

## Stock Market Update

### Ukrainian Equities Rally on International Markets

Shares of Ukrainian companies listed abroad gained over the week. MHP's (MHPC) stock rose 11.8% to USD 4.85, lifting its market capitalization to USD 519mn.

Sugar maker Astarta (AST) advanced by 6.1% to PLN 39.80 (MCap of USD 240mn).

Ferrexpo (FXPO) saw a sharp 46% surge to Gbp 119, bringing its market value to USD 904mn.

### The Hryvnia Exchange Rate Finds Support

On the currency front, the hryvnia had a certain boost on the interbank market as the National bank continued to intervene pushing the exchange rate back to 41.40 UAH/USD from a week point of 41.70 UAH/USD at the start of last week. On the cash market the hryvnia gained by 0.2% to 41.75 UAH/USD.

### Global Markets Sustain Upward Momentum

Global financial markets extended their bullish trend, bolstered by a robust tech sector. Bitcoin, often regarded as a speculative asset, hit a record high of USD 100,000, fueling risk-on sentiment.

Meanwhile, traders are increasingly optimistic about a rate cut by the U.S. Federal Reserve. The probability of a 25-basis-point cut on December 18 has risen from 70% to 90%. However, projections for the pace of rate reductions in 2025 are being reassessed. Strong U.S. economic data may prompt the Fed to delay further cuts until at least March.

## Highlights

### POLITICS AND ECONOMICS

- > Trump Says Zelenskyy Wants to "Stop the Madness" after Paris Meeting
- > Ukraine's FX Reserves Return to Level of USD 40bn in November

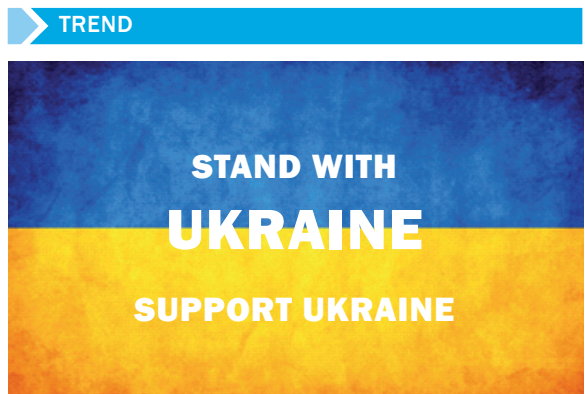
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[www.bank.gov.ua/en/about/support-the-armed-forces](http://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](http://www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine)

[www.eavex.com.ua](http://www.eavex.com.ua)



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](http://www.u24.gov.ua)

| MARKET INDEXES |      |       |        |
|----------------|------|-------|--------|
|                | Last | 1W ch | YTD    |
| UX             | 1194 | 0.0%  | -29.1% |
| RTS            | 803  | 6.6%  | -25.9% |
| WIG20          | 2310 | 5.4%  | -1.4%  |
| MSCI EM        | 1105 | 2.5%  | 7.9%   |
| MSCI Global    | 873  | 1.3%  | 20.1%  |
| S&P 500        | 6090 | 1.0%  | 27.7%  |

| FIXED INCOME          |       |           |           |
|-----------------------|-------|-----------|-----------|
|                       | Last  | 1W ch     | YTD       |
| NBU Key Rate          | 13.0% | 0.0 p.p.  | -2.0 p.p. |
| UAH 1-year bond yield | 14.7% | 0.0 p.p.  | -2.2 p.p. |
| Ukraine-2029 yield    | 13.2% | -0.6 p.p. | -1.7 p.p. |
| Ukraine-2036 yield    | 8.8%  | -0.3 p.p. | -1.6 p.p. |

| CASH EXCHANGE RATES |           |       |      |
|---------------------|-----------|-------|------|
|                     | Last, UAH | 1W ch | YTD  |
| USD/UAH             | 41.75     | -0.2% | 9.9% |
| EUR/UAH             | 44.35     | 0.0%  | 5.6% |

Source: Eavex Capital

## Trump Says Zelenskiy Wants to “Stop the Madness” after Paris Meeting

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### NEWS

Incoming US President Donald Trump held a 30-minute meeting with President Zelenskiy and French President Emmanuel Macron at the Elysee Palace in Paris on Saturday (Dec 7), after which he called for an immediate ceasefire that would “stop the madness” of the Ukraine-Russia war.

Trump wrote on social media that Zelenskiy “would like to make a deal”, and said that for Russian President Putin, it is “time to act”.

Trump also called on China to get involved in the peace process, without specifying what Beijing’s role would be. Meanwhile, Zelenskiy administration chief Andriy Yermak traveled to Washington last week for a meeting with top incoming Trump administration officials, including Vice President-elect J.D. Vance, National Security Council Director Michael Waltz, and special Ukraine-Russia envoy Keith Kellogg. Few specifics emerged from the meeting.

### COMMENTARY

Trump’s in-person meeting with Zelenskiy, arranged by Macron, looks like a public relations victory for all three of the participants.

The initial takeaway is that Trump, who is still 40 days from taking office, has now put the ball for negotiations to end the war into Putin’s court. Notably, he managed to do so without explicitly forcing Zelenskiy to admit the loss of any Ukrainian territory.

In our view, it is unlikely that Putin will agree to any talks on a ceasefire without first making additional demands of Zelenskiy that are designed to be refused. We disagree with the interpretation that the recent loss of Russian ally Bashar Assad in Syria weakens Putin’s negotiating position; if anything, letting Syria go allows Putin to focus his military resources more squarely on Ukraine.

If Putin refuses negotiations, that would send the ball back into Trump’s court in terms of what level of financial and political support he would decide to offer to Ukraine, and to the Zelenskiy-Yermak government specifically, to continue to fight the war.

The current situation of limbo, we think, could last until Trump replaces Joseph Biden in the White House on Jan 20. At that point, Trump will have to begin dealing with Putin in earnest.

**Ukraine's FX Reserves Return to Level of USD 40bn in November**

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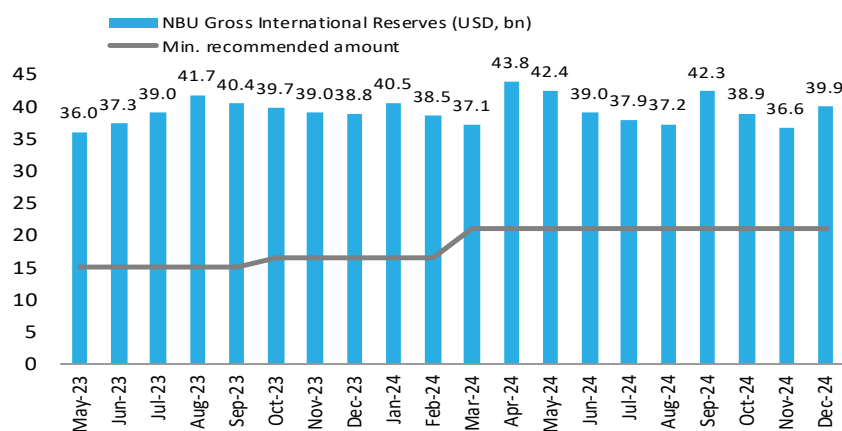
**NEWS**

Ukrainian FX reserves rose from USD 36.6bn to USD 39.9bn in November as the country received USD 6.7bn in financial assistance from international partners, including USD 4.8bn disbursement from the World Bank.

The National Bank spent USD 2.7bn on interventions to support the hryvnia on the interbank market last month. Since the start of the year, the interventions amounted to USD 29.7bn.

The hryvnia devaluated by 0.5% in November. Since the start of the year, the Ukrainian currency has devaluated by 9.0%.

**UKRAINE'S FX RESERVES, USD bn**



Source: National Bank of Ukraine

**COMMENTARY**

The government spent USD 698mn from the FX reserves to service foreign currency-denominated debt in November, including the repayment of USD 311mn of USD-denominated domestic bonds.

The National Bank said that the FX reserves now cover 5.0 months of future imports, a sufficient ratio compared to a minimal recommended 3 months of future imports.

The higher level of the FX reserve should help the regulator to continue its practice of supporting hryvnia. Last week alone the National Bank sold USD 785mn on the interbank market, which was 26% above the average weekly amount of intervention. This could indicate, that the imbalance in the currency market is rising.

However, there is a historical pattern that the population tends to sell more foreign currency ahead of the New Year holidays, helping the hryvnia to be more stable in that period. Therefore, we assume that the next substantial move in the UAH/USD exchange rate will be in late January as the devaluation pressure on the hryvnia continues to persist amid a widening current account deficit. The National Bank reported that Ukraine's current account deficit was USD 13bn in 10M2024 compared to USD 7.1bn in 10M2023.

**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     | 1194        | 0.0%                 | -29.1% |             |           |            |      |       |           |       |                |
| <b>Iron Ore Mining</b>       |        |             |                      |        |             |           |            |      |       |           |       |                |
| Ferrexpo                     | FXPO   | 119.0       | 46.4%                | 31.9%  | 904         | 773       | 25.5%      | 11.3 | 7.5   | 5.5       | 4.5   | 0.9            |
| <b>Railcar Manufacturing</b> |        |             |                      |        |             |           |            |      |       |           |       |                |
| Kryukiv Wagon                | KVBZ   | 15.2        | 0.0%                 | 1.9%   | 42          | 26        | 5.0%       | 14.0 | 11.6  | 3.7       | 3.4   | 0.5            |
| <b>Oil &amp; Gas</b>         |        |             |                      |        |             |           |            |      |       |           |       |                |
| Enwell Energy (ex-Regal)     | ENW    | 19.5        | -7.1%                | 23.8%  | 79          | -14       | 21.6%      | 2.8  | 2.3   | na        | na    | na             |
| <b>Power Utilities</b>       |        |             |                      |        |             |           |            |      |       |           |       |                |
| Centrenergo                  | CEEN   | 3.72        | 0.0%                 | -17.1% | 33          | 33        | 21.7%      | neg  | neg   | neg       | neg   | n/a            |
| <b>Agro sector</b>           |        |             |                      |        |             |           |            |      |       |           |       |                |
| MHP                          | MHPC   | 4.85        | 11.8%                | 51.6%  | 519         | 1,688     | 33.7%      | 3.7  | 3.2   | 3.8       | 3.1   | 0.5            |
| Kernel (FY22, FY23, FY24E)   | KER    | 13.28       | -0.4%                | 45.1%  | 965         | 1,560     | 5.4%       | neg  | 2.6   | 2.9       | 2.3   | 0.4            |
| Astarta                      | AST    | 39.80       | 6.1%                 | 38.7%  | 240         | 399       | 37.0%      | 2.8  | 2.6   | 2.0       | 1.9   | 0.6            |
| <b>Banks</b>                 |        |             |                      |        |             |           |            |      |       |           |       |                |
| Raiffeisen Bank Aval         | BAVL   | 0.25        | 0.0%                 | -21.9% | 368         |           | 1.8%       | 2.6  | 3.6   | 0.6       | 0.6   | 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 | 6090      | 1.0%                 | 27.7%  |             |           |      |       |           |       |                |      |
| <b>Technology sector</b>  |         |           |                      |        |             |           |      |       |           |       |                |      |
| Apple                     | AAPL    | 243       | 2.5%                 | 26.2%  | 3,788,167   | 3,850,167 |      | 39.1  | 43.0      | 28.9  | 33.5           | 10.3 |
| Microsoft                 | MSFT    | 444       | 4.9%                 | 18.0%  | 3,295,282   | 3,333,282 |      | 38.2  | 44.8      | 26.1  | 28.2           | 14.8 |
| Palantir Technologies     | PLTR    | 76.34     | 13.8%                | 344.6% | 165,088     | 162,044   |      | 786.1 | 471.7     | 591.4 | 324.1          | 58.9 |
| <b>Electric Utilities</b> |         |           |                      |        |             |           |      |       |           |       |                |      |
| American Electric Power   | AEP     | 95.85     | -4.0%                | 18.0%  | 49,886      | 92,222    |      | 22.7  | 20.8      | 12.8  | 11.5           | 4.6  |
| Dominion Energy           | D       | 56.05     | -4.6%                | 19.3%  | 46,903      | 89,426    |      | 24.6  | 27.6      | 13.2  | 11.3           | 4.8  |
| <b>Oil &amp; Gas</b>      |         |           |                      |        |             |           |      |       |           |       |                |      |
| Exxon Mobil               | XOM     | 113.57    | -3.7%                | 13.6%  | 509,475     | 510,785   |      | 14.2  | 11.1      | 6.9   | 6.0            | 1.5  |
| Devon Energy              | DEV     | 34.99     | -7.8%                | -22.8% | 22,289      | 28,115    |      | 5.9   | 5.3       | 3.7   | 3.6            | 1.6  |
| PBF Energy                | PBF     | 30.22     | -4.0%                | -31.3% | 3,693       | 3,863     |      | 1.7   | 4.3       | 1.1   | 4.1            | 0.1  |
| <b>Transportation</b>     |         |           |                      |        |             |           |      |       |           |       |                |      |
| Nordic American Tankers   | NAT     | 2.68      | 0.0%                 | -36.2% | 560         | 746       |      | 5.7   | 4.6       | 4.2   | 4.8            | 1.4  |
| <b>Pharmaceutical</b>     |         |           |                      |        |             |           |      |       |           |       |                |      |
| Pfizer                    | PFE     | 25.73     | -1.8%                | -10.6% | 145,272     | 165,272   |      | 68.5  | 18.6      | 17.2  | 7.9            | 2.6  |
| Bristol-Myers Squibb      | MYL     | 59.38     | 0.3%                 | 15.7%  | 122,145     | 153,745   |      | 14.9  | 81.4      | 7.9   | 76.9           | 3.4  |

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 |
| <b>Iron Ore Mining</b>       |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
| Ferrexpo                     | FXPO | 1,248        | 750   | 850   | 765          | 140  | 170   | 61.3%         | 18.7% | 20.0% | 220        | 80   | 120   | 17.6%             | 10.7% | 14.1% |
| <b>Railcar Manufacturing</b> |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
| Kryukiv Wagon                | KVBZ | 111          | 84    | 56    | 5            | 7    | 8     | 4.4%          | 8.5%  | 13.9% | 1          | 3    | 4     | 1.1%              | 3.5%  | 6.4%  |
| <b>Oil &amp; Gas</b>         |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
| Regal Petroleum              | RPT  | 131          | 80    | 95    | 86           | 49   | 57    | 65.7%         | 61.3% | 60.0% | 55         | 28   | 34    | 41.9%             | 35.0% | 35.8% |
| <b>Electric Utilities</b>    |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
| Centrenerg                   | CEEN | 323          | 427   | 89    | -171         | -18  | -189  | -53.0%        | -4.1% | na    | -224       | -25  | -316  | -69.3%            | na    | na    |
| <b>Agro sector</b>           |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
| MHP                          | MHPC | 2,642        | 3,021 | 3,100 | 384          | 445  | 550   | 14.5%         | 14.7% | 17.7% | -231       | 142  | 160   | -8.7%             | 4.7%  | 5.2%  |
| 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% |
| <b>Banks</b>                 |      |              |       |       |              |      |       |               |       |       |            |      |       |                   |       |       |
|                              |      | 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      | 2023    | 2024E   | 2022    | 2023    | 2024E   | 2022          | 2023  | 2024E | 2022       | 2023   | 2024E  | 2022              | 2023  | 2024E |
| <b>Technology sector</b>  |      |           |         |         |         |         |         |               |       |       |            |        |        |                   |       |       |
| Apple                     | AAPL | 383,285   | 383,000 | 375,000 | 125,820 | 133,000 | 115,000 | 32.8%         | 34.7% | 30.7% | 96,995     | 97,000 | 88,000 | 25.3%             | 25.3% | 23.5% |
| Microsoft                 | MSFT | 211,915   | 236,500 | 225,000 | 102,384 | 127,700 | 118,000 | 48.3%         | 54.0% | 52.4% | 72,361     | 86,200 | 73,500 | 34.1%             | 36.4% | 32.7% |
| Palantir Technologies     | PLTR | 1,906     | 2,225   | 2,750   | -334    | 274     | 500     | -17.5%        | 12.3% | 18.2% | -374       | 210    | 350    | -19.6%            | 9.4%  | 12.7% |
| <b>Electric Utilities</b> |      |           |         |         |         |         |         |               |       |       |            |        |        |                   |       |       |
| American Electric Power   | AEP  | 19,640    | 18,950  | 20,100  | 7,102   | 7,200   | 8,000   | 36.2%         | 38.0% | 39.8% | 2,307      | 2,200  | 2,400  | 11.7%             | 11.6% | 11.9% |
| Dominion Energy           | D    | 17,174    | 14,400  | 18,450  | 4,849   | 6,800   | 7,900   | 28.2%         | 47.2% | 42.8% | 994        | 1,910  | 1,700  | 5.8%              | 13.3% | 9.2%  |
| <b>Oil &amp; Gas</b>      |      |           |         |         |         |         |         |               |       |       |            |        |        |                   |       |       |
| Exxon Mobil               | XOM  | 398,675   | 335,000 | 350,000 | 102,591 | 74,300  | 85,000  | 25.7%         | 22.2% | 24.3% | 55,740     | 36,000 | 46,000 | 14.0%             | 10.7% | 13.1% |
| Devon Energy              | DVN  | 19,169    | 15,300  | 17,500  | 10,368  | 7,700   | 7,750   | 54.1%         | 50.3% | 44.3% | 6,015      | 3,750  | 4,200  | 31.4%             | 24.5% | 24.0% |
| PBF Energy                | PBF  | 46,830    | 38,300  | 35,700  | 3,811   | 3,540   | 950     | 8.1%          | 9.2%  | 7.7%  | 2,876      | 2,140  | 850    | 6.1%              | 5.6%  | 2.4%  |
| <b>Transportation</b>     |      |           |         |         |         |         |         |               |       |       |            |        |        |                   |       |       |
| Nordic American Tankers   | NAT  | 339       | 392     | 520     | 42      | 179     | 155     | 12.4%         | 45.7% | 29.8% | 15         | 99     | 122    | 4.4%              | 25.3% | 23.5% |
| <b>Pharmaceutical</b>     |      |           |         |         |         |         |         |               |       |       |            |        |        |                   |       |       |
| Pfizer                    | PFE  | 100,330   | 58,500  | 64,200  | 39,576  | 9,600   | 21,000  | 39.4%         | 16.4% | 32.7% | 31,372     | 2,120  | 7,800  | 31.3%             | 3.6%  | 12.1% |
| Bristol-Myers Squibb      | BMJ  | 46,159    | 45,000  | 45,600  | 18,540  | 19,400  | 2,000   | 40.2%         | 43.1% | 4.4%  | 6,327      | 8,220  | 1,500  | 13.7%             | 18.3% | 3.3%  |

Source: Bloomberg

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