

**Market Update**

**Equity**

Ukrainian stocks listed in Kyiv finished lower on Friday (Jun 12) despite a firm gain in the first half of the trading session. The UX index lost 1.5% to close 1009 points. We suspect that high volatility could be attributed to expiration of the UX futures contracts later today, an event occurs every three months. In particular blue-chip stocks, the steepest losses were in low-liquidity Krukiv Wagon (KVBZ), which tumbled 9.6% to UAH 9.55 per share. Heavyweights Motor Sich (MSICH) and CentrErgo (CEEN) declined by 0.6% and 0.8% respectively, while UkrNafta (UNAF) dropped 2.2% to end at UAH 266. In London, Ukrainian stocks were mixed, with Ferrexpo (FXPO) slipping 1.3% to GBp 74 while JKX Oil&Gas (JKX) advanced by 6.1% to GBp 30.50. Warsaw-listed Kernel (KER) picked up 2.7% to PLN 38.00.

**Fixed Income**

Quotes for Ukrainian sovereign Eurobonds rebounded somewhat on Friday after the previous two days' selloff. The longest outstanding bonds with maturity in 2023 edged up 0.3 p.p to close at 54.0/56.5 (18.9%/18.0%), and medium-term Ukraine-20s added 1.0 p.p. to 48.5/49.5 (26.4%/25.8%). In corporate issues, DTEK-18s fell 2.0 p.p. to 44.0/47.0 (45%/42%) and UZ Rail-18s edged down 0.4 p.p. to 62.0/64.0 (30%/28%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2720.00	-0.6%	3.3	12
Centrenerg	CEEN	7.84	-0.8%	1.0	48
Raiffeisen Bank Aval	BAVL	0.09	0.8%	0.4	29

**Growth Leaders**

Raiffeisen Bank Aval	BAVL	0.09	0.8%	0.35	29
Donbasenergo	DOEN	21.80	0.0%	0.02	9
Motor Sich	MSICH	2720.00	-0.6%	3.32	12

**Loss Leaders**

Kryukiv Wagon	KVBZ	9.57	-9.6%	0.089	46
Azovstal	AZST	0.80	-3.1%	0.066	25
Ukrnafta	UNAF	266.00	-2.2%	0.335	38

**Highlights**

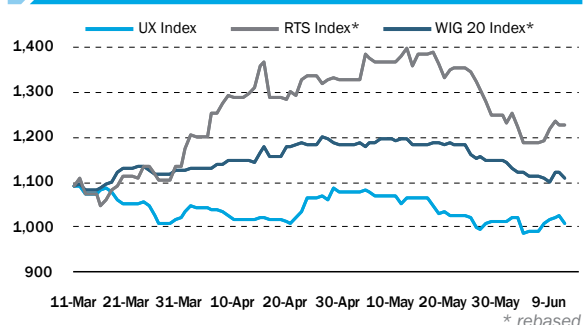
**POLITICS AND ECONOMICS**

- > US Debate on Arming Ukraine Heats Back Up

**FIXED INCOME**

- > Metinvest's Mariupol Steel Mills Facing Gas Shortage

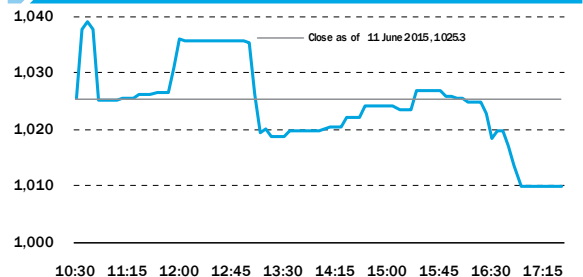
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1009.9	-1.5%	-4.2%	-2.3%
RTS	950.4	0.0%	-11.2%	20.2%
WIG20	2358.7	-1.1%	-7.2%	1.8%
MSCI EM	979.5	0.3%	-4.8%	2.4%
S&P 500	2094.1	-0.7%	-0.2%	1.7%

**UX INTRADAY JUNE 12, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	386.3	-1.1%	5.4%	-4.4%
CDS 5Y UKR	2850.0	0.0%	-5.0%	29.5%
Ukraine-17	43.1%	-0.1 p.p.	0.6 p.p.	17.5 p.p.
Ferrexpo-16	15.7%	-0.7 p.p.	-12.6 p.p.	-15.7 p.p.
Ukraine-23	18.5%	-0.1 p.p.	-2.4 p.p.	11.0 p.p.
Privatbank-16	181.2%	1.0 p.p.	12.8 p.p.	95.8 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	21.05	0.1%	2.2%	33.1%
EUR	23.73	0.2%	2.7%	24.0%
RUB	0.38	0.8%	-8.6%	39.2%

**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	63.9	-1.9%	-5.2%	7.9%
Gold, USD/oz	1181.7	0.0%	-1.0%	-0.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## US Debate on Arming Ukraine Heats Back Up

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### NEWS

In an interview with international broadcaster CNN that aired on Sunday (Jun 14), US Ambassador to the United Nations Samantha Power refused to respond directly to a question about whether the US would provide direct military aid to Ukraine in the event of an escalation of Russian aggression. Power answered the question by stating that “We’re not focused on hypotheticals... we’re focused on implementation of the Minsk [February ceasefire] agreements”. Power, who was in Kyiv at the time of the interview, had given a widely publicized speech on Thursday (Jun 10) at October Palace, one of the key sites of last winter’s EuroMaidan protests, at which she stressed the US moral, financial, and “soft power” commitment to Ukraine but did not mention military assistance.

### COMMENTARY

We were impressed by the contents of Power’s speech; in our view, the emotionally charged “arm or don’t arm” debate in the US is a negative phenomenon for Ukraine because it takes attention away from the critical internal reform processes that the country needs to focus on in order to become an economically viable democracy. We would especially emphasize that providing some USD 100mn in high-tech weaponry (the approximate amount under discussion) to Kyiv free of charge, while it could incrementally help to strengthen the country’s defenses, is absolutely not a substitute for a comprehensive Western strategy to defend Ukraine from various forms of Russian aggression. We further believe that the debate in Washington is more about US domestic politics and opposition to President Obama’s overall philosophy on foreign policy, than on what will actually provide the most “bang for the buck” help to Ukraine. The New York Times reported last week that the US Congress is considering a bill that would actually block some of the Obama administration’s planned economic assistance to Kyiv if Obama continues to refuse to offer military aid. Complicating matters is that Congress will also reportedly move to forbid any potential US military assistance from going to the “Azov Battalion”, the most prominent of Ukraine’s “volunteer battalion” groups, due to racially offensive statements allegedly made in the past by the group’s leader. Although the Azov Battalion has now been integrated under the official control of Ukraine’s Interior Ministry, it is unclear whether President Poroshenko has actual command over the unit; local analysts have stated that it operates under the patronage of Interior Minister Arseniy Avakov, a top figure in the People’s Front political party of Prime Minister Yatseniuk. Clearly, any attempt to provide weapons to one segment of Ukraine’s official defense forces while denying them to another segment would be problematic.

## Metinvest's Mariupol Steel Mills Facing Gas Shortage

by Ivan Dzvinka  
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### NEWS

The two Mariupol-based steel plants of Metinvest, Azovstal and MMK Illich, face a shortage of natural gas supplies, the group reported on Friday (Jun 12). This is a result of the suspension of gas supplies to Mariupol by the state-owned gas transportation company "UkrTransGas" in order to repair a pipeline damaged by artillery shelling. Due the shortage of gas, Metinvest is considering putting its hot metal and steel processing facilities at both plants in "standby mode".

### COMMENTARY

If UkrTransGas makes the necessary repairs within the promised period of two days, the damage to both steel plants will be approximately 10% of monthly output. While we believe that the repairs will not take much longer than initially expected, the key point here is that even low-intensity military activity in the Donbass still entails high operational risk for Metinvest's Mariupol steel mills.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	38.0	56.50	49%	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	10.8	15.32	42%	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	28.0	36.1	29%	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	-12%	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.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	74.0	48.0	-35%	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	0.80	0.56	-30%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.22	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	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%.
<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	5.0	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	28.8	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.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	21.8	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	7.84	15.00	91%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.092	0.24	160%	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	1009.89	1368.76	908.88	-1.5%	1.8%	-4.2%	-2.3%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.014	0.045	0.011	0.7%	3.6%	-4.7%	-1.4%	2.2%	1.8%	-0.5%	0.9%
Azovstal	AZST	0.80	0.95	0.35	-3.0%	1.9%	-5.2%	6.7%	-1.5%	0.1%	-1.1%	9.0%
Enakievo Steel	ENMZ	17.00	65.00	14.51	-0.9%	5.5%	-5.0%	-18.9%	0.6%	3.7%	-0.9%	-16.6%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.22	3.62	0.86	3.5%	9.6%	-8.8%	-29.4%	5.0%	7.8%	-4.6%	-27.1%
Yasynivsky Coking	YASK	0.24	0.84	0.18	0.0%	0.0%	-11.1%	-14.3%	1.5%	-1.8%	-7.0%	-12.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	5.75	n/a	n/a	0.0%	0.0%	-31.5%	-26.2%	1.5%	-1.8%	-27.3%	-23.9%
Ferrexpo	FXPO	74.00	143.00	47.91	-1.3%	-5.4%	-2.6%	39.6%	0.2%	-7.2%	1.5%	41.9%
Pivnichny GOK	SGOK	6.90	12.30	4.44	0.0%	0.0%	-15.9%	-17.6%	1.5%	-1.8%	-11.7%	-15.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.39	0.79	0.17	0.0%	0.0%	18.2%	-17.0%	1.5%	-1.8%	22.3%	-14.8%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.22	0.94	0.20	0.0%	4.8%	-26.7%	-42.1%	1.5%	3.0%	-22.5%	-39.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	9.57	21.60	9.50	-9.5%	-5.6%	-11.8%	-25.5%	-8.0%	-7.4%	-7.6%	-23.3%
Luhanskeplovoz	LTPL	1.10	1.80	0.85	0.0%	0.0%	-8.3%	1.9%	1.5%	-1.8%	-4.2%	4.1%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2720	2939	1970	-0.6%	1.6%	-0.5%	9.5%	0.9%	-0.2%	3.7%	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
<b>Telecom</b>												
Ukrtelecom	UTLM	0.18	0.21	0.10	0.0%	0.0%	19.2%	18.4%	1.5%	-1.8%	23.4%	20.7%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	5.00	9.25	3.13	18.9%	24.1%	5.4%	60.0%	20.4%	22.3%	9.5%	62.3%
JKX Oil	JKX	28.75	60.25	11.00	0.0%	-0.9%	-4.2%	139.6%	1.5%	-2.7%	0.0%	141.8%
Ukrnafta	UNAF	266.0	375.0	54.0	-2.0%	1.7%	-3.0%	30.8%	-0.4%	-0.1%	1.2%	33.1%
<b>Power Utilities</b>												
Centrenergo	CEEN	7.84	8.70	3.00	-0.8%	3.2%	-4.0%	3.9%	0.7%	1.4%	0.1%	6.2%
Donbasenergo	DOEN	21.80	46.00	11.00	0.2%	-0.4%	-5.6%	-33.9%	1.7%	-2.2%	-1.4%	-31.7%
Zakhidenergo	ZAEN	156.0	199.8	91.2	0.0%	0.6%	4.0%	5.3%	1.5%	-1.2%	8.2%	7.6%
<b>Consumer</b>												
Agroton	AGT	0.99	3.19	0.95	-1.0%	3.1%	-6.6%	-19.5%	0.5%	1.3%	-2.4%	-17.2%
Astarta	AST	28.00	47.03	14.50	0.0%	-1.7%	8.5%	40.0%	1.5%	-3.4%	12.7%	42.3%
Avangardo	AVGR	1.55	10.27	1.52	-1.6%	2.0%	-42.6%	-24.4%	-0.1%	0.2%	-38.4%	-22.1%
Industrial Milk Company	IMC	5.30	10.39	4.38	n/a	17.8%	6.0%	-6.5%	n/a	16.0%	10.2%	-4.3%
Kernel	KER	37.99	39.25	22.00	2.7%	-1.1%	7.6%	33.5%	4.2%	-2.9%	11.8%	35.8%
Mriya Agro Holding	MAYA	0.16	4.73	0.05	0.0%	0.0%	128.6%	-71.5%	1.5%	-1.8%	132.7%	-69.3%
MHPC	MHPC	10.80	15.60	8.24	0.0%	-6.1%	-7.3%	17.4%	1.5%	-7.9%	-3.1%	19.7%
Milkiland	MLK	2.00	7.36	1.48	n/a	-2.4%	-17.4%	35.1%	n/a	-4.2%	-13.2%	37.4%
Ovostar Union	OVO	80.00	83.00	67.00	0.0%	0.0%	5.3%	11.1%	1.5%	-1.8%	9.4%	13.4%
<b>Chemicals</b>												
Stirol	STIR	6.25	18.00	4.02	0.0%	0.0%	13.6%	-9.8%	1.5%	-1.8%	17.8%	-7.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.092	0.160	0.086	0.9%	6.1%	-4.0%	-3.9%	2.4%	4.3%	0.2%	-1.6%
UkrSotsbank	USCB	0.100	0.200	0.085	8.8%	0.0%	1.0%	-23.2%	10.3%	-1.8%	5.2%	-20.9%

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	-4	10.9%	neg	neg	42	-23	-9	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	1,134	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%
<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	6	neg	neg	0.4	neg	1.1	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	159	3.0%	5	153	neg	2.1	2.4	neg	0.8	1.2	0.1	0.1	0.1	33	34	33	\$/tonne
<b>Coke</b>																		
Avdivka Coke	AVDK	11	6.8%	1	-28	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-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
<b>Iron Ore Mining</b>																		
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	673	24.0%	162	1,368	2.6	3.7	6.9	2.7	2.8	5.3	0.9	1.0	1.3				
<b>Pipe Manufacturing</b>																		
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
<b>Railcar Manufacturing</b>																		
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	52	5.0%	3	46	1.3	neg	neg	0.9	neg	neg	0.1	0.3	0.7				
<b>Specialized Machinery</b>																		
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				
<b>Telecom</b>																		
Ukrtelecom	UTLM	160	7.2%	12	251	neg	8.8	17.6	neg	3.0	3.5	0.3	0.6	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	685	3.0%	21	694	29.4	6.5	4.0	2.4	1.8	1.9	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	25	21.6%	5	0	neg	12.5	8.3	neg	0.0	0.0	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	15.3	2.8	2.7	2.6	1.0	1.3	1.2	34	25	25	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	138	21.7%	30	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
<b>Consumer</b>																		
MHP	MHPC	1,141	34.1%	389	2,279	7.0	neg	>30	5.8	4.1	4.4	1.5	1.7	2.0				
Kernel	KER	817	61.8%	505	1,293	7.8	neg	8.2	4.4	5.8	3.1	0.5	0.5	0.6				
Astarta	AST	189	37.0%	70	400	5.5	neg	neg	4.4	2.8	4.1	0.8	0.9	1.2				
Avangardco	AVGR	99	22.5%	22	325	0.4	neg	neg	1.1	2.5	3.5	0.5	0.8	0.9	74	56	53	\$/mneqgs
Ovostar	OVO	130	25.0%	32	138	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	132	3.5%	5		1.5	neg	neg	0.1	0.3	0.4	0.02	0.05	0.06				
Ukrsotsbank	USCB	87	1.0%	1		>30	>30	>30	0.1	0.2	0.2	0.02	0.03	0.04				

Source: Eavex Research

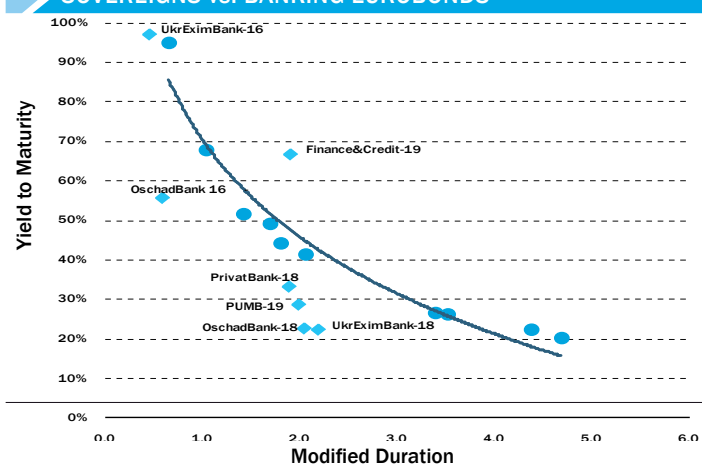
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2015 (EUR)	51.9	52.9	274.2%	263.9%	-22.9%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	52.3	53.6	348.3%	330.2%	-24.7%	0.1	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	48.2	49.5	69.2%	66.8%	-22.1%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	48.1	49.1	99.3%	96.3%	-25.0%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	47.8	49.3	44.0%	42.3%	-23.3%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	48.3	49.0	52.7%	51.7%	-21.8%	1.4	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	49.1	50.1	45.4%	44.2%	-19.3%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	48.9	49.9	38.4%	37.5%	-17.7%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	48.5	49.5	26.4%	25.8%	-17.8%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	51.5	52.5	24.0%	23.5%	-12.4%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	50.8	52.0	21.2%	20.7%	-14.6%	4.5	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	54.0	56.5	18.9%	18.0%	-6.9%	4.8	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.1	39.1	48.0%	37.6%	2.4%	2.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.1	84.3	13.1%	12.7%	21.3%	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	16.0	18.0	460.9%	413.4%	30.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	16.0	18.0	100.8%	93.3%	30.8%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	45.0	48.0	48.3%	44.9%	n/a	1.8	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	44.0	47.0	44.9%	41.6%	0.0%	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	57.0	60.0	39.4%	36.6%	-16.4%	1.2	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	56.0	58.0	35.6%	33.9%	2.7%	1.9	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2016	92.5	96.0	18.2%	13.2%	22.4%	0.7	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/C
Ferrexpo, 2019	85.3	88.5	15.6%	14.4%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/C
RailUA, 2018	62.0	64.0	29.8%	28.3%	18.8%	2.2	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	25.0	35.0	117.8%	85.4%	-45.5%	1.1	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.9	74.0	29.3%	26.6%	23.5%	1.3	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	23.0	30.0	70.1%	56.7%	-68.1%	1.9	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	51.5	54.5	35.6%	33.4%	-21.5%	1.8	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	198.9%	182.6%	7.2%	0.2	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	44.0	46.0	187.9%	174.8%	-9.1%	0.3	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	64.6	66.9	31.1%	29.5%	11.4%	1.9	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2015	74.0	76.0	n/a	n/a	-3.2%	0.1	8.38%	S/A	27 Jul 2015	750	WR//C
UkrEximBank, 2016	60.0	65.0	105.4%	87.1%	31.6%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//C
UkrEximBank, 2018	73.0	74.5	23.1%	22.2%	30.5%	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	73.0	76.0	58.3%	51.3%	27.4%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	72.0	75.0	23.1%	21.3%	30.2%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	51.6	54.0	252.3%	230.3%	-27.2%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	50.0	52.0	92.1%	86.7%	-27.9%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

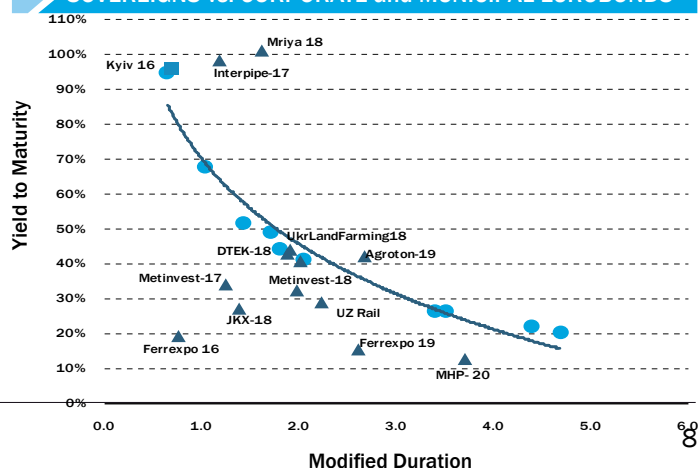
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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>									
UA4000142665			25%	20%	n/a	14.30%	S/A	24 May 2017	n/a
<b>USD denominated Bonds</b>									
UA4000142673	n/a	n/a	14.0%	8.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
<b>VAT Bonds</b>									
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

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