

**Market Update**

**Equity**

The UX index declined by 0.6% to 793 points on Friday (Oct 30) as traders were unable to find a reason to play long in domestic equities. News that Ukraine has edged up four places in the World Bank's Doing Business rankings, and now stands at 83rd out of 189 countries, had a neutral impact on the exchange. Among 10 index components, 6 finished in the red. Low-liquidity Krukiv Wagon (KVBZ) was the biggest decliner, dropping 4.2% to UAH 9.34 per share. Electricity blue chips CentrEnero (CEEN) and DonbasEnero fell 1.5% and 2.3% respectively, with the latter ending at UAH 17.97. UkrNafta (UNAF) edged down in line with the UX benchmark to UAH 215. On the currency front, the hryvnia lost 10 kopecks against the dollar to close at bid/ask of 23.00/23.10 UAH/USD on the interbank market. In London trading, Ferrexpo (FXPO) was unchanged at GBP 34.50, while Avangard (AVGR) added 0.9% to USD 1.16. Warsaw-listed Kernel (KER) edged down 0.6% to PLN 52.20 while Astarta (AST) advanced 5.2% to PLN 35.80 and Industrial Milk Company (IMC) gained 6.2% to PLN 6.64.

**Fixed Income**

Ukrainian sovereigns were unchanged on Friday. Ukraine-23s, which will be exchanged for a new issue by mid-November, closed at 79.5/80.5 cents on the dollar. In corporate debt, Avangard-15s surged 8.5 p.p. to 48.1/57.0 after the company successfully restructured the bonds. Ferrexpo-19s edged down 0.5 p.p. to 64.4/66.8 (26.9%/25.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	212.20	-1.8%	1.22	34
Azovstal	AZST	0.59	1.6%	0.67	28
Centrenero	CEEN	5.44	-1.5%	0.46	29

**Growth Leaders**

Bogdan Motors	LUAZ	0.01	20.5%	0.014	14
Azovstal	AZST	0.59	1.6%	0.667	28
Avdyivka Coke	AVDK	1.08	1.0%	0.223	8

**Loss Leaders**

Kryukiv Wagon	KVBZ	9.34	-4.2%	0.006	6
Donbasenergo	DOEN	17.97	-2.3%	0.369	30
Ukrnafta	UNAF	212.20	-1.8%	1.223	34

**Highlights**

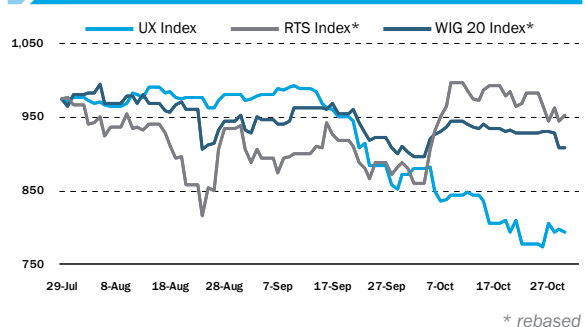
**POLITICS AND ECONOMICS**

- > Kolomooskiy Ally Arrested by Security Service in D'petrovsk

**FIXED INCOME**

- > UkrExim Posts Big Net Loss for 3Q
- > Fitch Confirms Interpipe's Rating at 'RD'

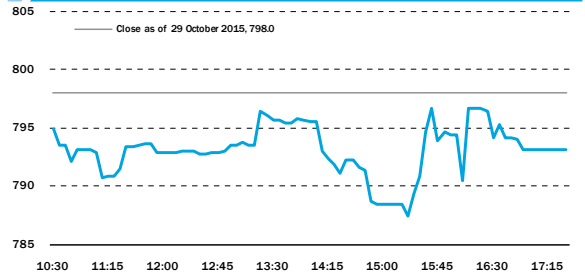
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	793.2	-0.6%	-6.9%	-23.2%
RTS	845.5	0.7%	7.8%	6.9%
WIG20	2060.0	0.0%	0.8%	-11.0%
MSCI EM	847.8	0.2%	9.2%	-11.3%
S&P 500	2079.4	-0.5%	10.4%	1.0%

**UX INTRADAY OCTOBER 30, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	422.2	0.4%	-12.6%	4.5%
CDS 5Y UKR	1050.0	0.0%	-2.8%	-52.3%
Ukraine-17	21.8%	0.0 p.p.	1.5 p.p.	-3.9 p.p.
MHP-20	12.2%	0.0 p.p.	-0.6 p.p.	-5.3 p.p.
Ukraine-23	11.5%	0.0 p.p.	-0.6 p.p.	4.0 p.p.
RAILUA-18	19.8%	0.1 p.p.	-2.4 p.p.	-14.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	22.95	-1.7%	6.9%	45.1%
EUR	25.70	0.3%	6.4%	34.3%
RUB	0.36	-1.2%	9.8%	30.5%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	191.3	0.0%	5.1%	-22.3%
Steel, USD/t	277.5	0.0%	-7.5%	-38.3%
Oil, USD/bbl	49.6	1.6%	1.4%	-22.8%
Gold, USD/oz	1142.2	-0.3%	1.3%	-3.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Kolomoskiy Ally Arrested by Security Service in D'petrovsk

by Will Ritter  
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### NEWS

Gennadiy Korban, a key ally of Dnipropetrovsk industrialist Igor Kolomoyskiy, was arrested on Saturday (Oct 31) in the eastern city in a raid by the Ukrainian Security Service. Initial reports say that Korban will be charged with embezzling UAH 40mn from a fund intended to support the Ukrainian military. A second serious charge is that Korban, who heads the UKROP political party, organized at least two kidnappings of government officials. UKROP is strong in Dnipropetrovsk and campaigns on militant patriotic slogans. Another Kolomoyskiy ally and UKROP member, Boris Filatov, is a candidate in the Nov 15 Dnipropetrovsk mayoral runoff. Korban was a minor candidate in the Kyiv mayoral race on Oct 25.

### COMMENTARY

Although President Poroshenko yesterday denied that there is any political connection to Korban's arrest, we very much doubt that such claims are going to be accepted at face value either by domestic analysts or the international community. Western demands, particularly from the US, that Kyiv's prosecutorial authorities crack down on corruption, probably did not have Korban or other Kolomoskiy allies first in mind. The problem with the embezzlement charge is that the defense fund in question was actually sponsored by Kolomoyskiy and Korban themselves. One rather disturbing theory that domestic analysts have put forward is that Poroshenko is convinced that Korban was using the fund to finance a private military that could be a physical threat to the government in Kyiv. We believe that the West is focused on seeing blows struck against corruption in Kyiv itself rather than in Dnipropetrovsk, and particularly within the office of General Prosecutor Viktor Shokin, who has become a lightning rod for both domestic and Western criticism. One prominent case which Poroshenko and Shokin are refusing to acknowledge is a Swiss money laundering investigation against pro-government MP Mykola Martynenko; it involves a massive alleged bribe of USD 30mn related to Ukraine's secretive state-controlled nuclear energy industry.

## UkrExim Posts Big Net Loss for 3Q

by Dmitry Churin  
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### NEWS

Government-owned UkrEximBank posted a net loss of UAH 4.5bn (USD 207mn at the average UAH/USD exchange rate for the period) in 3Q15, compared to its net loss of UAH 4.1bn in 3Q14, according to the bank's financials published on its official website on Friday (Oct 30). UkrExim's gross interest income rose 36.5% YoY to UAH 4.2bn while net interest income grew by 50% YoY to UAH 1.6bn in the period. The bank's provisions for loan impairment decreased by 37% YoY to UAH 3.4bn in 3Q15. For 9M15, UkrEximBank's net loss amounted to UAH 8.3bn (USD 382mn), rising 2.1x YoY.

UkrEximBank's total assets rose by 11% YtD to UAH 140bn (USD 6.5bn). Foreign currency denominated assets account for 62.7% of the bank's total assets.

### COMMENTARY

UkrExim suffered a revaluation losses of UAH 2.5bn in 3Q15 for its securities portfolio. Although we assume that most of UkrEximBank's UAH 45.6bn securities portfolio consists of Ukrainian sovereign bonds, there could be some other papers that led to revaluation losses in the period. We also suppose that during 2010-14, UkrExim may have issued large loans to corporations owned by individuals connected with the Yanukovich regime who are no longer servicing the debt. Although UkrExim's reported capital adequacy ratio remains above the 10% regulatory minimum at 12.7%, we assume that the bank will require a capital injection from the state in the coming quarters amounting to several billion UAH. The bank reported a strong current liquidity ratio of 125% as of 30 Sept 2015.

UkrEximBank's longest outstanding Eurobonds due in 2025 are listed at 89.1/90.0 (11.7%/11.5%). This suggests to us that the bonds are trading with a yield premium in the range of 300 bps over the new Ukrainian sovereigns that will appear after this month's expected restructuring exchange.

## Fitch Confirms Interpipe's Rating at 'RD'

by Ivan Dzvinka  
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### NEWS

Fitch Ratings has reiterating its rating of Interpipe, Ukraine's largest pipe maker, at 'Restricted Default', according to its release last Thursday (Oct 29). The rating of the company's 2017 Eurobonds was affirmed at 'C'. According to Fitch, the group is in its debt restructuring talks with the creditors with a formal proposal to be made to creditors by the end of this year. Fitch expects Interpipe's net revenue at USD 700-800mn and EBITDA at USD 60-75mn for FY15. Unrestricted cash is estimated by the agency at USD 15mn with no undrawn committed credit lines. The whole debt is now classified as current due to the group's default on its previous debt payment (a bond coupon that it missed in November 2013).

Fitch expects Interpipe's pipe production at 500,000 tonnes in FY15, down from 900,000 tonnes in FY13, due to the effective closure of the Russian market to the company and oversupply in North America. The 2H15 EBITDA of the pipe segment will be much weaker than the USD 28mn earned in 1H15, Fitch said, due to depressed pricing. In the wheel segment, Interpipe's output in FY15 is projected to amount to 70,000 tonnes, suggesting a 70% drop vs. FY13. Fitch expects no substantial increase in Interpipe's sales of pipes and wheels to the markets of Russia and Ukraine in the short run.

### COMMENTARY

While the Fitch report on the prospects of Interpipe looks gloomy, the real situation may turn out to be even worse; in mid-October, the Eurasian Economic Commission, the regulatory body of the Russia-led Customs Union, introduced a 4.75% anti-dumping duty on wheel imports from Ukraine (Interpipe is the sole exporter of this product from Ukraine). The initiators of the investigation (Russian wheel makers) are not satisfied with the level of the duty, and we see a high probability that it will be further increased in order to squeeze Interpipe out of the Russian market (as it was previously done with pipes). Based on the latest available information, Ukraine exported 56,000 tonnes of wheels to the Customs Union over the 12 months ending in June 2014. This is equivalent to a large majority of Interpipe's wheel output for 2015 (as estimated by Fitch).

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	52.2	57.20	10%	HOLD	Flat or rising YoY operating results expected by management in FY16 will not be enough to compensate for lower sunflower seeds crushing and grain trading margins.
MHP	MHPC LI	9.1	15.32	68%	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	35.8	36.1	1%	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	6.6	9.4	42%	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	1.2	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	87.6	80.8	-8%	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.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	34.0	23.0	-32%	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.
<b>Steel</b>						
Azovstal	AZST	0.59	0.56	-6%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.08	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2019	5250	160%	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%.
<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	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	27.5	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	18.0	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnergO's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnergO	CEEN	5.44	15.00	176%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.079	0.24	202%	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	793.19	1158.71	770.65	-0.6%	2.1%	-6.9%	-23.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.012	0.025	0.010	0.0%	0.0%	-9.2%	-17.9%	0.6%	-2.1%	-2.2%	5.3%
Azovstal	AZST	0.59	0.89	0.55	1.5%	-0.2%	-18.0%	-20.3%	2.1%	-2.2%	-11.0%	3.0%
Enakievo Steel	ENMZ	16.40	28.05	14.03	0.0%	2.1%	0.0%	-21.7%	0.6%	0.0%	6.9%	1.5%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.08	2.73	0.86	1.0%	7.6%	-0.6%	-37.5%	1.6%	5.5%	6.3%	-14.3%
Yasynivsky Coking	YASK	0.25	0.48	0.06	0.0%	0.0%	-3.8%	-10.7%	0.6%	-2.1%	3.1%	12.5%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.95	n/a	n/a	0.0%	5.5%	-10.0%	-10.8%	0.6%	3.4%	-3.0%	12.5%
Ferrexpo	FXPO	34.00	85.85	29.75	-1.4%	-4.9%	2.3%	-35.8%	-0.8%	-7.0%	9.2%	-12.6%
Pivnichny GOK	SGOK	3.50	12.30	2.20	0.0%	6.1%	-33.3%	-58.2%	0.6%	4.0%	-26.4%	-34.9%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.25	n/a	n/a	0.0%	0.0%	-28.6%	-46.8%	0.6%	-2.1%	-21.6%	-23.6%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.19	0.59	0.12	11.8%	35.7%	0.0%	-50.0%	12.4%	33.6%	6.9%	-26.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	9.34	13.96	8.65	-4.4%	2.5%	-2.7%	-27.3%	-3.8%	0.5%	4.2%	-4.1%
Luhanskteplovoz	LTPL	0.55	n/a	n/a	0.0%	22.2%	-31.3%	-49.1%	0.6%	20.2%	-24.3%	-25.8%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2019	2939	1951	0.3%	0.2%	-14.3%	-18.7%	1.0%	-1.8%	-7.4%	4.6%
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	0.15	0.21	0.10	0.0%	-4.5%	7.1%	-1.4%	0.6%	-6.6%	14.0%	21.9%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.10	6.50	3.13	10.1%	-8.9%	9.3%	31.2%	10.7%	-11.0%	16.3%	54.4%
JKX Oil	JKX	27.50	39.00	11.00	0.0%	1.9%	50.7%	129.2%	0.6%	-0.2%	57.6%	152.4%
Ukrnafta	UNAF	212.2	337.6	172.5	-1.8%	4.5%	-10.4%	4.4%	-1.2%	2.5%	-3.5%	27.6%
<b>Power Utilities</b>												
Centrenergo	CEEN	5.44	8.50	5.10	-1.5%	2.6%	0.4%	-27.9%	-0.9%	0.6%	7.3%	-4.7%
Donbasenergo	DOEN	17.97	35.28	15.57	-2.6%	3.8%	-2.2%	-45.5%	-2.0%	1.7%	4.7%	-22.3%
Zakhidenergo	ZAEN	90.0	193.9	75.1	-2.2%	5.9%	-30.8%	-39.2%	-1.6%	3.8%	-23.8%	-16.0%
<b>Consumer</b>												
Agroton	AGT	1.28	2.08	0.95	0.0%	-5.9%	20.8%	4.1%	0.6%	-8.0%	27.7%	27.3%
Astarta	AST	35.78	36.90	14.50	5.2%	11.3%	31.1%	78.9%	5.8%	9.2%	38.0%	102.1%
Avangardo	AVGR	1.16	6.50	0.23	0.9%	5.5%	36.5%	-43.4%	1.5%	3.4%	43.4%	-20.2%
Industrial Milk Company	IMC	6.64	7.34	4.38	6.2%	-2.8%	32.8%	17.1%	6.8%	-4.9%	39.7%	40.3%
Kernel	KER	52.20	55.20	23.00	-0.6%	-0.6%	17.1%	83.4%	0.0%	-2.6%	24.0%	106.7%
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	9.10	12.05	8.24	-0.5%	-4.2%	-2.2%	-1.1%	0.1%	-6.3%	4.8%	22.2%
Milkiland	MLK	1.90	3.50	0.89	5.0%	-5.5%	95.9%	28.4%	5.6%	-7.5%	102.8%	51.6%
Ovostar Union	OVO	87.62	89.51	68.00	0.3%	-0.4%	1.9%	21.7%	0.9%	-2.5%	8.8%	44.9%
<b>Chemicals</b>												
Stirol	STIR	5.20	9.08	3.00	-5.5%	-13.3%	-13.3%	-25.0%	-4.9%	-15.4%	-6.4%	-1.7%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.079	0.126	0.070	-1.6%	3.0%	3.9%	-17.3%	-1.0%	0.9%	10.9%	5.9%
UkrSotsbank	USCB	0.089	0.152	0.064	0.0%	-1.0%	2.3%	-31.6%	0.6%	-3.1%	9.2%	-8.4%

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	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%
<b>Coke</b>																
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
<b>Iron Ore Mining</b>																
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%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	310	193	92	31	43	18	10.1%	22.6%	19.3%	5	23	2	1.5%	11.7%	2.0%
<b>Railcar Manufacturing</b>																
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
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	796	412	251	-199	85	72	neg	20.6%	28.5%	-279	18	9	neg	4.4%	3.6%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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	190	72	20	-12	11.0%	4.4%	neg	65	8	-16	9.9%	1.8%	neg
<b>Consumer</b>																
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	2,330	291	223	397	10.4%	9.3%	17.0%	105	-107	101	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%
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	13	3.9%	1	2,627	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	679	633	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	5	neg	neg	0.3	neg	0.9	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	109	3.0%	3	102	neg	1.4	1.7	neg	0.6	0.8	0.0	0.1	0.1	22	23	22	\$/tonne
<b>Coke</b>																		
Avdiyivka 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	355	0.3%	1	353	1.8	3.1	4.4	1.1	1.6	2.2	0.5	0.6	0.6				
Pivnichny GOK	SGOK	351	0.4%	1	345	0.6	1.1	1.6	0.4	0.5	0.7	0.2	0.2	0.3				
Ferrexpo	FXPO	309	24.0%	74	1,326	1.2	1.7	2.5	2.6	2.7	5.2	0.8	1.0	1.4				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	22	2.0%	0	67	4.6	1.0	11.7	2.1	1.5	3.8	0.2	0.3	0.7	107	177	168	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	5	24.0%	1	42	0.3	neg	n/a	1.2	neg	n/a	0.1	0.3	n/a				
Krukiv Wagon	KVBZ	47	5.0%	2	40	1.1	neg	neg	0.8	neg	neg	0.1	0.3	0.6				
<b>Specialized Machinery</b>																		
Turboatom	TATM	64	5.8%	4	34	0.9	1.2	2.8	0.4	0.5	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	183	24.0%	44	187	1.1	1.4	2.0	0.5	0.5	0.9	0.2	0.2	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	122	7.2%	9	213	neg	6.7	13.4	neg	2.5	3.0	0.3	0.5	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	501	3.0%	15	494	21.5	4.8	2.0	1.7	1.3	0.9	0.2	0.2	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	20	21.6%	4	-5	neg	3.6	neg	neg	-0.3	-0.5	-0.1	-0.1	-0.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	73	50.4%	37	182	11.3	neg	14.7	2.7	2.6	2.6	1.0	1.2	1.2	33	25	24	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	88	21.7%	19	70	1.5	14.9	neg	0.7	2.7	neg	0.1	0.1	0.2	4	5	4	\$/MWh
DonbasEnerg	DOEN	19	14.2%	3	34	0.3	2.2	neg	0.5	1.7	neg	0.1	0.1	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	962	34.1%	328	2,062	5.9	neg	>30	5.3	3.7	4.0	1.4	1.5	1.8				
Kernel	KER	1,117	61.8%	690	1,456	10.6	neg	11.1	5.0	6.5	3.7	0.5	0.6	0.6				
Astarta	AST	240	37.0%	89	451	7.0	neg	neg	5.0	3.1	4.6	0.9	1.1	1.3				
Avangardco	AVGR	74	22.5%	17	300	0.3	neg	neg	1.0	2.3	3.2	0.5	0.7	0.8	68	52	49	\$/mneqgs
Ovostar	OVO	141	25.0%	35	150	4.6	5.5	5.8	4.2	5.1	6.0	1.8	2.0	1.9	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	104	3.5%	4		1.2	neg	neg	0.1	0.3	0.4	0.02	0.04	0.05				
Ukrsotsbank	USCB	300	0.2%	1		>30	>30	>30	0.3	0.6	0.8	0.07	0.14	0.18				

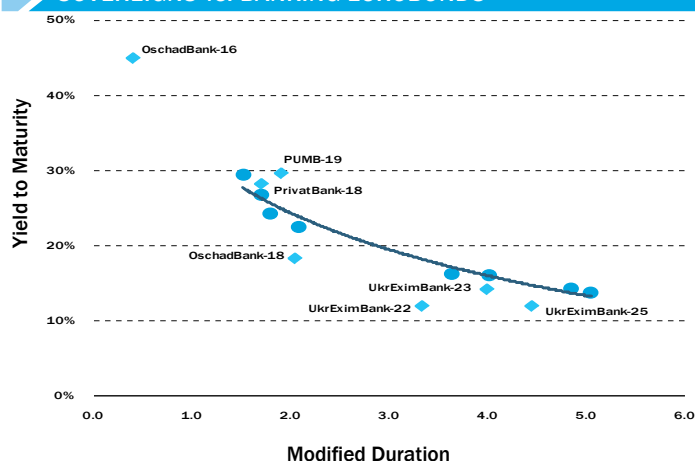
Source: Eavex Research



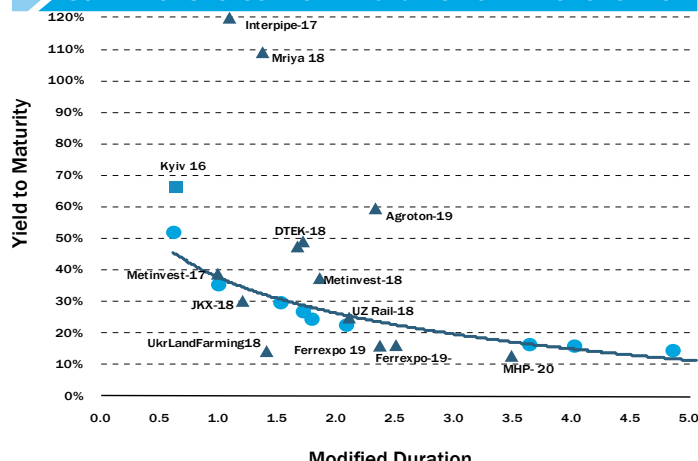
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
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	80.0	82.3	n/a	n/a	15.4%	n/a	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	78.6	80.0	n/a	n/a	26.5%	n/a	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	78.4	79.8	n/a	n/a	22.1%	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	79.0	80.0	n/a	n/a	27.8%	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	80.5	82.0	n/a	n/a	36.3%	n/a	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	78.0	80.0	n/a	n/a	33.0%	n/a	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	79.0	80.5	13.2%	12.8%	32.5%	n/a	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	79.5	81.5	11.8%	11.3%	35.7%	n/a	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.8	116.4%	92.7%	-64.9%	1.5	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	86.4	87.4	12.3%	12.0%	25.9%	3.5	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	48.1	57.0			-18.5%	2.4	10.00%	S/A	29 Oct 2015	200	//WD
UkrLandFarming, 2018	49.5	49.5	48.7%	48.7%	10.0%	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	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	53.0	56.0	43.9%	40.7%	-30.1%	1.7	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	47.0	52.0	46.7%	41.0%	11.2%	1.8	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2017	64.1	66.0	36.7%	34.9%	-7.1%	0.9	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	62.0	64.0	33.9%	32.1%	13.5%	1.7	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	65.0	67.4	26.5%	25.1%	-15.1%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	64.4	66.8	26.9%	25.5%	-15.9%	2.1	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	79.4	80.9	20.2%	19.3%	51.2%	2.0	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	36.0	38.5	95.2%	88.5%	-32.3%	1.0	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.1	74.4	32.7%	29.4%	24.1%	1.0	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	8.9	11.8	133.9%	113.1%	-87.6%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	65.4	77.1	27.8%	21.1%	1.0%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	5.7	11.2	n/a	n/a	-32.7%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	70.7	75.0	200%	164%	16.2%		9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	59.4	62.5	260%	229%	19.6%	0.2	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	66.5	66.5	32.2%	32.2%	12.7%	1.7	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	90.8	91.9	11.7%	11.4%	17.9%	3.4	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.5	75.3	13.6%	12.9%	47.8%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	89.1	90.0	11.7%	11.5%	49.2%	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	88.7	89.7	11.7%	11.5%	37.2%	3.2	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	86.9	87.7	12.0%	11.8%	53.1%	4.0	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	71.8	74.4	n/a	n/a	-2.2%	n/a	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	70.8	72.9	n/a	n/a	1.1%	n/a	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



<sup>1</sup> 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
<b>UAH denominated Bonds</b>									
UA4000142665			23%	20%	n/a	14.30%	S/A	24 May 2017	n/a
<b>VAT Bonds</b>									
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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