

**Market Update**

**Equity**

Kyiv-listed stocks gained on Thursday (Jan 21) after news that IMF chief Christine Lagarde expressed a favorable view about the prospects for disbursing Ukraine's latest IMF loan tranche. The UX index rose 1.0% to close at 656 points. All 10 index components finished in the black. Raiffaisen Aval (BAVL) was the top performer, advancing 5.6% to 7.58 kopecks on a single trade. In the electricity sector, CentrEnergO (CEEN) and DonbasEnergO (DOEN) added 1.7% and 2.5% respectively. On the interbank currency market, the hryvnia remained vulnerable, slipping 0.8% against the dollar to close at bid/ask of 24.65/24.80 UAH/USD. The NBU did not intervene in the market to support the currency. In London trading, Ferrexpo (FXPO) was lower by 4.4%, ending at GBP 16.25, and MHP (MHPC) slumped 3.8% back down to USD 7.55 after its recovery earlier this week. Warsaw-listed Kernel (KER) shed 2.4%, approaching the PLN 40 support level, while Astarta (AST) climbed 3.3% to PLN 31.00 after new more favorable MinAgro forecast for 2016 sugar prices.

**Fixed Income**

Ukrainian sovereign bonds were down across the board on Thursday with Ukraine-19s and Ukraine-27s dropping by 1.0p.p. and 1.5p.p. to 93.5/94.5 (9.9%/9.6%) and 88.5/89.5 (9.4%/9.2%), respectively. In the corporate universe, MHP-20s edged down by 0.1p.p. to 85.3/86.6 (12.9%/12.4%) and Ferrexpo-19s declined by 1.4p.p. to 52.1/55.4 (37.1%/34.3%).

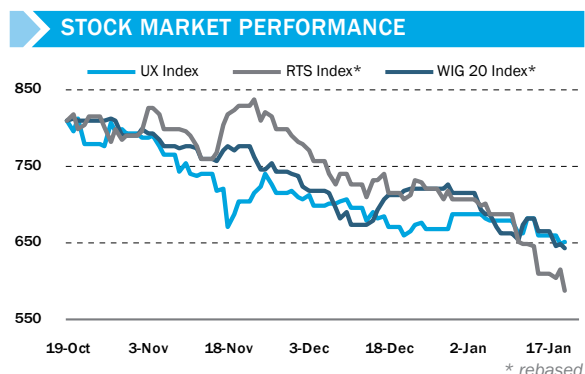
**Highlights**

**POLITICS AND ECONOMICS**

- > Poroshenko Bloc Pushing to Oust Avakov from Interior Ministry
- > Washington Ties USD 1bn Loan Guarantee to Shokin Dismissal; Poroshenko Says Kyiv to Get IMF Tranche "In February"

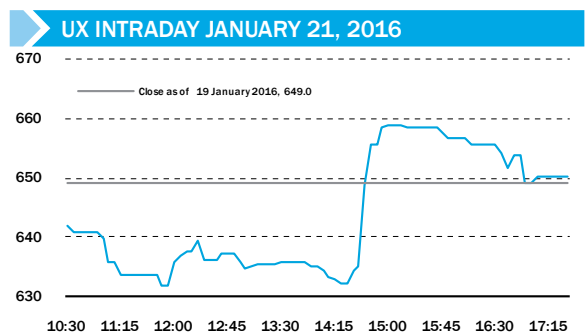
**FIXED INCOME**

- > Metinvest's EBITDA Near Breakeven for Both October & November



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	656.7	1.0%	-0.5%	-4.3%
RTS	632.1	0.6%	-16.7%	-16.5%
WIG20	1683.8	0.6%	-9.8%	-9.4%
MSCI EM	688.5	-0.6%	-13.0%	-13.0%
S&P 500	1869.0	0.5%	-7.5%	-9.4%



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	512.0	-1.4%	12.0%	15.9%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	9.8%	0.5 p.p.	0.1%	2.0%
Ukraine-27	9.3%	0.2 p.p.	-0.3%	1.6%
MHP-20	12.7%	0.0 p.p.	0.6 p.p.	0.5 p.p.
RAILUA-18	17.0%	0.0 p.p.	0.3 p.p.	0.3 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	24.85	1.6%	6.8%	3.4%
EUR	27.03	1.5%	7.0%	2.9%
RUB	0.30	0.4%	-7.4%	-7.6%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	172.5	0.0%	-5.5%	-5.5%
Steel, USD/t	257.5	0.0%	-1.9%	2.0%
Oil, USD/bbl	29.3	4.9%	-20.5%	-20.7%
Gold, USD/oz	1101.2	0.0%	2.1%	3.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Poroshenko Bloc Pushing to Oust Avakov from Interior Ministry

by Will Ritter  
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### NEWS

In a significant political news yesterday (Jan 21), the Ukrayinska Pravda outlet reported that the pro-presidential Poroshenko Bloc has threatened its coalition partner the People's Front with a disbanding of the government and a pre-term parliamentary election unless Interior Minister Arseniy Avakov is removed from his post. The UP article stated that Avakov and General Prosecutor Victor Shokin (who is a presidential appointee) could be fired simultaneously, and that the People's Front could nominate another of its members to replace Avakov. UP wrote that following a December incident at which Avakov broke up a meeting of the National Reforms Council with an outburst of obscenities, Poroshenko has refused to have any communication with Avakov.

### COMMENTARY

Poroshenko and his faction are once again using the threat of an early parliamentary election to try to pressure Prime Minister Yatseniuk into parting ways with one of his closest allies, whose reputation for heavy-handedness and offshore wealth has become a serious liability with Ukraine's Western backers.

However, the same problem remains for the Poroshenko Bloc as previously: an early election could turn out even worse for Poroshenko than for Yatseniuk, who would have 2-3 months to rebrand himself as being in opposition to the President and to re-adopt a populist-nationalist platform that would likely boost his electoral support; Yatseniuk has successfully played this card in the last two parliamentary elections. On the other hand, Avakov may have become such a big problem for the reform movement that Poroshenko has no choice but to take the risk, and hope that the People's Front decides remain on board in the coalition and agree to a new appointment at the Interior Ministry.

## Washington Ties USD 1bn Loan Guarantee to Shokin Dismissal; Poroshenko Says Kyiv to Get IMF Tranche “In February”

by Will Ritter  
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### NEWS

The United States has made a USD 1bn loan guarantee for the Ukrainian government conditional on the firing of General Prosecutor Victor Shokin, the domestic media outlet Zerkalo Nedely reported on Thursday (Jan 21). The news emerged after President Poroshenko met with US Vice President Biden at the World Economic Forum in Switzerland. Poroshenko also met yesterday with IMF chief Christine Lagarde, and stated afterward that Ukraine will receive its next installment of IMF cash sometime in February. The tranche is being held up over concerns about the sustainability of the tax code used in the country's 2016 national budget.

### COMMENTARY

Other than the Zerkalo Nedelya report, no substantive details have been released about Poroshenko's conversations at the WEF with Biden and Lagarde. We assume that the President once again received a lecturing about the steps he needs to take to maintain Western financial support of his government. We think that Poroshenko has been keeping Shokin in his post at the GPU in order to use his dismissal as some kind of bargaining chip, but this strategy may have backfired on him as it has clearly enraged Washington, leading to the ultimatum over the loan guarantees. Shokin appears to have been used by Poroshenko as an instrument for buying time, although exactly for what purpose, it is not obvious to us. Regarding the Minsk peace agreement, we believe that Poroshenko has little to no control over whether Parliament passes the required decentralization laws (he needs the support of 300 out of the chamber's 425 MPs, which looks unattainable), and therefore his discussion with Biden was probably focused on options for maintaining peace in the Donbass in the absence of this step for the foreseeable future. The negotiations with Lagarde may have been a bit simpler, as Poroshenko has more control over the issues surrounding the tax code, and we presume that some type of promises were made to the IMF chief that will allow the latest loan tranche to be unlocked.

## Metinvest's EBITDA Near Breakeven for Both October & November

by Ivan Dzvinka  
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### NEWS

Metinvest, Ukraine's largest metals & mining group, posted negative EBITDA of USD 4mn in November 2015 after a positive result of USD 2mn for October, the company reported in its monthly financial update on Thursday (Jan 21). Net revenue in October and November amounted to USD 530mn and USD 475mn, respectively. In October, the group generated net operating cash flow of USD 6mn and CapEx of USD 32mn. In November, net OCF improved to USD 31mn mainly due to a decrease in trade receivables. Capex fell by 44% MoM to USD 18mn. Total debt was largely unchanged over the period. Debt was USD 2.97bn as of Sept 30, 2.94bn on Oct 31, and USD 2.98bn on Nov 30.

The publication of monthly reports by Metinvest is in line with the terms of its potential "standstill" debt servicing arrangement with bondholders. Bondholders are set to consider an extension of the standstill until late May next week (Jan 27). Metinvest was only required to provide monthly reports starting from December, but in any case decided to release them for Oct-Nov.

### COMMENTARY

Metinvest managed to report a relatively immaterial drop in its EBITDA by USD 6mn for November vs. October. The trend of lower prices for steel products (excluding billets) and iron ore were partially offset by a 34% MoM increase in iron ore concentrate volume sales over the period and optimized operating cash costs; Metinvest benefited from a 6% UAH/USD rate devaluation. The average finished steel products price declined by 15% MoM to USD 364/t and iron ore concentrate and pellet prices were down by 7-9% in November compared to October. While Metinvest's respective achieved prices for pig iron and slab dropped by 11 and 7% MoM in November, its achieved price for billets jumped by 36% MoM despite an insignificant 2% MoM increase in the benchmark price (FOB Black Sea). We attribute the latter phenomenon to the realization of some long-term contract with a fixed price. Overall, we see Metinvest's November results as encouraging given the market conditions, but barring a large devaluation of the hryvnia, we expect a further deterioration in the group's financial results in the early months of 2016.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	41.0	57.20	40%	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	7.5	12.03	61%	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	5.8	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	1.0	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	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	16.3	11.0	-32%	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	47%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.14	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	1815	5250	189%	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	15.3	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	4.31	15.00	248%	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	0.076	0.24	217%	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	656.68	1158.71	631.82	1.0%	-3.4%	-0.5%	-4.3%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.012	0.017	0.010	0.0%	-4.2%	3.6%	3.6%	-1.0%	-0.7%	4.1%	7.9%
Azovstal	AZST	0.38	0.89	0.34	0.8%	-8.7%	-1.3%	-5.5%	-0.2%	-5.3%	-0.8%	-1.2%
Enakievo Steel	ENMZ	14.83	21.93	8.60	1.2%	15.9%	5.2%	5.9%	0.2%	19.4%	5.7%	10.2%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.14	1.67	0.86	3.9%	10.8%	12.1%	3.8%	2.9%	14.2%	12.6%	8.1%
Yasynivsky Coking	YASK	0.24	0.43	0.06	0.0%	4.3%	-27.3%	4.3%	-1.0%	7.8%	-26.8%	8.6%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	4.50	n/a	n/a	0.0%	0.0%	-37.9%	5.6%	-1.0%	3.4%	-37.4%	9.9%
Ferrexpo	FXPO	16.25	80.00	14.00	-4.4%	-17.7%	-12.2%	-24.4%	-5.4%	-14.3%	-11.6%	-20.2%
Pivnichny GOK	SGOK	3.90	9.50	2.20	0.0%	19.9%	-2.5%	-26.4%	-1.0%	23.4%	-2.0%	-22.2%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.23	n/a	n/a	0.0%	0.0%	-8.0%	0.0%	-1.0%	3.4%	-7.5%	4.3%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.19	0.59	0.12	0.0%	0.0%	11.8%	5.6%	-1.0%	3.4%	12.3%	9.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.67	13.39	7.00	0.0%	8.4%	11.2%	9.6%	-1.0%	11.8%	11.7%	13.9%
Luhanskteplovoz	LTPL	0.45	n/a	n/a	0.0%	0.0%	-40.0%	0.0%	-1.0%	3.4%	-39.5%	4.3%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1815	2939	1790	0.8%	-7.6%	-6.4%	-8.3%	-0.2%	-4.2%	-5.9%	-4.0%
Turboatom	TATM	6.00	n/a	n/a	0.0%	33.3%	46.3%	33.3%	-1.0%	36.8%	46.9%	37.6%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.21	0.09	0.0%	22.7%	22.7%	32.9%	-1.0%	26.1%	23.2%	37.2%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.13	6.50	2.96	0.0%	5.9%	-7.9%	-16.5%	-1.0%	9.4%	-7.4%	-12.3%
JKX Oil	JKX	25.50	37.38	12.00	4.1%	0.0%	-6.4%	-6.4%	3.1%	3.4%	-5.9%	-2.2%
Ukrnafta	UNAF	162.0	337.6	153.1	0.1%	-5.8%	2.6%	-8.5%	-0.9%	-2.4%	3.1%	-4.2%
<b>Power Utilities</b>												
Centrenergo	CEEN	4.31	8.50	4.12	1.7%	-3.8%	-4.6%	-5.5%	0.7%	-0.3%	-4.0%	-1.3%
Donbasenergo	DOEN	15.25	32.95	14.40	3.3%	-2.9%	2.3%	-3.2%	2.3%	0.6%	2.9%	1.0%
Zakhidenergo	ZAEN	70.1	193.9	52.0	0.0%	-15.5%	-23.0%	-16.5%	-1.0%	-12.1%	-22.4%	-12.3%
<b>Consumer</b>												
Agroton	AGT	0.80	1.52	0.80	-4.8%	-11.1%	-19.2%	-20.8%	-5.8%	-7.7%	-18.7%	-16.5%
Astarta	AST	31.00	38.50	21.19	3.3%	-8.4%	-4.1%	-10.1%	2.3%	-5.0%	-3.6%	-5.9%
Avangardo	AVGR	1.00	3.80	0.23	0.0%	0.0%	-20.0%	-20.0%	-1.0%	3.4%	-19.5%	-15.7%
Industrial Milk Company	IMC	5.84	7.24	4.38	0.0%	-0.7%	-0.5%	-2.2%	-1.0%	2.8%	0.0%	2.1%
Kernel	KER	41.00	55.20	29.40	-2.4%	-11.8%	-11.8%	-14.8%	-3.4%	-8.4%	-11.2%	-10.5%
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	7.49	12.05	7.49	-4.6%	-9.8%	-16.3%	-19.5%	-5.6%	-6.3%	-15.8%	-15.2%
Milkiland	MLK	1.14	3.50	0.89	-2.6%	-20.3%	-22.4%	-19.7%	-3.6%	-16.8%	-21.9%	-15.5%
Ovostar Union	OVO	89.00	93.00	68.00	2.3%	-1.1%	2.0%	-1.7%	1.3%	2.3%	2.6%	2.6%
<b>Chemicals</b>												
Stirol	STIR	5.95	n/a	n/a	0.0%	0.0%	41.7%	0.0%	-1.0%	3.4%	42.2%	4.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.076	0.114	0.069	5.6%	5.7%	7.8%	0.7%	4.6%	9.2%	8.3%	4.9%
UkrSotsbank	USCB	0.096	0.128	0.064	0.0%	0.0%	-2.7%	-2.5%	-1.0%	3.4%	-2.2%	1.7%

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	247	120	16.4%	18.4%	12.5%	105	161	33	4.5%	12.1%	3.4%
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%	1	220	neg	neg	neg	>30	12.5	17.6	0.2	0.3	0.5	81	76	75	\$/tonne
Azovstal	AZST	64	3.0%	2	28	0.8	neg	neg	0.2	0.4	0.6	0.0	0.0	0.0	6	6	6	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	9	6.8%	1	8	neg	2.3	7.2	neg	0.2	0.3	0.0	0.0	0.0	2	2	2	\$/tonne
Yasynivsky Coke	YASK	3	9.0%	0	3	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	213	0.3%	1	212	3.3	neg	neg	0.8	1.3	1.8	0.4	0.7	1.0				
Pivnichny GOK	SGOK	364	0.4%	1	357	2.8	neg	neg	0.6	1.4	2.6	0.3	0.6	0.8				
Ferrexpo	FXPO	135	24.0%	32	1,152	0.7	1.2	neg	2.3	4.7	17.8	0.8	1.2	1.6				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	20	2.0%	0	66	0.9	10.8	24.1	1.5	3.7	5.6	0.3	0.7	0.9	164	219	263	\$/tonne
<b>Railcar Manufacturing</b>																		
Krukiv Wagon	KVBZ	40	5.0%	2	34	neg	neg	neg	neg	neg	neg	0.2	0.8	0.7				
<b>Specialized Machinery</b>																		
Turboatom	TATM	60	5.8%	3	29	1.1	2.6	3.6	0.4	0.8	1.0	0.2	0.3	0.4				
Motor Sich	MSICH	153	24.0%	37	157	1.2	1.7	2.0	0.5	0.7	0.8	0.2	0.2	0.2				
<b>Telecom</b>																		
Ukrtelecom	UTLM	121	7.2%	9	211	6.7	13.1	29.1	2.5	2.9	3.6	0.5	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	356	3.0%	11	349	3.4	2.2	10.7	0.9	1.4	2.9	0.2	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	171	neg	12.5	>30	2.5	2.4	3.1	1.2	1.1	1.4	31	23	23	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	64	21.7%	14	47	11.0	14.0	6.2	1.8	3.6	3.8	0.1	0.1	0.1	3	3	3	\$/MWh
DonbasEnergO	DOEN	15	14.2%	2	31	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	791	34.1%	270	1,897	neg	neg	3.7	3.7	4.2	4.2	1.4	1.7	1.5				
Kernel	KER	790	61.8%	488	1,171	neg	7.8	4.3	5.3	3.0	3.4	0.5	0.5	0.5				
Astarta	AST	187	37.0%	69	391	neg	neg	10.0	2.5	3.8	3.4	0.8	1.1	1.0				
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	129	25.0%	32	136	5.0	n/a	n/a	4.7	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	189	1.8%	3		neg	neg	5.7	0.5	0.6	0.6	0.07	0.09	0.08				
Ukrsotsbank	USCB	302	0.2%	1		>30	>30	>30	0.8	0.9	1.1	0.12	0.17	0.16				

Source: Eavex Research



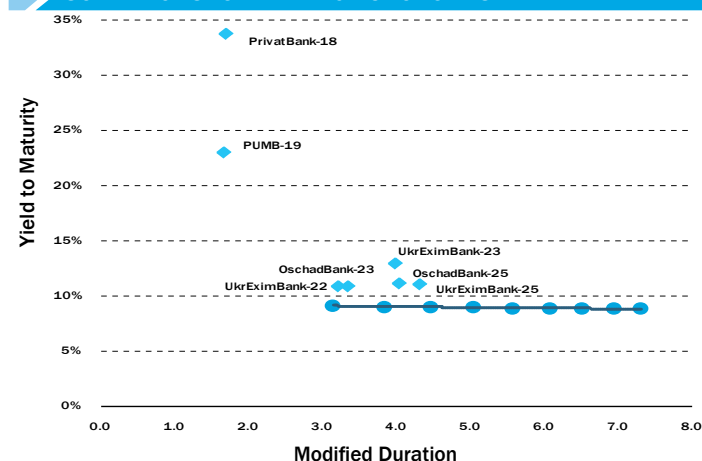
**UKRAINIAN EUROBONDS**

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	93.5	94.5	9.9%	9.6%	0.4%	3.0	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	92.7	93.6	9.8%	9.5%	0.7%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	91.5	92.5	9.8%	9.5%	0.4%	4.3	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	90.8	91.8	9.7%	9.5%	0.7%	4.8	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	90.0	91.0	9.6%	9.4%	1.0%	5.3	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	88.8	89.8	9.5%	9.3%	1.9%	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%	7.0	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	38.5	39.5	n/a	n/a	-4.3%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	110.8%	94.0%	0.0%	1.7	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	85.3	86.6	12.9%	12.4%	-1.6%	3.3	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	47.3	49.9	43.1%	40.5%	-4.9%	2.1	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	45.0	48.0	58.8%	54.4%	-7.0%	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	64.2%	59.4%	2.4%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	41.0	44.0	59.3%	54.7%	-4.5%	1.5	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	43.0	54.1	n/a	n/a	-14.4%	0.0	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	43.3	45.7	64.6%	60.5%	-1.9%	0.5	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	43.0	48.0	60.4%	52.9%	2.3%	1.5	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	52.1	55.4	37.1%	34.3%	-1.7%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	43.0	48.0	60.4%	52.9%	-5.1%	1.5	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	85.1	87.1	17.6%	16.4%	-0.2%	1.9	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	30.0	35.0	143.3%	121.3%	8.3%	0.7	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	66.6	68.6	38.6%	36.8%	-6.1%	0.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	7.4	10.5	176.4%	139.8%	-2.7%	1.5	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	72.2	76.0	24.6%	22.4%	-0.1%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	4.0	10.6	n/a	n/a	0.2%		6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	69.0	71.0	32.5%	30.7%	-7.9%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	61.0	63.0	25.0%	24.1%	-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	88.7	89.5	12.3%	12.0%	-0.6%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.2	75.4	14.2%	13.4%	-0.4%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	86.2	87.1	12.3%	12.1%	-0.8%	4.3	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	87.0	88.2	12.1%	11.9%	-1.6%		8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	86.5	87.4	12.1%	11.9%	-0.8%	3.8	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.8	84.6	n/a	n/a	0.2%	n/a	8.00%	S/A	6 Nov 2015	101	//

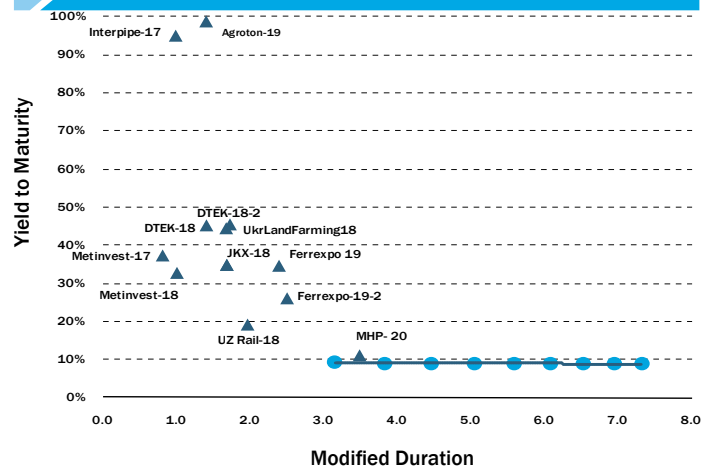
<sup>1</sup> Moody's/S&P/Fitch

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

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