

## Stock Market Update

### Ukrainian Stocks Show Mixed Performance; Kernel Falls Despite Strong Earnings

The shares of major Ukrainian companies listed on foreign exchanges exhibited mixed trends last week. Notably, Kernel's stock slipped 0.6%, surprising investors despite the release of strong quarterly results. For the July-September period, Kernel posted a net profit of USD 121mn, a significant turnaround from a net loss of USD 31mn during the same period last year. The company's current market capitalization stands at USD 954mn. Quarterly revenue rose 46% YoY to USD 798mn.

MHP (MHPC) shares saw a relatively neutral market reaction following news of the company's plans to acquire a Spanish meat producer to boost its EU market expansion. MHP's market cap rose 1.9% to USD 529mn.

IMC shares outperformed peers, surging 11.5% to PLN 15.95, translating to a market capitalization of USD 130mn.

Milkiland (MLK) also saw a robust gain, with shares climbing 9.7% to PLN 1.24, giving the company a market cap of USD 10mn

### S&P 500 Edges Down Amid Correction Fears

In the U.S. equity market, signs of a potential correction emerged as the S&P 500 slipped 0.6%.

### Broadcom Hits USD 1 Trillion

Losses in the S&P 500 index were mitigated by new record highs in select technology stocks. Among them, chipmaker Broadcom made headlines as its market capitalization surpassed USD 1 trillion for the first time.

## Highlights

### POLITICS AND ECONOMICS

- > National Bank Surprises With 50 bps Key Rate Increase to 13.5%

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)

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

## MARKET INDEXES

	Last	1W ch	YTD
UX	1194	0.0%	-29.1%
RTS	756	-5.9%	-30.2%
WIG20	2273	-1.6%	-2.9%
MSCI EM	1107	0.2%	8.1%
MSCI Global	866	-0.8%	19.1%
S&P 500	6051	-0.6%	26.9%

## FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	13.0%	0.0 p.p.	-2.0 p.p.
UAH 1-year bond yield	15.1%	0.5 p.p.	-1.7 p.p.
Ukraine-2029 yield	16.5%	-0.9 p.p.	-3.9 p.p.
Ukraine-2036 yield	14.6%	-0.2 p.p.	-2.4 p.p.

## CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.90	0.4%	10.3%
EUR/UAH	44.35	0.0%	5.6%

Source: Eavex Capital

**National Bank Surprises With 50 bps Key Rate Increase to 13.5%**

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**NEWS**

The National Bank decided to increase the key interest rate from 13% to 13.5% in response to higher consumer inflation, which accelerated to 11.2% YoY in November.

The regulator also raised the yield for the 3-month deposit certificates to 16.0% and the refinancing rate to 16.5%.

**NATIONAL BANK KEY POLICY RATE**



Source: National Bank of Ukraine

**COMMENTARY**

Earlier, there was a baseline forecast scenario with the assumption of resuming the cycle of rate cuts at the beginning of 2025. In contrast, the regulator reacted decisively to November’s higher-than-expected inflation figure.

The general view is that inflation in Ukraine was spurred by the higher cost of electricity for business after Russia renewed a targeted attack on energy infrastructure causing blackouts across Ukraine and prolonged periods of electricity shortage. The war escalation led to a 4.0% MoM increase in food prices in Ukraine in November.

Although the National Bank kept its precise influence on the interbank currency exchange rate, the hryvnia continued to weaken as devaluation pressure persisted due to the widening current account deficit and overall devaluation expectations among both population and businesses.

The National Bank remained committed to bringing inflation back to a 5% level by 2027. Therefore, the hawkish monetary policy should help to stabilize the hryvnia and slow down the inflation pace. The latest forecasts indicate that inflation could decelerate to 7.5% YoY in 2025. However, the military risks remain a core uncertainty for any positive outlook.

The National Bank signaled that it will hold the key rate at the elevated level at least until the second half of 2025 with an aim to lower the key rate to 12% by the end of next year.

**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	105.2	-11.6%	16.6%	793	662	25.5%	9.9	6.6	4.7	3.9	0.8
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	15.2	0.0%	1.9%	41	26	5.0%	14.0	11.6	3.7	3.3	0.5
<b>Oil &amp; Gas</b>												
Enwell Energy (ex-Regal)	ENW	18.5	-5.1%	17.5%	75	-19	21.6%	2.7	2.2	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	4.94	1.9%	54.4%	529	1,698	33.7%	3.7	3.3	3.8	3.1	0.5
Kernel (FY22, FY23, FY24E)	KER	13.20	-0.6%	44.3%	954	1,549	5.4%	neg	2.6	2.8	2.3	0.4
Astarta	AST	40.50	1.8%	41.1%	243	402	37.0%	2.9	2.6	2.0	1.9	0.6
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.25	0.0%	-21.9%	367		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	6051	-0.6%	26.9%								
<b>Technology sector</b>												
Apple	AAPL	248	2.1%	28.8%	3,868,660	3,930,660		39.9	44.0	29.6	34.2	10.5
Microsoft	MSFT	447	0.8%	18.9%	3,320,763	3,358,763		38.5	45.2	26.3	28.5	14.9
Palantir Technologies	PLTR	76.01	-0.4%	342.7%	164,374	161,330		782.7	469.6	588.8	322.7	58.7
<b>Electric Utilities</b>												
American Electric Power	AEP	92.71	-3.3%	14.1%	48,252	90,588		21.9	20.1	12.6	11.3	4.5
Dominion Energy	D	54.04	-3.6%	15.0%	45,221	87,744		23.7	26.6	12.9	11.1	4.8
<b>Oil &amp; Gas</b>												
Exxon Mobil	XOM	110.84	-2.4%	10.9%	497,228	498,538		13.8	10.8	6.7	5.9	1.4
Devon Energy	DVN	33.88	-3.2%	-25.2%	21,582	27,408		5.8	5.1	3.6	3.5	1.6
PBF Energy	PBF	29.26	-3.2%	-33.4%	3,576	3,746		1.7	4.2	1.1	3.9	0.1
<b>Transportation</b>												
Nordic American Tankers	NAT	2.64	-1.5%	-37.1%	551	737		5.6	4.5	4.1	4.8	1.4
<b>Pharmaceutical</b>												
Pfizer	PFE	25.58	-0.6%	-11.1%	144,425	164,425		68.1	18.5	17.1	7.8	2.6
Bristol-Myers Squibb	BMJ	55.78	-6.1%	8.7%	114,739	146,339		14.0	76.5	7.5	73.2	3.2

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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