

Stock Market Update

Equity

Ukrainian stocks ended lower last week amid a rise in political tension in the country in the form of street demonstrations by aggressive anti-government radicals. Both the IMF and the World Bank expressed concerns about recent presidential attacks on Ukraine's two main independent anti-corruption institutions: the National Anti-Corruption Bureau (NABU) and the Special Anti-Corruption Prosecutor's Office (SAP), as this threatens their ability to fight corruption and recover stolen assets. Another disappointing piece of news for the country's reform agenda was the extension of the ban on sales of agricultural land until the end of 2018. The launch of an agricultural land market is a key IMF criteria for resuming loan disbursements. The decision looks like a timid cave-in to populists and corporate interests as President Poroshenko looks to find the path of least resistance heading into the presidential election scheduled for April 2019.

The UX index ended 0.4% lower at 1277 points. UkrNafta (UNAF) lost 1.3% to close at UAH 142 per share, ignoring positive news for the industry that the gas production tax will be lowered from 29% to 12% for new wells. Low-liquidity DonbasEnergo (DOEN) fell 1.1% to UAH 18.60. Meanwhile, Raiffeisen Bank Aval (BAVL) gained 1.4% back to 28.40 kopecks after a moderate correction seen earlier this month.

In London trading, Ferrexpo (FXPO) corrected further losing 0.2% to GBP 253, possibly on political concerns, despite encouraging news about a new dividend distribution of 3.3 US cents per share. Illiquid MHP (MHPC) remained in its usual trading range, edging up by 0.9% to USD 11.45.

On the Warsaw Stock Exchange, Kernel (KER) got back above the PLN 50 level on reports that the company's majority shareholder Andrey Vervovskiy continues to buy up shares on the market. The stock advanced by 5.6% to PLN 50.60.

The hryvnia was nearly unchanged over the week, trading at 27.10 UAH/USD.

Highlights

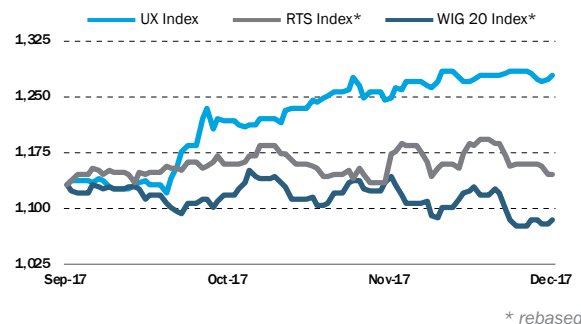
POLITICS AND ECONOMICS

- > Saakashvili Arrested on Charge of Collusion with Yanukovich
- > Ukraine's Steel Output Set to Finish 2017 With 13% YoY Drop

STOCKS IN THE NEWS

- > Ferrexpo to Pay 3.3-Cent Special Dividend by Jan 15

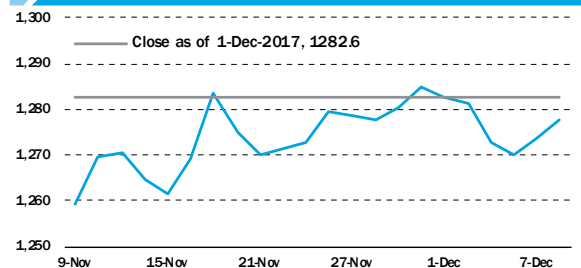
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1277.7	-0.4%	2.5%	60.5%
RTS	1119.5	-1.2%	-2.4%	-2.8%
WIG20	2408.8	0.8%	-5.0%	23.7%
MSCI EM	1110.8	-0.5%	-2.1%	28.8%
S&P 500	2651.5	0.4%	2.3%	18.4%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	316	-0.4%	-3.9%	-13.6%
NBU Key Rate	13.5%	0.0 p.p.	0.0 p.p.	-0.5 p.p.
Ukraine-19	4.8%	-1.7 p.p.	-1.6 p.p.	-2.5 p.p.
Ukraine-27	7.3%	0.1 p.p.	0.0 p.p.	-1.4 p.p.
MHP-20	4.1%	-0.1 p.p.	-0.4 p.p.	-5.4 p.p.
UZ Rail-21	6.3%	0.1 p.p.	-0.2 p.p.	-5.4 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	27.11	0.1%	1.4%	-0.7%
EUR	31.89	-0.7%	3.0%	12.7%
RUB	0.46	0.0%	2.0%	4.1%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	180.0	0.0%	-0.3%	4.0%
Steel, USD/t	527.5	-0.5%	-3.7%	6.6%
Oil, USD/bbl	63.4	-0.5%	-0.1%	11.6%
Gold, USD/oz	1248.5	-2.5%	-2.1%	8.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Saakashvili Arrested on Charge of Collusion with Yanukovich

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

NEWS

Former Odessa provincial governor Mikhail Saakashvili was arrested on Friday (Dec 8) evening in southwestern Kyiv on charges that he accepted USD 500,000 from exiled oligarch Serhiy Kurchenko to finance political protests. General Prosecutor Yuriy Lutsenko had presented audio evidence of the alleged transaction on Dec 5. Kurchenko is widely viewed as a frontman for the interests of former President Victor Yanukovich, who faces treason charges in Ukraine and is now living in Russia. Several thousand Saakashvili supporters marched through the capital on Sunday (Dec 10), burning flares and demanding the removal from office of President Poroshenko, who has 16 months remaining in his 5-year term. A court hearing on formally charging Saakashvili is expected this evening (Dec 11). In other political developments last week, hard-line nationalist MP Yegor Sobolev was fired from his powerful post as the head of Parliament's Anti-Corruption Committee amid charges from pro-government legislators that he has been abusing his power for political benefit. However, pro-presidential MPs backed down from a measure that would have allowed the government to fire National Anti-Corruption Bureau (NABU) chief Artem Sitnyk after mass complaints from the IMF and Western diplomats.

COMMENTARY

Saakashvili, despite holding some real anti-corruption bona fides from his tenure as Georgia's president, is a profoundly unpopular and un-trusted figure throughout Ukraine. He has a support rating of a few percent in all surveys. The idea that the West "backed the wrong man in Ukraine" (an unfortunate headline that appeared in Bloomberg last week), and that Saakashvili could, without an election, replace Poroshenko as the head of the Ukrainian state, is simply ludicrous. Similarly, Saakashvili's erstwhile allies from the Samopomich party, Sobolev and former Donbass paramilitary commander Semyon Semenchenko, have repeatedly demonstrated that they have no interest in the niceties of European democracy or pro-Western market economic policies.

We are concerned that this intense burst of anti-government activity is part of the Kremlin's "Third Maidan" scenario to break up Ukraine, and it is possible that the US administration of Donald Trump may also have a hand behind the scenes in what is happening. Saakashvili has long touted his connections to Trump, and the CIA is headed by a close Trump ally, Michael Pompeo. However, an un-elected Ukrainian government led by such figures as Saakashvili and Sobolev following a Poroshenko "impeachment" would have no legitimacy, would receive no European backing, and would quickly fall apart, breaking Ukraine up into perhaps as many as 4 or 5 statelets with the potential for protracted violence and upheaval. Certainly, Poroshenko has exhibited a failure of leadership on fighting corruption, but a corrupt, slowly reforming state is infinitely better than no state at all; we hope that Ukraine's 42 million citizens, not to mention the holders of the country's sovereign Eurobonds, do not have to find this out first-hand.

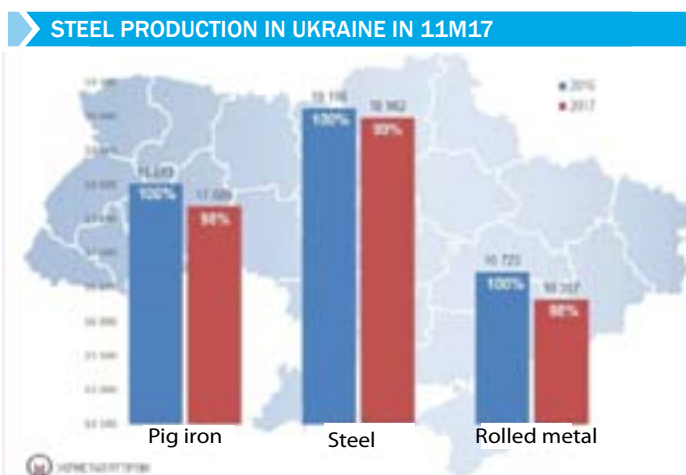
Ukraine's Steel Output Set to Finish 2017 With 13% YoY Drop

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

NEWS

Ukraine's nationwide crude steel production volume declined by 13% YoY to 19.4mn tonnes year-to-date through November, according to the country's steel industry association UkrMetallurgProm. Data from the producers' union showed that pig iron output fell by 16% YoY to 18.2mn tonnes in 11M17, while rolled steel production was down 15% to 16.7mn tonnes. The union said Ukraine produced 1.87mn tonnes of steel, 1.83mn tonnes of pig iron and 1.6mn tonnes of rolled steel during November.

Ukraine's steel production posted a rise of 5.5% in full-year 2016, to 24.2mn tonnes, as the industry picked up after a sharp drop the previous year due to the conflict in eastern Ukraine, where most of the country's steel production is based. The industry had peaked at a whopping 42.8mn tonnes in 2007 during the global economic boom of the mid-00s, but has since been hard hit by the global recession of 2008-2010 and then by the military conflict in the Donbass region since 2014.



Source: UkrMetallurgProm

COMMENTARY

The steel output for full-year 2017 is likely to come in right around 21mn tonnes, representing a double-digit YoY decline of 14%. This is obviously disappointing, but it can be blamed on the loss of output from major steel plants on the occupied territories, which ceased to be counted in Ukraine's official statistics from March of this year. There is a good chance the country's remaining steel plants could see a medium-term cumulative output rebound of 20-30% by 2020 in case of favorable export market conditions. Steel-related products accounted for 24.5% of Ukraine's total exports in 10M17, and in monetary terms, steel export revenues rose by 17% YoY to USD 7.9bn in the period thanks to higher pricing.

The latest report released by the World Steel Association shows that Ukraine is now ranked 12th among steel-producing countries, having lost its former place in the Top 10. The world's 66 steelmaking countries produced 1.41bn tonnes of steel YtD through October, up 5.6% YoY. China is by far the world's largest producer, with 709mn tonnes of steel output in the period. Chinese steel production hit 72.4mn tonnes during October, registering a 6.1% increase YoY. Following China were Japan with 87.2mn tonnes, India with 84.1mn tonnes, the United States with 68.3mn tonnes, Russia with 60.4mn tonnes, South Korea with 59.1mn tonnes, Germany with 36.4mn tonnes, Turkey with 31.0mn tonnes, Brazil with 28.5mn tonnes, Italy with 20.0mn tonnes, and Taiwan with 19.3mn tonnes.

Ferrexpo to Pay 3.3-Cent Special Dividend by Jan 15

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

FERREXPO (FXPO LN)

Price: GBp 254 Market Cap: USD 1,988mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2016	2.8	10.5	7.3	2%
2017E	2.1	7.8	5.5	2%

NEWS

London-listed Ferrexpo, Ukraine's largest iron ore pellet exporter, announced a special dividend of 3.3 US cents per share on its official company website on Dec 7. This follows the payment of an interim dividend for the first six months of 2017, also of 3.3 US cents per share, which was paid out on Sept 8. The special dividend will be paid on 15 January 2018 to shareholders on the register at the close of business on Dec 15. The dividend will be paid in British pounds, although there is also the option to receive it in USD.

Ferrexpo's stated dividend policy is to pay a base level of sustainable dividends through the commodities cycle of approximately USD 40mn per annum (or 3.3 US cents per half year). Special dividends can be paid from cash flows in excess of the company's needs when taking into account debt repayments and development capital expenditure. Ferrexpo's policy targets special dividends of approximately USD 40mn per financial year (or a total of 6.6 US cents per share) to be paid at an appropriate time in the reporting cycle.

Ferrexpo posted a net profit of USD 216mn in 1H17, implying earnings per share of 36.60 cents. The company's EPS for full-year 2016 was 31.9 cents.

COMMENTARY

The announced dividend now implies an additional 1.0% yield, taking into account the FXPO share price of GBp 254. The stock has enjoyed 88% growth since the start of the year on the back of a bullish global iron ore market. Although the benchmark 62-percent Fe iron ore fines price have seen a correction back to USD 67 per tonne after peaking at USD 80/tonne in August, Ferrexpo continues to see a strong demand outlook for its high-quality pellets. China has been paying a pellet-to-fines premium that is nearly 5x greater than the low from two years ago for high-quality ore, which helps steel mills there boost margins and comply with a government anti-pollution push. Currently we do not expect iron ore prices to be much lower next year compared with 2017. For FY17, we now expect that Ferrexpo will substantially exceed our forecast of net profit of USD 255mn.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	50.6	82.0	62%	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	11.5	14.0	22%	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	50.5	70.0	39%	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	4.74	12.0	153%	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	12.2	13.0	7%	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	0.4	0.3	-27%	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	253.9	--	--	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	3231	5250	62%	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	142	270	90%	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	7.3	15.0	104%	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	12.0	--	--	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	18.6	9.0	-52%	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	11.47	15.00	31%	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	0.284	0.27	-5%	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*	1W	Absolute performance			Performance relative to the UX index			
						1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	1277.68	1292.48	706.27	-0.4%	2.5%	12.4%	60.5%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	253.90	323.20	125.00	-0.1%	-2.3%	-16.2%	88.8%	2.4%	0.3%	-4.8%	28.2%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	10.27	n/a	n/a	0.2%	3.7%	16.4%	16.7%	0.6%	1.2%	4.0%	-43.8%
Specialized Machinery												
Motor Sich	MSICH	3231	3290	1784	-1.6%	5.1%	26.7%	73.9%	-1.2%	2.6%	14.3%	13.4%
Turboatom	TATM	12.95	13.01	8.77	-0.5%	3.6%	8.5%	38.5%	-0.1%	1.1%	-3.9%	-22.0%
Telecom												
Ukrtelecom	UTLM	0.150	n/a	n/a	0.0%	0.0%	11.1%	-9.1%	0.4%	-2.5%	-1.3%	-69.6%
Oil & Gas												
Regal Petroleum	RPT	7.35	7.50	2.75	8.8%	0.6%	114.5%	96.7%	2.8%	9.2%	-1.9%	36.1%
JKX Oil	JKX	12.00	33.50	11.75	-2.0%	-12.7%	-7.7%	-60.3%	-0.3%	-1.7%	-15.2%	-120.9%
Ukrnafta	UNAF	142.0	n/a	n/a	-1.3%	1.8%	14.6%	37.6%	-0.9%	-0.7%	2.2%	-22.9%
Power Utilities												
Centrenergo	CEEN	11.47	12.00	9.70	0.3%	3.3%	2.8%	10.8%	0.7%	0.8%	-9.7%	-49.7%
Donbasenergo	DOEN	18.62	n/a	n/a	-1.1%	3.1%	28.1%	77.2%	-0.7%	0.6%	15.6%	16.6%
Zakhidenergo	ZAEN	133.00	164.00	55.00	0.0%	1.9%	6.4%	112.8%	0.4%	-0.6%	-6.0%	52.3%
Consumer												
Agroton	AGT	4.74	7.70	3.53	-3.9%	15.9%	-20.2%	17.0%	6.0%	-3.5%	13.4%	-43.5%
Astarta	AST	50.45	72.00	49.06	-0.1%	-0.7%	-15.9%	-6.7%	-0.1%	0.3%	-3.2%	-67.2%
Avangardo	AVGR	0.41	1.00	0.35	0.0%	-25.5%	-18.8%	17.1%	-0.3%	0.4%	-27.9%	-43.4%
Industrial Milk Company	IMC	12.20	12.60	7.60	-3.2%	-0.8%	13.5%	51.6%	-0.7%	-2.8%	-3.3%	-9.0%
Kernel	KER	50.61	80.00	45.51	5.6%	4.4%	-15.6%	-20.7%	-0.6%	6.0%	1.9%	-81.3%
MHPC	MHPC	11.45	12.50	8.54	0.9%	-0.9%	3.2%	30.3%	1.5%	1.3%	-3.4%	-30.3%
Milkiland	MLK	1.66	2.80	1.46	-2.4%	11.4%	-9.3%	-17.0%	2.8%	-2.0%	8.9%	-77.5%
Ovostar Union	OVO	105.00	128.05	84.00	-7.9%	-10.3%	-6.1%	21.4%	-8.2%	-7.5%	-12.7%	-39.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.284	n/a	n/a	1.4%	-0.3%	1.8%	115.4%	1.7%	-2.8%	-10.6%	54.8%

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	153	33.9%	40.1%	35.8%	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	3	na	0.0%	11.1%
JKX Oil	JKX	89	80	82	17	29	18	19.1%	36.3%	22.0%	-82	-20	-12	-92.1%	-25.0%	-14.6%
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	8	4.3%	4.4%	5.8%	-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	1,989	2,169	2,711	346	319	346	17.4%	14.7%	12.8%	225	176	238	11.3%	8.1%	8.8%
Astarta	AST	349	402	475	144	167	176	41.4%	41.6%	37.0%	18	90	104	5.1%	22.4%	21.9%
Avangardco	AVGR	230	191	115	-69	1	5	-30.2%	0.4%	4.3%	-158	-57	-10	-68.9%	-29.6%	-8.3%
Ovostar	OVO	76	84	80	35	40	15	46.0%	47.7%	19.2%	32	35	10	42.3%	41.8%	12.5%
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	192	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	2,000	24.0%	480	2,750	>30	10.6	7.8	8.8	7.3	5.6	2.9	2.8	2.1
Railcar Manufacturing														
Krukiv Wagon	KVBZ	43	5.0%	2	38	neg	neg	23.7	neg	>30	6.3	0.9	0.6	0.7
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	248	24.0%	59	209	1.6	3.2	2.2	0.9	1.3	1.4	0.3	0.5	0.5
Oil & Gas														
Ukrnafta	UNAF	284	3.0%	9	269	neg	neg	3.9	neg	2.3	1.8	0.2	0.3	0.2
Regal Petroleum	RPT	32	21.6%	7	12	neg	n/a	10.5	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	28	50.4%	14	136	neg	neg	neg	8.0	4.7	7.6	1.5	1.7	1.7
Electric Utilities														
CentrEnergO	CEEN	156	21.7%	34	76	>30	10.3	3.0	6.4	1.6	1.1	0.2	0.2	0.2
DonbasEnergO	DOEN	16	14.2%	2	30	neg	neg	11.1	3.7	4.4	3.6	0.2	0.2	0.2
Consumer														
MHP	MHPC	1,210	34.1%	413	2,214	neg	20.4	4.0	4.8	5.3	4.5	1.9	2.0	1.7
Kernel	KER	1,131	61.8%	699	1,627	5.0	6.4	4.8	4.7	5.1	4.7	0.8	0.8	0.6
Astarta	AST	354	37.0%	131	464	20.0	3.9	3.4	3.2	2.8	2.6	1.3	1.2	1.0
Avangardco	AVGR	26	22.5%	6	358	neg	neg	neg	neg	>30	>30	1.6	1.9	3.1
Ovostar	OVO	177	25.0%	44	179	5.5	5.0	17.7	5.1	4.4	11.6	2.4	2.1	2.2
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	645	1.8%	12		neg	4.3	3.4	2.5	1.7	1.9	0.33	0.31	0.31

Source: Eavex Research

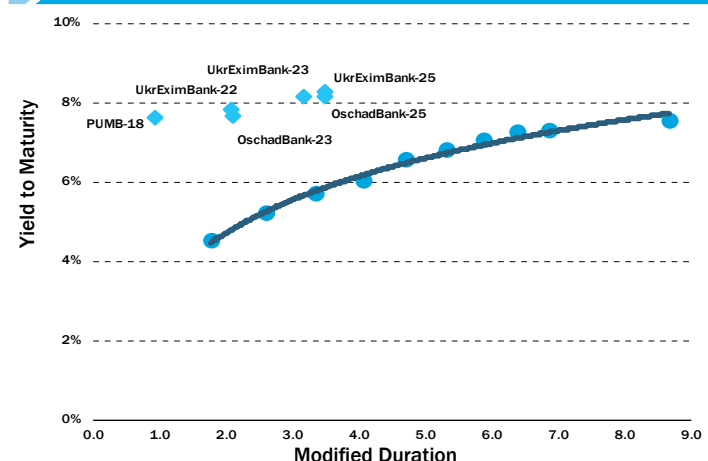
UKRAINIAN EUROBONDS

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	104.6	105.0	4.9%	4.7%	3.8%	1.6	7.75%	S/A	1 Sept 2019	1,744	Caa2/B-/B-
Ukraine, 2020	105.7	106.2	5.5%	5.3%	6.8%	2.4	7.75%	S/A	1 Sept 2020	1,780	Caa2/B-/B-
Ukraine, 2021	106.3	106.8	5.9%	5.7%	8.7%	3.2	7.75%	S/A	1 Sept 2021	1,409	Caa2/B-/B-
Ukraine, 2022	106.1	106.6	6.2%	6.1%	9.7%	3.9	7.75%	S/A	1 Sept 2022	1,384	Caa2/B-/B-
Ukraine, 2023	106.0	107.0	6.5%	6.3%	11.1%	4.5	7.75%	S/A	1 Sept 2023	1,355	Caa2/B-/B-
Ukraine, 2024	105.1	105.8	6.8%	6.7%	11.0%	5.1	7.75%	S/A	1 Sept 2024	1,339	Caa2/B-/B-
Ukraine, 2025	104.4	105.0	7.0%	6.9%	11.4%	5.7	7.75%	S/A	1 Sept 2025	1,329	Caa2/B-/B-
Ukraine, 2026	102.9	103.4	7.3%	7.2%	10.0%	6.2	7.75%	S/A	1 Sept 2026	1,318	Caa2/B-/B-
Ukraine, 2027	102.9	103.4	7.3%	7.3%	10.3%	6.7	7.75%	S/A	1 Sept 2027	1,307	Caa2/B-/B-
Ukraine, 2032	97.6	98.1	7.6%	7.6%	-2.1%	8.5	7.375%	S/A	25 Sept 2032	3,000	//B-
Ukraine, GDP-linked (VRI)	54.6	55.1	n/a	n/a	79.9%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.4	18.8	218%	176%	-17.2%	0.7	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	110.2	110.9	5.9%	5.7%	10.6%	3.4	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	108.7	109.4	4.2%	3.9%	12.9%	2.1	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	108.8	109.5	6.1%	5.9%	9.1%	5.1	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	22.1	26.3	313%	262%	-18.2%	0.4	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	22.4	23.9	1201%	1104%	-24.6%	0.1	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	5.5	7.5	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	5.5	7.5	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	107.3	108.0	9.6%	9.5%	20.5%	5.2	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.0%	12.1%	-0.5%	3.3	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	105.0	105.7	6.4%	5.8%	4.6%	0.8	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	104.9	105.8	6.4%	5.7%	4.2%	0.8	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	106.4	107.3	7.9%	7.6%	12.0%	1.9	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017			n/a	n/a	-100.0%	n/a	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JXX Oil&Gas, 2018	85.0	95.0	23.4%	17.1%	19.8%	1.7	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.5	1.4	n/a	n/a	-5.8%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	103.5	105.1	7.5%	6.0%	2.7%	0.8	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.2	1.4	n/a	n/a	-16.9%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	38.0	41.0	n/a	n/a	132.4%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	13.0	18.0	n/a	n/a	19.2%	1.5	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	35.0	40.7	n/a	n/a	184.2%	0.1	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	107.4	108.1	7.6%	7.4%	9.9%	2.0	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	99.6	101.2	8.8%	8.4%	21.7%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	108.4	109.2	8.2%	8.0%	14.6%	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	107.0	107.7	7.7%	7.6%	10.0%	1.9	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	107.4	108.3	8.3%	8.1%	14.1%	3.0	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	80.6	83.9	n/a	n/a	7.2%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

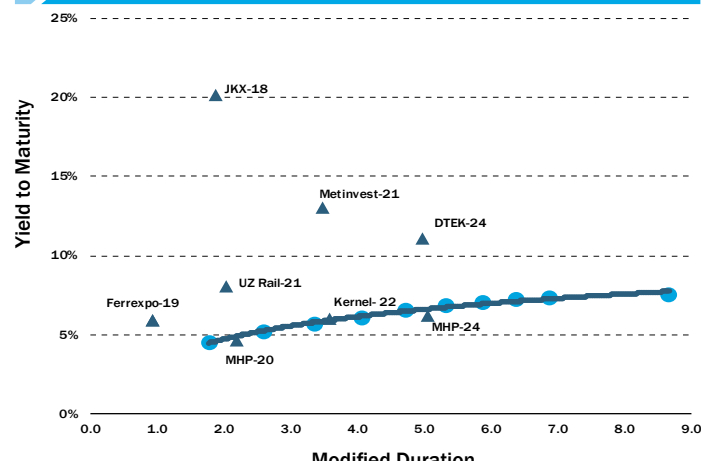
¹ Moody's/S&P/Fitch

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			15.90%	15.15%	n/a	16.62%	S/A	11 Jul .2018	1,454
VAT Bonds									
UA4000185151			16.15%	15.30%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			16.15%	15.30%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			16.15%	15.30%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

7 Klovisky 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