

Stock Market Update

Ukrainian Agro Stocks Diverge as Astarta Swings, Kernel Puts M&A on Ice

Shares of Ukrainian agricultural companies showed a wide range of performance last week, with Astarta emerging as the most volatile. The stock rallied to a local high of PLN 66.00 before retreating to PLN 61.50, implying a market capitalization of USD 393mn.

A key corporate development came from Kernel, which had considered acquiring a controlling stake in fellow Ukrainian-listed peer IMC. Although the company secured antitrust clearance for the transaction, both sides said talks have been put on hold. IMC shares have surged 90% year-to-date on the Warsaw Stock Exchange and last traded at PLN 30.60, valuing the company at USD 284mn.

IMC reported a net profit of USD 54.5mn for 2024, driven by a 52% jump in revenue to USD 211mn. The company operates a land bank of 120,000 hectares across Chernihiv, Sumy, and Poltava regions, growing corn, wheat, and sunflower.

Kernel's shares edged up 1.5% over the week to PLN 19.70, translating to a USD 1.51bn market cap. Meanwhile, MHP (MHPC) declined 3.3% to USD 5.24 per share, with a capitalization of USD 561mn.

Iron ore miner Ferrexpo (FXPO) advanced by 5.0% last week to close at GBp 65.20 (Mcap of USD 519mn). The benchmark iron ore price has decreased by 3.4% since the start of the year to USD 100 per tonne. The FXPO stock dropped by 42% YTD as the company suffered from controversial legal disputes with tax authorities. The global iron ore market remains under pressure amid weakening demand from China, which accounts for over 70% of seaborne imports. Sluggish property sector activity and a slower-than-expected rebound in infrastructure spending have dampened steel production, weighing on ore prices.

Highlights

POLITICS AND ECONOMICS

- > New US Sanctions on Russian Oil Loom Ahead of Trump-Putin Call
- > Ukraine Inflation Accelerates to 15.1% in April on Weather-Hit Harvest Outlook

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	1194	0.0%	0.0%
RTS	1107	-0.3%	24.0%
WIG20	2810	-1.1%	28.2%
MSCI EM	1172	3.0%	9.0%
MSCI Global	880	3.9%	4.6%
S&P 500	5958	5.3%	1.3%

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.5%	0.0 p.p.	2.0 p.p.
UAH 1-year bond yield	16.4%	0.0 p.p.	0.0 p.p.
Ukraine-2029 yield	19.9%	-1.3 p.p.	4.0 p.p.
Ukraine-2036 yield	15.5%	-0.6 p.p.	1.1 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.70	-0.1%	-1.3%
EUR/UAH	46.85	-0.7%	5.8%

Source: Eavex Capital

New US Sanctions on Russian Oil Loom Ahead of Trump-Putin Call

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NEWS

US President Trump and Russian President Putin are expected to speak by telephone later on Monday (May 19) after Ukraine-Russia peace negotiations last week in Istanbul yielded no substantial results. At the talks, which were led respectively by Ukraine's defense minister Rustem Umerov and Kremlin functionary Vladimir Medinskiy, the Russian side repeated previous demands for Ukraine to withdraw from the areas of Donetsk, Zaporizhia, and Kherson provinces which are controlled by Kyiv.

Bloomberg News reported on Sunday (May 18) that Putin believes that Russia can recapture these territories militarily by the end of 2025.

Meanwhile, Trump has floated the possibility of tough new sanctions against Moscow if Putin refuses to agree to a 30-day pause in fighting. The sanctions proposal has been drawn up by Senator Lindsey Graham, a Trump ally, and would reportedly impose penalties against countries that purchase Russian oil.

In Vatican City on Sunday, President Zelenskiy met with US Secretary of State Marco Rubio and Vice President J.D. Vance, two of Trump's top surrogates, with Trump himself expected to brief Zelenskiy later today on the content of the call with Putin.

COMMENTARY

The near-term implementation of a 30-day ceasefire is looking increasingly unlikely, in our view, following a week of high-level diplomacy that appeared to achieve little.

Last Monday (May 12), the European Union failed to follow through on a threat to impose immediate new sanctions against Moscow if Putin did not agree to a ceasefire within 24 hours, as the EU is clearly reluctant to move aggressively with sanctions if Washington is not on board.

The main problem, we think, is that the Putin regime does not view the threat of US sanctions against its oil industry as credible, since Trump has repeatedly backed off from confrontational stances vis-a-vis Putin. This implies that the Kremlin will maintain its hard-line positions against a ceasefire, and dare the US and EU to respond. Even if Putin's reported belief in Russia's military advantage is exaggerated, the lack of a ceasefire nonetheless puts Ukraine at risk of losing additional territory, particularly in Donetsk and Zaporizhia provinces.

Paradoxically, however, any significant new losses of territory later this year could actually increase Western support for Ukraine, and Trump could change the equation on a dime if he were to throw his weight behind the oil sanctions.

Overall, it is getting harder to envision an end to the war in 2025, implying that elections in Ukraine will not be held this year, and that the current government led by Zelenskiy and presidential administration chief Andriy Yermak will remain in power into 2026, with domestic political opposition largely sidelined.

Ukraine Inflation Accelerates to 15.1% in April on Weather-Hit Harvest Outlook

by Dmitry Churin
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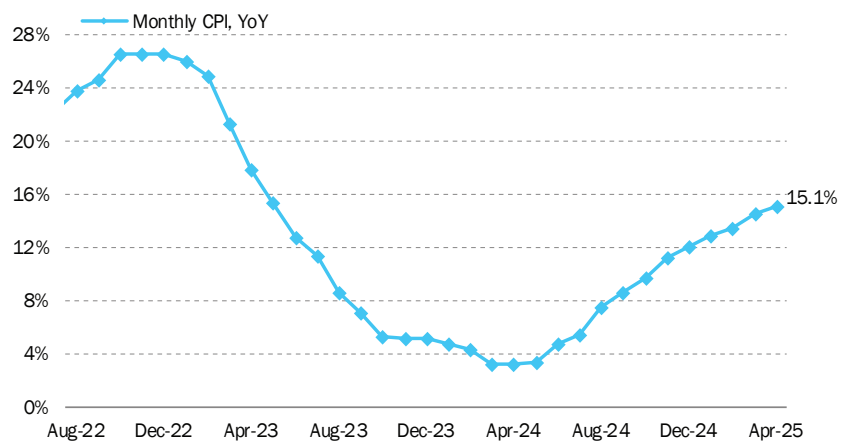
NEWS

Ukraine's annual inflation rate accelerated to 15.1% in April, driven by mounting food prices amid a worsening crop outlook. Late spring frosts damaged blossoming fruit trees, raising concerns over agricultural yields.

Food prices rose 1.8% on the month and surged 19.8% from a year earlier, according to official data.

The National Bank of Ukraine still expects inflation to decelerate to 8.7% by year-end, citing the end of a low base effect from last summer, when a sharp spike in consumer prices was recorded.

UKRAINE'S ROLLING 12-MONTH CPI



Source: State Statistics Committee

COMMENTARY

The upward trajectory of Ukraine's inflation is not yet over, and annual price growth may edge higher again in May. However, inflation data for June is expected to show signs of stabilization.

The National Bank of Ukraine's forecast of 8.7% inflation by year-end appears overly optimistic. A more realistic projection, in our view, is around 10.5%.

A relatively stable currency market has helped temper the cost of imported goods within the consumer basket. Additionally, a 22% year-on-year drop in global oil prices is acting as a disinflationary force on fuel and energy prices for households.

For comparison, annual inflation stood at 2.2% in the US and 2.3% in the euro area in April.

Softer-than-expected US inflation could strengthen the case for the Federal Reserve to begin cutting interest rates — potentially providing support for equity markets. At the same time, lingering uncertainty around US import tariffs could fuel inflationary pressures and trigger broader macroeconomic risks.

Currently, markets are pricing in a hold at 4.25%–4.50% at the Fed's June meeting, but expectations are growing for a 25-basis-point cut as early as July.

QUOTES AND MULTIPLES FOR SELECTED UKRAINIAN LISTED COMPANIES

	Ticker	Last Price*	Absolute performance		MCap USD mn	EV USD mn	Free float	P/E		EV/EBITDA		EV/Sales 2025E
			1W	YtD				2024	2025E	2024	2025E	
UX Index	UX	1194	0.0%	0.0%								
Iron Ore Mining												
Ferrexpo	FXPO	65.2	5.0%	-42.3%	519	407	25.5%	4.3	3.1	2.4	1.8	0.4
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	20.0	0.0%	-9.1%	85	-9	21.6%	3.4	2.8	na	na	na
Power Utilities												
Centrenerg	CEEN	3.72	0.0%	0.0%	33	33	21.7%	neg	neg	neg	neg	n/a
Agro sector												
MHP	MHPC	5.24	-3.3%	5.2%	561	1,740	33.7%	3.9	3.8	3.1	3.1	0.6
Kernel (FY23, FY24, FY25)	KER	19.70	1.5%	51.5%	1,513	2,108	5.4%	4.1	3.2	3.1	3.0	0.5
Astarta	AST	61.50	2.5%	50.7%	393	551	37.0%	4.4	4.1	2.7	2.7	0.8
IMC	IMC	30.60	1.0%	91.3%	284	298	18.3%	5.2	5.5	3.7	3.5	1.5
Banks										Price/Book		Price/Assets
Raiffeisen Bank Aval	BAVL	0.33	0.0%	32.0%	487		1.8%	4.9	5.0	0.8	0.7	0.10

Source: UX. PFTS. LSE. WSE. Eavex Research
* prices are in traded currency

QUOTES AND MULTIPLES FOR SELECTED U.S. COMPANIES

	Ticker	Price USD	Absolute performance		MCap USD bn	EV USD bn	P/E		EV/EBITDA		EV/Sales 2025E
			1W	YtD			2024	2025E	2024	2025E	
Индекс S&P 500	S&P 500	5958	5.3%	1.3%							
Technology sector											
Apple	AAPL	211	6.0%	-17.6%	3,291	3,331	35	37	25	24	8
Microsoft	MSFT	454	3.4%	5.6%	3,373	3,363	38	35	25	23	13
NVIDIA	NVDA	135	15.4%	0.7%	3,306	3,276	51	40	44	34	23
Palantir Technologies	PLTR	129.5	10.4%	63.8%	282	278	565	353	464	309	68
Electric Utilities											
American Electric Power	AEP	103	-1.6%	11.3%	55	99	20.3	17.7	12.8	12.3	4.8
Dominion Energy	D	55.8	1.3%	3.5%	47	89	19.5	18.7	13.4	12.6	5.9
Oil & Gas											
Exxon Mobil	XOM	108	0.9%	1.4%	475	490	14.0	13.6	6.8	6.5	1.4
Devon Energy	DVN	33.3	2.5%	6.7%	22	30	6.4	6.1	4.0	3.8	1.9
PBF Energy	PBF	22.3	10.9%	-12.2%	3.3	4.4	16.7	6.7	11.1	5.5	0.1
Iron Ore Mining											
VALE	VALE	9.8	4.7%	10.5%	42	54	4.5	4.2	3.5	3.2	1.2
Pharmaceutical											
Pfizer	PFE	22.8	2.2%	-14.4%	129	186	30.1	26.4	13.5	12.8	3.0
Bristol-Myers Squibb	BMJ	46.8	0.6%	-18.9%	95	138	neg	14.6	27.1	11.1	2.8

Source: Bloomberg

MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E
Iron Ore Mining																
Ferrexpo	FXPO	750	950	1,100	140	170	230	18.7%	17.9%	20.9%	80	120	170	10.7%	12.6%	15.5%
Oil & Gas																
Regal Petroleum	RPT	80	55	65	49	52	57	61.3%	94.5%	87.7%	28	25	30	35.0%	45.5%	46.2%
Electric Utilities																
Centrenerg	CEEN	427	na	na	-18	na	na	-4.1%	na	na	-25	na	na	-5.8%	na	na
Agro sector																
MHP	MHPC	3,021	3,046	3,137	445	566	570	14.7%	18.6%	18.2%	142	144	148	4.7%	4.7%	4.7%
Kernel (FY23, FY24, FY25E)	KER	3,455	3,800	4,200	544	680	710	15.7%	17.9%	16.9%	299	370	470	8.7%	9.7%	11.2%
Astarta	AST	628	645	685	199	202	204	31.7%	31.3%	29.7%	85	89	95	13.5%	13.8%	13.9%
IMC	IMC	139	180	200	3	80	85	2.4%	44.4%	42.5%	-21	55	52	-15.1%	30.6%	26.0%
Banks		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	4,977	4,643	4,886	575	615	683	594	488	453	126	100	98	21.9%	16.3%	14.3%

Source: Eavex Research

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

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E
Technology sector																
Apple	AAPL	383	391	395	126	135	137	32.8%	34.5%	34.7%	97	94	90	25.3%	24.0%	22.8%
Microsoft	MSFT	212	245	265	105	133	147	49.5%	54.3%	55.5%	72	88	96	34.0%	35.9%	36.2%
NVIDIA	NVDA	61	118	145	36	75	95	59.0%	63.6%	65.5%	30	65	83	49.2%	55.1%	57.2%
Palantir Technologies	PLTR	2.2	2.9	4.1	0.3	0.6	0.9	13.6%	20.7%	22.0%	0.2	0.5	0.8	9.1%	17.2%	19.5%
Electric Utilities																
American Electric Power	AEP	19.0	19.8	20.7	7.2	7.7	8.0	37.9%	38.9%	38.6%	2.2	2.7	3.1	11.6%	13.6%	15.0%
Dominion Energy	D	14.4	14.7	15.1	6.8	6.7	7.1	47.2%	45.6%	47.0%	1.9	2.4	2.5	13.2%	16.3%	16.6%
Oil & Gas																
Exxon Mobil	XOM	335	344	352	74	72	76	22.1%	20.9%	21.6%	36	34	35	10.7%	9.9%	9.9%
Devon Energy	DVN	15.3	15.8	16.2	7.5	7.6	7.9	49.0%	48.1%	48.8%	3.7	3.4	3.6	24.2%	21.5%	22.2%
PBF Energy	PBF	38.3	34.9	35.3	3.5	0.4	0.8	9.1%	1.1%	2.3%	2.1	0.2	0.5	5.5%	0.6%	1.4%
Iron Ore Mining																
VALE	VALE	41.8	41.0	44.0	15.6	15.2	17.0	37.3%	37.1%	38.6%	7.9	9.3	10.0	18.9%	22.7%	22.7%
Pharmaceutical																
Pfizer	PFE	58.5	59.4	62.0	9.6	13.8	14.5	16.4%	23.2%	23.4%	2.1	4.3	4.9	3.6%	7.2%	7.9%
Bristol-Myers Squibb	BMJ	45.0	47.4	48.8	19.4	5.1	12.4	43.1%	10.8%	25.4%	8.0	-7.3	6.5	17.8%	-15.4%	13.3%

Source: Bloomberg

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