

Market Update

Equity

Local Ukrainian equities ended higher on Friday (Feb 27) as signs of a stabilization of the hryvnia encouraged traders to open long positions. The UX index climbed 0.5% to close 1124 points. CentrEnergy (CEEN) and Raiffeisen Aval (BAVL) added 1.8% each, and low-liquidity blue chips Avdyivka Coke (AVDK) and Yenakievo Steel (ENMZ) advanced 5.2% and 3.4% respectively thanks to a gradual implementation of the ceasefire agreement for the Donbass. Volume leader Motor Sich (MSICH) finished lower by 0.7% at UAH 2800 on turnover of UAH 2.3mn. Outside the UX basket, sporadically traded third-tier issue Galnaftogaz (GLNG) saw some action, rising by 6.7% from its previous listed price to 16 kopecks per share. In London it was a quiet trading day for Ukrainian names, with Ferrexpo (FXPO) inching down 0.8% and JXX Oil&Gas (JKX) edging up 0.3%. In Warsaw, diversified agro producer Kernel (KER) put in a strong performance, jumping 7.9% to PLN 32.00 after reporting a record-high EBITDA for the Oct-Dec quarter.

Fixed Income

Ukrainian sovereigns saw a relatively moderate rebound on Friday after a statement by an IMF representative that the Fund will probably decide on Mar 11 about providing a large initial loan tranche to Ukraine. Ukraine-23s and Ukraine-17s advanced by 3.5p.p. and 2.3p.p. to 42.5/43.5 (23.8%/23.3%) and 42.0/44.0 (46.6%/44.3%), respectively. Corporate names were mixed. MHP-20s declined by 2.1p.p. to 60.0/63.0 (21.6%/20.2%) while UkrlandFarming-18s improved by 2.0p.p. to 38.0/42.0 (54.7%/49.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	324.10	0.6%	2.6	200
Motor Sich	MSICH	2802.00	-0.7%	2.3	118
Centrenergy	CEEN	8.00	1.7%	1.9	231

Growth Leaders

Stakhanov Wagon	SVGZ	0.36	21.0%	0.44	15
Yasynivsky Coke	YASK	0.35	16.3%	0.01	18
Stirol	STIR	8.80	10.0%	0.01	10

Loss Leaders

MHP UX	MHPC	281.00	-13.5%	0.144	26
Ukrsotsbank	USCB	0.11	-3.9%	0.037	7
Dniproenergo	DNEN	617.50	-1.6%	0.199	9

Highlights

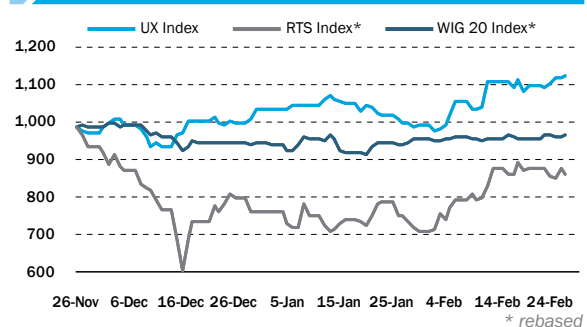
POLITICS AND ECONOMICS

- OSCE Cites Donbass Progress But Says Too Early to Confirm Weapons Pullback

STOCKS IN THE NEWS

- Avangard Approves 46-Cent Dividend to Minorities, Payout Date Still Not Set

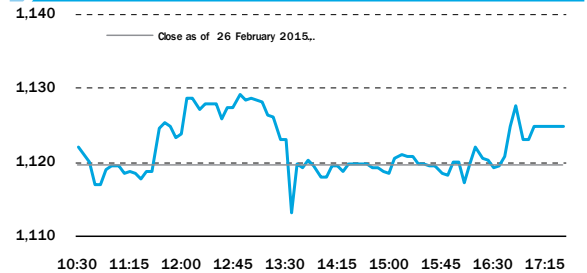
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1124.9	0.5%	12.9%	8.9%
RTS	896.6	-1.7%	14.4%	13.4%
WIG20	2367.1	0.3%	2.5%	2.2%
MSCI EM	990.3	-0.4%	0.0%	3.6%
S&P 500	2104.5	-0.3%	3.7%	2.2%

UX INTRADAY FEBRUARY 27, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	402.3	-2.0%	-9.2%	-0.5%
CDS 5Y UKR	2224.0	0.4%	-9.0%	-0.4%
Ukraine-17	45.4%	-2.7 p.p.	11.8 p.p.	19.8 p.p.
Ferrexpo-16	32.7%	0.0 p.p.	4.5 p.p.	1.4 p.p.
Ukraine-23	23.5%	-1.9 p.p.	4.9 p.p.	16.0 p.p.
Privatbank-16	199.4%	0.7 p.p.	98.8 p.p.	114.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	27.25	-19.3%	70.8%	72.3%
EUR	30.49	-19.3%	68.0%	59.3%
RUB	0.44	-20.5%	85.8%	59.8%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	213.3	0.0%	-4.3%	-13.3%
Steel, USD/t	390.0	0.0%	-9.3%	-13.3%
Oil, USD/bbl	62.6	4.2%	23.3%	5.7%
Gold, USD/oz	1213.2	0.3%	-6.1%	2.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

OSCE Cites Donbass Progress But Says Too Early to Confirm Weapons Pullback

by Will Ritter
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NEWS

OSCE representative in Ukraine Heidi Tagliavini said on Friday (Feb 27) that there have been “encouraging signs” that both pro-Ukrainian and pro-separatist forces have begun to pull back their heavy weaponry from the front lines of the Donbass conflict in Eastern Ukraine, AFP reported. The diplomat was speaking at the United Nations Security Council. However, the current situation is at a “crossroads” and the risk of further escalation still exists, Tagliavini said. In related news, the US and Russian foreign ministers are holding their latest round of discussions on the Ukraine conflict today (Mar 2) in Geneva, while the Ukrainian and Russian energy ministers are meeting in Brussels along with a European Commission vice president to discuss the quarrel that has erupted over direct supplies of natural gas from Russia to the Donbass separatist republics. Moscow has been billing Ukraine’s Naftogaz for these deliveries, arguing that Kyiv has financial responsibility for energy supplies to Donetsk and Lugansk according to the Minsk ceasefire agreement signed on Feb 12.

COMMENTARY

The news flow over this weekend was dominated by the Friday night murder of top Russian opposition politician Boris Nemtsov in Moscow, and this overshadowed the positive development that this was quietest weekend along the Donbass war front since early January. We are hopeful that both sides now have a strong enough incentive to halt the fighting that a period of relative calm could ensue for at least several months, allowing Kyiv regain its lost focus on improving the economy and firming up the value of the battered hryvnia. Nemtsov had been due to lead a rally against Russia’s participation in the Donbass war on Sunday (Mar 1), and one disturbing theory about his killing is that it may have been organized by elements from the Donbass separatist republics. The theme of the Sunday rally was subsequently changed to mourn Nemtsov and his contribution to Russian opposition politics; the turnout was reported to be in the 40-50,000 range. The coming days will be key to cementing the implementation of the ceasefire and preventing a re-escalation of the situation, as there are extremist groups on both the Ukrainian and separatist sides who are opposed to the peace deal.

Avangard Approves 46-Cent Dividend to Minorities, Payout Date Still Not Set

by Ivan Dzvinka
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AVANGARD (AVGR LI)

Price: USD 2.88 Market Cap: USD 184mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014E	0.8	neg	2.9	0%
2015E	0.9	5.7	3.4	0%

NEWS

At a special shareholder meeting on Thursday (Feb 26), Ukraine's largest egg producer Avangard approved a dividend payout of USD 6.6mn to its minority shareholders of record on 14 October 2014, the company said in a London Stock Exchange filing. The dividend is equivalent to some USD 0.46 per GDR (1 share = 10 GDRs). The exact date of the dividend distribution to the minorities is still to be determined by the board. The remaining dividend of USD 22.9mn to Avangard's majority shareholder, the UkrLandFarming group, will be paid at a later unspecified date.

COMMENTARY

While the approval of the dividend was an expected move by the company, the lack of specification of the exact date of the payout is a negative surprise, since as recently as late January, the company had said the payout would occur in the first week of March (i.e. this week). This situation raises our concern about another delay, with the payout having originally been promised by late 2014 at Avangard's annual meeting back in September.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.85	0.56	-34%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	65.5	48.0	-27%	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.
Pivnichny GOK	SGOK	9.10	U/R	-	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	8.60	U/R	-	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
Coke						
Avdyivka Coke	AVDK	1.53	U/R	-	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
Yasynivsky Coke	YASK	0.35	U/R	-	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
Pokrovske Mine	SHCHZ	0.48	U/R	-	Susp.	The company's coal production expansion plan were put under high risk of realization due to war in Donbass.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	12.5	U/R	-	U/R	
LuganskTeplovoz	LTPL	1.80	U/R	-	U/R	LuganskTeplovoz was forced to shut down operations amid military conflict in the region.
Specialized Machinery						
Motor Sich	MSICH	2802	5250	87%	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	4.6	U/R	-	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	36.1	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	29.9	72.0	141%	BUY	DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.
CenterEnergO	CEEN	8.00	15.00	88%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	9.3	17.96	94%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	24.8	90.0	263%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	2.9	2.7	-8%	HOLD	Loss of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after some 55% drop in 2014.
Ovostar Union	OVO	70.0	80.8	15%	HOLD	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 15% of revenue earned in hard currency.
Banks						
Raiffeisen Bank Aval	BAVL	0.106	0.24	127%	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	1124.88	1368.76	908.88	0.5%	2.4%	12.9%	8.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.015	0.045	0.011	0.7%	7.9%	15.3%	4.1%	0.2%	5.5%	2.4%	-4.7%
Azovstal	AZST	0.85	0.95	0.35	-0.1%	1.3%	23.3%	13.8%	-0.6%	-1.0%	10.4%	5.0%
Enakievo Steel	ENMZ	18.45	65.00	14.81	3.7%	-1.0%	-3.8%	-11.9%	3.2%	-3.4%	-16.6%	-20.8%
Coke												
Avdyivka Coke	AVDK	1.53	3.62	1.10	4.5%	8.9%	27.1%	-11.8%	4.1%	6.6%	14.2%	-20.7%
Yasnyivsky Coking	YASK	0.35	0.84	0.18	16.7%	34.6%	40.0%	25.0%	16.2%	32.3%	27.1%	16.1%
Iron Ore Mining												
Centralny GOK	CGOK	8.60	n/a	n/a	0.0%	2.4%	4.9%	10.4%	-0.5%	0.0%	-8.0%	1.5%
Ferrexpo	FXPO	65.50	163.80	47.91	-0.8%	1.6%	19.1%	23.6%	-1.2%	-0.8%	6.2%	14.7%
Pivnichny GOK	SGOK	9.10	12.30	4.44	0.1%	8.3%	-3.6%	8.7%	-0.4%	6.0%	-16.5%	-0.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.79	0.17	0.0%	0.0%	65.5%	2.1%	-0.5%	-2.4%	52.7%	-6.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.56	1.01	0.20	14.3%	30.2%	55.6%	47.4%	13.8%	27.9%	42.7%	38.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	12.45	22.00	10.00	1.9%	1.2%	12.2%	-3.1%	1.4%	-1.1%	-0.7%	-12.0%
Luhanskeplovoz	LTPL	1.80	1.80	0.85	9.1%	50.0%	65.1%	66.7%	8.6%	47.6%	52.3%	57.8%
Specialized Machinery												
Motor Sich	MSICH	2802	2939	1587	-0.8%	-0.8%	10.1%	12.8%	-1.3%	-3.2%	-2.8%	4.0%
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%	9.2%	34.8%	2.0%	-0.5%	6.8%	21.9%	-6.9%
Oil & Gas												
Regal Petroleum	RPT	4.57	12.50	3.13	1.7%	1.6%	32.8%	46.2%	1.2%	-0.8%	20.0%	37.4%
JKX Oil	JKX	36.13	64.00	11.00	0.3%	18.4%	201.0%	201.0%	-0.1%	16.1%	188.2%	192.2%
Ukrnafta	UNAF	324.1	375.0	54.0	0.5%	6.8%	34.0%	59.4%	0.0%	4.4%	21.1%	50.6%
Power Utilities												
Centrenergo	CEEN	8.00	8.70	3.00	1.2%	3.6%	10.1%	6.0%	0.7%	1.3%	-2.7%	-2.8%
Donbasenergo	DOEN	29.89	50.16	11.00	-1.5%	-0.3%	-5.5%	-9.4%	-1.9%	-2.7%	-18.4%	-18.3%
Zakhidenergo	ZAEN	156.9	199.8	91.2	1.2%	13.5%	16.2%	5.9%	0.8%	11.2%	3.4%	-2.9%
Consumer												
Agroton	AGT	1.32	5.48	1.19	-1.5%	0.0%	4.8%	7.3%	-2.0%	-2.4%	-8.1%	-1.5%
Astarta	AST	24.80	55.99	14.50	0.0%	2.4%	-2.0%	24.0%	-0.5%	0.1%	-14.8%	15.1%
Avangardo	AVGR	2.88	10.40	1.83	0.0%	-4.0%	51.6%	40.5%	-0.5%	-6.4%	38.7%	31.6%
Industrial Milk Company	IMC	5.96	10.39	5.46	-0.7%	-13.6%	-0.7%	5.1%	-1.1%	-16.0%	-13.5%	-3.7%
Kernel	KER	32.00	34.50	22.00	7.9%	1.9%	1.7%	12.4%	7.5%	-0.5%	-11.1%	3.6%
Mriya Agro Holding	MAYA	0.36	5.85	0.36	0.0%	-25.7%	-36.3%	-35.2%	-0.5%	-28.1%	-49.1%	-44.1%
MHPC	MHPC	9.25	15.77	9.00	-2.6%	-7.5%	1.6%	0.5%	-3.1%	-9.9%	-11.2%	-8.3%
Milkiland	MLK	2.94	10.22	1.48	-7.3%	-7.0%	42.7%	98.6%	-7.7%	-9.3%	29.9%	89.8%
Ovostar Union	OVO	70.00	76.74	59.40	2.1%	-0.8%	-5.4%	-2.8%	1.6%	-3.2%	-18.3%	-11.6%
Chemicals												
Stirol	STIR	8.80	n/a	n/a	10.0%	3.5%	22.2%	27.0%	9.5%	1.2%	9.4%	18.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.106	0.190	0.086	1.8%	6.5%	16.1%	9.9%	1.4%	4.1%	3.2%	1.0%
UkrSotsbank	USCB	0.110	0.200	0.090	-3.9%	-0.9%	-8.3%	-15.5%	-4.4%	-3.3%	-21.2%	-24.4%

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
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	118	31	18	23	10.1%	9.5%	19.3%	5	3	2	1.5%	1.5%	2.0%
Railcar Manufacturing																
Luhanskeplovovoz	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	149	114	90	56	36	42.1%	37.3%	32.0%	72	49	23	33.5%	33.0%	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																
Centrenerg	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	228	271	72	20	13	11.0%	8.8%	4.9%	65	18	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	2,900	291	223	325	10.4%	9.3%	11.2%	105	-107	170	3.8%	neg	5.9%
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	14	3.9%	1	953	neg	neg	neg	neg	neg	neg	0.6	1.4	2.8	246	230	223	\$/tonne
Yenakievo Steel	ENMZ	7	8.8%	1	4	neg	neg	neg	neg	0.1	0.1	0.0	0.0	0.0	2	1	1	\$/tonne
Azovstal	AZST	131	3.0%	4	126	neg	3.7	5.7	neg	0.8	1.1	0.0	0.1	0.1	27	28	28	\$/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	4	9.0%	0	4	neg	neg	neg	0.2	neg	neg	0.0	0.0	0.0	0.2	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	370	0.3%	1	368	1.9	3.2	4.6	1.2	1.6	2.2	0.5	0.6	0.7				
Pivnichny GOK	SGOK	769	0.4%	3	763	1.4	2.4	3.4	0.8	1.2	1.6	0.5	0.5	0.6				
Ferrexpo	FXPO	590	24.0%	142	1,284	2.2	3.2	6.0	2.5	2.8	5.0	0.8	1.0	1.2				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	53	2.0%	1	99	11.4	18.3	22.7	3.2	5.4	4.4	0.3	0.5	0.8	157	261	248	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	14	24.0%	3	52	0.7	neg	n/a	1.5	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	52	5.0%	3	47	1.3	neg	neg	0.9	4.7	9.5	0.1	0.4	0.7				
Specialized Machinery																		
Turboatom	TATM	54	5.8%	3	27	0.8	1.1	2.4	0.3	0.5	0.8	0.1	0.2	0.2				
Motor Sich	MSICH	214	24.0%	51	210	1.3	1.7	3.2	0.5	0.6	1.3	0.2	0.2	0.5				
Telecom																		
Ukrtelecom	UTLM	107	7.2%	8	410	6.3	6.7	13.4	2.2	3.9	5.8	0.5	1.1	1.8				
Oil & Gas																		
Ukrnafta	UNAF	645	3.0%	19	642	27.7	20.3	>30	2.2	4.0	4.9	0.2	0.4	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-3	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	95	50.4%	48	204	14.7	12.2	19.1	3.1	3.0	2.9	1.1	1.0	1.4	37	28	27	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	108	21.7%	24	95	1.8	6.8	12.3	1.0	2.8	4.2	0.1	0.2	0.2	5	7	6	\$/MWh
DonbasEnerg	DOEN	26	14.2%	4	52	0.4	1.5	8.8	0.7	2.6	3.9	0.1	0.2	0.2	6	7	6	\$/MWh
Consumer																		
MHP	MHPC	977	34.1%	333	2,057	6.0	neg	10.1	5.3	3.8	3.7	1.4	1.4	1.3				
Kernel	KER	686	61.8%	424	1,422	6.5	neg	4.0	4.9	6.4	4.4	0.5	0.6	0.5				
Astarta	AST	167	37.0%	62	413	4.9	neg	5.6	4.5	2.7	3.4	0.8	0.9	1.0				
Avangardco	AVGR	184	22.5%	41	371	0.8	neg	5.7	1.2	2.9	3.4	0.6	0.8	0.9	84	64	60	\$/mneqgs
Ovostar	OVO	113	25.0%	28	120	3.7	3.8	4.7	3.4	3.7	4.8	1.5	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	116	3.5%	4		1.3	neg	neg	0.1	0.3	0.3	0.02	0.04	0.04				
Ukrsotsbank	USCB	74	1.0%	1		>30	>30	>30	0.1	0.2	0.2	0.01	0.05	0.03				

Source: Eavex Research

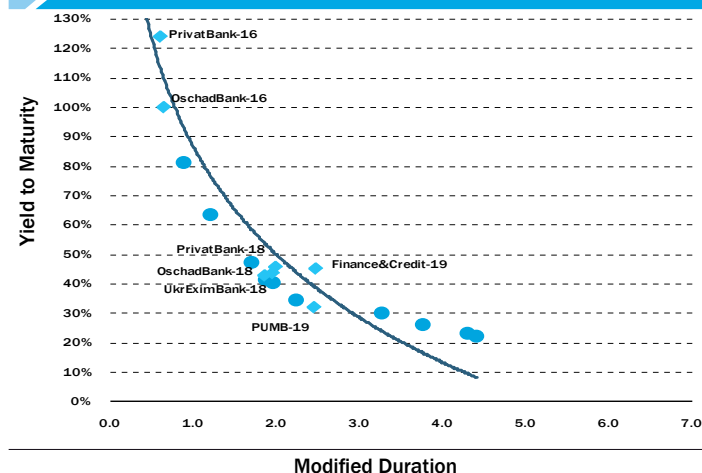
UKRAINIAN EUROBONDS

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	201.6%	186.7%	-32.3%	0.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CC
Ukraine, 2015	49.5	51.1	191.6%	180.4%	-28.5%	0.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CC
Ukraine, 2016	42.2	43.4	69.1%	66.7%	-31.7%	1.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CC
Ukraine, 2016-2	42.4	43.8	90.4%	86.7%	-33.4%	0.8	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CC
Ukraine, 2017	42.0	44.0	46.6%	44.3%	-32.0%	1.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CC
Ukraine, 2017-2	42.0	44.0	56.1%	53.2%	-30.9%	1.6	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CC
Ukraine, 2017 Infr. projects	39.0	42.0	54.0%	50.0%	-34.1%	1.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	38.0	41.0	47.2%	43.7%	-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%	3.3	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	25.1%	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	43.2%	37.6%	-3.0%	2.9	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	85.0	90.0	122.4%	80.9%	-7.9%	0.1	10.25%	S/A	29 Apr 2015	235	Caa2//CC
MHP, 2020	60.0	63.0	21.6%	20.2%	-10.9%	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	38.0	42.0	54.7%	49.5%	-20.8%	1.8	10.88%	S/A	26 Mar 2018	500	/CCC-/CC
Mriya, 2016	11.0	14.0	413.0%	344.0%	-3.8%	0.4	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	10.0	13.0	133.5%	113.1%	4.6%	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	50.0	55.0	642.9%	530.6%	-32.3%	0.1	9.50%	S/A	28 Apr 2015	200	Caa2//CC
DTEK, 2018	35.0	40.0	52.7%	46.2%	-17.6%	1.9	7.88%	S/A	4 Apr 2018	750	Caa2//CC
Metinvest, 2015	58.5	63.5	336.5%	275.6%	-24.2%	0.1	10.25%	S/A	20 May 2015	114	Caa2//CC
Metinvest, 2017	44.0	49.0	50.2%	44.4%	-33.6%	1.2	10.50%	S/A	28 Nov 2017	290	//CC
Metinvest, 2018	35.0	40.0	56.4%	49.5%	-32.4%	1.9	8.75%	S/A	14 Feb 2018	750	Caa2//CC
Ferrexpo, 2016	77.0	80.0	34.8%	30.7%	1.9%	0.9	7.875%	S/A	07 Apr 2016	500	/CCC-/CC
UZ Rail, 2018	37.0	39.0	51.5%	49.0%	-28.4%	2.0	9.50%	S/A	21 May 2018	500	/CCC-/CC
Interpipe, 2017	38.0	42.0	63.8%	57.5%	-27.3%	1.6	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.9	74.8	26.7%	24.4%	25.1%	1.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	25.0	35.0	62.4%	47.1%	-63.9%	2.3	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	48.0	53.0	36.9%	33.1%	-25.2%	2.4	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	41.0	44.0	266.0%	237.5%	-32.0%	0.2	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	27.0	32.0	219.1%	182.1%	-40.4%	0.5	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	40.3	42.5	52.7%	49.8%	-29.9%	1.9	10.88%	S/A	28 Feb 2018	175	Caa3//CC
UkrEximBank, 2015	65.5	65.5	315.4%	315.4%	-15.5%	0.1	8.38%	S/A	27 Apr 2015	750	Caa3//CC
UkrEximBank, 2016	25.0	30.0	237.0%	195.8%	-42.1%	0.5	5.79%	S/A	2 Sept 2016	125	Caa3//CC
UkrEximBank, 2018	37.0	39.0	54.3%	51.5%	-32.7%	1.9	8.75%	S/A	22 Jan 2018	500	Caa3//CC
VAB Bank, 2019	4.0	8.0	450.9%	-7.7%		n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	38.0	43.0	138.8%	118.3%	-30.8%	0.6	8.25%	S/A	10 Mar 2016	700	Caa3//CC
Oschadbank, 2018	38.0	40.0	51.1%	48.5%	-30.9%	1.8	8.88%	S/A	20 Mar 2018	500	Caa3//CC
Municipal Eurobonds											
City of Kyiv, 2015	40.5	43.0	206.1%	188.6%	-42.5%	0.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	44.0	45.0	87.2%	84.8%	-37.3%	0.9	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

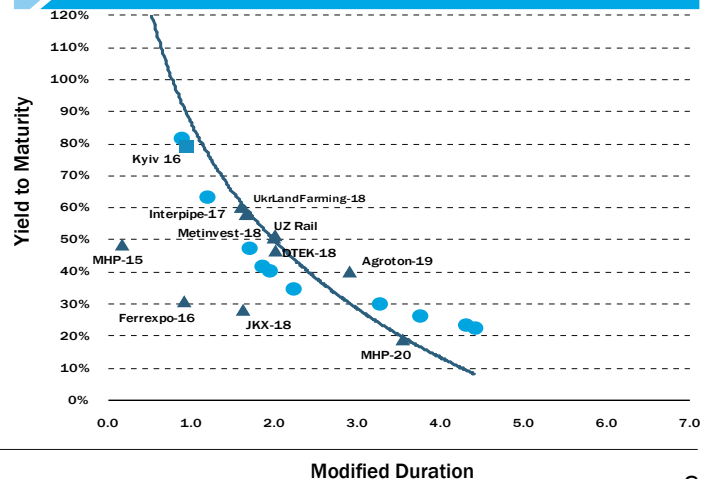
¹ Moody's/S&P/Fitch; * EUR

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

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