

Stock Market Update

Equity

Ukrainian equities listed in Kyiv finished mixed last week as local traders continued to focus on the government's compliance with the IMF program, where good news arrived over the weekend about the likelihood of a new loan installment. Although the scheduled USD 1bn tranche has been delayed since December, the IMF completed its recent review and sent Kyiv the final wording of the memorandum. This means that after the document is signed, the money's arrival will be almost a done deal. Another widely discussed topic was media reports about the likely resignation of National Bank Governor Valeria Gontareva. Although Gontareva's departure from the NBU had been rumored in previous years, this time we see the probability of resignation as higher amid a feeling that her nearly-3-year tenure has run its course.

The UX index gained 2.6% to close at 956 points, driven by UkrNafta (UNAF), which was a star performer for the second week in a row. The stock jumped 11.3% to UAH 138 after information that the company may legally manage to force the government to compensate it for previously confiscated natural gas, possibly resulting in a settlement of its large outstanding tax debt. In other blue chips, Raiffeisen Bank Aval (BAVL) lost 1.0% to close at 15.75 kopecks while Motor Sich (MSICH) added 3.1% to UAH 2243 per share.

In London, Ferrexpo (FXPO) shed 2.2% to GBP 157 as a correction in iron ore prices seems to be becoming more probable, while MHP (MHPC) picked up 3.8% to USD 9.50 per share ahead of the company's FY16 report due on Mar 15. In Warsaw trading, Kernel (KER) corrected by 2.5% to PLN 77.00 after its quarterly earnings report came up short of expectations, while Astarta (AST) jumped 11.2% to PLN 68.00 after the company hinted that its EBITDA for full-year 2016 increased by 15% YoY.

On the currency market, the hryvnia gave back last week's gain to slip below 27 UAH/USD. The currency edged down by 0.4% to 27.05 due to fears that the steel production link disruption with the Donbass will lead to lower export revenues for the country. However, there was also positive news for the hryvnia, with the NBU saying it maintained the country's foreign currency reserves at USD 15.5bn in February.

Highlights

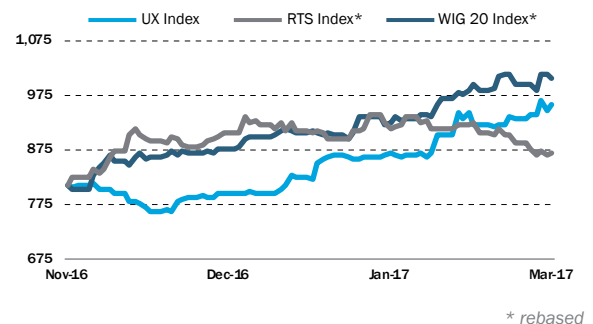
POLITICS AND ECONOMICS

- > Tax Chief Nasirov Arrested, Charged in USD 75mn Corruption Scheme

STOCKS IN THE NEWS

- > Court Ruling Lets UkrNafta Apply Confiscated Gas to UAH 12bn Tax Debt
- > Kernel's Oct-Dec EBITDA Slips 10% YoY Despite Strong Operationals

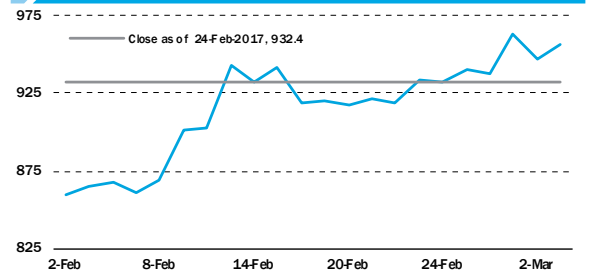
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	956.3	2.6%	10.0%	20.2%
RTS	1108.3	-1.8%	-4.8%	-3.8%
WIG20	2233.0	0.9%	8.6%	14.6%
MSCI EM	931.1	-1.3%	2.4%	8.0%
S&P 500	2383.1	0.7%	4.6%	6.4%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	326	-3.5%	-7.4%	-10.9%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.4%	-1.0 p.p.	-1.2 p.p.	0.1 p.p.
Ukraine-27	8.8%	0.2 p.p.	0.0 p.p.	0.1 p.p.
MHP-20	7.4%	-0.2 p.p.	-1.2 p.p.	-2.1 p.p.
UZ Rail-21	10.6%	0.1 p.p.	-0.1 p.p.	-1.1 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.11	0.7%	0.0%	-0.7%
EUR	28.89	1.1%	-1.2%	2.1%
RUB	0.47	1.0%	3.5%	5.7%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	179.0	1.1%	2.3%	3.5%
Steel, USD/t	485.0	1.6%	0.0%	-2.0%
Oil, USD/bbl	55.9	-0.7%	0.0%	-1.6%
Gold, USD/oz	1234.6	-1.8%	2.0%	7.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Tax Chief Nasirov Arrested, Charged in USD 75mn Corruption Scheme

by Will Ritter
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NEWS

Agents of Ukraine's National Anti-Corruption Bureau sensationally arrested head of the State Fiscal Service Roman Nasirov late on Thursday (Mar 2), charging him with involvement in a corruption scheme in which the state was deprived of UAH 2bn (USD 74mn) in tax revenues. At the time of the arrest, Nasirov claimed to have suffered a heart attack and was filmed by Ukrainian media crews incapacitated on a stretcher. On Sunday (Mar 5), Nasirov was transported by the authorities from hospital to a district court in Kyiv where his bail was supposed to be set. However, the court was not functioning due the lack of a judge, and anti-corruption activists led by Poroshenko Bloc MP Mustafa Nayem massed at the premises in an overnight vigil, fearing that Nasirov might be released on a technicality and allowed to flee abroad. The charges listed by NABU are related to alleged tax breaks authorized by Nasirov for the benefit of another highly controversial figure, fugitive MP Alexander Onyschenko, who stands accused of stealing state-owned, domestically-produced natural gas worth some USD 120mn. Onyschenko fled to London after being charged last June.

COMMENTARY

Nasirov, who we must admit is a former colleague of ours in the Kyiv investment banking community, has probably been the most reviled figure in Ukraine's government (by reform advocates) for the last year, following the ouster of the previous holder of that dubious honor, General Prosecutor Victor Shokin, back in February 2016. Indeed, it reflects very poorly on President Poroshenko and on the EuroMaidan revolution that Nasirov was chosen to head the government's main revenue service in the first place. There were questions about Nasirov's failure to declare his ownership of foreign real estate, and he was particularly at odds with the reform efforts of ex-Odessa governor Mikhail Saakashvili and his progressive customs administration team. Last spring, it was widely reported that a key demand of influential industrialist Igor Kolomoyskiy in return for supporting the appointment of Volodymir Groysman as Prime Minister, was that Nasirov remain in place as the head of the SFS despite his poor standing with Western donors and Ukraine's own reform movement. Whether Nasirov can actually be convicted and jailed for the alleged crime is an open question given the unwieldiness of Ukraine's justice system, but what is certain is that NABU and its chief Artem Sitnyk have finally pulled off a major public relations coup with a highly visible arrest of a despised member of the country's governing elite. One palpable irony here is that Nasirov, a post-EuroMaidan appointee, has been arrested, while his predecessor at the SFS during the Yanukovich administration, Alexander Klymenko, remains untouched despite having been on Ukraine's wanted list for nearly three years.

Court Ruling Lets UkrNafta Apply Confiscated Gas to UAH 12bn Tax Debt

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 138 Market Cap: USD 276mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016E	0.7	0.3	8.8	2.3	n/a
2017E	0.7	0.2	3.8	1.8	n/a

NEWS

UkrNafta, Ukraine's largest oil company, received a ruling from the Higher Administrative Court of Ukraine which sustained an earlier decision by a municipal court obligating the State Fiscal Service of Ukraine (SFS) to allow the company to apply natural gas confiscated by the state from UkrNafta during 2006 as tax payments, UkrNafta said on its official website. UkrNafta said that the SFS's refusal to apply the confiscation of the roughly 2bn cubic meters (cu-m) of gas to the company's current tax debt has been recognized as unlawful.

UkrNafta has long been trying to offset its tax liability for oil production taxes which it has refused to pay since 2014, by using the 2bn cu-m of gas which it holds on its books. However, the SFS has been pursuing other property of the company. The gas was confiscated according to Ukrainian laws related to the use of domestically-produced gas for subsidized household heating; UkrNafta holds that the confiscation was illegally executed.

Concerning the volume of gas in question, the ruling by the Higher Economic Court of Ukraine in May 2014 obligates state-owned UkrTransGaz and NaftoGaz to refrain from preventing UkrNafta from exercising its property rights over the confiscated 2bn cu-m of natural gas. The court's decision also obligated UkrTransGaz to withdraw a corresponding volume of gas from underground storage and transfer it to UkrNafta.

The company, which is half-owned by the state but controlled by minority shareholder Igor Kolomoyskiy, said it is convinced that execution of the court's decision by the SFS will be a key factor on the company's path to financial stabilization.

COMMENTARY

Kolomoyskiy has been refusing to pay UkrNafta's production taxes in expectation that he will be able to force the Ukrainian government to accept the confiscated 2bn cu-m of gas as payment for the company's tax bill in the amount of some UAH 12bn (USD 440mn). The market value of 2bn cu-m of gas is currently around UAH 15bn, but UkrNafta is obviously trying to give the SFS gas which exists only on paper; the state-owned energy monopoly NaftoGaz has never admitted that it owes UkrNafta the 2bn cu-m of gas. The SFS currently has its own difficulties, with the agency's chief having been arrested over the weekend in a major corruption scandal, and we suppose that the issue goes over the head of both the SFS and NaftoGaz to the Cabinet of Ministers and President Poroshenko. If the SFS does accept the payment as specified by the ruling, it will indeed be a big relief for UkrNafta. However, what is good for UkrNafta in this case is bad for NaftoGaz and the Ukrainian national budget, and going forward, the government clearly needs to find a mechanism to force Kolomoyskiy to pay oil production taxes to the state.

The Kyiv-listed UNAF stock gained 11.3% to UAH 138 per share last week amid hopes that the company is close to resolving the tax issue.

Kernel's Oct-Dec EBITDA Slips 10% YoY Despite Strong Operationals

by Dmitry Churin
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KERNEL (KER PW)

Price: PLN 77.00 Market Cap: USD 1,511mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
FY16	1.5	0.9	6.7	5.3	1.3%
FY17E	1.5	0.9	5.4	4.8	1.3%

NEWS

Kyiv-based, Warsaw-listed Kernel Holding, Ukraine's largest sunflower oil producer, posted a drop in its EBITDA by 10.3% YoY to USD 130mn in the 2Q17 Oct-Dec quarter (the company's financial year runs from July to June). According to the company's consolidated financial statement published on Feb 28, net revenue climbed 6.2% YoY to USD 659mn in the period while net profit fell 18.1% YoY to USD 95.4mn. For 1H17, Kernel had revenue of USD 1.04bn (+4.5% YoY), EBITDA of USD 202mn (+1.0% YoY), and net profit of USD 159mn (+13.6% YOY).

KERNEL FINANCIAL RESULTS

USD mn	2Q FY17	2Q FY16	YoY	1H FY17	1H FY16	YoY
Net revenue	659.3	620.9	+6.2%	1,043.3	998.8	+4.5%
EBITDA	130.2	145.2	-10.3%	202.2	200.1	+1.0%
EBITDA margin	19.7%	23.4%	-3.7 p.p.	19.4%	20.0%	-0.6 p.p.
Net Income	95.4	116.5	-18.1%	159.5	140.4	+13.6%
Net margin	14.5%	18.8%	-4.3 p.p.	15.3%	14.1%	+1.2 p.p.

Source: Company data,

On the balance sheet side, Kernel's net debt amounted to USD 554mn as of December 2016, implying a Net Debt/EBITDA ratio of 1.6x compared to 1.2x a year earlier.

COMMENTARY

We were slightly disappointed by Kernel's Oct-Dec financial results, as our forecasts based on the company's outstanding operational performance were 15% higher both for EBITDA and net profit. We assume that a squeezed margin in the sunflower oil business amid high competition for seeds was the primary reason behind Kernel's worse-than-expected profit for the quarter. In previous years, Kernel's crushing margins exceeded USD 100 per tonne, whereas in the current marketing season the company expects the crushing margin will be the USD 70-80 range. The company also blamed lower VAT benefits after changes in legislation as one of the factors behind the decline in its bottom line.

Although Kernel did not deliver overly impressive results for the Oct-Dec quarter, the company remains on track to reach our FY17 forecast of USD 380mn in EBITDA and USD 282mn in net profit.

The quarterly results led to a moderate correction in Kernel's share price on the Warsaw Stock Exchange. The stock, which has enjoyed a tremendous rally over the past 18 months after having been as low as PLN 25 in the summer of 2015, lost 2.5% last week to end near PLN 77. We maintain our HOLD recommendation for the KER stock with a target price of PLN 80.00 per share.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	77.0	80.0	4%	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	9.5	14.0	47%	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	68.0	70.0	3%	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	5.82	12.0	106%	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	9.4	13.0	39%	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	0.7	0.3	-56%	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	93.8	110.0	17%	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	157.3	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	2243	5250	134%	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	138	270	96%	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	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						
DonbasEnerg	DOEN	12.7	9.0	-29%	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	11.43	15.00	31%	BUY	CenterEnerg'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	0.158	0.24	52%	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	956.25	977.86	525.66	2.6%	10.0%	18.3%	20.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.012	0.004	-3.3%	-10.1%	6.0%	8.5%	-5.8%	-20.1%	-12.3%	-11.6%
Coke												
Yasynivsky Coking	YASK	0.190	0.270	0.100	11.8%	26.7%	-17.4%	-29.6%	9.2%	16.6%	-35.7%	-49.8%
Iron Ore Mining												
Ferrexpo	FXPO	157.30	175.60	25.00	-2.2%	3.5%	22.7%	17.0%	-1.9%	-4.7%	-6.5%	-3.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.68	n/a	n/a	-6.3%	-10.0%	9.4%	10.0%	-8.8%	-20.0%	-8.9%	-10.2%
Specialized Machinery												
Motor Sich	MSICH	2243	2245	934	3.1%	12.2%	18.7%	20.7%	0.6%	2.1%	0.5%	0.6%
Turboatom	TATM	11.30	12.25	5.80	-0.9%	10.2%	25.6%	20.9%	-3.4%	0.2%	7.3%	0.7%
Telecom												
Ukrtelecom	UTLM	0.135	n/a	n/a	7.7%	-7.0%	-3.7%	-18.2%	5.2%	-17.0%	-22.0%	-38.4%
Oil & Gas												
Regal Petroleum	RPT	4.53	5.50	1.75	-14.2%	0.0%	21.2%	21.2%	-0.9%	-16.8%	-10.0%	1.0%
JKX Oil	JKX	29.00	33.50	16.00	-4.9%	-6.5%	68.1%	-4.1%	-0.9%	-7.5%	-16.5%	-24.3%
Ukrnafta	UNAF	138.0	153.0	70.5	11.3%	21.8%	25.9%	33.7%	8.7%	11.8%	7.6%	13.6%
Power Utilities												
Centrenergy	CEEN	11.43	11.58	4.47	0.8%	1.9%	10.1%	10.4%	-1.8%	-8.2%	-8.1%	-9.7%
Donbasenergy	DOEN	12.66	16.47	9.04	-4.0%	1.4%	14.8%	20.5%	-6.6%	-8.6%	-3.5%	0.3%
Zakhidenergy	ZAEN	68.80	n/a	n/a	5.8%	3.9%	13.0%	10.1%	3.3%	-6.1%	-5.3%	-10.1%
Consumer												
Agroton	AGT	5.82	7.15	0.97	-5.7%	1.2%	87.7%	43.7%	-5.5%	-8.2%	-8.8%	23.5%
Astarta	AST	68.00	68.00	32.20	11.2%	8.8%	28.1%	25.8%	-0.9%	8.6%	-1.2%	5.7%
Avangardo	AVGR	0.68	1.45	0.26	-9.3%	83.8%	44.7%	94.3%	-0.9%	-11.9%	73.8%	74.1%
Industrial Milk Company	IMC	9.35	9.75	6.34	-3.0%	3.9%	29.9%	16.1%	-2.1%	-5.6%	-6.1%	-4.0%
Kernel	KER	77.01	80.00	48.20	-2.5%	-3.5%	18.0%	20.6%	-2.6%	-5.1%	-13.5%	0.5%
MHPC	MHPC	9.50	10.10	7.61	3.8%	6.9%	5.7%	8.1%	-0.9%	1.3%	-3.2%	-12.1%
Milkiland	MLK	2.40	2.80	1.26	-4.8%	-6.6%	37.9%	20.0%	-3.4%	-7.3%	-16.6%	-0.2%
Ovostar Union	OVO	93.75	98.50	84.00	3.0%	1.4%	7.1%	8.4%	-1.1%	0.5%	-8.7%	-11.8%
Banks												
Raiffeisen Bank Aval	BAVL	0.158	0.170	0.059	-1.0%	9.5%	21.0%	19.4%	-3.6%	-0.5%	2.7%	-0.7%

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	333	391	13	37	40	4.2%	11.0%	10.2%	3	43	26	1.0%	12.9%	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	164	171	41.4%	50.5%	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	1,137	24.0%	273	1,887	>30	6.3	4.7	6.0	6.3	4.7	2.0	2.0	1.5
Railcar Manufacturing														
Krukiv Wagon	KVBZ	41	5.0%	2	36	neg	neg	22.2	neg	>30	5.9	0.9	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	171	24.0%	41	125	1.0	1.9	2.3	0.5	0.7	0.8	0.2	0.2	0.2
Oil & Gas														
Ukrnafta	UNAF	275	3.0%	8	265	neg	8.8	3.7	neg	2.3	1.8	0.2	0.3	0.2
Regal Petroleum	RPT	18	21.6%	4	-2	neg	n/a	17.8	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	61	50.4%	31	169	neg	neg	20.4	10.0	5.8	5.0	1.9	2.1	1.8
Electric Utilities														
CentrEnergO	CEEN	155	21.7%	34	123	>30	3.6	6.0	9.4	3.3	3.1	0.4	0.4	0.3
DonbasEnergO	DOEN	11	14.2%	2	25	neg	5.6	7.5	neg	4.2	5.1	0.1	0.1	0.2
Consumer														
MHP	MHPC	1,004	34.1%	342	2,164	neg	7.7	5.9	4.7	5.4	4.4	1.8	1.8	1.5
Kernel	KER	1,512	61.8%	934	1,839	15.0	6.7	5.4	4.6	5.3	4.8	0.8	0.9	0.9
Astarta	AST	419	37.0%	155	578	23.7	4.0	3.7	4.0	3.5	3.4	1.7	1.8	1.6
Avangardco	AVGR	43	22.5%	10	378	neg	neg	8.7	neg	neg	14.0	1.6	2.2	2.1
Ovostar	OVO	139	25.0%	35	144	4.3	3.9	3.7	4.1	3.6	3.3	1.9	1.7	1.6
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	356	1.8%	6		neg	2.4	2.8	1.4	1.1	1.0	0.18	0.18	0.18

Source: Eavex Research

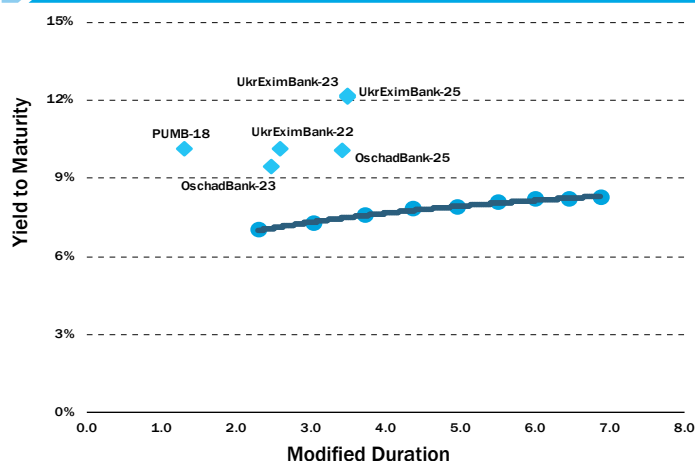
UKRAINIAN EUROBONDS

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	100.5	101.0	7.5%	7.3%	-0.2%	2.2	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	99.3	99.9	8.0%	7.8%	0.4%	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	96.4	97.4	8.6%	8.4%	-0.1%	4.4	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	95.0	96.0	8.8%	8.6%	-0.4%	5.0	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	93.9	94.9	8.9%	8.7%	-0.7%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	93.3	94.3	8.9%	8.7%	-0.3%	6.0	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	92.6	93.4	8.9%	8.8%	-0.8%	6.5	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	92.3	93.0	8.9%	8.8%	-0.9%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	31.0	31.8	n/a	n/a	2.9%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.1	25.9	131.6%	83.7%	0.0%	1.4	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	103.2	103.8	7.9%	7.8%	3.5%	3.9	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	101.8	102.9	7.6%	7.2%	6.0%	2.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	30.0	33.0	109.2%	99.9%	6.5%	1.0	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	33.0	181.1%	163.7%	2.7%	0.5	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	6.9	8.9	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	6.9	8.9	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	85.8	86.8	13.6%	13.4%	-3.7%	5.5	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2016	95.6	98.0	n/a	n/a	4.7%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	96.1	98.2	n/a	n/a	8.8%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	96.0	97.9	n/a	n/a	4.8%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	102.8	103.5	8.9%	8.5%	2.4%	1.4	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	96.0	97.9	9.0%	8.5%	1.8%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	97.7	98.7	10.5%	10.2%	2.9%	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	79.6	82.3	24.0%	22.5%	-5.1%	2.2	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	1.8	n/a	n/a	13.0%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	99.0	100.9	11.6%	10.4%	-1.5%	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	25.3	28.8	n/a	n/a	58.8%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	15.0	20.0	n/a	n/a	34.6%	1.6	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	28.3	31.2	n/a	n/a	123.3%	0.5	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	99.8	100.6	9.7%	9.5%	2.2%	2.4	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	88.0	90.4	11.2%	10.6%	8.1%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	97.4	98.2	12.3%	12.0%	3.0%	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	98.7	99.5	9.7%	9.5%	1.6%	2.3	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	97.2	98.1	10.1%	10.0%	3.3%	3.3	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	65.5	75.0	n/a	n/a	-8.5%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

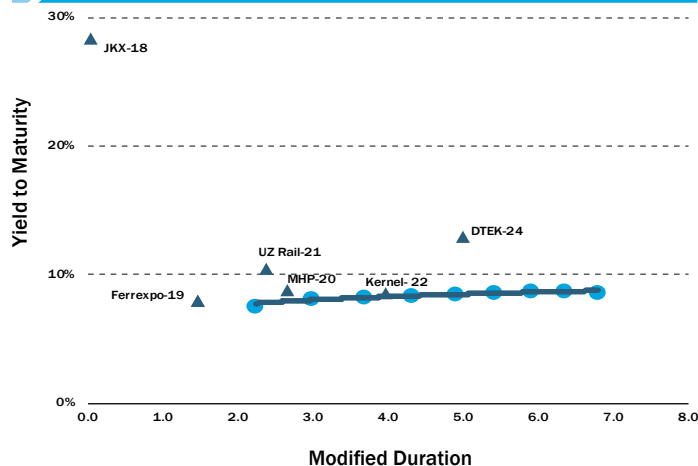
¹ Moody's/S&P/Fitch

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			15.50%	14.85%	n/a	19.50%	S/A	19 Jul 2017	n/a
VAT Bonds									
UA4000185151			15.90%	15.30%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.90%	15.30%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.90%	15.30%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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