

Stock Market Update

Equity

Ukrainian equities listed in Kyiv finished mixed last week as local news flow was dominated by a possible energy crisis in the country. A coal supply blockade from the Donbass by rogue nationalists has created risks for thermal power plants. CentrEnergO's CEO Oleg Kozemko said that the company has already switched into a fuel saving mode at its Tripilska plant in Kyiv province. CentrEnergO's (CEEN) stock edged down by 1.4% to UAH 11.10 per share. The railroad blockade could cause even broader negative impact for Ukraine's economy if it leads to a breakup of production links with metallurgical plants located on the Donbass separatist-occupied territories. The government has not provided a persuasive answer on how the country can avoid potential blackouts. However, the situation looks like it may be a form of political extortion by right-wing populist parties. Meanwhile, Prime Minister Volodymyr Groysman once again told the media that negotiations with the IMF are in the final stage regarding the disbursement of a USD 1.0bn loan installment in the coming weeks.

The UX index rose as high as 950 at mid-week before finishing at 920 points on Friday, a gain of 2.0% for the week. Motor Sich (MSICH) was the brightest spot among blue chips, advancing 4.6% to UAH 2150 after news that the company is close to receiving a large order from China. DonbasEnergO (DOEN) slumped 6.1% to UAH 12.85 due to the coal blockade problem.

London-listed Ferrexpo (FXPO) continue to impress, rising 4.5% to GBP 170 per share. In Warsaw trading, Kernel (KER) slipped 1.8% to PLN 77.50 as investors wait for news on how the company will spend its USD 500mn Eurobond proceeds. Crop grower Agroton (AGT) remained wildly volatile, falling 7.0% on profit-taking to close at PLN 6.65.

On the currency front, the NBU intervened to prevent the hryvnia from gaining too strongly against the dollar, keeping the rate above the 27 UAH/USD level. The hryvnia strengthened by 1.0% to 27.05 UAH/USD over the week.

Highlights

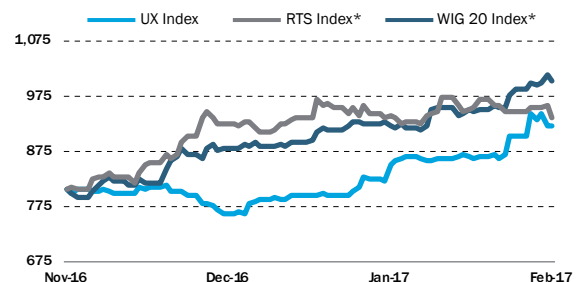
POLITICS AND ECONOMICS

- > G7 Calls for End to Donbass Coal Blockade by Rogue Nationalists
- > Gov't Ramps Up Nuclear Output Amid Coal Blockade
- > UkrStat: Full-Year GDP Growth Was 2.2% in 2016

STOCKS IN THE NEWS

- > Motor Sich Seeking Contract with Chinese-Russian Helicopter Venture

STOCK MARKET PERFORMANCE

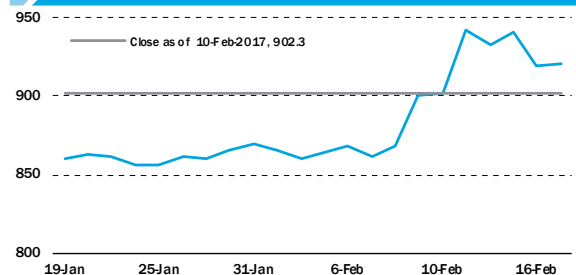


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	920.8	2.0%	8.5%	15.7%
RTS	1152.2	-1.0%	-0.4%	0.0%
WIG20	2188.3	1.6%	8.6%	12.3%
MSCI EM	939.0	1.0%	4.9%	8.9%
S&P 500	2351.2	1.5%	3.7%	5.0%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	340	1.1%	-3.6%	-6.9%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.5%	-0.9 p.p.	-0.6 p.p.	0.2 p.p.
Ukraine-27	8.5%	0.0 p.p.	0.1 p.p.	-0.2 p.p.
MHP-20	7.7%	-0.4 p.p.	-1.4 p.p.	-1.8 p.p.
UZ Rail-21	10.5%	-0.1 p.p.	-0.7 p.p.	-1.2 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.09	-0.5%	-1.9%	-0.8%
EUR	28.82	-0.3%	-2.6%	1.9%
RUB	0.46	-0.7%	-0.4%	5.2%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	176.0	0.0%	1.7%	1.7%
Steel, USD/t	475.0	2.7%	-3.1%	-4.0%
Oil, USD/bbl	55.8	-1.6%	-0.2%	-1.8%
Gold, USD/oz	1235.0	0.1%	1.5%	7.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

G7 Calls for End to Donbass Coal Blockade by Rogue Nationalists

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

NEWS

It was an active week in both external and domestic Ukrainian politics, with an unauthorized paramilitary blockade of coal supplies from the Donbass forcing the Cabinet to declare a national energy emergency, President Poroshenko attending the Euro-Atlantic-focused Munich Security Conference, and a new ceasefire in the Donbass brokered after a meeting of the so-called Normandy Four foreign ministers. The blockade of the main railway line leading into Ukraine-controlled territory from the separatist territory is being led by hardline nationalist MPs and paramilitary “volunteer” soldiers. Poroshenko launched a public relations offensive against the blockade, which he said could cause electricity blackouts all over Ukraine severely curtail export earnings from the metallurgy sector, putting jobs at risk on both sides of the de-facto Donbass border. A meeting of the G7 at the foreign minister level explicitly called for an end to the Donbass coal blockade, citing its destabilizing influence on Ukraine’s national economy. In Munich, Poroshenko met with new US Vice President Michael Pence and other Western political leaders, and apparently left reassured the Kyiv still enjoys significant support from the US and the major EU democracies. Pence is viewed as a counterweight to the Russia-friendly leanings of President Donald Trump. Additionally, a surprising story emerged in the New York Times about a secret Donbass peace proposal submitted to the Trump administration by a previously little-known MP from the populist Radical Party, Andriy Artemenko, who the Times reported has extensive US real estate holdings. The proposal appeared to be a Russian-sponsored attempt to undermine the Poroshenko government, and was submitted to top administration security official Michael Flynn shortly before the latter was fired last week for lying about his communications with the Russian ambassador to Washington.

COMMENTARY

The Donbass coal blockade is the clearest indication yet that a small minority of self-interested radicals with zero regard for Ukraine’s democracy and Western aspirations is trying to undermine the Kyiv governing structure led by Poroshenko. Denying energy supplies to ordinary Ukrainians can only be viewed as crude form of blackmail. The blockade leader, Samopomich party MP Semen Semenchenko, is a widely-distrusted figure in Western capitals who last year inserted himself into the Kriviy Rih mayoral re-run and embarrassed his party by winning only 11% of the vote against 74% for winner Yuriy Vilkul. Indeed, the short-term goals of the radicals align with the goal of the Kremlin to ultimately see a friendly client government set up in Kyiv. However, as there is no direct path to installing such a government, Moscow first needs Ukraine’s own radicals and/or political opposition to do the “dirty work” of forcing Poroshenko from office. The Kremlin clearly understands that an incompetent, nationalist-populist government deprived of Western financing would not last for long, and that the situation in the country would quickly deteriorate to the point that the US and EU would have to agree to cede most of Ukraine (except for the far west) to a renewed “Russian sphere of influence”. Of course, the coal blockade could also be doubling as an act of simple extortion, with armed groups attempting to exploit the muddled security situation “get a piece of the action” on the cross-border coal and metallurgy trade. Since three major stakeholders – the elected Ukrainian government, the Metinvest metallurgy conglomerate, and the separatist authorities – all have an interest in keeping the trade flowing, we expect some kind of deal to be reached in fairly short order.

Gov't Ramps Up Nuclear Output Amid Coal Blockade

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

NEWS

The Cabinet of Ministers introduced a special regime for the country's energy sector, declaring a temporary state of emergency amid a blockade of coal supplies from the DNR/LNR separatist territories by rogue Ukrainian nationalist paramilitaries in Eastern Ukraine. The emergency measures entail a manual balancing of electricity production and consumption in 7 provinces in Eastern and Central Ukraine, said a government statement. The share of nuclear energy will be increased from 55% to 62% of total electricity produced in the country to minimize the operations of thermal power plants, which burn anthracite coal. UkrEnergo, the state-owned electricity distributor, estimates that the country's anthracite coal stock has dropped to 840,000 tonnes, a level that covers just 40 days of thermal power plant operations. State railway operator UkrZalizniytza said that 240,000 tonnes of anthracite coal has been prevented from reaching power stations since the start of the blockade in late January. Ukraine's anthracite coal, which powers the thermal plants, is supplied entirely from the occupied Donbass territories. The Ukrainian government has launched an investigation into the interruption of the supplies.

COMMENTARY

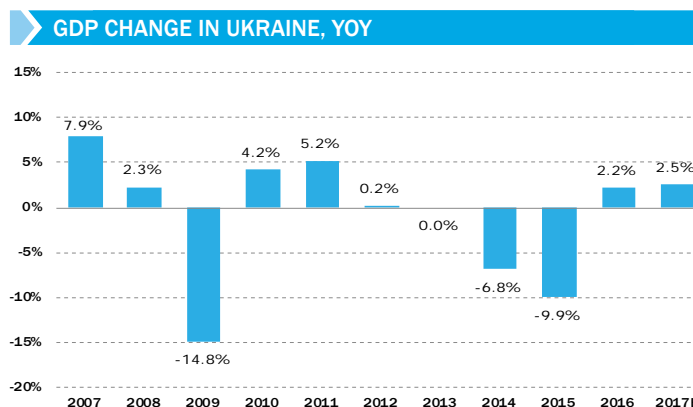
Setting aside the political ramifications of the issue, the blockade has raised economic questions regarding the transparency of coal supplies in terms of what price was paid for coal, as well as who the money is actually paid to and whether the deals might involve kickbacks to Ukrainian MPs and/or government figures. The risk of blackouts during peak hours of electricity use in several provinces has become a widely discussed topic, prompting another surge of populist threats from opposition groups. In the medium term, Ukraine can only stop purchasing anthracite coal produced on occupied territories by developing projects to replace anthracite as a fuel for thermal power units, as further increasing the nuclear load is not desirable. At this point we do not see a critical threat from the coal blockade, as the winter is almost over and a political deal seems likely, but the situation will certainly be negative for the economic if it remains without resolution.

UkrStat: Full-Year GDP Growth Was 2.2% in 2016

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

NEWS

The Ukrainian economy grew by 2.2% YoY last year after contraction by 9.9% YoY in 2015, according to the government's report for 2016 published on Feb 15. The official data for 4Q16 said that GDP rose by 4.7% YoY and 1.9% QoQ in the period. For 3Q16, growth was 1.8% YoY, for 2Q16 it was 1.4% YoY, in 1Q16 it was 0.1% YoY.



Source: State Statistics Committee, Eavex Research

COMMENTARY

The GDP growth for full-year 2016 exceeded our initial forecast of 0.7% as the Ukrainian economy demonstrated a notable, though probably anomalous, acceleration in the fourth quarter. We attribute the better than expected growth figure for 4Q to a record high grain harvest in the country and also to an improvement in overall consumer confidence. Earlier this year, UkrStat reported that the agro sector's total output increased by 6.1% YoY in 2016 and that retail sales rose by 4.0% YoY in the period. We forecast that Ukraine's economy will grow by 2.5% YoY in 2017 on the back of rising business activity and a favorable market situation for the country's key export goods. On the flip side, it is hard to realistically expect that Ukraine's economy can deliver growth above 3% this year, as the low level of foreign direct investment and anemic bank lending will restrain real sector expansion.

Motor Sich Seeking Contract with Chinese-Russian Helicopter Venture

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

MOTOR SICH (MSICH UK)

Price: UAH 2,150 Market Cap: USD 165mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016E	0.3	0.2	1.8	0.7	1.5%
2017E	0.2	0.2	2.2	0.8	1.4%

NEWS

Zaporizhia-based aircraft engine producer Motor Sich is closing in on a solid contract with Chinese company Avicopter (AVIC) to supply helicopter engines for a Russian-Chinese project, according to a Russian business journal Kommersant article published on Feb 13. It was reported that the joint development of Russian Helicopters and AVIC called Advanced Heavy Lift (AHL) will be similar in functionality to the heavy military-transport helicopter Mi-26, but more oriented toward commercial use. The helicopter will be lightened as compared with the Mi-26 (38 tonnes take-off weight vs. 56 tonnes), with capacity of 10 tonnes for the carriage compartment and 15 tonnes on the external sling. Although discussions of the AHL project have been in place since 2008, Moscow and Beijing still are in process of signing the contract. The project gained top government-level approval back in mid-2015.

COMMENTARY

The extended crisis in the relationship between Kyiv and Moscow has prevented Motor Sich from directly participating in this and other Russia-related projects. The company, based in Russian-speaking southeast Ukraine, has long been at odds with Kyiv's official policy banning cooperation with the Russian military-industrial complex. It appears that Motor Sich is making an end-around via the Chinese side, which will act as the buyer the AHL engines, and the appearance of this news in Russian media implies that the deal has the blessing of the Kremlin. Motor Sich did not provide the scale of the project, but we estimate that the market for the AHL helicopter will be 200 units by 2020. The order could bring roughly USD 800mn to Motor Sich's top line in the next 4 years. We view the news as POSITIVE for the MSICH stock. Our target price for the issue is UAH 5250, which represents 140% upside. The company currently trades at P/E of just 2.0x, which is around half of the long-term historical multiple for the MSICH stock.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	77.5	80.0	3%	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	14.0	56%	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	60.5	70.0	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.
Agroton	AGT PW	6.65	12.0	80%	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	9.0	13.0	45%	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	0.3	-39%	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	92.0	110.0	20%	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	171.4	150.0	-12%	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	2151	5250	144%	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						
UkrNafta	UNAF	120	270	125%	BUY	UNAF stock has been in a local upward trend since December after Parliament cut the production tax for oil for 2017.
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	30.5	37.0	21%	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	12.9	9.0	-30%	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	11.13	15.00	35%	BUY	CenterEnergO'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	0.160	0.24	50%	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	920.79	956.85	525.66	2.0%	8.5%	14.3%	15.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.013	0.004	2.3%	0.0%	4.7%	9.8%	0.2%	-8.5%	-9.7%	-5.9%
Coke												
Yasynivsky Coking	YASK	0.160	0.270	0.100	23.1%	-40.7%	-30.4%	-40.7%	21.0%	-49.2%	-44.8%	-56.4%
Iron Ore Mining												
Ferrexpo	FXPO	171.40	175.60	20.50	4.5%	37.1%	52.4%	27.4%	-1.5%	2.5%	28.6%	11.7%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.15	n/a	n/a	-7.7%	9.7%	18.0%	15.3%	-9.8%	1.2%	3.7%	-0.4%
Specialized Machinery												
Motor Sich	MSICH	2151	2185	934	4.6%	8.2%	15.0%	15.8%	2.6%	-0.3%	0.6%	0.1%
Turboatom	TATM	10.67	12.25	5.30	2.6%	4.8%	23.2%	14.1%	0.5%	-3.7%	8.9%	-1.6%
Telecom												
Ukrtelecom	UTLM	0.125	n/a	n/a	-10.6%	-24.1%	-16.6%	-24.1%	-12.6%	-32.6%	-30.9%	-39.8%
Oil & Gas												
Regal Petroleum	RPT	4.53	5.50	1.75	0.0%	19.2%	20.3%	21.2%	-0.2%	-2.0%	10.7%	5.5%
JKX Oil	JKX	30.50	33.50	16.00	4.3%	7.0%	82.1%	0.8%	-0.2%	2.2%	-1.5%	-14.9%
Ukrnafta	UNAF	120.1	153.0	70.5	0.9%	4.8%	8.7%	16.4%	-1.1%	-3.7%	-5.7%	0.7%
Power Utilities												
Centrenergy	CEEN	11.13	11.58	4.43	-1.4%	4.5%	5.0%	7.6%	-3.5%	-3.9%	-9.3%	-8.1%
Donbasenergy	DOEN	12.85	16.47	9.04	-6.1%	8.3%	21.2%	22.3%	-8.2%	-0.1%	6.9%	6.6%
Zakhidenergy	ZAEN	67.00	n/a	n/a	11.7%	5.5%	13.6%	7.2%	9.6%	-3.0%	-0.8%	-8.5%
Consumer												
Agroton	AGT	6.65	7.15	0.95	-7.0%	9.2%	122.4%	64.2%	2.6%	-9.0%	0.7%	48.5%
Astarta	AST	60.50	64.45	29.00	-1.8%	-5.4%	16.8%	11.9%	-1.0%	-3.9%	-13.9%	-3.8%
Avangardo	AVGR	0.49	1.45	0.26	4.3%	40.0%	4.3%	40.0%	-0.2%	2.2%	31.5%	24.3%
Industrial Milk Company	IMC	8.99	9.42	6.05	0.4%	-1.5%	26.6%	11.7%	-0.9%	-1.6%	-10.0%	-4.0%
Kernel	KER	77.50	79.99	48.00	-1.8%	4.7%	28.7%	21.4%	-1.9%	-3.9%	-3.8%	5.7%
MHPC	MHPC	9.00	10.10	7.60	1.1%	-0.6%	1.6%	2.4%	-0.2%	-0.9%	-9.0%	-13.3%
Milkiland	MLK	2.58	2.80	1.26	-0.8%	3.6%	44.1%	29.0%	2.6%	-2.8%	-4.9%	13.3%
Ovostar Union	OVO	92.00	98.50	84.00	0.5%	8.9%	4.0%	6.4%	-0.2%	-1.5%	0.4%	-9.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.160	0.170	0.059	4.8%	15.2%	26.2%	21.5%	2.8%	6.7%	11.9%	5.8%

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	150	228	-25.3%	45.2%	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	1,254	24.0%	301	2,004	>30	7.0	5.2	6.4	6.7	4.9	2.1	2.1	1.6
Railcar Manufacturing														
Krukiv Wagon	KVBZ	43	5.0%	2	38	neg	neg	23.3	neg	>30	6.2	0.9	0.6	0.7
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	164	24.0%	39	118	1.0	1.8	2.2	0.5	0.7	0.8	0.2	0.2	0.2
Oil & Gas														
Ukrnafta	UNAF	239	3.0%	7	229	neg	7.6	3.3	neg	2.0	1.5	0.2	0.3	0.2
Regal Petroleum	RPT	18	21.6%	4	-1	neg	n/a	18.0	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	65	50.4%	33	173	neg	neg	21.7	10.3	6.0	5.1	2.0	2.2	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	25	neg	5.7	7.6	neg	4.2	5.2	0.1	0.1	0.2
Consumer														
MHP	MHPC	951	34.1%	324	2,111	neg	7.3	5.6	4.6	5.2	4.3	1.8	1.8	1.5
Kernel	KER	1,514	61.8%	935	1,840	15.0	6.7	5.4	4.6	5.3	4.8	0.8	0.9	0.9
Astarta	AST	371	37.0%	137	530	20.9	3.6	3.2	3.7	3.3	3.1	1.5	1.6	1.5
Avangardco	AVGR	31	22.5%	7	365	neg	neg	6.3	neg	neg	13.5	1.6	2.1	2.0
Ovostar	OVO	135	25.0%	34	140	4.2	3.8	3.7	4.0	3.5	3.2	1.9	1.7	1.6
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	362	1.8%	7		neg	2.4	2.8	1.4	1.1	1.0	0.18	0.18	0.19

Source: Eavex Research

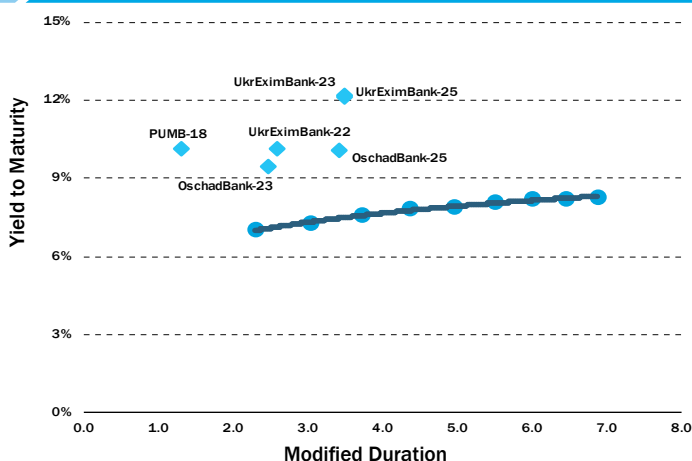
UKRAINIAN EUROBONDS

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	100.3	100.8	7.6%	7.4%	-0.5%	2.2	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	99.5	100.1	7.9%	7.7%	0.6%	2.9	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	98.3	99.3	8.2%	8.0%	0.8%	3.6	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	97.5	98.5	8.3%	8.1%	1.0%	4.3	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	96.8	97.8	8.4%	8.2%	1.4%	4.8	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	95.5	96.5	8.6%	8.4%	1.1%	5.4	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	95.3	96.3	8.5%	8.4%	1.9%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	94.5	95.3	8.6%	8.5%	1.2%	6.3	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	94.5	95.3	8.6%	8.4%	1.5%	6.7	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	30.5	31.5	n/a	n/a	1.6%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.0	26.0	128.7%	81.3%	0.0%	1.5	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	103.2	103.8	8.0%	7.8%	3.5%	4.0	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	101.2	101.8	7.8%	7.6%	5.1%	2.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	30.0	35.0	106.2%	91.7%	9.9%	1.1	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	35.0	172.8%	146.4%	6.0%	0.5	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	90.0	91.5	12.7%	12.4%	1.1%	5.6	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2016	96.4	98.5	n/a	n/a	5.4%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	96.7	98.6	n/a	n/a	9.4%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	96.5	98.5	n/a	n/a	5.4%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	103.0	104.0	8.8%	8.3%	2.7%	1.4	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	96.5	98.5	8.9%	8.4%	2.1%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	97.8	98.9	10.5%	10.2%	3.1%	2.3	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	31.4	33.4	205.9%	193.0%	-62.0%	0.5	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.0	1.8	n/a	n/a	-9.8%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	99.5	101.5	11.3%	10.1%	-1.0%	1.2	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	-1.3%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	27.0	30.5	n/a	n/a	69.1%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	15.0	20.0	n/a	n/a	34.6%	1.7	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	28.6	31.9	n/a	n/a	127.2%	0.4	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	100.2	101.0	9.6%	9.4%	2.6%	2.5	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	87.6	90.0	11.3%	10.7%	7.6%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	98.1	99.1	12.3%	12.0%	3.8%	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	99.5	100.5	9.5%	9.3%	2.5%	2.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	98.2	99.1	10.0%	9.8%	4.3%	3.3	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	70.8	74.1	n/a	n/a	-5.6%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

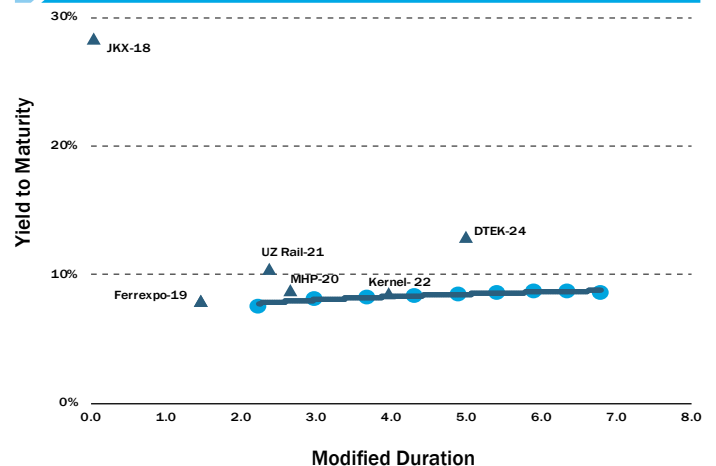
¹ Moody's/S&P/Fitch

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			16.20%	15.75%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			16.20%	15.75%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.20%	15.75%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.20%	15.75%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

7 Klovsky 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