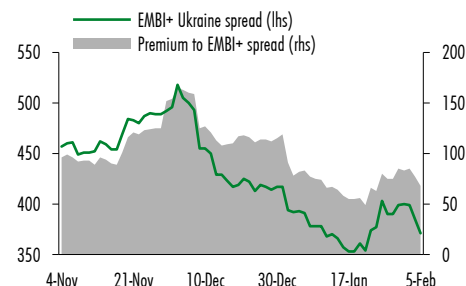


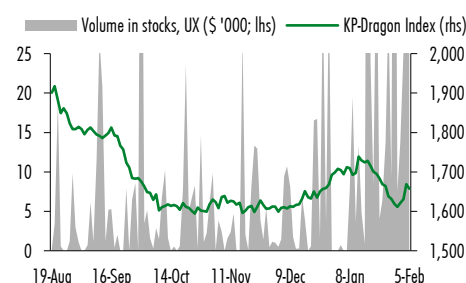
TRADERS' VIEW

- **Fixed income:** The market had a strong day, with long-end bonds rallying by 0.5-0.75pt on light activity amid general global market strength. Vodafone moved up another 25c but was quiet for most of the day. DTEK dropped on a confusing set of 4Q19 numbers, but bottom-fishing stepped up rather quickly below 103.
- **Equities:** The local UX index rose by 0.9% on Wednesday on support in BAVL (+2.8%) and UNAF (+4.9%), with CEEN (-2.7%) partially offsetting the gains. Abroad, AST, MHPC and OVO lost 6.3%, 5.5% and 0.6%, respectively, while KER inched 0.1% higher. Investors were also active in FXPO, which traded between Gbp 139.4-147.3 and closed 3.6% higher at Gbp 145.6. The KP-Dragon Index finished 0.7% lower on the day. Stronger Asian markets and global equity futures point to a higher opening in Ukraine today.

FIXED INCOME



EQUITIES

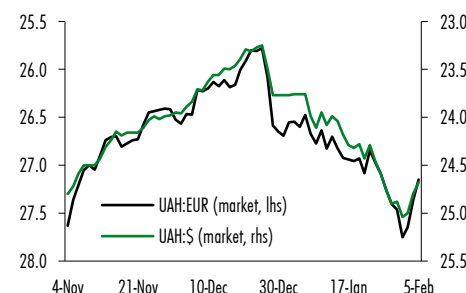


Index	UX	KP-Dragon
Index close	1,559.0	1,657.9
Daily change	0.9%	(0.7%)
YTD change	2.7%	(2.4%)
Trading volume (\$m)*	0.04	5.03
MC (\$m)*	4,410	4,731

Note: *total turnover for the UX and KP-Dragon component stocks, respectively

F/X MARKET

Currency	UAH:USD	UAH:EUR
Market rate*	24.680	27.150
Daily change	0.5%	0.8%
YTD change	(3.7%)	(1.7%)



Note: *UAH:EUR is based on UAH:USD market rate and respective cross rates

NEWS HEADLINES

- NBU reserves up 3.9% m-o-m to \$26.3bn in January; hryvnia weakens
- DTEK – Reports weaker 2019 results
- Ukrainian Railway – Acting CEO appointed; memorandum with Deutsche Bahn signed

BEST & WORST PERFORMERS

Company	Close*	Chg. (1d; %)	Vol.** (\$ '000)
BEST PERFORMERS			
Ferrexpo	£1.456	3.6%	3,808.8
JKX Oil & Gas	£0.249	0.4%	11.4
Kernel Holding	zł47.25	0.1%	276.3
WORST PERFORMERS			
Astarta Holding	zł16.30	(6.3%)	118.9
MHP (LSE)	\$8.300	(5.5%)	8.0
Centrenergo	₹9.000	(2.7%)	32.7

MOST ACTIVE BY VOLUME

Company	Close*	Chg. (1d; %)	Vol.** (\$ '000)
Ferrexpo	£1.456	3.6%	3,808.8
Kernel Holding	zł47.25	0.1%	276.3
Astarta Holding	zł16.30	(6.3%)	118.9
Regal Petroleum	£0.205	0.0%	43.0
Centrenergo	₹9.000	(2.7%)	32.7
JKX Oil & Gas	£0.249	0.4%	11.4
MHP (LSE)	\$8.300	(5.5%)	8.0
Ovostar Union	zł86.50	(0.6%)	5.8

Notes: *all closing prices are for the previous trading day and shown in the listing currency, as well as respective price changes; z stands for Ukrainian hryvnia; **daily trading volumes reported by the UX are shown for domestically listed stocks. Sources: Dragon Capital, UX, Bloomberg

RESEARCH: Andriy Bespyatov, CFA (research@dragon-capital.com)

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ECONOMY & POLITICS

News: NBU gross foreign reserves rose by 3.9% m-o-m (+\$1.0bn) to \$26.3bn in January following a 15% jump in December. On a y-o-y basis, reserves increased by 26% or \$5.5bn, equivalent to an est. 4.2 months of 12-month trailing goods and services imports and being only \$1.6bn short of the lower bound of the IMF's aggregate reserve adequacy metric (ARA).

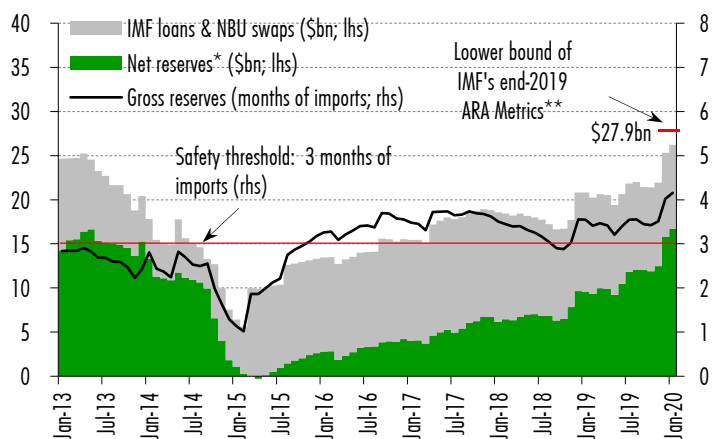
In the meantime, the hryvnia weakened by 5.1% m-o-m in January, to UAH 25.0:USD, back to its September 2019 level, before appreciating by 1.5% in the first three days of February, to UAH 24.7:USD, still -3.7% YTD. (NBU, UkrDealing)

Dragon view: The end-January reserves reading was virtually in line with our estimate (\$26.2bn) and matched the Bloomberg consensus forecast. The m-o-m pickup was driven by a EUR 1.25bn sovereign Eurobond placement, which fully offset \$0.6bn of domestic F/X bond redemptions. At the same time, the central bank's net F/X purchases totaled a minor \$0.1bn in January, down from a massive \$2.9bn in December, as devaluation pressures on the hryvnia reemerged last month.

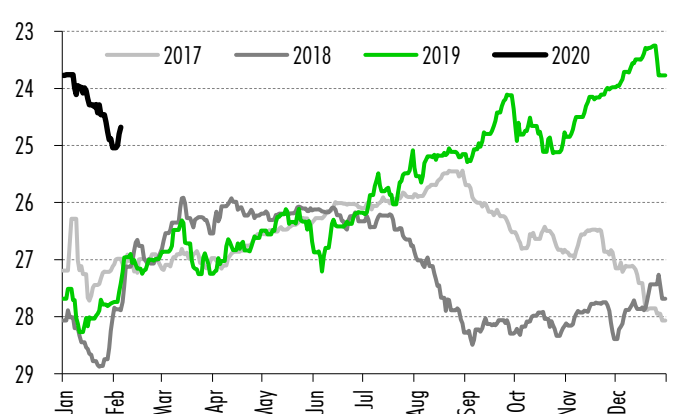
The NBU attributed January's currency weakness to seasonal growth in the trade deficit and higher dividend outflows. We think that other factors also played a role, including higher VAT refunds to exporters (UAH 18bn in January vs. UAH 10bn in December), which reduced their F/X conversion needs, and stronger F/X demand from banks, as the limit on banks' open foreign currency position was doubled to 10% of regulatory capital effective Jan. 20. Meanwhile, fundamental currency drivers were little-changed from end-2019, on our estimate. Foreign inflows into UAH bonds stood at \$311m in January, down from \$494m in December but in line with \$280m in November; grain exports totaled an est. 5.4 Mt last month, vs. 5.9 Mt in December and 5.3 Mt in November; and terms of trade improved by 3.4% m-o-m in January thanks to recovery in steel prices and lower natural gas prices.

We expect fundamentals (commodity prices, grain exports, inflows into UAH bonds) to continue to support the currency in the coming months, but the NBU's higher F/X purchases intended to replenish reserves (capped at \$50m daily) would limit the currency's appreciation. We forecast the hryvnia will finish 2020 at UAH 24.0:USD (-1.3% y-o-y) and weaken to UAH 25.5:USD in 2021 (-5.9% y-o-y). Supported by government external F/X borrowings, NBU reserves will rise to an est. \$29.0bn this year (+15% y-o-y), finally reaching the IMF's aggregate adequacy range, inch up to \$29.5bn in 2021 (+2.3%).

Olena Bilan, bilan@dragon-capital.com



NBU International Reserves (\$bn)



UAH:USD Spot (Interbank Market)

Note: *equiv. to gross international reserves net of IMF loans and NBU swaps with other central banks; ** IMF's ARA metrics is based on exports, broad money, scheduled external debt amortizations and other external liabilities. Sources: NBU, Dragon Capital estimates

News: DTEK published its condensed 2019 financial and operating results, reporting ROM coal production of 22.3 Mt (-7% y-o-y) and electricity generation of 28.4 TWh (-12% y-o-y). The average electricity tariff dropped 7% y-o-y to UAH 1.65/kWh. Coal imports stood at 1.7 Mt (-9% y-o-y).

Full-year sales fell 11% y-o-y to \$3.0bn, EBITDA dropped 34% to \$607m, and net income slid by 48% to \$92m, yielding EBITDA and net margins of 20.4% and 3.1% (-7.0pp and -2.2pp y-o-y, respectively). Net operating cash flow shrank by 70% y-o-y to \$218m, investing cash outflow was down 19% to \$221m, and financing cash outflow fell 77% to \$120m. Total debt declined by 5% y-o-y to \$1.9bn while net debt inched up 1% to \$1.9bn, implying an annualized Debt/EBITDA of 3.1x (vs. 2.2x in 2018) and Net Debt/EBITDA of 3.1x (vs. 2.1x in 2018). End-2019 cash stood at \$11m (-91% y-o-y). (Company).

Dragon view: For 4Q19, DTEK reported sales of \$234m (-69% q-o-q), EBITDA of \$56m (-58%), and a net loss of \$147m (vs. net income of \$114m in 3Q19). We have no explanation for such a sharp drop in sales. Even disregarding third-party coal sales and other revenue sources, just sales of electricity over the period were almost double the reported revenue figure. We'll contact the company for clarification.

Quarterly net operating cash flow almost quintupled to \$103m, investment cash outflow was up 3% q-o-q to \$45m and financing cash outflow stood at \$60m (vs. close to zero in the previous quarter). Operating cash flow was supported by a c. UAH 3.0bn (\$123m) release of working capital, mostly a result of reduced receivables from Ukrenergo over balancing market sales and from distributing companies that had emerged in 3Q19.

Operationally, quarterly coal production rose 14% to 5.9 Mt, electricity generation was down 18% to 5.7 TWh, and the average power sale tariff fell 12% q-o-q to UAH 1.42/kWh.

DTEK's performance in the fourth quarter was hit by an adverse combination of extremely warm temperatures, which depressed electricity demand across all major consumers; the launch of power imports from Russia and Belarus, which further hit local generators; and aberrations in the new electricity market, namely the dumping of large power volumes from nuclear power plants at the price paid by the guaranteed buyer (UAH 0.57/kWh) and, in selected hours, electricity from renewable power sources priced at almost zero.

The outlook for 1Q20 looks better. The government started to limit electricity imports, and daily prices under UAH 1.0/kWh seem to have disappeared. With expected colder weather, realized prices may improve further. Also, the government considers cutting nuclear power production in 2020. While this is primarily a response to higher expected production from renewable power sources, it is also positive for thermal power producers, as a higher production share of unstable renewable power generation would require higher supply of more flexible thermal generation.

See table on next page

DTEK – Reports weaker 2019 results

Issue	DTEKUA 10.75 24
Price	102.5/103.5
Yield	10.16%/9.88%

Dennis Sakva, sakva@dragon-capital.com

	3Q19	4Q19	Change	2018	2019	Change
	(\$m)	(\$m)	(%; q-o-q)	(\$m)	(\$m)	(%; q-o-q)
Production indicators						
G-grade coal (kt)	5,170	5,908	14%	24,033	22,337	(7%)
Electricity generation (GWh)	6,933	5,671	(18%)	32,461	28,435	(12%)
Average tariff (UAH/kWh0)	1.61	1.42	(12%)	1.78	1.65	(7%)
Coal imports (kt)	581	292	(50%)	1,904	1,733	(9%)
Financials						
Sales (\$m)	745	234	(69%)	3,338	2,977	(11%)
EBITDA (\$m)	134	56	(58%)	915	607	(34%)
Net income (\$m)	114	(147)	nm	178	92	(48%)
EBITDA margin (%)	18.0%	24.0%	6.1pp	27.4%	20.4%	(7.0pp)
Net margin (%)	15.3%	(62.9%)	(78.2pp)	5.3%	3.1%	(2.2pp)
Operating cash flow (\$m)	22	103	364%	716	218	(70%)
Investing cash flow (\$m)	(43)	(45)	3%	(271)	(221)	(19%)
Financing cash flow (\$m)	(1)	(60)	nm	(516)	(120)	(77%)
Total Debt (\$m)	1,990	1,911	(4%)	2,010	1,911	(5%)
Net Debt (\$m)	1,971	1,900	(4%)	1,881	1,900	1%
Cash (\$m)	19	11	(41%)	129	11	(91%)
Debt/EBITDA (annualized)	3.6	8.5		2.2	3.1	
Net Debt/EBITDA (annualized)	3.6	8.4		2.1	3.1	

DTEK 2019 Financial Results

Sources: Company, Dragon Capital estimates

News: The government appointed Željko Marček of Ukrainian Railway's (RAILUA) Management Board as the company's interim CEO, confirming rumors that floated last week.

Separately, RAILUA and Deutsche Bahn (DB) officials signed a three-year memorandum of cooperation, which calls for developing a reform roadmap for RAILUA. DB Board Member for Infrastructure Ronald Pofalla, who signed the document for the German company, said cooperation with RAILUA would comprise consulting services in the first place. (cfts.org.ua, Interfax)

Dragon view: As we wrote before, RAILUA's new acting CEO is an HR professional, having spent over 10 years with McDonald's in the CEE region, worked as HR director for Ukrainian companies Starlight Media (TV channels) and Dniprospeksstal (steel), and overseen HR reform at the largest domestic private postal company Nova Poshta.

As regards the memorandum with DB, there is still little clarity about the substance of future cooperation. The Ukrainian side continues to insist that DB will perform both consulting and management roles but the DB representative stressed yesterday that the primary function would be to advise RAILUA.

Andriy Bespyatov, bespyatov@dragon-capital.com

Ukrainian Railway – Acting CEO appointed; memorandum with Deutsche Bahn signed

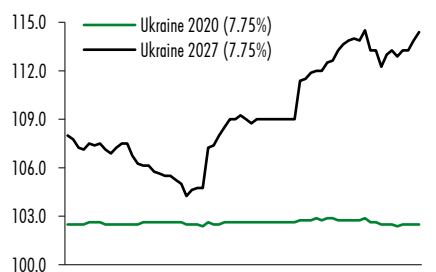
Issue	RAILUA 9.875 21
Price	104.8/105.8
Yield	4.12%/2.97%

Issue	RAILUA 8.25 24
Price	109.3/110.3
Yield	5.84%/5.60%

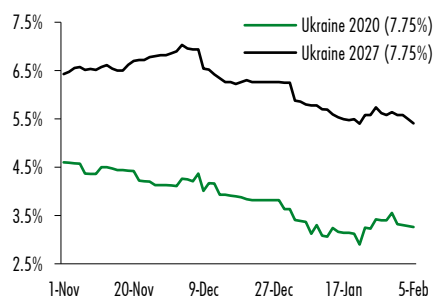
FIXED INCOME: SOVEREIGN EUROBONDS

Ukrainian Eurobonds	Bid ¹⁾	Ask ¹⁾	YTM (bid) ¹⁾	YTM (ask) ¹⁾	Price chg. (1d) ²⁾	Mod. dur. ²⁾	Spread (bp) ³⁾	Coupon (%)	Period	Maturity date	Issued (\$m) ⁴⁾	Outstanding (\$m)	Rating ⁵⁾
Ukraine 20	102.50	103.00	3.26%	2.38%	0.00	0.5	177	7.75%	S/A	9/1/2020	1,780	1,365	Caa1/B/B
Ukraine 21	106.63	107.38	3.37%	2.90%	0.13	1.4	193	7.75%	S/A	9/1/2021	1,409	1,409	Caa1/B/B
Ukraine 22	109.38	110.13	3.88%	3.58%	0.25	2.3	244	7.75%	S/A	9/1/2022	1,384	1,384	Caa1/B/B
Ukraine 23	111.25	112.00	4.31%	4.10%	0.25	3.0	288	7.75%	S/A	9/1/2023	1,355	1,355	Caa1/B/B
Ukraine 24	115.75	116.50	4.62%	4.43%	0.62	3.4	316	8.99%	S/A	2/1/2024	750	750	-/B/B
Ukraine 24	112.00	112.75	4.79%	4.62%	0.25	3.8	333	7.75%	S/A	9/1/2024	1,339	1,339	Caa1/B/B
Ukraine 25	113.38	114.13	4.97%	4.83%	0.50	4.4	351	7.75%	S/A	9/1/2025	1,329	1,329	Caa1/B/B
Ukraine 26	114.50	115.25	5.12%	5.00%	0.75	5.1	366	7.75%	S/A	9/1/2026	1,318	1,318	Caa1/B/B
Ukraine 26 (EUR)	117.25	118.00	3.66%	3.54%	0.62	5.1	425	6.75%	A	6/20/2026	1,000	1,000	-/B/B
Ukraine 27	114.38	115.13	5.41%	5.30%	0.50	5.7	376	7.75%	S/A	9/1/2027	1,307	1,307	Caa1/B/B
Ukraine 28	125.75	126.50	5.93%	5.83%	0.75	6.1	428	9.75%	S/A	11/1/2028	1,600	1,600	-/B/B
Ukraine 30 (EUR)	100.00	100.75	4.38%	4.28%	0.37	7.9	474	4.375%	A	1/27/2030	1,250	1,250	-/B/B
Ukraine 32	112.00	112.75	5.95%	5.87%	0.87	7.9	430	7.375%	S/A	9/25/2032	3,000	3,000	-/B/B
GDP Warrants	99.00	100.00	-	-	0.25	-	-	-	A	-	3,239	3,239	-

Notes: 1) estimated market price and YTM; 2) based on bid price; 3) spread to comparable UST, based on bid price; 4) notional amount for GDP warrants; 5) Moody's/S&P/Fitch. Sources: Bloomberg, Dragon Capital

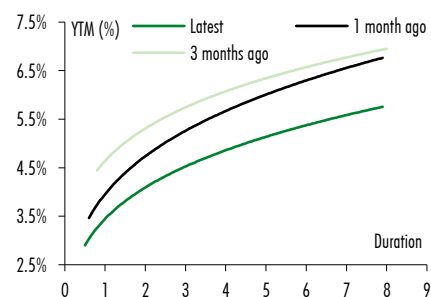


Ukrainian Eurobond Prices (Bid)



Ukrainian Eurobond YTM (Bid)

Source: Dragon Capital



Ukrainian Sovereign Yield Curves (Bid)

CORPORATE AND MUNICIPAL EUROBONDS

Issue	Bid ¹⁾	Ask ¹⁾	YTM (bid) ¹⁾	YTM (ask) ¹⁾	Price chg. 1d ²⁾	Mod. dur. ²⁾	Spread (bp) ^{2,3)}	Coupon (%)	Coupon period	Maturity	Issued (\$m)	Outstanding (\$m)	Rating ⁴⁾
CORPORATES													
Avangard 18	5.00	10.00	-	-	0.00	-	-	10.00%	S/A	10/29/2018	200	214	-/-/WD
DTEK 24	102.50	103.50	10.16%	9.88%	(1.00)	3.5	870	10.75%	Q	12/31/2024	1,275	1,344	-/-/B-
DTEK Renewables 24 (EUR)	103.88	104.88	7.43%	7.12%	0.00	3.0	810	8.50%	S/A	11/12/2024	325	325	-(P)B-/B
Interpipe 24	100.25	102.25	10.18%	9.63%	0.00	3.6	872	10.25%	S/A	12/31/2024	309	211	-/-/-
Kernel Holding 22	107.00	108.00	4.99%	4.48%	(0.25)	1.8	355	8.75%	S/A	1/31/2022	500	500	-/B/BB-
Kernel Holding 24	104.00	105.00	5.47%	5.22%	(0.50)	3.8	401	6.50%	S/A	10/17/2024	300	300	-/B/BB-
Metinvest 23	106.38	107.38	5.39%	5.04%	0.00	2.6	396	7.75%	S/A	4/23/2023	945	505	-/B/BB-
Metinvest 25 (EUR)	104.25	105.25	4.77%	4.56%	0.00	4.5	539	5.625%	S/A	6/17/2025	300	300	-(P)B/BB-
Metinvest 26	109.00	110.00	6.65%	6.45%	0.00	4.6	519	8.50%	S/A	4/23/2026	648	648	-/B/BB-
Metinvest 29	105.13	106.13	7.01%	6.87%	0.00	6.7	536	7.75%	S/A	10/17/2029	500	500	-/B/BB-
MHP 24	107.25	108.25	5.80%	5.55%	0.00	3.6	434	7.75%	S/A	5/10/2024	500	500	-/B/B+
MHP 26	103.75	104.75	6.21%	6.01%	0.00	4.9	475	6.95%	S/A	4/3/2026	550	550	-/B/B+
MHP 29	97.38	98.38	6.62%	6.48%	0.00	6.9	498	6.25%	S/A	9/19/2029	350	350	-/B/B+
Mriya Farming 25	2.00	6.00	-	-	0.00	-	-	2.00%	Q	12/31/2025	208	99	-/-/-
Naftogaz 22	104.63	105.63	5.33%	4.91%	0.00	2.2	390	7.375%	S/A	7/19/2022	335	335	-/-/B
Naftogaz 24 (EUR)	109.25	110.25	4.76%	4.52%	0.00	3.7	543	7.125%	A	7/19/2024	600	600	-/-/B
Naftogaz 26	106.00	107.00	6.51%	6.33%	0.00	5.2	505	7.625%	S/A	11/8/2026	500	500	-/-/B

Notes: 1) estimated prices and YTM; 2) based on bid price; 3) spread to comparable UST if OAS is unavailable; 4) Moody's/S&P/Fitch. Sources: Bloomberg, Dragon Capital

CORPORATE AND MUNICIPAL EUROBONDS (CONT'D)

Issue	Bid ¹⁾	Ask ¹⁾	YTM (bid) ¹⁾	YTM (ask) ¹⁾	Price chg. 1d ²⁾	Mod. dur. ²⁾	Spread (bp) ^{2,3)}	Coupon (%)	Coupon period	Maturity	Issued (\$m)	Outstanding (\$m)	Rating ⁴⁾
CORPORATES													
Ukrainian Railway 21	104.75	105.75	4.12%	2.97%	0.00	0.8	263	9.875%	S/A	9/15/2021	500	200	-/B-/B
Ukrainian Railway 24	109.25	110.25	5.84%	5.60%	0.00	3.7	438	8.25%	S/A	7/9/2024	595	595	-/-/B
Ukrlandfarming 18	5.00	10.00	-	-	0.00	-	-	10.875%	S/A	3/26/2018	500	543	-/NR/WD
VF Ukraine 25	101.25	101.75	5.85%	5.71%	0.25	3.5	439	6.20%	S/A	2/11/2025	500	500	-/(P)B/Be
BANKS													
Oschadbank 23	105.50	106.50	5.65%	5.01%	0.00	1.4	421	9.375%	S/A	3/10/2023	700	245	Caa1/-/B
Oschadbank 25	105.25	106.25	5.70%	5.01%	0.00	1.3	426	9.625%	S/A	3/20/2025	500	500	Caa1/-/B
Privatbank 18	30.00	35.00	-	-	0.00	-	-	10.25%	S/A	1/23/2018	200	160	WR/-/WD
Privatbank 18	30.00	35.00	-	-	0.00	-	-	10.875%	S/A	2/28/2018	175	175	WR/-/WD
Privatbank 21	10.00	40.00	-	-	0.00	-	-	11.00%	S/A	2/9/2021	220	220	-/-/-
Ukreximbank 21 (UAH)	104.50	106.00	12.22%	10.67%	0.00	0.9	272	16.50%	S/A	3/2/2021	150	150	-/-/BeBmr
Ukreximbank 22	105.75	106.75	4.67%	3.86%	0.00	1.1	323	9.625%	S/A	4/27/2022	750	313	Caa1/-/B
Ukreximbank 23	99.50	100.50	9.38%	8.11%	0.00	0.0	719	8.74% ⁵⁾	S/A	2/9/2023	125	125	Caa2/-/CCC *+
Ukreximbank 25	107.75	108.75	5.65%	5.16%	0.00	1.9	422	9.75%	S/A	1/22/2025	600	600	Caa1/-/B
Ukreximbank 29	104.00	105.00	8.78%	8.55%	0.50	4.1	732	9.95%	S/A	11/14/2029	100	100	-/-/-
MUNIS													
City of Kyiv 22	98.00	100.00	8.56%	7.49%	0.00	1.9	712	7.50%	S/A	12/15/2022	115	115	-/-/B

Notes: 1) estimated prices and YTM; 2) based on bid price; 3) spread to comparable UST if OAS is unavailable; 4) Moody's/S&P/Fitch; 5) floating rate at 6M USD Libor + 7%.

Sources: Bloomberg, Dragon Capital

TREASURIES: PRIMARY AUCTIONS

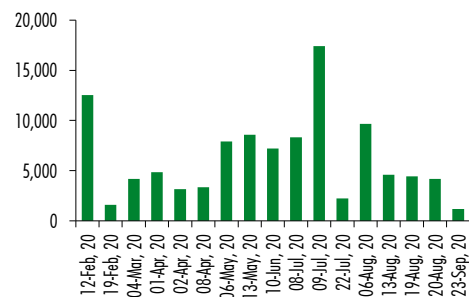
Latest primary T-Bill auctions	ISIN	Maturity	W. avg. yield	Vol. placed (UAH m) ¹⁾	Vol. placed (\$ m) ¹⁾	Vol. placed (€ m) ¹⁾
February 4, 2020	UA4000207682	Feb-01, 23	9.84%	903		
February 4, 2020	UA4000194377	Jun-02, 21	9.77%	1,000		
February 4, 2020	UA4000171094	Jul-08, 20	9.60%	263		
January 28, 2020	UA4000207518	May-26, 27	9.79%	3,650		
January 28, 2020	UA4000203236	Jan-05, 22	9.86%	802		

Note: 1) placement volume at nominal value and in respective issuance currency (UAH, USD or EUR). Source: Finance Ministry

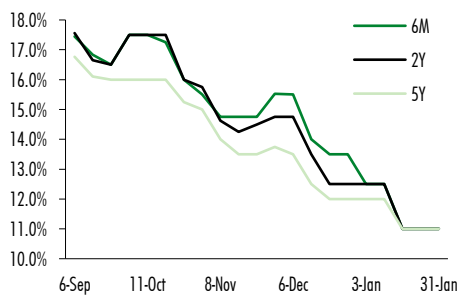
SECONDARY MARKET BENCHMARKS

	ISIN	Maturity	Duration	Latest price (bid/ask) ¹⁾	YTM ²⁾			
					Latest	1 week ago	1 month ago	3 months ago
REGULAR BONDS								
12M	UA4000203723	24-Mar-21	0.97	107.6/109.3	11.0%/9.5%	11.0%/9.5%	12.5%/11.3%	14.8%/13.8%
2Y	UA4000204002	11-May-22	1.83	112.4/115.5	11.0%/9.5%	11.0%/9.5%	12.5%/11.0%	14.5%/13.5%
5Y	UA4000204150	26-Feb-25	3.41	119.8/126.2	11.0%/9.5%	11.0%/9.5%	12.0%/11.0%	14.0%/13.0%
USD-DENOMINATED								
	UA4000199491	12-Feb-20	0.02	100/100.1	4.5%/1.0%	4.5%/1.0%	4.5%/1.0%	5.0%/2.0%

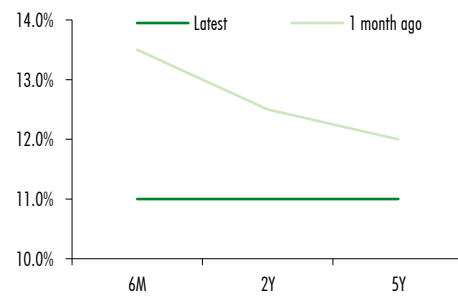
Notes: 1) market prices net of accrued coupon, % of par; 2) effective yield based on bid/ask prices. Sources: Finance Ministry, Dragon Capital



Gov't Bond Redemption Schedule (UAH m)



Treasury Historical Yields (secondary market)



Treasury Yield Curves (secondary market)

Sources: Finance Ministry, Dragon Capital

EQUITIES: BLUE CHIP OVERVIEW

Company	Ticker ¹⁾	DR ratio	Curr.	Bid	Ask	Close	52w high	52w low	Chg. (1d; %)	Chg. (1m; %)	Chg. (YTD; %)	Chg. from 52w high	Trading vol. ('000) ²⁾	(1d)	(YTD; avg.) ³⁾
Astarta Holding	AST PW	-	PLN	16.25	16.40	16.30	32.80	15.30	(6.3%)	1.9%	1.9%	(50.3%)	459	601	
Avangard	AVGR LI	10:1	USD	0.150	0.200	0.200	0.280	0.200	0.0%	0.0%	0.0%	(28.6%)	0	0	
Centrenergo	CEEN UK	1:10	UAH	9.000	9.250	9.000	14.35	8.500	(2.7%)	(5.3%)	(5.3%)	(37.3%)	33	9	
Ferrexpo	FXPO LN	1:1	GBP	1.456	1.457	1.456	3.013	1.230	3.6%	(6.5%)	(8.4%)	(51.7%)	2,929	3,476	
IMC	IMC PW	-	PLN	12.70	13.00	13.00	17.80	12.25	1.2%	0.8%	4.4%	(27.0%)	15	28	
Kernel Holding	KER PW	-	PLN	46.95	47.45	47.25	54.40	40.85	0.1%	(1.6%)	4.4%	(13.1%)	1,067	3,192	
MHP (LSE)	MHPC LI	1:1	USD	8.140	8.260	8.300	11.60	8.300	(5.5%)	(14.4%)	(14.4%)	(28.4%)	8	55	
Ovostar Union	OVO PW	-	PLN	77.00	79.50	86.50	112.0	70.00	(0.6%)	16.1%	16.1%	(22.8%)	23	16	
Ukrnafta	UNAF UK	1:6	UAH	150.0	156.0	150.0	194.5	122.0	4.9%	8.7%	8.7%	(22.9%)	4	4	

Company	Ticker ¹⁾	DR ratio	Curr.	Close	MC ²⁾ (m)	FF (%)	Rec. (x)	FV	Upside (%)	EV/S	EV/EBITDA	P/E	'19E	'20E	'19E	'20E	'19E	'20E	
Astarta Holding	AST PW	-	PLN	16.30	396	33%													
Avangard	AVGR LI	10:1	USD	0.200	13	23%													
Centrenergo	CEEN UK	1:10	UAH	9.000	3,302	22%	Sell	8.900	(1%)	0.28	0.24	neg.	3.4	neg.	8.0				
Ferrexpo	FXPO LN	1:1	GBP	1.456	857	26%	Buy	2.700	86%	0.96	0.98	2.3	2.8	2.8	3.7				
IMC	IMC PW	-	PLN	13.00	431	28%	Buy	20.47	57%	1.07	0.88	3.8	3.1	5.8	5.4				
Kernel Holding	KER PW	-	PLN	47.25	3,872	60%	Buy	67.05	42%	0.42	0.39	4.9	5.3	5.3	6.4				
MHP (LSE)	MHPC LI	1:1	USD	8.300	888	40%													
Ovostar Union	OVO PW	-	PLN	86.50	519	32%	Sell	72.25	(16%)	1.30	1.28	9.0	8.2	13.3	11.9				
Ukrnafta	UNAF UK	1:6	UAH	150.0	8,078	2%	Sell	150.3	0%	1.24	1.22	7.1	7.5	2.5	2.6				

Banking	Ticker ¹⁾	DR ratio	Curr.	Bid	Ask	Close	52w high	52w low	Chg. (1d; %)	Chg. (1m; %)	Chg. (YTD; %)	Chg. from 52w high	Trading vol. ('000) ²⁾	(1d)	(YTD; avg.) ³⁾
Raiffeisen Bank Aval	BAVL UK	-	UAH	0.365	0.380	0.370	0.382	0.285	2.8%	12.3%	12.3%	(3.0%)	5	12	

Banking	Ticker ¹⁾	DR ratio	Curr.	Close	MC ²⁾ (m)	FF (%)	Rec. (x)	FV	Upside (%)	P/E	P/BV	ROE (%)	'19E	'20E	'19E	'20E
Raiffeisen Bank Aval	BAVL UK	-	UAH	0.370	22,595	2%	Sell	0.356	(4%)	5.7	6.5	2.02	1.95	36.8%	30.6%	

Notes: all closing prices are for the previous trading day and shown in the listing currency, as well as respective price changes; 1) the letters UK at the end of a ticker symbol denote listing on the UX; 2) market capitalizations and trading volumes are shown in the listing currency; trading volumes reported by the UX are shown for domestically listed stocks; 3) YTD average daily trading volume

SECOND TIER EQUITY OVERVIEW

Company	Ticker ¹⁾	DR ratio	Bid (€)	Ask (€)	Close (€)	Chg. (1d; %)	Chg. (YTD; %)	Chg. from 52w high	MC (€ m)	EV/S	EV/EBITDA	P/E	Vol. (€ '000) ²⁾	(YTD; avg.) ³⁾
Donbasenergo	DOEN UK	-	25.00	25.00	25.00	0.0%	0.0%	(34.2%)	587	0.16	3.6	6.2	0.1	
Kryukiv Rail Car	KVBZ UK	-	18.10	20.00	19.00	5.6%	58.3%	0.0%	2,164	0.33	3.4	4.9	0.3	
Motor Sich ⁴⁾	MSICH UK	-	-	-	5,221	-	-	-	10,849	1.01	4.8	9.0	-	
Turboatom	TATM UK	-	10.70	11.25	11.00	0.0%	0.0%	(8.6%)	4,615	1.76	4.0	6.7	0.3	
Ukrtelecom	UTLM UK	1:50	0.120	0.128	0.128	0.0%	(5.9%)	(9.2%)	2,380	0.65	2.4	5.2	0.1	

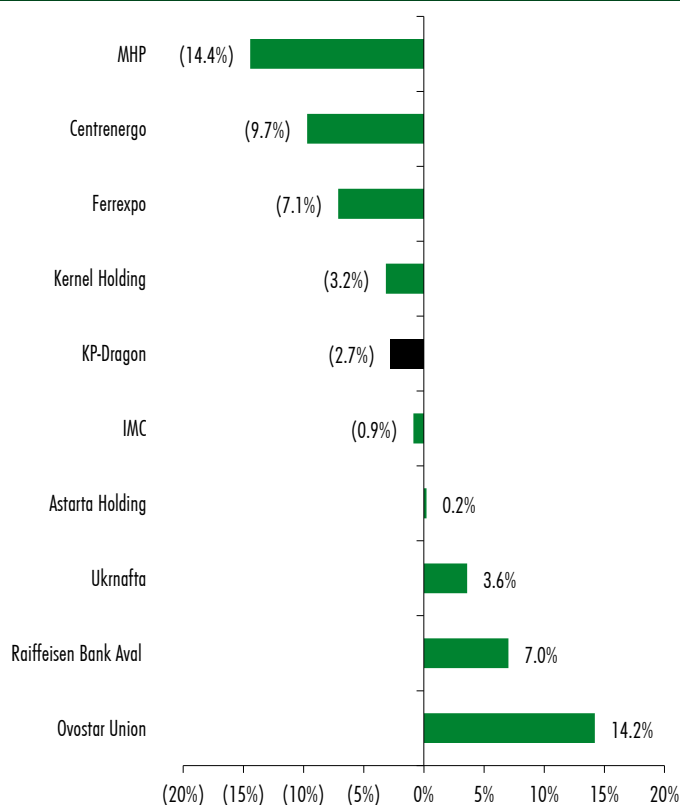
Notes: all closing prices are for the previous trading day and shown in the listing currency, as well as respective price changes; € stands for Ukrainian hryvnia; 1) the letters UK at the end of a ticker symbol denote listing on the UX; 2) trading volumes reported by the UX; 3) YTD average daily trading volume; 4) last closing price from Apr. 23, 2018

FOREIGN EXCHANGES

Company	Ticker	Curr.	Close	Chg. (1d; %)	Chg. (YTD; %)	MC ¹⁾ (m)	FF (%)	Vol. ^{1,2)} (1d; '000)	Rec. (x)	FV	Upside (%)	EV/EBITDA		P/E	
												'19E	'20E	'19E	'20E
AgroGeneration	ALAGR FP	EUR	0.085	0.0%	45.9%	8	37%	1		Not Rated		-	-	-	-
Agroton	AGT PW	PLN	4.300	(2.1%)	16.2%	93	49%	16		Not Rated		-	-	-	-
Astarta Holding	AST PW	PLN	16.30	(6.3%)	1.9%	396	33%	459		Under Review		-	-	-	-
Avangard	AVGR LI	USD	0.200	0.0%	0.0%	13	23%	0		Not Rated		-	-	-	-
DUPD	DUPD LN	GBP	0.110	0.0%	2.3%	12	53%	0		Not Rated		-	-	-	-
Ferrexpo	FXPO LN	GBP	1.456	3.6%	(8.4%)	857	26%	2,929	Buy	2.700	86%	2.3	2.8	2.8	3.7
IMC	IMC PW	PLN	13.00	1.2%	4.4%	431	28%	15	Buy	20.47	57%	3.8	3.1	5.8	5.4
JKX Oil & Gas	JKX LN	GBP	0.249	0.4%	1.6%	43	22%	9		Not Rated		-	-	-	-
Kernel Holding	KER PW	PLN	47.25	0.1%	4.4%	3,872	60%	1,067	Buy	67.05	42%	4.9	5.3	5.3	6.4
KSG Agro	KSG PW	PLN	1.190	(3.3%)	1.7%	18	35%	9		Not Rated		-	-	-	-
MHP (LSE)	MHPC LI	USD	8.300	(5.5%)	(14.4%)	888	40%	8		Under Review		-	-	-	-
Milkiland	MLK PW	PLN	0.460	12.2%	4.5%	14	21%	15		Not Rated		-	-	-	-
Ovostar Union	OVO PW	PLN	86.50	(0.6%)	16.1%	519	32%	23	Sell	72.25	(16%)	9.0	8.2	13.3	11.9
Regal Petroleum	RPT LN	GBP	0.205	0.0%	(2.4%)	65	61%	33		Not Rated		-	-	-	-
Ukrproduct	UKR LN	GBP	0.025	0.4%	(17.1%)	1	28%	0		Not Rated		-	-	-	-

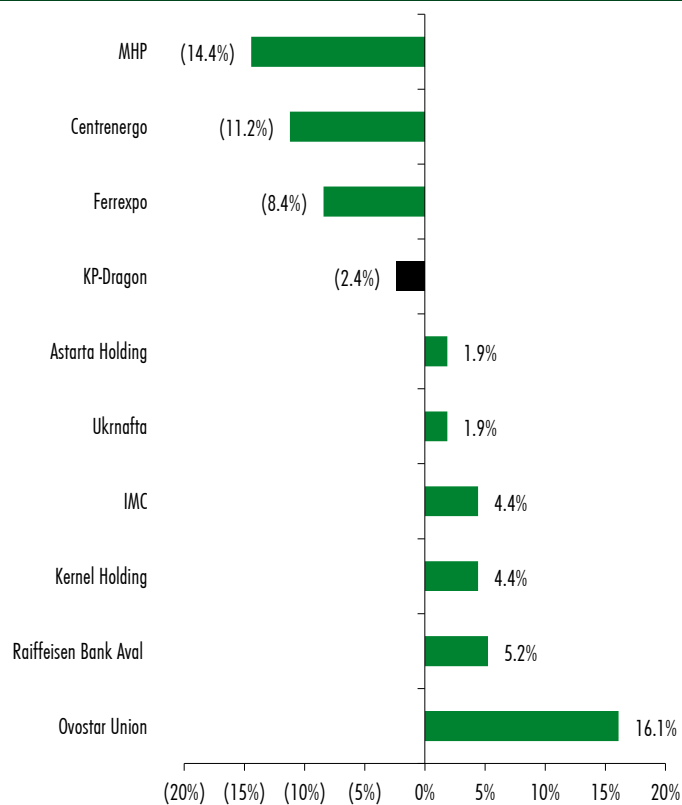
Notes: all closing prices are for the previous trading day; 1) market capitalization and trading volumes are shown in the listing currency; 2) companies whose trading volumes are marked as OTC are traded mostly over-the-counter and their exchange turnover is insignificant

UKRAINIAN STOCK PERFORMANCE



Performance of KP-Dragon Index Stocks (1-month)

Note: all stocks valued in USD. Source: Dragon Capital



Performance of KP-Dragon Index Stocks (YTD)

Note: all stocks valued in USD. Source: Dragon Capitals

STOCK INDEX COMPARISON

Index	Country	Close	Chg. (1d; %)	Chg. (1w; %)	Chg. (1m; %)	Chg. (YTD; %)
KP-Dragon	Ukraine	1,657.9	(0.7%)	2.5%	(2.7%)	(2.4%)
UX	Ukraine	1,559.0	0.9%	3.3%	2.7%	2.7%
MSCI	Ukraine	34.3	(1.7%)	0.8%	(7.4%)	(4.2%)
IBOV	Brazil	116,028	0.2%	(0.3%)	(6.4%)	(5.4%)
SOFIX	Bulgaria	570	(1.2%)	(1.1%)	(1.2%)	(1.5%)
SHCOMP	China	2,818	1.6%	(6.2%)	(8.7%)	(7.7%)
CROBEX	Croatia	2,017	(0.6%)	(0.6%)	(2.6%)	(2.0%)
PX	Czech Republic	1,103	0.9%	1.2%	(2.1%)	(1.7%)
EURO STOXX 50	EU	3,778	0.9%	1.1%	(1.4%)	(1.2%)
BUX	Hungary	44,020	(0.3%)	1.5%	(8.2%)	(8.0%)
BSE SENSEX 30	India	41,143	0.8%	0.1%	(0.0%)	(0.2%)
NIKKEI 225	Japan	23,320	0.7%	(0.8%)	(2.2%)	(2.2%)
WIG-20	Poland	2,123	1.1%	2.1%	(3.9%)	(2.9%)
BET-10	Romania	10,036	0.6%	0.1%	(0.2%)	(0.9%)
RTS	Russia	1,560	0.9%	(0.6%)	(0.2%)	0.7%
ISE National-100	Turkey	122,321	(0.0%)	1.9%	7.4%	6.3%
FTSE 100	UK	7,482	0.4%	(0.1%)	(2.5%)	(2.7%)
S&P 500	USA	3,335	1.1%	1.9%	3.1%	3.2%
MSCI FM		579.9	(0.1%)	(1.8%)	(1.0%)	(1.0%)
MSCI FM CEE CIS		455.4	0.6%	1.1%	0.9%	0.7%
MSCI EMEA		259.6	0.4%	(0.1%)	(3.2%)	(3.0%)
WIG CEE		1,152.7	(0.3%)	1.6%	(3.8%)	(2.6%)

Notes: all percent changes are in USD terms except for the UX, which are UAH-based. Sources: UX, Bloomberg, Dragon Capital

COMMODITIES

Commodity	Description	Price (\$)	Chg. (1d; %)	Chg. (1w; %)	Chg. (1m; %)	Chg. (YTD; %)	Chg. (52w; %)
Wheat (\$/t)	UkrAgroConsult (3rd grade; FOB)*	221.0	-	0.0%	2.8%	2.8%	(8.3%)
	CBOT (futures)	206.5	0.9%	(0.0%)	1.4%	0.6%	6.6%
Corn (\$/t)	UkrAgroConsult (feed grain)*	176.4	-	0.0%	5.8%	4.0%	1.9%
	CBOT (futures)	149.9	(0.4%)	(0.9%)	(1.5%)	(1.8%)	0.0%
Sunflower oil (\$/t)	UkrAgroConsult (feed grain, FOB)*	179.0	-	0.0%	1.7%	1.7%	(2.2%)
	UkrAgroConsult (spot)*	743.7	-	0.0%	9.5%	7.7%	19.4%
Sugar (\$/t)	LIFFE white sugar (futures)	413.6	(0.0%)	1.7%	15.8%	15.1%	21.0%
	NYBOT raw cane sugar (futures)	324.8	0.1%	1.7%	10.7%	9.8%	14.9%
	APK Inform (spot)*	354.2	-	0.0%	(1.3%)	(3.0%)	6.4%
Gas (\$/tcm)	Germany NCG natural gas (1-m forward)	114.3	(0.2%)	(8.9%)	(27.1%)	(20.3%)	(52.0%)
Crude oil (\$/bbl)	ICE Brent Futures	55.28	2.4%	(7.6%)	(19.4%)	(16.2%)	(10.8%)
Hot rolled steel (\$/t)	Steel CIS export price (spot)*	480.0	-	0.0%	1.9%	3.8%	(1.0%)
Iron ore (\$/t)	Iron ore fines (CFR China; spot)	81.31	(2.9%)	(6.4%)	(14.0%)	(11.7%)	(4.9%)
Thermal coal (\$/t)	ARA steam coal (CIF; 1-m forward)	51.00	3.2%	3.7%	(5.1%)	(5.2%)	(33.3%)

Notes: *updated weekly

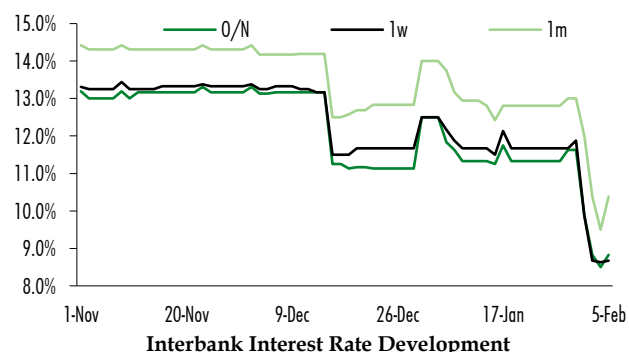
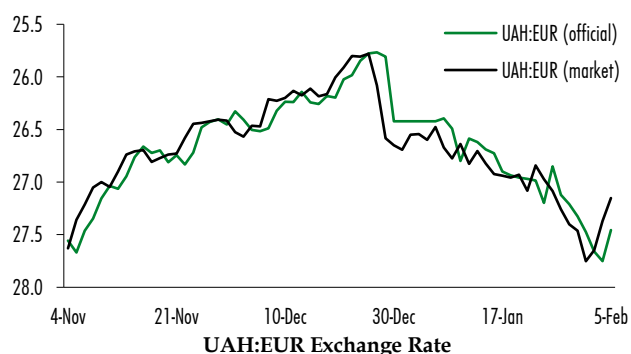
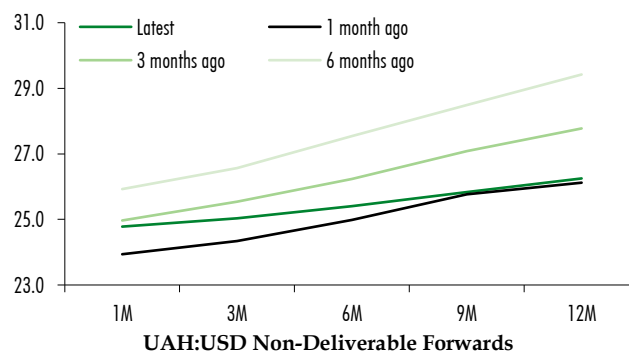
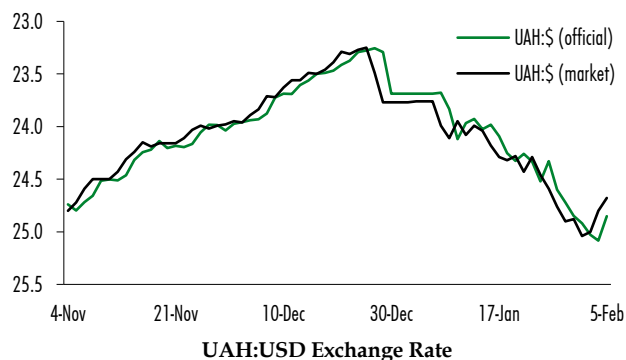
Ukrainian oil (\$/bbl)	November 20	Chg. prev. (%)	Chg. (YTD; %)	52-w high	52-w low	Brent	Prem./(Disc.) to Brent
Latest auction	\$63.0	(8.3%)	14.1%	\$81.0	\$55.2	\$62.4	0.9%

Sources: Bloomberg, Dragon Capital

MONEY MARKETS

	3-m		6-m		12-m	
LIBOR (\$)	1.737%		1.744%		1.803%	

Exchange rates	Latest	Chg. (1d; %)	Chg. (YTD; %)	Interest rates ²⁾	Bid	Ask	Chg. (YTD; %) ²⁾	YTD low ²⁾	YTD high ²⁾
Market (UAH:USD)	24.6800	0.5%	(3.7%)	Overnight	8.83%	10.50%	(2.30%)	8.50%	12.50%
Official (UAH:USD)	24.8523	0.9%	(4.7%)	1 week	8.67%	11.00%	(3.00%)	8.63%	12.50%
Market (UAH:EUR) ¹⁾	27.1505	0.8%	(1.7%)	2 weeks	9.75%	11.69%	(2.75%)	9.33%	13.50%
Official (UAH:EUR)	27.4556	1.1%	(3.8%)	1 month	10.38%	12.88%	(2.45%)	9.50%	14.00%



Notes: 1) UAH:EUR market rate is based on UAH:USD market rate and USD:EUR cross rate; 2) KIEIBOR; YTD absolute change in bid yield, YTD bid low and YTD bid high. Sources: NBU, Bloomberg, Dragon Capital

MACROECONOMIC INDICATORS

Year	2016	2017	2018	2019E	2020E	2021F
Real GDP Growth (y-o-y; %)	2.4%	2.5%	3.3%	3.2%	4.0%	3.7%
Nominal GDP (\$bn)	93	112	131	153	179	187
Real Industrial Growth (y-o-y; %)	2.4%	0.4%	1.6%	(1.8%)	2.5%	1.1%
Consumer Price Index (e-o-p; %)	12.4%	13.7%	9.8%	4.1%	5.2%	6.1%
Combined Fiscal Balance* (% of GDP)	(2.3%)	(2.4%)	(2.2%)	(2.2%)	(2.2%)	(2.2%)
Total Public Debt (% of GDP)	80.9%	71.8%	60.9%	50.8%	50.6%	50.1%
NBU Gross Reserves (\$bn)	15.5	18.8	20.8	25.3	29.0	29.5
C/A Balance (% of GDP)	(1.4%)	(2.2%)	(3.3%)	(0.7%)	(3.0%)	(3.5%)
Foreign Direct Investment (% of GDP)	3.5%	2.3%	1.8%	1.6%	1.7%	1.7%
UAH:USD (market; e-o-p)	27.20	28.13	27.74	23.77	24.00	25.50
UAH:USD (market; average)	25.56	26.60	27.19	25.82	23.50	24.50
UAH:USD (official; e-o-p)	27.19	28.07	27.69	23.69	24.00	25.50
UAH:USD (official; average)	25.55	26.59	27.20	25.80	23.50	24.50

Note: *the combined fiscal balance includes balances of the general government (central budget, local budgets and Pension Fund) and (2009 onwards) Naftogaz Ukraine but excludes bank recapitalization costs. Sources: State Statistics Committee, Finance Ministry, NBU, Dragon Capital estimates and forecasts

CALENDAR OF EVENTS

Date	Company/Sector	Event
February 9	Ukreximbank	Coupon payment and 50% principal amortization payment, Ukreximbank 2023 (subordinated)
February 10	Economy	Inflation for January
February 10	Economy	MPC minutes
February 14	Economy	GDP (provisional) for 4Q19
February 18	Metinvest	Coupon payment, Metinvest 2021
February 20-27	Economy	Capital investment for 4Q19 and 2019
February 25-28	Economy	Budget data for January
February 25-28	Economy	Public debt as of end-January
February 25-28	Economy	Balance of payments for January
February 26	Economy	Industrial production for January
March 4-6	Economy	NBU reserves for February

Sources: Companies, Dragon Capital

RECENT RESEARCH REPORTS

Date	Company/Market	Title
February 3	Ukraine Strategy Weekly	Coronavirus Keeps Sentiment Negative
February 3	Ukrainian Bonds	Weekly Overview
January 27	Ukraine Strategy Weekly	Mood Turns Negative
January 27	Ukrainian Bonds	Weekly Overview
January 27	Ukrainian Economy	Macro Outlook for 2020-2021
January 20	Ukraine Strategy Weekly	Positive Mood Continues; 4Q19 Operating Data Coming
January 20	Ukrainian Bonds	Weekly Overview
January 13	Ukraine Strategy Weekly	Equities Lag Most Peers in 2019, Local Activity Returns
January 13	Ukrainian Bonds	Weekly Overview
January 3	Ukraine/Agriculture	Ukraine - Land Reform: Solid Ground for Economic Growth



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