

Market Update

Equity

Ukrainian equities listed in Kyiv finished higher on Tuesday (Nov 24) as they continued a moderate recovery after dropping sharply over the preceding two weeks. The UX index added 1.3% to close at 723 points. Among 10 index components, 7 stocks were in the black. Raiffeisen Aval (BAVL) added 2.3% to 7.55 kopecks and DonbasEnergo (DOEN) picked up 3.0% to UAH 18.00. In the steel sector, Azovstal (AZST) edged up 1.2% to close at 44 kopecks. On the interbank currency market, the hryvnia strengthened by 0.6% to close at bid/ask of 23.80/23.90 UAH/USD. The NBU again intervened on the market by selling hard currencies to support the hryvnia. In London trading, Ferrexpo (FXPO) got hammered again, falling 7.9% to GBP 26.25, while both MHP (MHPC) and Avangard (AVGR) were unchanged. Warsaw-listed Kernel (KER) advanced 3.4% to PLN 47.55 ahead of release of the company's Jul-Sept'15 financial results.

Fixed Income

New Ukrainian sovereign bonds were down on Monday with Ukraine-19s and Ukraine-27s declining by 0.5p.p. and 1.3p.p. to 96.0/96.8 (9.0%/8.8%) and 91.3/92.0 (9.0%/8.9%), respectively. In the corporate universe, MHP-20s inched down by 0.2p.p. to 91.0/92.1 (10.9%/10.6%) and Metinvest-17s dropped by 1.9p.p. to 57.5/60.0 (44.8%/41.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	194.50	0.8%	1.44	22
Motor Sich	MSICH	1962.00	-1.3%	1.05	33
Donbasenergo	DOEN	17.97	3.0%	0.48	23

Growth Leaders

Alchevsk Steel	ALMK	0.01	12.4%	0.001	9
Bogdan Motors	LUAZ	0.01	7.1%	0.017	8
Donbasenergo	DOEN	17.97	3.0%	0.480	23

Loss Leaders

Avdyivka Coke	AVDK	1.03	-2.8%	0.023	30
Motor Sich	MSICH	1,962.00	-1.3%	1.049	33
Ukrnafta	UNAF	194.50	0.8%	1.437	22

Highlights

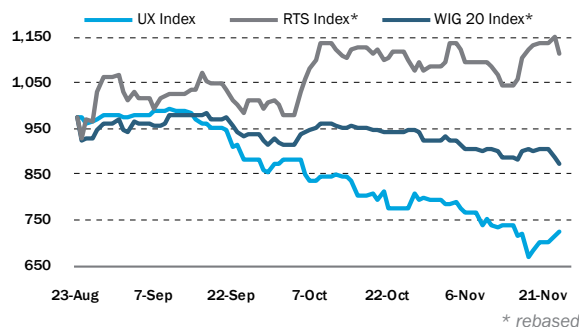
STOCKS IN THE NEWS

- Kernel's EBITDA Down by 32% YoY in Jul-Sept'15

FIXED INCOME

- Ukraine's Rail Passenger Tariffs Flat in 2015 Despite Deval, Reforms

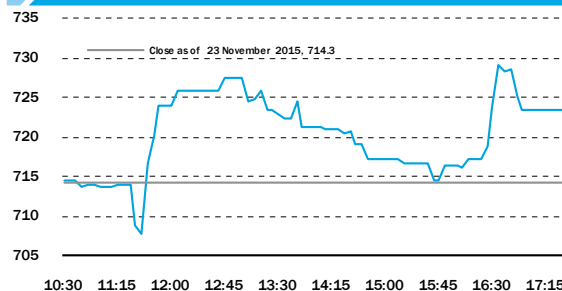
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	723.5	1.3%	-6.9%	-30.0%
RTS	867.5	-3.3%	-0.6%	9.7%
WIG20	1944.0	-1.9%	-7.8%	-16.1%
MSCI EM	839.3	-0.2%	-3.4%	-12.2%
S&P 500	2089.1	0.1%	0.7%	1.5%

UX INTRADAY NOVEMBER 24, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	409.5	0.3%	-3.8%	1.3%
CDS 5Y UKR	1050.0	0.0%	0.0%	-52.3%
Ukraine-19	8.9%	0.2 p.p.	n/a	n/a
Ukraine-27	8.9%	0.2 p.p.	n/a	n/a
MHP-20	10.7%	0.1 p.p.	-1.6 p.p.	-6.8 p.p.
RAILUA-18	16.6%	0.1 p.p.	-3.3 p.p.	-17.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	23.81	-0.6%	4.7%	50.5%
EUR	25.35	0.0%	1.1%	32.4%
RUB	0.36	0.0%	-0.3%	32.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	188.6	0.0%	-1.4%	-23.4%
Steel, USD/t	267.5	0.0%	-7.0%	-40.6%
Oil, USD/bbl	46.1	2.9%	-5.2%	-28.1%
Gold, USD/oz	1075.5	0.6%	-7.6%	-9.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kernel's EBITDA Down by 32% YoY in Jul-Sept'15

by Ivan Dzvinka
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KERNEL (KER PW)

Price: PLN 47.55 Market Cap: USD 948mn

	EV/S	P/E	EV/EBITDA	Div. Yield
FY14	0.54	neg	5.8	2.1%
FY15	0.55	9.4	3.2	2.1%

NEWS

Kernel, Ukraine's largest sunflower oil producer and large grain trader, unveiled a 35% reduction in the top line to USD 378mn for 1QFY16 (Jul-Sept'15), the company reported in its financial results for the first quarter this morning (Nov 25). The decrease in net revenue was mainly a result of a decrease in sales volume of bulk oil (-22% YoY) and grains (-24%) as well as lower oil and grain pricing environment. The group's EBITDA was down by 32% YoY to USD 55mn suggesting EBITDA margin of 15% (+0.7p.p. YoY). Fuelled by up to 8% YoY increase in achieved spring crop yields and drynia devaluation, EBITDA of farming segment surged 49% to USD 16mn in 1QFY16 which was, however, not enough to offset for a 45% decline in EBITDA of bulk oil segment to USD 22.5mn and 41% drop in earnings from grain trading of USD 10.4mn. EBITDA per tonne of bulk sunflower oil fell by 29% YoY to USD 142 in light of higher competition for sunflower seeds on the back low carryover from the previous harvest. Lower grain pricing pushed EBITDA/t of grain sold to USD 11 in 1QFY16 vs. USD 14 in 1QFY15.

The group's bottom line was largely flat at USD 23.9mn in the reporting period compared to USD 23.4mn in 1QFY15 as a decline in operating profit was compensated for 3.7x reduction in forex loss to USD 4.7mn and a 39% drop in interest expenses to USD 11.2mn. Net operating cash flow stood at negative USD 27.4mn in 1QFY16 (vs. USD +75mn a year ago) on hike in working capital by USD 85mn driven mainly by increase in inventories. Net debt rose by USD 48mn YtD to USD 381mn as of end Sept'15 while remaining below a mark of USD 648mn reported as of end Sept'14. Net Debt/EBITDA ratio stood at 1.03x as of end 1QFY16 vs. 0.84x in the end FY15 and 2.16x as of end Sept'14.

Kernel said it achieved flat soybean yield this season (1.8 t/ha) and a 3% and 8% increase in corn and sunflower yields to 7.3 t/ha and 2.7 t/ha despite an unfavourable weather in late summer. The reported yields are based on 93% of corn acreage harvested and 100% for other crops. The group estimates its acreage-weighted crop yields premium of 25% to Ukraine's average yields this season. Winter crops sowed this autumn are in good conditions, the company said.

COMMENTARY

Kernel posted predictably lower set of financial results in 1QFY16 on lower availability of sunflower seeds from the last harvesting season which adversely affected the group's EBITDA/t of seeds crushed. Ukraine harvested 10.1mn tonnes of sunflower seeds in 2014/15 marketing year vs. historical high 11.1mn tonnes in 2013/14 MY. We note that negative operating cash flow in 1QFY is a typical phenomenon for Kernel due to substantial expansion in inventories with 1QFY15 being an exception from the rule when quite moderate growth in inventories was compensated for exceptionally healthy operating earnings and a hike in biological assets.

With relatively low leverage metrics, Kernel is well positioned for playing an important role in consolidating the domestic oilseeds crushing industry in the short-to-medium term.

Ukraine's Rail Passenger Tariffs Flat in 2015 Despite Deval, Reforms

by Dmitry Churin
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NEWS

UkrZaliznytsa (UZ Rail), Ukraine's state railway operator, plans to raise tariffs for passenger transportation on long-distance routes by 30% in 2016, the company's acting director Ihor Breus said on Tuesday (Nov 24) in an interview with Interfax-Ukraine. UZ foresees the increase coming in two stages, by 15% on Apr 1 and another 15% on Jul 1. In 2015, the company did not raise passenger tariffs at all. UZ views the announced tariff increase as an "indexation", Breus said. Asked about compensation from Ukraine's national budget for "preferential" discounted passenger fares for various categories of citizens, Breus complained that UZ is now being reimbursed by the government for only 25% of its losses on cheap tariffs. He said Ukraine has the largest percentage of people entitled to discounted train tickets in the former Soviet countries.

COMMENTARY

An increase of only 30% in UZ's passenger tariffs after no hikes at all during devaluation-hit 2015 is woefully inadequate to bring the company's revenue up to the breakeven level on its passenger routes; the tariffs need to be tripled or quadrupled. The current tariffs allow passengers to cross half of Ukraine (600-700 km) for prices of less than USD 10, and they function as a universal subsidy benefiting poor and well-off citizens alike. Ukraine's rail ticket prices have not even been keeping pace with the hryvnia devaluation since early 2014, much less rising to cost recovery levels. The passenger transportation segment has always been a huge loss-making business for Ukraine's national budget, which provides compensation to UZ for the low passenger tariffs. We believe that with IMF-mandated subsidy cuts from the national budget, UZ can simply not afford to continue its business model of earning profits only from its cargo transportation business. Passenger routes bring in only about 15% of the company's total revenues, which amounted to USD 3.1bn in FY14. UZ reported EBITDA of USD 620mn last year and a net loss of some USD 100mn. UZ's freight business has also been hit by the overall economic downturn in the country, and the freight tariffs remain the lowest in Europe. We see a need for UZ to raise its freight tariffs by at least 30%; otherwise it will continue to operate with only modest financial results that will prevent any new investment in its mostly Soviet-era infrastructure.

Given the ongoing problems at this inefficient state-owned monopoly, UkrZaliznytsa's Eurobonds (UZRail-18s) still look unattractive despite trading at a wide 650 bps yield premium to sovereigns. The issue is quoted at 84.9/87.2 (17.2%/15.9%).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	47.6	57.20	20%	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	10.2	12.03	19%	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.
Astarta	AST PW	35.0	36.1	3%	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	6.6	9.4	43%	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	1.6	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	87.0	80.8	-7%	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).
Iron Ore						
Ferrexpo	FXPO LN	27.0	23.0	-15%	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.
Steel						
Azovstal	AZST	0.44	0.56	28%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.03	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	1962	5250	168%	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	3.7	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	29.8	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.
Power Utilities						
DonbasEnerg	DOEN	18.0	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	4.65	15.00	223%	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	0.075	0.24	220%	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	723.45	1158.71	656.99	1.3%	0.6%	-6.9%	-30.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.013	0.020	0.010	12.4%	8.5%	6.7%	-12.4%	11.1%	8.0%	13.6%	17.6%
Azovstal	AZST	0.44	0.89	0.34	2.3%	11.8%	-26.7%	-41.5%	1.1%	11.2%	-19.8%	-11.5%
Enakievo Steel	ENMZ	16.15	24.88	14.03	0.9%	0.9%	0.6%	-22.9%	-0.4%	0.4%	7.5%	7.1%
Coke												
Avdyivka Coke	AVDK	1.03	2.08	0.86	-1.9%	-8.8%	2.5%	-40.5%	-3.2%	-9.4%	9.4%	-10.5%
Yasnyivsky Coking	YASK	0.33	0.43	0.06	22.2%	17.9%	32.0%	17.9%	20.9%	17.3%	38.9%	47.8%
Iron Ore Mining												
Centralny GOK	CGOK	5.00	n/a	n/a	0.0%	0.0%	-24.1%	-35.8%	-1.3%	-0.6%	-17.2%	-5.8%
Ferrexpo	FXPO	27.00	80.00	27.00	-5.3%	-18.8%	-24.5%	-49.1%	-6.5%	-19.4%	-17.6%	-19.1%
Pivnichny GOK	SGOK	4.63	12.30	2.20	0.0%	0.0%	40.3%	-44.7%	-1.3%	-0.6%	47.2%	-14.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.25	n/a	n/a	0.0%	0.0%	0.0%	-46.8%	-1.3%	-0.6%	6.9%	-16.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.14	0.59	0.12	0.0%	-26.3%	0.0%	-63.2%	-1.3%	-26.9%	6.9%	-33.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.35	13.90	7.40	1.1%	0.2%	2.6%	-27.2%	-0.2%	-0.3%	9.5%	2.7%
Luhanskteplovoz	LTPL	0.77	n/a	n/a	0.0%	-3.8%	71.1%	-28.7%	-1.3%	-4.3%	78.0%	1.3%
Specialized Machinery												
Motor Sich	MSICH	1962	2939	1889	-1.3%	-1.1%	-2.6%	-21.0%	-2.6%	-1.6%	4.3%	9.0%
Turboatom	TATM	4.10	n/a	n/a	0.0%	0.0%	n/a	n/a	-1.3%	-0.6%	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.09	0.21	0.09	0.0%	-39.7%	-42.4%	-40.5%	-1.3%	-40.2%	-35.5%	-10.5%
Oil & Gas												
Regal Petroleum	RPT	3.70	6.50	3.13	-2.5%	-4.6%	-17.9%	18.2%	-3.8%	-5.2%	-11.0%	48.2%
JKX Oil	JKX	28.75	37.38	11.00	0.0%	-0.9%	6.5%	139.6%	-1.3%	-1.4%	13.4%	169.6%
Ukrnafta	UNAF	194.5	337.6	165.0	0.8%	-0.8%	-4.2%	-4.3%	-0.5%	-1.3%	2.7%	25.7%
Power Utilities												
Centrenergo	CEEN	4.65	8.50	4.20	1.2%	-4.7%	-12.2%	-38.4%	-0.1%	-5.2%	-5.3%	-8.4%
Donbasenergo	DOEN	17.97	35.28	15.24	3.0%	-0.2%	3.8%	-45.5%	1.7%	-0.7%	10.7%	-15.6%
Zakhidenergo	ZAEN	96.0	193.9	52.0	0.0%	24.7%	12.9%	-35.2%	-1.3%	24.1%	19.8%	-5.2%
Consumer												
Agroton	AGT	1.06	1.52	0.95	1.9%	-4.5%	-22.1%	-13.8%	0.6%	-5.1%	-15.2%	16.2%
Astarta	AST	34.95	38.50	14.50	-0.1%	6.7%	8.7%	74.8%	-1.4%	6.1%	15.6%	104.7%
Avangardo	AVGR	1.56	4.90	0.23	0.0%	11.4%	41.8%	-23.9%	-1.3%	10.9%	48.7%	6.1%
Industrial Milk Company	IMC	6.59	7.24	4.38	-0.5%	0.0%	-3.5%	16.2%	-1.7%	-0.6%	3.4%	46.2%
Kernel	KER	47.55	55.20	24.07	3.4%	-5.8%	-9.4%	67.1%	2.1%	-6.4%	-2.5%	97.1%
Mriya Agro Holding	MAYA	n/a	1.01	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	10.15	12.05	8.24	0.0%	6.8%	6.8%	10.3%	-1.3%	6.3%	13.7%	40.3%
Milkiland	MLK	1.70	3.50	0.89	-4.0%	-0.6%	-15.4%	14.9%	-5.2%	-1.1%	-8.5%	44.9%
Ovostar Union	OVO	87.00	89.51	68.00	0.0%	-0.8%	-1.1%	20.8%	-1.3%	-1.4%	5.8%	50.8%
Chemicals												
Stirol	STIR	5.90	8.97	3.00	0.0%	0.0%	-1.7%	-14.9%	-1.3%	-0.6%	5.2%	15.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.075	0.114	0.069	3.3%	1.4%	-2.7%	-21.9%	2.0%	0.8%	4.2%	8.1%
UkrSotsbank	USCB	0.094	0.150	0.064	0.0%	0.0%	4.6%	-27.8%	-1.3%	-0.6%	11.5%	2.2%

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	971	506	496	256	32.0%	35.8%	26.3%	264	184	126	16.7%	13.2%	13.0%
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																
Luhanskteplovoz	LTPL	329	127	n/a	36	-2	n/a	10.8%	neg	n/a	19	-16	n/a	5.9%	neg	n/a
Kryukiv Wagon	KVBZ	462	179	41	50	-17	-4	10.9%	neg	neg	42	-22	-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	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%
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	190	72	20	-12	11.0%	4.4%	neg	65	8	-16	9.9%	1.8%	neg
Consumer																
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%
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	14	3.9%	1	2,627	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	679	633	615	\$/tonne
Yenakievo Steel	ENMZ	7	8.8%	1	5	neg	neg	0.3	neg	0.9	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	77	3.0%	2	71	neg	1.0	1.2	neg	0.4	0.6	0.0	0.0	0.0	15	16	16	\$/tonne
Coke																		
Avdyivka Coke	AVDK	8	6.8%	1	-31	neg	neg	neg	-0.7	neg	neg	0.0	-0.1	-0.1	-7	-8	-8	\$/tonne
Yasynivsky Coke	YASK	4	9.0%	0	5	neg	neg	neg	0.2	neg	neg	0.0	0.0	0.0	0.2	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	246	0.3%	1	245	1.3	2.1	3.1	0.8	1.1	1.5	0.4	0.4	0.4				
Pivnichny GOK	SGOK	448	0.4%	2	441	0.8	1.4	2.0	0.5	0.7	1.0	0.3	0.3	0.3				
Ferrexpo	FXPO	246	24.0%	59	1,263	0.9	1.3	1.9	2.5	2.5	4.9	0.8	0.9	1.3				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	15	2.0%	0	61	3.3	0.7	8.3	1.9	1.4	3.4	0.2	0.3	0.7	97	161	153	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	7	24.0%	2	44	0.4	neg	n/a	1.2	neg	n/a	0.1	0.3	n/a				
Krukiv Wagon	KVBZ	45	5.0%	2	39	1.1	neg	neg	0.8	neg	neg	0.1	0.2	1.0				
Specialized Machinery																		
Turboatom	TATM	62	5.8%	4	32	0.9	1.2	2.7	0.4	0.4	0.9	0.1	0.2	0.3				
Motor Sich	MSICH	171	24.0%	41	176	1.1	1.3	1.9	0.5	0.5	0.8	0.2	0.2	0.3				
Telecom																		
Ukrtelecom	UTLM	71	7.2%	5	162	neg	3.9	7.8	neg	1.9	2.3	0.2	0.4	0.6				
Oil & Gas																		
Ukrnafta	UNAF	443	3.0%	13	436	19.0	4.2	1.7	1.5	1.1	0.8	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	18	21.6%	4	-7	neg	3.2	neg	neg	-0.4	-0.7	-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
Electric Utilities																		
CentrEnerg	CEEN	72	21.7%	16	55	1.2	12.3	neg	0.6	2.1	neg	0.1	0.1	0.2	3	4	3	\$/MWh
DonbasEnerg	DOEN	18	14.2%	3	34	0.3	2.1	neg	0.5	1.7	neg	0.1	0.1	0.2	4	4	4	\$/MWh
Consumer																		
MHP	MHPC	1,073	34.1%	366	2,235	6.6	neg	neg	5.7	4.0	4.9	1.5	1.6	2.0				
Kernel	KER	1,017	61.8%	628	1,356	9.7	neg	10.1	4.7	6.1	3.4	0.5	0.6	0.6				
Astarta	AST	235	37.0%	87	438	6.9	neg	neg	4.8	3.1	4.5	0.9	1.0	1.3				
Avangardco	AVGR	100	22.5%	22	388	0.4	neg	neg	1.3	3.0	4.1	0.6	0.9	1.1	88	67	63	\$/mneqgs
Ovostar	OVO	140	25.0%	35	147	4.5	5.4	5.8	4.1	5.1	5.9	1.8	2.0	1.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	95	3.5%	3		1.1	neg	neg	0.1	0.2	0.3	0.02	0.03	0.04				
Ukrsotsbank	USCB	305	0.2%	1		>30	>30	>30	0.3	0.6	0.8	0.07	0.14	0.18				

Source: Eavex Research

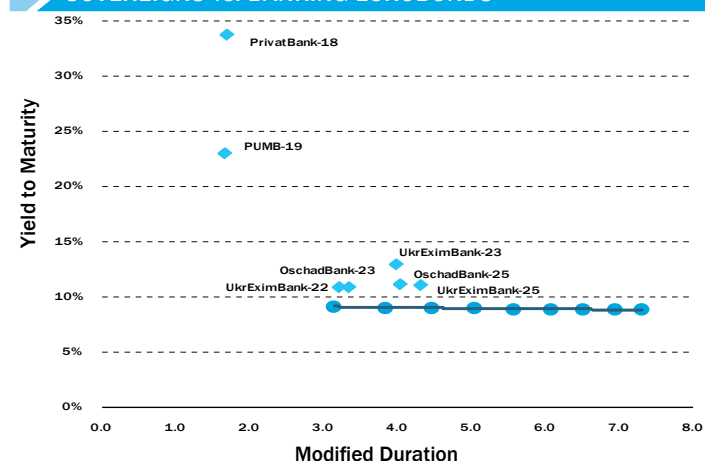
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2019	96.0	96.8	9.0%	8.8%	n/a	3.1	7.75%	S/A	1 Sept 2019	1,155	Caa3//CCC
Ukraine, 2020	94.9	95.8	9.1%	8.9%	n/a	3.8	7.75%	S/A	1 Sept 2020	1,531	Caa3//CCC
Ukraine, 2021	94.0	94.8	9.1%	8.9%	n/a	4.4	7.75%	S/A	1 Sept 2021	1,378	Caa3//CCC
Ukraine, 2022	93.5	94.3	9.1%	8.9%	n/a	5.0	7.75%	S/A	1 Sept 2022	1,355	Caa3//CCC
Ukraine, 2023	92.8	93.5	9.1%	8.9%	n/a	5.5	7.75%	S/A	1 Sept 2023	1,330	Caa3//CCC
Ukraine, 2024	92.3	93.0	9.0%	8.9%	n/a	6.0	7.75%	S/A	1 Sept 2024	1,315	Caa3//CCC
Ukraine, 2025	91.8	92.5	9.0%	8.9%	n/a	6.5	7.75%	S/A	1 Sept 2025	1,306	Caa3//CCC
Ukraine, 2026	91.5	92.3	9.0%	8.9%	n/a	6.9	7.75%	S/A	1 Sept 2026	1,295	Caa3//CCC
Ukraine, 2027	91.3	92.0	9.0%	8.9%	n/a	7.3	7.75%	S/A	1 Sept 2027	1,286	Caa3//CCC
Ukraine, GDP-linked	46.0	48.0	n/a	n/a	n/a	n/a	0.00%	S/A	31 May 2040	2,916	Caa3//CCC
Corporate Eurobonds											
Agroton, 2019	10.0	13.0	121.9%	100.3%	-66.0%	1.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	91.0	92.1	10.9%	10.6%	32.6%	3.5	8.25%	S/A	2 Apr 2020	750	/CCC//CCC
Avangardco, 2018	49.0	54.0	39.0%	34.9%	-16.2%	2.3	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	53.5	55.5	45.0%	42.8%	21.2%	1.6	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016						0.1	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	n/a	1.3	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	51.1	55.0	47.1%	42.6%	-32.0%	1.6	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018						1.6	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	68.4	70.4	n/a	n/a	-12.1%	0.1	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	57.5	60.0	44.8%	41.9%	-16.0%	0.8	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	57.0	60.0	39.6%	36.6%	5.4%	1.6	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	65.1	69.1	26.7%	24.3%	-14.0%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	57.0	60.0	39.6%	36.6%	-25.0%	1.6	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	85.0	87.0	17.2%	16.1%	62.1%	2.1	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	36.0	38.5	100.8%	93.6%	-32.3%	0.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	68.0	71.3	35.1%	32.4%	19.6%	1.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	8.9	11.8	139.6%	117.5%	-87.6%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	72.9	75.1	23.6%	22.4%	5.0%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	5.7	11.1	n/a	n/a	-32.8%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015						n/a	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	61.0	63.4	320.1%	290.1%	22.1%	0.1	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	67.0	70.0	32.6%	30.1%	16.1%	1.7	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	91.7	92.8	11.5%	11.2%	19.0%	3.3	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	74.0	76.6	13.3%	12.7%	50.6%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	89.8	91.2	11.6%	11.3%	50.8%	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	90.9	92.3	11.2%	10.9%	40.9%	3.2	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	89.8	91.1	11.4%	11.2%	58.7%	4.0	8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	77.3	79.4	n/a	n/a	n/a	n/a	8.00%	S/A	6 Nov 2015	250	Ca//CC/CC
City of Kyiv, 2016	80.0	85.0	n/a	n/a	16.2%	n/a	9.375%	S/A	11 Jul 2016	300	Ca//CC/CC

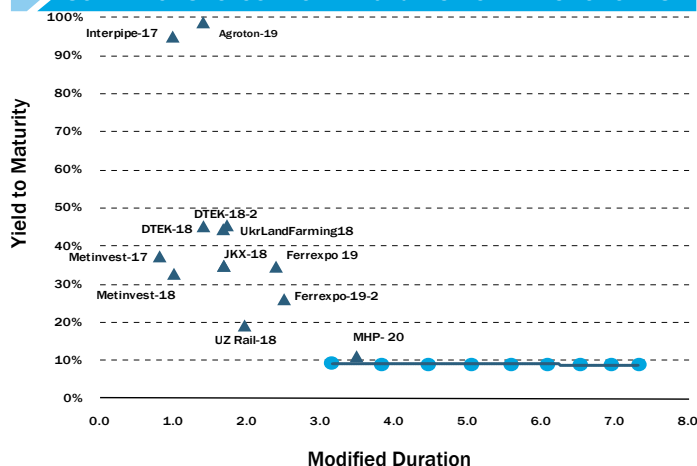
¹ Moody's/S&P/Fitch

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			23%	20%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
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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