

## Stock Market Update

### Equity

Kyiv-listed stocks were sharply lower last week after the expiration of UX futures contracts, an event which occurs every 3 months, on Tuesday (Mar 15) acted as a catalyst for turbulence on Ukraine's low-liquidity market. The contracts expired at 660 points, after which the UX index went into a slide. The benchmark lost 6.1% to close at 633 points on Friday (Mar 18), giving back much of its strong rise from the previous week. UkrNafta (UNAF), which after the index basket reshuffle has had its profile raised to heavyweight status (17%), was the hardest-hit blue chip. The stock slumped 9.6% to UAH 128 per share after news that the company had a 4Q15 net loss of UAH 9.0bn, with the size of the figure exceeding all expectations. CentrEnerg (CEEN) corrected by 9.0% to UAH 5.65, still leaving plenty of gains on the table after the stock surged 30% in the preceding week on privatization hopes. DonbasEnerg (DOEN) fell 5.1% after news that the company had a net loss of UAH 190mn for full-year 2015, eliminating any slim hopes of a dividend payout. Top steelmaking name Azovstal (AZST) slumped 9.6% to near 25 kopecks, while Avdyivka Coke (AVDK) climbed 1.3% to UAH 1.15. In London trading, Ferrexpo (FXPO) edged down 3.6% to GBp 33.25, while Warsaw-listed Kernel (KER) continued its upward momentum, climbing 3.7% to PLN 57.48.

On the currency front, the hryvnia failed to hold onto its recent gains, as the specter of government instability raised its head again last week. The hryvnia lost 4.0% over the week to 26.60 UAH/USD on the interbank market.

In macroeconomic statistics, UkrStat reported deflation of 0.4% MoM for February, bringing headline 12-month inflation down to 32.7% YoY from 40.3% YoY in January. The consumer prices declined mostly as a result of a high comparison base from February 2015, a month of very heavy financial instability.

One encouraging piece of news for Ukraine was a statement from the IMF that ruled out the possibility of halting cooperation with Ukraine due to the extensive delays in completing the second revision of the program.

## Highlights

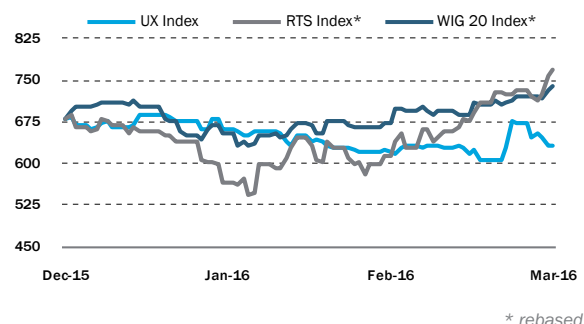
### POLITICS AND ECONOMICS

- Political Stalemate Continues As Sadoviy PM Rumors Lead Nowhere

### STOCKS IN THE NEWS

- MHP to Pay Dividends on Mar 31; Ex-rights Day is Mar 29
- MHP Signs Deal with Dutch-based Animal Health Company GD
- UkrNafta Reports Huge Loss of UAH 165 per share for 4Q15

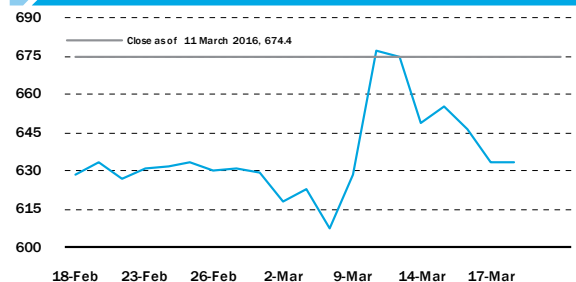
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	633.5	-6.1%	2.3%	-7.6%
RTS	885.1	4.7%	24.9%	16.9%
WIG20	1962.0	2.7%	10.0%	5.5%
MSCI EM	826.8	3.2%	13.0%	4.5%
S&P 500	2049.6	1.4%	8.1%	-0.7%

## UX 3M PERFORMANCE



## FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	428.0	-2.1%	-17.1%	-3.1%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	9.7%	0.1 p.p.	-0.6 p.p.	-0.2 p.p.
Ukraine-27	9.5%	-0.1 p.p.	-0.6 p.p.	-0.1 p.p.
MHP-20	12.3%	-0.5 p.p.	-1.3 p.p.	0.1 p.p.
RAILUA-18	17.5%	-0.1 p.p.	-1.6 p.p.	0.8 p.p.

## CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.60	4.3%	-0.7%	10.7%
EUR	29.98	5.4%	0.4%	14.1%
RUB	0.39	6.8%	13.0%	19.1%

## COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	161.0	0.0%	-5.3%	-11.8%
Steel, USD/t	312.5	10.6%	20.2%	23.8%
Oil, USD/bbl	41.2	2.0%	25.5%	11.7%
Gold, USD/oz	1255.3	0.4%	4.6%	18.3%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Political Stalemate Continues As Sadoviy PM Rumors Lead Nowhere

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### NEWS

Poroshenko Bloc (BPP) party leader Yuriy Lutsenko on Sunday (Mar 20) again repeated his previous statements that Prime Minister Arseniy Yatseniuk should resign, domestic news site Ukrayinska Pravda wrote, quoting Lutsenko from a television program. For the first time, Lutsenko specifically named current Finance Minister Natalia Jaresko as the BPP's choice to replace Yatseniuk; Jaresko's candidacy has been circulating informally for more than a month. Lutsenko said a special session of Parliament could be called for this Thursday (Mar 24) to appoint a new PM. Early last week, President Poroshenko's official spokesman said the President was ready to support Samopomich party leader Andriy Sadoviy for the PM job; however, after a meeting with Poroshenko, Sadoviy reportedly refused the offer.

### COMMENTARY

Lutsenko has a long history of personal animosity with Yatseniuk dating back to the days of the Yuschenko presidency, and his repeated claims of Yatseniuk's imminent resignation have begun to take on something of a broken record quality. Poroshenko already had his chance to oust Yatseniuk in the Feb 16 no-confidence vote and declined to do so, and we are thus unsure what this month-long back-room maneuvering is about; we suppose that Lutsenko may not be fully reflecting Poroshenko's real position. As for the offer of the premiership to Sadoviy, the latter's rejection of the proposal to lead Ukraine's reform drive is not at all surprising; we assume that Poroshenko was deliberately aiming to expose the "pro-Western" Samopomich as not supporting Ukraine's IMF-driven legislative agenda, as well as Sadoviy's possible lack of control over the 26 MPs from the party he nominally leads. In any case, we agree with comments from National Bank chairwoman Valeria Gontareva, who stated to Bloomberg News on Friday that "any working government" would be sufficient to improve the current situation of macroeconomic and political uncertainty, but that a snap election should be avoided.

## MHP to Pay Dividends on Mar 31; Ex-rights Day is Mar 29

by Ivan Dzvinka  
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### MHP (MHPC LI)

Price: USD 8.45 Market Cap: USD 893mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.8	neg	4.6	9.0%
2016E	1.6	18.7	5.2	4.5%

## MHP Signs Deal with Netherland-based Animal Health Company GD

by Ivan Dzvinka  
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### NEWS

MHP will pay dividends for FY15 on Mar 31 with the ex-rights date set on Mar 29, the company reported in its release earlier today (Mar 16). On Mar 10, MHP stated that the group's Board of Directors proposed to distribute some USD 80mn (USD 0.7529 per share) in dividends based on FY15 results. The timing of distribution was planned to be announced not later than Mar 16. The dividend payment will be subject to the Luxembourg withholding tax of 15%.

### COMMENTARY

The proposed dividend per share implies dividend yield of 8.9%. While the amount of dividends was disclosed some a week ago, the timing of distribution appeared to be a positive surprise. Notably, MHP is set to pay dividends much earlier this year compared to the previous years. Over 2013-15, the company paid dividends in late May – early June. During the conference call last week, MHP's management announced its intention to pay dividends in the amount similar to this year (USD 80mn) in the following years. The real amount of dividends, however, will be subject to the group's fundamental conditions, in our view.

### NEWS

MHP, Ukraine's largest poultry producer, signed a cooperation memorandum on Thursday (Mar 17) with Netherlands-based Gezondheid Dienst voor Dieren B.V. (GD), the Latifundist agricultural news site wrote. GD is focused on animal health programs, consulting, and laboratory services. The deal between the two companies envisages, among other things, GD's commitment to monitor the health of MHP's chickens over the next two years, to conduct educational programs for MHP's veterinary experts in accordance with EU/Netherlands quality standards, and maintenance of internal laboratory processes.

### COMMENTARY

We presume, the signed cooperation deal is linked to the ongoing work of MHP on creating a joint venture in lucrative EU market aimed at processing poultry meat imported from MHP's Ukrainian assets. The first processing asset with MHP's partnership will probably be located in Netherlands, according to the management. So, the cooperation with animal health company is necessary to align MHP's chicken health and quality standards with those of EU/Netherlands, in our view.

## UkrNafta Reports Huge Loss of UAH 165 per share for 4Q15

by Dmitry Churin  
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### UKRNAFTA (UNAF UK)

Price: UAH 128.6 Market Cap: USD 262mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.6	0.2	neg	35.3	0.0%
2016E	0.6	0.3	7.9	2.1	n/a

### NEWS

UkrNafta, Ukraine's largest oil producer, posted a huge fourth-quarter net loss of UAH 9.0bn, which translates into UAH 165 loss per share, according to the company's financial statement that was leaked to the press on Monday (Mar 14). For full-year 2015, UkrNafta reported a net loss of UAH 4.9bn (USD 225mn at the average UAH/USD exchange rate for the period) compared to FY14's net profit of UAH 1.26bn (USD 105mn at the average UAH/USD exchange rate for the period). UkrNafta's FY15 revenue edged up 3.8% YoY in UAH terms to UAH 28.9bn, but was hammered in USD terms amid last year's slide in oil prices. The company's operating loss for the full year was UAH 1.44bn compared to operating profit of UAH 2.99bn in FY14.

### UKRNAFTA FINANCIAL RESULTS

UAH mn	4Q15	4Q14	3Q15	QoQ	YoY	2015	2014	YOY
Net revenue	7,929	9,703	5,468	45.0%	-18.3%	28,939	27,892	3.8%
Operating profit/loss	-6,187	1,895	193	+/-	+/-	-1,442	2,991	+/-
operating margin	-78.0%	19.5%	3.5%	-81.6 p.p.	-97.6 p.p.	-5.0%	10.7%	-15.7 p.p.
Net profit	-8,972	501	152	+/-	+/-	-4,910	1,265	+/-
net margin	-113.2%	5.2%	2.8%	-115.9 p.p.	-118.3 p.p.	-17.0%	4.5%	-21.5 p.p.

Source: Company data,

### COMMENTARY

Information that UkrNafta had a net loss for FY15 first appeared in mid-February, when it was admitted by the company's CEO Mark Rollins. There is no precise information for why UkrNafta had such a poor performance in 4Q, as the losses were fully derived from 'other operating expenses'. Rollins previously had stated that the company was forced to revalue its assets after global oil prices plunged by up to 3x from the levels seen in mid-2014. Importantly, UkrNafta's core operations remained profitable in FY15. Gross profit was UAH 17.4bn (USD 800mn at the average UAH/USD exchange rate for the period). However, the net loss for FY15 means no dividend will be paid and it emphasize the poor shape that UkrNafta is in due to the protracted oil slump.

In a separate quite surprising statement, Mr. Rollins, who is generally viewed as being close to minority controlling shareholder Igor Kolomoyskiy despite having been appointed by the government, unveiled the company's long-term strategy to double its oil extraction by 2025. This goal sounds quite ambitious taking into account that UkrNafta's oil production has been falling since 2006. Nevertheless, it is hard to focus on UkrNafta's long term prospects as the company has not solved its conflict with the state over its production tax debt and still has not properly responded to allegations that it accrued bad debts from Privat Group (Kolomoyskiy-owned) affiliated entities. UkrNafta's tax debt amounts to UAH 10bn (USD 380mn). Mr. Rollins recently said that the company was continuing to seek restructuring of the tax debt and that he was having personal discussions on the matter with Prime Minister Arseniy Yatseniuk. No restructuring package has been announced.

The UNAF stock crashed through its strong support level of UAH 130 per share. The stock now trades at UAH 128, a drop of 27% from the start of the year. We see the next support level for the stock at UAH 100. On the other hand, in case UkrNafta finally reaches agreement with the government regarding the tax debt, we assume UNAF quotes will rebound back to a range of UAH 140 - 150 per share.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	57.5	68.29	19%	BUY	With some 95% of revenue linked to the hard currency, devaluation bodes well for the group. The recent changes in the tax regime will also benefit the group. With an access to debt market, Kernel is well placed to be a consolidator of the oilseed crushing industry in the medium term.
MHP	MHPC LI	8.5	8.73	3%	HOLD	MHP is adversely affected with both devaluation and changes in VAT regime effective from Jan 2016. The group is actively working on penetrating into lucrative EU market as well as expanding its presence in other markets. MHP is the generous dividend play with DPS for FY15 approved at 0.75.
Astarta	AST PW	37.3	44.98	21%	BUY	The new VAT regime for agro producers will be largely neutral for Astarta, in our view. While hryvnia devaluation is negative for the company, it works on business diversification and cost optimization via improving its energy and operational efficiency.
IMC	IMC PW	6.5	13.02	100%	BUY	The changes in the tax legislation and devaluation are positive for IMC with its focus on grain growing and respective near 95% of revenue tied to the dollar. Those together with an ongoing land bank expansion program, and high standards of corporate governance are all positive factors offsetting the stock's low liquidity.
AvangardCo	AVGR LI	1.4	nm	nm	SELL	Hryvnia devaluation and new VAT regime for agriculture are negative for Avangard. Highly volatile financial results made the proper forecasting a very hard task. Currently large room for cost optimization provides for theoretical material improvement in the earnings.
Ovostar Union	OVO PW	91.3	140.65	54%	BUY	Focus on branded eggs sales domestically and expansion of export sales amid strong domestic demand for eggs allows Ovostar to show outstanding financial results. An ongoing investment program is set to triple the company's egg output over 2012-18E.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	33.3	11.0	-67%	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	0.25	0.56	120%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	1.15	U/R	-	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbas 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	1892	5250	177%	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	2.6	U/R	-	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	26.3	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	13.9	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	5.65	15.00	165%	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	0.070	0.24	242%	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			
					1W	1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	633.52	1096.91	602.94	-6.1%	2.3%	-5.5%	-7.6%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.008	0.017	0.007	-26.5%	-41.9%	-31.8%	-32.4%	-20.4%	-44.2%	-26.3%	-24.8%
Azovstal	AZST	0.253	0.892	0.241	-9.6%	-12.2%	-36.6%	-36.8%	-3.6%	-14.5%	-31.1%	-29.1%
Enakievo Steel	ENMZ	8.00	18.80	7.64	-19.8%	-35.9%	-43.8%	-42.9%	-13.8%	-38.3%	-38.2%	-35.2%
<b>Coke</b>												
Avdyivka Coke	AVDK	1.15	1.60	0.86	0.7%	1.3%	8.5%	4.0%	6.8%	-1.0%	14.1%	11.6%
Yasnyivsky Coking	YASK	0.210	0.377	0.064	0.0%	-4.5%	-36.4%	-8.7%	6.1%	-6.8%	-30.8%	-1.1%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	3.00	n/a	n/a	-25.0%	-25.0%	-58.6%	-29.6%	-18.9%	-27.3%	-53.1%	-21.9%
Ferrexpo	FXPO	33.25	80.00	14.00	-3.6%	58.3%	111.1%	54.7%	-4.4%	2.4%	56.0%	62.3%
Pivnichny GOK	SGOK	3.38	8.33	2.20	1.2%	9.0%	-15.3%	-36.2%	7.3%	6.7%	-9.7%	-28.6%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.200	n/a	n/a	0.0%	0.0%	-50.0%	-13.0%	6.1%	-2.3%	-44.5%	-5.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.080	0.540	0.051	0.0%	-33.3%	-50.0%	-55.6%	6.1%	-35.6%	-44.5%	-47.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	5.98	11.95	5.12	-18.6%	-25.1%	-23.8%	-24.4%	-12.6%	-27.4%	-18.3%	-16.8%
Luhanskteplovoz	LTPL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1892	2817	1663	-0.4%	11.3%	-2.5%	-4.4%	5.7%	9.0%	3.1%	3.2%
Turboatom	TATM	6.05	n/a	n/a	-0.8%	0.8%	47.6%	34.4%	5.2%	-1.5%	53.1%	42.1%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.140	0.210	0.091	-3.4%	7.8%	7.7%	16.7%	2.6%	5.5%	13.2%	24.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	2.58	6.50	2.58	0.0%	-20.8%	-25.9%	-31.3%	-0.1%	6.1%	-23.1%	-23.7%
JKX Oil	JKX	26.25	35.50	15.50	-0.9%	5.0%	-3.7%	-3.7%	-0.1%	5.1%	2.7%	4.0%
Ukrnafta	UNAF	128.6	315.0	126.0	-9.6%	-13.7%	-22.5%	-27.3%	-3.5%	-16.1%	-17.0%	-19.7%
<b>Power Utilities</b>												
Centrenergo	CEEN	5.65	8.50	4.12	-9.0%	25.6%	25.1%	23.9%	-3.0%	23.3%	30.7%	31.5%
Donbasenergo	DOEN	13.90	24.99	12.00	0.5%	-5.1%	-8.6%	-11.8%	6.6%	-7.4%	-3.0%	-4.2%
Zakhidenergo	ZAEN	70.00	177.70	52.00	-16.7%	-6.7%	-23.1%	-16.7%	-10.6%	-9.0%	-17.5%	-9.0%
<b>Consumer</b>												
Agroton	AGT	1.03	1.40	0.80	1.0%	-1.9%	-1.9%	2.0%	2.9%	7.0%	-4.2%	9.6%
Astarta	AST	37.28	38.50	21.19	8.0%	23.7%	13.0%	8.1%	6.4%	14.1%	21.4%	15.7%
Avangardo	AVGR	1.35	3.30	0.23	35.0%	80.0%	8.0%	8.0%	-0.1%	41.1%	77.7%	15.6%
Industrial Milk Company	IMC	6.50	6.90	4.38	1.7%	5.7%	11.1%	8.9%	1.0%	7.8%	3.4%	16.5%
Kernel	KER	57.48	57.48	34.85	3.7%	22.7%	24.4%	19.5%	2.6%	9.8%	20.4%	27.1%
Mriya Agro Holding	MAYA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	8.50	12.05	7.10	0.0%	13.2%	-2.9%	-8.6%	0.5%	6.1%	10.9%	-1.0%
Milkiland	MLK	1.30	2.92	0.89	2.4%	-7.8%	-13.9%	-8.5%	2.3%	8.4%	-10.1%	-0.8%
Ovostar Union	OVO	91.25	94.00	69.00	-0.3%	1.1%	4.6%	0.8%	-2.5%	5.8%	-1.2%	8.5%
<b>Chemicals</b>												
Stirol	STIR	4.00	n/a	n/a	25.0%	24.6%	-4.8%	-32.8%	31.1%	22.3%	0.8%	-25.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.070	0.103	0.063	-0.3%	3.7%	-3.0%	-6.8%	5.8%	1.4%	2.5%	0.9%
UkrSotsbank	USCB	0.070	0.145	0.060	-0.4%	-20.7%	-29.6%	-29.5%	5.6%	-23.0%	-24.1%	-21.8%

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	961	727	496	313	65	35.8%	32.6%	8.9%	184	31	-29	13.2%	3.3%	-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	700	693	342	238	191	38.9%	33.9%	27.5%	129	169	75	14.7%	24.2%	10.8%
<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	1,327	963	380	7	120	16.4%	0.5%	12.5%	105	-225	33	4.5%	-17.0%	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	1,183	1,305	510	459	404	37.0%	38.8%	30.9%	-412	-126	48	-29.9%	-10.6%	3.6%
Kernel	KER	2,393	2,330	2,215	223	397	401	9.3%	17.0%	18.1%	-107	101	208	-4.5%	4.3%	9.4%
Astarta	AST	468	344	327	159	140	108	34.0%	40.7%	32.9%	-90	51	74	-19.3%	14.9%	22.7%
Avangardco	AVGR	420	240	274	129	-63	49	30.9%	-148	6	-27	-148	6	-6.4%	-148	6
Ovostar	OVO	75	76	96	29	37	49	38.9%	35	44	26	35	44	34.5%	35	44
<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	8	3.9%	0	2,623	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.1	678	632	614	\$/tonne
Yenakievo Steel	ENMZ	3	8.8%	0	217	neg	neg	neg	>30	12.3	17.4	0.2	0.3	0.5	79	75	74	\$/tonne
Azovstal	AZST	42	3.0%	1	5	0.5	neg	neg	0.0	0.1	0.1	0.0	0.0	0.0	1	1	1	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	9	6.8%	1	7	neg	2.3	7.0	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	138	0.3%	0	136	2.1	neg	neg	0.5	0.8	1.2	0.3	0.4	0.6				
Pivnichny GOK	SGOK	305	0.4%	1	299	2.4	neg	neg	0.5	1.2	2.1	0.3	0.5	0.7				
Ferrexpo	FXPO	280	24.0%	67	1,297	1.5	8.9	neg	2.6	4.1	20.0	0.9	1.3	1.8				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	8	2.0%	0	54	0.4	4.4	9.8	1.2	3.0	4.6	0.3	0.6	0.7	135	180	216	\$/tonne
<b>Railcar Manufacturing</b>																		
Krukiv Wagon	KVBZ	27	5.0%	1	21	neg	neg	neg	neg	neg	neg	0.1	0.5	0.5				
<b>Specialized Machinery</b>																		
Turboatom	TATM	58	5.8%	3	28	1.1	2.5	3.5	0.4	0.7	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	154	24.0%	37	178	1.2	0.9	2.1	0.5	0.7	0.9	0.2	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	103	7.2%	7	193	5.7	11.1	24.8	2.3	2.7	3.3	0.5	0.8	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	273	3.0%	8	267	2.6	neg	8.2	0.7	>30	2.2	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	-0.9	-1.3	-0.4	-0.4	-0.6	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	65	50.4%	33	173	neg	13.0	>30	2.5	2.5	3.2	1.2	1.2	1.4	32	24	23	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	82	21.7%	18	65	13.9	17.8	7.9	2.5	4.9	5.2	0.1	0.2	0.2	4	4	4	\$/MWh
DonbasEnerg	DOEN	13	14.2%	2	26	1.5	neg	6.2	1.3	neg	4.2	0.1	0.1	0.1	3	3	3	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	898	34.1%	306	2,118	neg	neg	18.9	4.2	4.6	5.2	1.5	1.8	1.6				
Kernel	KER	1,210	61.8%	747	1,670	neg	12.0	5.8	7.5	4.2	4.2	0.7	0.7	0.8				
Astarta	AST	246	37.0%	91	420	neg	4.8	3.3	2.6	3.0	3.9	0.9	1.2	1.3				
Avangardco	AVGR	86	22.5%	19	384	neg	neg	13.8	3.0	neg	7.8	0.9	1.6	1.4	87	66	62	\$/mneggs
Ovostar	OVO	145	25.0%	36	152	5.6	4.2	3.3	5.2	4.0	3.1	2.0	2.0	1.6	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	169	1.8%	3		neg	neg	5.1	0.4	0.6	0.5	0.06	0.09	0.07				
Ukrsotsbank	USCB	212	0.2%	0		>30	>30	>30	0.5	0.6	0.8	0.12	0.17	0.16				

Source: Eavex Research



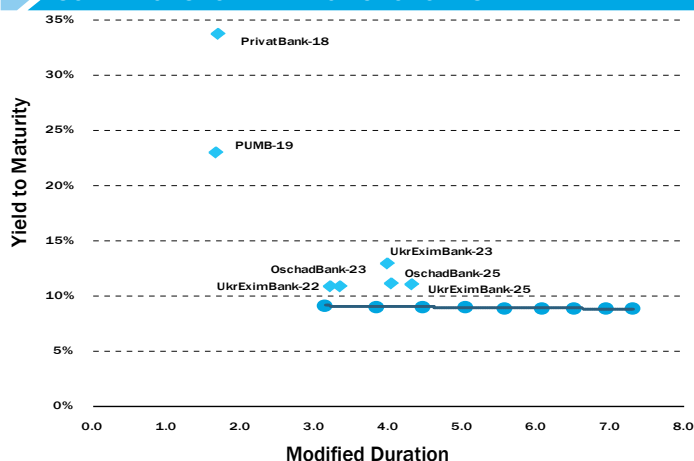
UKRAINIAN EUROBONDS

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	94.0	95.0	9.8%	9.5%	0.9%	2.9	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	93.4	94.3	9.6%	9.4%	1.5%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	92.5	93.5	9.5%	9.3%	1.5%	4.3	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	91.5	92.5	9.5%	9.3%	1.5%	4.9	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	90.8	91.8	9.5%	9.3%	1.8%	5.4	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	89.8	90.8	9.5%	9.4%	1.5%	5.9	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	89.0	90.0	9.5%	9.4%	1.3%	6.4	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	88.3	89.3	9.6%	9.4%	1.3%	6.8	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	87.5	88.5	9.6%	9.4%	1.0%	7.2	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	33.5	35.0	n/a	n/a	-16.0%	n/a	0.00%	S/A	31 May 2040	2,916	Caa3/B-/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2019	10.0	13.0	121.6%	102.1%	0.0%	1.5	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	86.9	88.1	12.5%	12.1%	0.1%	3.1	8.25%	S/A	2 Apr 2020	750	/CCC-/CCC
Avangardco, 2018	36.8	41.0	58.8%	53.0%	-23.8%	1.9	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	30.0	43.0	94.9%	66.0%	-27.0%	1.2	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		0.7	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	38.0	43.0	74.3%	65.0%	-2.3%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	40.5	43.5	64.3%	59.2%	-5.6%	1.3	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	43.7	46.0	n/a	n/a	-20.9%	n/a	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	43.6	46.1			-1.1%		10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	43.4	45.3			-0.3%		8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	61.9	64.9	30.4%	28.3%	15.9%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	43.4	45.3			9.1%		10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	85.1	86.9	18.1%	17.0%	-0.3%	1.8	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	23.0	33.0	160.5%	114.5%	-6.7%	0.8	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.3	72.0	38.5%	36.0%	-1.9%	0.7	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	1.1	7.1	435.8%	161.0%	-55.2%	1.1	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	76.0	79.3	22.9%	21.0%	4.7%	1.5	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	0.7	10.2	n/a	n/a	-25.2%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2018-2	74.0	76.0	29.6%	27.9%	-1.3%	n/a	10.25%	S/A	23 Jan 2018	200	//
PrivatBank, 2021	62.0	64.0	24.8%	23.9%	-6.0%	3.2	11.00%	S/A	09 Feb 2021	220	//
PrivatBank, 2018	70.0	73.0	33.1%	30.3%	5.1%	1.5	10.88%	S/A	28 Feb 2018	175	//
UkrEximBank, 2022	87.8	89.0	12.5%	12.2%	-1.4%	n/a	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	72.2	75.2	14.4%	13.5%	-0.5%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	84.8	85.9	12.7%	12.4%	-2.3%	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	86.0	87.2	12.4%	12.2%	-2.8%	3.0	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	84.7	85.8	12.5%	12.3%	-2.8%	3.8	8.88%	S/A	20 Mar 2025	500	Ca//CC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	77.0	80.5	n/a	n/a	-5.7%	n/a	8.00%	S/A	6 Nov 2015	101	//

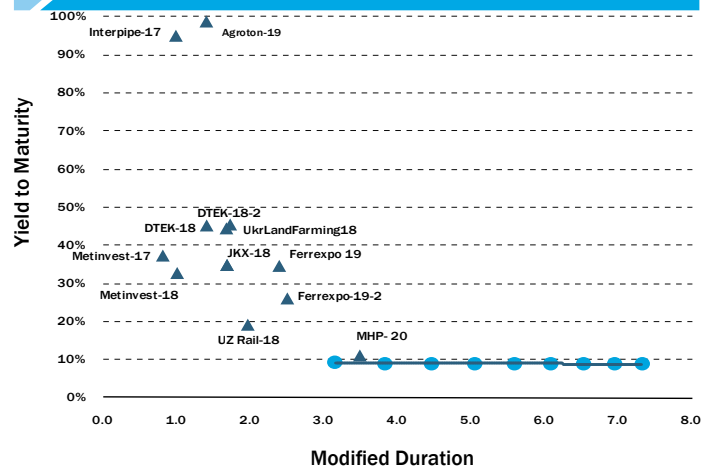
<sup>1</sup> Moody's/S&P/Fitch

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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