

## Stock Market Update

### Equity

Ukraine's stock market enjoyed firm growth last week, as global investors shrugged off the threat of "Brexit", and also thanks to falling interest rates inside the country. The UX index advanced by 4.6% to close at 688 points on Friday (Jul 1). Raiffeisen Aval (BAVL) added the most points to the gauge, surging 7,9% to 9.40 kopecks. The bank is expected to report quite strong 2Q financial results, as its conservative lending policy has finally led to a competitive advantage on the market. CentrErgo (CEEN) added 4.8% to UAH 7.70 as the upcoming general shareholders meeting on Jul 22 should provide some answers about the company's short-term strategy. Motor Sich (MSICH) posted a smaller gain near 1.5% but more importantly, was able to stay above the UAH 2000 line, boosted by the overall upward momentum.

Ukraine has won some time to reignite its reform agenda and the government of Volodymyr Groysman is trying to use it wisely, asserting that the economy on a steady course of recovery. The government's latest forecasts foresee 3% YoY GDP growth and 8% consumer inflation in 2017 after around 1.5% growth and 12% inflation this year.

London-listed MHP (MHPC) lost 5% to USD 9.20 without a visible reason; we assume this was a function of the low liquidity in the stock. Meanwhile, Ferrexpo (FXPO) gained 10.2% to GBp 32.50. Warsaw-listed Ukrainian stocks recovered most of their losses caused by the previous week's Brexit panic. Astarta (AST) rose 3.7% to PLN 46.15 and Kernel (KER) added 2.9% to PLN 53.00.

The hryvnia continued to strengthen, reacting to data about the country's trade surplus of USD 46mn in May compared to a deficit of USD 145mn for the corresponding month a year ago. The hryvnia gained 0.3% against the dollar to 24.82 UAH/USD.

## Highlights

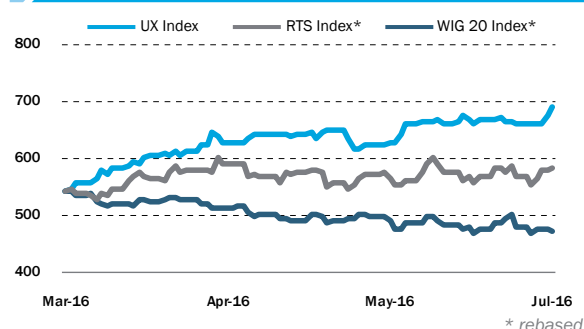
### POLITICS AND ECONOMICS

- > Yeliseyev: Poroshenko to Meet Obama at Warsaw Summit

### STOCKS IN THE NEWS

- > CentrErgo Proposes 10-Kopeck Dividend, AGM on Jul 22

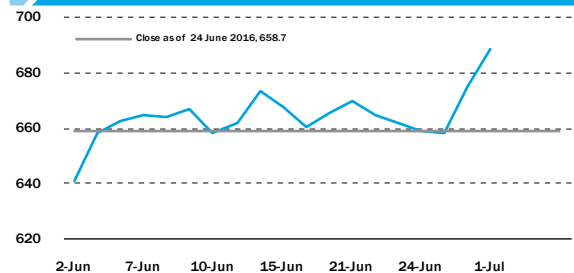
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	688.7	4.6%	10.1%	0.4%
RTS	933.3	2.3%	3.2%	23.3%
WIG20	1744.6	-1.4%	-3.5%	-6.2%
MSCI EM	839.3	4.1%	3.9%	6.0%
S&P 500	2103.0	3.2%	0.3%	1.9%

## UX 1M PERFORMANCE



## FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	401.4	-4.6%	-4.7%	-9.1%
CDS 5Y UKR	750.0	0.0%	-28.6%	-28.6%
Ukraine-19	8.1%	-0.4 p.p.	-1.0 p.p.	-1.8 p.p.
Ukraine-27	8.4%	-0.2 p.p.	-0.6 p.p.	-1.2 p.p.
MHP-20	9.9%	-0.3 p.p.	-0.7 p.p.	-2.3 p.p.
UZ Rail-21	12.3%	-0.2 p.p.	-0.5 p.p.	

## CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	24.82	-0.3%	-1.0%	3.3%
EUR	27.65	-0.1%	-0.9%	5.2%
RUB	0.39	2.0%	3.6%	19.3%

## COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	171.5	-1.4%	0.0%	-6.0%
Steel, USD/t	357.5	-6.5%	-21.4%	41.6%
Oil, USD/bbl	50.4	2.7%	0.1%	36.6%
Gold, USD/oz	1341.9	2.0%	10.4%	26.4%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Yeliseyev: Poroshenko to Meet Obama at Warsaw Summit

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

### NEWS

President Poroshenko's deputy chief of staff Constantine Yeliseyev said on Ukrainian television on Sunday (Jul 3) that Poroshenko is likely to hold a bilateral meeting with US President Obama on the sidelines of next weekend's biennial NATO summit in Poland. Also, US Secretary of State John Kerry is set to visit Kyiv this Thursday (Jul 7) ahead of the summit after a stop in Georgia the previous day. Recently-departed Prime Minister Arseniy Yatseniuk just finished a visit to Washington where he met with top officials from the IMF and the US government, including Treasury Secretary Jacob Lew.

### COMMENTARY

The current flurry of US-Ukraine diplomacy conspicuously does not include a visit to Ukraine by President Obama, in spite of the clear scheduling opportunity presented by the Warsaw summit. Although a window theoretically still exists through early September for Obama to come to Ukraine before the US presidential campaign takes center stage, it now appears that such a visit is highly unlikely. We have to conclude that the relationship between Poroshenko and Obama is strained on both sides, probably due to Obama's staunch refusal to provide advanced weaponry to Ukraine and also by Obama's perception that Poroshenko has not done enough in the way of reforms to warrant the treatment accorded to a top US ally. Clearly, the focus of the Warsaw NATO summit will not be on Ukraine, but rather on shoring up the defense of NATO members Poland and the Baltic states. Yet the diplomatic activity confirms that Ukraine remains "on the radar" of the US and the Western European powers. Particularly positive in our view is the activity of Yatseniuk on behalf of Ukraine's government, which indicates that Poroshenko and Yatseniuk's political forces are able to cooperate as a team to improve Ukraine's investment climate and economic standing.

## CentrEnergO Proposes 10-Kopeck Dividend, AGM on Jul 22

by Dmitry Churin  
d.churin@eavex.com.ua

### CENTRENERGO (CEEN UK)

Price: UAH 7.70 Market Cap: USD 115mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.4	0.4	35.7	9.7	0.8%
2016E	0.4	0.4	5.5	4.1	5.4%

### NEWS

CentrEnergO, Ukraine's 2nd-largest thermal power plant operator, is planning to approve a UAH 0.10 per share dividend for FY14 and FY15, according to the announcement for the company's general shareholders meeting scheduled on Jul 22. The dividend payout for FY14 was set at 30% of that year's profit and in absolute figures amounts to 6.11 kopecks per share; the payout for FY15 is 75% of the bottom line (4.44 kopecks DPS). The agenda for the meeting also contains the appointment of a new supervisory board and an audit committee. There is nothing on the agenda relating to the appointment of a new CEO to replace acting CEO Oleg Kozemko.

### COMMENTARY

The government owns 78% of CentrEnergO, and state-controlled companies are obligated to pay out at least 30% of their annual profits as dividends. The announced dividend implies a yield of 1.4% on the stock current price of UAH 7.70. However, the main question is whether the shareholder meeting will actually be held, as the government boycotted the company's two previously scheduled AGMs in 2015 and in April of this year due to unspecified reasons. We assume that one of the main reasons behind the failure to hold these AGMs was the stated intent on their agenda to appoint a new CEO. CentrEnergO has had no official CEO since August 2015 and has been headed by Kozemko in an acting capacity. Ukraine's declaration to conduct an open and transparent contest to choose the CEOs of large state owned enterprise has led to several confusing cases, and the contest for CentrEnergO's CEO was blocked by a court ruling in May of this year. This suggests to us that the company might be under influence of some highly-placed government officials who are personally benefiting from CentrEnergO's coal purchasing activity, and this is why both the privatization of the company and the appointment of independent management are stuck in a bureaucracy trap.

From a technical analysis point of view, the CEEN stock has a strong resistance level at UAH 8.30 and a strong support level at UAH 7.00.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	53.0	61.80	17%	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	46.2	44.98	-3%	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	7.2	13.02	82%	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	97.0	117.65	21%	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.
<b>Iron Ore</b>						
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.
<b>Steel</b>						
Azovstal	AZST	0.25	U/R	--	Susp.	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
<b>Coke</b>						
Avdyivka Coke	AVDK	0.81	U/R	--	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbass separatist-occupied territory, and the plant has been experiencing periodic artillery shelling since August 2014. However, the company continues to operate, albeit at reduced capacity.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2019	5250	160%	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	3.9	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	16.0	U/R	--	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	13.8	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	7.70	15.00	95%	BUY	CenterEnergO'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	0.094	0.24	155%	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	688.65	1021.34	525.66	4.6%	10.1%	23.7%	0.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.006	0.017	0.004	-8.3%	-20.3%	-15.4%	-50.5%	-12.9%	-30.4%	-39.1%	-50.9%
Azovstal	AZST	0.250	0.810	0.185	13.1%	-5.3%	9.6%	-37.5%	8.6%	-15.4%	-14.1%	-37.9%
Enakievo Steel	ENMZ	5.03	17.95	5.00	-52.1%	-53.4%	-32.7%	-64.1%	-56.6%	-63.5%	-56.4%	-64.5%
<b>Coke</b>												
Avdyivka Coke	AVDK	0.81	1.60	0.51	-1.2%	-2.4%	-6.8%	-26.4%	-5.8%	-12.5%	-30.5%	-26.8%
Yasnyivsky Coking	YASK	0.120	0.360	0.064	-7.7%	-7.7%	-40.0%	-47.8%	-12.2%	-17.8%	-63.7%	-48.2%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	2.55	n/a	n/a	-49.0%	-32.0%	-15.0%	-40.1%	-53.6%	-42.1%	-38.7%	-40.5%
Ferrexpo	FXPO	32.50	70.00	14.00	10.2%	4.8%	22.6%	51.2%	-2.1%	5.6%	-5.2%	50.8%
Pivnichny GOK	SGOK	3.50	8.09	2.20	0.0%	17.4%	16.7%	-33.9%	-4.6%	7.4%	-7.1%	-34.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.100	n/a	n/a	-23.1%	-16.7%	-50.0%	-56.5%	-27.6%	-26.7%	-73.7%	-56.9%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.080	0.230	0.029	-20.0%	-20.0%	60.0%	-55.6%	-24.6%	-30.1%	36.3%	-56.0%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	7.30	11.08	3.75	-2.0%	13.0%	49.0%	-7.7%	-6.6%	2.9%	25.3%	-8.1%
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	2019	2764	1663	1.6%	2.0%	3.5%	2.0%	-2.9%	-8.1%	-20.2%	1.6%
Turboatom	TATM	8.40	n/a	n/a	-6.7%	-6.7%	38.8%	86.7%	-11.2%	-16.7%	15.1%	86.3%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.143	0.180	0.091	-1.5%	9.8%	29.8%	19.0%	-6.1%	-0.2%	6.1%	18.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.88	6.50	1.75	10.2%	33.8%	58.4%	3.5%	1.1%	5.7%	23.7%	3.1%
JKX Oil	JKX	16.00	29.00	15.50	-5.9%	-27.3%	-33.3%	-41.3%	-3.6%	-10.4%	-37.3%	-41.7%
Ukrnafta	UNAF	94.0	299.7	70.5	4.3%	4.4%	27.0%	-46.9%	-0.2%	-5.6%	3.3%	-47.3%
<b>Power Utilities</b>												
Centrenergo	CEEN	7.70	7.83	4.12	4.8%	16.6%	41.5%	68.8%	0.2%	6.5%	17.8%	68.4%
Donbasenergo	DOEN	13.84	21.93	9.04	6.5%	-1.0%	5.6%	-12.2%	1.9%	-11.1%	-18.1%	-12.6%
Zakhidenergo	ZAEN	50.00	170.00	31.00	0.0%	-2.0%	-13.8%	-40.5%	-4.6%	-12.0%	-37.5%	-40.9%
<b>Consumer</b>												
Agroton	AGT	1.14	1.40	0.80	1.8%	-8.1%	-5.8%	12.9%	-2.1%	-2.8%	-18.1%	12.5%
Astarta	AST	46.15	49.00	26.20	3.7%	8.0%	25.6%	33.8%	-3.9%	-0.8%	-2.1%	33.4%
Avangardo	AVGR	0.87	1.65	0.23	-3.3%	-11.2%	-3.3%	-30.4%	-2.1%	-7.9%	-21.3%	-30.8%
Industrial Milk Company	IMC	7.16	7.34	4.50	2.3%	2.1%	2.3%	19.9%	-4.0%	-2.3%	-7.9%	19.5%
Kernel	KER	53.00	57.48	37.41	2.9%	-2.3%	0.5%	10.2%	-2.1%	-1.7%	-12.4%	9.8%
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	9.20	11.00	7.10	-5.0%	2.1%	6.4%	-1.1%	-2.1%	-9.5%	-8.0%	-1.5%
Milkiland	MLK	1.60	2.22	0.89	0.0%	-13.5%	-7.5%	12.7%	-3.9%	-4.6%	-23.6%	12.3%
Ovostar Union	OVO	96.95	98.50	75.00	0.0%	-0.2%	2.1%	7.1%	-2.1%	-4.6%	-10.2%	6.7%
<b>Chemicals</b>												
Stirol	STIR	1.55	n/a	n/a	34.8%	-18.0%	-22.5%	-73.9%	30.2%	-28.1%	-46.2%	-74.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.094	0.095	0.059	7.9%	27.0%	55.9%	24.8%	3.4%	17.0%	32.2%	24.4%
UkrSotsbank	USCB	0.058	0.145	0.055	-9.4%	-6.5%	-14.7%	-41.3%	-13.9%	-16.5%	-38.4%	-41.7%

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	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%
<b>Coke</b>																
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%
<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	806	496	313	234	35.8%	32.6%	29.0%	184	31	151	13.2%	3.3%	18.7%
<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	68	-17	-15	-3	-9.3%	-37.1%	-5.0%	-22	-19	-4	-12.3%	-46.3%	-5.9%
<b>Specialized Machinery</b>																
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%
<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	1,319	928	380	-101	116	16.4%	-7.7%	12.5%	105	250	32	4.5%	18.9%	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%
<b>Electric Utilities</b>																
Centrenergo	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%
<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	2,139	223	397	351	9.3%	17.0%	16.4%	-107	101	252	-4.5%	4.3%	11.8%
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	84	29	35	40	38.9%	32	35	26	32	35	34.5%	32	35
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	2,869	1,958	1,984	390	261	282	327	216	208	-87	-66	48	-22.2%	-25.3%	17.0%
Ukrsotsbank	USCB	2,730	1,833	2,124	518	333	565	150	86	77	-42	-415	-50	-8.0%	-124.4%	-8.8%

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	6	3.9%	0	2,621	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.5	677	632	613	\$/tonne
Yenakievo Steel	ENMZ	2	8.8%	0	216	neg	neg	neg	>30	12.2	18.7	0.2	0.3	0.4	79	75	73	\$/tonne
Azovstal	AZST	42	3.0%	1	6	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	6	6.8%	0	5	neg	0.4	1.1	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
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	120	0.3%	0	119	1.9	neg	neg	0.5	0.7	1.0	0.2	0.4	0.5				
Pivnichny GOK	SGOK	325	0.4%	1	318	2.5	neg	neg	0.6	1.3	2.3	0.3	0.5	0.7				
Ferrexpo	FXPO	253	24.0%	61	1,121	1.4	8.0	1.7	2.3	3.6	4.8	0.8	1.2	1.4				
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	8	2.0%	0	54	0.4	4.5	10.1	1.2	3.0	4.6	0.3	0.6	0.7	135	180	216	\$/tonne
<b>Railcar Manufacturing</b>																		
Krukiv Wagon	KVBZ	34	5.0%	2	28	neg	neg	neg	neg	neg	neg	0.2	0.7	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	60	5.8%	3	-26	1.1	0.8	2.1	-0.4	-0.3	-0.7	-0.2	-0.2	-0.3				
Motor Sich	MSICH	169	24.0%	41	181	1.3	1.0	2.3	0.5	0.8	0.9	0.2	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	108	7.2%	8	198	5.9	11.7	26.0	2.3	2.7	3.4	0.5	0.8	1.0				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	205	3.0%	6	194	1.9	0.8	6.4	0.5	neg	1.7	0.1	0.1	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	17	21.6%	4	-9	neg	2.9	neg	neg	-0.6	-0.9	-0.2	-0.2	-0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	36	50.4%	18	145	neg	neg	neg	3.1	8.6	5.0	1.0	1.6	1.8	26	20	19	\$/boe
<b>Electric Utilities</b>																		
CentrEnerg	CEEN	115	21.7%	25	126	19.5	>30	5.5	4.9	9.7	4.1	0.2	0.4	0.4	8	8	9	\$/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
<b>Consumer</b>																		
MHP	MHPC	972	34.1%	331	2,197	neg	neg	20.4	4.3	4.8	5.4	1.6	1.9	1.7				
Kernel	KER	1,068	61.8%	660	1,371	neg	10.6	4.2	6.1	3.5	3.9	0.6	0.6	0.6				
Astarta	AST	292	37.0%	108	431	neg	16.5	3.9	2.7	3.0	4.0	0.9	1.2	1.3				
Avangardco	AVGR	56	22.5%	13	353	neg	neg	8.9	2.7	neg	7.2	0.8	1.5	1.3	80	61	57	\$/mneggs
Ovostar	OVO	147	25.0%	37	152	5.7	4.6	4.2	5.2	4.4	3.8	2.0	2.0	1.8	n/a	n/a	n/a	
<b>Banks</b>																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	233	1.8%	4		neg	neg	4.9	0.6	0.9	0.8	0.08	0.12	0.12				
Ukrsotsbank	USCB	181	0.2%	0		>30	>30	>30	0.5	0.5	0.3	0.12	0.17	0.15				

Source: Eavex Research

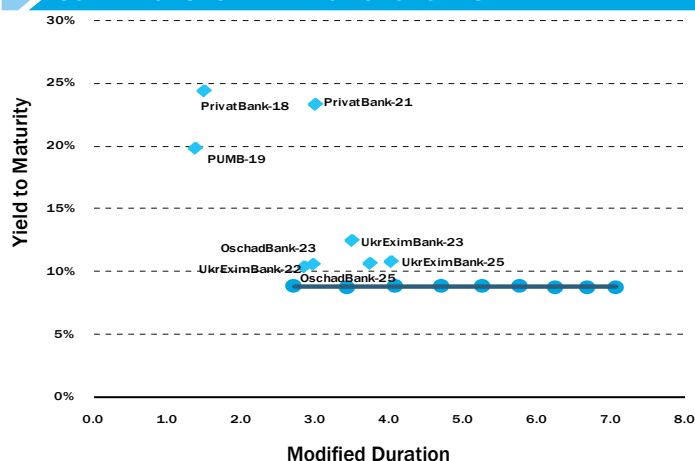
UKRAINIAN EUROBONDS

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	98.8	99.5	8.2%	7.9%	5.9%	2.7	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	97.8	98.5	8.4%	8.2%	6.1%	3.4	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	97.5	98.3	8.4%	8.2%	6.8%	4.1	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	97.0	97.8	8.4%	8.2%	7.4%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	96.5	97.3	8.4%	8.3%	8.1%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	96.3	97.0	8.4%	8.3%	8.7%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	95.8	96.5	8.4%	8.3%	8.8%	6.2	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	95.3	96.0	8.5%	8.3%	9.1%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	95.0	95.8	8.4%	8.3%	9.5%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	33.0	34.0	n/a	n/a	-17.8%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	7.3	11.1	201.0%	138.6%	-20.1%	0.9	8.00%	S/A	14 Jul 2019	50	//
MHP, 2020	94.4	95.7	10.1%	9.6%	8.8%	3.1	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	25.0	30.0	89.4%	77.3%	-46.1%	1.5	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	35.0	104.7%	90.8%	-35.0%	1.1	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	n/a	n/a	n/a	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	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2018	58.5	61.5	52.3%	48.2%	44.6%	1.2	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	59.0	60.5	46.5%	44.5%	34.3%	1.3	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	65.0	67.3	n/a	n/a	16.6%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	64.8	68.3	n/a	n/a	46.8%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	65.1	67.9	n/a	n/a	49.5%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	82.5	84.6	18.8%	17.6%	52.7%	1.8	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	65.1	67.9	18.6%	17.7%	46.2%	1.8	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	92.6	93.9	11.8%	11.5%	8.5%	2.8	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	30.0	234.7%	173.8%	-13.3%	0.6	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	67.3	76.4	46.4%	36.6%	-0.3%	0.5	8.00%	S/A	19 Feb 2018	40	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.3	2.4	n/a	n/a	-85.1%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	83.6	88.3	19.5%	16.9%	15.9%	1.4	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.8	11.3	n/a	n/a	-10.6%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	81.0	83.0	25.9%	24.0%	7.9%	1.5	10.25%	S/A	23 Jan 2018	200	Cau//CC
PrivatBank, 2021	65.0	67.0	24.0%	23.0%	-1.5%	2.9	11.00%	S/A	09 Feb 2021	220	Cau//CC
PrivatBank, 2018	78.0	79.4	28.5%	27.2%	15.7%	1.3	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	97.5	98.3	10.2%	10.0%	9.2%	2.9	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	80.6	83.4	12.3%	11.6%	10.7%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	95.4	96.4	10.6%	10.4%	9.7%	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	96.7	97.8	10.1%	9.8%	9.2%	2.8	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	95.1	96.5	10.5%	10.2%	9.2%	3.7	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	78.6	81.5	n/a	n/a	-4.1%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

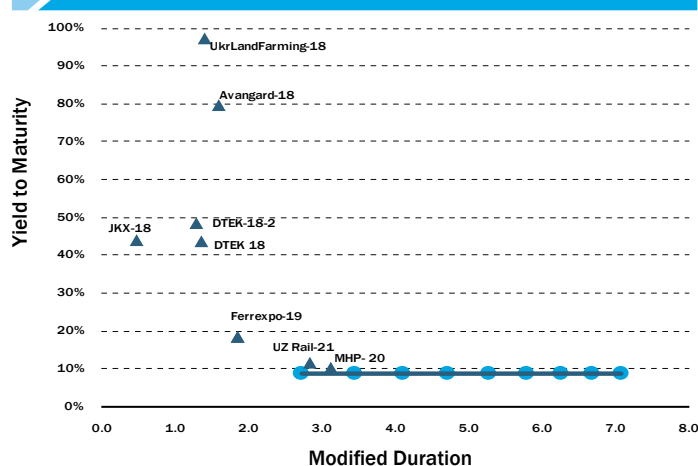
<sup>1</sup> Moody's/S&P/Fitch

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 UAH mn
<b>UAH denominated Bonds</b>									
UA4000142665			18.00%	17.00%	n/a	14.30%	S/A	24 May 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			18.00%	17.00%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			18.00%	17.00%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			18.00%	17.00%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

## Eavex Capital

7 Klovsky 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

Will Ritter  
**Research editor**  
w.ritter@eavex.com.ua