

**Market Update**

**Equity**

Ukrainian stocks listed in Kyiv covered part of previous session losses on Wednesday (May 20) with the UX index climbing 0.6% to 1036 points. The gauge rebound was limited by weak performance of heavyweight Motor Sich (MSICH) which inched down by 0.1% to UAH 2688. On the upside, Azovstal (AZST) rose by 2.0% to 82 kopecks and Raiffeisen Aval (BAVL) added 0.4% to 9.3 kopecks. CentrEnergy (CEEN) was unchanged at a strong support level of UAH 8.00 per share. In the second tier issues, fixed line operator UkrTelecom (UTLM) picked up 2.7% to close at 18 kopecks. In London trading Ferrexpo (FXPO) shed 0.3% ending at GBp 71.50 while MHP (MHPC) was flat at USD 11.95. Warsaw-listed Ukrainian equities were generally higher with Astarta (AST) edging up 0.8% to PLN 24.20.

**Fixed Income**

Ukrainian sovereigns were flat on Wednesday with Ukraine-23s closed unchanged at 48.3/49.5 (21.3%/20.8%). Corporate names were mixed. MHP-20s improved by 0.3p.p. to 82.6/85.1 (13.2%/12.4%) while UkrlandFarming-18s inched down by 0.1p.p. to 49.2/51.5 (43.6%/41.3%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2688.00	-0.1%	3.4	36
Ukrnafta	UNAF	272.00	0.7%	1.5	108
Centrenerg	CEEN	8.00	0.1%	0.6	32

**Growth Leaders**

Azovstal	AZST	0.82	2.0%	0.22	21
Alchevsk Steel	ALMK	0.01	1.4%	0.07	45
Ukrnafta	UNAF	272.00	0.7%	1.47	108

**Loss Leaders**

Motor Sich	MSICH	2,688.00	-0.1%	3,448	36
Centrenerg	CEEN	8.00	0.1%	0.635	32
Donbasenerg	DOEN	23.24	0.2%	0.082	33

**Highlights**

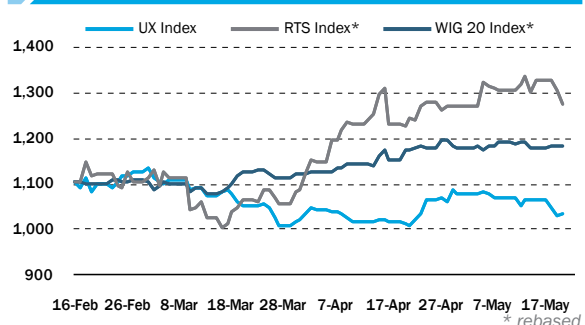
**POLITICS AND ECONOMICS**

- > US Provides USD 1.0bn Loan Guarantees to Ukraine

**STOCKS IN THE NEWS**

- > Ferrexpo's Achieved Pellet Premium Was Flat QoQ in 1Q15

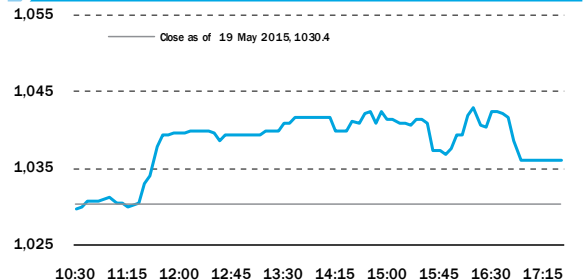
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1036.1	0.5%	2.1%	0.3%
RTS	1032.0	-2.4%	3.3%	30.5%
WIG20	2521.1	-0.1%	2.3%	8.9%
MSCI EM	1036.1	-0.5%	-0.6%	8.3%
S&P 500	2125.9	-0.1%	2.1%	3.3%

**UX INTRADAY MAY 20, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	368.3	0.3%	-7.0%	-8.9%
CDS 5Y UKR	3050.0	-1.6%	-11.6%	38.6%
Ukraine-17	45.7%	2.0 p.p.	-0.5 p.p.	20.0 p.p.
Ferrexpo-16	28.3%	0.0 p.p.	-4.1 p.p.	-3.0 p.p.
Ukraine-23	21.0%	0.0 p.p.	-1.5 p.p.	13.5 p.p.
Privatbank-16	163.1%	6.3 p.p.	-70.5 p.p.	77.7 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	20.75	-1.8%	-1.0%	31.2%
EUR	23.02	-2.3%	1.7%	20.3%
RUB	0.42	-2.2%	3.5%	51.9%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	197.6	0.0%	-0.7%	-19.7%
Steel, USD/t	365.0	0.0%	-1.4%	-18.9%
Oil, USD/bbl	65.0	1.6%	1.2%	9.9%
Gold, USD/oz	1209.8	0.2%	0.5%	2.1%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## US Provides USD 1.0bn Loan Guarantees to Ukraine

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

### NEWS

The United States signed May 18 its second USD 1.0bn loan guarantee deal for Ukraine, USAID Press Office reported earlier this week. The US loan guarantee is part of a comprehensive international financial package, involving both official and private sectors, designed to support Ukraine as it puts in place a reform program. When issued, the US loan guarantee will provide the Government of Ukraine with access to affordable financing from international capital markets.

If Ukraine continues making concrete progress on its economic reform agenda and conditions warrant, the Administration has indicated it would be willing, working with Congress, to consider providing up to an additional USD 1.0bn loan guarantee in late 2015, for a total potential contribution of up to USD 2.0bn in guarantees in 2015.

### COMMENTARY

The loan guarantee of USD 1.0bn presented 6.1% of a total amount of USD 16.3bn Ukraine is planning to raise from international donors to fill the financing gap this year. The amount also includes USD 10bn lifeline from the IMF, USD 1.8bn macro-financial assistance from EU and other bilateral support that has been assured in the context of the G7 discussions. Meanwhile, an expected savings of USD 5.3bn in 2015 as a result of sovereign debt restructuring is still quite questionable. A creditor group led by Franklin Templeton that owns USD 8.9bn of Ukrainian bonds repeated on Monday that Ukraine can achieve the objectives of its restructuring without imposing a writedown on bondholders. Finance Minister Natalie Jaresko said on Tuesday that there is no alternative to reductions in principal and coupons as well as maturity extensions as the nation's current levels of debt are unsustainable. Tensions between the two sides came to a head last week in an exchange of statements blaming each other for stalling negotiations. The first signs of a more constructive tone emerged on Monday when the creditor group disclosed the names of its three other members following accusations of a lack of transparency from Ukraine. Templeton, BTG Pactual Europe LLP, TCW Investment Management Co. and T. Rowe Price Associates Inc. own USD 8.9bn of Ukrainian debt, the committee said in an e-mailed statement on Monday. They are in regular contact with other bondholders representing at least a further USD 1.1bn, they said. The committee previously said that there were five members controlling USD 10bn of Ukraine's bonds.

## Ferrexpo's Achieved Pellet Premium Was Flat QoQ in 1Q15

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

### FERREXPO (FXPO LN)

Price: GBP 0.72 Market Cap: USD 649mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	1.0	3.5	2.7	12%
2015E	1.3	6.6	5.2	12%

### NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, reported brief operating update on the eve of its today's AGM, according to the company's release. While average benchmark 62% Fe iron ore fines price in China followed the downward correction over 1Q15, the company's achieved pellet premiums over this period have remained stable compared to 4Q14. The production cash cost continued to fall in 1Q15 [to unspecified figure] due to the national currency devaluation and higher production volumes. Ferrexpo targets to maintain high level of production of 65% Fe pellets after reaching historical high of 85% of total output in 1Q15. Apart from 65% Fe pellets, the company also produces 62% Fe pellets. Ferrexpo is also looking to further manage the debt liability profile should opportunities arise.

### COMMENTARY

Apart from the data on pellet premium, the news brought no new information to the market. The news on the flat premium in 1Q15 vs. 4Q14 is encouraging for the company as this means Ferrexpo managed to reach flat QoQ premiums despite the drop in benchmark prices. We note however that according to the management, Ferrexpo negotiates the fixed premium amount for the full year in its two markets only [Western Europe and North East Asia (ex-China)]. These two accounted for 18% of the company's pellet volume sales in 2014. With the premium on other markets likely negotiated more frequently, it's fair to expect a drop in the premium in the following quarters in case of sluggishness of benchmark price.

On the cost side, the company has already mentioned during the presentation of its FY14 results in mid-March that its production cash cost from in-house ore dropped to USD 36/t in Jan-Feb 2015 from USD 46/t in 2014. The disappointing issue for the company now is the signs that the recent recovery in benchmark iron ore prices came to the end. After touching the level of USD 63/t in mid May (+34% to the bottom of USD 47/t seen in early April), the price declined to some USD 57/t level following the completion of restocking by Chinese steel mills amid global ore oversupply. Weakness in ore prices pushed FXPO stock price to early GBp 70s recently after approaching GBp 80 several weeks ago. We confirm our SELL recommendation for the FXPO stock with the target price of GBp of 48.0.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	37.0	50.2	36%	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	24.2	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	2.7	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	79.0	80.8	2%	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	71.5	48.0	-33%	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	1.30	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	2688	5250	95%	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	4.6	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	28.5	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>						
DonbasEnerg	DOEN	23.2	U/R	--	U/R	DNR Intends to Nationalize DonbasEnerg-Owned Power Plant. The Starobeshevo plant accounts for about 70% of DonbasEnerg's installed power-generating capacity.
CenterEnerg	CEEN	8.00	15.00	88%	BUY	CentrEnerg'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	0.093	0.24	158%	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	1036.05	1368.76	908.88	0.5%	-2.8%	2.1%	0.3%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.014	0.045	0.011	1.4%	-6.0%	8.4%	-2.1%	0.9%	-3.1%	6.3%	-2.3%
Azovstal	AZST	0.82	0.95	0.35	2.1%	-4.0%	2.5%	10.6%	1.6%	-1.1%	0.4%	10.3%
Enakievo Steel	ENMZ	17.00	65.00	14.81	3.5%	0.0%	-3.5%	-18.9%	3.0%	2.8%	-5.6%	-19.1%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.30	3.62	1.10	0.0%	-6.1%	-5.7%	-24.9%	-0.5%	-3.2%	-7.8%	-25.2%
Yasnyivsky Coking	YASK	0.26	0.84	0.18	0.0%	-3.7%	-13.3%	-7.1%	-0.5%	-0.9%	-15.4%	-7.4%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.50	n/a	n/a	0.0%	1.3%	39.3%	9.1%	-0.5%	4.1%	37.3%	8.8%
Ferrexpo	FXPO	71.50	143.00	47.91	-0.3%	-9.2%	4.8%	34.9%	-0.9%	-6.4%	2.7%	34.6%
Pivnichny GOK	SGOK	7.80	12.30	4.44	0.0%	-4.9%	0.0%	-6.8%	-0.5%	-2.0%	-2.1%	-7.1%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	0.0%	13.8%	-29.8%	-0.5%	2.8%	11.7%	-30.1%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.29	1.01	0.20	0.0%	-3.3%	-27.5%	-23.7%	-0.5%	-0.5%	-29.6%	-24.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	10.88	21.60	9.73	0.7%	-2.6%	5.2%	-15.3%	0.2%	0.2%	3.1%	-15.6%
Luhanskeplovoz	LTPL	1.05	1.80	0.85	-12.5%	-12.5%	-30.0%	-2.8%	-13.0%	-9.7%	-32.1%	-3.0%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2688	2939	1753	0.1%	-2.1%	3.1%	8.3%	-0.5%	0.7%	1.0%	8.0%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Telecom</b>												
Ukrtelecom	UTLM	0.18	0.21	0.09	0.0%	26.8%	-2.6%	18.4%	-0.5%	29.6%	-4.7%	18.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.63	9.38	3.13	15.6%	15.0%	-3.0%	48.0%	15.1%	17.9%	-5.1%	47.7%
JKX Oil	JKX	28.50	62.00	11.00	0.0%	-5.0%	-1.7%	137.5%	-0.5%	-2.2%	-3.8%	137.2%
Ukrnafta	UNAF	272.0	375.0	54.0	0.7%	-1.9%	8.4%	33.8%	0.2%	1.0%	6.3%	33.5%
<b>Power Utilities</b>												
Centrenergo	CEEN	8.00	8.70	3.00	0.1%	-2.4%	0.6%	6.1%	-0.5%	0.4%	-1.5%	5.8%
Donbasenergo	DOEN	23.24	48.98	11.00	0.2%	-1.5%	4.1%	-29.6%	-0.3%	1.3%	2.0%	-29.8%
Zakhidenergo	ZAEN	166.0	199.8	91.2	0.0%	0.0%	10.7%	12.1%	-0.5%	2.8%	8.6%	11.8%
<b>Consumer</b>												
Agroton	AGT	1.02	3.19	0.95	5.2%	0.0%	-12.1%	-17.1%	4.6%	2.8%	-14.1%	-17.3%
Astarta	AST	24.20	47.95	14.50	0.8%	-5.8%	0.8%	21.0%	0.3%	-3.0%	-1.2%	20.7%
Avangardo	AVGR	2.70	10.27	1.83	0.0%	-5.4%	-2.7%	31.7%	-0.5%	-2.6%	-4.8%	31.4%
Industrial Milk Company	IMC	4.70	10.39	4.67	0.2%	-5.8%	-14.5%	-17.1%	-0.3%	-3.0%	-16.6%	-17.4%
Kernel	KER	36.95	39.25	22.00	0.0%	4.5%	-4.3%	29.8%	-0.5%	7.4%	-6.4%	29.6%
Mriya Agro Holding	MAYA	0.15	5.25	0.05	0.0%	114.3%	-53.4%	-73.3%	-0.5%	117.1%	-55.5%	-73.6%
MHPC	MHPC	11.95	15.60	8.24	0.0%	3.9%	8.6%	29.9%	-0.5%	6.8%	6.6%	29.6%
Milkiland	MLK	2.32	7.57	1.48	3.1%	-4.1%	-19.4%	56.8%	2.6%	-1.3%	-21.5%	56.5%
Ovostar Union	OVO	79.00	83.00	66.00	-1.3%	3.3%	8.2%	9.7%	-1.8%	6.1%	6.2%	9.5%
<b>Chemicals</b>												
Stirol	STIR	5.50	n/a	n/a	0.0%	0.0%	-8.3%	-20.6%	-0.5%	2.8%	-10.4%	-20.9%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.093	0.190	0.086	0.4%	-4.6%	-5.0%	-3.2%	-0.1%	-1.8%	-7.1%	-3.5%
UkrSotsbank	USCB	0.102	0.200	0.090	2.1%	2.0%	-7.2%	-21.7%	1.6%	4.8%	-9.3%	-21.9%

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>																
Luhanskteplovoz	LTPL	329	127	n/a	36	-2	n/a	10.8%	neg	n/a	19	-16	n/a	5.9%	neg	n/a
Kryukiv Wagon	KVBZ	462	133	67	50	-6	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>																
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	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	167	3.0%	5	161	neg	2.2	2.5	neg	0.9	1.3	0.1	0.1	0.1	35	36	35	\$/tonne
<b>Coke</b>																		
Avdivka 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	3	9.0%	0	4	neg	neg	neg	0.1	neg	neg	0.0	0.0	0.0	0.1	neg	neg	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	480	0.3%	1	479	2.5	4.2	6.0	1.5	2.1	3.0	0.7	0.8	0.9				
Pivnichny GOK	SGOK	866	0.4%	3	860	1.6	2.7	3.8	0.9	1.3	1.9	0.5	0.6	0.7				
Ferrexpo	FXPO	650	24.0%	156	1,328	2.5	3.5	6.7	2.6	2.7	5.2	0.8	1.0	1.3				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	36	2.0%	1	82	7.7	1.6	19.7	2.6	1.9	4.6	0.3	0.4	0.9	130	216	205	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	11	24.0%	3	48	0.6	neg	n/a	1.4	neg	n/a	0.1	0.4	n/a				
Krukiv Wagon	KVBZ	60	5.0%	3	54	1.4	neg	neg	1.1	neg	10.8	0.1	0.4	0.8				
<b>Specialized Machinery</b>																		
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	269	24.0%	65	244	1.7	2.1	2.9	0.6	0.7	1.1	0.2	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	162	7.2%	12	253	neg	8.9	17.8	neg	3.0	3.5	0.3	0.6	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	711	3.0%	21	719	>30	6.7	4.2	2.5	1.9	2.0	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-2	neg	11.5	7.7	neg	-0.1	-0.2	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	76	50.4%	38	184	11.7	neg	15.2	2.8	2.7	2.6	1.0	1.3	1.2	34	25	25	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	142	21.7%	31	156	2.4	24.2	neg	1.7	6.0	neg	0.2	0.2	0.5	9	11	10	\$/MWh
DonbasEnerg	DOEN	26	14.2%	4	57	0.4	3.1	neg	0.8	2.9	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	799	61.8%	494	1,534	7.6	neg	6.4	5.3	6.9	4.7	0.5	0.6	0.7				
Astarta	AST	164	37.0%	61	375	4.8	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	134	3.5%	5		1.5	neg	neg	0.2	0.3	0.5	0.03	0.05	0.06				
Ukrsotsbank	USCB	90	1.0%	1		>30	>30	>30	0.1	0.2	0.3	0.02	0.03	0.04				

Source: Eavex Research

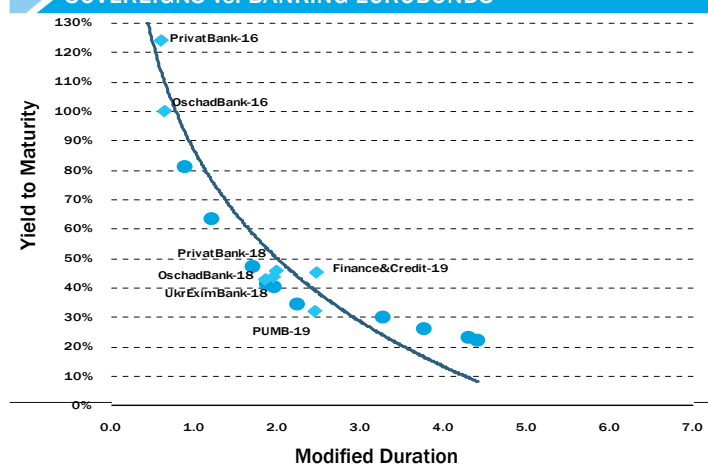
## UKRAINIAN EUROBONDS

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	295.1%	273.3%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	50.2	51.4	311.1%	297.5%	-27.8%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	45.9	47.1	71.2%	68.7%	-25.8%	1.1	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	45.9	47.0	100.1%	96.7%	-28.3%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	44.8	46.3	46.6%	44.8%	-28.0%	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%	1.4	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%	1.7	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	45.3	46.3	28.2%	27.5%	-23.3%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	45.5	47.0	27.2%	26.3%	-22.1%	3.5	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%	4.6	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.1	39.1	46.8%	36.7%	2.4%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	82.6	85.1	13.2%	12.4%	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	49.2	51.5	43.6%	41.3%	8.3%	1.9	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	14.0	17.0	451.0%	381.2%	19.2%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	14.0	17.0	105.9%	93.7%	19.2%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	45.0	48.0	47.7%	44.3%	n/a	1.9	10.375%	S/A	28 Mar 2018	160	//C
DTEK, 2018	44.0	47.0	44.2%	41.0%	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%	n/a	10.25%	S/A	20 May 2015	114	Caa3//RD
Metinvest, 2017	58.0	61.0	37.8%	35.1%	-15.0%	1.1	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	29.9%	26.8%	10.4%	0.7	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	82.8	85.4	16.6%	15.5%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	56.0	58.0	34.0%	32.4%	7.5%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	111.7%	81.5%	-45.5%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.1	74.5	28.0%	25.9%	25.0%	1.4	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	20.0	30.0	76.6%	56.0%	-69.9%	1.9	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	51.0	54.0	35.7%	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	67.0	177.7%	156.9%	4.8%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	43.0	46.0	171.9%	154.8%	-10.1%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	65.0	70.0	30.4%	26.9%	1.4%	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	47.0	51.0	149.5%	130.1%	3.2%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	66.5	68.5	27.2%	25.8%	19.5%	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	69.0	68.0%	63.1%	16.2%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	66.3	70.0	26.6%	24.1%	20.6%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	48.8	50.8	245.6%	227.4%	-31.4%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	46.5	50.0	96.3%	86.7%	-31.8%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/

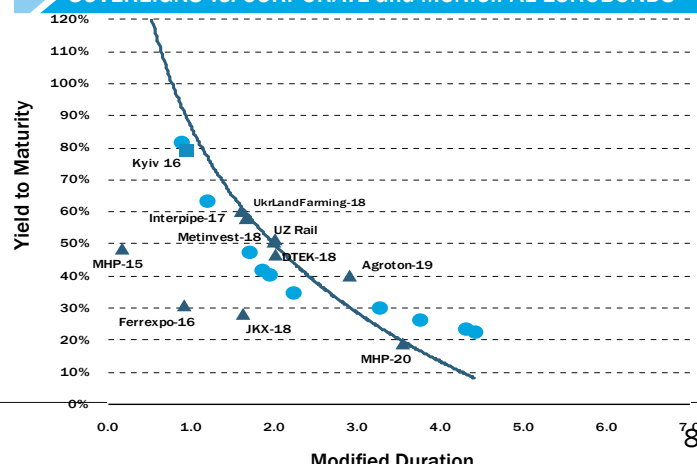
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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

**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