

Market Update

Equity

Locally-listed Ukrainian equities were mixed on Friday (May 29) ahead of the 3-day Orthodox holiday weekend. The UX index edged up 0.3% to close at 1011 points. UkrNafta (UNAF) finished in the red, declining by 0.5% and showing no positive reaction to news that the company's supervisory board has called a general shareholders meeting for Jul 22 aimed at replacing the company's management. On the upside, Motor Sich (MSICH) rose by a solid 3.2% to UAH 2720, recovering most of its losses of the previous week. In second tier stocks, UkrSotsBank (USCB) advanced by 6.9% to 10.70 kopecks in what is more of a technical rebound rather than any fundamental growth. In London trading, Ferrexpo (FXPO) climbed 1.4% to GBP 74.50 while MHP (MHPC) lost 2.7% to close at USD 10.95. Warsaw-listed Kernel (KER) was unchanged at PLN 38.50 after releasing its quarterly results.

Fixed Income

Long-term benchmark Ukraine-23s advanced by 3.6% to 50.0/51.3 (20.6%/20.1%) last week after Finance Minister Natalia Jaresko said bondholders are beginning to understand the need for sovereign haircuts. Ferrexpo-16s jumped 6.1% to 90.0/91.5 (21.3/19.2) after the company made a new exchange offer with an up-front payment of USD 350 for each USD 1000 of nominal.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2720.00	3.4%	5.2	88
Ukrnafta	UNAF	269.00	-0.5%	1.1	45
Centrenergo	CEEN	7.76	-1.1%	0.9	45

Growth Leaders

Motor Sich	MSICH	2720.00	3.4%	5.17	88
Yenakievo Steel	ENMZ	15.73	2.8%	0.05	12
Stakhanov Wagon	SVGZ	0.25	1.2%	0.51	8

Loss Leaders

Khartsyzk Pipe	HRTR	0.21	-10.4%	0.067	26
Mariupol Heavy Machine	MZVM	0.03	-6.9%	0.008	20
Centrenergo	CEEN	7.76	-1.1%	0.913	45

Highlights

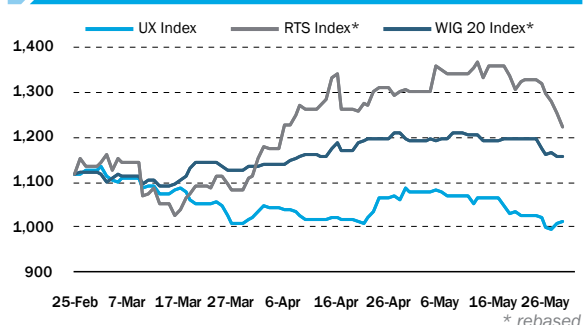
POLITICS AND ECONOMICS

- > Saakashvili Replacing Palytsa as Odessa Provincial Head

STOCKS IN THE NEWS

- > Avangard's EBITDA Plunges by 90% YoY in 1Q15

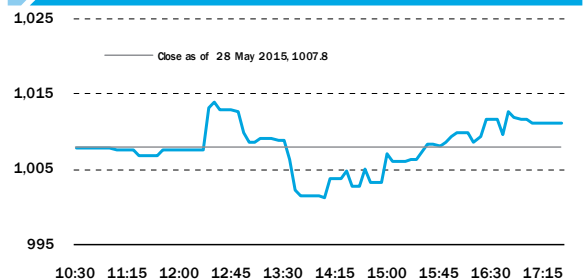
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1011.2	0.3%	-4.5%	-2.1%
RTS	968.8	-2.2%	-5.9%	22.5%
WIG20	2437.8	-0.1%	-4.4%	5.3%
MSCI EM	1004.2	-0.5%	-5.9%	5.0%
S&P 500	2107.4	-0.6%	-0.3%	2.4%

UX INTRADAY MAY 29, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	380.3	-0.2%	1.3%	-5.9%
CDS 5Y UKR	3000.0	0.0%	-3.2%	36.4%
Ukraine-17	44.3%	1.2 p.p.	1.3 p.p.	18.6 p.p.
Ferrexpo-16	19.2%	-2.1 p.p.	-9.3 p.p.	-12.2 p.p.
Ukraine-23	19.2%	-0.8 p.p.	-2.1 p.p.	11.7 p.p.
Privatbank-16	154.2%	0.8 p.p.	-4.0 p.p.	68.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	21.05	0.2%	-4.5%	33.1%
EUR	23.12	0.5%	-4.5%	20.8%
RUB	0.40	0.9%	-8.3%	46.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	182.2	-9.5%	-7.6%	-26.0%
Steel, USD/t	365.0	0.0%	-0.7%	-18.9%
Oil, USD/bbl	65.6	4.8%	0.3%	10.8%
Gold, USD/oz	1190.6	0.2%	-1.8%	0.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Saakashvili Replacing Palytsa as Odessa Provincial Head

by Will Ritter
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NEWS

Former Georgian president Mikhail Saakashvili was appointed by President Poroshenko as the governor of Odessa oblast (province) on Friday evening (May 30). Saakashvili will replace Igor Palytsa, who was quietly dismissed just before the announcement about Saakashvili's nomination. Poroshenko used his authority to grant Saakashvili, who has long-standing political ties to Ukraine, with Ukrainian citizenship. Provincial governors in Ukraine are appointed by the President, while city mayors are elected. The current mayor of Odessa is Gennadiy Trukhanov, who has been in office since May 2014.

COMMENTARY

Appointing Saakashvili, 47, to head Odessa's executive authority is a bold step by Poroshenko that could turn out to be either a disaster or a huge success. Our initial impression regarding this move is that it could be an intermediate step toward appointing Saakashvili as Ukraine's next prime minister. Although a controversial figure in his home country, Saakashvili is widely credited with having reformed Georgia's police and de-regulating its business environment, two critical areas in which Ukraine's post-Yanukovich government led by Arseniy Yatseniuk has been unable to show much progress. The negative side of the appointment is that Saakashvili is unlikely to be a popular figure with Odessa's pro-Russian-leaning electorate, and this also highlights Ukraine's un-democratic system of appointing governors from Kyiv rather than allowing them to be chosen by voters. Separately, the removal of Palytsa appears to represent a strike against industrialist Igor Kolomoysky, as Palytsa has been reported to be Kolomoysky's close associate and was placed in the job at his personal initiative.

Avangard's EBITDA Plunges by 90% YoY in 1Q15

by Ivan Dzvinka
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AVANGARD (AVGR LI)

Price: USD 2.06 Market Cap: USD 132mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	0.9	neg	2.8	0%
2015E	1.0	neg	3.8	0.0%

NEWS

Avangard, Ukraine's largest egg producer, reported a drop across the board in its 1Q15 operational and financial results on Friday (May 29). On the operational side, the company's laying hen flock decreased to 16.6mn heads (-37% YoY and -11% QoQ). Egg output stood at 1.05bn pieces (-44% YoY, -12% QoQ) due to the reduced hen flock. Egg sales volume was 1.07bn pieces (-16% YoY, +35% QoQ) including domestic sales of 959mn pieces (-13%, YoY, +40% QoQ) and export of 108mn pcs (-33%; +3%). The average selling price for eggs improved by 60% YoY (+3% QoQ) to UAH 1.07/pc while in USD terms it was down 33% YoY (-29% QoQ). Avangard significantly reduced its egg products (EP) output to 1,150 tonnes (-83% YoY and -68% QoQ), while EP sales volume was 3,250 tonnes (-55% YoY, +21% QoQ), suggesting that the company started to sell its inventories. The average selling price for EP was USD 5.24/kg (-26%; +5%).

Avangard's net revenue was down by 52% YoY to USD 72mn in 1Q15. A reduction by 76% in gross profit to USD 14.6mn together with a surge in "other operating expenses" to USD 13.9mn (close to nil in 1Q14) pushed the company's EBITDA down by 90% to USD 6.4mn in 1Q15, while EBIT amounted to a negligible USD 160,000. The lion's share of these "other operating costs" are written-off/impaired current assets in the egg products segment (USD 10mn) and shell egg segment (USD 3.9mn). The company forecasts its EBITDA in 2Q15 at not higher than zero. A forex translation loss of USD 46mn contributed to the company's negative bottom line of USD -52.2mn in 1Q15. Avangard generated negative net operating cash flow of USD 3.4mn (vs. USD +39.4mn in 1Q14). The total debt/EBITDA ratio surged to 4.54x as of Mar 31 (2.65x as of end-2014), surpassing the Eurobond covenant level of 3.0x.

COMMENTARY

The 1Q15 results are a bit better than the most pessimistic expectations, but still provide grounds for soliciting the favorable restructuring conditions [for Avangard] from the company's bondholders. The dimensions of our concern in the 1Q15 results are: the reduction in the laying hen flock, inability to expand export market presence, and higher than fundamentally justified production cost. Following the reduction of the laying hen flock from 27.0mn heads at end-2013 to 18.5mn heads as of 30 Sept 2014 due to the war in the Donbass, the flock stabilized at 18.6mn at the end of 2014. With this further drop to 16.6mn heads as of Mar 31 and given that 10.7mn hens are now at the new Avis and Chornobaivske facilities, other operating assets are running at just 50% capacity use. This looks fairly unjustified to us in light of current high demand for eggs and the expansion of output by other large industrial egg producers across Ukraine. Despite a declared strategy of expansion export sales, Avangard's share of export sales in 1Q15 dropped to 33% from 40% in 1Q14. In volume terms, the export of eggs and EP fell by 33% and 65% YoY respectively despite the more lucrative export prices vs. domestic ones following the hryvnia devaluation. Production cost increased by 35% to UAH 1.0/piece in 1Q15 vs. 4Q14, with the grains and oils components surging by 73% and 43% QoQ respectively. This looks rather suspicious to us given Avangard's previous years' practice to procure needs

in fodder crops (esp. grains) during harvest season (3Q) for the coming 4Q and 1Q periods. Anticipating hryvnia devaluation, management would have been even more inclined to follow this practice in late 2014, we presume.

On the positive side, we like the company's [somewhat delayed] decision to stop producing excessive amounts of egg products to keep in inventories, which has resulted in write-offs due to expired shelf life. Notably, USD 10mn of other operating expenses in the EP segment in 1Q15 were due to such write-offs. As of end-2014, the egg products inventory stood at 6,300 tonnes, our calculations show, with a decrease by 2,100 tonnes in 1Q15 due to higher sales vs. output.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	38.6	56.50	46%	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	11.0	15.32	40%	BUY	MHP plans to increase its poultry output by 10% YoY to 600,000 tonnes in 2015 operating at full capacity use of its brand-new Vinnytsia complex. The group intends to expand its landbank in Ukraine to 500,000 ha in the medium term from the current 290,000 ha.
Astarta	AST PW	28.2	36.1	28%	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	1.6	1.4	-14%	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	80.0	80.8	1%	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	75.3	48.0	-36%	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	0.79	0.56	-30%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.16	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	2720	5250	93%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	4.6	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	30.8	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	22.8	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	7.76	15.00	93%	BUY	CenterEnergO'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	0.091	0.24	164%	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	1011.22	1368.76	908.88	0.3%	-1.5%	-4.5%	-2.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	-3.4%	0.0%	-9.7%	-3.4%	-3.8%	1.5%	-5.1%	-1.3%
Azovstal	AZST	0.79	0.95	0.35	-1.1%	-4.4%	-6.2%	6.0%	-1.5%	-2.9%	-1.6%	8.2%
Enakievo Steel	ENMZ	15.73	65.00	14.51	2.8%	-7.5%	-10.0%	-24.9%	2.5%	-6.0%	-5.5%	-22.8%
Coke												
Avdyivka Coke	AVDK	1.16	3.62	0.86	-0.5%	-8.0%	-16.0%	-32.7%	-0.8%	-6.5%	-11.5%	-30.6%
Yasynivsky Coking	YASK	0.26	0.84	0.18	0.0%	0.0%	-13.3%	-7.1%	-0.3%	1.5%	-8.8%	-5.0%
Iron Ore Mining												
Centralny GOK	CGOK	5.80	n/a	n/a	-9.4%	-31.8%	-31.0%	-25.5%	-9.7%	-30.3%	-26.4%	-23.4%
Ferrexpo	FXPO	74.50	143.00	47.91	1.4%	0.0%	-6.0%	40.6%	1.0%	1.5%	-1.5%	42.7%
Pivnichny GOK	SGOK	7.69	12.30	4.44	1.2%	-1.4%	-6.2%	-8.1%	0.8%	0.1%	-1.7%	-6.0%
Coal Mining												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	0.0%	0.0%	-29.8%	-0.3%	1.5%	4.5%	-27.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.21	1.01	0.20	-8.7%	-25.0%	-44.7%	-44.7%	-9.0%	-23.5%	-40.2%	-42.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.14	21.60	9.50	0.9%	-6.2%	-10.9%	-21.1%	0.6%	-4.7%	-6.4%	-19.0%
Luhanskeplovoz	LTPL	1.05	1.80	0.85	0.0%	0.0%	-12.5%	-2.8%	-0.3%	1.5%	-8.0%	-0.6%
Specialized Machinery												
Motor Sich	MSICH	2720	2939	1970	3.4%	4.8%	-0.5%	9.5%	3.1%	6.3%	4.1%	11.7%
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	0.18	0.21	0.10	0.0%	0.0%	-10.0%	18.4%	-0.3%	1.5%	-5.4%	20.6%
Oil & Gas												
Regal Petroleum	RPT	4.50	9.38	3.13	0.0%	5.9%	-5.2%	44.0%	-0.3%	7.4%	-0.6%	46.1%
JKX Oil	JKX	30.75	62.00	11.00	0.0%	0.0%	3.4%	156.3%	-0.3%	1.5%	7.9%	158.4%
Ukrnafta	UNAF	269.0	375.0	54.0	-0.5%	-0.1%	3.1%	32.3%	-0.8%	1.4%	7.6%	34.5%
Power Utilities												
Centrenergo	CEEN	7.76	8.70	3.00	-1.3%	-2.7%	-5.9%	2.9%	-1.7%	-1.2%	-1.4%	5.1%
Donbasenergo	DOEN	22.80	46.00	11.00	0.0%	-2.1%	-1.8%	-30.9%	-0.3%	-0.6%	2.7%	-28.8%
Zakhidenergo	ZAEN	166.0	199.8	91.2	0.0%	0.0%	10.7%	12.1%	-0.3%	1.5%	15.2%	14.2%
Consumer												
Agroton	AGT	1.00	3.19	0.95	-1.0%	-3.8%	-9.9%	-18.7%	-1.3%	-2.3%	-5.4%	-16.6%
Astarta	AST	28.00	47.95	14.50	0.0%	13.8%	15.2%	40.0%	-0.3%	15.3%	19.8%	42.1%
Avangardo	AVGR	2.20	10.27	1.83	-15.4%	-12.0%	-10.6%	7.3%	-15.7%	-10.5%	-6.0%	9.5%
Industrial Milk Company	IMC	4.40	10.39	4.38	n/a	-4.1%	-21.4%	-22.4%	n/a	-2.6%	-16.9%	-20.3%
Kernel	KER	38.50	39.25	22.00	0.0%	4.1%	8.6%	35.3%	-0.4%	5.6%	13.2%	37.4%
Mriya Agro Holding	MAYA	0.16	4.85	0.05	0.0%	45.5%	-11.1%	-71.5%	-0.3%	47.0%	-6.6%	-69.4%
MHPC	MHPC	10.95	15.60	8.24	-2.7%	4.3%	-2.2%	19.0%	-3.0%	5.8%	2.3%	21.2%
Milkiland	MLK	2.24	7.57	1.48	n/a	-3.4%	-19.1%	51.4%	n/a	-1.9%	-14.6%	53.5%
Ovostar Union	OVO	80.00	83.00	66.20	-0.6%	-3.0%	6.7%	11.1%	-1.0%	-1.5%	11.2%	13.2%
Chemicals												
Stirol	STIR	5.98	18.00	4.02	16.1%	48.8%	-0.3%	-13.7%	15.8%	50.3%	4.2%	-11.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.091	0.170	0.086	-0.1%	-1.7%	-6.8%	-5.3%	-0.4%	-0.2%	-2.2%	-3.2%
UkrSotsbank	USCB	0.107	0.200	0.085	6.6%	4.4%	-5.8%	-18.2%	6.3%	5.9%	-1.2%	-16.1%

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																
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
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	796	412	251	-199	85	72	neg	20.6%	28.5%	-279	18	9	neg	4.4%	3.6%
Oil & Gas																
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%
Electric Utilities																
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
Consumer																
MHP	MHPC	1,496	1,379	1,134	391	555	520	26.1%	40.2%	45.9%	162	-412	31	10.8%	neg	2.7%
Kernel	KER	2,797	2,393	2,325	291	223	415	10.4%	9.3%	17.8%	105	-107	100	3.8%	neg	4.3%
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	17	3.9%	1	2,631	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	680	634	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	6	neg	neg	0.3	neg	1.0	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	158	3.0%	5	152	neg	2.0	2.4	neg	0.8	1.2	0.1	0.1	0.1	33	34	33	\$/tonne
Coke																		
Avdyivka Coke	AVDK	11	6.8%	1	-28	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-7	-7	-8	\$/tonne
Yasynivsky Coke	YASK	3	9.0%	0	4	neg	neg	neg	0.1	neg	neg	0.0	0.0	0.0	0.1	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	323	0.3%	1	321	1.7	2.8	4.0	1.0	1.4	2.0	0.5	0.5	0.6				
Pivnichny GOK	SGOK	842	0.4%	3	835	1.5	2.6	3.7	0.9	1.3	1.8	0.5	0.6	0.6				
Ferrexpo	FXPO	663	24.0%	159	1,358	2.5	3.6	6.8	2.7	2.7	5.3	0.9	1.0	1.3				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	26	2.0%	1	72	5.5	1.1	14.1	2.3	1.6	4.0	0.2	0.4	0.8	114	189	179	\$/tonne
Railcar Manufacturing																		
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	55	5.0%	3	49	1.3	neg	neg	1.0	neg	9.8	0.1	0.4	0.7				
Specialized Machinery																		
Turboatom	TATM	70	5.8%	4	40	1.0	1.3	3.1	0.4	0.5	1.1	0.2	0.2	0.4				
Motor Sich	MSICH	269	24.0%	64	243	1.7	2.1	2.9	0.6	0.7	1.1	0.2	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	160	7.2%	12	251	neg	8.8	17.6	neg	3.0	3.5	0.3	0.6	1.0				
Oil & Gas																		
Ukrnafta	UNAF	693	3.0%	21	701	29.7	6.6	4.1	2.4	1.8	2.0	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	22	21.6%	5	-3	neg	11.0	7.3	neg	-0.2	-0.2	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	80	50.4%	40	189	12.4	neg	16.1	2.8	2.8	2.7	1.0	1.3	1.3	34	26	25	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	136	21.7%	30	150	2.3	23.2	neg	1.6	5.8	neg	0.2	0.2	0.5	8	11	9	\$/MWh
DonbasEnergO	DOEN	26	14.2%	4	56	0.4	3.0	neg	0.8	2.8	neg	0.1	0.1	0.3	7	7	7	\$/MWh
Consumer																		
MHP	MHPC	1,157	34.1%	395	2,294	7.1	neg	>30	5.9	4.1	4.4	1.5	1.7	2.0				
Kernel	KER	815	61.8%	503	1,291	7.8	neg	8.2	4.4	5.8	3.1	0.5	0.5	0.6				
Astarta	AST	186	37.0%	69	397	5.5	neg	neg	4.4	2.8	4.1	0.8	0.9	1.1				
Avangardco	AVGR	141	22.5%	32	367	0.6	neg	neg	1.2	2.8	3.9	0.6	0.9	1.0	83	63	59	\$/mneqgs
Ovostar	OVO	128	25.0%	32	136	4.1	4.9	5.2	3.8	4.7	5.4	1.7	1.8	1.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	130	3.5%	5		1.4	neg	neg	0.1	0.3	0.4	0.02	0.05	0.06				
Ukrsotsbank	USCB	93	1.0%	1		>30	>30	>30	0.1	0.2	0.3	0.02	0.03	0.04				

Source: Eavex Research

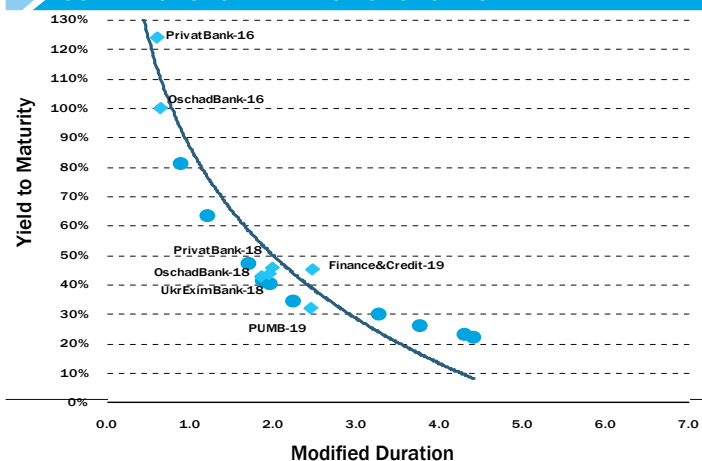
UKRAINIAN EUROBONDS

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	323.8%	299.9%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	50.8	52.4	325.7%	312.4%	-26.7%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	47.9	49.0	69.1%	66.9%	-22.7%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	47.7	48.6	96.4%	93.7%	-25.6%	0.6	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	46.5	47.5	44.9%	43.7%	-25.6%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	48.0	48.8	52.3%	51.2%	-22.2%	1.4	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	45.0	46.5	50.0%	48.1%	-25.6%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	45.0	46.3	42.0%	40.7%	-24.0%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	47.9	48.4	26.6%	26.3%	-19.3%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	46.5	47.5	26.7%	26.1%	-20.9%	3.5	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	48.0	48.8	22.5%	22.1%	-19.6%	4.4	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	52.0	55.0	20.6%	20.1%	-9.8%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	30.1	39.3	47.3%	36.9%	2.6%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.7	85.5	12.9%	12.3%	22.6%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	56.8	56.8	199.9%	199.9%	-12.0%	0.2	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	49.0	51.5	44.1%	41.6%	8.0%	1.9	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	14.0	17.0	477.3%	402.3%	19.2%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	14.0	17.0	107.4%	95.0%	19.2%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	47.0	50.0	45.6%	42.4%	n/a	1.9	10.375%	S/A	28 Mar 2018	160	//C
DTEK, 2018	46.0	49.0	42.2%	39.2%	4.4%	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	61.0	64.0	35.3%	32.7%	-10.7%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	58.0	61.0	33.5%	31.1%	7.2%	2.0	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	90.0	93.0	21.3%	17.0%	18.8%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	84.5	87.3	15.9%	14.8%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	62.0	64.0	29.6%	28.2%	18.8%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	113.9%	82.9%	-45.5%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.0	74.8	28.3%	25.9%	25.1%	1.4	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	20.0	30.0	77.1%	56.3%	-69.9%	1.9	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	53.0	56.0	34.3%	32.1%	-19.3%	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	66.0	191.7%	176.5%	4.0%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	46.5	48.5	159.7%	148.8%	-4.0%	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	77.0	80.0	n/a	n/a	1.3%	0.1	8.38%	S/A	27 Jul 2015	750	Ca//CC
UkrEximBank, 2016	59.0	62.0	102.4%	91.7%	27.4%	0.5	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	72.5	74.5	23.2%	22.0%	30.1%	2.0	8.75%	S/A	22 Jan 2018	600	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	72.0	74.0	58.0%	53.4%	24.8%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	72.0	74.0	22.9%	21.7%	29.4%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	48.0	50.5	266.9%	242.4%	-32.1%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	46.0	49.0	100.3%	91.6%	-32.8%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/

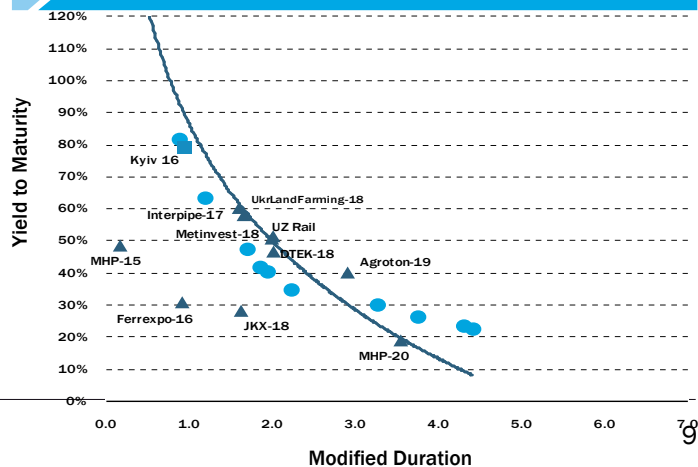
¹ Moody's/S&P/Fitch; * EUR

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

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