

Stock Market Update

Equity

The dollar demonstrated a noticeable surge against other currencies amid escalating geopolitical risks. Additionally, a significant factor strengthening the American currency is the shift in expectations regarding the onset of a cycle of lower interest rates by the Federal Reserve. Following the release of inflation data in the US, which turned out worse than forecasted, market players speculate that the US Central Bank will not lower its key rate until September, thereby keeping the value of money at a relatively high level. The yield on the 10-year US bonds increased by approximately 20 basis points to 4.6% this week. Currently, the 1-year yield on US bonds stands at 5.1%.

On the currency market, the dollar gained 1.5% against the euro last week (1.06 EUR/USD). The hryvnia also felt the strengthening of the dollar. On the interbank market, the exchange rate rose by 50 kopecks to 39.48 USD/UAH.

A force majeure event occurred on the Ukrainian stock market. CentrEnerg (CEEN), a company whose shares are traded on the exchange, suffered critical damage to its Trypil'ska Thermal Power Plant as a result of Russian missile strikes. The last indicative price of CentrEnerg shares was UAH 3.00 (MCap of USD 28mn). For comparison, in 2007, the market capitalization of CentrEnerg on the exchange briefly reached up to USD 2bn.

Ukrainian agro companies listed abroad were highly volatile over the week. Kernel (KER) surged by 22% to PLN 11.24 (MCap of USD 818mn) while Astarta (AST) decreased by 4.3% to PLN 27.95 (MCap of USD 169mn).

Highlights

POLITICS AND ECONOMICS

- Chasiv Yar is New Donbas Hotspot as US Inches Toward Ukraine Aid Approval

STOCKS IN THE NEWS

- Trypil'ska TPP CentrEnerg Is Destroyed by Russian Missile Strikes. The Company Announces the Complete Loss of Its Production Capacity.

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	1327	1.0%	-21.2%
RTS	1165	0.8%	7.6%
WIG20	2446	-1.0%	4.4%
MSCI EM	1041	-0.4%	1.7%
MSCI Global	765	-1.4%	5.2%
S&P 500	5123	-1.6%	7.4%

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	14.5%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond	16.1%	-0.1 p.p.	-0.7 p.p.
Ukraine-2026s	75.1%	-1.2 p.p.	-12.3 p.p.
Ukraine-2034s	32.3%	-0.5 p.p.	-6.4 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	39.60	0.6%	4.2%
EUR/UAH	42.85	-0.1%	2.0%

Source: Eavex Capital

Chasiv Yar is New Donbas Hotspot as US Inches Toward Ukraine Aid Approval

by Will Ritter
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NEWS

President Zelenskiy said on Sunday (Apr 14) that the situation on the front line of the war has worsened for Ukraine in recent days, especially in Donetsk province. Zelenskiy's comments echoed those of top military commander Gen. Oleksander Syrskiy, who said two days earlier that unseasonably warm & dry weather is helping Russian forces in their push to capture the strategic town of Chasiv Yar, which is located 10km west of last year's key hotspot, the city of Bakhmut. Further to the south in Donetsk province, Ukraine lost control of the fortified town of Avdiyivka in mid-February after a 4-month battle. Chasiv Yar is important because it is located on high ground, and its loss could expose the last major Donbas cities under Ukrainian control - Slavyansk and Kramatorsk - to Russian assaults.

In an article published in US-government-funded outlet RFE/RL last week, a Ukrainian military press officer based in Zaporizhia province said that if Western countries do not step up the supply of ammunition, "we will have to choose between holding territory and saving the lives of our soldiers".

Meanwhile in the US, the USD 60bn aid package for Ukraine proposed by the Biden administration continued to be hung up in Congress, with House of Representatives Speaker Michael Johnson announcing that he may float an alternative proposal in which Ukraine receives US aid in the form of loans instead of grants. However, former Republican presidential nominee Senator Mitt Romney called the loan idea a "fig leaf", saying that Ukraine would be unable to repay loans due to the destruction of the war.

COMMENTARY

The months-long haggling over the Ukraine aid in Congress finally appears to be nearing its conclusion, although the exact form of the package remains uncertain. A small number of hard-line Republicans are actively trying to block the Ukraine money by threatening to depose Johnson from the speakership if he moves forward with a vote, but such a move is likely to fail, we believe.

The expectation that Ukraine could lose new swaths of territory to Russia in the coming months without American aid has galvanized Ukraine's supporters to get the deal over the finish line. Nonetheless, the longer-term outlook for the war's trajectory after Ukraine receives the aid remains cloudy; US Republican Senator J.D. Vance stated in a widely-read opinion published by the New York Times on Saturday (Apr 13) that USD 60bn will be insufficient for Zelenskiy's government to achieve its stated objective of recovering all the territory occupied by Russia since 2014, and that Ukraine should therefore pivot to a defensive strategy to prevent slippage from the current front lines. Ironically, Vance's view appears to align quite closely with the Democratic Biden administration's de-facto policy on Ukraine, although no top figures in the administration - neither Secretary of State Tony Blinken, nor National Security Council head Jake Sullivan, nor President Biden himself - have outlined the US strategy in clear terms.

Trypilaska TPP CentrEnergO Is Destroyed by russian Missile Strikes. The Company Announces the Complete Loss of Its Production Capacity.

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 3.00 Market Cap: USD 28mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2023	-0.2	0.1	neg	neg	0.0%
2024E	neg	0.3	neg	neg	0.0%

NEWS

In a devastating assault on April 11th, the entire generation capacity of CentrEnergO was obliterated by a massive russian attack. Specifically, a direct missile hit targeted the Trypilaska Thermal Power Plant (TPP), situated in the Kyiv region. According to the majority state-owned CentrEnergO, the strikes resulted in a massive fire outbreak within the turbine workshop.

Prior to this, on March 22, 2024, the Zmiivska TPP of CentrEnergO in the Kharkiv region was completely destroyed, and on July 25, 2022, russian army occupied the Vuhlehirska Thermal Power Plant belonging to the company in the Donetsk region.

“As of today, CentrEnergO has lost 100% of its generation capacity,” stated the company.

The Trypilaska Thermal Power Plant was the most powerful station in the Kyiv region and served as the major electricity supplier to Kyiv, Cherkasy, and Zhytomyr regions.

COMMENTARY

The unprecedented Russian assaults on Ukraine’s civilian and energy infrastructure represent blatant acts of terrorism. Military risks are once again heightened, worsening forecasts for economic recovery in the country.

While the prospects for rebuilding the Trypilaska TPP are currently unquantifiable, the Chairman of the Supervisory Board of CentrEnergO cautiously noted that the restoration of this plant is entirely feasible. Moreover, international partners have already pledged to provide necessary equipment such as transformers and turbines. However, the rebuilt station will undoubtedly become a new target for the enemy, necessitating additional protection through top-tier air defense systems. Additionally, some acceleration in the reconstruction of the devastated power plants can be expected thanks to Lithuania’s offer to dismantle its thermal power stations for spare parts, which the Ukrainian government has accepted.

The loss of the Zmiivska and Trypilaska Thermal Power Plants significantly complicates the operation of the Ukrainian energy system, as the deficit in production capacity poses a threat of emergency power outages during peak load hours. Currently, balancing the energy system relies on importing electricity from Europe, but the technical capabilities of import are limited, which fails to fully resolve the problem of power plant shutdowns. An additional consequence of electricity shortages in the system will be an increase in its cost for both industrial and household consumers.

Industrial consumers should consider establishing their own generation capacity. russian attacks also target transmission lines, which means that businesses may be left without physical access to electricity under such critical conditions, where even increased imports won’t suffice.

Furthermore, russians have staged a new provocation at the occupied Zaporizhzhia Nuclear Power Plant. In total, over the two years of the plant’s occupation, more than 150 serious operational breaches have been recorded, each subsequent breach posing a potentially fatal threat to the Nuclear Plant.

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	1327	1.0%	-21.2%								
Iron Ore Mining												
Ferrexpo	FXPO	45.6	3.5%	-49.5%	341	210	25.5%	4.3	2.8	1.5	1.2	0.2
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	14.9	0.0%	0.0%	43	28	5.0%	14.5	12.0	3.9	3.5	0.5
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	16.0	11.1%	1.8%	64	31	21.6%	2.3	1.9	0.6	0.5	0.3
Power Utilities												
Centrenergo	CEEN	3.00	0.0%	-33.2%	28	28	21.7%	neg	neg	neg	neg	n/a
Agro sector												
MHP	MHPC	3.24	1.3%	1.3%	347	1,448	33.7%	3.3	5.0	3.5	3.5	0.6
Kernel (FY22, FY23, FY24E)	KER	11.24	22.8%	22.8%	818	1,413	5.4%	neg	2.2	2.6	2.1	0.4
Astarta	AST	27.95	-4.3%	-2.6%	169	327	37.0%	2.0	1.8	1.6	1.6	0.5
Banks												
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.23	0.0%	-28.1%	357		1.8%	2.5	3.5	0.6	0.6	0.08

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	5123	-1.6%	7.4%								
Technology sector												
Apple	AAPL	176	4.1%	-8.6%	2,745,500	2,807,500		28.9	31.2	22.3	24.4	7.5
Microsoft	MSFT	422	-0.7%	12.2%	3,135,038	3,173,038		40.3	42.7	27.6	26.9	14.1
Palantir Technologies	PLTR	22.67	-1.3%	32.0%	49,025	45,981		306.4	140.1	170.3	92.0	16.7
Electric Utilities												
American Electric Power	AEP	82.10	-2.2%	1.1%	42,730	85,066		19.0	17.8	11.8	10.6	4.2
Dominion Energy	D	48.91	0.7%	4.1%	40,928	83,451		25.3	24.1	11.1	10.6	4.5
Oil & Gas												
Exxon Mobil	XOM	120.00	-0.8%	20.0%	483,000	484,310		11.5	10.5	6.1	5.7	1.4
Devon Energy	DEV	53.42	0.3%	17.9%	34,029	39,855		8.8	8.1	5.2	4.7	2.3
PBF Energy	PBF	59.72	-3.7%	35.9%	7,298	7,468		2.4	2.7	1.6	1.7	0.2
Transportation												
Nordic American Tankers	NAT	3.88	-3.2%	-7.6%	810	996		7.0	6.6	6.8	6.4	1.9
Pharmaceutical												
Pfizer	PFE	25.86	-3.0%	-10.2%	146,006	166,006		13.9	12.5	9.0	7.9	2.3
Bristol-Myers Squibb	MYL	48.28	-5.9%	-5.9%	99,312	130,912		12.0	11.3	6.7	6.5	2.9

Source: Bloomberg

MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	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	427	89	-171	-18	-189	-53.0%	-4.1%	-213.1%	-224	-25	-316	-69.3%	-5.8%	neg
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	4,211	4,231	466	591	575	314	389	385	43	142	103	9.2%	24.1%	17.8%

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	2,750	-334	270	500	-17.5%	11.7%	18.2%	-374	160	350	-19.6%	7.0%	12.7%
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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