

## Stock Market Update

### Equity

Ukraine's IMF program was in the spotlight early last week after the Washington-based lender abruptly postponed its approval of the next loan tranche payout. The decision looked like a slap in the face to President Poroshenko over his surprising plan to impose an official blockade of the occupied Donbass territories, a move that could violate the Minsk peace agreement. The IMF said it needed time to evaluate consequences of the blockade on Ukraine's economy. In important equity market news, Parliament approved a controversial law on the so-called "squeeze-out", when a majority shareholder with a 95%+ stake has the right to purchase all the remaining free float.

The UX added 3.5% to close at 968 points, with almost all of the gain coming from Raiffeisen Bank Aval (BAVL), which jumped 20% to 19.50 kopecks. The stock was lifted by an announcement of the bank's intention to pay a dividend of 5.90 kopecks per share; the shareholder meeting to approve the payout is scheduled on Apr 25. At the current price BAVL's potential dividend yield is 30%. On the downside, low-liquidity index member DonbasEnerg (DOEN) fell 2.9% to UAH 11.85 after the company said it has lost all control over its main asset, the Starobeshevo thermal power plant located on separatist-occupied territory.

In London, poultry producer MHP (MHPC) broke out of its trading range to reach USD 10 per share, although probably only on a temporary basis until the dividend ex-rights date passes. The stock rose by 5.3% for the week after the company announced a dividend of 75 cents per share. Warsaw-listed Kernel (KER) slipped 2.7% to PLN 72.70.

On the currency front, the hryvnia started to feel the pain from a worsening trade balance as a result of the Donbass blockade, weakening by 1.0% to 27.16 UAH/USD.

## Highlights

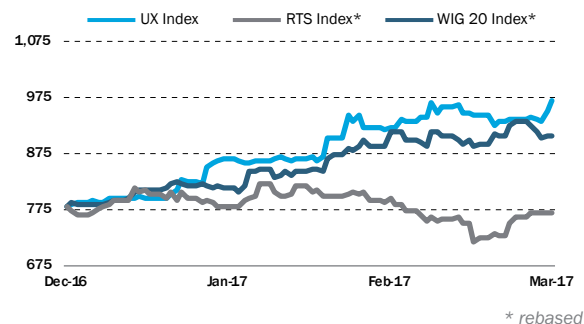
### POLITICS AND ECONOMICS

- > NBU: Donbass Trade Blockade to Cost Ukraine 1% of GDP
- > Poroshenko Reverses Course, Launches Official Donbass Trade Blockade

### STOCKS IN THE NEWS

- > Ferrexpo Raises Full-Year EBITDA by 20% to USD 375mn, Beats Expectations

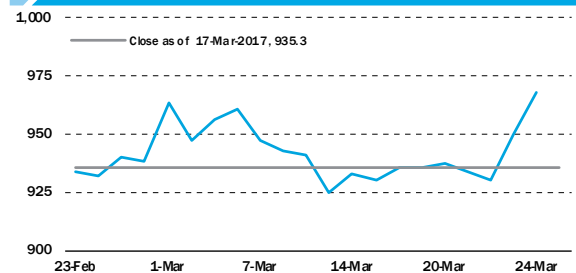
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	968.2	3.5%	5.1%	21.7%
RTS	1124.7	1.1%	-3.2%	-2.4%
WIG20	2234.8	-2.7%	-0.6%	14.7%
MSCI EM	969.1	0.4%	2.5%	12.4%
S&P 500	2344.0	-1.4%	-0.9%	4.7%

## UX 1M PERFORMANCE



## FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	329	0.1%	-2.3%	-9.9%
NBU Key Rate	14.0%	0.0 p.p.	0.0 p.p.	0.0 p.p.
Ukraine-19	6.9%	-1.9 p.p.	-1.4 p.p.	-0.4 p.p.
Ukraine-27	8.9%	-0.3 p.p.	0.4 p.p.	0.2 p.p.
MHP-20	7.8%	-0.3 p.p.	0.2 p.p.	-1.7 p.p.
UZ Rail-21	11.0%	0.1 p.p.	0.5 p.p.	-0.7 p.p.

## CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.13	0.8%	0.3%	-0.6%
EUR	29.29	1.4%	2.8%	3.5%
RUB	0.48	1.2%	1.3%	8.1%

## COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	180.0	0.0%	1.7%	4.0%
Steel, USD/t	492.5	-0.5%	3.1%	-0.5%
Oil, USD/bbl	50.8	-1.9%	-10.5%	-10.6%
Gold, USD/oz	1243.5	1.2%	0.6%	7.9%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**NBU: Donbass Trade Blockade to Cost Ukraine 1% of GDP**

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

**NEWS**

The National Bank of Ukraine (NBU) estimated that the new official ban on trade with the Donbass occupied territories will slow the country's economic recovery from 2.8% to 1.9% in 2017, in a statement published on its official website on Mar 21. Due to the blockade, the NBU's forecast for the current account deficit in balance of payments for 2017 was raised to USD 4.3bn from USD 3.5bn, a figure that approaches 5% of GDP. Meanwhile, the NBU improved its GDP growth forecast for 2018 from 3.0% to 3.2%, and reiterated its forecast for inflation for the current year at 9.1% and next year at 6.0%.

**COMMENTARY**

In our view, the NBU revision is rather optimistic. We think it is too early to state that the trade blockade will only cost 1% of GDP, as this critically depends on whether the blockade will lead to a complete exports halt to Russia as well. The government is obviously in a hurry to provide its view on the blockade in order to convince the IMF that the economic consequences will not be crucial. Finance Minister Oleksandr Danyliuk has already said that the government's estimates coincide with the NBU's revised forecast, and that this year's budget deficit will be retained at the initially planned level of 3% of GDP. We are not persuaded that Ukraine's economy can easily mitigate the negative impact of losing access to the Donbass coal and steel production facilities, nor do we believe that the IMF will be easily persuaded in this regard either. One of the direct results of the blockade will be increased prices for electricity, as coal imports are considerably more expensive than coal supplies from the occupied territories, which had been part of a decades-old established supply chain. It is now becoming more and more important for Ukrainian authorities to prevent populist political forces from getting an opportunity to call for an early parliamentary election. We are seeing increasingly desperate attempts by opposition parties to break the fragile 226-member BPP-People's Front coalition in the short-handed 423-member parliament (27 seats from the Donbass and Crimea are vacant). The opposition and populists had been working hard to use the previously illegal blockade as leverage over President Poroshenko and the government; even though the blockade has now become official, the issue is still a dangerous one for the President and the thin majority in Parliament.

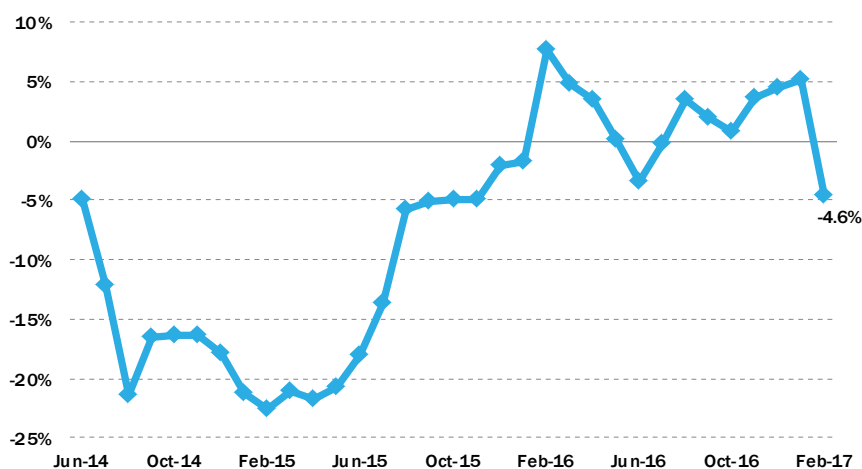
**Industrial Output Down 4.6% YoY in February Amid Donbass Blockade**

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

**NEWS**

Ukraine's industrial production declined by 4.6% YoY (1.7% YoY on a calendar day adjusted basis) in February after a firm 5.2% YoY output increase in January, the State Statistics Committee (UkrStat) reported on Thursday (Mar 23). The month-on-month unadjusted change was a decline of 2.2%. Output decreased in February by 11.5% YoY in the extraction sector and by 3.2% in the manufacturing sector, while in the utility sector production rose by 1.8% YoY, largely due to lower temperatures this February than in 2016. For 2M17, the IP index is up by 0.4% YoY.

**UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY**



Source: State Statistics Committee

**COMMENTARY**

The year-on-year comparison of industrial output for this February is distorted to the downside by last February's additional calendar day. Nevertheless, the figure is a clear disappointment, with the steep drop in coal extraction (by 25.9% YoY and 24.7% MoM) having no other explanation than the illegal trade blockade of the Donbass by nominally pro-Ukrainian paramilitary groups. In absolute figures, coal extraction was 2.0mn tonnes in February compared to an average extraction of 2.5mn tonnes per month in 2016. An important individual situation was in the metallurgical coke industry as the country's largest coke plant Avdyivka Coke suffered from artillery shelling during a brief escalation of the military conflict on the frontline with pro-Russian separatists.

The blockade has led to a significant decrease in the pace of Ukraine's industrial production recovery. Although we are not yet revising our initial forecast for 2017, we expect that UkrStat's industrial index will show another negative year-on-year performance in March.

## Ferrexpo Raises Full-Year EBITDA by 20% to USD 375mn, Beats Expectations

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

### FERREXPO (FXPO LN)

Price: GBp 168 Market Cap: USD 1,236mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2016	2.0	6.5	5.3	3%
2017E	1.5	4.8	4.0	2%

### NEWS

Poltava-based Ferrexpo, Ukraine's largest iron ore pellet exporter, reported a 20% YoY increase in its full-year 2016 EBITDA to USD 375mn, according to financials published on Mar 22. The company's revenue edged up by 3% YoY to USD 986mn on the back of higher sales volumes, and net profit jumped by 6x YoY to USD 189mn, mainly thanks to cost-cutting measures. Ferrexpo reduced its average production cash pellet cost from in-house ore (C1 cost) by 13% YoY to USD 27.70 per tonne. Meanwhile, the average FY16 benchmark ore fines price increased by 5% YoY to USD 58 per tonne.

Ferrexpo's net debt as of end-2016 declined by 32% YoY to USD 589mn amid both a higher cash position of USD 145mn and repayment of USD 196mn of debt over the period. As a result, the Net Debt/EBITDA ratio fell from 2.78x as of end-2015 to 1.57x as of end-2016. Net operating cash flow rose by 2.6x to USD 332mn in FY16, while full-year CapEx was reduced by 26% to USD 48mn. In the Mar 22 release, the company announced a total dividend of USD 0.066 per share for FY16.

### FERREXPO FINANCIAL RESULTS

USD mn	2016	2015	YoY
<b>Revenue</b>	<b>986</b>	<b>961</b>	+3%
<b>EBITDA</b>	<b>375</b>	<b>313</b>	+20%
<i>margin</i>	38%	32%	+6 p.p.
<b>Net profit</b>	<b>189</b>	<b>32</b>	+491%
<i>margin</i>	19%	3%	+16 p.p.

	31 Dec 2016	31 Dec 2015	YoY
Net debt to EBITDA	1.57x	2.78x	-44%

Source: Company Data

### COMMENTARY

Ferrexpo delivered strong financial results for FY16, substantially exceeding its own latest guidance for EBITDA at a level of USD 300mn for the period. Definitely, the main factor behind the improved financial results was higher iron ore prices. On the other hand, the company's internal cost optimization also played an important role, making Ferrexpo's business model much more sustainable against outside shocks.

Early 2017 has been very favorable for the iron ore industry, with the average 62-percent Fe iron ore fines price for the first quarter near USD 86 per tonne, compared to the average of USD 58 per tonne in 2016. We now forecast that Ferrexpo's EBITDA will increase by 32% YoY in FY17 to USD 495mn.

The London-listed FXPO stock jumped to a new 3-year high of GBp 170 per share, as the announced dividend implies a 3% yield. However, the benchmark iron ore price has been correcting somewhat from its peak of USD 95 per tonne reached in February, and this factor could lead to some downward pressure on the stock. We reiterate our HOLD recommendation for FXPO with a target price of GBp 150 per share.

Ferrexpo-2019 outstanding Eurobonds are quoted at 102.0/103.2 (9.2%/8.6%).

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	72.7	80.0	10%	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	9.7	14.0	45%	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	67.4	70.0	4%	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	6.00	12.0	100%	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	9.5	13.0	37%	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	-57%	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	93.0	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.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	168.0	150.0	-11%	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.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2178	5250	141%	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.
<b>Oil &amp; Gas</b>						
UkrNafta	UNAF	125	270	116%	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	4.2	15.0	255%	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	20.3	37.0	83%	HOLD	The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	11.9	9.0	-24%	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	10.70	15.00	40%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.195	0.24	23%	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	968.22	1009.09	526.21	3.5%	5.1%	23.3%	21.7%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.009	n/a	n/a	0.0%	-5.6%	-1.2%	3.7%	-3.5%	-10.7%	-24.4%	-18.0%
<b>Coke</b>												
Yasynivsky Coking	YASK	0.150	0.270	0.100	0.0%	-6.3%	-44.4%	-44.4%	-3.5%	-11.4%	-67.7%	-66.1%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	168.00	175.60	25.00	-2.0%	-3.4%	24.9%	24.9%	-1.8%	-5.6%	-8.6%	3.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	8.40	n/a	n/a	-9.2%	-17.2%	0.0%	-4.5%	-12.7%	-22.4%	-23.3%	-26.2%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2178	2255	934	-1.7%	1.9%	18.2%	17.2%	-5.2%	-3.2%	-5.0%	-4.4%
Turboatom	TATM	12.05	12.25	5.80	0.4%	9.6%	27.0%	28.9%	-3.1%	4.5%	3.7%	7.2%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.120	n/a	n/a	0.0%	-4.2%	-7.8%	-27.3%	-3.5%	-9.3%	-31.1%	-48.9%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.23	5.50	1.75	12.8%	-6.5%	21.4%	13.3%	-1.9%	9.3%	-11.6%	-8.4%
JKX Oil	JKX	20.25	33.50	16.00	-20.6%	-33.6%	-33.6%	-33.1%	-1.9%	-24.1%	-38.7%	-54.7%
Ukrnafta	UNAF	125.0	n/a	n/a	-3.1%	3.4%	21.4%	21.1%	-6.6%	-1.7%	-1.9%	-0.5%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.70	11.58	4.66	-2.3%	-5.2%	4.1%	3.4%	-5.8%	-10.3%	-19.2%	-18.2%
Donbasenergy	DOEN	11.85	16.47	9.04	-2.9%	-8.5%	12.7%	12.7%	-6.4%	-13.6%	-10.5%	-8.9%
Zakhidenergy	ZAEN	71.00	n/a	n/a	4.4%	6.0%	18.3%	13.6%	0.9%	0.8%	-4.9%	-8.1%
<b>Consumer</b>												
Agroton	AGT	6.00	7.15	1.08	-4.9%	-8.0%	54.6%	48.1%	-2.6%	-8.4%	-13.1%	26.5%
Astarta	AST	67.35	70.00	36.73	-2.4%	10.9%	24.7%	24.6%	-0.9%	-5.9%	5.8%	2.9%
Avangardo	AVGR	0.70	1.45	0.26	2.9%	0.0%	55.6%	100.0%	-3.3%	-0.6%	-5.1%	78.3%
Industrial Milk Company	IMC	9.50	9.75	6.50	1.1%	5.9%	12.4%	18.0%	-2.5%	-2.5%	0.8%	-3.6%
Kernel	KER	72.70	80.00	48.20	-2.7%	-8.6%	20.0%	13.9%	-3.7%	-6.2%	-13.7%	-7.8%
MHPC	MHPC	9.67	10.50	7.99	3.8%	7.4%	10.9%	10.0%	-7.1%	0.2%	2.3%	-11.6%
Milkiland	MLK	2.37	2.80	1.56	-3.7%	-7.1%	23.4%	18.5%	-1.9%	-7.2%	-12.2%	-3.2%
Ovostar Union	OVO	93.00	98.50	84.00	0.8%	3.3%	10.7%	7.5%	0.3%	-2.7%	-1.8%	-14.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.195	0.220	0.059	20.6%	22.9%	52.9%	47.5%	17.1%	17.7%	29.6%	25.8%

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
<b>Iron Ore Mining</b>																
Ferrexpo	FXPO	961	986	1,282	313	375	495	32.6%	38.0%	38.6%	31	189	255	3.3%	19.2%	19.9%
<b>Railcar Manufacturing</b>																
Kryukiv Wagon	KVBZ	41	67	55	-15	1	6	-37.1%	0.9%	11.0%	-19	-4	2	-46.3%	-5.9%	3.3%
<b>Specialized Machinery</b>																
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%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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%
<b>Banks</b>																
		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	
<b>Iron Ore Mining</b>														
Ferrexpo	FXPO	1,241	24.0%	298	1,991	>30	6.6	4.9	6.4	5.3	4.0	2.1	2.0	1.6
<b>Railcar Manufacturing</b>														
Krukiv Wagon	KVBZ	36	5.0%	2	31	neg	neg	19.5	neg	>30	5.0	0.7	0.5	0.6
<b>Specialized Machinery</b>														
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	168	24.0%	40	122	1.1	2.0	2.3	0.5	0.7	0.8	0.2	0.2	0.2
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	252	3.0%	8	242	neg	8.0	3.4	neg	2.1	1.6	0.2	0.3	0.2
Regal Petroleum	RPT	17	21.6%	4	-2	neg	n/a	17.0	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	44	50.4%	22	152	neg	neg	14.5	9.0	5.2	4.5	1.7	1.9	1.6
<b>Electric Utilities</b>														
CentrEnergO	CEEN	147	21.7%	32	114	>30	3.4	5.7	8.8	3.1	2.9	0.4	0.3	0.3
DonbasEnergO	DOEN	10	14.2%	1	24	neg	5.3	7.1	neg	4.1	5.0	0.1	0.1	0.2
<b>Consumer</b>														
MHP	MHPC	1,022	34.1%	348	2,182	neg	17.3	6.0	4.8	5.3	4.5	1.8	1.9	1.6
Kernel	KER	1,476	61.8%	912	1,802	14.6	6.6	5.2	4.5	5.2	4.7	0.8	0.9	0.8
Astarta	AST	429	37.0%	159	588	24.2	4.1	3.7	4.1	3.6	3.4	1.7	1.8	1.6
Avangardco	AVGR	45	22.5%	10	379	neg	neg	8.9	neg	neg	14.0	1.6	2.2	2.1
Ovostar	OVO	142	25.0%	36	147	4.5	4.0	3.8	4.2	3.7	3.4	1.9	1.7	1.6
<b>Banks</b>														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	444	1.8%	8		neg	3.0	3.5	1.7	1.3	1.3	0.23	0.22	0.23

Source: Eavex Research



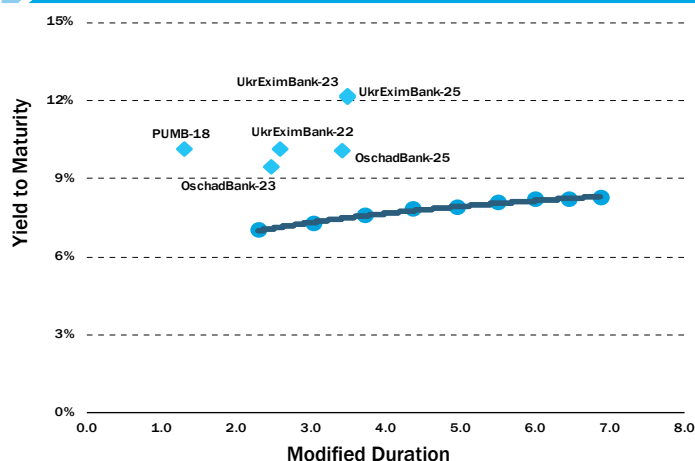
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	101.6	102.0	7.0%	6.8%	0.8%	2.2	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	99.9	100.4	7.8%	7.6%	1.0%	2.9	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	98.6	99.1	8.1%	8.0%	0.9%	3.7	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	96.0	96.8	8.7%	8.5%	-0.6%	4.3	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	94.6	95.4	8.9%	8.7%	-0.9%	4.9	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	93.6	94.4	8.9%	8.8%	-1.1%	5.5	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	92.6	93.4	9.0%	8.9%	-1.1%	6.0	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	92.0	92.8	9.0%	8.9%	-1.5%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	91.9	92.6	9.0%	8.8%	-1.3%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	31.0	32.0	n/a	n/a	3.3%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	12.6	25.9	148.2%	86.6%	-3.8%	1.4	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	102.8	103.6	8.0%	7.8%	3.2%	3.9	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	100.8	101.6	8.0%	7.6%	4.8%	2.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
Avangardco, 2018	28.4	30.9	119.4%	110.6%	0.4%	0.9	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	30.0	33.2	194.6%	174.2%	3.0%	0.5	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	6.5	8.5	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	6.5	8.5	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	79.5	81.5	15.0%	14.5%	-10.7%	5.4	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	11.8%	11.0%	-0.5%	4.0	9.37%	S/A	31 Dec 2021	1,197	//
Ferrexpo, 2019	102.4	103.3	9.0%	8.6%	2.1%	1.3	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	102.1	103.2	9.2%	8.6%	1.5%	1.3	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	96.8	97.8	10.8%	10.5%	2.0%	2.4	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	27.5	29.5	n/a	n/a	3.6%	0.1	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	85.0	93.7	21.2%	16.8%	4.8%	2.2	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
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	98.8	100.5	11.8%	10.7%	-1.8%	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	18.0	21.5	n/a	n/a	16.2%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	11.0	16.0	n/a	n/a	3.8%	1.4	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	99.8	100.6	9.7%	9.5%	2.2%	2.4	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	88.7	91.0	11.1%	10.5%	8.8%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	96.8	97.7	12.3%	12.0%	2.4%	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	99.1	100.0	9.6%	9.4%	2.1%	2.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	96.8	97.7	10.2%	10.0%	2.9%	3.4	8.88%	S/A	20 Mar 2025	500	Caa3//B-
<b>Municipal Eurobonds</b>											
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

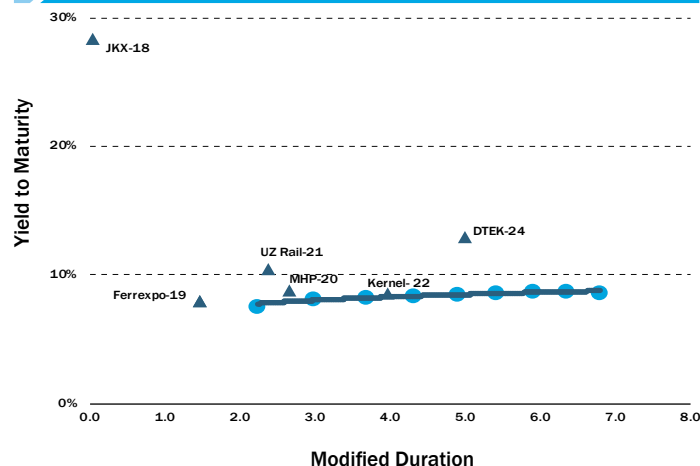
<sup>1</sup> Moody's/S&P/Fitch

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
<b>UAH denominated Bonds</b>									
UA4000142665			15.50%	14.85%	n/a	19.50%	S/A	19 Jul 2017	n/a
<b>VAT Bonds</b>									
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