

Stock Market Update

Equity

Locally-listed Ukrainian stocks enjoyed a third straight week of growth, piggybacking on positive global sentiments that occurred in the wake of last month's Brexit vote; the negative development led investors to believe that central banks will respond with more monetary stimulus, pushing the S&P 500 and DJIA to new all-time highs. The UX index finished with a rise of 2.7% for the week at 718 points on Friday (Jul 15). All five UX blue chips were in the black. DonbasEnerg (DOEN) rose 0.4% to UAH 13.85 per share. However, the company remains a high-risk asset, as its main power plant is located on separatist-occupied territory. Raiffeisen Aval (BAVL) extended its solid performance, adding 3.6% to 10.50 kopecks. Motor Sich (MSICH) increased 3.6% to UAH 2054. In second-tier names, Krukiv Wagon (KVBZ) gained 6.8% to UAH 7.50 on news that the company won a tender to supply subway wagons to the city of Kharkiv in a deal valued at UAH 200mn. Every contract that the company receives is extremely important, as its key business of freight railcar production is in a permanent state of depression after the closure of the Russian market.

On the diplomatic front, US Secretary of State John Kerry positively assessed the Donbass peace process following his talks with Russian President Putin in Moscow, although he admitted that there are "unresolved issues" in the context of Ukraine. Meanwhile, NATO chief Jens Stoltenberg said Ukraine was "the first item" on the agenda of the NATO-Russia Council meeting held at the ambassadorial level on Jul 13; no details about those talks were released.

London-listed iron ore producer Ferrexpo (FXPO) surged 18.5% to GBp 40 after Deutsche Bank reaffirmed its BUY rating for the stock. Ferrexpo stock has rebounded sharply from its 12-month low of GBp 12.50, but remains well below its 12-month high of GBp 71 from a year ago. The stock has a 50-day moving average of GBp 32 and a 200-day moving average of GBp 29. Ferrexpo's current MCap is USD 310mn.

The hryvnia ended flat for the week at 24.82 UAH/USD.

Highlights

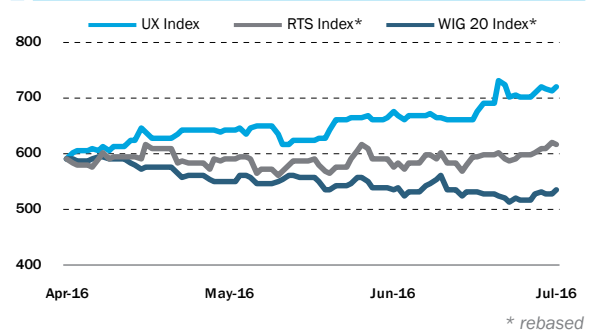
POLITICS AND ECONOMICS

- > NATO Repeats Previous Declarations on Ukraine at Summit
- > UkrStat Registers Consumer Deflation of 0.2% MoM in June

STOCKS IN THE NEWS

- > UkrNafta Board Meeting Delayed as Board Member Arrested by NABU

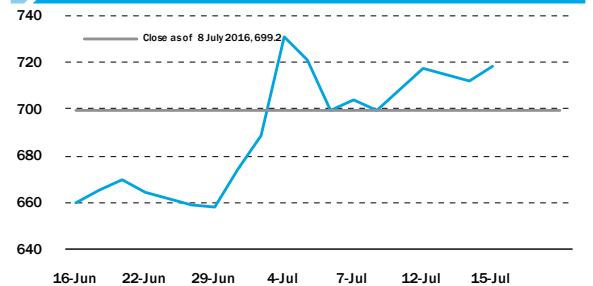
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	718.1	2.7%	6.7%	4.7%
RTS	963.7	3.1%	7.1%	27.3%
WIG20	1759.4	3.2%	-0.2%	-5.4%
MSCI EM	867.8	4.7%	8.1%	9.6%
S&P 500	2161.7	1.5%	4.2%	4.8%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	373.1	-5.9%	-13.7%	-15.6%
CDS 5Y UKR	750.0	0.0%	0.0%	-28.6%
Ukraine-19	7.4%	-0.8 p.p.	-1.6 p.p.	-2.5 p.p.
Ukraine-27	8.0%	-0.2 p.p.	-0.9 p.p.	-1.6 p.p.
MHP-20	9.6%	-0.2 p.p.	-0.8 p.p.	-2.5 p.p.
UZ Rail-21	11.3%	-0.5 p.p.	-0.9 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	24.84	-0.1%	-0.4%	3.4%
EUR	27.41	-0.2%	-1.9%	4.3%
RUB	0.39	-1.0%	2.5%	18.5%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	157.5	-3.1%	-9.5%	-13.7%
Steel, USD/t	355.0	-1.4%	-7.8%	40.6%
Oil, USD/bbl	47.6	1.8%	-5.4%	29.1%
Gold, USD/oz	1337.5	-2.1%	4.0%	26.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Donbass Conflict Continues on Low Boil as MH17 2-Year Mark Passes

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

NEWS

Ukraine's military press office has reported an average of some 50 shelling attacks on government-held positions by pro-Russian separatists per day over the past 2 weeks, with 64 attacks occurring on Sunday (Jul 17), Interfax reported. The lion's share of these incidents occurred in areas adjacent to the city of Donetsk, including the Avdyivka industrial center. Separatist media have also released their own figures on daily shelling attacks by Ukrainian forces; neither side's figures are verified by the OSCE, although the organization has acknowledged a rise in hostilities during the last month.

COMMENTARY

Two years after the single most luminous event of the war, the shoot-down of the MH17 civilian airliner bound from Amsterdam to Kuala Lumpur in July 2014, continuation of the Donbass conflict on a low boil suits the objectives of all the sides involved in the conflict. For Kyiv and President Poroshenko in particular, it is important to show the West that there remains a real risk of hot war in the East, and that therefore, continued large-scale corruption in Ukraine needs to be tolerated for the sake of stability, with financial assistance kept up. Likewise, the separatists have an incentive to remind their Russian sponsors of their ability to stir up trouble, while Moscow itself was likely behind the increase in attacks in the run-up to last week's biennial NATO summit in Warsaw. Overall, the endgame of the situation in the Donbass remains obscure, as we doubt that Ukraine will ever be able to take back these territories in the format that existed before the war, but the Kremlin also appears to have no interest in incorporating them in the format whereby Russia annexed Crimea. On the positive side, we believe that the status of the Donbass is declining in importance as a Ukrainian domestic political issue, depriving the Poroshenko government of an excuse for delaying serious anti-corruption moves.

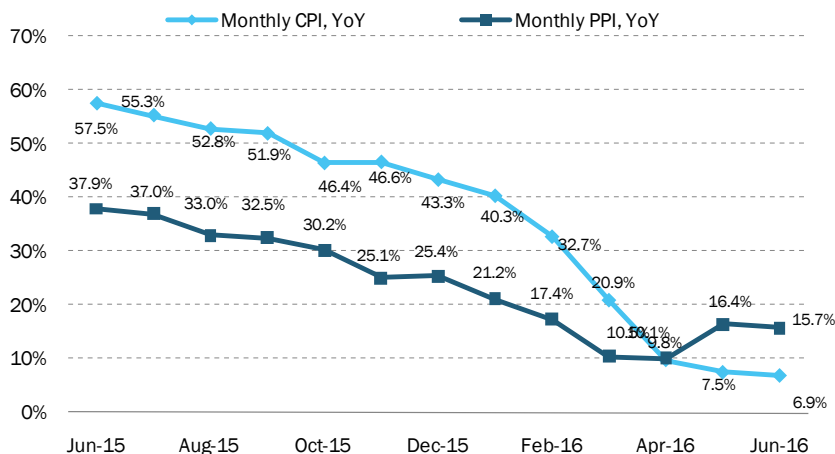
UkrStat Registers Consumer Deflation of 0.2% MoM in June

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

NEWS

Ukraine’s State Statistics Committee registered consumer price deflation of 0.2% MoM in June, according to the official data released earlier this month. Rolling 12-month “headline” consumer inflation decreased to 6.9% YoY after the June data, down from 7.5% YoY in May and 9.8% YoY in April. UkrStat also reported that the producer price index was flat in June, while on a yearly basis, the PPI is up by 15.7% YoY.

UKRAINE’S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

Price deflation is a common event for Ukraine in the summer months due to the peak agricultural season. In 2015, there was deflation in both July (-1.0% MoM) and August (-0.8% MoM). However, this year, we assume that headline inflation has seen its bottom in May/June and will now start to rise. UkrStat said the deflation was mainly achieved thanks to lower prices for vegetables, milk and sugar. Higher inflation in July will be due to an aggressive increase in utility service tariffs including almost doubled tariffs for hot water supplies, as mandated by the IMF. Electricity prices for industrial users and households are also on the rise after the country’s tariff regulator, NERC, approved a controversial new formula for valuing the steam coal which is burned by thermal power plants. The price for Ukraine-extracted coal has been linked to spot coal prices in Rotterdam plus a surcharge for delivering the coal to Ukraine. The new coal price formula faces a lot of critics and has become a hot topic for political debate, especially for populist parties.

In the PPI basket, UkrStat reported a 5.1% MoM increase in steel prices despite a correction in global steel prices that started in late May. We assume that Ukrainian steel prices have a time lag to adjust to global price trend, and that the drop will appear in the July data release.

UkrNafta Board Meeting Delayed as Board Member Arrested by NABU

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

UKRNAFTA (UNAF UK)

Price: UAH 98.4 Market Cap: USD 215mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.5	0.2	neg	neg	0.0%
2016E	0.5	0.2	6.7	1.8	n/a

NEWS

Last week's supervisory board meeting of oil producer UkrNafta, scheduled for Jul 14, was cancelled and rescheduled for this Thursday (Jul 21), according to the company's statement published on its official website on Jul 14. As we reported earlier, the supervisory board also failed to hold a meeting on Jun 22 due to lack of quorum. The supervisory board meeting is needed to prepare a general shareholders meeting at which a tax restructuring plan will be the main item on the agenda.

COMMENTARY

UkrNafta's board is composed of 11 members, 6 representing government-owned Naftogaz, and 5 representing dominant minority shareholder Igor Kolomoyskiy. We do not rule out that the failure to hold the supervisory board meeting on Jul 14 was merely a technical point, as board chairman Andriy Kobleiev was on an official visit to Azerbaijan. However, one of the government's board members, Sergiy Pereloma, was arrested last week by the National Anti-Corruption Bureau (NABU) in connection with his role as head of the supervisory board of state-owned fertilizer producer Odessa Port Plant (OPP); OPP is a top-tier state asset on track to finally be privatized this year. The delay in UkrNafta's supervisory board meeting will most likely lead to a further delay in the shareholder meeting. The situation looks like a continuation of the stalemate in relations between the government (50% +1 share in the company) and Kolomoyskiy's Privat Group (48%). There is no clarity about where this stalemate will lead, as UkrNafta continues to demonstrate poor operational results mainly as a result of the corporate conflict.

The UNAF stock rose by 3.1% last week to UAH 98.40 per share amid an overall upward move on the market.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	57.3	61.80	8%	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	47.3	44.98	-5%	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	95.0	117.65	24%	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	40.0	26.0	-35%	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	2054	5250	156%	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	19.0	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						
DonbasEnerg	DOEN	13.9	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnerg's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnerg	CEEN	7.81	15.00	92%	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	0.105	0.24	129%	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	718.13	999.00	525.66	2.7%	6.7%	18.6%	4.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.006	0.017	0.004	-1.6%	-1.6%	8.9%	-45.0%	-4.3%	-8.3%	-9.7%	-49.8%
Azovstal	AZST	0.250	0.810	0.185	0.0%	-9.1%	13.1%	-37.5%	-2.7%	-15.8%	-5.5%	-42.2%
Enakievo Steel	ENMZ	5.03	17.95	5.00	0.0%	-52.3%	-13.3%	-64.1%	-2.7%	-59.0%	-31.9%	-68.8%
Coke												
Avdyivka Coke	AVDK	0.81	1.60	0.51	0.0%	-5.8%	-1.0%	-26.4%	-2.7%	-12.5%	-19.6%	-31.1%
Yasnyivsky Coking	YASK	0.140	0.360	0.064	0.0%	-6.7%	0.0%	-39.1%	-2.7%	-13.3%	-18.6%	-43.8%
Iron Ore Mining												
Centralny GOK	CGOK	2.55	n/a	n/a	0.0%	-49.0%	2.0%	-40.1%	-2.7%	-55.7%	-16.6%	-44.8%
Ferrexpo	FXPO	40.00	70.00	14.00	18.5%	29.0%	26.0%	86.0%	0.4%	15.8%	22.4%	81.3%
Pivnichny GOK	SGOK	3.50	8.09	2.20	0.0%	0.0%	16.7%	-33.9%	-2.7%	-6.7%	-2.0%	-38.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.070	n/a	n/a	0.0%	-46.2%	-80.0%	-69.6%	-2.7%	-52.8%	-98.6%	-74.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.080	0.230	0.029	0.0%	-20.0%	100.0%	-55.6%	-2.7%	-26.7%	81.4%	-60.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	7.49	11.08	3.75	6.8%	11.8%	87.3%	-5.3%	4.1%	5.1%	68.6%	-10.0%
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	2054	2764	1663	3.6%	2.5%	-1.0%	3.8%	0.9%	-4.1%	-19.6%	-0.9%
Turboatom	TATM	9.70	n/a	n/a	11.5%	14.1%	37.6%	115.6%	8.8%	7.4%	19.0%	110.9%
Telecom												
Ukrtelecom	UTLM	0.150	0.180	0.091	4.9%	3.4%	0.7%	25.0%	2.2%	-3.2%	-18.0%	20.3%
Oil & Gas												
Regal Petroleum	RPT	3.88	6.50	1.75	0.0%	13.1%	58.2%	3.3%	-0.9%	-2.7%	6.5%	-1.4%
JKX Oil	JKX	19.00	29.00	15.50	5.6%	-2.6%	-10.6%	-30.3%	-0.9%	2.8%	-9.2%	-35.0%
Ukrnafta	UNAF	98.4	299.7	70.5	3.1%	-4.1%	1.4%	-44.4%	0.4%	-10.8%	-17.2%	-49.1%
Power Utilities												
Centrenergo	CEEN	7.81	8.25	4.12	2.1%	5.7%	30.3%	71.2%	-0.6%	-1.0%	11.7%	66.5%
Donbasenergo	DOEN	13.85	20.69	9.04	0.4%	-3.5%	15.1%	-12.1%	-2.3%	-10.2%	-3.5%	-16.8%
Zakhidenergo	ZAEN	53.00	170.00	31.00	6.0%	0.0%	25.9%	-36.9%	3.3%	-6.7%	7.3%	-41.6%
Consumer												
Agroton	AGT	1.26	1.40	0.80	9.6%	9.6%	5.0%	24.8%	-2.5%	6.9%	2.9%	20.0%
Astarta	AST	47.30	49.00	26.20	5.1%	6.3%	7.5%	37.1%	1.7%	2.4%	-0.4%	32.4%
Avangardo	AVGR	0.87	1.65	0.23	0.0%	-4.4%	8.7%	-30.4%	2.7%	-2.7%	-11.1%	-35.1%
Industrial Milk Company	IMC	6.90	7.34	4.79	0.0%	-2.1%	-3.6%	15.6%	-0.7%	-2.7%	-8.8%	10.9%
Kernel	KER	57.32	57.48	37.41	7.8%	18.9%	10.1%	19.2%	-0.2%	5.1%	12.2%	14.5%
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	0.0%	-2.2%	4.9%	-3.2%	-0.9%	-2.7%	-8.9%	-7.9%
Milkiland	MLK	1.84	2.22	0.89	11.5%	8.2%	-2.6%	29.6%	4.3%	8.8%	1.6%	24.9%
Ovostar Union	OVO	94.99	98.50	75.00	-1.1%	-1.1%	0.1%	5.0%	-0.9%	-3.8%	-7.7%	0.3%
Chemicals												
Stirol	STIR	1.01	n/a	n/a	-34.0%	-12.2%	-49.5%	-83.0%	-36.7%	-18.9%	-68.1%	-87.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.105	0.112	0.059	3.6%	28.4%	52.0%	39.4%	0.8%	21.7%	33.3%	34.7%
UkrSotsbank	USCB	0.060	n/a	n/a	-2.8%	-7.7%	-19.5%	-39.3%	-5.5%	-14.4%	-38.1%	-44.0%

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																
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	-9	2	1.8%	-4.6%	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			EV/EBITDA			EV/Sales			EV/Output			Units		
				2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E			
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	309	24.0%	74	1,178	1.7	9.8	2.0	2.4	3.8	5.0	0.8	1.2	1.5				
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	35	5.0%	2	29	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	-0.7	-0.2	-0.2	-0.3				
Motor Sich	MSICH	172	24.0%	41	184	1.3	1.0	2.3	0.5	0.8	1.0	0.2	0.3	0.3				
Telecom																		
Ukrtelecom	UTLM	113	7.2%	8	204	6.2	12.3	27.3	2.4	2.8	3.5	0.5	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	215	3.0%	6	203	2.0	neg	6.7	0.5	neg	1.8	0.1	0.2	0.2	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	16	21.6%	4	-9	neg	2.9	neg	neg	-0.6	-0.9	-0.2	-0.3	-0.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	43	50.4%	22	151	neg	neg	neg	3.3	9.0	5.2	1.0	1.7	1.9	28	21	20	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	116	21.7%	25	128	19.7	>30	5.6	4.9	9.8	4.1	0.2	0.4	0.4	8	9	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
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	1,146	61.8%	708	1,449	neg	11.4	4.6	6.5	3.7	4.1	0.6	0.6	0.7				
Astarta	AST	297	37.0%	110	436	neg	16.8	4.0	2.7	3.0	4.0	0.9	1.3	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	143	25.0%	36	148	5.5	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	260	1.8%	5		neg	neg	5.4	0.7	1.0	0.9	0.09	0.13	0.13				
Ukrsotsbank	USCB	187	0.2%	0		>30	>30	>30	0.5	0.6	0.3	0.12	0.17	0.15				

Source: Eavex Research

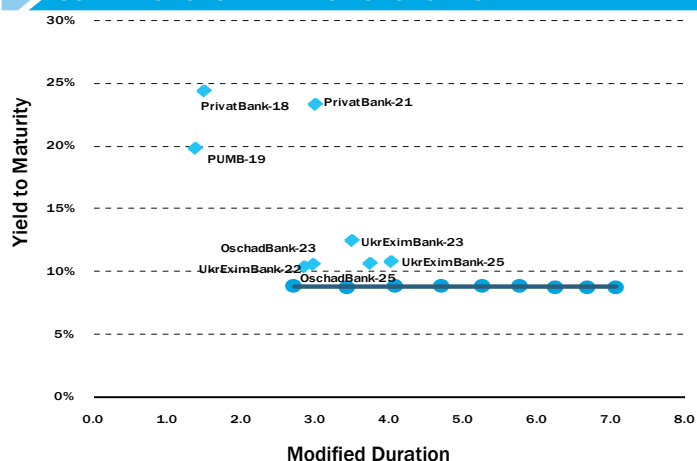
UKRAINIAN EUROBONDS

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	100.8	101.3	7.5%	7.3%	7.9%	2.7	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	99.5	100.3	7.9%	7.7%	8.0%	3.4	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	100.4	100.9	7.7%	7.5%	9.8%	4.0	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	99.9	100.6	7.8%	7.6%	10.6%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	99.0	99.8	7.9%	7.8%	10.9%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	98.6	99.4	8.0%	7.9%	11.4%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	98.0	98.8	8.1%	7.9%	11.3%	6.2	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	97.8	98.5	8.1%	8.0%	12.0%	6.7	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	97.5	98.3	8.1%	8.0%	12.3%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	35.5	36.5	n/a	n/a	-11.7%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	7.8	11.8	146.6%	113.9%	-15.2%	1.4	8.00%	S/A	14 Jul 2019	50	//
MHP, 2020	95.4	96.4	9.8%	9.4%	9.7%	3.0	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	22.5	26.1	98.4%	88.0%	-52.4%	1.4	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	25.0	25.0	125.2%	125.2%	-50.0%	1.0	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	62.1	65.4	48.6%	44.5%	53.6%	1.0	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	64.5	66.0	40.6%	38.9%	46.6%	1.3	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	67.3	69.2	n/a	n/a	20.3%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	66.8	68.7	n/a	n/a	49.4%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	67.5	68.9	n/a	n/a	53.2%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	85.0	87.0	17.5%	16.5%	57.2%	1.8	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	67.5	68.9	17.4%	16.4%	50.6%	1.8	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	95.3	96.7	11.1%	10.7%	11.6%	2.8	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	30.0	247.2%	182.4%	-13.3%	0.5	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	67.7	77.2	46.9%	36.4%	0.6%	0.4	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	3.2	n/a	n/a	-80.2%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	86.4	91.4	18.0%	15.3%	19.9%	1.4	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.4	11.3	n/a	n/a	-13.6%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	81.0	83.0	26.3%	24.3%	7.9%	1.5	10.25%	S/A	23 Jan 2018	200	Cau//CC
PrivatBank, 2021	65.0	67.0	24.0%	23.1%	-1.5%	2.9	11.00%	S/A	09 Feb 2021	220	Cau//CC
PrivatBank, 2018	78.0	82.1	28.8%	25.0%	17.7%	1.3	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	100.2	101.0	9.6%	9.4%	12.3%	2.9	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	83.6	86.9	11.6%	10.8%	15.0%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	98.2	99.2	10.1%	9.9%	13.0%	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	99.2	100.4	9.5%	9.3%	12.1%	2.8	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	97.8	99.2	10.0%	9.8%	12.3%	3.7	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
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

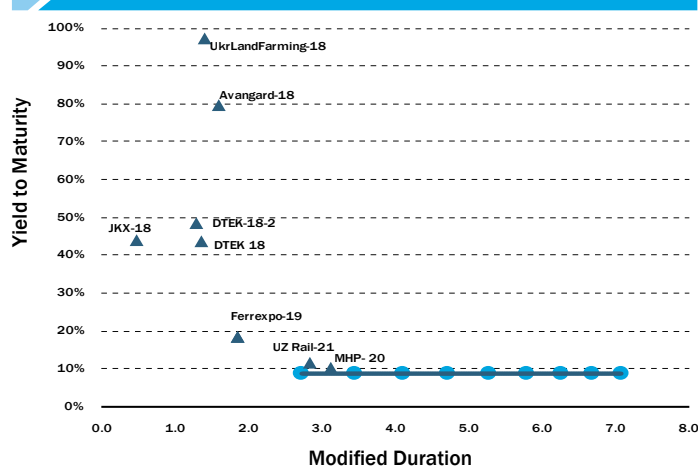
¹ Moody's/S&P/Fitch

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

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

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