

## Stock Market Update

### Equity

Kyiv-listed Ukrainian stocks finished mixed last week after initial buying momentum turned into a correction. The news flow was generally neutral, with most domestic headlines dedicated to developments in Parliament. One of big events was a motion submitted by Prosecutor General Yuriy Lutsenko on granting consent to bring criminal charges against six lawmakers MPs from various political parties. The motion related to separate corruption cases. In particular, two lawmakers are suspected by the National Anti-Corruption Bureau (NABU) of taking bribes worth USD 310,000 for illegally allowing amber production. Protesters gathered outside the Parliament building to demand the creation of a special court to try graft cases and accusing President Poroshenko and his allies of dithering on legal reforms. Authorities in Ukraine are still able to use the threat of prosecution in crooked courts as leverage over rivals.

The UX index edged up 0.2% to 1040 points after a highly volatile trading week, as the Deposit Guarantee Fund began auctioning blue chip stocks from the seized portfolios of insolvent banks. There were auctions offering blocks of shares in CentrEnerg (CEEN) and in UkrNafta (UNAF). The biggest event, an auction of a roughly 0.5% stake in Motor Sich (MSICH), is scheduled for Jul 28. Motor Sich was the worst performing blue chip for the second week in a row, losing 5.0% to UAH 2375 per share, while UkrNafta (UNAF) rose 8.5% to UAH 129 after the company's majority shareholder, state giant NaftoGaz, backed it in its fight for license prolongation with the State Geological Service.

In London trading, Ferrexpo (FXPO) rose 4.1% to GBP 214 while Warsaw-listed Kernel (KER) fell 1.8% to PLN 66.00.

The hryvnia was little-changed over the week, trading at +/- 5 kopecks around the 26.00 UAH/USD level.

## Highlights

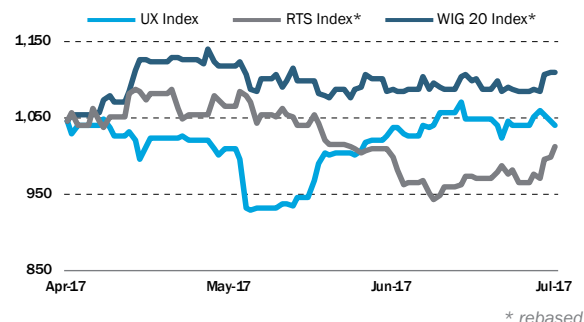
### POLITICS AND ECONOMICS

- Poroshenko Hosts EU's Juncker, Tusk in Kyiv
- Negotiations Resume in Ryanair Fiasco after Groysman Intervention
- Ukraine's Headline Inflation Accelerates to 15.6% in June

### STOCKS IN THE NEWS

- NaftoGaz Supports UkrNafta in License Battle with Government

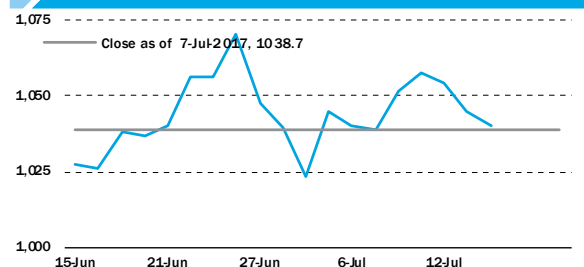
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1040.4	0.2%	0.3%	30.7%
RTS	1044.3	4.9%	1.3%	-9.4%
WIG20	2350.4	2.4%	2.1%	20.7%
MSCI EM	1047.1	4.4%	3.7%	21.4%
S&P 500	2459.3	1.4%	0.8%	9.8%

## UX 1M PERFORMANCE



## FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	326	-2.3%	2.4%	-10.7%
NBU Key Rate	12.5%	0.0 p.p.	0.0 p.p.	-1.5 p.p.
Ukraine-19	5.7%	-2.4 p.p.	-2.1 p.p.	-1.7 p.p.
Ukraine-27	8.0%	-0.3 p.p.	0.0 p.p.	-0.7 p.p.
MHP-20	5.7%	-0.1 p.p.	-0.2 p.p.	-3.8 p.p.
UZ Rail-21	8.5%	-0.5 p.p.	-0.7 p.p.	-3.2 p.p.

## CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.01	-0.1%	0.1%	-4.7%
EUR	29.84	0.5%	2.2%	5.5%
RUB	0.44	2.0%	-3.5%	0.0%

## COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	174.5	0.0%	-0.9%	0.9%
Steel, USD/t	462.5	1.6%	5.7%	-6.6%
Oil, USD/bbl	48.9	4.7%	-0.3%	-13.9%
Gold, USD/oz	1228.7	1.3%	-3.0%	6.6%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Poroshenko Hosts EU's Juncker, Tusk in Kyiv

by Will Ritter  
w.ritter@eavex.com.ua

### NEWS

President Poroshenko welcomed the European Union's duo of presidents on Thursday (Jul 13), Jean-Claude Juncker of the European Commission and Donald Tusk of the European Council, at the annual EU-Ukraine summit in Kyiv. The public declarations of the summit were largely dedicated to affirmation of Poroshenko's dedication to implementing the details of Ukraine's Association Agreement with the EU, which was finally ratified by the European Council last week, more than 3 years after its signing.

### COMMENTARY

A major flap in Ukraine's civil society community developed after Juncker said that the European Commission has decided to drop its demand that Poroshenko set up a special "anti-corruption" court system. Instead, Juncker said it would be sufficient to employ "anti-corruption chambers" within the already-existing court system. This change of tack drew quick criticism from, among others, Ukraine's National Anti-Corruption Agency (NABU), leading to the somewhat absurd situation of Ukrainian entities rebuking the EU for being too soft on Ukrainian corruption. Indeed, one of the main complaints against Poroshenko is that he and his allies are able to manipulate the judiciary for their own political and business benefit, suggesting that the only way to circumvent such influence is to set up an entirely new body. This view is supported by the relative success of NABU, which is Ukraine's first law enforcement organization with real national power that is not beholden to the central authorities.

## Negotiations Resume in Ryanair Fiasco after Groysman Intervention

by Will Ritter  
w.ritter@eavex.com.ua

### NEWS

Ukraine's Infrastructure Ministry said it has resumed talks with Ireland-based European airline Ryanair on the latter's initiation of carrier service at Ukraine's national air transportation hub, Borispol Airport outside Kyiv. Earlier last week, Ryanair announced it was pulling out of the deal due the inability to reach an agreement with the management of the airport, which it accused of colluding with Ukraine's largest airline, UIA, to keep out competition. Following the statement from Ryanair, Prime Minister Volodymyr Groysman invited the airline back into negotiations with the promise of working out an acceptable arrangement. On Friday evening, Infrastructure Minister Volodymyr Omelyan said on television that he thinks an agreement can be reached "in a couple of weeks". Earlier in the week, Omelyan demanded the firing of Borispol general director Pavlo Ryabikin over the situation. Ryabikin said that Ryanair made demands of the airport which "violated Ukrainian law".

### COMMENTARY

This situation looks to us like a classic case of the difficulty of doing business in Ukraine for foreign companies: despite the best intentions of the Ukrainian government to bring in a low-cost air carrier service for which there is enormous demand, the deal was unable to get over the finish line without direct intervention from the very top. This is because, despite its status as a state-owned company under the nominal control of the government's Infrastructure Ministry, Borispol Airport's management operates de-facto independently and with enormous power that is fueled by the airport's revenue of hundreds of millions of dollars per year. Omelyan simply lacked the political muscle to influence Ryabikin despite formally being his boss. This illustrates the major hurdle in reducing corruption at Ukraine's state enterprises; although big companies under the auspices of the Infrastructure Ministry are de jure owned by the state, they are not de facto controlled by the state.

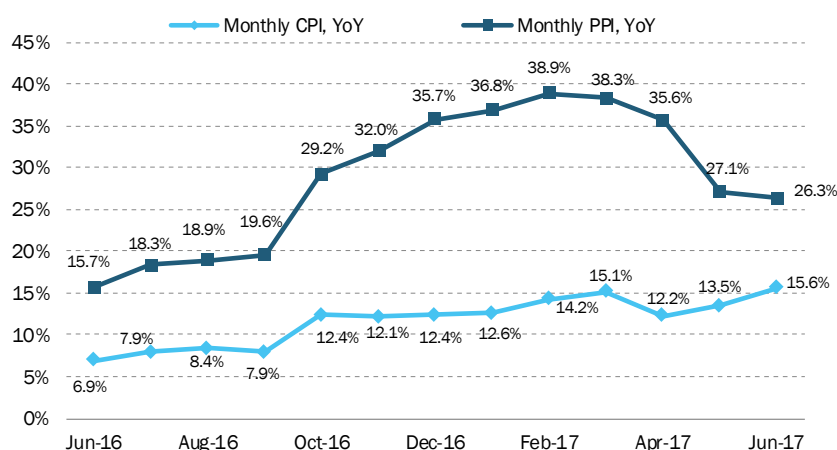
## Ukraine's Headline Inflation Accelerates to 15.6% in June

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

### NEWS

Ukraine's State Statistics Committee reported earlier this month that rolling 12-month consumer inflation accelerated to 15.6% in June, up from 13.5% YoY in May and 12.2% in April. On a month-on-month basis, the CPI index rose by 1.6% in June. UkrStat also reported that producer prices decreased by 0.6% MoM in June after a decline of 1.3% MoM in May. On a yearly-basis, the PPI remains up by 26.3%, mainly due to higher prices for coal and iron ore in the period.

#### UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

### COMMENTARY

Among the consumer basket categories, the most notable price increase - 18.3% MoM - was registered in shell egg prices. However, on a yearly basis the shell egg increase is only 3.3%. This leads us to assume that UkrStat is using an ineffective methodology for analyzing shell egg prices, as they jump up and down too wildly in the UkrStat reports. The main contribution to the CPI growth in June came from meat (a heavyweight component of the index), which increased by 4.1% MoM, bringing its yearly price growth to 20.5%. In the utility component of the CPI, there was a relatively subdued performance compared to previous months, when household electricity prices rose significantly. The utility category prices increased by a moderate 0.5% MoM in June (+29.2% YoY).

The PPI decline in June was due to contraction in both crude oil and iron ore prices in the period. Industrial utility service prices edged up 0.3% MoM in June (+42.5% YoY).

Consumer inflation now exceeds the National Bank's key policy rate that stands at 12.5%. On the other hand, the reported inflation figure includes a one-off hike in natural gas price for households, which means the core inflation figure remained below 10% YoY in June.

## NaftoGaz Supports UkrNafta in License Battle with Government

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

### UKRNAFTA (UNAF UK)

Price: UAH 130 Market Cap: USD 130mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	8.0	0.3	neg	2.3	n/a
2017E	6.5	0.2	3.7	1.7	n/a

## NEWS

NaftoGaz, the Ukrainian state energy giant which owns a 50% + 1 share in national flagship oil company UkrNafta, sent a letter to the government supporting UkrNafta's demand to extend the 9 oil & gas licenses expiring in 2017, a Naftogaz press statement published last week said. The State Geological Service has repeatedly refused to extend the licenses, citing UkrNafta's tax debt. However, UkrNafta has a ruling from the District Administrative Court of Ukraine, which entered in force in January this year stating that the existence of the tax debt is not a lawful reason to deny the extension of the licenses.

## COMMENTARY

UkrNafta could lose around 20% of oil and 16% of gas production in case the 9 licenses are not extended this year. UkrNafta CEO Mark Rollins has predicted that if the company continues losing deposit use licenses, its production would fall from current 1.5mn tonnes of oil a year (11mn barrels) to only 270,000 tonnes a year (2mn barrels) by 2019. In our view, UkrNafta has been reduced to the role of a hostage in the authorities' ongoing duel with industrialist Igor Kolomoisky, whose PrivatBank was bailed out and taken over by the government in late 2016. Kolomoisky and his business group own an estimated 48% stake in UkrNafta. With the government stating that PrivatBank under Kolomoyskiy was a de-facto Ponzi scheme, it looks like there is an ongoing attempt attack businesses related to Kolomoisky. UkrNafta is an easy target in this fight, as its tax debt and its problem with licenses put the company in a weak position. In the worst case scenario, we do not rule out the government will try to seize Kolomoisky's stake in UkrNafta, which would be a harmful move against all minority shareholders.

The Kyiv-listed UNAF stock gained 8.5% last week to close at UAH 130 per share.

**EAVEX RECOMMENDATIONS**

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	66.0	80.0	21%	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	10.0	14.0	40%	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	64.0	70.0	9%	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	5.96	12.0	101%	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	10.1	13.0	29%	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	0.6	0.3	-50%	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	117.5	110.0	-6%	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	216.9	150.0	-31%	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	2374	5250	121%	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	129	270	109%	BUY	UNAF stock has been in a local upward trend since December after Parliament cut the production tax for oil for 2017.
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT LN	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	17.1	37.0	116%	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>						
DonbasEnerg	DOEN	12.5	9.0	-28%	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	10.48	15.00	43%	BUY	CenterEnerg'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	0.225	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*	1W	Absolute performance			Performance relative to the UX index			
						1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	1040.36	1087.67	670.15	0.2%	0.3%	0.1%	30.7%	0.0%	0.0%	0.0%	0.0%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	214.00	214.00	37.75	4.1%	11.3%	38.1%	59.1%	3.4%	4.0%	11.0%	28.4%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	9.20	n/a	n/a	-3.2%	11.0%	0.0%	4.5%	-3.3%	10.7%	-0.1%	-26.2%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2374	2697	934	-4.9%	-2.0%	8.0%	27.8%	-5.1%	-2.3%	7.9%	-3.0%
Turboatom	TATM	10.90	n/a	n/a	-4.4%	-10.0%	-11.7%	16.6%	-4.5%	-10.3%	-11.9%	-14.1%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.130	n/a	n/a	0.2%	0.2%	0.2%	-21.1%	0.0%	-0.1%	0.0%	-51.8%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	4.00	5.50	2.73	0.0%	-7.0%	-11.1%	7.1%	0.4%	-0.2%	-7.2%	-23.6%
JKX Oil	JKX	17.13	33.50	16.50	-6.8%	-16.5%	-11.6%	-43.4%	-5.1%	-7.0%	-16.7%	-74.1%
Ukrnafta	UNAF	128.9	n/a	n/a	8.5%	8.1%	15.1%	24.9%	8.3%	7.9%	14.9%	-5.8%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.48	11.58	7.47	-1.0%	-3.0%	-2.3%	1.3%	-1.2%	-3.2%	-2.4%	-29.4%
Donbasenergo	DOEN	12.50	14.30	9.50	0.2%	0.4%	2.1%	18.9%	0.1%	0.1%	2.0%	-11.8%
Zakhidenergo	ZAEN	121.00	135.00	53.00	0.8%	0.8%	75.4%	93.6%	0.7%	0.6%	75.2%	62.9%
<b>Consumer</b>												
Agroton	AGT	5.96	7.70	1.20	-2.3%	-11.0%	-12.9%	47.2%	-0.2%	-2.5%	-11.3%	16.4%
Astarta	AST	63.97	72.00	46.09	-2.3%	-4.2%	-5.3%	18.4%	-0.6%	-2.5%	-4.5%	-12.4%
Avangardo	AVGR	0.60	1.00	0.26	33.0%	-16.7%	-29.4%	71.4%	0.4%	32.9%	-16.9%	40.7%
Industrial Milk Company	IMC	10.09	10.98	6.50	-1.0%	-6.1%	1.4%	25.3%	0.4%	-1.1%	-6.3%	-5.4%
Kernel	KER	66.00	80.00	56.94	-1.8%	3.4%	-4.0%	3.4%	1.2%	-1.9%	3.1%	-27.4%
MHPC	MHPC	10.00	10.50	8.54	-1.0%	-1.0%	-0.5%	13.8%	0.6%	-1.2%	-1.2%	-17.0%
Milkiland	MLK	1.76	2.80	1.69	-2.2%	-4.9%	-20.4%	-12.0%	4.6%	-2.4%	-5.1%	-42.7%
Ovostar Union	OVO	117.50	128.05	84.00	4.0%	10.3%	24.4%	35.8%	-3.4%	3.8%	10.1%	5.1%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.225	n/a	n/a	0.2%	-0.5%	-10.9%	70.9%	0.0%	-0.7%	-11.0%	40.2%

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																
Centrenerg	CEEN	315	419	492	12	46	40	3.7%	11.1%	8.1%	3	15	26	1.0%	3.6%	5.2%
Donbasenerg	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 2015	P/E 2016	P/E 2017E	EV/EBITDA 2015	EV/EBITDA 2016	EV/EBITDA 2017E	EV/Sales 2015	EV/Sales 2016	EV/Sales 2017E
<b>Iron Ore Mining</b>														
Ferrexpo	FXPO	1,648	24.0% 396	2,398	>30	8.7	6.5	7.7	6.4	4.8	2.5	2.4	1.9	
<b>Railcar Manufacturing</b>														
Krukiv Wagon	KVBZ	41	5.0% 2	35	neg	neg	22.1	neg	>30	5.8	0.9	0.5	0.6	
<b>Specialized Machinery</b>														
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	190	24.0% 46	141	1.2	2.5	2.6	0.6	0.8	0.9	0.2	0.3	0.3	
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	269	3.0% 8	263	neg	neg	3.7	neg	2.3	1.7	0.2	0.3	0.2	
Regal Petroleum	RPT	17	21.6% 4	-3	neg	n/a	16.8	n/a	n/a	n/a	n/a	n/a	n/a	
JKX Oil & Gas	JKX	38	50.4% 19	147	neg	neg	12.8	8.7	5.1	4.3	1.7	1.8	1.5	
<b>Electric Utilities</b>														
CentrEnergio	CEEN	149	21.7% 32	70	>30	9.8	5.8	6.0	1.5	1.8	0.2	0.2	0.1	
DonbasEnergio	DOEN	11	14.2% 2	25	neg	neg	7.7	3.1	3.6	5.2	0.1	0.2	0.2	
<b>Consumer</b>														
MHP	MHPC	1,057	34.1% 360	2,217	neg	17.8	6.2	4.8	5.3	4.5	1.9	2.0	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	435	37.0% 161	582	24.6	4.8	3.9	4.0	3.5	3.4	1.7	1.4	1.3	
Avangardco	AVGR	38	22.5% 9	370	neg	neg	19.2	neg	>30	16.8	1.6	1.9	2.1	
Ovostar	OVO	192	25.0% 48	197	6.0	5.4	5.2	5.7	4.9	4.5	2.6	2.3	2.2	
<b>Banks</b>						<b>P/E</b>			<b>P/Book</b>			<b>P/Assets</b>		
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	

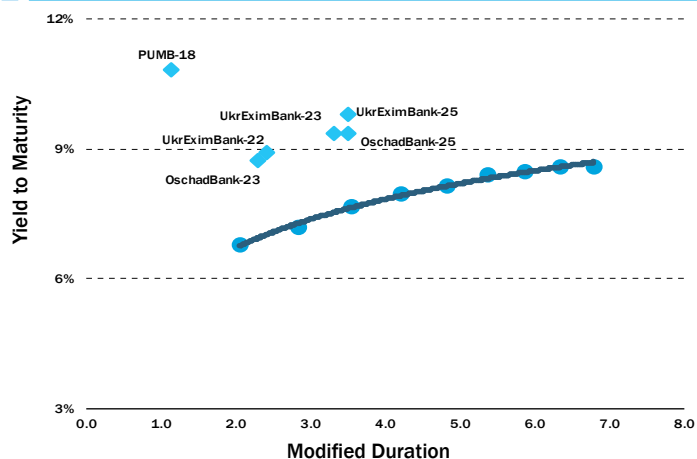
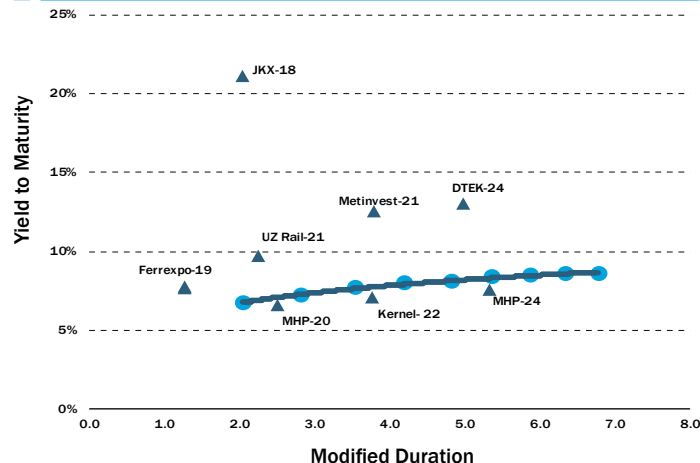
Source: Eavex Research

**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 <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	103.9	104.4	5.8%	5.5%	3.1%	1.9	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	103.3	103.8	6.6%	6.4%	4.3%	2.7	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	102.4	102.9	7.1%	6.9%	4.7%	3.4	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	101.3	101.9	7.4%	7.3%	4.7%	4.1	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	99.8	100.4	7.8%	7.7%	4.4%	4.7	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	99.1	99.8	7.9%	7.8%	4.7%	5.2	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	98.6	99.3	8.0%	7.9%	5.3%	5.8	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	98.1	98.8	8.0%	7.9%	5.0%	6.2	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	97.9	98.5	8.1%	8.0%	5.0%	6.7	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	42.8	43.8	n/a	n/a	41.8%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	14.0	18.4	153%	126%	-19.1%	1.1	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	108.5	108.7	6.6%	6.5%	8.6%	3.6	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	106.0	106.6	5.8%	5.6%	10.0%	2.4	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	102.3	102.8	7.3%	7.2%	2.5%	5.2	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	23.1	25.1	187%	174%	-18.4%	0.6	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	23.9	26.0	388%	353%	-18.7%	0.2	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	89.0	90.0	12.9%	12.7%	0.0%	5.3	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.1%	12.2%	-0.5%	3.6	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	105.5	106.1	6.9%	6.5%	5.0%	1.1	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	105.7	106.0	6.8%	6.6%	4.7%	1.1	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	102.4	103.6	9.2%	8.8%	8.0%	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
JXX Oil&Gas, 2018	85.0	95.0	22.7%	17.1%	19.8%	1.9	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.6	1.5	n/a	n/a	0.2%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	102.5	103.3	9.1%	8.6%	1.4%	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	19.0	22.0	n/a	n/a	20.6%	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	20.8	22.8	n/a	n/a	63.4%	0.2	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	104.7	105.1	8.4%	8.3%	7.0%	2.3	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	95.0	96.2	9.6%	9.3%	15.8%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	104.4	105.0	8.8%	8.7%	10.2%	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	104.5	104.8	8.4%	8.3%	7.3%	2.1	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	104.1	104.8	8.8%	8.7%	10.5%	3.2	8.88%	S/A	20 Mar 2025	500	Caa3//B-
<b>Municipal Eurobonds</b>											
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

<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>									
UA4000194591			14.90%	14.40%	n/a	16.62%	S/A	11 Jul .2018	1,454
<b>VAT Bonds</b>									
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

## Eavex Capital

7 Klovsky 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