

Stock Market Update

Equity

Ukraine's equity market enjoyed firm growth last week on the back of better-than-expected data for domestic industrial production and retail sales. UkrStat reported that industrial output rose by 1.2% YoY in May and that retail sales jumped by 10.7% YoY in the same period. In positive political news, President Poroshenko met with US President Trump and Vice President Michael Pence as part of a 36-hour diplomatic blitz in Washington on Jun 20. Later in the day, Trump's spokesman Sean Spicer said explicitly that the US wants Russia out of Eastern Ukraine. Kyiv has been concerned that Trump's administration may cut a deal with Moscow to end the Donbass conflict on terms disadvantageous for Ukraine, so Poroshenko's meeting with Trump looks rather successful in the area of maintaining positive US engagement.

The UX index added 2.9% to close at 1056 points. Gains were across all the sectors. Motor Sich (MSICH) continued to outperform the market, advancing 6.6% to UAH 2595 after news that the company signed a preliminary contract to supply aircraft engines to Austria. CentrErgo (CEEN) climbed 0.9% to UAH 10.50 while DonbassErgo (DOEN) unexpectedly picked up 4.3% and closed at UAH 12.85 per share. UkrNafta (UNAF) rose 2.3% to UAH 122 on information that the company has increased its daily average oil output compared to 2016. In London trading, Ferrexpo (FXPO) slipped 0.5% to GBP 185, while in Warsaw, Kernel (KER) rebounded by 5.9% to PLN 67.75 after falling 8.2% the week before. Small-cap shell egg producer Ovostar (OVO) surprised with a 12.9% advance to PLN 122 per share.

The hryvnia was little-changed near 26.00 UAH/USD over the week. We can cautiously assume that there will be no major movements on the local currency market until September, when seasonal natgas import purchases tend to raise forex demand.

Highlights

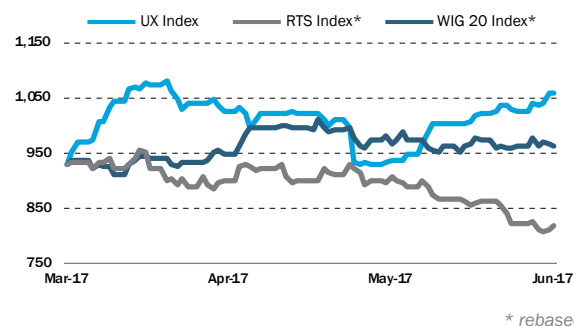
POLITICS AND ECONOMICS

- > Poroshenko Calls Trump "Strong Friend of Ukraine" After Meeting
- > Kyiv Targeting 17bn cu-m of Gas in Storage Ahead of 2017/18 Winter
- > Industrial Index Returns to Positive Territory with 1.2% YoY Rise in May

STOCKS IN THE NEWS

- > Motor Sich Signs Deal to Sell 400 Engines to Austria's Diamond

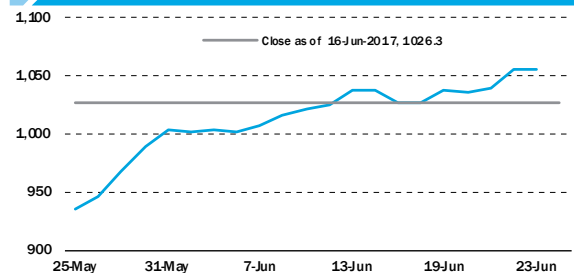
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1056.5	2.9%	12.8%	32.8%
RTS	988.9	-0.5%	-9.8%	-14.2%
WIG20	2304.5	0.0%	-0.1%	18.3%
MSCI EM	1011.7	0.9%	0.7%	17.3%
S&P 500	2438.3	0.2%	1.7%	8.9%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	333	2.5%	3.9%	-8.9%
NBU Key Rate	12.5%	0.0 p.p.	-0.5 p.p.	-1.5 p.p.
Ukraine-19	5.8%	-2.0 p.p.	-2.0 p.p.	-1.5 p.p.
Ukraine-27	8.1%	0.0 p.p.	-0.1 p.p.	-0.6 p.p.
MHP-20	5.9%	0.0 p.p.	-0.4 p.p.	-3.6 p.p.
UZ Rail-21	9.1%	0.0 p.p.	-0.1 p.p.	-2.6 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.03	0.1%	-1.0%	-4.6%
EUR	29.14	0.0%	-0.9%	3.0%
RUB	0.44	-3.0%	-6.1%	-0.6%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	176.0	0.0%	0.0%	1.7%
Steel, USD/t	440.0	0.6%	1.1%	-11.1%
Oil, USD/bbl	45.5	-3.9%	-16.3%	-19.9%
Gold, USD/oz	1256.8	0.2%	0.4%	9.1%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Poroshenko Calls Trump “Strong Friend of Ukraine” After Meeting

by Will Ritter
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NEWS

President Poroshenko met for the first time with US President Trump and the top figures in his administration in Washington last Tuesday (Jun 20) as part of a two-day diplomatic blitz in the United States. Other officials with whom Poroshenko spoke included Vice President Michael Pence, Secretary of State Rex Tillerson, Defense Secretary James Mattis, National Security Advisor H.R. McMaster, Energy Secretary Rick Perry, and House of Representatives Speaker Paul Ryan. After the meeting, Poroshenko praised Trump as “a great leader” and “a strong friend of Ukraine” in an interview with a US national TV news channel friendly to Trump. He said Trump told him that the US will maintain the Obama administration’s economic sanctions against Moscow until Russia meets its obligations under the 2015 Minsk peace deal to withdraw its forces from Eastern Ukraine. Poroshenko touted what he called upcoming US-Ukraine agreements on defense cooperation and weapons purchases, as well as purchases of US-produced coal and liquid natural gas (LNG).

COMMENTARY

Poroshenko’s visit to Washington and his extraction of promises from Trump to maintain the Obama administration’s sanctions policy on Russia looks like a well-timed diplomatic coup, given that he was able to front-run Trump’s first meeting with Russian President Putin scheduled less than two weeks from now. Poroshenko demonstrated his understanding that diplomatic success with the new administration runs squarely through personal flattery of, and direct engagement with, Trump himself. Poroshenko also showed that he understands the issues that are politically important to Trump: promoting US coal and defense exports. For the first time, we are starting to see signs of an actual Trump administration policy on Ukraine, with the general statements sounding closely in line with the previous Obama administration policy, except with some arms sales thrown in. Poroshenko went to Washington with the leverage that Trump is politically boxed in by ongoing accusations that he is a pawn of Putin, and therefore he cannot afford to be publicly seen as making any major concessions on Ukraine. Of course, the tricky point here is that full implementation of the Minsk agreement would be disastrous for Kyiv, which is both politically and economically incapable of re-integrating the Donbass territories; therefore, Poroshenko’s strategy is simply an elaborate bluff aimed at maintaining Western sanctions against Moscow indefinitely. It remains unclear to us whether the Trump administration is in on the game (as the Obama administration was), or whether Trump is taking Poroshenko’s public pronouncements at face value.

Kyiv Targeting 17bn cu-m of Gas in Storage Ahead of 2017/18 Winter

by Dmitry Churin
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NEWS

Ukraine is planning to accumulate a total of 17bn cubic meters (cu-m) of natural gas in storage facilities ahead of the 2017/18 winter season, energy minister Ihor Nasalyk said on Jun 19, with 10.8bn cu-m already set aside. For the 2016/17 heating season from October to April, Ukraine went in with just 14.7bn cu-m of gas in reserve. Ukraine has not bought gas directly from Russia since November 2015, rather importing the Russian gas second-hand from Europe.

Ukraine produces around 20bn cu-m of gas per year (mostly via state-owned extraction company UkrGazVydobuvannya) while its total consumption was 32.4bn cu-m in 2016, of which 11.1bn cu-m was imported.

The average customs value of imported natural gas for Ukraine in May was UAH 5,500 (USD 208) per 1,000 cu-m, according to the Economics Ministry. The price has been considerably higher this year, at USD 229 for January, 246 for February, 248 in March, and 232 in April.

COMMENTARY

Kyiv gambled and won last winter when it entered the heating season with less than 15bn cu-m of gas to save budget funds, as the winter turned out to be warmer than average and there was no need for any expensive peak-season purchases. We estimate that Ukraine will need to spend USD 1.3bn for gas imports during July-October. Taking into account that the country's foreign currency reserves have increased to USD 17.6bn, we do not see much threat for Ukraine's balance of payments from the seasonal gas imports. Nevertheless, even after some important reforms of Ukraine's energy sector, the biggest long-standing problem is still unresolved, i.e. state-owned energy operator Naftogaz's inability to force large household utility companies to pay for delivered fuel. The latest data says that the utilities' debt to Naftogaz amounts to UAH 32bn (USD 1.2bn), up from UAH 25bn at the start of the year. This means that Naftogaz continues to face a liquidity shortage despite some creative accounting that allowed the company to claim a net profit of UAH 22.5bn (USD 880mn) for full-year 2016.

We expect Ukraine to be able to continue gas imports solely from Europe, thus strengthening energy independence from Moscow. Before the reverse flow imports, Russia held energy leverage over Kyiv, which it often tried to use it for geopolitical purposes. The flip side of the matter is that the decline in Ukraine's energy imports was not the result of improved energy efficiency, but rather due to slumping industrial output as Eastern Ukrainian industry was either disrupted by the war or lost access to Russian buyers amid the Westward re-orientation of the Ukrainian economy since 2014.

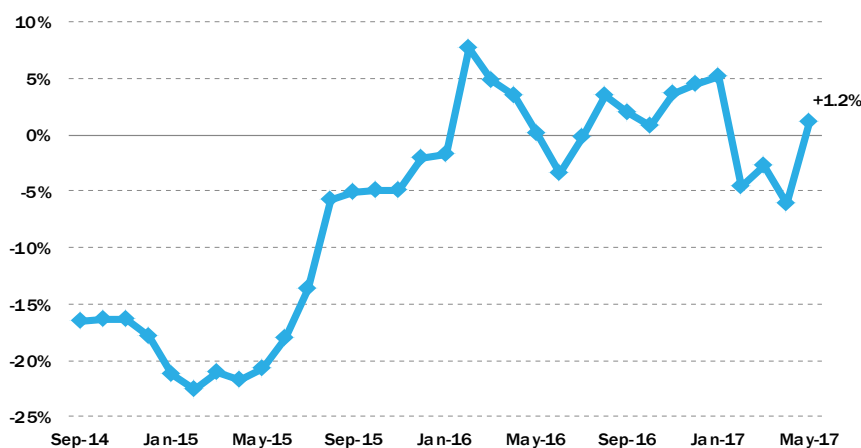
Industrial Index Returns to Positive Territory with 1.2% YoY Rise in May

by Dmitry Churin
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NEWS

Ukraine's industrial output index returned to positive year-on-year territory last month, rising 1.2% YoY in May after a 6.1% YoY slide in April, the State Statistics Committee reported on June 22. The data excludes Crimea and the separatist-occupied part of the Donbass. In the extraction sector, output decreased by 4.6% YoY mainly due to decline in iron ore production, while in the manufacturing sector there was a 6.1% YoY rise thanks to the machinery industry. In the utility sector, production fell by 9.6% YoY in May on lower electricity output. Through May 31, the 2017 overall production as measured by the index was down by 1.3% YoY. In the same period of 2016, an increase of 3.8% YoY was registered compared to 2015. In May compared to April this year, output adjusted to the number of calendar days was up 1.6%.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

The notable drop in iron ore output looks odd, as it is hard to explain by any pricing factors, although it could be due to lower demand from steel plants located on the occupied territories. Nevertheless, we believe that the current price level for 62 percent Fe iron ore fines of USD 55 per tonne remains attractive for Ukraine's two major iron ore producers, Ferrexpo and Metinvest. In the machinery sector there is currently intensive growth in production of equipment for the electric power industry amid IMF-mandated energy reforms and the need for greater electricity efficiency. In particular, production of electrical power transformers shot up by 84% YoY in May, with the overall 5M17 rise also impressive at 49% YoY.

In other statistics released by UkrStat last week, retail sales in Ukraine are up by 7.1% YoY in 5M17 with a jump of 10.7% YoY in May alone, providing an upbeat picture for consumer confidence in the country.

Motor Sich Signs Deal to Sell 400 Engines to Austria's Diamond

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 2595 Market Cap: USD 207mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.3	0.4	2.7	1.0	1.0%
2017E	0.3	0.4	2.8	1.1	1.1%

NEWS

Zaporizhia-based Motor Sich, Ukraine's only aircraft engine producer, has signed a preliminary deal with Austria's Diamond Aircraft Industries to supply 400 engines over 2018-2023, according to reports from the International Paris Air Show which took place at the Le Bourget Parc des Expositions last week. Motor Sich's AI-450C engines will be installed on DA50 light jets. The Diamond DA50 Super Star and DA50 Magnum are Austrian-made five-seat single-engine composite aircraft introduced in 2006. The prototype DA50-JP7 jet equipped with Motor Sich's AI-450S turboprop powerplant was test-flown back in early 2015.

COMMENTARY

Although the price for this light aircraft engine is much lower than for Motor Sich's flagship helicopter engine, the deal will diversify the company's sales and help to fill the gap caused by decreasing Russian income. We estimate that the price for one AI-450C engine is around USD 250,000. Therefore the contract's value is around USD 100mn or USD 17mn a year on average for the 2018-2023 period. This represents about 5% of Motor Sich's average annual revenue. The opportunity to increase its presence on the European market will be extremely important for Motor Sich in the long run, as a complete loss of access to the Russian market for the company is possible in the coming years.

The Kyiv-listed MSICH stock rose by 6.6% on the news to reach UAH 2,595 per share.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	67.8	80.0	18%	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	9.9	14.0	41%	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	65.1	70.0	8%	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	6.22	12.0	93%	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	10.7	13.0	21%	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	-54%	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	122.5	110.0	-10%	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	185.6	150.0	-19%	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	2595	5250	102%	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	122	270	121%	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	295%	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	20.0	37.0	85%	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	12.8	9.0	-30%	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	10.55	15.00	42%	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	0.226	0.27	20%	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	1056.50	1087.67	647.58	2.9%	12.8%	9.1%	32.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.006	n/a	n/a	0.0%	-27.5%	-31.8%	-29.3%	-2.9%	-40.3%	-40.9%	-62.0%
Coke												
Yasynivsky Coking	YASK	0.160	0.295	0.100	0.0%	0.0%	6.7%	-40.7%	-2.9%	-12.8%	-2.5%	-73.5%
Iron Ore Mining												
Ferrexpo	FXPO	185.60	195.10	29.50	-0.5%	7.8%	10.5%	38.0%	-0.3%	-3.4%	-5.0%	5.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.35	n/a	n/a	-0.5%	17.0%	11.3%	6.2%	-3.5%	4.2%	2.2%	-26.5%
Specialized Machinery												
Motor Sich	MSICH	2595	2595	934	6.6%	18.3%	19.1%	39.7%	3.6%	5.4%	10.0%	6.9%
Turboatom	TATM	12.00	n/a	n/a	1.3%	0.4%	-0.4%	28.3%	-1.7%	-12.4%	-9.5%	-4.4%
Telecom												
Ukrtelecom	UTLM	0.138	n/a	n/a	0.0%	6.2%	15.0%	-16.4%	-2.9%	-6.7%	5.9%	-49.1%
Oil & Gas												
Regal Petroleum	RPT	3.80	5.50	2.73	-11.6%	2.7%	-10.2%	1.7%	-20.0%	-14.6%	-10.1%	-31.0%
JKX Oil	JKX	20.25	33.50	16.00	-5.8%	-4.7%	0.0%	-33.1%	0.0%	-8.8%	-17.5%	-65.8%
Ukrnafta	UNAF	122.0	n/a	n/a	2.3%	14.0%	-2.4%	18.2%	-0.6%	1.2%	-11.5%	-14.5%
Power Utilities												
Centrenergy	CEEN	10.55	11.58	7.33	0.9%	5.5%	-1.4%	2.0%	-2.0%	-7.3%	-10.5%	-30.8%
Donbasenergy	DOEN	12.84	14.89	9.50	4.3%	12.9%	8.4%	22.2%	1.4%	0.1%	-0.8%	-10.6%
Zakhidenergy	ZAEN	120.00	135.00	50.00	0.1%	0.0%	69.0%	92.0%	-2.9%	-12.8%	59.9%	59.2%
Consumer												
Agroton	AGT	6.22	7.70	1.12	-2.2%	-4.3%	3.7%	53.6%	-2.4%	-5.1%	-17.2%	20.8%
Astarta	AST	65.05	72.00	44.49	-2.3%	-8.3%	-3.4%	20.4%	-0.2%	-5.3%	-21.1%	-12.4%
Avangardo	AVGR	0.65	1.00	0.26	0.0%	-11.0%	-7.1%	85.7%	0.0%	-2.9%	-23.8%	53.0%
Industrial Milk Company	IMC	10.73	10.98	6.50	-1.1%	2.3%	12.9%	33.3%	-1.1%	-4.1%	-10.6%	0.5%
Kernel	KER	67.75	80.00	51.50	5.9%	0.2%	-6.8%	6.1%	1.1%	2.9%	-12.6%	-26.6%
MHPC	MHPC	9.90	10.50	8.52	-1.0%	-3.4%	2.4%	12.6%	1.0%	-3.9%	-16.3%	-20.1%
Milkiland	MLK	1.79	2.80	1.59	-1.1%	-12.7%	-24.5%	-10.5%	-0.6%	-4.1%	-25.5%	-43.3%
Ovostar Union	OVO	122.50	122.50	84.00	12.9%	30.3%	31.7%	41.6%	2.9%	10.0%	17.5%	8.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.226	n/a	n/a	1.1%	12.5%	16.0%	71.1%	-1.8%	-0.3%	6.9%	38.4%

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	1,393	24.0%	334	2,143	>30	7.4	5.5	6.8	5.7	4.3	2.2	2.2	1.7
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	57	5.8%	3	-29	0.8	2.1	2.1	-0.3	-0.9	-0.8	-0.2	-0.3	-0.3
Motor Sich	MSICH	207	24.0%	50	158	1.3	2.7	2.8	0.7	1.0	1.1	0.2	0.4	0.4
Oil & Gas														
Ukrnafta	UNAF	254	3.0%	8	248	neg	neg	3.5	neg	2.1	1.6	0.2	0.3	0.2
Regal Petroleum	RPT	16	21.6%	3	-4	neg	n/a	15.5	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	44	50.4%	22	153	neg	neg	14.8	9.0	5.3	4.5	1.7	1.9	1.6
Electric Utilities														
CentrEnergO	CEEN	150	21.7%	33	71	>30	9.9	5.8	6.1	1.5	1.8	0.2	0.2	0.1
DonbasEnergO	DOEN	12	14.2%	2	25	neg	neg	7.9	3.1	3.6	5.3	0.1	0.2	0.2
Consumer														
MHP	MHPC	1,046	34.1%	357	2,206	neg	17.7	6.2	4.8	5.3	4.5	1.9	1.9	1.6
Kernel	KER	1,431	61.8%	884	1,757	14.2	6.4	5.1	4.4	5.1	4.6	0.8	0.9	0.8
Astarta	AST	431	37.0%	160	578	24.4	4.8	3.8	4.0	3.5	3.4	1.7	1.4	1.3
Avangardco	AVGR	42	22.5%	9	373	neg	neg	20.8	neg	>30	17.0	1.6	1.9	2.1
Ovostar	OVO	195	25.0%	49	200	6.1	5.5	5.3	5.7	5.0	4.6	2.6	2.4	2.2
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	533	1.8%	10		neg	3.6	4.1	2.0	1.4	1.5	0.27	0.25	0.26

Source: Eavex Research

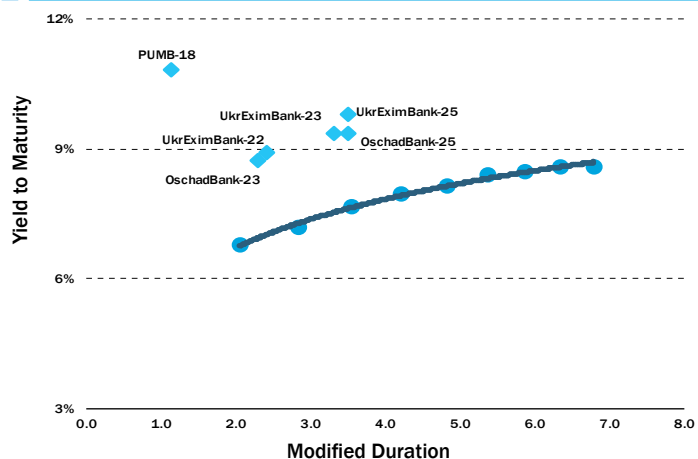
UKRAINIAN EUROBONDS

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	103.6	104.1	5.9%	5.7%	2.8%	1.9	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	102.3	102.7	6.9%	6.8%	3.3%	2.7	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	102.3	102.8	7.1%	7.0%	4.6%	3.4	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	101.0	101.4	7.5%	7.4%	4.3%	4.1	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	99.5	100.1	7.9%	7.7%	4.1%	4.7	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	98.5	99.1	8.0%	7.9%	4.0%	5.3	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	98.3	98.8	8.0%	8.0%	4.8%	5.8	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	97.5	98.1	8.1%	8.0%	4.3%	6.3	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	97.3	97.9	8.2%	8.1%	4.3%	6.7	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	38.5	39.0	n/a	n/a	27.0%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.0	18.8	169%	134%	-18.1%	0.9	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	107.1	107.7	6.9%	6.8%	7.4%	3.7	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	105.6	106.3	6.0%	5.8%	9.7%	2.4	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	101.3	101.8	7.5%	7.4%	1.5%	5.2	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	23.4	25.6	174%	160%	-17.2%	0.7	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	23.8	26.5	342%	304%	-18.1%	0.3	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	89.4	90.1	12.8%	12.7%	0.4%	5.4	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.0%	12.1%	-0.5%	3.7	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	104.6	105.4	7.5%	7.1%	4.2%	1.2	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	104.8	105.1	7.4%	7.3%	3.8%	1.2	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	101.4	102.0	9.5%	9.3%	6.6%	2.2	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	28.0	n/a	n/a	-3.6%	0.0	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	85.0	95.0	22.5%	17.1%	19.8%	2.0	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	1.5	n/a	n/a	-1.1%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	102.1	102.8	9.5%	9.0%	0.9%	1.0	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	-0.5%	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	4.0	12.0	n/a	n/a	-38.5%	1.3	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	20.6	22.9	n/a	n/a	63.4%	0.2	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	103.4	103.7	8.8%	8.7%	5.6%	2.3	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	93.5	94.9	10.0%	9.6%	14.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	102.6	102.9	9.2%	9.1%	8.2%	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	102.4	103.1	8.8%	8.7%	5.3%	2.2	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	102.3	102.8	9.2%	9.1%	8.5%	3.2	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	62.4	73.0	n/a	n/a	-11.8%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

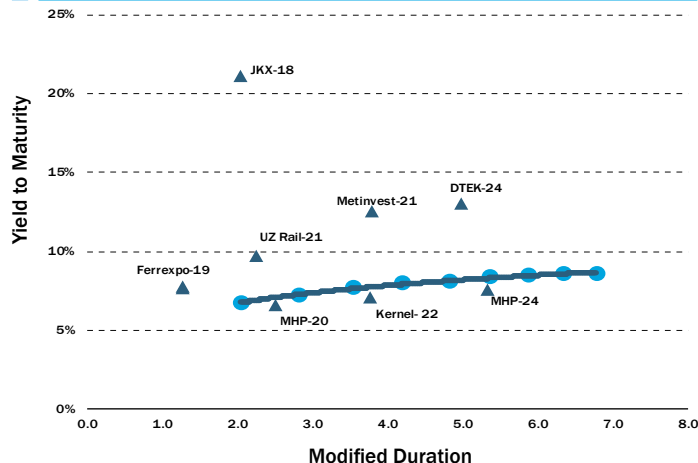
¹ Moody's/S&P/Fitch

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									
UA4000194591			14.90%	14.40%	n/a	16.62%	S/A	11 Jul .2018	1,454
VAT Bonds									
UA4000185151			15.00%	14.65%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.00%	14.65%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.00%	14.65%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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