

Market Update

Equity

Kyiv-listed equities resumed their pre-holiday rally on Wednesday (Apr 29) after a single session of correction, with the UX index adding 2.4% to 1085 points. Market players seemed to be in a hurry to close up their short positions ahead of the upcoming 4-day weekend. All 10 UX index components finished in the black. UkrNafta (UNAF) was the growth leader among actively traded names, advancing by 5.2% to UAH 274 per share. Raiffeisen Aval (BAVL) finally climbed back above 10 kopecks, picking up 3.2% for the day. In the steel sector, Azovstal (AZST) and Avdyivka Coke (AVDK) gained 2.8% each. London listed MHP (MHPC) appreciated by 1.8% to close at USD 11.40 after the company announced an FY14 dividend of 47.4 cents per share. Ferrexpo (FXPO) climbed 0.9% to GBp 80.00 after a solid rise a day earlier. Warsaw-listed Kernel (KER) continued to edge lower, declining by 1.4% to PLN 34.94.

Fixed Income

Ukrainian sovereigns were flat on Wednesday with Ukraine-23s finished unchanged at 47.5/48.8 (21.6%/21.0%). Meanwhile, corporate names were up. MHP-20s grew by 1.1p.p. to 80.7/82.8 (13.8%/13.1%) following the repayment of its 2015 bonds and Avangard-15s added 5.1p.p. to 46.9/46.9 (250.3%/250.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	274.50	5.2%	1.0	152
Motor Sich	MSICH	2776.00	1.6%	1.0	24
Centrenergy	CEEN	8.32	0.9%	0.8	74

Growth Leaders

Alchevsk Steel	ALMK	0.02	9.0%	0.04	67
Yenakievo Steel	ENMZ	18.70	7.5%	0.04	38
Ukrnafta	UNAF	274.50	5.2%	1.02	152

Loss Leaders

Donbasenergo	DOEN	23.29	0.3%	0.044	18
Centrenergy	CEEN	8.32	0.9%	0.841	74
Motor Sich	MSICH	2,776.00	1.6%	0.996	24

Highlights

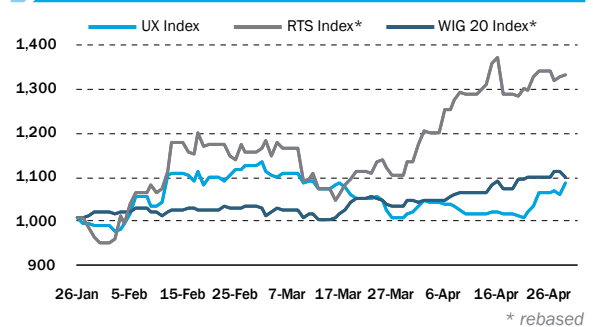
STOCKS IN THE NEWS

- > MHP Redeems USD 234mn Bonds, Announces 47-Cent Dividend

FIXED INCOME

- > DTEK Uses UK Court Ruling to Force Eurobond Restructuring

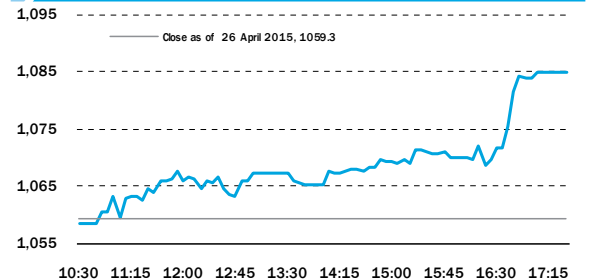
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1085.0	2.4%	7.6%	5.0%
RTS	1031.8	0.2%	20.5%	30.5%
WIG20	2521.6	-1.1%	6.3%	8.9%
MSCI EM	1059.5	-0.7%	10.6%	10.8%
S&P 500	2106.9	-0.4%	2.2%	2.3%

UX INTRADAY APRIL 29, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	375.0	-0.1%	-8.4%	-7.2%
CDS 5Y UKR	3884.6	0.0%	45.3%	73.9%
Ukraine-17	43.1%	0.0 p.p.	-6.6 p.p.	17.4 p.p.
Ferrexpo-16	28.6%	0.1 p.p.	-2.4 p.p.	-2.8 p.p.
Ukraine-23	21.3%	0.0 p.p.	-2.9 p.p.	13.8 p.p.
Privatbank-16	158.9%	0.7 p.p.	-105.5 p.p.	73.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	20.75	-5.9%	-11.5%	31.2%
EUR	23.09	-4.6%	-9.5%	20.7%
RUB	0.41	-7.1%	0.6%	48.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	197.1	0.0%	-5.6%	-19.9%
Steel, USD/t	367.5	0.0%	-5.8%	-18.3%
Oil, USD/bbl	65.8	1.9%	14.9%	11.2%
Gold, USD/oz	1204.7	-0.6%	0.5%	1.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP Redeems USD 234mn Bonds, Announces 47-Cent Dividend

 by Ivan Dzvinka
 i.dzvinka@eavex.com.ua

MHP (MHPC LI)

Price: USD 11.40 Market Cap: USD 1,205mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	1.7	neg	4.2	4%
2015E	1.5	12.4	4.3	3%

NEWS

London-listed MHP, Ukraine's largest poultry producer, reported three separate positive news items on Wednesday (Apr 29). First, the company said it has repaid its USD 234mn bonds due on Wednesday (Apr 29) using a USD 200mn loan from International Finance Corporation (USD 175mn) and ING Bank (USD 25mn), along with its own cash. Second, MHP's board has approved a dividend per share of USD 0.4743, translating into total dividend of USD 50mn. The payment will be made on May 14 with ex-rights day on May 8. Third, MHP unveiled strong operating earnings for FY14, with EBITDA up by 42% YoY to USD 555mn. The growth was a result of a higher devaluation-led decline in cost of sales (-22% YoY) than the drop in revenue (-8% YoY to USD 1.38bn), as well as a 3.9x surge in the gain from revaluation of biological assets. Export sales were 42% of total revenue. On the bottom line, MHP posted a large full-year net loss of USD 412mn (USD +162mn in FY13) due to a USD 778mn forex translation loss. Adjusted for the forex loss, net profit more than doubled to USD 366mn. With the group's net debt of USD 1.14bn at end-2014, MHP's net debt/EBITDA ratio stood at 2.0x compared to 2.88x at end-2013. In 4Q14 alone, MHP's EBITDA rose by 37% YoY to USD 102mn on sales of USD 345mn. The net loss amounted to USD 110mn, although without the forex loss, the quarter's profit would have been USD 107mn.

The company said it will launch a soya processing plant this autumn enabling it to expand export sales of soya oil and to meet internal demand for soya meal (used as protein fodder for chickens). Also, the group is working on preparing two breeding facilities to substitute imported hatching eggs, with the goal of reducing production cost of poultry by 10-12%.

MHP: FINANCIAL RESULTS

USD mn	2014	2013	YoY	4Q14	4Q13	YoY
Net Revenue	1,379	1,496	-8%	345	418	-17%
EBITDA	555	391	42%	102	74	37%
EBITDA margin %	40.2%	26.1%	14.1pp	29.5%	17.8%	11.7%
Net Income	(412)	162	nm	(110)	13	nm
Net Income adj.*	366	173	111%	107	17	6.1x
Net margin %	26.5%	10.8%	15.7pp	30.9%	4.2%	26.7%

*Adjusted for FX translation loss

Source: Company data, Eavex Research

COMMENTARY

All three of these news items add to the company's investment attractiveness, in our view. MHP has become the first Ukrainian entity (corporate, stated-owned, or sovereign) in 2015 to redeem a Eurobond on time, and the 47-cent dividend represents a solid yield of 4.0%. MHP's FY14 EBITDA came in slightly higher than our expectation of USD 537mn. The guidance provided by management for 2015 also looks encouraging. Management projects poultry sales volume to increase to 600,000 tonnes (full capacity) from 525,000 tonnes in 2014. EBITDA in 2015 is expected by management at USD 500mn based on average exchange rate of 25 UAH/USD. CapEx halved to USD 129mn in 2014, and is projected to stay in the range of USD 150-170mn, with investments in the second phase of the group's Vinnytsia complex at an insignificant USD 5-10mn. Clearly, MHP's redemption of its bonds will probably be the only timely repayment in 2015 among Ukrainian names in the environment of numerous restructurings. We confirm our positive outlook for the MHPC stock as well as for the company's outstanding 2020 Eurobonds.

DTEK Uses UK Court Ruling to Force Eurobond Restructuring

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

NEWS

Vertically-integrated thermal power plant operator DTEK, Ukraine's largest private energy company, has restructured its USD 200mn Eurobonds due on Tuesday (Apr 28) to a final maturity in March 2018, the company said on its official website on Wednesday (Apr 29). All bondholders have been offered equal conditions: repayment of 20% of the securities' par value and an exchange for new Eurobonds with full repayment in 2018. A ruling from the High Court of Justice of England and Wales forced all investors to participate in the restructuring.

In 2010, DTEK placed Eurobonds in the amount of USD 500mn for a term of five years. In 2013, the company purchased and cancelled USD 300mn of the issue, and in 2014, it bought back additional bonds in the amount of USD 19mn.

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

It was a complicated process for DTEK to restructure these USD 200mn bonds, with the company threatening that without restructuring, it would default on both the maturing notes and on cross-default obligations. Nevertheless, DTEK has now received some relief for its debt redemption schedule. On the other hand, investors will surely remain concerned about DTEK's ability to meet future obligations, as the company is now in open conflict with Ukraine's IMF-mandated energy reform agenda due its long-unchallenged activity as a de-facto monopolist in thermal electricity production. Although it is a private entity owned by industrialist Rinat Akhmetov, DTEK has long wielded controlling influence over government coal pricing policy and in the state-run wholesale electricity market operator, EnergoRynok. A major risk facing the company is that the reformist government will try to force it to sell some of its electricity generation assets.

We estimate the effective yield for DTEK's restructured 2018 Eurobonds at 27.8%, taking into account the offer price of 72 cents on the market.

DTEK's other outstanding Eurobonds (also due in 2018) are currently quoted at 44.0/47.0 (43.4%/40.3%), which reflects the company's exposure to territories not controlled by the Ukrainian government as well as its other difficulties.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	34.9	50.2	44%	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	11.4	17.96	58%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST PW	24.3	36.1	49%	BUY	Astarta makes decisive moves toward business diversification (launch of soybean processing plant in early 2014) and cost optimization (launch of bioenergy complex in 2014). With no assets in the Donbass, material exposure of Astarta to UAH (50% of sales) is mostly offset with 60% of cost tied to UAH.
AvangardCo	AVGR LI	2.5	1.4	-45%	SELL	Lost of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after a 57% plunge in 2014.
Ovostar Union	OVO PW	76.0	80.8	6%	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	80.0	48.0	-40%	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	0.87	0.56	-36%	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	2776	5250	89%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	4.7	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	30.0	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	23.3	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	8.32	15.00	80%	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	0.101	0.24	139%	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	1085.00	1368.76	908.88	2.4%	6.3%	7.6%	5.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.017	0.045	0.011	9.0%	23.4%	38.5%	16.6%	6.6%	17.0%	30.9%	11.5%
Azovstal	AZST	0.87	0.95	0.35	2.9%	6.4%	16.4%	16.2%	0.4%	0.1%	8.7%	11.2%
Enakievo Steel	ENMZ	18.70	65.00	14.81	7.0%	9.5%	3.9%	-10.7%	4.6%	3.2%	-3.8%	-15.7%
Coke												
Avdyivka Coke	AVDK	1.42	3.62	1.10	2.7%	4.0%	6.3%	-17.7%	0.2%	-2.3%	-1.4%	-22.7%
Yasnyivsky Coking	YASK	0.27	0.84	0.18	-10.0%	-10.0%	-28.9%	-3.6%	-12.4%	-16.3%	-36.6%	-8.6%
Iron Ore Mining												
Centralny GOK	CGOK	8.40	n/a	n/a	0.0%	37.7%	-4.5%	7.8%	-2.4%	31.4%	-12.2%	2.8%
Ferrexpo	FXPO	80.00	148.80	47.91	0.9%	18.5%	29.6%	50.9%	-1.5%	12.2%	21.9%	45.9%
Pivnichny GOK	SGOK	8.20	12.30	4.44	0.0%	5.1%	-1.2%	-2.0%	-2.4%	-1.2%	-8.9%	-7.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	13.8%	-31.3%	-29.8%	-2.4%	7.5%	-38.9%	-34.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.36	1.01	0.20	-5.3%	-7.7%	-20.0%	-5.3%	-7.7%	-14.0%	-27.6%	-10.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.73	21.60	9.73	3.1%	14.7%	7.9%	-8.7%	0.6%	8.3%	0.3%	-13.7%
Luhanskeplovoz	LTPL	1.20	1.80	0.85	0.0%	-20.0%	-20.0%	11.1%	-2.4%	-26.3%	-27.6%	6.1%
Specialized Machinery												
Motor Sich	MSICH	2776	2939	1672	1.6%	4.6%	10.8%	11.8%	-0.9%	-1.7%	3.1%	6.8%
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	0.20	0.20	0.09	0.0%	8.2%	31.5%	31.5%	-2.4%	1.9%	23.9%	26.5%
Oil & Gas												
Regal Petroleum	RPT	4.75	9.38	3.13	0.0%	-0.5%	11.6%	51.8%	-2.4%	-6.8%	4.0%	46.8%
JKX Oil	JKX	30.00	62.00	11.00	0.8%	1.7%	-7.0%	150.0%	-1.6%	-4.6%	-14.6%	145.0%
Ukrnafta	UNAF	274.5	375.0	54.0	5.2%	18.3%	-8.7%	35.0%	2.8%	11.9%	-16.4%	30.0%
Power Utilities												
Centrenergo	CEEN	8.32	8.70	3.00	0.8%	2.8%	6.7%	10.3%	-1.6%	-3.5%	-1.0%	5.3%
Donbasenergo	DOEN	23.29	48.98	11.00	0.3%	3.7%	3.2%	-29.4%	-2.1%	-2.6%	-4.5%	-34.4%
Zakhidenergo	ZAEN	150.0	199.8	91.2	0.0%	0.0%	-9.1%	1.3%	-2.4%	-6.3%	-16.8%	-3.7%
Consumer												
Agroton	AGT	1.12	3.19	1.05	0.9%	-0.9%	-3.4%	-8.9%	-1.5%	-7.2%	-11.1%	-13.9%
Astarta	AST	24.30	47.95	14.50	0.0%	1.3%	8.0%	21.5%	-2.4%	-5.1%	0.4%	16.5%
Avangardo	AVGR	2.50	10.27	1.83	1.6%	13.6%	-24.1%	22.0%	-0.8%	7.3%	-31.8%	16.9%
Industrial Milk Company	IMC	5.50	10.39	5.00	-1.8%	-1.8%	0.9%	-3.0%	-4.2%	-8.1%	-6.7%	-8.0%
Kernel	KER	34.94	39.25	22.00	-1.4%	-7.5%	-0.2%	22.8%	-3.8%	-13.9%	-7.8%	17.8%
Mriya Agro Holding	MAYA	0.17	5.25	0.17	-5.6%	-32.0%	-60.4%	-69.8%	-8.0%	-38.3%	-68.0%	-74.8%
MHPC	MHPC	11.40	15.77	8.24	1.8%	2.7%	22.6%	23.9%	-0.6%	-3.6%	14.9%	18.9%
Milkiland	MLK	2.68	7.57	1.48	-3.2%	-5.0%	17.0%	81.1%	-5.7%	-11.3%	9.4%	76.1%
Ovostar Union	OVO	76.00	76.00	64.00	1.3%	1.3%	9.4%	5.6%	-1.1%	-5.0%	1.7%	0.6%
Chemicals												
Stirol	STIR	5.00	n/a	n/a	-16.7%	-16.7%	-43.2%	-27.8%	-19.1%	-23.0%	-50.8%	-32.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.190	0.086	3.2%	2.7%	6.7%	4.8%	0.8%	-3.7%	-1.0%	-0.2%
UkrSotsbank	USCB	0.114	0.200	0.090	0.9%	3.7%	5.1%	-12.4%	-1.5%	-2.6%	-2.6%	-17.4%

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	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	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																
Luhanskeplovoz	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	636	384	342	218	36.5%	38.9%	34.3%	162	129	92	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	1,152	286	160	219	11.1%	8.8%	19.0%	23	32	115	0.9%	1.8%	10.0%
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																
Centrenerg	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	1,544	391	555	550	26.1%	40.2%	35.6%	162	-412	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	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	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	21	3.9%	1	2,634	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	681	635	616	\$/tonne
Yenakievo Steel	ENMZ	10	8.8%	1	7	neg	neg	0.4	neg	1.3	0.2	0.0	0.0	0.0	3	3	3	\$/tonne
Azovstal	AZST	175	3.0%	5	169	neg	2.3	2.7	neg	0.9	1.3	0.1	0.1	0.1	37	37	37	\$/tonne
Coke																		
Avdivka Coke	AVDK	13	6.8%	1	-26	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-7	-7	\$/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	474	0.3%	1	473	2.4	4.1	5.9	1.5	2.1	3.0	0.7	0.8	0.9				
Pivnichny GOK	SGOK	911	0.4%	4	904	1.7	2.8	4.0	1.0	1.4	2.0	0.6	0.6	0.7				
Ferrexpo	FXPO	722	24.0%	173	1,400	2.7	3.9	7.4	2.8	2.8	5.5	0.9	1.0	1.3				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	45	2.0%	1	91	9.6	2.0	24.5	2.9	2.1	5.1	0.3	0.5	1.0	144	239	227	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	13	24.0%	3	50	0.7	neg	n/a	1.4	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	65	5.0%	3	59	1.6	neg	neg	1.2	neg	11.8	0.1	0.4	0.9				
Specialized Machinery																		
Turboatom	TATM	71	5.8%	4	41	1.0	1.3	3.1	0.5	0.6	1.1	0.2	0.2	0.4				
Motor Sich	MSICH	278	24.0%	67	254	1.7	2.2	3.0	0.7	0.7	1.2	0.2	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	180	7.2%	13	265	10.6	11.4	22.7	1.4	2.5	3.8	0.3	0.7	1.2				
Oil & Gas																		
Ukrnafta	UNAF	717	3.0%	22	714	>30	22.6	6.2	2.5	4.5	3.3	0.3	0.4	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-2	neg	11.7	7.8	neg	-0.1	-0.1	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	79	50.4%	40	188	12.2	neg	15.9	2.8	2.7	2.7	1.0	1.3	1.3	34	26	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	148	21.7%	32	162	2.5	25.2	neg	1.7	6.2	neg	0.2	0.3	0.5	9	12	10	\$/MWh
DonbasEnerg	DOEN	27	14.2%	4	57	0.4	3.2	neg	0.8	2.9	neg	0.1	0.1	0.3	7	7	7	\$/MWh
Consumer																		
MHP	MHPC	1,205	34.1%	411	2,342	7.4	neg	12.4	6.0	4.2	4.3	1.6	1.7	1.5				
Kernel	KER	769	61.8%	475	1,504	7.3	neg	6.2	5.2	6.8	4.6	0.5	0.6	0.7				
Astarta	AST	168	37.0%	62	415	4.9	neg	neg	4.6	2.9	4.2	0.8	1.0	1.2				
Avangardco	AVGR	160	22.5%	36	386	0.7	neg	neg	1.3	3.0	4.1	0.6	0.9	1.1	87	66	62	\$/mneqgs
Ovostar	OVO	126	25.0%	31	133	4.1	4.9	5.2	3.7	4.6	5.3	1.6	1.8	1.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	146	3.5%	5		1.6	neg	neg	0.2	0.4	0.5	0.03	0.05	0.07				
Ukrsotsbank	USCB	101	1.0%	1		>30	>30	>30	0.1	0.2	0.3	0.02	0.03	0.04				

Source: Eavex Research

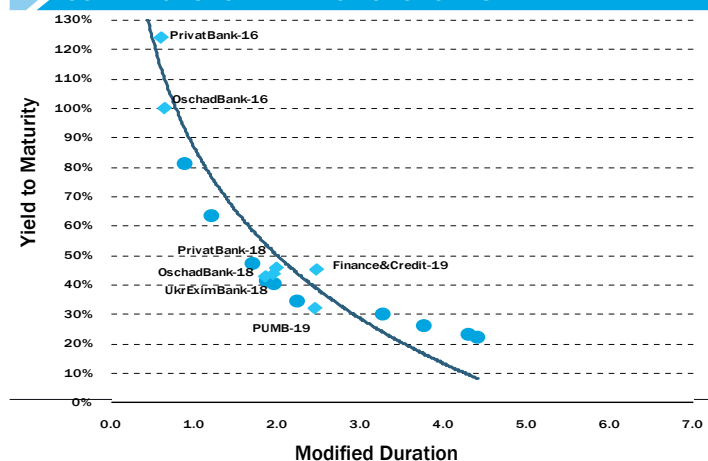
UKRAINIAN EUROBONDS

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	269.9%	250.0%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	51.0	52.6	263.7%	247.9%	-26.4%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	45.9	47.1	69.0%	66.5%	-25.9%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	45.7	47.0	94.8%	91.0%	-28.5%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	46.5	47.5	43.6%	42.5%	-25.6%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	46.8	47.5	52.3%	51.3%	-24.3%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	44.5	45.5	49.3%	48.0%	-26.8%	1.8	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	45.0	46.5	41.1%	39.6%	-23.8%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	46.8	47.8	27.1%	26.5%	-20.7%	3.5	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	46.5	47.5	26.5%	25.9%	-20.9%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	46.5	47.5	23.0%	22.6%	-21.9%	4.1	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	47.5	48.8	21.6%	21.0%	-18.9%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	30.1	35.3	45.9%	39.8%	-3.3%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	80.7	82.8	13.8%	13.1%	18.5%	3.8	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	46.9	46.9	250.3%	250.3%	-27.3%	0.2	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	53.0	53.0	39.3%	39.3%	13.9%	2.0	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	11.0	14.0	488.9%	403.8%	-3.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	118.4%	102.8%	-3.8%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	67.0	72.0	n/a	n/a	-10.3%	n/a	10.375%	S/A	28 Apr 2018	160	//C
DTEK, 2018	44.0	47.0	43.5%	40.4%	0.0%	2.1	7.88%	S/A	4 Apr 2018	750	Caa3//C
Metinvest, 2015	68.0	73.0	n/a	n/a	-12.4%	0.0	10.25%	S/A	20 May 2015	114	Caa3//RD
Metinvest, 2017	57.0	62.0	38.1%	33.7%	-15.0%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	59.0	61.0	32.0%	30.5%	8.1%	2.1	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	83.0	85.0	30.0%	27.1%	9.1%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	79.2	82.9	17.9%	16.4%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	57.0	61.0	32.8%	29.8%	11.3%	2.1	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	106.8%	78.4%	-45.5%	1.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.8	74.3	27.7%	25.6%	24.6%	1.5	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	20.0	30.0	75.8%	55.4%	-69.9%	2.0	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	49.0	54.0	36.9%	33.1%	-23.7%	2.0	11.00%	Q	31 Dec 2018	275	Ca//
Nadra Bank, 2018	7.0	12.0	n/a	n/a	-24.0%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	62.0	67.0	167.8%	136.8%	3.2%	0.3	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	40.0	45.0	173.3%	145.8%	-14.1%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	60.0	65.0	33.9%	30.1%	-6.1%	2.0	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2015	73.0	77.0	n/a	n/a	-3.2%	0.2	8.38%	S/A	27 Apr 2015	750	Ca//CC
UkrEximBank, 2016	47.0	50.0	136.2%	123.0%	2.1%	0.5	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	66.0	70.0	27.2%	24.4%	20.4%	2.1	8.75%	S/A	22 Jan 2018	500	Ca//CC
VAB Bank, 2019	2.0	6.0	n/a	n/a	-38.5%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	66.0	69.0	66.0%	59.1%	15.4%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	65.0	70.0	27.1%	23.8%	19.5%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	46.5	49.6	237.8%	211.0%	-33.8%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	45.0	50.0	95.7%	82.4%	-32.8%	0.8	9.375%	S/A	30 Jun 2016	300	Ca/CC/

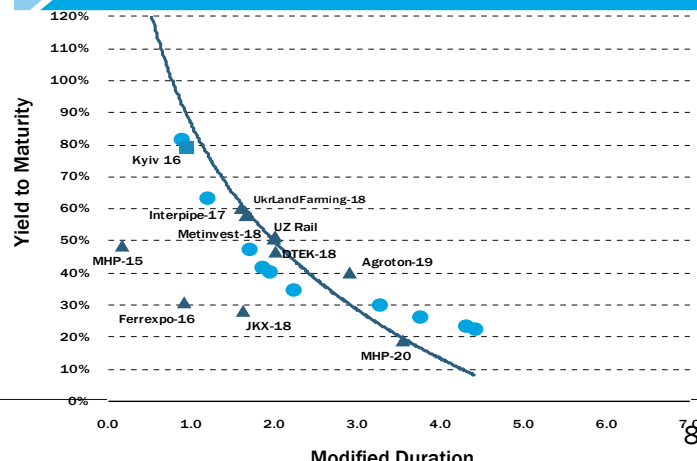
¹ Moody's/S&P/Fitch; * EUR

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			27%	24%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
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%	24%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			27%	24%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			27%	24%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			27%	24%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			27%	24%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			27%	24%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

12, Ezhena Pottier str.
Kiev 03057
Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity and Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales and Trading

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

Equity Trading

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

Online Trading

n.malinyak@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua