

Market Update

Equity

Ukraine's domestic stock market was higher on Friday (Oct 2) as risk appetite returned to traders amid a strengthening hryvnia and some signs that the country's economy is finally starting to recover. The UX index rose 1.0% to close at 880 points. Beaten-down CentrEnerg (CEEN) added the most points to the gauge, advancing by 2.3% to UAH 5.64. In the steel sector, Azovstal (AZST) gained 3.3% to end at 76 kopecks while Avdyivka Coke (AVDK) edged down 0.7%. On the interbank currency market, the hryvnia closed at 21.15 UAH/USD, implying a 3.2% rise against the dollar over the week. In London trading, Ukrainian stocks rose notably, with MHP (MHPC) adding 7.2% to USD 9.40 and Avangard (AVGR) jumping 12.9% to 90 cents per share. Warsaw-listed Kernel (KER) inched down to PLN 44.90 while Astarta (AST) picked up 0.6% to PLN 27.45.

Fixed Income

Ukrainian sovereign Eurobonds were moderately higher on Friday, with Ukraine-23s improving by 0.3p.p. to 80.0/81.0 (12.5%/12.0%). Corporate names finished mixed. Ferrexpo-19s rose 0.9p.p. to 65.3/68.9 (26.1%/21.3%) while DTEK-18s dropped by 0.7p.p. to 38.9/40.3 (56.4%/54.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2385.00	0.0%	0.70	26
Centrenerg	CEEN	5.64	2.3%	0.47	38
Kryukiv Wagon	KVBZ	9.79	1.4%	0.08	6

Growth Leaders

Bogdan Motors	LUAZ	0.01	6.4%	0.012	14
Azovstal	AZST	0.77	3.3%	0.011	13
Centrenerg	CEEN	5.64	2.3%	0.470	38

Loss Leaders

Ukrnafta	UNAF	241.20	-1.4%	0.083	18
Raiffeisen Bank Aval	BAVL	0.08	-1.2%	0.048	38
Motor Sich	MSICH	2,385.00	0.0%	0.697	26

Highlights

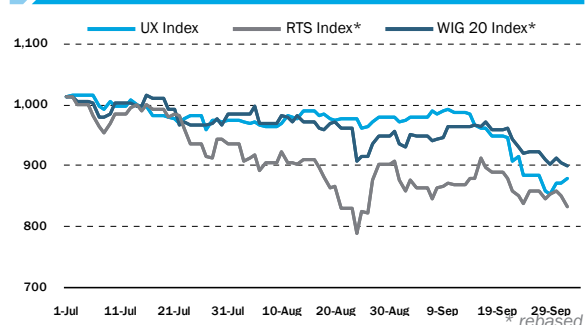
POLITICS AND ECONOMICS

- > Hollande: Minsk Implementation to be Pushed Back From End-2015
- > Ukraine's Steel Output Decline Slowed to 20% YoY in 9M15

STOCKS IN THE NEWS

- > Ferrexpo's Pellet Output Down 1% YoY in 3Q15

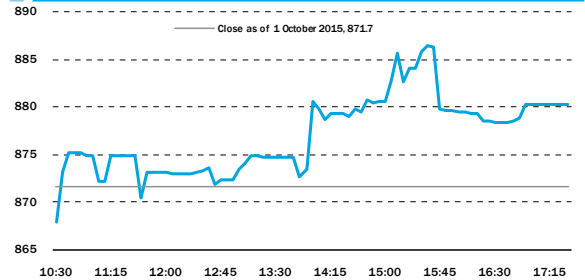
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	880.3	1.0%	-9.5%	-14.8%
RTS	764.9	-2.1%	-5.0%	-3.3%
WIG20	2036.3	-0.7%	-3.8%	-12.1%
MSCI EM	804.1	0.8%	0.4%	-15.9%
S&P 500	1951.4	1.4%	2.0%	-5.2%

UX INTRADAY OCTOBER 2, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	469.6	0.1%	6.8%	16.2%
CDS 5Y UKR	1050.0	-2.8%	-20.8%	-52.3%
Ukraine-17	20.9%	0.0 p.p.	-3.0 p.p.	-4.8 p.p.
MHP-20	12.6%	-0.1 p.p.	-0.1 p.p.	-4.9 p.p.
Ukraine-23	12.3%	-0.1 p.p.	-1.7 p.p.	4.8 p.p.
Privatbank-18	29.8%	-0.1 p.p.	-0.3 p.p.	na

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	21.15	0.5%	-3.2%	33.7%
EUR	23.74	-1.5%	-4.0%	24.1%
RUB	0.32	-0.2%	-2.4%	16.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	182.0	0.0%	1.2%	-26.0%
Steel, USD/t	300.0	0.0%	-7.0%	-33.3%
Oil, USD/bbl	48.1	0.9%	-4.4%	-25.0%
Gold, USD/oz	1138.8	2.3%	-0.1%	-3.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Hollande: Minsk Implementation to be Pushed Back From End-2015

by Will Ritter
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NEWS

Following a summit meeting of the leaders of Ukraine, Russia, Germany and France on Friday (Oct 2), French President Hollande stated that the sides had agreed that the end-2015 deadline for the implementation of the Minsk peace agreement needs to be pushed back into 2016. "Minsk has a calendar, and it has steps that must be taken one after another. The ceasefire took longer than planned and so did the arms withdrawals," Bloomberg News quoted Hollande as saying. Russian President Putin made no statement after the meeting, while President Poroshenko said over the weekend that Putin had promised him that he will ask the leaders of the Donetsk and Lugansk separatist republics to postpone their upcoming elections, with an announcement no later than tomorrow (Oct 6). The issue of the Donbass elections is the most contentious obstacle to the full implementation of Minsk, with Kyiv insisting that such elections can only be held "in accordance with Ukrainian law". Hollande said the postponement period of the elections should be around 3 months.

COMMENTARY

We are a somewhat surprised that the summit resulted in a call for the postponement of the DNR/LNR elections, but the overall result of the meeting, i.e. a pushback of the unachievable year-end deadline for implementation of Minsk, was fully in line with our expectations. Although we do not doubt that Putin has the power to force the DNR/LNR separatists to put off their votes (scheduled for Oct 18 and Nov 1 respectively), there has not yet been any reaction from the separatist governments. We understand that Putin is angling for quick relief from EU economic sanctions against his country, and he therefore agreed to the election postponement as a concession in hopes that sanctions could be lifted as soon as early 2016. From one side, the summit result looks like a positive achievement for Poroshenko; on the other hand, expectations that Donbass elections held "according to Ukrainian law" in a few months' time will result in the victory of pro-Kyiv political forces in the region are, in our view, naïve. We suppose that the main result of Friday's summit was simply "kicking the can down the road" and giving the peace process a few more months to take hold before tough decisions about the status of the Donbass need to be made. We reiterate our view that a full re-integration of the separatist enclaves into the national Ukrainian political system would be highly problematic for Kyiv and is therefore unlikely to occur, with the most probable outcome being a "frozen conflict".

Ukraine's Steel Output Decline Slowed to 20% YoY in 9M15

by Ivan Dzvinka
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NEWS

Ukrainian crude steel output is down by 20% YoY to 17.1mn tonnes YoY (as of Sept 30), according to data from industry association MetallurgProm. However, in September alone, Ukrainian steel mills smelted 2.06mn tonnes of steel, representing rises of 7% MoM and 14% YoY. Adjusting for the number of days, the average daily output increase in September was in double digits at 11% MoM.

COMMENTARY

The steel sector, which is the core export revenue generating industry in Ukraine, showed clear signs of a reduction in the pace of its 2015 decline in September. The 20% drop YoY over 9M15 compares favorably to the 31% plunge in 1Q15 and the 27% drop in 1H15. This phenomenon is to a large extent a result of 2014's declining comparison base, as the war in the Donbass region (the location of around 50% of domestic steelmaking capacity) began to detrimentally effect the sector's output statistics in August 2014. The weak statistical base of the latter months of 2014 should allow the domestic steel sector to further improve the results toward 2015 year-end. If the average steel production over Oct-Dec 2015 can be maintained at 2.0mn tonnes (close to the September figure), annual output will come in at near 23mn tonnes, suggesting a 15% YoY decline. This year's best month of steel production was in May at 2.17mn tonnes.

Apart from the infrastructure bottleneck as a consequence of the Donbass fighting, we attribute subdued Ukrainian production to steel oversupply on global markets from Chinese players. Chinese steelmakers continued to expand their exports in 2015 after 50% YoY growth in 2014 to 94mn tonnes. Over 8M15, China increased its steel exports by 27% YoY to 72mn tonnes, causing steel prices to fall to the lowest level since the 2008-09 global downturn. Unfortunately for Ukraine, declining steel consumption in China and the very slow process of shutting down excess steelmaking capacities in China will translate into continued pressure on prices driven by tough competition.

Ferrexpo's Pellet Output Down 1% YoY in 3Q15

by Ivan Dzvinka
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FERREXPO (FXPO LN)

Price: GBp 35.75 Market Cap: USD 317mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	0.96	1.7	2.7	24.3%
2015E	1.37	2.5	5.2	6.1%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, decreased production of pellets by 1.0% YoY to 2.86mn tonnes in 3Q15, the company reported in its production release this morning (Oct 5). Compared to 2Q15, output declined by 2.4%. Pellet production from in-house ore edged down by 1.4% YoY (+0.7% QoQ) to 2.80mn tonnes while pellets produced from third-party iron ore was at an insignificant 60,500 tonnes (+21% YoY and -60% QoQ). Production of 65-percent and 62-percent Fe-content pellets accounted for 87% and 13% of total output respectively, vs. 89%/11% in 2Q15 and 49%/51% in 3Q14.

In 9M15, Ferrexpo's pellet output is up by 5.1% YoY to 8.68mn tonnes, with 87% of output being of the 65-percent Fe product. Production from in-house ore improved by 3.1% to 8.30mn tonnes while output from external ore was down by 45% to 206,000 tonnes.

COMMENTARY

Ferrexpo's 3Q operational results are far from encouraging, as the drop in output both in YoY and QoQ terms was accompanied by a lowering in the share of high-value added 65-percent Fe pellets from the previous quarter. Our estimates imply that Ferrexpo earns an extra USD 3-5 per tonne of 65-percent Fe pellet vs. the 62-percent Fe product. On the positive side, the company said its September production was 992,000 tonnes, or close to full operating capacity (1.0mn tonnes); this implies that the insolvency of the group's related-party F&C bank in mid-September did not negatively impact operations. In the best-case scenario of maximum pellet output of 3.0mn tonnes in 4Q15, annual output will come in slightly below 11.7mn tonnes. We see low chances to reach full capacity use in Oct-Dec amid the threat of peak-season electricity shortages, along with the fact that maximum capacity utilization over the last 6 quarters was 95%. We thus stick to our forecast of 11.5mn tonnes output for FY15. In light of the adverse iron ore pricing environment, we confirm our SELL recommendation for the FXPO stock with target price of GBp 23.0 per share.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	44.9	56.50	26%	BUY	A hedged approach to doing 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	9.7	15.32	58%	BUY	MHP plans to increase its poultry output by 10% YoY to 600,000 tonnes in 2015, operating at full capacity use of its brand-new Vinnytsia complex. The group intends to expand its land bank in Ukraine to 500,000 ha in the medium term from the current 290,000 ha.
Astarta	AST PW	27.9	36.1	29%	BUY	Astarta has made decisive moves toward diversification (it launched a soybean processing plant in early 2014) and cost optimization (launch of bioenergy complex in 2014). With no assets in the Donbass, Astarta's exposure to UAH devaluation is largely offset by its UAH cost base.
IMC	IMC PW	5.3	9.4	79%	BUY	Quality business & cheap stock are attributes which appropriately fits to the case of IMC. The company's work on deleverage, ongoing land bank expansion program, no exposure to Donbass and high standards of corporate governance more than offset poor liquidity of the IMC's stock.
AvangardCo	AVGR LI	0.9	U/R	-	U/R	The terrible loss on EBITDA level of almost USD 100mn for 1H15 makes the company the king among financial reporting fabricators.
Ovostar Union	OVO PW	85.1	80.8	-5%	HOLD	Ovostar has been one of the hardest-hit Ukrainian public companies by this year's UAH devaluation, as some 70% of its production cost is linked to USD while only 15% of its revenue is earned in hard currencies.
Iron Ore						
Ferrexpo	FXPO LN	35.8	23.0	-36%	SELL	Downward trend in benchmark iron ore fines prices together with the reduction in pellet-to-fines pellet is exacerbated with frozen cash (USD 174mn) in related to Zhevago bank in September.
Steel						
Azovstal	AZST	0.77	0.56	-27%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.17	U/R	-	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbass separatist-occupied territory, and the plant has been experiencing periodic artillery shelling since August 2014. However, the company continues to operate, albeit at reduced capacity.
Specialized Machinery						
Motor Sich	MSICH	2385	5250	120%	BUY	Motor Sich should see its revenue 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%.
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	3.8	U/R	-	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	18.5	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	19.3	U/R	-	U/R	The Donetsk separatist government has nationalized DonbasEnerg's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnerg	CEEN	5.64	15.00	166%	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	0.077	0.24	213%	BUY	Raiffeisen Aval has a conservative risk policy, and we therefore assume it will manage to weather the current banking crisis in Ukraine and start to generate profits starting from 2016. The EBRD is expected to purchase a stake in the institution.

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	880.28	1158.71	836.46	1.0%	-0.4%	-9.5%	-14.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.029	0.010	-0.7%	0.7%	5.4%	-5.5%	-1.7%	1.1%	14.9%	9.3%
Azovstal	AZST	0.77	0.89	0.61	3.4%	7.4%	-1.9%	2.7%	2.4%	7.8%	7.5%	17.5%
Enakievo Steel	ENMZ	16.98	30.99	14.03	0.0%	4.9%	1.3%	-18.9%	-1.0%	5.3%	10.7%	-4.1%
Coke												
Avdyivka Coke	AVDK	1.17	2.84	0.86	-0.7%	17.0%	11.4%	-32.4%	-1.7%	17.4%	20.9%	-17.6%
Yasnyivsky Coking	YASK	0.26	0.52	0.14	0.0%	44.4%	-18.8%	-7.1%	-1.0%	44.8%	-9.3%	7.7%
Iron Ore Mining												
Centralny GOK	CGOK	7.72	n/a	n/a	0.0%	0.0%	29.3%	-0.9%	-1.0%	0.4%	38.8%	13.9%
Ferrexpo	FXPO	35.75	103.00	29.75	3.6%	0.0%	-37.3%	-32.5%	2.6%	0.4%	-27.8%	-17.7%
Pivnichny GOK	SGOK	5.25	12.30	4.44	0.0%	0.0%	-21.1%	-37.3%	-1.0%	0.4%	-11.6%	-22.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.35	n/a	n/a	0.0%	0.0%	-5.4%	-25.5%	-1.0%	0.4%	4.1%	-10.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.19	0.60	0.12	0.0%	0.0%	-17.4%	-50.0%	-1.0%	0.4%	-7.9%	-35.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.79	15.25	8.65	1.3%	3.1%	-5.9%	-23.8%	0.4%	3.4%	3.6%	-9.0%
Luhanskteplovoz	LTPL	0.80	n/a	n/a	0.0%	0.0%	-13.0%	-25.9%	-1.0%	0.4%	-3.6%	-11.1%
Specialized Machinery												
Motor Sich	MSICH	2385	2939	1970	0.0%	-5.3%	-8.7%	-3.9%	-1.0%	-4.9%	0.8%	10.9%
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	0.16	0.21	0.10	0.0%	1.3%	12.1%	3.3%	-1.0%	1.7%	21.6%	18.1%
Oil & Gas												
Regal Petroleum	RPT	3.75	8.25	3.13	0.0%	-5.3%	-11.8%	20.0%	-1.0%	-4.9%	-2.3%	34.8%
JKX Oil	JKX	18.50	51.00	11.00	-1.3%	5.7%	17.5%	54.2%	-2.3%	6.1%	26.9%	69.0%
Ukrnafta	UNAF	241.2	375.0	172.5	-1.4%	0.0%	-6.5%	18.6%	-2.4%	0.4%	3.0%	33.5%
Power Utilities												
Centrenergo	CEEN	5.64	8.50	5.26	2.5%	-5.2%	-23.5%	-25.2%	1.5%	-4.8%	-14.0%	-10.4%
Donbasenergo	DOEN	19.30	35.89	15.74	1.7%	5.0%	-0.5%	-41.5%	0.7%	5.4%	9.0%	-26.7%
Zakhidenergo	ZAEN	130.0	199.8	125.0	0.0%	0.0%	0.0%	-12.2%	-1.0%	0.4%	9.5%	2.6%
Consumer												
Agroton	AGT	1.06	2.16	0.95	1.9%	0.0%	0.0%	-13.8%	0.9%	0.4%	9.5%	1.0%
Astarta	AST	27.91	37.24	14.50	2.3%	6.5%	-8.2%	39.6%	1.3%	6.9%	1.3%	54.4%
Avangardo	AVGR	0.90	7.90	0.23	0.0%	1.2%	63.6%	-56.1%	-1.0%	1.6%	73.1%	-41.3%
Industrial Milk Company	IMC	5.25	7.34	4.38	1.2%	5.0%	1.0%	-7.4%	0.2%	5.4%	10.4%	7.4%
Kernel	KER	44.90	45.70	22.00	-0.2%	-1.8%	10.0%	57.8%	-1.2%	-1.4%	19.5%	72.6%
Mriya Agro Holding	MAYA	n/a	1.50	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	9.70	12.05	8.24	10.6%	5.4%	6.6%	5.4%	9.6%	5.8%	16.1%	20.2%
Milkiland	MLK	0.98	3.84	0.89	0.0%	-2.0%	-2.0%	-33.8%	-1.0%	-1.6%	7.5%	-19.0%
Ovostar Union	OVO	85.12	89.00	67.00	-4.4%	-4.4%	3.7%	18.2%	-5.3%	-4.0%	13.2%	33.0%
Chemicals												
Stirol	STIR	6.00	9.90	3.00	0.0%	0.0%	0.0%	-13.4%	-1.0%	0.4%	9.5%	1.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.077	0.129	0.073	-0.6%	-3.4%	-14.9%	-20.2%	-1.6%	-3.0%	-5.4%	-5.4%
UkrSotsbank	USCB	0.095	0.153	0.064	0.0%	-5.0%	-4.0%	-27.0%	-1.0%	-4.6%	5.4%	-12.2%

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	280	-62	-83	-100	neg	neg	neg	-214	-1,683	-190	neg	neg	neg
Enakievo Steel	ENMZ	1,507	906	539	-7	6	31	neg	0.6%	5.7%	-61	-33	24	neg	neg	4.4%
Azovstal	AZST	2,562	1,885	1,602	-81	183	126	neg	9.7%	7.8%	-308	77	66	neg	4.1%	4.1%
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	971	506	496	256	32.0%	35.8%	26.3%	264	184	126	16.7%	13.2%	13.0%
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	-4	10.9%	neg	neg	42	-23	-9	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	636	384	342	218	36.5%	38.9%	34.3%	162	129	92	15.4%	14.7%	14.5%
Telecom																
Ukrtelecom	UTLM	796	412	251	-199	85	72	neg	20.6%	28.5%	-279	18	9	neg	4.4%	3.6%
Oil & Gas																
Ukrnafta	UNAF	2,589	2,324	1,336	286	380	521	11.1%	16.4%	39.0%	23	105	253	0.9%	4.5%	19.0%
Regal Petroleum	RPT	37	35	22	-146	15	10	neg	44.5%	45.5%	-127	6	-1	neg	16.6%	neg
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	630	323	94	26	-12	10.3%	4.1%	neg	60	6	-28	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	1,379	1,134	391	555	520	26.1%	40.2%	45.9%	162	-412	31	10.8%	neg	2.7%
Kernel	KER	2,797	2,393	2,325	291	223	415	10.4%	9.3%	17.8%	105	-107	100	3.8%	neg	4.3%
Astarta	AST	491	422	347	91	143	98	15.5%	28.3%	23.5%	34	-82	-12	5.8%	neg	neg
Avangardco	AVGR	661	420	361	301	129	94	45.6%	30.9%	26.1%	238	-27	-13	36.0%	neg	neg
Ovostar	OVO	81	75	79	36	29	25	43.7%	38.9%	31.6%	31	26	24	38.0%	34.5%	30.7%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,333	2,869	2,166	888	390	295	723	327	217	90	-87	-115	10.1%	-22.2%	-39.1%
Ukrsotsbank	USCB	5,283	2,730	2,095	1,064	518	362	145	163	145	1	-42	-14	0.1%	-8.0%	-3.9%

Source: Eavex Research

MAIN TRADING MULTIPLES

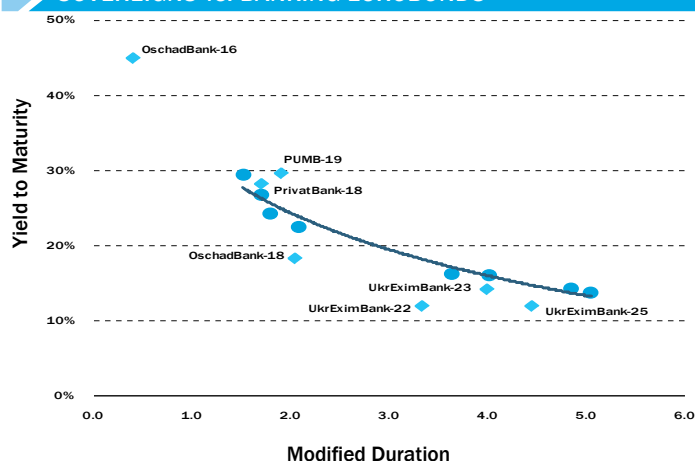
Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Steel																		
Alchevsk Steel	ALMK	17	3.9%	1	2,630	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	680	634	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	6	neg	neg	0.4	neg	1.1	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	152	3.0%	4	146	neg	2.0	2.3	neg	0.8	1.2	0.1	0.1	0.1	32	32	32	\$/tonne
Coke																		
Avdivka Coke	AVDK	11	6.8%	1	-28	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-7	-7	-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
Iron Ore Mining																		
Centralny GOK	CGOK	428	0.3%	1	426	2.2	3.7	5.3	1.4	1.9	2.7	0.6	0.7	0.8				
Pivnichny GOK	SGOK	572	0.4%	2	565	1.0	1.8	2.5	0.6	0.9	1.2	0.3	0.4	0.4				
Ferrexpo	FXPO	325	24.0%	78	1,342	1.2	1.8	2.6	2.7	2.7	5.2	0.8	1.0	1.4				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	23	2.0%	0	69	5.0	1.0	12.7	2.2	1.6	3.9	0.2	0.4	0.7	110	182	173	\$/tonne
Railcar Manufacturing																		
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	47	1.3	neg	neg	0.9	neg	neg	0.1	0.4	0.7				
Specialized Machinery																		
Turboatom	TATM	70	5.8%	4	39	1.0	1.3	3.1	0.4	0.5	1.1	0.2	0.2	0.3				
Motor Sich	MSICH	234	24.0%	56	262	1.4	1.8	2.5	0.7	0.8	1.2	0.2	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	139	7.2%	10	230	neg	7.7	15.3	neg	2.7	3.2	0.3	0.6	0.9				
Oil & Gas																		
Ukrnafta	UNAF	618	3.0%	19	611	26.5	5.9	2.4	2.1	1.6	1.2	0.2	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	19	21.6%	4	-6	neg	3.2	neg	neg	-0.4	-0.6	-0.2	-0.2	-0.3	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	49	50.4%	25	158	7.6	neg	9.9	2.4	2.3	2.3	0.9	1.1	1.1	29	22	21	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	99	21.7%	21	115	1.6	16.8	neg	1.2	4.4	neg	0.1	0.2	0.4	6	8	7	\$/MWh
DonbasEnerg	DOEN	22	14.2%	3	50	0.3	2.6	neg	0.7	2.5	neg	0.1	0.1	0.3	6	6	6	\$/MWh
Consumer																		
MHP	MHPC	1,025	34.1%	350	2,125	6.3	neg	>30	5.4	3.8	4.1	1.4	1.5	1.9				
Kernel	KER	961	61.8%	593	1,437	9.2	neg	9.7	4.9	6.5	3.5	0.5	0.6	0.6				
Astarta	AST	187	37.0%	69	398	5.5	neg	neg	4.4	2.8	4.1	0.8	0.9	1.1				
Avangardco	AVGR	57	22.5%	13	284	0.2	neg	neg	0.9	2.2	3.0	0.4	0.7	0.8	64	49	46	\$/mneqgs
Ovostar	OVO	137	25.0%	34	146	4.4	5.3	5.6	4.1	5.0	5.8	1.8	1.9	1.8	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	109	3.5%	4		1.2	neg	neg	0.1	0.3	0.4	0.02	0.04	0.05				
Ukrsotsbank	USCB	348	0.2%	1		>30	>30	>30	0.4	0.7	1.0	0.07	0.14	0.18				

Source: Eavex Research

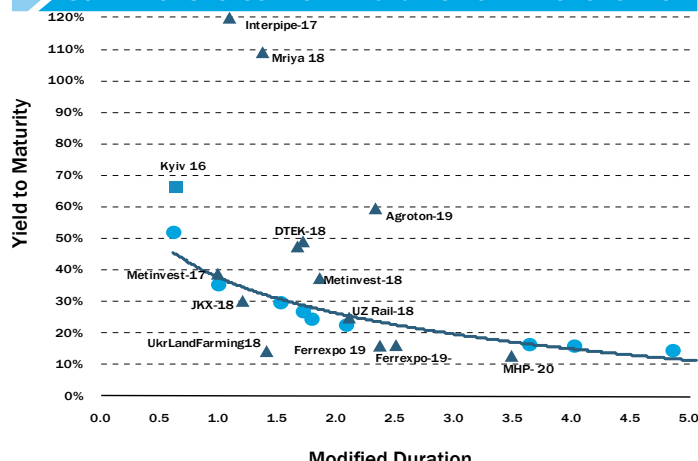
UKRAINIAN EUROBONDS

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)	82.0	84.0	n/a	n/a	22.1%	n/a	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	81.6	83.6	n/a	n/a	17.5%	n/a	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	78.6	79.9	n/a	n/a	26.4%	n/a	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	78.6	79.7	n/a	n/a	22.2%	n/a	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	79.0	80.0	n/a	n/a	25.8%	n/a	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	79.3	80.3	n/a	n/a	28.2%	n/a	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	78.5	80.0	n/a	n/a	28.9%	n/a	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	78.5	80.0	n/a	n/a	32.1%	n/a	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	79.0	80.0	n/a	n/a	33.3%	n/a	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	79.0	80.0	n/a	n/a	33.9%	n/a	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	79.4	80.4	12.9%	12.6%	32.7%	n/a	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	80.0	81.0	12.5%	12.0%	35.7%	n/a	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	21.9	25.9	63.8%	56.0%	-29.4%	2.2	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	84.6	86.2	12.9%	12.3%	23.8%	3.6	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	45.0	45.0			-30.2%	0.0	10.00%	S/A	29 Oct 2015	200	//WD
UkrLandFarming, 2018	71.3	74.5	13.9%	13.0%	61.9%	n/a	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	15.0	15.0			20.0%	0.1	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	n/a	1.3	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	44.0	46.0	53.9%	51.2%	-42.3%	1.7	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	38.9	40.3	56.4%	54.4%	-11.1%	1.7	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2015	n/a	n/a	n/a	n/a	n/a	n/a	10.25%	S/A	20 May 2015	114	Caa3//C
Metinvest, 2017	59.5	60.2	40.4%	39.7%	-14.5%	0.9	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	56.1	58.1	38.8%	36.8%	2.8%	1.7	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	65.3	67.3	26.1%	24.9%	-15.0%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	65.3	68.9	26.1%	24.0%	-14.0%	2.2	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	75.0	77.1	22.6%	21.3%	43.4%	2.0	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	27.0	32.0	118.4%	101.0%	-46.4%	1.0	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.2	75.0	31.1%	28.3%	25.5%	1.1	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	10.0	12.9	132.0%	112.0%	-86.2%	1.2	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	65.7	71.6	27.3%	23.9%	-2.6%	1.8	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	7.3	12.0	n/a	n/a	-22.7%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	74.6	74.6	126.1%	126.1%	4.3%	0.2	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	58.5	61.6	214.2%	188.9%	17.9%	0.2	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	68.2	70.1	30.5%	29.0%	17.2%	1.8	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	87.7	88.8	12.4%	12.1%	13.9%	3.2	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	71.3	74.5	13.9%	13.0%	45.7%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	85.6	86.8	12.4%	12.1%	43.7%	4.3	9.75%	S/A	22 Jan 2025	600	Ca//C
VAB Bank, 2019	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2023	86.4	87.8	12.2%	11.9%	34.0%	3.3	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	85.3	86.7	12.3%	12.0%	50.9%	4.1	8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	69.9	72.8	n/a	n/a	-4.5%	n/a	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	68.0	71.0	n/a	n/a	-2.1%	n/a	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

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									
UA4000142665			23%	20%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
UA4000185151			23%	21%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			23%	21%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			23%	21%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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