

**Market Update**

**Equity**

Kyiv-listed stocks finished broadly lower on Friday (Dec 18) after the IMF warned of a risk of failure of Ukraine's Extended Fund program if Parliament does not approve the 2016 national budget. One of the key parameters for the budget is a deficit of no more than 3.7% of GDP. The UX index slid 1.9% to close at 670 points. All 10 index components ended in the red. National flagship oil company UkrNafta (UNAF) crashed through its UAH 170 support floor, slumping 7.3% to UAH 161 per share, and CentrEnerg (CEEN) lost 2.0% to UAH 4.52 despite reporting an encouraging level of coal stocks amid this year's warmer-than-average December. Motor Sich (MSICH) demonstrated some resistance to the selling pressure, edging down by just 0.5% to UAH 1940. On the interbank currency market, the hryvnia weakened by 0.9% to bid/ask of 23.50/23.60 UAH/USD after the negative budget news. In London, beaten-down Ferrexpo (FXPO) regained 14% to near GBp 16 while low-liquidity Avangard (AVGR) fell 16.7% to USD 1.25. Warsaw-listed Ukrainian stocks were mixed, with Astarta (AST) gaining 2.0% to PLN 33.00 while Ovostar (OVO) declined by the same increment to PLN 87.20.

**Fixed Income**

Ukrainian sovereign bonds declined on Friday with both Ukraine-19s and Ukraine-27s down by 0.3p.p. to 93.5/94.3 (9.9%/9.6%) and 87.0/87.8 (9.6%/9.5%), respectively. In the corporate universe, MHP-20s dropped by 0.3p.p. to 87.2/88.3 (12.2%/11.8%) and Ferrexpo-19s fell by 1.0p.p. to 54.2/57.2 (34.7%/32.4%).

**Highlights**

**POLITICS AND ECONOMICS**

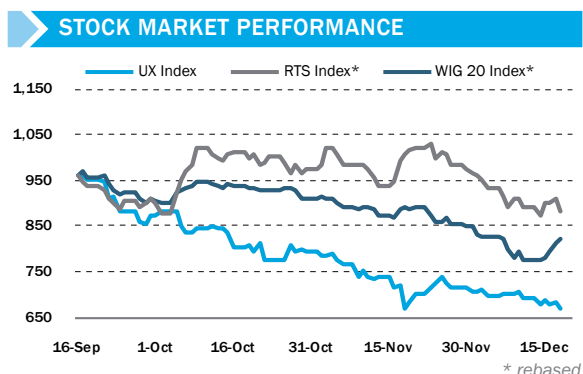
- > Tax Reform Could be Delayed as Gov't Pushes for Budget Approval by Year-End

**STOCKS IN THE NEWS**

- > CentrEnerg Reports Holding 500,000 Tonnes of Coal Stocks

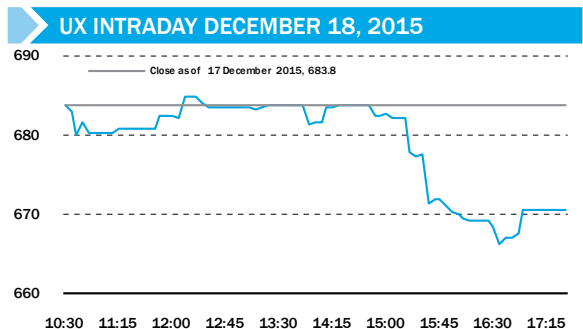
**FIXED INCOME**

- > Related to Ferrexpo F&C Bank Is to Be Liquidated



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	670.7	-1.9%	-6.8%	-35.1%
RTS	765.7	-3.3%	-11.2%	-3.2%
WIG20	1858.9	1.0%	-7.4%	-19.7%
MSCI EM	789.7	-1.1%	-4.2%	-17.4%
S&P 500	2005.6	-1.8%	-2.2%	-2.6%



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	455.6	1.9%	9.0%	12.7%
CDS 5Y UKR	1050.0	0.0%	0.0%	-52.3%
Ukraine-19	9.8%	0.2 p.p.	n/a	n/a
Ukraine-27	9.6%	0.0 p.p.	n/a	n/a
MHP-20	12.0%	0.1 p.p.	0.9 p.p.	-5.5 p.p.
RAILUA-18	16.5%	0.0 p.p.	-1.7 p.p.	-17.2 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	23.67	1.0%	1.4%	49.6%
EUR	25.64	1.0%	2.4%	34.0%
RUB	0.33	1.3%	-6.8%	21.4%

**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%	-3.6%	-41.1%
Oil, USD/bbl	36.9	-0.5%	-17.0%	-42.5%
Gold, USD/oz	1066.2	1.4%	-0.4%	-10.0%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Tax Reform Could be Delayed as Gov't Pushes for Budget Approval by Year-End

by Will Ritter  
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### NEWS

Prime Minister Arseniy Yatseniuk said that an IMF-compliant 2016 budget needs to be approved by Parliament by the end of the year, at a Cabinet meeting on Friday (Dec 18) after the budget, and in particular changes to the tax code, faced vociferous opposition from coalition MPs in Parliament the previous day. "Ukraine must enter a new year with a budget that meets the criteria determined in collaboration with the International Monetary Fund as a condition for Ukraine to remain in the IMF program," Interfax quoted Yatseniuk as saying. The Prime Minister stressed the importance of keeping the country's IMF loan on track, arguing that the program "is not merely an additional financial cushion to increase foreign exchange reserves... Our work with the IMF is the main criterion of conformity of Ukraine with the indicators of reforms that are necessary for foreign investors and Western partners. This is the real mark of whether the reforms are implemented," he said.

### COMMENTARY

It is now being suggested that the tax reform project aimed at bringing part of Ukraine's economy (particularly wages) out of the un-taxed shadow sector might need to be shelved, with the currently-existing tax code extended for another year. Whether the IMF would accept such a solution if the government comes up with figures that meet the 3.7% of GDP deficit target remains to be seen. After a boost provided by the visit of US Vice President Joseph Biden two weeks ago, confidence in the reform process was undermined once again by political confrontations within the pro-Western coalition, particularly a nasty spat between Odessa provincial governor Mikhail Saakashvili on the one side and Yatseniuk and Interior Minister Arseniy Avakov on the other. With the two minor "pro-Western" coalition parties, Samopomich and Batkivschyna, both signaling opposition to IMF-mandated reforms, as well as some MPs from the two main ruling parties refusing to come on board, we suppose that Yatseniuk and President Poroshenko may need to canvass support from the Russia-friendly Opposition Bloc. However, such support could only come at a price of concessions on self-rule and political appointments in the Russophone provinces of Ukraine, we think. We note, with irony and not for the first time, that nominally pro-Western political forces seem to be presenting just as much of an obstacle to Ukrainian integration with the Western world as the nominally pro-Russian party from South/East Ukraine.

**CentrEnergо Reports Holding 500,000 Tonnes of Coal Stocks**

by Dmitry Churin  
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**CENTRENERGO (CEEN UK)**

Price: UAH 4.52 Market Cap: USD 71mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	0.1	12.0	2.1	0.0%
2015E	0.2	15.4	4.1	0.0%

**NEWS**

Majority state-owned CentrEnergо, Ukraine’s second largest thermal electricity generator, said that as of Dec 17, it had 540,000 tonnes of coal in storage, compared to only about 50,000 at the same time a year ago, in a press statement released last week. The company said it received 230,000 tonnes of coal in the first half of December and that the pace of deliveries is around 20,000 tonnes per day. CentrEnergо produces about 8% of the total electricity in Ukraine, while coal-fired thermal power plants account for 34% in the national electricity output structure, which is dominated by nuclear energy.

**COMMENTARY**

Ukraine’s state-controlled energy & heating complex has benefited from a warm first two months of the winter season, precluding a spike in energy consumption and allowing CentrEnergо burn less coal. The news is encouraging for the CEEN stock, as the current inventory level looks likely to suffice until late January, when another large delivery from South Africa is expected. CentrEnergо has a guidance of a net profit in a range UAH 100mn- UAH 200mn in FY15. Despite finishing 9M15 with a net loss of UAH 81mn, we expect the fourth quarter to be a strong one for the company, and it could thus manage to meet the FY15 guidance.

CentrEnergо’s share price remains in a downward trend at stands at UAH 4.52 per share. We believe that if CEEN quotes climb above the UAH 5 level, this will signal a reversal of the negative momentum.

## Related to Ferrexpo F&C Bank Is to Be Liquidated

by Ivan Dzvinka  
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### NEWS

National Bank of Ukraine (NBU) made a decision on December 18 to revoke a banking license and liquidate Finance & Credit (F&C) Bank, NBU reported in its release on Friday (Dec 18). F&C Bank was controlled by Kostyantyn Zhevago, majority shareholder of London-listed Ukrainian largest iron ore pellet exporter Ferrexpo.

Bank F&C was Ferrexpo's principal transactional bank in Ukraine. National Bank declared F&C insolvent on September 18. As of that date, Ferrexpo held some USD 174mn in cash in the related bank.

### COMMENTARY

NBU followed the typical procedure for insolvent banks providing three months for searching potential investors to buy the insolvent bank. With no such bids, the bank is being liquidated. With the decision on liquidation of Bank F&C made, the probability of recovery at least some part of Ferrexpo's frozen USD 174mn cash in the bank is now effectively zero. We stick to our SELL recommendations for the FXPO stock and bonds (for more details, see our note dated Dec 11).

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	46.2	57.20	24%	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	8.8	12.03	37%	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	33.0	36.1	9%	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	5.9	9.4	61%	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	1.3	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	87.2	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).
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	15.8	11.0	-30%	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	0.40	0.56	39%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1940	5250	171%	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	27.3	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	15.2	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnerg's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnerg	CEEN	4.52	15.00	232%	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	0.072	0.24	231%	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	670.67	1158.71	656.99	-1.9%	-3.5%	-6.8%	-35.1%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.011	0.018	0.010	3.8%	-11.3%	-6.0%	-24.1%	5.7%	-7.8%	0.8%	11.0%
Azovstal	AZST	0.40	0.89	0.34	-1.0%	1.0%	2.3%	-46.4%	0.9%	4.5%	9.1%	-11.3%
Enakievo Steel	ENMZ	14.23	24.87	14.03	-5.1%	-13.3%	-11.1%	-32.1%	-3.2%	-9.9%	-4.3%	3.0%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.06	1.97	0.86	1.4%	-2.0%	-6.6%	-39.0%	3.4%	1.5%	0.1%	-3.9%
Yasynivsky Coking	YASK	0.33	0.43	0.06	0.0%	0.0%	17.9%	17.9%	1.9%	3.5%	24.6%	53.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	7.25	n/a	n/a	0.0%	0.0%	45.0%	-6.9%	1.9%	3.5%	51.8%	28.2%
Ferrexpo	FXPO	15.75	80.00	14.00	12.5%	-30.0%	-52.6%	-70.3%	14.4%	-26.5%	-45.8%	-35.2%
Pivnichny GOK	SGOK	3.99	12.30	2.20	0.0%	0.0%	-13.8%	-52.3%	1.9%	3.5%	-7.0%	-17.2%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.40	n/a	n/a	33.3%	33.3%	60.0%	-14.9%	35.2%	36.8%	66.8%	20.2%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.16	0.59	0.12	0.0%	0.0%	-15.8%	-57.9%	1.9%	3.5%	-9.0%	-22.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	7.85	13.90	7.40	-1.9%	-8.1%	-15.9%	-38.9%	0.0%	-4.6%	-9.1%	-3.8%
Luhanskteplovoz	LTPL	0.75	n/a	n/a	0.0%	0.0%	-6.3%	-30.6%	1.9%	3.5%	0.5%	4.5%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1940	2939	1889	-0.5%	-2.2%	-2.2%	-21.9%	1.4%	1.3%	4.6%	13.2%
Turboatom	TATM	4.10	n/a	n/a	0.0%	0.0%	0.0%	n/a	1.9%	3.5%	6.8%	n/a
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.21	0.09	8.3%	30.0%	-13.3%	-14.5%	10.2%	33.5%	-6.6%	20.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.48	6.50	3.13	-7.3%	-7.9%	-10.3%	11.2%	-5.4%	-4.5%	-3.5%	46.3%
JKX Oil	JKX	27.25	37.38	11.75	0.0%	-0.9%	-6.0%	127.1%	1.9%	2.6%	0.7%	162.2%
Ukrnafta	UNAF	166.0	337.6	157.1	-4.6%	-6.4%	-15.3%	-18.3%	-2.7%	-2.9%	-8.5%	16.7%
<b>Power Utilities</b>												
Centrenergo	CEEN	4.52	8.50	4.20	-2.4%	-0.6%	-7.4%	-40.1%	-0.5%	2.9%	-0.7%	-5.0%
Donbasenergo	DOEN	15.20	35.28	14.90	-1.7%	-8.8%	-15.6%	-53.9%	0.2%	-5.3%	-8.8%	-18.8%
Zakhidenergo	ZAEN	91.0	193.9	52.0	0.0%	1.1%	18.2%	-38.6%	1.9%	4.6%	25.0%	-3.5%
<b>Consumer</b>												
Agroton	AGT	1.05	1.52	0.95	-0.9%	2.9%	-5.4%	-14.6%	1.0%	6.4%	1.4%	20.5%
Astarta	AST	33.00	38.50	16.90	2.0%	1.5%	0.7%	65.0%	4.0%	5.0%	7.5%	100.1%
Avangardo	AVGR	1.25	3.80	0.23	-16.7%	-21.4%	-10.7%	-39.0%	-14.8%	-17.9%	-3.9%	-3.9%
Industrial Milk Company	IMC	5.85	7.24	4.38	0.0%	-6.1%	-11.2%	3.2%	1.9%	-2.6%	-4.4%	38.3%
Kernel	KER	46.22	55.20	26.60	0.5%	7.5%	-8.5%	62.4%	2.4%	11.0%	-1.7%	97.5%
Mriya Agro Holding	MAYA	n/a	0.88	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	8.75	12.05	8.24	-2.6%	-5.5%	-7.9%	-4.9%	-0.6%	-2.0%	-1.1%	30.2%
Milkiland	MLK	1.51	3.50	0.89	0.7%	0.7%	-11.7%	2.0%	2.6%	4.2%	-4.9%	37.1%
Ovostar Union	OVO	87.22	89.51	68.00	-2.0%	-2.0%	-0.5%	21.1%	-0.1%	1.5%	6.2%	56.2%
<b>Chemicals</b>												
Stirol	STIR	4.20	n/a	n/a	0.0%	-28.8%	-28.8%	-39.4%	1.9%	-25.3%	-22.0%	-4.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.072	0.114	0.069	-3.2%	-0.8%	-2.2%	-24.6%	-1.3%	2.7%	4.6%	10.5%
UkrSotsbank	USCB	0.099	0.145	0.064	0.0%	10.0%	5.3%	-24.0%	1.9%	13.5%	12.1%	11.1%

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>																
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	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	2,625	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	0.7	0.1	0.0	0.0	0.0	2	1	1	\$/tonne
Azovstal	AZST	71	3.0%	2	65	neg	0.9	1.1	neg	0.4	0.5	0.0	0.0	0.0	14	14	14	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	9	6.8%	1	-30	neg	neg	neg	-0.7	neg	neg	0.0	-0.1	-0.1	-7	-8	-8	\$/tonne
Yasynivsky Coke	YASK	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	359	0.3%	1	357	1.8	3.1	4.5	1.1	1.6	2.3	0.5	0.6	0.6				
Pivnichny GOK	SGOK	388	0.4%	2	382	0.7	1.2	1.7	0.4	0.6	0.8	0.2	0.3	0.3				
Ferrexpo	FXPO	143	24.0%	34	1,160	0.5	0.8	1.2	2.3	2.3	4.8	0.7	0.8	1.2				
<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	167	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	38	5.0%	2	32	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	170	24.0%	41	175	1.1	1.3	1.8	0.5	0.5	0.8	0.2	0.2	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	103	7.2%	7	193	neg	5.7	11.3	neg	2.3	2.7	0.2	0.5	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	380	3.0%	11	374	16.3	3.6	1.5	1.3	1.0	0.7	0.1	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	181	11.2	neg	14.5	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	12.0	15.3	0.6	2.1	4.1	0.1	0.1	0.2	3	4	3	\$/MWh
DonbasEnerg	DOEN	15	14.2%	2	31	0.2	1.8	neg	0.4	1.6	neg	0.0	0.1	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	925	34.1%	315	2,031	5.7	neg	neg	5.2	3.7	4.5	1.4	1.5	1.8				
Kernel	KER	989	61.8%	611	1,328	9.4	neg	9.8	4.6	6.0	3.3	0.5	0.6	0.6				
Astarta	AST	222	37.0%	82	425	6.5	neg	neg	4.7	3.0	4.3	0.9	1.0	1.2				
Avangardco	AVGR	80	22.5%	18	378	0.3	neg	n/a	1.3	2.9	n/a	0.6	0.9	n/a	85	65	61	\$/mneqgs
Ovostar	OVO	141	25.0%	35	148	4.6	5.4	5.8	4.2	5.1	5.9	1.8	2.0	1.9	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	188	3.5%	7		2.1	neg	neg	0.2	0.5	0.6	0.04	0.07	0.09				
Ukrsotsbank	USCB	324	0.2%	1		>30	>30	>30	0.4	0.6	0.9	0.07	0.14	0.18				

Source: Eavex Research



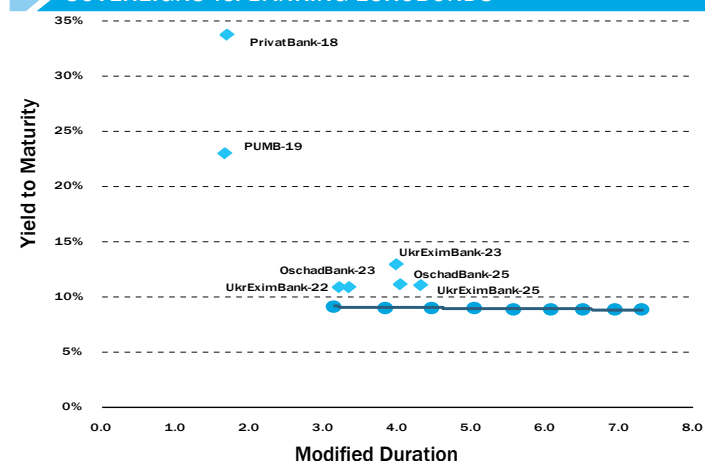
## UKRAINIAN EUROBONDS

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	93.5	94.3	9.9%	9.6%	n/a	3.0	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	92.2	93.1	9.9%	9.6%	n/a	3.7	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	91.5	92.3	9.7%	9.5%	n/a	4.3	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	90.5	91.3	9.7%	9.5%	n/a	4.9	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	89.5	90.3	9.7%	9.6%	n/a	5.4	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	88.8	89.5	9.7%	9.6%	n/a	5.9	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	88.3	89.0	9.6%	9.5%	n/a	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	87.5	88.3	9.6%	9.5%	n/a	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	87.0	87.8	9.6%	9.5%	n/a	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	40.3	41.3	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	128.5%	104.7%	-66.0%	1.2	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	87.2	88.3	12.2%	11.8%	27.2%	3.4	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	49.0	51.0	40.0%	38.2%	-18.6%	2.2	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	49.0	51.0	51.4%	48.9%	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	39.0	43.0	65.5%	59.0%	-47.4%	1.4	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	43.0	46.0	54.3%	50.1%	-2.2%	1.6	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	55.8	58.4	n/a	n/a	-27.7%	0.0	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	44.1	46.3	65.4%	61.7%	-35.4%	0.6	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	43.0	46.0	58.7%	54.2%	-19.8%	1.4	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	54.2	57.2	34.7%	32.4%	-28.6%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	43.0	46.0	58.7%	54.2%	-42.9%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	85.7	87.1	16.9%	16.1%	63.0%	2.0	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	30.0	35.0	129.9%	110.7%	-40.9%	0.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.5	73.7	34.7%	31.3%	23.0%	0.9	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	8.8	11.8	147.5%	122.4%	-87.7%	1.3	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	71.5	75.0	24.7%	22.6%	3.9%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	5.0	10.2	n/a	n/a	-39.3%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	75.0	77.0	26.6%	25.0%	21.6%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	62.1	64.5	24.3%	23.2%	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	89.2	90.4	12.1%	11.8%	15.9%	3.2	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.6	76.4	14.0%	13.0%	49.0%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	86.8	88.0	12.2%	12.0%	45.7%	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 Jan 2019	88	//WD
Oschadbank, 2023	88.9	89.8	11.7%	11.5%	37.4%	3.1	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	87.4	88.5	11.9%	11.7%	54.3%	3.9	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.6	85.0	n/a	n/a	n/a	n/a	8.00%	S/A	6 Nov 2015	250	//
City of Kyiv, 2016	80.9	84.3	n/a	n/a	16.3%	n/a	9.375%	S/A	11 Jul 2016	300	//

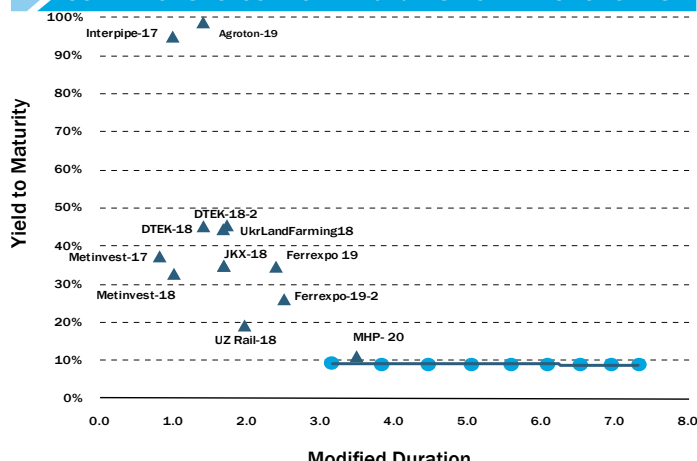
<sup>1</sup> Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



## &gt; 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			20%	19%	n/a	14.30%	S/A	24 May 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			20%	19%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			20%	19%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			20%	19%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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