

Avangardco may default on coupon payment today

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KYIV, May 19, 2017 (UBO) - Today a 14-working-day grace period expires for coupon payment on Eurobond of Avangardco (AVINPU, AVGR LI), Ukraine's leading egg producer, Concorde Capital informed clients in an online advisory. This may lead to event of default on its bond. Recall, Avangardco reported on May 2 on lack of willingness to pay the coupon due on the same day, and its intention to "make use of grace period." Concorde analyst Alexander Paraschiy added: "Avangardco's parent holding, Ukrlandfarming (UKRLAN) defaulted on its coupon earlier this month, and it is highly probable that the company will do the same, even though the amount of coupon due is not high (slightly above USD 5 mln). Possible default gives a chance for bondholders to try demanding bond acceleration, but it is unlikely that they will get anything from the company. The only possible consequence of the default could be selling pressure on Avangardco stock, which price almost tripled YTD in thin trading. Meanwhile, we are looking forward to see a new bond restructuring offer from both Ukrlandfarming and Avangardco. And we retain our negative view on the bonds. ###