

## Stock Market Update

### Equity

Kyiv-listed stocks finished mixed last week, mostly ignoring the volatility on global financial markets after the U.S. election. Four years of President Donald Trump in the White House, a once-unimaginable scenario, could launch a period of deep uncertainty about the policies of his administration regarding Russian military aggression against Ukraine. President Poroshenko has announced a possible visit to Washington in February to reach out to his new counterpart. However, the general consensus is that Ukraine will have less support from the US under a Trump presidency than under current President Obama.

The UX index edged up 0.2% to close at 837 points on Friday (Nov 11). UkrNafta (UNAF) was the biggest loser among the five remaining stocks in the index basket. UNAF shares fell 4.1% to UAH 116 amid a negative move in oil price benchmarks. Motor Sich (MSICH) was unchanged at UAH 1909, while Raiffeisen Bank Aval (BAVL) remained in an upward trend, adding 2.0% to 13.4 kopecks.

London-listed Ferrexpo (FXPO) rebounded by 10% to GBp 111 after two weeks of decline. We see mostly technical reasons for the rebound, as GBp 100 line has become a strong support level for the stock from the chart point of view. MHP (MHPC) once again failed to reach the USD 10 mark, slipping back 3.5% to USD 9.05. Warsaw-listed Astarta (AST) gained 2.5% to close at PLN 51.35 after the company reported solid financial results for 9M16.

The hryvnia slipped 0.4% against the dollar, closing at 25.65 UAH/USD, although the cash market rate for the dollar, which usually front-runs the interbank market, slumped 4.5% to 26.50 UAH/USD on concerns about the unexpected US election result. News that the NBU's forex reserves were flat at USD 15.5bn in October had a limited impact on the interbank market.

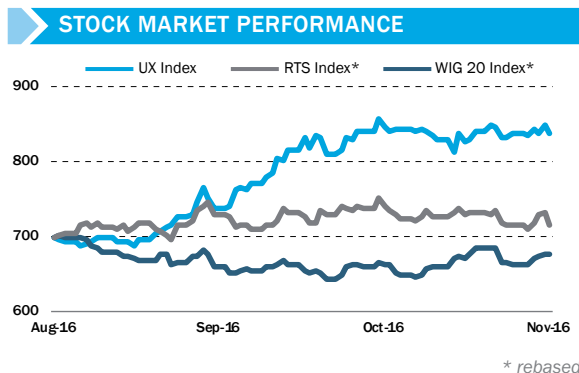
## Highlights

### POLITICS AND ECONOMICS

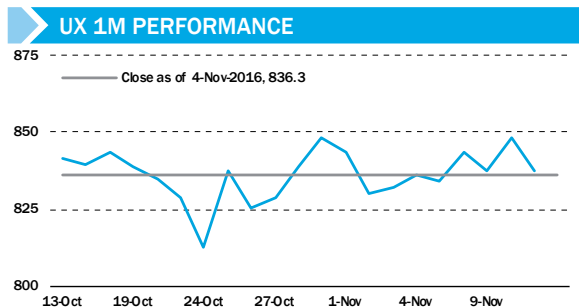
- ▶ Saakashvili Boosted by Trump Win, Demands Early Nat'l Election
- ▶ Trump Appoints Priebus as Chief of Staff After Upset Win over Clinton
- ▶ Headline Inflation Rises to 12% in October on Utility Tariff Hike

### STOCKS IN THE NEWS

- ▶ Astarta's EBITDA Up 19% YoY to EUR 129mn in 9M16



MARKET INDEXES				
	Last	1W ch	1M ch	YTD
UX	837.6	0.2%	-0.9%	22.1%
RTS	970.2	-0.1%	-3.5%	28.2%
WIG20	1796.8	2.2%	2.3%	-3.4%
MSCI EM	849.1	-3.5%	-6.2%	7.3%
S&P 500	2164.5	3.8%	1.3%	4.9%



FIXED INCOME				
	Last	1W ch	1M ch	YTD
EMBI+Global	374	0.1%	5.5%	-15.4%
CDS 5Y UKR	683	n/a	n/a	n/a
Ukraine-19	9.2%	0.7 p.p.	0.7 p.p.	-0.6 p.p.
Ukraine-27	9.2%	0.7 p.p.	0.7 p.p.	-0.4 p.p.
MHP-20	9.6%	0.9 p.p.	0.3 p.p.	-2.5 p.p.
UZ Rail-21	12.5%	1.1 p.p.	1.1 p.p.	n/a

CURRENCY				
	Last, UAH	1W ch	1M ch	YTD
USD	25.77	0.8%	-0.1%	7.2%
EUR	27.77	-2.5%	-2.6%	5.7%
RUB	0.39	-2.2%	-5.7%	18.9%

COMMODITIES				
	Last	1W ch	1M ch	YTD
Wheat, USD/t*	167.0	0.0%	4.0%	-8.5%
Steel, USD/t	430.0	1.2%	8.9%	70.3%
Oil, USD/bbl	44.8	-1.8%	-15.6%	21.4%
Gold, USD/oz	1227.9	-5.9%	-2.0%	15.7%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Saakashvili Boosted by Trump Win, Demands Early Nat'l Election

by Will Ritter  
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### NEWS

Odessa provincial governor Mikhail Saakashvili resigned from his post last Monday (Nov 7), accusing President Poroshenko of blocking his efforts to end corruption in the port city's customs service and introduce other reforms. Later in the week, after Republican Donald Trump scored his upset victory in the US presidential election, Saakashvili held a press conference at which he accused Ukraine's current authorities, and Poroshenko in particular, of failing to pursue reforms, and he demanded that Ukraine hold a pre-term parliamentary election (the current Parliament's term runs for another three years). Saakashvili said he is founding a new party called "Platform of New Forces" to contest the election. Early elections have been strongly opposed by the outgoing Obama administration as well the European Union, who fear they could bring anti-reform populist forces to power in Kyiv. Saakashvili, a former Georgian president, was appointed as governor of Odessa province by Poroshenko in May 2015, receiving Ukrainian citizenship at the same time.

### COMMENTARY

Trump's victory last week indeed makes it much more likely that the current Ukrainian Parliament will not serve out its full term. Whereas a Hillary Clinton administration would have broadly continued current US policy toward Ukraine by emphasizing stability and taking a hawkish line on Russia, we would now expect Trump to see Ukrainian issues rather indifferently at best, although we do not expect him to adopt an openly pro-Moscow stance. Saakashvili has touched on a very effective theme in recent months, noting that the Ukrainian elite, despite its declarations of patriotism and pro-Western orientation, has values and lifestyle habits that are identical to those of the Russian kleptocratic elite. Saakashvili has long been a favorite of the neoconservative wing of the Republican party, and Trump's presidency may see a reversal of Saakashvili's declining political fortunes in Ukraine, where he has been viewed by Washington as too volatile and undermining Ukraine's hard-earned political equilibrium. Unfortunately, we think the Obama administration's fears about a pre-term election resulting in a more radicalized and less-reform-oriented Parliament are well-founded. On the positive side, with Trump now set to occupy the White House, the Ukrainian elite may come to the realization that the type of hand-holding that Kyiv has enjoyed from the West since 2014 is can no longer be taken for granted; we believe that Trump will have absolutely no tolerance for shelling out US tax dollars in foreign assistance to any country that fails to meet its commitments. The necessity to either sink or swim on its own could finally force Ukraine into transformations that have been, to say the least, slow to take hold under the leadership of Poroshenko and his coalition partners in the People's Front party led by Interior Minister Arseniy Avakov and former prime minister Arseniy Yatseniuk.

## Trump Appoints Priebus as Chief of Staff After Upset Win over Clinton

by Will Ritter  
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### NEWS

Republican Donald Trump, who narrowly upset favored Democratic nominee Hillary Clinton last week for the US presidency, has chosen an establishment Republican to head his administration, passing over his hard-line campaign chief. Reince Priebus, the head of the Republican National Committee, was one of the few leading establishment party figures to fully embrace the outsider Trump early on in the election process. The other main candidates for the powerful Chief of Staff position were campaign CEO Stephen Bannon, a heavily ideological conservative, and Trump's son-in-law Jared Kushner, a real estate developer and media owner. Before heading the RNC, Priebus had chaired the Republican party in the state of Wisconsin, which was one of 3 key northern US states where Trump managed to eke out the victories that put him over the finish line. Trump won 306 "electoral votes" against 232 for Clinton; in the raw popular vote, however, Clinton came out on top, leading Trump by 61.0mn votes to 60.4mn (the final counting process has not yet been certified).

### COMMENTARY

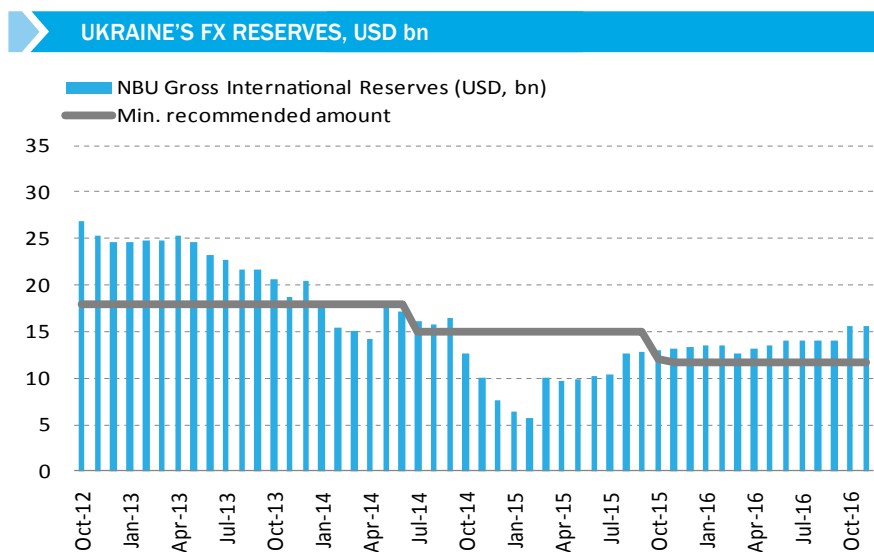
Trump's choice of the relatively mainstream Priebus over Bannon and Kushner is in line with Trump's restrained behavior since Election Night, as he looks to reassure jittery global markets and foreign leaders that he is not as crazy and extremist as he appeared to be during the campaign. Kushner would have been an especially disturbing pick, given his in-the-family status and his ownership of the New York Observer, a media outlet which frequently parrots Kremlin propaganda. Markets initially fell sharply on the news of Trump's upset win, but then quickly rebounded amid expectations that he will pursue populist inflationary economic policies that will drive up stock and commodity prices. We must admit that like most others, we failed to predict Trump's upset, although we previously stated that he indeed had a non-negligible 15-20% chance of victory. Most analysts had assumed that pre-election polls showing Clinton ahead by 2-3 percentage points in key states represented a worst-case scenario for Clinton, but in fact, those figures turned out to be worst-case for Trump; the actual voting results came in within the polls' declared 3.5% margin of error, on the side of Trump, not Clinton. In the end, Trump won Wisconsin by 1.0%, Pennsylvania by 1.1%, and Michigan by 0.3%, totaling a razor-thin margin of just 105,000 votes among 122 million cast. Although Trump has made a positive start to his presidency, which officially begins on Jan 20, we worry that he could quickly go off the rails at any time, and we frankly will be surprised if he manages to complete a full 4-year term without resigning or being impeached. In terms of Ukraine-specific analysis, it is still too early to say definitely what changes there might be in Washington's Ukraine/Russia policy. Since his election, Trump has avoided making any of the kind of Putin-friendly statements that he employed in the campaign, but the consensus is that Kyiv will not be able to count on the same level of backing that it has received from the Obama administration, and a notable lightening of both the US and European sanctions regime against Moscow is highly likely next year, in our view. Importantly, the US political system will not allow Trump's administration to completely dismantle US sponsorship of Ukraine's reform process, as the country still enjoys solid support in Congress from prominent members of both major parties.

**NBU Foreign Reserves Little-Changed at USD 15.5bn in October**

by Dmitry Churin  
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**NEWS**

Ukraine's foreign currency reserves declined by 0.5% MoM to USD 15.5bn, remaining essentially unchanged in October, the National Bank of Ukraine (NBU) reported on Nov 7. The NBU said it purchased USD 275mn in hard currencies via auctions on the interbank market in October. An inflow to the reserves was also from the Finance Ministry's placement of EUR 141mn domestic bonds. The outflow from the reserves amounted to USD 366mn in the period due to Finance Ministry payments to service foreign currency denominated debt. The NBU estimates that the reserves now cover an equivalent of 3.7 months of the country's imports.



Source: National Bank of Ukraine

**COMMENTARY**

The seasonal 3Q uptick in grain exports from Ukraine created a temporary overflow of foreign currency on the interbank market. Although this helps to support the hryvnia official exchange rate that currently stands at 25.63 UAH/USD, the cash market exchange rate for the dollar, which usually front-runs the interbank market, slid by 4.5% to 26.50 UAH/USD last week on concerns about the unexpected US election result. It is important to note, however, that Ukrainian banks have begun charging a 2% intermediary fee on cash currency transactions that goes to the state pension system, so the difference between the official and cash exchange rates is partly lies in this field. The government has moved to cancel the 2% charge, but Ukraine's bleeding pension system has such a large deficit that we would be surprised if the IMF does not raise an objection. The pension fund deficit for 2017 is estimated at UAH 150bn (USD 5.5bn), which suggests almost 5% of GDP. On the other hand, the 2% charge for cash exchange operations, which has been in place since mid-2015, has spawned a comeback of the black market for foreign currency in the country. The government now has a headache with this growing forex cash black market, since the banking system is losing retail deposit inflows as a result of large foreign currency cash holdings.

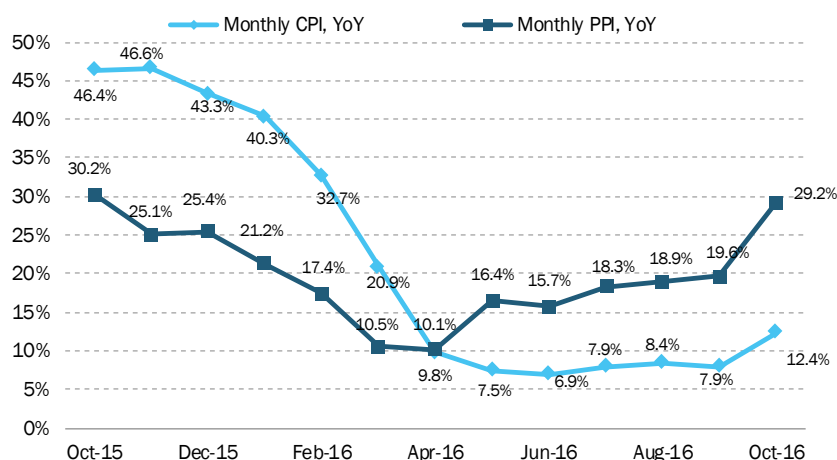
**Headline Inflation Rises to 12% in October on Utility Tariff Hike**

by Dmitry Churin  
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**NEWS**

Ukraine’s State Statistics Committee reported that rolling 12-month consumer inflation rose to 12.4% YoY in October from 7.9% YoY in September, with the main contribution to the growth coming from a 44% YoY jump in utility prices, according to the data published on Nov 8. In individual subcategories, prices for hot water soared 80% YoY and by 60% YoY for electricity in October. Natural gas prices for household use rose by 42% YoY. On a month-on-month basis, the CPI index increased by 2.8% in October. Producer prices in the country rose by an even sharper 5.4% MoM (also on the energy price hikes) and by 29.2% YoY in the period.

**UKRAINE'S MONTHLY INFLATION, YOY**



Source: State Statistics Committee

**COMMENTARY**

UkrStat said that year-to-date inflation is at 14.3%, which means that inflation has exceeded the government’s target of 12% inflation for FY16, but overall, 2016 remains a successful year for price stability in Ukraine. The sharp tariff increase for heating and hot water supply was announced at the beginning of the year, but was delayed for as long as possible until the start of new winter heating season in October; this was arguably Kyiv’s most important promise to the IMF. Nevertheless, when it comes to the actual price increase for utility services, there are some distortions in terms of the budget impact, as the government is still providing a complex subsidy system for low-income households (nearly half of all Ukrainian households qualify as “low-income”). Therefore, we can assume there is some difference between nominal reported CPI and actual prices increase for most of population. On the other hand, the heavy utility increases will not be observed until mid-December, when households receive their bills for the first full month of the tariff increases; to make matters worse, after several years of warm Novembers, 2016 is shaping up as much colder than average for November. Another downside risk here is that the CPI acceleration could limit further interest rate cuts in the banking system. As we reported earlier, the NBU cut its key refinancing rate by 100 bps to 14% in October. Previously we expected that the rate would be reduced to 12% by the year-end, but now we see a low probability for such a development. In the PPI components, prices in the utility sector were up 51.2% YoY in October. In the manufacturing sector, prices grew 18.1% YoY, and in the extraction sector the advance was 46.8% YoY.

**Astarta's EBITDA Up 19% YoY to EUR 129mn in 9M16**

by Dmitry Churin  
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**ASTARTA (AST PW)**

Price: PLN 51.3 Market Cap: USD 330mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.5	19.0	3.5	0%
2016E	1.6	3.2	3.2	0%

**NEWS**

Kyiv-based, Warsaw-listed Astarta, Ukraine's largest sugar producer, reported a rise in its EBITDA by 19% YoY to EUR 129mn in 9M16, according to financials published on Nov 9. The company's revenue move up by 8% YoY to EUR 216mn while net profit surged 3x YoY to EUR 79mn in the period. The figures imply a Net Debt/EBITDA ratio of 1.03x as of Sept 30.

Astarta's export sales were EUR 97mn, accounting for 45% of the total revenue in 9M16.

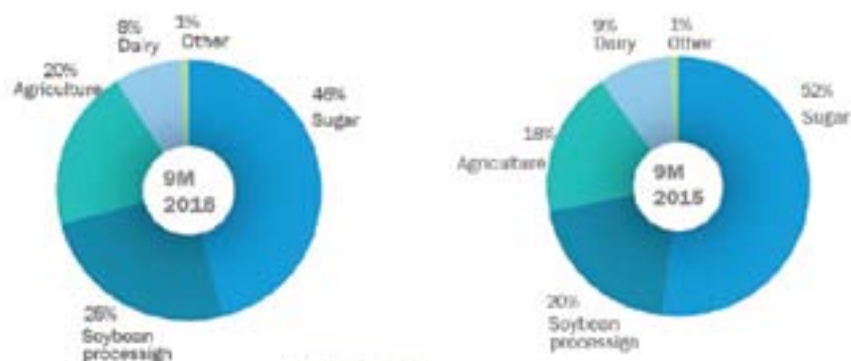
**ASTARTA FINANCIALS**

EUR mn	9M16	9M15	chg.
Net revenue	216	205	+8%
EBITDA	129	108	+19%
margin	60%	54%	+6 p.p.
Net Income	79	27	+193%
net margin	36%	14%	+22 p.p.

Source: Company data.

**COMMENTARY**

Astarta posted strong financial results for 9M16, benefiting from rising domestic sugar prices and an above-average harvest of crops on its cultivated land. Management expects to have processed 3.2mn tonnes of raw sugar beet by the end of this year, with around 70% of the beet grown in-house. In a segment breakdown, 48% of the revenue was earned from sugar and related sales (versus 52% in 9M15), 25% from soybean processing, and 20% from crop sales.



Source: Company's data

On the balance sheet side, Astarta's total assets rose by 17% YoY to EUR 529mn, with total debt standing at EUR 183mn as of 30 Sept 2016.

We forecast that Astarta's FY16 net profit will be EUR 95mn, implying that the AST stock is currently valued at quite attractive P/E of 3.2x.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	60.2	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	9.1	17.96	98%	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	51.4	44.98	-12%	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	7.2	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	90.0	117.65	31%	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.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	111.0	82.0	-26%	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1909	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%.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	3.8	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.
<b>Power Utilities</b>						
DonbasEnerg	DOEN	11.6	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	10.91	15.00	37%	BUY	CentrEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.134	0.24	80%	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	837.63	861.78	525.66	0.2%	-0.9%	20.9%	22.1%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.008	0.017	0.004	-2.4%	-2.4%	33.3%	-27.9%	-2.6%	-1.5%	12.5%	-50.1%
<b>Coke</b>												
Yasynivsky Coking	YASK	0.230	0.330	0.100	0.0%	15.0%	15.0%	0.0%	-0.2%	15.9%	-5.9%	-22.1%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	111.00	127.75	14.00	9.9%	26.1%	51.0%	416.3%	2.8%	9.7%	27.0%	394.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.72	n/a	n/a	0.2%	-4.7%	45.3%	10.2%	0.1%	-3.8%	24.5%	-11.9%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1909	2130	1663	0.1%	-0.7%	1.4%	-3.5%	-0.1%	0.2%	-19.4%	-25.7%
Turboatom	TATM	9.50	12.25	4.00	-1.2%	-20.2%	10.5%	111.1%	-1.4%	-19.3%	-10.4%	89.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.151	0.168	0.091	-5.9%	2.1%	7.6%	25.5%	-6.0%	3.0%	-13.3%	3.4%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.76	4.30	1.75	0.0%	0.3%	20.3%	0.3%	1.2%	-0.2%	1.2%	-21.9%
JKX Oil	JKX	16.50	29.00	16.00	0.0%	-2.9%	-15.4%	-39.4%	1.2%	-0.2%	-2.0%	-61.6%
Ukrnafta	UNAF	115.9	202.7	70.5	-4.1%	-9.2%	22.3%	-34.5%	-4.2%	-8.3%	1.4%	-56.6%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.91	11.24	4.12	0.9%	2.7%	36.8%	139.2%	0.8%	3.6%	15.9%	117.1%
Donbasenergy	DOEN	11.59	18.50	9.04	5.2%	-14.6%	-8.4%	-26.5%	5.0%	-13.7%	-29.2%	-48.6%
Zakhidenergy	ZAEN	63.50	n/a	n/a	4.1%	0.8%	6.7%	-24.4%	3.9%	1.7%	-14.1%	-46.5%
<b>Consumer</b>												
Agroton	AGT	3.10	3.69	0.80	-11.4%	3.3%	51.2%	206.9%	1.2%	-11.6%	4.2%	184.8%
Astarta	AST	51.35	54.89	28.02	2.7%	-4.9%	3.5%	48.8%	1.2%	2.5%	-4.0%	26.7%
Avangardo	AVGR	0.45	1.65	0.26	-10.0%	5.9%	-15.1%	-64.0%	-8.8%	-10.2%	6.8%	-86.1%
Industrial Milk Company	IMC	7.15	7.90	5.70	0.7%	6.7%	-2.1%	19.8%	1.2%	0.5%	7.6%	-2.4%
Kernel	KER	60.20	62.96	41.00	0.5%	0.5%	1.2%	25.2%	1.2%	0.3%	1.4%	3.0%
MHPC	MHPC	9.05	10.45	7.10	-0.2%	-3.0%	-7.7%	-2.7%	1.2%	-0.4%	-2.1%	-24.8%
Milkiland	MLK	1.93	2.55	1.13	1.6%	2.7%	-2.5%	35.9%	1.2%	1.4%	3.6%	13.8%
Ovostar Union	OVO	90.00	98.50	86.00	-1.1%	-3.2%	-3.2%	-0.6%	1.2%	-1.3%	-2.3%	-22.7%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.134	0.136	0.059	2.0%	6.7%	32.1%	77.6%	1.8%	7.6%	11.2%	55.4%

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
<b>Steel</b>																
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%
<b>Coke</b>																
Yasynivsky Coking	YASK	162	83	66	-12	-9	-10	-7.3%	na	-14.6%	-19	-11	-10	-11.5%	-13.9%	-15.7%
<b>Iron Ore Mining</b>																
Ferrexpo	FXPO	1,388	961	950	496	313	300	35.8%	32.6%	31.6%	184	31	180	13.2%	3.3%	18.9%
<b>Railcar Manufacturing</b>																
Kryukiv Wagon	KVBZ	179	41	68	-17	-15	-3	-9.3%	-37.1%	-5.0%	-22	-19	-4	-12.3%	-46.3%	-5.9%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	412	254	207	85	72	58	20.6%	28.5%	28.0%	18	9	4	4.4%	3.6%	2.0%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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	324	159	144	159	34.0%	41.4%	49.1%	-90	18	104	-19.3%	5.1%	32.0%
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
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	2,869	1,958	1,984	390	261	332	327	216	204	-87	-66	118	-22.2%	-25.3%	35.5%

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	
<b>Steel</b>														
Alchevsk Steel	ALMK	8	3.9%	0	2,577	n/a	neg	neg	10.4	20.3	26.8	2.1	7.1	7.6
<b>Coke</b>														
Yasynivsky Coke	YASK	2	9.0%	0	2	neg	neg	neg	neg	neg	neg	0.0	0.0	0.0
<b>Iron Ore Mining</b>														
Ferrexpo	FXPO	817	24.0%	196	1,567	4.4	26.0	4.5	3.2	5.0	5.2	1.1	1.6	1.6
<b>Railcar Manufacturing</b>														
Krjukiv Wagon	KVBZ	39	5.0%	2	34	neg	neg	neg	neg	neg	neg	0.2	0.8	0.5
<b>Specialized Machinery</b>														
Turboatom	TATM	58	5.8%	3	-28	1.1	0.8	2.0	-0.4	-0.3	-0.8	-0.2	-0.2	-0.3
Motor Sich	MSICH	155	24.0%	37	106	1.2	0.9	1.7	0.3	0.4	0.6	0.1	0.2	0.2
<b>Telecom</b>														
Ukrtelecom	UTLM	110	7.2%	8	201	6.1	11.9	26.6	2.4	2.8	3.5	0.5	0.8	1.0
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	246	3.0%	7	235	2.3	neg	7.7	0.6	neg	2.0	0.1	0.2	0.3
Regal Petroleum	RPT	15	21.6%	3	-10	2.6	neg	n/a	-0.7	-1.0	-1.0	-0.3	-0.5	-0.6
JKX Oil & Gas	JKX	35	50.4%	18	144	neg	neg	neg	3.1	8.5	5.0	1.0	1.6	1.8
<b>Electric Utilities</b>														
CentrEnergO	CEEN	158	21.7%	34	125	26.8	>30	7.9	4.8	9.6	3.3	0.2	0.4	0.4
DonbasEnergO	DOEN	11	14.2%	2	24	1.3	neg	5.2	1.2	neg	3.9	0.1	0.1	0.1
<b>Consumer</b>														
MHP	MHPC	956	34.1%	326	2,195	neg	neg	5.6	4.3	4.8	5.4	1.6	1.9	1.7
Kernel	KER	1,174	61.8%	725	1,477	neg	11.6	4.7	6.6	3.7	4.2	0.6	0.6	0.7
Astarta	AST	314	37.0%	116	473	neg	17.8	3.0	3.0	3.3	3.0	1.0	1.4	1.5
Avangardco	AVGR	29	22.5%	6	355	neg	neg	neg	2.7	neg	neg	0.8	1.5	2.7
Ovostar	OVO	132	25.0%	33	137	5.1	4.1	3.8	4.7	3.9	3.4	1.8	1.8	1.6
<b>Banks</b>														
						P/E			P/Book			P/Assets		
Raiffeisen Bank Aval	BAVL	322	1.8%	6		neg	neg	2.7	0.8	1.2	1.0	0.11	0.16	0.16

Source: Eavex Research

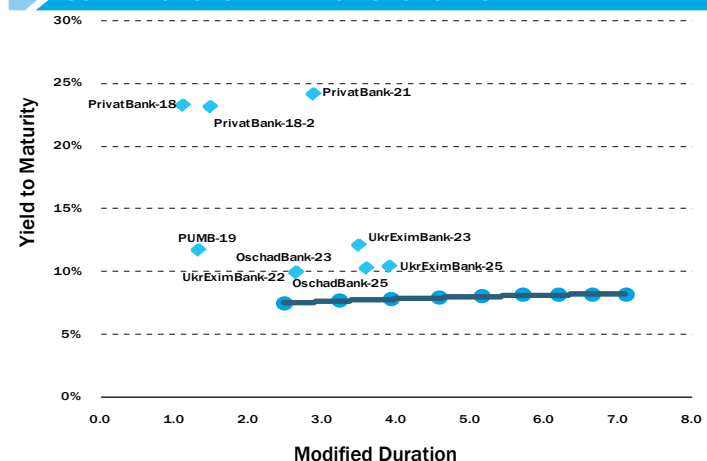
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	96.0	96.8	9.4%	9.1%	2.9%	2.4	7.75%	S/A	1 Sept 2019	1,155	Caa3/B-/CCC
Ukraine, 2020	94.3	95.3	9.6%	9.3%	2.4%	3.1	7.75%	S/A	1 Sept 2020	1,531	Caa3/B-/CCC
Ukraine, 2021	93.0	94.0	9.6%	9.3%	2.0%	3.8	7.75%	S/A	1 Sept 2021	1,378	Caa3/B-/CCC
Ukraine, 2022	92.8	93.5	9.4%	9.2%	2.8%	4.5	7.75%	S/A	1 Sept 2022	1,355	Caa3/B-/CCC
Ukraine, 2023	92.3	93.0	9.3%	9.2%	3.3%	5.0	7.75%	S/A	1 Sept 2023	1,330	Caa3/B-/CCC
Ukraine, 2024	91.8	92.8	9.3%	9.1%	3.8%	5.6	7.75%	S/A	1 Sept 2024	1,315	Caa3/B-/CCC
Ukraine, 2025	91.0	92.0	9.3%	9.1%	3.5%	6.0	7.75%	S/A	1 Sept 2025	1,306	Caa3/B-/CCC
Ukraine, 2026	90.0	91.0	9.3%	9.2%	3.3%	6.5	7.75%	S/A	1 Sept 2026	1,295	Caa3/B-/CCC
Ukraine, 2027	89.8	90.8	9.3%	9.1%	3.6%	6.9	7.75%	S/A	1 Sept 2027	1,286	Caa3/B-/CCC
Ukraine, GDP-linked (VRI)	29.3	30.3	n/a	n/a	-27.0%	n/a	0.00%	S/A	31 May 2040	2,916	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	8.1	17.1	182.7%	106.9%	9.8%	1.3	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	95.1	96.9	10.0%	9.3%	9.9%	2.8	8.25%	S/A	2 Apr 2020	750	/B-/CCC
Avangardco, 2018	27.0	32.0	99.3%	85.6%	-42.2%	1.3	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	32.0	136.3%	127.9%	-38.0%	0.7	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	77.1	78.8	n/a	n/a	87.7%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	77.5	79.5	n/a	n/a	76.4%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	85.6	86.9	n/a	n/a	52.1%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	85.0	86.7	n/a	n/a	89.4%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	85.1	87.0	n/a	n/a	93.3%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	99.5	100.9	10.6%	9.9%	83.1%	1.7	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	85.1	87.0	10.5%	9.9%	75.3%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	92.7	94.1	11.9%	11.5%	8.6%	2.6	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	346.9%	281.3%	-8.3%	0.3	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	90.9	93.0	28.3%	26.3%	27.7%	0.2	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.9	3.5	n/a	n/a	-76.1%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	97.5	100.2	12.3%	10.9%	33.3%	1.3	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.7	3.1	n/a	n/a	-74.3%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	81.0	82.0	30.5%	29.2%	7.2%	1.5	10.25%	S/A	23 Jan 2018	200	Ca//CC
PrivatBank, 2021	59.8	60.8	27.7%	27.1%	-10.1%	2.7	11.00%	S/A	09 Feb 2021	220	Ca//CC
PrivatBank, 2018	77.0	80.0	34.4%	30.8%	15.4%	1.0	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2022	93.7	95.1	11.2%	10.8%	5.3%	2.7	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	79.2	81.1	13.3%	12.7%	8.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	91.8	93.0	11.3%	11.1%	5.8%	3.8	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	92.8	93.8	11.0%	10.8%	4.8%	2.6	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	91.8	92.8	11.2%	11.0%	5.2%	2.6	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	77.0	81.1	n/a	n/a	-5.3%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

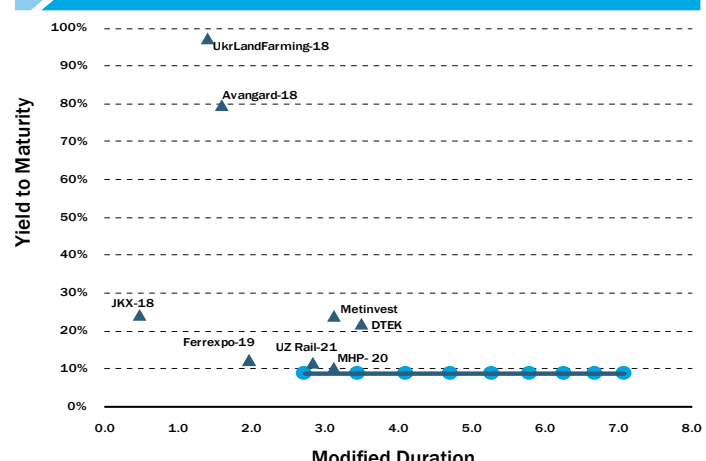
<sup>1</sup> Moody's/S&P/Fitch

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
<b>UAH denominated Bonds</b>									
UA4000142665			16.60%	15.50%	n/a	19.50%	S/A	19 Jul 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			16.50%	15.50%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.50%	15.50%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.50%	15.50%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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