

Stock Market Update

Equity

The Ukrainian stock market continued to perform in the sideways trend last week, with Kyiv-listed equities seeing only a moderate increase despite MinFin's impressive USD 3bn sovereign bond placement, which was 3.5x times oversubscribed. On the other hand, the ongoing wide interest in Ukraine's bonds might eventually transform into attention to Ukrainian equities as well.

Meanwhile, a kind of flip side to the successful Eurobond placement could be a slowdown in the country's reform agenda. Previously, the government was forced to show real reform progress in order to get IMF support. In particular, the pension system's overhaul will be an immediate test for the authorities to demonstrate whether the IMF program remains on track.

The UX index edged up 0.6% to close at 1131 points. Raiffeisen Bank Aval (BAVL), which is the best performing blue-chip this year, finished at 27.80 kopecks after adding 1.1%. CentrErgo (CEEN) tested the support level of UAH 11, showing no substantial move in any direction. Motor Sich (MSICH) ignored the scandal over news that the company's controlling stake was secretly sold to a Chinese group, rising 1.3% to UAH 2575.

In London trading, Ferrexpo (FXPO) saw an additional correction from its resistance line at GBP 310, declining by 6.5% to GBP 286 per share. In Warsaw-listed Ukrainian stocks, Astarta (AST) was hit hard after the Prosecutor General's office raided the company's head office over alleged tax evasion. Although the charges were dropped last week, the stock remains down by some 12% since the raid was reported on Sept 6. Low-liquidity Agroton (AGT) has slid by around 25% since the start of the month despite the company improving its financial results in 1H17.

The hryvnia continued its traditional early-autumn, with the currency edging down by 0.4% against the dollar last week to close at 26.28 UAH/USD.

Highlights

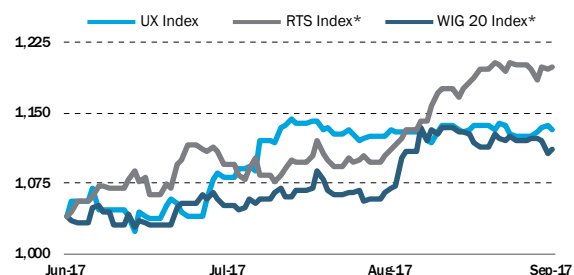
POLITICS AND ECONOMICS

- > No Breakthroughs From Poroshenko-Trump Meeting
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STOCKS IN THE NEWS

- > Investigation Shows China's Skyrizon Owns 56% Stake in Motor Sich

STOCK MARKET PERFORMANCE

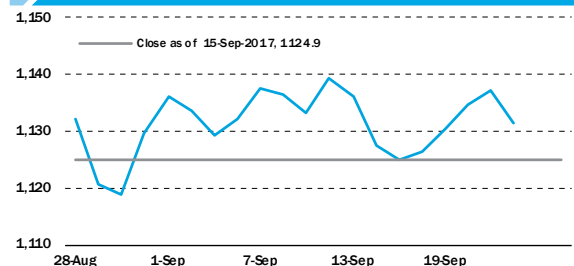


* rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1131.4	0.6%	-0.1%	42.2%
RTS	1123.2	0.0%	8.1%	-2.5%
WIG20	2480.7	-0.7%	3.9%	27.4%
MSCI EM	1102.3	0.0%	2.8%	27.8%
S&P 500	2502.2	0.1%	2.0%	11.8%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	312	0.6%	-4.0%	-14.7%
NBU Key Rate	12.5%	0.0 p.p.	0.0 p.p.	-1.5 p.p.
Ukraine-19	4.5%	-1.9 p.p.	-2.6 p.p.	-2.8 p.p.
Ukraine-27	7.3%	0.3 p.p.	-0.3 p.p.	-1.4 p.p.
MHP-20	4.6%	0.0 p.p.	-0.7 p.p.	-4.9 p.p.
UZ Rail-21	7.0%	0.1 p.p.	-0.8 p.p.	-4.8 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.28	0.4%	3.2%	-3.7%
EUR	31.42	0.4%	4.9%	11.0%
RUB	0.46	0.1%	5.8%	3.5%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	169.5	0.0%	3.7%	-2.0%
Steel, USD/t	597.5	-1.2%	8.6%	20.7%
Oil, USD/bbl	56.9	2.2%	10.2%	0.1%
Gold, USD/oz	1297.4	-1.7%	1.0%	12.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

No Breakthroughs From Poroshenko-Trump Meeting

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NEWS

President Poroshenko held an hour-long meeting with US President Trump in New York on Thursday (Sept 21) on the sidelines of the United Nations General Assembly, the presidential press service reported. Among issues discussed were general defense cooperation, supplies of advanced US weaponry to Ukraine, and a possible UN-led peacekeeping mission to patrol unspecified areas of the Donbass region. Poroshenko emerged from the meeting stating that Trump fully supported the idea of a Donbass peacekeeping mission, which was floated two weeks ago by Moscow. However, Ukraine and Russia disagree strongly on the specifics of where the mission would be stationed; Moscow says it should be placed along the current contact line, while Kyiv wants it to patrol the pre-2014 Russia-Ukraine border, which is now entirely inside separatist-controlled territory.

COMMENTARY

In this case, “no news is good news” is the catch phrase in Ukrainian-US relations under the Trump administration, as Poroshenko’s primary goal during the bilateral meeting was to avoid offending Trump in any way. The US media largely ignored the meeting, although Poroshenko did manage to appear in an interview on the Trump-friendly Fox News television channel. In regard to the Trump administration, the real concern for Poroshenko is neither weapons supplies, nor the peacekeeping mission, both of which are perennial talking-point issues that are unlikely to be realized. Rather, Poroshenko wants to make sure that Trump does not do any deals with Russian President Putin behind his back, and almost as importantly, that he does not suffer a personal falling out with Trump that could lead the US President to seek a relationship with Poroshenko’s domestic political rivals such as Yulia Tymoshenko or Mikhail Saakashvili.

Poroshenko Hails 15-Year Bond as Endorsement of Ukraine Reforms

by Dmitry Churin
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NEWS

Ukraine returned to the international sovereign bond market for the first time in more than 4 years last Monday (Sept 18), placing 15-year Eurobonds in the amount of USD 3bn at a yield of 7.375% per annum, the Finance Ministry reported. Bids for the issue exceeded the offering by an impressive 3.2x.

The Finance Ministry said that the issue has a final maturity on 25 September 2032 and the redemption is amortized in four equal instalments due on 25 March 2031, 25 September 2031, 25 March 2032 and 25 September 2032. The new issue is expected to be rated B- by Standard & Poor's and B- by Fitch. Settlement of the new issue is expected to take place on 25 September 2017.

A portion of the net proceeds of the new issue will fund the repurchase of USD 1.16bn from the outstanding USD 1.82bn Ukraine-19 issue and repurchase of USD 415mn of the USD 1.78bn Ukraine-20 issue. The repurchase prices were set at 106.0 and 106.75 for these two bonds respectively. The remaining net proceeds of new issue will be used for general budgetary purposes.

COMMENTARY

President Poroshenko immediately hailed the new sovereign issue as being the market's endorsement of Ukraine's reform progress, and certainly, MinFin did very well in obtaining the largest sovereign issue in the country's history with the longest-ever maturity period. However, what this situation really demonstrates is that international market sentiments matter more for Ukraine than specific reform achievements and IMF compliance. At the moment, the market is ready to lend to almost any sovereign willing to pay above 7%. Only less bullish market conditions could force Kyiv to adhere to the letter of the IMF program. With this USD 3bn issue, there is a real risk that Ukraine's major reforms - agricultural land sales, market energy pricing, and pension recalibration - could be pushed completely off the medium-term time horizon until after Ukraine's 2019 election year, allowing corruption and waste to continue indefinitely.

According to comments from undisclosed officials familiar with the matter, MinFin managed to push the coupon down to 7.375% from the original 7.75% during the road show once it became apparent that demand was enthusiastic. This was Ukraine's first fully commercial Eurobond placement since July 2013, when the Yanukovich government raised USD 1.25bn by issuing a 10-year bond at 7.50%. The timing for the issue was obviously ideal, with international investors keen for high yield sovereign placements. The proceeds from the bond sale overshot the Finance Ministry's initial target of USD 2.5bn. We see the logical next move in Ukrainian Eurobonds as being the government's attempt to refinance the quasi-sovereign issues of the big state banks, which now look too expensive at above 9%.

The yield for Ukraine-27s benchmark Eurobond was near 7% implying that new 15-year bond perfectly prolonged the country's sovereign yield curve.

Investigation Shows China's Skyrizon Owns 56% Stake in Motor Sich

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 2,575 Market Cap: USD 203mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.3	0.4	2.6	1.0	1.0%
2017E	0.3	0.4	2.8	1.1	1.1%

NEWS

An equity stake of 56% in Kyiv-listed, Zaporizhia-based Motor Sich, Ukraine's monopoly aircraft engine producer, was secretly and indirectly concentrated by Chinese individuals affiliated with Beijing-based Skyrizon Aviation, according to Ukrainian Security Service (SBU) findings reported earlier this month. A Kyiv court has frozen the shares controlled by the Chinese firm until a full investigation can be completed. The SBU alleged that the secret purchase of Motor Sich's stock by Chinese business group was "an attempt to take the company's assets out of the country, leading to its liquidation".

Beijing-based Beijing Skyrizon was established in October 2014 with registered capital of 1 billion yuan (USD 153mn), and is owned by Wang Jing and Du Tao, according to publicly available business registration information.

Skyrizon began collaborating with other Chinese and Ukrainian aviation enterprises in 2014, becoming the first Chinese private company that has worked with a foreign aircraft engine company, according to Skyrizon. In 2015, the company established a strategic cooperation partnership with Motor Sich in personnel training, research & development, and production, it said.

Motor Sich's engines include models used on the Antonov An-124 cargo plane and the Antonov An-225, the largest military cargo aircraft in the world.

COMMENTARY

There has been no public response from Skyrizon or the Chinese government to the SBU revelation and to the freezing of the Motor Sich shares, but we assume that some kind of diplomatic reaction is inevitable. Before the SBU reported its findings, most market players had believed that the majority stake in Motor Sich was controlled by the company's longtime president Vyacheslav Boguslaev, who is currently an elected member of the Ukrainian Parliament. Officially, the MSICH stock has a free float of 20.5%, although we assume that the actual free float is considerably less.

The public history of the relationship between Skyrizon and Motor Sich began in May 2017, when Deputy Prime Minister Stepan Kubiv announced that the Chinese and Ukrainian companies are planning to build a plant in Chongqing (central China) in a joint venture. The stunning figure in that release was that Skyrizon was "ready" to invest a massive USD 250mn in Motor Sich's existing production facilities in Zaporizhia. However, it looks clear that Boguslaev and Skyrizon have thus far not cleared their grand plans with the Ukrainian government, which has the power to disrupt the deal. We assume that Kubiv may not have been told about Chinese ownership of the company back in May.

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. In the week since the SBU announcement, the scandal has not affected MSICH stock, which continues to trade in the UAH 2500-2600 range. We continue to view Motor Sich as significantly undervalued asset, as the stock has a forward-looking P/E of just 2.8x.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	56.4	80.0	42%	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	11.2	14.0	26%	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	50.9	70.0	38%	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	4.61	12.0	160%	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	22%	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	-49%	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	111.5	110.0	-1%	HOLD	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	286.1	--	--	U/R	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	2575	5250	104%	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	124	270	117%	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	4.5	15.0	233%	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	13.0	--	--	U/R	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	14.6	9.0	-38%	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	10.88	15.00	38%	BUY	CenterEnergO'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	0.278	0.27	-3%	HOLD	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	1131.40	1153.58	706.27	0.6%	-0.1%	7.1%	42.2%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	286.10	323.20	72.25	-6.5%	-0.2%	54.1%	112.7%	-1.3%	-7.1%	-0.2%	70.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	8.50	n/a	n/a	-5.6%	-9.6%	-9.1%	-3.4%	-6.1%	-9.5%	-16.2%	-45.6%
Specialized Machinery												
Motor Sich	MSICH	2575	2697	934	1.3%	2.2%	-0.8%	38.6%	0.7%	2.2%	-7.9%	-3.6%
Turboatom	TATM	11.36	12.77	8.59	-2.5%	-2.7%	-5.3%	21.5%	-3.1%	-2.6%	-12.4%	-20.7%
Telecom												
Ukrtelecom	UTLM	0.160	n/a	n/a	18.1%	22.9%	15.9%	-3.0%	17.5%	22.9%	8.9%	-45.2%
Oil & Gas												
Regal Petroleum	RPT	4.50	5.50	2.75	22.4%	24.1%	18.4%	20.5%	0.5%	21.9%	24.2%	-21.7%
JKX Oil	JKX	13.00	33.50	12.25	6.1%	-3.7%	-35.8%	-57.0%	0.5%	5.5%	-3.6%	-99.2%
Ukrnafta	UNAF	124.3	n/a	n/a	0.6%	-0.8%	1.9%	20.4%	0.1%	-0.7%	-5.2%	-21.7%
Power Utilities												
Centrenergo	CEEN	10.88	12.00	9.70	-0.2%	-1.6%	3.1%	5.1%	-0.8%	-1.5%	-4.0%	-37.0%
Donbasenergo	DOEN	14.61	n/a	n/a	2.5%	-0.8%	13.8%	39.0%	1.9%	-0.8%	6.7%	-3.2%
Zakhidenergo	ZAEN	124.60	164.00	55.00	4.5%	5.1%	3.8%	99.4%	3.9%	5.1%	-3.3%	57.2%
Consumer												
Agroton	AGT	4.61	7.70	2.54	-20.0%	-25.0%	-25.9%	13.8%	-5.2%	-20.5%	-25.0%	-28.3%
Astarta	AST	50.90	72.00	50.00	-11.6%	-20.4%	-21.8%	-5.8%	-3.5%	-12.2%	-20.4%	-48.0%
Avangardo	AVGR	0.59	1.00	0.35	16.8%	18.0%	-9.2%	68.6%	17.3%	16.3%	18.1%	26.4%
Industrial Milk Company	IMC	10.65	10.98	6.50	-1.3%	7.0%	-0.7%	32.3%	0.5%	-1.9%	7.1%	-9.9%
Kernel	KER	56.38	80.00	56.38	-4.4%	-8.3%	-16.8%	-11.7%	-0.1%	-4.9%	-8.3%	-53.9%
MHPC	MHPC	11.15	12.05	8.54	0.9%	6.2%	12.6%	26.8%	-0.4%	0.3%	6.2%	-15.3%
Milkiland	MLK	1.66	2.80	1.59	-4.6%	-2.4%	-7.3%	-17.0%	-1.8%	-5.2%	-2.3%	-59.2%
Ovostar Union	OVO	111.50	128.05	84.00	0.0%	1.4%	-9.0%	28.9%	0.5%	-0.6%	1.4%	-13.3%
Banks												
Raiffeisen Bank Aval	BAVL	0.278	n/a	n/a	1.1%	0.2%	23.0%	110.4%	0.5%	0.2%	15.9%	68.2%

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																
Centrenergo	CEEN	315	419	492	12	46	69	3.7%	11.1%	14.1%	3	15	51	1.0%	3.6%	10.5%
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	1,300	459	415	490	38.8%	36.6%	37.7%	-126	59	300	-10.6%	5.2%	23.1%
Kernel	KER	2,330	1,989	2,128	397	346	381	17.0%	17.4%	17.9%	101	225	270	4.3%	11.3%	12.7%
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	0	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	2,281	24.0%	548	3,031	>30	12.1	8.9	9.7	8.1	6.1	3.2	3.1	2.4
Railcar Manufacturing														
Krukiv Wagon	KVBZ	37	5.0%	2	32	neg	neg	20.2	neg	>30	5.3	0.8	0.5	0.6
Specialized Machinery														
Turboatom	TATM	56	5.8%	3	-30	0.8	2.0	2.0	-0.3	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	204	24.0%	49	167	1.3	2.6	2.8	0.7	1.0	1.1	0.2	0.4	0.4
Oil & Gas														
Ukrnafta	UNAF	257	3.0%	8	251	neg	neg	3.5	neg	2.2	1.7	0.2	0.3	0.2
Regal Petroleum	RPT	20	21.6%	4	0	neg	n/a	19.5	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	30	50.4%	15	139	neg	neg	10.1	8.2	4.8	4.1	1.6	1.7	1.5
Electric Utilities														
CentrEnergO	CEEN	153	21.7%	33	65	>30	10.1	3.0	5.5	1.4	0.9	0.2	0.2	0.1
DonbasEnergO	DOEN	13	14.2%	2	27	neg	neg	8.9	3.4	3.9	5.7	0.1	0.2	0.2
Consumer														
MHP	MHPC	1,178	34.1%	402	2,248	neg	19.9	3.9	4.9	5.4	4.6	1.9	2.0	1.7
Kernel	KER	1,251	61.8%	773	1,577	12.4	5.6	4.6	4.0	4.6	4.1	0.7	0.8	0.7
Astarta	AST	354	37.0%	131	502	20.0	3.9	3.1	3.5	3.0	3.0	1.4	1.2	1.1
Avangardco	AVGR	38	22.5%	8	369	neg	neg	18.8	neg	>30	16.8	1.6	1.9	2.1
Ovostar	OVO	186	25.0%	47	191	5.8	5.3	5.0	5.5	4.8	4.4	2.5	2.3	2.1
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	649	1.8%	12		neg	4.3	3.9	2.5	1.7	1.9	0.33	0.31	0.31

Source: Eavex Research

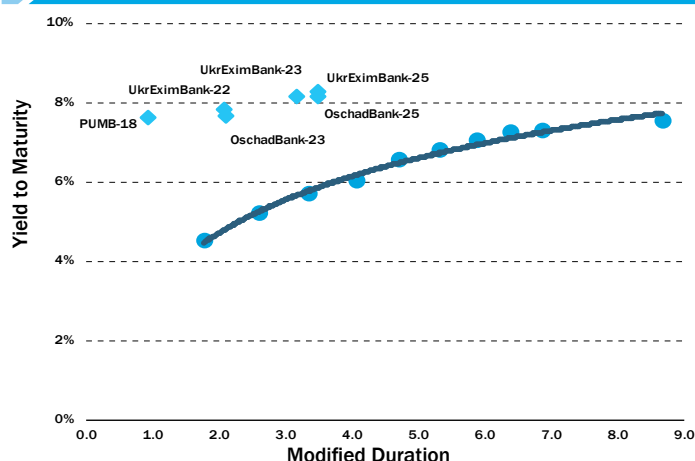
UKRAINIAN EUROBONDS

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	105.6	106.1	4.7%	4.4%	4.8%	1.8	7.75%	S/A	1 Sept 2019	1,744	Caa2/B-/B-
Ukraine, 2020	106.6	107.0	5.3%	5.1%	7.7%	2.6	7.75%	S/A	1 Sept 2020	1,780	Caa2/B-/B-
Ukraine, 2021	106.9	107.4	5.8%	5.6%	9.3%	3.4	7.75%	S/A	1 Sept 2021	1,409	Caa2/B-/B-
Ukraine, 2022	107.0	107.5	6.1%	6.0%	10.6%	4.1	7.75%	S/A	1 Sept 2022	1,384	Caa2/B-/B-
Ukraine, 2023	105.5	106.0	6.6%	6.5%	10.3%	4.7	7.75%	S/A	1 Sept 2023	1,355	Caa2/B-/B-
Ukraine, 2024	104.8	105.4	6.9%	6.8%	10.6%	5.3	7.75%	S/A	1 Sept 2024	1,339	Caa2/B-/B-
Ukraine, 2025	103.9	104.5	7.1%	7.0%	10.8%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa2/B-/B-
Ukraine, 2026	103.0	103.5	7.3%	7.2%	10.1%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa2/B-/B-
Ukraine, 2027	102.9	103.4	7.3%	7.3%	10.3%	6.9	7.75%	S/A	1 Sept 2027	1,307	Caa2/B-/B-
Ukraine, 2032	98.5	98.8	7.5%	7.5%	-1.4%	8.7	7.375%	S/A	25 Sept 2032	3,000	//B-
Ukraine, GDP-linked (VRI)	54.8	55.5	n/a	n/a	80.7%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.4	18.8	176%	144%	-17.2%	0.9	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	110.0	110.7	6.1%	5.9%	10.3%	3.6	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	108.1	109.0	4.8%	4.4%	12.4%	2.2	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	108.3	109.0	6.2%	6.1%	8.6%	5.1	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	22.8	26.5	243%	211%	-16.6%	0.5	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	27.9	29.8	517%	472%	-6.1%	0.1	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	5.0	7.0	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	5.0	7.0	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	99.5	100.5	11.1%	10.9%	11.8%	5.3	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.4%	12.5%	-0.5%	3.5	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	106.1	106.9	6.2%	5.6%	5.7%	0.9	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	106.0	107.0	6.2%	5.6%	5.3%	0.9	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	105.7	106.5	8.2%	7.9%	11.2%	2.0	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	23.0	26.0	n/a	n/a	-10.9%	n/a	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JXX Oil&Gas, 2018	85.0	95.0	23.1%	17.2%	19.8%	1.9	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.6	1.6	n/a	n/a	8.5%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	103.2	104.8	8.3%	7.0%	2.5%	0.9	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.2	1.4	n/a	n/a	-17.0%	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	7.0	13.0	n/a	n/a	-23.1%	1.6	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	20.4	23.3	n/a	n/a	63.9%	0.1	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	107.1	107.8	7.8%	7.6%	9.7%	2.1	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	99.7	102.2	8.6%	8.0%	22.3%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	107.9	108.7	8.2%	8.1%	14.1%	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	106.3	107.0	7.9%	7.8%	9.4%	2.1	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	107.5	108.4	8.2%	8.1%	14.2%	3.2	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	66.0	71.4	n/a	n/a	-10.5%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

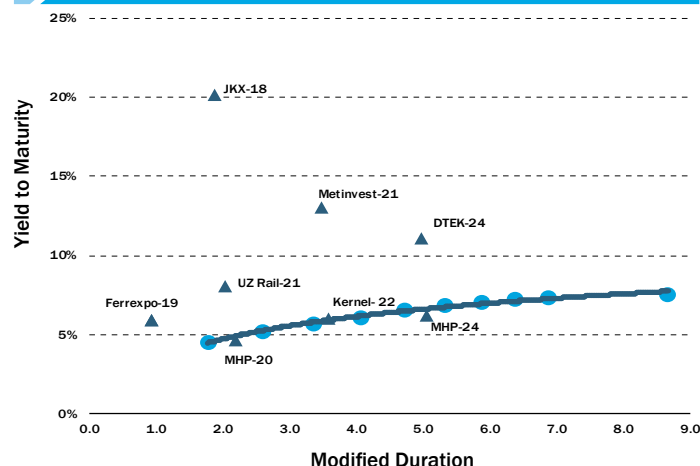
¹ Moody's/S&P/Fitch

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			15.20%	14.80%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.20%	14.80%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.20%	14.80%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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