

Stock Market Update

Equity

Kyiv-listed stocks were on the rise last week despite several unimpressive blue chip earnings reports for the third quarter, as the NBU's decision to further cut its main refinancing rate from 15% to 14% provided more confidence in a broad economic recovery in the country. The central bank said that 12-month consumer inflation of 7.9% YoY for September was in line with its expectation. The NBU sees the inflation at 6%-10% for the next year, and that it will continue to adjust the key rate closer to the target level. In other developments, Ukraine's government appears to have started the next round of bargaining with the IMF over disbursement of the country's USD 17.5bn loan program. An IMF monitoring mission was initially expected to arrive on Oct 26 but the Washington-based fund postponed the trip until early November. Kyiv is hoping to get an additional USD 1.3bn before the end of 2016.

The UX index gained 1.2% to close at 839 points on Friday (Oct 28), with the indicator once again facing 840 points as a resistance line from the chart point of view. CentrErgo (CEEN) was the main blue chip winner over the week, rising 5.9% to UAH 11.00. The company posted a solid UAH 1.0bn in net profit for 9M16, raising suspicions that the government is pumping up the company's results in order to receive a higher valuation at next year's privatization. Motor Sich (MSICH) continued to trade slightly above UAH 1900 as the company's earnings report for 3Q16 confirmed the trend of decreasing revenue due to limited access to the Russian market.

London-listed Ferrexpo (FXPO) rallied to GBp 127 at mid-week but slid back to GBp 104 after the company's second-largest shareholder suddenly unloaded about half of its 23% stake at a price of GBp 110. MHP (MHPC) moved up 3.7% to USD 9.70 after the company published an encouraging operational update for 3Q. In Warsaw, Kernel (KER) climbed above the PLN 60 level, adding 3.4% to PLN 61.90, also thanks to an upbeat quarterly operational report.

The hryvnia strengthened by 0.5% to 25.50 UAH/USD over the week.

Highlights

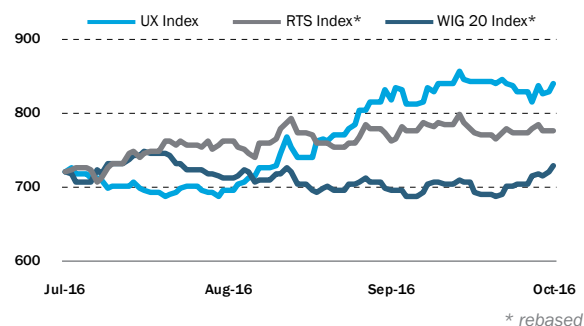
POLITICS AND ECONOMICS

- > Clinton Remains Heavy Favorite in US Race Despite "October Surprise"

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- > UkrNafta Suffers From Unspecified Operating Expenses in 9M16
- > CentrErgo Posts Solid UAH 1.0bn Profit for 9M16
- > Motor Sich Sees 37% YoY Drop in Profit to UAH 600mn in 3Q16
- > Kernel Boosts Grain Sales by 27% YoY in Jul-Sept

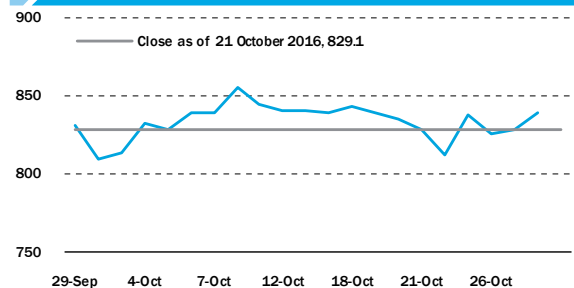
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	839.1	1.2%	2.7%	22.3%
RTS	992.2	0.6%	2.0%	31.1%
WIG20	1817.8	3.7%	4.9%	-2.2%
MSCI EM	903.5	-0.8%	-0.8%	14.2%
S&P 500	2126.4	-0.7%	-1.6%	3.1%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	363.8	1.9%	-0.3%	-17.7%
CDS 5Y UKR				
Ukraine-19	7.8%	-0.2 p.p.	-0.6 p.p.	-2.0 p.p.
Ukraine-27	8.4%	0.2 p.p.	-0.1 p.p.	-1.2 p.p.
MHP-20	8.5%	-0.7 p.p.	-0.9 p.p.	-3.6 p.p.
UZ Rail-21	11.1%	0.0 p.p.	0.0 p.p.	

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.42	-0.9%	-1.5%	5.8%
EUR	28.00	0.3%	-3.2%	6.6%
RUB	0.41	-1.5%	0.1%	24.1%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	165.0	0.9%	6.8%	-9.6%
Steel, USD/t	410.0	3.1%	5.1%	62.4%
Oil, USD/bbl	49.7	-4.0%	6.9%	34.8%
Gold, USD/oz	1275.5	0.7%	-3.9%	20.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Clinton Remains Heavy Favorite in US Race Despite “October Surprise”

by Will Ritter
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NEWS

US Democratic Party candidate Hillary Clinton is maintaining a comfortable lead over Republican Donald Trump with one week to go before the national presidential election despite an announcement on Friday (Oct 28) that the Federal Bureau of Investigation is reopening its probe into Clinton’s handling of classified information, the latest state-by-state polling averages indicate. According to the poll-tracking website RealClearPolitics, Clinton has a firm lead in the key states of Virginia, Michigan, Colorado, North Carolina, and Pennsylvania, while Trump is leading by small margins in Florida and Ohio. Nationwide, the polling averages indicate that Clinton has a lead of 3-4 percentage points over Trump.

COMMENTARY

Despite a tightening race nationwide following a 10-day period in which Trump has managed to avoid any major blunders, Clinton’s current margins suggested by multiple polls should be enough to get her over the finish line. We don’t believe that the FBI’s “October Surprise” announcement is a game-changing event, as it lacks any specific new information about wrongdoing by Clinton or her campaign. The most important state in play for both candidates is Pennsylvania, where credible surveys have repeatedly shown that Clinton enjoys an advantage of 6-8 percentage points. Without Pennsylvania, Trump will fall short of the needed “electoral vote” total even if he wins both Florida and Ohio. In our view, Trump’s only hope is that the polls are systematically mistaken; although such an error occurred ahead of the UK’s “Brexit” vote back in June, in the case of the US election, the size of the polling miscalculations would have to be significantly larger to yield an upset win for Trump. We expect that a Clinton victory will likely result in a continuation or even a strengthening of the Obama administration’s sanctions policy against Moscow in defense of Ukrainian sovereignty.

UkrNafta Suffers From Unspecified Operating Expenses in 9M16

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 122 Market Cap: USD 259mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.6	0.2	neg	neg	0.0%
2016E	0.7	0.3	8.1	2.1	n/a

NEWS

UkrNafta, Ukraine's largest oil producer, reported net profit of UAH 437mn (USD 17mn) in 3Q16, according to financials published on Oct 26. The company's net profit in 9M16 was UAH 427mn, down sharply year-on-year from the UAH 4.1bn net profit showed for 9M15. EBITDA plummeted by 8.2x YoY to UAH 698mn in 9M16 on a decline in revenue by 27% YoY to UAH 15.3bn in the period. On the balance sheet side, UkrNafta reported no interest-bearing debt as of 30 Sept 2016, but acknowledged that its accrued tax debt rose by 20.8% to UAH 12.2bn (USD 470mn).

UKRNAFTA FINANCIAL RESULTS

UAH mn	3Q16	3Q15	2Q16	QoQ	YoY	9M16	9M15	YOY
Net revenue	6,406	5,468	5,772	11.0%	17.2%	15,300	21,011	-27.2%
EBITDA	628	475	518	21.1%	32.3%	698	5726	-87.8%
EBITDA margin	9.8%	8.7%	9.0%	0.8%	1.1%	4.6%	27.3%	-22.7%
Net Income	437	152	500	-12.6%	188.0%	427	4,062	-89.5%
Net margin	6.8%	2.8%	8.7%	-1.8%	4.0%	2.8%	19.3%	-16.5%

Source: Company data,

COMMENTARY

Although UkrNafta's primary cost was only USD 10 per barrel of oil while its average sale price for was USD 39.30/barrel in 9M16, the company failed to show healthy profitability due to a large UAH 7.8bn in unspecified other operating expenses. Moreover, there are considerable trade receivables accumulated in previous periods, which have an ongoing risk to turn into losses for the company. UkrNafta had UAH 11.4bn in such account receivables as of Sept 30. On the operational side of UkrNafta's business, there was a continuation of the oil production decrease, with extraction declining by 10% YoY to 1.1mn tonnes (8.0 million barrels) in 9M16. In the natural gas segment, UkrNafta's production decreased by 14% YoY to 977mn cubic meters. Management said it needs to spend UAH 2.6bn (USD 100mn) in CapEx for improving production results, while the actual CapEx was just UAH 230mn in 1H16. This was partly a consequence of the ongoing corporate conflict between large minority shareholder Privat Group and the majority government shareholder, NaftoGaz. On the bright side, we do believe that UkrNafta can increase the profitability of its filling station network after clinching a direct contract with the Kremenchuk Oil Refinery. The UNAF stock trades near the UAH 120 level, with the latest earnings report having little to no immediate impact on the price.

CentrEnergO Posts Solid UAH 1.0bn Profit for 9M16

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 122 Market Cap: USD 159mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.5	0.4	49.6	9.7	0.6%
2016E	0.5	0.4	8.0	3.4	3.8%

NEWS

CentrEnergO, Ukraine's second-largest thermal generation company by installed capacity, posted a USD 1.0bn (USD 40mn) net profit for 9M16, compared to its net loss of UAH 82mn for 9M15, according to financials published on Oct 25. On the top line, the company's net revenue rose by 63% YoY to UAH 7.6bn, and EBITDA reached UAH 1.4bn compared to EBITDA of UAH 34mn a year ago. For 3Q16, CentrEnergO's net profit was UAH 335mn (+80% YoY). On the balance sheet side, the company had a net cash position of UAH 513mn as of 30 Sept 2016. CentrEnergO's electricity output increased by 7% YoY to 2.2 TWh in 3Q16.

CENTRENERGO'S FINANCIAL RESULTS

UAH mn	3Q16	3Q15	2Q16	QoQ	YoY	9M16	9M15	YoY
Net revenue	2,493	1,816	2,614	-4.6%	37.2%	7,619	4,672	63.1%
EBITDA	445	225	546	-18.4%	97.8%	1360	34	mn
EBITDA margin	17.9%	12.4%	20.9%	-3.0 p.p.	5.5 p.p.	17.8%	0.7%	17.1 p.p.
Net Income	335	187	417	-19.5%	79.7%	1,022	-82	+/-
Net margin	13.4%	10.3%	15.9%	-2.5 p.p.	3.2 p.p.	13.4%	-1.8%	+15.2 p.p.

Source: Company data,

COMMENTARY

We suppose that the Ukrainian government, which owns 78% of CentrEnergO, has made a point of showing improved earnings at the company this year ahead of a privatization sale of the stake, which is expected to finally take place next year. The 9M16 profit figure beat most expectations and surpassed management's guidance of UAH 1.0bn net profit for the full year. On the other hand, thermal generation companies have historically posted losses in 4Q, which means that it is quite possible that CentrEnergO's bottom line for FY16 will be lower than for 9M16. One indication for weak financial results for the company in 4Q16 is an expectation of a larger share of expensive imported coal in the fuel mix in the period. CentrEnergO has contracted about 350,000 tonnes of coal from South Africa for the winter season. We reiterate our conservative forecast that CentrEnergO will report UAH 500mn in net profit for FY16. However, the government has a clear motivation to artificially increase CentrEnergO's financial results this year for the purpose of setting a higher auction valuation of the state's 78% stake in the company.

CentrEnergO's stock has jumped 140% YtD to UAH 11.00, massively outperforming Ukraine's other 4 domestic blue chip stocks and providing essentially all of the growth in the UX index, which is up by 22% YtD. From the chart point of view, the CEEN stock has a strong support line at UAH 10.00 and faces a resistance level at UAH 12.00 per share.

Motor Sich Sees 37% YoY Drop in Profit to UAH 600mn in 3Q16

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 1924 Market Cap: USD 157mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	0.3	0.2	0.9	0.5	1.7%
2016E	0.2	0.2	1.7	0.6	1.5%

NEWS

Zaporizhia-based aircraft engine maker Motor Sich saw its net profit drop by 37% YoY to UAH 600mn in 3Q16, according to financials released on Oct 25. The company's revenue declined by 31% YoY to UAH 2.5bn in 3Q16 and EBITDA fell 27% YoY to UAH 1.4bn. For 9M16, net profit amounted to UAH 1.88bn, compared to UAH 2.54bn net profit in 9M15. On the balance sheet side, Motor Sich reported debt of UAH 1.2bn, while its available cash was UAH 2.5bn as of 30 Sept 2016.

MOTOR SICH FINANCIAL RESULTS

UAH mn	3Q16	3Q15	2Q16	QoQ	YoY	9M16	9M15	YoY
Net revenue	2,473	3,590	2,963	-16.5%	-31.1%	7,536	10,508	-28.3%
EBITDA	1402	1927	1202	16.7%	-27.2%	3128	5121	-38.9%
EBITDA margin	56.7%	53.7%	40.6%	+16.1 p.p.	+3.0 p.p.	41.5%	48.7%	-7.2 p.p.
Net Income	600	946	979	-38.7%	-36.6%	1,884	2,536	-25.7%
Net margin	24.3%	26.3%	33.0%	-8.8 p.p.	+2.1 p.p.	25.0%	24.1%	+0.9 p.p.

Source: Company data,

COMMENTARY

Although Motor Sich's earnings were notably lower in 3Q16, this was in line with expectations, as the company continues to suffer from limited access to the Russian market, which accounted for up to 40% of total revenue prior to 2014. The main concern is that some of Motor Sich's remaining sales to Russia are either directly or indirectly going toward military use, which is highly problematic in political terms due to the military conflict in Eastern Ukraine involving the Russian army. Nevertheless, the company's operating cash flow rose to UAH 1.53bn in 9M16 compared to UAH 847mn a year ago. Motor Sich also reported that it had UAH 3.3bn in advance payments from customers as of 30 Sept 2016, which signifies that there are enough new orders for the company's profitable operations in the near term.

We are raising our initial forecast for Motor Sich's FY16 net profit from UAH 1.8bn to UAH 2.3bn; the new figure implies that the company is currently valued at just 1.7x P/E. The MSICH stock has lost 2.8% YtD, to UAH 1925 per share, compared to the UX index's rise of 22% YtD.

Kernel Boosts Grain Sales by 27% YoY in Jul-Sept

by Dmitry Churin
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KERNEL (KER PW)

Price: PLN 61.90 Market Cap: USD 1,250mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.4	0.7	12.4	3.9	2%
2016E	1.2	0.7	5.0	4.4	2%

NEWS

Kernel Holding, Ukraine's large agro company with focus on sunflower oil production, said its grain sales volume increased by 27.5% YoY to 1.18mn tonnes in 1Q FY17 ended in September, according to the company's operating update published on Oct 25. The company's bulk oil sales, which brings a lion share of profits, rose 5.8% YoY to 167,267 tonnes in the period. In other key business segments Kernel also showed a firm growth. Bottled oil sales jumped 26.2% to 22,3mn liters and sea port terminals increased export by 19.3% YoY to 1.4mn tonnes in 1Q FY17. The only dark spot in the picture was report for oilseed crush which shows a drop in crushed volume by 33.0% to 279,951 tonnes.

KERNEL OPERATIONAL UPDATE

Volume	1Q FY17	1Q FY16	Change
Grain sales, tonnes	1,182,572	927,446	+27.5%
Sunflower oil sales in bulk, tonnes	167,267	158,150	+5.8%
Bottled oil sales, '000 liters	22,322	17,683	+26.2%
Oilseed crush, tonnes	279,951	417,902	-33.0%
Export terminals throughput, tonnes	1,393,474	1,167,697	+19.3%

Source: Companies' data

COMMENTARY

The company blamed a lower availability of sunflower seeds in the end of the 2015/16 marketing season as a reason behind the drop in oilseed crush volumes in 1Q FY17. On the other hand, a high sunflower seed harvest this year should compensate Kernel's weak start of FY17 in term of crushing volumes. The latest forecast said that sunflower seeds harvest in Ukraine would increase by 8.4% to 12.4mn tonnes in 2016/17 marketing year. In Aug 2016, Kernel renewed its sunflower oil pre-export credit facility with a syndicate of European banks. A one-year secured revolving facility with a limit of USD 300mn is used by the company to fund the working capital needs of its sunflower oil production export business in Ukraine. Therefore, we don not expect Kernel will have any problem with working capital in FY17. The company announced that it will report its financial results for 1Q17 ended in September on 30 Nov 2016.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	61.2	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	9.5	17.96	90%	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	53.1	44.98	-15%	HOLD	The new VAT regime for agro producers will be largely neutral for Astarta, in our view, while recovery of sugar prices bode well for the company's earnings. Astarta is focused on business diversification and cost optimization via improving its energy and operational efficiency.
IMC	IMC PW	7.1	13.02	82%	BUY	The recent changes in Ukraine's tax legislation are positive for IMC, which is focused growing exportable crops; some 95% of the company's revenue is tied to the dollar. Land bank is targeted to expand by 50% over 2015-20. A high standard of corporate governance makes the stock an attractive play in spite of its low liquidity.
AvangardCo	AVGR LI	0.5	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	105.3	82.0	-22%	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	1924	5250	173%	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	17.3	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	12.2	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	11.00	15.00	36%	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	0.126	0.24	91%	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*	Absolute performance				Performance relative to the UX index			
					1W	1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	839.08	861.78	525.66	1.2%	2.7%	17.0%	22.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.008	0.017	0.004	-5.9%	-7.0%	29.0%	-27.9%	-7.1%	-9.6%	12.0%	-50.3%
Coke												
Yasynivsky Coking	YASK	0.200	0.330	0.100	0.0%	-23.1%	0.0%	-13.0%	-1.2%	-25.7%	-17.0%	-35.4%
Iron Ore Mining												
Ferrexpo	FXPO	104.00	127.75	14.00	-4.6%	39.1%	126.1%	383.7%	-19.9%	-5.8%	36.5%	361.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	8.95	n/a	n/a	0.6%	23.3%	24.3%	13.1%	-0.6%	20.6%	7.3%	-9.2%
Specialized Machinery												
Motor Sich	MSICH	1924	2130	1663	0.9%	1.7%	-4.3%	-2.8%	-0.3%	-0.9%	-21.4%	-25.1%
Turboatom	TATM	9.60	12.25	3.75	-20.0%	-7.9%	2.1%	113.3%	-21.2%	-10.5%	-14.9%	91.0%
Telecom												
Ukrtelecom	UTLM	0.157	0.168	0.091	8.2%	3.6%	12.1%	30.8%	7.0%	1.0%	-4.9%	8.5%
Oil & Gas												
Regal Petroleum	RPT	3.74	4.30	1.75	0.0%	5.7%	9.1%	-0.4%	-1.3%	-1.2%	3.0%	-22.7%
JKX Oil	JKX	17.25	29.00	16.00	0.0%	-6.8%	-11.5%	-36.7%	-1.3%	-1.2%	-9.4%	-59.0%
Ukrnafta	UNAF	122.1	219.2	70.5	-3.2%	-4.4%	21.3%	-31.0%	-4.5%	-7.0%	4.2%	-53.4%
Power Utilities												
Centrenergy	CEEN	11.00	11.01	4.12	5.9%	9.4%	42.8%	141.1%	4.7%	6.7%	25.7%	118.7%
Donbasenergy	DOEN	12.16	18.62	9.04	-3.0%	-9.0%	-8.2%	-22.8%	-4.2%	-11.6%	-25.3%	-45.2%
Zakhidenergy	ZAEN	60.00	n/a	n/a	0.0%	-6.3%	-6.3%	-28.6%	-1.2%	-8.9%	-23.3%	-50.9%
Consumer												
Agroton	AGT	2.67	3.69	0.80	2.3%	-10.1%	30.9%	164.4%	-2.4%	1.1%	-12.8%	142.0%
Astarta	AST	53.30	54.89	28.02	0.1%	1.1%	8.8%	54.5%	-2.4%	-1.1%	-1.5%	32.2%
Avangardo	AVGR	0.49	1.65	0.26	-23.4%	-30.0%	-38.8%	-60.8%	-5.2%	-24.6%	-32.7%	-83.1%
Industrial Milk Company	IMC	7.14	7.90	5.70	4.1%	5.9%	-6.5%	19.6%	-1.4%	2.9%	3.3%	-2.7%
Kernel	KER	61.90	62.96	41.00	3.4%	3.3%	0.2%	28.7%	-1.9%	2.2%	0.6%	6.4%
MHPC	MHPC	9.70	10.45	7.10	3.7%	3.0%	5.4%	4.3%	-1.3%	2.5%	0.3%	-18.0%
Milkiland	MLK	1.80	2.55	1.13	-4.8%	-10.0%	-13.0%	26.8%	-1.3%	-6.0%	-12.7%	4.4%
Ovostar Union	OVO	91.00	98.50	86.00	0.0%	-2.0%	0.0%	0.6%	-1.3%	-1.2%	-4.6%	-21.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.126	0.135	0.059	1.7%	7.0%	18.1%	66.7%	0.5%	4.3%	1.0%	44.3%

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	92	14.7%	24.2%	13.8%
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	920	380	-101	116	16.4%	-7.7%	12.6%	105	-250	32	4.5%	-18.9%	3.5%
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	781	24.0% 188	1,531	4.3	24.8	4.3	3.1	4.9	5.1	1.1	1.6	1.6	
Railcar Manufacturing														
Kruiw 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	105	1.2	0.9	1.7	0.3	0.4	0.6	0.1	0.2	0.2	
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	144	neg	neg	neg	3.1	8.5	5.0	1.0	1.6	1.8	
Electric Utilities														
CentrEnerg	CEEN	149	21.7% 32	116	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	1,206	61.8% 745	1,509	neg	12.0	4.8	6.8	3.8	4.3	0.6	0.6	0.7	
Astarta	AST	337	37.0% 125	476	neg	19.0	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	138	25.0% 35	143	5.3	4.3	3.9	4.9	4.1	3.6	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

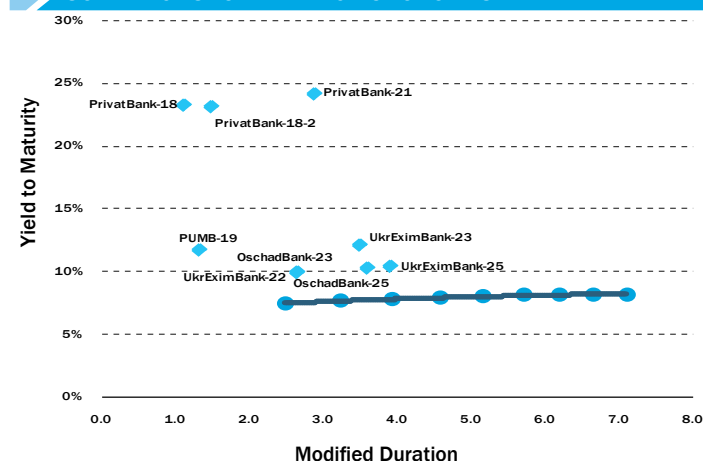
UKRAINIAN EURO BONDS

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	99.5	100.0	7.9%	7.7%	6.5%	2.5	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	98.9	99.7	8.1%	7.9%	7.3%	3.2	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	98.4	99.1	8.2%	8.0%	7.8%	3.9	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	97.5	98.3	8.3%	8.1%	8.0%	4.5	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	96.6	97.4	8.4%	8.3%	8.2%	5.1	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	96.0	96.8	8.5%	8.3%	8.4%	5.7	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	95.6	96.4	8.5%	8.3%	8.6%	6.2	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	95.3	96.0	8.5%	8.4%	9.1%	6.6	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	95.3	96.0	8.4%	8.3%	9.8%	7.1	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	31.0	32.0	n/a	n/a	-22.7%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
Corporate Eurobonds											
Agroton, 2019	8.8	12.6	167.4%	129.7%	-7.1%	1.1	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	99.1	99.1	8.5%	8.5%	13.5%	2.9	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	32.6	38.1	82.5%	70.9%	-30.7%	1.3	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	32.0	35.4	124.3%	111.9%	-32.6%	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	77.0	79.5	n/a	n/a	88.6%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	78.0	81.0	n/a	n/a	78.7%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	85.4	86.8	n/a	n/a	51.9%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	85.2	87.3	n/a	n/a	90.3%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	85.0	87.4	n/a	n/a	93.7%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	100.4	101.8	10.2%	9.5%	84.8%	1.7	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	85.0	87.4	10.2%	9.7%	76.3%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	96.2	97.4	10.9%	10.6%	12.5%	2.6	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	22.0	24.0	365.2%	333.5%	-23.3%	0.3	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	90.2	99.8	28.5%	19.5%	31.9%	1.1	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	2.7	n/a	n/a	-82.6%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	98.1	100.8	12.0%	10.6%	34.1%	1.3	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.7	3.4	n/a	n/a	-72.0%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	83.0	84.0	27.5%	26.3%	9.9%	1.5	10.25%	S/A	23 Jan 2018	200	Cau//CC
PrivatBank, 2021	63.0	64.0	25.7%	25.2%	-5.2%	2.8	11.00%	S/A	09 Feb 2021	220	Cau//CC
PrivatBank, 2018	83.0	84.0	26.9%	25.8%	22.8%	1.1	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	98.7	99.5	9.9%	9.7%	10.6%	2.8	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	82.3	84.0	12.4%	12.0%	12.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.3	97.1	10.4%	10.3%	10.7%	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	97.2	97.9	10.0%	9.8%	9.6%	2.6	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	96.2	97.0	10.3%	10.1%	10.1%		8.88%	S/A	20 Mar 2025	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	76.5	80.6	n/a	n/a	-5.9%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

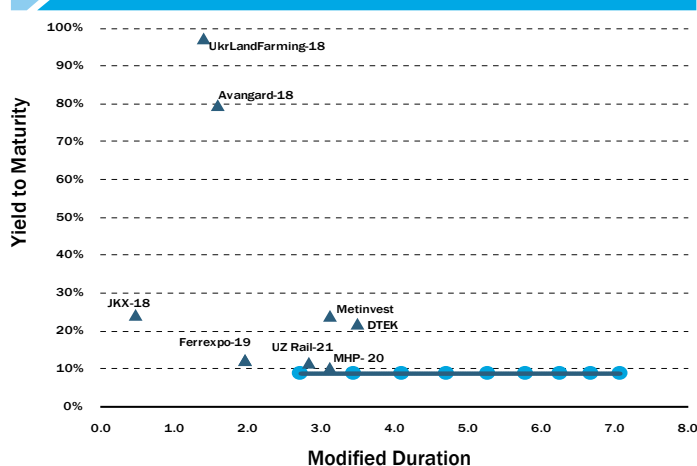
¹ Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EURO BONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EURO BONDS



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			16.50%	15.50%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			16.50%	15.90%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.50%	15.90%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.50%	15.90%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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