

Market Update

Equity

Ukrainian stocks saw a slight rebound on Friday (Jun 5) after steep losses the day before on fears about a re-escalation of the Donbass war. The UX index recovered 0.4% to close at 992 points. From a chart perspective, the benchmark suffered from its failure to surpass the resistance level at 1020 points. Technical analysis logic dominated on the market ahead of the expiration of UX futures contracts on Jun 15. In actively traded stocks, Motor Sich (MSICH) inched up 0.2% to UAH 2678 while CentrErgo (CEEN) was unchanged at UAH 7.60 per share. In general the market was in a quiet mode, with traders still waiting for signs of a hoped-for 2H15 economic recovery. In London, Avangard (AVGR) fell to a new all time low of USD 1.50 on a drop of 3.5%, while MHP (MHPC) picked up 2.2% to USD 11.50. Warsaw-listed Astarta (AST) gained 0.8% to PLN 28.50 after the company announced a buyback program for up to 2,500,000 shares, which represents 10% of outstanding shares. Ovostar (OVO) edged down 1.2% to PLN 80 on the nose.

Fixed Income

Ukrainian sovereigns were slightly lower on Friday, with Ukraine-23s inching down by 0.1p.p. to 55.0/56.3 (18.6%/18.2%). Corporate names were mixed. Avangard-15s slumped 6.8p.p. to 50.0/50.0 (271.1%) while Ferrexpo-16s rose by 2.0p.p. to 93.0/95.0 (17.3%/14.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2678.00	0.2%	1.9	10
Centrenerg	CEEN	7.60	-0.1%	1.5	18
Raiffeisen Bank Aval	BAVL	0.09	-0.2%	0.2	23

Growth Leaders

Donbasenergo	DOEN	21.88	1.5%	0.01	24
Ukrnafta	UNAF	261.60	0.2%	0.04	14
Motor Sich	MSICH	2678.00	0.2%	1.86	10

Loss Leaders

Raiffeisen Bank Aval	BAVL	0.09	-0.2%	0.168	23
Centrenerg	CEEN	7.60	-0.1%	1.492	18
Motor Sich	MSICH	2,678.00	0.2%	1.864	10

Highlights

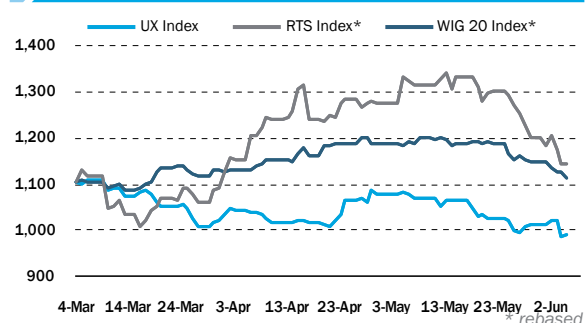
POLITICS AND ECONOMICS

- > Donbass Quieter as G7 Presents United Front on Russia Sanctions
- > UkrStat: Headline Inflation at 58% After May Data

FIXED INCOME

- > Metinvest's 1Q15 EBITDA Down 61%

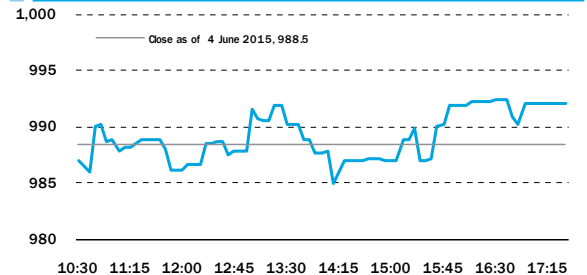
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	992.1	0.4%	-8.5%	-4.0%
RTS	922.7	0.0%	-14.0%	16.7%
WIG20	2365.6	-1.0%	-5.7%	2.1%
MSCI EM	982.1	-0.6%	-6.3%	2.7%
S&P 500	2092.8	-0.1%	0.2%	1.6%

UX INTRADAY JUNE 5, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	376.4	-0.8%	2.7%	-6.9%
CDS 5Y UKR	2600.0	-5.5%	-16.1%	18.2%
Ukraine-17	37.8%	-2.2 p.p.	-6.8 p.p.	12.1 p.p.
Ferrexpo-16	15.8%	-2.8 p.p.	-13.9 p.p.	-15.5 p.p.
Ukraine-23	18.4%	0.0 p.p.	-3.1 p.p.	10.9 p.p.
Privatbank-16	156.9%	0.8 p.p.	-6.3 p.p.	71.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	21.05	0.0%	0.7%	33.0%
EUR	23.39	-1.1%	0.0%	22.2%
RUB	0.37	0.2%	-10.1%	36.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	182.2	0.0%	-9.1%	-26.0%
Steel, USD/t	370.0	0.0%	2.1%	-17.8%
Oil, USD/bbl	63.3	2.1%	-7.3%	7.0%
Gold, USD/oz	1172.0	-0.4%	-1.8%	-1.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Donbass Quieter as G7 Presents United Front on Russia Sanctions

by Will Ritter
w.ritter@eavex.com.ua

NEWS

The leaders of the G7 industrialized nations affirmed support for continued economic sanctions against Russia due to its military aggression against Ukraine at a summit meeting in Germany on Sunday (Jun 7), the Associated Press reported. German Chancellor Merkel and US President Obama had agreed during a pre-summit bilateral meeting that the duration of sanctions imposed upon Moscow should be “clearly linked to Russia’s full implementation of the Minsk” peace accord agreed in February, the AP wrote, quoting a White House statement. Meanwhile, in Ukraine, fighting west of Donetsk city that had flared up after DNR separatists launched an assault on the town of Maryinka on Wednesday appeared to quiet over the weekend. On Saturday, Heidi Tagliavini, the diplomat in charge of the OSCE negotiations in the Minsk format, quit her assignment after Russia apparently walked out of the talks earlier in the week just prior to the Maryinka offensive.

COMMENTARY

We doubt that the timing of the separatist offensive last week and the upcoming G7 summit were a coincidence. We suppose that Moscow understood that no sanctions relief would be forthcoming from the summit, and therefore decided to send a message that its proxies in Donetsk and Lugansk are still a threat to the peace process and to Ukraine. However, with the knowledge that a broad escalation in the Donbass would surely bring an intensification of sanctions, the Kremlin appears to be intent on keeping the hostilities within some limit. Indeed, the offensive may have been meant as a provocation to draw a reaction from Ukrainian forces, who could then have been blamed for violating the ceasefire, embarrassing Kyiv during the G7 meeting. We note that Kremlin-induced flare-ups of violence in the Donbass provide ammunition for hawks on the Ukrainian side who are eager to declare the Minsk peace process null and void. Overall, we still view the political aspects of the Minsk agreement as unrealistic. Given the anti-Ukrainian position of the separatist leadership as well as the clear antipathy in Kyiv to bringing millions of pro-Russian Donbass voters back into Ukraine’s national political process, we don’t see any way that the DNR/LNR occupied territories can be integrated back into Ukraine. This leaves a “frozen conflict” scenario as the only possible positive outcome from the Ukrainian and Western point of view.

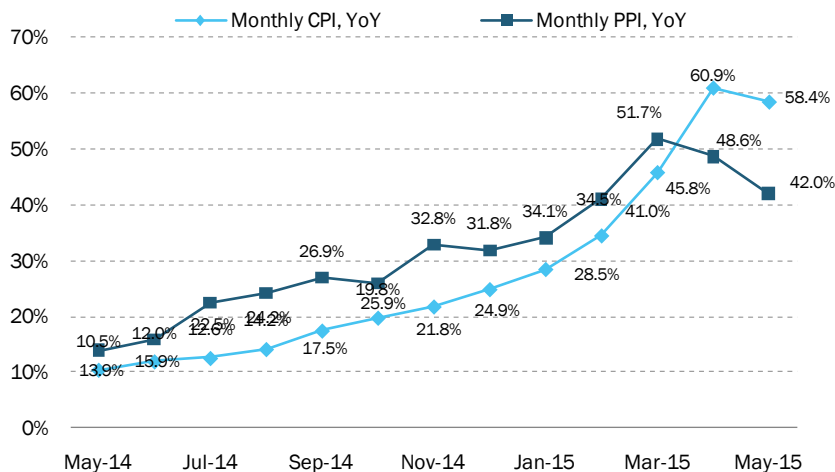
UkrStat: Headline Inflation at 58% After May Data

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

NEWS

Ukraine's State Statistics Committee reported that headline 12-month consumer inflation was at 58.4% as of May 31, down slightly from 60.9% on Apr 30, according to official data released on Friday (Jun 5). The CPI increase was 2.2% MoM in May after the previously monthly jump of 14.0% in April. UkrStat also reported that producer prices inched down by 0.4% MoM in May, but remain up by 42% YoY.

UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

In the CPI basket, utility service prices had soared by 2.5x YoY in April, as a rise in the households tariffs for cooking-use natural gas by 5.5x YoY was a major factor behind the overall utility service price increase, despite cooking use gas accounting for only a tiny amount of gas consumption compared to heating. Meanwhile, as the hryvnia stabilized at near 21.00 UAH/USD after a short spike above 30.00 UAH/USD in February, we assume that there will be no acceleration in consumer prices in the next few months. In the latest review of Ukraine's economy, the IMF staff predicted an inflation rate of 46% for full-year 2015.

Metinvest's 1Q15 EBITDA Down 61%

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

NEWS

Metinvest, Ukraine's largest metals and mining holding, finished 1Q15 with a decline in EBITDA by 61% to USD 341mn on a 38% drop in net revenue to USD 1.82bn, the group reported last week (Jun 4). The EBITDA of the mining division was down sharply, by 7.3x to USD 106mn; this was only slightly offset by growth in the EBITDA of the group's metallurgical division by USD 116mn to USD 253mn over the period.

CapEx fell by 3.3x YoY to USD 38mn in the quarter, while total debt as of Mar 31 stood at USD 3.14bn (-3% YoY) and net debt was at USD 2.95bn (-5% YoY). The Total Debt/EBITDA and Net Debt/EBITDA multiples were at 1.3x and 1.2x, respectively.

In a separate news at the beginning of last week, Metinvest said a quorum needed to make a Jun 1 bondholder meeting official was not present, and the meeting was adjourned to a later date. The issue for the meeting is that Metinvest did not redeem its USD 114 Eurobond which came due on May 20.

COMMENTARY

Metinvest said it had a positive effect from devaluation of USD 197mn (58% of 1Q15 EBITDA) and a positive joint venture contribution from Metinvest-affiliated ZaporizhStal's result of USD 84mn. However, this was not nearly enough to compensate for the huge drag of a 34-52% correction in iron ore prices across various markets. Falling iron ore prices together with lower sales volume pushed the mining division results to a mere USD 106mn in 1Q15; prospects for improvement in the coming quarters remains muted in light of sluggish iron ore prices in China, the main global importer of this material.

Meanwhile, for adjourned meeting to hold, the quorum to be reached is now only 25% vs. a quorum for the initial meeting of 75%, which obviously increases the chances for it to take place. While the risks of a standoff in negotiations with creditors are high, we still see chances that the group will resolve the the issue with its 2015 bondholders, thereby preventing the launch of an open-ended global restructuring process.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	38.4	56.50	47%	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	15.32	33%	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	28.5	36.1	27%	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	1.5	1.4	-10%	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	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	78.3	48.0	-39%	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	0.78	0.56	-29%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.12	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	2678	5250	96%	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%.
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	4.0	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	29.0	U/R	--	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergO	DOEN	21.9	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	7.60	15.00	97%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.087	0.24	176%	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	992.13	1368.76	908.88	0.4%	-1.9%	-8.5%	-4.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	2.2%	-1.4%	-17.9%	-4.8%	1.9%	0.5%	-9.3%	-0.8%
Azovstal	AZST	0.78	0.95	0.35	-0.4%	-1.3%	-10.2%	4.7%	-0.7%	0.6%	-1.7%	8.7%
Enakievo Steel	ENMZ	16.11	65.00	14.51	0.0%	2.4%	-10.6%	-23.1%	-0.4%	4.3%	-2.1%	-19.1%
Coke												
Avdyivka Coke	AVDK	1.12	3.62	0.86	-0.4%	-4.2%	-17.4%	-35.5%	-0.8%	-2.3%	-8.9%	-31.6%
Yasynivsky Coking	YASK	0.24	0.84	0.18	0.0%	-7.7%	-11.1%	-14.3%	-0.4%	-5.8%	-2.6%	-10.3%
Iron Ore Mining												
Centralny GOK	CGOK	5.75	n/a	n/a	0.0%	-0.9%	-31.5%	-26.2%	-0.4%	1.0%	-22.9%	-22.2%
Ferrexpo	FXPO	78.25	143.00	47.91	2.0%	5.0%	-1.6%	47.6%	1.6%	6.9%	7.0%	51.6%
Pivnichny GOK	SGOK	6.90	12.30	4.44	-1.0%	-10.3%	-15.9%	-17.6%	-1.4%	-8.4%	-7.3%	-13.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.39	0.79	0.17	0.0%	18.2%	18.2%	-17.0%	-0.4%	20.1%	26.7%	-13.0%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.21	1.01	0.20	0.0%	0.0%	-30.0%	-44.7%	-0.4%	1.9%	-21.5%	-40.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.14	21.60	9.50	0.0%	0.0%	-14.0%	-21.1%	-0.4%	1.9%	-5.5%	-17.1%
Luhanskeplovoz	LTPL	1.10	1.80	0.85	0.0%	4.8%	-8.3%	1.9%	-0.4%	6.6%	0.2%	5.8%
Specialized Machinery												
Motor Sich	MSICH	2678	2939	1970	0.2%	-1.5%	-3.0%	7.9%	-0.2%	0.3%	5.5%	11.8%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.18	0.21	0.10	0.0%	0.0%	15.0%	18.4%	-0.4%	1.9%	23.6%	22.4%
Oil & Gas												
Regal Petroleum	RPT	4.03	9.25	3.13	-5.7%	-10.4%	-15.1%	29.0%	-6.1%	-8.6%	-6.5%	32.9%
JKX Oil	JKX	29.00	62.00	11.00	0.0%	-5.7%	-3.3%	141.7%	-0.4%	-3.8%	5.2%	145.7%
Ukrnafta	UNAF	261.6	375.0	54.0	0.2%	-2.8%	-5.2%	28.7%	-0.1%	-0.9%	3.3%	32.7%
Power Utilities												
Centrenergo	CEEN	7.60	8.70	3.00	0.1%	-2.2%	-8.9%	0.7%	-0.3%	-0.3%	-0.3%	4.7%
Donbasenergo	DOEN	21.88	46.00	11.00	2.7%	-4.0%	-8.0%	-33.7%	2.3%	-2.1%	0.5%	-29.7%
Zakhidenergo	ZAEN	155.1	199.8	91.2	0.0%	-6.6%	3.4%	4.7%	-0.4%	-4.7%	11.9%	8.7%
Consumer												
Agroton	AGT	0.96	3.19	0.95	-1.0%	-4.0%	-11.9%	-22.0%	-1.4%	-2.1%	-3.4%	-18.0%
Astarta	AST	28.47	47.95	14.50	0.8%	1.7%	12.2%	42.4%	0.4%	3.6%	20.7%	46.3%
Avangardo	AVGR	1.52	10.27	1.52	-2.3%	-30.9%	-33.9%	-25.9%	-2.6%	-29.0%	-25.4%	-21.9%
Industrial Milk Company	IMC	4.50	10.39	4.38	n/a	2.3%	-15.1%	-20.6%	n/a	4.2%	-6.6%	-16.7%
Kernel	KER	38.40	39.25	22.00	-0.3%	-0.3%	9.7%	34.9%	-0.6%	1.6%	18.2%	38.9%
Mriya Agro Holding	MAYA	0.16	4.75	0.05	0.0%	0.0%	213.7%	-71.5%	-0.4%	1.9%	222.3%	-67.5%
MHPC	MHPC	11.50	15.60	8.24	2.2%	5.0%	0.0%	25.0%	1.9%	6.9%	8.5%	29.0%
Milkiland	MLK	2.05	7.57	1.48	n/a	-8.5%	-20.5%	38.5%	n/a	-6.6%	-12.0%	42.5%
Ovostar Union	OVO	80.00	83.00	67.00	-1.2%	0.0%	7.4%	11.1%	-1.6%	1.9%	15.9%	15.1%
Chemicals												
Stirol	STIR	6.25	18.00	4.02	0.0%	4.5%	13.4%	-9.8%	-0.4%	6.4%	22.0%	-5.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.087	0.170	0.086	-0.1%	-4.3%	-12.9%	-9.4%	-0.5%	-2.4%	-4.4%	-5.4%
UkrSotsbank	USCB	0.100	0.200	0.085	0.0%	-6.1%	-12.7%	-23.2%	-0.4%	-4.2%	-4.1%	-19.2%

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	-4	10.9%	neg	neg	42	-23	-9	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	2,630	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	156	3.0%	5	150	neg	2.0	2.4	neg	0.8	1.2	0.1	0.1	0.1	33	33	33	\$/tonne
Coke																		
Avdiyivka Coke	AVDK	10	6.8%	1	-29	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	320	0.3%	1	319	1.6	2.8	4.0	1.0	1.4	2.0	0.5	0.5	0.6				
Pivnichny GOK	SGOK	755	0.4%	3	749	1.4	2.3	3.3	0.8	1.2	1.6	0.5	0.5	0.6				
Ferrexpo	FXPO	699	24.0%	168	1,394	2.6	3.8	7.2	2.8	2.8	5.4	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	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	neg	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	264	24.0%	63	239	1.6	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	674	3.0%	20	682	28.9	6.4	4.0	2.4	1.8	1.9	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	20	21.6%	4	-5	neg	9.9	6.6	neg	-0.3	-0.4	-0.1	-0.1	-0.2	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
Electric Utilities																		
CentrEnergO	CEEN	133	21.7%	29	147	2.2	22.7	neg	1.6	5.7	neg	0.2	0.2	0.5	8	11	9	\$/MWh
DonbasEnergO	DOEN	25	14.2%	3	58	0.4	2.9	neg	0.8	2.9	neg	0.1	0.1	0.3	7	7	7	\$/MWh
Consumer																		
MHP	MHPC	1,215	34.1%	414	2,353	7.5	neg	>30	6.0	4.2	4.5	1.6	1.7	2.1				
Kernel	KER	815	61.8%	504	1,291	7.8	neg	8.2	4.4	5.8	3.1	0.5	0.5	0.6				
Astarta	AST	190	37.0%	70	400	5.6	neg	neg	4.4	2.8	4.1	0.8	0.9	1.2				
Avangardco	AVGR	97	22.5%	22	323	0.4	neg	neg	1.1	2.5	3.4	0.5	0.8	0.9	73	56	52	\$/mneqgs
Ovostar	OVO	128	25.0%	32	136	4.1	5.0	5.3	3.8	4.7	5.5	1.7	1.8	1.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	124	3.5%	4		1.4	neg	neg	0.1	0.3	0.4	0.02	0.04	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

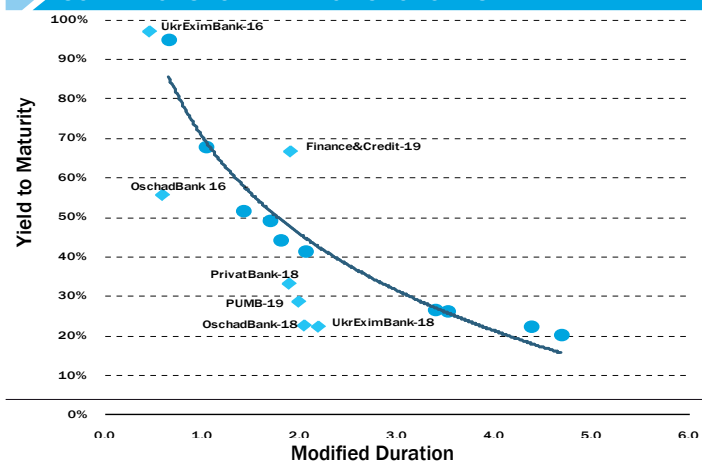
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2015 (EUR)	45.0	47.0	340.5%	315.4%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	54.5	56.0	298.9%	281.8%	-21.4%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	52.8	53.7	59.8%	58.1%	-15.1%	1.1	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	52.0	52.9	85.8%	83.4%	-19.0%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	52.5	54.0	38.5%	37.0%	-15.7%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	49.5	50.5	50.6%	49.3%	-19.6%	1.4	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	48.0	49.5	46.5%	44.7%	-20.7%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	47.5	49.5	39.6%	37.7%	-19.2%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	49.8	51.0	25.6%	24.9%	-15.5%	3.5	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	52.0	53.0	23.7%	23.2%	-11.6%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	52.0	53.0	20.7%	20.3%	-12.8%	4.5	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	55.0	56.3	18.6%	18.2%	-6.2%	4.8	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	30.1	39.3	47.7%	37.2%	2.6%	2.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.6	85.2	12.9%	12.4%	22.3%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	50.0	50.0	271.1%	271.1%	-22.5%	0.2	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	49.5	49.5	43.6%	43.6%	6.4%	1.8	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	15.0	18.0	468.3%	397.0%	26.9%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	15.0	18.0	104.0%	92.4%	26.9%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	47.0	50.0	45.8%	42.6%	n/a	1.9	10.375%	S/A	28 Mar 2018	160	//C
DTEK, 2018	46.0	49.0	42.5%	39.4%	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	35.5%	32.9%	-10.7%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	58.0	60.0	33.7%	32.0%	6.3%	2.0	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	93.0	95.0	17.3%	14.5%	22.1%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	85.3	89.2	15.6%	14.1%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	63.4	64.0	28.7%	28.3%	20.1%	2.2	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	115.7%	84.1%	-45.5%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.1	74.3	28.4%	26.3%	24.8%	1.4	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	20.0	30.0	77.4%	56.5%	-69.9%	1.9	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	53.0	56.0	34.4%	32.2%	-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	65.0	67.0	194.9%	179.2%	5.6%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	47.0	49.0	162.5%	151.4%	-3.0%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	65.0	70.0	30.7%	27.2%	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	62.0	65.0	94.6%	84.4%	33.7%	0.5	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	76.0	77.5	21.1%	20.2%	35.8%	2.1	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	74.0	77.0	54.6%	48.0%	29.1%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	73.9	76.5	21.9%	20.4%	33.1%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	50.1	51.8	256.1%	240.6%	-29.8%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	49.1	51.5	92.9%	86.4%	-28.8%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/

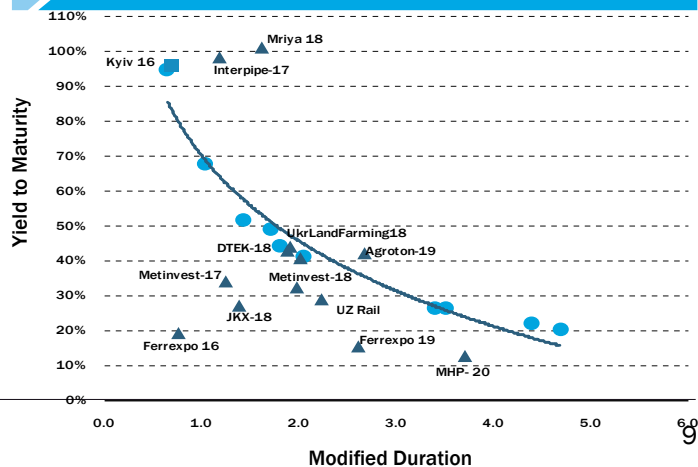
¹ Moody's/S&P/Fitch; * EUR

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									
UA4000142665			25%	20%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142673	n/a	n/a	14.0%	8.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
VAT Bonds									
UA4000082531			25%	22%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			25%	22%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			25%	22%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			25%	22%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			25%	22%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			25%	22%	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