

**Market Update**

**Equity**

Kyiv-listed stocks ended mostly higher on Friday (Feb 12) amid a firm rebound on global equity markets. The UX index climbed 0.6% to close at 622 points. CentrErgo (CEEN) led the growth, advancing 2.9% to UAH 4.46 per share. UkrNafta (UNAF) edged up 0.9% to UAH 152 after the government restored one of the company's three previously suspended extraction licenses. On the downside, Motor Sich (MSICH) slipped 0.5% to UAH 1696. On the currency market, the hryvnia fell substantially, losing 1.9% against the dollar to bid/ask of 26.35/26.60 UAH/USD in interbank trading. The fall would have been even steeper if not for direct interventions by the NBU, with demand for hard currency on the rise. In London trading, poultry giant MHP (MHPC) slid 6.3% back to USD 7.50. Warsaw-listed Kernel (KER) was little-changed near PLN 44.53 while Astarta (AST) rose 3.4% to PLN 30.00.

**Fixed Income**

Ukraine's sovereign Eurobonds were notably higher on Friday with both Ukraine-19s and Ukraine-27s rising by 1.5p.p. to close at 91.3/92.3 (10.8%/10.4%) and 85.0/86.0 (10.0%/9.8%), respectively. In corporate issues, UkrLandFarming-18s improved by 3.5p.p. to 30.0/43.0 (90.7%/63.4%) while DTEK-18s declined by 0.5p.p., ending at 40.0/42.0 (67.5%/64.0%).

**Highlights**

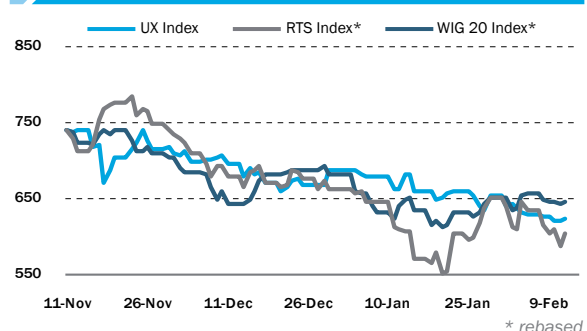
**POLITICS AND ECONOMICS**

- > Soros Floats Possibility of Pre-Term Presidential Election

**STOCKS IN THE NEWS**

- > Gov't Approves Kernel's Claim to Creativ's Processing Facilities

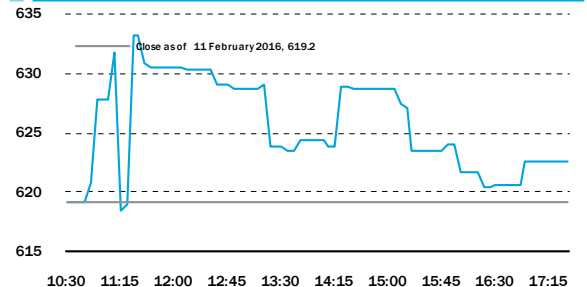
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	622.6	0.5%	-5.9%	-9.2%
RTS	689.9	2.8%	-0.8%	-8.9%
WIG20	1765.5	0.4%	0.9%	-5.0%
MSCI EM	711.2	-0.3%	-1.7%	-10.1%
S&P 500	1864.8	2.0%	-3.8%	-9.6%

**UX INTRADAY FEBRUARY 12, 2016**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	525.4	-2.4%	9.2%	18.9%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	10.6%	0.2 p.p.	1.7%	2.9%
Ukraine-27	9.9%	-0.2 p.p.	1.0%	2.1%
MHP-20	13.6%	0.0 p.p.	1.1 p.p.	1.4 p.p.
RAILUA-18	19.1%	0.0 p.p.	2.2 p.p.	2.4 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	26.18	0.6%	12.7%	8.9%
EUR	29.46	0.0%	16.8%	12.1%
RUB	0.33	2.4%	10.7%	2.3%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	171.0	0.0%	-1.7%	-6.3%
Steel, USD/t	260.0	0.0%	2.0%	3.0%
Oil, USD/bbl	33.4	11.0%	4.8%	-9.5%
Gold, USD/oz	1237.9	-0.7%	13.9%	16.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Soros Floats Possibility of Pre-Term Presidential Election

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### NEWS

The board of the Renaissance Foundation sent a letter last week to President Poroshenko stating that “the current crisis in Ukrainian politics is, first of all, a crisis of no confidence”, Agence-France Press reported. The letter called for “a government cleanup and creation of a technocratic and professional government”, and warned Poroshenko that the only alternative to such a cleanup would be “early elections - probably not only parliamentary but also presidential ones.” The Renaissance Foundation is funded by international financier George Soros, a major political supporter of post-EuroMaidan Ukraine. In a related news this morning (Feb 15), Deputy General Prosecutor Vitaliy Kasko resigned from his post, stating that General Prosecutor Victor Shokin has blocked his efforts at reform. The West, and the US government in particular, have been increasingly angered by Poroshenko’s refusal to remove the poorly-regarded Shokin from office.

### COMMENTARY

The statement from Soros’s influential foundation is a shot across the bow indicating that Western dissatisfaction with Poroshenko, and in particular his refusal to remove Shokin from the GPO, has reached the point where the President is no longer considered an irreplaceable figure. Up to now, it has been mostly assumed that a breakup of Ukraine’s ruling coalition would only entail a new parliamentary vote, but the West’s frustration following the Abromavicius resignation has moved beyond Parliament and the Yatseniuk Cabinet and is now focusing on the President himself. Tomorrow (Feb 16), Prime Minister Yatseniuk will face harsh criticism of his government in Parliament; most analysts (including us) expect the government to survive this test due to instincts of self-preservation from MPs in the People’s Front and BPP factions, the two main coalition partners. However, this does not guarantee that the government will not be forced to resign in a few months’ time. We think that the US and EU definitely have the means to force a snap presidential election, as an extended cutoff of IMF lending to Ukraine would undermine Poroshenko’s domestic standing to the point that he would be unable to govern. However, such a move would be a clear roll of the dice, as the outcome of a snap presidential election would be wholly unpredictable. For this reason, the preferable scenario looks to be for Poroshenko and Yatseniuk to both remain in office, but with significant changes in top government and administration posts. Poroshenko’s constitutional term as President runs until June 2019.

## Gov't Approves Kernel's Claim to Creativ's Processing Facilities

by Ivan Dzvinka  
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### KERNEL (KER PW)

Price: PLN 43.53 Market Cap: USD 888mn

	EV/S	P/E	EV/EBITDA	Div. Yield
FY15	0.5	8.8	3.2	2%
FY16E	0.5	4.9	3.7	2%

### NEWS

The Cabinet of Ministers approved the purchase of debt-claiming rights by Kernel, Ukraine's largest sunflower oil producer, from state-owned UkrGazBank in the amount of USD 96.7mn, Interfax reported on Friday (Feb 12). The debt is owed to UkrGazBank by Creativ Group, Ukraine's second largest sunflower oil producer. The claim amount is USD 96.8mn, including USD 86mn of principal and accrued unpaid interest of USD 10.8mn. The collateral for the loan is the Ellada complex, one of Creativ's sunflower crushing facilities. Based on Deloitte's valuation, the crushing facility's value is USD 36mn. Kernel is paying 50% (USD 48.4mn) of the debt value up front, with the balance to be paid within (not later than) 5 years.

Kernel acquired the claiming rights to Creativ's debt in late 2015 at a tender at which it was the only bidder.

### COMMENTARY

The crushing capacity of Ellada (located in Kirovograd province) is around 620,000 sunflower seeds per annum, according to Creativ's press release from April 2014. Given Kernel's average crushing capacity utilization over 2013-15 of 81% and its oil extraction ratio of 0.44, the new complex would produce some 220,000 tonnes of oil per annum in the hands of Kernel, we estimate. With Kernel's normalized bulk oil EBITDA margin of USD 160/t, the acquired complex could be expected to generate some USD 35mn of EBITDA per annum. With the present value of the claim at USD 78mn (our estimate), the deal's implied EV/EBITDA multiple for Kernel is 2.2x, which is far below Kernel's FY15 EV/EBITDA multiple of 3.2x, suggesting that the deal is an excellent value for the group. This also implies that Deloitte's appraisal of the value of Ellada at USD 36mn is too low.

At the same time, we presume the discount implied by the two multiples is to some extent justified by the risk of complaints by other creditors of Creativ regarding the deal. Creativ's total debt as of end-2014 stood at USD 615mn, while Ellada's capacity amounted to 56% of the group's sunflower seed crushing capacity. Sunflower crushing assets are the core assets of the company; thus, we do not rule out that Ellada was [unfairly] used as collateral for Creativ's other debt.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	43.5	57.20	31%	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	60%	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	30.0	36.1	20%	BUY	Astarta has made decisive moves toward diversification (it opened a soybean processing plant in early 2014) and cost optimization (a bioenergy complex was launched in 2014). Astarta's exposure to UAH devaluation is largely offset by its UAH cost base, and it has no assets in the Donbass.
IMC	IMC PW	6.0	9.4	57%	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	0.8	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	92.1	80.8	-12%	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	19.5	11.0	-44%	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	0.30	0.56	87%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.13	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	1696	5250	210%	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	2.7	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	25.0	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	14.6	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	4.46	15.00	237%	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	622.57	1158.71	611.12	0.5%	-0.7%	-5.9%	-9.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.013	0.017	0.010	-2.3%	-7.1%	19.3%	17.1%	-2.8%	-6.4%	25.2%	26.3%
Azovstal	AZST	0.30	0.89	0.26	-1.0%	-5.4%	-22.0%	-25.8%	-1.5%	-4.7%	-16.1%	-16.5%
Enakievo Steel	ENMZ	13.02	19.97	8.60	2.9%	-2.9%	0.0%	-7.0%	2.4%	-2.2%	5.9%	2.2%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.13	1.64	0.86	0.0%	-1.3%	8.7%	2.4%	-0.5%	-0.6%	14.6%	11.6%
Yasynivsky Coking	YASK	0.25	0.43	0.06	0.0%	0.0%	8.7%	8.7%	-0.5%	0.7%	14.6%	17.9%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	4.00	n/a	n/a	0.0%	0.0%	-11.1%	-6.1%	-0.5%	0.7%	-5.2%	3.1%
Ferrexpo	FXPO	19.50	80.00	14.00	0.0%	-7.1%	-11.4%	-9.3%	-0.5%	-6.4%	-5.4%	-0.1%
Pivnichny GOK	SGOK	3.40	9.50	2.20	0.0%	-4.2%	4.6%	-35.8%	-0.5%	-3.5%	10.5%	-26.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.20	n/a	n/a	0.0%	0.0%	-13.0%	-13.0%	-0.5%	0.7%	-7.1%	-3.8%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.12	0.59	0.07	0.0%	0.0%	-36.8%	-33.3%	-0.5%	0.7%	-30.9%	-24.1%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.68	13.39	6.82	0.0%	0.0%	12.7%	9.7%	-0.5%	0.7%	18.7%	19.0%
Luhanskteplovoz	LTPL	0.45	n/a	n/a	0.0%	0.0%	0.0%	0.0%	-0.5%	0.7%	5.9%	9.2%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1696	2914	1693	-0.5%	-1.9%	-12.3%	-14.3%	-1.1%	-1.2%	-6.4%	-5.1%
Turboatom	TATM	5.07	n/a	n/a	-2.5%	1.4%	12.7%	12.7%	-3.0%	2.1%	18.6%	21.9%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.11	0.21	0.09	-17.6%	-12.4%	-17.7%	-10.8%	-18.2%	-11.7%	-11.8%	-1.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	2.65	6.50	2.65	0.0%	-0.4%	-19.8%	-29.3%	-0.5%	0.3%	-13.9%	-20.1%
JKX Oil	JKX	25.50	37.38	15.50	2.0%	0.0%	-1.0%	-6.4%	1.5%	0.7%	5.0%	2.8%
Ukrnafta	UNAF	152.0	337.6	140.0	0.9%	0.0%	-12.6%	-14.1%	0.4%	0.7%	-6.7%	-4.9%
<b>Power Utilities</b>												
Centrenergo	CEEN	4.46	8.50	4.12	2.9%	3.3%	2.7%	-2.3%	2.3%	4.0%	8.7%	6.9%
Donbasenergo	DOEN	14.63	31.99	13.90	0.5%	-1.2%	-6.5%	-7.2%	0.0%	-0.5%	-0.6%	2.1%
Zakhidenergo	ZAEN	75.0	193.9	52.0	0.0%	0.0%	2.6%	-10.7%	-0.5%	0.7%	8.5%	-1.5%
<b>Consumer</b>												
Agroton	AGT	1.02	1.52	0.80	-2.9%	15.9%	9.7%	1.0%	-3.4%	16.6%	15.6%	10.2%
Astarta	AST	29.99	38.50	21.19	3.4%	1.7%	-12.5%	-13.1%	2.9%	2.4%	-6.6%	-3.8%
Avangardo	AVGR	0.75	3.80	0.23	0.0%	-16.7%	-42.3%	-40.0%	-0.5%	-16.0%	-36.4%	-30.8%
Industrial Milk Company	IMC	6.00	7.24	4.38	0.0%	1.4%	3.4%	0.5%	-0.5%	2.1%	9.4%	9.7%
Kernel	KER	43.53	55.20	29.40	-0.2%	-1.7%	-10.7%	-9.5%	-0.7%	-1.0%	-4.7%	-0.3%
Mriya Agro Holding	MAYA	n/a	0.50	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	7.50	12.05	7.10	-6.3%	2.0%	-10.2%	-19.4%	-6.8%	2.7%	-4.2%	-10.1%
Milkiland	MLK	1.44	3.50	0.89	-2.7%	25.2%	-4.6%	1.4%	-3.3%	25.9%	1.3%	10.6%
Ovostar Union	OVO	92.10	93.00	68.00	0.0%	0.9%	2.3%	1.8%	-0.5%	1.6%	8.3%	11.0%
<b>Chemicals</b>												
Stirol	STIR	3.50	n/a	n/a	0.0%	5.1%	-41.2%	-41.2%	-0.5%	5.8%	-35.2%	-31.9%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.071	0.114	0.069	0.1%	0.1%	-2.4%	-6.2%	-0.4%	0.8%	3.6%	3.0%
UkrSotsbank	USCB	0.080	0.145	0.060	-27.4%	-27.0%	-17.3%	-19.4%	-28.0%	-26.3%	-11.4%	-10.2%

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	13	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	5	8.8%	0	219	neg	neg	neg	>30	12.4	17.5	0.2	0.3	0.5	80	76	74	\$/tonne
Azovstal	AZST	48	3.0%	1	12	0.6	neg	neg	0.1	0.2	0.3	0.0	0.0	0.0	3	3	3	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	8	6.8%	1	7	neg	2.2	6.8	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	180	0.3%	0	179	2.8	neg	neg	0.7	1.1	1.5	0.3	0.6	0.8				
Pivnichny GOK	SGOK	301	0.4%	1	295	2.3	neg	neg	0.5	1.2	2.1	0.3	0.5	0.7				
Ferrexpo	FXPO	166	24.0%	40	1,183	0.9	1.4	neg	2.4	4.9	18.3	0.9	1.2	1.6				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	12	2.0%	0	58	0.5	6.5	14.4	1.3	3.3	4.9	0.3	0.6	0.8	144	192	231	\$/tonne
<b>Railcar Manufacturing</b>																		
Krukiv Wagon	KVBZ	38	5.0%	2	32	neg	neg	neg	neg	neg	neg	0.2	0.8	0.7				
<b>Specialized Machinery</b>																		
Turboatom	TATM	57	5.8%	3	26	1.1	2.5	3.4	0.4	0.7	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	135	24.0%	33	140	1.1	1.5	1.8	0.4	0.6	0.7	0.2	0.2	0.2				
<b>Telecom</b>																		
Ukrtelecom	UTLM	77	7.2%	6	168	4.2	8.3	18.6	2.0	2.3	2.9	0.4	0.7	0.8				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	317	3.0%	10	311	3.0	2.0	9.5	0.8	1.3	2.6	0.1	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	12	21.6%	3	-13	neg	2.1	neg	neg	-0.8	-1.3	-0.3	-0.4	-0.6	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
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	63	21.7%	14	46	10.8	13.7	6.1	1.8	3.5	3.7	0.1	0.1	0.1	3	3	3	\$/MWh
DonbasEnergO	DOEN	13	14.2%	2	29	1.6	neg	6.4	1.5	neg	4.7	0.1	0.2	0.2	4	4	4	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	793	34.1%	270	1,898	neg	neg	3.8	3.7	4.2	4.2	1.4	1.7	1.5				
Kernel	KER	884	61.8%	546	1,266	neg	8.8	4.9	5.7	3.2	3.7	0.5	0.5	0.5				
Astarta	AST	191	37.0%	71	394	neg	neg	10.2	2.5	3.9	3.5	0.8	1.1	1.0				
Avangardco	AVGR	48	22.5%	11	346	neg	n/a	n/a	2.7	n/a	n/a	0.8	n/a	n/a	78	59	56	\$/mneqgs
Ovostar	OVO	141	25.0%	35	148	5.5	n/a	n/a	5.1	n/a	n/a	2.0	n/a	n/a	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	167	1.8%	3		neg	neg	5.0	0.4	0.6	0.5	0.06	0.08	0.07				
Ukrsotsbank	USCB	237	0.2%	0		>30	>30	>30	0.6	0.7	0.9	0.12	0.17	0.16				

Source: Eavex Research

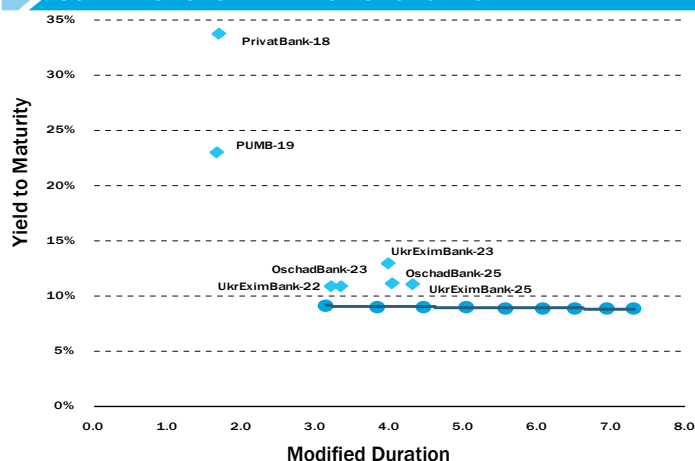
UKRAINIAN EUROBONDS

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	91.3	92.3	10.8%	10.4%	-2.0%	2.9	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	90.1	91.4	10.6%	10.2%	-1.9%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	89.3	90.3	10.3%	10.1%	-2.0%	4.2	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	88.5	89.5	10.2%	10.0%	-1.8%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	87.5	88.5	10.2%	10.0%	-1.8%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	86.8	87.8	10.1%	9.9%	-1.8%	5.7	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	86.0	87.0	10.1%	9.9%	-2.1%	6.1	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	85.3	86.3	10.1%	9.9%	-2.1%	6.5	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	85.0	86.0	10.0%	9.8%	-1.9%	6.9	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	32.5	33.5	n/a	n/a	-19.0%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	114.7%	96.9%	0.0%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.0	84.1	13.8%	13.4%	-4.4%	3.2	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	44.3	46.8	47.2%	44.6%	-10.9%	2.1	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	30.0	43.0	90.7%	63.4%	-27.0%	1.3	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	9.0	12.0	n/a	n/a	-16.0%	0.0	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	-34.0%	0.8	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	40.0	42.0	67.5%	64.0%	-1.2%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	40.5	43.5	61.6%	56.8%	-5.6%	1.4	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	39.8	43.3	n/a	n/a	-26.7%	n/a	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	39.2	44.1	75.3%	65.8%	-8.1%	0.4	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	40.0	43.0	62.2%	57.3%	-6.7%	1.5	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	53.3	56.2	36.6%	34.1%	0.1%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	40.0	43.0	62.2%	57.3%	-4.3%	1.5	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	82.0	84.1	19.7%	18.4%	-3.8%	1.8	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	23.0	33.0	163.5%	116.7%	-6.7%	0.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.9	79.9	36.5%	28.3%	4.0%	0.8	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	5.8	10.6	169.5%	121.9%	-10.9%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	73.4	77.6	24.1%	21.7%	1.8%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	2.0	10.6	n/a	n/a	-13.6%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	67.0	69.0	35.2%	33.2%	-10.5%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	59.0	61.0	26.2%	25.2%	-10.4%	3.2	11.00%	S/A	09 Feb 2021	220	//
PrivatBank, 2018	63.0	66.0	38.8%	35.8%	-5.2%	1.4	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	84.1	84.7	13.5%	13.3%	-5.8%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	70.4	73.7	14.8%	13.9%	-2.7%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	82.5	83.2	13.1%	13.0%	-5.1%	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	84.2	84.8	12.8%	12.7%	-5.1%	2.9	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	82.6	83.7	12.9%	12.7%	-5.2%	3.7	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.9	84.3	n/a	n/a	0.1%	n/a	8.00%	S/A	6 Nov 2015	101	//

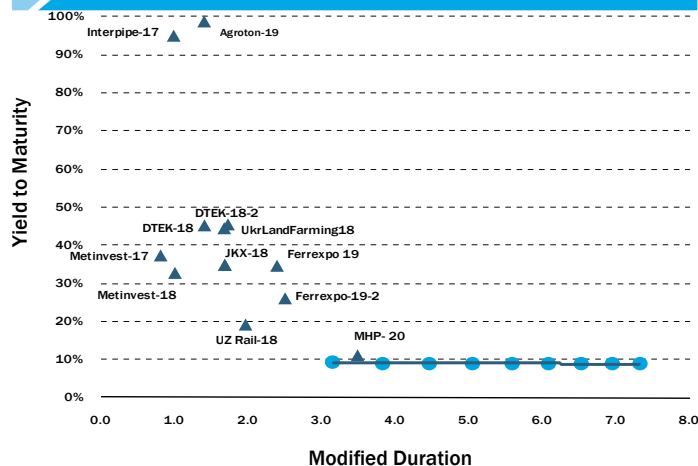
<sup>1</sup> Moody's/S&P/Fitch

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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