

Stock Market Update

Equity

Ukrainian equities ended lower last week following a correction on global stock markets. Internal developments also played a role as news that the IMF has delayed the next loan installment to Ukraine weighed on investors' mood. Kyiv has been unable to deliver on its commitment to liberalize land sales. On the other hand, a pension overhaul, which was developed in close cooperation with the IMF and World Bank, could be approved later this month. The pension reform foresees a more transparent and fairer pension calculation formula that more closely ties pension benefits to pension contributions. The reform also establishes a flexible retirement age, linked to the length of the formal career of an individual.

The UX index lost 0.9% to close at 1038 points. Motor Sich (MSICH) took most points from the gauge, slipping 4.0% to UAH 2500 as there was no official confirmation about whether the company managed to increase its order book for helicopter engines after the International Paris Air Show at Le Bourget. CentrEnergo (CEEN) picked up 0.4% to close at UAH 10.60 while Raiffeisen Bank Aval (BAVL) shed 0.5%, finishing at 22.50 kopecks per share.

In London trading, Ferrexpo (FXPO) retreated 0.9% to GBp 205 after the company reported that its output decreased by a significant 9.8% YoY to 5.2mn tonnes of pellets in 1H17. Warsaw-listed Kernel (KER) firstly did not react to the company's announcement about acquisition of 27,500 hectares of new land-leasing rights. However, the stock later advanced by 3.6% to PLN 67.20. Agrotion (AGT) ticked up 0.4% to PLN 6.10 while Astarta (AST) was little-changed near PLN 65.50.

On the currency front, the hryvnia inched up 0.2% to 26.05 UAH/USD after the National Bank left its key policy rate unchanged at 12.5% at the meeting on Jul 6. The NBU did not change its inflation projections for 2017-2018, forecasting inflation of 9.1% for 2017 and 6.0% for 2018.

Highlights

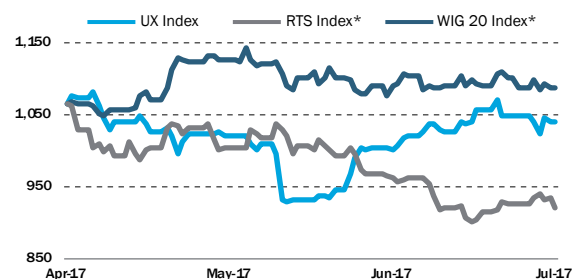
POLITICS AND ECONOMICS

- > Tillerson: No Change in Russia Sanctions Policy After Summit
- > IMF Program Slips off Track Again as USD 1.9bn Tranche Delayed
- > Ukraine Reserves Reach Highest Level Since 2013 at USD 18bn

STOCKS IN THE NEWS

- > Kernel Acquires Agro Company With 27,500 ha of Farmland

STOCK MARKET PERFORMANCE

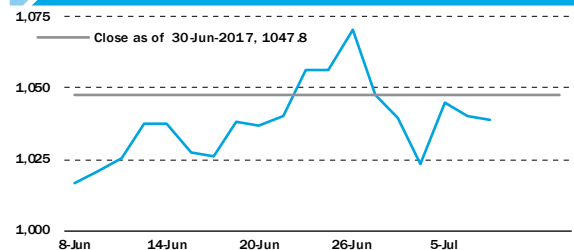


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1038.7	-0.9%	3.7%	30.5%
RTS	995.2	-0.6%	-4.4%	-13.6%
WIG20	2295.8	-0.2%	-0.3%	17.9%
MSCI EM	1002.5	-0.8%	-1.3%	16.3%
S&P 500	2425.2	0.1%	-0.2%	8.3%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	334	1.8%	4.7%	-8.6%
NBU Key Rate	12.5%	0.0 p.p.	0.0 p.p.	-1.5 p.p.
Ukraine-19	6.2%	-1.7 p.p.	-1.4 p.p.	-1.1 p.p.
Ukraine-27	8.3%	0.1 p.p.	0.3 p.p.	-0.4 p.p.
MHP-20	5.8%	0.0 p.p.	-0.2 p.p.	-3.7 p.p.
UZ Rail-21	9.0%	-0.1 p.p.	-0.1 p.p.	-2.7 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.04	-0.2%	-0.9%	-4.6%
EUR	29.70	-0.3%	0.4%	5.0%
RUB	0.43	-2.8%	-6.9%	-1.9%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	168.5	0.0%	-4.3%	-2.6%
Steel, USD/t	455.0	3.4%	4.6%	-8.1%
Oil, USD/bbl	46.7	-4.2%	-7.4%	-17.8%
Gold, USD/oz	1213.2	-2.3%	-6.3%	5.3%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Tillerson: No Change in Russia Sanctions Policy After Summit

by Will Ritter
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NEWS

US Secretary of State Rex Tillerson said on Sunday (Jul 9) that US sanctions against Russia will remain in place until Moscow restores Ukraine's "territorial integrity". Tillerson was speaking in Kyiv after meeting with President Poroshenko on his first official visit to Ukraine. His comments echoed a statement by US President Trump on the Twitter social media platform following the latter's bilateral meeting with Russian President Putin on Friday (Jul 7) at the G20 summit in Germany. Trump wrote that "Sanctions were not discussed at my meeting with President Putin. Nothing will be done until Ukraine & Syria problems are solved". Tillerson was accompanied in Kyiv by the Trump administration's new special envoy to the Donbass peace process, former US ambassador to NATO Kurt Volker.

COMMENTARY

Although Trump's unusually long meeting with Putin (more than 2 hours), his deferential tone to the Russian leader, and subsequent strange remarks touting a new US-Russian "Cyber Security Unit" appear to have created fresh domestic political headaches for the US President, we think Kyiv has to be rather satisfied with the takeaways both from Trump's G20 performance and Tillerson's visit. In a widely viewed speech in Poland ahead of the summit, Trump specifically called for a halt to Russian aggression against Ukraine. The official Trump administration policy on Ukraine continues to look very much like the previous Obama administration policy, and the appointment of the experienced Volker adds some muscle to Trump's and Tillerson's promises of engagement. We suppose that Tillerson's statement about Ukraine's "territorial integrity", which did not specifically mention Crimea, was purposefully vague and simply intended to give the impression that the US sanctions will not be lifted in the foreseeable future. Indeed, the greatest threat to Kyiv in this scenario is that the Kremlin suddenly withdraws from the occupied territories, which would incite new political/military chaos and put tens of billions of dollars in reconstruction costs on Ukraine's back. The true test of the Trump-Putin detente will be whether or not peace and stability is maintained in Ukraine, as Ukraine remains the single most important topic in US-Russia relations. Overall, we think the past week's developments reinforce the growing view that Kyiv has little to fear from Trump's presidency itself. However, we are concerned that the domestic scandals which increasingly surround Trump could have highly uncertain geopolitical consequences.

IMF Program Slips off Track Again as USD 1.9bn Tranche Delayed

by Dmitry Churin
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NEWS

The next USD 1.9bn installment of Ukraine's IMF loan program will be delayed at least until the autumn, according to several media reports last week which cited both Prime Minister Volodymyr Groysman and Finance Minister Oleksandr Danyliuk. It is understood that the following tranches of USD 1.3bn each, due in August and November, will also be put off track. The reason for the IMF delay is Kyiv's inability thus far to deliver promised pension reform and (especially) land liberalization, which would remove the country's longtime ban on the sale of an agricultural land. Ukraine's four-year USD 17.5bn IMF arrangement was approved in March 2015. The country has received a total of USD 8.5bn under the program.

COMMENTARY

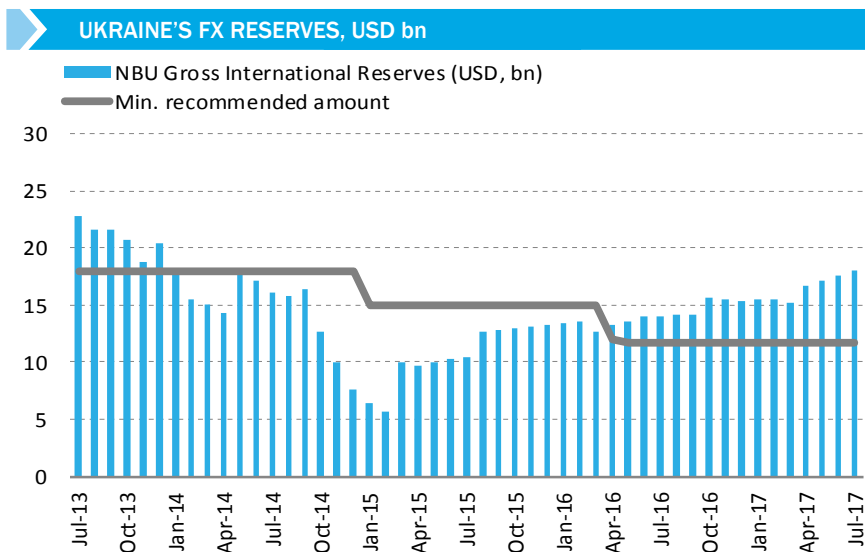
Both pension reform and land reform in Ukraine are facing aggressive opposition from the Russian-leaning OppoBloc as well as the nominally pro-Western populist-nationalist parties in the Parliament led respectively by former prime minister Yulia Tymoshenko and Lviv mayor Andriy Sadoviy. The current fragile coalition in Parliament appears to lack the votes to pass the needed legislation, putting Groysman in an uncomfortable position in front the country's Western backers. In this environment, Groysman and President Poroshenko appear to be attempting to win over the IMF by trading the (relatively) less controversial pension reform for a delay in the explosive land liberalization measure. Unfortunately, the threat of political turbulence is real, and it continues to tie the government's hands from making bold reform moves that show benefits only over the long term. Particularly cynical is the opposition to land reform, which plays on the fears of the poorest Ukrainians but is in fact being driven by lobbying from large agro groups who profit from cheap leases from small landowners that offer only pennies on the dollar compared to market prices in other countries. Finance Minister Oleksandr Danyliuk is scheduled to meet IMF Managing Director Christine Lagarde this week, and although the government may wriggle out of the land reform for the upcoming tranche, for the future tranches, we think Kyiv will have to either pony up the land reform or indefinitely shut down the IMF program. The IMF's argument is that the agricultural land market remains underdeveloped due to the ban on land sales, limiting the expansion of this key sector and leaving the rural population poor. Legalizing land sales would both empower the rural population and bring in an enormous volume of foreign investment cash that could fuel spending and lift Ukraine's economy from 2-3% annual growth to 5-6%. Regarding the long-delayed pension reform, we can say that an aging population in Ukraine and early retirement options have led to a situation where too few workers finance too many retirees. The IMF is demanding an increase in the effective retirement age, an idea that is very unpopular among women aged over 55, a segment of Ukrainian society which has high voting participation. Meanwhile, without an overhaul, the current pension system will remain in massive deficit, eating a huge chunk of national finances that was estimated at UAH 140bn (USD 5.5bn) in 2016, i.e. a stunning 6% of GDP, one of the highest levels in the world.

Ukraine Reserves Reach Highest Level Since 2013 at USD 18bn

by Dmitry Churin
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NEWS

The National Bank of Ukraine's (NBU) foreign currency reserves rose by USD 350mn (+2.0% MoM) to reach USD 18.0bn in June, the NBU reported on July 5. Encouraged by tailwinds on global markets favorable for Ukraine's commodity exports, the NBU was able during June to continue its purchases for the replenishment of reserves without impeding the hryvnia's strength. Last month the NBU said it purchased a total of USD 300mn on the interbank market. As of Jul 1, the amount of Ukraine's international reserves is sufficient to cover 3.7 months of future imports and enable the Finance Ministry and the NBU to settle their foreign debt obligations and operational liabilities.



Source: National Bank of Ukraine

COMMENTARY

Among the factors behind the reserves' increase was a tentative balance of payment (BoP) surplus in 1H17 despite the current account remaining in deficit territory. As of now (without big-ticket land market reform), we do not foresee an increase in foreign direct investment, which we estimate at less than USD 1bn in 1H17. Therefore Ukraine's BoP surplus was achieved thanks to the arrival of the latest USD 1.0bn loan tranche from the IMF in April and also to a decrease in the amount of cash foreign currency circulation outside the banking system.

June was the fourth consecutive month of rising forex reserves. The reserves have increased by 16% since the start of the year, from USD 15.6bn. The last time Ukraine saw its FX reserves above USD 18bn was December 2013, just prior to the major political upheaval of early 2014.

Kernel Acquires Agro Company With 27,500 ha of Farmland

by Dmitry Churin
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KERNEL (KER PW)

Price: PLN 67.20 Market Cap: USD 1,443mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016FY	1.4	0.9	6.4	5.1	1.4%
2017FY	1.4	0.8	5.1	4.6	1.4%

NEWS

Kyiv-based, Warsaw-listed sunflower oil giant and crop grower Kernel Holding has acquired 100% interest in the Agro Invest Ukraine group for USD 43.3mn, the company said in a press statement on Jul 6. The acquired farming business manages 27,500 hectares of leased land in central Ukraine and has 170,000 tonnes of grain storage capacity. Kernel said that the deal received approval from Ukraine's Anti-Monopoly Committee in May.

COMMENTARY

We assume that the lion's share of the funds paid for the acquired asset was for its grain storage facilities, as we estimate the cost to construct 170,000 tonnes of silo storage at USD 30mn. This implies that the land bank acquisition was valued at USD 480/ha, which is in line with past acquisitions. Kernel said the acquired business has positive net working capital of USD 4mn. We believe the deal suits Kernel's overall strategy. The company started the year with a land bank of 390,000 ha, but after buying out the large UAI agro holding with a land bank of some 200,000 ha and the newly announced deal, Kernel's land bank has now presumably reached 620,000 ha. As we reported early this year, Kernel placed USD 500mn Eurobonds with the intention of spending up to USD 150mn for its land bank increase. So far we can say that Kernel is on a path to deliver the promised targets regarding the land bank, and the question now is how effectively the company will integrate the acquired assets.

Kernel's stock had a muted reaction to the news. The stock now trades at PLN 67.20, remaining down by more than 15% from its recent maximum of PLN 80 per share reached in February.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	67.2	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	10.1	14.0	39%	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	65.5	70.0	7%	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	6.10	12.0	97%	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	10.2	13.0	28%	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	0.5	0.3	-33%	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	113.0	110.0	-3%	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	205.5	150.0	-27%	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	2497	5250	110%	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	119	270	127%	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	4.0	15.0	275%	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	18.0	37.0	106%	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						
DonbasEnergO	DOEN	12.5	9.0	-28%	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	10.59	15.00	42%	BUY	CentrEnergO'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	0.225	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	1038.67	1087.67	670.15	-0.9%	3.7%	-3.2%	30.5%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	205.50	208.80	33.75	-0.9%	22.8%	22.9%	52.8%	1.6%	0.0%	19.1%	22.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.50	n/a	n/a	-4.4%	11.8%	1.1%	8.0%	-3.6%	8.0%	4.2%	-22.6%
Specialized Machinery												
Motor Sich	MSICH	2497	2697	934	-4.0%	6.7%	11.6%	34.4%	-3.1%	3.0%	14.8%	3.9%
Turboatom	TATM	11.40	n/a	n/a	-6.2%	3.6%	-3.4%	21.9%	-5.3%	-0.1%	-0.2%	-8.6%
Telecom												
Ukrtelecom	UTLM	0.130	n/a	n/a	-4.4%	0.0%	0.0%	-21.2%	-3.5%	-3.7%	3.2%	-51.7%
Oil & Gas												
Regal Petroleum	RPT	4.00	5.50	2.73	-15.8%	-14.4%	-5.9%	7.1%	10.5%	-14.9%	-18.2%	-23.4%
JKX Oil	JKX	18.38	33.50	16.50	-5.8%	-14.5%	-8.1%	-39.3%	0.1%	-4.9%	-18.3%	-69.8%
Ukrnafta	UNAF	118.8	n/a	n/a	1.5%	4.0%	-12.1%	15.1%	2.3%	0.3%	-9.0%	-15.4%
Power Utilities												
Centrenergo	CEEN	10.59	11.58	7.47	0.4%	0.7%	-0.9%	2.3%	1.3%	-3.0%	2.3%	-28.2%
Donbasenergo	DOEN	12.47	14.30	9.50	-0.6%	-3.7%	3.5%	18.6%	0.2%	-7.5%	6.7%	-11.9%
Zakhidenergo	ZAEN	120.00	135.00	50.00	0.0%	0.0%	79.1%	92.0%	0.9%	-3.7%	82.3%	61.5%
Consumer												
Agroton	AGT	6.10	7.70	1.15	0.0%	-13.5%	-6.2%	50.6%	0.3%	0.9%	-17.2%	20.1%
Astarta	AST	65.50	72.00	45.00	-1.9%	0.2%	-2.7%	21.2%	-0.6%	-1.0%	-3.6%	-9.3%
Avangardo	AVGR	0.45	1.00	0.26	-30.6%	12.8%	-46.9%	28.9%	0.1%	-29.7%	9.0%	-1.7%
Industrial Milk Company	IMC	10.19	10.98	6.50	2.1%	-4.3%	1.9%	26.6%	1.5%	3.0%	-8.1%	-3.9%
Kernel	KER	67.20	80.00	52.00	3.6%	-5.2%	-2.6%	5.2%	1.7%	4.5%	-9.0%	-25.3%
MHPC	MHPC	10.10	10.50	8.52	3.5%	-1.0%	0.5%	14.9%	1.9%	4.4%	-4.7%	-15.6%
Milkiland	MLK	1.80	2.80	1.65	2.3%	-1.1%	-16.7%	-10.0%	0.7%	3.1%	-4.8%	-40.5%
Ovostar Union	OVO	113.00	128.05	84.00	5.3%	14.1%	19.1%	30.6%	-1.1%	6.2%	10.4%	0.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.225	n/a	n/a	-0.5%	4.4%	-10.7%	70.6%	0.3%	0.7%	-7.5%	40.1%

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	2016	2017E	2015	2016	2017E	2015	2016	2017E	
Iron Ore Mining														
Ferrexpo	FXPO	1,560	24.0%	375	2,310	>30	8.2	6.1	7.4	6.2	4.7	2.4	2.3	1.8
Railcar Manufacturing														
Krukiv Wagon	KVBZ	42	5.0%	2	37	neg	neg	22.8	neg	>30	6.0	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	199	24.0%	48	150	1.3	2.6	2.7	0.6	0.9	1.0	0.2	0.4	0.4
Oil & Gas														
Ukrnafta	UNAF	247	3.0%	7	242	neg	neg	3.4	neg	2.1	1.6	0.2	0.3	0.2
Regal Petroleum	RPT	17	21.6%	4	-3	neg	n/a	16.5	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	41	50.4%	20	149	neg	neg	13.6	8.8	5.1	4.4	1.7	1.9	1.6
Electric Utilities														
CentrEnergO	CEEN	150	21.7%	33	72	>30	9.9	5.8	6.1	1.5	1.8	0.2	0.2	0.1
DonbasEnergO	DOEN	11	14.2%	2	25	neg	neg	7.7	3.1	3.6	5.2	0.1	0.2	0.2
Consumer														
MHP	MHPC	1,067	34.1%	364	2,227	neg	18.0	6.3	4.9	5.4	4.5	1.9	2.0	1.6
Kernel	KER	1,442	61.8%	891	1,768	14.3	6.4	5.1	4.5	5.1	4.6	0.8	0.9	0.8
Astarta	AST	441	37.0%	163	588	24.9	4.9	3.9	4.1	3.5	3.5	1.7	1.5	1.3
Avangardco	AVGR	29	22.5%	6	360	neg	neg	14.4	neg	>30	16.4	1.6	1.9	2.0
Ovostar	OVO	183	25.0%	46	188	5.7	5.2	4.9	5.4	4.7	4.3	2.5	2.2	2.1
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	531	1.8%	10		neg	3.5	4.1	2.0	1.4	1.5	0.27	0.25	0.26

Source: Eavex Research

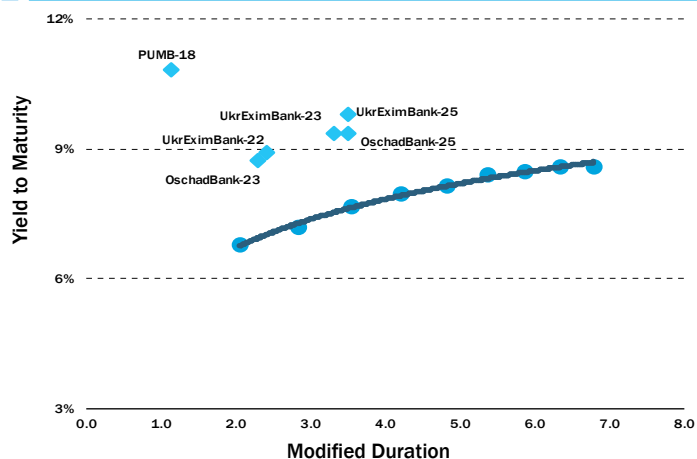
UKRAINIAN EUROBONDS

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	102.8	103.3	6.3%	6.1%	2.0%	1.9	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	102.0	102.5	7.0%	6.8%	3.1%	2.7	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	100.9	101.4	7.5%	7.4%	3.2%	3.4	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	99.8	100.4	7.8%	7.7%	3.2%	4.1	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	98.4	99.0	8.1%	8.0%	2.9%	4.7	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	97.3	97.9	8.3%	8.1%	2.7%	5.2	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	97.0	97.5	8.3%	8.2%	3.5%	5.7	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	96.4	97.0	8.3%	8.2%	3.1%	6.2	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	96.1	96.8	8.3%	8.2%	3.1%	6.7	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	39.9	40.4	n/a	n/a	31.6%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.0	18.4	176%	141%	-19.1%	0.9	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	107.1	107.9	6.9%	6.7%	7.5%	3.6	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	105.6	106.5	6.0%	5.6%	9.8%	2.4	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	101.5	102.0	7.5%	7.4%	1.8%	5.2	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	22.0	27.0	191%	159%	-17.2%	0.7	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	22.1	26.3	404%	332%	-21.1%	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	88.0	88.8	13.1%	13.0%	-1.1%	5.3	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.1%	12.2%	-0.5%	3.7	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	105.1	106.0	7.2%	6.6%	4.8%	1.1	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	105.0	106.0	7.2%	6.7%	4.3%	1.1	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	101.4	102.4	9.5%	9.2%	6.8%	2.1	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	22.6%	17.1%	19.8%	1.9	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.6	1.5	n/a	n/a	-0.5%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	101.8	103.1	9.7%	8.7%	0.9%	1.1	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	0.3%	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%	1.2	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	20.6	23.2	n/a	n/a	64.6%	0.2	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	103.0	103.8	8.8%	8.6%	5.5%	2.3	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	93.3	95.3	10.1%	9.6%	14.3%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	102.1	102.9	9.2%	9.1%	7.9%	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	103.0	8.9%	8.7%	5.2%	2.1	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	102.2	103.0	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

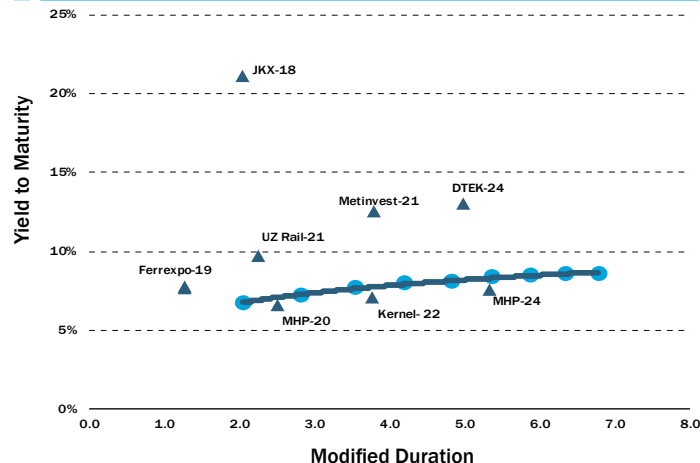
¹ Moody's/S&P/Fitch

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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