

Stock Market Update

Equity

Ukraine's equity market was unable to find any new drivers to extend its autumn gains last week, and saw its first substantial correction in two months. Neither the news that the World Bank approved USD 500mn in loan guarantees for Ukraine's natural gas imports, nor statistics indicating that retail sales rose 4.1% YoY in September was able to inspire traders. On the diplomatic front, the leaders of Ukraine, France, Germany and Russia met in Berlin to discuss the stalled Donbass peace process, with indications that Moscow is trying to establish firmer control over its proxies in the occupied territories. Unfortunately for investors, two years after the EuroMaidan revolution, Ukraine is stuck in a gray zone of half-reforms and half-war. While the country has held together impressively, the optimists who were expecting a quick transition into a modern nation-state have been disappointed.

The UX index lost 1.5% over the week, ending at 829 points on Friday (Oct 21). Reports that Poland and Ukraine are discussing plans to launch joint production of helicopters for military use did not help Motor Sich (MSICH), which slipped to UAH 1,900 per share on a 0.9% loss. In other blue chips, UkrNafta (UNAF) and CentrEnergO (CEEN) declined by 0.8% and 2.1% respectively.

London-listed Ferrexpo (FXPO) continued its stunning autumn rally, jumping by another 10% to GBp 109 per share. The company confirmed its strategy to increase its iron ore pellet production to 16mn tonnes p.a. by 2020 and announced that it is enjoying strong demand for its output on export markets, while low-liquidity issue MHP (MHPC) was little-changed at USD 9.35. In Warsaw, Kernel (KER) continued to sit just below the PLN 60 level, closing at PLN 59.80.

On the interbank currency market, the NBU was buying up offered hard currencies at a bid of 25.67 UAH/USD on Friday, capping the hryvnia's gain for the week at 1.0% to 25.65 UAH/USD.

Highlights

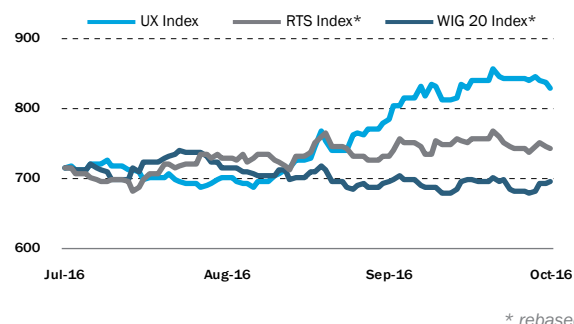
POLITICS AND ECONOMICS

- ▶ Poroshenko Slams Domestic Critics of Minsk Deal after Normandy-4 Roadmap
- ▶ Danyliuk: Ukraine to Use USD 500mn WB Guarantee for Gas Purchases

STOCKS IN THE NEWS

- ▶ Ferrexpo Bullish on Expansion Amid Strong Demand for Premium Pellets
- ▶ MHP Poultry Sales Volume Up 11% YoY to 166,300 tonnes in 3Q16

STOCK MARKET PERFORMANCE

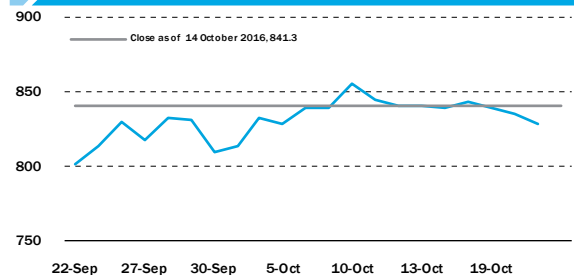


*rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	829.1	-1.5%	5.8%	20.9%
RTS	986.4	0.3%	1.7%	30.3%
WIG20	1752.3	1.9%	-0.2%	-5.7%
MSCI EM	911.2	1.6%	1.4%	15.1%
S&P 500	2141.2	0.4%	0.1%	3.8%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	356.9	-0.2%	-2.4%	-19.2%
CDS 5Y UKR				
Ukraine-19	7.4%	-1.1 p.p.	-0.9 p.p.	-2.4 p.p.
Ukraine-27	8.2%	-0.4 p.p.	-0.2 p.p.	-1.4 p.p.
MHP-20	8.9%	-0.4 p.p.	-0.6 p.p.	-3.2 p.p.
UZ Rail-21	11.3%	-0.1 p.p.	0.2 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.66	-0.3%	-1.1%	6.8%
EUR	27.92	-1.3%	-3.3%	6.3%
RUB	0.41	0.4%	2.7%	26.0%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	163.5	1.9%	4.5%	-10.4%
Steel, USD/t	397.5	0.6%	2.6%	57.4%
Oil, USD/bbl	51.8	-0.3%	11.7%	40.4%
Gold, USD/oz	1266.3	1.2%	-3.7%	19.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Poroshenko Slams Domestic Critics of Minsk Deal after Normandy-4 Roadmap

by Will Ritter
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NEWS

President Poroshenko used a national television interview to push back against critics of the Minsk-2 peace agreement signed early last year aimed at ending the fighting in Ukraine's eastern Donbass region. In remarks that aired Sunday (Oct 23) on three major stations, the President said, "There are myths that [the Minsk deal] has run its course, and that some alternative to it exists... Minsk is the only path to peace. Everyone who is attacking Minsk has to accept responsibility... for future victims [of renewed conflict]... the alternatives to Minsk are a military solution and an open assault on the Russian Federation." The President also criticized the idea of simply giving up on trying to reclaim the occupied territories, stating that those who "apply the logic of territory for peace, will receive neither peace, nor territory." His comments came after a summit meeting of the so-called "Normandy 4" – the leaders of Ukraine, Russia, Germany and France - last Wednesday (Oct 19) in Berlin which saw the sides agree to a "roadmap" outlining the order of the steps to be taken to implement the Minsk deal. Notably, Russia agreed for the first time to an armed OSCE mission that would be charged with improving the local security situation ahead of eventual supervised elections in the occupied territories. The current authorities in the territories were appointed and confirmed via elections that were condemned by Ukraine and the West as blatantly unfree and unfair.

COMMENTARY

We assume that Poroshenko's remarks were primarily aimed at Ukraine's populist-nationalist opposition, namely the Samopomich and Batkivschyna parties, rather than at the militant nationalist groups who are as anti-Western as they are anti-Russian and do not even belong in Ukraine's modern political conversation. Indeed, although the Minsk agreement is a farce, it is the only farce in town, with the military escalation alternative to it certainly much worse for Ukraine than the status quo of a half-implemented peace deal. Therefore, we suppose that both Kyiv and Moscow will continue to pretend to be committed to the agreement and its new "roadmap", while publicly blaming the other side for the lack of implementation. Such a strategy allows Poroshenko to postpone a showdown with militant nationalists over the Donbass, while it conversely provides a path for Russian President Putin to pursue relief from some of the painful Western sanctions that have been undermining the Russian economy for the past 2-plus years. However, with Putin's favored candidate Donald Trump highly likely to be beaten in the US presidential election in two weeks, we doubt that Moscow can expect any sanctions relief from Washington for at least the next 9 or 10 months, even if the EU begins to take a softer approach.

Danyliuk: Ukraine to Use USD 500mn WB Guarantee for Gas Purchases

by Dmitry Churin
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NEWS

The World Bank has approved a USD 500mn loan guarantee to Ukraine for natural gas purchases, Finance Minister Alexander Danyliuk said on Oct 18. The guarantees will be used by state energy group NaftoGaz to buy gas from Europe this winter. This will allow the country to get through the heating season without a fuel shortfall, according to Danyliuk's statement.

COMMENTARY

Assuming that Naftogaz imports gas at an average price of USD 185 per 1,000 cubic meters (cu-m), the loan has the potential to add an extra 2.7bn cu-m of fuel stocks to Naftogaz's currently declared amount of 14.7bn cu-m, a figure which is viewed as only a bare-bones minimum for the winter. Official government data for 2015 states that Ukraine imported 6.1bn cu-m of gas from Gazprom in FY15 and 10.2bn cu-m from European suppliers, mostly through the Slovakia pipeline. This represented a near-doubling of the so-called "reverse-flow" imports of Russian gas from Europe, while the direct volume from Russia fell by 58% YoY. For 2016, Ukraine's government says that there have been no direct imports from Russia's Gazprom at all. Crucially, however, in the case of a Europe-wide winter cold snap, Ukraine would no longer be able to rely on the reverse flows, and therefore Naftogaz needs to have enough gas in its own stocks to get through a weather-related spike in consumption. Assuming normal winter temperatures through the year-end, we estimate Ukraine's FY16 gas consumption at 32bn cu-m, a decrease of 5% YoY. We forecast a similar figure for FY17, with imports accounting for 40% of total supplies.

The loan guarantee from the World Bank should increase optimism regarding Ukraine's ability to secure the upcoming winter heating season and ease pressure on the country's balance of payments in 4Q. On the downside, the main condition of the loan was a hike in household heating prices, and there is likely to be a sharp political reaction when citizens start to receive their initial heating bills for this winter around the middle of December.

Ferrexpo Bullish on Expansion Amid Strong Demand for Premium Pellets

by Dmitry Churin
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FERREXPO (FXPO UK)

Price: GBp 109 Market Cap: USD 782mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	3.2	1.6	24.9	4.9	2.5%
2016E	1.7	1.6	4.3	5.1	0.0%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, is enjoying strong demand for its premium 65 percent Fe pellets, the company's investor relations manager Ingrid McMahon told the press in Kyiv last week. Ferrexpo estimates its full-year 2016 output at 11.3mn tonnes of pellets, with the share of the top-value-added product rising to 94%, up from 87% in 2015. The company continues to stick to an active growth strategy, relying on a forecast that global consumption of iron ore pellets will increase at a pace of 4% CAGR to 493mn tonnes by 2020. McMahon said Ferrexpo's share on the global pellet export market is around 10% this year. The company sells 65% of its output to Europe and 30% to Asia.

COMMENTARY

An improved outlook for iron ore prices, with the benchmark 62 percent Fe price averaging USD 56 per tonne over last 30 days, has given Ferrexpo renewed confidence in its capacity expansion program, with the company aiming to raise output by 40% to 16mn tonnes by 2020. CapEx for 2017 is estimated at USD 50mn. In our view, the company has well-diversified export destination portfolio as it tries to reduce dependence on sales to China by increasing deliveries to Japan, South Korea and Taiwan. The share of the China deliveries in total sales has decreased from 25% last year to 13% in 2016.

Ferrexpo's London-listed shares have jumped by 407% to GBp 109 year-to-date, compared to a 12% rise for the FTSE100.

Ferrexpo-2019 Eurobonds are currently quoted at a solid 98.8/100.1 (10.8%/10.0%), having provided generous profits for investors who bought them in the mid-60s early this year.

MHP Poultry Sales Volume Up 11% YoY to 166,300 tonnes in 3Q16

by Dmitry Churin
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MHP (MHPC LI)

Price: USD 9.35 Market Cap: USD 988mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.5	1.9	neg	4.9	8.1%
2016E	1.4	1.7	5.8	5.5	4.0%

NEWS

London-listed poultry producer Myronivsky HliboProduct (MHP) said its poultry sales volume rose 11% YoY to 166,300 tonnes in 3Q16, according to an operational update published on Oct 18. UAH-denominated pricing for the poultry was higher by 9% YoY in the period. The company said that its production facilities continued to operate at full capacity in the recently-completed quarter. MHP reported that its poultry production volume for 9M16 was up by 6% YoY to 433,110 tonnes. The company's sunflower oil segment demonstrated a 17% YoY increase in sales to 254,030 tonnes in 9M16, with all of the sales being exports. The grain segment also brought positive results, with this year's yield for rapeseed reaching 3.4 tonnes per hectare and the yield for wheat reaching 6.5 tonnes per hectare. MHP operates a land bank of 335,000 hectares in Ukraine.

MHP OPERATIONAL UPDATE

Poultry	3Q16	3Q15	Change	9M16	9M15	Change
Sales volume, tonnes	166,300	150,260	+11%	433,110	407,680	+6%
Price per 1 kg net VAT	30.23	27.62	+9%	29.74	26.92	+10%

Source: Companies' data

COMMENTARY

Export sales continue to be the main contributor to MHP's sales volume increase. However, CEO Yuriy Kosiuk said in a recent TV interview with domestic media that MHP's exports to the EU have been bringing only marginal profits, as customs duties on poultry above Ukraine's small EU quota are quite high. Nevertheless, MHP is trying to gain a bigger share on the European market, as there are expectations that either the duty free quota will eventually be expanded, or the above-quota duties will be lowered. The company's overall exports increased by 44% YoY to 145,210 tonnes in 9M16. The export sales share in total sales volume accounted for 34% in the period. In terms of pricing, MHP's average chicken meat price has increased in line with consumer inflation in Ukraine (i.e. high single digits) but has risen more slowly than the hryvnia devaluation during the period. In 9M16 the average chicken meat price was UAH 29.74, which was 10% higher than in 9M15.

The company said it will release its 3Q16 financial results on Nov 17. The MHPC stock, which is rather illiquid, has been in a narrow corridor between USD 9-9.50 per share for the past year and faces a strong resistance level at USD 10 from a chart point of view.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	59.8	61.80	3%	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	9.4	17.96	92%	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	53.3	44.98	-16%	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	90%	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	0.6	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	91.0	117.65	29%	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	109.0	82.0	-25%	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	1906	5250	175%	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	3.7	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	16.5	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						
DonbasEnergO	DOEN	12.5	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	10.38	15.00	45%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.123	0.24	94%	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 has purchased a 30% 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	829.06	861.78	525.66	-1.5%	5.8%	16.5%	20.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.017	0.004	3.7%	0.0%	30.8%	-23.4%	5.1%	-5.8%	14.3%	-44.3%
Coke												
Yasynivsky Coking	YASK	0.200	0.330	0.100	0.0%	0.0%	42.9%	-13.0%	1.5%	-5.8%	26.4%	-33.9%
Iron Ore Mining												
Ferrexpo	FXPO	109.00	117.50	14.00	11.5%	50.9%	179.5%	407.0%	-6.5%	13.0%	45.1%	386.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	8.90	n/a	n/a	-0.4%	35.5%	22.8%	12.5%	1.0%	29.7%	6.3%	-8.4%
Specialized Machinery												
Motor Sich	MSICH	1906	2130	1663	-0.9%	2.7%	-6.4%	-3.7%	0.6%	-3.0%	-22.9%	-24.6%
Turboatom	TATM	12.00	12.25	3.75	0.8%	20.0%	20.6%	166.7%	2.3%	14.2%	4.1%	145.8%
Telecom												
Ukrtelecom	UTLM	0.145	0.168	0.091	-8.7%	12.5%	-3.3%	20.9%	-7.3%	6.7%	-19.8%	0.0%
Oil & Gas												
Regal Petroleum	RPT	3.74	4.50	1.75	-0.4%	9.9%	-1.1%	-0.4%	0.7%	1.1%	4.1%	-21.3%
JKX Oil	JKX	17.25	29.00	16.00	0.0%	-9.2%	-9.2%	-36.7%	0.7%	1.5%	-15.0%	-57.6%
Ukrnafta	UNAF	126.2	221.9	70.5	-0.8%	21.2%	28.6%	-28.7%	0.7%	15.4%	12.1%	-49.6%
Power Utilities												
Centrenergy	CEEN	10.38	10.90	4.12	-2.1%	1.2%	34.1%	127.5%	-0.7%	-4.5%	17.6%	106.7%
Donbasenergy	DOEN	12.53	19.00	9.04	-5.6%	-2.1%	-8.5%	-20.5%	-4.1%	-7.9%	-25.0%	-41.4%
Zakhidenergy	ZAEN	60.00	n/a	n/a	-1.0%	-0.7%	-4.0%	-28.6%	0.5%	-6.5%	-20.5%	-49.5%
Consumer												
Agroton	AGT	2.61	3.69	0.80	-13.6%	-24.8%	83.8%	158.4%	0.3%	-12.1%	-30.6%	137.5%
Astarta	AST	53.26	54.40	28.02	-0.7%	0.5%	12.1%	54.4%	0.3%	0.8%	-5.3%	33.5%
Avangardo	AVGR	0.64	1.65	0.26	50.6%	100.0%	-20.0%	-48.8%	0.7%	52.0%	94.2%	-69.7%
Industrial Milk Company	IMC	6.86	7.90	5.70	2.2%	3.5%	1.0%	14.9%	3.9%	3.7%	-2.3%	-6.0%
Kernel	KER	59.84	62.96	41.00	0.2%	-1.9%	-2.7%	24.4%	0.9%	1.7%	-7.7%	3.5%
MHPC	MHPC	9.35	10.45	7.10	0.5%	-0.1%	8.1%	0.5%	0.7%	2.0%	-5.9%	-20.3%
Milkiland	MLK	1.89	2.55	1.13	-1.6%	-12.5%	5.0%	33.1%	0.7%	-0.1%	-18.3%	12.2%
Ovostar Union	OVO	91.00	98.50	86.00	1.1%	-2.2%	-3.2%	0.6%	0.7%	2.6%	-7.9%	-20.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.123	0.135	0.059	-0.7%	4.1%	19.1%	63.9%	0.7%	-1.7%	2.6%	43.0%

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	361	340	248	127	96	19.7%	35.2%	28.3%	na	-1,076	-404	na	-298.2%	-118.9%
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	950	496	313	300	35.8%	32.6%	31.6%	184	31	180	13.2%	3.3%	18.9%
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	668	342	237	184	38.9%	33.9%	27.5%	129	168	72	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	35	22	17	15	10	10	na	45.5%	58.8%	6	-1	0	na	-4.5%	0.0%
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	340	26	13	37	4.1%	4.2%	11.0%	6	3	20	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	170	-29.9%	-10.6%	13.0%
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	130	129	-69	-1	30.9%	-158	-45	-27	-158	-45	-6.4%	-158	-45
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	9	3.9% 0	2,578	n/a	neg	neg	10.4	20.3	26.9	2.1	7.1	7.6	
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	785	24.0% 188	1,535	4.3	24.9	4.4	3.1	4.9	5.1	1.1	1.6	1.6	
Railcar Manufacturing														
Kriviw Wagon	KVBZ	40	5.0% 2	34	neg	neg	neg	neg	neg	neg	0.2	0.8	0.5	
Specialized Machinery														
Turboatom	TATM	57	5.8% 3	-29	1.1	0.8	2.0	-0.4	-0.3	-0.8	-0.2	-0.2	-0.3	
Motor Sich	MSICH	154	24.0% 37	95	1.2	0.9	2.1	0.3	0.4	0.5	0.1	0.1	0.1	
Telecom														
Ukrtelecom	UTLM	106	7.2% 8	196	5.8	11.4	25.4	2.3	2.7	3.4	0.5	0.8	0.9	
Oil & Gas														
Ukrnafta	UNAF	266	3.0% 8	255	2.5	neg	8.3	0.7	neg	2.2	0.1	0.2	0.3	
Regal Petroleum	RPT	15	21.6% 3	-10	2.5	neg	n/a	-0.7	-1.0	-1.0	-0.3	-0.5	-0.6	
JKX Oil & Gas	JKX	36	50.4% 18	145	neg	neg	neg	3.1	8.6	5.0	1.0	1.6	1.8	
Electric Utilities														
CentrEnerg	CEEN	149	21.7% 32	117	25.3	>30	7.4	4.5	8.9	3.1	0.2	0.4	0.3	
DonbasEnerg	DOEN	12	14.2% 2	25	1.4	neg	5.5	1.3	neg	4.0	0.1	0.1	0.1	
Consumer														
MHP	MHPC	988	34.1% 337	2,227	neg	neg	5.8	4.4	4.9	5.5	1.6	1.9	1.7	
Kernel	KER	1,200	61.8% 741	1,504	neg	11.9	4.8	6.7	3.8	4.3	0.6	0.6	0.7	
Astarta	AST	335	37.0% 124	474	neg	18.9	4.5	3.0	3.3	4.4	1.0	1.4	1.5	
Avangardco	AVGR	41	22.5% 9	367	neg	neg	neg	2.8	neg	neg	0.9	1.6	2.8	
Ovostar	OVO	137	25.0% 34	142	5.3	4.3	3.9	4.9	4.1	3.5	1.9	1.9	1.7	
Banks														
					P/E			P/Book			P/Assets			
Raiffeisen Bank Aval	BAVL	295	1.8% 5		neg	neg	6.1	0.8	1.1	1.0	0.10	0.15	0.15	

Source: Eavex Research

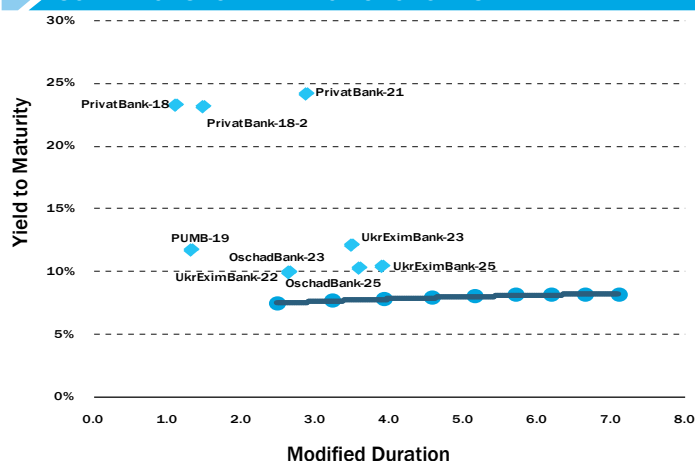
UKRAINIAN EUROBONDS

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	100.5	101.0	7.5%	7.3%	7.6%	2.5	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	99.8	100.5	7.8%	7.6%	8.3%	3.2	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	99.5	100.3	7.9%	7.7%	9.0%	3.9	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	99.0	99.8	8.0%	7.8%	9.7%	4.6	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	98.0	98.8	8.1%	8.0%	9.8%	5.2	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	97.5	98.3	8.2%	8.1%	10.1%	5.7	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	97.0	97.8	8.2%	8.1%	10.2%	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	96.5	97.3	8.2%	8.1%	11.2%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	32.3	33.3	n/a	n/a	-19.6%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	8.0	12.0	175.6%	132.8%	-13.0%	1.1	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	97.7	98.5	9.1%	8.8%	12.3%	2.9	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	23.3	26.8	111.2%	99.7%	-50.8%	1.2	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	32.0	34.0	123.2%	115.8%	-34.0%	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	73.9	75.0	n/a	n/a	79.4%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	71.5	73.5	n/a	n/a	62.9%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	82.1	83.5	n/a	n/a	46.0%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	82.3	83.3	n/a	n/a	82.6%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	83.2	84.1	n/a	n/a	88.0%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	100.2	101.6	10.3%	9.6%	84.5%	1.7	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	83.2	84.1	10.2%	9.8%	76.0%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	95.9	96.9	11.0%	10.7%	12.1%	2.6	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	24.0	352.6%	322.3%	-23.3%	0.3	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	90.3	99.5	28.1%	19.5%	31.8%	1.1	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	2.7	n/a	n/a	-82.5%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	97.4	100.0	12.4%	11.0%	33.1%	1.3	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	1.2	10.9	n/a	n/a	-17.0%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	86.0	87.5	23.9%	22.3%	14.1%	1.5	10.25%	S/A	23 Jan 2018	200	Ca//CC
PrivatBank, 2021	65.0	67.0	24.6%	23.6%	-1.5%	2.9	11.00%	S/A	09 Feb 2021	220	Ca//CC
PrivatBank, 2018	85.3	87.3	24.2%	22.2%	27.0%	1.1	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2022	98.5	99.3	10.0%	9.8%	10.4%	2.7	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	82.5	84.5	12.3%	11.8%	12.7%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.0	96.9	10.5%	10.3%	10.5%	3.9	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	96.9	97.9	10.0%	9.8%	9.4%	2.7	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	96.0	97.1	10.3%	10.1%	10.1%		8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	75.5	79.6	n/a	n/a	-7.1%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

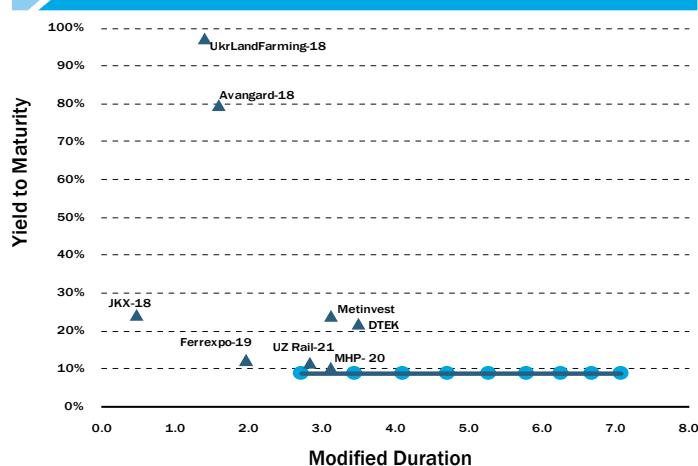
¹ Moody's/S&P/Fitch

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			16.60%	15.50%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			16.60%	16.20%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.60%	16.20%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.60%	16.20%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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