

**Market Update**

**Equity**

Ukrainian equities listed in Kyiv took another hit on Monday (Nov 16) as preliminary GDP data for 3Q15 was below expectations. The country's economy shrank by 7.0% YoY in the Jul-Sept period. The UX index fell 2.9% to 717 points. Sporadically-traded Alchevsk Steel (ALMK) was the only blue chip ending in the black for the day. Other steel-related stocks were hammered, with Azovstal (AZST) slumping 9.3% to near 41 kopecks and Yenakievo Steel (ENMZ) losing 8.0% to close at UAH 14.70 per share. UkrNafta (UNAF) dropped below the UAH 200 support level, declining by 3.9% to UAH 197. Meanwhile, Motor Sich (MSICH) was only marginally lower, inching down 0.2% to UAH 1986. On the currency front, the hryvnia weakened by half a percent to close at bid/ask of 23.28/23.35 UAH/USD. London-listed Ferrexpo (FXPO) rebounded by 4.9% to finish at GBp 32 while Avangard (AVGR) corrected by 6.7% to USD 1.54 on profit-taking after the stock surged almost 35% last week. In Warsaw trading, Kernel (KER) slipped 2.0% to PLN 49.00 and Milkiland (MLK) lost 9.4% to close at PLN 1.73 after the company reported weak 3Q15 financial results.

**Fixed Income**

New Ukrainian sovereign bonds closed in the black on Monday, with Ukraine-19s and Ukraine-27s rising by 0.4p.p. and 1.1p.p. to 95.5/96.3 (9.2%/8.9%) and 92.8/93.5 (8.7%/8.6%), respectively. In corporate debt issues, Metinvest-17s declined by 0.7p.p. to 62.3/64.4 (39.1%/37.0%) while Ferrexpo-19s improved by 0.6p.p. to 64.7/67.6 (26.8%/25.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1986.00	-0.2%	1.53	44
Azovstal	AZST	0.42	-9.3%	1.24	85
Centrenergy	CEEN	5.04	-0.9%	0.80	112

**Growth Leaders**

Alchevsk Steel	ALMK	0.01	1.7%	0.001	8
Motor Sich	MSICH	1986.00	-0.2%	1.525	44
Centrenergy	CEEN	5.04	-0.9%	0.799	112

**Loss Leaders**

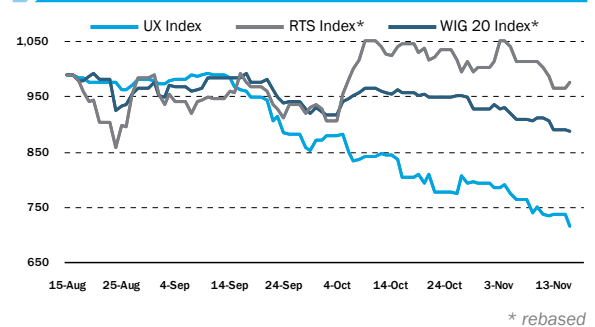
Azovstal	AZST	0.42	-9.3%	1.243	85
Yenakievo Steel	ENMZ	14.72	-8.0%	0.322	10
Ukrnafta	UNAF	197.00	-3.9%	0.735	22

**Highlights**

**POLITICS AND ECONOMICS**

- > No Reaction from Kyiv to Putin's Bond Restruc Proposal
- > Ukraine's 3Q GDP Edges Up 0.7% QoQ, Still Down 7.0% YoY

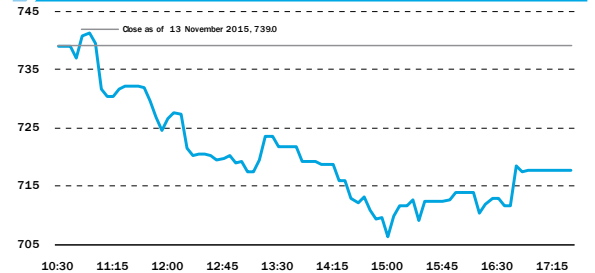
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	717.7	-2.9%	-10.8%	-30.5%
RTS	824.2	1.1%	-6.5%	4.2%
WIG20	1971.4	-0.4%	-7.1%	-14.9%
MSCI EM	813.4	-0.9%	-6.0%	-14.9%
S&P 500	2053.2	1.5%	1.0%	-0.3%

**UX INTRADAY NOVEMBER 16, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	419.9	-0.2%	-1.9%	3.9%
CDS 5Y UKR	1050.0	0.0%	0.0%	-52.3%
Ukraine-17				
MHP-20	11.1%	0.0 p.p.	-1.4 p.p.	-6.4 p.p.
Ukraine-23				
RAILUA-18	18.8%	-0.4 p.p.	-1.5 p.p.	-15.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	23.38	1.1%	9.9%	47.8%
EUR	24.87	0.0%	1.9%	30.0%
RUB	0.36	3.3%	3.1%	30.3%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	188.9	0.0%	-4.2%	-23.2%
Steel, USD/t	275.0	-0.9%	-5.2%	-38.9%
Oil, USD/bbl	44.6	0.2%	-12.8%	-30.5%
Gold, USD/oz	1082.8	-0.1%	-8.0%	-8.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## No Reaction from Kyiv to Putin's Bond Restruc Proposal

by Will Ritter  
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### NEWS

Top Ukrainian officials, including President Poroshenko and Prime Minister Yatseniuk, did not react publicly to a proposal made yesterday by Russian President Putin to restructure a USD 3bn bond owed to the Russian government. The bond remains due on Dec 20 following Moscow's refusal to take part in the overall Ukrainian sovereign restructuring that was successfully completed this autumn. Putin said Russia is ready to accept a scheme whereby Ukraine repays USD 1bn per year over 2016-18, and called for Western guarantees of the repayment. However, the offer does not include the 20% principal writedown that private creditors were forced to accept. Ukraine's Finance Ministry refused comment on Putin's offer, saying it had not formally received anything from its Russian counterpart.

### COMMENTARY

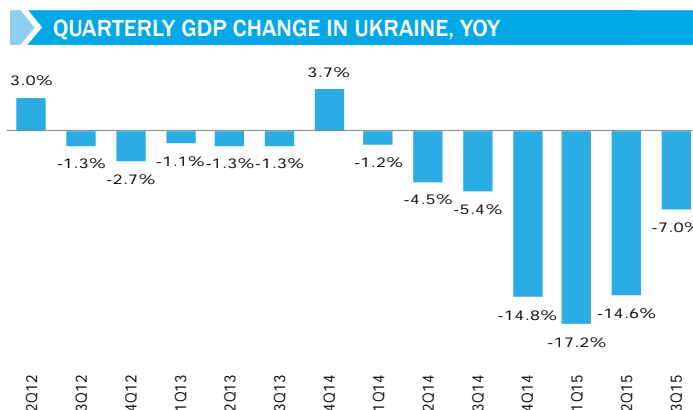
This initial offer from Putin is in line with our expectations that some sort of compromise with the West over the "Yanukovich bond" will eventually be worked out. However, the lack of a principal haircut in this Russian offer is problematic, since it violates a promise by Ukraine not to give better terms to holdouts in the recent restructuring, and indeed, we suppose that one of Putin's goals in making this proposal is to stir up trouble with Kyiv's other creditors. In our view, the USD 600mn which a 20% haircut would entail is not a significant enough amount to have any real influence on Russia's policy. The proposal also looks designed to distract attention from the question of whether Kyiv actually owes Moscow anything at all, given the latter's theft of Ukrainian assets in the province of Crimea, which Russia forcibly took away from Ukraine last year. Another obvious goal of Putin's proposal is to abet some short-term improvement in relations with the West, and in this respect, he looks to have been successful, with the IMF already having called the offer "a positive step" amid heavy media coverage. We reiterate our view that the bond is ultimately not a major determining issue in the Ukraine-Russia relationship, and that its resolution has no bearing on Moscow's long-term strategy of trying to hamper Ukraine's development into an economically viable state.

**Ukraine's 3Q GDP Edges Up 0.7% QoQ, Still Down 7.0% YoY**

by Dmitry Churin  
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**NEWS**

Ukraine's GDP showed a slight recovery of 0.7% QoQ in 3Q15 but still posted a drop of 7.0% YoY, according to preliminary data from the State Statistics Committee (UkrStat) published on Monday (Nov 16). As was previously reported, Ukraine's GDP was down 14.6% YoY in 2Q15 and 17.2% YoY in 1Q15.



Source: State Statistics Committee, Eavex Research

**COMMENTARY**

First of all, we repeat our view that calculating the real decline in Ukraine's GDP is a very tricky and subjective job due to the occupation of the most heavily populated part of the Donbass region by pro-Russian separatists. If we assume that Ukraine has, de-facto, lost some 8% of its population due to the occupation, it would look more appropriate if the IMF and other organizations began referring to the change in Ukraine's per-capita GDP rather than the overall decline figure, which presents a distorted picture of the situation.

Of course, low global prices for iron ore and steel products, which are major exports categories for the country and account for a third of total exports, are putting very real pressure on Ukraine's ability to engineer a turnaround. The preliminary GDP figures from UkrStat did not provide the economic breakdown by segments, but we assume that lack of investments across all real economic sectors was one of the obvious reasons for the poor 3Q performance.

In general, the UkrStat GDP figures this year have been a bit worse than expected for each quarter in 2015, and our base-case scenario is now a 10% drop for the year (which corresponds to a nearly flat figure per capita). Nevertheless, Ukraine is on track to demonstrate moderate economic growth in 2016 and a chance for solid growth in 2017. One of the major issues for the country is tax reform, with the Finance Ministry set to present a draft budget for the next year based on lower payroll taxes to stimulate employment.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	49.0	57.20	17%	HOLD	Flat or rising YoY operating results expected by management in 2016 will not be enough to compensate for lower seed-crushing and grain-trading margins.
MHP	MHPC LI	9.4	12.03	28%	BUY	MHP's new soybean processing plant and expected launch of new breeding facilities in early 2016 bodes well for optimization of its poultry production cost. The group's long-term targets are a 50% expansion in poultry output to 900,000 tonnes by 2019 and a 40% land bank increase to 550,000ha over 2015-18.
Astarta	AST PW	32.9	36.1	10%	BUY	Astarta has made decisive moves toward diversification (it opened a soybean processing plant in early 2014) and cost optimization (a bioenergy complex was launched in 2014). Astarta's exposure to UAH devaluation is largely offset by its UAH cost base, and it has no assets in the Donbass.
IMC	IMC PW	6.8	9.4	39%	BUY	IMC's quality agribusiness model suggests to us that the company's stock is undervalued. IMC's work on debt reduction, its ongoing land bank expansion program, and high standards of corporate governance are all positive factors offsetting the stock's low trading volume.
AvangardCo	AVGR LI	1.5	U/R	-	U/R	A massive loss on the EBITDA level of almost USD 100mn for 1H15 has damaged Avangard's financial reporting credibility.
Ovostar Union	OVO PW	86.0	80.8	-6%	U/R	Ovostar managed to increase its EBITDA by 15% YoY to USD 24mn in 9M15, as a drop in devaluation-driven egg pricing in USD terms was offset by strong growth in output, rising export sales, and high hryvnia egg inflation (+60% YoY in 9M15).
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	33.5	23.0	-31%	SELL	The long slide in benchmark iron ore prices, exacerbated by a reduction in the pellet-to-fines premium, has hammered Ferrexpo's earnings in 2015, and the collapse of a related-party bank in September that resulted in the loss of USD 174mn in deposits provided a fresh setback to the company.
<b>Steel</b>						
Azovstal	AZST	0.42	0.56	33%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.02	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1986	5250	164%	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%.
<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	3.9	U/R	-	U/R	Regal has repeatedly missed its 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	16.5	U/R	-	U/R	The Donetsk separatist government has nationalized DonbasEnergO's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnergO	CEEN	5.04	15.00	198%	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	0.073	0.24	229%	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	717.71	1158.71	706.25	-2.9%	-3.1%	-10.8%	-30.5%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.012	0.021	0.010	1.7%	1.7%	-0.8%	-19.3%	4.6%	4.8%	10.0%	11.2%
Azovstal	AZST	0.42	0.89	0.42	-9.7%	-18.4%	-38.6%	-43.9%	-6.8%	-15.2%	-27.8%	-13.4%
Enakievo Steel	ENMZ	14.72	24.88	14.03	-10.2%	-7.4%	-8.0%	-29.7%	-7.4%	-4.3%	2.8%	0.8%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.02	2.10	0.86	-3.3%	-5.7%	-8.2%	-41.0%	-0.4%	-2.6%	2.7%	-10.5%
Yasnyivsky Coking	YASK	0.25	0.43	0.06	0.0%	78.6%	92.3%	-10.7%	2.9%	81.7%	103.2%	19.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	5.00	n/a	n/a	0.0%	-28.6%	-9.1%	-35.8%	2.9%	-25.5%	1.8%	-5.3%
Ferrexpo	FXPO	33.50	80.00	29.75	9.8%	0.8%	-17.8%	-36.8%	12.7%	3.9%	-6.9%	-6.3%
Pivnichny GOK	SGOK	4.63	12.30	2.20	0.0%	16.0%	54.3%	-44.7%	2.9%	19.2%	65.2%	-14.1%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.25	n/a	n/a	0.0%	0.0%	0.0%	-46.8%	2.9%	3.1%	10.8%	-16.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.19	0.59	0.12	0.0%	0.0%	-17.4%	-50.0%	2.9%	3.1%	-6.5%	-19.5%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.95	13.90	8.65	-3.8%	1.1%	-3.8%	-30.4%	-0.9%	4.2%	7.1%	0.2%
Luhanskteplovoz	LTPL	0.80	n/a	n/a	0.0%	45.5%	27.0%	-25.9%	2.9%	48.6%	37.8%	4.6%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1986	2939	1950	-0.2%	0.2%	-1.7%	-20.0%	2.7%	3.3%	9.2%	10.5%
Turboatom	TATM	4.10	n/a	n/a	0.0%	9.3%	n/a	n/a	2.9%	12.4%	n/a	n/a
<b>Telecom</b>												
Ukrtelecom	UTLM	0.15	0.21	0.10	0.0%	0.0%	-4.5%	-1.3%	2.9%	3.1%	6.4%	29.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.88	6.50	3.13	0.0%	-8.8%	-2.5%	24.0%	2.9%	-5.7%	8.3%	54.5%
JKX Oil	JKX	28.75	37.50	11.00	0.9%	0.9%	7.5%	139.6%	3.8%	4.0%	18.3%	170.1%
Ukrnafta	UNAF	197.0	337.6	172.5	-3.9%	-3.5%	-9.6%	-3.1%	-1.0%	-0.4%	1.2%	27.4%
<b>Power Utilities</b>												
Centrenergo	CEEN	5.04	8.50	4.81	-1.0%	-1.2%	-5.3%	-33.2%	1.9%	1.9%	5.6%	-2.7%
Donbasenergo	DOEN	16.48	35.28	15.57	-2.5%	1.2%	-5.3%	-50.1%	0.4%	4.3%	5.6%	-19.5%
Zakhidenergo	ZAEN	77.0	193.9	71.0	-19.8%	-4.9%	-35.8%	-48.0%	-16.9%	-1.8%	-25.0%	-17.5%
<b>Consumer</b>												
Agroton	AGT	1.09	1.52	0.95	-4.4%	-9.2%	-16.8%	-11.4%	-1.5%	-6.1%	-6.0%	19.2%
Astarta	AST	32.90	38.50	14.50	-0.1%	-14.5%	3.5%	64.5%	2.8%	-11.4%	14.3%	95.0%
Avangardo	AVGR	1.54	5.20	0.23	-6.7%	30.0%	71.1%	-24.9%	-3.8%	33.1%	82.0%	5.7%
Industrial Milk Company	IMC	6.75	7.24	4.38	3.8%	0.7%	-2.2%	19.0%	6.7%	3.9%	8.7%	49.6%
Kernel	KER	48.97	55.20	24.07	-2.0%	-5.8%	-10.3%	72.1%	0.9%	-2.7%	0.5%	102.6%
Mriya Agro Holding	MAYA	n/a	1.43	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	9.40	12.05	8.24	0.0%	-1.2%	1.1%	2.2%	2.9%	2.0%	11.9%	32.7%
Milkiland	MLK	1.73	3.50	0.89	-9.4%	-12.6%	-11.3%	16.9%	-6.5%	-9.5%	-0.4%	47.4%
Ovostar Union	OVO	86.00	89.51	68.00	-1.8%	-1.2%	-0.2%	19.4%	1.1%	1.9%	10.7%	50.0%
<b>Chemicals</b>												
Stirol	STIR	5.90	8.97	3.00	0.0%	39.5%	-1.7%	-14.9%	2.9%	42.6%	9.2%	15.7%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.073	0.116	0.070	-2.1%	0.6%	-5.8%	-24.0%	0.7%	3.7%	5.0%	6.6%
UkrSotsbank	USCB	0.090	0.150	0.064	1.1%	0.0%	0.0%	-30.9%	4.0%	3.1%	10.8%	-0.3%

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
<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	971	506	496	256	32.0%	35.8%	26.3%	264	184	126	16.7%	13.2%	13.0%
<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>																
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	179	41	50	-17	-4	10.9%	neg	neg	42	-22	-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	521	11.1%	16.4%	39.0%	23	105	253	0.9%	4.5%	19.0%
Regal Petroleum	RPT	37	35	22	-146	15	10	neg	44.5%	45.5%	-127	6	-1	neg	16.6%	neg
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	190	72	20	-12	11.0%	4.4%	neg	65	8	-16	9.9%	1.8%	neg
<b>Consumer</b>																
MHP	MHPC	1,496	1,379	1,131	391	555	455	26.1%	40.2%	40.2%	162	-412	-81	10.8%	neg	neg
Kernel	KER	2,797	2,393	2,330	291	223	397	10.4%	9.3%	17.0%	105	-107	101	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	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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	13	3.9%	0	2,626	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	679	633	614	\$/tonne
Yenakievo Steel	ENMZ	7	8.8%	1	5	neg	neg	0.3	neg	0.8	0.1	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	75	3.0%	2	69	neg	1.0	1.1	neg	0.4	0.5	0.0	0.0	0.0	15	15	15	\$/tonne
<b>Coke</b>																		
Avdiyivka Coke	AVDK	9	6.8%	1	-31	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	251	0.3%	1	249	1.3	2.2	3.1	0.8	1.1	1.6	0.4	0.4	0.5				
Pivnichny GOK	SGOK	456	0.4%	2	450	0.8	1.4	2.0	0.5	0.7	1.0	0.3	0.3	0.3				
Ferrexpo	FXPO	305	24.0%	73	1,322	1.2	1.7	2.4	2.6	2.7	5.2	0.8	1.0	1.4				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	21	2.0%	0	67	4.5	0.9	11.5	2.1	1.5	3.8	0.2	0.3	0.7	106	176	167	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	7	24.0%	2	45	0.4	neg	n/a	1.3	neg	n/a	0.1	0.4	n/a				
Krukiv Wagon	KVBZ	44	5.0%	2	38	1.1	neg	neg	0.8	neg	neg	0.1	0.2	0.9				
<b>Specialized Machinery</b>																		
Turboatom	TATM	63	5.8%	4	33	0.9	1.2	2.8	0.4	0.4	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	176	24.0%	42	181	1.1	1.4	1.9	0.5	0.5	0.8	0.2	0.2	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	120	7.2%	9	211	neg	6.6	13.2	neg	2.5	2.9	0.3	0.5	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	457	3.0%	14	450	19.6	4.3	1.8	1.6	1.2	0.9	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	19	21.6%	4	-6	neg	3.4	neg	neg	-0.4	-0.6	-0.2	-0.2	-0.3	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	80	21.7%	17	62	1.3	13.5	neg	0.7	2.4	neg	0.1	0.1	0.2	4	5	4	\$/MWh
DonbasEnerg	DOEN	17	14.2%	2	33	0.3	2.0	neg	0.5	1.6	neg	0.0	0.1	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	993	34.1%	339	2,156	6.1	neg	neg	5.5	3.9	4.7	1.4	1.6	1.9				
Kernel	KER	1,048	61.8%	647	1,387	10.0	neg	10.4	4.8	6.2	3.5	0.5	0.6	0.6				
Astarta	AST	221	37.0%	82	424	6.5	neg	neg	4.7	3.0	4.3	0.9	1.0	1.2				
Avangardco	AVGR	98	22.5%	22	387	0.4	neg	neg	1.3	3.0	4.1	0.6	0.9	1.1	87	66	63	\$/mneqgs
Ovostar	OVO	139	25.0%	35	146	4.5	5.4	5.7	4.1	5.0	5.8	1.8	1.9	1.8	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	94	3.5%	3		1.0	neg	neg	0.1	0.2	0.3	0.02	0.03	0.04				
Ukrsotsbank	USCB	298	0.2%	1		>30	>30	>30	0.3	0.6	0.8	0.07	0.14	0.18				

Source: Eavex Research

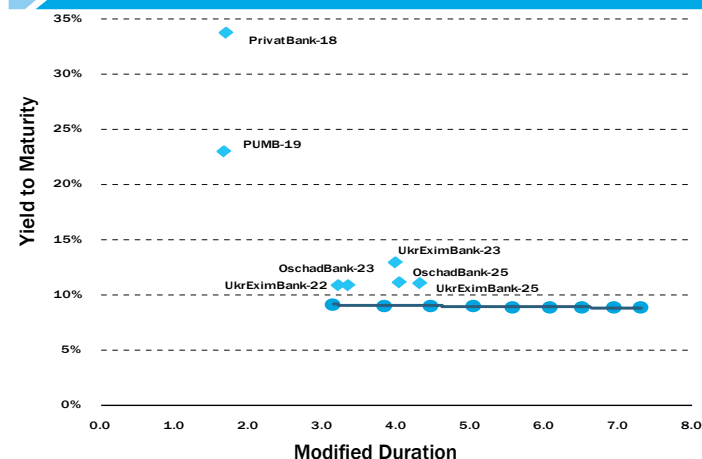
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	95.0	96.0	9.3%	9.0%	n/a	3.1	7.75%	S/A	1 Sept 2019	1,155	//
Ukraine, 2020	94.6	95.6	9.2%	8.9%	n/a	3.8	7.75%	S/A	1 Sept 2020	1,531	//
Ukraine, 2021	94.0	95.0	9.1%	8.9%	n/a	4.5	7.75%	S/A	1 Sept 2021	1,378	//
Ukraine, 2022	93.5	94.5	9.0%	8.8%	n/a	5.0	7.75%	S/A	1 Sept 2022	1,355	//
Ukraine, 2023	93.0	94.0	9.0%	8.8%	n/a	5.6	7.75%	S/A	1 Sept 2023	1,330	//
Ukraine, 2024	92.5	93.5	9.0%	8.8%	n/a	6.1	7.75%	S/A	1 Sept 2024	1,315	//
Ukraine, 2025	92.0	93.0	9.0%	8.8%	n/a	6.5	7.75%	S/A	1 Sept 2025	1,306	//
Ukraine, 2026	92.0	93.0	8.9%	8.8%	n/a	6.9	7.75%	S/A	1 Sept 2026	1,295	//
Ukraine, 2027	91.5	92.5	8.9%	8.8%	n/a	7.3	7.75%	S/A	1 Sept 2027	1,286	//
Ukraine, GDP-linked	40.5	42.5	n/a	n/a	n/a	n/a	0.00%	S/A	31 May 2040	2,916	//
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	119.5%	98.6%	-66.0%	1.4	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	89.7	90.8	11.3%	11.0%	30.8%	3.5	8.25%	S/A	2 Apr 2020	750	/ccc-/ccc
Avangardco, 2018	51.0	57.1	37.0%	32.2%	-12.1%	2.4	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	51.1	55.0	47.4%	43.0%	17.9%	1.7	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	15.0	15.0	n/a	n/a	36.4%	0.1	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	n/a	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	51.0	55.0	46.7%	42.2%	-32.0%	1.7	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	47.0	50.0	47.2%	43.7%	9.0%	1.7	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	68.5	71.1	333.0%	287.5%	-11.6%	0.1	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	63.0	65.0	38.3%	36.3%	-8.6%	0.8	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	61.0	62.0	35.3%	34.4%	10.8%	1.7	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	64.7	67.3	26.9%	25.3%	-15.4%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	61.0	62.0	35.3%	34.4%	-21.2%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	80.5	82.3	19.7%	18.7%	53.5%	2.0	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	36.0	38.5	98.4%	91.4%	-32.3%	1.0	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	68.5	72.6	34.4%	31.1%	21.2%	1.0	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	8.9	11.6	137.1%	116.4%	-87.7%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	72.3	75.3	23.8%	22.2%	4.7%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	6.0	11.3	n/a	n/a	-31.0%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	70.7	75.0	200.3%	163.5%	16.2%	n/a	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	60.8	62.9	285.8%	261.9%	21.3%	0.1	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	63.0	68.0	35.9%	31.5%	11.0%	1.7	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	93.7	94.7	11.0%	10.8%	21.5%	3.4	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	74.1	76.5	13.3%	12.7%	50.6%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	91.8	92.9	11.2%	11.0%	54.0%	4.3	9.75%	S/A	22 Jun 2025	600	Ca//C
VAB Bank, 2019	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2023	91.9	92.9	11.0%	10.8%	42.1%	3.2	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	90.6	91.7	11.3%	11.1%	60.0%	4.1	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	74.1	77.4	n/a	n/a	n/a	n/a	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	74.0	77.1	n/a	n/a	6.4%	n/a	9.375%	S/A	11 Jul 2016	300	Ca/CC/CC

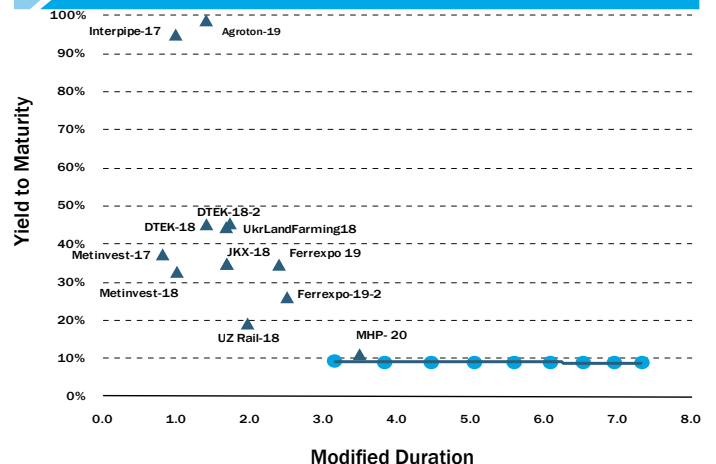
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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			23%	20%	n/a	14.30%	S/A	24 May 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			23%	21%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			23%	21%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			23%	21%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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