

Stock Market Update

Equity

Ukrainian stocks listed in Kyiv saw a second week of moderate recovery after their big decline in mid-March, with the UX index adding 4.4% to end at 581 points on Friday (Apr 8). UkrNafta (UNAF) was a clear winner for the week, regaining 30% to UAH 96 per share, as the stock became heavily oversold after crashing through the UAH 130 support floor. Heavyweight issues CentrEnergO (CEEN) and Motor Sich (MSICH) added 2.0% and 2.8% respectively. On the downside, Azovstal (AZST) lost 3.5% to 22.00 kopecks. The previously announced de-listing of Metinvest-controlled companies was realized in the major second-tier names, with DTEK announcing its intention to transform ZakhidEnergO (ZAEN), DniproEnergO (DNEN), DniproOblEnergO (DNON), and Komsomolets Donbasa Mine (SHKD) from public companies into private companies.

In London-listed Ukrainian equities, MHP (MHPC) gained 2.9% to USD 8.90 on the back of signs of stabilization of the hryvnia. Ferrexpo (FXPO) rose by 4.7% to GBp 27.75. In Warsaw trading, Kernel (KER) appreciated by 2.2% to PLN 53.90, remaining near its 30-month post-EuroMaidan high water mark.

On the interbank currency market, the hryvnia strengthened by 2.0% against the dollar to close at 25.60 UAH/USD (with NBU reported to have bought foreign currency) thanks to expectations that rising iron ore and steel prices will further improve the country's trade balance. However, the NBU admitted that the country's foreign currency reserves decreased rather sharply, by some USD 770mn to USD 12.72bn in March, as a result of a USD 850mn outflow for servicing the government's debt.

Highlights

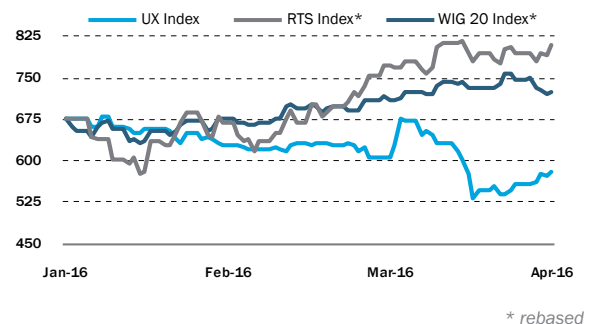
POLITICS AND ECONOMICS

- > Yatseniuk Resigning, Will Back Groysman for PM in 2-Party Coalition
- > Ukraine Steel Output Jumps 19% YoY in 1Q16

STOCKS IN THE NEWS

- > Astarta Expands Sugar Beet Planting by 33%, Cuts Area Under Soybean
- > Ferrexpo's 1Q16 Output Flat YoY, Lower QoQ

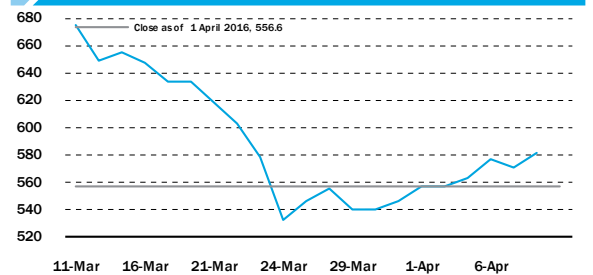
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	581.0	4.4%	-4.4%	-15.3%
RTS	879.1	2.0%	4.7%	16.1%
WIG20	1919.4	-2.7%	2.3%	3.2%
MSCI EM	816.8	-1.1%	3.6%	3.2%
S&P 500	2047.6	-1.2%	3.5%	-0.8%

UX 3M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	442.5	2.5%	-3.7%	0.1%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	9.8%	0.4 p.p.	0.1 p.p.	-0.1 p.p.
Ukraine-27	9.4%	0.0 p.p.	-0.2 p.p.	-0.2 p.p.
MHP-20	12.1%	-0.1 p.p.	-1.1 p.p.	0.0 p.p.
UZ Rail-21				

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.63	-1.6%	-2.4%	6.6%
EUR	29.21	-1.6%	1.1%	11.2%
RUB	0.38	-0.9%	6.3%	17.0%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	166.5	1.2%	3.4%	-8.8%
Steel, USD/t	387.5	5.4%	37.2%	53.5%
Oil, USD/bbl	41.9	8.5%	4.2%	13.8%
Gold, USD/oz	1239.4	1.4%	-1.7%	16.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Yatseniuk Resigning, Will Back Groysman for PM in 2-Party Coalition

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

NEWS

Prime Minister Arseniy Yatseniuk announced on Sunday (Apr 10) that he will submit his resignation to Parliament this week, and that he and his People's Front party will support current Parliament Speaker and close presidential ally Volodymyr Groysman as the new nominee to head the Cabinet of Ministers. "The parliamentary faction of the Poroshenko Bloc (BPP) has nominated Groysman to the post of prime minister. Having done everything to ensure stability and continuity of our course, I declare my decision to transfer the obligations and responsibilities of the head of government of Ukraine," Reuters quoted Yatseniuk as saying. Separately, the Kyiv Post news site reported that Yatseniuk said his People's Front party "remains in coalition because today it is the only way to defend the state." Yatseniuk said that going forward, he will focus on a new national electoral framework, constitutional and judicial reform, and "coalition control over the direction of the new government... as of today, my goals are broader than the authority of the head of government," the KP quoted him as saying. Yatseniuk has served as Prime Minister continuously for 25 months since the EuroMaidan revolution of February 2014.

COMMENTARY

The resignation of Yatseniuk and his replacement by Groysman are in line with our expectations (please see the Apr 4 edition of the Eavex Ukraine Market Monitor), after it became clear that the month-long movement to appoint US-born Finance Minister Natalia Jaresko as PM lacked the necessary political momentum. The PM's voluntary resignation, coming nearly a full 2 months after he defeated a no-confidence motion in Parliament, provides a face-saving way out for Yatseniuk, whose popularity has been hammered by his association with unpopular IMF-related reforms as well as his reported close relations with the country's major oligarchs. However, Yatseniuk spent the last 2 months presenting a staunch public defense of his record and his commitment to Ukraine's pro-Western course, and we suppose he may have opened the way to at least a partial recovery in his rating. We see the likely establishment of a stable pro-IMF, pro-Western government led by Groysman as strongly positive for Ukraine in the short term, even though the new Cabinet will inevitably be associated with "the old way of doing business". As we stated last week, we think the coalition will be formed by the two big parties (BPP plus People's Front) along with a handful of previously non-aligned MPs and situational support from the ostensibly pro-Russian Opposition Bloc. This new setup should clearly draw the battle-lines between the current Poroshenko-led, pro-Western establishment and the 3 small populist-nationalist parties who quit the previous coalition amid their broad opposition to the IMF-required reform program; in our view, the latter parties have proven to be unreliable in supporting Ukraine's Western course, and MPs from the Opposition Bloc and/or major East Ukrainian urban centers could actually end up being an improvement in this respect. Going forward, the stability of the new government will depend on whether the People's Front and Yatseniuk continue to back the Poroshenko/Groysman duo; if the People's Front defects to a nationalist-populist position, this will quickly result in a pre-term election. With Yatseniuk off the hook, perceived responsibility for the overall situation in the country will now fall squarely on the shoulders of President Poroshenko. The change in government in Kyiv should provide a welcome respite from two negative stories about Ukraine last week which in our view have been over-covered: the failure of the non-binding Dutch referendum on Ukraine's EU association agreement, and the furor over Poroshenko's relatively innocuous offshore corporate registration revealed in the "Panama Papers" leak.

**Ukraine Steel Output Jumps 19%
YoY in 1Q16**

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

NEWS

Overall Ukrainian steel production, including steel from plants located on separatist-occupied territory in the Donbass region, increased by 18.6% YoY to 6.11mn tonnes over Jan-Mar 2016, industry association Metallurgprom reported. In March, steel output improved by 30% YoY to 2.21mn tonnes. Average daily production amounted to 71,100 tonnes in March, representing 4.7% growth compared to February data.

COMMENTARY

The very sharp year-on-year growth in Ukraine's steel output is mostly due to renewed production at 2 major plants in the occupied territory, Alchevsk Steel and Yenakievo Steel, that were either out of operation in 1Q15 or operated at low capacity use due to the military conflict. However, apart from the favourable comparison base, the positive dynamics were also a result of a certain recovery in demand on the core markets of Middle East and Europe, which bodes well for Ukraine's biggest producer, the Metinvest group. Growth in steel prices has been solid in recent months, with some benchmarks up by as much as 50% Ytd, triggered by anti-dumping initiatives against Chinese steel exports implemented internationally. Also, there has been a resurgence in the Chinese real estate sector since the beginning of this year. The trend of steel pricing going forward will to large extent depend on the ability of the global steel industry (ex-China) to maintain pressure on Chinese exporters. .

Astarta Expands Sugar Beet Planting by 33%, Cuts Area Under Soybean

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

ASTARTA (AST PW)

Price: PLN 38.50 Market Cap: USD 212mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.4	1.3	4.7	3.1	0%
2016E	1.1	1.3	3.3	4.0	0%

NEWS

Astarta, Ukraine's largest sugar maker, plans to sow some 170,000 hectares of its land under spring crops, implying a 9% YoY decrease, the company reported in its release on Monday (Apr 4). The drop is due to an increased use of the land bank for winter crops (+14% YoY to 56,000 ha). Astarta intends to expand the area under sugar beet and sunflower by 33% YoY and 23% respectively, to 45,000 ha and 28,000 ha, while corn should be sown on 44,000 ha of land (+1% YoY). At the same time, land cropped with soybean is being slashed by 31% YoY to 42,000 ha. The company stated that "In contrast to earlier expectations, winter crops are generally in good condition and have healthy yield potential."

COMMENTARY

Astarta's move to expand its cultivation of highly profitable sunflower as well as sugar beet in this season at the expense of soybean is the right decision, in our view, given the chance for rising sugar prices in the short run amid domestic sugar production cost inflation and a favorable international sugar market outlook for the 2016/17 marketing year. Cutting the soybean cultivation looks logical to us and is supported by two arguments. The first point is Astarta's ability to utilize its soybean processing capacity via third-party tolling agreements (some 37% of the company's soybean volume processed in 2015 was made via tolling deals). These deals generate significant profits without large working capital requirements. The second point is strengthening competition on the domestic soybean marketplace following last autumn's launch of a soybean processing plant by MHP, Ukraine's largest poultry producer. MHP's installed soybean processing capacity is 1,000 tonnes/day, vs. 700 tonnes/day for Astarta.

Ferrexpo's 1Q16 Output Flat YoY, Lower QoQ

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

FERREXPO (FXPO LN)

Price: GBp 29.0 Market Cap: USD 244mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.0	1.3	7.8	4.0	0%
2016E	0.5	1.7	neg	19.5	0%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, reported 1Q16 pellet output of 2.89mn tonnes, which is flat year-on-year and a 3.3% QoQ decrease, the company announced last week (Apr 5). Almost all the output (2.88mn t) was from in-house ore; this figure represents a 5.6% YoY increase and a 2.7% drop QoQ. Output from third party-ore was only around 11,000 tonnes in 1Q16 (-93% YoY and -61% QoQ). The production of top-value-added 65 percent Fe pellets rose by 12.7% YoY to 2.76mn tonnes in 1Q16 (still -2.3% QoQ). Output of 62 percent Fe pellets declined by 71% YoY and 21% QoQ to 123,800 tonnes over the stated period.

COMMENTARY

A positive note in Ferrexpo's production report for 1Q16 is reaching a historical high share (96%) of the more profitable 65 percent Fe product in the total output structure. This compares to respective shares of 95%, 87%, 89% and 85% in 4Q, 3Q, 2Q and 1Q of 2015. On the downside Ferrexpo was unable to maintain its robust production level of 2.98mn tonnes achieved in 4Q15, slipping back by some 3%; the 4Q15 figure corresponds a very impressive pelletizing capacity utilization ratio of 99.5%. At this stage, it appears to us that the company's FY16 output will be within the region of 11.6-11.8mn tonnes, or close to flat compared to the 11.66mn tonnes recorded in full-year 2015.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	53.9	68.29	27%	BUY	With some 95% of its revenue linked to major foreign currencies, hryvnia devaluation is positive for Kernel, and recent changes in Ukraine's tax regime should also benefit the group. With on-demand borrowing access, Kernel is well placed to further consolidate its position in the oilseed crushing industry.
MHP	MHPC LI	8.9	8.73	-2%	HOLD	MHP is adversely affected by both hryvnia devaluation and the 2016 changes in Ukraine's VAT regime. The group's strategy is focused on penetrating into the lucrative EU market and expanding sales in other foreign markets. MHP is a generous dividend play, with a DPS for FY15 approved at 75 cents.
Astarta	AST PW	38.5	44.98	17%	BUY	The new VAT regime for agro producers will be largely neutral for Astarta, in our view, while recovery of sugar prices bode well for the company's earnings. Astarta is focused on business diversification and cost optimization via improving its energy and operational efficiency.
IMC	IMC PW	7.0	13.02	86%	BUY	The recent changes in Ukraine's tax legislation are positive for IMC, which is focused growing exportable crops; some 95% of the company's revenue is tied to the dollar. Land bank is targeted to expand by 50% over 2015-20. A high standard of corporate governance makes the stock an attractive play in spite of its low liquidity.
AvangardCo	AVGR LI	0.8	nm	nm	SELL	Ukraine's new VAT regime for agro producers is negative for Avangard, as its subsidy reimbursements will be reduced. Large room for cost optimization provides a theoretical upside to earnings, but the company's highly volatile financial results have rendered forecasting unreliable.
Ovostar Union	OVO PW	94.0	140.65	50%	BUY	The company has a strong focus on domestic branded egg sales and successfully expands its export sales to mitigate negative effect from devaluation. Ovostar is in the midst of a long-term expansion that will ultimately see egg output triple over 2012-18E.
Iron Ore						
Ferrexpo	FXPO LN	27.8	11.0	-60%	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	0.22	U/R	--	Susp.	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	0.85	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	2005	5250	162%	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	2.3	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	22.0	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						
DonbasEnergO	DOEN	12.4	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnergO's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnergO	CEEN	5.55	15.00	170%	BUY	CentrEnergO'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	0.063	0.24	284%	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	580.96	1096.91	525.66	4.4%	-4.4%	-14.3%	-15.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.005	0.017	0.005	-21.5%	-51.4%	-54.5%	-54.1%	-25.9%	-47.0%	-40.1%	-38.8%
Azovstal	AZST	0.220	0.892	0.185	-3.5%	-20.3%	-43.6%	-45.0%	-7.9%	-15.9%	-29.3%	-29.7%
Enakievo Steel	ENMZ	7.36	18.70	5.50	-1.5%	-20.4%	-47.4%	-47.4%	-5.9%	-16.0%	-33.1%	-32.1%
Coke												
Avdyivka Coke	AVDK	0.85	1.60	0.65	-2.4%	-23.3%	-21.8%	-23.0%	-6.8%	-18.8%	-7.5%	-7.7%
Yasnyivsky Coking	YASK	0.140	0.360	0.064	-30.0%	-12.5%	-39.1%	-39.1%	-34.4%	-8.1%	-24.8%	-23.8%
Iron Ore Mining												
Centralny GOK	CGOK	3.00	n/a	n/a	0.0%	-25.0%	-29.6%	-29.6%	-4.4%	-20.6%	-15.3%	-14.3%
Ferrexpo	FXPO	27.75	80.00	14.00	4.7%	-29.7%	33.7%	29.1%	1.1%	0.3%	-25.3%	44.4%
Pivnichny GOK	SGOK	3.26	8.20	2.20	8.7%	-5.8%	-38.4%	-38.4%	4.3%	-1.3%	-24.1%	-23.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.200	n/a	n/a	0.0%	0.0%	-13.0%	-13.0%	-4.4%	4.4%	1.3%	2.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.040	0.410	0.040	-20.0%	-42.9%	-78.9%	-77.8%	-24.4%	-38.4%	-64.6%	-62.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	4.70	11.95	3.85	-4.1%	-32.9%	-40.7%	-40.6%	-8.5%	-28.4%	-26.4%	-25.3%
Luhanskteplovoz	LTPL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Specialized Machinery												
Motor Sich	MSICH	2005	2817	1663	2.8%	11.4%	2.2%	1.3%	-1.6%	15.8%	16.6%	16.6%
Turboatom	TATM	6.80	n/a	n/a	12.4%	16.2%	51.1%	51.1%	8.0%	20.7%	65.4%	66.4%
Telecom												
Ukrtelecom	UTLM	0.110	0.210	0.091	0.0%	-8.3%	-8.3%	-8.3%	-4.4%	-3.9%	6.0%	7.0%
Oil & Gas												
Regal Petroleum	RPT	2.33	6.50	2.33	-5.1%	-11.4%	-38.0%	-38.0%	-1.7%	-9.5%	-7.0%	-22.7%
JKX Oil	JKX	22.00	31.00	15.50	-8.3%	-11.1%	-17.0%	-19.3%	-2.8%	-12.7%	-6.7%	-4.0%
Ukrnafta	UNAF	96.5	299.7	70.5	30.4%	-32.4%	-45.5%	-45.5%	26.0%	-28.0%	-31.2%	-30.2%
Power Utilities												
Centrenergo	CEEN	5.55	8.50	4.12	2.0%	16.9%	22.6%	21.7%	-2.4%	21.3%	36.9%	37.0%
Donbasenergo	DOEN	12.37	24.99	12.00	-5.6%	-1.0%	-21.0%	-21.5%	-10.0%	3.4%	-6.7%	-6.2%
Zakhidenergo	ZAEN	45.00	170.00	41.00	-22.4%	-46.4%	-46.4%	-46.4%	-26.8%	-42.0%	-32.1%	-31.1%
Consumer												
Agroton	AGT	1.25	1.40	0.80	3.3%	28.9%	33.0%	23.8%	1.6%	-1.1%	33.3%	39.1%
Astarta	AST	38.50	38.50	23.91	4.8%	16.7%	11.0%	11.6%	-1.4%	0.4%	21.1%	26.9%
Avangardo	AVGR	0.80	3.00	0.23	-11.1%	17.6%	-42.0%	-36.0%	-1.7%	-15.5%	22.1%	-20.7%
Industrial Milk Company	IMC	7.00	7.04	4.38	0.0%	7.7%	18.6%	17.3%	0.2%	-4.4%	12.1%	32.5%
Kernel	KER	53.90	57.48	34.85	2.2%	-2.4%	16.5%	12.1%	-3.7%	-2.2%	2.1%	27.4%
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	8.90	12.05	7.10	2.9%	11.1%	4.7%	-4.3%	-1.1%	-1.5%	15.5%	11.0%
Milkiland	MLK	2.01	2.92	0.89	16.2%	55.8%	39.6%	41.5%	4.7%	11.8%	60.2%	56.8%
Ovostar Union	OVO	94.00	95.50	69.00	-1.1%	2.2%	8.0%	3.9%	-1.7%	-5.4%	6.6%	19.2%
Chemicals												
Stirol	STIR	2.00	n/a	n/a	0.0%	-37.5%	-66.4%	-66.4%	-4.4%	-33.1%	-52.1%	-51.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.063	0.103	0.059	3.6%	-7.8%	-13.7%	-17.0%	-0.7%	-3.4%	0.6%	-1.7%
UkrSotsbank	USCB	0.074	0.145	0.060	8.8%	5.7%	-25.1%	-25.1%	4.4%	10.1%	-10.8%	-9.8%

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
Steel																
Alchevsk Steel	ALMK	1,254	527	477	248	-50	-50	19.7%	-9.6%	-10.5%	na	-1,076	-388	na	-204.2%	-81.4%
Enakievo Steel	ENMZ	916	642	482	6	18	12	0.6%	2.8%	2.4%	-33	-37	-38	-3.6%	-5.7%	-8.0%
Azovstal	AZST	1,885	1,157	868	183	70	41	9.7%	6.0%	4.7%	77	-84	-37	4.1%	-7.3%	-4.3%
Coke																
Avdyivka Coke	AVDK	533	294	238	-60	49	28	na	16.8%	11.8%	-67	14	6	-12.5%	4.9%	2.3%
Yasynivsky Coking	YASK	162	83	66	-12	-9	-10	-7.3%	na	-14.6%	-19	-11	-10	-11.5%	-13.9%	-15.7%
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	961	727	496	313	65	35.8%	32.6%	8.9%	184	31	-29	13.2%	3.3%	-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	700	693	342	238	191	38.9%	33.9%	27.5%	129	169	75	14.7%	24.2%	10.8%
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	1,327	928	380	7	116	16.4%	0.5%	12.5%	105	-225	32	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	89	80	46	17	29	31.5%	19.1%	36.3%	-80	-82	-20	-54.4%	-92.1%	-25.0%
Electric Utilities																
Centrenerg	CEEN	630	315	353	26	13	31	4.1%	4.2%	8.8%	6	3	21	0.9%	1.0%	5.9%
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	1,183	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
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	2,869	1,958	2,128	390	261	267	327	216	208	-87	-66	32	-22.2%	-25.3%	12.0%
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	5	3.9%	0	2,620	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.5	677	631	613	\$/tonne
Yenakievo Steel	ENMZ	3	8.8%	0	217	neg	neg	neg	>30	12.3	18.8	0.2	0.3	0.5	79	75	74	\$/tonne
Azovstal	AZST	36	3.0%	1	0	0.5	neg	neg	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	\$/tonne
Coke																		
Avdyivka Coke	AVDK	6	6.8%	0	5	neg	0.4	1.2	neg	0.1	0.2	0.0	0.0	0.0	1	1	1	\$/tonne
Yasynivsky Coke	YASK	1	9.0%	0	1	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	137	0.3%	0	136	2.1	neg	neg	0.5	0.8	1.1	0.3	0.4	0.6				
Pivnichny GOK	SGOK	293	0.4%	1	287	2.3	neg	neg	0.5	1.1	2.0	0.3	0.5	0.6				
Ferrexpo	FXPO	229	24.0%	55	1,247	1.2	7.3	neg	2.5	4.0	19.3	0.9	1.3	1.7				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	4	2.0%	0	50	0.2	2.2	4.9	1.1	2.8	4.2	0.3	0.5	0.7	124	166	199	\$/tonne
Railcar Manufacturing																		
Krukiv Wagon	KVBZ	21	5.0%	1	15	neg	neg	neg	neg	neg	neg	0.1	0.4	0.3				
Specialized Machinery																		
Turboatom	TATM	58	5.8%	3	27	1.1	2.5	3.5	0.4	0.7	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	163	24.0%	39	186	1.3	1.0	2.2	0.5	0.8	1.0	0.2	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	80	7.2%	6	171	4.4	8.7	19.4	2.0	2.4	2.9	0.4	0.7	0.8				
Oil & Gas																		
Ukrnafta	UNAF	204	3.0%	6	198	1.9	neg	6.4	0.5	27.3	1.7	0.1	0.1	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	11	21.6%	2	-15	neg	1.8	neg	neg	-0.9	-1.5	-0.4	-0.4	-0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	53	50.4%	27	162	neg	neg	neg	3.5	9.6	5.6	1.1	1.8	2.0	30	22	22	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	80	21.7%	17	63	13.6	24.9	3.9	2.4	4.8	2.0	0.1	0.2	0.2	4	4	4	\$/MWh
DonbasEnerg	DOEN	11	14.2%	2	25	1.4	neg	5.5	1.2	neg	4.0	0.1	0.1	0.1	3	3	3	\$/MWh
Consumer																		
MHP	MHPC	940	34.1%	321	2,160	neg	neg	19.7	4.2	4.7	5.4	1.6	1.8	1.7				
Kernel	KER	1,142	61.8%	705	1,603	neg	11.3	5.5	7.2	4.0	4.0	0.7	0.7	0.7				
Astarta	AST	256	37.0%	95	430	neg	5.0	3.5	2.7	3.1	4.0	0.9	1.2	1.3				
Avangardco	AVGR	51	22.5%	12	349	neg	neg	8.2	2.7	neg	7.1	0.8	1.5	1.3	79	60	56	\$/mneggs
Ovostar	OVO	150	25.0%	37	157	5.8	4.3	3.4	5.4	4.2	3.2	2.1	2.1	1.6	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	150	1.8%	3		neg	neg	4.7	0.4	0.6	0.6	0.05	0.08	0.07				
Ukrsotsbank	USCB	224	0.2%	0		>30	>30	>30	0.6	0.7	0.8	0.12	0.17	0.16				

Source: Eavex Research

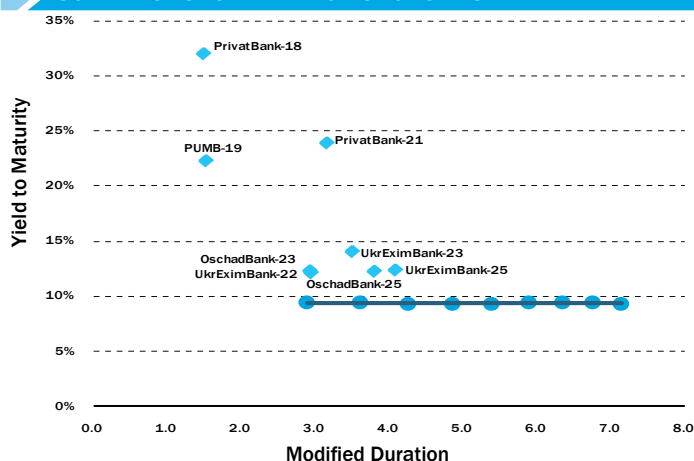
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2019	93.8	94.8	10.0%	9.6%	0.7%	2.9	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	93.1	93.9	9.7%	9.5%	1.1%	3.6	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	92.5	93.5	9.6%	9.3%	1.5%	4.2	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	91.5	92.5	9.6%	9.3%	1.5%	4.8	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	90.5	91.5	9.6%	9.4%	1.5%	5.4	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	89.8	90.8	9.6%	9.4%	1.5%	5.9	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	89.3	90.3	9.5%	9.3%	1.6%	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	88.8	89.8	9.5%	9.3%	1.9%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	88.3	89.3	9.5%	9.3%	1.9%	7.1	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	/B-/
Corporate Eurobonds											
Agroton, 2019	7.5	10.5	153.8%	121.9%	-21.7%	1.2	8.00%	S/A	14 Jul 2019	50	//
MHP, 2020	87.6	88.7	12.3%	11.9%	0.9%	3.2	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	30.0	34.0	71.6%	64.5%	-37.3%	1.7	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018						1.1	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	9.0	12.0	n/a	n/a	-16.0%	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	n/a	n/a	n/a	n/a	-51.8%	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2018	40.0	42.0	72.8%	69.0%	-1.2%	1.3	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	40.0	42.0	66.8%	63.2%	-7.9%	1.4	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	48.6	52.0	n/a	n/a	-11.3%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	48.5	52.1	n/a	n/a	10.9%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	48.2	51.8	n/a	n/a	12.4%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	66.2	68.9	27.8%	26.0%	23.4%	1.9	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	48.2	51.8	28.2%	26.2%	17.1%	1.9	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	87.2	89.3	13.2%	12.7%	2.6%	2.9	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	35.0	156.2%	112.3%	0.0%	0.8	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	67.8	70.9	41.0%	37.8%	-3.7%	0.6	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.8	5.1	558.1%	199.8%	-67.6%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	76.5	78.1	22.9%	21.9%	4.2%	1.5	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.8	10.8	n/a	n/a	-20.8%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	75.0	77.0	29.3%	27.4%	0.0%	1.5	10.25%	S/A	23 Jan 2018	200	Cau//CC
PrivatBank, 2021	64.0	66.0	24.0%	23.0%	-3.0%	3.2	11.00%	S/A	09 Feb 2021	220	Cau//CC
PrivatBank, 2018	69.0	74.0	34.6%	29.9%	5.1%	1.5	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	88.5	89.8	12.4%	12.1%	-0.6%	2.9	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	71.8	74.6	14.5%	13.7%	-1.1%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	85.8	87.0	12.4%	12.2%	-1.1%	4.1	9.75%	S/A	22 Jan 2025	600	Caa3//CCC
VAB Bank, 2019	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	Q	14 Jun 2019	88	IN DEFAULT
Oschadbank, 2023	87.0	88.1	12.2%	11.9%	-1.6%	2.9	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	85.7	86.8	12.3%	12.1%	-1.7%	3.8	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	79.6	81.5	n/a	n/a	-3.5%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

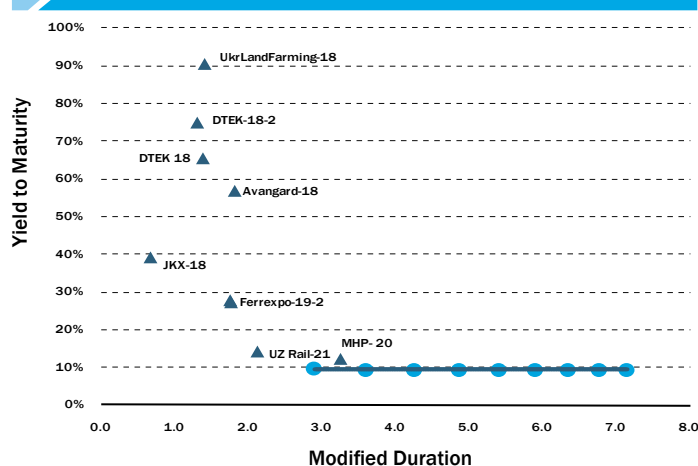
¹ Moody's/S&P/Fitch

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			21%	20%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
UA4000185151			21%	20%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			21%	20%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			21%	20%	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