

Market Update

Equity

Ukrainian stocks were under pressure on Wednesday (Mar 4) with the UX index declining by 1.1% to 1102 points, but in a reverse of the pattern seen over most of the past year, USD-denominated valuations gained as the hryvnia appreciation outpaced declines in UAH-denominated quotes. The hryvnia continued to strengthen against the dollar, ending at bid/ask of 21.90/24.00 UAH/USD on the interbank market. Among the UX basket components, Avdyivka Coke (AVDK) was the only gainer, adding 0.8% to UAH 1.40. Volume leaders UkrNafta (UNAF) and Motor Sich (MSICH) lost 1.9% and 1.6% respectively on combined turnover of UAH 2.1mn. In London, mining group Ferrexpo (FXPO) lost 6.3% to GBP 60.00 as investors reacted to a production tax increase for the iron ore sector, while MHP (MHPC) was little-changed at USD 9.20. Warsaw-listed Agrotom (AGT) rose by 3.1% to PLN 1.33 and Astarta (AST) declined by 1.0% to PLN 24.75.

Fixed Income

Ukrainian benchmark sovereigns were flat for a 4th straight session on Wednesday, with Ukraine-23s finishing unchanged at 42.5/43.5 (23.8%/23.3%). Corporate names, however, were mostly higher. MHP-20s advanced by 1.7p.p. to 62.5/63.6 (20.5%/20.0%) and Metinvest-15s improved by 2.5p.p. to 61.0/66.0 (324.5%/264.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2772.00	-1.6%	1.2	116
Ukrnafta	UNAF	316.10	-1.9%	1.0	61
Centrenergy	CEEN	7.92	-0.3%	0.4	96

Growth Leaders

Bogdan Motors	LUAZ	0.04	8.7%	0.00	7
Avdyivka Coke	AVDK	1.41	0.8%	0.00	20
Centrenergy	CEEN	7.92	-0.3%	0.45	96

Loss Leaders

Yenakievo Steel	ENMZ	17.37	-3.0%	0.150	59
Ukrnafta	UNAF	316.10	-1.9%	0.965	61
Motor Sich	MSICH	2,772.00	-1.6%	1.188	116

Highlights

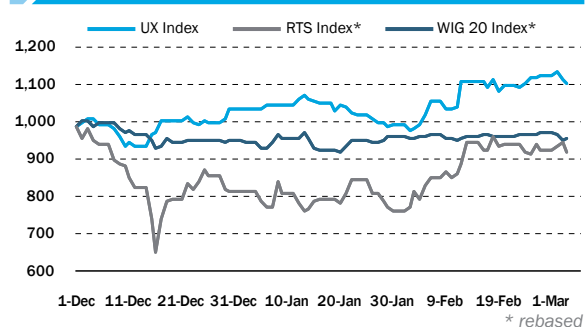
POLITICS AND ECONOMICS

- > Ex-Finance Minister Kolobov Arrested in Spain
- > Ukraine Planning to Import 25bn cu-m of Natural Gas in FY15

STOCKS IN THE NEWS

- > TurboAtom Posts UAH 637mn Profit for FY14, Dividend Expected at UAH 0.45

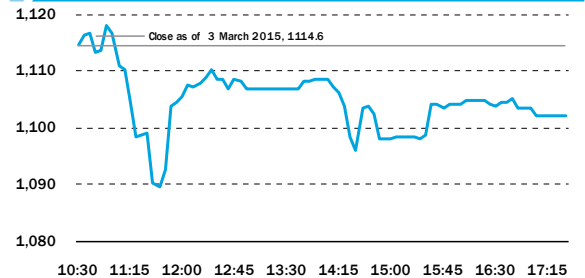
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1102.2	-1.1%	11.2%	6.7%
RTS	889.7	-3.0%	20.7%	12.5%
WIG20	2338.0	0.6%	-0.1%	1.0%
MSCI EM	976.3	-1.0%	1.5%	2.1%
S&P 500	2098.5	-0.4%	5.2%	1.9%

UX INTRADAY MARCH 4, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	394.7	0.9%	-13.2%	-2.3%
CDS 5Y UKR	1916.5	-1.4%	-31.8%	-14.2%
Ukraine-17	45.5%	0.0 p.p.	12.0 p.p.	19.9 p.p.
Ferrexpo-16	32.9%	0.1 p.p.	0.0 p.p.	1.6 p.p.
Ukraine-23	23.6%	0.0 p.p.	3.5 p.p.	16.1 p.p.
Privatbank-16	201.6%	0.7 p.p.	99.7 p.p.	116.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	22.50	-7.2%	38.8%	42.2%
EUR	24.93	-8.0%	36.2%	30.2%
RUB	0.36	-7.1%	51.0%	32.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	211.6	0.0%	-4.6%	-14.0%
Steel, USD/t	382.5	0.0%	-11.0%	-15.0%
Oil, USD/bbl	60.6	-0.8%	12.2%	2.3%
Gold, USD/oz	1200.3	-0.3%	-6.5%	1.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ex-Finance Minister Kolobov Arrested in Spain

by Will Ritter
w.ritter@eavex.com.ua

NEWS

Ukraine's Finance Minister during the final year of the Yanukovich regime, Yuriy Kolobov, has been arrested in the Spanish resort city of Valencia based on a warrant issued by Ukraine's Interior Ministry, international media reported on Wednesday (Mar 4). No details about the circumstances of the arrest have been released.

COMMENTARY

Kolobov, a reported close associate of President Yanukovich's son Alexander, was only 36 when he was appointed to head the Finance Ministry in 2012. He is the first minister from the Yanukovich government to be arrested, as prosecutions have thus far focused on Yanukovich associates who did not flee Ukrainian-controlled territory following the EuroMaidan revolution. Such subjects of prosecution have included prominent Party of Regions MPs Alexander Yefremov and Mikhail Chechetov, who unfortunately appear to have been made into scapegoats for the new authorities' inability to capture any of the "big fish" of the previous regime. Although Kolobov is highest-placed official to be arrested thus far, the major hard-line figures of the regime thought to be responsible for the most serious corruption and violence against EuroMaidan protestors – including former Interior Minister Alexander Zaxarchenko, General Prosecutor Victor Pshonka, and First Deputy PM Andrey Kluyev – remain at large, with few clues as to any progress in returning them to Ukraine to face the justice system.

Ukraine Planning to Import 25bn cu-m of Natural Gas in FY15

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

NEWS

Ukraine plans to import 25bn cubic meters (cu-m) of natural gas in full-year 2015, according to a forecast from the Energy Ministry unveiled on Wednesday (Mar 4). Overall gas consumption in the country is estimated at 40bn cu-m for FY15. The Energy Ministry reported earlier this year that Ukraine's natural gas consumption declined by 15.7% YoY to 42.5bn cu-m in FY14, while gas imports were cut by 30% YoY from 28.0bn cu-m in 2013 to 19.6bn cu-m over the year.

COMMENTARY

Unfortunately, we understand that the notable decrease in the country's natural gas consumption was a result of the slide in industrial production rather than improvements in energy efficiency. Officially reported industrial output plunged by 10.7% YoY in 2014 with output in the chemicals industry, which uses gas as a major input, having tumbled by 14.7% YoY.

Another problem with the government's gas import forecast is that we are unable to understand whether gas supplies to the separatist-controlled Donbass territories were included into the estimates. However, a positive point is that Ukraine managed to increase gas imports from Europe, which rose by 60% YoY to 5.1bn cu-m in 2014.

Russia and Ukraine have agreed to discuss a "summer package" of gas supplies late this month, with Kyiv winning an assurance at Monday's EU-mediated talks in Brussels that it would not pay for energy delivered to separatist-controlled territory.

Currently the country receives Russian gas in exchange for pre-payment under the temporary "winter agreement" reached in November. The difference between the "winter" and "summer" agreements centers on a higher price during periods of unpredictable elevated winter demand, and a lower price for stable summer stocking purchases.

TurboAtom Posts UAH 637mn Profit for FY14, Dividend Expected at UAH 0.45

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

TURBOATOM (TATM UK)

Price: UAH 2.20 Market Cap: USD 39mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2014E	0.2	0.1	0.7	0.1	20.8%
2015E	0.3	0.1	1.7	0.2	17.4%

NEWS

TurboAtom, a majority-state-owned manufacturer of equipment for thermal, hydro and nuclear power plants, posted a net profit of UAH 637mn in FY14 (USD 53mn at average UAH/USD rate for the period), according to preliminary data released by the company on Wednesday (Mar 4). The profit was higher by 9.3% from the FY13 result in UAH terms but lower in USD terms after the hryvnia devaluation is taken into account. Similarly, the company's FY14 revenue was up by 12.9% YoY in UAH terms to UAH 1.96bn (USD 164mn) in the period, but lower in USD terms. Exports accounted for 69% of TurboAtom's sales.

COMMENTARY

The announced preliminary net profit was 18% lower than our forecasts of UAH 775mn. As a state-controlled company, TurboAtom is obligated to pay 30% of its net profit in dividends. We estimate the dividend for 2014 at UAH 0.45 per share, which implies a dividend yield of 20% at the latest available indicative stock price of UAH 2.20 per share. The TATM stock had its listing on the Ukrainian Exchange cancelled after the National Securities Exchange Commission, in a non-transparent decision, suspended transactions in the issue last November. The reason for the suspension was not specified, and we are unaware about when transactions might be resumed.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	31.9	50.2	58%	BUY	Hedging approach to making business, no devaluation risk, limited political risk due to lack of assets in the Donbass, and a U-turn in the farming segment in the 2014-15 season make Kernel's stock our current top investment story.
MHP	MHPC LI	9.2	17.96	95%	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 PW	24.8	90.0	264%	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 LI	2.8	2.7	-6%	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 PW	69.9	80.8	16%	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.
Iron Ore						
Ferrexpo	FXPO LN	60.0	48.0	-20%	SELL	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.
Steel						
Azovstal	AZST	0.82	0.56	-32%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.41	U/R	--	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
Specialized Machinery						
Motor Sich	MSICH	2772	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.
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	36.0	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						
DonbasEnerg	DOEN	29.7	72.0	143%	BUY	DonbasEnerg is expected to continue practice of 30% dividend payout in a medium term.
CenterEnerg	CEEN	7.92	15.00	89%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.105	0.24	129%	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	1102.21	1368.76	908.88	-1.1%	-1.3%	11.2%	6.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	-1.4%	-2.7%	18.0%	-0.7%	-0.3%	-1.4%	6.9%	-7.4%
Azovstal	AZST	0.82	0.95	0.35	-0.8%	-3.5%	15.7%	9.7%	0.3%	-2.2%	4.5%	3.0%
Enakievo Steel	ENMZ	17.37	65.00	14.81	-3.0%	-4.8%	-7.3%	-17.1%	-1.9%	-3.5%	-18.4%	-23.8%
Coke												
Avdyivka Coke	AVDK	1.41	3.62	1.10	-2.2%	0.6%	17.3%	-18.6%	-1.0%	2.0%	6.2%	-25.3%
Yasnyivsky Coking	YASK	0.35	0.84	0.18	0.0%	16.7%	40.0%	25.0%	1.1%	18.0%	28.8%	18.3%
Iron Ore Mining												
Centralny GOK	CGOK	8.55	n/a	n/a	-0.6%	-0.6%	22.1%	9.8%	0.5%	0.7%	11.0%	3.1%
Ferrexpo	FXPO	60.00	162.10	47.91	-6.3%	-7.7%	20.0%	13.2%	-5.1%	-6.4%	8.8%	6.5%
Pivnichny GOK	SGOK	8.70	12.30	4.44	0.0%	-4.3%	-7.8%	3.9%	1.1%	-3.0%	-19.0%	-2.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.79	0.17	0.0%	0.0%	65.5%	2.1%	1.1%	1.3%	54.3%	-4.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.57	1.01	0.20	0.0%	21.3%	90.0%	50.0%	1.1%	22.6%	78.8%	43.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.00	21.60	10.00	-1.6%	-2.8%	0.8%	-6.6%	-0.5%	-1.5%	-10.4%	-13.3%
Luhanskeplovoz	LTPL	1.80	1.80	0.85	0.0%	20.0%	65.1%	66.7%	1.1%	21.3%	54.0%	60.0%
Specialized Machinery												
Motor Sich	MSICH	2772	2939	1587	-1.6%	-3.0%	9.8%	11.6%	-0.5%	-1.7%	-1.4%	5.0%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.16	0.20	0.09	0.0%	0.0%	34.8%	2.0%	1.1%	1.3%	23.6%	-4.7%
Oil & Gas												
Regal Petroleum	RPT	4.25	12.50	3.13	-7.5%	4.3%	4.6%	36.0%	-6.4%	5.6%	-6.6%	29.3%
JKX Oil	JKX	36.00	64.00	11.00	-2.7%	2.9%	182.4%	200.0%	-1.6%	4.2%	171.2%	193.3%
Ukrnafta	UNAF	316.1	375.0	54.0	-1.3%	-1.0%	30.7%	55.5%	-0.2%	0.3%	19.6%	48.8%
Power Utilities												
Centrenergo	CEEN	7.92	8.70	3.00	-0.2%	0.2%	10.5%	4.9%	0.9%	1.6%	-0.7%	-1.7%
Donbasenergo	DOEN	29.67	50.16	11.00	-0.7%	-1.8%	-2.7%	-10.1%	0.4%	-0.4%	-13.9%	-16.8%
Zakhidenergo	ZAEN	162.0	199.8	91.2	0.0%	1.3%	-1.3%	9.4%	1.1%	2.6%	-12.5%	2.7%
Consumer												
Agroton	AGT	1.33	5.06	1.19	3.1%	-0.7%	-0.7%	8.1%	4.2%	0.6%	-11.9%	1.5%
Astarta	AST	24.75	48.22	14.50	-1.0%	0.2%	-1.0%	23.8%	0.1%	1.5%	-12.2%	17.1%
Avangardo	AVGR	2.83	10.27	1.83	0.9%	-17.5%	48.7%	37.8%	2.0%	-16.2%	37.5%	31.1%
Industrial Milk Company	IMC	5.95	10.39	5.46	0.8%	-3.3%	-4.8%	4.9%	2.0%	-1.9%	-16.0%	-1.7%
Kernel	KER	31.85	34.50	22.00	1.1%	8.3%	1.9%	11.9%	2.2%	9.7%	-9.3%	5.2%
Mriya Agro Holding	MAYA	0.38	5.65	0.36	-15.6%	-5.0%	-33.5%	-32.4%	-14.4%	-3.7%	-44.6%	-39.1%
MHPC	MHPC	9.19	15.77	9.00	-0.1%	-3.3%	-3.6%	-0.1%	1.0%	-1.9%	-14.7%	-6.8%
Milkiland	MLK	3.50	9.03	1.48	2.6%	8.4%	57.7%	136.5%	3.7%	9.7%	46.5%	129.8%
Ovostar Union	OVO	69.90	76.74	64.00	0.0%	-1.2%	-4.2%	-2.9%	1.1%	0.1%	-15.4%	-9.6%
Chemicals												
Stirol	STIR	8.80	n/a	n/a	0.0%	0.3%	35.2%	27.0%	1.1%	1.7%	24.0%	20.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.105	0.190	0.086	-1.3%	4.5%	20.5%	9.1%	-0.2%	5.8%	9.3%	2.4%
UkrSotsbank	USCB	0.110	0.200	0.090	0.0%	0.0%	0.0%	-15.5%	1.1%	1.3%	-11.2%	-22.2%

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	-57	5.0%	neg	neg	-6	-75	-82	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	1,342	1,059	506	464	256	32.0%	34.5%	24.2%	264	185	98	16.7%	13.8%	9.2%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	310	193	92	31	43	18	10.1%	22.6%	19.3%	5	23	2	1.5%	11.7%	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	67	50	10	5	10.9%	7.6%	7.5%	42	-3	-4	9.0%	neg	neg
Specialized Machinery																
Turboatom	TATM	214	164	114	90	73	36	42.1%	44.6%	32.0%	72	53	23	33.5%	32.4%	20.0%
Motor Sich	MSICH	1,053	879	460	384	342	158	36.5%	38.9%	34.3%	162	129	67	15.4%	14.7%	14.5%
Telecom																
Ukrtelecom	UTLM	791	368	224	190	105	71	24.0%	28.5%	31.5%	17	16	8	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	262	271	72	23	13	11.0%	8.8%	4.9%	65	20	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	2,250	291	223	325	10.4%	9.3%	14.4%	105	-107	125	3.8%	neg	5.6%
Astarta	AST	491	465	396	91	154	123	15.5%	27.5%	25.9%	34	-54	30	5.8%	neg	6.3%
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	1,595	2,588	1,064	303	447	115	130	115	1	-19	-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	16	3.9%	1	956	neg	neg	neg	neg	neg	neg	0.6	1.4	2.8	247	230	224	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	5	neg	neg	neg	neg	0.1	0.1	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	153	3.0%	5	147	neg	4.3	6.6	neg	1.0	1.3	0.1	0.1	0.1	32	33	32	\$/tonne
Coke																		
Avdivka Coke	AVDK	12	6.8%	1	-27	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-7	-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	445	0.3%	1	444	2.3	3.9	5.5	1.4	2.0	2.7	0.7	0.7	0.8				
Pivnichny GOK	SGOK	891	0.4%	4	884	1.6	2.8	3.9	1.0	1.4	1.8	0.5	0.6	0.7				
Ferrexpo	FXPO	535	24.0%	128	1,229	2.0	2.9	5.5	2.4	2.7	4.8	0.8	0.9	1.2				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	66	2.0%	1	112	14.0	2.9	>30	3.6	2.6	6.3	0.4	0.6	1.2	177	294	279	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	18	24.0%	4	55	0.9	neg	n/a	1.5	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	61	5.0%	3	55	1.5	neg	neg	1.1	5.4	11.1	0.1	0.4	0.8				
Specialized Machinery																		
Turboatom	TATM	66	5.8%	4	35	0.9	1.2	2.9	0.4	0.5	1.0	0.2	0.2	0.3				
Motor Sich	MSICH	256	24.0%	61	242	1.6	2.0	3.8	0.6	0.7	1.5	0.2	0.3	0.5				
Telecom																		
Ukrtelecom	UTLM	129	7.2%	9	214	7.6	8.1	16.2	1.1	2.0	3.0	0.3	0.6	1.0				
Oil & Gas																		
Ukrnafta	UNAF	762	3.0%	23	759	>30	24.0	>30	2.7	4.7	5.7	0.3	0.4	0.7	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	21	21.6%	4	-4	neg	10.4	6.9	neg	-0.3	-0.3	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	94	50.4%	47	203	14.5	12.1	18.8	3.1	3.0	2.9	1.1	1.0	1.4	37	28	27	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	130	21.7%	28	117	2.2	8.2	14.7	1.2	3.5	5.1	0.1	0.2	0.2	7	8	7	\$/MWh
DonbasEnerg	DOEN	31	14.2%	4	61	0.5	1.5	10.6	0.8	2.7	4.6	0.1	0.2	0.2	7	8	7	\$/MWh
Consumer																		
MHP	MHPC	971	34.1%	331	2,051	6.0	neg	10.0	5.2	3.8	3.7	1.4	1.3	1.3				
Kernel	KER	677	61.8%	418	1,412	6.4	neg	5.4	4.9	6.3	4.3	0.5	0.6	0.6				
Astarta	AST	165	37.0%	61	411	4.8	neg	5.5	4.5	2.7	3.3	0.8	0.9	1.0				
Avangardco	AVGR	180	22.5%	41	368	0.8	neg	5.6	1.2	2.8	3.4	0.6	0.8	0.9	83	63	60	\$/mneqgs
Ovostar	OVO	112	25.0%	28	119	3.6	3.7	4.6	3.3	3.7	4.8	1.5	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	140	3.5%	5		1.6	neg	neg	0.2	0.4	0.4	0.03	0.05	0.05				
Ukrsotsbank	USCB	90	1.0%	1		>30	>30	>30	0.1	0.3	0.2	0.01	0.05	0.03				

Source: Eavex Research

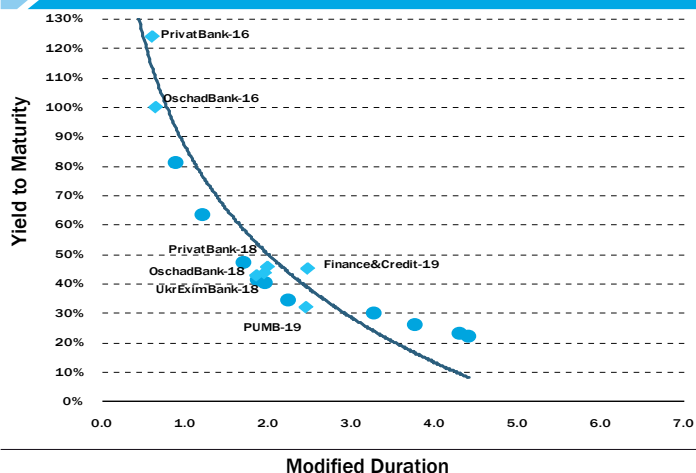
UKRAINIAN EUROBONDS

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)	45.0	47.0	204.0%	188.9%	-32.3%	0.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CC
Ukraine, 2015	49.9	51.7	196.7%	183.5%	-27.8%	0.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CC
Ukraine, 2016	43.0	44.2	68.1%	65.8%	-30.4%	1.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CC
Ukraine, 2016-2	43.4	44.6	88.7%	85.7%	-32.1%	0.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CC
Ukraine, 2017	42.0	44.0	46.8%	44.4%	-32.0%	1.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CC
Ukraine, 2017-2	42.0	44.0	56.2%	53.4%	-30.9%	1.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CC
Ukraine, 2017 Infr. projects	39.0	42.0	54.2%	50.1%	-34.1%	1.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	38.0	41.0	47.3%	43.8%	-34.2%	2.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	41.3	43.3	30.2%	28.8%	-29.1%	3.2	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CC
Ukraine, 2021	42.0	43.5	28.9%	27.9%	-28.0%	3.6	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CC
Ukraine, 2022	42.0	43.5	25.2%	24.3%	-29.0%	4.1	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CC
Ukraine, 2023	42.5	43.5	23.8%	23.3%	-27.5%	4.3	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CC
Corporate Eurobonds											
Agroton, 2019	30.3	35.4	43.3%	37.7%	-3.0%	2.9	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	88.0	92.0	105.4%	70.9%	-5.3%	0.1	10.25%	S/A	29 Apr 2015	235	Caa2//CC
MHP, 2020	62.5	63.6	20.5%	20.0%	-8.7%	3.4	8.25%	S/A	2 Apr 2020	750	/CCC-/CC
Avangardco, 2015	44.5	44.5	188.3%	188.3%	-31.1%	0.3	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	37.5	37.5	55.5%	55.5%	-25.7%	1.7	10.88%	S/A	26 Mar 2018	500	/CCC-/CC
Mriya, 2016	11.0	14.0	418.8%	348.6%	-3.8%	0.4	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	14.0	134.2%	108.2%	9.2%	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	50.0	55.0	705.0%	581.8%	-32.3%	0.1	9.50%	S/A	28 Apr 2015	200	Caa2//CC
DTEK, 2018	35.0	40.0	52.9%	46.4%	-17.6%	1.9	7.88%	S/A	4 Apr 2018	750	Caa2//CC
Metinvest, 2015	61.0	66.0	324.5%	264.3%	-21.1%	0.1	10.25%	S/A	20 May 2015	114	Caa2//CC
Metinvest, 2017	46.0	51.0	47.9%	42.4%	-30.7%	1.2	10.50%	S/A	28 Nov 2017	290	//CC
Metinvest, 2018	37.5	40.0	52.9%	49.6%	-30.2%	2.0	8.75%	S/A	14 Feb 2018	750	Caa2//CC
Ferrexpo, 2016	77.0	80.0	35.0%	30.9%	1.9%	0.9	7.875%	S/A	07 Apr 2016	500	/CCC-/CC
UZ Rail, 2018	39.0	42.0	49.0%	45.5%	-23.6%	2.0	9.50%	S/A	21 May 2018	500	/CCC-/CC
Interpipe, 2017	38.0	42.0	64.0%	57.6%	-27.3%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.7	74.6	26.8%	24.5%	24.8%	1.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	13.0	18.0	99.9%	79.7%	-81.3%	1.7	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	48.0	53.0	36.9%	33.1%	-25.2%	2.3	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	10.0	15.0	n/a	n/a	0.0%	0.3	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	43.0	46.0	251.8%	225.0%	-28.8%	0.2	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	27.0	32.0	221.6%	184.1%	-40.4%	0.5	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	40.0	42.0	53.1%	50.5%	-30.5%	1.9	10.88%	S/A	28 Feb 2018	175	Caa3//CC
UkrEximBank, 2015	61.0	61.0	443.2%	443.2%	-21.3%	0.1	8.38%	S/A	27 Apr 2015	750	Caa3//CC
UkrEximBank, 2016	25.0	30.0	239.8%	197.9%	-42.1%	0.4	5.79%	S/A	2 Sept 2016	125	Caa3//CC
UkrEximBank, 2018	40.0	43.0	50.3%	46.6%	-26.5%	1.9	8.75%	S/A	22 Jan 2018	500	Caa3//CC
VAB Bank, 2019	4.0	8.0	1276.8%	465.5%	-7.7%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	39.0	42.0	135.7%	123.4%	-30.8%	0.5	8.25%	S/A	10 Mar 2016	700	Caa3//CC
Oschadbank, 2018	39.0	42.0	49.9%	46.2%	-28.3%	1.8	8.88%	S/A	20 Mar 2018	500	Caa3//CC
Municipal Eurobonds											
City of Kyiv, 2015	43.0	45.0	191.5%	178.5%	-39.4%	0.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	39.1	42.4	101.3%	92.1%	-42.6%	0.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

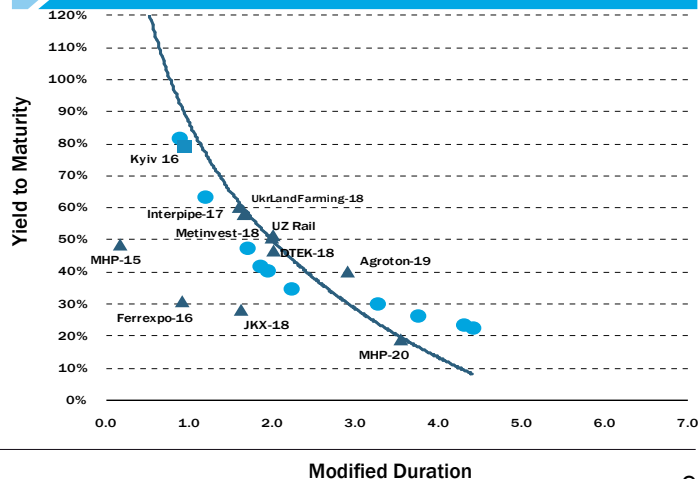
¹ Moody's/S&P/Fitch; * EUR

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%	24%	n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			28%	24%	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			27%	25%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			27%	25%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			27%	25%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			27%	25%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			27%	25%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			27%	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