

**Market Update**

**Equity**

Kyiv-listed stocks ended higher on Tuesday (May 5) despite reports about a rise in violations of the Donbass ceasefire at the hotspot of Shirokyne near Mariupol. A meeting of the “Trilateral Contact Group” of representatives of Ukraine, the DNR/LNR separatists, and the OSCE is supposed to take place today in Minsk to discuss the situation. The UX index climbed 0.7% to close at 1084 points. Raiffeisen Aval (BAVL) moved back to the 10-kopeck level, adding 1.1% for the session. CentrEnergO (CEEN) increased by 0.8% to UAH 8.33 per share while volume leader Motor Sich (MSICH) retreated by half a percent on turnover of UAH 1.5mn. In London trading, Ferrexpo (FXPO) gained 2.3% to GBp 79.25 and JKX Oil&Gas (JKX) picked up 1.7% to GBp 30 on the nose. Warsaw-listed AgrotOn (AGT) continue to trend lower, slipping 0.9% to PLN 1.09 after the company unveiled a large net loss for FY14.

**Fixed Income**

Ukrainian sovereigns were flat on Tuesday with Ukraine-23s finished unchanged at 47.0/48.5 (21.8%/21.2%). Corporate names were also predominantly flat with the exception being Avangardco-15s which rose by 1.0p.p. and closed at 49.0/53.0 (237.2%/203.6%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2762.00	-0.5%	1.5	26
CentrenergO	CEEN	8.34	0.8%	0.7	61
Ukrnafta	UNAF	276.00	2.0%	0.4	92

**Growth Leaders**

Alchevsk Steel	ALMK	0.02	6.3%	0.02	44
Ukrnafta	UNAF	276.00	2.0%	0.45	92
Azovstal	AZST	0.87	1.7%	0.07	30

**Loss Leaders**

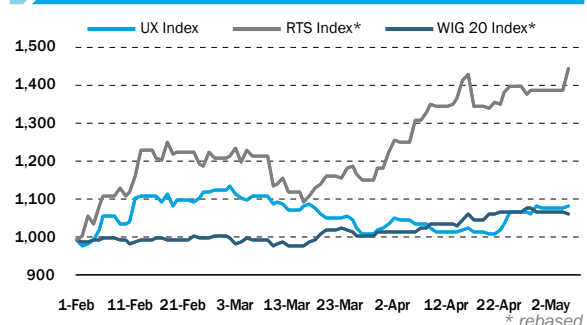
Ukrtelecom	UTLM	0.16	-11.4%	0.343	24
Motor Sich	MSICH	2,762.00	-0.5%	1.502	26
Avdyivka Coke	AVDK	1.35	-0.3%	0.014	25

**Highlights**

**FIXED INCOME**

- Metinvest to Propose New Restructuring Offer; 1Q Crude Steel Output Down 39% YoY

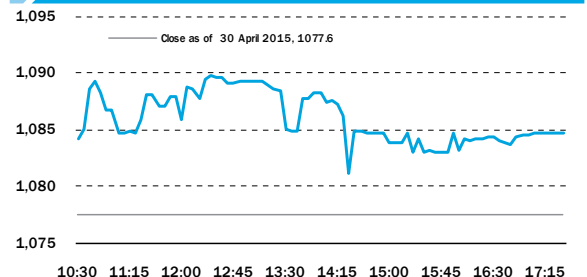
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1084.7	0.7%	3.8%	5.0%
RTS	1072.9	4.2%	15.4%	35.7%
WIG20	2508.0	-0.6%	4.5%	8.3%
MSCI EM	1047.9	0.0%	5.4%	9.6%
S&P 500	2089.5	-1.2%	1.1%	1.5%

**UX INTRADAY MAY 5, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	366.6	-0.7%	-9.8%	-9.3%
CDS 5Y UKR	3884.6	0.0%	-11.4%	73.9%
Ukraine-17	44.6%	0.0 p.p.	-6.7 p.p.	19.0 p.p.
Ferrexpo-16	28.9%	0.1 p.p.	-1.8 p.p.	-2.4 p.p.
Ukraine-23	21.5%	0.0 p.p.	-3.0 p.p.	14.0 p.p.
Privatbank-16	163.1%	0.7 p.p.	-109.4 p.p.	77.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	20.90	-1.6%	-7.9%	32.1%
EUR	23.38	-1.3%	-6.1%	22.1%
RUB	0.42	1.0%	3.8%	51.5%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	200.5	0.0%	-3.2%	-18.5%
Steel, USD/t	362.5	0.0%	-4.6%	-19.4%
Oil, USD/bbl	67.5	1.6%	20.4%	14.1%
Gold, USD/oz	1193.3	0.4%	-0.8%	0.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Metinvest To Propose Restructuring Offer; 1Q Crude Steel Output Down 39% YoY

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

### NEWS

Metinvest, Ukraine's largest metals and mining holding, decreased its crude steel production by 39% YoY (-4% QoQ) in 1Q15 to 1.67mn tonnes, the company reported in its release on Tuesday (May 5). Output of semi-finished steel halved YoY (-7% QoQ) to 312,000 tonnes. Finished flat steel product output declined by 26% YoY (+11% QoQ) to 983,000 tonnes. Long steel posted an even steeper drop of 61% YoY to 219,000 tonnes (-24% QoQ). Iron ore concentrate production was down by 16% YoY (-12% QoQ) to 7.45mn tonnes with volume of tradable iron ore products shrinking by 10% YoY (-17% QoQ) to 4.79mn tonnes. Coal mining volume plunged by 67% YoY (+8% QoQ) to 846,000 tonnes in 1Q15.

Metinvest also stated in separate release on Tuesday (May 5) that the quorum required for the meeting of 2015 bondholders scheduled on the same date was not present. The group thus decided to withdraw the proposals set out in its consent solicitation from Apr 8 (including the offer to pay a consent premium). Metinvest said it intends to send bondholders a new proposal. In addition, while meetings of the group's 2017 and 2018 bondholders were attended by a quorum and approved the waiver of default, no consent bonus (0.25% of par) will be paid to holders of those bonds, the company said.

### COMMENTARY

The main reason for Metinvest's weak operating results in its metallurgical segment over 1Q15 was problems with transportation of both inputs and finished products, with operations at Yenakievo Steel halted from Feb 7 until Mar 16. Based on domestic steel production statistics for April, there are grounds for optimism to expect growth in Metinvest's steel output in 2Q15, provided that the conflict in the Donbass does not re-escalate. Daily steel output in Ukraine in April was up by 17%. On the other hand, the situation with the group's iron ore output looks discouraging. The small increase in tradable iron ore pellet production by 5% QoQ or 97,000 tonnes in 1Q15 was not nearly enough to compensate for the 1.08mn tonne drop in tradable ore concentrate production (-29% QoQ). The drop in tradable concentrate output was likely a result of the reluctance of Metinvest to sell concentrate at near breakeven prices to China. More disappointing is that the company was neither able either to redirect this volume to other markets nor to further process any of it into value-added pellets. On a more positive note, expansion of internal output of steel could absorb part of the iron ore surplus. With depressed iron ore prices, the situation in Metinvest's mining segment has few prospects for near-term improvement, we presume.

Metinvest's intention to propose revised offer indicates the company's desire to find the common ground with its creditors. We presume the group will raise the amount of cash repayment in the course of restructuring from the recently offered 10% of the bond principal up to 25%. The latter amount was applied in the first restructuring of Metinvest's 2015 bonds passed in late 2014.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	35.0	50.2	43%	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	11.5	17.96	56%	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	25.4	36.1	42%	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	2.3	1.4	-40%	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	74.5	80.8	8%	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.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	79.5	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.
<b>Steel</b>						
Azovstal	AZST	0.87	0.56	-36%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.35	U/R	--	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2762	5250	90%	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.
<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	4.7	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	23.8	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	8.34	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.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.100	0.24	140%	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	1084.71	1368.76	908.88	0.7%	2.4%	3.8%	5.0%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.017	0.045	0.011	5.7%	8.4%	23.5%	15.9%	5.0%	6.0%	19.8%	10.9%
Azovstal	AZST	0.87	0.95	0.35	0.6%	3.2%	6.6%	16.6%	-0.1%	0.8%	2.9%	11.7%
Enakievo Steel	ENMZ	18.02	65.00	14.81	0.1%	3.1%	-1.8%	-14.0%	-0.5%	0.7%	-5.6%	-19.0%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.35	3.62	1.10	-0.7%	-2.6%	-6.7%	-22.0%	-1.3%	-5.0%	-10.5%	-26.9%
Yasynivsky Coking	YASK	0.27	0.84	0.18	0.0%	-10.0%	-10.0%	-3.6%	-0.7%	-12.4%	-13.8%	-8.5%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.39	n/a	n/a	0.0%	-0.1%	-4.7%	7.7%	-0.7%	-2.5%	-8.4%	2.7%
Ferrexpo	FXPO	79.50	148.80	47.91	2.6%	0.3%	26.7%	50.0%	1.9%	-2.1%	22.9%	45.0%
Pivnichny GOK	SGOK	8.20	12.30	4.44	0.0%	0.0%	7.3%	-2.0%	-0.7%	-2.4%	3.6%	-7.0%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	0.0%	-31.3%	-29.8%	-0.7%	-2.4%	-35.0%	-34.8%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.30	1.01	0.20	0.0%	-21.1%	-38.8%	-21.1%	-0.7%	-23.5%	-42.6%	-26.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	11.79	21.60	9.73	0.4%	3.6%	4.2%	-8.2%	-0.2%	1.2%	0.4%	-13.2%
Luhanskeplovoz	LTPL	1.20	1.80	0.85	0.0%	0.0%	-20.0%	11.1%	-0.7%	-2.4%	-23.8%	6.1%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2762	2939	1682	-0.6%	1.1%	7.1%	11.2%	-1.3%	-1.3%	3.3%	6.3%
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	0.16	0.21	0.09	-1.4%	-21.7%	-7.2%	3.0%	-2.0%	-24.1%	-11.0%	-2.0%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.75	9.38	3.13	18.6%	0.0%	-0.1%	51.8%	18.0%	-2.4%	-3.9%	46.9%
JKX Oil	JKX	30.00	62.00	11.00	1.7%	0.8%	-3.2%	150.0%	1.0%	-1.6%	-7.0%	145.0%
Ukrnafta	UNAF	276.0	375.0	54.0	1.7%	5.8%	-10.6%	35.8%	1.0%	3.4%	-14.4%	30.8%
<b>Power Utilities</b>												
Centrenergo	CEEN	8.34	8.70	3.00	1.0%	1.0%	3.5%	10.5%	0.4%	-1.4%	-0.3%	5.5%
Donbasenergo	DOEN	23.79	48.98	11.00	1.3%	2.5%	5.7%	-27.9%	0.7%	0.1%	2.0%	-32.9%
Zakhidenergo	ZAEN	150.0	199.8	91.2	0.0%	0.0%	-15.6%	1.3%	-0.7%	-2.4%	-19.4%	-3.7%
<b>Consumer</b>												
Agroton	AGT	1.09	3.19	1.05	-0.9%	-1.8%	-5.2%	-11.4%	-1.6%	-4.2%	-9.0%	-16.4%
Astarta	AST	25.38	47.95	14.50	2.3%	4.4%	17.2%	26.9%	1.7%	2.0%	13.5%	21.9%
Avangardo	AVGR	2.30	10.27	1.83	-8.0%	-6.5%	-12.5%	12.2%	-8.7%	-8.9%	-16.3%	7.2%
Industrial Milk Company	IMC	5.30	10.39	5.00	0.0%	-5.4%	1.7%	-6.5%	-0.7%	-7.8%	-2.0%	-11.5%
Kernel	KER	35.00	39.25	22.00	-1.1%	-1.2%	-10.7%	23.0%	-1.8%	-3.6%	-14.4%	18.0%
Mriya Agro Holding	MAYA	0.05	5.25	0.05	2.0%	-71.7%	-88.7%	-90.9%	1.3%	-74.1%	-92.4%	-95.9%
MHPC	MHPC	11.50	15.77	8.24	0.0%	2.7%	12.7%	25.0%	-0.7%	0.3%	9.0%	20.0%
Milkiland	MLK	2.58	7.57	1.48	-2.6%	-6.9%	12.7%	74.3%	-3.3%	-9.3%	8.9%	69.3%
Ovostar Union	OVO	74.50	76.00	64.00	0.0%	-0.7%	8.0%	3.5%	-0.7%	-3.1%	4.2%	-1.5%
<b>Chemicals</b>												
Stirol	STIR	5.51	n/a	n/a	0.0%	-8.2%	-38.6%	-20.5%	-0.7%	-10.6%	-42.3%	-25.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.100	0.190	0.086	0.7%	2.5%	3.8%	4.1%	0.0%	0.1%	0.1%	-0.9%
UkrSotsbank	USCB	0.115	0.200	0.090	0.9%	1.3%	4.1%	-12.1%	0.2%	-1.1%	0.3%	-17.0%

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	1,059	506	496	256	32.0%	35.8%	24.2%	264	184	98	16.7%	13.2%	9.2%
<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>																
Luhanskeplovov	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
<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	1,770	1,152	286	289	219	11.1%	16.4%	19.0%	23	80	115	0.9%	4.5%	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%
<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	196	72	20	-19	11.0%	4.4%	neg	65	8	-17	9.9%	1.8%	neg
<b>Consumer</b>																
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%
<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	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			
<b>Steel</b>																		
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	9	8.8%	1	7	neg	neg	0.4	neg	1.2	0.2	0.0	0.0	0.0	3	2	2	\$/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
<b>Coke</b>																		
Avdyivka Coke	AVDK	13	6.8%	1	-27	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	470	0.3%	1	469	2.4	4.1	5.9	1.5	2.1	3.0	0.7	0.8	0.9				
Pivnichny GOK	SGOK	904	0.4%	4	897	1.6	2.8	4.0	1.0	1.4	1.9	0.6	0.6	0.7				
Ferrexpo	FXPO	708	24.0%	170	1,387	2.7	3.9	7.2	2.7	2.8	5.4	0.9	1.0	1.3				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	37	2.0%	1	83	7.9	1.7	20.2	2.7	1.9	4.7	0.3	0.4	0.9	132	219	208	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	13	24.0%	3	50	0.6	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	11.7	0.1	0.4	0.9				
<b>Specialized Machinery</b>																		
Turboatom	TATM	71	5.8%	4	40	1.0	1.3	3.1	0.4	0.6	1.1	0.2	0.2	0.4				
Motor Sich	MSICH	275	24.0%	66	251	1.7	2.1	3.0	0.7	0.7	1.1	0.2	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	140	7.2%	10	231	neg	7.7	15.4	neg	2.7	3.2	0.3	0.6	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	716	3.0%	21	724	>30	8.9	6.2	2.5	2.5	3.3	0.3	0.4	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-2	neg	11.6	7.7	neg	-0.1	-0.1	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	78	50.4%	40	187	12.1	neg	15.7	2.8	2.7	2.7	1.0	1.3	1.2	34	26	25	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	147	21.7%	32	161	2.5	25.0	neg	1.7	6.2	neg	0.2	0.3	0.5	9	12	10	\$/MWh
DonbasEnerg	DOEN	27	14.2%	4	58	0.4	3.2	neg	0.8	2.9	neg	0.1	0.1	0.3	7	7	7	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,215	34.1%	414	2,353	7.5	neg	12.5	6.0	4.2	4.3	1.6	1.7	1.5				
Kernel	KER	777	61.8%	480	1,512	7.4	neg	6.2	5.2	6.8	4.7	0.5	0.6	0.7				
Astarta	AST	177	37.0%	65	424	5.2	neg	neg	4.7	3.0	4.3	0.9	1.0	1.2				
Avangardco	AVGR	147	22.5%	33	373	0.6	neg	neg	1.2	2.9	4.0	0.6	0.9	1.0	84	64	60	\$/mneqgs
Ovostar	OVO	125	25.0%	31	132	4.0	4.8	5.1	3.7	4.5	5.3	1.6	1.8	1.7	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	144	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

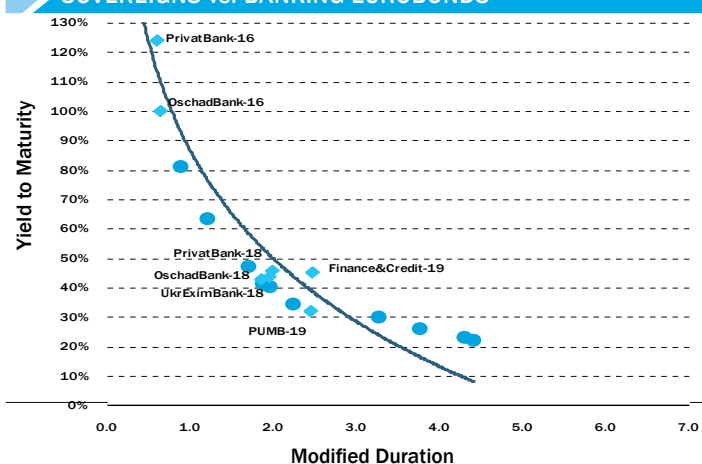
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	45.0	47.0	274.5%	254.3%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	50.9	52.4	273.9%	257.8%	-26.6%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	45.7	46.9	69.9%	67.4%	-26.1%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	45.6	46.8	96.1%	92.5%	-28.7%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	45.3	46.5	45.4%	43.9%	-27.4%	1.7	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	45.8	46.5	54.0%	53.0%	-25.9%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	44.0	45.5	50.2%	48.3%	-27.2%	1.8	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	43.5	45.0	42.9%	41.3%	-26.3%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	45.4	46.5	28.0%	27.3%	-22.9%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	45.0	46.3	27.4%	26.6%	-23.2%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	45.3	46.5	23.7%	23.1%	-23.8%	4.1	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	47.0	48.5	21.8%	21.2%	-19.5%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.0	35.1	46.3%	40.2%	-3.7%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	80.0	82.0	14.0%	13.4%	17.4%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	49.0	53.0	237.2%	203.6%	-20.9%	0.2	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	50.0	54.0	42.5%	38.6%	11.8%	2.0	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	11.0	14.0	504.9%	416.3%	-3.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	119.5%	103.6%	-3.8%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	67.0	72.0			-10.3%	n/a	10.375%	S/A	28 Apr 2018	160	//C
DTEK, 2018	44.0	47.0	43.7%	40.5%	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	38.3%	33.8%	-15.0%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	58.0	61.0	33.0%	30.6%	7.2%	2.0	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	83.0	85.0	30.4%	27.4%	9.1%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	79.0	81.0	18.1%	17.2%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	57.0	60.0	32.9%	30.6%	10.3%	2.1	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	108.2%	79.2%	-45.5%	1.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	67.5	71.3	30.0%	27.6%	19.2%	1.4	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	20.0	30.0	76.0%	55.5%	-69.9%	2.0	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	51.0	54.0	35.4%	33.2%	-22.2%	1.9	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	174.1%	141.9%	3.2%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	40.0	45.0	178.0%	149.7%	-14.1%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	62.0	67.0	32.4%	28.7%	8.4%	2.1	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	48.0	51.0	135.0%	121.8%	4.2%	0.5	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	66.0	69.0	27.3%	25.2%	19.5%	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	66.5	68.5	66.0%	61.3%	15.4%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	65.0	68.0	27.2%	25.2%	17.8%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	45.0	55.0	264.2%	179.4%	-31.1%	0.3	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	45.0	55.0	97.1%	72.0%	-29.3%	0.8	9.375%	S/A	30 Jun 2016	300	Ca/CC/

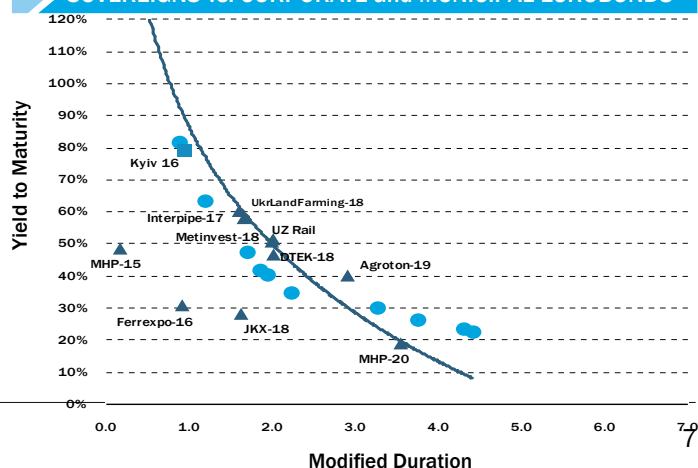
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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
<b>UAH denominated Bonds</b>									
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
<b>USD denominated Bonds</b>									
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
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	12.5%	8.0%	n/a	4.80%	S/A	6 May 2015	n/a
<b>VAT Bonds</b>									
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