

Stock Market Update

Equity

It was an active week on the Ukrainian Stock Exchange amid positive news that Parliament finally adopted a long-awaited pension reform bill, proving that the reform agenda in Ukraine is still alive and well despite slower-than-hoped-for progress. Although it is not yet clear if the approved pension overhaul meets all the requirements of the IMF, heavy opposition from Ukraine's irresponsible populist parties indicates that tough but necessary measures have been included. Of course, it should be stressed that the pension reform looks like the easiest target in political terms of the key reform triad that also includes heating tariff increases and lifting the country's prohibition on farmland sales. President Poroshenko now looks likely to prioritize his immediate political interests over long-term reform goals ahead of his expected reelection campaign.

The UX index advanced by 2.8% to close at 1218 points. UkrNafta (UNAF) was highly volatile, reaching the UAH 150 level but then declining under profit taking back to UAH 146 and ending with a 3.3% rise for the week. The company resumed oil & gas extraction on 9 fields after their production license restoration. Motor Sich (MSICH) picked up 1.5% to finish at UAH 2945 but faces a strong technical resistance barrier at the UAH 3000 line. CentrEnerg (CEEN) recovered part of its recent losses, with the stock bouncing back by 6.8% to UAH 10.90 on expectations that the company will not manage to de-list its shares from public trading despite last month's statement of intent. The issue will be voted on at a shareholder meeting scheduled for this Wednesday. A similar vote to de-list at majority state-owned TurboAtom (TATM) on Oct 3 did not take place.

In London trading, Ferrexpo (FXPO) again approached GBp 300 level, adding 1.6%. Warsaw-listed Kernel (KER) sold off by 7.4% to PLN 51.50 and low-liquidity Agroton (AGT) extended its losing run by additional 10% to close at PLN 3.84.

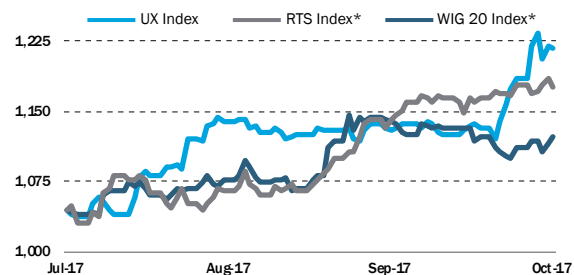
The hryvnia weakened by another 0.7% to 26.76 UAH/USD amid heavy volatility that saw the currency trading as low as 27.20 at midweek, forcing the National Bank to intervene on the market by selling hard currencies, including a USD 100mn auction. We suppose that Naftogaz may have been buying up dollars amid seasonal purchases of imported natural gas. The NBU reported that its foreign currency reserves stood at USD 18.6bn as of 1 Oct 2017.

Highlights

POLITICS AND ECONOMICS

- > Europe, US Praise Kyiv After Donbass Framework Extended
- > Groysman Says Education Law Doesn't Violate Minority Rights
- > Reform Hikes Pension Qualification Period to 25 Years

STOCK MARKET PERFORMANCE

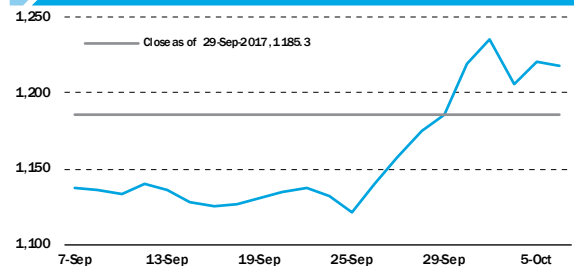


*rebased

MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1218.3	2.8%	7.9%	53.1%
RTS	1134.3	-0.2%	3.0%	-1.6%
WIG20	2479.5	1.1%	-1.5%	27.3%
MSCI EM	1103.1	2.0%	1.7%	27.9%
S&P 500	2549.3	1.2%	3.7%	13.9%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	305	-0.8%	-5.1%	-16.5%
NBU Key Rate	12.5%	0.0 p.p.	0.0 p.p.	-1.5 p.p.
Ukraine-19	4.8%	-1.8 p.p.	-2.0 p.p.	-2.5 p.p.
Ukraine-27	7.2%	-0.1 p.p.	-0.2 p.p.	-1.5 p.p.
MHP-20	4.7%	-0.1 p.p.	-0.4 p.p.	-4.8 p.p.
UZ Rail-21	6.9%	-0.1 p.p.	-0.8 p.p.	-4.8 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.76	0.7%	3.2%	-2.0%
EUR	31.39	-0.2%	1.6%	11.0%
RUB	0.46	1.0%	2.0%	4.4%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	179.0	1.7%	8.2%	3.5%
Steel, USD/t	597.5	0.8%	8.1%	20.7%
Oil, USD/bbl	55.6	-2.1%	4.2%	-2.1%
Gold, USD/oz	1276.6	-0.3%	-4.7%	10.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Europe, US Praise Kyiv After Donbass Framework Extended

by Will Ritter
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NEWS

Key Western diplomatic figures, including US special representative Kurt Volker and German Foreign Minister Sigmar Gabriel, praised Ukraine late last week for extending by one year the country's law that governs relations with the territories of Eastern Ukraine occupied by pro-Russian separatists. The law was extended on Friday (Oct 7) in Parliament at the urging of President Poroshenko and National Security Council (RNBO) head Oleksandr Turchinov by 229 votes, just 3 more than the minimum, with violent protests taking place outside the Parliament building on Thursday while the measure was being discussed and fights occurring among parliamentarians inside the building. The extension was pushed through over the objections of Yulia Tymoshenko's Batkivschyna faction and Lviv mayor Andriy Sadoviy's Samopomich faction, with the latter immediately expelling one of their own MPs who voted in favor of the measure. Along with non-affiliated nationalist MPs, the opposition argued that the Donbass law offers too many concessions to Russia and to the authorities of the occupied territories. The extension was pushed over the line by support from the OppoBloc, the successor to ex-President Yanukovich's Party of Regions. Failure to approve the extension would have closed the door on Kyiv's commitment to abiding by the Minsk peace accords signed in early 2015, which sharply slowed the Donbass fighting.

COMMENTARY

Pushing through the compromise on the Donbass, and thus paying the minimum lip service to Minsk and avoiding any steps that could lead to military re-escalation was an absolutely critical step in maintaining Western support for Ukraine, as the West has zero interest in backing Ukrainian ideological nationalism and is primarily focused on keeping the peace. Importantly, the Donbass extension is a political defeat for Moscow, which was rooting against passage in the hopes of seeing new political instability in Kyiv. It should be noted that while the violent protests outside Parliament were a serious event, they were considerably weaker than when the Donbass law was first approved two years ago, when 3 National Guardsmen died defending the building. The vote also demonstrates the significance of Turchinov as a key Poroshenko ally against Turchinov's own longtime political partner Tymoshenko. This vote shows even more clearly that Batkivschyna, Samopomich and the "independent" hardline nationalist MPs like Volodymyr Parasiuk are far more focused on hot-button ideological issues than they are on Western-style reforms or real anti-corruption measures. Increasingly, the pairing of hard-line nationalist ideology with so-called anti-corruption crusading and opposition to IMF-mandated economic measures, which is embodied by Samopomich in particular, looks like a losing political formula, and we think this could open the door for a less ideological anti-corruption party in the next election.

Groysman Says Education Law Doesn't Violate Minority Rights

by Will Ritter
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NEWS

Prime Minister Volodymyr Groysman last week denied that Ukraine's new national education law violates minority rights by mandating that the education of all children be conducted in the Ukrainian language from the 5th grade onward. The passage of the law two weeks ago has provoked a sharp backlash from the governments of European Union member countries Romania and (especially) Hungary, as there are substantial Romanian and Hungarian communities living in Chernivtsi and TransCarpathia provinces, respectively. The Russian government also joined the criticism after Romania and Hungary made their initial complaints, claiming that Kyiv is trying to "create a mono-ethnic state". The Budapest government declared that it intends to block all European integration initiative of Ukraine until the issue is resolved. The EU's PACE oversight body is due to examine the new law this week.

COMMENTARY

Once again, Kyiv has unfortunately shown that it has a tone-deaf approach in dealing with its non-Russian neighbor countries. It is clear that the Hungarian and Romanian languages represent no threat to Ukrainian identity in their rather small communities, and that Kyiv should have gone out of its way to avoid a conflict with these countries by creating some reasonable exceptions in the education law. The main language problem in Ukraine is that all the laws prioritizing Ukrainian over Russian in the education sphere have been routinely flouted for 25 years throughout southern and eastern Ukraine, and any new laws should therefore be directly aimed at changing this situation in a gradual and peaceful manner. Clearly, in the Russian-speaking half of Ukraine, it is the Ukrainian language which needs to be protected from Russian, and not the other way around. This latest spat with Romania and Hungary unfortunately gives ammunition to the bogus charge from Moscow that Ukraine discriminates against Russian speakers.

Reform Hikes Pension Qualification Period to 25 Years

by Dmitry Churin
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NEWS

Ukraine's Parliament approved a final bill on pension reform on Tuesday (Oct 3) that increases the minimum pensionable service period from 15 to 25 years starting on 1 Jan 2018. A total of 288 lawmakers out of the chamber's 422 members voted for the bill, which needed 226 votes to pass.

Among other things, the law envisages continuing to raise the minimum length of pensionable service annually by one year, until it reaches 35 years in 2028. Citizens who won't have 25 years of pensionable service will be assigned government social assistance upon reaching the age of 65.

The law also envisages the introduction of a accumulative system of compulsory pension insurance starting in 2019.

In addition, the bill proposes to get rid of early retirement (except for artists), leaving so-called "preferential" retirement only for those who work in hazardous conditions, people with disabilities, mothers who raised five children, those disabled from childhood (at 50), and participants in military action (at 55 provided 22 years of pensionable service).

Parliament ordered the Cabinet of Ministers to prepare a separate bill on revising military pensions by Nov 1 and a separate bill on the introduction of a professional pension system within six months, as well as to conduct of an audit at the country's Pension Fund.

COMMENTARY

Ukraine has consistently run a gigantic deficit of around 6% of GDP in its pension system (UAH 142bn this year) due to too-generous terms that are out of line with what the country can afford. Therefore, we believe that passing the pension reform - even if it falls short of what the IMF demanded in a few spots - is an impressive achievement for the Poroshenko government, as it was very difficult to push the bill through the Parliament amid always-strong populist sentiment in the country. The number of pensioners in Ukraine is 12mn people, approaching 30% of the total population. Although the average pension payment amounts just near UAH 2000 per month (USD 75), there are some citizens who receive pensions that are far higher; the new law limits the maximum amount which falls under a payment of a single social contribution at 15 minimum wages (USD 1800 at the moment).

We believe that Ukraine needs further reforms to achieve GDP growth higher than the current 2% annual levels. At the top of the list of needed reforms is the legalization of farmland sales and reform of the judiciary system.

It is not immediately clear whether the pension reform alone will be enough to unlock the next USD 1.9bn loan disbursement from the IMF, but given the apparent decision by President Poroshenko and Prime Minister Groysman to freeze residential heating tariffs this winter, Kyiv may have decided that it is able to do without the IMF money for now.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	51.3	80.0	56%	BUY	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	10.9	14.0	29%	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	51.5	70.0	36%	BUY	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	3.96	12.0	203%	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	10.8	13.0	20%	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	-48%	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	105.0	110.0	5%	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	293.9	--	--	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	2945	5250	78%	BUY	The reported profit for 1H17 represents UAH 1101 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 3.0bn, implying EPS of UAH 1440.
Oil & Gas						
UkrNafta	UNAF	144	270	88%	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	4.6	15.0	228%	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	12.8	--	--	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						
DonbasEnerg	DOEN	15.2	9.0	-41%	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	10.96	15.00	37%	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	0.282	0.27	-4%	HOLD	Raiffeisen Aval's 1H17 net profit was at a record high UAH 2.7bn (USD 100mn), implying earnings per share of 4.45 kopecks. We forecast that the bank will post a net profit of UAH 4.50bn in FY17 and will pay a 7.30 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	1218.32	1242.42	706.27	2.8%	7.9%	17.3%	53.1%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	297.10	323.20	80.00	1.6%	-5.2%	44.6%	120.9%	-0.5%	-1.2%	-13.1%	67.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.05	n/a	n/a	-5.2%	0.8%	-4.7%	2.8%	-8.0%	-7.1%	-22.0%	-50.2%
Specialized Machinery												
Motor Sich	MSICH	2945	2999	934	1.5%	16.2%	17.9%	58.5%	-1.3%	8.3%	0.6%	5.4%
Turboatom	TATM	11.50	12.77	8.59	0.7%	0.7%	0.9%	23.0%	-2.1%	-7.2%	-16.4%	-30.1%
Telecom												
Ukrtelecom	UTLM	0.160	n/a	n/a	14.3%	28.0%	23.1%	-3.0%	11.5%	20.1%	5.8%	-56.1%
Oil & Gas												
Regal Petroleum	RPT	4.58	5.50	2.75	2.8%	33.6%	14.4%	22.5%	0.2%	0.0%	25.7%	-30.6%
JKX Oil	JKX	12.75	33.50	12.25	-1.9%	-1.9%	-30.6%	-57.9%	0.2%	-4.7%	-9.8%	-110.9%
Ukrnafta	UNAF	146.2	n/a	n/a	3.3%	18.8%	23.1%	41.7%	0.5%	10.9%	5.8%	-11.4%
Power Utilities												
Centrenergo	CEEN	10.91	12.00	9.70	6.8%	-2.3%	3.0%	5.4%	4.0%	-10.2%	-14.3%	-47.7%
Donbasenergo	DOEN	15.17	n/a	n/a	2.7%	4.5%	21.7%	44.3%	-0.1%	-3.4%	4.4%	-8.7%
Zakhidenergo	ZAEN	133.50	164.00	55.00	-7.9%	5.1%	11.3%	113.6%	-10.7%	-2.8%	-6.0%	60.5%
Consumer												
Agroton	AGT	3.84	7.70	2.54	-9.0%	-36.1%	-37.0%	-5.2%	2.8%	-11.8%	-44.0%	-58.3%
Astarta	AST	51.00	72.00	50.00	-3.8%	-17.7%	-22.1%	-5.6%	1.9%	-6.6%	-25.6%	-58.7%
Avangardo	AVGR	0.58	1.00	0.35	-2.5%	13.9%	27.5%	64.3%	0.2%	-5.3%	6.0%	11.2%
Industrial Milk Company	IMC	10.92	10.99	6.65	0.2%	1.2%	7.2%	35.7%	0.5%	-2.6%	-6.7%	-17.4%
Kernel	KER	51.51	80.00	51.51	-7.4%	-17.0%	-23.3%	-19.3%	-3.4%	-10.2%	-24.9%	-72.4%
MHPC	MHPC	10.85	12.05	8.54	-3.1%	-5.2%	7.4%	23.4%	-1.2%	-5.9%	-13.1%	-29.7%
Milkiland	MLK	1.63	2.80	1.59	-3.6%	-8.9%	-9.4%	-18.5%	-2.8%	-6.3%	-16.8%	-71.6%
Ovostar Union	OVO	105.00	128.05	84.00	-4.5%	-5.6%	-7.1%	21.4%	-4.3%	-7.2%	-13.5%	-31.7%
Banks												
Raiffeisen Bank Aval	BAVL	0.282	n/a	n/a	0.0%	2.6%	25.1%	113.4%	-2.8%	-5.3%	7.8%	60.3%

Source: Bloomberg
* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2015	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E
Iron Ore Mining																
Ferrexpo	FXPO	961	986	1,282	313	375	495	32.6%	38.0%	38.6%	31	189	255	3.3%	19.2%	19.9%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	41	67	55	-15	1	6	-37.1%	0.9%	11.0%	-19	-4	2	-46.3%	-5.9%	3.3%
Specialized Machinery																
Turboatom	TATM	128	98	99	87	33	35	67.9%	34.0%	35.2%	75	27	28	58.3%	28.0%	27.8%
Motor Sich	MSICH	697	414	426	237	166	151	33.9%	40.1%	35.3%	158	77	110	22.6%	18.6%	25.9%
Oil & Gas																
Ukrnafta	UNAF	1,319	885	1,079	-101	116	151	-7.7%	13.1%	14.0%	-250	-343	74	-18.9%	-38.7%	6.8%
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	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	2,293	24.0%	551	3,043	>30	12.1	9.0	9.7	8.1	6.1	3.2	3.1	2.4
Railcar Manufacturing														
Krukiv Wagon	KVBZ	39	5.0%	2	34	neg	neg	21.1	neg	>30	5.5	0.8	0.5	0.6
Specialized Machinery														
Turboatom	TATM	55	5.8%	3	-31	0.7	2.0	2.0	-0.4	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	229	24.0%	55	192	1.5	3.0	2.1	0.8	1.2	1.3	0.3	0.5	0.4
Oil & Gas														
Ukrnafta	UNAF	296	3.0%	9	291	neg	neg	4.0	neg	2.5	1.9	0.2	0.3	0.3
Regal Petroleum	RPT	19	21.6%	4	0	neg	n/a	19.2	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	29	50.4%	14	137	neg	neg	9.6	8.1	4.7	4.0	1.5	1.7	1.4
Electric Utilities														
CentrEnergO	CEEN	151	21.7%	33	63	>30	9.9	2.9	5.3	1.4	0.9	0.2	0.1	0.1
DonbasEnergO	DOEN	13	14.2%	2	28	neg	neg	9.1	3.4	4.0	5.8	0.1	0.2	0.2
Consumer														
MHP	MHPC	1,146	34.1%	391	2,216	neg	19.4	3.8	4.8	5.3	4.5	1.9	2.0	1.7
Kernel	KER	1,117	61.8%	690	1,443	11.1	5.0	4.1	3.6	4.2	3.8	0.6	0.7	0.7
Astarta	AST	347	37.0%	128	494	19.6	3.9	3.1	3.4	3.0	2.9	1.4	1.2	1.1
Avangardco	AVGR	37	22.5%	8	368	neg	neg	18.4	neg	>30	16.7	1.6	1.9	2.0
Ovostar	OVO	171	25.0%	43	176	5.4	4.9	4.6	5.1	4.4	4.1	2.3	2.1	2.0
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	647	1.8%	12		neg	4.3	3.9	2.5	1.7	1.9	0.33	0.31	0.31

Source: Eavex Research

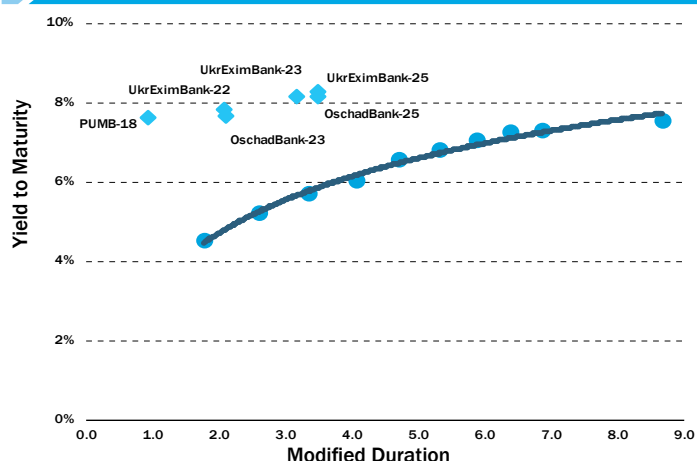
UKRAINIAN EUROBONDS

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	105.0	105.5	4.9%	4.7%	4.2%	1.7	7.75%	S/A	1 Sept 2019	1,744	Caa2/B-/B-
Ukraine, 2020	106.0	106.4	5.5%	5.3%	7.1%	2.6	7.75%	S/A	1 Sept 2020	1,780	Caa2/B-/B-
Ukraine, 2021	106.3	106.8	5.9%	5.8%	8.7%	3.3	7.75%	S/A	1 Sept 2021	1,409	Caa2/B-/B-
Ukraine, 2022	106.4	106.9	6.2%	6.1%	9.9%	4.0	7.75%	S/A	1 Sept 2022	1,384	Caa2/B-/B-
Ukraine, 2023	105.8	106.8	6.6%	6.4%	10.8%	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	104.4	105.0	7.0%	6.9%	11.4%	5.8	7.75%	S/A	1 Sept 2025	1,329	Caa2/B-/B-
Ukraine, 2026	103.8	104.3	7.2%	7.1%	10.9%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa2/B-/B-
Ukraine, 2027	103.5	104.0	7.2%	7.2%	11.0%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa2/B-/B-
Ukraine, 2032	98.7	99.1	7.5%	7.5%	-1.1%	8.7	7.375%	S/A	25 Sept 2032	3,000	//B-
Ukraine, GDP-linked (VRI)	58.3	58.8	n/a	n/a	91.8%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.4	18.8	183%	149%	-17.2%	0.9	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	109.6	110.2	6.2%	6.0%	9.9%	3.6	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	108.0	108.6	4.8%	4.5%	12.2%	2.2	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	108.0	108.8	6.2%	6.1%	8.4%	5.0	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	23.0	26.0	258%	228%	-17.2%	0.4	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	26.8	27.8	597%	568%	-11.1%	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	99.0	100.0	11.0%	10.8%	11.2%	5.3	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.5%	12.6%	-0.5%	3.5	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	105.6	106.4	6.4%	5.8%	5.2%	1.0	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	106.0	106.7	6.1%	5.6%	5.2%	1.0	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	105.8	106.5	8.1%	7.9%	11.3%	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
JKX 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	1.5	n/a	n/a	6.1%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	103.6	104.5	7.9%	7.1%	2.5%	1.0	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.1	1.4	n/a	n/a	-17.3%	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%	1.5	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	20.4	22.1	n/a	n/a	59.6%	0.1	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	107.6	107.8	7.6%	7.6%	9.9%	2.1	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	99.6	100.8	8.6%	8.3%	21.4%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	108.0	108.3	8.2%	8.2%	13.9%	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	106.5	106.9	7.9%	7.8%	9.4%	2.0	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	107.6	107.6	8.2%	8.2%	13.8%	3.1	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	66.0	70.8	n/a	n/a	-10.9%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

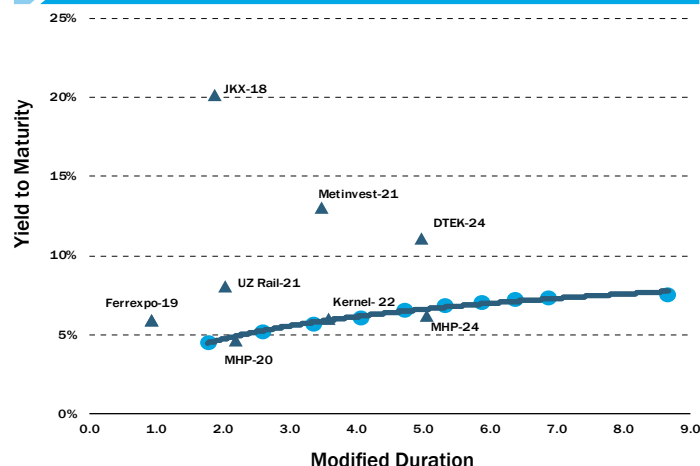
¹ Moody's/S&P/Fitch

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			15.10%	14.90%	n/a	16.62%	S/A	11 Jul .2018	1,454
VAT Bonds									
UA4000185151			15.40%	15.10%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.40%	15.10%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.40%	15.10%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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