

Stock Market Update

Equity

Kyiv-listed stocks rallied last week, although the gains were only enough for USD-based valuations to tread water amid the slippage of the hryvnia. Local traders were pleased by the NBU's business activity survey, which suggested that Ukraine's economy is gaining momentum. The report said that business significantly improved its expectations regarding volumes of goods and services production in 2017. A separate source for optimism was an expectation that the US policy toward Ukraine will remain broadly supportive despite the initial jitters following Donald Trump's election in November. Concerns over the Russia-friendly outlook of likely top US diplomat Rex Tillerson have also eased somewhat, following his comments in line with mainstream Republican party rhetoric in regard to Russia and Ukraine made during his Senate confirmation hearing on Jan 11.

The UX index closed at 825 points on Friday (Jan 13), a gain of 4.0% for the week, which was roughly offset by a similar drop in the value of the hryvnia against the dollar. UkrNafta added the most points to the gauge, advancing 5.6% to UAH 109 per share. Motor Sich (MSICH) had its own reason for growth, after the government prolonged a preferable tax regime for the aviation industry. The stock rose 4.0% to UAH 1922, its highest level since early November.

London-listed Ferrexpo (FXPO) was volatile over the week but finished nearly unchanged at GBp 131, while MHP's (MHPC) gain of 2.5% brought it back to USD 9.00 per share. In Warsaw trading, Lugansk-based crop grower Agroton (AGT) paused its rally after a 30% leap, slipping back by 2.3% to PLN 5.18. Top liquid name Kernel (KER) jumped 15% to PLN 73.85 after the company reported a 13% YoY increase in its sunflower oil exports in the Oct-Dec quarter.

On the currency front, the hryvnia struggled through a new wave of volatility amid speculation about the arrival date of the next IMF disbursement. The interbank exchange rate ended at 27.70 UAH/USD on Friday (Jan 13), while the cash rate, which tends to front-run the interbank trend, weakened by almost 5% to a 22-month low of 28.80 UAH/USD.

Highlights

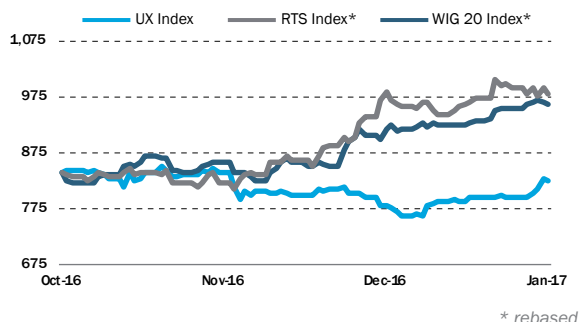
POLITICS AND ECONOMICS

- Muted US Reaction to Document Alleging Trump Collusion with Kremlin
- UkrStat: Full-Year 2016 Inflation Was 14%

STOCKS IN THE NEWS

- Kernel's Bulk Sunflower Oil Sales Rose 13% YoY in Oct-Dec 2016
- Ferrexpo FY16 Output Slips 4% YoY to 11.2mn Tonnes

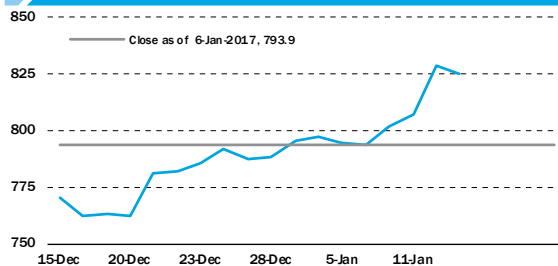
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	825.5	4.0%	6.0%	3.7%
RTS	1158.2	-1.2%	-0.5%	0.5%
WIG20	2015.9	0.9%	5.0%	3.5%
MSCI EM	896.0	1.7%	2.1%	3.9%
S&P 500	2274.6	-0.1%	0.1%	1.6%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	353	0.7%	-4.4%	-3.4%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.2%	-0.7 p.p.	-1.7 p.p.	-0.1 p.p.
Ukraine-27	8.3%	0.1 p.p.	-0.6 p.p.	-0.4 p.p.
MHP-20	9.2%	0.0 p.p.	-0.7 p.p.	-0.3 p.p.
UZ Rail-21	11.2%	-0.1 p.p.	-0.8 p.p.	-0.5 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.60	1.2%	5.5%	1.1%
EUR	29.43	3.1%	5.9%	4.0%
RUB	0.46	2.7%	7.8%	5.5%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	173.0	0.0%	-0.6%	0.0%
Steel, USD/t	492.5	-0.5%	2.1%	-0.5%
Oil, USD/bbl	55.5	-2.9%	-1.7%	-2.4%
Gold, USD/oz	1197.6	2.1%	3.4%	3.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Muted US Reaction to Document Alleging Trump Collusion with Kremlin

by Will Ritter
w.ritter@eavex.com.ua

NEWS

An explosive 35-page private intelligence document on alleged cooperation between Donald Trump's presidential campaign and the Russian government, which was published by the left-leaning US news site BuzzFeed on Tuesday (Jan 10), sent the American media into a brief frenzy last week. However, after Trump strenuously denied the information, the story largely disappeared from the news within 24 hours, with little discernible reaction from the establishments of either of the major US political parties. The document, reportedly produced by British espionage agent Christopher Steele, contained details about alleged meetings of Trump's representatives with Russian officials during the summer and autumn of 2016 to discuss, among other things, Ukraine-related sanctions relief and monetary compensation for Russian computer hackers who were attacking Trump's election opponent Hillary Clinton. Steele's report, which was commissioned by the Clinton campaign, also claimed that the Kremlin had obtained personally damaging material on Trump during his 2013 visit to Moscow, but promised not to release it. Perhaps most seriously, the report alleges that the Kremlin provided Trump's team with illegally obtained intelligence on the Clinton campaign in exchange for information on wealthy Russians residing in the United States that Trump's people were able to offer. British media reported that Steele, who had previously worked with the US Federal Bureau of Investigation in addition to Britain's MI6, left his house in London and went into hiding immediately after the document's publication.

COMMENTARY

This document had apparently been circulating widely among US congressional representatives and US media outlets since late October, but no one was willing to make it public due to the explosive and unverified nature of the allegations. Although the fact that Clinton's team paid Steele to compile the research indicates a clear anti-Trump motivation, having read the entire document, we can state that it is written in a highly credible style; if this is a complete fabrication as Trump claims, it is a professional job. The document cites several unidentified Kremlin sources, including one who was in direct contact with then-presidential Chief of Staff Sergey Ivanov. Steele alleged that Ivanov was fired by Russian President Putin in August as a direct result of fallout over US outrage related to the Russian hacking of Clinton's campaign. Trump's representatives named in the report, lawyer Michael Cohen and investor Carter Page, both denied that the alleged meetings took place. In our view, if even half of the information in the report is found to be accurate, this would be clear grounds for the US Congress to cut short the Trump presidency via impeachment proceedings. Despite the fact that there has been little public reaction, we suppose that investigating these charges has been a topic of intense discussion both in the US intelligence community and behind closed doors in congressional offices, and that we have not heard the last of Steele's document.

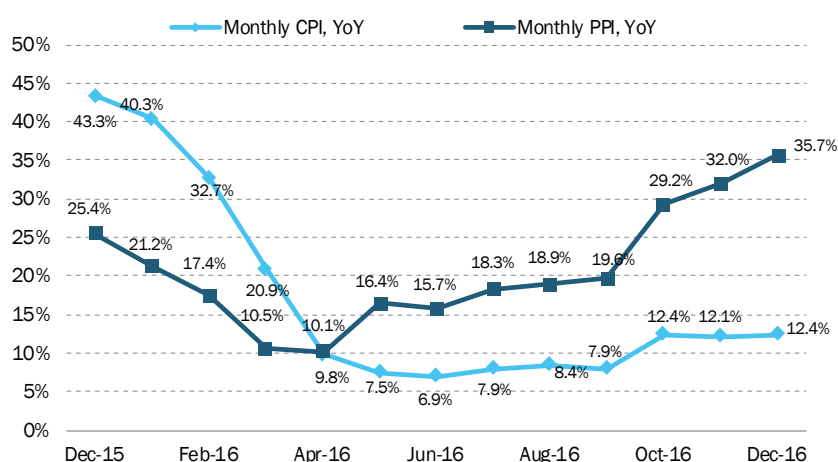
UkrStat: Full-Year 2016 Inflation Was 14%

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Full-year consumer price inflation in Ukraine was 13.9% in 2016, according to data published by the State Statistics Committee (UkrStat) last week. Major consumer price categories showed the following full-year rises: food - 9.0%, clothing - 16.1%, utility services - 35.1%, healthcare - 11.7%. The highest jump in subcategories was in hot water, which soared by 78.4% in 2016. For December alone, the CPI index ticked up by 0.9% MoM. Meanwhile, the full-year rise in producer prices was 20.5%. In major producer price categories, extraction sector prices rose 34.6%, aggregate manufacturing prices increased by 14.5%, and utility sector prices grew 30.6% over 2016.

UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

The actual FY16 consumer inflation came in slightly above most analyst expectations at 14%, but still at a very respectable level given the challenges faced by Ukraine last year. The main factor behind the stingy inflation last year was the NBU's tight monetary policy, which saw the central bank keep its key interest rate at a high level which averaged 18% for the full year. The key rate was at 22% at the start of 2016 and was lowered in six steps to 14% by November. Our current projection for consumer inflation in 2017 is 10%, assuming the government stays on the reform path, while the government itself has set a target of 8%. The NBU's optimistic medium-term outlook for inflation is 6% for 2018 and 5% for 2019. Our own estimate is that consumer prices in Ukraine will increase at a pace of 8-12% per year over 2017-2019, as market reforms in the utility sector and further liberalization of the currency market will retain inflation pressure even in the ideal case of continued firm market reform implementation.

Kernel's Bulk Sunflower Oil Sales Rose 13% YoY in Oct-Dec 2016

by Dmitry Churin
d.churin@eavex.com.ua

KERNEL (KER PW)

Price: PLN 73.85 Market Cap: USD 1,428mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
FY16	1.4	0.9	6.3	5.0	1%
FY17E	1.4	0.8	5.1	4.5	1%

NEWS

Warsaw-listed Kernel Holding, Ukraine's largest sunflower oil producer and exporter, reported a 13.1% YoY increase in its bulk sunflower oil sales volume to 336,000 tonnes in the October-December quarter (2Q17 in the company's July-to-June reporting calendar), according to an operational update published on Jan 12. In other key business segments, Kernel demonstrated a firm rise in grain sales by 15.3% YoY to a record quarterly high for the company of 1.53mn tonnes in the period. There was also an increase in bottled oil sales by 16.7% YoY to 31.0mn liters. Meanwhile, the company said its sea port terminals cut export throughput by 2% YoY to 1.66mn tonnes in the quarter.

KERNEL OPERATIONAL UPDATE			
Volume	2Q FY17	2Q FY16	Change
Grain sales, tonnes	1,525,377	1,322,862	+15.3%
Sunflower oil sales in bulk, tonnes	336,022	297,048	+13.1%
Bottled oil sales, '000 liters	36,227	31,036	+16.7%
Oilseed crush, tonnes	908,541	915,377	-0.7%
Export terminals throughput, tonnes	1,662,072	1,695,699	-2.0%

Source: Companies' data

COMMENTARY

Kernel's strong operational results for Oct-Dec 2016 were in line with our expectations, which were based on this year's excellent grain harvest in Ukraine, but nonetheless appeared to surprise the market, which pushed the KER stock higher by 15% after the news. A real positive surprise came from the bottled oil segment, which saw an expansion of export sales volumes. This is a bit unusual since most of the bottled sunflower oil output is generally sold in Ukraine's domestic retail chains. Kernel also reported that it maintained almost full capacity utilization of its sunflower seed crushing facilities, processing some 910,000 tonnes of seed in the quarter (-0.7% YoY). The company announced that it will report its half-year financial results (ended in December) on Feb 28.

Kernel's share price on the Warsaw Stock Exchange is now up by 24% YtD, and closed at a 4-year high of PLN 73.85 on Friday (Jan 13).

Ferrexpo FY16 Output Slips 4% YoY to 11.2mn Tonnes

by Dmitry Churin
d.churin@eavex.com.ua

FERREXPO (FXPO LN)

Price: GBp 131 Market Cap: USD 931mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016E	2.0	1.8	5.3	5.7	3%
2017E	2.0	1.4	3.9	4.2	3%

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, reported a record sales volumes of 11.7mn tonnes in 2016 (+3.5% YoY), according to the company's operational update dated Jan 9. However, on the production side, full-year 2016 output declined by 4.0% YoY to 11.2mn tonnes, from 11.7mn tonnes in FY15. Ferrexpo said that the decrease in production was mainly caused by reduced processing of low-margin third party concentrate. The output of top-value-added 65 percent Fe pellets edged up by 1.6% to 10.5mn tonnes, accounting for 94% of total production in 2016, compared to a share of 89% of the volume in 2015. In a quarter-on-quarter basis, the company reported a 10.3% QoQ increase in output to 2.87mn tonnes in 4Q16, bouncing back from the 8.2% QoQ decline that occurred in 3Q16.

FERREXPO PRODUCTION FIGURES

000' tonnes	4Q16	3Q16	Change QoQ	2016	2015	Change YoY
Total Pellets Produces	2,873.10	2,604.20	+10.3%	11,200.60	11,661.60	-4.0%
- 62% Fe pellets	153.50	148.20	+3.6%	665.60	1,295.30	-48.6%
- 65% Fe pellets	2,719.50	2,456.00	+10.7%	10,535.00	10,366.30	+1.6%

Source: Companies' data

COMMENTARY

In its release, Ferrexpo tried to de-emphasize its decline in full-year pellet output by touting the sales volume figure; in our view, this is unnecessary, as output remained strong and very near the company's full capacity amid the much-improved market for iron ore from a year ago. The solid production as well as a statement that the full year average cash cost of production fell to USD 29 per tonne from USD 32 per tonne in 2015, gives grounds to expect strong 2H16 earnings for Ferrexpo. Moreover, the current spot market price of USD 78 per tonne for 62 percent Fe iron ore, compared to the average USD 58/tonne price for 2016, provides bright prospects for 1H17.

Taking into account the improved pricing environment for Ferrexpo we assign the FXPO stock with a HOLD recommendation following its massive 4.6x gain last year. We set a target price for FXPO at GBp 150 per share.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	73.9	80.0	8%	HOLD	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	9.0	18.0	100%	BUY	MHP could start process of deleveraging which in turn would boost the company's MCap. Also the company has a declared strategy to expand its presence on the MENA and EU markets. MHP continued to increase its export sales, which accounted for 51% of total revenue in 9M16 compared to 45% a year ago.
Astarta	AST PW	60.0	70.0	17%	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.
Agroton	AGT PW	5.18	12.0	132%	BUY	Agroton unveiled a strategy to increase its land bank from 122,000 ha to 200,000 ha by mid-2019 securing additional lease rights and by acquiring companies that control land plots in Luhansk and Kharkiv region.
IMC	IMC PW	8.4	13.0	55%	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	0.4	0.3	-14%	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	85.0	117.7	38%	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	131.4	150.0	14%	HOLD	An impressive reduction in the production and other operating cost led to higher profitability. A separate positive factor was an upward price trend for iron ore and steel on global markets.
Specialized Machinery						
Motor Sich	MSICH	1922	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 LN	3.4	15.0	344%	BUY	Taking into account that Regal acquired PEP's assets for an estimated value of USD 6.8/boe of 2P reserves, we assume that Regal's potential enterprise value could be as much as USD 92mn.
JKX Oil & Gas	JKX LN	29.5	37.0	25%	HOLD	The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong.
Power Utilities						
DonbasEnerg	DOEN	11.6	9.0	-22%	SELL	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	10.51	15.00	43%	BUY	CentrEnerg'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	0.136	0.24	77%	BUY	Raiffeisen Aval has a conservative risk policy, and we therefore assume it will manage to weather the current banking crisis in Ukraine and start to generate profits starting from 2016. The EBRD has purchased a 30% stake in the institution.

Source: Eavex Research

PRICES AND QUOTES												
Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	1W	Absolute performance			Performance relative to the UX index			
						1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	825.45	861.78	525.66	4.0%	6.0%	-1.9%	3.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.017	0.004	5.9%	12.5%	9.8%	9.8%	1.9%	6.5%	11.6%	6.0%
Coke												
Yasynivsky Coking	YASK	0.270	0.270	0.100	0.0%	12.5%	35.0%	0.0%	-4.0%	6.5%	36.9%	-3.7%
Iron Ore Mining												
Ferrexpo	FXPO	131.40	151.00	15.75	1.5%	-2.7%	34.4%	-2.3%	-2.3%	-2.5%	-8.7%	-6.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.10	n/a	n/a	3.4%	8.3%	1.8%	3.4%	-0.6%	2.3%	3.7%	-0.3%
Specialized Machinery												
Motor Sich	MSICH	1922	2130	934	4.0%	3.9%	-0.1%	3.4%	0.0%	-2.1%	1.8%	-0.3%
Turboatom	TATM	9.60	12.25	4.00	2.9%	2.1%	-19.3%	2.7%	-1.1%	-3.9%	-17.4%	-1.0%
Telecom												
Ukrtelecom	UTLM	0.165	n/a	n/a	0.0%	8.5%	3.8%	0.0%	-4.0%	2.5%	5.7%	-3.7%
Oil & Gas												
Regal Petroleum	RPT	3.38	4.30	1.75	3.8%	-6.5%	-10.0%	-9.6%	0.4%	-0.1%	-12.5%	-13.4%
JKX Oil	JKX	29.75	31.75	16.00	-0.8%	-6.3%	72.5%	-1.7%	-0.4%	-4.8%	-12.3%	-5.4%
Ukrnafta	UNAF	109.9	175.0	70.5	5.6%	7.7%	-13.6%	6.5%	1.6%	1.7%	-11.7%	2.8%
Power Utilities												
Centrenergy	CEEN	10.51	11.24	4.12	2.4%	3.6%	-0.9%	1.6%	-1.6%	-2.5%	1.0%	-2.1%
Donbasenergo	DOEN	11.57	n/a	n/a	8.4%	12.9%	-12.8%	10.1%	4.5%	6.9%	-10.9%	6.4%
Zakhidenergo	ZAEN	64.00	n/a	n/a	0.2%	7.7%	5.6%	2.4%	-3.8%	1.7%	7.5%	-1.3%
Consumer												
Agroton	AGT	5.18	5.60	0.80	-2.3%	24.2%	71.5%	27.9%	-3.7%	-6.2%	18.2%	24.2%
Astarta	AST	60.00	60.00	28.02	7.1%	12.3%	11.9%	11.0%	4.0%	3.1%	6.3%	7.3%
Avangardo	AVGR	0.35	1.45	0.26	0.0%	-17.6%	-17.6%	0.0%	0.4%	-4.0%	-23.7%	-3.7%
Industrial Milk Company	IMC	8.40	8.50	5.84	0.6%	8.4%	25.2%	4.3%	0.4%	-3.4%	2.4%	0.6%
Kernel	KER	73.86	73.86	41.00	15.4%	12.2%	23.7%	15.7%	1.6%	11.4%	6.2%	12.0%
MHPC	MHPC	9.00	10.10	7.10	2.5%	3.3%	-3.2%	2.4%	0.4%	-1.5%	-2.7%	-1.3%
Milkiland	MLK	2.11	2.55	1.13	-5.8%	11.1%	9.9%	5.5%	-3.7%	-9.8%	5.0%	1.8%
Ovostar Union	OVO	85.00	98.50	84.00	0.0%	-2.3%	-5.6%	-1.7%	0.4%	-4.0%	-8.3%	-5.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.136	0.138	0.059	3.6%	8.1%	9.0%	2.7%	-0.4%	2.1%	10.9%	-1.0%

Source: Bloomberg
 * companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E
Iron Ore Mining																
Ferrexpo	FXPO	961	950	1,235	313	300	405	32.6%	31.6%	32.8%	31	180	243	3.3%	18.9%	19.7%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	41	67	55	-15	-3	6	-37.1%	-5.0%	11.0%	-19	-4	2	-46.3%	-5.9%	3.3%
Specialized Machinery																
Turboatom	TATM	128	98	99	87	33	35	67.9%	34.0%	35.2%	75	27	28	58.3%	28.0%	27.8%
Motor Sich	MSICH	879	697	650	342	237	179	38.9%	33.9%	27.5%	129	168	89	14.7%	24.2%	13.8%
Oil & Gas																
Ukrnafta	UNAF	1,319	902	1,184	-101	114	151	-7.7%	12.6%	12.7%	-250	31	74	-18.9%	3.5%	6.2%
Regal Petroleum	RPT	22	25	27	10	10	15	45.5%	40.4%	55.6%	-1	0	1	na	0.0%	3.7%
JKX Oil	JKX	89	80	95	17	29	34	19.1%	36.3%	35.8%	-82	-20	3	-92.1%	-25.0%	3.2%
Electric Utilities																
Centrenerg	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	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	349	324	714	144	159	340	41.4%	49.1%	47.6%	18	104	228	5.1%	32.0%	32.0%
Avangardco	AVGR	230	170	180	-69	-1	27	-30.2%	-0.6%	15.0%	-158	-45	5	-68.9%	-26.5%	2.8%
Ovostar	OVO	75	76	84	29	35	40	38.9%	46.0%	47.7%	26	32	35	34.5%	42.3%	41.8%
Banks		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	1,958	1,984	1,934	261	332	347	216	204	228	-66	118	228	-25.3%	35.5%	65.7%

Source: Eavex Research

MAIN TRADING MULTIPLES														
Name	Ticker	MCap USD mn	Free Float % USD mn	EV USD mn		P/E			EV/EBITDA			EV/Sales		
					2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	
Iron Ore Mining														
Ferrexpo	FXPO	931	24.0%	223	1,681	29.6	5.2	3.8	5.4	5.6	4.2	1.7	1.8	1.4
Railcar Manufacturing														
Krukiv Wagon	KVBZ	38	5.0%	2	33	neg	neg	20.8	neg	neg	5.4	0.8	0.5	0.6
Specialized Machinery														
Turboatom	TATM	54	5.8%	3	-32	0.7	2.0	2.0	-0.4	-1.0	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	146	24.0%	35	98	1.1	0.9	1.6	0.3	0.4	0.5	0.1	0.1	0.1
Oil & Gas														
Ukrnafta	UNAF	219	3.0%	7	208	neg	7.0	3.0	neg	1.8	1.4	0.2	0.2	0.2
Regal Petroleum	RPT	13	21.6%	3	-6	neg	n/a	13.0	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	61	50.4%	31	170	neg	neg	20.5	10.0	5.9	5.0	1.9	2.1	1.8
Electric Utilities														
CentrEnerg	CEEN	142	21.7%	31	110	24.2	>30	7.1	4.2	8.4	2.9	0.2	0.3	0.3
DonbasEnerg	DOEN	10	14.2%	1	24	1.2	neg	4.8	1.2	neg	3.8	0.1	0.1	0.1
Consumer														
MHP	MHPC	951	34.1%	324	2,111	neg	neg	7.3	4.1	4.6	5.2	1.5	1.8	1.6
Kernel	KER	1,427	61.8%	881	1,730	14.1	6.3	5.1	4.4	5.0	4.5	0.7	0.9	0.8
Astarta	AST	364	37.0%	135	523	20.5	3.5	1.6	3.6	3.3	1.5	1.5	1.6	0.7
Avangardco	AVGR	22	22.5%	5	356	neg	neg	4.5	neg	neg	13.2	1.6	2.1	2.0
Ovostar	OVO	124	25.0%	31	129	4.8	3.9	3.5	4.4	3.7	3.2	1.7	1.7	1.5
Banks						P/E		P/Book			P/Assets			
Raiffeisen Bank Aval	BAVL	306	1.8%	5		neg	2.6	2.4	1.2	0.9	0.9	0.16	0.15	0.16

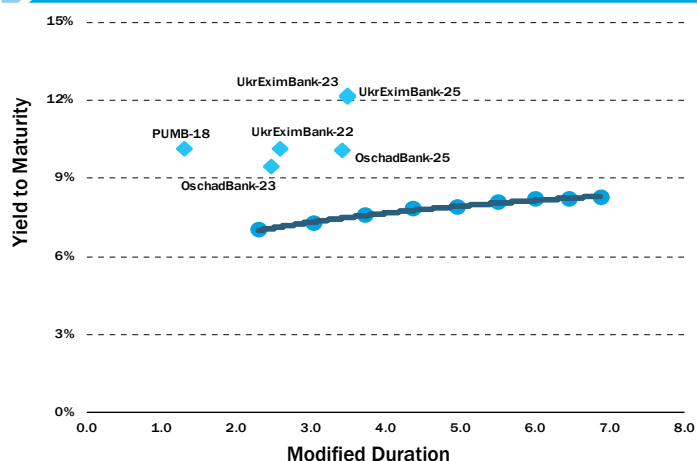
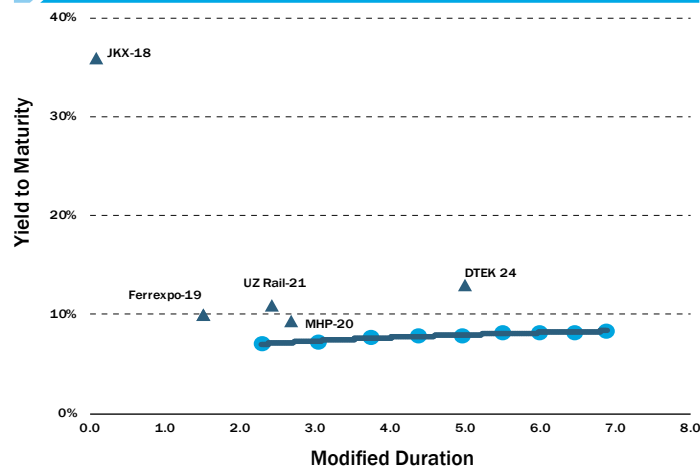
Source: Eavex Research

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 ¹
Sovereign Eurobonds											
Ukraine, 2019	100.8	101.8	7.4%	7.0%	0.2%	2.3	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	99.8	100.3	7.8%	7.7%	0.8%	3.0	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	99.0	100.0	8.0%	7.7%	1.5%	3.7	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	98.5	99.5	8.1%	7.9%	2.1%	4.4	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	98.0	99.0	8.1%	7.9%	2.7%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	97.0	98.0	8.3%	8.1%	2.6%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	96.3	97.3	8.4%	8.2%	2.9%	6.0	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	95.8	96.8	8.4%	8.2%	2.7%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	95.4	96.4	8.4%	8.3%	2.5%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	30.3	31.3	n/a	n/a	0.8%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.3	25.9	119.8%	77.5%	0.3%	1.6	6.00%	S/A	14 Jul 2019	18	//
MHP, 2020	96.9	97.8	9.4%	9.1%	0.8%	2.7	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	28.6	31.1	104.2%	96.9%	0.9%	1.1	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	25.0	29.0	186.9%	162.5%	-12.0%	0.6	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	6.0	8.0	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	6.0	8.0	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	87.5	88.5	n/a	n/a	n/a	n/a	10.375%	S/A	28 Mar 2018	160	Ca//C
Metinvest, 2016	93.0	94.6	n/a	n/a	1.5%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	93.2	94.8	n/a	n/a	5.3%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	93.2	94.6	n/a	n/a	1.5%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	102.4	103.3	9.2%	8.7%	2.1%	1.5	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	93.2	94.6	9.4%	8.8%	1.2%	1.5	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	96.0	97.3	11.0%	10.6%	1.3%	2.4	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	n/a	n/a	n/a	0.2	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	88.8	90.8	34.5%	32.1%	5.2%	0.1	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.0	2.1	n/a	n/a	3.1%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	99.4	102.3	11.3%	9.7%	-0.6%	1.3	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.4	1.5	n/a	n/a	-0.1%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	18.0	21.5	n/a	n/a	16.2%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	12.0	17.0	n/a	n/a	11.5%	1.2	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	16.8	20.0	n/a	n/a	38.0%	0.4	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	98.9	99.8	9.9%	9.7%	1.4%	2.6	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	83.3	85.4	12.3%	11.8%	2.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.4	97.4	12.3%	12.0%	2.0%	3.5	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	98.3	99.4	9.7%	9.5%	1.3%	2.5	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	96.2	97.4	10.3%	10.1%	2.4%	3.4	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	70.0	82.8	n/a	n/a	-0.5%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

¹ Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS

SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS


UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume UAH mn
UAH denominated Bonds									
UA4000142665			16.50%	16.00%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			16.90%	16.00%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.90%	16.00%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.90%	16.00%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

7 Klovisky uzviz, 16th Floor
Carnegie Center
Kyiv, 01021, Ukraine

Telephone: +38 044 590 5454
Facsimile: +38 044 590 5464
E-mail: office@eavex.com.ua
Web-page: www.eavex.com.ua

Yuriy Yakovenko
Chairman of the Board
yuriy.yakovenko@eavex.com.ua

SALES & TRADING
Pavel Korovitskiy
Managing Director
Equity and Fixed Income
p.korovitsky@eavex.com.ua

Alexander Klymchuk
Equity and Fixed Income
a.klymchuk@eavex.com.ua

Eugene Klymchuk
Fixed Income Sales and Trading
e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk
Equity Trading
s.shcherbaniuk@eavex.com.ua

RESEARCH
Dmitry Churin
Head of Research
d.churin@eavex.com.ua

Will Ritter
Research editor
w.ritter@eavex.com.ua