

Stock Market Update

Equity

The Ukrainian stock market enjoyed a third good week in a row thanks to more optimism regarding the country's economy among investors. First of all, Ukraine finally passed a long-delayed review of its IMF program on Sept 14, and immediately received a USD 1.0bn loan tranche, which had originally been expected almost a year earlier. Second, the NBU continued to cut its key interest rate to push the banking sector to lend more to the real sector. The rate was reduced by 50 bps to 15.00% by the NBU on Thursday (Sept 15).

Expiration of the UX index futures contracts, an event which occurs every three months, did not cause additional volatility, with the September contract expiring at 758 points. The UX index increased by 4.2% over the week to close at 769 points on Friday (Sept 16). Raiffeisen Bank Aval (BAVL) was the best performer among the five local blue chips, advancing by 7.1% to 12 kopecks on the nose. CentrEnergO (CEEN) also remained in a firm growth trend, rising 7.0% to UAH 10.00. Motor Sich (MSICH) did not join the party, declining by 0.9% to UAH 1838.

London-listed Ferrexpo (FXPO) was nearly flat for the week, closing at GBp 67.25. Sporadically-traded MHP (MHPC) edged back toward the USD 10 mark, climbing 4.3% to USD 9.70. Warsaw-listed Ukrainian stocks were mixed, with Kernel (KER) correcting by 2.1% to PLN 61.00 while Agroton (AGT) made another jump to PLN 3.50, rising 12% for the week.

On the currency front, the hryvnia strengthened by 3.4% against the dollar, closing at 25.80 UAH/USD on Friday thanks to expectations of hard currency inflows into the country after the IMF approved the latest tranche disbursement.

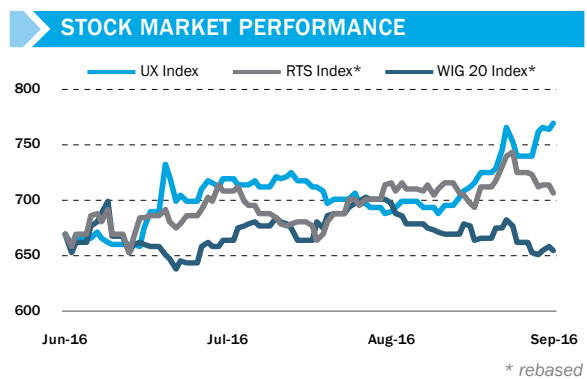
Highlights

POLITICS AND ECONOMICS

- > Slovak PM Openly Challenges EU Sanctions Policy
- > IMF Resumption Unlocks Add'l USD 1.7bn in Western Loans
- > MinFin Expects 3% GDP Growth in Ukraine in 2017

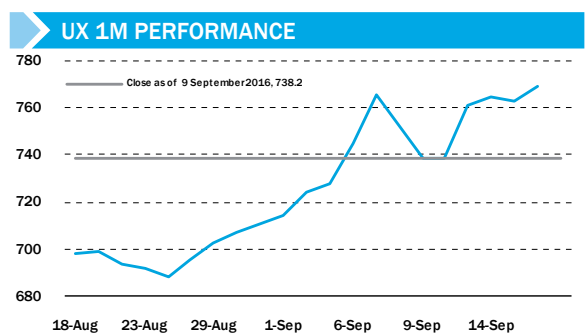
STOCKS IN THE NEWS

- > UkrNafta Says Primary Cost for Its Oil Just USD 9/barrel



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	769.2	4.2%	11.7%	12.1%
RTS	961.4	-2.7%	-1.4%	27.0%
WIG20	1734.3	-1.1%	-6.1%	-6.7%
MSCI EM	885.5	-2.6%	-3.3%	11.9%
S&P 500	2139.2	0.5%	-1.8%	3.7%



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	371.0	4.7%	3.9%	-16.0%
CDS 5Y UKR				
Ukraine-19	7.7%	-0.3 p.p.	-0.3 p.p.	-2.1 p.p.
Ukraine-27	8.2%	0.1 p.p.	0.0 p.p.	-1.4 p.p.
MHP-20	9.5%	0.0 p.p.	-0.3 p.p.	-2.6 p.p.
UZ Rail-21	11.0%	0.0 p.p.	-0.8 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.83	-3.6%	3.6%	7.5%
EUR	28.81	-3.9%	2.5%	9.7%
RUB	0.40	-3.8%	1.5%	21.3%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	157.5	-0.9%	-3.4%	-13.7%
Steel, USD/t	390.0	3.3%	6.1%	54.5%
Oil, USD/bbl	45.8	-4.7%	-7.5%	24.1%
Gold, USD/oz	1310.3	-1.3%	-2.7%	23.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Slovak PM Openly Challenges EU Sanctions Policy

by Will Ritter
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NEWS

Slovak Prime Minister Robert Fico said on Saturday (Sept 16) that Ukraine is doing less than Russia to meet commitments made under the Minsk peace agreement, in an interview with Reuters. “When speaking about the implementation of the Minsk agreement, it needs to be said clearly that both parties are violating it. Actually, if we were to do an inventory of how Ukraine is meeting it, you would have to say Ukraine is meeting it even less than Russia,” Fico said. “With the Minsk agreement, it is necessary to take stock. It is not true that Ukraine is the good guy and Russia is the bad guy.” Under Minsk, Ukraine is supposed to provide constitutional autonomy to the occupied Donbass territories and allow elections to take place. Such elections are likely to be won by pro-Russian/pro-separatist forces, and all the main political parties in Ukraine oppose these measures, stating that they can only occur after Moscow returns control of the pre-2014 border to Kyiv.

COMMENTARY

Fico’s comments are the most direct yet from a Central European leader suggesting that support for continuing sanctions indefinitely against Moscow for its role in the Donbass conflict and the Crimea annexation is starting to erode in the EU. Although Slovakia and Hungary have been opposed to the Russia sanctions for some time, the blunt nature of Fico’s accusation about Ukraine failing to meet its Minsk obligations reflects a bolder approach. Clearly, Slovakia does not have a major voice in determining EU policy, but even in Germany, it cannot be taken for granted that key sanctions supporter Angela Merkel will remain in office and that forces more sympathetic to Moscow will not find their way into power in the EU’s largest country as soon as next year. The lesson here is that Ukrainians - both political leaders and ordinary citizens - are going to have to learn to live with the status quo in the Donbass, i.e. the indefinite occupation of the territories in question, as Western help in recovering those territories is simply not forthcoming. We note that although it is often reported that Ukraine is buying natural gas from Slovakia in order to substitute imports from Russia, this does not indicate a concession or friendly stance specifically from the Slovak government to Ukraine; the gas is being purchased from various European traders and is simply physically located in Slovakia.

IMF Resumption Unlocks Add'l USD 1.7bn in Western Loans

by Dmitry Churin
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NEWS

The Ukrainian government has unlocked a fresh USD 2.7bn of Western financial aid to the country from international creditors headlined by the IMF, after that body's Executive Board signed off on a review of Ukraine's loan program. The completion of the review enabled the disbursement of USD 1.0bn to Finance Ministry accounts late last week, bringing the total IMF disbursements under the current program from to USD 7.62bn. In completing the review, the IMF board approved waivers for the nonobservance of performance criteria related to net international reserves, non-accumulation of external payments arrears, and non-introduction of new exchange restrictions.

Ukraine's four-year USD 17.5bn arrangement was approved in March 2015 to support the government's economic program, which aims to put the economy on the path to recovery and strengthen public finances.

COMMENTARY

The IMF board's approval of the review has automatically given a green light to USD 1.0bn in US loan guarantees for Ukraine as well as to EUR 600mn in EU assistance, which were directly linked to the continuation of the IMF's cooperation with Ukraine. This inflow of credit funds will help to support the country's shaky balance of payment. According to the latest available data, Ukraine's current account deficit (year-to-date through July) was USD 538mn, implying an equivalent of 1% of GDP. Moreover, it is expected that the deficit will widen when natural gas imports intensify ahead of the heating season. Therefore, an inflow on the financial account is crucial in terms of balance of payment sustainability in the medium term.

Among other important consequences of resumption of the IMF program are Ukraine's government obligations to make progress in fiscal reforms, which should avoid tax policy changes that lead to a higher budget deficit. The key point is that Ukraine's government and Parliament only seem able to push structural reforms under external pressure from the IMF, US and EU, and whenever the pressure softens, reforms appear to stall. We do believe that thanks to pressure from Washington and Brussels, there is an increasing chance of visible results for a better business climate in the country. The third IMF's tranche was less than the roughly USD 1.7bn anticipated, after some of the reforms required by the program were not implemented. With the additional loans, we estimate the country's debt-to-GDP ratio at 73%, still a manageable level.

MinFin Expects 3% GDP Growth in Ukraine in 2017

by Dmitry Churin
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NEWS

Ukraine's Finance Ministry (MinFin) based its draft of the 2017 national budget on an assumption of 3.0% YoY GDP growth in the country, according to the official document submitted to Parliament on Sept 15. Another important parameter for the budget - the target hryvnia exchange rate - was forecasted at 27.40 UAH/USD for 2017. The target budget deficit is 3% of GDP next year compared to a deficit of 3.7% GDP planned for the final 2016 budget.

COMMENTARY

Military expenditures were one of the main items of the national budget specified in MinFin's submission. The country's military budget will be equivalent to 5% GDP, which in absolute figures translates into UAH 129bn (USD 4.7bn). The government also announced an across-the-board 10% wage increase for government employees the massive state education and healthcare sectors. Nevertheless, taking into account an expected hryvnia devaluation by 6%, the real public sector wages will increase only moderately. We think that the draft budget only indicates the general intentions, and in fact the deficit is likely exceed the announced 3% GDP; we also suppose that the 2016 deficit target is also likely to widen to above 4% by the end of the year. The government every year has been including an overly optimistic income figure from privatization of state assets. This year it was also the case when privatization of CentrEnerg, the country's second largest thermal power generator, was delayed, and privatization of fertilizer producer Odessa Port Plant saw a failed attempt at auction.

UkrNafta Says Primary Cost for Its Oil Just USD 9/barrel

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 98.3 Market Cap: USD 206mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.5	0.1	neg	neg	0.0%
2016E	0.5	0.2	6.4	1.7	n/a

NEWS

UkrNafta, Ukraine's largest oil producer, said that its primary cost for oil production is just UAH 1700 per tonne (USD 9/barrel), according to an interview with deputy CEO Felix Lunev published on Sept 12. However, Mr. Lunev emphasized that due to high oil production tax, the total cost is UAH 3500 per tonne (USD 18.3/bbl), and he called for a reduction in the production tax. Currently, he said the company pays about UAH 600mn (USD 23mn) per month in oil production tax, but admitted that its accrued debt for the tax since August 2014 is UAH 11bn (USD 420mn). UkrNafta is obligated to pay a production tax rate of 45% for oil extracted from a depth below 5,000 meters and a rate of 21% for oil extracted from a depth of more than 5,000 meters.

A separate new problem for UkrNafta emerged last week when the company's labor union organized a rally near the headquarters in Kyiv asking for a wage increase. UkrNafta's total number of employees is close to 26,000. CEO Mark Rollins commented on the issue, saying that a dialogue with the unions has been established, but that the company will continue its cost optimization program.

COMMENTARY

The tax debt remains a crucial impediment to UkrNafta's further development. The company's management said that the State Fiscal Service charged a large penalty for the accrued liabilities, which led to a worsening financial position in 1H16. Management badly needs a final decision on a tax restructuring/payment plan, but the ongoing conflict between UkrNafta's two main shareholders (the government and Privat Group) is keeping the issue in a deadlock.

The UNAF stock continues to trade below the psychological level of UAH 100 per share, with weak global oil prices and the company's internal problems giving little hope for a quick recovery in the stock. On the other hand, if UkrNafta gets financial restructuring approval from shareholders, it will be a positive event that could boost the stock price to the next resistance level of UAH 130, in our analysis.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	61.1	61.80	1%	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	9.7	17.96	85%	BUY	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	53.9	44.98	-17%	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	6.6	13.02	97%	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	0.3	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	93.0	117.65	27%	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	69.5	26.0	-63%	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	1838	5250	186%	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	3.4	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						
DonbasEnergO	DOEN	12.7	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	10.01	15.00	50%	BUY	CenterEnergO'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	0.119	0.24	102%	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	769.16	960.75	525.66	4.2%	11.7%	15.6%	12.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.006	0.017	0.004	3.3%	12.7%	0.0%	-44.1%	-0.9%	1.0%	-15.6%	-56.3%
Coke												
Yasynivsky Coking	YASK	0.200	0.330	0.064	0.0%	0.0%	33.3%	-13.0%	-4.2%	-11.7%	17.8%	-25.2%
Iron Ore Mining												
Ferrexpo	FXPO	69.00	82.75	14.00	2.2%	-10.7%	124.4%	220.9%	4.5%	-2.0%	-22.4%	208.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	6.40	10.08	3.75	8.3%	19.0%	-8.6%	-19.1%	4.1%	7.3%	-24.2%	-31.2%
Specialized Machinery												
Motor Sich	MSICH	1838	2610	1663	-0.9%	0.3%	-8.6%	-7.1%	-5.1%	-11.4%	-24.1%	-19.3%
Turboatom	TATM	9.50	n/a	n/a	11.8%	10.5%	17.3%	111.1%	7.6%	-1.2%	1.7%	99.0%
Telecom												
Ukrtelecom	UTLM	0.129	0.168	0.091	-13.7%	-7.9%	-11.0%	7.5%	-17.8%	-19.5%	-26.6%	-4.6%
Oil & Gas												
Regal Petroleum	RPT	3.38	4.50	1.75	12.5%	12.5%	-10.1%	-10.0%	11.6%	8.3%	0.8%	-22.1%
JKX Oil	JKX	19.00	29.00	16.00	-1.3%	-9.5%	2.7%	-30.3%	-2.2%	-5.5%	-21.2%	-42.4%
Ukrnafta	UNAF	98.3	258.6	70.5	3.5%	5.4%	1.3%	-44.5%	-0.7%	-6.3%	-14.2%	-56.6%
Power Utilities												
Centrenergy	CEEN	10.01	10.05	4.12	7.3%	24.9%	39.0%	119.4%	3.2%	13.2%	23.4%	107.2%
Donbasenergo	DOEN	12.69	19.58	9.04	-0.1%	0.6%	-7.8%	-19.5%	-4.3%	-11.0%	-23.4%	-31.6%
Zakhidenergo	ZAEN	57.50	130.00	31.00	-10.6%	-3.4%	15.0%	-31.5%	-14.8%	-15.0%	-0.6%	-43.7%
Consumer												
Agroton	AGT	3.51	3.69	0.80	11.8%	50.6%	210.6%	247.5%	-5.7%	7.6%	39.0%	235.4%
Astarta	AST	52.90	54.40	26.21	1.8%	5.6%	15.0%	53.3%	-1.0%	-2.4%	-6.1%	41.2%
Avangardo	AVGR	0.32	1.65	0.26	0.0%	-36.0%	-64.8%	-74.4%	-0.9%	-4.2%	-47.7%	-86.5%
Industrial Milk Company	IMC	6.80	7.90	4.96	-1.4%	-6.5%	-2.9%	13.9%	-2.6%	-5.6%	-18.1%	1.8%
Kernel	KER	61.00	62.65	41.00	-2.1%	5.9%	20.7%	26.8%	-2.5%	-6.3%	-5.8%	14.7%
MHPC	MHPC	9.69	11.00	7.10	4.8%	4.2%	4.6%	4.2%	3.1%	0.6%	-7.5%	-8.0%
Milkiland	MLK	2.20	2.55	0.97	15.8%	8.9%	37.5%	54.9%	7.0%	11.6%	-2.8%	42.8%
Ovostar Union	OVO	93.00	98.50	85.12	1.1%	2.2%	-2.1%	2.8%	-0.9%	-3.1%	-9.5%	-9.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.119	0.135	0.059	7.1%	16.7%	38.8%	58.2%	2.9%	5.0%	23.2%	46.0%

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%
Coke																
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																
Ferrexpo	FXPO	1,388	961	806	496	313	234	35.8%	32.6%	29.0%	184	31	151	13.2%	3.3%	18.7%
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	39	4.1%	4.2%	11.0%	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%

Source: Eavex Research

MAIN TRADING MULTIPLES

Name	Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			
					2014	2015	2016E	2014	2015	2016E	2014	2015	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	
Coke														
Yasynivsky Coke	YASK	2	9.0% 0	2	neg	neg	neg	neg	neg	neg	0.0	0.0	0.0	
Iron Ore Mining														
Ferrexpo	FXPO	357	24.0% 86	1,225	1.9	11.3	2.4	2.5	3.9	5.2	0.9	1.3	1.5	
Railcar Manufacturing														
Kruiw Wagon	KVBZ	33	5.0% 2	28	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	2.1	-0.4	-0.3	-0.7	-0.2	-0.2	-0.3	
Motor Sich	MSICH	168	24.0% 40	109	1.3	1.0	2.3	0.3	0.5	0.6	0.1	0.2	0.2	
Telecom														
Ukrtelecom	UTLM	106	7.2% 8	196	5.8	11.4	25.5	2.3	2.7	3.4	0.5	0.8	0.9	
Oil & Gas														
Ukrnafta	UNAF	220	3.0% 7	209	2.1	neg	6.9	0.6	neg	1.8	0.1	0.2	0.2	
Regal Petroleum	RPT	15	21.6% 3	-11	neg	2.5	neg	neg	-0.7	-1.1	-0.3	-0.3	-0.5	
JKX Oil & Gas	JKX	44	50.4% 22	153	neg	neg	neg	3.3	9.0	5.3	1.0	1.7	1.9	
Electric Utilities														
CentrEnerg	CEEN	115	21.7% 25	83	19.5	>30	5.5	3.2	6.3	2.1	0.1	0.3	0.2	
DonbasEnerg	DOEN	13	14.2% 2	26	1.5	neg	6.1	1.3	neg	4.2	0.1	0.1	0.1	
Consumer														
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	1,262	61.8% 780	1,565	neg	12.5	5.0	7.0	3.9	4.5	0.7	0.7	0.7	
Astarta	AST	314	37.0% 116	453	neg	17.7	4.2	2.9	3.1	4.2	1.0	1.3	1.4	
Avangardco	AVGR	51	22.5% 12	349	neg	neg	8.2	2.7	neg	7.1	0.8	1.5	1.3	
Ovostar	OVO	140	25.0% 35	145	5.4	4.4	4.0	5.0	4.2	3.6	1.9	1.9	1.7	
Banks														
					P/E			P/Book			P/Assets			
Raiffeisen Bank Aval	BAVL	263	1.8% 5		neg	neg	5.5	0.7	1.0	0.9	0.09	0.13	0.13	

Source: Eavex Research

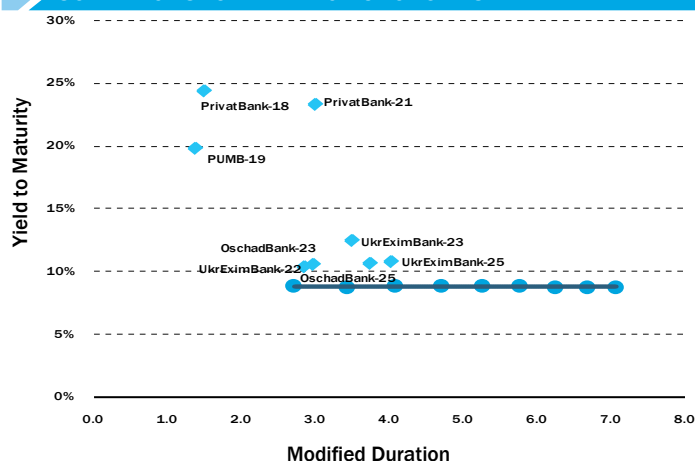
UKRAINIAN EUROBONDS

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	99.6	100.4	7.9%	7.6%	6.8%	2.6	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	98.8	99.5	8.1%	7.9%	7.2%	3.3	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	98.4	99.1	8.2%	8.0%	7.8%	4.0	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	97.9	98.6	8.2%	8.0%	8.4%	4.7	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	97.4	98.1	8.3%	8.1%	9.1%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	97.1	97.9	8.2%	8.1%	9.7%	5.8	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	96.8	97.5	8.3%	8.1%	9.9%	6.3	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	96.5	97.3	8.3%	8.2%	10.6%	6.8	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	96.1	96.9	8.3%	8.2%	10.8%	7.2	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	32.1	33.1	n/a	n/a	-19.9%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	10.0	13.5	140.2%	115.0%	2.2%	1.3	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	96.0	96.7	9.6%	9.4%	10.3%	2.9	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	14.8	18.4	144.1%	124.7%	-67.5%	1.1	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	27.3	27.3	137.3%	137.3%	-45.5%	0.8	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	64.1	65.7	n/a	n/a	56.4%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	65.0	66.0	n/a	n/a	47.2%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	75.2	76.9	n/a	n/a	34.2%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	74.9	76.8	n/a	n/a	67.3%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	75.4	77.2	n/a	n/a	71.5%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	97.2	98.3	11.7%	11.1%	78.7%	1.7	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	75.4	77.2	12.2%	12.2%	67.8%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	96.4	97.6	10.8%	10.5%	12.8%	2.7	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	27.0	293.1%	238.1%	-18.3%	0.4	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	75.3	77.3	42.2%	39.9%	6.0%	0.3	8.00%	S/A	19 Feb 2018	40	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.6	3.0	n/a	n/a	-80.4%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	95.3	97.1	13.4%	12.5%	29.7%	1.2	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.2	11.3	n/a	n/a	-14.6%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	85.0	87.0	24.0%	22.0%	13.2%	1.5	10.25%	S/A	23 Jan 2018	200	Cau//CC
PrivatBank, 2021	65.0	67.0	24.4%	23.4%	-1.5%	3.0	11.00%	S/A	09 Feb 2021	220	Cau//CC
PrivatBank, 2018	79.4	79.4	28.6%	28.6%	16.8%	1.2	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	99.3	100.1	9.8%	9.6%	11.2%	2.8	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	83.3	84.8	12.1%	11.7%	13.4%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	97.1	98.0	10.3%	10.1%	11.7%	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	97.6	98.5	9.9%	9.7%	10.1%	2.8	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	96.2	97.2	10.3%	10.1%	10.3%	3.7	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	75.4	82.1	n/a	n/a	-5.7%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

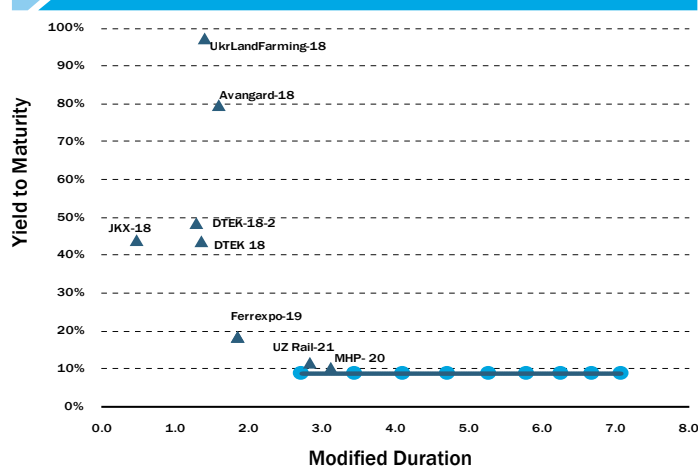
¹ Moody's/S&P/Fitch

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%	15.50%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			17.35%	16.35%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			17.35%	16.35%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			17.35%	16.35%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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