

Market Update

Equity

Kyiv-listed stocks ended higher on Wednesday (Jun 10), with the UX index climbing 0.4% to end at 1021 points. The major news that continues to encourage traders is the IMF's position on keeping bailout cash flowing to Ukraine even if the country stops payments to bondholders. Parliament passed a law last month allowing it to impose a moratorium on debt payments as restructuring talks with creditors have stalled. Among the 10 UX index components, the largest rise of 3.3% was registered in low-liquidity Avdyivka Coke (AVDK), while CentrEnerg (CEEN) and UkrNafta (UNAF) gained 0.3% and 1.1% respectively. In the financial sector, Raiffeisen Aval (BAVL) added 0.7% but remains near its narrow trading range around 9 kopecks per share. London-listed Ferrexpo (FXPO) advanced by 2.0% to GBp 76.75 amid a general rally on European bourses. In Warsaw trading Kernel (KER) and Astarta (AST) were both marginally lower by less than half a percent.

Fixed Income

Ukrainian sovereigns were lower on Wednesday after Prime Minister Yatseniuk's comments about the necessity to restructure sovereign debt with haircuts. Ukraine-23s lost 2.9p.p. to 56.5/57.6 (17.7%/17.4%). Corporate names also finished in the red. MHP-20s declined by 0.2p.p. to 83.3/84.7 (13.0%/12.6%) and Metinvest-18s were down 1.0p.p. to 57.0/60.0 (34.6%/32.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2710.00	-0.5%	3.0	16
Centrenerg	CEEN	7.85	0.3%	0.4	8
Ukrnafta	UNAF	273.00	1.1%	0.3	16

Growth Leaders

Azovstal	AZST	0.80	1.3%	0.15	31
Ukrnafta	UNAF	273.00	1.1%	0.29	16
Raiffeisen Bank Aval	BAVL	0.09	0.7%	0.16	18

Loss Leaders

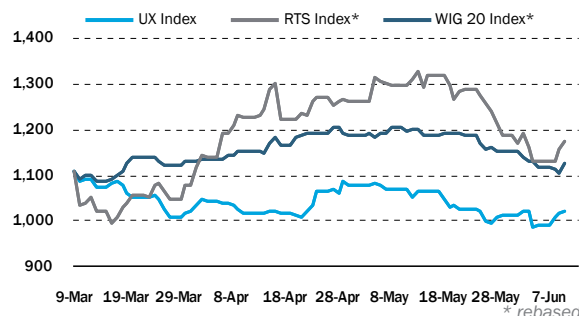
Motor Sich	MSICH	2,710.00	-0.5%	3.029	16
Yenakievo Steel	ENMZ	17.32	0.0%	0.003	10
Donbasenergo	DOEN	21.72	0.1%	0.084	10

Highlights

POLITICS AND ECONOMICS

- Ukraine Needs to Spend USD 2bn on Pre-Winter Gas Purchases

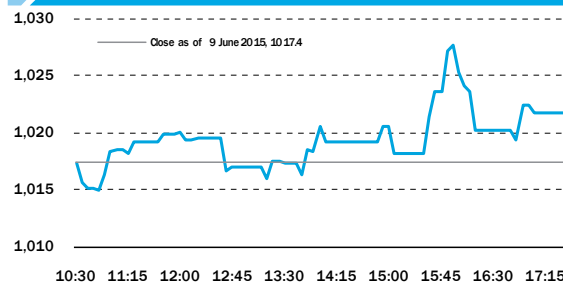
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1021.7	0.4%	-4.4%	-1.1%
RTS	959.0	1.6%	-9.5%	21.3%
WIG20	2384.5	2.0%	-6.4%	3.0%
MSCI EM	977.9	0.7%	-5.5%	2.3%
S&P 500	2105.2	1.2%	-0.5%	2.2%

UX INTRADAY JUNE 10, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	384.2	-0.2%	5.0%	-4.9%
CDS 5Y UKR	2700.0	3.8%	-10.0%	22.7%
Ukraine-17	40.0%	2.4 p.p.	-2.4 p.p.	14.3 p.p.
Ferrexpo-16	15.9%	0.0 p.p.	-12.2 p.p.	-15.4 p.p.
Ukraine-23	17.9%	1.0 p.p.	-3.0 p.p.	10.4 p.p.
Privatbank-16	153.8%	-4.7 p.p.	-13.1 p.p.	68.3 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	21.08	-0.6%	0.4%	33.2%
EUR	23.87	-0.3%	1.4%	24.7%
RUB	0.39	2.8%	-4.5%	43.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	204.2	0.0%	6.1%	-17.0%
Steel, USD/t	370.0	0.0%	2.1%	-17.8%
Oil, USD/bbl	65.7	1.3%	-0.7%	11.0%
Gold, USD/oz	1186.3	0.8%	-0.2%	0.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine Needs to Spend USD 2bn on Pre-Winter Gas Purchases

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

NEWS

Ukraine is going to spend some USD 2.0bn to fill up the country's natural gas storage facilities ahead of the next heating season, the RBC-Ukraine news agency reported on Wednesday (Jun 10) citing a source in the state-owned gas monopoly Naftogaz. As part of an effort to finance the purchases, Naftogaz is asking large Ukrainian industrial gas consumers to pay now for inventories in Naftogaz's facilities ahead of the winter season. Also Naftogaz has reportedly asked its "reverse flow" suppliers in Slovakia and Poland to pump gas into Ukraine, with the payment to be delayed until the winter when the gas is actually used.

The latest data from Gas Infrastructure Europe (GIE) says that Ukrainian gas storages were filled at some 35% of capacity as of Jun 8, in the amount of 10.7bn cubic meters (cu-m).

COMMENTARY

The current quarter's price for Russian natural gas of USD 248 per 1,000 cu-m implies that Ukraine will buy around 8bn cu-m of fuel to put in storage ahead of the heating season, which corresponds with the previously-announced plan to have at least 17bn cu-m gas in the storages before winter. The elephant in the room here is that Naftogaz, which accepts UAH payments for gas, has no hard currency cash on hand for these purchases and no possibility to borrow on capital markets. Up to now, the Ukrainian government has been using various tricks, like jacking up the price of cooking gas (which accounts for only about 5% of household consumption) as a way to give the appearance of complying with IMF demands for pricing reform in the household gas sector. Clearly, the issue of pre-winter purchases will be dealt with in the usual way of the last 10 years – the Ukrainian government will increase Naftogaz's charter fund by issuing UAH-denominated domestic bonds, which will then be purchased by the National Bank; Naftogaz will use the hryvnia injection to buy dollars on the local market in a form of monetary emission. Local media sources report that the government will inject UAH 105bn into Naftogaz this year, implying that the company's deficit will be equivalent to a whopping 5.7% of GDP, which is a huge and ongoing black hole in the country's economy. In our view, only if Naftogaz is broken up and split into three separate entities responsible for extraction, transit, and storage, could we see a more transparent scheme of financing on the Ukrainian gas market.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	38.2	56.50	48%	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	28.4	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	1.8	1.4	-22%	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	76.8	48.0	-37%	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	0.80	0.56	-31%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.20	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	2710	5250	94%	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	4.8	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						
DonbasEnerg	DOEN	21.7	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	7.85	15.00	91%	BUY	CentrEnerg'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	165%	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	1021.68	1368.76	908.88	0.4%	0.2%	-4.4%	-1.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.045	0.011	0.0%	0.7%	-11.2%	-1.4%	-0.4%	0.5%	-6.8%	-0.3%
Azovstal	AZST	0.80	0.95	0.35	1.1%	-2.2%	-5.1%	7.9%	0.7%	-2.4%	-0.7%	9.0%
Enakievo Steel	ENMZ	17.32	65.00	14.51	-1.0%	0.8%	-6.8%	-17.3%	-1.4%	0.6%	-2.4%	-16.2%
Coke												
Avdyivka Coke	AVDK	1.20	3.62	0.86	3.3%	4.0%	-11.9%	-30.9%	2.9%	3.8%	-7.5%	-29.7%
Yasynivsky Coking	YASK	0.24	0.84	0.18	0.0%	-7.7%	-11.1%	-14.3%	-0.4%	-7.9%	-6.7%	-13.2%
Iron Ore Mining												
Centralny GOK	CGOK	5.75	n/a	n/a	0.0%	-0.9%	-31.5%	-26.2%	-0.4%	-1.0%	-27.1%	-25.1%
Ferrexpo	FXPO	76.75	143.00	47.91	2.0%	-3.5%	-2.2%	44.8%	1.6%	-3.6%	2.2%	45.9%
Pivnichny GOK	SGOK	6.90	12.30	4.44	0.0%	-1.0%	-15.9%	-17.6%	-0.4%	-1.2%	-11.4%	-16.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.39	0.79	0.17	0.0%	0.0%	18.2%	-17.0%	-0.4%	-0.2%	22.6%	-15.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.22	1.01	0.20	0.0%	4.8%	-26.7%	-42.1%	-0.4%	4.6%	-22.3%	-41.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.88	21.60	9.50	0.0%	-1.9%	-0.9%	-15.3%	-0.4%	-2.1%	3.5%	-14.2%
Luhanskeplovoz	LTPL	1.10	1.80	0.85	0.0%	0.0%	-8.3%	1.9%	-0.4%	-0.2%	-3.9%	3.0%
Specialized Machinery												
Motor Sich	MSICH	2710	2939	1970	-0.5%	-0.7%	-2.3%	9.1%	-0.9%	-0.9%	2.1%	10.3%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.18	0.21	0.10	0.0%	0.0%	-7.7%	18.4%	-0.4%	-0.2%	-3.3%	19.5%
Oil & Gas												
Regal Petroleum	RPT	4.76	9.25	3.13	-4.8%	5.7%	0.2%	52.2%	-5.2%	5.5%	4.6%	53.3%
JKX Oil	JKX	29.00	62.00	11.00	0.0%	1.8%	-3.3%	141.7%	-0.4%	1.6%	1.1%	142.8%
Ukrnafta	UNAF	273.0	375.0	54.0	0.7%	8.8%	0.4%	34.3%	0.3%	8.6%	4.8%	35.4%
Power Utilities												
Centrenergo	CEEN	7.85	8.70	3.00	0.3%	1.8%	-5.4%	4.1%	-0.1%	1.6%	-1.0%	5.2%
Donbasenergo	DOEN	21.72	46.00	11.00	0.1%	-5.4%	-7.5%	-34.2%	-0.3%	-5.5%	-3.1%	-33.1%
Zakhidenergo	ZAEN	156.0	199.8	91.2	0.0%	0.6%	4.0%	5.3%	-0.4%	0.4%	8.4%	6.5%
Consumer												
Agroton	AGT	0.98	3.19	0.95	1.0%	1.0%	-7.5%	-20.3%	0.6%	0.9%	-3.1%	-19.2%
Astarta	AST	28.38	47.95	14.50	-0.2%	0.5%	8.6%	41.9%	-0.6%	0.3%	13.0%	43.0%
Avangardo	AVGR	1.76	10.27	1.52	-0.3%	9.7%	-35.0%	-14.4%	-0.7%	9.5%	-30.6%	-13.3%
Industrial Milk Company	IMC	4.75	10.39	4.38	n/a	5.6%	-5.9%	-16.2%	n/a	5.4%	-1.5%	-15.1%
Kernel	KER	38.15	39.25	22.00	0.0%	-0.9%	6.7%	34.0%	-0.4%	-1.1%	11.1%	35.2%
Mriya Agro Holding	MAYA	0.16	4.73	0.05	0.0%	0.0%	6.7%	-71.5%	-0.4%	-0.2%	11.1%	-70.4%
MHPC	MHPC	10.95	15.60	8.24	-0.5%	-0.9%	-4.8%	19.0%	-0.9%	-1.1%	-0.4%	20.1%
Milkiland	MLK	2.04	7.57	1.48	n/a	-7.3%	-18.1%	37.8%	n/a	-7.4%	-13.7%	39.0%
Ovostar Union	OVO	80.00	83.00	67.00	0.0%	-1.2%	6.7%	11.1%	-0.4%	-1.4%	11.1%	12.2%
Chemicals												
Stirol	STIR	6.25	18.00	4.02	0.0%	-2.3%	13.6%	-9.8%	-0.4%	-2.5%	18.0%	-8.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.091	0.160	0.086	0.7%	0.2%	-7.5%	-5.6%	0.2%	0.0%	-3.0%	-4.5%
UkrSotsbank	USCB	0.092	0.200	0.085	0.0%	-9.9%	-19.7%	-29.4%	-0.4%	-10.1%	-15.3%	-28.3%

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																
Luhanskeplovovoz	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	2,631	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	160	3.0%	5	154	neg	2.1	2.4	neg	0.8	1.2	0.1	0.1	0.1	34	34	34	\$/tonne
Coke																		
Avdivka 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	320	0.3%	1	318	1.6	2.8	4.0	1.0	1.4	2.0	0.5	0.5	0.6				
Pivnichny GOK	SGOK	754	0.4%	3	748	1.4	2.3	3.3	0.8	1.2	1.6	0.5	0.5	0.6				
Ferrexpo	FXPO	695	24.0%	167	1,390	2.6	3.8	7.1	2.7	2.8	5.4	0.9	1.0	1.3				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	27	2.0%	1	73	5.8	1.2	14.7	2.3	1.7	4.1	0.2	0.4	0.8	116	192	182	\$/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	59	5.0%	3	53	1.4	neg	neg	1.0	neg	neg	0.1	0.4	0.8				
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	0.3				
Motor Sich	MSICH	267	24.0%	64	242	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	702	3.0%	21	711	>30	6.7	4.1	2.5	1.9	2.0	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	24	21.6%	5	-1	neg	11.8	7.9	neg	-0.1	-0.1	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	77	50.4%	39	185	11.8	neg	15.4	2.8	2.7	2.6	1.0	1.3	1.2	34	25	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	138	21.7%	30	151	2.3	23.4	neg	1.6	5.8	neg	0.2	0.2	0.5	9	11	10	\$/MWh
DonbasEnerg	DOEN	24	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	1,157	34.1%	395	2,294	7.1	neg	>30	5.9	4.1	4.4	1.5	1.7	2.0				
Kernel	KER	829	61.8%	512	1,305	7.9	neg	8.3	4.5	5.9	3.1	0.5	0.5	0.6				
Astarta	AST	194	37.0%	72	404	5.7	neg	neg	4.4	2.8	4.1	0.8	1.0	1.2				
Avangardco	AVGR	112	22.5%	25	338	0.5	neg	neg	1.1	2.6	3.6	0.5	0.8	0.9	77	58	55	\$/mneqgs
Ovostar	OVO	131	25.0%	33	139	4.2	5.1	5.4	3.9	4.8	5.6	1.7	1.9	1.8	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	129	3.5%	5		1.4	neg	neg	0.1	0.3	0.4	0.02	0.04	0.06				
Ukrsotsbank	USCB	80	1.0%	1		>30	>30	>30	0.1	0.2	0.2	0.02	0.03	0.04				

Source: Eavex Research

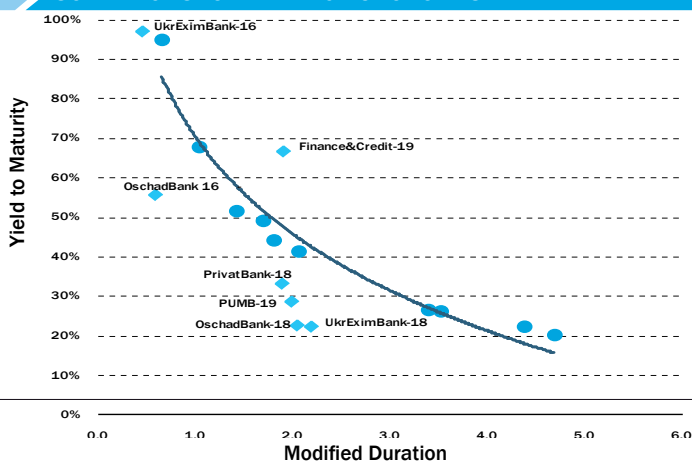
UKRAINIAN EUROBONDS

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)	53.9	54.9	248.1%	238.8%	-20.0%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	53.4	54.9	326.8%	308.9%	-23.0%	0.1	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	50.0	51.1	65.4%	63.3%	-19.3%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	49.7	50.9	93.8%	90.5%	-22.4%	0.6	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	50.8	51.8	40.5%	39.4%	-18.9%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	51.3	52.3	48.5%	47.3%	-16.8%	1.4	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	51.0	52.1	43.1%	41.9%	-16.2%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	50.0	51.0	37.3%	36.3%	-15.8%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	53.0	54.0	23.8%	23.3%	-10.3%	3.5	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	52.5	53.5	23.5%	23.0%	-10.8%	3.7	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	51.0	52.5	21.1%	20.5%	-14.0%	4.6	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	56.5	57.6	17.7%	17.4%	-3.8%	4.9	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	30.1	39.3	47.8%	37.3%	2.6%	2.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.3	84.7	13.0%	12.6%	21.7%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	50.0	50.0	271.1%	271.1%	-22.5%	0.2	10.00%	S/A	29 Oct 2015	200	//WD
UkrLandFarming, 2018	49.5	49.5	43.6%	43.6%	6.4%	1.8	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	15.0	18.0	476.8%	403.9%	26.9%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	15.0	18.0	104.4%	92.8%	26.9%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	47.0	50.0	46.0%	42.7%	n/a	1.9	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	46.0	49.0	42.6%	39.5%	4.4%	2.0	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2015	67.1	70.1	n/a	n/a	-14.8%	n/a	10.25%	S/A	20 May 2015	114	Caa3//C
Metinvest, 2017	61.0	64.0	35.6%	33.0%	-10.7%	1.2	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	57.0	60.0	34.6%	32.1%	5.4%	1.9	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2016	93.0	95.0	17.4%	14.5%	22.1%	0.7	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/C
Ferrexpo, 2019	85.4	88.7	15.6%	14.3%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/C
RailUA, 2018	63.9	65.0	28.4%	27.6%	21.5%	2.2	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	25.0	35.0	116.7%	84.8%	-45.5%	1.1	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.7	74.5	28.6%	26.2%	24.7%	1.4	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	23.0	30.0	69.9%	56.6%	-68.1%	1.9	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	53.0	56.0	34.4%	32.3%	-19.3%	1.9	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	7.0	12.0	n/a	n/a	-24.0%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	66.0	68.0	191.8%	176.2%	7.2%	0.2	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	48.0	50.0	159.3%	148.4%	-1.0%	0.4	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	62.1	70.0	33.1%	27.1%	-0.8%	2.0	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2015	77.0	80.0	n/a	n/a	1.3%	0.1	8.38%	S/A	27 Jul 2015	750	WR//C
UkrEximBank, 2016	62.0	65.0	96.0%	85.5%	33.7%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//C
UkrEximBank, 2018	76.0	77.5	21.2%	20.2%	35.8%	2.0	8.75%	S/A	22 Jan 2018	600	Ca//C
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	75.0	76.0	52.9%	50.6%	29.1%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	74.0	74.9	21.9%	21.3%	31.8%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	51.3	53.3	249.7%	231.2%	-28.0%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	50.0	53.0	91.1%	83.2%	-27.1%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

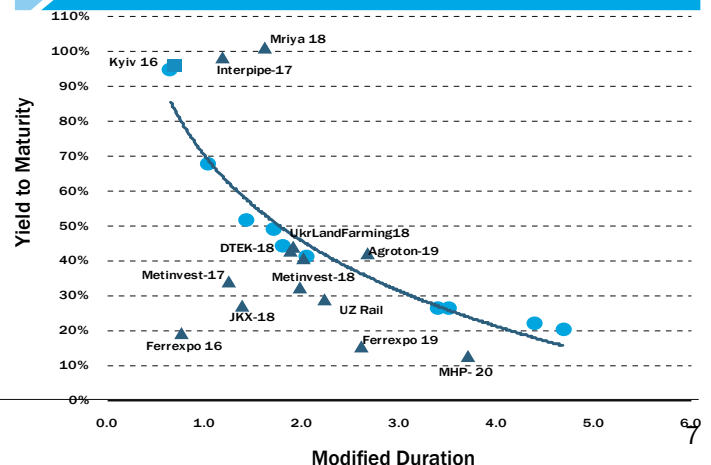
¹ Moody's/S&P/Fitch; * EUR

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