

**Market Update**

**Equity**

The UX index sold off heavily into new all-time low territory (the index's history began in March 2009) on Monday (Dec 14), sliding 2.4% to end at 677 points one day prior to the expiration of the domestic futures contracts, an event that occurs every three months. Raiffeisen Aval (BAVL) was the only stock among 10 blue chips to end in the black, picking up 2.5%. On the downside, Motor Sich (MSICH) shed 1.2% to UAH 1957 per share, while in the steel sector, Yenakievo Steel (ENMZ) slumped 9.3% to UAH 14.50 and Azovstal (AZST) fell 3.0% to 38.30 kopecks. On the interbank currency market, the hryvnia inched up by 0.2% against the dollar to close at bid/ask of 23.60/23.80 UAH/USD. In London trading, Ferrexpo (FXPO) resumed its bleeding after a 1-day pause, tumbling 7.8% to close at Gbp 20.75, and Regal Petroleum (RPT) declined by 7.9% to Gbp 3.48. Warsaw-listed Kernel (KER) added 0.5% to PLN 43.20 while Astarta (AST) took a 4.6% hit, ending at PLN 31.00.

**Fixed Income**

Ukrainian sovereign bonds again dropped on Monday with Ukraine-19s and Ukraine-27s down by 2.0p.p. and 3.5p.p. to 93.0/93.8 (10.1%/9.8%) and 86.0/86.8 (9.8%/9.7%), respectively. In the corporate universe, Avangard-18s declined by 0.6p.p. to 49.0/51.0 (39.8%/38.0%) and Ferrexpo-19s decreased by 2.2p.p. closing at 54.4/57.5 (34.5%/32.1%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1957.00	-1.2%	0.54	18
Kryukiv Wagon	KVBZ	8.01	-6.0%	0.30	13
Avdyivka Coke	AVDK	1.02	-5.2%	0.28	16

**Growth Leaders**

Raiffeisen Bank Aval	BAVL	0.08	2.5%	0.231	22
Motor Sich	MSICH	1957.00	-1.2%	0.542	18
Ukrnafta	UNAF	173.50	-1.5%	0.212	6

**Loss Leaders**

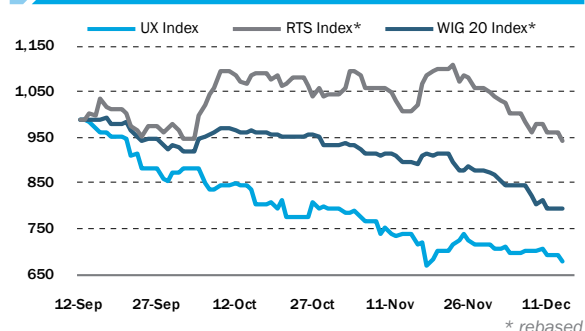
Yenakievo Steel	ENMZ	14.51	-9.3%	0.105	10
Kryukiv Wagon	KVBZ	8.01	-6.0%	0.297	13
Donbasenergo	DOEN	15.70	-5.8%	0.217	15

**Highlights**

**POLITICS AND ECONOMICS**

- > No Surprises Expected In EU's Moscow Sanctions Renewal

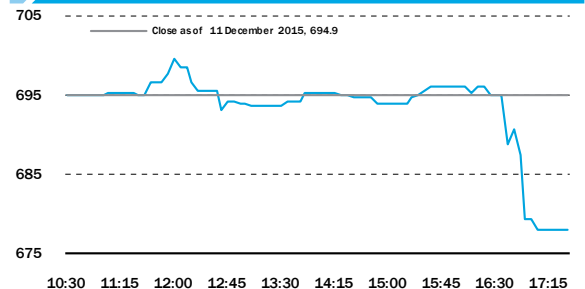
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	678.0	-2.4%	-8.3%	-34.4%
RTS	761.1	-2.1%	-6.6%	-3.7%
WIG20	1754.7	-0.1%	-11.3%	-24.2%
MSCI EM	771.2	-0.3%	-6.1%	-19.4%
S&P 500	2021.9	0.5%	-0.1%	-1.8%

**UX INTRADAY DECEMBER 14, 2015**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	455.8	-0.2%	8.3%	12.8%
CDS 5Y UKR	1050.0	0.0%	0.0%	-52.3%
Ukraine-19	9.9%	0.6 p.p.	n/a	n/a
Ukraine-27	9.7%	0.5 p.p.	n/a	n/a
MHP-20	11.5%	0.1 p.p.	0.4 p.p.	-6.0 p.p.
RAILUA-18	16.8%	1.2 p.p.	-2.4 p.p.	-17.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	23.76	-0.2%	2.7%	50.2%
EUR	26.11	-0.2%	5.0%	36.4%
RUB	0.34	-0.4%	-2.9%	22.6%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	188.6	0.0%	-0.2%	-23.4%
Steel, USD/t	265.0	0.0%	-4.5%	-41.1%
Oil, USD/bbl	37.9	0.0%	-14.7%	-40.9%
Gold, USD/oz	1059.9	-1.4%	-2.2%	-10.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## No Surprises Expected In EU's Moscow Sanctions Renewal

by Will Ritter  
w.ritter@eavex.com.ua

### NEWS

The European Union is expected to make an official decision later this week to extend its economic sanctions against Russia over that country's military intervention in Eastern Ukraine, Agence-France-Press reported on Monday (Dec 14). The sanctions, which include asset freezes and travel bans and are due to expire at the end of January, are likely to be extended for an additional six months. After Monday's EU foreign ministers' meeting, EU foreign policy chief Federica Mogherini said the topic will be on the agenda at the European Council (led by President Donald Tusk) later this week, and that she "does not see any major problems with any of the member states" on extending sanctions. The move could have been made at the foreign ministers' meeting, but the Italian government had requested additional time for debate on the issue.

### COMMENTARY

The extension of the EU's punitive sanctions regime against Moscow for another half a year is a recognition that Russia has yet to meet the requirements of the Minsk peace deal and also that it has not been cooperative in the investigation of the shooting down of the MH17 Amsterdam-Kuala Lumpur flight in July 2014. Kyiv had lobbied heavily in favor of the extended sanctions and so this represents a short-term victory for the Poroshenko administration. However, looking further ahead, the Italian request for a debate on the issue provides a hint that in the summer of 2016, it may be much more difficult to keep the EU sanctions in place if the situation in the Donbass conflict zone remains at its current relatively quiet level. This will probably be the case even if the key points of the Minsk deal, i.e. the removal of Russian weapons and the return of Kyiv's control over the pre-war Russian-Ukrainian border, remain unfulfilled. The separatist Donbass republics are supposed to hold elections on Feb 20 under Ukrainian law, but as the voting in government-controlled Mariupol on Nov 29 showed, the results of these elections will be overwhelmingly anti-Kyiv and not conducive to a rapprochement between the occupied territories and the rest of Ukraine. All of this points to an indefinite "frozen conflict" status for the Donbass, and at this point, Kyiv has much bigger fish to fry in terms of keeping the national economy afloat than worrying about the status of territory that is effectively beyond its control.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	43.2	57.20	32%	BUY	The group's stock looks undervalued currently even after taking into account an expected decrease in earnings in FY16 due to lowering in seed-crushing margin from an exceptionally high level of FY15.
MHP	MHPC LI	9.2	12.03	31%	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	31.0	36.1	17%	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	6.1	9.4	54%	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	89.0	80.8	-9%	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	20.8	11.0	-47%	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. Gloomy outlook for 2016 suggests even more depressed results in the next year.
<b>Steel</b>						
Azovstal	AZST	0.38	0.56	45%	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	1957	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%.
<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	3.5	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	27.5	U/R	--	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnerg	DOEN	15.7	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	4.49	15.00	234%	BUY	CenterEnerg'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	0.075	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	677.95	1158.71	656.99	-2.4%	-3.2%	-8.3%	-34.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.011	0.018	0.010	-8.1%	0.9%	-0.9%	-21.4%	-5.6%	4.0%	7.4%	13.0%
Azovstal	AZST	0.38	0.89	0.34	-3.0%	-6.4%	-17.3%	-48.6%	-0.6%	-3.2%	-9.0%	-14.2%
Enakievo Steel	ENMZ	14.51	24.88	14.03	-11.6%	-12.9%	-11.5%	-30.7%	-9.2%	-9.7%	-3.3%	3.6%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.02	1.99	0.86	-5.2%	-4.2%	-3.3%	-41.0%	-2.8%	-1.1%	4.9%	-6.7%
Yasynivsky Coking	YASK	0.33	0.43	0.06	0.0%	0.0%	32.0%	17.9%	2.4%	3.2%	40.3%	52.2%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.25	n/a	n/a	0.0%	0.0%	45.0%	-6.9%	2.4%	3.2%	53.3%	27.5%
Ferrexpo	FXPO	20.75	80.00	20.75	-7.8%	-18.6%	-32.0%	-60.8%	-5.3%	-15.5%	-23.7%	-26.5%
Pivnichny GOK	SGOK	3.99	12.30	2.20	0.0%	0.0%	-13.8%	-52.3%	2.4%	3.2%	-5.6%	-17.9%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.30	n/a	n/a	0.0%	0.0%	20.0%	-36.2%	2.4%	3.2%	28.3%	-1.8%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.16	0.59	0.12	0.0%	0.0%	-15.8%	-57.9%	2.4%	3.2%	-7.5%	-23.5%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.01	13.90	7.40	-6.2%	-3.5%	-13.9%	-37.7%	-3.8%	-0.3%	-5.6%	-3.3%
Luhanskteplovoz	LTPL	0.75	n/a	n/a	0.0%	0.0%	-6.3%	-30.6%	2.4%	3.2%	2.0%	3.8%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1957	2939	1889	-1.4%	-1.9%	-1.6%	-21.2%	1.1%	1.3%	6.7%	13.2%
Turboatom	TATM	4.10	n/a	n/a	0.0%	0.0%	0.0%	n/a	2.4%	3.2%	8.3%	n/a
<b>Telecom</b>												
Ukrtelecom	UTLM	0.10	0.21	0.09	0.0%	8.7%	-33.3%	-34.2%	2.4%	11.9%	-25.1%	0.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.48	6.50	3.13	-7.9%	-18.5%	-10.3%	11.2%	-5.5%	-15.4%	-2.1%	45.6%
JKX Oil	JKX	27.50	37.38	11.75	0.0%	-1.8%	-3.5%	129.2%	2.4%	1.4%	4.8%	163.6%
Ukrnafta	UNAF	173.5	337.6	165.0	-2.2%	-3.6%	-15.4%	-14.7%	0.2%	-0.4%	-7.1%	19.7%
<b>Power Utilities</b>												
Centrenergo	CEEN	4.49	8.50	4.20	-1.2%	0.2%	-11.8%	-40.5%	1.3%	3.3%	-3.6%	-6.1%
Donbasenergo	DOEN	15.70	35.28	15.24	-5.8%	0.0%	-7.1%	-52.4%	-3.4%	3.2%	1.2%	-18.0%
Zakhidenergo	ZAEN	87.0	193.9	52.0	-3.3%	2.4%	-9.4%	-41.3%	-0.9%	5.5%	-1.1%	-6.9%
<b>Consumer</b>												
Agroton	AGT	0.97	1.52	0.95	-4.9%	-3.0%	-14.9%	-21.1%	-2.5%	0.2%	-6.6%	13.3%
Astarta	AST	31.00	38.50	16.25	-4.6%	-8.5%	-5.8%	55.0%	-2.2%	-5.3%	2.4%	89.4%
Avangardo	AVGR	1.59	3.80	0.23	0.0%	0.0%	-3.6%	-22.4%	2.4%	3.2%	4.6%	12.0%
Industrial Milk Company	IMC	6.09	7.24	4.38	-2.2%	-3.3%	-6.3%	7.4%	0.2%	-0.2%	2.0%	41.8%
Kernel	KER	43.20	55.20	26.10	0.5%	0.1%	-13.5%	51.8%	2.9%	3.3%	-5.3%	86.2%
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	9.21	12.05	8.24	-0.5%	-3.6%	-2.0%	0.1%	1.9%	-0.4%	6.2%	34.5%
Milkiland	MLK	1.44	3.50	0.89	-4.0%	-10.0%	-24.6%	-2.7%	-1.6%	-6.8%	-16.3%	31.7%
Ovostar Union	OVO	89.00	89.51	68.00	0.0%	0.0%	1.7%	23.6%	2.4%	3.2%	9.9%	58.0%
<b>Chemicals</b>												
Stirol	STIR	5.90	n/a	n/a	0.0%	0.0%	0.0%	-14.9%	2.4%	3.2%	8.3%	19.5%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.075	0.114	0.069	2.9%	-5.5%	0.7%	-21.8%	5.3%	-2.4%	8.9%	12.6%
UkrSotsbank	USCB	0.090	0.145	0.064	0.0%	-4.3%	1.1%	-30.9%	2.4%	-1.1%	9.4%	3.5%

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	953	506	496	243	32.0%	35.8%	25.5%	264	184	116	16.7%	13.2%	12.1%
<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	13	10.3%	4.1%	4.1%	60	6	5	6.5%	0.9%	1.4%
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	na	301	129	na	45.6%	30.9%	#VALUE!	238	-27	na	36.0%	neg	#VALUE!
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	12	3.9%	0	2,626	neg	neg	neg	neg	neg	neg	1.5	3.7	9.4	679	633	614	\$/tonne
Yenakievo Steel	ENMZ	6	8.8%	1	4	neg	neg	0.3	neg	0.8	0.1	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	68	3.0%	2	62	neg	0.9	1.0	neg	0.3	0.5	0.0	0.0	0.0	13	14	13	\$/tonne
<b>Coke</b>																		
Avdivka 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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	358	0.3%	1	356	1.8	3.1	4.5	1.1	1.6	2.2	0.5	0.6	0.6				
Pivnichny GOK	SGOK	387	0.4%	2	380	0.7	1.2	1.7	0.4	0.6	0.8	0.2	0.3	0.3				
Ferrexpo	FXPO	189	24.0%	45	1,206	0.7	1.0	1.6	2.4	2.4	5.0	0.8	0.9	1.3				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	18	2.0%	0	63	3.7	0.8	9.5	2.0	1.5	3.6	0.2	0.3	0.7	100	166	158	\$/tonne
<b>Railcar Manufacturing</b>																		
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	39	5.0%	2	33	0.9	neg	neg	0.6	neg	neg	0.1	0.2	0.8				
<b>Specialized Machinery</b>																		
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				
<b>Telecom</b>																		
Ukrtelecom	UTLM	79	7.2%	6	169	neg	4.3	8.7	neg	2.0	2.4	0.2	0.4	0.7				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	396	3.0%	12	389	17.0	3.8	1.6	1.4	1.0	0.7	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	17	21.6%	4	-8	neg	3.0	neg	neg	-0.5	-0.8	-0.2	-0.2	-0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	73	50.4%	37	182	11.3	neg	14.7	2.7	2.6	2.6	1.0	1.2	1.2	33	25	24	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	70	21.7%	15	53	1.2	11.9	15.1	0.6	2.0	4.0	0.1	0.1	0.2	3	4	3	\$/MWh
DonbasEnerg	DOEN	16	14.2%	2	32	0.2	1.9	neg	0.4	1.6	neg	0.0	0.1	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	973	34.1%	332	2,136	6.0	neg	neg	5.5	3.8	4.7	1.4	1.5	1.9				
Kernel	KER	924	61.8%	571	1,263	8.8	neg	9.2	4.3	5.7	3.2	0.5	0.5	0.5				
Astarta	AST	208	37.0%	77	411	6.1	neg	neg	4.5	2.9	4.2	0.8	1.0	1.2				
Avangardco	AVGR	102	22.5%	23	399	0.4	neg	n/a	1.3	3.1	n/a	0.6	1.0	n/a	90	69	65	\$/mneqgs
Ovostar	OVO	143	25.0%	36	151	4.6	5.6	5.9	4.2	5.2	6.0	1.9	2.0	1.9	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	195	3.5%	7		2.2	neg	neg	0.2	0.5	0.7	0.04	0.07	0.09				
Ukrsotsbank	USCB	293	0.2%	1		>30	>30	>30	0.3	0.6	0.8	0.07	0.14	0.18				

Source: Eavex Research

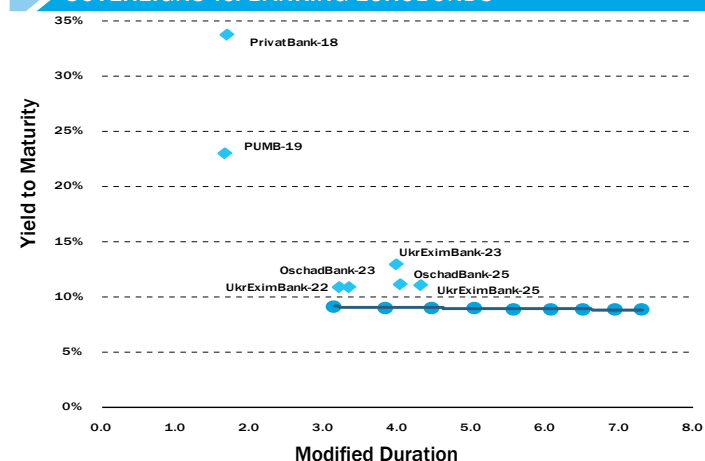
## UKRAINIAN EUROBONDS

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	93.0	93.8	10.1%	9.8%	n/a	3.1	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	91.9	92.8	9.9%	9.7%	n/a	3.7	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	90.0	90.8	10.1%	9.9%	n/a	4.3	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	90.0	90.8	9.8%	9.7%	n/a	4.9	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	89.0	89.8	9.8%	9.7%	n/a	5.4	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	88.0	88.8	9.8%	9.7%	n/a	5.9	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	87.5	88.3	9.8%	9.6%	n/a	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	86.5	87.3	9.8%	9.7%	n/a	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	86.0	86.8	9.8%	9.7%	n/a	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	40.0	41.0	n/a	n/a	n/a	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	126.8%	103.6%	-66.0%	1.3	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	88.5	89.8	11.7%	11.3%	29.2%	3.4	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	49.0	51.0	39.8%	38.0%	-18.7%	2.3	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	49.0	51.0	51.2%	48.7%	11.1%	1.5	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	13.0	16.0	n/a	n/a	11.5%	0.0	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	n/a	1.2	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	42.0	47.0	60.2%	53.0%	-43.0%	1.5	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	43.0	46.0	53.9%	49.8%	-2.2%	1.6	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	55.9	60.4	n/a	n/a	-26.4%	0.0	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	44.2	50.0	64.7%	55.6%	-32.7%	0.6	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	43.0	45.0	58.3%	55.3%	-20.7%	1.4	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	54.4	57.5	34.5%	32.1%	-28.3%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	43.0	45.0	58.3%	55.3%	-43.6%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	84.9	86.9	17.4%	16.2%	62.0%	2.0	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	30.0	35.0	127.8%	108.9%	-40.9%	0.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	67.6	69.2	36.1%	34.8%	17.5%	0.9	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	8.8	11.6	145.8%	122.0%	-87.7%	1.3	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	70.6	75.1	25.1%	22.5%	3.3%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	5.7	10.6	n/a	n/a	-35.0%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	75.0	77.0	26.5%	24.9%	21.6%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	62.8	65.3	24.0%	22.8%	n/a	3.3	11.00%	S/A	09 Feb 2021	220	//
PrivatBank, 2018	65.5	65.5	34.4%	34.4%	11.0%	1.6	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	89.9	91.0	11.9%	11.7%	16.7%	3.2	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.6	76.6	13.9%	12.8%	49.3%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	87.5	88.5	12.0%	11.8%	46.7%	4.2	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	89.4	90.8	11.6%	11.3%	38.6%	3.1	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	87.7	88.7	11.8%	11.6%	54.8%	3.9	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.5	84.7	n/a	n/a	n/a	n/a	8.00%	S/A	6 Nov 2015	250	//
City of Kyiv, 2016	81.4	84.3	n/a	n/a	16.6%	n/a	9.375%	S/A	11 Jul 2016	300	//

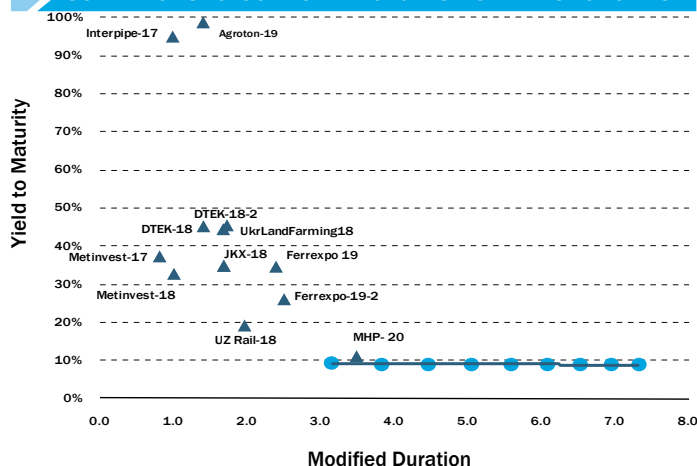
<sup>1</sup> Moody's/S&P/Fitch

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
<b>UAH denominated Bonds</b>									
UA4000142665			21%	19%	n/a	14.30%	S/A	24 May 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			21%	19%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			21%	19%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			21%	19%	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

**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