

## Stock Market Update

### Equity

Kyiv-listed stocks were hit hard last week as aggressive short players outweighed buyers ahead of the expiration of the UX index future contracts, an event which occurs every 3 months. Trading volatility on the Ukrainian Exchange traditionally rises a day or two before the futures expire. The December contract expired on Thursday (Dec 15) at 760 points. Meanwhile, the March contract on the UX index continues to trade above the 800 point level. Among main economic headlines over the week, the National Energy Regulatory Commission (NERC) announced its intention to lower electricity tariffs for industrial use by 10% to UAH 1.34/kWh (5.1 cents) starting on Jan 1. Although the news looks encouraging for the industrial sector, we remain skeptical that the government will find enough cost saving measures in the energy system to avoid being forced by the IMF to roll back the tariff decrease.

The UX index tumbled 3.9% to 762 points due mostly to speculative rather fundamental reasons, although concerns about the possible nationalization of PrivatBank provided some general negative sentiment. UkrNafta (UNAF) was the worst-performing index component, sliding 5.3% to close at UAH 102 per share. DonbasEnergo (DOEN) slipped below UAH 10 line, falling 4.5% to UAH 9.85. The stock did not react to unconfirmed information that the company has received permission from Kyiv to directly purchase coal from mines located on the Donbass separatist-occupied territories.

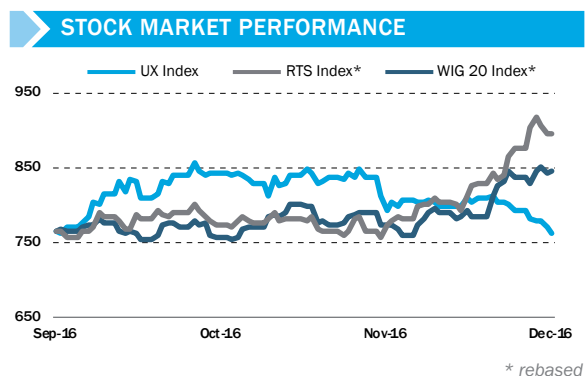
London-listed Ferrexpo (FXPO) paused from its recent sharp appreciation, declining by 4.0% to GBP 139. MHP (MHPC) continued to suffer from a food-safety-related suspension of Ukrainian poultry exports to the European Union, slipping 2.3% to close at USD 8.75, which is a 6-month minimum for the issue. In Warsaw trading, Lugansk-based Agroton (AGT) extended its rally, advancing 5.9% to PLN 4.29, while top liquid name Kernel (KER) was unchanged at PLN 65.50.

The hryvnia followed the global trend of currencies devaluing against the dollar after the Federal Reserve raised its key interest rate. The hryvnia declined on the interbank market by 1.2% to end at 26.30 UAH/USD.

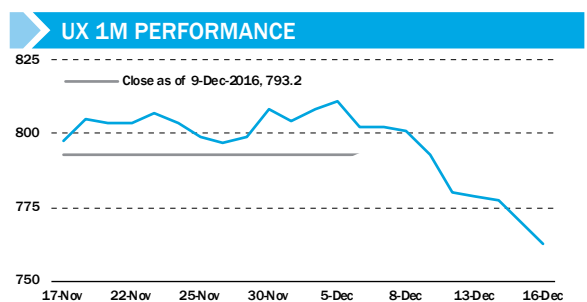
## Highlights

### POLITICS AND ECONOMICS

- > Savchenko Stuns Establishment with Unauthorized DNR/LNR Meeting
- > Cabinet Announces Nationalization of Ukraine's Largest Bank
- > Ukraine Extends FX Capital Controls to Limit Speculation
- > Gov't Reports Expectation-Beating Harvest Total of 64mn T for FY16



MARKET INDEXES				
	Last	1W ch	1M ch	YTD
UX	762.4	-3.9%	-3.6%	11.2%
RTS	1135.6	2.3%	15.8%	50.0%
WIG20	1918.5	1.0%	9.4%	3.2%
MSCI EM	856.4	-2.4%	1.8%	8.2%
S&P 500	2258.1	-0.1%	3.6%	9.4%



FIXED INCOME				
	Last	1W ch	1M ch	YTD
EMBI+Global	366	-1.1%	-5.4%	-17.2%
CDS 5Y UKR	683	n/a	n/a	n/a
Ukraine-19	8.2%	-0.8 p.p.	-1.1 p.p.	-1.7 p.p.
Ukraine-27	9.2%	0.2 p.p.	-0.1 p.p.	-0.4 p.p.
MHP-20	9.8%	-0.2 p.p.	-0.4 p.p.	-2.3 p.p.
UZ Rail-21	11.9%	-0.1 p.p.	-0.9 p.p.	n/a

CURRENCY				
	Last, UAH	1W ch	1M ch	YTD
USD	26.24	0.6%	0.0%	9.2%
EUR	27.40	-0.5%	-1.4%	4.3%
RUB	0.42	1.3%	3.8%	29.4%

COMMODITIES				
	Last	1W ch	1M ch	YTD
Wheat, USD/t*	174.0	0.9%	4.2%	-4.7%
Steel, USD/t	482.5	-1.0%	3.8%	91.1%
Oil, USD/bbl	55.2	1.6%	15.1%	49.7%
Gold, USD/oz	1134.8	-2.2%	-7.6%	6.9%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Savchenko Stuns Establishment with Unauthorized DNR/LNR Meeting

by Will Ritter  
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### NEWS

Batkivschyna Party MP and former celebrity political prisoner Nadya Savchenko held an unofficial meeting with Donbass separatist leaders Alexander Zaxarchenko and Igor Plotnitskiy earlier this month to discuss prisoner exchanges, domestic media reported. The meeting took place on the sidelines of the officially sanctioned Ukraine-Russia peace talks in Minsk and was reportedly brokered by Russia's Federal Security Service (FSB). As a result of the meeting, Batkivschyna leader Yulia Tymoshenko said that Savchenko will no longer be a member of the faction, and will become an independent MP. Like the ruling Poroshenko Bloc (BPP) and People's Front factions, Batkivschyna opposes any direct negotiations with the Donbass separatist authorities, insisting instead on the Russian government as the negotiating partner to resolve the 30-month conflict in Donetsk and Lugansk provinces.

### COMMENTARY

Savchenko's decision to "go rogue" with the DNR/LNR meeting was roundly condemned by the political establishment in Ukraine as irresponsible at best and treasonous at worst. Indeed, we see some likelihood of truth in the view that the Kremlin may be trying to promote Savchenko's political fortunes as a way to undermine the stability of the pro-Western government in Kyiv. On the other hand, it is clear that Savchenko's approach of negotiating directly and pragmatically with Donetsk and Lugansk to ratchet down tensions is an idea that could tap considerable support from Ukraine's conflict-weary population; it implies that Savchenko is capable of "thinking outside the box" in a way that members of the old political elite, such as Tymoshenko and President Poroshenko, are not. The establishment's ideological and inflexible approach of refusing to acknowledge the separatists or negotiate with them is resulting in a long-term stalemate with no return of the occupied territories in sight. However, in our view, the continuation of this stalemate with the Donbass (and Moscow) is actually a beneficial scenario for Ukraine, as long as it does not turn back into a hot conflict.

## Cabinet Announces Nationalization of Ukraine's Largest Bank

by Will Ritter  
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### NEWS

Ukraine's Cabinet of Ministers on Sunday (Dec 18) announced the immediate nationalization of the country's largest retail bank, PrivatBank. National Bank (NBU) Governor Valeria Hontareva and Finance Minister Oleksander Danyliuk told the Cabinet meeting that the private shareholders of PrivatBank (led by industrialist Igor Kolomoysky) had approached the government with a proposal for the state to take 100% ownership of the institution "in the interests of the bank's clients". PrivatBank was also the subject of a meeting of the National Security & Defense Council (RNBO) that took place earlier on Sunday. The bank will fall under the stewardship of the Finance Ministry, and will be led by Oleksander Shlapak, who served as Head of State Treasury during the presidency of Victor Yuschenko.

### COMMENTARY

The news is hardly a surprise, as the nationalization of Ukraine's largest bank has come to be seen as a question of when, not if. PrivatBank has found itself on increasingly shaky ground due to its huge portfolio of hidden insider loans; some reports have stated that majority owner Kolomoysky had loaned himself as much as 80% of the bank's total corporate credit portfolio. Regardless of the exact figure, most analysts believe that Kolomoysky has been steadily siphoning money out of the bank ahead of its nationalization, and planning to force the government to foot the bill for the recapitalization. Of course, Kolomoysky is aware that PrivatBank has "systematically important", i.e. "too big to fail" status in the Ukrainian financial sector, giving him enormous leverage over the government in the negotiations. We will await the details of the agreement between the government and Kolomoysky before we make an estimate of the effective pricing of this mega-deal. We view PrivatBank's case as a potential nationalization story with an analogy to BTA Bank in Kazakhstan in 2009. The Kazakh government acquired a 78% stake in BTA Bank in early 2009 through a new share issue, and after all restructuring measures, increased the stake to 97% by 2013. However, it is too early to state that this is the certain scenario for PrivatBank, as any bail-out by the government is going to be very costly for the national budget and could have negative political implications for President Poroshenko and the ruling coalition.

## Ukraine Extends FX Capital Controls to Limit Speculation

by Dmitry Churin  
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### NEWS

The National Bank of Ukraine (NBU) extended its restrictions on the foreign currency market to prevent forex outflows from the country and to limit aggressive speculation, the NBU's regulations division said on its official website on Dec 14. The NBU's main capital control measures on the currency market are following:

- obligatory conversion of 65% of export proceeds;
- the 120-day maximum period for settlements for export/import of goods;
- a one-day provisioning period for banks to deposit funds in UAH required to purchase foreign currency from the interbank currency market;
- a ban on early repayment of forex-denominated loans to non-residents of Ukraine;
- cash FX purchases limited to the equivalent of UAH 12,000 per day (USD 440), per person;
- FX cash withdrawals from personal bank accounts limited to the equivalent of UAH 250,000 per day (USD 9,250).

All the restrictions except for two are extended indefinitely. The surrender requirement for export proceeds and the 120 settlement deadline for export/import transactions are both limited by law to 6 months' duration. The NBU said these two regulations will remain in force for six months, until 15 Jun 2017 and be extended if necessary.

### COMMENTARY

The currency market in Ukraine remains under heavy capital controls due to the risk of sharp hryvnia devaluation amid the sluggish economy and lagging IMF program implementation. Moreover, the NBU has acknowledged short-term systemic risks for financial stability arising from some large banks' possible inability to recapitalize. We assume the NBU was referring to the country's largest lender, PrivatBank, which is on shaky ground due to its huge portfolio of hidden insider loans and whose nationalization was announced over the weekend. All of this points to a difficult start to 2017 for Ukraine in terms of the economy; in our view, the country needs to show real GDP growth of not less than 3% in FY17 in order to maintain domestic political support for the pro-Western vector of development.

**Gov't Reports Expectation-Beating Harvest Total of 64mn T for FY16**

by Dmitry Churin  
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**NEWS**

Ukraine's 2016 nationwide grain harvest increased by 6.7% YoY to 64.2mn tonnes, according to preliminary data from the Agriculture Ministry unveiled on Dec 15. The harvest yield increased by 9.0% YoY to 4.48 tonnes per hectare. The grain breakdown was the following: wheat - 26.1mn tonnes, corn - 26.1mn tonnes, barley - 9.5mn tonnes, oat - 510,100 tonnes, spring rye - 395,000 tonnes, buckwheat - 183,300 tonnes, and rice - 68,900 tonnes. In non-grain crops, an increase in the national sunflower seed harvest was registered at 15% YoY to 12.9mn tonnes.

**COMMENTARY**

This reported grain harvest figure substantially exceeds the summer/autumn consensus forecasts of 61-62mn tonnes, and Ukraine as a whole should therefore see windfall export proceeds from agro sales this winter and spring. MinAgro's data said Ukraine had exported agro products for a total amount of USD 10.4bn in 9M16, with agro exports accounting for 40.2% of the country's total non-service exports. Ukraine is the second largest global grain exporter and the largest exporter of sunflower oil in the world. Meanwhile, grain prices have remained weak due to a strong harvest in United States this year as well. The latest data pegs the FOB Black Sea wheat price at USD 180/tonne, with corn price at USD 170/tonne. Future contract prices for May 2017 for wheat and corn on Euronext are not signaling any price increase in the short term.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	65.5	61.80	-6%	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	8.8	17.96	105%	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	53.5	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	8.2	13.02	58%	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	84.0	117.65	40%	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	138.8	82.0	-41%	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	1806	5250	191%	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	3.6	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	29.8	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	9.9	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	10.02	15.00	50%	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	0.121	0.24	99%	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	762.38	861.78	525.66	-3.9%	-3.6%	-0.9%	11.2%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.009	0.017	0.004	1.2%	6.3%	37.1%	-23.4%	5.1%	9.9%	38.0%	-34.6%
<b>Coke</b>												
Yasynivsky Coking	YASK	0.220	0.330	0.100	-8.3%	-4.3%	10.0%	-4.3%	-4.5%	-0.7%	10.9%	-15.5%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	138.75	151.00	14.00	-4.0%	23.9%	101.1%	545.3%	-5.1%	-0.1%	27.5%	534.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.20	n/a	n/a	-4.7%	-2.0%	28.1%	3.7%	-0.8%	1.6%	29.0%	-7.5%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	1806	2130	934	-2.4%	-3.1%	-1.7%	-8.7%	1.5%	0.6%	-0.9%	-19.9%
Turboatom	TATM	9.14	12.25	4.00	-1.7%	0.4%	-3.8%	103.1%	2.2%	4.1%	-2.9%	92.0%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.130	n/a	n/a	-7.0%	-13.5%	0.9%	8.5%	-3.1%	-9.9%	1.8%	-2.7%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.61	4.30	1.75	-3.3%	-4.0%	7.0%	-3.7%	1.0%	0.5%	-0.4%	-14.9%
JKX Oil	JKX	29.75	31.75	16.00	48.8%	80.3%	56.6%	9.2%	1.0%	52.6%	83.9%	-2.0%
Ukrnafta	UNAF	102.5	190.0	70.5	-5.3%	-2.4%	4.3%	-42.1%	-1.4%	1.3%	5.2%	-53.2%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.02	11.24	4.12	-2.3%	-3.0%	0.1%	119.6%	1.6%	0.7%	1.0%	108.4%
Donbasenergo	DOEN	9.85	n/a	n/a	-4.5%	-8.8%	-22.4%	-37.5%	-0.6%	-5.2%	-21.5%	-48.7%
Zakhidenergo	ZAEN	60.00	n/a	n/a	0.0%	-2.9%	4.3%	-28.6%	3.9%	0.7%	5.2%	-39.7%
<b>Consumer</b>												
Agroton	AGT	4.29	4.33	0.80	5.9%	45.4%	22.2%	324.8%	4.9%	9.8%	49.1%	313.6%
Astarta	AST	53.50	54.89	28.02	0.5%	4.3%	1.1%	55.1%	-0.8%	4.4%	7.9%	43.9%
Avangardo	AVGR	0.47	1.50	0.26	-6.0%	4.4%	46.9%	-62.4%	1.0%	-2.1%	8.1%	-73.6%
Industrial Milk Company	IMC	8.24	8.24	5.70	7.0%	14.6%	21.2%	38.0%	3.6%	10.9%	18.2%	26.9%
Kernel	KER	65.50	65.80	41.00	0.0%	13.9%	7.4%	36.2%	5.8%	3.9%	17.5%	25.0%
MHPC	MHPC	8.75	10.10	7.10	-2.3%	-4.3%	-9.7%	-5.9%	1.3%	1.5%	-0.6%	-17.1%
Milkiland	MLK	1.89	2.55	1.13	-4.5%	3.8%	-14.1%	33.1%	2.1%	-0.7%	7.5%	21.9%
Ovostar Union	OVO	84.00	98.50	84.00	-4.4%	-5.1%	-9.7%	-7.2%	-0.2%	-0.5%	-1.5%	-18.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.121	0.136	0.059	-5.9%	-3.4%	1.2%	60.0%	-2.0%	0.3%	2.1%	48.9%

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	130	-29.9%	-10.6%	10.0%
Kernel	KER	2,330	1,989	2,128	397	346	381	17.0%	17.4%	17.9%	101	225	282	4.3%	11.3%	13.2%
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	170	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	2,578	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	1,019	24.0% 245	1,769	5.5	>30	5.7	3.6	5.7	5.9	1.3	1.8	1.9	
<b>Railcar Manufacturing</b>														
Kriviw Wagon	KVBZ	36	5.0% 2	31	neg	neg	neg	neg	neg	neg	0.2	0.7	0.5	
<b>Specialized Machinery</b>														
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	144	24.0% 35	95	1.1	0.9	1.6	0.3	0.4	0.5	0.1	0.1	0.1	
<b>Telecom</b>														
Ukrtelecom	UTLM	94	7.2% 7	184	5.1	10.1	22.5	2.2	2.5	3.2	0.4	0.7	0.9	
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	213	3.0% 6	203	2.0	neg	6.7	0.5	neg	1.7	0.1	0.2	0.2	
Regal Petroleum	RPT	14	21.6% 3	-11	2.5	neg	n/a	-0.7	-1.1	-1.1	-0.3	-0.5	-0.6	
JKX Oil & Gas	JKX	64	50.4% 32	172	neg	neg	neg	3.7	10.2	5.9	1.2	1.9	2.2	
<b>Electric Utilities</b>														
CentrEnerg	CEEN	142	21.7% 31	109	24.1	>30	7.1	4.2	8.4	2.9	0.2	0.3	0.3	
DonbasEnerg	DOEN	9	14.2% 1	22	1.1	neg	4.3	1.1	neg	3.6	0.0	0.1	0.1	
<b>Consumer</b>														
MHP	MHPC	925	34.1% 315	2,085	neg	neg	7.1	4.1	4.5	5.2	1.5	1.8	1.6	
Kernel	KER	1,234	61.8% 762	1,538	12.2	5.5	4.4	3.9	4.4	4.0	0.7	0.8	0.7	
Astarta	AST	316	37.0% 117	475	neg	17.9	3.1	3.0	3.3	3.0	1.0	1.4	1.5	
Avangardco	AVGR	30	22.5% 7	364	neg	neg	neg	2.8	neg	neg	0.9	1.6	2.1	
Ovostar	OVO	119	25.0% 30	124	4.6	3.7	3.4	4.3	3.6	3.1	1.7	1.6	1.5	
<b>Banks</b>					<b>P/E</b>			<b>P/Book</b>			<b>P/Assets</b>			
Raiffeisen Bank Aval	BAVL	284	1.8% 5		neg	neg	2.4	0.7	1.1	0.9	0.10	0.15	0.14	

Source: Eavex Research

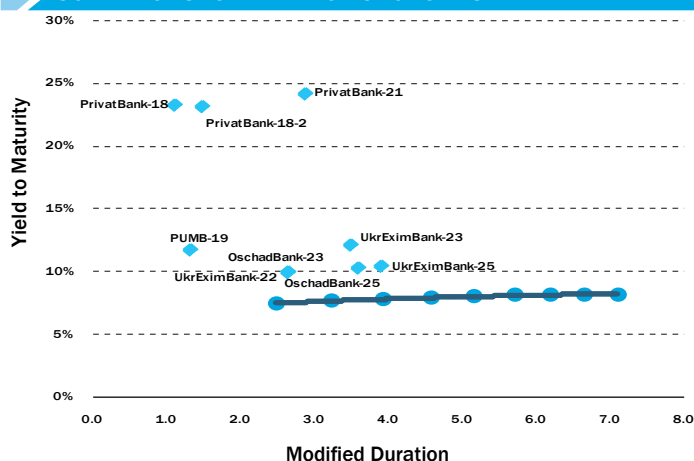
UKRAINIAN EUROBONDS

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	98.6	99.4	8.3%	8.0%	5.7%	2.3	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	96.5	97.3	8.9%	8.6%	4.7%	3.1	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	94.9	95.9	9.1%	8.8%	4.1%	3.7	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	93.8	94.5	9.2%	9.0%	3.9%	4.4	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	92.8	93.5	9.2%	9.1%	3.9%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	91.8	92.8	9.3%	9.1%	3.8%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	90.8	91.8	9.3%	9.1%	3.3%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	90.5	91.5	9.3%	9.1%	3.9%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	90.0	91.0	9.2%	9.1%	3.9%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	30.1	31.1	n/a	n/a	-24.8%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	14.1	25.9	132.0%	81.6%	73.9%	1.4	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	95.2	96.1	10.0%	9.7%	9.5%	2.7	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	27.3	32.1	103.6%	89.9%	-41.8%	1.2	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	32.0	146.8%	137.6%	-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	82.2	84.2	n/a	n/a	100.5%	n/a	10.375%	S/A	28 Mar 2018	160	Ca//CC
DTEK, 2018	82.0	83.5	n/a	n/a	86.0%	n/a	7.88%	S/A	4 Apr 2018	750	Ca//CC
Metinvest, 2016	91.0	92.8	n/a	n/a	62.0%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	90.6	92.8	n/a	n/a	102.2%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	90.7	92.8	n/a	n/a	106.2%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	100.0	101.3	10.3%	9.7%	84.0%	1.6	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	90.7	92.8	10.3%	9.8%	75.9%	1.6	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	94.3	95.4	11.4%	11.1%	10.3%	2.5	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	440.9%	352.8%	-8.3%	0.2	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	81.8	83.8	41.1%	38.6%	14.9%	0.1	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.0	2.1	n/a	n/a	-88.6%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	99.9	101.4	11.0%	10.2%	35.7%	1.2	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.4	2.5	n/a	n/a	-80.3%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	61.0	67.0	65.5%	54.0%	-15.8%	1.5	10.25%	S/A	23 Jan 2018	200	Ca//CC
PrivatBank, 2021	42.0	60.0	41.4%	27.9%	-23.9%	2.6	11.00%	S/A	09 Feb 2021	220	Ca//CC
PrivatBank, 2018	68.3	73.3	48.5%	41.1%	4.2%	0.9	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2022	96.5	97.2	10.5%	10.3%	8.0%	2.6	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	80.8	83.1	13.0%	12.3%	10.6%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	92.6	93.5	11.2%	11.0%	6.5%	3.7	9.75%	S/A	22 Jan 2025	600	Caa3//B-
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	96.0	96.9	10.3%	10.1%	8.3%	2.5	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	92.6	93.6	11.0%	10.8%	6.2%	3.4	8.88%	S/A	20 Mar 2025	500	Caa3//B-
<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

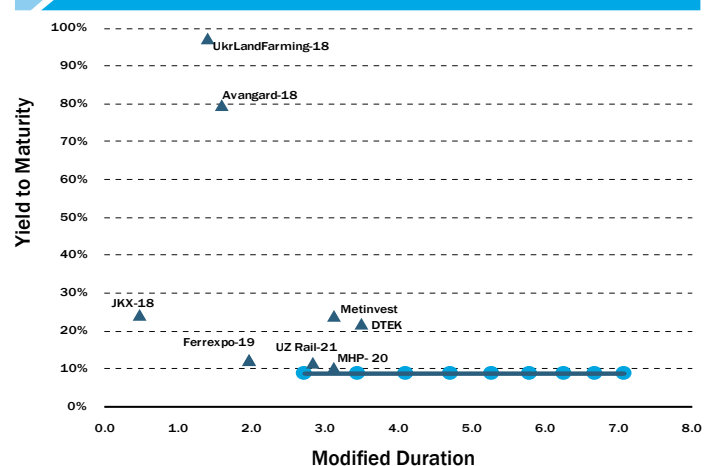
<sup>1</sup> Moody's/S&P/Fitch

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			16.50%	16.00%	n/a	19.50%	S/A	19 Jul 2017	n/a
<b>VAT Bonds</b>									
UA4000185151			16.50%	16.00%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.50%	16.00%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.50%	16.00%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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