

Stock Market Update

Ukraine Business Outlook Turns Positive, but War Escalation Weighs on Markets

Ukrainian businesses returned to a more optimistic outlook in May, with the Business Activity Expectations Index rising to 50.8 from 49.4 in April, according to data from the National Bank of Ukraine. The reading also surpassed the 48.0 level recorded in May 2024.

For the first time since May last year, all sectors surveyed by the central bank expected growth, with construction firms showing the strongest optimism. However, the rebound in sentiment was partly based on the assumption of a potential de-escalation in hostilities — a scenario that appears less likely following a fresh wave of Russian aggression.

Equities of Ukrainian companies listed abroad trended lower last week. Ferrexpo shares dropped 12.6% over the week to GBP 47.20, with a market capitalization of USD 381mn, amid a 3% slide in global iron ore prices to USD 96 per tonne.

Kernel (KER) lost 5.3% to close at PLN 17.40, valuing the agricultural giant at USD 1.36bn, following weaker-than-expected quarterly earnings.

MHP and Astarta managed to climb by 0.8% and 1.7% respectively, with the former ending at USD 5.16 (MCap of USD 552mn).

The hryvnia gained 0.5% on the cash market to 41.60 UAH/USD

The Ukrainian currency had a period of lower volatility during the week. However, the stronger euro became a kind of a threat for the country's current account balance as the EU is the largest trading partner and the trade deficit with Europe is likely widens. Ukraine's current account deficit was reported at USD 6.8bn for 4M2025 compared to the deficit of USD 5.3bn in the same period of 2024.

Highlights

POLITICS AND ECONOMICS

- ▶ National Bank Holds Key Rate at 15.5% Since March

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	1108	-2.2%	24.1%
WIG20	2699	-2.6%	23.1%
MSCI EM	1182	2.2%	10.0%
MSCI Global	892	1.5%	6.1%
S&P 500	6000	1.5%	2.0%

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	24.0%	1.9 p.p.	8.1 p.p.
Ukraine-2036 yield	18.1%	1.1 p.p.	3.7 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.60	-0.5%	-1.5%
EUR/UAH	47.80	0.4%	7.9%

Source: Eavex Capital

National Bank Holds Key Rate at 15.5% Since March

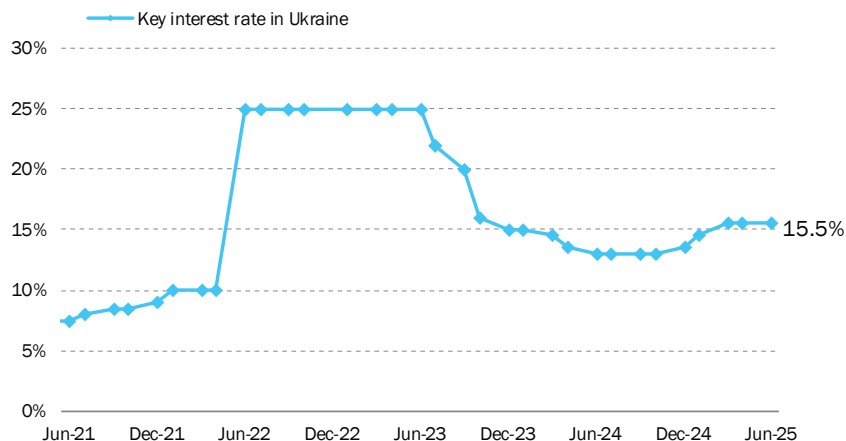
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NEWS

Ukraine's central bank kept its key interest rate unchanged at 15.5% on June 5, extending a pause that began in March when policymakers hiked borrowing costs from 14.5% to curb accelerating inflation.

By contrast, the European Central Bank lowered its benchmark rate for the eighth time in the past year to 2.15% as inflation eased to 1.9%.

NATIONAL BANK KEY POLICY RATE



Source: National Bank of Ukraine

COMMENTARY

Ukraine's central bank is leaning on exchange-rate policy to rein in inflation, which has already outpaced returns on local-currency deposits. Annual inflation accelerated to 15.1% in April, even as the hryvnia has remained relatively stable against the dollar since the start of the year.

Deposit rates at state-owned banks hover around 14%, while some private lenders are offering up to 17% in a bid to attract funds. Meanwhile, yields on government domestic bonds have remained unchanged for several months: 16.35% for one-year maturities and 17.8% for bonds due in 2028, according to Finance Ministry auction data.

For now, UAH-denominated assets remain attractive, supported by the National Bank's ample reserves, which allow it to keep meeting excess foreign-currency demand. However, the recent strengthening of the hryvnia may prove short-lived. Last month, international reserves declined 4.6% to USD 44.5bn as the central bank sold nearly USD 3.0bn on the interbank market to cover importer demand.

At current levels, the reserves are sufficient to cover 5.4 months of future imports — comfortably above the minimum benchmark of three months. Since the beginning of the year, Ukraine has received USD 18bn in external aid, helping to maintain macro-financial stability.

The next monetary policy meeting is scheduled for July 24, with analysts expecting the key rate to remain at 15.5% through at least September.

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	47.2	-12.6%	-58.2%	381	269	25.5%	3.2	2.2	1.6	1.2	0.2
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	16.5	-13.2%	-25.0%	71	-22	21.6%	2.9	2.4	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	5.16	0.8%	3.6%	552	1,731	33.7%	3.8	4.6	3.1	3.8	0.5
Kernel (FY23, FY24, FY25)	KER	17.40	-5.3%	33.8%	1,358	1,564	5.4%	3.7	4.8	2.3	3.8	0.4
Astarta	AST	60.00	1.7%	47.1%	389	548	37.0%	4.4	4.1	2.7	2.7	0.8
IMC	IMC	28.50	-1.7%	78.1%	269	283	18.3%	4.9	5.2	3.5	3.3	1.4
Banks										Price/Book		Price/Assets
Raiffeisen Bank Aval	BAVL	0.33	0.0%	32.0%	488		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	6000	1.5%	2.0%							
Technology sector											
Apple	AAPL	204	1.5%	-20.3%	3,182	3,222	34	35	24	24	8
Microsoft	MSFT	470	2.2%	9.3%	3,492	3,482	40	36	26	24	13
NVIDIA	NVDA	142	5.2%	6.0%	3,478	3,448	54	42	46	36	24
Palantir Technologies	PLTR	127.7	-3.1%	61.5%	278	274	557	348	457	305	67
Electric Utilities											
American Electric Power	AEP	101.8	-1.6%	10.0%	54	98	20.1	17.5	12.7	12.3	4.7
Dominion Energy	D	55.8	-1.6%	3.5%	47	89	19.5	18.7	13.4	12.6	5.9
Oil & Gas											
Exxon Mobil	XOM	104	2.0%	-2.3%	458	473	13.5	13.1	6.6	6.2	1.3
Devon Energy	DVN	32.3	6.6%	3.5%	21	30	6.2	5.9	3.9	3.8	1.8
PBF Energy	PBF	18.4	-3.7%	-27.6%	2.8	3.9	13.8	5.5	9.6	4.8	0.1
Iron Ore Mining											
VALE	VALE	9.49	3.9%	7.0%	41	52	4.4	4.1	3.5	3.1	1.2
Pharmaceutical											
Pfizer	PFE	23.4	-0.4%	-12.1%	133	190	30.9	27.1	13.7	13.1	3.1
Bristol-Myers Squibb	BMJ	48.4	0.2%	-16.1%	98	141	neg	15.1	27.7	11.4	2.9

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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