%	-6.7%	-6.7%
WIG20	2341.0	0.0%	1.1%	1.1%
MSCI EM	961.6	-1.2%	0.7%	0.6%
S&P 500	1995.0	-1.3%	-4.1%	-3.1%

UX INTRADAY JANUARY 30, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	454.8	1.5%	12.7%	12.5%
CDS 5Y UKR	2810.0	16.8%	40.4%	25.8%
Ukraine-17	33.5%	-0.1 p.p.	7.8 p.p.	7.8 p.p.
Ferrexpo-16	32.9%	0.1 p.p.	1.7 p.p.	1.6 p.p.
Ukraine-23	20.0%	-0.2 p.p.	3.3 p.p.	12.5 p.p.
Privatbank-16	101.9%	0.3 p.p.	17.2 p.p.	16.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	16.21	1.8%	2.5%	2.5%
EUR	18.30	1.5%	-4.9%	-4.4%
RUB	0.24	4.4%	-15.5%	-12.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	222.8	0.0%	-9.5%	-9.5%
Steel, USD/t	430.0	0.0%	-4.4%	-4.4%
Oil, USD/bbl	53.0	7.9%	-9.8%	-7.6%
Gold, USD/oz	1283.8	2.1%	6.9%	8.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP's Poultry Sales Volume Rose 18% YoY in FY14

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 9.53 Market Cap: USD 1,007mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014E	1.4	neg	3.9	8%
2015E	1.4	10.4	3.8	4%

NEWS

MHP, Ukraine's largest poultry producer, increased its poultry sales by 18% YoY to 525,000 tonnes in full-year 2014, according to the company's operating update released this morning (Feb 2). Poultry export sales were up by 15% to 141,000 tonnes while domestic sales rose by 19% to 385,000 tonnes. The average achieved poultry price advanced by 25% YoY to UAH 20.0/kg (ex-VAT). MHP sold 296,000 tonnes of sunflower oil (+23% YoY) at an average price of USD 835/tonnes (-19%). Sales of processed meat dropped by 6% YoY to 31,200 tonnes while the achieved price was up by 20% to UAH 28.3/kg in 2014.

The company harvested 2.03mn tonnes of crops in FY14 from 290,000 ha of land, compared to 1.98mn tonnes from 287,000 ha in FY13. Achieved yields for corn, wheat and rapeseed were 9.3 t/ha, 6.1 t/ha and 3.8 t/ha, respectively; these figures were all higher YoY and above the Ukrainian average. On the other hand, the yields for sunflower (3.4 t/ha) and soya (2.1) were slightly lower YoY.

In 4Q14 alone, the group expanded its poultry sales volume by 6% YoY to 128,700 tonnes. Export sales inched up by 2% YoY to 38,800 tonnes. The average poultry selling price jumped by 54% YoY to UAH 23.7/kg. Sunflower oil sales rose by 30% YoY to 84,000 tonnes, while the selling price was down by 8% YoY, or in line with market trends.

In its release, MHP announced the launch of production of hatching eggs at its Peremoha Nova broiler farm in December 2014. The company is set to publish its 2014 financial results on March 17.

COMMENTARY

MHP was able to demonstrate outstanding results considering the difficulties which all Ukrainian businesses faced in 2014. While the group's export sales of 141,000 tonnes were lower than management's target of 150,000 tonnes, exports still increased by 15% YoY, and this against the very negative backdrop of the closure of the Russia and Kazakhstan markets for the company in February 2014. The Moscow-led "Customs Union" had accounted for the lion's share (some 75-85%) of MHP's poultry export sales as recently as 2012. Based on the group's operating data and projected EBITDA margin of 37%, its EBITDA for FY14 should come in no lower than USD 520mn, representing a robust 33%+ YoY increase. Given management's stated expectation of the group's EBITDA in 2015 to remain at the level of 2014, we reiterate our BUY recommendation for the MHPC stock.

Raiffeisen Aval Reports UAH 1.37bn Net Loss for FY14

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

RAIFFEISEN BANK AVAL (BAVL UK)

Price: UAH 0.087 Market Cap: USD 161mn

	P/Assets	P/Book	P/E	Div. Yield
2014E	0.05	0.4	neg	0%
2015E	0.06	0.4	neg	0%

NEWS

Raiffeisen Bank Aval, the Ukrainian subsidiary of Vienna-based Raiffeisen International, reported a net loss of UAH 1.37bn (USD 87mn at the official UAH/USD exchange rate), for FY14, compared to a net profit of UAH 730mn for FY13, according to the bank's press statement published on Friday (Jan 30). Net interest income rose by 23.4% YoY to UAH 4.8bn, while total assets grew by 7.8% YoY to UAH 46.9bn (USD 3.0bn) and the total loan portfolio increased by 9.8% YoY UAH 29.7bn as a result of revaluation of foreign currency denominated loans. Raiffeisen Aval's total equity declined by 15.1% YoY to UAH 6.2bn as of 31 Dec 2014. The bank has not yet unveiled its FY14 financial report.

COMMENTARY

Raiffeisen Aval's poor financial results for FY14 were expected. However, it's hard to analyze the bank's precise financial condition as the full report is still unavailable. A tricky point for Ukraine's banking system as a whole, is that banks use the NBU's official UAH/USD exchange rate to reflect their assets and liabilities, but the official hryvnia dollar rate of 15.77 UAH/USD (as of 31 Dec 2014) is out of touch with reality; the market exchange rate is above 20 UAH/USD. This situation creates a large distortion of banks' financial reports compared to the real scale of problems with bad loans in the system, many of which are denominated in a foreign currency. The BAVL stock currently trades at a Price/Book multiple of just 0.4x, which, in our opinion, reflects the major risks that Ukraine's financial system is facing right now.

IMC to Decrease Area Under Corn by 10% YoY

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 6.25 Market Cap: USD 53mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.5	2.0	3.6	0%
2014E	1.0	10.6	3.0	0%

NEWS

Central-Ukraine-based crop grower IMC plans to decrease its land planted under corn to 74,000 hectares in 2015 (-10.5% YoY), the company said in a press release on Friday (Jan 30). IMC explained this decision by its expectations for market conditions and the necessity of crop rotation. At the same time, the company has expanded area planted under winter wheat this season, although the precise area currently under this crop was not specified.

COMMENTARY

In the 2014 season, IMC had expanded its area planted under corn by 38% YoY to 83,000 ha, while the territory under winter wheat was reduced by 13% to 8,500 ha. This led to a predominant share (61%) of corn from the total land bank of the company in 2014 and only a 6% share of wheat. Apart from the announced higher share of wheat next season, we presume that IMC will further expand its plantings of soybean. In 2014, the area under soybean was increased by 85% YoY to 8,100 ha.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.71	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	50.0	108.0	116%	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	7.00	U/R	-	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	1.20	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	0.29	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	11.9	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	2525	5250	108%	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	4.1	U/R	-	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	12.8	U/R	-	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	30.5	72.0	136%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	7.17	15.00	109%	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	9.5	17.96	88%	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	1.9	2.7	40%	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	73.0	80.8	11%	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	0.087	0.24	176%	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	991.42	1368.76	842.02	0.3%	-2.7%	-4.1%	-4.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.012	0.045	0.011	0.0%	-10.3%	-15.9%	-15.9%	-0.3%	-7.6%	-11.8%	-11.8%
Azovstal	AZST	0.71	0.95	0.35	-0.3%	-1.0%	-5.2%	-5.2%	-0.6%	1.8%	-1.2%	-1.2%
Enakievo Steel	ENMZ	18.73	65.00	16.01	0.4%	-4.1%	-10.6%	-10.6%	0.1%	-1.4%	-6.5%	-6.5%
Coke												
Avdyivka Coke	AVDK	1.20	3.70	1.10	1.2%	-13.0%	-30.6%	-30.6%	0.9%	-10.3%	-26.6%	-26.6%
Yasynivsky Coking	YASK	0.25	0.84	0.18	0.0%	-24.2%	-10.7%	-10.7%	-0.3%	-21.5%	-6.7%	-6.7%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	-14.6%	-10.1%	-10.1%	-0.3%	-11.9%	-6.1%	-6.1%
Ferrexpo	FXPO	50.00	171.60	47.91	-2.4%	-14.9%	-3.4%	-5.7%	-2.7%	-12.2%	0.7%	-1.6%
Pivnichny GOK	SGOK	9.44	12.30	4.44	0.0%	0.0%	12.8%	12.8%	-0.3%	2.7%	16.8%	16.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.29	0.79	0.17	0.0%	0.0%	-38.3%	-38.3%	-0.3%	2.7%	-34.2%	-34.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.30	1.01	0.20	-16.7%	-18.9%	-21.1%	-21.1%	-16.9%	-16.2%	-17.0%	-17.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.91	24.99	10.00	2.2%	-0.9%	-7.3%	-7.3%	2.0%	1.8%	-3.3%	-3.3%
Luhanskeplovoz	LTPL	1.09	1.80	0.85	0.0%	0.0%	0.9%	0.9%	-0.3%	2.7%	5.0%	5.0%
Specialized Machinery												
Motor Sich	MSICH	2525	2879	1587	0.2%	-1.9%	1.7%	1.7%	-0.1%	0.8%	5.7%	5.7%
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	0.0%	-4.3%	-24.3%	-24.3%	-0.3%	-1.6%	-20.3%	-20.3%
Oil & Gas												
Regal Petroleum	RPT	4.07	12.75	3.13	29.5%	4.2%	30.1%	30.1%	29.2%	7.0%	34.1%	34.1%
JKX Oil	JKX	12.75	72.25	11.00	0.0%	5.2%	8.5%	6.3%	-0.3%	7.9%	12.6%	10.3%
Ukrnafta	UNAF	241.8	375.0	54.0	0.8%	-1.1%	18.9%	18.9%	0.5%	1.7%	23.0%	23.0%
Power Utilities												
Centrenergo	CEEN	7.17	8.70	3.00	-0.5%	-3.3%	-5.0%	-5.0%	-0.7%	-0.6%	-0.9%	-0.9%
Donbasenergo	DOEN	30.49	50.16	11.00	0.0%	-3.7%	-7.6%	-7.6%	-0.3%	-1.0%	-3.6%	-3.6%
Zakhidenergo	ZAEN	164.2	199.8	91.2	0.0%	21.6%	10.9%	10.9%	-0.3%	24.4%	14.9%	14.9%
Consumer												
Agroton	AGT	1.34	5.48	1.19	-0.7%	-6.3%	8.9%	8.9%	-1.0%	-3.6%	13.0%	13.0%
Astarta	AST	25.00	66.80	14.50	-0.2%	-6.3%	25.0%	25.0%	-0.5%	-3.5%	29.1%	29.1%
Avangardo	AVGR	1.90	11.55	1.83	4.1%	-0.5%	-5.2%	-7.3%	3.8%	2.2%	-1.2%	-3.3%
Industrial Milk Company	IMC	6.25	10.50	5.46	4.0%	7.8%	10.2%	10.2%	3.7%	10.5%	14.3%	14.3%
Kernel	KER	31.25	39.00	22.00	-0.2%	-3.8%	9.8%	9.8%	-0.4%	-1.1%	13.9%	13.9%
Mriya Agro Holding	MAYA	0.57	6.00	0.53	0.0%	0.0%	1.6%	1.6%	-0.3%	2.7%	5.7%	5.7%
MHPC	MHPC	9.53	16.00	9.00	0.8%	3.0%	3.6%	3.6%	0.6%	5.8%	7.6%	7.6%
Milkiland	MLK	2.22	10.48	1.48	-2.6%	9.9%	50.0%	50.0%	-2.9%	12.6%	54.1%	54.1%
Ovostar Union	OVO	73.00	81.70	59.40	0.0%	-0.7%	1.4%	1.4%	-0.3%	2.1%	5.4%	5.4%
Chemicals												
Stirol	STIR	6.51	n/a	n/a	0.0%	-9.6%	-6.1%	-6.1%	-0.3%	-6.9%	-2.0%	-2.0%
Banks												
Raiffeisen Bank Aval	BAVL	0.087	0.190	0.086	1.0%	-3.4%	-9.5%	-9.5%	0.8%	-0.7%	-5.4%	-5.4%
UkrSotsbank	USCB	0.110	0.202	0.090	0.0%	-8.3%	-15.5%	-15.5%	-0.3%	-5.6%	-11.5%	-11.5%

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																
Luhanskeplovoz	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	390	376	723	327	276	90	-87	-41	10.1%	-22.2%	-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	19	3.9%	1	958	neg	neg	neg	neg	neg	neg	0.6	1.4	2.8	248	231	224	\$/tonne
Yenakievo Steel	ENMZ	12	8.8%	1	9	neg	neg	neg	neg	0.2	0.2	0.0	0.0	0.0	3	3	3	\$/tonne
Azovstal	AZST	183	3.0%	5	174	neg	5.2	8.0	neg	1.1	1.5	0.1	0.1	0.1	38	39	38	\$/tonne
Coke																		
Avdivka Coke	AVDK	14	6.8%	1	-25	neg	neg	neg	-0.5	neg	neg	0.0	0.0	-0.1	-6	-6	-7	\$/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	506	0.3%	1	505	2.6	4.4	6.3	1.6	2.3	3.1	0.7	0.8	0.9				
Pivnichny GOK	SGOK	1,342	0.4%	5	1,335	2.4	4.1	5.9	1.5	2.1	2.8	0.8	0.9	1.0				
Ferrexpo	FXPO	440	24.0%	106	1,134	1.7	1.6	3.0	2.2	2.3	3.3	0.7	0.8	0.8				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	48	2.0%	1	94	10.2	16.5	20.4	3.0	5.1	4.1	0.3	0.5	0.8	149	247	235	\$/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	11.7	0.2	0.6	0.9				
Specialized Machinery																		
Turboatom	TATM	91	5.8%	5	45	1.3	1.9	3.1	0.5	0.8	1.0	0.2	0.3	0.3				
Motor Sich	MSICH	324	24.0%	78	316	1.9	2.4	3.2	1.2	1.2	1.2	0.3	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	133	7.2%	10	436	7.8	8.4	12.9	2.3	4.2	4.8	0.6	1.2	1.5				
Oil & Gas																		
Ukrnafta	UNAF	809	3.0%	24	804	>30	25.5	>30	2.8	5.0	6.1	0.3	0.4	0.8	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	20	21.6%	4	-5	neg	9.8	6.5	neg	-0.3	-0.4	-0.1	-0.1	-0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	33	50.4%	17	141	5.1	4.2	6.6	2.1	2.1	2.0	0.8	0.7	0.9	26	19	19	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	163	21.7%	35	150	2.7	10.3	18.5	1.6	4.5	6.6	0.2	0.3	0.2	8	11	9	\$/MWh
DonbasEnerg	DOEN	44	14.2%	6	89	0.7	1.5	15.1	1.2	2.6	6.8	0.1	0.2	0.3	11	12	11	\$/MWh
Consumer																		
MHP	MHPC	1,007	34.1%	343	2,087	6.2	neg	10.4	5.3	3.9	3.8	1.4	1.4	1.4				
Kernel	KER	674	61.8%	416	1,328	6.4	neg	4.0	4.6	6.0	4.1	0.5	0.6	0.5				
Astarta	AST	169	37.0%	63	565	>30	neg	5.6	5.0	6.2	6.5	1.2	1.2	1.4				
Avangardco	AVGR	121	22.5%	27	309	0.5	neg	3.8	1.0	2.4	2.8	0.5	0.7	0.8	70	53	50	\$/mneqgs
Ovostar	OVO	119	25.0%	30	126	3.8	4.0	4.9	3.5	3.9	5.0	1.5	1.7	1.6	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	161	3.5%	6		1.8	neg	neg	0.2	0.4	0.4	0.03	0.06	0.06				
Ukrsotsbank	USCB	125	1.0%	1		>30	>30	>30	0.1	0.2	0.3	0.04	0.07	0.08				

Source: Eavex Research

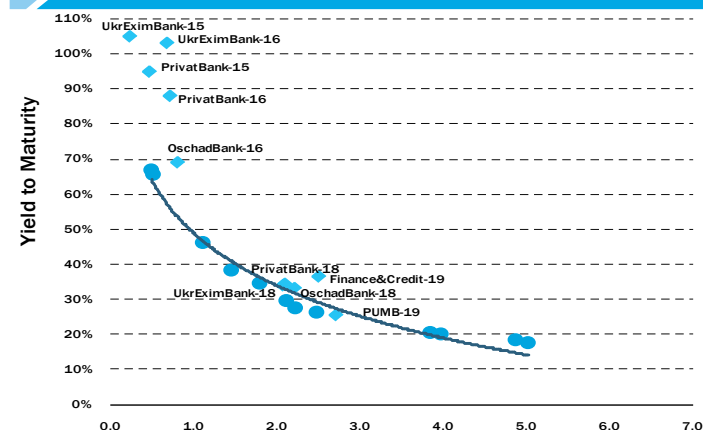
UKRAINIAN EUROBONDS

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)	41.0	62.5	211.8%	92.2%	-23.9%	0.4	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CCC
Ukraine, 2015	58.2	60.1	117.0%	109.1%	-15.9%	0.4	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CCC
Ukraine, 2016	54.1	55.3	47.2%	45.6%	-12.8%	1.4	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CCC
Ukraine, 2016-2	54.2	55.3	59.7%	57.8%	-15.5%	1.0	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CCC
Ukraine, 2017	50.8	56.8	36.2%	31.0%	-14.9%	2.1	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CCC
Ukraine, 2017-2	49.5	57.5	45.2%	36.9%	-14.0%	1.8	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CCC
Ukraine, 2017 Infr. projects	50.0	52.0	39.8%	37.9%	-17.1%	1.9	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	49.0	53.0	35.0%	31.7%	-15.0%	2.3	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	52.0	53.4	23.5%	22.9%	-11.6%	3.6	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CCC
Ukraine, 2021	50.5	53.6	23.8%	22.2%	-12.3%	3.7	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CCC
Ukraine, 2022	49.3	52.0	21.5%	20.3%	-15.9%	4.6	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CCC
Ukraine, 2023	49.5	51.5	20.4%	19.6%	-14.9%	4.7	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CCC
Corporate Eurobonds											
Agroton, 2019	30.1	37.8	42.2%	34.5%	0.4%	3.0	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	90.0	93.0	56.7%	41.7%	-3.7%	0.2	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	60.1	63.2	21.4%	20.0%	-10.6%	3.5	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	55.0	59.0	115.3%	100.6%	-20.8%	0.5	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	40.0	45.0	51.0%	45.2%	-8.6%	1.9	10.88%	S/A	26 Mar 2018	500	/CCC-/CCC
Mriya, 2016	11.0	15.0	362.8%	288.7%	0.0%	0.4	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	12.0	12.0	110.6%	110.6%	9.1%	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	65.0	70.0	236.2%	190.4%	-12.9%	0.2	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	41.0	46.0	44.1%	38.9%	-4.4%	2.1	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	77.0	80.0	111.7%	95.2%	-2.5%	0.2	10.25%	S/A	20 May 2015	114	Caa2//CCC
Metinvest, 2017	72.0	77.0	24.9%	21.8%	6.4%	1.6	10.50%	S/A	28 Nov 2017	290	//CCC
Metinvest, 2018	45.0	46.0	42.7%	41.7%	-18.0%	1.9	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	75.0	79.0	35.6%	30.3%	0.0%	1.0	7.875%	S/A	07 Apr 2016	500	/CCC-/CCC
UZ Rail, 2018	35.0	45.0	53.2%	41.5%	-24.6%	2.1	9.50%	S/A	21 May 2018	500	/CCC-/CCC
Interpipe, 2017	41.0	45.0	57.6%	52.0%	-21.8%	1.7	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	56.6	58.5	35.9%	34.4%	-1.2%	1.5	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	35.0	45.0	46.6%	36.5%	-51.8%	2.6	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	62.0	67.0	27.0%	24.3%	-4.4%	2.7	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	10.0	15.0	n/a	n/a	0.0%	0.4	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	55.0	60.0	134.2%	112.3%	-8.0%	0.4	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	44.0	49.0	110.4%	94.1%	-6.1%	0.6	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	48.0	51.0	42.8%	39.9%	-25.6%	1.9	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	69.0	69.0	196.1%	196.1%	-7.4%	0.2	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	38.0	43.0	134.1%	114.0%	-14.7%	0.6	5.79%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	47.0	50.0	41.3%	38.4%	-14.2%	2.1	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2019	4.0	9.0	712.4%	310.9%	0.0%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	48.0	53.0	93.0%	79.7%	-13.7%	0.7	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	45.9	48.3	41.0%	38.7%	-16.5%	2.1	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	50.0	53.1	129.2%	116.3%	-28.9%	0.5	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	41.0	43.0	90.2%	85.1%	-40.6%	0.9	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

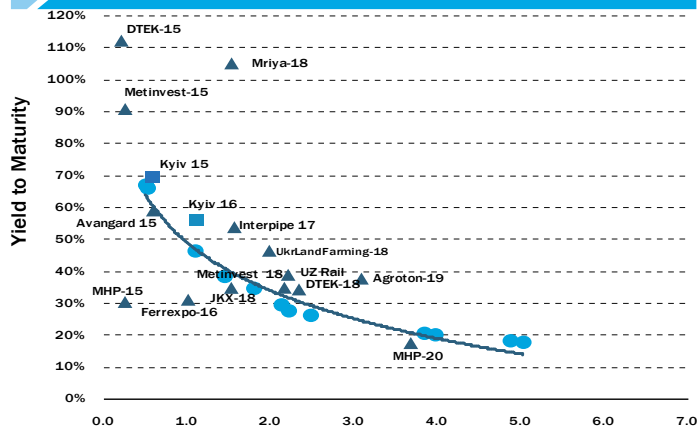
¹ Moody's/S&P/Fitch; * EUR

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

Eavex Capital

12, Ezhena Pottier str.
Kiev 03057
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua