

Stock Market Update

Equity

The UX index declined by 3.8% last week to close at 623 points, weighed down by a sharp drop in CentrErgo (CEEN), while slumped 8.0% to UAH 6.35 after news that the State Property Fund will delay privatization of the government-held 78% stake in the company until at least next year. The SPF had previously announced that CentrErgo's privatization plan foresaw a scheduled auction in December 2016. Among other notable losers, UkrNafta (UNAF) slid 5.6% to UAH 91, as the company has a UAH 10.2bn tax production debt hanging over its head. Raiffeisen Aval (BAVL) was less affected by the downward move in other blue chips, edging lower by 3.2% to 7.69 kopecks.

In London trading, MHP (MHPC) corrected by 7.8% to USD 9.16 after a solid rise over the preceding week. Meanwhile, Ferrexpo (FXPO) rebounded by 4.0% from its recent slide to end at GBp 32.50. Warsaw-listed Astarta (AST) lost 4.8% to PLN 40.00 as the company left its no-dividend policy unchanged at its May 25 annual shareholder meeting. Kernel (KER) added 5.0% to PLN 54.10, hovering near its 3-year maximum.

In macroeconomic news, the NBU cut its key policy rate by 1 p.p. to 18%, saying that the move reflects a steady disinflation trend, which is consistent with the inflation objectives for 2016 and 2017.

On the currency front, the hryvnia edged up 0.2% against the dollar to close at 25.15 UAH/USD. The interbank currency market stabilized as statistics showed that the country had a current account surplus in April.

Highlights

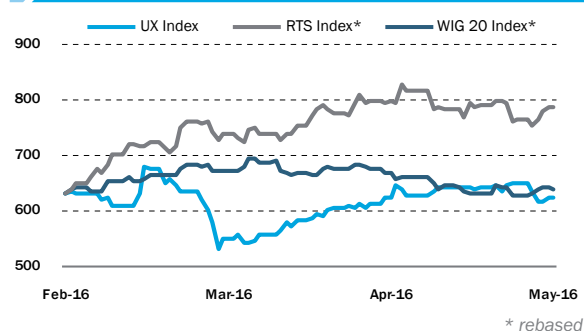
POLITICS AND ECONOMICS

- > Savchenko Takes Up MP Mandate in Tymoshenko's Faction After Release
- > Industrial Output Recovery Continues; Up 3.5% YoY in April

STOCKS IN THE NEWS

- > IMC Plants Corn on 71,000 ha (52% of Land Bank)

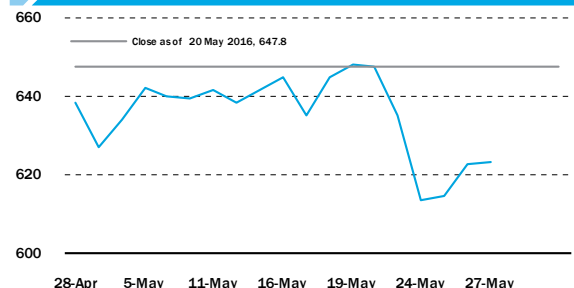
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	623.5	-3.8%	0.3%	-9.1%
RTS	917.5	2.7%	-1.5%	21.2%
WIG20	1839.2	1.8%	-4.0%	-1.1%
MSCI EM	808.3	2.9%	-4.1%	2.1%
S&P 500	2099.1	2.3%	0.4%	1.7%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	417.3	-0.6%	2.3%	-5.6%
CDS 5Y UKR	1050.0	0.0%	0.0%	0.0%
Ukraine-19	8.9%	-0.3 p.p.	-0.1 p.p.	-1.0 p.p.
Ukraine-27	9.0%	-0.1 p.p.	0.0 p.p.	-0.6 p.p.
MHP-20	10.6%	-0.2 p.p.	-0.9 p.p.	-1.6 p.p.
UZ Rail-21	12.7%	-0.3 p.p.	-0.9 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.15	0.4%	-0.2%	4.7%
EUR	27.95	-0.6%	-1.8%	6.4%
RUB	0.38	2.1%	-0.6%	17.2%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	175.0	0.6%	3.6%	-4.1%
Steel, USD/t	455.0	-4.7%	4.0%	80.2%
Oil, USD/bbl	49.3	1.2%	8.2%	33.8%
Gold, USD/oz	1213.0	-3.1%	-2.5%	14.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Savchenko Takes Up MP Mandate in Tymoshenko's Faction After Release

by Will Ritter
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NEWS

Ukrainian army pilot and celebrity political prisoner Nadia Savchenko held a 90-minute private meeting with Batkivschyna party leader Yulia Tymoshenko last week after being released from jail in Russia amid much domestic and international fanfare. Savchenko was elected to Parliament in absentia on the Batkivschyna list in October 2014 and will now take up her mandate in Tymoshenko's faction. Her release was granted by Russia in exchange for Ukraine's release of two Russian military personnel captured last year in Eastern Ukraine. Savchenko had been captured in June 2014 by Donbass separatist forces, transferred to Russia, and charged with the murder of two Russian journalists. Despite personally receiving a "Hero of Ukraine" award from President Poroshenko, Savchenko expressed no gratitude to the President for securing her release, and subsequently stated that she is interested in running for President herself.

COMMENTARY

In our view, the idea that Nadia Savchenko will become a game-changing figure in Ukrainian politics is rather naïve, and we think the enormous wave of PR accompanying her release is likely to be short-lived. Savchenko will no doubt be joining the ranks of Ukraine's anti-IMF, anti-Minsk peace deal populist opposition; we suppose that Russian President Putin released Savchenko precisely in the hope that she would aid in the cause of destabilizing the Ukrainian political landscape. However, we think that Savchenko is only likely to redistribute, rather than increase, the limited electorate that supports aggressive nationalist-populist policies. We expect the two main populist opposition parties, Batkivschyna and Samopomich, to compete for Savchenko; although Savchenko is formally in Tymoshenko's faction, it is not a certainty that she will remain there, and the virulently anti-Poroshenko Samopomich MP Yegor Sobolev has stated that he would welcome an alliance with Savchenko against the President. Another possibility is that Savchenko will use her credibility with Ukraine's nationalists to strike out on her own and form a new party under her personal leadership, but again, we see this electoral base as limited, and we doubt that such a party could become a major player in any subsequent election unless it were to displace an already-existing party (ies).

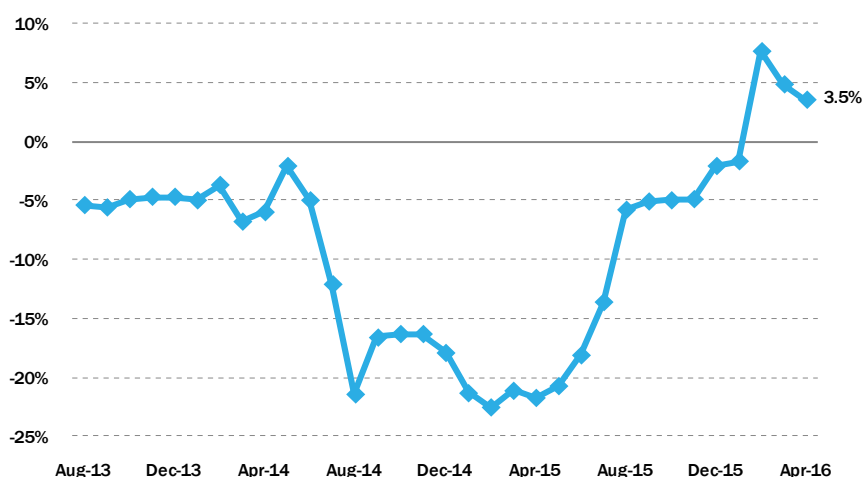
Industrial Output Recovery Continues; Up 3.5% YoY in April

by Dmitry Churin
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NEWS

Ukraine's industrial output was higher by 3.5% YoY in April, according to data from the State Statistics Committee released on May 24. The data excludes Crimea and the separatist-occupied part of the Donbass. In the extraction sector, output increased by 3.0% YoY in April and in the manufacturing sector the rise was 5.8% YoY. In the utility sector, production fell by 5.0% YoY in the period. Through the end of April, 2016 overall production as measured by the index was up 3.7% YoY. In the same period of 2015, a contraction of 20.6% YoY was registered compared to 2014, which had still included the Donbass output. In April compared to March this year, output adjusted to the number of calendar days was unchanged.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

Ukraine's metallurgy sector provided a major boost to overall industrial production growth, posting a 15.5% YoY output increase in April. The coal sector was also among the best performers last month, with a 10.1% YoY extraction increase to 2.5mn tonnes. Meanwhile, the machinery sector, which is much more dependent on the Russian market for sales, showed little improvement, with the IP index indicating just 0.4% YoY growth in the heavily beaten-down sector. Although the recovery in the industrial production has accelerated thanks to rising prices for steel on global markets, we remain cautious regarding a further increase in the IP index in the coming months, given the large number of national holidays in May-June this year.

IMC Plants Corn on 71,000 ha (52% of Land Bank)

by Ivan Dzvinka
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IMC (IMC PW)

Price: PLN 7.09 Market Cap: USD 57mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.0	4.1	2.2	0%
2016E	1.0	1.7	2.5	0%

NEWS

Central Ukraine-based crop grower Industrial Milk Company (IMC) has completed its 2016 spring planting campaign, the company reported on Tuesday (May 24). Corn was planted on the area of 71,000 hectares (-5% YoY), while sunflower and soybean were sowed on 25,000 ha (unchanged YoY) and 6,400 ha (-6% YoY). Potato will occupy 630 ha (+16% YoY). IMC stated that its winter wheat, which it planted on 15,400 ha of land (+23% YoY) is in satisfactory condition. Overall, the structure of IMC's land bank use for 2016 looks as follows: corn - 52%, sunflower – 18%, soybean 4.7%, fodder crops – 3.7%, potato – 0.5%, uncultivated land – 9.7%.

COMMENTARY

The news is neutral in terms of share price impact. The structure of IMC's land bank utilization for 2016 corresponds to the company's plans unveiled in its presentation back in February. Based on the presentation, management expects to harvest 693,000 tonnes of crops this year, which 8.5% more than the result of 2015 of 639,000 tonnes. We see this target as achievable, provided that there is a recovery in the corn yield this year back to the 2014 level near 8 t/ha. Dry weather in Ukraine in summer 2015 led to a drop in IMC's gross corn yield to 7.3 t/ha.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	54.1	68.29	26%	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	9.2	8.73	-5%	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	40.0	44.98	12%	HOLD	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	7.1	13.02	84%	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	0.9	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	98.0	140.65	44%	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	32.5	26.0	-20%	SELL	An impressive reduction in the production and other operating cost were not enough to offset the slide in iron ore prices over 2015 which pushed the group's EBITDA down by 37% YoY to USD 313mn for the year. Gloomy outlook for 2016 suggests even more depressed earnings in 2016.
Steel						
Azovstal	AZST	0.26	U/R	--	Susp.	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	0.83	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	1979	5250	165%	BUY	Motor Sich should see its revenue grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	2.9	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	22.3	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.
Power Utilities						
DonbasEnergO	DOEN	14.0	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	6.35	15.00	136%	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	0.077	0.24	214%	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	623.50	1043.87	525.66	-3.8%	0.3%	-1.0%	-9.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.008	0.017	0.004	8.7%	41.5%	-41.9%	-32.4%	12.4%	41.2%	-40.8%	-23.3%
Azovstal	AZST	0.263	0.853	0.185	-3.7%	2.3%	-12.0%	-34.3%	0.1%	2.1%	-11.0%	-25.2%
Enakievo Steel	ENMZ	10.56	18.39	5.00	10.0%	70.6%	10.7%	-24.6%	13.8%	70.3%	11.7%	-15.5%
Coke												
Avdyivka Coke	AVDK	0.83	1.60	0.60	-4.6%	-16.0%	-26.5%	-24.6%	-0.8%	-16.3%	-25.5%	-15.5%
Yasnyivsky Coking	YASK	0.150	0.360	0.064	15.4%	7.1%	-34.8%	-34.8%	19.1%	6.9%	-33.8%	-25.7%
Iron Ore Mining												
Centralny GOK	CGOK	3.75	n/a	n/a	0.0%	1.4%	-6.3%	-12.0%	3.8%	1.1%	-5.2%	-2.9%
Ferrexpo	FXPO	32.50	79.50	14.00	4.0%	-9.1%	28.7%	51.2%	-0.1%	7.8%	-9.4%	60.3%
Pivnichny GOK	SGOK	2.98	8.09	2.20	-17.2%	0.7%	-22.6%	-43.8%	-13.5%	0.4%	-21.6%	-34.7%
Coal Mining												
Pokrovske Mine	SHCHZ	0.120	n/a	n/a	0.0%	-29.4%	-40.0%	-47.8%	3.8%	-29.7%	-39.0%	-38.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.100	0.230	0.029	11.1%	66.7%	66.7%	-44.4%	14.9%	66.4%	67.7%	-35.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	6.30	11.39	3.75	8.8%	43.2%	-28.2%	-20.4%	12.6%	42.9%	-27.1%	-11.3%
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	1979	2817	1663	-0.6%	-0.4%	8.9%	0.0%	3.2%	-0.7%	9.9%	9.1%
Turboatom	TATM	9.00	n/a	n/a	20.0%	-1.1%	52.5%	100.0%	23.8%	-1.4%	53.6%	109.1%
Telecom												
Ukrtelecom	UTLM	0.122	0.180	0.091	0.0%	-15.9%	10.9%	1.7%	3.8%	-16.1%	11.9%	10.8%
Oil & Gas												
Regal Petroleum	RPT	2.90	6.50	1.75	18.4%	26.1%	-4.1%	-22.7%	15.9%	22.1%	25.8%	-13.6%
JKX Oil	JKX	22.25	30.75	15.50	0.0%	6.0%	-11.0%	-18.3%	-0.1%	3.8%	5.7%	-9.3%
Ukrnafta	UNAF	91.3	299.7	70.5	-5.6%	-9.0%	-36.5%	-48.4%	-1.8%	-9.2%	-35.5%	-39.3%
Power Utilities												
Centrenergo	CEEN	6.35	7.99	4.12	-8.1%	0.4%	41.4%	39.2%	-4.3%	0.1%	42.4%	48.3%
Donbasenergo	DOEN	13.99	23.49	9.04	0.1%	16.0%	-1.6%	-11.2%	3.8%	15.7%	-0.6%	-2.1%
Zakhidenergo	ZAEN	51.50	170.00	31.00	7.3%	5.1%	-38.7%	-38.7%	11.0%	4.8%	-37.7%	-29.6%
Consumer												
Agroton	AGT	1.11	1.40	0.80	-2.6%	-7.5%	16.8%	9.9%	-1.9%	1.1%	-7.8%	19.0%
Astarta	AST	40.00	49.00	26.20	-4.8%	-18.0%	21.3%	15.9%	-0.4%	-1.0%	-18.3%	25.0%
Avangardo	AVGR	0.93	2.60	0.23	2.2%	-7.0%	55.0%	-25.6%	-0.1%	6.0%	-7.3%	-16.5%
Industrial Milk Company	IMC	7.09	7.26	4.38	-0.7%	1.3%	17.2%	18.8%	-0.8%	3.1%	1.0%	27.9%
Kernel	KER	54.10	57.48	37.00	5.0%	5.4%	4.1%	12.5%	1.0%	8.8%	5.1%	21.6%
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	9.16	11.90	7.10	-7.8%	1.8%	14.5%	-1.5%	-1.8%	-4.1%	1.5%	7.6%
Milkiland	MLK	1.76	2.24	0.89	5.4%	-3.8%	33.3%	23.9%	7.2%	9.1%	-4.1%	33.0%
Ovostar Union	OVO	98.00	98.50	75.00	-0.5%	4.1%	5.4%	8.3%	-0.1%	3.2%	3.9%	17.4%
Chemicals												
Stirol	STIR	1.89	n/a	n/a	3.3%	-5.5%	-40.9%	-68.2%	7.0%	-5.8%	-39.9%	-59.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.077	0.096	0.059	-3.2%	3.1%	8.7%	1.6%	0.6%	2.8%	9.7%	10.7%
UkrSotsbank	USCB	0.067	0.145	0.060	0.0%	-10.7%	-25.5%	-32.2%	3.8%	-10.9%	-24.4%	-23.1%

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	806	496	313	234	35.8%	32.6%	29.0%	184	31	151	13.2%	3.3%	18.7%
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	68	-17	-15	-3	-9.3%	-37.1%	-5.0%	-22	-19	-4	-12.3%	-46.3%	-5.9%
Specialized Machinery																
Turboatom	TATM	164	128	104	73	87	35	44.6%	67.9%	34.0%	53	75	29	32.4%	58.3%	28.0%
Motor Sich	MSICH	879	697	693	342	237	191	38.9%	33.9%	27.5%	129	168	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	349	327	159	144	108	34.0%	41.4%	32.9%	-90	18	74	-19.3%	5.1%	22.7%
Avangardco	AVGR	420	230	274	129	-69	49	30.9%	-158	6	-27	-158	6	-6.4%	-158	6
Ovostar	OVO	75	76	96	29	35	49	38.9%	32	44	26	32	44	34.5%	32	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	282	327	216	208	-87	-66	48	-22.2%	-25.3%	17.0%
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	8	3.9%	0	2,623	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.5	678	632	614	\$/tonne
Yenakievo Steel	ENMZ	4	8.8%	0	218	neg	neg	neg	>30	12.4	18.9	0.2	0.3	0.5	80	76	74	\$/tonne
Azovstal	AZST	44	3.0%	1	8	0.6	neg	neg	0.0	0.1	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Coke																		
Avdivka Coke	AVDK	6	6.8%	0	5	neg	0.5	1.2	neg	0.1	0.2	0.0	0.0	0.0	1	1	1	\$/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	174	2.7	neg	neg	0.7	1.1	1.5	0.3	0.6	0.8				
Pivnichny GOK	SGOK	274	0.4%	1	268	2.1	neg	neg	0.5	1.1	1.9	0.3	0.4	0.6				
Ferrexpo	FXPO	278	24.0%	67	1,146	1.5	8.8	1.8	2.3	3.7	4.9	0.8	1.2	1.4				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	10	2.0%	0	56	0.5	5.6	12.5	1.3	3.2	4.7	0.3	0.6	0.8	140	187	224	\$/tonne
Railcar Manufacturing																		
Krukiv Wagon	KVBZ	29	5.0%	1	23	neg	neg	neg	neg	neg	neg	0.1	0.6	0.3				
Specialized Machinery																		
Turboatom	TATM	59	5.8%	3	-27	1.1	0.8	2.0	-0.4	-0.3	-0.8	-0.2	-0.2	-0.3				
Motor Sich	MSICH	164	24.0%	39	176	1.3	1.0	2.2	0.5	0.7	0.9	0.2	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	91	7.2%	7	182	5.0	9.9	22.0	2.1	2.5	3.1	0.4	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	198	3.0%	6	190	1.9	neg	6.2	0.5	26.2	1.6	0.1	0.1	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	14	21.6%	3	-11	neg	2.4	neg	neg	-0.7	-1.1	-0.3	-0.3	-0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	56	50.4%	28	164	neg	neg	neg	3.6	9.7	5.7	1.1	1.9	2.1	30	22	22	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	94	21.7%	20	105	15.9	29.2	4.5	4.1	8.1	3.4	0.2	0.3	0.3	7	7	7	\$/MWh
DonbasEnerg	DOEN	13	14.2%	2	27	1.6	neg	6.4	1.3	neg	4.3	0.1	0.1	0.1	3	3	3	\$/MWh
Consumer																		
MHP	MHPC	968	34.1%	330	2,193	neg	neg	20.3	4.3	4.8	5.4	1.6	1.9	1.7				
Kernel	KER	1,092	61.8%	674	1,552	neg	10.8	5.2	7.0	3.9	3.9	0.6	0.7	0.7				
Astarta	AST	253	37.0%	94	393	neg	14.3	3.4	2.5	2.7	3.6	0.8	1.1	1.2				
Avangardco	AVGR	59	22.5%	13	357	neg	neg	9.5	2.8	neg	7.2	0.9	1.6	1.3	81	61	58	\$/mneggs
Ovostar	OVO	149	25.0%	37	154	5.8	4.7	3.4	5.3	4.4	3.1	2.1	2.0	1.6	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	188	1.8%	3		neg	neg	3.9	0.5	0.7	0.7	0.07	0.10	0.09				
Ukrsotsbank	USCB	207	0.2%	0		>30	>30	>30	0.5	0.6	0.7	0.12	0.17	0.16				

Source: Eavex Research

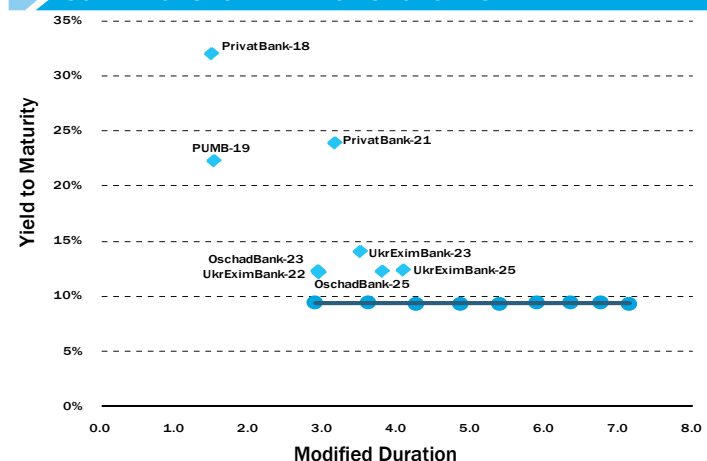
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2019	96.5	97.3	9.0%	8.7%	3.5%	2.8	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	95.6	96.4	9.0%	8.8%	3.8%	3.5	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	94.3	95.0	9.1%	9.0%	3.3%	4.1	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	93.5	94.3	9.1%	9.0%	3.6%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	92.8	93.5	9.1%	9.0%	3.9%	5.3	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	92.3	93.0	9.1%	9.0%	4.2%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	91.8	92.5	9.1%	9.0%	4.2%	6.2	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	91.5	92.3	9.0%	8.9%	4.9%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	91.0	91.8	9.0%	8.9%	4.9%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	31.0	31.8	n/a	n/a	-23.0%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	10.0	13.1	139.1%	113.8%	0.5%	1.2	8.00%	S/A	14 Jul 2019	50	//
MHP, 2020	92.3	93.2	10.7%	10.4%	6.2%	3.1	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	25.0	32.0	85.2%	69.9%	-44.1%	1.6	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	32.0	103.1%	97.1%	-38.0%	1.0	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016			n/a	n/a		n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	n/a	n/a	n/a	n/a		n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2018	57.0	60.0	50.8%	46.9%	41.0%	1.3	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	58.0	60.0	44.7%	42.3%	32.6%	1.4	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	68.3	70.9	n/a	n/a	22.7%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	68.3	70.0	n/a	n/a	52.6%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	68.3	70.5	n/a	n/a	55.9%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	80.0	82.3	19.9%	18.7%	48.3%	1.9	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	68.3	70.5	19.6%	18.7%	42.2%	1.9	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	91.2	92.6	12.2%	11.8%	6.9%	2.8	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	35.0	184.0%	130.9%	0.0%	0.7	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	66.1	72.1	45.6%	39.1%	-4.1%	0.5	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	2.5	1113.1%	342.1%	-83.8%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	78.9	81.9	21.9%	20.2%	8.4%	1.4	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.8	11.1	n/a	n/a	-11.3%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	80.5	82.0	25.5%	24.1%	6.9%	1.5	10.25%	S/A	23 Jan 2018	200	Ca//CC
PrivatBank, 2021	64.5	66.5	24.0%	23.0%	-2.2%	3.0	11.00%	S/A	09 Feb 2021	220	Ca//CC
PrivatBank, 2018	75.0	80.0	30.3%	25.8%	14.0%	1.4	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2022	93.2	94.2	11.2%	11.0%	4.5%	3.0	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	75.4	78.1	13.7%	13.0%	3.7%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	91.1	92.0	11.4%	11.2%	4.8%	4.0	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	91.9	92.9	11.1%	10.9%	3.8%	2.9	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	90.7	91.7	11.3%	11.1%	4.0%	3.7	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.6	81.3	n/a	n/a	-4.3%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

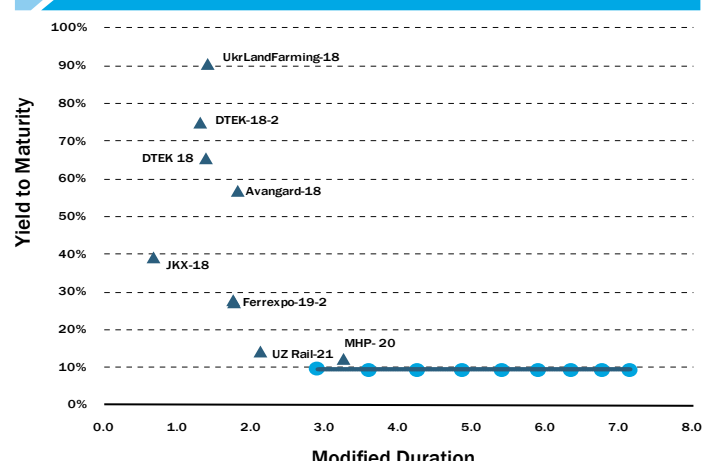
¹ Moody's/S&P/Fitch

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			18.50%	17.50%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
UA4000185151			18.50%	17.50%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			18.50%	17.50%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			18.50%	17.50%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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