

## Market Update

### Equity

Kyiv-listed stocks remained mixed on Wednesday (Feb 11) amid uncertainty about whether the summit-level negotiations in Minsk would bring a deal for a cease-fire in Eastern Ukraine. The UX index edged up by 0.5% to close at 1041 points. Marioupol-based steelmaker Azovstal (AZST) added the most points to the gauge, advancing by 4.4% to near 76 kopecks per share. Raiffeisen Aval (BAVL) gained 1.7% to 9.50 kopecks, bouncing back after its selloff a day earlier. Electricity stocks underperformed the broad market, with CentrEnergy (CEEN) and DonbasEnergy (DOEN) both retreating by about 1.0%. Outside the UX basket, DniproEnergo (DNEN) plunged by 12.8% to UAH 510, while sporadically-traded bridge construction company Mostobud (MTBD) rose 9.4% to close at UAH 11.60. In London, Ferrexpo (FXPO) picked up 2.9% to GBP 62.25, while Warsaw-listed names were moderately higher, with Kernel (KER) and Astarta (AST) climbing by 0.2% and 1.8% respectively.

### Fixed Income

Ukrainian sovereigns were higher on Wednesday as investors bet on some kind of positive outcome emerging from the Minsk peace talks summit. Ukraine-23s moved up by 2.0p.p. to 53.0/55.5 (19.3%/18.4%) and Ukraine-17s advanced by 3.2p.p. to 56.0/57.5 (38.6%/37.1%). Corporate names were sluggish. The mid-price of MHP-20s edged up by 0.5p.p. to 60.0/65.0 (21.5%/19.3%) while Metinvest-18s finished unchanged at 40.0/45.0 (48.8%/43.1%).

| Volume Leaders | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------|--------|-----------|-------|----------------|------------------|
| CentrEnergy    | CEEN   | 7.09      | -1.0% | 1.2            | 110              |
| Ukrnafta       | UNAF   | 276.10    | -0.8% | 0.7            | 89               |
| Mostobud       | MTBD   | 11.60     | 9.4%  | 0.3            | 10               |

### Growth Leaders

|               |      |       |      |      |    |
|---------------|------|-------|------|------|----|
| Mostobud      | MTBD | 11.60 | 9.4% | 0.30 | 10 |
| Azovstal      | AZST | 0.76  | 4.4% | 0.01 | 12 |
| Avdyivka Coke | AVDK | 1.19  | 3.2% | 0.02 | 26 |

### Loss Leaders

|                     |      |      |        |       |    |
|---------------------|------|------|--------|-------|----|
| Bogdan Motors       | LUAZ | 0.02 | -14.0% | 0.013 | 43 |
| Alchevsk Steel      | ALMK | 0.01 | -5.3%  | 0.007 | 30 |
| Komsomolets Donbasa | SHKD | 0.50 | -3.9%  | 0.027 | 10 |

## Highlights

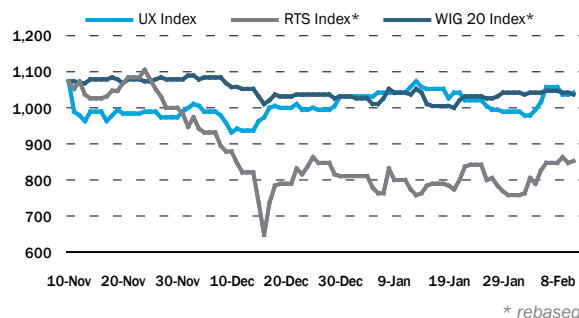
### POLITICS AND ECONOMICS

- Putin Announces New Ceasefire After All-Night Minsk Talks

### STOCKS IN THE NEWS

- Raiffeisen Plans to Reduce Loan Exposure to Ukraine by 30%

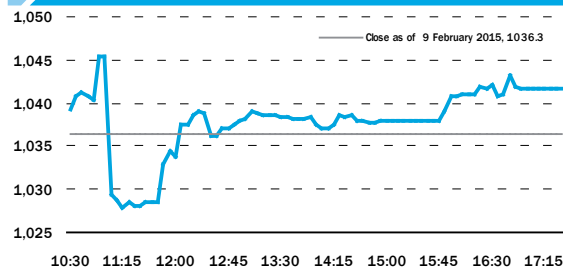
### STOCK MARKET PERFORMANCE



### MARKET INDEXES

|         | Last   | 1D ch | 1M ch | YTD  |
|---------|--------|-------|-------|------|
| UX      | 1041.6 | 0.5%  | -0.1% | 0.8% |
| RTS     | 832.3  | 0.8%  | 6.4%  | 5.3% |
| WIG20   | 2323.5 | -0.7% | -0.6% | 0.3% |
| MSCI EM | 961.2  | -0.6% | 0.0%  | 0.5% |
| S&P 500 | 2068.5 | 0.0%  | 1.2%  | 0.5% |

### UX INTRADAY FEBRUARY 11, 2015



### FIXED INCOME

|               | Last   | 1D ch     | 1M ch     | YTD       |
|---------------|--------|-----------|-----------|-----------|
| EMBI+Global   | 430.5  | 0.6%      | -1.2%     | 6.5%      |
| CDS 5Y UKR    | 2545.7 | 0.5%      | 16.6%     | 14.0%     |
| Ukraine-17    | 31.7%  | -0.8 p.p. | 8.0 p.p.  | 6.0 p.p.  |
| Ferrexpo-16   | 34.2%  | 0.1 p.p.  | 2.4 p.p.  | 2.9 p.p.  |
| Ukraine-23    | 18.6%  | -0.8 p.p. | 2.6 p.p.  | 11.1 p.p. |
| Privatbank-16 | 119.5% | 0.4 p.p.  | 32.2 p.p. | 34.1 p.p. |

### CURRENCY

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 26.00     | 1.5%  | 64.5% | 64.3% |
| EUR | 29.48     | 1.6%  | 57.5% | 54.0% |
| RUB | 0.40      | 1.9%  | 56.3% | 45.2% |

### COMMODITIES

|               | Last   | 1D ch | 1M ch  | YTD    |
|---------------|--------|-------|--------|--------|
| Wheat, USD/t* | 216.9  | 0.0%  | -8.4%  | -11.9% |
| Steel, USD/t  | 405.0  | 0.0%  | -10.0% | -10.0% |
| Oil, USD/bbl  | 54.7   | -3.1% | 6.5%   | -4.7%  |
| Gold, USD/oz  | 1219.0 | -1.2% | -0.3%  | 2.9%   |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Putin Announces New Ceasefire After All-Night Minsk Talks

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### NEWS

A new ceasefire between the Ukrainian government and pro-Russian separatists has been agreed on after all night (Feb 11-12) talks between the leaders of Germany, France, Russia and Ukraine in Minsk, Russian President Putin was cited by Bloomberg News and the New York Times as saying. The deal envisages a truce starting at midnight on Sunday morning (Feb 15) and reaffirms some of the commitments from the previous Minsk agreement from last September, Putin said. However, Reuters reported that the separatists were refusing to sign the agreement unless Ukraine withdraws its forces from the enclave of Debaltsevo in eastern Donetsk province. A late-night news conference among the 4 leaders to announce a pact was cancelled, after which they returned to the negotiations. Importantly, no statement on the outcome of the talks has yet been made by President Poroshenko. In another major breaking news story, IMF head Christine Lagarde announced that she is backing a major new USD 17.5bn loan program for Ukraine, with more details expected later today.

### COMMENTARY

Earlier this morning it looked as though the Minsk talks were going to end in a debacle with no agreement at all, but at the last minute, it appears that a new ceasefire was salvaged. However, given how far apart the sides are on the fundamental issues of Kyiv's sovereignty over the occupied Donbass territories and the status of land captured by the separatists since the September ceasefire, we see the new deal as simply putting a band-aid on an open wound. We see Germany and France as having failed to force Poroshenko into a major compromise that would effectively allow the Donetsk and Lugansk republics to leave Ukraine and demarcate a de-facto new eastern border for the country. In our view, such a compromise, or the fall of the Putin regime in Moscow, are the only developments that could result in a sustainable end to the war. As long as Kyiv insists on maintaining a hard-line position while holding a weak negotiating hand, the war will probably resume in the coming months, with the attendant danger of a major escalation. If Ukraine continues to lose territory to the separatists in such a war, this will create more and more pressure for the West to get involved with arms supplies or even direct military support; indeed, we see Kyiv's basic strategy as refusing concessions in an effort to induce a wider-scale conflict between Moscow and the West.

## Raiffeisen Plans to Reduce Loan Exposure to Ukraine by 30%

by Dmitry Churin  
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### RAIFFEISEN BANK AVAL (BAVL UK)

Price: UAH 0.099 Market Cap: USD 116mn

|       | P/Assets | P/Book | P/E | Div. Yield |
|-------|----------|--------|-----|------------|
| 2014E | 0.04     | 0.3    | neg | 0%         |
| 2015E | 0.04     | 0.3    | neg | 0%         |

## NEWS

Raiffeisen Bank International AG, the Vienna-based parent bank of Ukraine's Raiffeisen Bank Aval, said it plans to reduce its exposure to the Ukrainian market where risk-weighted assets would be decreased by approximately 30% by end-2017, according to the bank's official press release published earlier this week. The measure is a part of a number of steps to increase capital buffers.

In a separate news, the National Bank (NBU) reported detailed financial results for Ukrainian banks in FY14. According to the document, Raiffeisen Bank Aval had 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. The bank's total income inched down by 0.3% YoY in UAH terms to UAH 5.9bn while operating expenses climbed by 3.7% YoY to UAH 3.3bn in the period. Provisions for loan impairment surged by 2.7x YoY to UAH 4.5bn.

### FINANCIALS OF RAIFFEISEN BANK AVAL

| UAH mn                                 | 4Q'14        | YoY, %       | 2014          | 2013         | YoY, %       |
|--|--------------|--------------|---------------|--------------|--------------|
| <b>Interest income</b>                 | <b>1,716</b> | <b>18.7%</b> | <b>6,490</b>  | <b>5,828</b> | <b>11.3%</b> |
| Interest expense                       | -426         | 11.7%        | -1,664        | -1,918       | -13.2%       |
| Net interest income                    | 1,290        | 21.2%        | 4,826         | 3,910        | 23.4%        |
| <b>Net fees and commissions income</b> | <b>473</b>   | <b>16.2%</b> | <b>1,630</b>  | <b>1,501</b> | <b>8.6%</b>  |
| Trading and other income/(loss)        | -181         | +/-          | -568          | 492          | +/-          |
| Total income                           | 1,582        | 3.8%         | 5,887         | 5,902        | -0.3%        |
| Operating expenses                     | -867         | -1.7%        | -3,389        | -3,269       | 3.7%         |
| Profit from operations                 | 715          | 11.2%        | 2,498         | 2,634        | -5.2%        |
| Provisions for loan impairment         | -1,089       | 90.5%        | -4,525        | -1,658       | 172.9%       |
| Profit/(loss) before tax               | -374         | +/-          | -2,027        | 976          | +/-          |
| Corporate tax                          | 375          | +/-          | 660           | -246         | +/-          |
| <b>Net profit/(loss)</b>               | <b>1</b>     | <b>+/-</b>   | <b>-1,367</b> | <b>730</b>   | <b>+/-</b>   |
|  |              |              | <b>2014</b>   | <b>2013</b>  | <b>YoY</b>   |
| Loans to corporate borrowers           | 20,948       | 19,238       | 8.9%          |              |              |
| Loans to individuals                   | 8,758        | 7,809        | 12.1%         |              |              |
| Current account of legal entities      | 10,906       | 10,240       | 6.5%          |              |              |
| Term deposits of legal entities        | 3,687        | 1,547        | 138.4%        |              |              |
| Current accounts of individuals        | 6,400        | 6,388        | 0.2%          |              |              |
| Term deposits of individuals           | 7,808        | 8,245        | -5.3%         |              |              |
| Equity                                 | 6,148        | 7,237        | -15.0%        |              |              |
| Total Assets                           | 46,859       | 43,460       | 7.8%          |              |              |

Source: National Bank of Ukraine, Eavex Research

## COMMENTARY

In our opinion, Raiffeisen Aval still has a healthy business model, as its profit from operations before provisions for loan impairment amounted to UAH 2.5bn in FY14. Unfortunately, as a result of the sharp hryvnia devaluation and crisis in the east of Ukraine the bank had to increase its bad loan reserves last year. The share of Aval's foreign currency denominated assets in the total assets was 36.2% as of 31 Dec 2014, which is below the banking system's average figure of 43.7%. On the liability side, the share of Aval's foreign currency denominated liabilities was 49.1% compared to the system's benchmark of 54.5% at year-end. We believe that despite Raiffeisen International having set a goal of reducing its exposure to the Ukrainian market, Raiffeisen Aval will remain a bank with a strong fundamentals.

## EAVEX RECOMMENDATIONS

| Name                         | Ticker  | Price, per share | Target price, per share | Upside, % | Rating | Commentary  |
|------------------------------|---------|------------------|-------------------------|-----------|--------|---|
| <b>Steel&amp;Pipes</b>       |         |                  |                         |           |        |   |
| Azovstal                     | AZST    | 0.76             | 0.56                    | -27%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.  |
| <b>Iron Ore</b>              |         |                  |                         |           |        |   |
| Ferrexpo                     | FXPO LN | 62.3             | 108.0                   | 73%       | 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    | 8.45             | 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    | 7.66             | U/R                     | -         | U/R    | On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.  |
| <b>Coke</b>                  |         |                  |                         |           |        |   |
| Avdyivka Coke                | AVDK    | 1.19             | 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    | 0.28             | U/R                     | -         | U/R    | Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.   |
| <b>Coal</b>                  |         |                  |                         |           |        |   |
| Pokrovske Mine               | SHCHZ   | 0.29             | U/R                     | -         | Susp.  | The company's coal production expansion plan were put under high risk of realization due to war in Donbass.   |
| <b>Railcar Manufacturing</b> |         |                  |                         |           |        |   |
| Krukiv Wagon                 | KVBZ    | 12.0             | U/R                     | -         | U/R    |   |
| LuganskTeplovoz              | LTPL    | 0.90             | U/R                     | -         | U/R    | LuganskTeplovoz was forced to shut down operations amid military conflict in the region.  |
| <b>Specialized Machinery</b> |         |                  |                         |           |        |   |
| Motor Sich                   | MSICH   | 2775             | 5250                    | 89%       | BUY    | Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.  |
| Turboatom                    | TATM    | 5.00             | 8.9                     | 78%       | BUY    | We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.  |
| <b>Oil &amp; Gas</b>         |         |                  |                         |           |        |   |
| Concern Galnaftogaz          | GLNG    | 0.15             | 0.24                    | 60%       | BUY    | Galnaftogaz is pursuing a plan to aggressively expand its filling station network.  |
| Regal Petroleum              | RPT     | 4.1              | U/R                     | -         | U/R    | The company has been constantly missed production targets since 2012.   |
| JKX Oil & Gas                | JKX     | 29.9             | U/R                     | -         | U/R    | The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.  |
| <b>Power Utilities</b>       |         |                  |                         |           |        |   |
| DonbasEnergO                 | DOEN    | 30.2             | 72.0                    | 139%      | BUY    | DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.  |
| CenterEnergO                 | CEEN    | 7.09             | 15.00                   | 112%      | BUY    | CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.   |
| <b>Consumer</b>              |         |                  |                         |           |        |   |
| MHP                          | MHPC    | 9.3              | 17.96                   | 93%       | BUY    | The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.   |
| Astarta                      | AST     | 24.6             | 90.0                    | 266%      | 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    | 2.6              | 2.7                     | 4%        | 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     | 70.3             | 80.8                    | 15%       | HOLD   | Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 15% of revenue earned in hard currency.  |
| <b>Banks</b>                 |         |                  |                         |           |        |   |
| Raiffeisen Bank Aval         | BAVL    | 0.095            | 0.24                    | 153%      | 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     | 1041.57     | 1368.76       | 842.02       | 0.5%                 | 4.8%   | -0.1%  | 0.8%   | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.013       | 0.045         | 0.011        | -5.3%                | -3.1%  | -16.1% | -13.8% | -5.8%                                | -7.9%  | -16.0% | -14.6% |
| Azovstal                     | AZST   | 0.76        | 0.95          | 0.35         | 4.4%                 | 5.1%   | -0.1%  | 1.6%   | 3.9%                                 | 0.3%   | -0.1%  | 0.8%   |
| Enakievo Steel               | ENMZ   | 17.17       | 65.00         | 14.81        | -0.1%                | -5.7%  | -21.9% | -18.0% | -0.6%                                | -10.5% | -21.8% | -18.8% |
| <b>Coke</b>                  |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Avdyivka Coke                | AVDK   | 1.19        | 3.70          | 1.10         | 2.6%                 | 8.2%   | -34.6% | -31.2% | 2.1%                                 | 3.4%   | -34.5% | -32.0% |
| Yasynivsky Coking            | YASK   | 0.28        | 0.84          | 0.18         | 0.0%                 | 3.7%   | 47.4%  | 0.0%   | -0.5%                                | -1.1%  | 47.4%  | -0.8%  |
| <b>Iron Ore Mining</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 7.66        | n/a           | n/a          | 2.1%                 | 4.2%   | -5.4%  | -1.7%  | 1.6%                                 | -0.6%  | -5.4%  | -2.5%  |
| Ferrexpo                     | FXPO   | 62.25       | 171.60        | 47.91        | 2.9%                 | 16.9%  | 12.2%  | 17.5%  | 2.4%                                 | 12.1%  | 12.2%  | 16.7%  |
| Pivnichny GOK                | SGOK   | 8.45        | 12.30         | 4.44         | 0.0%                 | 0.0%   | -14.9% | 1.0%   | -0.5%                                | -4.8%  | -14.8% | 0.2%   |
| <b>Coal Mining</b>           |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.29        | 0.79          | 0.17         | 0.0%                 | 0.0%   | -38.3% | -38.3% | -0.5%                                | -4.8%  | -38.2% | -39.1% |
| <b>Pipe Manufacturing</b>    |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.34        | 1.01          | 0.20         | 0.0%                 | 21.4%  | -10.5% | -10.5% | -0.5%                                | 16.6%  | -10.4% | -11.3% |
| <b>Railcar Manufacturing</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 11.99       | 24.99         | 10.00        | -0.3%                | -2.2%  | -2.0%  | -6.7%  | -0.8%                                | -7.0%  | -1.9%  | -7.5%  |
| Luhanskeplovoz               | LTPL   | 0.90        | 1.80          | 0.85         | 0.0%                 | -10.0% | -17.4% | -16.7% | -0.5%                                | -14.8% | -17.4% | -17.5% |
| <b>Specialized Machinery</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Motor Sich                   | MSICH  | 2775        | 2879          | 1587         | 0.4%                 | 8.9%   | 9.8%   | 11.8%  | -0.1%                                | 4.1%   | 9.8%   | 11.0%  |
| Turboatom                    | TATM   | n/a         | n/a           | n/a          | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| <b>Telecom</b>               |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.14        | 0.20          | 0.09         | 21.4%                | 18.3%  | -10.5% | -10.5% | 20.9%                                | 13.5%  | -10.4% | -11.3% |
| <b>Oil &amp; Gas</b>         |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 4.07        | 12.50         | 3.13         | -7.1%                | -4.4%  | -7.9%  | 30.1%  | -7.6%                                | -9.2%  | -7.8%  | 29.3%  |
| JKX Oil                      | JKX    | 29.88       | 69.50         | 11.00        | -2.4%                | 61.5%  | 143.9% | 149.0% | -3.0%                                | 56.7%  | 144.0% | 148.2% |
| Ukrnafta                     | UNAF   | 276.1       | 375.0         | 54.0         | -0.8%                | 10.4%  | 33.0%  | 35.8%  | -1.3%                                | 5.6%   | 33.1%  | 35.0%  |
| <b>Power Utilities</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centrenergo                  | CEEN   | 7.09        | 8.70          | 3.00         | -1.0%                | 3.0%   | -7.1%  | -6.0%  | -1.5%                                | -1.8%  | -7.0%  | -6.8%  |
| Donbasenergo                 | DOEN   | 30.16       | 50.16         | 11.00        | -2.0%                | -1.1%  | -8.5%  | -8.6%  | -2.5%                                | -5.9%  | -8.4%  | -9.4%  |
| Zakhidenergo                 | ZAEN   | 164.2       | 199.8         | 91.2         | 0.0%                 | 0.0%   | 10.9%  | 10.9%  | -0.5%                                | -4.8%  | 10.9%  | 10.1%  |
| <b>Consumer</b>              |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 1.40        | 5.48          | 1.19         | 2.2%                 | 10.2%  | -1.4%  | 13.8%  | 1.7%                                 | 5.4%   | -1.3%  | 13.0%  |
| Astarta                      | AST    | 24.60       | 61.55         | 14.50        | 1.8%                 | 1.4%   | -1.5%  | 23.0%  | 1.3%                                 | -3.4%  | -1.4%  | 22.2%  |
| Avangardo                    | AVGR   | 2.55        | 11.36         | 1.83         | 6.0%                 | 21.4%  | 21.4%  | 24.4%  | 5.5%                                 | 16.6%  | 21.5%  | 23.6%  |
| Industrial Milk Company      | IMC    | 6.25        | 10.49         | 5.46         | 8.5%                 | 2.5%   | 4.2%   | 10.2%  | 8.0%                                 | -2.3%  | 4.2%   | 9.4%   |
| Kernel                       | KER    | 30.30       | 38.25         | 22.00        | 0.2%                 | 1.0%   | 3.3%   | 6.5%   | -0.3%                                | -3.8%  | 3.3%   | 5.7%   |
| Mriya Agro Holding           | MAYA   | 0.51        | 6.00          | 0.51         | -4.7%                | -2.9%  | -13.8% | -9.6%  | -5.2%                                | -7.7%  | -13.7% | -10.4% |
| MHPC                         | MHPC   | 9.30        | 16.00         | 9.00         | -2.1%                | -2.1%  | 2.2%   | 1.1%   | -2.6%                                | -6.9%  | 2.3%   | 0.3%   |
| Milkiland                    | MLK    | 2.22        | 10.48         | 1.48         | -1.8%                | -1.3%  | 30.6%  | 50.0%  | -2.3%                                | -6.1%  | 30.7%  | 49.2%  |
| Ovostar Union                | OVO    | 70.30       | 76.74         | 59.40        | -0.2%                | -4.4%  | -3.7%  | -2.4%  | -0.7%                                | -9.2%  | -3.6%  | -3.2%  |
| <b>Chemicals</b>             |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Stirol                       | STIR   | 8.00        | n/a           | n/a          | 0.0%                 | 0.0%   | 15.4%  | 15.4%  | -0.5%                                | -4.8%  | 15.5%  | 14.6%  |
| <b>Banks</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.095       | 0.190         | 0.086        | 1.7%                 | 8.6%   | -0.8%  | -1.0%  | 1.2%                                 | 3.8%   | -0.8%  | -1.8%  |
| UkrSotsbank                  | USCB   | 0.110       | 0.202         | 0.090        | 0.0%                 | 7.8%   | -15.5% | -15.5% | -0.5%                                | 3.0%   | -15.4% | -16.3% |

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  |
| <b>Steel</b>                 |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%   |
| <b>Coke</b>                  |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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    |
| <b>Iron Ore Mining</b>       |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%  |
| <b>Pipe Manufacturing</b>    |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| Khartsyzk Pipe               | HRTR   | 310          | 193   | 118   | 31           | 18    | 23    | 10.1%         | 9.5%  | 19.3% | 5          | 3     | 2     | 1.5%              | 1.5%   | 2.0%   |
| <b>Railcar Manufacturing</b> |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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    |
| <b>Specialized Machinery</b> |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%  |
| <b>Telecom</b>               |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| Ukrtelecom                   | UTLM   | 791          | 368   | 290   | 190          | 105   | 91    | 24.0%         | 28.5% | 31.5% | 17         | 16    | 10    | 2.2%              | 4.3%   | 3.5%   |
| <b>Oil &amp; Gas</b>         |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%   |
| <b>Electric Utilities</b>    |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%   |
| <b>Consumer</b>              |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
| 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%  |
| <b>Banks</b>                 |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |        |        |
|                              |        | 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<br>USD mn | Free Float<br>% USD mn | EV<br>USD mn | P/E  |       |       | EV/EBITDA |       |        | EV/Sales |       |          | EV/Output |       |       | Units |     |           |
|------------------------------|----------------|------------------------|--------------|------|-------|-------|-----------|-------|--------|----------|-------|----------|-----------|-------|-------|-------|-----|-----------|
|                              |                |                        |              | 2013 | 2014E | 2015E | 2013      | 2014E | 2015E  | 2013     | 2014E | 2015E    | 2013      | 2014E | 2015E |       |     |           |
| <b>Steel</b>                 |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Alchevsk Steel               | ALMK           | 12                     | 3.9%         | 0    | 951   | neg   | neg       | neg   | neg    | neg      | neg   | 0.6      | 1.4       | 2.7   | 246   | 229   | 223 | \$/tonne  |
| Yenakievo Steel              | ENMZ           | 7                      | 8.8%         | 1    | 4     | neg   | neg       | neg   | neg    | 0.1      | 0.1   | 0.0      | 0.0       | 0.0   | 1     | 1     | 1   | \$/tonne  |
| Azovstal                     | AZST           | 122                    | 3.0%         | 4    | 113   | neg   | 3.5       | 5.3   | neg    | 0.7      | 1.0   | 0.0      | 0.1       | 0.1   | 25    | 25    | 25  | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Avdyivka Coke                | AVDK           | 9                      | 6.8%         | 1    | -30   | neg   | neg       | neg   | -0.7   | neg      | neg   | 0.0      | -0.1      | -0.1  | -7    | -8    | -8  | \$/tonne  |
| Yasynivsky Coke              | YASK           | 3                      | 9.0%         | 0    | 4     | neg   | neg       | neg   | 0.1    | neg      | neg   | 0.0      | 0.0       | 0.0   | 0.1   | neg   | neg | \$/tonne  |
| <b>Iron Ore Mining</b>       |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Centralny GOK                | CGOK           | 345                    | 0.3%         | 1    | 344   | 1.8   | 3.0       | 4.3   | 1.1    | 1.5      | 2.1   | 0.5      | 0.6       | 0.6   |       |       |     |           |
| Pivnichny GOK                | SGOK           | 749                    | 0.4%         | 3    | 742   | 1.4   | 2.3       | 3.3   | 0.8    | 1.1      | 1.5   | 0.5      | 0.5       | 0.6   |       |       |     |           |
| Ferrexpo                     | FXPO           | 555                    | 24.0%        | 133  | 1,249 | 2.1   | 2.0       | 3.8   | 2.5    | 2.5      | 3.6   | 0.8      | 0.9       | 0.9   |       |       |     |           |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Khartsyzk Pipe               | HRTR           | 34                     | 2.0%         | 1    | 80    | 7.2   | 11.7      | 14.4  | 2.5    | 4.3      | 3.5   | 0.3      | 0.4       | 0.7   | 127   | 210   | 199 | \$/tonne  |
| <b>Railcar Manufacturing</b> |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| LuganskTeplovoz              | LTPL           | 8                      | 24.0%        | 2    | 45    | 0.4   | neg       | n/a   | 1.3    | neg      | n/a   | 0.1      | 0.4       | n/a   |       |       |     |           |
| Krukiv Wagon                 | KVBZ           | 53                     | 5.0%         | 3    | 44    | 1.3   | neg       | neg   | 0.9    | 4.3      | 6.8   | 0.1      | 0.3       | 0.5   |       |       |     |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Turboatom                    | TATM           | 57                     | 5.8%         | 3    | 10    | 0.8   | 1.2       | 1.9   | 0.1    | 0.2      | 0.2   | 0.0      | 0.1       | 0.1   |       |       |     |           |
| Motor Sich                   | MSICH          | 222                    | 24.0%        | 53   | 214   | 1.3   | 1.7       | 2.2   | 0.8    | 0.8      | 0.8   | 0.2      | 0.2       | 0.2   |       |       |     |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Ukrtelecom                   | UTLM           | 98                     | 7.2%         | 7    | 401   | 5.7   | 6.2       | 9.5   | 2.1    | 3.8      | 4.4   | 0.5      | 1.1       | 1.4   |       |       |     |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| Ukrnafta                     | UNAF           | 576                    | 3.0%         | 17   | 571   | 24.7  | 18.2      | >30   | 2.0    | 3.6      | 4.3   | 0.2      | 0.3       | 0.5   | n/a   | n/a   | n/a | \$/boe    |
| Regal Petroleum              | RPT            | 20                     | 21.6%        | 4    | -5    | neg   | 9.9       | 6.6   | neg    | -0.3     | -0.4  | -0.1     | -0.1      | -0.1  | n/a   | n/a   | n/a | \$/boe    |
| JKX Oil & Gas                | JKX            | 78                     | 50.4%        | 39   | 186   | 12.0  | 10.0      | 15.6  | 2.8    | 2.7      | 2.7   | 1.0      | 0.9       | 1.2   | 34    | 26    | 25  | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| CentrEnerg                   | CEEN           | 101                    | 21.7%        | 22   | 87    | 1.7   | 6.4       | 11.4  | 0.9    | 2.6      | 3.9   | 0.1      | 0.2       | 0.1   | 5     | 6     | 5   | \$/MWh    |
| DonbasEnerg                  | DOEN           | 27                     | 14.2%        | 4    | 72    | 0.4   | 0.9       | 9.3   | 1.0    | 2.1      | 5.5   | 0.1      | 0.2       | 0.3   | 9     | 9     | 9   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
| 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            | 649                    | 61.8%        | 401  | 1,303 | 6.2   | neg       | 3.8   | 4.5    | 5.9      | 4.0   | 0.5      | 0.5       | 0.4   |       |       |     |           |
| Astarta                      | AST            | 165                    | 37.0%        | 61   | 561   | >30   | neg       | 5.5   | 4.9    | 6.2      | 6.4   | 1.2      | 1.1       | 1.4   |       |       |     |           |
| Avangardco                   | AVGR           | 163                    | 22.5%        | 37   | 350   | 0.7   | neg       | 5.1   | 1.2    | 2.7      | 3.2   | 0.5      | 0.8       | 0.9   | 79    | 60    | 57  | \$/mneqgs |
| Ovostar                      | OVO            | 113                    | 25.0%        | 28   | 120   | 3.7   | 3.8       | 4.7   | 3.4    | 3.7      | 4.8   | 1.5      | 1.6       | 1.5   | n/a   | n/a   | n/a |           |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |       |        |          |       |          |           |       |       |       |     |           |
|                              |                |                        |              |      |       | P/E   |           |       | P/Book |          |       | P/Assets |           |       |       |       |     |           |
| Raiffeisen Bank Aval         | BAVL           | 110                    | 3.5%         | 4    |       | 1.2   | neg       | neg   | 0.1    | 0.3      | 0.3   | 0.02     | 0.04      | 0.04  |       |       |     |           |
| Ukrsotsbank                  | USCB           | 78                     | 1.0%         | 1    |       | >30   | >30       | >30   | 0.1    | 0.2      | 0.2   | 0.04     | 0.07      | 0.08  |       |       |     |           |

Source: Eavex Research

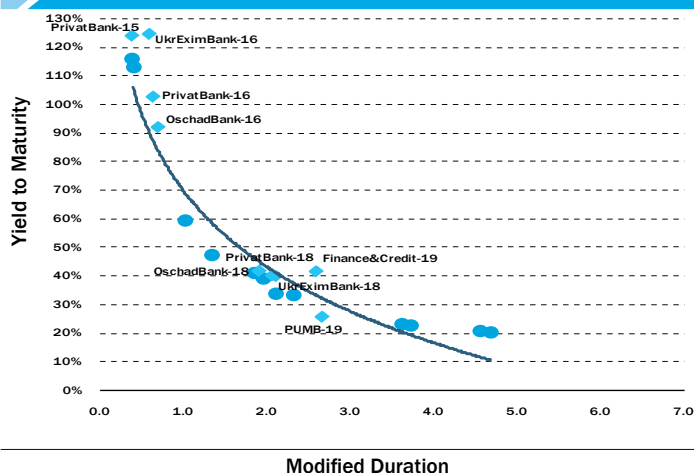
**UKRAINIAN EUROBONDS**

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Price chg. (YTD) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume USD mn | Ratings <sup>1</sup> |
|------------------------------|-------------|-------------|-----------|-----------|------------------|-------------------|--------|---------------|---------------|---------------|----------------------|
| <b>Sovereign Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Ukraine, 2015 (EUR)          | 59.0        | 65.0        | 110.2%    | 86.7%     | -8.8%            | 0.4               | 4.95%  | A             | 13 Oct 2015   | 600*          | Caa3/CCC-/CCC        |
| Ukraine, 2015                | 62.4        | 64.2        | 106.2%    | 99.4%     | -10.0%           | 0.4               | 6.875% | S/A           | 23 Sept 2015  | 500           | Caa3/CCC-/CCC        |
| Ukraine, 2016                | 55.2        | 56.6        | 46.4%     | 44.6%     | -10.8%           | 1.3               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | Caa3/CCC-/CCC        |
| Ukraine, 2016-2              | 55.9        | 57.4        | 58.1%     | 55.5%     | -12.6%           | 1.0               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | Caa3/CCC-/CCC        |
| Ukraine, 2017                | 55.5        | 57.0        | 32.3%     | 31.1%     | -11.0%           | 2.1               | 6.75%  | S/A           | 14 Nov 2017   | 700           | Caa3/CCC-/CCC        |
| Ukraine, 2017-2              | 56.0        | 57.5        | 38.6%     | 37.1%     | -8.8%            | 1.8               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | Caa3/CCC-/CCC        |
| Ukraine, 2017 Infr. projects | 50.0        | 52.0        | 40.1%     | 38.2%     | -17.1%           | 1.9               | 8.375% | S/A           | 3 Nov 2017    | 568           | Caa3//               |
| Ukraine, 2018 Infr. projects | 48.5        | 51.0        | 35.7%     | 33.6%     | -17.1%           | 2.3               | 7.40%  | S/A           | 20 Apr 2018   | 690           | Caa3//               |
| Ukraine, 2020                | 54.3        | 56.3        | 22.5%     | 21.5%     | -7.3%            | 3.6               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | Caa3/CCC-/CCC        |
| Ukraine, 2021                | 54.0        | 55.5        | 22.1%     | 21.4%     | -7.8%            | 3.7               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | Caa3/CCC-/CCC        |
| Ukraine, 2022                | 54.0        | 55.5        | 19.5%     | 18.9%     | -9.0%            | 4.6               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | Caa3/CCC-/CCC        |
| Ukraine, 2023                | 53.0        | 55.5        | 19.3%     | 18.4%     | -8.6%            | 4.8               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | Caa3/CCC-/CCC        |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2019                | 30.1        | 35.3        | 42.6%     | 37.1%     | -3.3%            | 2.9               | 8.00%  | S/A           | 14 Jul 2019   | 50            | //RD                 |
| MHP, 2015                    | 90.0        | 93.0        | 64.7%     | 47.1%     | -3.7%            | 0.2               | 10.25% | S/A           | 29 Apr 2015   | 235           | Caa2//CCC            |
| MHP, 2020                    | 60.0        | 65.0        | 21.5%     | 19.3%     | -9.4%            | 3.5               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /CCC-/CCC            |
| Avangardco, 2015             | 45.5        | 45.5        | 163.4%    | 163.4%    | -29.5%           | 0.4               | 10.00% | S/A           | 29 Oct 2015   | 200           | /CCC-/               |
| UkrLandFarming, 2018         | 48.0        | 48.0        | 42.3%     | 42.3%     | 3.2%             | 1.9               | 10.88% | S/A           | 26 Mar 2018   | 500           | /CCC-/CCC            |
| Mriya, 2016                  | 11.0        | 15.0        | 378.2%    | 300.1%    | 0.0%             | 0.4               | 10.95% | S/A           | 30 Mar 2016   | 72            | /SD/RD               |
| Mriya, 2018                  | 10.0        | 13.0        | 129.0%    | 109.6%    | 4.5%             | 1.4               | 9.45%  | S/A           | 19 Apr 2018   | 400           | /SD/RD               |
| DTEK, 2015                   | 60.0        | 70.0        | 337.7%    | 221.8%    | -16.1%           | 0.1               | 9.50%  | S/A           | 28 Apr 2015   | 200           | Caa2//CCC            |
| DTEK, 2018                   | 40.0        | 45.0        | 45.7%     | 40.3%     | -6.6%            | 2.1               | 7.88%  | S/A           | 4 Apr 2018    | 750           | Caa2//CCC            |
| Metinvest, 2015              | 60.0        | 70.0        | 264.2%    | 174.4%    | -19.3%           | 0.2               | 10.25% | S/A           | 20 May 2015   | 114           | Caa2//CCC            |
| Metinvest, 2017              | 45.0        | 50.0        | 48.3%     | 42.8%     | -32.1%           | 1.3               | 10.50% | S/A           | 28 Nov 2017   | 290           | //CCC                |
| Metinvest, 2018              | 40.0        | 45.0        | 48.8%     | 43.1%     | -23.4%           | 2.1               | 8.75%  | S/A           | 14 Feb 2018   | 750           | Caa2//CCC            |
| Ferrexpo, 2016               | 75.0        | 78.0        | 36.3%     | 32.2%     | -0.7%            | 0.9               | 7.875% | S/A           | 07 Apr 2016   | 500           | /CCC-/CCC            |
| UZ Rail, 2018                | 33.0        | 40.0        | 56.5%     | 47.1%     | -31.2%           | 2.0               | 9.50%  | S/A           | 21 May 2018   | 500           | /CCC-/CCC            |
| Interpipe, 2017              | 38.0        | 42.0        | 62.8%     | 56.6%     | -27.3%           | 1.6               | 10.25% | S/A           | 2 Aug 2017    | 200           | //                   |
| JKX Oil&Gas, 2018            | 56.1        | 58.0        | 36.5%     | 35.0%     | -2.0%            | 1.5               | 8.00%  | S/A           | 19 Feb 2018   | 40            |                      |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2019        | 32.0        | 42.0        | 50.6%     | 39.3%     | -55.4%           | 2.5               | 9.25%  | S/A           | 25 Jan 2019   | 100           | Caa3//               |
| PUMB, 2018                   | 62.0        | 67.0        | 27.1%     | 24.4%     | -4.4%            | 2.6               | 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             | 50.0        | 60.0        | 168.8%    | 117.9%    | -12.0%           | 0.4               | 9.38%  | S/A           | 23 Sept 2015  | 200           | Caa3//               |
| PrivatBank, 2016             | 40.0        | 45.0        | 129.7%    | 110.3%    | -14.1%           | 0.6               | 8.75%  | S/A           | 9 Feb 2016    | 150           | Caa3//               |
| PrivatBank, 2018             | 47.8        | 50.8        | 43.4%     | 40.4%     | -16.5%           | 1.9               | 10.88% | S/A           | 28 Feb 2018   | 175           | Caa3//CCC            |
| UkrEximBank, 2015            | 65.8        | 65.8        | 230.0%    | 230.0%    | -11.6%           | 0.1               | 8.38%  | S/A           | 27 Apr 2015   | 750           | Caa3//CCC            |
| UkrEximBank, 2016            | 38.0        | 43.0        | 138.5%    | 117.6%    | -14.7%           | 0.6               | 5.79%  | S/A           | 2 Sept 2016   | 125           | Caa3//CCC            |
| UkrEximBank, 2018            | 48.5        | 51.5        | 40.1%     | 37.2%     | -11.5%           | 2.1               | 8.75%  | S/A           | 22 Jan 2018   | 500           | Caa3//CCC            |
| VAB Bank, 2019               | 4.0         | 9.0         | 812.9%    | 332.6%    | 0.0%             | n/a               | 9.00%  | Q             | 14 Jun 2019   | 88            | //WD                 |
| Oschadbank, 2016             | 48.0        | 53.0        | 95.5%     | 81.8%     | -13.7%           | 0.7               | 8.25%  | S/A           | 10 Mar 2016   | 700           | Caa3//CCC            |
| Oschadbank, 2018             | 45.0        | 49.0        | 42.2%     | 38.3%     | -16.8%           | 2.0               | 8.88%  | S/A           | 20 Mar 2018   | 500           | Caa3//CCC            |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 50.0        | 51.0        | 134.8%    | 130.3%    | -30.4%           | 0.4               | 8.00%  | S/A           | 6 Nov 2015    | 250           | Caa3/CCC/            |
| City of Kyiv, 2016           | 40.0        | 50.0        | 94.5%     | 70.9%     | -36.4%           | 1.0               | 9.375% | S/A           | 30 Jun 2016   | 300           | Caa3/CCC/            |

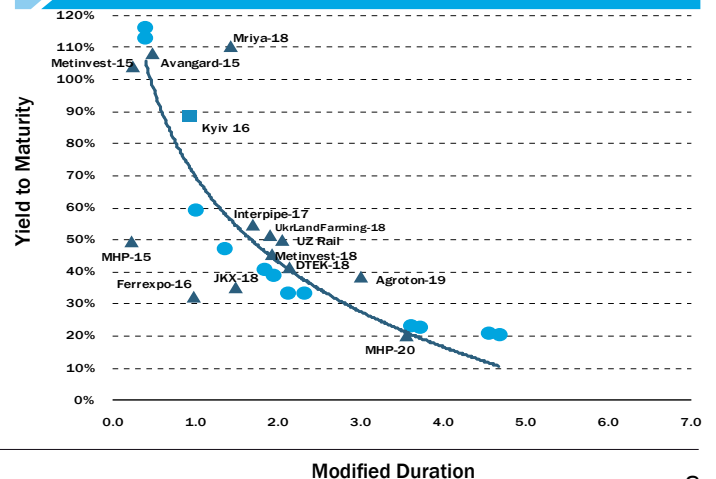
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**





**UKRAINIAN DOMESTIC BONDS**

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume mn UAH |
|------------------------------|-------------|-------------|-----------|-----------|-------------------|--------|---------------|---------------|---------------|
| <b>UAH denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000141592                 |             |             | 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           |
| <b>USD denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| 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           |
| <b>EUR denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000142681                 | n/a         | n/a         | 12.5%     | 8.0%      | n/a               | 4.80%  | S/A           | 6 May 2015    | n/a           |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| 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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