

## Market Update

### Equity

Kyiv-listed stocks finished higher on Friday (Jun 26) ahead of the long Constitution Day weekend, with the local market avoiding Monday's sharp falls in global bourses on Greek default concerns due to the holiday closure. The UX index rose a half percent to close at 1024 points. All 10 blue chips ended in the black, which we suppose was a result of short-covering purchases by active traders. Motor Sich (MSICH) finally surpassed the UAH 2800 level, gaining 0.4%. UkrNafta (UNAF) added 0.6% to UAH 287 per share while CentrEnergO (CEEN) was flat at UAH 7.75. In low-liquidity stocks. Avdyivka Coke (AVDK) rose 4.4% to UAH 1.15 and Yenakievo Steel (ENMZ) advanced 2.7% to UAH 17.44. In London, where markets were open yesterday (Jun 29), MHP slumped 11% to a fresh local minimum of USD 10 on the nose, while Ferrexpo edged down by 1.5%. Warsaw-listed Astarta (AST) slipped 2.7% on Friday after failing to anchor above PLN 30.

### Fixed Income

Ukrainian sovereigns were lower on Friday, with Ukraine-23s dropping by 0.6p.p. to 52.6/53.1 (19.6%/18.9%). Corporate names were mixed. Following the passage of a restructuring of Metinvest's 2015 bonds, Metinvest-18s improved by a rather meager 0.9p.p. to 55.0/58.0 (36.9%/34.2%), while Ferrexpo-19s inched down by 0.1p.p. to 84.6/86.8 (15.9%/15.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2808.00	0.4%	6.3	64
Ukrnafta	UNAF	287.10	0.6%	2.4	53
Raiffeisen Bank Aval	BAVL	0.09	1.0%	0.3	31

### Growth Leaders

Avdyivka Coke	AVDK	1.15	4.4%	0.28	9
Alchevsk Steel	ALMK	0.01	3.9%	0.01	12
Raiffeisen Bank Aval	BAVL	0.09	1.0%	0.33	31

### Loss Leaders

Donbasenergo	DOEN	22.18	0.1%	0.002	8
Motor Sich	MSICH	2,808.00	0.4%	6.285	64
Ukrnafta	UNAF	287.10	0.6%	2.389	53

## Highlights

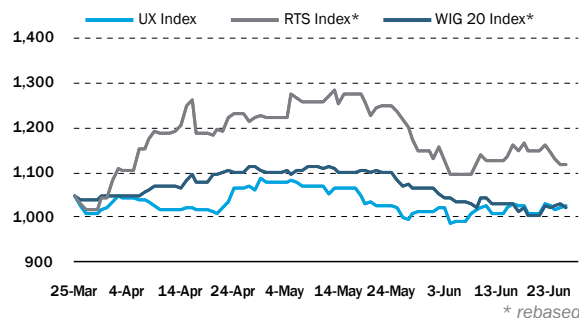
### POLITICS AND ECONOMICS

- Ukraine's Public Debt at USD 67.7bn as of May 31

### FIXED INCOME

- Metinvest Finally Gets 2015 Bond Restruc Approval

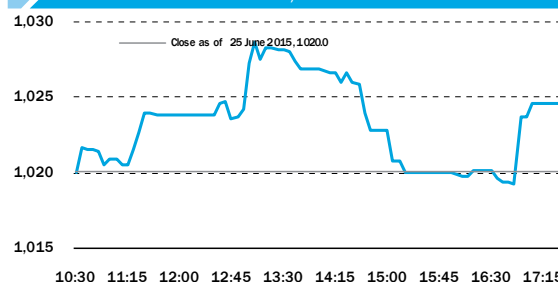
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1024.6	0.5%	2.7%	-0.8%
RTS	943.0	0.2%	-8.0%	19.3%
WIG20	2333.8	-0.9%	-4.7%	0.8%
MSCI EM	980.6	-0.8%	-4.5%	2.5%
S&P 500	2101.5	0.0%	-0.1%	2.1%

## UX INTRADAY JUNE 26, 2015



## FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	375.9	-0.9%	0.4%	-7.0%
CDS 5Y UKR	2900.0	0.0%	-3.3%	31.8%
Ukraine-17	40.9%	-0.2 p.p.	-3.6 p.p.	15.2 p.p.
Ferrexpo-16	19.5%	0.0 p.p.	-7.6 p.p.	-11.8 p.p.
Ukraine-23	19.5%	0.2 p.p.	-1.7 p.p.	12.0 p.p.
Privatbank-16	196.4%	1.2 p.p.	37.0 p.p.	110.9 p.p.

## CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	21.00	0.0%	-2.6%	32.7%
EUR	23.45	-0.4%	0.0%	22.5%
RUB	0.38	-0.2%	-10.5%	39.5%

## COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	206.3	1.0%	2.4%	-16.2%
Steel, USD/t	362.5	0.0%	-0.7%	-19.4%
Oil, USD/bbl	63.3	0.1%	-1.6%	6.9%
Gold, USD/oz	1175.6	0.2%	-1.0%	-0.8%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

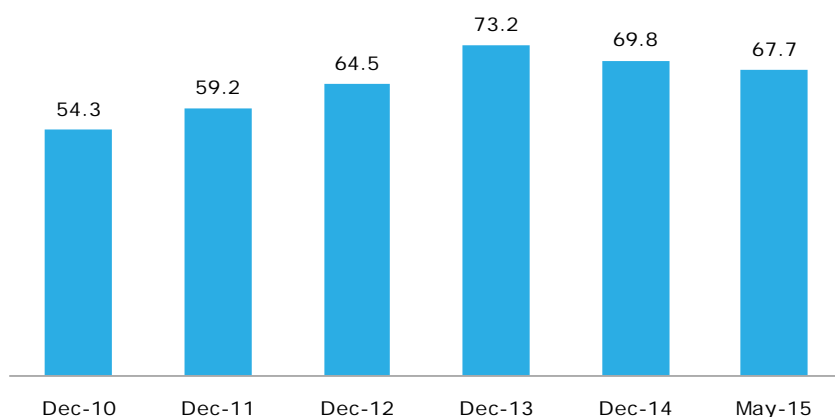
**Ukraine's Public Debt at USD 67.7bn as of May 31**

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

**NEWS**

Ukraine's state and state-guaranteed debt declined by 3.0% YtD to USD 67.7bn as of May 31, the Finance Ministry reported last week. Ukraine's government debt was equivalent to USD 56.8bn and government-guaranteed debt was USD 10.9bn. In a currency breakdown, 32% of the public debt is denominated in the domestic UAH currency and 42% is in USD, with the remaining 26% denominated in EUR, SDRs (IMF units), and JPY. The IMF is Ukraine's largest single creditor, holding USD 7.5bn of the country's debt. Sovereign Eurobonds represented USD 18.2bn, implying a 27% share in the total public debt.

**UKRAINE'S PUBLIC DEBT, USD bn**



Source: Finance Ministry of Ukraine

**COMMENTARY**

The most important interpretation regarding Ukraine's public debt is how to measure the debt-to-GDP ratio. According to MinFin's forecast, Ukraine's nominal GDP will increase by approximately 15% YoY in UAH terms to UAH 1.82 trillion, while the USD equivalent of GDP at the forecasted average exchange rate of 21.70 UAH/USD is estimated at USD 84bn. This logic implies a current Ukrainian debt-to-GDP at 80%. With a generally accepted size of Ukraine's shadow economy at around 30% of official GDP, taking this into account would lower the actual debt-to-GDP ratio to near 60%; however, in the near term, the government can not expect to earn any revenue from the shadow GDP sector. In our view, the real question regarding Ukraine's debt level is what pressure the debt puts on the state's finances. It is clear that in the current market environment for Ukraine, there is no opportunity for the government to service debt redemptions in line with the initial schedule. In our view, the expected private creditor participation in the country's bailout in the form of a haircut on outstanding Eurobonds is justified by the traumatic situation of Ukraine's territorial and economic losses at the hands of Russian aggression from the Crimea annexation and the Donbass war.

## Metinvest Finally Gets 2015 Bond Restruc Approval

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

### NEWS

A meeting of the holders of the 2015 bonds of Metinvest, Ukraine's largest metals & mining group, approved the group's restructuring offer, the company reported on Friday (Jun 26). In addition, the holders of 2015 bonds also approved a waiver of default until 31 Jan 2016, following similar resolutions approved by holders of Metinvest's 2017 and 2018 bonds at a meeting on Jun 1. The approval of the restructuring triggers an up-front repayment by Metinvest of 25% of par of the 2015 bonds (in the amount of USD 28.4mn) within three working days following the approval. The bonds were originally due on May 20 in the amount of USD 114mn but were not redeemed.

### COMMENTARY

While not widely expected by the market, the decision by bondholders to accept the restructuring offer at Friday's adjourned meeting looks rather logical, as a refusal would have been unfavorable for the holders from the stance of cost/benefit analysis, we presume. Especially if we take into account Metinvest's plans to seek court approval of de-facto mandatory 'scheme' to force through the restructuring. If the restructuring was not approved on Friday, holders of the 2015 bonds would have missed the opportunity of the 25% up-front payment and would also definitely lose their priority right to receive principal ahead of other Metinvest creditors. As a result, about half of the "hostile" holders of the 2015 bonds apparently backed down from their initial intention to vote no at the Jun 26 meeting.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
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	10.0	15.32	53%	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	26.9	36.1	34%	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	1.1	1.4	23%	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	78.5	80.8	3%	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	68.0	48.0	-29%	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	-31%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.15	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	2808	5250	87%	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	4.5	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	27.5	U/R	--	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	22.2	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	7.75	15.00	94%	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	0.091	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	1024.62	1368.76	908.88	0.5%	1.7%	2.7%	-0.8%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.013	0.040	0.010	4.7%	5.6%	-5.0%	-8.3%	4.3%	3.8%	-7.7%	-7.4%
Azovstal	AZST	0.80	0.95	0.35	0.5%	2.8%	0.4%	7.8%	0.0%	1.1%	-2.3%	8.6%
Enakievo Steel	ENMZ	17.44	65.00	14.03	1.1%	6.5%	9.0%	-16.8%	0.7%	4.7%	6.3%	-15.9%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.15	3.62	0.86	1.5%	2.7%	-2.5%	-33.5%	1.0%	0.9%	-5.2%	-32.7%
Yasnyivsky Coking	YASK	0.25	0.80	0.18	0.0%	-13.8%	-3.8%	-10.7%	-0.5%	-15.5%	-6.6%	-9.9%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.66	n/a	n/a	5.7%	4.1%	-15.7%	-14.5%	5.3%	2.3%	-18.4%	-13.7%
Ferrexpo	FXPO	69.50	143.00	47.91	0.7%	0.0%	-1.4%	31.1%	0.3%	-1.7%	-4.1%	32.0%
Pivnichny GOK	SGOK	7.00	12.30	4.44	0.0%	1.4%	-7.9%	-16.4%	-0.5%	-0.3%	-10.6%	-15.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.21	0.79	0.17	0.0%	0.0%	-36.4%	-55.3%	-0.5%	-1.7%	-39.1%	-54.5%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.21	0.88	0.20	-4.5%	-8.7%	-19.2%	-44.7%	-5.0%	-10.4%	-21.9%	-43.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	10.19	19.80	9.15	0.2%	1.4%	6.1%	-20.7%	-0.3%	-0.3%	3.4%	-19.9%
Luhanskteplovoz	LTPL	1.10	1.80	0.85	0.0%	0.0%	4.8%	1.9%	-0.5%	-1.7%	2.1%	2.7%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2808	2939	1970	0.4%	3.8%	10.6%	13.1%	0.0%	2.0%	7.8%	13.9%
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	0.17	0.21	0.10	3.1%	-8.3%	-8.3%	8.6%	2.7%	-10.1%	-11.0%	9.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	5.02	9.25	3.13	5.7%	24.4%	14.6%	60.5%	5.2%	22.7%	11.9%	61.3%
JKX Oil	JKX	27.75	59.25	11.00	-0.9%	-0.9%	-9.8%	131.3%	-1.3%	-2.6%	-12.5%	132.1%
Ukrnafta	UNAF	287.1	375.0	54.0	0.6%	1.0%	6.1%	41.2%	0.1%	-0.8%	3.4%	42.1%
<b>Power Utilities</b>												
Centrenergo	CEEN	7.75	8.70	3.70	0.0%	0.3%	-0.7%	2.7%	-0.5%	-1.4%	-3.4%	3.6%
Donbasenergo	DOEN	22.18	46.00	11.00	-0.2%	0.8%	-0.5%	-32.8%	-0.6%	-0.9%	-3.2%	-31.9%
Zakhidenergo	ZAEN	167.0	199.8	91.2	0.0%	0.0%	0.6%	12.8%	-0.5%	-1.7%	-2.1%	13.6%
<b>Consumer</b>												
Agroton	AGT	1.15	3.06	0.95	2.7%	4.5%	16.2%	-6.5%	2.2%	2.8%	13.5%	-5.7%
Astarta	AST	28.65	44.29	14.50	-1.6%	-1.2%	10.7%	43.3%	-2.1%	-2.9%	8.0%	44.1%
Avangardo	AVGR	1.19	10.27	1.19	-4.8%	-16.2%	-55.9%	-42.0%	-5.3%	-17.9%	-58.6%	-41.1%
Industrial Milk Company	IMC	4.85	10.35	4.38	n/a	1.0%	7.8%	-14.5%	n/a	-0.7%	5.1%	-13.6%
Kernel	KER	38.32	39.25	22.00	-1.0%	1.1%	4.3%	34.6%	-1.4%	-0.6%	1.6%	35.5%
Mriya Agro Holding	MAYA	0.16	4.73	0.05	0.0%	0.0%	44.1%	-71.5%	-0.5%	-1.7%	41.4%	-70.7%
MHPC	MHPC	11.25	15.60	8.24	7.1%	10.3%	3.7%	22.3%	6.7%	8.6%	1.0%	23.1%
Milkiland	MLK	1.69	7.18	1.48	n/a	-6.1%	-24.6%	14.2%	n/a	-7.9%	-27.3%	15.0%
Ovostar Union	OVO	79.00	83.00	67.00	0.0%	1.3%	-4.2%	9.7%	-0.5%	-0.5%	-6.9%	10.6%
<b>Chemicals</b>												
Stirol	STIR	6.25	18.00	4.02	0.0%	0.0%	21.4%	-9.8%	-0.5%	-1.7%	18.7%	-9.0%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.091	0.160	0.086	1.0%	0.2%	-1.5%	-5.3%	0.5%	-1.5%	-4.2%	-4.5%
UkrSotsbank	USCB	0.083	0.200	0.064	0.0%	0.0%	-16.9%	-36.3%	-0.5%	-1.7%	-19.6%	-35.4%

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>																
Luhanskeplovov	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	16	3.9%	1	2,630	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	680	634	615	\$/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	161	3.0%	5	155	neg	2.1	2.5	neg	0.8	1.2	0.1	0.1	0.1	34	34	34	\$/tonne
<b>Coke</b>																		
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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	372	0.3%	1	370	1.9	3.2	4.6	1.2	1.7	2.3	0.5	0.6	0.7				
Pivnichny GOK	SGOK	768	0.4%	3	762	1.4	2.4	3.4	0.8	1.2	1.6	0.5	0.5	0.6				
Ferrexpo	FXPO	639	24.0%	154	1,335	2.4	3.5	6.5	2.6	2.7	5.2	0.8	1.0	1.3				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	26	2.0%	1	72	5.5	1.2	14.1	2.3	1.7	4.0	0.2	0.4	0.8	114	189	179	\$/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	56	5.0%	3	49	1.3	neg	neg	1.0	neg	neg	0.1	0.4	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	278	24.0%	67	253	1.7	2.2	3.0	0.7	0.7	1.2	0.2	0.3	0.4				
<b>Telecom</b>																		
Ukrtelecom	UTLM	147	7.2%	11	238	neg	8.1	16.2	neg	2.8	3.3	0.3	0.6	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	742	3.0%	22	750	>30	7.0	4.3	2.6	2.0	2.1	0.3	0.3	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	25	21.6%	5	0	neg	12.6	8.4	neg	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	75	50.4%	38	183	11.5	neg	15.0	2.8	2.7	2.6	1.0	1.3	1.2	33	25	24	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	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
DonbasEnerg	DOEN	25	14.2%	4	58	0.4	3.0	neg	0.8	2.9	neg	0.1	0.1	0.3	7	7	7	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,189	34.1%	405	2,326	7.3	neg	>30	6.0	4.2	4.5	1.6	1.7	2.1				
Kernel	KER	814	61.8%	503	1,290	7.8	neg	8.2	4.4	5.8	3.1	0.5	0.5	0.6				
Astarta	AST	191	37.0%	71	402	5.6	neg	neg	4.4	2.8	4.1	0.8	1.0	1.2				
Avangardco	AVGR	76	22.5%	17	302	0.3	neg	neg	1.0	2.3	3.2	0.5	0.7	0.8	68	52	49	\$/mneqgs
Ovostar	OVO	126	25.0%	32	135	4.1	4.9	5.2	3.8	4.6	5.4	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	130	3.5%	5		1.5	neg	neg	0.1	0.3	0.4	0.02	0.05	0.06				
Ukrsotsbank	USCB	73	1.0%	1		>30	>30	>30	0.1	0.1	0.2	0.02	0.03	0.04				

Source: Eavex Research

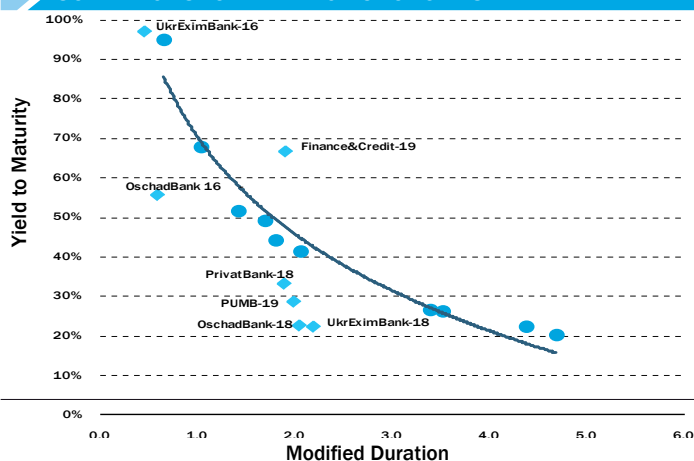
UKRAINIAN EUROBONDS

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)	52.5	54.5	303.6%	281.1%	-21.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	53.1	55.0	406.7%	382.8%	-23.2%	0.1	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	50.2	51.6	68.4%	65.6%	-18.8%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	50.2	51.7	97.0%	92.4%	-21.4%	0.6	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	50.3	51.8	41.7%	40.1%	-19.3%	1.8	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	49.9	50.6	51.3%	50.3%	-19.2%	1.4	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	50.3	50.3	44.7%	44.7%	-18.3%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	50.1	50.1	37.6%	37.6%	-16.5%	2.0	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	50.3	51.5	25.5%	24.8%	-14.7%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	53.3	54.3	23.2%	22.7%	-9.5%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	54.0	55.0	19.9%	19.5%	-9.4%	4.6	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	52.6	53.1	19.6%	18.9%	-10.9%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
<b>Corporate Eurobonds</b>											
Agroton, 2019	30.3	39.3	48.5%	37.9%	2.8%	2.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	80.2	81.6	14.1%	13.6%	17.2%	3.6	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	50.8	50.8	286.5%	286.5%	-21.3%	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	503.2%	450.1%	30.8%	0.2	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	16.0	18.0	102.9%	95.2%	30.8%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	45.0	48.0	48.8%	45.3%	n/a	1.6	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	44.0	47.0	45.4%	42.0%	0.0%	1.9	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2015	n/a	n/a	n/a	n/a	n/a	n/a	10.25%	S/A	20 May 2015	114	Caa3//C
Metinvest, 2017	57.0	60.0	39.8%	36.9%	-16.4%	1.1	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	55.0	58.0	36.9%	34.2%	1.8%	1.9	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2016	91.0	93.0	21.1%	18.0%	19.5%	0.7	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/C
Ferrexpo, 2019	84.6	86.8	15.9%	15.1%	n/a	2.5	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/C
RailUA, 2018	62.0	64.0	30.0%	28.6%	18.8%	2.2	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	25.0	35.0	121.8%	87.9%	-45.5%	1.1	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	71.5	76.8	28.5%	25.2%	27.3%	1.3	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	23.0	30.0	70.7%	57.2%	-68.1%	1.8	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	51.5	54.5	35.9%	33.6%	-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	64.0	66.0	248.8%	228.9%	4.0%	0.1	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	44.0	46.0	203.7%	189.3%	-9.1%	0.3	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	64.0	66.0	31.9%	30.3%	-2.3%	1.9	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2015	76.5	78.5	n/a	n/a	0.0%	0.1	8.38%	S/A	27 Jul 2015	750	WR//C
UkrEximBank, 2016	58.0	63.0	121.9%	100.8%	27.4%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//C
UkrEximBank, 2018	74.0	76.0	22.7%	21.4%	32.7%	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	75.5	76.5	55.1%	52.7%	29.9%	0.5	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	73.5	75.1	22.4%	21.4%	31.5%	2.1	8.88%	S/A	20 Mar 2018	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	49.9	51.6	296.3%	277.0%	-30.1%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	48.0	50.0	101.9%	95.8%	-30.7%	0.6	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

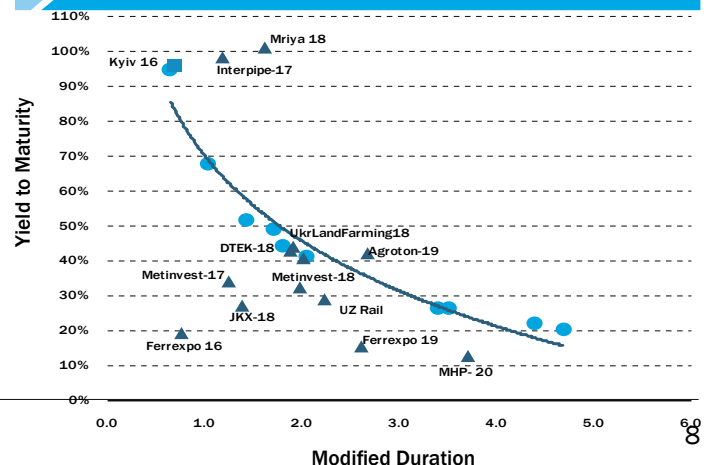
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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>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

## Eavex Capital

Klovsky uzviz 7, Carnegie Center  
16th Floor, 01021 Kyiv, Ukraine

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: [office@eavex.com.ua](mailto:office@eavex.com.ua)

Web-page: [www.eavex.com.ua](http://www.eavex.com.ua)

Yuriy Yakovenko

**Chairman of the Board**

[yuriy.yakovenko@eavex.com.ua](mailto:yuriy.yakovenko@eavex.com.ua)

### SALES & TRADING

Pavel Korovitskiy

**Managing Director**

**Equity and Fixed Income**

[p.korovitskiy@eavex.com.ua](mailto:p.korovitskiy@eavex.com.ua)

Alexander Klymchuk

**Equity and Fixed Income**

[a.klymchuk@eavex.com.ua](mailto:a.klymchuk@eavex.com.ua)

Eugene Klymchuk

**Fixed Income Sales and Trading**

[e.klymchuk@eavex.com.ua](mailto:e.klymchuk@eavex.com.ua)

Serhiy Scherbaniuk

**Equity Trading**

[s.shcherbaniuk@eavex.com.ua](mailto:s.shcherbaniuk@eavex.com.ua)

Nazar Malinyak

**Online Trading**

[n.malinyak@eavex.com.ua](mailto:n.malinyak@eavex.com.ua)

### RESEARCH

Dmitry Churin

**Head of Research**

[d.churin@eavex.com.ua](mailto:d.churin@eavex.com.ua)

Ivan Dzvinka

**Research Associate**

[i.dzvinka@eavex.com.ua](mailto:i.dzvinka@eavex.com.ua)

Will Ritter

**Research editor**

[w.ritter@eavex.com.ua](mailto:w.ritter@eavex.com.ua)