

Stock Market Update

Equity

Ukraine's main equity index fell sharply last week, although the drop was due entirely to the expected technical event of a correction in this year's best performing issue, Raiffeisen Bank Aval (BAVL), following the passage of the ex-rights date for the bank's 5.90 kopeck FY16 dividend. The stock fell 25% (by the amount of the dividend) to 19.40 kopecks. In our view, Raiffeisen Aval remains an attractive BUY opportunity, as its 1Q17 net profit was at a record high UAH 1.45bn (USD 54mn), implying earnings per share of 2.36 kopecks. We forecast that the bank will post a net profit of UAH 3.50bn in FY17 and will pay a 5.40 kopeck dividend next year.

Overall, the UX index lost 7.8% to close at 930 points, with all of the decline coming at the hands of Raiffeisen Aval. The bright spot among the index's five components was Motor Sich (MSICH), which advanced by 4.2% to UAH 2193 on news that the company is planning a joint venture to build aircraft engines in China. In the electricity sector, CentrErgo (CEEN) moved down by 0.5% closing at UAH 10.30 per share. In second-tier stocks, former UX index member Krukiv Wagon (KVBZ) plummeted by 22% to UAH 7.30 after an announcement that the company intends to de-list and transform itself into a private company at a special shareholders meeting scheduled for Jun 16.

In London, Ferrexpo (FXPO) gained 2.5% to GBp 163 despite no clear improvement in the outlook for iron ore prices. The benchmark 65 percent Fe iron ore price now stands at near USD 60 per tonne, down from USD 92 at the peak in February. In Warsaw trading, Astarta (AST) added 2.6% to PLN 70 on the nose after the company revealed plans to expand its grain storage capacities. Lugansk-based Agroton (AGT) slid 8.1% to PLN 6.70 after failing to extend its 2017 rally by climbing above the resistance level of PLN 7.50.

The hryvnia remained stable, inching up by 0.4% to 26.37 UAH/USD, as the dollar was soft against the world's major currencies last week. The National Bank continued take advantage of an ample supply of forex on the interbank market to pad its foreign reserves.

Highlights

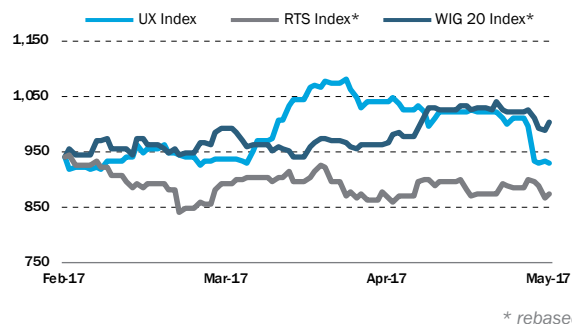
POLITICS AND ECONOMICS

- > Gingrich Says Trump Admin Will Provide Weapons to Ukraine
- > UkrStat Reports 2.4% YoY GDP Growth in Ukraine for 1Q17

STOCKS IN THE NEWS

- > UkrNafta Offers to Pay UAH 13bn Tax Liability Over 3 Years
- > Motor Sich Plans Joint Engine Production With China's Skyrizon

STOCK MARKET PERFORMANCE

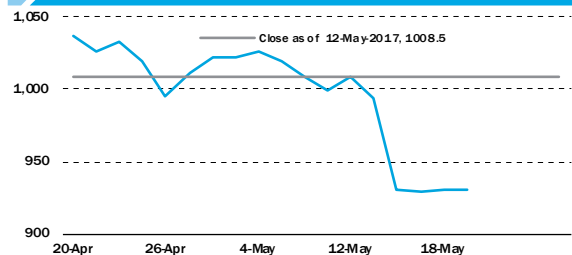


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	930.1	-7.8%	-10.6%	16.9%
RTS	1087.8	-1.1%	1.0%	-5.6%
WIG20	2328.7	-1.7%	4.1%	19.5%
MSCI EM	995.7	-0.7%	4.0%	15.5%
S&P 500	2381.7	-0.4%	1.7%	6.4%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	327	2.6%	-3.5%	-10.5%
NBU Key Rate	13.0%	0.0 p.p.	0.0 p.p.	-1.0 p.p.
Ukraine-19	6.2%	-1.7 p.p.	-2.5 p.p.	-1.1 p.p.
Ukraine-27	8.2%	-0.1 p.p.	-0.7 p.p.	-0.5 p.p.
MHP-20	6.4%	0.0 p.p.	-0.8 p.p.	-3.1 p.p.
UZ Rail-21	9.3%	0.1 p.p.	-1.2 p.p.	-2.4 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.37	-0.4%	-1.7%	-3.4%
EUR	29.54	2.1%	2.6%	4.4%
RUB	0.46	-0.2%	-2.6%	5.2%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	176.0	0.0%	-2.5%	1.7%
Steel, USD/t	445.0	2.3%	-2.2%	-10.1%
Oil, USD/bbl	53.6	5.4%	-3.3%	-5.6%
Gold, USD/oz	1255.9	2.3%	-2.6%	9.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Gingrich Says Trump Admin Will Provide Weapons to Ukraine

by Will Ritter
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NEWS

Former Speaker of the US House of Representatives Newton Gingrich said he expects the administration of new US President Trump to toughen its position on Russia, the Kyiv Post online newspaper wrote last week. Gingrich was in Kyiv on May 16 giving a lecture at the national Diplomatic Academy at the invitation of the foundation of industrialist Victor Pinchuk. "I would be surprised if they [the US administration] don't increase the lethality of the weapons that are made available to Ukraine," the Post quoted Gingrich as saying. "I think we want to maximize the ability of Ukrainians to defend themselves, without necessarily forcing Russia into a major escalation." Gingrich was an early supporter of Trump in his presidential campaign, although he does not have any formal role in the Trump administration.

COMMENTARY

It appears that Pinchuk, who is well-connected in Washington, has hired Gingrich to lobby the Trump administration on behalf of Ukraine, as such appearances in Kyiv of a big name in US politics do not come cheaply. However, the money is probably well-spent if it keeps Ukraine in the famously short attention span of the new US President. By most accounts, Trump's decision-making is based more on informal advice than on traditional policy formulation processes, and Gingrich is a heavyweight who likely has Trump's ear. Following the May 10 White House meeting between Trump and Russian Foreign Minister Sergey Lavrov, the US administration finally began including Ukraine in its statements about the key issues in US-Russian relations after a period of referencing only the Syrian conflict and terrorism. Focusing more on Ukraine would seem to be in Trump's own self-interest, as it could blunt the criticism from his domestic opponents that he is under the thumb of Russian President Putin. The difficulty for Trump is that his campaign's possible relations with the Russian government are now under investigation by "special prosecutor" Robert Mueller, the former director of the FBI, increasing the chances that Trump might be forced from office prior to the completion of his 4-year term, or indeed, even before the end of this year. In such a volatile environment, it seems unlikely that a clear Ukraine policy will be drawn up in Washington in the near future.

UkrStat Reports 2.4% YoY GDP Growth in Ukraine for 1Q17

by Dmitry Churin
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NEWS

The Ukrainian economy grew by 2.4% YoY in 1Q17, according to the preliminary estimate from the State Statistics Committee released on May 16. The data also showed that the country's seasonally-adjusted GDP declined by 0.3% on a quarterly basis in the period. Ukraine's GDP had demonstrated strong growth of 4.7% YoY in 4Q16, with the full-year 2016 figure coming in at 2.3% YoY. The government built the national budget for 2017 on a forecast for GDP growth of 3% and inflation of 8.1%, while the National Bank projected a 1.9% GDP increase with inflation at 9.1%.



Source: State Statistics Committee, Eavex Research

COMMENTARY

The reported first-quarter GDP growth figure is a positive surprise for us, as we had expected more moderate growth of 1.5% YoY in light of the economic losses associated with the blockade (initially unauthorized but endorsed by Kyiv in mid-March) of the occupied Donbass territories. The figure marks the fifth consecutive quarter of growth for the Ukrainian economy after a two-year recession. On the other hand, the economic recovery indeed slowed down compared to 4Q16, which could be viewed as an outlier driven by last year's very large crop harvest. Going forward, the comparison base is not especially soft, and in order to achieve higher growth, there should be visible acceleration in Ukraine's industrial production. Unfortunately, we are observing the reverse situation in the real sector, as Ukrainian manufacturing continues to struggle to find new markets after the sharp reduction in trade links with Russia. With industry remaining rather weak, a major driver of growth will have to be increasing personal consumption. UkrStat earlier reported that retail sales rose by 3.1% YoY in 1Q17.

At the moment we leave unchanged our initial forecast that Ukraine's economy will expand by 2.5% in FY17. However, the likely inability of the agro sector to duplicate 2016's stellar harvest as well as the sluggish environment on global steel markets will not work in Ukraine's favor, and we would not be surprised if the full-year GDP increase actually ends up coming in at less than 2.0%.

UkrNafta Offers to Pay UAH 13bn Tax Liability Over 3 Years

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 102 Market Cap: USD 212mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	6.3	0.2	neg	1.8	n/a
2017E	6.5	0.2	2.9	1.4	n/a

NEWS

UkrNafta, Ukraine's national flagship oil producer, has submitted a new proposal to pay off its production tax liabilities to the State Fiscal Service (SFS) which envisages a 3-year repayment period, according to the company's statement published on May 17. UkrNafta had been refusing to pay the taxes since 2014, and has accrued UAH 13.5bn (USD 510mn) in production taxes and penalties. A previous proposal submitted to the SFS demanded that the government write off the tax debt based on a previous Ukrainian government's de-jure confiscation of 2bn cu-m of natural gas from UkrNafta in the years prior to 2010. The proposal was rejected.

COMMENTARY

UkrNafta's new proposal requests a write-off of the penalties for its unpaid taxes and also asks for an extension of the company's production licences. We assume that the decisions on UkrNafta's proposal will bypass the SFS leadership and will be made at the very top of the government by Prime Minister Groysman and President Poroshenko. The Ukrainian Mineral Resources Service previously refused to extend nine of UkrNafta's production licenses, citing the tax debt. At UkrNafta's annual shareholder meeting on May 18, CEO Mark Rollins said the company is able to generate a sustainable free cash flow in the current market environment, that it should be able to pay half of the tax debt by end-2018.

Separately, we note that UkrNafta's shareholders appointed a new supervisory board at the May 18 meeting. An unusual sign was that long-standing board members Igor Kolomoysky and Gennadiy Bogolubov, who have controlled UkrNafta for more than a decade through their Privat Group, were replaced by lawyers affiliated with the group. Although the rotation in Privat representatives at UkrNafta could be merely a technical point, we do not rule out that it could also be evidence of a possible change in UkrNafta's shareholder structure in the medium term.

The Kyiv-listed UNAF stock currently trades at UAH 102 per share, or less than USD 4, after being above USD 100 as recently as 2011. The stock price has fallen by 10% since mid-April, as the company's 1Q17 financial results were lackluster. Moreover, there is a strong possibility that despite UkrNafta's positive cash flow, it will be forced to recognize additional large non-cash expenses related to toxic account receivables from Kolomoysky-controlled related parties.

Motor Sich Plans Joint Engine Production With China's Skyrizon

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 2193 Market Cap: USD 173mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.3	0.3	2.2	0.8	1.2%
2017E	0.3	0.3	2.4	0.8	1.3%

NEWS

Kyiv-listed, Zaporizhia-based Motor Sich, Ukraine's monopoly aircraft engine producer, is planning to build a plant in Chongqing (central China) in a joint venture with China's Skyrizon, Interfax reported, citing Deputy Prime Minister Stepan Kubiv. The new plant will produce and service aircraft engines under Ukrainian technologies. Kubiv said Skyrizon is also "ready" to invest USD 250mn in Motor Sich's existing production facilities in Zaporizhia.

COMMENTARY

It is too early to say for certain that Motor Sich, which is controlled by its management but has a significant free float on the Ukrainian Exchange, will see great benefits from cooperation with China's Skyrizon. Back in 2013, Motor Sich signed a preliminary contract with the Aviation Industry Corporation of China (AVIC) on joint engine production; since that time, there has been no reported progress on the project. However, the Chinese market easily has the potential to become the second largest market for the company after Russia. Motor Sich has already entered the Chinese market by supplying engines for the supersonic training and light attack aircraft L-15 Falcon. As for Kubiv's statement about a USD 250mn Chinese investment in Motor Sich, we are skeptical about the figure, as this would be tantamount to China buying a controlling stake in the company.

The MSICH stock has been in a local downward trend since March, falling from its ceiling of UAH 2250 to the current level of UAH 2100 per share despite the company reporting a strong 1Q17 profit. Net profit rose by 4.8x YoY (returning to the historical level after a poor 1Q16) to UAH 1.46bn (USD 54mn) in the period amid a revenue increase of 63% YoY to UAH 3.43bn. The company enjoyed a net cash position as of the end of March. The MSICH stock continues to trade at very attractive valuation multiples of 2017E EV/EBITDA of 0.8x and P/E of 2.4x, reflecting investors' concerns that Motor Sich might eventually lose its access to the Russian market due to Russian trade barriers and/or Ukrainian restrictions on military-related exports to Russia.

MOTOR SICH FINANCIAL RESULTS

UAH mn	1Q17	1Q16	YoY
Net revenue	3,430	2,100	+63.3%
EBITDA	1730	703	+146.0%
EBITDA margin	50.4%	33.5%	+16.9 p.p.
Net profit	1,457	305	+378.2%
net margin	42.5%	14.5%	+28.0 p.p.

Source: Company data.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	67.3	80.0	19%	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	10.3	14.0	37%	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	70.5	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	6.70	12.0	79%	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	10.5	13.0	24%	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	1.0	0.3	-70%	SELL	Ukraine's new VAT regime for agro producers is negative for Avangard, as its subsidy reimbursements will be reduced. Large room for cost optimization provides a theoretical upside to earnings, but the company's highly volatile financial results have rendered forecasting unreliable.
Ovostar Union	OVO PW	92.0	110.0	20%	BUY	The company has a strong focus on domestic branded egg sales and successfully expands its export sales to mitigate negative effect from devaluation. Ovostar is in the midst of a long-term expansion that will ultimately see egg output triple over 2012-18E.
Iron Ore						
Ferrexpo	FXPO LN	162.6	150.0	-8%	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	2193	5250	139%	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	104	270	160%	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	3.2	15.0	366%	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	19.4	37.0	91%	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	11.8	9.0	-24%	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	10.30	15.00	46%	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	0.194	0.27	39%	BUY	Raiffeisen Aval's 1Q17 net profit was at a record high UAH 1.45bn (USD 54mn), implying earnings per share of 2.36 kopecks. We forecast that the bank will post a net profit of UAH 3.50bn in FY17 and will pay a 5.40 kopeck dividend next year.

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	930.05	1087.67	608.11	-7.8%	-10.6%	1.0%	16.9%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.008	n/a	n/a	-4.6%	-13.5%	-7.8%	1.2%	3.2%	-3.0%	-8.8%	-15.6%
Coke												
Yasynivsky Coking	YASK	0.160	0.270	0.100	23.1%	-15.8%	0.0%	-40.7%	30.9%	-5.2%	-1.0%	-57.6%
Iron Ore Mining												
Ferrexpo	FXPO	162.60	175.60	29.50	2.5%	18.5%	-5.1%	20.9%	1.8%	10.3%	29.1%	4.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	7.30	n/a	n/a	-22.2%	-23.2%	-28.1%	-17.0%	-14.4%	-12.6%	-29.1%	-33.9%
Specialized Machinery												
Motor Sich	MSICH	2193	2263	934	4.2%	1.4%	2.0%	18.0%	12.0%	12.0%	0.9%	1.2%
Turboatom	TATM	12.20	n/a	n/a	1.7%	-0.7%	14.3%	30.5%	9.4%	9.9%	13.3%	13.6%
Telecom												
Ukrtelecom	UTLM	0.130	n/a	n/a	0.0%	0.0%	3.8%	-21.2%	7.8%	10.6%	2.8%	-38.1%
Oil & Gas												
Regal Petroleum	RPT	3.22	5.50	1.88	-2.0%	-24.2%	-28.8%	-13.8%	-0.8%	5.8%	-13.7%	-30.7%
JKX Oil	JKX	19.38	33.50	16.00	6.9%	-0.6%	-36.5%	-36.0%	2.7%	14.7%	9.9%	-52.8%
Ukrnafta	UNAF	103.7	n/a	n/a	5.2%	-8.2%	-13.7%	0.5%	13.0%	2.3%	-14.7%	-16.4%
Power Utilities												
Centrenergy	CEEN	10.30	11.58	5.95	-0.5%	-4.0%	-7.5%	-0.5%	7.3%	6.6%	-8.5%	-17.3%
Donbasenergy	DOEN	11.77	14.89	9.50	2.1%	-3.4%	-8.4%	12.0%	9.9%	7.2%	-9.4%	-4.9%
Zakhidenergy	ZAEN	131.30	131.30	48.00	25.2%	90.3%	96.0%	110.1%	32.9%	100.9%	95.0%	93.2%
Consumer												
Agroton	AGT	6.70	7.70	1.08	-8.1%	-4.0%	0.8%	65.4%	2.5%	-0.3%	6.6%	48.6%
Astarta	AST	70.50	72.00	40.00	2.6%	3.6%	16.5%	30.4%	0.8%	10.4%	14.2%	13.6%
Avangardo	AVGR	1.00	1.00	0.26	0.0%	17.6%	104.1%	185.7%	0.1%	7.8%	28.2%	168.9%
Industrial Milk Company	IMC	10.50	10.85	6.50	0.0%	5.2%	16.8%	30.4%	0.2%	7.8%	15.8%	13.6%
Kernel	KER	67.26	80.00	48.20	-1.1%	-3.2%	-13.2%	5.3%	0.5%	6.7%	7.3%	-11.5%
MHPC	MHPC	10.25	10.50	8.52	1.5%	-0.5%	13.9%	16.6%	1.1%	9.3%	10.1%	-0.3%
Milkiland	MLK	2.25	2.80	1.56	0.0%	4.2%	-12.8%	12.5%	0.1%	7.8%	14.7%	-4.4%
Ovostar Union	OVO	92.00	98.50	84.00	0.0%	-2.6%	0.0%	6.4%	0.1%	7.8%	7.9%	-10.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.194	n/a	n/a	-25.1%	-23.9%	21.1%	47.2%	-17.3%	-13.4%	20.1%	30.3%

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	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E
Iron Ore Mining																
Ferrexpo	FXPO	961	986	1,282	313	375	495	32.6%	38.0%	38.6%	31	189	255	3.3%	19.2%	19.9%
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	414	426	237	166	151	33.9%	40.1%	35.3%	158	77	74	22.6%	18.6%	17.2%
Oil & Gas																
Ukrnafta	UNAF	1,319	885	1,162	-101	116	151	-7.7%	13.1%	13.0%	-250	-343	74	-18.9%	-38.7%	6.3%
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	419	492	12	46	40	3.7%	11.1%	8.1%	3	15	26	1.0%	3.6%	5.2%
Donbasenergo	DOEN	190	157	147	8	7	5	4.3%	4.4%	3.3%	-9	-2	1	-4.6%	-1.1%	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	402	445	144	167	170	41.4%	41.6%	38.1%	18	90	113	5.1%	22.4%	25.3%
Avangardco	AVGR	230	191	180	-69	1	22	-30.2%	0.4%	12.2%	-158	-57	2	-68.9%	-29.6%	1.1%
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	2,113	2,080	261	381	347	216	204	228	-66	150	228	-25.3%	39.4%	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	1,243	24.0%	299	1,993	>30	6.6	4.9	6.4	5.3	4.0	2.1	2.0	1.6
Railcar Manufacturing														
Krukiv Wagon	KVBZ	32	5.0%	2	26	neg	neg	17.2	neg	>30	4.3	0.6	0.4	0.5
Specialized Machinery														
Turboatom	TATM	56	5.8%	3	-30	0.7	2.0	2.0	-0.3	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	172	24.0%	41	124	1.1	2.2	2.3	0.5	0.7	0.8	0.2	0.3	0.3
Oil & Gas														
Ukrnafta	UNAF	212	3.0%	6	207	neg	neg	2.9	neg	1.8	1.4	0.2	0.2	0.2
Regal Petroleum	RPT	13	21.6%	3	-6	neg	n/a	13.4	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	43	50.4%	22	152	neg	neg	14.4	9.0	5.2	4.5	1.7	1.9	1.6
Electric Utilities														
CentrEnergO	CEEN	144	21.7%	31	65	>30	9.5	5.6	5.5	1.4	1.6	0.2	0.2	0.1
DonbasEnergO	DOEN	11	14.2%	1	24	neg	neg	7.1	3.0	3.5	5.0	0.1	0.2	0.2
Consumer														
MHP	MHPC	1,083	34.1%	369	2,243	neg	18.3	6.4	4.9	5.4	4.6	1.9	2.0	1.6
Kernel	KER	1,430	61.8%	883	1,756	14.2	6.4	5.1	4.4	5.1	4.6	0.8	0.9	0.8
Astarta	AST	470	37.0%	174	618	26.6	5.2	4.2	4.3	3.7	3.6	1.8	1.5	1.4
Avangardco	AVGR	64	22.5%	14	395	neg	neg	>30	neg	>30	18.0	1.7	2.1	2.2
Ovostar	OVO	147	25.0%	37	152	4.6	4.2	4.0	4.4	3.8	3.5	2.0	1.8	1.7
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	451	1.8%	8		neg	3.0	3.5	1.7	1.2	1.3	0.23	0.21	0.22

Source: Eavex Research

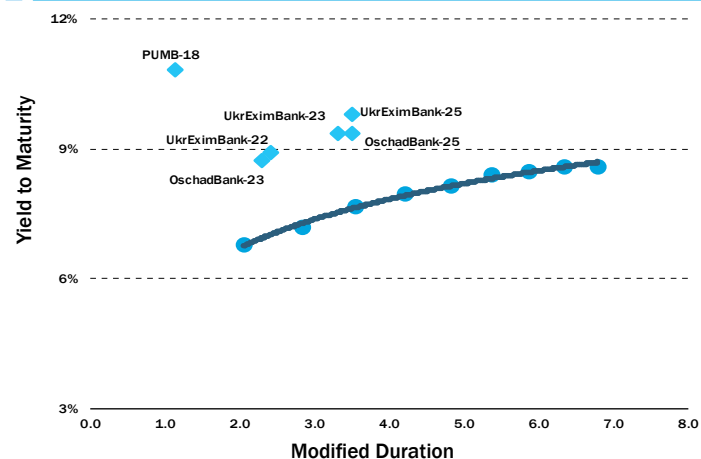
UKRAINIAN EUROBONDS

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	103.0	103.4	6.3%	6.1%	2.2%	2.0	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	102.8	103.2	6.8%	6.7%	3.8%	2.8	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	101.4	101.9	7.4%	7.2%	3.7%	3.5	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	100.1	100.8	7.7%	7.6%	3.5%	4.2	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	99.0	99.6	8.0%	7.8%	3.6%	4.8	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	97.9	98.5	8.1%	8.0%	3.4%	5.4	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	97.5	98.1	8.2%	8.1%	4.1%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	97.0	97.6	8.2%	8.1%	3.8%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	96.8	97.4	8.2%	8.1%	3.8%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	36.4	36.9	n/a	n/a	20.1%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.1	25.9	155%	96%	0.0%	1.2	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	106.3	107.0	7.2%	7.0%	6.6%	3.7	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	104.4	105.3	6.5%	6.2%	8.5%	2.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	101.0	101.5	7.6%	7.5%	1.3%	5.3	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	22.0	27.0	164%	138%	-17.2%	0.8	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	21.0	27.1	322%	248%	-21.6%	0.4	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	88.8	89.5	11.9%	11.8%	-0.3%	5.6	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	12.9%	12.1%	-0.5%	3.8	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	104.7	105.6	7.6%	7.1%	4.4%	1.3	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	104.6	105.6	7.7%	7.1%	3.9%	1.3	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	100.9	101.8	9.6%	9.3%	6.2%	2.2	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	23.0	28.0	n/a	n/a	-7.3%	0.1	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	50.2	52.2	49.9%	47.6%	-40.0%	1.6	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.6	2.0	n/a	n/a	25.0%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	100.0	101.6	11.0%	9.9%	-0.7%	1.1	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	-0.7%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	15.0	19.0	n/a	n/a	0.0%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	2.0	10.0	n/a	n/a	-53.8%	1.3	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	21.0	23.5	n/a	n/a	67.1%	0.3	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	102.7	103.5	8.9%	8.7%	5.2%	2.4	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	93.4	96.0	10.0%	9.3%	14.7%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	101.7	102.6	9.3%	9.1%	7.5%	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	102.3	103.1	8.8%	8.7%	5.3%	2.3	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	101.9	102.8	9.3%	9.1%	8.2%	3.3	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	64.9	73.9	n/a	n/a	-9.6%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

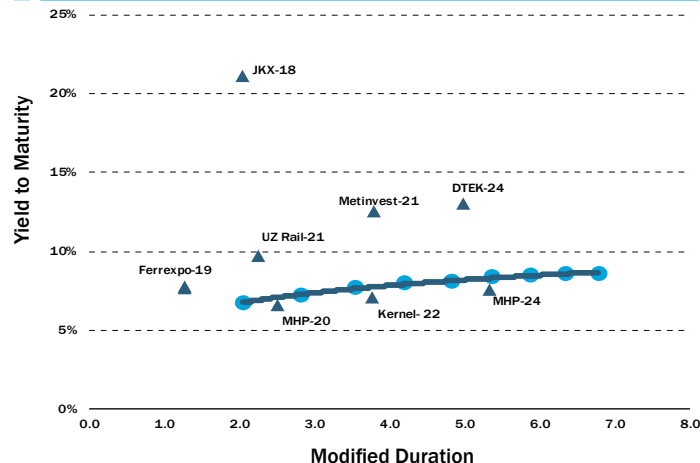
¹ Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume UAH mn
UAH denominated Bonds									
UA4000160758			15.25%	14.50%	n/a	14.30%	S/A	14 Mar 2018	1,000
VAT Bonds									
UA4000185151			15.45%	14.90%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.45%	14.90%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.45%	14.90%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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