

**Market Update**

**Equity**

Kyiv-listed stocks were mixed on Monday (Jan 18) as traders ignored a report from pollster GfK Ukraine that consumer confidence is starting to improve in the country. The UX index edged down by 0.3% to close at 658 points, as 6 out of 10 index components finished in the red. Heavyweight Motor Sich (MSICH) lost 1.8% to UAH 1924 despite encouraging information that the company is expanding its power equipment business, unveiling production of a new 8-megawatt mini-gas power station. The power equipment business line should help the company to diversify its sales which have historically relied on helicopters engines orders from Russia. The market's other machinery sector blue chip, Krukiv Wagon (KVBZ), added 2.7% to UAH 8 on the nose. In the electricity sector, CentrEnergO (CEEN) and DonbasEnergO (DOEN) declined by 0.9% and 1.3% respectively. On the interbank currency market, the hryvnia continue to retreat, falling 1.2% against the dollar to close at bid/ask of 24.60/24.75 UAH/USD. In London trading, MHP (MHPC) tumbled by 3.5% to USD 8.00 per share after the company slashed its CapEx program for the current year. Warsaw-listed stocks were also lower, with Kernel (KER) falling 3.0% to PLN 44.10.

**Fixed Income**

Quotes for Ukrainian sovereigns Eurobonds were mostly lower yesterday with a benchmark 10-year bonds declining 0.4 p.p. to 89.0/90.0 (9.4%/9.2%). The shortest outstanding Ukrainian Eurobonds maturing in 2019 were little changed at 93.8/94.8 (9.8%/9.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1924.00	-1.8%	0.73	22
Ukrnafta	UNAF	160.00	0.6%	0.46	12
CentrenergO	CEEN	4.37	-0.9%	0.22	27

**Growth Leaders**

Kryukiv Wagon	KVBZ	8.00	2.7%	0.087	10
Azovstal	AZST	0.39	2.6%	0.045	14
Ukrnafta	UNAF	160.00	0.6%	0.465	12

**Loss Leaders**

Motor Sich	MSICH	1,924.00	-1.8%	0.726	22
DonbasenergO	DOEN	15.06	-1.3%	0.002	9
Raiffeisen Bank Aval	BAVL	0.07	-1.1%	0.028	16

**Highlights**

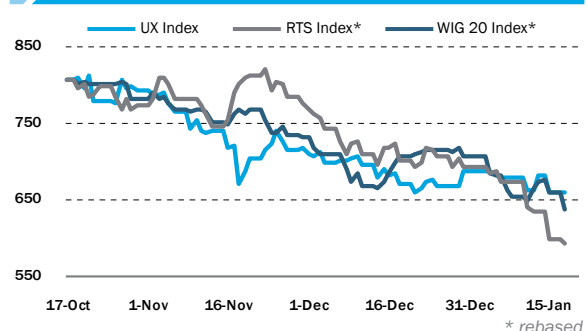
**STOCKS IN THE NEWS**

- > MHP's Stock Drops After CEO Suspends Expansion Plans for 2016

**FIXED INCOME**

- > Metinvest Set to Prioritize PXF Debt Redemption Over Shareholder Loans

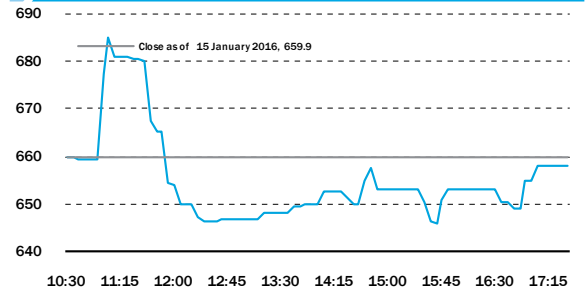
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	657.9	-0.3%	-1.9%	-4.1%
RTS	646.9	-0.9%	-15.5%	-14.5%
WIG20	1679.2	-3.2%	-9.7%	-9.7%
MSCI EM	703.4	-0.8%	-10.9%	-11.1%
S&P 500	1880.3	0.0%	-6.2%	-8.9%

**UX INTRADAY JANUARY 18, 2016**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	508.1	0.0%	11.5%	15.0%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	9.7%	0.4 p.p.	n/a	n/a
Ukraine-27	9.3%	0.1 p.p.	n/a	n/a
MHP-20	12.6%	0.0 p.p.	0.6 p.p.	0.5 p.p.
RAILUA-18	17.0%	0.1 p.p.	0.5 p.p.	0.3 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	24.60	0.8%	3.9%	2.4%
EUR	26.80	0.6%	4.5%	2.0%
RUB	0.31	-1.2%	-7.1%	-5.1%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	174.0	0.0%	-4.7%	-4.7%
Steel, USD/t	257.5	1.0%	-2.8%	2.0%
Oil, USD/bbl	28.6	-1.3%	-23.6%	-22.6%
Gold, USD/oz	1088.9	0.0%	2.1%	2.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**MHP's Stock Drops After CEO Suspends Expansion Plans for 2016**

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

**MHP (MHPC LI)**

Price: USD 8.00 Market Cap: USD 845mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2015E	1.7	neg	4.3	3.0%
2016E	1.5	4.0	4.3	4.1%

**NEWS**

Central-Ukraine based, London-listed MHP, Ukraine's largest chicken meat producer, plans to spend no funds on development capital expenditures in 2016, majority shareholder and CEO Yuriy Kosiuk said in an interview with Voice of America on Monday (Jan 18). This will be the first year in its history when MHP is not investing in new construction, Kosiuk said. Despite the limited poultry import quota set by EU for Ukraine, the company has a strategic plan to expand its presence in the EU, he said. The current annual duty-free quota permits 16,000 tonnes of Ukrainian poultry filet as well as 20,000 tonnes of whole chickens; however, the latter product does not have any demand on the European market, Kosiuk said. More importantly, MHP does not believe that the quota will be increased in the coming 5 years, despite the free trading zone between the EU and Ukraine. This assumption is based on consultations with the EU's trade committee, which stated that the current quota will not be changed for at least 5 years.

**COMMENTARY**

The news of no expansion CapEx for 2016 came as a negative surprise, as MHP had been widely expected to further ramp up capacity at its new Vinnytsia poultry complex (which first came on line in late 2012). Management had stated as recently as November that it intended to invest USD 135mn in expansion at Vinnytsia. As a result of the reversal, the MHPC stock plunged by 3.5% yesterday. However, we consider the decision as a fully rational one in light of the deteriorating income of Ukrainians and the troubles which the company encountered in expanding its export sales during 2015. MHP's export of poultry in Jan-Sept 2015 amounted to 101,000 tonnes, a 1.5% YoY decrease. With the risk increasing of a new hryvnia devaluation, which would hit the company's profitability, expansion of export sales should take priority over investing cash in new capacities, we believe. As MHP stated previously, it is still on track to buy at least one facility in the EU in 2016 to process (cut) imported whole chickens from Ukraine. The amount of this investment was estimated at USD 40-50mn by the CFO Victoria Kapelushyna this past autumn.

## Metinvest Set to Prioritize PFX Debt Redemption Over Shareholder Loans

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

### NEWS

Metinvest, Ukraine's largest metals & mining group, intends to subordinate the debt owed to the group's shareholders in favor of outstanding PFX facilities (debt owed in bank loans) starting on Jan 21, the company stated in its release on Monday (Jan 18). Metinvest is also negotiating with a PFX creditor committee on the terms for an extension of the debt servicing moratorium with banks.

Separately, once the PFX debt is prioritized and a debt standstill arrangement with bondholders is approved (voting is scheduled for Jan 27), the shareholder loans will also be subordinated to Metinvest's Eurobond debt (2016s, 17s and 18s) starting on March 14. If this happens, the subordination will occur pro rata in respect to the aggregate principal amount outstanding of the Eurobonds and the PFX facilities.

### COMMENTARY

As of Sept 30 last year, Metinvest's total debt stood at USD 2.97bn. The loans outstanding provided by the company's two shareholders (SCM Group and Smart Holding) totaled USD 386mn as of Jun 30, and the amount reportedly did not change during 3Q15. The initiative of the shareholders to prioritize the PFX loans was likely made to meet the requirements of the banks as part of Metinvest's debt standstill arrangement. Also, providing the option for bondholders on subordination of the shareholders' loans to the Eurobonds on a pro rata basis with the PFXs provides an incentive for the bondholders to support the extension of the standstill (due to expire at the end of this month) until late May.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	44.1	57.20	30%	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	8.0	12.03	50%	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	60%	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	1.0	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).
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	19.0	11.0	-42%	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	0.39	0.56	43%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.01	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	1924	5250	173%	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	3.1	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	26.0	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	15.1	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	4.37	15.00	243%	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	0.071	0.24	240%	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	657.90	1158.71	644.36	-0.3%	-0.6%	-1.9%	-4.1%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.012	0.017	0.010	0.0%	6.5%	4.5%	3.6%	0.3%	7.1%	6.4%	7.7%
Azovstal	AZST	0.39	0.89	0.34	4.8%	3.4%	-2.3%	-2.5%	5.1%	4.1%	-0.4%	1.6%
Enakievo Steel	ENMZ	12.84	21.93	8.60	0.4%	-8.3%	-9.8%	-8.3%	0.7%	-7.6%	-7.9%	-4.2%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.01	1.72	0.86	-1.5%	-1.6%	-4.6%	-8.6%	-1.2%	-0.9%	-2.7%	-4.6%
Yasnyivsky Coking	YASK	0.17	0.43	0.06	0.0%	-26.1%	-48.5%	-26.1%	0.3%	-25.4%	-46.6%	-22.0%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	4.50	n/a	n/a	0.0%	0.0%	-37.9%	5.6%	0.3%	0.6%	-36.0%	9.7%
Ferrexpo	FXPO	19.00	80.00	14.00	-2.6%	-9.5%	20.6%	-11.6%	-2.3%	-8.9%	22.5%	-7.6%
Pivnichny GOK	SGOK	3.26	9.50	2.20	0.0%	-38.5%	-18.4%	-38.5%	0.3%	-37.9%	-16.5%	-34.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.23	n/a	n/a	0.0%	0.0%	-42.5%	0.0%	0.3%	0.6%	-40.6%	4.1%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.19	0.59	0.12	0.0%	0.0%	18.8%	5.6%	0.3%	0.6%	20.7%	9.6%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.00	13.39	7.00	2.8%	0.9%	1.9%	1.1%	3.1%	1.5%	3.8%	5.2%
Luhanskteplovoz	LTPL	0.45	n/a	n/a	0.0%	0.0%	-40.0%	0.0%	0.3%	0.6%	-38.1%	4.1%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1924	2939	1856	-1.8%	-1.5%	-0.8%	-2.8%	-1.5%	-0.9%	1.1%	1.3%
Turboatom	TATM	4.00	n/a	n/a	-33.3%	-11.1%	-2.4%	-11.1%	-33.0%	-10.5%	-0.5%	-7.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.21	0.09	0.0%	8.3%	0.0%	8.3%	0.3%	9.0%	1.9%	12.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.13	6.50	2.96	5.9%	-5.3%	-9.9%	-16.5%	6.2%	-4.7%	-8.0%	-12.5%
JKX Oil	JKX	25.25	37.38	12.00	1.0%	-1.9%	-7.3%	-7.3%	1.3%	-1.3%	-5.4%	-3.3%
Ukrnafta	UNAF	160.0	337.6	153.1	0.6%	-5.9%	-3.6%	-9.6%	0.9%	-5.2%	-1.7%	-5.5%
<b>Power Utilities</b>												
Centrenergo	CEEN	4.37	8.50	4.20	-0.9%	1.0%	-3.2%	-4.2%	-0.6%	1.7%	-1.3%	-0.1%
Donbasenergo	DOEN	15.06	33.50	14.40	-1.2%	-2.0%	-0.9%	-4.4%	-0.9%	-1.4%	1.0%	-0.4%
Zakhidenergo	ZAEN	70.0	193.9	52.0	0.0%	-16.7%	-23.1%	-16.7%	0.3%	-16.0%	-21.2%	-12.6%
<b>Consumer</b>												
Agroton	AGT	0.88	1.52	0.88	-1.1%	-3.3%	-16.2%	-12.9%	-0.8%	-2.7%	-14.3%	-8.8%
Astarta	AST	33.00	38.50	21.19	-2.8%	-3.8%	0.0%	-4.3%	-2.5%	-3.2%	1.9%	-0.3%
Avangardo	AVGR	1.00	3.80	0.23	0.0%	-23.1%	-20.0%	-20.0%	0.3%	-22.4%	-18.1%	-15.9%
Industrial Milk Company	IMC	5.88	7.24	4.38	0.0%	3.2%	0.5%	-1.5%	0.3%	3.8%	2.4%	2.6%
Kernel	KER	44.10	55.20	29.40	-3.0%	-5.7%	-4.6%	-8.3%	-2.7%	-5.1%	-2.7%	-4.2%
Mriya Agro Holding	MAYA	n/a	0.60	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	8.00	12.05	7.50	-3.5%	-5.9%	-8.6%	-14.0%	-3.2%	-5.2%	-6.7%	-9.9%
Milkiland	MLK	1.32	3.50	0.89	-7.7%	-14.3%	-12.6%	-7.0%	-7.4%	-13.6%	-10.7%	-3.0%
Ovostar Union	OVO	87.00	93.00	68.00	-3.3%	0.0%	-0.3%	-3.9%	-3.0%	0.6%	1.7%	0.2%
<b>Chemicals</b>												
Stirol	STIR	5.95	n/a	n/a	0.0%	0.0%	41.7%	0.0%	0.3%	0.6%	43.6%	4.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.071	0.114	0.069	-1.1%	-1.3%	-2.5%	-6.2%	-0.8%	-0.6%	-0.6%	-2.2%
UkrSotsbank	USCB	0.096	0.130	0.064	0.0%	0.0%	-2.7%	-2.5%	0.3%	0.6%	-0.8%	1.5%

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		
		2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E
<b>Steel</b>																
Alchevsk Steel	ALMK	1,254	527	517	248	-50	-54	19.7%	-9.6%	-10.5%	na	-115	-110	na	-21.8%	-21.4%
Enakievo Steel	ENMZ	916	642	482	6	18	13	0.6%	2.8%	2.6%	-33	-37	-42	-3.6%	-5.7%	-8.7%
Azovstal	AZST	1,885	1,157	868	183	70	45	9.7%	6.0%	5.1%	77	-38	-40	4.1%	-3.3%	-4.6%
<b>Coke</b>																
Avdyivka Coke	AVDK	533	294	258	-60	31	27	na	10.7%	10.5%	-67	4	1	-12.5%	1.3%	0.5%
Yasynivsky Coking	YASK	162	83	66	-12	-9	-10	-7.3%	na	-15.8%	-19	-11	-11	-11.5%	-13.9%	-17.0%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	523	307	223	261	164	118	49.9%	53.5%	53.0%	64	-1	-7	12.3%	-0.4%	-3.3%
Pivnichny GOK	SGOK	1,048	615	447	571	251	140	54.5%	40.8%	31.3%	129	-2	-15	12.3%	-0.4%	-3.3%
Ferrexpo	FXPO	1,388	953	727	496	243	65	35.8%	25.5%	8.9%	184	116	-29	13.2%	12.1%	-3.9%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	193	92	75	43	18	12	22.6%	19.3%	15.8%	23	2	1	11.7%	2.0%	1.1%
<b>Railcar Manufacturing</b>																
Kryukiv Wagon	KVBZ	179	41	46	-17	-4	-4	-9.3%	-9.3%	-7.7%	-22	-9	-4	-12.3%	-22.2%	-9.1%
<b>Specialized Machinery</b>																
Turboatom	TATM	164	115	83	73	39	29	44.6%	34.0%	35.0%	53	23	17	32.4%	20.0%	20.0%
Motor Sich	MSICH	879	636	630	342	218	191	38.9%	34.3%	30.3%	129	92	75	14.7%	14.5%	11.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	412	254	207	85	72	58	20.6%	28.5%	28.0%	18	9	4	4.4%	3.6%	2.0%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	2,324	1,336	963	380	521	373	16.4%	39.0%	38.8%	105	253	166	4.5%	19.0%	17.2%
Regal Petroleum	RPT	37	35	22	-146	15	10	na	44.5%	45.5%	-127	6	-1	na	16.6%	-4.5%
JKX Oil	JKX	146	150	120	69	70	55	46.9%	46.7%	45.8%	-80	5	2	-54.4%	3.3%	1.7%
<b>Electric Utilities</b>																
Centrenergo	CEEN	630	323	353	26	13	12	4.1%	4.1%	3.5%	6	5	10	0.9%	1.4%	2.9%
Donbasenergo	DOEN	458	190	178	20	-12	6	4.4%	-6.5%	3.5%	8	-16	2	1.8%	-8.5%	1.2%
<b>Consumer</b>																
MHP	MHPC	1,379	1,131	1,290	510	455	450	37.0%	40.2%	34.9%	-412	-81	211	-29.9%	-7.2%	16.4%
Kernel	KER	2,393	2,330	2,382	223	397	345	9.3%	17.0%	14.5%	-107	101	182	-4.5%	4.3%	7.6%
Astarta	AST	468	360	385	159	102	114	34.0%	28.2%	29.6%	-90	-12	19	-19.3%	-3.4%	4.9%
Avangardco	AVGR	420	na	na	129	na	na	30.9%	na	na	-27	na	na	-6.4%	na	na
Ovostar	OVO	75	na	na	29	na	na	38.9%	na	na	26	na	na	34.5%	na	na
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	2,869	1,992	2,302	390	296	318	327	217	216	-87	-115	33	-22.2%	-38.9%	10.4%
Ukrsotsbank	USCB	2,730	1,833	1,976	518	333	278	150	86	77	-42	-415	-50	-8.0%	-124.4%	-17.9%

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		
				2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E			
<b>Steel</b>																		
Alchevsk Steel	ALMK	12	3.9%	0	2,627	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.1	679	633	615	\$/tonne
Yenakievo Steel	ENMZ	6	8.8%	0	219	neg	neg	neg	>30	12.4	17.6	0.2	0.3	0.5	80	76	75	\$/tonne
Azovstal	AZST	67	3.0%	2	30	0.9	neg	neg	0.2	0.4	0.7	0.0	0.0	0.0	7	7	7	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	8	6.8%	1	7	neg	2.1	6.4	neg	0.2	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Yasynivsky Coke	YASK	2	9.0%	0	2	neg	neg	neg	neg	neg	neg	0.0	0.0	0.0	n/a	n/a	n/a	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	214	0.3%	1	213	3.3	neg	neg	0.8	1.3	1.8	0.4	0.7	1.0				
Pivnichny GOK	SGOK	305	0.4%	1	298	2.4	neg	neg	0.5	1.2	2.1	0.3	0.5	0.7				
Ferrexpo	FXPO	159	24.0%	38	1,176	0.9	1.4	neg	2.4	4.8	18.2	0.8	1.2	1.6				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	20	2.0%	0	66	0.9	10.9	24.2	1.5	3.7	5.6	0.3	0.7	0.9	165	219	263	\$/tonne
<b>Railcar Manufacturing</b>																		
Krukiv Wagon	KVBZ	37	5.0%	2	31	neg	neg	neg	neg	neg	neg	0.2	0.8	0.7				
<b>Specialized Machinery</b>																		
Turboatom	TATM	60	5.8%	3	30	1.1	2.6	3.6	0.4	0.8	1.0	0.2	0.3	0.4				
Motor Sich	MSICH	163	24.0%	39	167	1.3	1.8	2.2	0.5	0.8	0.9	0.2	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	99	7.2%	7	190	5.4	10.7	23.8	2.2	2.6	3.3	0.5	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	353	3.0%	11	346	3.3	1.4	2.1	0.9	0.7	0.9	0.1	0.3	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	14	21.6%	3	-11	neg	2.5	neg	neg	-0.7	-1.1	-0.3	-0.3	-0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	62	50.4%	31	170	neg	12.4	>30	2.5	2.4	3.1	1.2	1.1	1.4	31	23	23	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	66	21.7%	14	48	11.2	14.2	6.3	1.9	3.7	3.9	0.1	0.2	0.1	3	3	3	\$/MWh
DonbasEnerg	DOEN	14	14.2%	2	30	1.7	neg	7.0	1.5	neg	4.9	0.1	0.2	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	845	34.1%	288	1,951	neg	neg	4.0	3.8	4.3	4.3	1.4	1.7	1.5				
Kernel	KER	858	61.8%	530	1,239	neg	8.5	4.7	5.6	3.1	3.6	0.5	0.5	0.5				
Astarta	AST	201	37.0%	75	405	neg	neg	10.8	2.5	4.0	3.5	0.9	1.1	1.1				
Avangardco	AVGR	64	22.5%	14	362	neg	n/a	n/a	2.8	n/a	n/a	0.9	n/a	n/a	82	62	59	\$/mneggs
Ovostar	OVO	127	25.0%	32	135	4.9	n/a	n/a	4.6	n/a	n/a	1.8	n/a	n/a	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	177	1.8%	3		neg	neg	5.3	0.5	0.6	0.6	0.06	0.09	0.08				
Ukrsotsbank	USCB	303	0.2%	1		>30	>30	>30	0.8	0.9	1.1	0.12	0.17	0.16				

Source: Eavex Research

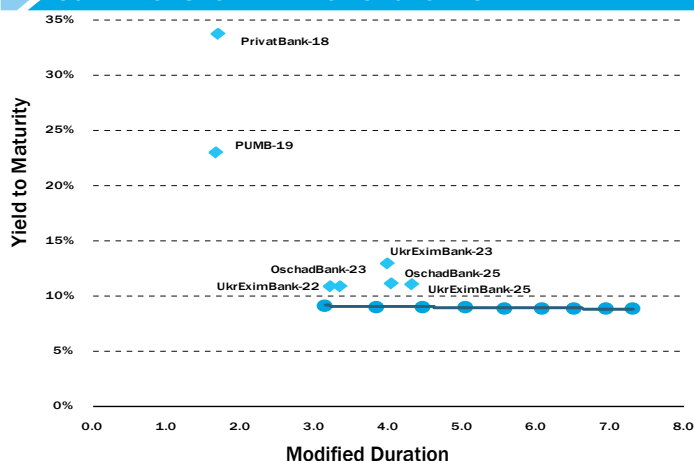
UKRAINIAN EUROBONDS

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	93.8	94.8	9.8%	9.5%	0.7%	3.0	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	92.8	93.6	9.7%	9.5%	0.7%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	91.8	92.8	9.7%	9.4%	0.7%	4.3	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	91.0	92.0	9.6%	9.4%	1.0%	4.8	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	90.5	91.5	9.5%	9.3%	1.5%	5.4	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	89.5	90.5	9.6%	9.4%	1.3%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	89.0	90.0	9.5%	9.3%	1.3%	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	89.0	90.0	9.4%	9.2%	2.1%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	88.5	89.5	9.4%	9.2%	2.2%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	39.0	40.0	n/a	n/a	-3.1%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	110.0%	93.3%	0.0%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	85.5	86.6	12.8%	12.4%	-1.5%	3.3	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	47.1	49.8	43.0%	40.4%	-5.1%	2.1	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	49.5	49.5	51.5%	51.5%	-1.0%	1.4	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	11.0	14.0	n/a	n/a	0.0%	0.0	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	-22.0%	1.0	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	41.0	44.0	63.9%	59.1%	2.4%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	41.0	44.0	58.9%	54.4%	-4.5%	1.5	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	48.4	54.6	n/a	n/a	-9.2%	0.0	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	44.1	46.3	62.6%	59.0%	-0.3%	0.5	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	43.4	43.4	58.8%	58.8%	-2.6%	1.4	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	53.4	56.7	35.9%	33.3%	0.7%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	43.4	43.4	58.8%	58.8%	-2.9%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	85.0	86.8	17.6%	16.5%	-0.4%	1.9	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	30.0	35.0	141.1%	119.6%	8.3%	0.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	66.0	67.7	38.9%	37.3%	-7.1%	0.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	7.4	10.4	174.4%	139.5%	-3.4%	1.1	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	72.8	75.9	24.2%	22.4%	0.2%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	4.0	10.3	n/a	n/a	-2.3%	0.0	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	69.0	71.0	32.4%	30.6%	-7.9%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	61.0	63.0	25.0%	24.0%	-7.5%	3.2	11.00%	S/A	09 Feb 2021	220	//
PrivatBank, 2018	65.0	65.0	35.1%	35.1%	-4.5%	1.5	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	88.8	89.8	12.2%	12.0%	-0.4%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.5	75.2	14.1%	13.4%	-0.3%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	86.4	87.4	12.3%	12.1%	-0.5%	4.1	9.75%	S/A	22 Jan 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	87.3	88.4	12.1%	11.8%	-1.3%	3.0	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	86.3	87.4	12.1%	11.9%	-1.0%	3.8	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	83.1	84.6	n/a	n/a	0.3%	n/a	8.00%	S/A	6 Nov 2015	101	//

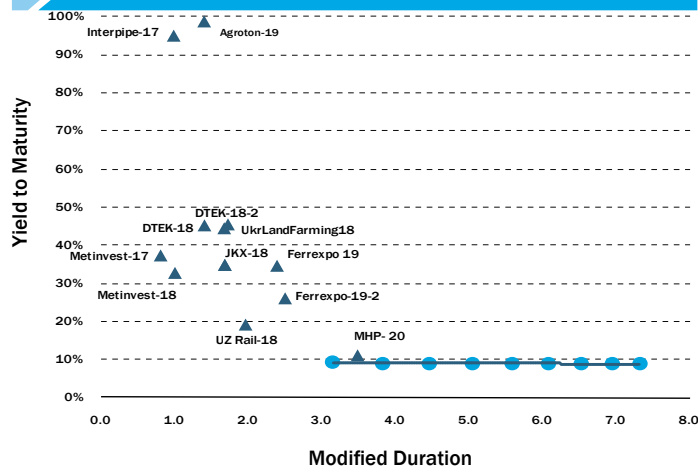
<sup>1</sup> Moody's/S&P/Fitch

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			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

## Eavex Capital

7 Klovsky 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