

Stock Market Update

Equity

Kyiv-listed stocks were mostly higher again last week, as the current price levels give no initiative for short players. Despite a 1-month rise of 5% in the UX benchmark, the overall situation with Ukrainian equities remains tough, as investors are in no hurry to re-enter the market. The UX index climbed 1.5% for the week to close at 699 points on Friday (Jul 8). Raiffeisen Aval (BAVL) was once again the blue chip growth leader, advancing 7.9% to 10.10 kopecks. UkrNafta (UNAF) briefly reached USD 100 per share before retreating back to UAH 95, representing a 1.5% weekly gain. The company's press office said that the cancelled general shareholders meeting scheduled for Jul 7 could be called again in August. As we reported earlier, the main issue for UkrNafta's AGM agenda is the approval of management's tax debt restructuring plan. In the electricity sector, CentrEnerg (CEEN) edged down 0.7% to UAH 7.65 and DonbasEnerg (DOEN) shed 0.3% to UAH 13.80.

In economic developments, the start of 3Q16 brings the seasonal revision of the import price for Russian natural gas. NaftoGaz said that the quarterly "supplementary agreement" to its long-term 2009 contract with Gazprom has not been signed yet. According to Gazprom, the price for Ukraine for 3Q16 was set at USD 167 per 1,000 cubic meters (cu-m). Meanwhile, NaftoGaz expects that capacity of pipeline from Europe would be enough for the moment to pump a planned 5bn cu-m of gas into underground storage facilities ahead of a heating season.

In London trading, poultry producer MHP (MHPC) declined 2.2% to USD 9.00 per share, with trading volumes below the stock's average in recent months. Ferrexpo (FXPO) continued to rise, picking up 3.8% to GBp 33.75, which is the issue's local maximum since early May. We assume that the stock reacted positively to the company's production report showing an increase in top-value-added 65% percent Fe pellet output. Warsaw-listed Astarta (AST) slipped 2.5% to PLN 45.00 while Kernel (KER) added 0.3% to PLN 53.15.

The hryvnia was unchanged for the week at 24.82 UAH/USD, with the NBU's report of an increase in foreign reserves helping to maintain the current firm environment for the currency.

Highlights

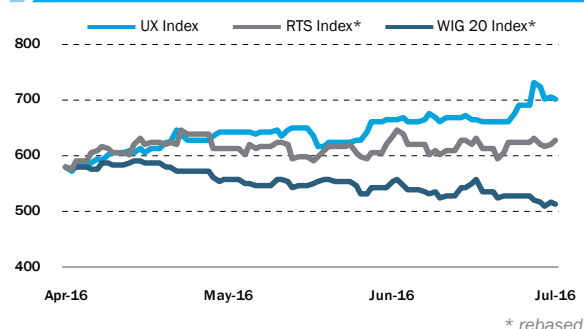
POLITICS AND ECONOMICS

- ▶ NATO Repeats Previous Declarations on Ukraine at Summit
- ▶ NBU Reserves Hit 2-Year High of USD 14.0bn in June

STOCKS IN THE NEWS

- ▶ Ferrexpo Decreases Pellet Production By 1.6% YoY in 1H16

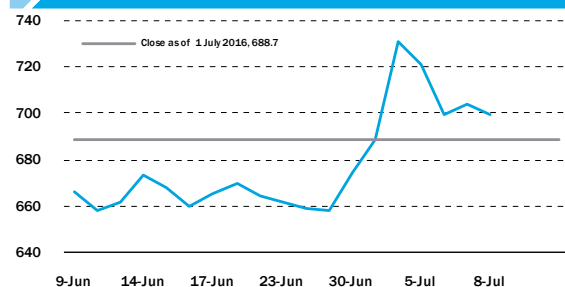
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	699.2	1.5%	5.1%	1.9%
RTS	934.4	0.1%	-1.5%	23.4%
WIG20	1705.4	-2.2%	-6.9%	-8.3%
MSCI EM	828.8	-1.2%	-0.8%	4.7%
S&P 500	2129.9	1.3%	0.8%	3.2%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	396.5	-1.2%	-3.0%	-10.3%
CDS 5Y UKR	750.0	0.0%	10.3%	-28.6%
Ukraine-19	7.9%	-0.5 p.p.	-0.6 p.p.	-2.0 p.p.
Ukraine-27	8.2%	-0.2 p.p.	-0.4 p.p.	-1.4 p.p.
MHP-20	9.8%	-0.1 p.p.	-0.4 p.p.	-2.4 p.p.
UZ Rail-21	11.8%	-0.5 p.p.	-0.3 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	24.85	0.1%	-0.5%	3.4%
EUR	27.46	-0.7%	-3.2%	4.5%
RUB	0.39	0.4%	1.1%	19.7%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	162.5	-5.2%	-5.5%	-11.0%
Steel, USD/t	360.0	0.7%	-10.6%	42.6%
Oil, USD/bbl	46.8	-7.1%	-9.9%	26.8%
Gold, USD/oz	1366.4	1.8%	9.8%	28.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

NATO Repeats Previous Declarations on Ukraine at Summit

by Will Ritter
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NEWS

President Poroshenko received a warm welcome at the biennial NATO summit held in Poland on Saturday (Jul 9), holding a joint press event with alliance General Secretary Jens Stoltenberg and attending a meeting with the leaders of alliance heavyweights France, Germany, Britain, Italy, and the US. NATO announced new assistance programs for Ukraine to help the country upgrade its military across various sectors; a specific dollar figure on the aid was not provided. Stoltenberg said, "Allies are united in their support of Ukraine's sovereignty and territorial integrity", the Kyiv Post reported. "We do not and we will not recognize Russia's illegal and illegitimate annexation of Crimea. We condemn Russia's deliberate destabilization of eastern Ukraine... we call on Moscow to end its military, political and financial support for separatists. All must parties fully implement the Minsk [Donbass peace] agreement and must work towards a diplomatic, negotiated solution". Meanwhile, US President Obama said, "Our 28 [NATO] nations are united in our view that there can be no business as usual with Russia until it fully implements its Minsk obligations." In addition to the NATO discussions, Poroshenko also conducted some bilateral diplomacy with Poland during the trip, inviting Polish President Andrzej Duda to Kyiv for Ukraine's Independence Day next month (Aug 24).

COMMENTARY

The Warsaw summit contained few, if any, substantial new developments for Ukraine, functioning mainly as a high-profile PR event at which Poroshenko could demonstrate that he still has support from the West despite the impression that he is moving too slowly on the reform front. The NATO leaders' repeating of their previous declarations on Ukraine, Russia and the Minsk peace agreements masks an underlying tension with Poroshenko over the situation with elections in the occupied Donbass territories. Germany and France in particular are keen to see these elections take place, while Poroshenko wants to postpone them for as long as possible due to domestic political opposition. Western leaders also have their own political reasons for carefully calibrating their commitment to Ukraine, as the sanctions regime against Moscow is a politically neutral policy in the best case in Western countries (US, Britain) and a political liability in the case of France and Italy.

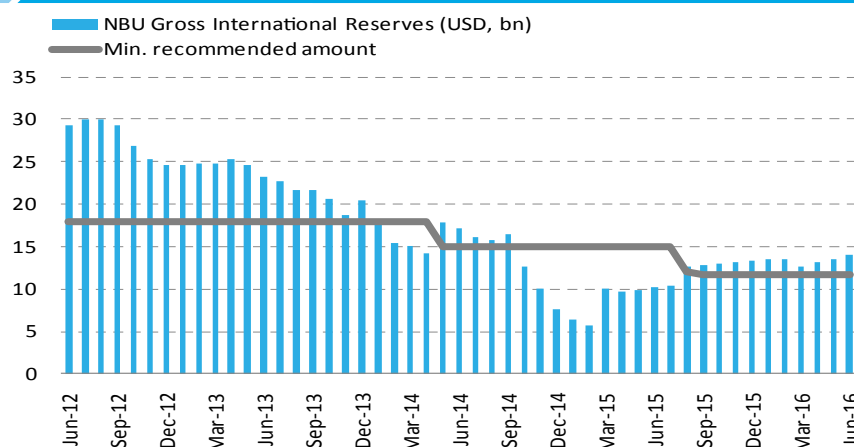
NBU Reserves Hit 2-Year High of USD 14.0bn in June

by Dmitry Churin
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NEWS

Ukraine's foreign currency reserves hit a two-year high of USD 14.0bn in June, increasing by USD 452mn MoM (+3.3%), the National Bank of Ukraine (NBU) reported last week. The NBU said it bought USD 430mn on the interbank market last month amid a strengthening hryvnia. An inflow to the reserves also came from the Finance Ministry's placement of USD 50mn in USD-denominated local bonds. MinFin spent USD 172mn to service the country's public debt in June.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

The reserves' growth was expected in June, as Ukraine's trade balance turned positive in May, giving a boost to the hryvnia, with the currency edging up 1.3% in the past month to 24.82 UAH/USD. In our view, the NBU has been conducting a wise policy in buying dollars to prevent a volatile short-term hryvnia appreciation. We estimate that the reserves now cover an estimated 3.6 months of imports in Ukraine, which is a sufficient level from the economic theory point of view. On the other hand, it would be too optimistic to forecast that the hryvnia has a sustainable basis to strengthen further, and the government's basic macroeconomic scenario foresees a gradual devaluation of the hryvnia by 12% to 28.10 UAH/USD on a 3-year horizon. Ukraine's very high interest rates clearly reflect the risk of devaluation, which is highly sensitive to the political situation. Nevertheless, the improvement in the country's balance of payments, which showed a surplus of USD 29mn in 5M16 compared to a BoP deficit of USD 1.8bn in 5M15, gives grounds to assume a relatively stable situation on the currency market in 2H16.

Ferrexpo Decreases Pellet Production By 1.6% YoY in 1H16

by Dmitry Churin
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NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, decreased its pellet production by 1.6% YoY to 5.72mn tonnes in 1H16, according to the company's operational update dated Jul 5. Meanwhile, the output of top-value-added 65 percent Fe pellets rose 5.9% in the period to 5.06mn tonnes, accounting for 94% of total production in 1H16, compared to a share of 87% of the volume in 1H15. In a quarter-on-quarter basis, the company reported a 1.7% decline in output to 2.84mn tonnes in 2Q16.

FERREXPO PRODUCTION FIGURES

000' tonnes	2Q16	1Q16	Change QoQ	1H16	1H15	Change YoY
Total Pellets Produces	2,836.60	2,886.70	-1.7%	5,723.30	5,816.70	-1.6%
- 62% Fe pellets	240.10	123.80	+93.9%	363.90	756.40	-51.9%
- 65% Fe pellets	2,596.50	2,762.90	-6.0%	5,359.40	5,060.30	5.9%

Source: Companies' data

COMMENTARY

Although Ferrexpo reported a small decline in overall output for 1H16, it had a notably higher share of top-value-added 65 percent Fe pellets in total production. Also, we see that the production decrease was solely attributed to elimination of production from the third parties' raw materials; Ferrexpo's 65 percent Fe pellet output from in-house iron ore rose 12.3% YoY to 5.34mn tonnes in 1H16. Overall, Ferrexpo has managed to demonstrate quite impressive operational results so far this year amid an improved pricing environment. However, the iron ore price futures give little room for further optimism as they suggest a possible price correction by 20% on a one-year horizon. Ferrexpo could face a lack of cash in November when it has to repay some USD 44mn of debt, our analysis shows. On the positive side, management admitted in earlier this year it has a refinancing option, but is refraining from utilizing it now due to the relatively high cost. The company's debt servicing plan foresaw repayment of some USD 193mn over FY16.

The London-listed Ferrexpo stock was trading in the range of GBp 29-33 per share in June. We reiterate our SELL rating for the issue with a target price of GBp 26.00.

Ferrexpo-2019 Eurobonds are currently quoted at 82.3/84.8 (18.6%/17.6%). The quotes have risen almost 50% since the start of the year on the back of improved iron ore prices and overall risk appetite for high-yield bonds.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	53.2	61.80	16%	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	9.0	8.73	-3%	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	45.0	44.98	0%	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	6.9	13.02	89%	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	96.0	117.65	23%	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	33.8	26.0	-23%	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.
Specialized Machinery						
Motor Sich	MSICH	1983	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	3.9	U/R	–	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	17.5	U/R	–	U/R	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnerg	DOEN	13.8	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	7.65	15.00	96%	BUY	CentrEnerg'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	0.101	0.24	137%	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*	1W	Absolute performance			Performance relative to the UX index			
						1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	699.19	1011.53	525.66	1.5%	5.1%	20.4%	1.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.006	0.017	0.004	12.7%	-3.1%	21.6%	-44.1%	11.2%	-8.3%	1.2%	-46.1%
Azovstal	AZST	0.250	0.810	0.185	0.0%	-4.2%	13.6%	-37.5%	-1.5%	-9.4%	-6.7%	-39.4%
Enakievo Steel	ENMZ	5.03	17.95	5.00	0.0%	-49.7%	-31.7%	-64.1%	-1.5%	-54.8%	-52.0%	-66.0%
Coke												
Avdyivka Coke	AVDK	0.81	1.60	0.51	0.0%	1.0%	-4.5%	-26.4%	-1.5%	-4.1%	-24.8%	-28.4%
Yasynivsky Coking	YASK	0.140	0.360	0.064	16.7%	-6.7%	0.0%	-39.1%	15.1%	-11.8%	-20.4%	-41.1%
Iron Ore Mining												
Centralny GOK	CGOK	2.55	n/a	n/a	0.0%	-32.0%	-15.0%	-40.1%	-1.5%	-37.1%	-35.4%	-42.1%
Ferrexpo	FXPO	33.75	70.00	14.00	3.8%	8.9%	21.6%	57.0%	0.0%	2.3%	3.7%	55.0%
Pivnichny GOK	SGOK	3.50	8.09	2.20	0.0%	-5.4%	7.3%	-33.9%	-1.5%	-10.5%	-13.0%	-35.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.070	n/a	n/a	-30.0%	-46.2%	-65.0%	-69.6%	-31.5%	-51.3%	-85.4%	-71.5%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.080	0.230	0.029	0.0%	-20.0%	100.0%	-55.6%	-1.5%	-25.1%	79.6%	-57.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	7.01	11.08	3.75	-4.0%	11.3%	49.1%	-11.4%	-5.5%	6.1%	28.8%	-13.3%
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	1983	2764	1663	-1.8%	-0.4%	-1.1%	0.2%	-3.3%	-5.5%	-21.4%	-1.7%
Turboatom	TATM	8.70	n/a	n/a	3.6%	-0.6%	27.9%	93.3%	2.0%	-5.7%	7.6%	91.4%
Telecom												
Ukrtelecom	UTLM	0.143	0.180	0.091	0.1%	10.0%	30.0%	19.2%	-1.4%	4.9%	9.6%	17.2%
Oil & Gas												
Regal Petroleum	RPT	3.88	6.50	1.75	-0.1%	21.1%	66.7%	3.3%	0.7%	-1.7%	16.0%	1.4%
JKX Oil	JKX	18.00	29.00	15.50	12.5%	-16.3%	-18.2%	-33.9%	5.1%	11.0%	-21.4%	-35.9%
Ukrnafta	UNAF	95.4	299.7	70.5	1.5%	-1.4%	-1.1%	-46.1%	0.0%	-6.6%	-21.5%	-48.0%
Power Utilities												
Centrenerg	CEEN	7.65	8.25	4.12	-0.7%	3.3%	37.8%	67.6%	-2.2%	-1.9%	17.4%	65.7%
Donbasenerg	DOEN	13.80	21.62	9.04	-0.3%	-0.4%	11.6%	-12.4%	-1.8%	-5.5%	-8.8%	-14.4%
Zakhidenerg	ZAEN	50.00	170.00	31.00	0.0%	0.0%	11.1%	-40.5%	-1.5%	-5.1%	-9.2%	-42.4%
Consumer												
Agroton	AGT	1.15	1.40	0.80	0.9%	-4.2%	-8.0%	13.9%	0.7%	-0.7%	-9.3%	11.9%
Astarta	AST	45.00	49.00	26.20	-2.5%	-4.8%	16.9%	30.4%	0.5%	-4.0%	-9.9%	28.5%
Avangardo	AVGR	0.87	1.65	0.23	0.0%	-5.4%	8.7%	-30.4%	0.7%	-1.5%	-10.6%	-32.3%
Industrial Milk Company	IMC	6.90	7.34	4.55	-3.6%	-1.4%	-1.4%	15.6%	2.2%	-5.2%	-6.6%	13.6%
Kernel	KER	53.15	57.48	37.41	0.3%	-1.2%	-1.4%	10.5%	3.0%	-1.2%	-6.3%	8.6%
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	9.00	11.00	7.10	-2.2%	-2.2%	1.1%	-3.2%	0.7%	-3.7%	-7.3%	-5.2%
Milkiland	MLK	1.65	2.22	0.89	3.1%	-5.7%	-17.9%	16.2%	-1.0%	1.6%	-10.9%	14.3%
Ovostar Union	OVO	96.00	98.50	75.00	-1.0%	-0.2%	2.1%	6.1%	0.7%	-2.5%	-5.3%	4.1%
Chemicals												
Stirol	STIR	1.53	n/a	n/a	-1.3%	-19.0%	-23.5%	-74.3%	-2.8%	-24.2%	-43.9%	-76.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.112	0.059	7.9%	26.6%	62.2%	34.7%	6.3%	21.5%	41.9%	32.7%
UkrSotsbank	USCB	0.062	0.145	0.055	6.4%	-5.1%	-16.6%	-37.6%	4.8%	-10.2%	-37.0%	-39.5%

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	1,319	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%
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	2,139	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
Banks		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 2014	P/E 2015E	P/E 2016E	EV/EBITDA 2014	EV/EBITDA 2015E	EV/EBITDA 2016E	EV/Sales 2014	EV/Sales 2015E	EV/Sales 2016E	EV/Output 2014	EV/Output 2015E	EV/Output 2016E	Units
Steel																		
Alchevsk Steel	ALMK	6	3.9%	0	2,622	n/a	neg	neg	10.6	neg	neg	2.1	5.0	5.5	678	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
Coke																		
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	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	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	255	24.0%	61	1,124	1.4	8.1	1.7	2.3	3.6	4.8	0.8	1.2	1.4				
Pipe Manufacturing																		
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
Railcar Manufacturing																		
Krukiv Wagon	KVBZ	32	5.0%	2	27	neg	neg	neg	neg	neg	neg	0.2	0.7	0.4				
Specialized Machinery																		
Turboatom	TATM	60	5.8%	3	-26	1.1	0.8	2.0	-0.4	-0.3	-0.8	-0.2	-0.2	-0.3				
Motor Sich	MSICH	166	24.0%	40	178	1.3	1.0	2.2	0.5	0.8	0.9	0.2	0.3	0.3				
Telecom																		
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				
Oil & Gas																		
Ukrnafta	UNAF	208	3.0%	6	197	2.0	neg	6.5	0.5	neg	1.7	0.1	0.1	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	16	21.6%	3	-9	neg	2.8	neg	neg	-0.6	-0.9	-0.2	-0.3	-0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	40	50.4%	20	148	neg	neg	neg	3.2	8.8	5.1	1.0	1.7	1.9	27	20	20	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	114	21.7%	25	125	19.3	>30	5.5	4.8	9.6	4.0	0.2	0.4	0.4	8	8	9	\$/MWh
DonbasEnerg	DOEN	13	14.2%	2	27	1.6	neg	6.3	1.3	neg	4.3	0.1	0.1	0.1	3	3	3	\$/MWh
Consumer																		
MHP	MHPC	951	34.1%	324	2,176	neg	neg	20.0	4.3	4.7	5.4	1.6	1.8	1.7				
Kernel	KER	1,059	61.8%	654	1,362	neg	10.5	4.2	6.1	3.4	3.9	0.6	0.6	0.6				
Astarta	AST	281	37.0%	104	420	neg	15.9	3.8	2.6	2.9	3.9	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	144	25.0%	36	149	5.6	4.5	4.1	5.1	4.3	3.7	2.0	2.0	1.8	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	251	1.8%	5		neg	neg	5.2	0.6	1.0	0.9	0.09	0.13	0.13				
Ukrsotsbank	USCB	192	0.2%	0		>30	>30	>30	0.5	0.6	0.3	0.12	0.17	0.15				

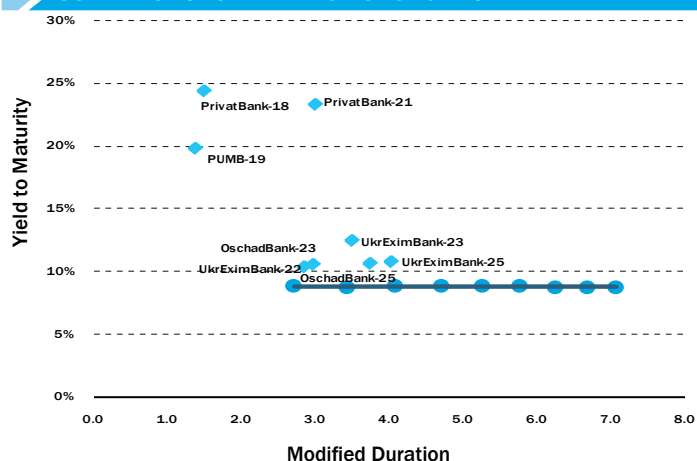
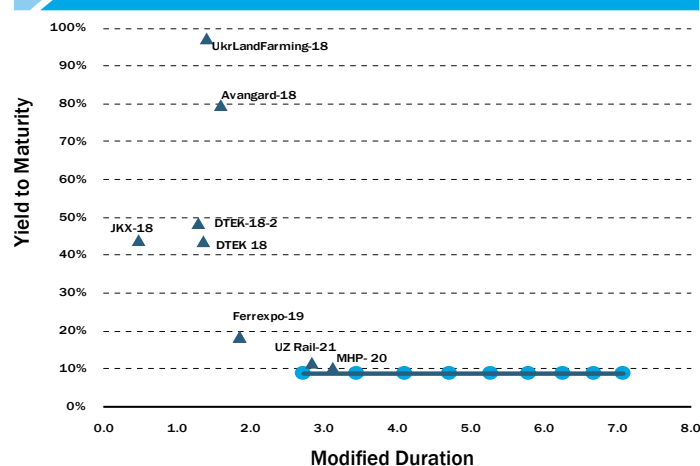
Source: Eavex Research

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 ¹
Sovereign Eurobonds											
Ukraine, 2019	99.3	100.0	8.0%	7.7%	6.4%	2.7	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	98.2	98.9	8.3%	8.1%	6.5%	3.4	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	98.3	99.0	8.2%	8.0%	7.6%	4.0	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	98.0	98.8	8.2%	8.0%	8.6%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	97.5	98.3	8.2%	8.1%	9.2%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	96.8	97.5	8.3%	8.2%	9.3%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	96.5	97.3	8.3%	8.2%	9.6%	6.2	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	96.5	97.3	8.3%	8.2%	10.6%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	96.3	97.0	8.2%	8.1%	10.9%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	33.3	34.3	n/a	n/a	-17.2%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	7.5	11.4	198.9%	138.1%	-17.9%	0.9	8.00%	S/A	14 Jul 2019	50	//
MHP, 2020	95.0	95.7	9.9%	9.6%	9.2%	3.0	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	22.0	28.0	99.0%	82.4%	-51.0%	1.5	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	29.5	35.9	107.5%	89.7%	-34.6%	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	62.0	62.5	48.1%	47.4%	50.0%	1.2	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	62.0	63.5	43.1%	41.3%	41.0%	1.3	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	66.1	68.3	n/a	n/a	18.5%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	65.7	68.5	n/a	n/a	48.0%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	66.6	68.0	n/a	n/a	51.3%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	82.3	84.8	18.9%	17.6%	52.7%	1.8	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	66.6	68.0	18.6%	17.8%	46.1%	1.8	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	94.1	95.2	11.4%	11.1%	10.0%	2.8	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	30.0	240.3%	177.7%	-13.3%	0.5	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	67.5	76.0	46.6%	37.3%	-0.3%	0.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	3.1	n/a	n/a	-80.3%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	83.6	88.0	19.5%	17.1%	15.7%	1.4	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.8	11.3	n/a	n/a	-10.7%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	81.0	83.0	26.1%	24.2%	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	85.0	28.5%	22.3%	19.8%	1.3	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	98.3	99.4	10.0%	9.8%	10.3%	2.9	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	81.4	83.4	12.1%	11.6%	11.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.6	97.6	10.4%	10.2%	11.2%	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	97.4	98.7	9.9%	9.6%	10.1%	2.8	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	96.0	97.4	10.3%	10.0%	10.2%	3.7	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	78.5	81.4	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 UAH mn
UAH denominated Bonds									
UA4000142665			17.00%	16.25%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
UA4000185151			17.00%	16.25%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			17.00%	16.25%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			17.00%	16.25%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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