

Market Update

Equity

Ukrainian equities listed in Kyiv rebounded on Thursday (Jul 23) after a five-session losing streak. The UX index rose 0.8% to close at 977 points. Heavyweight Azovstal (AZST) added the most points to the gauge, rising 3.2% to 77 kopecks on a very thin trading volume. Raiffeisen Aval (BAVL) was little-changed despite the EBRD board's approval of a capital injection into the Austrian-owned bank in exchange for an unspecified equity stake. UkrNafta (UNAF) edged down by half a percent to UAH 291, as the stock has a strong resistance line at UAH 300 from a chart perspective. London-listed Ferrexpo (FXPO) lost 1.8% to close at GBp 55.75, while in Warsaw trading, Astarta (AST) corrected by 1.1% to PLN 36.50 after a strong rally over the last two weeks. Kernel (KER) continued to push higher into territory not seen since the pre-EuroMaidan months of 2013, adding 0.7% to PLN 44.80. Low-liquidity Milkiland (MLK) advanced by 4.6% to PLN 1.36 per share.

Fixed Income

Ukrainian sovereigns were higher on Thursday with Ukraine-23s up by 0.6p.p. to 55.3/56.5 (18.8%/18.5%). Corporate names were mixed. MHP-20s improved by 0.4p.p. to 81.2/82.4 (13.8%/13.4%) while Metinvest-18s dropped by 0.5p.p. to 58.0/59.0 (35.0%/34.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	291.80	-0.5%	0.8	15
Centrenergo	CEEN	7.54	2.2%	0.3	50
Motor Sich	MSICH	2629.00	0.4%	0.3	24

Growth Leaders

Alchevsk Steel	ALMK	0.01	5.8%	0.02	13
Centrenergo	CEEN	7.54	2.2%	0.30	50
Motor Sich	MSICH	2629.00	0.4%	0.29	24

Loss Leaders

Ukrnafta	UNAF	291.80	-0.5%	0.826	15
Raiffeisen Bank Aval	BAVL	0.09	0.2%	0.059	15
Motor Sich	MSICH	2,629.00	0.4%	0.294	24

Highlights

POLITICS AND ECONOMICS

- > Ukraine's Talks with Creditors Break Off: USD 120mn Due Today

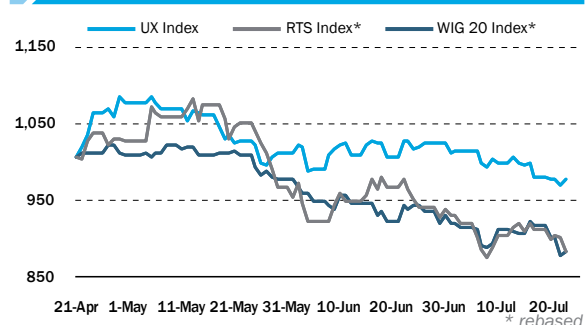
STOCKS IN THE NEWS

- > Kazakhstan Bans Imports of MHP's Poultry

FIXED INCOME

- > Avangard Likely to Initiate Eurobond Restructuring

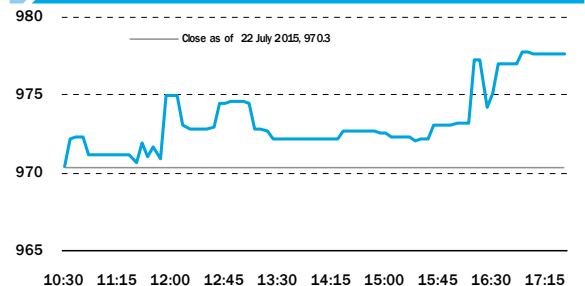
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	977.7	0.8%	-4.9%	-5.4%
RTS	884.5	-1.9%	-9.6%	11.9%
WIG20	2200.8	0.7%	-6.4%	-5.0%
MSCI EM	923.6	-0.8%	-6.5%	-3.4%
S&P 500	2102.2	-0.6%	-1.0%	2.1%

UX INTRADAY JULY 23, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	403.0	2.1%	5.7%	-0.3%
CDS 5Y UKR	2400.0	4.3%	-18.6%	9.1%
Ukraine-17	37.6%	0.1 p.p.	-6.0 p.p.	11.9 p.p.
MHP-20	13.6%	-0.1 p.p.	0.2 p.p.	-3.9 p.p.
Ukraine-23	18.4%	-0.2 p.p.	-1.5 p.p.	10.9 p.p.
Privatbank-18	29.6%	-0.1 p.p.	-1.0 p.p.	-3.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	22.39	1.4%	2.8%	41.5%
EUR	24.60	1.9%	-0.4%	28.5%
RUB	0.39	0.9%	-4.0%	41.1%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	214.0	0.0%	4.7%	-13.0%
Steel, USD/t	352.5	0.0%	-2.8%	-21.7%
Oil, USD/bbl	55.3	-1.5%	-13.8%	-6.6%
Gold, USD/oz	1090.6	-0.3%	-8.0%	-8.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Talks with Creditors Break Off: USD 120mn Due Today

by Dmitry Churin
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NEWS

Talks between Ukraine's government and a sovereign bondholder creditors' committee scheduled to take place this week have been cancelled, Interfax reported on (Jul 23), citing unnamed sources. Ukraine's Finance Ministry agreed early this month to hold direct negotiations with the 4-member creditor group to discuss restructuring conditions for some USD 19bn of Eurobonds. An indicator of how the talks are progressing will come today (Jul 24) when a USD 120mn interest payment is due. The payment is a coupon for USD 2.6bn Eurobonds issued in 2012 at 9.25%. Investment banking consultants Lazard, which is representing Ukraine, and Blackstone Group on behalf of the creditor committee, are now in discussions regarding the next steps in the talks, according to Bloomberg. Meanwhile, Bloomberg News reported on Thursday that Kyiv is expected to meet the coupon payment, also citing an unidentified source.

COMMENTARY

Although there is no concrete information on how close the Finance Ministry and the creditors group are to reaching a restructuring deal, we are confident that, if push comes to shove, Ukraine has enough political support from Washington and Brussels to impose a debt moratorium in the worst case. If the USD 120mn coupon is not paid today, Ukraine has a 10-day grace period before a default is declared, allowing it to use the time to put pressure on the creditors. However, if the coupon is paid, this would be a sign of one of two nearly opposite scenarios: 1) that Ukraine is close to reaching a deal on a sovereign principal writedown that would end the standoff with the Franklin Templeton-led creditor group, and the government therefore sees no need to withhold the payment; or, 2) that the Ukrainian side has blinked in the negotiations, which would prolong the uncertainty over the restructuring for at least another two months and probably embolden Templeton in its refusal to agree to a principal haircut, reducing the likelihood that any deal will be struck. Ukraine has a 30% probability of defaulting on its debt in the coming year, the highest in the world, according to Bloomberg's default risk model. The country submitted a renewed letter of intent to the IMF this week, showing that it has fulfilled requirements for receiving the second tranche of its aid facility. It is currently expected that the IMF's board will decide on the next tranche on Jul 31. In a separate news regarding Ukraine's state finances, the European Commission on Wednesday (Jul 22) provided EUR 600mn to the government under the new macro-financial assistance program, the EU delegation to Ukraine has reported. This corresponds to the first installment under the new Macro-Financial Assistance program for Ukraine, which amounts to a total of EUR 1.8bn. Disbursement of the remaining EUR 1.2bn in the coming months is subject to implementation of the economic and structural reforms agreed between the EU and Ukraine.

The country's USD 2.6bn bonds due in July 2017, which will be the subject of maturity extension under any restructuring deal, rose 1.8% yesterday to 55 cents on the dollar, their highest level since February.

Kazakhstan Bans Imports of MHP's Poultry

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 10.4 Market Cap: USD 1,099mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	1.6	neg	4.0	4.6%
2015E	1.9	nm	4.2	2.3%

NEWS

The Committee for consumer rights in Kazakhstan has suspended the import of poultry meat produced by three Russian producers and MHP, Ukraine's largest poultry producer. This was announced on the regulatory body's website on Tuesday (Jul 21). The reason cited by committee was the detection of salmonella bacteria in the meat of all the mentioned producers. The timing of an investigation in to the problem was not specified.

COMMENTARY

The news comes as a surprise to us given that imports of MHP's poultry to the Russian-led Customs Union, which includes Kazakhstan, were already previously prohibited (as of February 2014). Indeed, MHP's management has said the company has not been exporting to Kazakhstan since 1Q14; however, some "entrepreneurial" intermediary (not officially associated with MHP) has apparently managed to find a scheme to get around the ban and distribute MHP poultry in Kazakhstan. According to MHP, its export volume to that country in 1H15 was 2,000 tonnes, which represents 3% of the group's total poultry exports and less than 1% of its production. We thus see the news as only slightly negative for MHP. Meanwhile, the reason provided for the ban is likely an excuse for Kazakhstan to protect its own poultry producers from Russian and Ukrainian competitors, we think. In the past, Russia had occasionally used the same reason to close its market to MHP, prior to the permanent closure in February 2014.

Avangard Likely to Initiate Eurobond Restructuring

by Ivan Dzvinka
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NEWS

Avangard, Ukraine's largest egg producer, has sent out notices to the market participants asking for bondholders to identify themselves, Eavex Research was informed by market players on Thursday (Jul 23). This suggests that the company is preparing to initiate restructuring talks with the holders of its USD 200mn Eurobonds due on Oct 29 this year.

COMMENTARY

Starting with the publication of its 9M14 results in November 2014 and continuing through the most recent financials for 1Q15, Avangard has been reporting operational and financial results that we believe are much worse than the actual situation at the company. We make this statement having already taken into consideration Avangard's lost market and production assets in Donetsk and Lugansk provinces (for details see our AVGR research updates from December 2014 and April this year). We suppose that this deliberate skewing of results to the downside was part of a plan to create a justification for not redeeming the bonds on time. However, the launch of negotiations with bondholders in the near term would be a positive surprise for us. If Avangard does indeed start restructuring negotiations in the coming weeks (by the end of summer), this could mean that it intends to restructure its bonds in good faith before the maturity date. This, in turn, would provide the bondholders with room for maneuver in terms of demanding more favourable restructuring conditions.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	44.8	56.50	26%	BUY	A hedged approach to doing 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	10.4	15.32	47%	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 land bank in Ukraine to 500,000 ha in the medium term from the current 290,000 ha.
Astarta	AST PW	36.5	36.1	-1%	HOLD	Astarta has made decisive moves toward diversification (it launched a soybean processing plant in early 2014) and cost optimization (launch of bioenergy complex in 2014). With no assets in the Donbass, Astarta's exposure to UAH devaluation is largely offset by its UAH cost base.
IMC	IMC PW	5.4	9.4	74%	BUY	Quality business & cheap stock are attributes which appropriately fits to the case of IMC. The company's work on deleverage, ongoing land bank expansion program, no exposure to Donbass and high standards of corporate governance more than offset poor liquidity of the IMC's stock.
AvangardCo	AVGR LI	1.1	1.4	27%	SELL	The loss of the company's output in the war-hit Donbass along with UAH devaluation will lead to even lower EBITDA in 2015 after a 57% plunge in 2014.
Ovostar Union	OVO PW	83.0	80.8	-3%	HOLD	Ovostar has been one of the hardest-hit Ukrainian public companies by this year's UAH devaluation, as some 70% of its production cost is linked to USD while only 15% of its revenue is earned in hard currencies.
Iron Ore						
Ferrexpo	FXPO LN	55.8	48.0	-14%	SELL	The ongoing issue of global iron ore oversupply along with sluggish growth in demand will likely keep ore prices at depressed levels at least in the short run, boding poorly for Ferrexpo's earnings.
Steel						
Azovstal	AZST	0.77	0.56	-28%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.05	U/R	--	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbass separatist-occupied territory, and the plant has been experiencing periodic artillery shelling since August 2014. However, the company continues to operate, albeit at reduced capacity.
Specialized Machinery						
Motor Sich	MSICH	2629	5250	100%	BUY	Motor Sich should see its revenue 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	5.0	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	19.5	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.
Power Utilities						
DonbasEnerg	DOEN	20.2	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnerg's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnerg	CEEN	7.54	15.00	99%	BUY	CenterEnerg'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	0.088	0.24	173%	BUY	Raiffeisen Aval has a conservative risk policy, and we therefore assume it will manage to weather the current banking crisis in Ukraine and start to generate profits starting from 2016. The EBRD is expected to purchase a stake in the institution.

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	977.67	1368.76	908.88	0.8%	-2.0%	-4.9%	-5.4%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.013	0.038	0.010	5.8%	-5.2%	-8.6%	-12.4%	5.1%	-3.2%	-3.7%	-7.0%
Azovstal	AZST	0.77	0.95	0.54	4.2%	-2.3%	-3.0%	3.9%	3.4%	-0.2%	1.9%	9.3%
Enakievo Steel	ENMZ	17.03	65.00	14.03	0.0%	1.1%	-2.9%	-18.7%	-0.8%	3.2%	2.0%	-13.3%
Coke												
Avdyivka Coke	AVDK	1.05	3.62	0.86	0.8%	-4.7%	-8.9%	-39.4%	0.0%	-2.7%	-3.9%	-34.0%
Yasynivsky Coking	YASK	0.25	0.79	0.18	0.0%	13.6%	-16.7%	-10.7%	-0.8%	15.7%	-11.7%	-5.3%
Iron Ore Mining												
Centralny GOK	CGOK	6.96	n/a	n/a	0.0%	0.0%	8.7%	-10.7%	-0.8%	2.0%	13.7%	-5.3%
Ferrexpo	FXPO	55.75	142.50	47.91	-1.8%	-7.1%	-17.4%	5.2%	-2.5%	-5.0%	-12.5%	10.6%
Pivnichny GOK	SGOK	6.40	12.30	4.44	-4.5%	-6.6%	-7.2%	-23.5%	-5.2%	-4.5%	-2.3%	-18.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.25	n/a	n/a	0.0%	-3.8%	19.0%	-46.8%	-0.8%	-1.8%	24.0%	-41.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.21	0.79	0.20	0.0%	5.0%	-8.7%	-44.7%	-0.8%	7.0%	-3.8%	-39.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.50	19.35	9.05	0.0%	1.1%	-7.8%	-26.1%	-0.8%	3.1%	-2.8%	-20.7%
Luhanskeplovoz	LTPL	1.35	1.80	0.51	0.0%	50.0%	22.7%	25.0%	-0.8%	52.0%	27.7%	30.4%
Specialized Machinery												
Motor Sich	MSICH	2629	2939	1970	0.3%	-2.2%	-5.3%	5.9%	-0.4%	-0.2%	-0.4%	11.3%
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	0.14	0.21	0.10	0.0%	0.0%	-10.0%	-7.9%	-0.8%	2.0%	-5.1%	-2.5%
Oil & Gas												
Regal Petroleum	RPT	5.02	9.25	3.13	0.0%	-12.7%	0.5%	60.6%	-0.8%	-10.6%	5.4%	66.0%
JKX Oil	JKX	19.50	51.00	11.00	0.0%	1.3%	-30.4%	62.5%	-0.8%	3.3%	-25.4%	67.9%
Ukrnafta	UNAF	291.8	375.0	80.0	-0.2%	-1.1%	1.3%	43.5%	-1.0%	1.0%	6.2%	48.9%
Power Utilities												
Centrenergo	CEEN	7.54	8.50	3.70	2.2%	-1.9%	-3.9%	0.0%	1.5%	0.2%	1.0%	5.3%
Donbasenergo	DOEN	20.20	42.00	11.00	0.0%	-0.7%	-9.8%	-38.8%	-0.8%	1.3%	-4.9%	-33.4%
Zakhidenergo	ZAEN	135.0	199.8	100.0	0.0%	-19.2%	-19.2%	-8.8%	-0.8%	-17.1%	-14.2%	-3.5%
Consumer												
Agroton	AGT	1.25	2.72	0.95	13.6%	9.6%	14.7%	1.6%	12.9%	11.7%	19.6%	7.0%
Astarta	AST	36.50	39.50	14.50	-1.1%	6.7%	24.0%	82.5%	-1.8%	8.8%	28.9%	87.9%
Avangardo	AVGR	1.08	9.43	1.00	-0.9%	-1.8%	-22.9%	-47.3%	-1.7%	0.2%	-17.9%	-41.9%
Industrial Milk Company	IMC	5.40	8.80	4.38	n/a	6.9%	19.7%	-4.8%	n/a	9.0%	24.7%	0.6%
Kernel	KER	44.79	44.79	22.00	0.7%	11.0%	15.6%	57.4%	-0.1%	13.0%	20.5%	62.8%
Mriya Agro Holding	MAYA	n/a	4.68	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	10.40	13.65	8.24	1.0%	4.0%	-5.5%	13.0%	0.2%	6.0%	-0.5%	18.4%
Milkiland	MLK	1.36	5.96	1.30	n/a	-10.5%	-20.5%	-8.1%	n/a	-8.5%	-15.5%	-2.7%
Ovostar Union	OVO	83.00	83.00	67.00	0.0%	1.9%	6.4%	15.3%	-0.8%	3.9%	11.4%	20.7%
Chemicals												
Stirol	STIR	5.50	14.10	4.02	0.0%	-12.7%	-12.0%	-20.6%	-0.8%	-10.7%	-7.1%	-15.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.088	0.150	0.086	0.2%	-0.8%	-4.2%	-8.4%	-0.5%	1.3%	0.7%	-3.1%
UkrSotsbank	USCB	0.085	0.197	0.064	0.0%	-3.4%	0.6%	-34.7%	-0.8%	-1.4%	5.5%	-29.3%

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	15	3.9%	1	2,628	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	679	633	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	145	3.0%	4	139	neg	1.9	2.2	neg	0.8	1.1	0.1	0.1	0.1	30	31	31	\$/tonne
Coke																		
Avdyivka Coke	AVDK	9	6.8%	1	-30	neg	neg	neg	-0.7	neg	neg	0.0	-0.1	-0.1	-7	-8	-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	364	0.3%	1	363	1.9	3.2	4.5	1.2	1.6	2.3	0.5	0.6	0.7				
Pivnichny GOK	SGOK	659	0.4%	3	652	1.2	2.0	2.9	0.7	1.0	1.4	0.4	0.4	0.5				
Ferrexpo	FXPO	506	24.0%	121	1,201	1.9	2.8	5.2	2.4	2.4	4.7	0.8	0.9	1.1				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	24	2.0%	0	70	5.2	1.1	13.2	2.2	1.6	4.0	0.2	0.4	0.8	111	185	175	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	13	24.0%	3	50	0.7	neg	n/a	1.4	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	49	5.0%	2	42	1.2	neg	neg	0.8	neg	neg	0.1	0.3	0.6				
Specialized Machinery																		
Turboatom	TATM	66	5.8%	4	36	0.9	1.2	2.9	0.4	0.5	1.0	0.2	0.2	0.3				
Motor Sich	MSICH	244	24.0%	59	219	1.5	1.9	2.6	0.6	0.6	1.0	0.2	0.2	0.3				
Telecom																		
Ukrtelecom	UTLM	117	7.2%	8	208	neg	6.4	12.9	neg	2.5	2.9	0.3	0.5	0.8				
Oil & Gas																		
Ukrnafta	UNAF	707	3.0%	21	715	>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	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	52	50.4%	26	160	8.0	neg	10.4	2.4	2.3	2.3	0.9	1.1	1.1	29	22	21	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	124	21.7%	27	138	2.1	21.1	neg	1.5	5.3	neg	0.2	0.2	0.4	8	10	9	\$/MWh
DonbasEnerg	DOEN	21	14.2%	3	53	0.3	2.5	neg	0.7	2.7	neg	0.1	0.1	0.3	6	7	7	\$/MWh
Consumer																		
MHP	MHPC	1,099	34.1%	375	2,199	6.8	neg	>30	5.6	4.0	4.2	1.5	1.6	1.9				
Kernel	KER	951	61.8%	587	1,427	9.1	neg	9.6	4.9	6.4	3.4	0.5	0.6	0.6				
Astarta	AST	243	37.0%	90	454	7.1	neg	neg	5.0	3.2	4.6	0.9	1.1	1.3				
Avangardco	AVGR	69	22.5%	16	295	0.3	neg	neg	1.0	2.3	3.1	0.4	0.7	0.8	67	51	48	\$/mneqgs
Ovostar	OVO	133	25.0%	33	141	4.3	5.1	5.5	4.0	4.9	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	118	3.5%	4		1.3	neg	neg	0.1	0.3	0.4	0.02	0.04	0.05				
Ukrsotsbank	USCB	70	1.0%	1		>30	>30	>30	0.1	0.1	0.2	0.02	0.03	0.04				

Source: Eavex Research

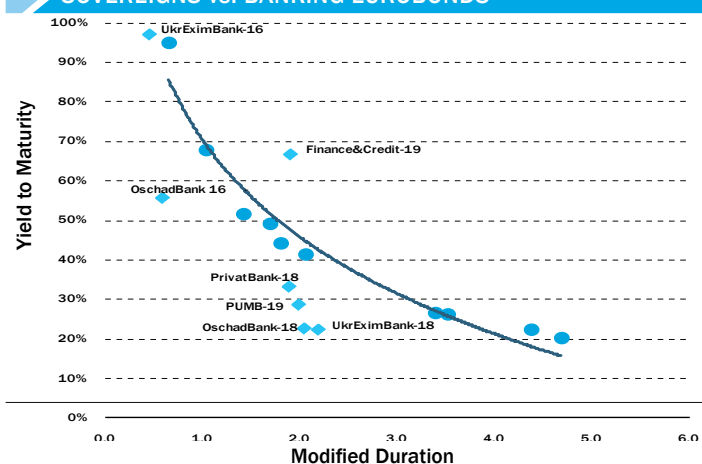
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2015 (EUR)	55.0	56.1	366.0%	350.3%	-18.3%	0.1	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	55.3	57.0	528.7%	494.0%	-20.2%	0.1	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	55.2	56.5	60.9%	58.5%	-11.0%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	55.1	56.4	89.8%	85.9%	-14.0%	0.6	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	54.8	55.4	37.9%	37.3%	-12.9%	1.7	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	54.0	55.0	47.4%	46.2%	-12.4%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	53.6	54.6	42.0%	40.9%	-12.0%	1.6	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	53.3	54.5	35.5%	34.3%	-10.2%	2.0	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	54.0	54.8	23.6%	23.2%	-8.8%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	54.0	55.3	23.0%	22.4%	-8.0%	3.6	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	55.1	56.1	19.6%	19.2%	-7.6%	4.5	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	55.3	56.5	18.8%	18.5%	-5.8%	4.7	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	28.3	32.1	48.5%	43.5%	-10.7%	2.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	81.2	82.4	13.8%	13.4%	18.5%	3.5	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015						0.1	10.00%	S/A	29 Oct 2015	200	//WD
UkrLandFarming, 2018	48.5	51.5	46.4%	43.2%	-3.8%	1.7	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	16.0	18.0	608.6%	541.0%	30.8%	0.2	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	16.0	18.0	107.3%	99.1%	30.8%	1.5	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	43.0	45.0	52.3%	49.7%	n/a	1.5	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	43.0	45.0	47.6%	45.2%	-3.3%	1.8	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	40.6%	37.7%	-16.4%	1.1	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	58.0	59.0	35.0%	34.1%	5.4%	1.8	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	84.6	85.8	16.1%	15.6%	n/a	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	84.1	86.1	16.3%	15.4%	n/a	2.5	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	66.8	68.8	27.0%	25.7%	27.8%	2.1	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	20.0	30.0	160.9%	109.2%	-54.5%	0.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.6	73.3	29.7%	27.9%	23.6%	1.2	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	23.0	30.0	72.0%	58.2%	-68.1%	2.0	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	55.0	58.0	33.6%	31.5%	-16.3%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	7.0	12.0	n/a	n/a	-24.0%		6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.0	70.0	302.0%	276.2%	10.4%	0.1	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	59.0	61.0	137.4%	127.0%	21.2%	0.3	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	65.3	70.1	31.4%	27.8%	1.7%	1.9	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2015	82.0	85.0	n/a	n/a	7.7%	0.0	8.38%	S/A	27 Jul 2015	750	WR//C
UkrEximBank, 2016	60.0	65.0	132.1%	108.1%	31.6%	0.3	5.79%	S/A	2 Sept 2016	125	Ca//C
UkrEximBank, 2018	78.0	80.0	20.5%	19.2%	39.8%	2.1	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	78.5	79.0	53.2%	51.9%	34.6%	0.5	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	75.4	77.0	21.5%	20.5%	35.0%	2.1	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	51.8	53.5	342.9%	320.5%	-27.5%	0.1	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	51.0	54.0	100.2%	91.1%	-25.7%	0.6	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

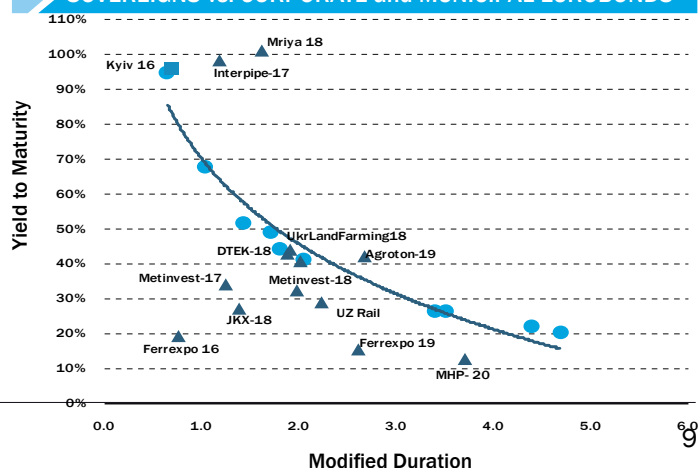
¹ Moody's/S&P/Fitch; * EUR

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
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

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