

Stock Market Update

Equity

Ukrainian Kyiv-listed equities saw subdued activity last week, pausing from an impressive rally that started immediately after the New Year. Most macroeconomic statistics released over the week were positive, including data showing a firm rise in industrial production in December. On the other hand, the attraction of foreign investment, which are badly needed to spur growth, has not improved much. Costs for Ukrainian business to get financing on international markets remains very high due to the overall risk perception of the country. The debut placement of 5-year Eurobonds by Warsaw-listed agro giant Kernel with coupon rate of 8.75% confirmed our concerns regarding high borrowing rates. Nevertheless, the widespread attention to Kernel's bond placement from global portfolio investors is an encouraging indication that Ukraine is becoming more interesting for foreign capital with the military situation in the Donbass occupied territories having been more or less frozen for the last 16 months.

The UX index inched down 0.4% to end at 860 points. In the most liquid index components, CentrErgo (CEEN) contracted by 0.3% to UAH 11.20 and UkrNafta (UNAF) retreated 2.3% to close at UAH 112 per share.

London-listed Ferrexpo (FXPO) advanced by 10% to GBP 143, putting the stock near its 3-year high. In Warsaw trading, Kernel (KER) surged 8.8% to PLN 80.00 as the company's announced expansion strategy using its new borrowing proceeds should lead to higher earnings. Lugansk-based crop grower Agroton (AGT) continued to build on its impressive recovery story, adding 2.7% to PLN 6.40 per share and building a foundation for its next possible jump in case the company can impress with its 2H16 profits.

Highlights

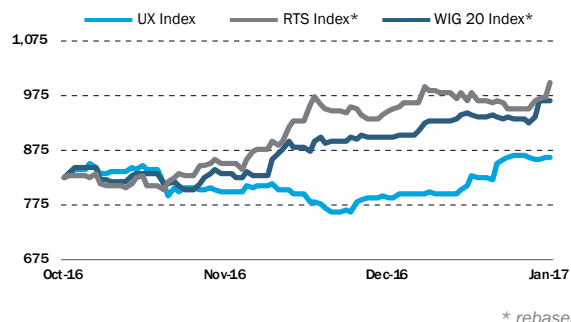
POLITICS AND ECONOMICS

- Kremlin Plays Up Trump-Putin Talks: "Ukraine Crisis" Discussed
- Industrial Output Posts 2.4% Rebound in FY16 after 13% Drop in 2015

STOCKS IN THE NEWS

- Kernel Debuts With USD 500mn 5-Year Bonds at 8.75%
- MHP's FY16 Sales Volume Up 7% YoY to 575,000 T; 4Q Volume Down 14% QoQ

STOCK MARKET PERFORMANCE

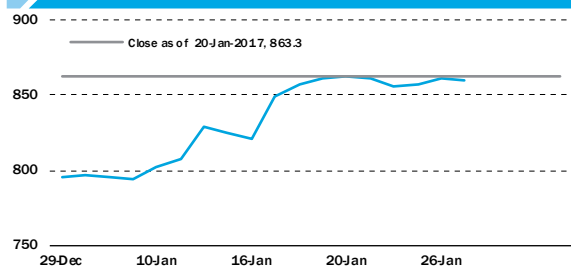


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	859.9	-0.4%	9.2%	8.1%
RTS	1195.6	5.0%	5.3%	3.8%
WIG20	2084.1	3.9%	7.6%	7.0%
MSCI EM	915.9	2.5%	8.4%	6.2%
S&P 500	2294.7	1.0%	1.1%	2.5%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	348	-1.2%	-3.0%	-4.6%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.6%	-0.8 p.p.	-1.1 p.p.	0.3 p.p.
Ukraine-27	8.5%	0.0 p.p.	-0.2 p.p.	-0.1 p.p.
MHP-20	8.7%	-0.4 p.p.	-0.9 p.p.	-0.8 p.p.
UZ Rail-21	10.6%	-0.3 p.p.	-1.2 p.p.	-1.1 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.19	-0.7%	2.1%	-0.4%
EUR	29.08	-0.9%	4.3%	2.8%
RUB	0.45	-1.0%	3.6%	3.1%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	173.5	0.3%	0.3%	0.3%
Steel, USD/t	489.0	-0.2%	-1.2%	-1.2%
Oil, USD/bbl	55.5	0.1%	-2.3%	-2.3%
Gold, USD/oz	1191.3	-1.6%	4.6%	3.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Kremlin Plays Up Trump-Putin Talks: "Ukraine Crisis" Discussed

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NEWS

Few specific details emerged after an hour-long discussion between new US President Trump and Russian President Putin on Saturday (Jan 28). A White House press release said it was a "positive call" and "a significant start to improving the relationship between the United States and Russia that is in need of repair." A White House photograph was released showing Trump, his Chief of Staff Reince Priebus, Strategy Advisor Stephen Bannon, National Security Advisor Michael Flynn, and Vice President Michael Pence during the call. These individuals, along with Trump's son-in-law Jared Kushner, are viewed as the most important members of the new US administration. Meanwhile, a Kremlin statement on the call said the "Ukraine Crisis" was discussed, and that "the sides stressed the importance of rebuilding mutually beneficial trade and economic ties between the two countries' business communities", strongly implying that Trump had put the idea of removing the Ukraine-related economic sanctions against Moscow on the table.

COMMENTARY

The conventional wisdom is that Bannon and Flynn have a Russia-friendly foreign policy worldview, while Priebus and Pence hold a more traditional Republican party "Russia hawk" outlook. We expect the battle lines to be drawn within the administration for influence over Trump in the coming weeks. The Kremlin reaction to Saturday's call shows that the Putin regime will try to frame itself as a friendly ally of Trump against both the Democratic and Republican party establishments. However, we believe this is a dangerous game for Trump to be drawn into, as the two major parties can easily remove him from office via impeachment if they decide to work together (a big if). Republican Senate majority leader Mitch McConnell fired a warning shot at Trump on Saturday, bluntly calling on him not to remove the sanctions on Russia related to its aggressive behavior in Ukraine until such behavior has ceased. We think the Kremlin will try to convince the Trump administration's Russia-friendly camp to do a geopolitical deal that foresees the division of Ukraine into various sub-regions via "federalization". Such a deal would, according to Russian ambitions, codify Eastern and Central Ukraine as being part of Russia's "sphere of influence" in exchange for creating a US-Russia alliance against China and Islamic extremists. However, thanks to robust support for Ukraine in the US Congress, this might be a stretch for Moscow to achieve, and Putin may instead have to settle for an eventual lifting of economic sanctions, a silent recognition of Crimea as Russian territory, and a permanent "freezing" of the Donbass conflict rather than a reintegration of the occupied provinces into a "federalized" Ukraine.

Industrial Output Posts 2.4% Rebound in FY16 after 13% Drop in 2015

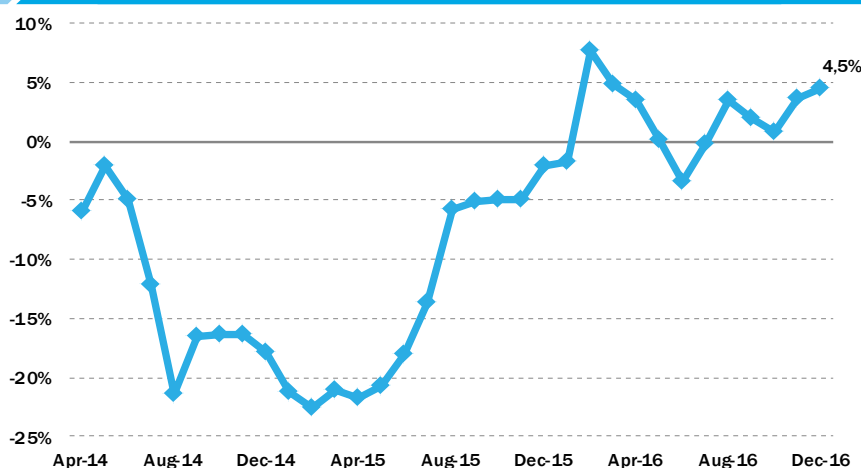
by Dmitry Churin
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NEWS

The State Statistics Committee (UkrStat) reported that Ukraine’s industrial output recovered by 2.4% YoY in full-year 2016 after the drop of 13% YoY registered back in 2015, according to data released on Jan 23. The manufacturing sector demonstrated an increase of 3.5% YoY and the utility sector saw output rise by 2.6% YoY, while the extraction sector’s output contracted by 0.3% YoY in the period.

In a separate report, UkrStat said that retail sales increased by 4.0% YoY in full-year 2016 after a 19.8% YoY decline in FY15. Ukraine’s overall agricultural production increased by 6.1% YoY in 2016 after a 4.8% YoY decline in 2015. In the construction sector, output rose 13.1% YoY in the reporting period compared to a contraction by 12.3% YoY in 2015.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

The official FY16 figure for industrial production growth of 2.4% YoY is in line with our initial forecast last January of a 2.5% rise for the year. This looks like a fairly impressive rebound given the massive war-related slumps of 2014 and 2015, assuming that UkrStat’s complicated indexing formula can be taken as an accurate measure of the real situation in Ukrainian industry. If we look at industrial production in a group-wide breakdown, there was a 3.9% YoY increase in consumer goods production, while in durable goods production there was still a decline of 1.4% YoY in 2016. For 2017, we forecast an increase in Ukrainian industrial output by 3.2% YoY on the back of further recovery of the extraction sector and rising output in the all-important steel sector.

Kernel Debuts With USD 500mn 5-Year Bonds at 8.75%

by Dmitry Churin
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KERNEL (KER PW)

Price: PLN 80.00 Market Cap: USD 1,574mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016FY	1.6	1.0	7.0	5.5	1.3%
2017FY	1.5	0.9	5.6	5.0	1.3%

NEWS

Kyiv-based, Warsaw-listed sunflower oil giant and crop grower Kernel Holding issued its first-ever Eurobonds on Jan 25, a 5-year note totaling USD 500mn with a coupon of 8.75%, the company announced. The maturity date for the bonds is 31 Jan 2022. Kernel's bonds are expected to be rated at B+ by Fitch and at B by S&P, two and one notches above Ukrainian sovereigns respectively, the company said.

COMMENTARY

The bond placement should be viewed as a successful one, as the order book was over USD 2.0bn, which helped Kernel to achieve a lower yield for the issue compared to initial guidance of 9.25- 9.50%. Although Kernel's management is clearly taking considerable satisfaction from being rated above the Ukrainian sovereign, the bond nonetheless yields around 50 bps above the comparable Ukraine-22 issue. Kernel's 50 spread makes it Ukraine's lowest-yielding corporate bond, displacing poultry giant MHP, whose 2020 Eurobonds have a 70 bps spread to the sovereigns.

During a road show for the bonds, Kernel's management said that the proceeds will be used to finance business expansion. The company plans to increase its oilseed crushing capacity by 1.0mn by acquiring competitors in Ukraine with cash of up to USD 200mn. Also, Kernel intends to expand its land bank by 200,000 ha by spending up to USD 150mn. The assets of troubled Mriya Agro Holding were named as a potential target for the land bank acquisition. Kernel estimated its total 3-year CapEx program at USD 470mn, including USD 120mn in its Illichevsk seaport.

We think the new debt load looks manageable for Kernel, as the market situation for the company's grain trading and sunflower oil businesses improved throughout 2016.

Kernel's net debt, which traditionally sees high seasonal variations due to the use of credit line financing, amounted to USD 326mn as of 30 Sept 2016, implying a Net Debt/EBITDA ratio of just 0.9x. The company's total assets were at USD 1.65bn as of 30 Sept 2016.

MHP's FY16 Sales Volume Up 7% YoY to 575,000 T; 4Q Volume Down 14% QoQ

by Dmitry Churin
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MHP (MHPC LI)

Price: USD 8.90 Market Cap: USD 940mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016E	1.3	1.8	7.2	5.2	4.3%
2017E	1.2	1.5	5.5	4.3	4.3%

NEWS

London-listed poultry producer Myronivsky HliboProduct (MHP) reported that its poultry sales volume rose by 7% YoY to 575,740 tonnes in full-year 2016, according to the company's operational update issued on Jan 26. On the production side, MHP increased poultry production by 6% YoY to 601,240 tonnes for the full year. In 4Q16 alone, output grew by 8% YoY to 158,240 tonnes. The company's sunflower oil segment demonstrated a 19% YoY increase in sales to 342,240 tonnes in 2016, with all of the sales being exports. The grain segment showed a total harvest of 2.37mn tonnes of crops, which was 25% more than in FY15. MHP operates a land bank of 335,000 hectares in Ukraine.

MHP OPERATIONAL UPDATE

Poultry	4Q16	4Q15	Change	2016	2015	Change
Sales volume, tonnes	142,580	129,610	+10%	575,740	537,290	+7%
Price per 1 kg net VAT	32.99	29.70	+11%	30.54	27.77	+11%

Source: Companies' data

COMMENTARY

Although MHP said its production facilities continued to operate at full capacity in the recently-completed quarter, the company reported a decline of 14% QoQ in its 4Q16 poultry sales volume. This fact is somewhat disappointing, as we assume that this will result in a corresponding drop in revenue for 4Q. We suppose that the main issue with the sales volume was the European Union's suspension of poultry imports from Ukraine at the end of last year. At the time, it was difficult to estimate the effect of the ban on MHP's operations, and we assumed it would be less damaging. However, the overall exports figures for FY16 were encouraging, as the company managed to boost export sales volume by 47% YoY to 193,700 tonnes. Looking at MHP's reported achieved poultry pricing, we must point out that its growth has lagged the pace of the hryvnia's devaluation. This implies that the company's sales converted into USD/EUR will not reflect the increase in sales volumes and will come in roughly flat in a year-on-year comparison. MHP said it will release its 4Q16 financial results on Mar 15. The MHPC stock, which is rather illiquid, has been hovering near the USD 9 level since the start of the year with little movement, and in fact has only moved outside the 8.50-9.50 corridor on a couple of occasions in the last 10 months.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	80.0	80.0	0%	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	8.9	18.0	102%	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	62.9	70.0	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.
Agroton	AGT PW	6.39	12.0	88%	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	9.3	13.0	40%	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	-19%	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	89.0	117.7	32%	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	143.2	150.0	5%	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	1963	5250	167%	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	4.5	15.0	231%	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	29.0	37.0	28%	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						
DonbasEnergO	DOEN	12.3	9.0	-27%	SELL	The Donetsk separatist government has nationalized DonbasEnergO's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnergO	CEEN	11.19	15.00	34%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.142	0.24	69%	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	859.91	870.09	525.66	-0.4%	9.2%	2.5%	8.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.014	0.004	0.0%	5.7%	15.0%	12.2%	0.4%	-3.5%	12.5%	4.1%
Coke												
Yasynivsky Coking	YASK	0.150	0.270	0.100	-44.4%	-44.4%	-25.0%	-44.4%	-44.1%	-53.7%	-27.5%	-52.5%
Iron Ore Mining												
Ferrexpo	FXPO	143.20	151.00	17.00	10.1%	6.5%	37.7%	6.5%	2.3%	10.5%	-2.8%	-1.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.53	n/a	n/a	3.6%	9.5%	6.5%	8.3%	4.0%	0.3%	4.0%	0.2%
Specialized Machinery												
Motor Sich	MSICH	1963	2130	934	0.2%	6.7%	2.0%	5.7%	0.6%	-2.5%	-0.5%	-2.4%
Turboatom	TATM	10.38	12.25	5.00	-1.5%	13.8%	8.1%	11.0%	-1.1%	4.6%	5.6%	3.0%
Telecom												
Ukrtelecom	UTLM	0.145	n/a	n/a	-12.1%	11.4%	-7.6%	-12.1%	-11.7%	2.1%	-10.1%	-20.2%
Oil & Gas												
Regal Petroleum	RPT	4.53	5.50	1.75	-9.5%	29.8%	21.2%	21.2%	0.1%	-9.1%	20.6%	13.1%
JKX Oil	JKX	29.00	31.75	16.00	1.8%	-4.9%	68.1%	-4.1%	0.1%	2.1%	-14.1%	-12.2%
Ukrnafta	UNAF	112.0	160.0	70.5	-2.3%	9.7%	-8.3%	8.5%	-1.9%	0.5%	-10.8%	0.5%
Power Utilities												
Centrenergy	CEEN	11.19	11.47	4.21	-0.3%	8.4%	1.8%	8.1%	0.1%	-0.8%	-0.7%	0.1%
Donbasenergy	DOEN	12.25	16.47	9.04	-0.5%	16.3%	0.7%	16.6%	-0.1%	7.1%	-1.7%	8.5%
Zakhidenergy	ZAEN	66.20	n/a	n/a	0.0%	5.9%	10.3%	5.9%	0.4%	-3.3%	7.9%	-2.1%
Consumer												
Agroton	AGT	6.39	6.55	0.80	2.7%	72.7%	139.3%	57.8%	-1.0%	3.1%	63.5%	49.7%
Astarta	AST	62.90	64.45	28.02	-0.9%	19.1%	18.0%	16.4%	0.8%	-0.5%	9.9%	8.3%
Avangardo	AVGR	0.37	1.45	0.26	5.7%	-17.8%	-24.5%	5.7%	0.1%	6.1%	-27.0%	-2.3%
Industrial Milk Company	IMC	9.29	9.42	5.87	-1.4%	9.9%	30.1%	15.4%	5.7%	-1.0%	0.7%	7.4%
Kernel	KER	79.99	79.99	43.53	8.8%	27.0%	29.2%	25.3%	4.3%	9.2%	17.8%	17.2%
MHPC	MHPC	8.90	10.10	7.10	-1.1%	2.1%	-8.2%	1.3%	0.0%	-0.7%	-7.2%	-6.8%
Milkiland	MLK	2.80	2.80	1.15	3.7%	42.9%	55.6%	40.0%	1.2%	4.1%	33.6%	31.9%
Ovostar Union	OVO	89.00	98.50	84.00	2.5%	4.1%	-2.2%	2.9%	2.5%	2.9%	-5.1%	-5.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.142	0.144	0.059	0.3%	11.2%	13.2%	7.7%	0.7%	2.0%	10.7%	-0.3%

Source: Bloomberg
* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		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	1	6	-37.1%	0.9%	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	697	650	676	237	179	151	33.9%	27.5%	22.3%	168	89	74	24.2%	13.8%	10.9%
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																
Centrenergy	CEEN	315	340	391	13	37	40	4.2%	11.0%	10.2%	3	20	26	1.0%	5.9%	6.6%
Donbasenergo	DOEN	190	168	147	-12	6	5	-6.5%	3.5%	3.3%	-9	2	1	-4.6%	1.2%	1.0%
Consumer																
MHP	MHPC	1,183	1,200	1,420	459	404	490	38.8%	33.6%	34.5%	-126	130	170	-10.6%	10.8%	12.0%
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	359	144	159	171	41.4%	49.1%	47.6%	18	104	115	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	76	84	90	35	40	43	46.0%	47.7%	48.2%	32	35	37	42.3%	41.8%	41.1%
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	1,058	24.0%	254	1,808	>30	5.9	4.4	5.8	6.0	4.5	1.9	1.9	1.5
Railcar Manufacturing														
Krukiv Wagon	KVBZ	40	5.0%	2	35	neg	neg	21.7	neg	>30	5.7	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	149	24.0%	36	100	0.9	1.7	2.0	0.4	0.6	0.7	0.1	0.2	0.1
Oil & Gas														
Ukrnafta	UNAF	222	3.0%	7	212	neg	7.1	3.0	neg	1.9	1.4	0.2	0.2	0.2
Regal Petroleum	RPT	18	21.6%	4	-1	neg	n/a	18.2	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	62	50.4%	31	171	neg	neg	20.8	10.1	5.9	5.0	1.9	2.1	1.8
Electric Utilities														
CentrEnergO	CEEN	151	21.7%	33	118	>30	7.6	5.9	9.1	3.2	3.0	0.4	0.3	0.3
DonbasEnergO	DOEN	11	14.2%	2	24	neg	5.4	7.2	neg	4.1	5.0	0.1	0.1	0.2
Consumer														
MHP	MHPC	940	34.1%	321	2,100	neg	7.2	5.5	4.6	5.2	4.3	1.8	1.8	1.5
Kernel	KER	1,573	61.8%	972	1,899	15.6	7.0	5.6	4.8	5.5	5.0	0.8	1.0	0.9
Astarta	AST	388	37.0%	144	547	21.9	3.7	3.4	3.8	3.4	3.2	1.6	1.7	1.5
Avangardco	AVGR	24	22.5%	5	358	neg	neg	4.7	neg	neg	13.2	1.6	2.1	2.0
Ovostar	OVO	132	25.0%	33	137	4.1	3.7	3.6	3.9	3.4	3.2	1.8	1.6	1.5
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	319	1.8%	6		neg	2.7	2.5	1.2	1.0	0.9	0.16	0.16	0.17

Source: Eavex Research

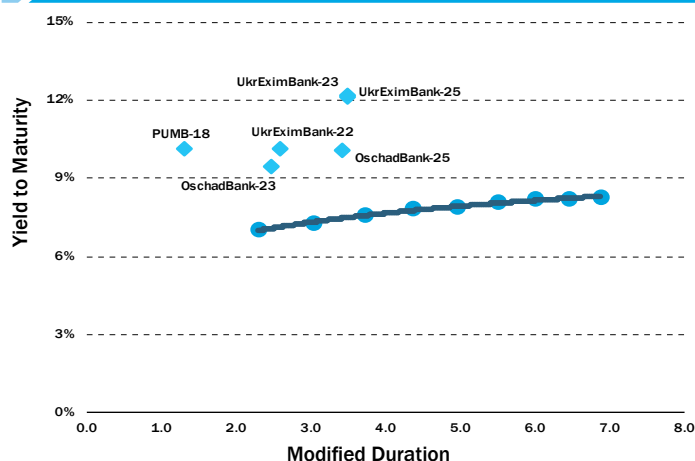
UKRAINIAN EUROBONDS

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	99.9	100.9	7.8%	7.4%	-0.6%	2.2	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	98.5	99.0	8.2%	8.1%	-0.5%	3.0	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	97.6	98.6	8.4%	8.1%	0.1%	3.7	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	96.9	97.9	8.5%	8.2%	0.4%	4.3	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	96.1	97.1	8.5%	8.3%	0.8%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	94.6	95.6	8.7%	8.5%	0.1%	5.4	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	93.9	94.9	8.8%	8.6%	0.4%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	93.6	94.6	8.7%	8.6%	0.4%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	94.0	95.0	8.6%	8.5%	1.1%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	29.9	30.9	n/a	n/a	-0.4%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.1	25.9	123.0%	78.9%	0.0%	1.5	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	100.7	101.1	8.6%	8.5%	0.9%	4.0	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	98.4	99.3	8.8%	8.5%	2.3%	2.7	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	29.0	34.0	105.2%	90.9%	6.5%	1.1	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	25.0	32.0	189.5%	149.0%	-7.1%	0.6	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	7.0	9.0	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	7.0	9.0	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	94.3	95.8	11.8%	11.5%	5.9%	5.7	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2016	97.4	98.7	n/a	n/a	6.1%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	97.4	98.8	n/a	n/a	9.9%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	97.4	98.7	n/a	n/a	6.0%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	104.2	105.4	8.2%	7.7%	4.0%	1.5	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	97.4	98.7	8.2%	7.6%	3.6%	1.5	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	97.6	98.8	10.5%	10.2%	2.9%	2.4	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	n/a	n/a	n/a	0.1	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	93.6	95.6	29.4%	27.1%	11.0%	0.0	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	100.2	102.2	10.9%	9.7%	-0.3%	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	26.0	29.5	n/a	n/a	63.2%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	15.0	20.0	n/a	n/a	34.6%	1.3	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	25.5	28.1	n/a	n/a	101.4%	0.5	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	99.0	99.8	9.9%	9.7%	1.4%	2.5	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	84.1	86.1	12.1%	11.6%	3.1%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.6	97.4	12.3%	12.0%	2.1%	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	98.5	99.3	9.7%	9.5%	1.4%	2.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	96.6	97.6	10.3%	10.1%	2.7%	3.4	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	70.0	81.0	n/a	n/a	-1.6%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

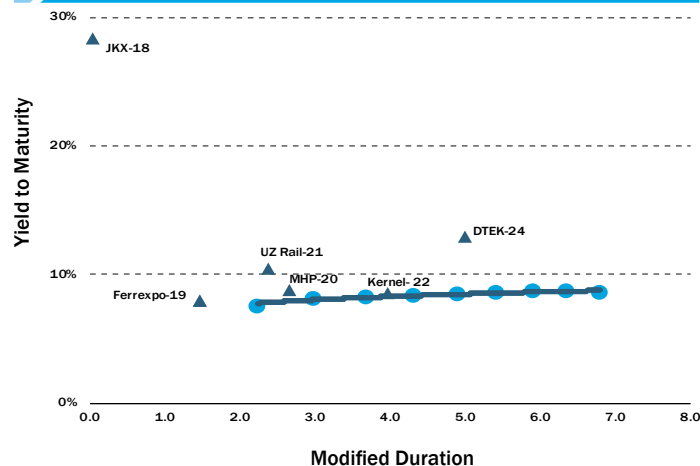
¹ Moody's/S&P/Fitch

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			16.50%	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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