

Stock Market Update

Equity

Kyiv-listed equities ended lower last week as traders took advantage of a holiday-shortened trading week to pause and take some profits after the local market's strong start to 2017. The Women's Day observance, which is one of the biggest holidays of the year in Ukraine, fell right in the middle of the week on Wednesday (Mar 8). The UX index has risen by 18% since the start of the year, outperforming the MSCI Emerging Markets index by 11 percentage points. In economic news, UkrStat reported 1.0% MoM inflation for February, which somewhat exceeded our projections. This means the NBU is unlikely to cut its key interest rate until May at the soonest, if and when headline inflation drops below 12%.

The UX index lost 1.6%, finishing at 941 points. UkrNafta (UNAF) slid 3.3% to UAH 133 per share amid a rough week for global oil prices, which dropped below the USD 50 support level for the first time in 2017. Meanwhile, the State Fiscal Service remained silent about whether it will allow UkrNafta to apply natural gas inventories confiscated by the government during 2006 as credits for unpaid production rent. CentrEnerg (CEEN) fell 2.5% to UAH 11.14 after the Energy Ministry (which owns a 78% stake) said it expects the company to earn much less this year than in relatively successful 2016. On the other hand, CentrEnerg outperformed the Ministry's plan in 2016, and we do not rule out that it could happen again this year. Motor Sich (MSICH) had a tiny decline of 0.1% following the general market trend.

In London, Ferrexpo (FXPO) lost 6.6% to GBP 147 in line with a firm correction in iron ore prices. MHP (MHPC) was rather inactive but shed 2.6% to USD 9.25 per share. In Warsaw trading, Ukrainian stocks were broadly lower. Kernel (KER) sold off by 4.6% to PLN 73.50 and Astarta (AST) fell 1.5% to PLN 67.00.

On the currency market, the hryvnia gained 1.3% against the dollar to close at 26.75 UAH/USD amid positive news about the imminent arrival of USD 1bn in fresh IMF loan money. The NBU once again exploited the situation to purchase foreign currency and add to its reserves.

Highlights

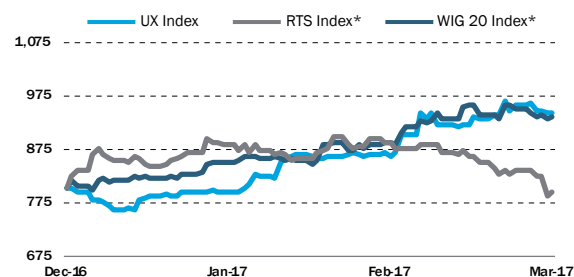
POLITICS AND ECONOMICS

- > Groyzman Implies Moscow is Behind "Pro-Ukrainian" Donbass Blockade
- > UkrStat: February CPI Inflation Was Moderate at 1.0% MoM

STOCKS IN THE NEWS

- > Motor Sich's FY16 Net Profit Down 36% YoY to UAH 1050 per Share

STOCK MARKET PERFORMANCE

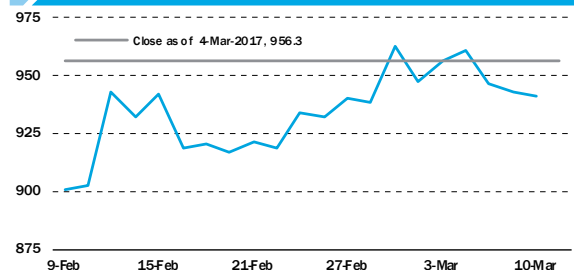


*rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	941.2	-1.6%	9.3%	18.3%
RTS	1055.9	-4.7%	-10.5%	-8.4%
WIG20	2200.0	-1.5%	5.4%	12.9%
MSCI EM	926.1	-0.5%	0.7%	7.4%
S&P 500	2372.6	-0.4%	3.5%	6.0%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	332	2.0%	-3.7%	-9.1%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.4%	-1.3 p.p.	-1.2 p.p.	0.1 p.p.
Ukraine-27	9.1%	0.2 p.p.	0.5 p.p.	0.4 p.p.
MHP-20	7.4%	0.0 p.p.	-1.0 p.p.	-2.1 p.p.
UZ Rail-21	10.7%	0.0 p.p.	-0.1 p.p.	-1.1 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.74	-1.3%	-0.9%	-2.0%
EUR	28.77	-0.4%	-0.6%	1.7%
RUB	0.45	-2.6%	0.0%	2.9%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	180.0	0.6%	2.3%	4.0%
Steel, USD/t	497.5	2.6%	7.6%	0.5%
Oil, USD/bbl	51.4	-8.1%	-7.2%	-9.6%
Gold, USD/oz	1204.7	-2.4%	-2.4%	4.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Groysman Implies Moscow is Behind “Pro-Ukrainian” Donbass Blockade

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

NEWS

Prime Minister Volodymir Groysman condemned the “pro-Ukrainian” paramilitary-led blockade of trade across the Donbass contact line in remarks posted on his social media page on Sunday (Mar 12). Without specifically naming Russia, Groysman said, as reported by the UNIAN news agency, that the blockade is a “hybrid war” tactic and “an attempt to block not railroads, but to block [Ukraine’s] economic growth, which has begun to recover”, and that “it is unacceptable to destroy the state from the inside.” The Prime Minister had previously stated that the blockade is costing Ukraine UAH 2-4bn (USD 70-140mn) per month on lost coal supplies alone. Meanwhile, in Kharkiv province on Sunday in the town of Kupyansk near the Russian border, around 30 paramilitaries attempted to set up a new railroad blockade of trains entering Ukraine from Russia proper. However, according to the Ukrayinska Pravda news site, they were prevented from doing so by local police and some 500 angry citizens, including members of the railroad workers’ union. The Donbass blockade, which began on Jan 25, is being implemented by fighters of so-called “volunteer battalions”, led by Donbass paramilitary commander and Samopomich party MP Semen Semenchenko (a nom de guerre; his real name is Constantine Grishin) and Volodymir Parasiuk, a hardline nationalist MP from Lviv who is both anti-Russian and anti-Western.

COMMENTARY

The “Ukrainian nationalist” instigators of the Donbass blockade have an obvious shared goal with the Kremlin: overthrowing or otherwise getting rid of the current democratically-elected pro-Western government in Kyiv. In this sense, we agree with Groysman that the blockaders are essentially making common cause with Moscow against the Groysman Cabinet, President Poroshenko, and the Ukrainian economy. Groysman is definitely right that the Kremlin does not want to see Ukraine’s economy recovering at several percent per year while the Russian economy stagnates. We presume it is no coincidence that this blockade activity began only a few days after US President Obama was replaced by new President Donald Trump; in contrast to the Obama administration, which maintained a clear policy of promoting political stability in Kyiv, Trump’s administration appears to have little interest in Ukraine and also to lack the needed expertise to keep the US effectively engaged. It is obvious that Poroshenko would have a lot to lose by physically confronting the blockaders, as this might start a chain of violent events that could lead to an overthrow of the government. However, we would argue that Poroshenko also has a lot to lose by allowing a tiny, un-elected, and aggressive armed minority to hijack national border controls and unilaterally dictate trade policy with a country that is still one of Ukraine’s largest trading partners. We admit that if Ukraine is really serious about re-orienting the entire national economy westward, there might be some logic to abruptly shutting down all trade with Russia and the occupied Donbass. However, in that case, nobody should pretend that the Ukrainian economy is going to grow at 3-4% for the next couple of years; in such a scenario (definitely not priced into current Ukrainian sovereign bond valuations), further economic contraction is inevitable. The actions of the local citizens at Kupyansk against the blockaders suggest to us that the majority of Ukrainians are not ready to endure additional economic hardships for the sake of this blockade, and in particular the prospect of paying even more for electricity and heating than the increases that the IMF is already mandating.

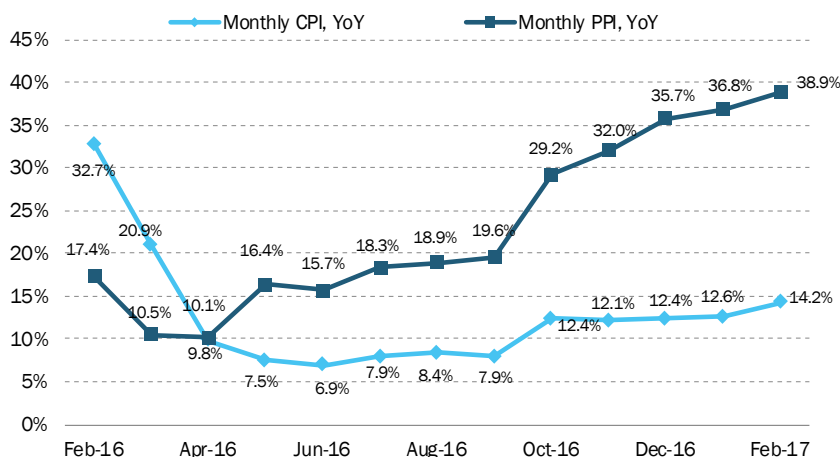
UkrStat: February CPI Inflation Was Moderate at 1.0% MoM

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

NEWS

Ukraine’s State Statistics Committee reported that consumer inflation was at 1.0% MoM in February, according to official data released on Thursday (Mar 9). The CPI inflation in year-on-year terms after inclusion of the February 2017 data is 14.2%. UkrStat also reported that producer prices were up 3.1% MoM and 38.9% YoY in February.

UKRAINE’S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

The pace of consumer inflation in Ukraine is running marginally above the government’s targets. However, a tight monetary policy coupled with the NBU’s strategy of keeping the hryvnia fluctuation in a narrow corridor has helped prevent any repeat of the very high inflation seen in 2014-early 2015. In the main consumer basket categories, the highest price growth in February was registered in transportation services (+3.4% MoM). Food and beverage prices rose 1.5% MoM in the period. Meanwhile, the utility service category, which has contributed the lion’s share of overall inflation in Ukraine in recent years, inched up 0.2% MoM in February.

The producer price index (PPI) was driven last month by a 5.7% MoM rise in iron ore prices. A notable jump in prices of 7.2% was also registered in the chemical sector.

For March, we see no reason for inflation acceleration, and forecast that the CPI index will increase by 0.7% MoM, which would imply a slowdown in 12-month “headline” inflation from 14.2% to 13.8%.

Motor Sich's FY16 Net Profit Down 36% YoY to UAH 1050 per Share

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

MOTOR SICH (MSICH UK)

Price: UAH 2,240 Market Cap: USD 174mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016E	0.3	0.2	2.0	0.7	1.1%
2017E	0.3	0.2	2.4	0.8	1.3%

NEWS

Zaporizhia-based Motor Sich, Ukraine's monopoly aircraft engine producer, said that its net profit fell 36% YoY to UAH 2.19bn (USD 86mn at the average UAH/USD exchange rate for the period) in FY16, according to the company's official announcement of its Mar 30 annual shareholder meeting. Motor Sich's total assets increased by 22.7% YoY to UAH 25.1bn (USD 965mn) as of end-2016. The full IFRS financial report for 2016 has not been released yet. The company's net profit in 2015 was UAH 3.44bn (USD 158mn at the average UAH/USD exchange rate for 2015).

COMMENTARY

One tricky thing about Motor Sich's financials is that although the lion's share of its sales are in USD or other foreign currencies, the company uses the hryvnia as its reporting currency. This means that the actual year-on-year drop in the company's bottom line for FY16 should be increased to account for 2016's 10% UAH/USD devaluation. Nonetheless, the reported profit for FY16 represents UAH 1052 per share, which means the stock is still valued at P/E of barely more than 2.0x. This very low P/E multiple reflects the sharp drop in the MSICH stock's USD-denominated trading level over the last 5 years, even as the company's profits have remained impressive. The profit figure beat our conservative forecast of UAH 865 profit per share, which we based on dwindling access of the company to the Russian market; in our view, Motor Sich managed to deliver a fairly good profit in this context. However, a warning sign for the company was that 4Q16 earnings plunged 65% YoY to UAH 145 per share from UAH 433 per share seen in 4Q15. Motor Sich's annual meeting at the end of this month is expected to approve a small dividend. Taking into account the company's historical dividend payout ratio, we expect the dividend for FY16 to be UAH 25 per share, implying a 1.1% yield. Motor Sich remains under the control of its longtime CEO (dating from the Soviet era) Vyacheslav Boguslayev, who is believed to be the largest shareholder.

Our base case scenario forecast for Motor Sich's net profit for FY17 is UAH 2.0bn.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	74.2	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	9.1	14.0	54%	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	5.38	12.0	123%	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	0.7	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	92.9	110.0	18%	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	152.1	150.0	-1%	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	2230	5250	135%	BUY	The reported profit for FY16 represents UAH 1052 per share, which means the stock is still valued at P/E of barely more than 2.0x. Our base case scenario forecast for Motor Sich's net profit for FY17 is UAH 2.0bn, implying EPS of UAH 960.
Oil & Gas						
UkrNafta	UNAF	128	270	111%	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	3.4	15.0	346%	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	25.5	37.0	45%	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	12.1	9.0	-26%	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	10.90	15.00	38%	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	0.155	0.24	55%	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	941.18	977.86	525.66	-1.6%	9.3%	18.7%	18.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.012	0.004	5.6%	6.8%	11.9%	14.6%	7.2%	-2.5%	-6.8%	-3.6%
Coke												
Yasynivsky Coking	YASK	0.190	0.270	0.100	0.0%	26.7%	-20.8%	-29.6%	1.6%	17.4%	-39.5%	-47.9%
Iron Ore Mining												
Ferrexpo	FXPO	146.90	175.60	25.00	-6.6%	-8.5%	1.7%	9.2%	5.6%	-5.0%	-17.8%	-9.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.79	n/a	n/a	1.1%	-11.0%	13.8%	11.3%	2.7%	-20.3%	-4.8%	-7.0%
Specialized Machinery												
Motor Sich	MSICH	2240	2255	934	-0.1%	12.1%	21.1%	20.6%	1.4%	2.8%	2.4%	2.3%
Turboatom	TATM	11.98	12.25	5.80	6.0%	19.8%	28.8%	28.1%	7.6%	10.5%	10.2%	9.9%
Telecom												
Ukrtelecom	UTLM	0.121	n/a	n/a	-10.2%	-13.4%	-13.4%	-26.5%	-8.6%	-22.7%	-32.1%	-44.8%
Oil & Gas												
Regal Petroleum	RPT	4.13	5.50	1.75	-8.8%	-1.2%	10.4%	10.4%	-8.2%	-7.3%	-10.5%	-7.8%
JKX Oil	JKX	26.50	33.50	16.00	-8.6%	-17.2%	32.5%	-12.4%	0.2%	-7.0%	-26.5%	-30.7%
Ukrnafta	UNAF	133.5	145.4	70.5	-3.3%	15.4%	23.4%	29.4%	-1.7%	6.1%	4.7%	11.1%
Power Utilities												
Centrenergy	CEEN	11.14	11.58	4.47	-2.5%	0.4%	8.7%	7.7%	-0.9%	-8.9%	-9.9%	-10.6%
Donbasenergy	DOEN	12.28	16.47	9.04	-3.0%	-1.4%	19.1%	16.8%	-1.4%	-10.7%	0.4%	-1.4%
Zakhidenergy	ZAEN	68.00	n/a	n/a	-1.2%	2.7%	13.3%	8.8%	0.4%	-6.6%	-5.3%	-9.5%
Consumer												
Agroton	AGT	5.16	7.15	0.97	-11.3%	-20.4%	27.4%	27.4%	0.2%	-9.8%	-29.7%	9.1%
Astarta	AST	67.00	70.00	34.51	-1.5%	9.2%	25.9%	24.0%	-0.8%	0.1%	-0.1%	5.7%
Avangardo	AVGR	0.68	1.45	0.26	0.0%	41.7%	36.0%	94.3%	0.2%	1.6%	32.4%	76.0%
Industrial Milk Company	IMC	9.29	9.75	6.39	-0.6%	3.3%	20.6%	15.4%	-0.2%	0.9%	-6.0%	-2.9%
Kernel	KER	73.50	80.00	48.20	-4.6%	-4.0%	12.2%	15.1%	-0.4%	-3.0%	-13.3%	-3.1%
MHPC	MHPC	9.25	10.10	7.61	-2.6%	2.8%	3.2%	5.2%	-0.7%	-1.1%	-6.5%	-13.0%
Milkiland	MLK	2.35	2.80	1.26	-2.1%	-7.1%	18.7%	17.5%	2.3%	-0.5%	-16.4%	-0.8%
Ovostar Union	OVO	92.90	98.50	84.00	-0.9%	1.5%	5.7%	7.4%	0.2%	0.7%	-7.8%	-10.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.157	0.170	0.059	-0.6%	12.7%	22.3%	18.7%	1.0%	3.4%	3.7%	0.5%

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	655	676	237	180	151	33.9%	27.5%	22.3%	158	86	74	22.6%	13.1%	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	1,049	24.0%	252	1,799	>30	5.8	4.3	5.7	6.0	4.4	1.9	1.9	1.5
Railcar Manufacturing														
Krukiv Wagon	KVBZ	41	5.0%	2	36	neg	neg	22.4	neg	>30	5.9	0.9	0.5	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	171	24.0%	41	124	1.1	2.0	2.3	0.5	0.7	0.8	0.2	0.2	0.2
Oil & Gas														
Ukrnafta	UNAF	266	3.0%	8	256	neg	8.5	3.6	neg	2.2	1.7	0.2	0.3	0.2
Regal Petroleum	RPT	16	21.6%	3	-3	neg	n/a	16.0	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	55	50.4%	28	164	neg	neg	18.4	9.7	5.6	4.8	1.8	2.0	1.7
Electric Utilities														
CentrEnergO	CEEN	151	21.7%	33	119	>30	3.5	5.9	9.1	3.2	3.0	0.4	0.4	0.3
DonbasEnergO	DOEN	11	14.2%	2	24	neg	5.5	7.3	neg	4.1	5.1	0.1	0.1	0.2
Consumer														
MHP	MHPC	977	34.1%	333	2,137	neg	7.5	5.7	4.7	5.3	4.4	1.8	1.8	1.5
Kernel	KER	1,437	61.8%	887	1,763	14.2	6.4	5.1	4.4	5.1	4.6	0.8	0.9	0.8
Astarta	AST	411	37.0%	152	570	23.2	4.0	3.6	3.9	3.5	3.3	1.6	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	137	25.0%	34	142	4.3	3.9	3.7	4.1	3.5	3.3	1.9	1.7	1.6
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	354	1.8%	6		neg	2.4	2.7	1.4	1.1	1.0	0.18	0.18	0.18

Source: Eavex Research

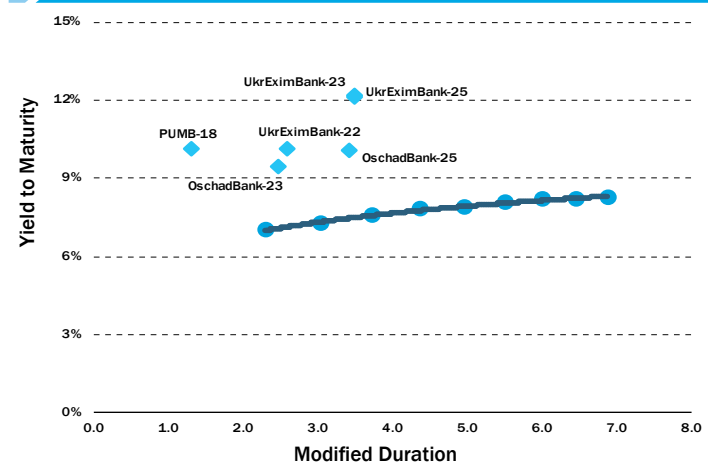
UKRAINIAN EUROBONDS

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	100.6	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	99.8	8.0%	7.8%	0.3%	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	96.3	97.3	8.6%	8.4%	-0.3%	4.3	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	94.6	95.6	8.9%	8.6%	-0.8%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	92.9	93.9	9.1%	8.9%	-1.7%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	91.5	92.5	9.2%	9.0%	-2.1%	6.0	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	91.1	91.9	9.2%	9.0%	-2.4%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	90.8	91.5	9.1%	9.0%	-2.5%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	30.3	31.0	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	133.4%	84.6%	0.0%	1.4	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	102.8	103.5	8.0%	7.9%	3.2%	3.9	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	101.8	102.7	7.6%	7.2%	5.9%	2.6	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	30.0	32.3	110.7%	103.2%	5.4%	1.0	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	33.1	185.2%	166.8%	2.9%	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	84.0	85.0	14.0%	13.7%	-5.6%	5.5	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2016	95.3	97.6	n/a	n/a	4.3%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	96.1	98.0	n/a	n/a	8.7%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	96.0	97.7	n/a	n/a	4.7%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	102.8	103.6	8.9%	8.4%	2.4%	1.4	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	96.0	97.7	9.0%	8.6%	1.7%	1.4	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	97.6	98.7	10.6%	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	85.1	94.8	21.0%	16.3%	5.4%	2.3	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	98.6	100.7	11.9%	10.5%	-1.8%	1.1	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	23.0	26.5	n/a	n/a	45.6%	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	28.2	30.9	n/a	n/a	122.1%	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	88.5	90.7	11.1%	10.6%	8.6%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	97.2	98.1	12.3%	12.0%	2.8%	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	98.8	99.7	9.6%	9.4%	1.8%	2.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	97.1	98.0	10.2%	10.0%	3.2%	3.2	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

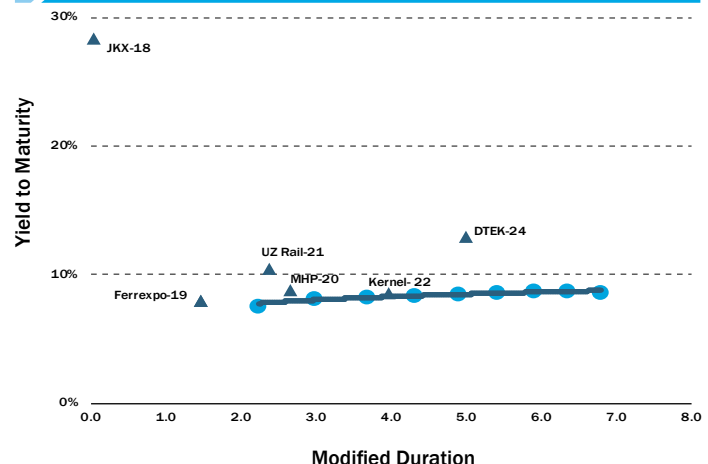
¹ Moody's/S&P/Fitch

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

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