

## Stock Market Update

### Equity

Ukraine's domestic equity market took a beating last week amid rising political risks set in motion by the shock defeat of establishment candidate Hillary Clinton in the US presidential election earlier this month. Batkivschyna opposition party leader Yulia Tymoshenko appeared to be using the situation by backing Tuesday's (Nov 15) large anti-government protest in central Kyiv, which was aimed against National Bank chief Valeria Gontareva as well as the country's IMF-mandated market reforms. Although the aggressive protest involving several thousand people at the NBU's headquarters in Kyiv was dismissed by the government as a "paid-for" rally, the events were widely covered on national television, with some local analysts opining that this was a program masterminded by Moscow. Main streets in central Kyiv were closed due to security concerns.

The UX index lost 3.9% to close at 805 points, with the gauge briefly dipping below 800 level during the week. The index's most liquid stock, CentrErgo (CEEN), fell 2.8% to UAH 10.60 and Motor Sich (MSICH) slipped 2.0% to UAH 1871. Among stocks moving on corporate news, UkrNafta (UNAF) tumbled 4.7% to UAH 110 after the company warned that it could slash its oil extraction by 15% in 2017 due to what it called an excessively high production tax.

In London, Ferrexpo (FXPO) added 1.4% to GBp 112 while MHP (MHPC) lost 2.1% after reporting rather unimpressive financial results for the third quarter. Warsaw-listed Ukrainian equities were also mixed in light activity, with Astarta (AST) gaining 0.9% while Ovostar (OVO) gave up 1.7% to close at PLN 88.50.

On the interbank currency market, the hryvnia lost 0.8% to finish at 25.85 UAH/USD, but the real story was in the retail cash rate, which was highly volatile amid the political turbulence and remains 5% above the interbank rate at near 27 UAH/USD.

## Highlights

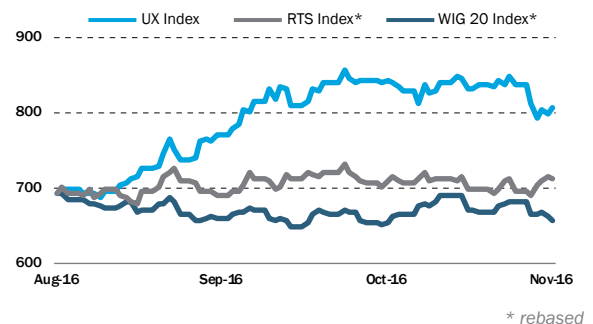
### POLITICS AND ECONOMICS

- > Tymoshenko, OppoBloc Look to Exploit Anti-Reform Protests
- > Ukraine Upgraded to B- by Fitch with Stable Outlook
- > UkrStat: GDP Growth Accelerated to 1.8% YoY in 3Q from 1.4% in 2Q

### STOCKS IN THE NEWS

- > MHP Slips Into the Red for 3Q; 9M16 Revenue Flat YoY at USD 900mn

## STOCK MARKET PERFORMANCE

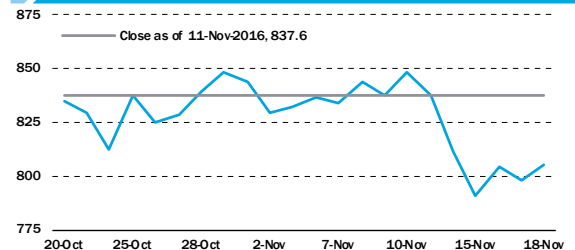


\* rebased

## MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	805.3	-3.9%	-4.5%	17.4%
RTS	990.8	2.1%	0.4%	30.9%
WIG20	1725.7	-4.0%	0.3%	-7.2%
MSCI EM	844.5	-0.5%	-7.0%	6.7%
S&P 500	2181.9	0.8%	2.0%	5.7%

## UX 1M PERFORMANCE



## FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	386	3.2%	5.5%	-12.7%
CDS 5Y UKR	683	n/a	n/a	n/a
Ukraine-19	8.6%	-0.7 p.p.	0.1 p.p.	-1.3 p.p.
Ukraine-27	9.1%	-0.1 p.p.	0.7 p.p.	-0.5 p.p.
MHP-20	10.5%	0.8 p.p.	1.2 p.p.	-1.7 p.p.
UZ Rail-21	12.7%	0.2 p.p.	1.2 p.p.	n/a

## CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	25.82	0.2%	0.6%	7.4%
EUR	27.50	-1.0%	-2.3%	4.7%
RUB	0.40	2.7%	-2.6%	22.0%

## COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	167.0	0.0%	2.1%	-8.5%
Steel, USD/t	465.0	8.1%	17.0%	84.2%
Oil, USD/bbl	46.9	4.7%	-10.7%	27.1%
Gold, USD/oz	1207.9	-1.6%	-4.3%	13.8%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Tymoshenko, Oppobloc Look to Exploit Anti-Reform Protests

by Will Ritter  
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### NEWS

Streets in central Kyiv were closed on Tuesday (Nov 15) amid security concerns over a large-scale protest event that saw demonstrators picket Parliament and the National Bank of Ukraine, demanding a rollback of recent utility tariff increases and a return of the UAH/USD exchange rate from the current 26 back down to 8. Estimates put the total number of people involved at around 5,000. There appeared to be several independent groups of protesters, but one of the main cells was organized by Opposition Bloc MPs Vadim Rabinovich and Yevgeniy Muraev, the Ukrayinska Pravda news site reported. More demonstrations are expected today (Nov 21) due to the 3-year anniversary of the start of the EuroMaidan revolution, and police have again closed a number of streets in the capital. Meanwhile, on Sunday (Nov 20), President Poroshenko warned of the dangers of a pre-term parliamentary election in a television address, stating that this would lead to “a strengthening of pro-Russian forces in Parliament, followed by a revision of the pro-European course... and finally to the return of Ukraine to imperial confines”. The President said that in order to avoid “default and catastrophe,” the government had no choice but to take economic steps that were “harsh and unpopular”.

### COMMENTARY

In our view, the surprise victory of Donald Trump in the US presidential election earlier this month has shaken up the political situation in Ukraine. We think Trump’s administration will have little interest in continuing the Obama administration’s active policy of maintaining a stable reform course by avoiding a pre-term Ukrainian election, and the lack of US support could open the door to a collapse of the current flimsy 2-party coalition in Kyiv. This would indeed force a pre-term election that could open the door to large gains by both the pro-Russian Opposition Bloc and the populist anti-reform Batkivschyna party led by Yulia Tymoshenko, thus crippling Poroshenko’s presidency for the remainder of his term; an analyst at UP suggested that despite their long rivalry, those two forces are now working together along with the Kremlin on an effort to bring down the government. Tymoshenko has been particularly active in opposing reforms that are absolutely necessary for Ukraine to keep its IMF program on track, the most important of which is the unification of all energy tariffs to market levels in order to reduce state energy sector corruption. This behavior by Tymoshenko can only be viewed as directly furthering Russian objectives in Ukraine.

## Ukraine Upgraded to B- by Fitch with Stable Outlook

by Dmitry Churin  
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### NEWS

Ukraine's credit rating was upgraded from CCC to B- with a stable outlook by Fitch, according to the credit agency's report released on Nov 11. Fitch said that Ukraine's long-term foreign currency Issuer Default Rating (IDR) improved due to easing external financial pressures and an increase in the country's foreign currency reserves by USD 2.0bn to USD 15.5bn since the start of the year. Ukraine's B- IDR also reflects the expectation that the government will meet its 3.7% of GDP budget deficit target (3.9% including Naftogaz) for 2016. The 2017 budget targets a 3% deficit with reliance on improvement in tax revenues. Fitch pointed out that despite Ukraine's economic growth acceleration, the unresolved conflict in the eastern part of the country will continue to weigh on growth performance and expectations.

### RATING SENSITIVITIES (as reported by Fitch)

The main factors that could, individually or collectively, result in a downgrade:

- Re-emergence of external financing pressures, loss of confidence and increased macroeconomic instability stemming from delays to disbursements from, or the collapse of, the IMF program.
- External or political/geopolitical shock that weakens macroeconomic performance and Ukraine's fiscal and external position.

The main factors that could, individually or collectively, could result in an upgrade:

- Increased external liquidity and external financing flexibility.
- Sustained fiscal consolidation leading to improved debt dynamics.
- Improved macroeconomic performance.

### KEY ASSUMPTIONS (as reported by Fitch)

- No resolution of the conflict in Eastern Ukraine is likely, but neither is an escalation of the conflict to the point of compromising overall macroeconomic performance.
- Fitch assumes that the status of Ukraine's outstanding USD 3bn debt to Russia will not create risks for Ukraine's sovereign debt servicing and access to external financing.

### COMMENTARY

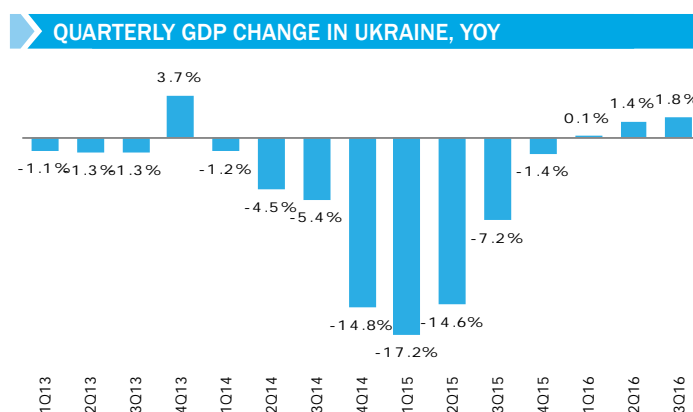
Fitch is somewhat late to the party in terms of the upgrade of the Ukrainian sovereign rating, as Standard & Poor's agency has had a B- credit rating for the country since late 2015. We estimate Ukraine's debt servicing needs at USD 4.4bn for 2017, including USD 1.0bn in repayments to the IMF. The debt servicing needs for 2018 will be about USD 5.7bn while in 2019 they will rise to USD 7.0bn, as the redemption moratorium on Ukraine's sovereign Eurobonds comes to an end. Ukraine's total public debt was USD 67bn as of 1 Sept 2016, according to Finance Ministry data, which implies a Debt-to-GDP ratio of 71% (Fitch estimates the ratio at 74%). The government is hoping to tap international capital markets with a new bond placement in 2017, but unless market yields for the country's bonds fall to around 7.5% (from the current 9%), any such placement would likely be sidelined as too costly.

**UkrStat: GDP Growth Accelerated to 1.8% YoY in 3Q from 1.4% in 2Q**

by Dmitry Churin  
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**NEWS**

Ukraine's GDP growth accelerated to 1.8% YoY in 3Q16 from 1.4% YoY in 2Q16, according to preliminary data from the State Statistics Committee (UkrStat) published on Nov 14. On a quarter-on-quarter basis, GDP increased by 0.4% in the period.



Source: State Statistics Committee, Eavex Research

**COMMENTARY**

The data indicates that Ukraine's economy is finally on firmer ground after the recession of 2014-2015, as statistical distortions due to the de-facto loss of the occupied Donbass territories have now moved into the rear-view mirror. Business activity has improved, with risk factors related to the Donbass conflict reduced by the quasi-permanent ceasefire line that was established in early 2015. Although Ukraine is trying to show positive changes to investors, the direct foreign investment (FDI) inflow remains unimpressive. National Bank (NBU) data said that FDI amounted to about USD 900mn in 3Q16, with most of the funds coming in the form of capital injections from parent foreign banks into their Ukrainian subsidiaries. This level of FDI is definitely not sufficient to prop-up the country's real sector, which remains in a rut of limited access to credit resources due to the tight market lending policies of domestic banks, many of which are struggling to stay afloat. In such conditions, even state-owned financial institutions are unable to lend to the real economy, leading to a lack of working capital for most of medium-sized industrial companies. On the bright side, the NBU continues to register an increase of retail deposits in the banking system, which should eventually lead to more funding for loans.

We leave our forecast for full-year 2016 GDP growth unchanged at 0.7%, as we expect only a modest 0.4% YoY GDP rise in 4Q.

**MHP Slips Into the Red for 3Q; 9M16 Revenue Flat YoY at USD 900mn**

by Dmitry Churin  
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**MHP (MHPC LI)**

Price: USD 8.86 Market Cap: USD 936mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2015	1.4	1.8	neg	4.6	8.6%
2016E	1.3	1.6	7.2	5.2	4.3%

**NEWS**

London-listed MHP, Ukraine's largest poultry producer, posted a net loss of USD 8.0mn for 3Q16, compared to net profit of USD 24mn in 3Q15, according to financials released on Nov 16. MHP's revenue increased 6% YoY to USD 369mn in the period while EBITDA declined 9% YoY to USD 105mn. For 9M16, the company reported revenue of USD 899mn (unchg. YoY), EBITDA of USD 340mn (-12% YoY) and net profit of USD 86mn, compared to its net loss of USD 37mn in 9M15.

On the balance sheet side, MHP's total debt was USD 1.24bn as of 30 Sept 2016. The debt structure remained relatively stable with a 78% share of long-term liabilities. The Net Debt/EBITDA ratio was 2.82x as of 30 Sept 2016 compared to 2.66x at the start of the year.

**MHP FINANCIALS**

USD mn	3Q16	3Q15	chg	9M16	9M15	chg
Net revenue	369	347	6%	899	898	0%
EBITDA	105	116	-9%	340	386	-12%
margin	28%	33%	-5 p.p.	38%	43%	-5 p.p.
Net Income	-8	24	+/-	86	-37	+/-
net margin	-2%	7%	-9 p.p.	10%	-4%	+14 p.p.

Source: Company data.

**COMMENTARY**

MHP's 3Q financial results came in somewhat below our positive expectations, which were based on fairly good operating results previously reported for the period. MHP's poultry production volume was close to 150,000 tonnes in 3Q16, representing a 5% YoY increase. The company recognized a USD 51mn foreign exchange loss for 3Q16, implying that the bottom line before the foreign exchange difference was USD 43mn (-27% YoY). We assume that an overall decline in the company's profitability margins in 3Q could be a temporary factor related to negative revaluation of biological assets. In positive developments, MHP continued to increase its export sales, which accounted for 51% of total revenue in 9M16 compared to 45% a year ago. The company has a declared strategy to expand its presence on the MENA and EU markets, although CEO Yuriy Kosiuk is a harsh critic of the terms under which Ukraine signed the EU Association Agreement. Kosiuk has complained about tough remaining barriers to poultry exports to the EU, especially the duties for access to the EU market, as the current annual duty-free quota for poultry meat is only 16,000 tonnes (3% of MHP' annual output). Kosiuk is now banking on a strategy to acquire poultry meat processing facilities in the EU in order to circumvent the import duty. Separately, Kosiuk announced that the company is preparing to spend up to USD 300mn in CapEx in 2017. In our view, this amount looks too high given MHP's existing debt level of 2.8x EBITDA and its Eurobond covenant limit of 3.0x.

We are lowering our full year forecast for MHP's net profit from USD 170mn to USD 130mn. This implies that the MHPC stock, which has a current price of USD 8.86 per share, is trading at P/E of 7.2x, i.e. considerably higher than all other major Ukrainian equity issues.

## 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	8.9	17.96	103%	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	50.8	44.98	-11%	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	83%	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	88.5	117.65	33%	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	111.1	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	1853	5250	183%	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	3.7	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	16.1	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>						
DonbasEnergO	DOEN	10.5	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	10.50	15.00	43%	BUY	CentrEnergO'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	0.127	0.24	89%	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	805.29	861.78	525.66	-3.9%	-4.5%	15.2%	17.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.009	0.017	0.004	7.5%	2.4%	56.4%	-22.5%	11.4%	6.9%	41.2%	-39.9%
<b>Coke</b>												
Yasynivsky Coking	YASK	0.230	0.330	0.100	0.0%	15.0%	15.0%	0.0%	3.9%	19.5%	-0.2%	-17.4%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	112.50	127.75	14.00	1.4%	7.1%	44.7%	423.3%	-1.6%	5.2%	11.7%	405.8%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.60	n/a	n/a	-1.4%	-5.4%	59.9%	8.7%	2.5%	-0.9%	44.7%	-8.7%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1871	2130	1663	-2.0%	-3.3%	5.3%	-5.5%	1.9%	1.2%	-9.9%	-22.9%
Turboatom	TATM	8.66	12.25	4.00	-8.8%	-29.0%	0.7%	92.4%	-5.0%	-24.5%	-14.5%	75.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.150	0.168	0.091	-0.3%	-5.6%	7.3%	25.1%	3.5%	-1.1%	-7.9%	7.7%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.76	4.30	1.75	0.0%	0.3%	25.3%	0.3%	-0.9%	3.9%	4.8%	-17.1%
JKX Oil	JKX	16.75	28.75	16.00	1.5%	-2.9%	-14.1%	-38.5%	0.6%	5.4%	1.6%	-55.9%
Ukrnafta	UNAF	110.5	197.7	70.5	-4.7%	-12.9%	15.5%	-37.6%	-0.8%	-8.3%	0.3%	-55.0%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.60	11.24	4.12	-2.8%	0.5%	29.3%	132.4%	1.0%	5.0%	14.1%	115.0%
Donbasenergy	DOEN	10.60	18.50	9.04	-8.5%	-20.0%	-16.5%	-32.7%	-4.7%	-15.5%	-31.7%	-50.2%
Zakhidenergy	ZAEN	59.00	n/a	n/a	-7.1%	-2.6%	-0.8%	-29.8%	-3.2%	1.9%	-16.0%	-47.2%
<b>Consumer</b>												
Agroton	AGT	2.99	3.69	0.80	-3.5%	7.6%	30.0%	196.0%	-0.2%	0.3%	12.1%	178.6%
Astarta	AST	51.80	54.89	28.02	0.9%	-2.9%	4.6%	50.1%	-0.9%	4.7%	1.6%	32.7%
Avangardo	AVGR	0.47	1.60	0.26	4.4%	10.6%	-7.8%	-62.4%	-25.1%	8.3%	15.1%	-79.8%
Industrial Milk Company	IMC	7.10	7.90	5.70	-0.7%	5.8%	-2.3%	18.9%	-2.2%	3.2%	10.3%	1.5%
Kernel	KER	60.23	62.96	41.00	0.0%	2.6%	4.3%	25.2%	1.1%	3.9%	7.1%	7.8%
MHPC	MHPC	8.86	10.15	7.10	-2.1%	-5.0%	-5.8%	-4.7%	-3.2%	1.8%	-0.5%	-22.1%
Milkiland	MLK	1.79	2.55	1.13	-7.3%	-4.3%	-5.8%	26.1%	-0.4%	-3.4%	0.2%	8.6%
Ovostar Union	OVO	88.50	98.50	86.00	-1.7%	-3.0%	-2.7%	-2.2%	-0.9%	2.2%	1.5%	-19.6%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.127	0.136	0.059	-5.0%	1.0%	19.2%	68.7%	-1.2%	5.6%	4.1%	51.2%

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	9	3.9% 0	2,578	n/a	neg	neg	10.4	20.3	26.9	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	828	24.0% 199	1,578	4.5	26.3	4.6	3.2	5.0	5.3	1.1	1.6	1.7	
<b>Railcar Manufacturing</b>														
Kriviw Wagon	KVBZ	39	5.0% 2	33	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	152	24.0% 36	103	1.2	0.9	1.7	0.3	0.4	0.6	0.1	0.1	0.2	
<b>Telecom</b>														
Ukrtelecom	UTLM	110	7.2% 8	201	6.1	11.9	26.5	2.4	2.8	3.5	0.5	0.8	1.0	
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	234	3.0% 7	224	2.2	neg	7.3	0.6	neg	1.9	0.1	0.2	0.2	
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	36	50.4% 18	144	neg	neg	neg	3.1	8.5	5.0	1.0	1.6	1.8	
<b>Electric Utilities</b>														
CentrEnerg	CEEN	153	21.7% 33	121	26.0	>30	7.7	4.7	9.2	3.2	0.2	0.4	0.4	
DonbasEnerg	DOEN	10	14.2% 1	23	1.2	neg	4.7	1.2	neg	3.8	0.1	0.1	0.1	
<b>Consumer</b>														
MHP	MHPC	936	34.1% 319	2,175	neg	neg	5.5	4.3	4.7	5.4	1.6	1.8	1.7	
Kernel	KER	1,174	61.8% 725	1,478	neg	11.6	4.7	6.6	3.7	4.2	0.6	0.6	0.7	
Astarta	AST	317	37.0% 117	476	neg	17.9	3.1	3.0	3.3	3.0	1.0	1.4	1.5	
Avangardco	AVGR	30	22.5% 7	356	neg	neg	neg	2.8	neg	neg	0.8	1.5	2.7	
Ovostar	OVO	130	25.0% 32	135	5.0	4.1	3.7	4.6	3.9	3.4	1.8	1.8	1.6	
<b>Banks</b>					<b>P/E</b>			<b>P/Book</b>			<b>P/Assets</b>			
Raiffeisen Bank Aval	BAVL	305	1.8% 5		neg	neg	2.6	0.8	1.2	0.9	0.11	0.16	0.15	

Source: Eavex Research

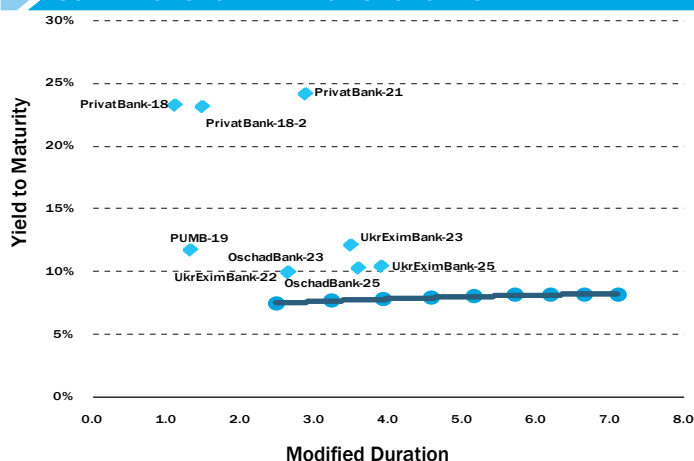
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	97.6	98.4	8.7%	8.4%	4.7%	2.4	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	95.5	96.5	9.2%	8.9%	3.8%	3.1	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	93.6	94.6	9.4%	9.2%	2.7%	3.8	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	92.8	93.5	9.4%	9.2%	2.8%	4.4	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	92.1	92.9	9.3%	9.2%	3.2%	5.0	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	91.6	92.6	9.3%	9.1%	3.7%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	90.6	91.6	9.3%	9.2%	3.1%	6.0	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	91.3	92.3	9.1%	9.0%	4.7%	6.5	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	90.1	91.1	9.2%	9.1%	4.0%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	30.4	31.4	n/a	n/a	-24.2%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	8.5	16.8	180.1%	110.1%	9.8%	1.2	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	93.3	94.4	10.7%	10.3%	7.4%	2.8	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	24.3	29.0	109.2%	94.4%	-47.8%	1.2	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	32.0	138.3%	129.7%	-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	76.3	78.8	n/a	n/a	86.9%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	76.5	78.5	n/a	n/a	74.2%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	85.0	86.6	n/a	n/a	51.3%	n/a	10.25%	S/A	31 Jan 2016	85	Ca//C
Metinvest, 2017	84.7	86.7	n/a	n/a	89.1%	n/a	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	84.9	86.8	n/a	n/a	92.9%	n/a	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	99.9	100.7	10.4%	10.0%	83.4%	1.6	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	84.9	86.8	10.5%	10.0%	75.1%	1.6	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	92.2	93.5	12.0%	11.7%	8.0%	2.5	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	362.5%	293.3%	-8.3%	0.3	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	91.5	93.5	28.0%	26.0%	28.5%	0.2	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.0	2.2	n/a	n/a	-88.0%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	97.9	100.4	12.1%	10.8%	33.7%	1.3	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.6	2.8	n/a	n/a	-76.7%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	78.0	82.0	34.7%	29.5%	5.3%	1.5	10.25%	S/A	23 Jan 2018	200	Ca//CC
PrivatBank, 2021	58.0	62.0	28.8%	26.5%	-10.4%	2.7	11.00%	S/A	09 Feb 2021	220	Ca//CC
PrivatBank, 2018	78.0	82.0	33.5%	28.7%	17.7%	1.0	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2022	93.0	94.1	11.4%	11.1%	4.4%	2.7	9.625%	S/A	27 Apr 2022	750	Caa3//CCC
UkrEximBank, 2023	79.4	81.2	13.3%	12.7%	8.4%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	90.2	91.4	11.6%	11.4%	4.0%	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	91.8	93.3	11.2%	10.9%	3.9%	2.5	8.25%	S/A	10 Mar 2023	700	Caa3//CCC
Oschadbank, 2025	90.5	91.8	11.4%	11.1%	4.0%	2.5	8.88%	S/A	20 Mar 2025	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	77.1	81.3	n/a	n/a	-5.2%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

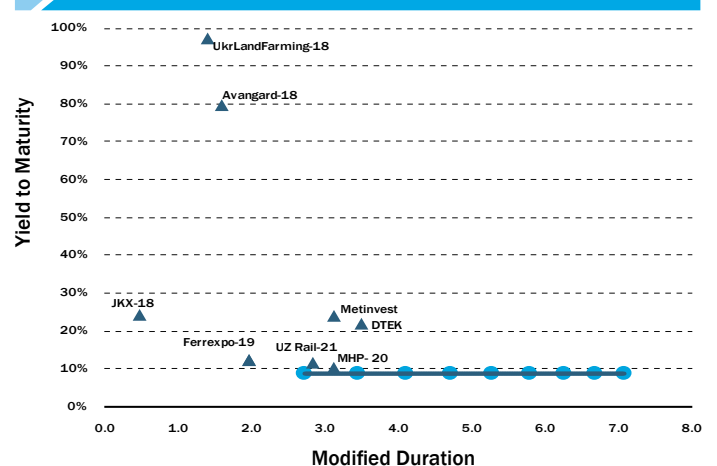
<sup>1</sup> Moody's/S&P/Fitch

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			16.70%	16.20%	n/a	19.50%	S/A	19 Jul 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			16.70%	16.20%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.70%	16.20%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.70%	16.20%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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