

Market Update

Equity

Kyiv-listed stocks declined again on Thursday (Jan 28) on news that the NBU lowered its forecast for Ukraine's GDP growth for 2016 from 2.4% to 1.1%, while leaving the inflation forecast at 12%. The central bank said that low global commodity prices were among key factors for a slower economic recovery. The UX index shed 1.0% to end at 632 points. UkrNafta (UNAF) was among the hardest-hit blue chips, losing 5.1% to UAH 153 per share after information that the State Enforcement Service has arrested 600 accounts of the company to collect a minor debt of just UAH 4mn in favor of Kyiv-based firm InterBusinessConsult. There were no details or official comments on the issue. In the steel sector, Azovstal (AZST) fell 5.3% to 34.20 kopecks. On the upside, Raiffeisen Aval (BAVL) regained 2.2% to get back above the 7-kopeck level. On the currency front, the hryvnia was once again weak, giving up 1.2% to bid/ask of 25.15/25.25 UAH/USD. In London, there was a major news regarding JKC Oil&Gas (JKX), where shareholders led by industrialist Igor Kolomoyskiy succeeded in replacing the company's management. Nevertheless, the stock did not react much, edging down 1.9% to GBP 25.75. Ferrexpo (FXPO) ended the day 2.9% lower. Warsaw-listed Astarta (AST) jumped by 9.7% to PLN 31.95 on expectations that the company will post strong financials for FY15, and Kernel (KER) climbed 2.8% to PLN 44.40.

Fixed Income

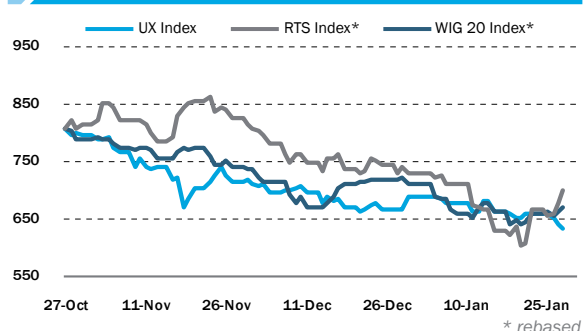
Ukrainian sovereign Eurobonds saw some firm gains on Thursday, with Ukraine-19s and Ukraine-27s rising by 0.8p.p. and 1.3p.p. to 94.0/95.0 (9.8%/9.4%) and 88.8/89.8 (9.4%/9.2%), respectively. In corporate papers, Avangard-18s declined by 1.0p.p. to 45.0/48.0 (45.6%/42.6%) and Metinvest-18s dropped by 1.5p.p., closing at 40.0/44.0 (66.3%/59.4%).

Highlights

POLITICS AND ECONOMICS

- > EU Court Drops Sanctions on Azarov, Arbutov
- > NBU Retains Key Interest Rate at 22%

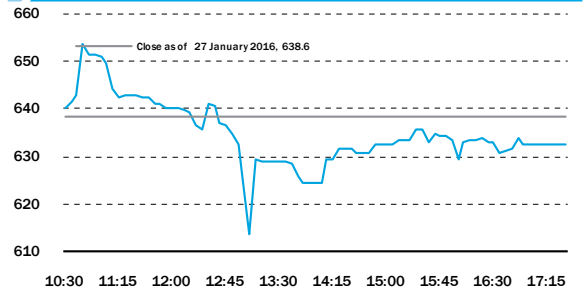
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	632.4	-1.0%	-5.1%	-7.8%
RTS	727.1	3.2%	-3.8%	-4.0%
WIG20	1755.4	1.5%	-6.4%	-5.6%
MSCI EM	722.2	0.9%	-9.8%	-8.7%
S&P 500	1893.4	0.6%	-7.9%	-8.2%

UX INTRADAY JANUARY 28, 2016



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	490.3	-0.8%	9.0%	11.0%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	9.6%	0.0 p.p.	-0.1%	1.8%
Ukraine-27	9.3%	-0.2 p.p.	-0.3%	1.5%
MHP-20	12.7%	0.0 p.p.	0.6 p.p.	0.6 p.p.
RAILUA-18	17.7%	-0.1 p.p.	1.1 p.p.	1.0 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	25.15	0.8%	7.1%	4.7%
EUR	27.51	1.2%	6.8%	4.7%
RUB	0.33	2.9%	1.4%	0.8%

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%	2.0%	2.0%
Oil, USD/bbl	33.9	2.4%	-8.7%	-8.1%
Gold, USD/oz	1115.3	-0.9%	4.3%	5.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

EU Court Drops Sanctions on Azarov, Arbuzov

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

NEWS

A European Union court in Luxembourg handed down a ruling yesterday (Jan 28) to drop the asset freezes that had been imposed in March 2014 on former prime minister Nikolaiy Azarov and former National Bank (NBU) governor Serhiy Arbuzov. Also benefiting from the ruling were Azarov's son Alexey, ex-MP Serhiy Kluyev, and former Energy Minister Edward Stavyskiy. The elder Azarov, Arbuzov, and Stavyskiy were all serving in the Cabinet of former President Yanukovich during the period of the EuroMaidan protests two years ago. The EU court cited a lack of specifics in Kyiv's original request for sanctions, as well as the Ukrainian justice system's refusal to pursue criminal charges against all of these individuals as the basis for cancelling the sanctions.

COMMENTARY

There are two obvious angles from which to view this ruling. The first is that clearly, despite populist statements heard from Ukrainian politicians on a daily basis, merely having acted as an official in the Yanukovich regime does not provide sufficient grounds in the Western legal system for personal sanctions. Attempts at politically-motivated justice have served Ukraine poorly in the past; what is needed today is nothing more or less than hard evidence of criminal embezzlement and bribe-taking. The EU decision shows that the Ukrainian style of "corruption fighting", i.e., of publicizing accusations but failing to back them up with legal arguments, is a dead end in terms of leading to any actual punishment, and only perpetuates the existing system of corruption. The second angle is the question of why General Prosecutor Victor Shokin (and by extension, his boss President Poroshenko) refused to pursue a tougher course against the officials in question: did they lack evidence, did they consider Azarov and Arbuzov lower-priority figures than others accused of crimes in the Yanukovich administration, or did they make a behind-the-scenes deal with the former officials on leniency? We note that the heavyweight offenders from the Yanukovich administration suspected of instigating the murders of protesters, Andrey Kluyev and Vitaliy Zaxarchenko, remain under EU sanctions.

NBU Retains Key Interest Rate at 22%

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

The board of the National Bank of Ukraine (NBU) at a meeting on Thursday (Jan 28) decided to keep its refinancing rate at 22% per annum, the central bank said in a press release. Commenting on the issue, the NBU said that maintaining the current monetary and credit policy would mitigate risks for price instability amid turbulence on global financial markets.

The NBU also announced that its forecast for growth of the monetary base in 2016 has been revised downwards from 17.2% to 8.3%.

The most recent change in the NBU key interest rate was in Sept 2015 when it was cut from 27% to 22%. Previously, the rate had peaked at 30% from Mar 2015 to Aug 2015 after being hiked from 19.5% during the Feb 2015 currency panic. In 2012, prior to Ukraine's political upheaval, the key interest rate was at 7.5%.

COMMENTARY

Our expectation is that the NBU will start to lower the interest rate after the next IMF tranche arrives (likely within the next month). Meanwhile, Ukraine's financial system is quite vulnerable to uncertainty about whether the economy is really improving. Although the NBU key interest rate remained at 22%, yields for domestic UAH sovereign bonds with maturity in 2019 are trading at bid/ask of 21.00%/19.50%, signaling that the market is expecting an interest rate cut in the near term. We are expecting the NBU to cut the rate in March by 200 bps to 20.00%. By the end of 2016, we believe the NBU interest rate will decline to 15%.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	44.4	57.20	29%	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	32.0	36.1	13%	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	1.2	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	93.0	80.8	-13%	U/R	Ovostar managed to increase its EBITDA by 15% YoY to USD 24mn in 9M15, as a drop in devaluation-driven egg pricing in USD terms was offset by strong growth in output, rising export sales, and high hryvnia egg inflation (+60% YoY in 9M15).
Iron Ore						
Ferrexpo	FXPO LN	17.0	11.0	-35%	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.
Steel						
Azovstal	AZST	0.34	0.56	63%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.11	U/R	--	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbass separatist-occupied territory, and the plant has been experiencing periodic artillery shelling since August 2014. However, the company continues to operate, albeit at reduced capacity.
Specialized Machinery						
Motor Sich	MSICH	1767	5250	197%	BUY	Motor Sich should see its revenue grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	2.9	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.
Power Utilities						
DonbasEnerg	DOEN	14.7	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	4.29	15.00	250%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.071	0.24	236%	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	632.44	1158.71	613.85	-1.0%	-3.7%	-5.1%	-7.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.012	0.017	0.010	-3.2%	4.3%	12.1%	8.1%	-2.3%	8.0%	17.3%	15.9%
Azovstal	AZST	0.34	0.89	0.33	-5.5%	-9.5%	-8.3%	-14.5%	-4.6%	-5.8%	-3.2%	-6.7%
Enakievo Steel	ENMZ	13.43	20.82	8.60	4.9%	-9.4%	-0.7%	-4.1%	5.9%	-5.7%	4.5%	3.7%
Coke												
Avdyivka Coke	AVDK	1.11	1.67	0.86	-2.5%	-2.9%	5.7%	0.8%	-1.5%	0.8%	10.9%	8.6%
Yasnyivsky Coking	YASK	0.18	0.43	0.06	-25.0%	-25.0%	-21.7%	-21.7%	-24.0%	-21.3%	-16.6%	-14.0%
Iron Ore Mining												
Centralny GOK	CGOK	4.00	n/a	n/a	0.0%	-11.1%	-44.8%	-6.1%	1.0%	-7.4%	-39.7%	1.7%
Ferrexpo	FXPO	17.00	80.00	14.00	-2.9%	4.6%	-15.0%	-20.9%	-1.9%	8.3%	-9.9%	-13.1%
Pivnichny GOK	SGOK	3.25	9.50	2.20	0.0%	-16.6%	-21.9%	-38.7%	1.0%	-13.0%	-16.7%	-30.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.23	n/a	n/a	0.0%	0.0%	0.0%	0.0%	1.0%	3.7%	5.1%	7.8%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.12	0.59	0.07	50.0%	-36.8%	-33.3%	-33.3%	51.0%	-33.2%	-28.2%	-25.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	7.70	13.39	6.82	6.2%	-11.2%	3.4%	-2.7%	7.2%	-7.5%	8.5%	5.1%
Luhanskteplovoz	LTPL	0.45	n/a	n/a	0.0%	0.0%	-25.0%	0.0%	1.0%	3.7%	-19.9%	7.8%
Specialized Machinery												
Motor Sich	MSICH	1767	2939	1755	-0.6%	-2.6%	-10.1%	-10.7%	0.4%	1.0%	-5.0%	-2.9%
Turboatom	TATM	6.00	n/a	n/a	-7.7%	0.0%	33.3%	33.3%	-6.7%	3.7%	38.5%	41.1%
Telecom												
Ukrtelecom	UTLM	0.12	0.21	0.09	0.0%	-24.8%	0.0%	0.0%	1.0%	-21.1%	5.1%	7.8%
Oil & Gas												
Regal Petroleum	RPT	2.91	6.50	2.91	0.0%	-7.2%	-29.1%	-22.5%	1.0%	-3.5%	-24.0%	-14.7%
JKX Oil	JKX	25.75	37.38	12.75	-1.9%	1.0%	-5.5%	-5.5%	-0.9%	4.7%	-0.4%	2.3%
Ukrnafta	UNAF	152.9	337.6	140.0	-5.1%	-5.6%	-11.3%	-13.6%	-4.1%	-1.9%	-6.2%	-5.8%
Power Utilities												
Centrenergo	CEEN	4.29	8.50	4.12	-1.8%	-0.4%	-6.6%	-5.9%	-0.8%	3.3%	-1.5%	1.9%
Donbasenergo	DOEN	14.73	32.68	13.90	-0.3%	-3.4%	1.4%	-6.5%	0.7%	0.3%	6.5%	1.3%
Zakhidenergo	ZAEN	70.1	193.9	52.0	0.0%	0.0%	-4.0%	-16.5%	1.0%	3.7%	1.2%	-8.8%
Consumer												
Agroton	AGT	0.81	1.52	0.80	0.0%	1.3%	-18.2%	-19.8%	1.0%	4.9%	-13.0%	-12.0%
Astarta	AST	31.97	38.50	21.19	9.7%	3.1%	-3.1%	-7.3%	10.6%	6.8%	2.1%	0.5%
Avangardo	AVGR	1.20	3.80	0.23	0.0%	20.0%	-4.0%	-4.0%	1.0%	23.7%	1.1%	3.8%
Industrial Milk Company	IMC	5.87	7.24	4.38	0.2%	0.5%	-0.2%	-1.7%	1.1%	4.2%	5.0%	6.1%
Kernel	KER	44.39	55.20	29.40	2.8%	8.3%	-5.1%	-7.7%	3.8%	12.0%	0.0%	0.1%
Mriya Agro Holding	MAYA	n/a	0.57	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	8.00	12.05	7.28	0.0%	6.8%	-8.0%	-14.0%	1.0%	10.5%	-2.9%	-6.2%
Milkiland	MLK	1.18	3.50	0.89	0.0%	3.5%	-19.7%	-16.9%	1.0%	7.2%	-14.6%	-9.1%
Ovostar Union	OVO	93.00	93.00	68.00	0.0%	4.5%	6.9%	2.8%	1.0%	8.2%	12.0%	10.6%
Chemicals												
Stirol	STIR	3.50	n/a	n/a	-41.2%	-41.2%	-41.2%	-41.2%	-40.2%	-37.5%	-36.0%	-33.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.071	0.114	0.069	2.3%	-5.8%	-2.9%	-5.2%	3.3%	-2.1%	2.3%	2.6%
UkrSotsbank	USCB	0.066	0.118	0.064	-17.4%	-31.5%	-37.1%	-33.2%	-16.4%	-27.8%	-32.0%	-25.4%

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
Steel																
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%
Coke																
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%
Iron Ore Mining																
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%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	193	92	75	43	18	12	22.6%	19.3%	15.8%	23	2	1	11.7%	2.0%	1.1%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	179	41	46	-17	-4	-4	-9.3%	-9.3%	-7.7%	-22	-9	-4	-12.3%	-22.2%	-9.1%
Specialized Machinery																
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%
Telecom																
Ukrtelecom	UTLM	412	254	207	85	72	58	20.6%	28.5%	28.0%	18	9	4	4.4%	3.6%	2.0%
Oil & Gas																
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%
Electric Utilities																
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%
Consumer																
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
Banks																
		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			
Steel																		
Alchevsk Steel	ALMK	12	3.9%	0	2,628	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	220	neg	neg	neg	>30	12.4	17.6	0.2	0.3	0.5	80	76	75	\$/tonne
Azovstal	AZST	57	3.0%	2	21	0.7	neg	neg	0.1	0.3	0.5	0.0	0.0	0.0	5	5	5	\$/tonne
Coke																		
Avdivivka Coke	AVDK	9	6.8%	1	7	neg	2.2	6.9	neg	0.2	0.3	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
Iron Ore Mining																		
Centralny GOK	CGOK	186	0.3%	0	185	2.9	neg	neg	0.7	1.1	1.6	0.4	0.6	0.8				
Pivnichny GOK	SGOK	298	0.4%	1	291	2.3	neg	neg	0.5	1.2	2.1	0.3	0.5	0.7				
Ferrexpo	FXPO	143	24.0%	34	1,160	0.8	1.2	neg	2.3	4.8	17.9	0.8	1.2	1.6				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	12	2.0%	0	58	0.5	6.7	14.9	1.3	3.3	4.9	0.3	0.6	0.8	145	194	233	\$/tonne
Railcar Manufacturing																		
Krukiv Wagon	KVBZ	35	5.0%	2	29	neg	neg	neg	neg	neg	neg	0.2	0.7	0.6				
Specialized Machinery																		
Turboatom	TATM	59	5.8%	3	28	1.1	2.6	3.5	0.4	0.7	1.0	0.2	0.2	0.3				
Motor Sich	MSICH	146	24.0%	35	150	1.1	1.6	2.0	0.4	0.7	0.8	0.2	0.2	0.2				
Telecom																		
Ukrtelecom	UTLM	89	7.2%	6	180	4.9	9.7	21.5	2.1	2.5	3.1	0.4	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	330	3.0%	10	323	3.1	2.0	9.9	0.9	1.3	2.7	0.1	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	13	21.6%	3	-12	neg	2.3	neg	neg	-0.8	-1.2	-0.3	-0.3	-0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	64	50.4%	32	172	neg	12.7	>30	2.5	2.5	3.1	1.2	1.1	1.4	31	24	23	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	63	21.7%	14	46	10.7	13.7	6.1	1.8	3.5	3.7	0.1	0.1	0.1	3	3	3	\$/MWh
DonbasEnergO	DOEN	14	14.2%	2	30	1.6	neg	6.7	1.5	neg	4.8	0.1	0.2	0.2	4	4	4	\$/MWh
Consumer																		
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	866	61.8%	535	1,247	neg	8.6	4.8	5.6	3.1	3.6	0.5	0.5	0.5				
Astarta	AST	196	37.0%	72	399	neg	neg	10.5	2.5	3.9	3.5	0.9	1.1	1.0				
Avangardco	AVGR	77	22.5%	17	374	neg	n/a	n/a	2.9	n/a	n/a	0.9	n/a	n/a	85	64	61	\$/mneggs
Ovostar	OVO	137	25.0%	34	144	5.3	n/a	n/a	4.9	n/a	n/a	1.9	n/a	n/a	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	175	1.8%	3		neg	neg	5.3	0.4	0.6	0.5	0.06	0.09	0.08				
Ukrsotsbank	USCB	203	0.2%	0		>30	>30	>30	0.5	0.6	0.7	0.12	0.17	0.16				

Source: Eavex Research

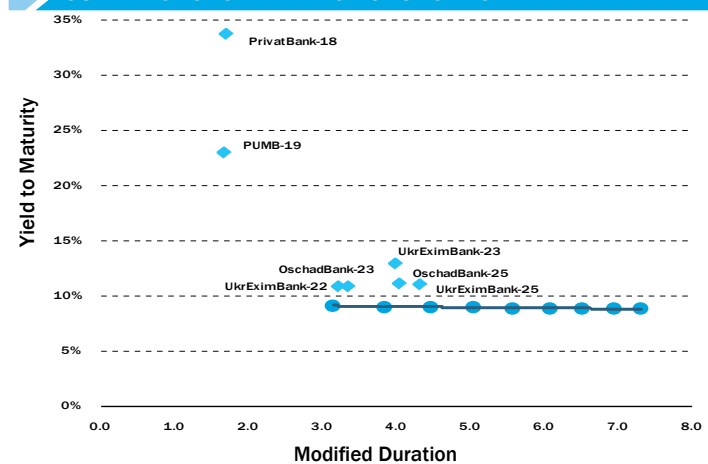
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2019	94.0	95.0	9.8%	9.4%	0.9%	2.9	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	93.0	93.8	9.7%	9.4%	1.0%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	92.0	93.0	9.6%	9.4%	1.0%	4.2	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%	5.3	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	90.0	91.0	9.5%	9.3%	1.8%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	89.5	90.5	9.4%	9.3%	1.8%	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	89.0	90.0	9.4%	9.3%	2.1%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	88.8	89.8	9.4%	9.2%	2.4%	7.0	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	36.5	38.0	n/a	n/a	-8.6%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
Corporate Eurobonds											
Agroton, 2019	10.0	13.0	111.8%	94.8%	0.0%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	85.3	86.5	12.9%	12.5%	-1.7%	3.2	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	45.0	48.0	45.6%	42.6%	-8.9%	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	-4.0%	1.1	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	40.0	44.0	66.3%	59.7%	1.2%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	41.0	44.0	59.7%	55.0%	-4.5%	1.5	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	42.0	44.5	n/a	n/a	-23.7%		10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	41.9	44.4	67.9%	63.4%	-4.8%	0.4	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	40.0	44.0	66.3%	59.4%	-5.6%	1.4	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	53.1	56.1	36.4%	33.9%	-0.2%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	40.0	44.0	66.3%	59.4%	-3.9%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	84.0	86.0	18.3%	17.1%	-1.5%	1.9	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	30.0	35.0	146.1%	123.5%	8.3%	0.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.7	79.7	36.0%	27.9%	3.7%	0.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	7.3	10.8	146.4%	118.3%	-2.0%	1.5	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	72.7	79.1	24.3%	20.7%	2.4%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	3.0	9.3	n/a	n/a	-15.6%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	69.0	71.0	32.7%	30.9%	-7.9%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	61.0	63.0	25.1%	24.1%	-7.5%	3.2	11.00%	S/A	09 Feb 2021	220	//
PrivatBank, 2018	65.0	68.0	36.2%	33.4%	-2.2%	1.5	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	87.6	88.6	12.5%	12.3%	-1.7%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	73.5	75.9	13.9%	13.3%	0.8%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	85.2	86.3	12.5%	12.3%	-1.8%	4.2	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	86.6	87.8	12.3%	12.0%	-2.1%	3.0	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	84.9	86.1	12.4%	12.2%	-2.6%	3.8	8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	82.8	84.5	n/a	n/a	0.2%	n/a	8.00%	S/A	6 Nov 2015	101	//

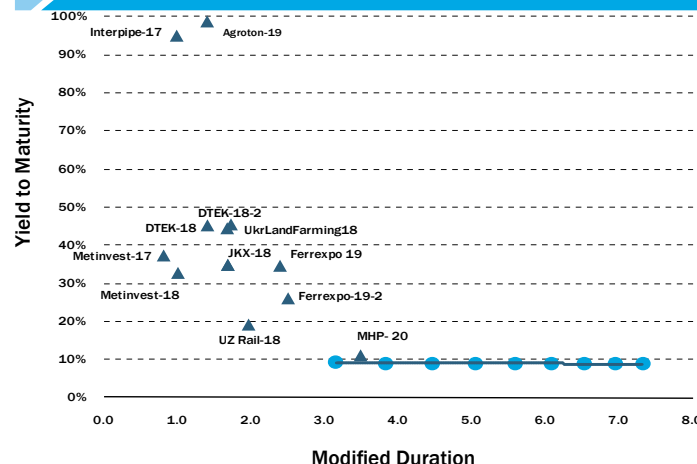
¹ Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn UAH
UAH denominated Bonds									
UA4000142665			20%	19%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
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 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