

Stock Market Update

Equity

On the Ukrainian Exchange, there was again a negative trend for Raiffeisen Bank (BAVL) shares, which lost 2.0% over the week, trading at 25 kopecks per share (MCap of USD 391mn). Since the beginning of the year, Raiffeisen Bank shares have fallen by 22%. An announcement was made regarding the bank's shareholders' meeting, where one of the agenda items will be the distribution of a profit of UAH 4.8bn (USD 122mn) for 2023. The draft resolution proposes allocating 50% of the profit to the reserve fund. The remaining part of the profit will remain undistributed, theoretically enabling the bank to pay dividends from this undistributed profit in the future, when permitted by the regulator. Thus, based on our calculations, future dividends (if paid) could amount to 3.9 kopecks per share, providing a dividend yield of 15% at the current share price.

Among Ukrainian companies listed abroad, there was a clear downward move that we attribute to renewed large-scale Russian missile attacks on the Ukrainian civil and energy infrastructure. Iron ore miner Ferrexpo (FXPO) slipped by 14% to GBP 43.2 per share over the week, Enwell Energy (former Regal) fell by 9.3% to GBP 13.4, and MHP (MHPC) declined by 2.7% to USD 3.30.

The hryvnia showed some weakness on the cash market as the ask price for the dollar moved up by 1.2% to 39.35 UAH/USD. The interbank market opened today at 39.20 UAH/USD.

Optimism among investors prevails in the global stock market, pushing stock indices to new historical highs. The S&P 500 index gained 2.3% for the week and 9.8% since the beginning of the year. There are concerns that a correction of 10% might occur in the US stock market in May.

Highlights

POLITICS AND ECONOMICS

- Wheat Prices Show Early Signs of Rebound Rising by 5% Last Week

The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

www.bank.gov.ua/en/about/support-the-armed-forces

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:

www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine

www.eavex.com.ua

TREND



UNITED24 charitable donations will be transferred to the official accounts of the National Bank of Ukraine and allocated by assigned ministries to cover the most pressing needs:

www.u24.gov.ua

MARKET INDEXES

	Last	1W ch	YTD
UX	1384	-1.9%	-17.9%
RTS	1103	-1.5%	1.8%
WIG20	2377	1.1%	1.5%
MSCI EM	1037	0.2%	1.3%
MSCI Global	780	1.7%	7.3%
S&P 500	5234	2.3%	9.8%

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	14.5%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond	16.5%	-0.3 p.p.	-0.3 p.p.
Ukraine-2026s	72.0%	-8.9 p.p.	-15.4 p.p.
Ukraine-2034s	31.2%	-2.4 p.p.	-7.5 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	39.35	1.2%	3.6%
EUR/UAH	42.90	0.7%	2.1%

Source: Eavex Capital

Wheat Prices Show Early Signs of Rebound Rising by 5% Last Week

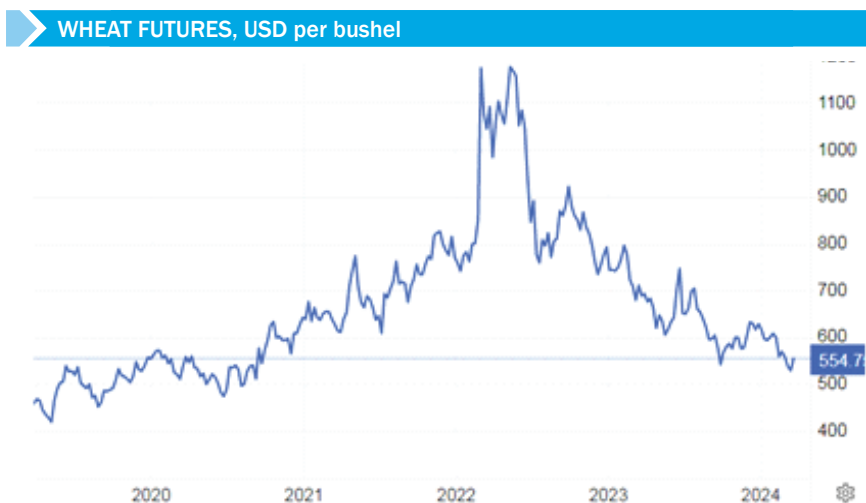
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NEWS

Wheat futures rebounded to above USD 5.5 per bushel (USD 202 per tonne) from three-and-a-half-year lows of USD 5.2 touched early in the month after Russia’s attacks on Ukrainian ports raised concerns about supply disruptions.

Despite this slight increase, wheat prices remain down by 14% in 2024 due to ample global supply levels and record harvests. Australia has become more competitive in pricing, while Ukraine continues to exceed export expectations despite the ongoing war.

In another bearish sign, Chinese wheat importers have canceled or postponed some one million tonnes of Australian wheat purchases. Meanwhile, the USDA expects higher wheat production for 2023/2024 from Australia, Russia, and Argentina, partially offset by reductions for the EU and Serbia. Additionally, the USDA expects US ending stocks to reach 673mn bushels (18mn tonnes) in June, 18% higher than a year ago.



Source: Tradingeconomics

COMMENTARY

The wheat price fluctuates around USD 5.5 per bushel (USD 202 per tonne) level, finding it difficult to confirm breaching it, while we notice that the price is forming a double bottom pattern that we expect to push the price to achieve a more bullish signal in the upcoming sessions.

Therefore, we will continue to suggest a bullish trend for the upcoming period. The expected trading range for the next three months is between USD 5.35 support and USD 6.15 resistance, providing an upside of 11% from the current price.

The International Grains Council (IGC) is forecasting that global wheat production in 2024/2025 will grow by only 1% YoY (+9.4mn tonnes) to 799mn tonnes. According to the IGC, a significant portion of the increase in global wheat production is expected to come from better crops in Australia and Argentina.

According to the IGC, Ukraine’s wheat production is expected to fall by 15 YoY to 24.5mn tonnes this year as a result of export logistics challenges.

QUOTES AND MULTIPLES FOR SELECTED UKRAINIAN LISTED COMPANIES

	Ticker	Today, UAH*	Absolute performance		MCap USD mn	EV USD mn	Free float	P/E		EV/EBITDA		EV/Sales 2024E
			1W	YtD				2023	2024E	2023	2024E	
UX Index	UX	1384	-1.9%	-17.9%								
Iron Ore Mining												
Ferrexpo	FXPO	43.2	-14.4%	-52.1%	326	195	25.5%	4.1	2.7	1.4	1.1	0.2
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	14.9	0.0%	0.0%	43	28	5.0%	14.6	12.1	3.9	3.6	0.5
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	13.4	-9.3%	-15.0%	54	21	21.6%	1.9	1.6	0.4	0.4	0.2
Power Utilities												
Centrenergo	CEEN	3.40	-2.9%	-24.3%	32	32	21.7%	neg	11.7	neg	2.9	0.1
Agro sector												
MHP	MHPC	3.30	-2.7%	3.1%	353	1,454	33.7%	3.4	5.0	3.5	3.5	0.6
Kernel (FY22, FY23, FY24E)	KER	9.14	-1.9%	-0.1%	674	1,269	5.4%	neg	1.8	2.3	1.9	0.3
Astarta	AST	29.30	-2.5%	2.1%	180	338	37.0%	2.1	1.9	1.7	1.6	0.5
Banks												
Raiffeisen Bank Aval	BAVL	0.25	-2.0%	-21.9%	391		1.8%	2.7	3.8	0.7	0.7	0.09

Source: UX. PFTS. LSE. WSE. Eavex Research
* companies listed abroad are in traded currency

QUOTES AND MULTIPLES FOR SELECTED U.S. COMPANIES

	Ticker	Price USD	Absolute performance		MCap USD mn	EV USD mn	P/E		EV/EBITDA		EV/Sales 2024E	
			1W	YtD			2023	2024E	2023	2024E		
Индекс S&P 500	S&P 500	5234	2.3%	9.8%								
Technology sector												
Apple	AAPL	172	-0.3%	-10.6%	2,683,103	2,745,103		28.2	30.5	21.8	23.9	7.3
Microsoft	MSFT	428	2.9%	13.8%	3,179,612	3,217,612		40.9	43.3	28.0	27.3	14.3
Palantir Technologies	PLTR	24.18	2.9%	40.8%	52,290	49,246		326.8	149.4	182.4	98.5	17.9
Electric Utilities												
American Electric Power	AEP	82.95	1.0%	2.1%	43,172	85,508		19.2	18.0	11.9	10.7	4.3
Dominion Energy	D	48.32	1.0%	2.8%	40,434	82,957		25.0	23.8	11.0	10.5	4.5
Oil & Gas												
Exxon Mobil	XOM	113.00	1.5%	13.0%	454,825	456,135		10.8	9.9	5.7	5.4	1.3
Devon Energy	DVN	48.37	1.6%	6.8%	30,812	36,638		8.0	7.3	4.8	4.4	2.1
PBF Energy	PBF	56.29	-0.6%	28.0%	6,879	7,049		2.2	2.5	1.5	1.6	0.2
Transportation												
Nordic American Tankers	NAT	3.93	-3.2%	-6.4%	821	1,007		7.1	6.7	6.8	6.5	1.9
Pharmaceutical												
Pfizer	PFE	27.36	-2.1%	-5.0%	154,475	174,475		14.7	13.2	9.5	8.3	2.4
Bristol-Myers Squibb	BMJ	51.93	-0.8%	1.2%	106,820	138,420		12.9	12.2	7.1	6.9	3.0

Source: Bloomberg

MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
Iron Ore Mining																
Ferrexpo	FXPO	1,248	750	850	765	140	170	61.3%	18.7%	20.0%	220	80	120	17.6%	10.7%	14.1%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	111	84	56	5	7	8	4.4%	8.5%	13.9%	1	3	4	1.1%	3.5%	6.4%
Oil & Gas																
Regal Petroleum	RPT	131	80	95	86	49	57	65.7%	61.3%	60.0%	55	28	34	41.9%	35.0%	35.8%
Electric Utilities																
Centrenerg	CEEN	323	200	208	-171	-1	13	-53.0%	-0.7%	6.2%	-224	-10	5	-69.3%	-4.8%	2.6%
Agro sector																
MHP	MHPC	2,642	2,774	2,550	384	410	415	14.5%	14.8%	16.3%	-231	105	70	-8.7%	3.8%	2.7%
Kernel (FY22, FY23, FY24E)	KER	5,332	3,455	3,800	220	544	680	4.1%	15.7%	17.9%	-41	299	370	-0.8%	8.7%	9.7%
Astarta	AST	561	628	688	170	199	211	30.3%	31.7%	30.7%	72	85	94	12.8%	13.5%	13.6%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	4,238	4,977	5,000	466	575	662	314	594	500	43	126	103	9.2%	21.9%	15.5%

Source: Eavex Research

FINANCIAL FORECASTS FOR SELECTED U.S. COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
Technology sector																
Apple	AAPL	383,285	378,000	375,000	125,820	126,000	115,000	32.8%	33.3%	30.7%	96,995	95,000	88,000	25.3%	25.1%	23.5%
Microsoft	MSFT	211,915	219,000	225,000	102,384	115,000	118,000	48.3%	52.5%	52.4%	72,361	77,800	73,500	34.1%	35.5%	32.7%
Palantir Technologies	PLTR	1,906	2,300	3,100	-334	270	750	-17.5%	11.7%	24.2%	-374	160	570	-19.6%	7.0%	18.4%
Electric Utilities																
American Electric Power	AEP	19,640	19,300	20,100	7,102	7,200	8,000	36.2%	37.3%	39.8%	2,307	2,250	2,400	11.7%	11.7%	11.9%
Dominion Energy	D	17,174	18,050	18,450	4,849	7,550	7,900	28.2%	41.8%	42.8%	994	1,620	1,700	5.8%	9.0%	9.2%
Oil & Gas																
Exxon Mobil	XOM	398,675	348,000	350,000	102,591	80,000	85,000	25.7%	23.0%	24.3%	55,740	42,000	46,000	14.0%	12.1%	13.1%
Devon Energy	DVN	19,169	15,600	17,500	10,368	7,700	8,400	54.1%	49.4%	48.0%	6,015	3,850	4,200	31.4%	24.7%	24.0%
PBF Energy	PBF	46,830	42,000	38,000	3,811	4,785	4,500	8.1%	11.4%	11.8%	2,876	3,100	2,750	6.1%	7.4%	7.2%
Transportation																
Nordic American Tankers	NAT	339	450	520	42	147	155	12.4%	32.7%	29.8%	15	115	122	4.4%	25.6%	23.5%
Pharmaceutical																
Pfizer	PFE	100,330	69,000	73,000	39,576	18,400	21,000	39.4%	26.7%	28.8%	31,372	10,500	11,700	31.3%	15.2%	16.0%
Bristol-Myers Squibb	BMJ	46,159	44,900	45,600	18,540	19,600	20,200	40.2%	43.7%	44.3%	6,327	8,300	8,750	13.7%	18.5%	19.2%

Source: Bloomberg

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