

Market Update

Equity

Kyiv-listed stocks finished firmly higher on Thursday (Apr 2) as the continued stable behavior of the hryvnia provided some optimism to market players; the UAH/USD rate has been holding near 23.50 UAH/USD since early March. The UX index added 1.2% to close at 1048 points. Azovstal (AZST) and UkrNafta (UNAF) were growth drivers for the gauge, with both advancing by around 4% for the day. CentrEnergy (CEEN) added 1.2% to return back above UAH 8 per share after the government said it has raised household electricity tariffs by 50% effective immediately. Raiffeisen Aval (BAVL) underperformed the broad market, declining by 0.6% to 9.7 kopecks. In London, Avangard (AVGR) continued to slide after the release of weak financial results for FY14, falling 5.0% to USD 2.60, while Ferrexpo (FXPO) gained 2.9% after its 1Q operational release. Warsaw-listed Kernel (KER) edged up 1.3% to PLN 38.70.

Fixed Income

Ukrainian sovereigns were flat on Thursday with Ukraine-23s finishing unchanged at 41.0/42.0 (24.7%/24.2%). Corporate names were slightly down. MHP-20s declined by 0.2p.p. to 65.9/67.7 (19.2%/18.4%) and Ferrexpo-16s edged down by 0.1p.p. closing at 80.0/82.0 (32.9%/30.0%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	307.50	4.0%	1.9	200
Centrenerg	CEEN	8.03	1.2%	1.1	117
Motor Sich	MSICH	2593.00	0.0%	1.0	35

Growth Leaders

Ukrnafta	UNAF	307.50	4.0%	1.90	200
Azovstal	AZST	0.82	3.9%	0.47	43
Alchevsk Steel	ALMK	0.01	2.2%	0.01	21

Loss Leaders

Mariupol Heavy Machine	MZVM	0.07	-1.0%	0.200	20
Raiffeisen Bank Aval	BAVL	0.10	-0.6%	0.163	32
Kryukiv Wagon	KVBZ	11.34	-0.1%	0.011	8

Highlights

POLITICS AND ECONOMICS

- Ukraine's Steel Output Down 31% YoY in 1Q15

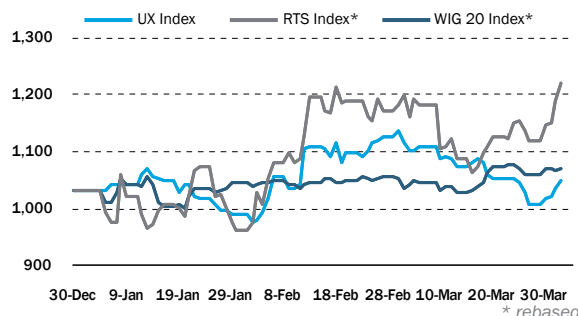
STOCKS IN THE NEWS

- Ferrexpo's Pellet Output Edges Up 3% YoY in 1Q15

FIXED INCOME

- DTEK Expecting up to 30% Drop in Coal Output in 2015

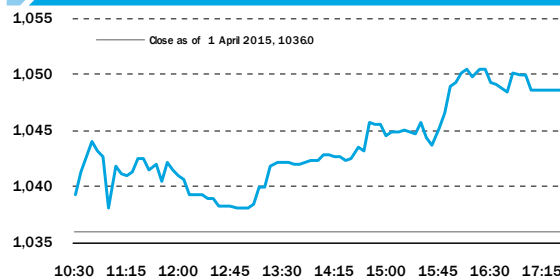
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1048.7	1.2%	-7.7%	1.5%
RTS	933.6	2.5%	3.3%	18.1%
WIG20	2400.7	0.3%	1.8%	3.7%
MSCI EM	992.9	1.0%	0.5%	3.8%
S&P 500	2067.0	0.4%	-2.4%	0.4%

UX INTRADAY APRIL 2, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	400.9	-1.6%	1.6%	-0.8%
CDS 5Y UKR	4382.0	0.3%	123.7%	96.2%
Ukraine-17	51.4%	0.0 p.p.	5.9 p.p.	25.7 p.p.
Ferrexpo-16	31.4%	0.2 p.p.	-1.4 p.p.	0.1 p.p.
Ukraine-23	24.5%	0.0 p.p.	0.9 p.p.	17.0 p.p.
Privatbank-16	272.6%	1.2 p.p.	72.4 p.p.	187.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	23.98	0.2%	-9.5%	51.6%
EUR	26.10	1.3%	-11.9%	36.4%
RUB	0.42	2.2%	0.2%	54.6%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	208.7	0.0%	-1.4%	-15.2%
Steel, USD/t	380.0	0.0%	-0.7%	-15.6%
Oil, USD/bbl	55.0	-3.8%	-8.7%	-7.2%
Gold, USD/oz	1202.6	-0.1%	-0.4%	1.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Steel Output Down 31% YoY in 1Q15

by Ivan Dzvinka
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NEWS

Ukraine's national crude steel output dropped by 36% YoY in March to 1.70mn tonnes, Interfax reported earlier this week, citing industry association Metallurgprom. Average daily production in March did, however, rise by 6.8% to 60,600 tonnes compared to February. For 1Q15 taken as a whole, steel production in Ukraine plummeted by 31% YoY to 5.16mn tonnes.

COMMENTARY

While the results for 1Q are obviously poor, some optimism still arose during March stemming predominantly from Metinvest-related mills, as well as the stated intention of the Russian-owned ISD group to restart operations at Alchevsk Steel, which is located on separatist-controlled territory, in the near term. Alchevsk has been idle since last August.

Following the repairs of railway infrastructure, Metinvest's Yenakievo Steel relaunched production in the middle of March following a stoppage in early February. Also, improvement in supplies of raw materials (mostly coke) allowed significant growth in output by another Metinvest mill, Mariupol-based MMK Illich, whose daily hot metal production jumped by 35% MoM. Meanwhile, daily output at Metinvest's Azovstal mill was essentially unchanged from February.

The current development with ramping up production and possible relaunch of Alchevsk is encouraging but, as we have stated in the past, the situation critically depends on the continued observance of the Minsk ceasefire in the region.

Ferrexpo's Pellet Output Edges Up 3% YoY in 1Q15

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBp 67.43 Market Cap: USD 545mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	0.88	3.0	2.5	14%
2015E	1.15	5.6	4.8	0%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, increased its pellet production by 2.5% YoY to 2.89mn tonnes in 1Q15, the company reported on Thursday (Apr 2). Ferrexpo expanded its output of 65% Fe content pellets by 81% YoY to 2.45mn tonnes in 1Q15, while 62% Fe pellet production fell commensurately by 70% YoY to 433,000 tonnes. This was partly a result of the company's completed quality upgrade project allowing it to apply all of its capacity to making pellets with 65% Fe content. Pellet output from in-house ore was nearly flat, inching up 0.3% YoY to 2.72mn tonnes, while production from third-party ore was up by 59% to 162,000 tonnes. Breaking with its tradition from previous quarterly reports, the company did not provide the percentage breakdown of pellets produced from the iron ore of its two principal mining facilities, Poltava and Yeristovo.

COMMENTARY

The sudden expansion of the share of 65% Fe pellets to 85%, which had been within a range of 38%-62% for the previous 16 quarters, is an encouraging point for Ferrexpo; the gross pricing premium of 65% Fe pellets over 62% Fe pellets is around USD 10/t, with the net premium after costs near USD 5/t. We presume that the shift to higher Fe-content pellets is a natural [due to the upgrade completion] and also a necessary step for the company in the environment of the large decline in iron ore prices. Benchmark 62% Fe ore fines in China fell below the USD 50/t mark earlier this week, representing a 30% YtD drop; this has more than offset the positive effect from hryvnia devaluation for Ferrexpo (about half of its costs are in UAH). We maintain our FY15 pellet output forecast at 11.6mn tonnes for Ferrexpo and reiterate our SELL recommendation for the FXPO stock. Our pessimism is based on a negative outlook for iron ore pricing in the near future due to continued global oversupply as well as sluggishness on the demand side from China.

**DTEK Expecting up to 30% Drop
in Coal Output in 2015**

by Dmitry Churin
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NEWS

Vertically-integrated thermal power plant operator DTEK, Ukraine's largest private energy company, expects its coal output to drop by up to 30% YoY in 2015, CEO Maxim Tymchenko said at a press briefing on Thursday (Apr 2). The situation in the Donbass separatist-occupied territories, where most of DTEK's coal mines are located, and a lack of working capital are the major reasons behind the expected drop in coal extraction. DTEK reported 37.1mn tonnes of coal output (-10% YoY) in FY14, accounting for 54% of total coal output in Ukraine.

On Apr 1, DTEK released an amended offer to its bondholders asking to restructure its outstanding USD 200mn Eurobonds due on Apr 28 by exchanging 80% of notes for a new issue with maturity in 2018 and 20% cash repayments on the day of initial maturity. If the minimum acceptance condition of 98% is not satisfied, then DTEK will try to force bondholders to exchange notes by applying to the High Court of Justice of England and Wales. If the exchange offer is not consummated and the court ruling is not approved, DTEK is likely to be unable to repay the principal outstanding on the existing notes on their stated maturity date. This would trigger a default under the existing notes and cross defaults on the company's other indebtedness. As of 31 Dec 2014, DTEK had total debt of UAH 54.4bn (USD 3.5bn), of which 92% is in foreign currency. Most redemptions are due in 2015-2018. DTEK's liquidity is supported by cash and cash equivalents of USD 513mn. The group's Net Debt/EBITDA ratio was 2.92x at the end of 2014.

COMMENTARY

This cash crunch at DTEK reflects the changing conditions in Ukraine's budget-draining electricity sector, in which the national government has traditionally made up the difference between low electricity tariffs and production cost by paying out de-facto subsidies to electricity producers. Now, although coal prices have risen sharply, the government is refusing to adjust wholesale pricing to bail out electricity producers, thus putting the industry under a squeeze. DTEK CEO Tymchenko made exactly this complaint, that the spike in coal prices has not been compensated by the tariffs that monopoly wholesale electricity operator EnergoRynok pays to thermal generation companies. We see the harsh comments by DTEK as an intensification of the fight between the company (owned by Donetsk industrialist Rinat Axmetov) and the central government regarding the economically justified level of tariffs for thermal electricity. Importantly, DTEK said that despite household electricity prices remaining heavily subsidized, the government's wholesale intermediary should pay a higher price for thermal electricity. The main problem is that the non-transparent scheme of tariffs distribution in the wholesale electricity market remains un-reformed. The average household electricity price was raised by 50% to 52.5 kopecks per 1 kWh (2.2 US cents) on Apr 1, but this rise does not even keep pace with the hryvnia devaluation, and the rate is still by far the cheapest in Europe.

DTEK-15 Eurobonds due on Apr 28 are traded on the market at 65 cents on the dollar. We estimate that for bondholders who agree to the restructuring offer, the effective yield to maturity will be 51%. DTEK-18 Eurobonds currently quote at 37.5/40.5 (50.6%/46.8%), which reflects the company's exposure to territories not controlled by the Ukrainian government.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	39.2	50.2	28%	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	10.2	17.96	76%	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	21.7	90.0	316%	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	2.6	2.7	1%	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	69.0	80.8	17%	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	62.8	48.0	-24%	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	1.42	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	2593	5250	102%	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	4.8	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	31.0	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						
DonbasEnergO	DOEN	22.5	U/R	--	U/R	DNR Intends to Nationalize DonbasEnergO-Owned Power Plant. The Starobeshevo plant accounts for about 70% of DonbasEnergO's installed power-generating capacity.
CenterEnergO	CEEN	8.03	15.00	87%	BUY	CentrEnergO'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	0.097	0.24	147%	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	1048.68	1368.76	908.88	1.2%	2.1%	-7.7%	1.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	2.2%	6.2%	-10.5%	-5.5%	1.0%	4.1%	-2.8%	-7.0%
Azovstal	AZST	0.82	0.95	0.35	3.9%	7.3%	-2.8%	9.9%	2.7%	5.3%	4.8%	8.4%
Enakievo Steel	ENMZ	18.17	65.00	14.81	1.8%	0.9%	-1.2%	-13.3%	0.6%	-1.1%	6.4%	-14.8%
Coke												
Avdyivka Coke	AVDK	1.42	3.62	1.10	-0.1%	5.0%	-6.7%	-18.0%	-1.3%	2.9%	1.0%	-19.5%
Yasynivsky Coking	YASK	0.30	0.84	0.18	15.4%	-21.1%	-21.1%	7.1%	14.2%	-23.1%	-13.4%	5.7%
Iron Ore Mining												
Centralny GOK	CGOK	8.80	n/a	n/a	0.0%	0.0%	2.3%	13.0%	-1.2%	-2.1%	10.0%	11.5%
Ferrexpo	FXPO	62.75	162.10	47.91	2.4%	4.6%	-4.2%	18.4%	1.2%	2.5%	3.5%	16.9%
Pivnichny GOK	SGOK	7.64	12.30	4.44	0.0%	-8.0%	-16.0%	-8.7%	-1.2%	-10.0%	-8.4%	-10.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.79	0.17	0.0%	0.0%	0.0%	2.1%	-1.2%	-2.1%	7.7%	0.6%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.49	1.01	0.20	0.0%	8.9%	-10.9%	28.9%	-1.2%	6.8%	-3.2%	27.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.34	21.60	10.00	-0.1%	-1.2%	-8.4%	-11.8%	-1.3%	-3.3%	-0.7%	-13.2%
Luhanskteplovoz	LTPL	1.50	1.80	0.85	0.0%	0.0%	-16.7%	38.9%	-1.2%	-2.1%	-9.0%	37.4%
Specialized Machinery												
Motor Sich	MSICH	2593	2939	1665	-0.1%	-1.8%	-9.1%	4.4%	-1.3%	-3.9%	-1.4%	2.9%
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	0.17	0.20	0.09	11.0%	11.0%	8.8%	11.0%	9.8%	8.9%	16.5%	9.5%
Oil & Gas												
Regal Petroleum	RPT	4.75	10.75	3.13	-13.2%	5.6%	3.9%	52.0%	-14.5%	3.5%	11.6%	50.5%
JKX Oil	JKX	31.00	62.00	11.00	0.8%	-3.9%	-12.7%	158.3%	-0.4%	-6.0%	-5.0%	156.8%
Ukrnafta	UNAF	307.5	375.0	54.0	4.0%	1.8%	-7.3%	51.3%	2.8%	-0.3%	0.4%	49.8%
Power Utilities												
Centrenergo	CEEN	8.03	8.70	3.00	1.2%	1.7%	-1.5%	6.5%	0.0%	-0.4%	6.1%	5.0%
Donbasenergo	DOEN	22.51	50.16	11.00	0.2%	-0.3%	-25.2%	-31.8%	-1.0%	-2.4%	-17.6%	-33.3%
Zakhidenergo	ZAEN	177.7	199.8	91.2	9.0%	8.4%	13.3%	20.0%	7.8%	6.3%	20.9%	18.5%
Consumer												
Agroton	AGT	1.15	3.19	1.05	9.5%	-4.2%	-12.2%	-6.5%	8.3%	-6.3%	-4.5%	-8.0%
Astarta	AST	21.65	48.22	14.50	2.2%	-3.8%	-13.4%	8.3%	0.9%	-5.9%	-5.7%	6.8%
Avangardo	AVGR	2.63	10.27	1.83	-5.1%	-17.8%	-8.7%	28.3%	-6.3%	-19.9%	-1.0%	26.8%
Industrial Milk Company	IMC	5.21	10.39	5.00	-4.4%	-4.6%	-12.4%	-8.1%	-5.6%	-6.7%	-4.8%	-9.6%
Kernel	KER	39.18	39.18	22.00	2.6%	10.7%	23.1%	37.7%	1.4%	8.6%	30.8%	36.2%
Mriya Agro Holding	MAYA	0.45	5.25	0.36	0.0%	4.9%	23.6%	-19.9%	-1.2%	2.8%	31.3%	-21.4%
MHPC	MHPC	10.20	15.77	8.24	-0.5%	10.3%	7.9%	10.9%	-1.7%	8.2%	15.6%	9.4%
Milkiland	MLK	2.29	8.59	1.48	4.6%	-7.7%	-26.8%	54.7%	3.3%	-9.7%	-19.2%	53.2%
Ovostar Union	OVO	69.00	76.74	64.00	-2.8%	-0.6%	1.5%	-4.2%	-4.0%	-2.7%	9.2%	-5.7%
Chemicals												
Stirol	STIR	8.97	n/a	n/a	0.0%	1.9%	1.9%	29.4%	-1.2%	-0.2%	9.6%	27.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.097	0.190	0.086	-0.7%	5.7%	-10.0%	1.3%	-1.9%	3.6%	-2.3%	-0.2%
UkrSotsbank	USCB	0.108	0.200	0.090	-3.6%	-0.5%	-1.8%	-17.1%	-4.8%	-2.5%	5.9%	-18.5%

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	280	-62	-83	-100	neg	neg	neg	-214	-1,683	-190	neg	neg	neg
Enakievo Steel	ENMZ	1,507	1,250	1,063	-7	45	48	neg	3.6%	4.5%	-61	-125	-48	neg	neg	neg
Azovstal	AZST	2,562	1,793	1,524	-81	153	103	neg	8.5%	6.7%	-308	77	50	neg	4.3%	3.3%
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	-5	7.8%	neg	neg	-3	-13	-10	neg	neg	neg
Iron Ore Mining																
Centralny GOK	CGOK	679	611	550	312	223	159	46.0%	36.5%	28.8%	194	115	80	28.6%	18.8%	14.6%
Pivnichny GOK	SGOK	1,630	1,467	1,320	914	649	463	56.1%	44.2%	35.1%	548	324	226	33.7%	22.1%	17.2%
Ferrexpo	FXPO	1,581	1,388	1,059	506	496	256	32.0%	35.8%	24.2%	264	184	98	16.7%	13.2%	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	-6	5	10.9%	neg	7.5%	42	-23	-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	146	150	66	69	70	36.7%	46.9%	46.7%	7	-80	5	3.6%	neg	3.3%
Electric Utilities																
Centrenergo	CEEN	915	544	605	94	16	-33	10.3%	3.0%	neg	60	5	-29	6.5%	0.9%	neg
Donbasenergo	DOEN	656	458	196	72	20	-19	11.0%	4.4%	neg	65	8	-17	9.9%	1.8%	neg
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	420	405	301	129	109	45.6%	30.9%	26.9%	238	-27	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	2,095	1,064	518	362	132	149	132	1	-42	-14	0.1%	-8.0%	-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	15	3.9%	1	2,628	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	679	633	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	6	neg	neg	neg	neg	0.1	0.1	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	144	3.0%	4	137	neg	1.9	2.9	neg	0.9	1.3	0.1	0.1	0.1	30	30	30	\$/tonne
Coke																		
Avdyivka Coke	AVDK	12	6.8%	1	-28	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-7	-7	\$/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
Iron Ore Mining																		
Centralny GOK	CGOK	430	0.3%	1	429	2.2	3.7	5.4	1.4	1.9	2.7	0.6	0.7	0.8				
Pivnichny GOK	SGOK	734	0.4%	3	728	1.3	2.3	3.2	0.8	1.1	1.6	0.4	0.5	0.6				
Ferrexpo	FXPO	545	24.0%	131	1,223	2.1	3.0	5.6	2.4	2.5	4.8	0.8	0.9	1.2				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	53	2.0%	1	99	11.3	2.4	28.8	3.2	2.3	5.6	0.3	0.5	1.1	157	260	247	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	14	24.0%	3	51	0.7	neg	n/a	1.4	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	54	5.0%	3	48	1.3	neg	neg	1.0	neg	9.6	0.1	0.4	0.7				
Specialized Machinery																		
Turboatom	TATM	62	5.8%	4	31	0.9	1.2	2.7	0.3	0.4	0.9	0.1	0.2	0.3				
Motor Sich	MSICH	225	24.0%	54	210	1.4	1.7	3.4	0.5	0.6	1.3	0.2	0.2	0.5				
Telecom																		
Ukrtelecom	UTLM	132	7.2%	9	216	7.7	8.3	16.6	1.1	2.1	3.1	0.3	0.6	1.0				
Oil & Gas																		
Ukrnafta	UNAF	695	3.0%	21	692	29.8	21.9	>30	2.4	4.3	5.2	0.3	0.4	0.7	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-2	neg	11.3	7.5	neg	-0.2	-0.2	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	79	50.4%	40	187	12.1	neg	15.8	2.8	2.7	2.7	1.0	1.3	1.2	34	26	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	124	21.7%	27	110	2.1	24.4	neg	1.2	6.8	neg	0.1	0.2	0.2	6	8	7	\$/MWh
DonbasEnerg	DOEN	22	14.2%	3	52	0.3	2.6	neg	0.7	2.6	neg	0.1	0.1	0.3	6	7	6	\$/MWh
Consumer																		
MHP	MHPC	1,078	34.1%	368	2,158	6.6	neg	11.1	5.5	4.0	3.9	1.4	1.4	1.4				
Kernel	KER	835	61.8%	516	1,570	8.0	neg	6.7	5.4	7.0	4.8	0.6	0.7	0.7				
Astarta	AST	145	37.0%	54	391	4.2	neg	4.8	4.3	2.5	3.2	0.8	0.8	1.0				
Avangardco	AVGR	168	22.5%	38	394	0.7	neg	5.2	1.3	3.0	3.6	0.6	0.9	1.0	89	68	64	\$/mneqgs
Ovostar	OVO	111	25.0%	28	118	3.6	3.7	4.6	3.3	3.7	4.7	1.4	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	122	3.5%	4		1.4	neg	neg	0.1	0.3	0.3	0.02	0.04	0.04				
Ukrsotsbank	USCB	83	1.0%	1		>30	>30	>30	0.1	0.2	0.2	0.02	0.03	0.04				

Source: Eavex Research

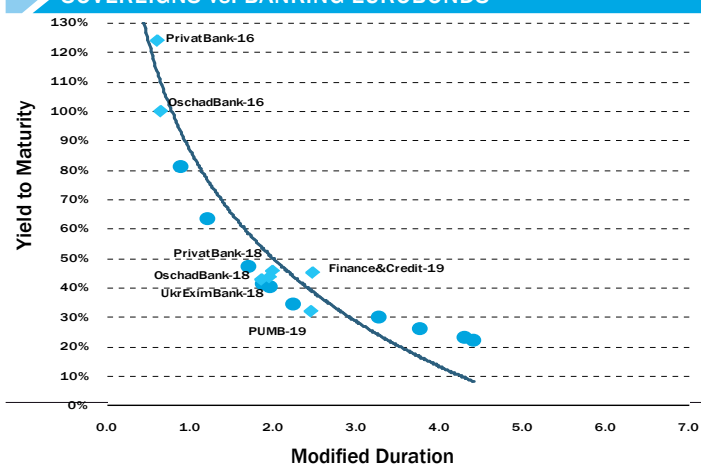
UKRAINIAN EUROBONDS

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	235.7%	218.3%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CCC-/CC
Ukraine, 2015	44.7	45.7	283.9%	273.0%	-35.8%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CCC-/CC
Ukraine, 2016	40.4	41.6	76.8%	74.1%	-34.6%	1.1	6.58%	S/A	21 Nov 2016	1,000	Ca/CCC-/CC
Ukraine, 2016-2	40.3	41.5	104.6%	100.7%	-36.8%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CCC-/CC
Ukraine, 2017	39.0	40.0	52.1%	50.7%	-37.5%	1.7	6.75%	S/A	14 Nov 2017	700	Ca/CCC-/CC
Ukraine, 2017-2	39.8	41.0	61.4%	59.4%	-35.1%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CCC-/CC
Ukraine, 2017 Infr. projects	38.5	41.0	56.4%	52.8%	-35.4%	1.6	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	38.0	40.0	48.4%	45.9%	-35.0%	1.9	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	41.3	43.3	30.5%	29.1%	-29.1%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CCC-/CC
Ukraine, 2021	39.0	40.0	31.2%	30.5%	-33.5%	3.4	7.95%	S/A	23 Feb 2021	1,500	Ca/CCC-/CC
Ukraine, 2022	39.3	40.3	26.9%	26.3%	-34.0%	3.9	7.80%	S/A	28 Nov 2022	1,250	Ca/CCC-/CC
Ukraine, 2023	41.0	42.0	24.7%	24.2%	-30.1%	4.1	7.50%	S/A	17 Apr 2023	1,250	Ca/CCC-/CC
Corporate Eurobonds											
Agroton, 2019	30.1	35.3	44.8%	38.9%	-3.3%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	92.0	96.0	152.7%	78.4%	-1.1%	0.1	10.25%	S/A	29 Apr 2015	235	Caa3//CC
MHP, 2020	65.9	67.7	19.2%	18.4%	-3.2%	3.6	8.25%	S/A	2 Apr 2020	750	/CCC-/CC
Avangardco, 2015						0.2	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	35.3	35.3	59.6%	59.6%	-24.2%	1.8	10.88%	S/A	26 Mar 2018	500	/CCC-/
Mriya, 2016	11.0	14.0	433.3%	360.1%	-3.8%	0.4	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	133.7%	113.9%	-3.8%	1.3	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	65.0	70.0	923.8%	740.3%	-12.9%	0.0	9.50%	S/A	28 Apr 2015	200	Caa3//C
DTEK, 2018	37.5	40.5	50.6%	46.8%	-14.3%	2.0	7.88%	S/A	4 Apr 2018	750	Caa3//C
Metinvest, 2015	65.0	70.0	450.1%	361.7%	-16.1%	0.1	10.25%	S/A	20 May 2015	114	Caa3//CC
Metinvest, 2017	48.0	53.0	46.6%	41.3%	-27.9%	1.2	10.50%	S/A	28 Nov 2017	290	//CC
Metinvest, 2018	43.0	45.0	46.9%	44.6%	-20.7%	1.9	8.75%	S/A	14 Feb 2018	750	Caa3//CC
Ferrexpo, 2016	80.0	82.0	32.9%	30.0%	5.2%	0.9	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	78.0	79.9	18.4%	17.6%	n/a	2.7	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	37.0	39.0	52.6%	50.0%	-28.4%	1.9	9.50%	S/A	21 May 2018	500	/CCC-/CC
Interepipe, 2017	15.0	25.0	152.0%	101.7%	-63.6%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.4	73.9	27.6%	25.4%	23.9%	1.5	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	10.0	15.0	120.4%	91.6%	-84.9%	1.4	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	35.0	40.0	50.5%	44.8%	-44.4%	2.1	11.00%	Q	31 Dec 2018	275	Ca//
Nadra Bank, 2018	8.0	13.0	n/a	n/a	-16.0%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	42.0	47.0	319.0%	262.5%	-28.8%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	20.0	30.0	339.7%	223.8%	-49.5%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	38.0	40.0	56.9%	54.1%	-41.4%	1.8	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2015	53.0	53.0			-31.6%	0.0	8.38%	S/A	27 Apr 2015	750	Ca//CC
UkrEximBank, 2016	25.0	35.0	272.5%	186.4%	-36.8%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	41.0	43.0	50.1%	47.7%	-25.7%	1.8	8.75%	S/A	22 Jan 2018	500	Ca//CC
VAB Bank, 2019	1.0	5.0	n/a	n/a	-53.8%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	42.0	44.0	135.6%	127.1%	-26.5%	0.5	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	41.0	43.0	48.4%	46.0%	-25.6%	2.0	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	40.9	43.6	250.1%	225.6%	-41.8%	0.3	8.00%	S/A	6 Nov 2015	250	Ca/CCC/
City of Kyiv, 2016	35.0	41.0	122.9%	102.4%	-46.2%	0.8	9.375%	S/A	30 Jun 2016	300	Ca/CCC/

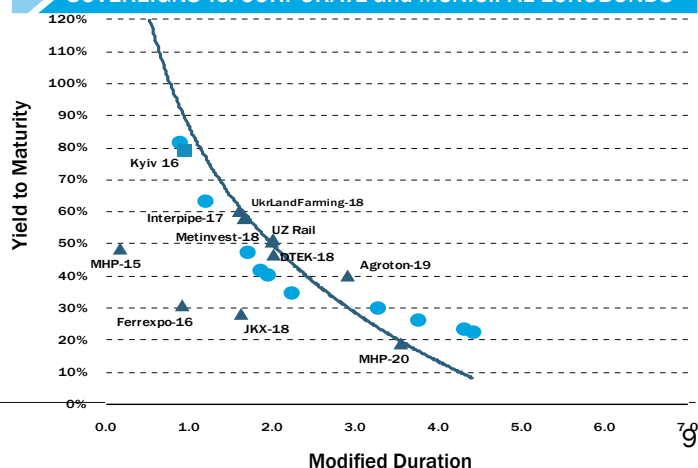
¹ Moody's/S&P/Fitch; * EUR

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					n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			30%	26%	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			30%	26%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			30%	26%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			30%	26%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			30%	26%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			30%	26%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			30%	26%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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