

**Market Update**

**Equity**

Kyiv-listed stocks gave up ground on Monday (May 18) following news released late on Friday that Ukraine's economy contracted by considerably more than expected (-17.6% YoY) in the first quarter. The UX index lost 1.6% to close at 1045 points. Only two out of 10 UX basket components finished in the black, with low-liquidity issues DonbasEnergO (DOEN) and Yenakievo Steel (ENMZ) rising on very thin turnover. Azovstal (AZST) and UkrNafta (UNAF) were the worst-performing blue chips, retreating by 2.4% and 2.2% respectively. Heavyweight Motor Sich (MSICH) edged down by 0.5% to UAH 2747 per share. In London, Ukrainian names were mixed, with Ferrexpo (FXPO) dropping 4.2% while Regal Petroleum (RPT) and MHP (MHPC) both appreciated by 3.0%. Warsaw-listed crop grower Industrial Milk Company (IMC) slid 6.2% to PLN 4.67 after reporting weak first-quarter financial results, and dairy producer Milkiland (MLK) fell 2.9% for the same reason.

**Fixed Income**

Ukrainian sovereigns finished slightly lower on Monday with Ukraine-23s inched down by 0.1p.p. to 48.3/49.5 (21.3%/20.8%). Corporate names were sluggish. MHP-20s rose by 0.6p.p. to 82.7/84.9 (13.2%/12.5%) and Metinvest-18s closed flat at 55.0/58.0 (35.9%/33.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	8.11	-1.5%	0.9	83
Ukrnafta	UNAF	266.60	-2.2%	0.6	82
Azovstal	AZST	0.82	-2.4%	0.2	47

**Growth Leaders**

DonbasenergO	DOEN	23.60	0.0%	0.03	16
Motor Sich	MSICH	2747.00	-0.5%	0.22	20
Alchevsk Steel	ALMK	0.02	-0.7%	0.01	18

**Loss Leaders**

Kryukiv Wagon	KVBZ	10.50	-5.7%	0.062	28
Azovstal	AZST	0.82	-2.4%	0.230	47
Ukrnafta	UNAF	266.60	-2.2%	0.602	82

**Highlights**

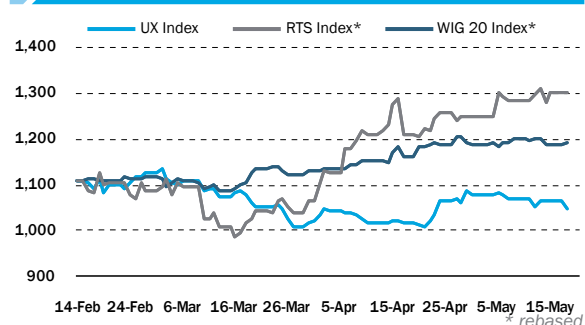
**POLITICS AND ECONOMICS**

- > Nuland Visits Moscow to Discuss Ukraine Peace Deal

**STOCKS IN THE NEWS**

- > Kernel Uses Revised Fertilizing Approach to Spring Planting on 300,000 ha

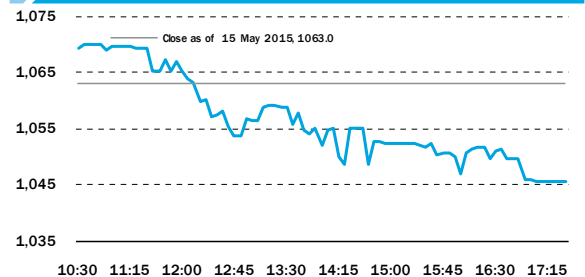
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1045.5	-1.6%	3.0%	1.2%
RTS	1075.5	0.1%	7.7%	36.0%
WIG20	2523.6	0.3%	2.4%	9.0%
MSCI EM	1041.0	-0.2%	-0.2%	8.9%
S&P 500	2129.2	0.3%	2.3%	3.4%

**UX INTRADAY MAY 18, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	363.2	-2.2%	-8.3%	-10.1%
CDS 5Y UKR	3050.0	0.0%	-11.6%	38.6%
Ukraine-17	43.4%	-0.1 p.p.	-2.8 p.p.	17.7 p.p.
Ferrexpo-16	28.2%	0.1 p.p.	-4.2 p.p.	-3.1 p.p.
Ukraine-23	21.0%	0.1 p.p.	-1.5 p.p.	13.5 p.p.
Privatbank-16	173.3%	0.8 p.p.	-60.3 p.p.	87.9 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	21.75	4.1%	3.8%	37.5%
EUR	24.62	2.8%	8.7%	28.6%
RUB	0.44	4.9%	9.9%	61.3%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	197.6	0.0%	-0.7%	-19.7%
Steel, USD/t	365.0	0.7%	-1.4%	-18.9%
Oil, USD/bbl	66.3	-0.8%	3.2%	12.0%
Gold, USD/oz	1225.5	0.1%	1.8%	3.4%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Nuland Visits Moscow to Discuss Ukraine Peace Deal

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### NEWS

Assistant US Secretary of State Victoria Nuland met with two Russian deputy foreign ministers in Moscow on Monday (May 18) to discuss aspects of February's Minsk peace deal for Ukraine's eastern Donbass region. Particular issues brought up by Nuland at the talks were OSCE monitoring of the Donbass-Russia border, reducing ongoing fighting at the hotspot of Shirokyne near Mariupol, and holding local elections in the separatist-occupied territories that will be recognized by Kyiv (unrecognized elections took place there last November). Before traveling to Moscow, Nuland visited Kyiv over the weekend, where the New York Times quoted her as saying that "there is no indication from our own information... that anybody on the Ukrainian side, anybody in the leadership... has any intentions of launching new [Donbass] hostilities."

### COMMENTARY

There has been a certain euphoria among pro-Russian analysts following last week's meetings of US Secretary of State John Kerry's with President Putin and Foreign Minister Sergey Lavrov, which some are claiming signals a retreat from the Obama administration's policy of supporting Kyiv diplomatically and financially. However, the quick follow-up diplomacy by Nuland, a highly controversial figure in Russia due to her personal participation in the EuroMaidan rallies last winter, implies that US policy has not undergone any substantive shift in this regard. Although the US is not a direct signatory to the Minsk agreement, Washington is clearly looking to head off any possible resumption of hostilities in the Donbass instigated by either Kyiv or the separatist side, and we assume that this was the main purpose of Nuland's trip to the Ukrainian and Russian capitals. In our view, the Putin regime has benefited significantly from the reduction in hostilities since Minsk 2 went into effect, with Russia's economy showing signs of increased confidence. We thus believe that the Donbass card may be nearing the end of its usefulness as the Kremlin's primary means of destabilizing Ukraine, and that Moscow is probably now pinning its hopes on a collapse of Ukraine's pro-Western government from within due to infighting and economic pressures.

## Kernel Uses Revised Fertilizing Approach to Spring Planting on 300,000 ha

by Ivan Dzvinka  
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### KERNEL (KER PW)

Price: PLN 36.65 Market Cap: USD 810mn

	EV/S	P/E	EV/EBITDA	Div. Yield
FY14	0.6	neg	7.0	2%
FY15E	0.7	6.6	4.8	2%

### NEWS

Kernel, Ukraine's largest sunflower oil producer, has completed its spring sowing campaign on acreage of 302,000 hectares, the company said in its release on Monday (May 18). Along with 82,000 ha sowed under winter crops, this translates into total planted acreage for this year of 384,000 ha (+3% YoY). For this year, Kernel decreased its land under corn and sunflower by 12% YoY and 8% YoY to 157,000 ha and 61,000 ha, respectively. Land under soya was increased by 3% to 65,000 ha. In terms of winter crops, Kernel sowed 73,000 ha (+145% YoY) with winter wheat and 8,000 ha with soybean (nil last year), respectively.

The group increased fertilizer application for the upcoming harvest by up to 43% YoY for its various crops, with the entire planted acreage prepared and fertilized in autumn, in contrast to the previous season. In addition, Kernel is on track to improve its seed quality after the launch of an in-house seed plant a year ago. The company said it benefited from favourable weather conditions during this year's the spring campaign.

### COMMENTARY

The news is encouraging for the prospective results of Kernel's farming division in its 2016 financial year, which begins this July. The farming division's relatively new management (which arrived in April 2013) has been welcomed on board by an impressive start, with the recent harvest seeing across the board crop yield improvements of between 16% and 28%. The preparation and fertilization of the land in autumn and the shift toward use of in-house seed supplies bode well for the forthcoming crop yields and production costs, respectively, this season. The only minor question is why the new farming division management did not implement the new system of fertilizing the land in autumn of 2013 for the spring 2014 planting campaign. Improved harvest results could also enable Kernel to achieve larger monetary benefit in case of a renewal of export VAT refunds for growers of crops. Last week, Ukraine's Parliament passed a preliminary version of a bill introducing VAT refunds to agro producers for their own crop exports. To become law, a final version of the bill must still be passed, after which it must be signed by the President.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	36.7	50.2	37%	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	12.0	17.96	50%	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	23.9	36.1	51%	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	2.7	1.4	-49%	SELL	Loss 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	77.2	80.8	5%	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	73.3	48.0	-34%	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	0.82	0.56	-33%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.33	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	2747	5250	91%	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	4.4	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	29.5	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	23.6	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	8.11	15.00	85%	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	0.095	0.24	154%	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	1045.50	1368.76	908.88	-1.6%	-2.2%	3.0%	1.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.015	0.045	0.011	-0.7%	-6.8%	14.5%	3.4%	1.0%	-4.7%	11.5%	2.3%
Azovstal	AZST	0.82	0.95	0.35	-2.5%	-2.7%	2.5%	10.6%	-0.8%	-0.5%	-0.5%	9.4%
Enakievo Steel	ENMZ	17.65	65.00	14.81	1.6%	-5.0%	0.2%	-15.8%	3.2%	-2.8%	-2.8%	-16.9%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.33	3.62	1.10	-1.6%	-2.1%	-3.6%	-23.2%	0.1%	0.0%	-6.6%	-24.4%
Yasynivsky Coking	YASK	0.30	0.84	0.18	0.0%	11.1%	0.0%	7.1%	1.6%	13.3%	-3.0%	6.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.50	n/a	n/a	0.0%	1.3%	39.3%	9.1%	1.6%	3.5%	36.3%	7.9%
Ferrexpo	FXPO	73.25	143.00	47.91	-4.2%	-6.1%	7.3%	38.2%	-2.6%	-3.9%	4.3%	37.0%
Pivnichny GOK	SGOK	7.80	12.30	4.44	0.0%	-4.9%	0.0%	-6.8%	1.6%	-2.7%	-3.0%	-8.0%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	0.0%	13.8%	-29.8%	1.6%	2.2%	10.8%	-31.0%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.29	1.01	0.20	0.0%	-3.3%	-27.5%	-23.7%	1.6%	-1.2%	-30.5%	-24.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	10.50	21.60	9.73	-5.7%	-4.4%	1.5%	-18.3%	-4.0%	-2.2%	-1.5%	-19.5%
Luhanskeplovoz	LTPL	1.20	1.80	0.85	0.0%	0.0%	-20.0%	11.1%	1.6%	2.2%	-23.0%	9.9%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2747	2939	1753	-0.6%	-0.9%	5.3%	10.6%	1.0%	1.2%	2.3%	9.5%
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	0.18	0.21	0.09	0.0%	-7.7%	-2.6%	18.4%	1.6%	-5.5%	-5.6%	17.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.36	9.38	3.13	-12.8%	14.5%	-8.7%	39.4%	-11.2%	16.6%	-11.7%	38.2%
JKX Oil	JKX	28.50	62.00	11.00	-5.0%	-5.0%	-1.7%	137.5%	-3.4%	-2.8%	-4.7%	136.3%
Ukrnafta	UNAF	266.6	375.0	54.0	-2.1%	-2.0%	6.3%	31.1%	-0.5%	0.2%	3.2%	30.0%
<b>Power Utilities</b>												
Centrenergo	CEEN	8.11	8.70	3.00	-1.8%	-2.3%	2.0%	7.5%	-0.1%	-0.1%	-1.0%	6.3%
Donbasenergo	DOEN	23.60	48.98	11.00	0.3%	0.5%	5.7%	-28.5%	1.9%	2.7%	2.7%	-29.7%
Zakhidenergo	ZAEN	166.0	199.8	91.2	0.0%	10.7%	10.7%	12.1%	1.6%	12.8%	7.7%	10.9%
<b>Consumer</b>												
Agroton	AGT	0.95	3.19	0.95	0.0%	-11.2%	-18.1%	-22.8%	1.6%	-9.0%	-21.1%	-23.9%
Astarta	AST	23.91	47.95	14.50	-1.6%	-7.0%	-0.4%	19.6%	0.0%	-4.9%	-3.4%	18.4%
Avangardo	AVGR	2.70	10.27	1.83	0.0%	-10.0%	-2.7%	31.7%	1.6%	-7.8%	-5.7%	30.5%
Industrial Milk Company	IMC	4.67	10.39	4.67	-6.2%	-6.6%	-15.1%	-17.6%	-4.6%	-4.4%	-18.1%	-18.8%
Kernel	KER	36.65	39.25	22.00	1.5%	2.2%	-5.1%	28.8%	3.2%	4.4%	-8.1%	27.6%
Mriya Agro Holding	MAYA	0.15	5.25	0.05	118.6%	17.7%	-52.5%	-72.8%	120.2%	19.9%	-55.5%	-74.0%
MHPC	MHPC	11.95	15.60	8.24	3.9%	3.9%	8.6%	29.9%	5.6%	6.1%	5.6%	28.7%
Milkiland	MLK	2.35	7.57	1.48	-2.9%	-5.2%	-18.4%	58.8%	-1.3%	-3.1%	-21.4%	57.6%
Ovostar Union	OVO	77.23	83.00	65.20	-7.0%	0.6%	5.8%	7.3%	-5.3%	2.8%	2.8%	6.1%
<b>Chemicals</b>												
Stirol	STIR	5.50	n/a	n/a	0.0%	0.0%	-8.3%	-20.6%	1.6%	2.2%	-11.3%	-21.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.095	0.190	0.086	-1.3%	-3.5%	-3.4%	-1.6%	0.4%	-1.3%	-6.4%	-2.7%
UkrSotsbank	USCB	0.103	0.200	0.090	2.5%	-10.4%	-6.7%	-21.3%	4.1%	-8.2%	-9.7%	-22.5%

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	2,324	1,336	286	380	359	11.1%	16.4%	26.9%	23	105	171	0.9%	4.5%	12.8%
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>																
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
<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	18	3.9%	1	2,631	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	680	634	616	\$/tonne
Yenakievo Steel	ENMZ	9	8.8%	1	7	neg	neg	0.4	neg	1.1	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	159	3.0%	5	153	neg	2.1	2.4	neg	0.8	1.2	0.1	0.1	0.1	33	34	34	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	12	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	5	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	458	0.3%	1	456	2.4	4.0	5.7	1.5	2.0	2.9	0.7	0.7	0.8				
Pivnichny GOK	SGOK	826	0.4%	3	820	1.5	2.6	3.6	0.9	1.3	1.8	0.5	0.6	0.6				
Ferrexpo	FXPO	671	24.0%	161	1,350	2.5	3.7	6.9	2.7	2.7	5.3	0.9	1.0	1.3				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	35	2.0%	1	80	7.4	1.5	18.8	2.6	1.8	4.5	0.3	0.4	0.9	128	212	201	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	12	24.0%	3	49	0.6	neg	n/a	1.4	neg	n/a	0.1	0.4	n/a				
Krukiv Wagon	KVBZ	55	5.0%	3	49	1.3	neg	neg	1.0	neg	9.9	0.1	0.4	0.7				
<b>Specialized Machinery</b>																		
Turboatom	TATM	68	5.8%	4	38	1.0	1.3	3.0	0.4	0.5	1.0	0.2	0.2	0.3				
Motor Sich	MSICH	262	24.0%	63	237	1.6	2.0	2.8	0.6	0.7	1.1	0.2	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	155	7.2%	11	246	neg	8.5	17.0	neg	2.9	3.4	0.3	0.6	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	665	3.0%	20	673	28.5	6.3	3.9	2.4	1.8	1.9	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	22	21.6%	5	-3	neg	10.9	7.3	neg	-0.2	-0.2	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	77	50.4%	39	185	11.8	neg	15.3	2.8	2.7	2.6	1.0	1.3	1.2	34	25	25	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	138	21.7%	30	152	2.3	23.4	neg	1.6	5.8	neg	0.2	0.2	0.5	9	11	10	\$/MWh
DonbasEnerg	DOEN	26	14.2%	4	56	0.4	3.1	neg	0.8	2.8	neg	0.1	0.1	0.3	7	7	7	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,263	34.1%	431	2,400	7.8	neg	13.0	6.1	4.3	4.4	1.6	1.7	1.6				
Kernel	KER	810	61.8%	501	1,546	7.7	neg	6.5	5.3	6.9	4.8	0.6	0.6	0.7				
Astarta	AST	166	37.0%	61	377	4.9	neg	neg	4.1	2.6	3.8	0.8	0.9	1.1				
Avangardco	AVGR	172	22.5%	39	399	0.7	neg	neg	1.3	3.1	4.2	0.6	1.0	1.1	90	69	65	\$/mneqgs
Ovostar	OVO	129	25.0%	32	137	4.2	5.0	5.3	3.9	4.7	5.5	1.7	1.8	1.7	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	130	3.5%	5		1.5	neg	neg	0.1	0.3	0.4	0.02	0.05	0.06				
Ukrsotsbank	USCB	87	1.0%	1		>30	>30	>30	0.1	0.2	0.2	0.02	0.03	0.04				

Source: Eavex Research

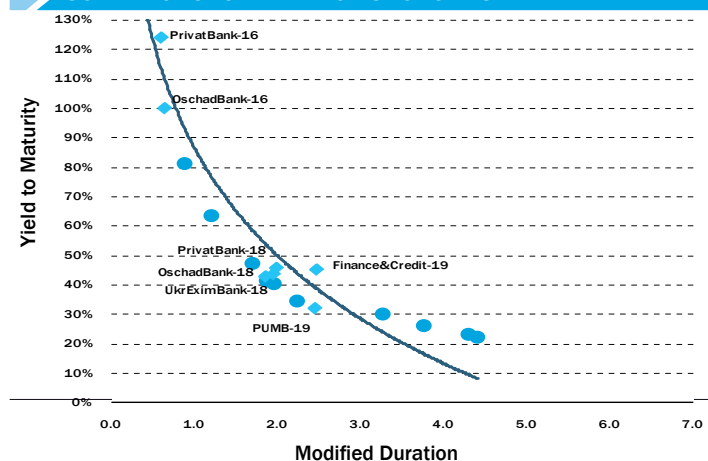
## UKRAINIAN EUROBONDS

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	295.1%	273.3%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	51.1	52.8	291.5%	272.6%	-26.1%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	46.6	47.8	69.4%	66.9%	-24.7%	1.1	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	46.4	47.6	97.2%	93.5%	-27.5%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	46.6	48.1	44.3%	42.6%	-25.0%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	46.8	47.8	53.3%	51.9%	-24.1%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	46.8	48.0	47.2%	45.7%	-23.0%	1.8	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	46.5	47.8	40.1%	38.8%	-21.5%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	46.8	47.8	27.2%	26.6%	-20.7%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	46.8	47.8	26.4%	25.9%	-20.4%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	46.5	47.8	23.1%	22.5%	-21.7%	4.1	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	48.3	49.5	21.3%	20.8%	-17.6%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.1	39.3	46.7%	36.5%	2.6%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	82.7	84.9	13.2%	12.5%	21.5%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	58.0	58.0	169.0%	169.0%	-10.1%	0.2	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	49.4	49.4	43.3%	43.3%	6.2%	1.9	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	11.0	14.0	543.2%	446.1%	-3.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	121.8%	105.6%	-3.8%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	45.0	48.0	47.5%	44.2%	n/a	1.9	10.375%	S/A	28 Mar 2018	160	//C
DTEK, 2018	44.0	47.0	44.1%	40.8%	0.0%	2.0	7.88%	S/A	4 Apr 2018	750	Caa3//C
Metinvest, 2015	67.1	70.1	n/a	n/a	-14.8%	0.0	10.25%	S/A	20 May 2015	114	Caa3//RD
Metinvest, 2017	58.0	61.0	37.7%	35.0%	-15.0%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	55.0	58.0	35.9%	33.3%	1.8%	2.0	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	84.0	86.0	29.8%	26.7%	10.4%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	82.1	84.0	16.8%	16.1%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	55.0	56.9	34.8%	33.2%	5.5%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	111.2%	81.2%	-45.5%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.4	74.9	27.8%	25.6%	25.6%	1.4	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	20.0	30.0	76.6%	55.9%	-69.9%	1.9	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	51.0	54.0	35.6%	33.4%	-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	64.0	69.0	175.2%	142.0%	6.4%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	40.0	45.0	189.3%	158.8%	-14.1%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	65.5	68.1	30.0%	28.1%	13.2%	2.0	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2015	74.0	77.0	n/a	n/a	-2.6%	0.1	8.38%	S/A	27 Apr 2015	750	Ca//CC
UkrEximBank, 2016	46.0	50.0	153.3%	133.5%	1.1%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	66.0	68.0	27.5%	26.1%	18.6%	2.0	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	67.0	70.0	67.5%	60.3%	17.1%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	65.0	69.0	27.4%	24.7%	18.7%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	48.4	50.8	246.6%	225.0%	-31.7%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	46.5	50.1	95.8%	85.9%	-31.7%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/

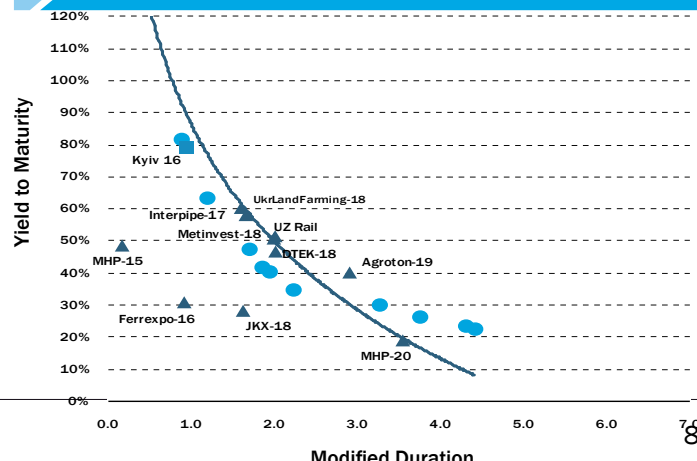
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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

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