

Market Update

Equity

Ukraine's equity market finished marginally in the black on Friday (Sept 4), demonstrating a third straight session of tentative growth. The UX index inched up 0.2% to close at 980 points. Heavyweights Motor Sich (MSICH) and CentrEnergy (CEEN) each added about half a percent, with the former ending at UAH 2636 per share, and UkrNafta (UNAF) rose 1.2% to USD 269. Meanwhile Azovstal (AZST) slipped 0.4% on minimal trading turnover. On the interbank currency market, the hryvnia was little-changed against the dollar, closing at bid/ask of 22.00/22.10. The hryvnia received some support from the NBU's announcement that certain capital control measures have been extended for another three months. In London trading, Ferrexpo (FXPO) retreated by 2.4% after a notable rise the previous day. Warsaw-listed Kernel (KER) edged down 1.0% to close at PLN 42.80. Astarta (AST) gained 1.5% but remained below the PLN 30 level.

Fixed Income

Ukrainian sovereign Eurobonds ended higher on Friday with Ukraine-15s issue, which is under restructuring, edging up 0.9 p.p. to 76.5/78.0 cents on the dollar. In corporate debt papers, RAILUA-18s rose 1.7 p.p. to close at 74.1/75.9 (22.9%/21.7%). Among banking names, PrivatBank-18s climbed 0.9 p.p. to 68.0/70.0 (30.2%/28.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2636.00	0.6%	0.77	18
Centrenerg	CEEN	7.38	0.5%	0.55	11
Ukrnafta	UNAF	269.00	1.2%	0.13	14

Growth Leaders

Ukrnafta	UNAF	269.00	1.2%	0.126	14
Motor Sich	MSICH	2636.00	0.6%	0.771	18
Centrenerg	CEEN	7.38	0.5%	0.549	11

Loss Leaders

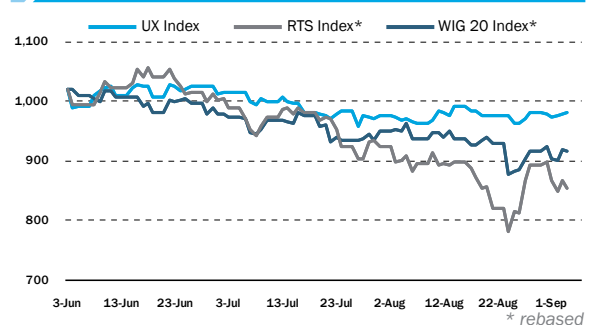
Centrenerg	CEEN	7.38	0.5%	0.549	11
Motor Sich	MSICH	2,636.00	0.6%	0.771	18
Ukrnafta	UNAF	269.00	1.2%	0.126	14

Highlights

STOCKS IN THE NEWS

- > Avangard Posts Disastrous 2Q EBITDA of Negative USD 105mn
- > IMC's EBITDA Flat YoY as Company Focuses on Deleveraging

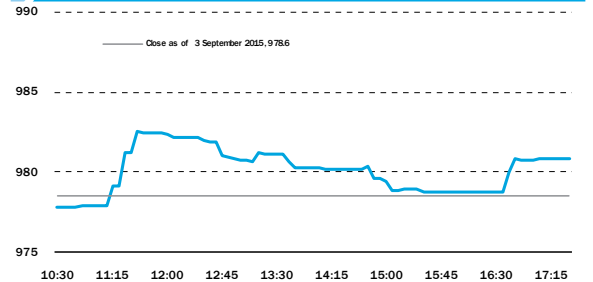
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	980.9	0.2%	1.2%	-5.1%
RTS	793.7	-1.4%	-5.2%	0.4%
WIG20	2146.5	-0.4%	-3.7%	-7.3%
MSCI EM	788.6	-1.6%	-11.7%	-17.5%
S&P 500	1921.2	-1.5%	-8.2%	-6.7%

UX INTRADAY SEPTEMBER 4, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	441.4	0.8%	7.9%	9.2%
CDS 5Y UKR	1250.0	0.0%	-37.5%	-43.2%
Ukraine-17	21.4%	-1.1 p.p.	-13.0 p.p.	-4.3 p.p.
MHP-20	12.4%	-0.1 p.p.	-0.8 p.p.	-5.1 p.p.
Ukraine-23	13.0%	0.0 p.p.	-4.2 p.p.	5.5 p.p.
Privatbank-18	29.4%	-0.7 p.p.	-0.5 p.p.	

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	22.05	0.0%	2.3%	39.4%
EUR	24.58	0.2%	4.8%	28.4%
RUB	0.32	-2.9%	-5.7%	17.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	179.9	0.0%	-5.6%	-26.9%
Steel, USD/t	322.5	0.0%	-7.2%	-28.3%
Oil, USD/bbl	49.6	-2.1%	-2.0%	-22.7%
Gold, USD/oz	1123.5	-0.2%	3.3%	-5.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Avangard Posts Disastrous 2Q EBITDA of Negative USD 105mn

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

AVANGARD (AVGR LI)

Price: USD 0.50 Market Cap: USD 32mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	0.6	neg	2.0	0%
2015E	0.7	neg	2.7	0%

NEWS

Avangard, Ukraine's largest egg producer, released an unprecedentedly poor set of operating and financial results for 2Q15 at the end of last month. The company's egg output in the period was down by 53% YoY to 841mn pieces, driven by an unexpected further reduction in the laying hen flock to 12.1 mn heads (-47% YoY). Egg sales volume dropped by 44% YoY to 633mn pieces, including domestic sales of 534mn pieces (-46%) and export sales of 99mn pcs (-32%). Achieved pricing was down by 14% YoY in USD terms to USD 0.051/egg. The company's dry egg products output plummeted by 67% YoY to 2,400 tonnes in the quarter. Avangard sold the same amount of EP as its production - 2,400 tonnes (-52%) - at an average price of USD 5.61/kg (-9%).

Net revenue plunged by 56% YoY to USD 49mn in 2Q15 on the back of the lower output and achieved pricing, and there was a USD 7mn loss on the gross profit level. 'Other operating cost' of USD 98mn pushed EBITDA heavily into the red at USD 105mn in 2Q15 compared to positive USD 47mn for 2Q14. On the bottom line, there was a net loss of USD 100mn vs. USD 5.2mn profit for 2Q14.

Avangard's total debt as of Jun 30 stood at USD 340mn, or essentially flat vs. end-2014. Net debt amounted to USD 288mn.

COMMENTARY

Avangard's 2Q results were even worse than the most conservative expectations, providing additional warning that the company is preparing to offer unfavorable restructuring conditions to the holders of its USD 200mn bonds coming due at the end of October. While the suspension of operations last year at the company's Donbass-based poultry facilities was more or less justified, the drop by a another third YtD in the laying hen flock in 1H of this year defies any reasonable explanation. Out of USD 98mn in 'other operating costs', USD 30mn is related to the writedown of impaired goods, USD 39mn is 'provision for doubtful debts and amounts written off', and USD 29mn is the loss of cash deposited in Financial Initiative bank (a sister institution of Avangard which was declared bankrupt in June). We treat the first two categories as a write-off of products with an expired shelf life, especially egg products. Also, Avangard's reported increase in production cost of 9% in 1H15 to USD 0.05/egg has little in common with the fundamental input situation, given that some 30% of egg production cost is in UAH, and chicken fodder prices dropped by 20%+ YoY in 1H15 due to weak international crop prices. Overall, it is clear that Avangard is engaging in financial reporting fabrications, and we place the company's stock under review.

IMC's EBITDA Flat YoY as Company Focuses on Deleveraging

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

INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 5.28 Market Cap: USD 44mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	1.1	neg	2.7	0%
2015E	1.1	15.7	3.0	0%

NEWS

Central-Ukraine based crop grower Industrial Milk Company (IMC) reported a decrease in net revenue by 10% YoY in 1H15 to USD 74mn, according to financials released at the end of August. An expansion in sales volume of corn (IMC's core crop) by 25% YoY to 450,000 tonnes was offset by a 23% drop in the average achieved corn price to USD 155/tonne. Still, a 40% decrease in production cost to USD 41mn thanks to hryvnia devaluation allowed the company to increase its gross profit by 5% to USD 67mn in 1H15. EBITDA inched down by 1% to USD 58mn. Net profit jumped to USD 27mn from breakeven in 1H14 due to a 50% drop in the forex translation loss in 1H15 to USD 20mn.

In 2Q alone, IMC generated net revenue of USD 42mn (flat YoY). EBITDA for the quarter was also nearly flat at USD 48mn (USD 49mn in 2Q14). Net profit improved by 64% to USD 52mn thanks to a forex translation gain of USD 7mn vs. a translation loss of USD 14mn in 2Q14.

COMMENTARY

During 1H15, IMC was focused on reducing its debt leverage, and it was quite effective in this regard. The company's total debt over the period decreased by USD 19mn to USD 109mn as of Jun 30. Net debt fell by USD 23mn to USD 101mn, translating into a controllable Net Debt/EBITDA multiple of 1.77x (2.2x as of end 2014). By the end of 2015, management is targeting a reduction of total debt to USD 100mn, and at this stage we see this goal as achievable.

Importantly, IMC has benefited from the devaluation of Ukraine's currency, as around 90% of its revenue is in hard Western currencies while only 60% of its operating cost is tied to USD (with considerable time lag). We maintain our positive view regarding IMC's business model and reiterate our belief that the stock is undervalued at the current listing near PLN 5.30.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	42.8	56.50	32%	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	8.9	15.32	72%	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	29.5	36.1	23%	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	5.3	9.4	78%	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	0.5	1.4	204%	U/R	The terrible loss on EBITDA level of almost USD 100mn for 1H15 makes the company the king among financial reporting fabricators.
Ovostar Union	OVO PW	82.6	80.8	-2%	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	58.8	48.0	-18%	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	0.78	0.56	-29%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.06	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	2636	5250	99%	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	4.5	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	16.5	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	19.8	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	7.38	15.00	103%	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	0.092	0.24	162%	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	980.86	1187.51	908.88	0.2%	0.1%	1.2%	-5.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.014	0.033	0.010	3.8%	2.3%	3.1%	-6.9%	3.6%	2.2%	1.8%	-1.8%
Azovstal	AZST	0.78	0.89	0.59	-0.4%	-0.4%	1.6%	5.0%	-0.6%	-0.4%	0.3%	10.0%
Enakievo Steel	ENMZ	16.47	33.70	14.03	-0.8%	-0.8%	-3.5%	-21.4%	-1.1%	-0.8%	-4.7%	-16.3%
Coke												
Avdyivka Coke	AVDK	1.06	2.85	0.86	1.1%	-5.3%	8.2%	-38.7%	0.9%	-5.3%	6.9%	-33.7%
Yasnyivsky Coking	YASK	0.27	0.54	0.18	0.0%	-15.6%	-25.0%	-3.6%	-0.2%	-15.7%	-26.2%	1.5%
Iron Ore Mining												
Centralny GOK	CGOK	5.97	n/a	n/a	0.0%	0.0%	40.5%	-23.4%	-0.2%	-0.1%	39.2%	-18.3%
Ferrexpo	FXPO	58.75	133.30	47.91	-5.6%	-4.9%	5.4%	10.8%	-5.9%	-4.9%	4.2%	15.9%
Pivnichny GOK	SGOK	6.65	12.30	4.44	0.0%	5.6%	6.4%	-20.5%	-0.2%	5.5%	5.2%	-15.5%
Coal Mining												
Pokrovske Mine	SHCHZ	0.37	n/a	n/a	0.0%	0.0%	48.0%	-21.3%	-0.2%	-0.1%	46.8%	-16.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.23	0.60	0.20	0.0%	4.5%	4.5%	-39.5%	-0.2%	4.5%	3.3%	-34.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.22	16.91	9.05	0.0%	-2.0%	2.4%	-20.5%	-0.2%	-2.1%	1.2%	-15.4%
Luhanskteplovoz	LTPL	0.92	n/a	n/a	0.0%	0.0%	0.0%	-14.8%	-0.2%	-0.1%	-1.2%	-9.7%
Specialized Machinery												
Motor Sich	MSICH	2636	2939	1970	0.6%	0.2%	-0.5%	6.2%	0.4%	0.2%	-1.8%	11.2%
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	1.3%	-4.8%	-20.6%	-6.1%	1.0%	-4.9%	-21.8%	-1.0%
Oil & Gas												
Regal Petroleum	RPT	4.50	9.25	3.13	0.0%	5.9%	-18.5%	44.0%	-0.2%	5.8%	-19.7%	49.1%
JKX Oil	JKX	15.75	51.00	11.00	0.0%	0.0%	-3.1%	31.3%	-0.2%	-0.1%	-4.3%	36.3%
Ukrnafta	UNAF	269.0	375.0	172.5	1.2%	3.5%	-0.4%	32.3%	1.0%	3.4%	-1.6%	37.4%
Power Utilities												
Centrenergo	CEEN	7.38	8.50	6.72	0.0%	-0.1%	-0.2%	-2.2%	-0.2%	-0.2%	-1.4%	2.9%
Donbasenergo	DOEN	19.84	35.89	18.50	0.8%	1.6%	2.3%	-39.9%	0.6%	1.5%	1.0%	-34.8%
Zakhidenergo	ZAEN	130.0	199.8	124.9	0.0%	0.0%	-23.5%	-12.2%	-0.2%	-0.1%	-24.8%	-7.1%
Consumer												
Agroton	AGT	1.06	2.32	0.95	2.9%	1.9%	-22.1%	-13.8%	2.7%	1.9%	-23.3%	-8.7%
Astarta	AST	29.45	39.13	14.50	1.4%	-10.8%	-15.5%	47.3%	1.2%	-10.8%	-16.7%	52.3%
Avangardo	AVGR	0.45	8.40	0.45	-8.2%	-13.5%	-55.0%	-78.0%	-8.4%	-13.5%	-56.2%	-73.0%
Industrial Milk Company	IMC	5.27	8.36	4.38	1.3%	-0.6%	-2.2%	-7.1%	1.1%	-0.6%	-3.5%	-2.0%
Kernel	KER	42.80	45.55	22.00	-0.9%	3.1%	-1.0%	50.4%	-1.2%	3.1%	-2.2%	55.5%
Mriya Agro Holding	MAYA	n/a	1.90	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	8.90	13.00	8.24	-2.2%	-4.5%	-7.3%	-3.3%	-2.4%	-4.6%	-8.5%	1.8%
Milkiland	MLK	1.01	4.99	0.89	3.1%	1.0%	-28.9%	-31.8%	2.8%	0.9%	-30.1%	-26.7%
Ovostar Union	OVO	82.55	83.00	67.00	0.0%	0.7%	2.5%	14.7%	-0.2%	0.6%	1.3%	19.7%
Chemicals												
Stirol	STIR	6.00	12.28	3.00	0.0%	0.0%	100.0%	-13.4%	-0.2%	-0.1%	98.8%	-8.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.092	0.135	0.085	-0.2%	-0.8%	5.8%	-4.7%	-0.5%	-0.8%	4.6%	0.4%
UkrSotsbank	USCB	0.118	0.169	0.064	17.5%	14.6%	30.6%	-9.8%	17.3%	14.6%	29.3%	-4.7%

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																
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
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	521	11.1%	16.4%	39.0%	23	105	253	0.9%	4.5%	19.0%
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																
Centrenerg	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	145	163	145	1	-42	-14	0.1%	-8.0%	-3.9%

Source: Eavex Research

MAIN TRADING MULTIPLES

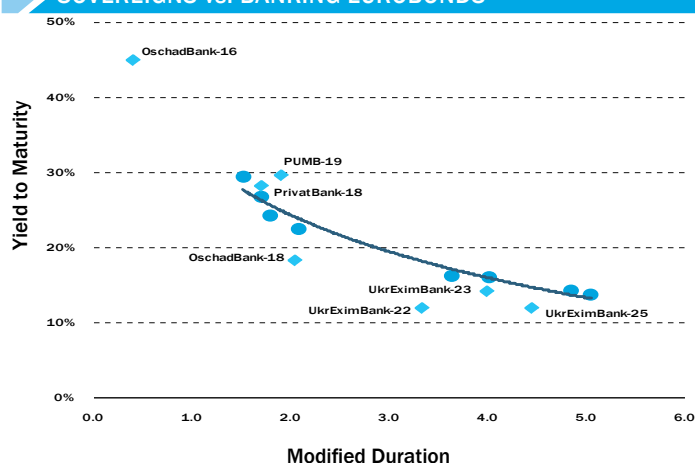
Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Steel																		
Alchevsk Steel	ALMK	16	3.9%	1	2,629	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	680	634	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	6	neg	neg	0.3	neg	1.0	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	149	3.0%	4	143	neg	1.9	2.3	neg	0.8	1.1	0.1	0.1	0.1	31	32	31	\$/tonne
Coke																		
Avdyivka Coke	AVDK	9	6.8%	1	-30	neg	neg	neg	-0.6	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	317	0.3%	1	316	1.6	2.8	4.0	1.0	1.4	2.0	0.5	0.5	0.6				
Pivnichny GOK	SGOK	695	0.4%	3	688	1.3	2.1	3.1	0.8	1.1	1.5	0.4	0.5	0.5				
Ferrexpo	FXPO	535	24.0%	128	1,230	2.0	2.9	5.5	2.4	2.5	4.8	0.8	0.9	1.2				
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	9	24.0%	2	46	0.5	neg	n/a	1.3	neg	n/a	0.1	0.4	n/a				
Krukiv Wagon	KVBZ	53	5.0%	3	47	1.3	neg	neg	0.9	neg	neg	0.1	0.4	0.7				
Specialized Machinery																		
Turboatom	TATM	67	5.8%	4	37	0.9	1.3	3.0	0.4	0.5	1.0	0.2	0.2	0.3				
Motor Sich	MSICH	248	24.0%	60	276	1.5	1.9	2.7	0.7	0.8	1.3	0.3	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	121	7.2%	9	212	neg	6.7	13.3	neg	2.5	3.0	0.3	0.5	0.8				
Oil & Gas																		
Ukrnafta	UNAF	662	3.0%	20	654	28.4	6.3	2.6	2.3	1.7	1.3	0.3	0.3	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	22	21.6%	5	-3	neg	11.2	7.5	neg	-0.2	-0.2	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	42	50.4%	21	150	6.5	neg	8.4	2.3	2.2	2.1	0.8	1.0	1.0	27	21	20	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	124	21.7%	27	140	2.1	21.0	neg	1.5	5.4	neg	0.2	0.2	0.4	8	10	9	\$/MWh
DonbasEnerg	DOEN	21	14.2%	3	50	0.3	2.5	neg	0.7	2.5	neg	0.1	0.1	0.3	6	6	6	\$/MWh
Consumer																		
MHP	MHPC	940	34.1%	321	2,041	5.8	neg	>30	5.2	3.7	3.9	1.4	1.5	1.8				
Kernel	KER	916	61.8%	566	1,392	8.7	neg	9.2	4.8	6.2	3.4	0.5	0.6	0.6				
Astarta	AST	198	37.0%	73	408	5.8	neg	neg	4.5	2.8	4.2	0.8	1.0	1.2				
Avangardco	AVGR	29	22.5%	6	255	0.1	neg	neg	0.8	2.0	2.7	0.4	0.6	0.7	58	44	41	\$/mneqgs
Ovostar	OVO	133	25.0%	33	141	4.3	5.1	5.5	4.0	4.9	5.7	1.7	1.9	1.8	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	125	3.5%	4		1.4	neg	neg	0.1	0.3	0.4	0.02	0.04	0.06				
Ukrsotsbank	USCB	412	0.2%	1		>30	>30	>30	0.5	0.8	1.1	0.07	0.14	0.18				

Source: Eavex Research

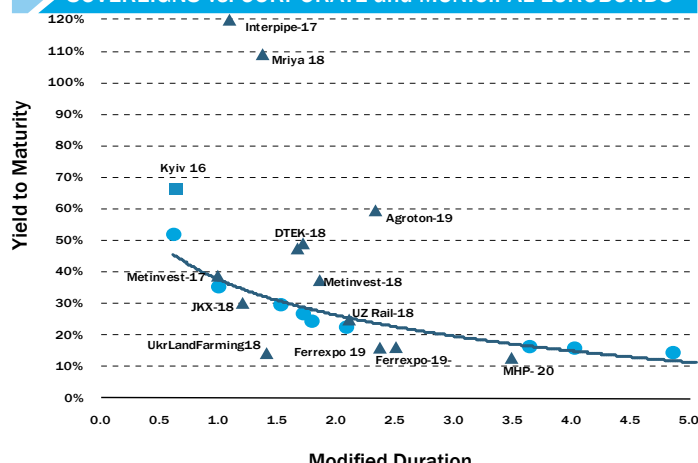
UKRAINIAN EUROBONDS

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)	74.8	76.3	n/a	n/a	11.1%	n/a	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	76.5	78.0	n/a	n/a	9.9%	n/a	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	74.9	76.0	n/a	n/a	20.4%	n/a	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	75.0	76.0	n/a	n/a	16.6%	n/a	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	75.0	76.0	n/a	n/a	19.5%	n/a	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	74.3	75.8	n/a	n/a	20.5%	n/a	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	73.5	75.0	n/a	n/a	20.7%	n/a	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	73.5	75.0	n/a	n/a	23.8%	n/a	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	74.3	75.8	n/a	n/a	25.8%	n/a	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	74.3	75.8	n/a	n/a	26.3%	n/a	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	74.3	75.8	13.5%	13.1%	24.6%	n/a	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	73.5	74.5	13.1%	12.8%	24.7%	n/a	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	21.9	25.9	61.9%	54.3%	-29.4%	2.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	85.0	86.5	12.7%	12.2%	24.3%	3.5	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2015	41.0	41.0	890.9%	890.9%	-36.4%	0.1	10.00%	S/A	29 Oct 2015	200	//WD
UkrLandFarming, 2018	72.5	76.4	13.5%	12.5%	n/a	n/a	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	16.5	17.9	853.2%	780.4%	37.5%	0.1	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018							9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	46.0	49.0	50.1%	46.5%	n/a	1.6	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	40.0	44.0	53.4%	48.1%	-5.6%	1.7	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	57.3	60.0	41.7%	38.9%	-16.2%	1.0	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	55.0	57.0	39.0%	37.0%	0.9%	1.8	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	84.0	86.1	16.5%	15.6%	n/a	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	84.2	86.5	16.4%	15.4%	n/a	2.3	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	74.1	75.9	22.9%	21.7%	41.4%	2.1	9.50%	S/A	21 May 2018	500	/CC/C
Interpipe, 2017	20.0	30.0	143.0%	101.3%	-54.5%	1.1	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.0	74.6	31.2%	28.0%	24.1%	1.2	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	10.0	11.4	130.5%	120.0%	-87.1%	1.2	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	63.3	69.7	28.5%	24.6%	-5.7%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	7.1	11.6	n/a	n/a	#VALUE!	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	68.5	68.5	614.4%	614.4%	-4.2%	0.0	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	60.5	63.1	165.0%	148.3%	21.3%	0.3	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	68.0	70.0	30.2%	28.7%	3.6%	1.9	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	89.2	90.4	12.0%	11.7%	n/a	3.3	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.5	76.4	13.5%	12.5%	n/a	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	87.2	88.6	12.1%	11.8%	n/a	4.4	9.75%	S/A	22 Jan 2025	600	Ca//C
VAB Bank, 2019	1.2	7.1	n/a	n/a	-81.8%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2023	86.2	87.5	12.2%	11.9%		3.2	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025							8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	67.4	69.3	n/a	n/a	-8.5%	n/a	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	67.4	69.6	n/a	n/a	-3.5%	n/a	9.375%	S/A	30 Jun 2016	300	Ca/CC/CC

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

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									
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

7 Klovisky uzviz, 16th Floor
Carnegie Center
Kyiv, 01021, 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