

Stock Market Update

Equity

Ukraine's local equity market was dominated by speculation ahead of the expiration of the March future contracts. Market players opened short positions in blue chips to squeeze out a wide spread between the UX index and UX futures. As a result, the futures contracts expired at 927 points on Mar 15 in a highly volatile trading session. The next day, coverage of the short positions pushed the UX index back up to 945 points but it was not enough to post a gain for the week.

The UX index fell 0.6% to close at 935 points. UkrNafta (UNAF) again led the decline, dropping by 3.4% to UAH 129 per share. Among bad news for the company it was information that one of its debtors, from which UkrNafta is owed UAH 1.3bn (USD 50mn), has filed for bankruptcy. CentrEnego (CEEN) slipped 1.7% to UAH 10.95 as the company is suffering from the ongoing shortage of anthracite coal with deliveries from the occupied Donbass territories having been blockaded for nearly two months. On the upside, Raiffeisen Bank Aval (BAVL) rose 3.0% to 16.10 kopecks per share.

In London, Ferrexpo (FXPO) jumped 17% to GBP 172, bouncing back after three weeks of losses. MHP (MHPC) added 0.8% to USD 9.32 after the company announced a 75 cents per share dividend for FY16. In Warsaw trading, Ukrainian stocks saw some appreciation, following the general trend on European bourses. Kernel (KER) climbed 1.6% to PLN 74.70 and Astarta (AST) gained 3.0% to PLN 69.00.

The hryvnia was able to defend the support line of 27.00 UAH/USD. The currency ended at 26.90 UAH/USD on Friday (Mar 17), inching down by 10 kopecks (0.3%) over the week.

Highlights

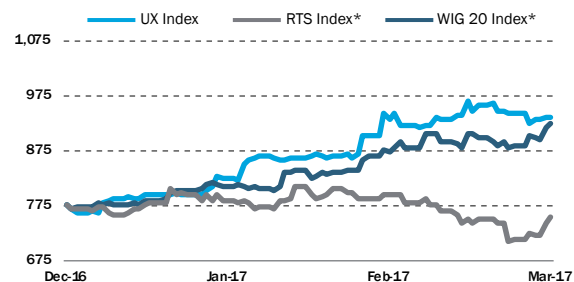
POLITICS AND ECONOMICS

- IMF Delays Ukraine Disbursement Due to Donbass Blockade Decree
- UkrStat: February CPI Inflation Was Moderate at 1.0% MoM

STOCKS IN THE NEWS

- MHP To Pay 75-Cent Dividend for FY16, Yielding 8%
- MHP Posts FY16 Net Profit of USD 59mn after Net Loss Seen in FY15

STOCK MARKET PERFORMANCE

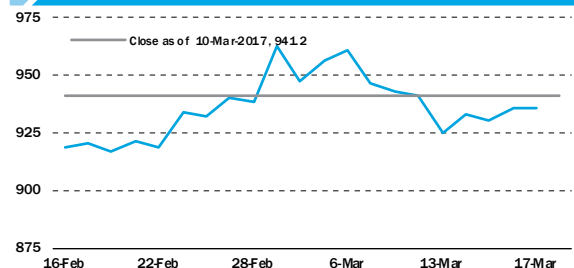


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	935.3	-0.6%	0.3%	17.5%
RTS	1111.9	5.3%	-5.3%	-3.5%
WIG20	2297.0	4.4%	5.7%	17.9%
MSCI EM	965.6	4.3%	3.4%	12.0%
S&P 500	2378.3	0.2%	1.7%	6.2%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	329	-1.0%	-0.6%	-10.1%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	7.3%	-1.4 p.p.	-1.0 p.p.	0.0 p.p.
Ukraine-27	9.2%	0.1 p.p.	0.8 p.p.	0.5 p.p.
MHP-20	8.1%	0.7 p.p.	0.2 p.p.	-1.4 p.p.
UZ Rail-21	10.9%	0.2 p.p.	0.4 p.p.	-0.8 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.91	0.6%	-1.1%	-1.4%
EUR	28.89	0.4%	0.6%	2.1%
RUB	0.47	3.8%	-0.9%	6.8%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	180.0	0.0%	2.3%	4.0%
Steel, USD/t	495.0	-0.5%	4.2%	0.0%
Oil, USD/bbl	51.8	0.8%	-8.0%	-8.9%
Gold, USD/oz	1229.3	2.0%	0.1%	6.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

IMF Delays Ukraine Disbursement Due to Donbass Blockade Decree

by Will Ritter
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NEWS

On Sunday (Mar 19), the International Monetary Fund (IMF) unexpectedly removed the approval of a USD 1bn loan tranche disbursement to Ukraine from its board meeting agenda scheduled for today (Mar 20). Ukraine's Finance Ministry said the delay is due to the IMF's need to examine the economic effects of the government's newly-announced official ban on trade with the Donbass separatist-occupied territories. Ukrainian media, including Interfax and Ukrayinska Pravda, quoted a statement from the IMF's press service saying that the loan disbursement will be considered "in the near future". President Poroshenko announced the trade ban last Wednesday (Mar 15), saying it is in response to the separatists' seizure of Ukrainian-owned assets on the occupied territories. There has been an ongoing illegal and unauthorized blockade of the territories since late January executed by Ukraine-aligned paramilitary groups. In a related development, France's foreign ministry issued a stern rebuke of Poroshenko's decision on Thursday (Mar 16), calling it counter-productive to the Minsk peace process and asking for the move to be reversed.

COMMENTARY

The last-minute delay of the USD 1bn disbursement, which was considered a done deal and which would also unlock a chunk of other foreign loans, is a major embarrassment to Poroshenko. The IMF, and the West as a whole, are sending a not-so-subtle message to Kyiv that the country needs to demonstrate an effort to abide by the Minsk peace agreement or risk facing Moscow without Western support. Still, we think that Poroshenko had little choice but to reverse course on the Donbass blockade after weeks of criticizing it; his government is essentially a hostage of the nationalist paramilitaries because breaking up the blockade by force risks igniting a dangerous intra-Ukrainian conflict. On the positive side, Poroshenko may have chosen an opportune time for this move, given that Ukraine has nearly completed its heating season and that for the fourth winter in row, the country saw practically no freezing weather after mid-February, allowing reduced energy consumption. Poroshenko has also managed to head off (at least for now) the nationalists' demand of a ban on trade not only with the separatists, but with Russia proper, which would surely shave several points off of Ukrainian GDP. Some analysts have stated that the Donbass blockade and DNR/LNR asset seizures will result in a 1% GDP loss; this estimate sounds a bit low to us, but that is not the main point. The big picture here is that Ukraine's pro-Western political and civil forces continue to face opposition not only from Moscow, but also from aggressive nationalists who are eager to both prosecute the war in the Donbass and roll back economic liberalization in favor of dead-end populism. These nationalists are increasingly in a de-facto alliance with Moscow against the pro-European movement in Ukraine.

Poroshenko Reverses Course, Launches Official Donbass Trade Blockade

by Dmitry Churin
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NEWS

President Poroshenko banned the movement of goods across the contact line in the Donbass occupied territories in a decree signed on Mar 15 and published on the President's official website. The decree said that the trade blockade will remain in place until pro-Russian separatists implement a ceasefire and withdraw weapons according to the Minsk peace agreement. The decree also demands the return of Ukraine-registered industrial enterprises that are located on the occupied territories that were seized by the separatist authorities earlier this month. All the roads and railway tracks crossing the Donbass contact line were legally shut down for cargo transport as of March 15.

Earlier last week it was reported that DTEK and Metinvest, respectively the largest private energy and steel companies in the country, lost control over their assets located on the occupied territories. The assets have fallen under the control of the unrecognized LNR/DNR republics.

COMMENTARY

This looks like a classic case of "if you can't beat them, join them", as the decree brings Poroshenko and the Ukrainian government into line with an unauthorized blockade by Ukraine-aligned paramilitary groups that has been in effect since late January. We assume that the President ordered the official trade blockade as a political trick to try to hide his inability to end the illegal blockade after almost two months of negotiations with the paramilitaries and their sponsors. Still, the abrupt change in tack is somewhat surprising, since both Poroshenko and Prime Minister Groysman have recently been opposed to the suspension of production links with Ukrainian industrial companies located on the other side of the contact line. This is particularly the case as it pertains to the shortage of anthracite coal, which is critical for Ukraine's thermal power plants and is mined on the uncontrolled territories. It is possible that this decision was made to coincide with the end of the winter heating season, thus giving the government the maximum amount of time (about 6 months) to solve the issue. The government has estimated that in April some of the power plants will have no coal, as importing anthracite not cost-effective.

In regard to DTEK and Metinvest, we see the event of seizure of their assets on the occupied territories as a tough, but neither totally unexpected and nor crippling, hit to their business. Our rough estimates imply that both companies will lose about 20% of operations as a result of the seizure. Now the question for DTEK is how quickly the company find additional coal for its power plants and how much more it will have to pay amid the loss of vertical integration. As for Metinvest, we expect that the loss of Yenakievo Steel can be largely offset by ramping up capacity use at the group's core Azovstal and Mariupol Ilyich steel plants.

MHP To Pay 75-Cent Dividend for FY16, Yielding 8%

by Dmitry Churin
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MHP (MHPC LI)

Price: USD 9.32 Market Cap: USD 985mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	1.4	1.9	16.6	5.2	8.0%
2017E	1.2	1.5	5.8	4.4	4.1%

NEWS

MHP, Ukraine's largest poultry producer, announced a dividend payout of 74.92 cents per share for FY16 in a statement released on Mar 15. The total amount of the announced dividend is USD 80mn. The ex-rights date was set for Mar 24 and payment will be made on Mar 29. The dividend payment will be subject to the deduction of Luxembourg withholding tax at the rate of 15%.

COMMENTARY

MHP's announced 75-cent dividend is nearly identical (lower by just 0.5%) than the dividend for FY15, and like last year, it represents a generous dividend yield of around 8%. There have been some concerns that MHP's relatively large dividend payouts of the last several years have been a way for CEO and majority shareholder Yuriy Kosiuk (his actual stake size is unclear) to funnel money out of the company, but we see no signs that Kosiuk's commitment to maintaining and expanding MHP is waning. It will be interesting to observe whether the London-listed MHPC stock declines by 8-10% after the ex-rights date, or whether investors will simply price a similar dividend into the stock for FY17, which in our view is likely. We estimate that the announced dividend implies a payout ratio of 37% of the company's net profit before foreign exchange losses; for FY15 the ratio was 29%. The MHP stock is rather illiquid and has been in a tight corridor between USD 9-10 for the last two years. The current listed price is USD 9.40.

MHP Posts FY16 Net Profit of USD 69mn after Net Loss Seen in FY15

by Dmitry Churin
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MHP (MHPC LI)

Price: USD 9.32 Market Cap: USD 985mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	1.4	1.9	16.6	5.2	8.0%
2017E	1.2	1.5	5.8	4.4	4.1%

NEWS

London-listed MHP, Ukraine's largest poultry producer, posted a net profit of USD 69mn for FY16 compared to its net loss of USD 113mn for FY15, according to financials released on Mar 15. On the top line, revenue increased by 7% YoY to USD 1.14bn in the period while EBITDA declined by 5% YoY to USD 415mn.

In 4Q16 alone, MHP reported revenue of USD 313mn (+24% YoY), EBITDA of USD 72mn (+6% YoY), and a net loss of USD 28mn, compared to a net loss of USD 83mn in 4Q15.

On the balance sheet side, MHP's total debt was USD 1.24bn as of 31 Dec 2016. The debt structure remained stable with an 80% share of long-term liabilities. The Net Debt/EBITDA ratio was 2.60x as of 31 Dec 2016 compared to 2.84x at the end of 3Q16.

MHP FINANCIALS

USD mn	4Q16	4Q15	chg	2016	2015	chg
Net revenue	313	253	+24%	1,135	1,062	+7%
EBITDA	72	68	+6%	415	436	-5%
margin	23%	27%	-4 p.p.	37%	41%	-4 p.p.
Net Income (loss)	-28	-83	-66%	69	-113	+/-
net margin	-9%	-33%	+24 p.p.	6%	-11%	+17 p.p.

Source: Company data.

COMMENTARY

MHP's earnings for FY16 were once again distorted by a foreign exchange translation loss and by a loss from discontinued operations, which subtracted a combined USD 155mn from the company's operating profit. Net profit before the forex loss was USD 214mn (-23% YoY). On the other hand, the company's net cash flow from operations rose by 70% YoY to USD 325mn in the period, but overall, MHP's full-year net profit was barely half our forecast, as 4Q16 delivered a poor net result. Nevertheless, the company's EBITDA was in line with expectations while revenue was around 5% below our forecast. From the reported P&L, we clearly see that MHP has been hurt by the IMF-mandated change in the VAT refund system for the agro sector that took effect early last year. In 2016, the company's VAT refunds decreased by 55% YoY to USD 34mn.

We assume that MHP will not be able to increase its operating margin in FY17, and we project an EBITDA margin decline of 2 p.p. YoY to 35%. However, we do believe that the company can increase its revenue by about 20% to USD 1.40bn in FY17 thanks to rising export sales to the EU and other markets. We are also bullish that MHP's full-year net profit will recover to USD 170mn this year.

Although the MHPC stock, which has a current price of USD 9.30 per share, is trading at P/E of 16x, it remains a high yield dividend story with an announced DPS of near 75 cents, representing an 8.0% yield. There have been some concerns that MHP's relatively large dividend payouts of the last several years have been a way for CEO and majority shareholder Yuriy Kosiuk (his actual stake size is unclear) to funnel money out of the company, but we see no signs that Kosiuk's commitment to maintaining and expanding MHP is waning.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	74.7	80.0	7%	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	9.3	14.0	50%	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	69.0	70.0	1%	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	6.31	12.0	90%	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	38%	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	92.3	110.0	19%	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	171.5	150.0	-13%	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	2216	5250	137%	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	129	270	109%	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	3.8	15.0	300%	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	12.2	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	10.95	15.00	37%	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	0.161	0.24	49%	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	935.34	977.86	525.66	-0.6%	0.3%	22.7%	17.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.009	0.012	0.004	-9.6%	-3.4%	0.0%	3.7%	-9.0%	-3.7%	-22.7%	-13.9%
Coke												
Yasynivsky Coking	YASK	0.150	0.270	0.100	-21.1%	-6.3%	-31.8%	-44.4%	-20.4%	-6.5%	-54.5%	-62.0%
Iron Ore Mining												
Ferrexpo	FXPO	171.50	175.60	25.00	16.7%	-2.3%	23.6%	27.5%	2.2%	17.4%	-2.6%	10.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.25	n/a	n/a	-5.5%	-6.5%	12.8%	5.1%	-4.9%	-6.8%	-9.9%	-12.4%
Specialized Machinery												
Motor Sich	MSICH	2216	2255	934	-1.1%	4.4%	22.7%	19.3%	-0.5%	4.1%	0.0%	1.7%
Turboatom	TATM	12.00	12.25	5.80	0.2%	13.2%	31.3%	28.3%	0.8%	12.9%	8.6%	10.8%
Telecom												
Ukrtelecom	UTLM	0.120	n/a	n/a	-1.0%	-14.3%	-7.8%	-27.3%	-0.4%	-14.6%	-30.5%	-44.8%
Oil & Gas												
Regal Petroleum	RPT	3.75	5.50	1.75	-9.1%	-17.1%	3.9%	0.4%	36.4%	-8.5%	-17.4%	-17.1%
JKX Oil	JKX	25.50	33.50	16.00	-3.8%	-16.4%	-14.3%	-15.7%	0.0%	-3.2%	-16.7%	-33.2%
Ukrnafta	UNAF	129.0	145.4	70.5	-3.4%	5.3%	25.9%	25.0%	-2.8%	5.0%	3.2%	7.5%
Power Utilities												
Centrenergy	CEEN	10.95	11.58	4.47	-1.7%	-4.5%	9.3%	5.8%	-1.1%	-4.8%	-13.4%	-11.7%
Donbasenergy	DOEN	12.20	16.47	9.04	-0.7%	-8.9%	23.9%	16.1%	0.0%	-9.2%	1.2%	-1.4%
Zakhidenergy	ZAEN	68.00	n/a	n/a	0.0%	1.5%	13.3%	8.8%	0.6%	1.2%	-9.4%	-8.7%
Consumer												
Agroton	AGT	6.31	7.15	1.00	22.3%	-0.3%	47.1%	55.8%	1.0%	22.9%	-0.6%	38.3%
Astarta	AST	69.00	70.00	35.00	3.0%	11.3%	29.0%	27.7%	1.5%	3.6%	11.0%	10.1%
Avangardo	AVGR	0.68	1.45	0.26	0.0%	38.8%	44.7%	94.3%	0.0%	0.6%	38.5%	76.8%
Industrial Milk Company	IMC	9.40	9.75	6.43	1.2%	4.6%	14.1%	16.8%	0.0%	1.8%	4.3%	-0.8%
Kernel	KER	74.70	80.00	48.20	1.6%	-2.7%	14.0%	17.0%	-1.0%	2.3%	-3.0%	-0.5%
MHPC	MHPC	9.32	10.10	7.61	0.8%	3.9%	6.5%	6.0%	0.2%	1.4%	3.6%	-11.5%
Milkiland	MLK	2.46	2.80	1.27	4.7%	-5.0%	30.2%	23.0%	-0.8%	5.3%	-5.3%	5.5%
Ovostar Union	OVO	92.25	98.50	84.00	-0.7%	0.8%	9.8%	6.6%	-0.8%	-0.1%	0.5%	-10.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.161	0.170	0.059	3.0%	-0.5%	33.9%	22.3%	3.6%	-0.8%	11.2%	4.8%

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	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	1,135	1,400	459	415	490	38.8%	36.6%	35.0%	-126	59	170	-10.6%	5.2%	12.1%
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	1,254	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	40	5.0%	2	34	neg	neg	21.6	neg	>30	5.7	0.8	0.5	0.6
Specialized Machinery														
Turboatom	TATM	55	5.8%	3	-31	0.7	2.0	2.0	-0.4	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	172	24.0%	41	126	1.1	2.0	2.3	0.5	0.7	0.8	0.2	0.2	0.2
Oil & Gas														
Ukrnafta	UNAF	262	3.0%	8	252	neg	8.3	3.6	neg	2.2	1.7	0.2	0.3	0.2
Regal Petroleum	RPT	15	21.6%	3	-5	neg	n/a	14.9	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	54	50.4%	27	163	neg	neg	18.1	9.6	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	4.2	5.1	0.1	0.1	0.2
Consumer														
MHP	MHPC	985	34.1%	336	2,145	neg	16.6	5.8	4.7	5.2	4.4	1.8	1.9	1.5
Kernel	KER	1,495	61.8%	924	1,822	14.8	6.6	5.3	4.6	5.3	4.8	0.8	0.9	0.9
Astarta	AST	433	37.0%	160	592	24.5	4.2	3.8	4.1	3.6	3.5	1.7	1.8	1.7
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	4.4	3.9	3.8	4.1	3.6	3.3	1.9	1.7	1.6
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	371	1.8%	7		neg	2.5	2.9	1.4	1.1	1.1	0.19	0.19	0.19

Source: Eavex Research

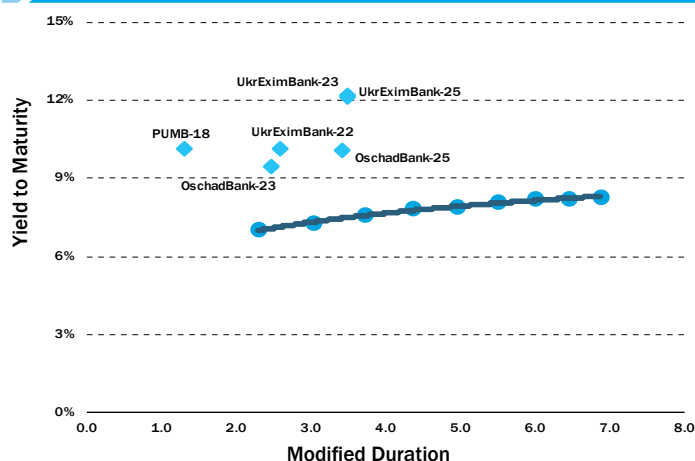
UKRAINIAN EUROBONDS

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	100.8	101.1	7.4%	7.2%	-0.1%	2.2	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	99.3	99.8	8.0%	7.8%	0.4%	3.0	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	97.1	98.1	8.5%	8.3%	-0.4%	3.7	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	96.1	97.1	8.7%	8.4%	-0.4%	4.3	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	94.4	95.4	8.9%	8.7%	-1.0%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	92.6	93.6	9.1%	8.9%	-2.0%	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	90.8	91.5	9.2%	9.1%	-2.8%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	90.1	90.9	9.2%	9.1%	-3.2%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	29.8	30.3	n/a	n/a	-1.6%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.1	25.9	135.3%	85.6%	0.0%	1.4	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	102.3	103.1	8.2%	8.0%	2.7%	3.9	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	99.9	101.0	8.3%	7.9%	4.0%	2.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	30.0	32.0	112.2%	105.7%	4.8%	0.9	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	33.0	190.0%	171.3%	2.7%	0.4	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	80.0	81.0	14.9%	14.6%	-10.1%	5.4	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2016	94.0	95.1	n/a	n/a	2.2%	n/a	10.25%	S/A	31 Jan 2016	85	//C
Metinvest, 2017	94.2	95.5	n/a	n/a	6.3%	n/a	10.50%	S/A	28 Nov 2017	290	//C
Metinvest, 2018	94.2	96.5	n/a	n/a	3.1%	n/a	8.75%	S/A	14 Feb 2018	750	//C
Ferrexpo, 2019	102.0	102.8	9.3%	8.8%	1.6%	1.3	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	94.2	96.5	9.3%	8.8%	1.3%	1.3	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	97.1	98.1	10.7%	10.4%	2.3%	2.4	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	30.0	n/a	n/a	n/a	0.1	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	85.0	95.0	21.1%	16.2%	5.5%	2.3	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	1.8	n/a	n/a	13.6%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	98.7	100.6	11.8%	10.6%	-1.9%	1.1	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	-1.4%	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	27.4	29.6	n/a	n/a	113.9%	0.4	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	99.2	100.1	9.8%	9.6%	1.6%	2.4	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	88.5	90.8	11.1%	10.6%	8.6%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.2	97.1	12.3%	12.0%	1.8%	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	98.0	98.9	9.8%	9.6%	0.9%	2.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	96.1	96.9	10.4%	10.2%	2.1%	3.4	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

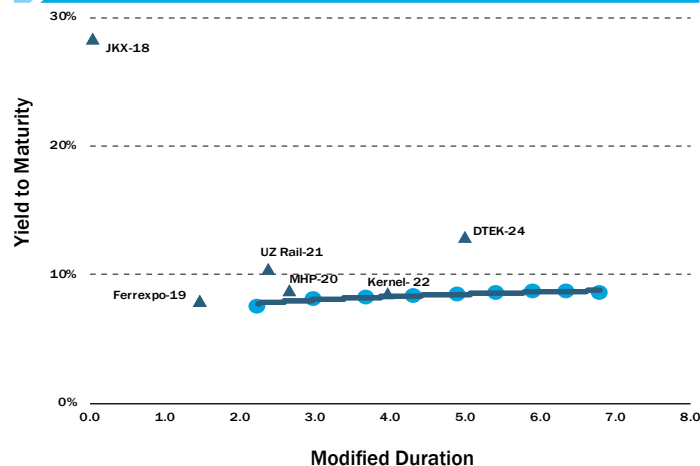
¹ Moody's/S&P/Fitch

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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