

Market Update

Equity

Kyiv-listed stocks were mostly lower on Tuesday (Feb 16), with the market closing before Prime Minister Arseniy Yatsenyuk managed to survive a no-confidence vote against his Cabinet. The UX index fell 1.0% to close at 619 points. Azovstal (AZST) once again took the most points off the benchmark, falling 5.0% to 28.80 kopecks. Raiffeisen Aval (BAVL) dropped 3.8% to 6.77 kopecks amid expectations that 2016 won't turn out much better than last year for the country's banking system. On the upside, CentrErgo (CEEN) advanced 1.6% to UAH 4.50 after Parliament cancelled the obligatory placement of a 5% stake on the stock exchange in state-owned companies slated for privatization. The cancellation of the law clears the way for a more transparent and competitive privatization of the state's 78% stake in CentrErgo. On the interbank currency market, the hryvnia edged up 0.4% to close at bid/ask 26.65/26.85 UAH/USD; the NBU said it intervened by selling USD 49.8mn on the market to prop up the local currency. London-listed Ferrexpo (FXPO) surged 7.7% to GBp 21.00 and MHP (MHPC) climbed 0.8% to USD 7.51. In Warsaw, Kernel (KER) rose 4.3% to PLN 46.85 as market players began to price in the company's recent acquisition of additional sunflower seed crushing facilities.

Fixed Income

Ukraine's sovereign Eurobonds were lower on Tuesday ahead of Prime Minister Yatseniuk's report in Parliament, with Ukraine-19s and Ukraine-27s declining by 0.8p.p. and 1.0p.p. to 90.5/91.5 (11.1%/10.7%) and 84.0/85.0 (10.1%/10.0%), respectively. In corporate issues, DTEK-18s slipped 0.5p.p. to 39.0/43.0 (69.5%/62.5%) and Ferrexpo-19s dropped by 0.9p.p. to 53.3/56.1 (36.5%/34.2%).

Highlights

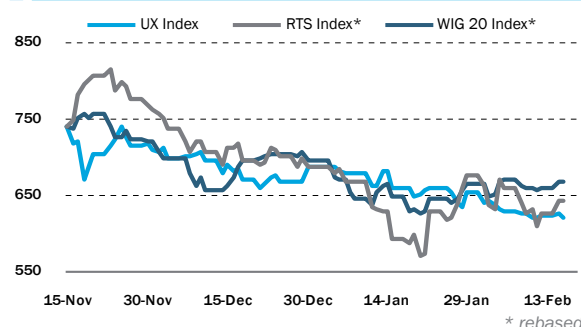
POLITICS AND ECONOMICS

- > Stunning Reversal Sees Yatseniuk Survive No-Confidence Vote
- > Shokin Finally Pushed Out as General Prosecutor

STOCKS IN THE NEWS

- > IMC Scales Back Expansion Plans to Focus on Efficiency

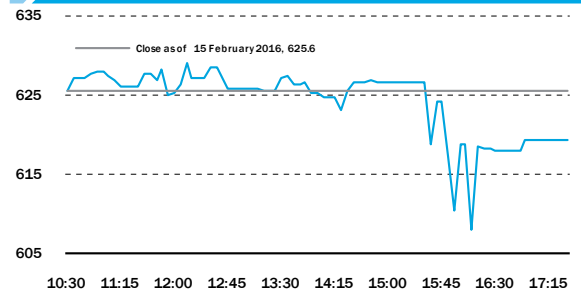
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	619.3	-1.0%	-6.2%	-9.7%
RTS	708.6	0.2%	8.5%	-6.4%
WIG20	1783.9	-0.2%	2.8%	-4.0%
MSCI EM	731.4	0.6%	3.1%	-7.6%
S&P 500	1895.6	1.7%	0.8%	-8.1%

UX INTRADAY FEBRUARY 16, 2016



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	516.4	-1.7%	1.6%	16.9%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	10.9%	0.8 p.p.	1.6%	3.1%
Ukraine-27	10.0%	0.2 p.p.	0.8%	2.3%
MHP-20	13.6%	0.0 p.p.	1.0 p.p.	1.4 p.p.
RAILUA-18	19.1%	0.0 p.p.	2.1 p.p.	2.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	26.80	-0.6%	9.8%	11.5%
EUR	29.87	-0.7%	12.1%	13.7%
RUB	0.34	-1.7%	9.7%	5.4%

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	32.2	-3.6%	8.4%	-12.7%
Gold, USD/oz	1200.4	-0.7%	10.2%	13.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Stunning Reversal Sees Yatseniuk Survive No-Confidence Vote

by Will Ritter
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NEWS

The government of Prime Minister Arseniy Yatseniuk survived a vote of no-confidence in Parliament on Tuesday evening (Feb 16), with 194 MPs voting in favor, well short of the 226 needed to force his resignation. The failure of the measure came in spite of 247 MPs having supported putting the no-confidence vote on Parliament's agenda only hours earlier. Yesterday afternoon ahead of the parliamentary meeting, President Poroshenko had issued a statement calling for Yatseniuk's resignation, blaming him for society's dissatisfaction with the state of the economy and the slow pace of structural changes. Ukrainian law only allows one vote of no-confidence in the government per bi-annual session of Parliament, implying that Yatseniuk will not have to face another move to fire the Cabinet until at least September. The move to oust Yatseniuk was supported by most (though not all) of the junior coalition partner factions Samopomich and Batkivschyna factions (45 MPs combined), by 97 of the 136 Poroshenko Bloc MPs, and by none of Yatseniuk's 82 People's Front MPs. Importantly, only 8 of the 43 Opposition Bloc MPs voted for Yatseniuk's ouster.

COMMENTARY

The outcome of Tuesday's drama, i.e. the survival of the Yatseniuk Cabinet, looks like a defeat for the Kremlin, which is trying to promote Ukrainian instability, as well as for Odessa provincial governor Mikhail Saakashvili, who has founded a movement to push for pre-term national elections. Yesterday's result actually came in line with most analysts' expectations, although with considerably more drama than was foreseen. We suspect that, despite Poroshenko's stunning call for Yatseniuk's resignation, the ultimate result of the no-confidence vote was deliberately engineered by the President and his administration, with the likely cooperation of industrialists Rinat Akmetov and Igor Kolomoyskiy. With the twin junior coalition partners Samopomich and Batkivschyna both vociferously in favor of firing Yatseniuk, it was clearly Poroshenko's BPP faction which held the balance of power in determining the Prime Minister's fate. Although 97 members of the BPP, including those aligned with Saakashvili, did indeed vote to fire Yatseniuk, the 39 who did not made the difference. Overall, we see yesterday's developments as clearly positive in the short run, as they should allow Ukraine to resume its IMF lending program after several months of uncertainty. Despite Yatseniuk's unpopularity, we remind the market that opinion polls are not elections. Frankly, we doubt the accuracy of oft-quoted figures which claim that Yatseniuk has a popularity rating of only 1%, but regardless, his party legitimately won 21% of the national vote and 82 seats in Parliament in the last election 16 months ago. We see Yatseniuk's survival as PM as likely pushing Samopomich and Batkivschyna from quasi-opposition forces into open opposition. This, however, is not a major loss for the coalition, as both parties have a rather poor record in terms of their commitment to IMF-related and other structural reforms. Without these two parties, as well as without some of the BPP representatives who back Saakashvili, we expect the Poroshenko-Yatseniuk coalition to increasingly turn to MPs from Eastern Ukraine (effectively Party of Regions remnants) to secure the passage of important measures.

Shokin Finally Pushed Out as General Prosecutor

by Will Ritter
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NEWS

General Prosecutor Victor Shokin was forced to resign yesterday (Feb 16) by President Poroshenko, multiple domestic media outlets reported. Poroshenko said in a statement asking for Shokin's resignation that "the Prosecutor's Office (GPO) has failed to secure the trust of society" under his leadership. However, the President also praised Shokin for "achieving some important reforms". Shokin spent exactly one year in the post, having replaced Vitaliy Yarema in February 2015.

COMMENTARY

Although Shokin, a career GPO functionary, was clearly the wrong man to head Ukraine's powerful prosecution agency, we suppose that his status as the ultimate bogeyman in the country's corruption swamp may have become a bit overstated. We note that the two post-EuroMaidan General Prosecutors who preceded Shokin, Oleg Maknitsky and Vitaliy Yarema, were both equally ineffective, and without an ambitious reform effort, the next GPO head could be the same story. The main question for us is why Poroshenko waited so long to get rid of Shokin, thereby enraging Ukraine's anti-corruption activists as well as the country's most important foreign ally, the US government. Shokin suffered a serious loss of credibility back in July, when two PGO investigators were caught with a stash of USD 400,000 in cash which they allegedly had extorted from a business owner, but Shokin blocked the investigation. Clearly, a real overhaul of the GPO is one of the top items on Western demands for Ukraine's reform agenda, and Poroshenko's choice for the next PGO head will be one of his most important appointments. The two obvious favorites for the post are the deputy prosecutors who investigated the July extortion scandal, Vitaliy Kasko and David Sakvelaridze.

IMC Scales Back Expansion Plans to Focus on Efficiency

by Ivan Dzvinka
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IMC (IMC PW)

Price: PLN 6.15 Market Cap: USD 49mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2015E	1.1	7.0	2.8	0%
2016E	1.1	2.6	3.3	0%

NEWS

Central Ukraine-based crop grower Industrial Milk Company (IMC), reported a 1% YoY increase in its net revenue to USD 140.0mn for full-year 2015, according to preliminary unaudited results unveiled earlier this week. The reported figure is in line with management's projection of a largely flat top line YoY for FY15. The company reduced its total debt by 22% YoY to USD 98.7mn as of end-2015. These were the only financial figures that were disclosed in the release. IMC is set to publish its audited FY15 results on Apr 14.

In a separate release, IMC updated its development strategy over 2016-2020 to scale back its expansion plans. In particular, the company now intends to increase its operated land bank to 206,700 ha in 2020 (from 136,700 ha currently); the previous target for 2020 was 285,000 ha. IMC has no plans to expand its storage capacity, but plans to replace the existing flat storages with modern storage bins. The company said it intends to maintain corn as its main crop, with the share in crop mix at about 50%. Other crops in the mix would include wheat, soybean and sunflower.

Also, in an operational release, IMC said that its FY15 crop output fell by 10% YoY to 638,000 tonnes on lower corn yield and a higher share of low-yield sunflower and wheat in the crop mix last year. The main positive development was an achieved soybean yield of 2.6 t/ha, which was up 51% YoY and well above Ukraine's average of 1.9 t/ha. The company increased its crop sales by 18% YoY to 763,000 tonnes, including some 608,000 tonnes of corn, as it sold off inventories from 2014. Some 82% of IMC's sales were exported.

COMMENTARY

IMC's plans for land bank expansion have been reduced substantially from management's presentation in May 2015. At that time, IMC planned to increase its land under operation to 285,000 ha by the end of 2019. Storage facilities were expected to increase to 653,000 tonnes vs. 554,000 tonnes as of end-2014. Also, the previously-announced intention of IMC to build an oilseeds processing plant by early 2019 is likely off the table now, as the company stated nothing about this in the release.

We presume that IMC has decided to focus on its efficiency improvement and deleveraging in the coming years rather than on ambitious expansion. This approach looks rational for us in light of the sluggish crop pricing over the last several years. We reiterate our positive view on IMC in the near term, however.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	46.8	57.20	22%	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	30.1	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	6.2	9.4	53%	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	90.3	80.8	-11%	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	21.0	11.0	-48%	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	0.29	0.56	93%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
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.
Specialized Machinery						
Motor Sich	MSICH	1700	5250	209%	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	3.3	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.
Power Utilities						
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	4.50	15.00	233%	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	0.068	0.24	255%	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	619.25	1158.71	605.94	-1.0%	-1.0%	-6.2%	-9.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.013	0.017	0.010	-0.8%	-5.8%	12.2%	16.2%	0.2%	-4.9%	18.3%	25.9%
Azovstal	AZST	0.29	0.89	0.25	-5.0%	-3.0%	-22.6%	-28.0%	-3.9%	-2.0%	-16.4%	-18.3%
Enakievo Steel	ENMZ	12.49	19.78	8.60	-5.8%	-6.9%	-2.3%	-10.8%	-4.8%	-5.9%	3.8%	-1.1%
Coke												
Avdyivka Coke	AVDK	1.13	1.60	0.86	-0.4%	3.1%	10.7%	2.6%	0.6%	4.1%	16.8%	12.3%
Yasynivsky Coking	YASK	0.22	0.43	0.06	10.0%	-12.0%	29.4%	-4.3%	11.0%	-11.0%	35.6%	5.4%
Iron Ore Mining												
Centralny GOK	CGOK	4.00	n/a	n/a	0.0%	0.0%	-11.1%	-6.1%	1.0%	1.0%	-4.9%	3.6%
Ferrexpo	FXPO	21.00	80.00	14.00	7.7%	3.7%	7.7%	-2.3%	8.7%	4.7%	13.9%	7.4%
Pivnichny GOK	SGOK	3.10	9.50	2.20	0.0%	-8.8%	-4.8%	-41.5%	1.0%	-7.8%	1.4%	-31.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.20	n/a	n/a	0.0%	0.0%	-13.0%	-13.0%	1.0%	1.0%	-6.9%	-3.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.12	0.59	0.07	0.0%	0.0%	-36.8%	-33.3%	1.0%	1.0%	-30.7%	-23.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	7.98	13.18	6.82	0.0%	-8.1%	2.6%	0.9%	1.0%	-7.1%	8.7%	10.6%
Luhanskteplovoz	LTPL	0.45	n/a	n/a	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	6.2%	9.7%
Specialized Machinery												
Motor Sich	MSICH	1700	2914	1683	-0.5%	-1.0%	-13.3%	-14.1%	0.5%	-0.1%	-7.1%	-4.4%
Turboatom	TATM	6.00	n/a	n/a	18.3%	-3.2%	0.0%	33.3%	19.4%	-2.2%	6.2%	43.0%
Telecom												
Ukrtelecom	UTLM	0.13	0.21	0.09	0.0%	0.0%	-0.1%	8.3%	1.0%	1.0%	6.1%	18.0%
Oil & Gas												
Regal Petroleum	RPT	3.25	6.50	2.65	22.6%	22.6%	10.0%	-13.3%	23.7%	23.6%	16.1%	-3.6%
JKX Oil	JKX	25.00	37.38	15.50	-2.0%	0.0%	0.0%	-8.3%	-0.9%	1.0%	6.2%	1.5%
Ukrnafta	UNAF	149.1	337.6	140.0	-1.3%	-1.6%	-6.2%	-15.8%	-0.2%	-0.6%	-0.1%	-6.1%
Power Utilities												
Centrenergo	CEEN	4.50	8.50	4.12	1.6%	2.9%	2.1%	-1.3%	2.6%	3.8%	8.3%	8.4%
Donbasenergo	DOEN	14.64	31.99	13.90	1.0%	-0.9%	-4.0%	-7.1%	2.1%	0.0%	2.2%	2.6%
Zakhidenergo	ZAEN	75.0	193.9	52.0	0.0%	0.0%	7.1%	-10.7%	1.0%	1.0%	13.3%	-1.0%
Consumer												
Agroton	AGT	1.05	1.42	0.80	1.9%	22.1%	18.0%	4.0%	3.0%	23.1%	24.1%	13.7%
Astarta	AST	30.14	38.50	21.19	0.5%	7.6%	-11.2%	-12.6%	1.5%	8.6%	-5.1%	-2.9%
Avangardo	AVGR	0.75	3.78	0.23	0.0%	-6.3%	-25.0%	-40.0%	1.0%	-5.3%	-18.8%	-30.3%
Industrial Milk Company	IMC	6.15	7.24	4.38	0.3%	0.2%	4.6%	3.0%	1.3%	1.2%	10.8%	12.7%
Kernel	KER	46.84	55.20	29.40	4.3%	6.1%	3.0%	-2.6%	5.3%	7.1%	9.2%	7.1%
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	7.51	12.05	7.10	0.8%	3.6%	-9.4%	-19.2%	1.8%	4.6%	-3.2%	-9.5%
Milkiland	MLK	1.41	3.50	0.89	4.4%	20.5%	-1.4%	-0.7%	5.5%	21.5%	4.8%	9.0%
Ovostar Union	OVO	90.28	93.00	68.00	-2.5%	-1.3%	0.3%	-0.2%	-1.5%	-0.3%	6.5%	9.5%
Chemicals												
Stirol	STIR	3.21	n/a	n/a	-8.3%	-8.3%	-46.1%	-46.1%	-7.3%	-7.3%	-39.9%	-36.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.068	0.114	0.063	-3.8%	-5.3%	-5.2%	-10.1%	-2.8%	-4.3%	1.0%	-0.4%
UkrSotsbank	USCB	0.088	0.145	0.060	17.2%	-19.9%	-8.7%	-11.0%	18.2%	-18.9%	-2.6%	-1.3%

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	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	45	3.0%	1	9	0.6	neg	neg	0.0	0.1	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Coke																		
Avdyivka Coke	AVDK	8	6.8%	1	7	neg	2.1	6.6	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	175	0.3%	0	173	2.7	neg	neg	0.7	1.1	1.5	0.3	0.6	0.8				
Pivnichny GOK	SGOK	267	0.4%	1	260	2.1	neg	neg	0.5	1.0	1.9	0.2	0.4	0.6				
Ferrexpo	FXPO	175	24.0%	42	1,192	1.0	1.5	neg	2.4	4.9	18.4	0.9	1.3	1.6				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	12	2.0%	0	57	0.5	6.3	14.0	1.3	3.2	4.9	0.3	0.6	0.8	143	191	229	\$/tonne
Railcar Manufacturing																		
Krukiv Wagon	KVBZ	34	5.0%	2	28	neg	neg	neg	neg	neg	neg	0.2	0.7	0.6				
Specialized Machinery																		
Turboatom	TATM	55	5.8%	3	25	1.0	2.4	3.3	0.3	0.6	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	132	24.0%	32	136	1.0	1.4	1.8	0.4	0.6	0.7	0.2	0.2	0.2				
Telecom																		
Ukrtelecom	UTLM	91	7.2%	7	181	5.0	9.8	21.9	2.1	2.5	3.1	0.4	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	302	3.0%	9	296	2.9	1.9	9.1	0.8	1.2	2.5	0.1	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	15	21.6%	3	-10	neg	2.6	neg	neg	-0.7	-1.0	-0.3	-0.3	-0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	61	50.4%	31	170	neg	12.2	>30	2.5	2.4	3.1	1.2	1.1	1.4	31	23	23	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	62	21.7%	13	45	10.5	13.5	6.0	1.7	3.4	3.6	0.1	0.1	0.1	3	3	3	\$/MWh
DonbasEnerg	DOEN	13	14.2%	2	29	1.5	neg	6.2	1.4	neg	4.6	0.1	0.2	0.2	4	4	4	\$/MWh
Consumer																		
MHP	MHPC	794	34.1%	271	1,900	neg	neg	3.8	3.7	4.2	4.2	1.4	1.7	1.5				
Kernel	KER	945	61.8%	583	1,326	neg	9.4	5.2	5.9	3.3	3.8	0.6	0.6	0.6				
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	\$/mneggs
Ovostar	OVO	137	25.0%	34	144	5.3	n/a	n/a	5.0	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	155	1.8%	3		neg	neg	4.7	0.4	0.5	0.5	0.05	0.08	0.07				
Ukrsotsbank	USCB	254	0.2%	1		>30	>30	>30	0.7	0.8	0.9	0.12	0.17	0.16				

Source: Eavex Research

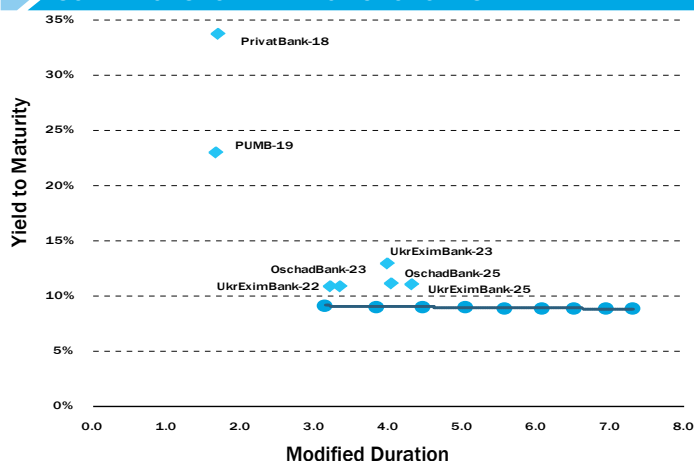
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2019	90.5	91.5	11.1%	10.7%	-2.8%	2.9	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	89.4	90.4	10.8%	10.5%	-2.8%	3.5	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	88.5	89.5	10.5%	10.3%	-2.9%	4.2	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	87.8	88.8	10.4%	10.1%	-2.6%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	86.8	87.8	10.3%	10.1%	-2.6%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	86.0	87.0	10.2%	10.1%	-2.7%	5.7	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	85.3	86.3	10.2%	10.0%	-3.0%	6.1	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	84.5	85.5	10.2%	10.0%	-3.0%	6.5	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	84.0	85.0	10.1%	10.0%	-3.0%	6.8	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	31.5	33.0	n/a	n/a	-20.9%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
Corporate Eurobonds											
Agroton, 2019	10.0	13.0	114.9%	97.1%	0.0%	1.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	83.0	84.2	13.8%	13.4%	-4.3%	3.2	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	44.4	47.1	47.2%	44.2%	-10.4%	2.0	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	30.0	43.0	90.8%	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	39.0	43.0	69.5%	62.5%	-1.2%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	40.5	43.5	61.7%	56.9%	-5.6%	1.4	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	39.6	43.2	n/a	n/a	-26.9%	n/a	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	39.1	44.0	75.7%	66.2%	-8.4%	0.4	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	39.0	43.0	64.1%	57.4%	-7.9%	1.5	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	53.3	56.1	36.5%	34.2%	0.0%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	39.0	43.0	64.1%	57.4%	-4.4%	1.5	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	82.0	84.0	19.7%	18.5%	-3.8%	1.8	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	23.0	33.0	146.6%	105.2%	-6.7%	0.9	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.2	80.0	36.3%	28.2%	4.2%	0.8	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	5.8	10.6	169.7%	122.1%	-10.9%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	73.4	77.5	24.1%	21.7%	1.8%	1.6	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	2.0	10.2	n/a	n/a	-16.0%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	67.0	69.0	35.2%	33.3%	-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	38.9%	35.9%	-5.2%	1.4	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	83.8	85.0	13.6%	13.2%	-5.8%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	70.3	73.6	14.8%	13.9%	-2.9%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	82.0	83.1	13.3%	13.0%	-5.5%	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	83.5	84.7	13.0%	12.7%	-5.6%	2.9	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	82.3	83.3	13.0%	12.8%	-5.6%	3.7	8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	82.8	83.7	n/a	n/a	-0.3%	n/a	8.00%	S/A	6 Nov 2015	101	//

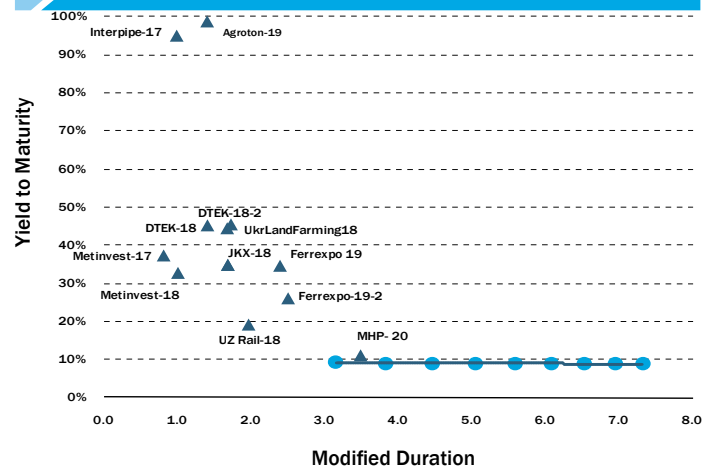
¹ Moody's/S&P/Fitch

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

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