

Stock Market Update

Equity

It was a highly volatile trading week on the Ukrainian Exchange due to the UX's impending shutdown, which is effective as of today (Jun 18). Trading on the exchange, the country's largest, is being suspended indefinitely due to a ban on the UX's operating software after Ukraine's National Security & Defense Council (RNBO) imposed sanctions against software produced in Russia. Elevated trading activity last week was caused by the forced expiration of all outstanding futures and option contracts on Friday (Jun 15). We expect most of the liquidity in Kyiv-listed stocks to migrate from the UX trading platform to the country's other trusted exchanges, namely the PFTS and Perspektiva, which also have equity sections. Trading will also continue to be conducted on the OTC market.

The UX index gained 0.6% for the week to close at 1620 points. The six-month UX futures contracts for the mid-January-mid-June period expired at 1612 points. Raiffeisen Bank Aval (BAVL) performed in a U-turn pattern, closing 2.7% higher at 31.90 kopecks after being down by 6.5% at midweek.

UkrNafta (UNAF) remained near the technical support level of UAH 100 per share, with the stock immune to disappointing information that the company will not pay any dividend from its FY17 profit. There had been some hopes that the company would distribute UAH 6.15 per share from last year's profit of UAH 8.19 per share.

Motor Sich's (MSICH) stock remained frozen for nearly a second full month with no announcement on when circulation might be resumed.

London-listed Ferrexpo (FXPO) failed to hold onto its recovery path, dropping 8.2% to GBP 205 per share, while MHP (MHPC) finished unchanged at USD 13.30. In Warsaw trading, Kernel (KER) fell 3.0% end at PLN 50 on the nose.

On the currency market, the hryvnia declined by 0.6% to 26.30 UAH/USD amid overall strength in the dollar against the other world currencies after the Federal Reserve raised its key rate from 1.625% to 1.875% on Jun 13. The Fed signaled that two more additional increases will occur later this year.

Highlights

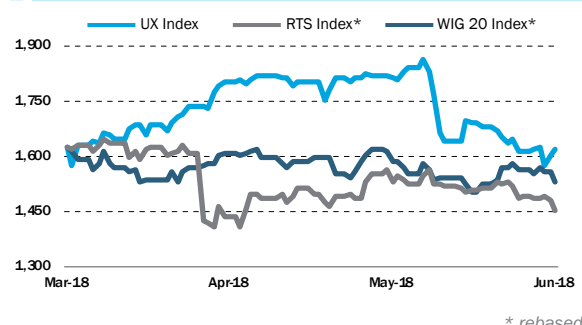
POLITICS AND ECONOMICS

- Tymoshenko Tries to Re-Brand Herself in Major Policy Speech
- Ukraine's Headline Consumer Inflation Slows to 11.7% YoY in May

STOCKS IN THE NEWS

- UkrNafta Declines to Pay Dividend to Minority Shareholders

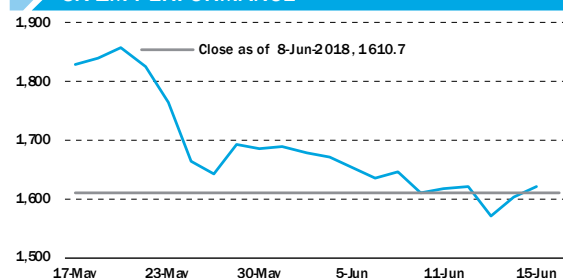
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1620.5	0.6%	-10.6%	18.9%
RTS	1117.0	-2.3%	-5.2%	-3.2%
WIG20	2203.0	-2.1%	-3.2%	-10.5%
MSCI EM	1113.8	-1.9%	-3.2%	-3.9%
S&P 500	2779.7	0.0%	2.5%	4.0%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	379	3.0%	9.0%	21.9%
NBU Key Rate	17.0%	0.0 p.p.	0.0 p.p.	2.5 p.p.
Ukraine-19	6.2%	-1.3 p.p.	-1.5 p.p.	1.8 p.p.
Ukraine-27	8.6%	0.4 p.p.	0.4 p.p.	1.4 p.p.
MHP-20	5.3%	0.6 p.p.	1.2 p.p.	1.2 p.p.
UZ Rail-21	7.6%	0.2 p.p.	0.3 p.p.	1.2 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.31	0.6%	0.4%	-6.4%
EUR	30.56	-0.7%	-1.5%	-9.2%
RUB	0.42	-0.5%	-0.8%	-14.3%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	192.5	-2.5%	-3.3%	7.2%
Steel, USD/t	515.0	2.0%	0.0%	-1.0%
Oil, USD/bbl	73.4	-3.9%	-6.2%	9.8%
Gold, USD/oz	1279.6	-1.5%	-0.9%	-1.8%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Tymoshenko Tries to Re-Brand Herself in Major Policy Speech

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

NEWS

Former prime minister and Batkivschyna opposition party leader Yulia Tymoshenko made a lengthy speech on Friday (Jun 15) aimed at laying out her case to become Ukraine's next president. The 2-hour speech was presented at a conference that was tailor-made for the event, and it attracted significant media attention. Tymoshenko tried to lay out a new vision for Ukraine's government that made references to the "New Deal" leftist agenda famously pursued by US President Franklin Roosevelt in the 1930s, which is credited with ending the biggest economic depression in US history. The speech did not include a formal announcement of Tymoshenko's candidacy. The presidential election is due to be held in March of next year.

COMMENTARY

We are skeptical about Tymoshenko's ability to re-brand herself, as her brand remains inexorably tied to her history as an oligarch and her massive personal enrichment from the natural gas business. Tymoshenko leads the current fragmented field in polling, but the 12-13% support that she registers is, to say the least, not impressive. However, it is possible to see Tymoshenko as a Ukrainian, left-wing, female Donald Trump, and she may be onto something by embracing and formalizing her leftist political orientation, which in the past has usually been of an ad-hoc populist nature. Ukraine has a large left-leaning electorate which expects patronage from its government and its political leaders, and Tymoshenko's politics certainly hold significant appeal in downtrodden rural areas, where she has always enjoyed most of her support. In our view, Tymoshenko could only expand her appeal to a more broad centrist urban electorate in the absence of strong competition from other candidates. Indeed, at this point, there is a lack of dynamic candidates, with top shadow contenders Anatoliy Grytsenko, Oleg Lyashko, and Yuriy Boyko all representing more-of-the-same from the past 15 years. Despite his wide unpopularity, we can not count President Poroshenko out against these opponents. We do, however, expect some surprises over the next 3 months in terms of new candidates entering the race.

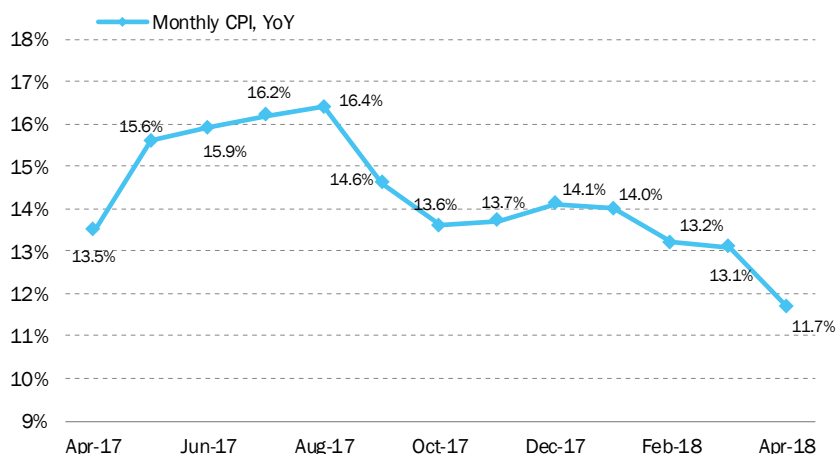
Ukraine's Headline Consumer Inflation Slows to 11.7% YoY in May

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

NEWS

Ukraine's State Statistics Committee (UkrStat) reported that rolling 12-month consumer inflation slowed to 11.7% YoY in May from 13.1% YoY in April, according to official data released earlier this month. The consumer price index for May alone was unchanged month-on-month.

UKRAINE'S ROLLING 12-MONTH CPI & PPI INFLATION



Source: State Statistics Committee

COMMENTARY

The CPI's decline in May compared to April was more notable than the historical average, although food prices growth remains at 13.7% YoY. The CPI slowed due to lower figures in the utility service category, which measured a price increase of 4.9% YoY in May. The utility category has contributed the lion's share of overall inflation in Ukraine in recent years. This pattern could repeat if the government raises natural gas tariffs for households by at least 20% as is prescribed by the IMF's recommendations.

Although inflation pressure eased in the country, the National Bank is not in a hurry to reduce its key interest rate, which now stands at a quite high 17.00%. We assume that the NBU has started to pay attention to external factors with the overall global tendency for tighter monetary policy. Besides the US Federal Reserve, which has recently gotten more aggressive on interest rates, there were several recent rate increases in big emerging market countries. India's central bank hiked interest rates on Jun 6 for the first time in over four years. The Reserve Bank of India increased the rate at which it lends to banks from 6.00% to 6.25%. Another case was observed in Turkey, where the central bank surprised markets on Jun 7 with a higher than expected interest rate increase. The Turkish lira rallied sharply after the central bank hiked its benchmark repo rate from 16.50% to 17.75%. The currency gained 2% against the dollar after the increase.

The Ukrainian currency edged up 0.2% to 26.05 UAH/USD after the inflation report was published. However the hryvnia ended last week at 26.30 UAH/USD.

UkrNafta Declines to Pay Dividend to Minority Shareholders

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

UKRNAFTA (UNAF UK)

Price: UAH 105 Market Cap: USD 206mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2017	1.9	0.2	13.3	3.2	0.0
2018E	1.2	0.2	2.5	1.4	n/a

NEWS

UkrNafta, Ukraine's national flagship oil producer, will not pay a dividend from its 2017 net profit to minority shareholders, it was decided at the company's annual shareholder meeting on Jun 14. As a majority state-owned enterprise, UkrNafta is obligated by law to pay 75% of its net profit to the state. The majority shareholder, state-owned energy giant NaftoGaz, voted to make the 75%-of-net-profit payment directly to the Ukrainian national budget. This implies that the budget will receive UAH 167mn (USD 6.4mn), which corresponds to UAH 6.15 per share, given the state's 50%+1 stake in UkrNafta. The remaining FY17 net profit of UAH 277mn should be used to reduce UkrNafta's outstanding tax debt of UAH 13.0bn. The tax debt was accrued during 2014-2015 when UkrNafta's then-management refused to pay a 45% production tax to the government for almost an entire year.

COMMENTARY

UkrNafta's decision not to pay the dividend and instead to make a payment directly to the national budget was unexpected. However, this is not the first such precedent in Ukrainian corporate history. In previous years, state majority owned energy machinery company TurboAtom (TATM) used the same trick to pay only to the budget without a decision to distribute its dividend to all shareholders.

In other results of the UkrNafta shareholder meeting, there was a decision to investigate UkrNafta's account receivables. The company had a remaining nominal value of account receivables in the amount of UAH 2.97bn (USD 113mn) as of the end of 2017. UkrNafta has been unable to provide documentation verifying the outstanding account receivables, meaning that it may be forced to write down these receivables as losses, which in turn would lead to a negative changes in the company's FY17 P&L. We also do not rule out that UkrNafta could make the writedowns of the account receivables this year, resulting in a negative impact on the 2018 P&L.

During a Q&A session, UkrNafta CEO Mark Rollins confirmed information that NaftoGaz is considering a sale of part of UkrNafta's assets to the dominant minority shareholder Privat Group. There were no details about what assets could be sold, but Rollins emphasized that the process will be fully transparent and that auditing firm Ernst&Young is evaluating UkrNafta's assets. Among positive statements from the CEO was information that UkrNafta's oil&gas reserves cover 50 years of production at the current output rate, while the global average reserve/output coverage stands at just 11 years. Rollins also reminded shareholders that in case UkrNafta overcomes its current tax debt difficulties and prolong existing licenses, the company could double its annual oil output to above 20mn barrels in the next 10 years.

The Kyiv-listed UkrNafta stock was little-changed over the week, closing at UAH 105 per share on Friday (Jun 15).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	49.6	82.0	65%	BUY	With on-demand borrowing access, Kernel is well placed to further consolidate its position in the oilseed crushing industry. The company reported that its sunflower oil sales in bulk rose by 29.4% YoY to some 508,000 tonnes in July-December 2017. The company aims to achieve EBITDA of USD 500mn by 2021.
MHP	MHPC LI	13.3	16.5	24%	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. MHP also reported that its poultry exports rose 16% YoY to near 221,000 tonnes in 2017, accounting for 41% of total sales volume, up from a share of 36% a year before.
Astarta	AST PW	41.1	70.0	70%	BUY	Astarta is focused on business diversification and cost optimization via improving its energy and operational efficiency. We expect the company to increase sales by 12% in FY18.
Agroton	AGT PW	3.84	12.0	213%	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	12.6	13.0	4%	HOLD	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	-14%	SELL	Avangardco's revenue fell by 33% YoY in FY17 despite an increase in egg sales volume by 23% YoY. We attribute this negative development to weak results in the value-added egg powder segment. Avangardco said that its egg product sales volume had plunged by 64% YoY to some 3300 tonnes, with the average pricing dropping by 23% YoY to USD 4.30/kg.
Ovostar Union	OVO PW	96.5	110.0	14%	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	206	350	70%	HOLD	An impressive reduction in the production and other operating cost led to higher profitability. A separate positive factor was an upward price trend for iron ore and steel on global markets.
Specialized Machinery						
Motor Sich	MSICH		6750		BUY	The reported profit for 9M17 represents UAH 1240 per share, which means the stock is still valued at P/E of barely more than 3.0x. 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	105	270	157%	BUY	UkrNafta's fundamental value should see an immediate jump after the company reaches a deal with the government on restructuring its huge UAH 12bn tax debt. We believe that with the state owning a 50% stake in UkrNafta, the resolution of the tax debt issue is only a matter of time.
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	18.0	30.0	67%	BUY	The RPT stock has been enjoying aggressive buying from an unidentified investor since the start of the year. From the chart point of view, the stock hit a local maximum of GBP 31, and we believe that this peak is likely to be repeated sometime before the end of 2018.
JKX Oil & Gas	JKX LN	31.5	23.0	-27%	HOLD	The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong.
Power Utilities						
DonbasEnerg	DOEN	23.5	9.0	-62%	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	15.00	25.60	71%	BUY	CentrEnerg posted net profit of UAH 5.12 per share in FY17, and the company is likely to distribute 75% of this profit in shareholder dividends. CentrEnerg's privatization has repeatedly been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.319	0.47	47%	BUY	Raiffeisen Aval's FY17 net profit came in at a record high of UAH 4.5bn (USD 170mn), implying earnings per share of 7.27 kopecks, most of which is likely to be paid out; our expectation is a 6.90 kopeck dividend. Based on the recent case of Raiffeisen Aval's close peer UkrSibBank, which conducted a share squeeze-out at a valuation of 6.5x P/E, we estimate Raiffeisen Aval's fair value at 47 kopecks per share.

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	1620.50	1911.45	1016.11	0.6%	-10.6%	-0.6%	18.9%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	205.50	323.20	179.10	-8.2%	-11.8%	-34.3%	-29.9%	-8.2%	-8.8%	-1.1%	-48.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.48	14.50	8.00	6.3%	-8.2%	-13.6%	9.4%	5.7%	2.5%	-13.0%	-9.5%
Specialized Machinery												
Motor Sich	MSICH	n/a	5695	2334								
Turboatom	TATM	14.45	n/a	n/a	7.0%	-1.2%	2.5%	9.8%	6.4%	9.4%	3.0%	-9.1%
Telecom												
Ukrtelecom	UTLM	0.140	n/a	n/a	-12.5%	-20.9%	-17.6%	-6.0%	-13.1%	-10.3%	-17.1%	-24.9%
Oil & Gas												
Regal Petroleum	RPT	17.95	25.50	3.43	-9.8%	-18.0%	-18.8%	156.2%	-1.3%	-10.4%	-7.4%	137.4%
JKX Oil	JKX	30.50	33.00	11.00	-1.6%	0.0%	52.5%	177.3%	-1.0%	-2.2%	10.6%	158.4%
Ukrnafta	UNAF	105.0	159.00	94.00	3.6%	-7.8%	2.0%	-25.5%	2.9%	2.8%	2.6%	-44.4%
Power Utilities												
Centrenergy	CEEN	15.00	23.94	10.10	-6.0%	-29.0%	-23.0%	18.4%	-6.6%	-18.4%	-22.5%	-0.5%
Donbasenergy	DOEN	23.50	n/a	n/a	4.4%	4.7%	26.4%	28.8%	3.8%	15.3%	27.0%	9.9%
Consumer												
Agroton	AGT	3.84	6.59	3.74	-2.8%	-7.5%	-31.4%	-16.2%	0.0%	-3.4%	3.2%	-35.0%
Astarta	AST	41.10	69.00	40.60	-0.7%	-4.6%	-19.7%	-20.2%	-2.2%	-1.3%	6.0%	-39.1%
Avangardo	AVGR	0.35	0.70	0.33	-5.4%	-5.4%	6.1%	-2.8%	-1.0%	-6.0%	5.2%	-21.7%
Industrial Milk Company	IMC	12.55	13.90	9.76	0.0%	-8.7%	-4.9%	0.6%	-1.8%	-0.6%	1.9%	-18.3%
Kernel	KER	49.55	67.75	45.51	-3.8%	-7.9%	-4.7%	4.3%	-2.7%	-4.4%	2.7%	-14.6%
MHPC	MHPC	13.30	15.45	9.55	0.0%	-2.6%	0.4%	15.7%	-1.0%	-0.6%	8.1%	-3.2%
Milkiland	MLK	1.22	1.85	1.16	-0.8%	-6.9%	-10.9%	-20.8%	0.6%	-1.4%	3.8%	-39.7%
Ovostar Union	OVO	96.50	128.05	88.00	0.0%	-1.5%	2.7%	9.7%	-1.0%	-0.6%	9.1%	-9.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.319	0.37	0.22	2.7%	-10.1%	-5.0%	8.7%	2.1%	0.6%	-4.4%	-10.2%

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		
		2016	2017	2018E	2016	2017	2018E	2016	2017	2018E	2016	2017	2018E	2016	2017	2018E
Iron Ore Mining																
Ferrexpo	FXPO	986	1,197	1,257	375	551	579	38.0%	46.0%	46.0%	189	394	414	19.2%	32.9%	32.9%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	67	55	60	1	6	7	0.9%	11.0%	12.4%	-4	2	3	-5.9%	3.3%	4.2%
Specialized Machinery																
Turboatom	TATM	98	99	102	33	35	35	34.0%	35.2%	34.6%	27	28	28	28.0%	27.8%	27.5%
Motor Sich	MSICH	414	426	464	166	153	138	40.1%	35.8%	29.8%	77	114	96	18.6%	26.7%	20.6%
Oil & Gas																
Ukrnafta	UNAF	885	989	1,027	116	64	151	13.1%	6.5%	14.7%	-343	16	87	-38.7%	1.7%	8.5%
Regal Petroleum	RPT	26	35	49	12	17	19	44.9%	49.8%	38.7%	0	2	5	na	6.5%	10.2%
JKX Oil	JKX	80	82	88	29	18	29	36.3%	22.0%	33.0%	-20	-12	1	-25.0%	-14.6%	1.1%
Electric Utilities																
Centrenerg	CEEN	419	412	465	46	104	113	11.1%	25.2%	24.2%	15	71	78	3.6%	17.3%	16.9%
Donbasenerg	DOEN	157	147	116	7	8	8	4.4%	5.8%	6.5%	-2	2	1	-1.1%	1.4%	0.9%
Consumer																
MHP	MHPC	1,135	1,289	1,456	415	549	550	36.6%	42.6%	37.8%	59	230	327	5.2%	17.8%	22.5%
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	402	475	551	167	176	197	41.6%	37.0%	35.8%	90	104	112	22.4%	21.9%	20.4%
Avangardco	AVGR	191	130	127	1	12	15	0.4%	9.1%	11.8%	-57	-8	-5	-29.6%	-5.8%	-3.9%
Ovostar	OVO	84	80	87	40	15	20	47.7%	19.2%	23.4%	35	10	14	41.8%	12.5%	16.1%
Banks		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	2,113	2,455	2,050	381	404	342	192	234	236	150	169	236	39.4%	41.8%	69.2%

Source: Eavex Research

MAIN TRADING MULTIPLES														
Name	Ticker	MCap USD mn	Free Float % USD mn	EV USD mn		P/E			EV/EBITDA			EV/Sales		
						2016	2017	2018E	2016	2017	2018E	2016	2017	2018E
Iron Ore Mining														
Ferrexpo	FXPO	1,602	24.0%	385	2,005	8.5	4.1	3.9	5.3	3.6	3.5	2.0	1.7	1.6
Railcar Manufacturing														
Krukiv Wagon	KVBZ	50	5.0%	3	45	neg	27.2	19.7	>30	7.4	6.0	0.7	0.8	0.7
Specialized Machinery														
Turboatom	TATM	232	5.8%	13	146	8.5	8.4	8.3	4.4	4.2	4.1	1.5	1.5	1.4
Motor Sich	MSICH		24.0%											
Oil & Gas														
Ukrnafta	UNAF	216	3.0%	6	206	neg	13.2	2.5	1.8	3.2	1.4	0.2	0.2	0.2
Regal Petroleum	RPT	76	21.6%	16	52	n/a	>30	15.2	4.5	3.0	2.7	2.0	1.5	1.1
JKX Oil & Gas	JKX	69	50.4%	35	178	neg	neg	>30	6.1	9.9	6.1	2.2	2.2	2.0
Electric Utilities														
CentrEnerg	CEEN	211	21.7%	46	125	13.9	3.0	2.7	2.7	1.2	1.1	0.3	0.3	0.3
DonbasEnerg	DOEN	21	14.2%	3	35	neg	10.0	20.3	5.1	4.2	4.7	0.2	0.2	0.3
Consumer														
MHP	MHPC	1,405	34.1%	479	2,463	23.7	6.1	4.3	5.9	4.5	4.5	2.2	1.9	1.7
Kernel	KER	1,067	61.8%	659	1,563	4.7	6.1	4.5	4.5	4.9	4.5	0.8	0.7	0.6
Astarta	AST	278	37.0%	103	388	3.1	2.7	2.5	2.3	2.2	2.0	1.0	0.8	0.7
Avangardco	AVGR	22	22.5%	5	354	neg	neg	neg	>30	30.0	23.6	1.8	2.7	2.8
Ovostar	OVO	156	25.0%	39	159	4.4	15.6	11.2	3.9	10.3	7.8	1.9	2.0	1.8
Banks						P/E			P/Book			P/Assets		
Raiffeisen Bank Aval	BAVL	745	1.8%	13		5.0	4.4	4.3	2.0	1.8	2.2	0.35	0.30	0.36

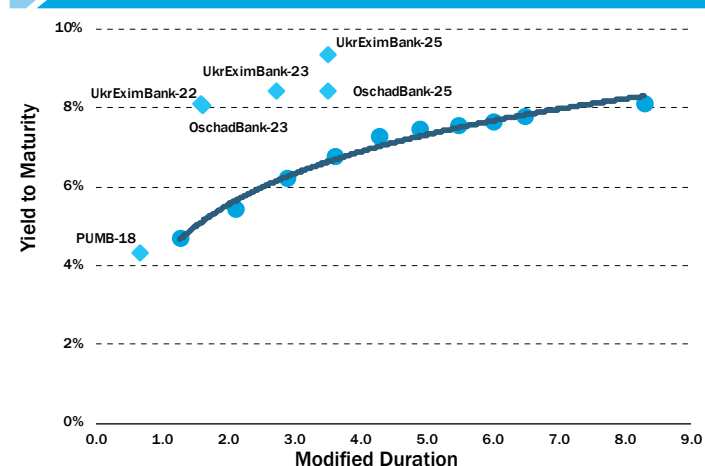
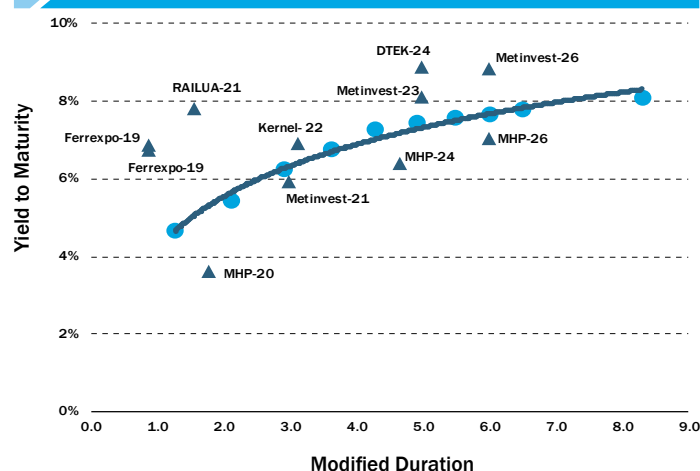
Source: Eavex Research

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	101.5	102.0	6.4%	6.0%	-3.3%	1.1	7.75%	S/A	1 Sept 2019	661	Caa2/B-/B-
Ukraine, 2020	101.1	101.8	7.2%	6.9%	-4.5%	2.0	7.75%	S/A	1 Sept 2020	1,365	Caa2/B-/B-
Ukraine, 2021	100.7	101.4	7.5%	7.2%	-5.3%	2.7	7.75%	S/A	1 Sept 2021	1,409	Caa2/B-/B-
Ukraine, 2022	100.0	100.8	7.7%	7.5%	-5.8%	3.5	7.75%	S/A	1 Sept 2022	1,384	Caa2/B-/B-
Ukraine, 2023	98.5	99.2	8.1%	7.9%	-7.2%	4.1	7.75%	S/A	1 Sept 2023	1,355	Caa2/B-/B-
Ukraine, 2024	96.9	97.9	8.4%	8.2%	-7.6%	4.7	7.75%	S/A	1 Sept 2024	1,339	Caa2/B-/B-
Ukraine, 2025	95.6	96.6	8.6%	8.4%	-8.0%	5.3	7.75%	S/A	1 Sept 2025	1,329	Caa2/B-/B-
Ukraine, 2026	94.8	95.8	8.7%	8.5%	-7.9%	5.8	7.75%	S/A	1 Sept 2026	1,318	Caa2/B-/B-
Ukraine, 2027	93.9	94.9	8.7%	8.6%	-8.7%	6.2	7.75%	S/A	1 Sept 2027	1,307	Caa2/B-/B-
Ukraine, 2032	88.1	89.1	8.9%	8.7%	-10.0%	8.0	7.375%	S/A	25 Sept 2032	3,000	//B-
Ukraine, GDP-linked (VRI)	64.0	65.0	n/a	n/a	17.1%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	16.0	20.6	338%	267%	10.6%	0.4	6.00%	S/A	14 Jul 2019	8	//
Kernel, 2022	103.0	103.7	7.8%	7.6%	-6.4%	3.0	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	104.3	105.6	5.7%	4.9%	-3.6%	1.6	8.25%	S/A	2 Apr 2020	79	/B/B
MHP, 2024	102.5	103.0	7.2%	7.1%	-5.5%	4.7	7.75%	S/A	10 May 2024	500	/B/B
MHP, 2026	96.1	97.0	7.6%	7.5%	-3.4%	5.8	6.95%	S/A	4 Apr 2026	550	/B/B
Avangardco, 2018	20.0	24.1	n/a	n/a	-8.7%	0.1	10.00%	S/A	29 Oct 2018	214	//
UkrLandFarming, 2018	20.2	24.6	n/a	n/a	7.6%	n/a	10.88%	S/A	26 Mar 2018	543	//
Mriya, 2016	6.0	10.0	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	6.0	10.0	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	105.1	106.1	9.7%	9.5%	-1.8%	4.8	10.75%	S/A	31 Dec 2024	1,344	//
Metinvest, 2021	100.0	102.0	7.4%	6.8%	-3.9%	n/a	9.37%	S/A	31 Dec 2021	117	//B
Metinvest, 2023	96.7	97.8	8.6%	8.3%	-1.8%	3.9	7.75%	S/A	23 Apr 2023	945	//B
Metinvest, 2026	96.8	97.5	9.1%	8.9%	-1.4%	5.5	8.50%	S/A	23 Apr 2026	648	//B
Ferrexpo, 2019	102.9	104.1	6.5%	5.1%	-1.3%	0.8	10.375%	S/A	07 Apr 2019	93	Caa3/CCC/CC
Ferrexpo, 2019	102.9	104.0	6.6%	5.2%	-1.5%	0.8	10.375%	S/A	07 Apr 2019	80	Caa3/CCC/CC
UZ Rail, 2021	102.9	103.7	8.8%	8.5%	-3.1%	1.4	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	29.5	34.8	n/a	n/a	13.6%	n/a	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JXX Oil&Gas, 2018	85.1	95.1	25.5%	17.5%	6.0%	1.4	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
PUMB, 2018	102.6	104.5	6.0%	2.5%	-0.8%	0.5	11.00%	Q	31 Dec 2018	103	//
PrivatBank, 2018-2	20.7	30.7	n/a	n/a	-23.4%	1.5	10.25%	S/A	23 Jan 2018	160	IN DEFAULT
PrivatBank, 2021	8.6	13.6	n/a	n/a	-28.2%	1.2	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	26.4	29.7	n/a	n/a	-30.4%	n/a	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	103.0	103.9	8.7%	8.4%	-3.4%	1.5	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	96.3	98.1	10.5%	10.0%	-3.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	102.7	103.5	9.2%	9.0%	-4.9%	3.5	9.75%	S/A	22 Jan 2025	600	Caa3//B-
Oschadbank, 2023	102.5	103.4	8.7%	8.5%	-3.9%	1.4	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	102.2	103.2	9.2%	9.0%	-4.8%	2.5	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	87.7	89.7	n/a	n/a	7.1%	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									
UA80426			17.90%	16.70%	n/a	n/a	S/A	10 Apr .2019	n/a
VAT Bonds									
UA4000185151			17.95%	17.00%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			17.95%	17.00%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			17.95%	17.00%	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