

Stock Market Update

Ukrainian Stocks Track Global Declines

The VIX Index — which reflects traders' expectations for S&P 500 volatility — surged 32% on Friday, jumping from 16 to 21.7. The spike came after President Donald Trump announced plans for additional import tariffs on China, raising the risk of renewed escalation between the world's two largest economies.

The S&P 500 dropped 2.7% on Friday, erasing its gains for the past month, while the tech-heavy Nasdaq tumbled 3.6%. Shares of Tesla, Amazon, NVIDIA, and Palantir each slid about 5%, wiping billions off their market capitalizations. The U.S. equity market appears poised for a potential trend reversal, as the S&P 500 is currently trading at a price-to-earnings ratio of around 30x — well above its historical median of 18x.

Ukrainian equities mirrored the global selloff. Ferrexpo (FXPO) shares fell 7.8% to GBp 48.80, valuing the miner at USD 391mn.

Sugar maker Astarta (AST) declined 1.6%, while MHP (MHPC) lost 5.0%.

Kernel (KER) shares edged up 0.4% to PLN 19.00 after the company released its annual report showing earnings of PLN 3.19 per share and book value of PLN 25.64 per share. That puts the stock at a modest P/E multiple of 6.0x and P/B ratio of 0.7x. Still, upside for Kernel's shares remains limited as the company continues its delisting process from the Warsaw Stock Exchange.

Kernel's eurobonds maturing in October 2027 were little changed at 86 cents on the dollar, implying a yield to maturity of about 15%.

In New York trading, Kyivstar (KYIV) stock decreased by 1.5% to USD 11.82 remaining in the consolidation corridor.

Highlights

POLITICS AND ECONOMICS

- Trump Threatens Moscow with Tomahawk Deliveries to Ukraine
- Ukraine Inflation Slows to 11.9% YoY in September

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

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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

MARKET INDEXES

	Last	1W ch	YTD
UX	1194	0.0%	0.0%
RTS	1004	0.2%	12.4%
WIG20	2873	0.3%	31.1%
MSCI EM	1365	-0.7%	27.0%
MSCI Global	972	-2.1%	15.6%
S&P 500	6552	-2.4%	11.4%

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	20.8%	2.2 p.p.	4.9 p.p.
Ukraine-2036 yield	15.2%	0.5 p.p.	0.8 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.85	0.8%	-0.9%
EUR/UAH	48.55	-0.5%	9.6%

Source: Eavex Capital

**Trump Threatens Moscow with
Tomahawk Deliveries to Ukraine**

by Will Ritter
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NEWS

US President Trump threatened to provide US-made Tomahawk long-range cruise missiles to Ukraine if the Putin regime insists on continuing the war, in remarks made to the media on Sunday (Oct 12).

Trump's statement follows warnings from Moscow last week about "consequences" if Washington were to make such a move. "We may do it... do they [the Putin regime] want to have Tomahawks going in their direction? I don't think so", Trump said to media traveling with him to the Middle East.

Meanwhile, President Zelenskiy appeared on US national television on Sunday for an extended interview with Trump-friendly Fox News, where he promised that the Tomahawks would not be used to hit Russian civilian targets. "We have never attacked their civilians. This is the big difference between Ukraine and Russia", Zelenskiy said.

In the same interview, Zelenskiy also endorsed Trump's call for Europe to end all purchases of Russian energy, and said that he hopes that the Trump administration will impose so-called "secondary sanctions" on countries that buy Russian oil.

Zelenskiy said he has spoken with Trump twice in recent days, including on Sunday prior to the Fox interview.

COMMENTARY

It appears that the Trump pendulum is currently swinging back in Ukraine's direction, with positive momentum in Washington-Kyiv relations despite Trump's stated intention to end the Biden administration's policy of military aid to Ukraine funded by US taxpayers.

It is clear that the Tomahawks would not be given directly to Ukraine for free, but rather sold to NATO countries in Europe, who would then presumably donate them to Kyiv as part of already-approved multi-billion-euro European military aid packages.

Although we doubt that the Tomahawks would be a game-changing weapon for Ukraine (especially as Kyiv is unlikely to get many of them), they would raise the costs for Moscow; in our opinion, the only way to bring Putin to the negotiating table is to ratchet up the costs and risks of the war - both economic and political - for the Putin regime.

The Kremlin must also now consider that if Trump is successful in ending the Israel-Gaza war, this would free up his attention to focus on Ukraine and Russia as his top foreign policy priority.

However, Ukraine still faces prospects of another difficult winter, with Russian airstrikes once again concentrated on Ukrainian energy infrastructure ahead of the approaching colder weather and shorter days, amid a deficit of air defenses.

Ukraine Inflation Slows to 11.9% YoY in September

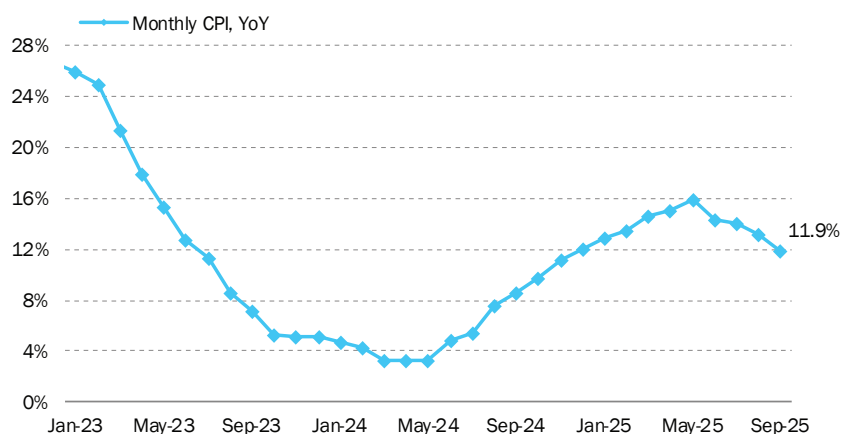
by Dmitry Churin
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NEWS

Ukraine's annual inflation slowed to 11.9% in September from 13.2% in August, while consumer prices rose a moderate 0.3% from the previous month.

The National Bank of Ukraine kept its key policy rate unchanged at 15.5% in September, maintaining the level set in March 2025.

UKRAINE'S ROLLING 12-MONTH CPI



Source: State Statistics Committee

COMMENTARY

The National Bank of Ukraine projects inflation to ease to 9.7% YoY by the end of this year, down from 12.0% YoY in 2024. Under its optimistic scenario, inflation is expected to decline further to 6.6% in 2026. That would give the central bank room to lower its key rate, signaling the banking sector toward reduced lending costs.

A major risk to the inflation outlook remains the uncertain situation in the energy sector following another wave of Russian attacks. Potential shortages of electricity and gas could force the government to raise energy tariffs for both households and businesses. A sharp increase in household electricity prices in 2024 previously triggered a jump in consumer inflation.

The National Bank's policy guidance suggests the key rate could be reduced from the current 15.5% to 15.0% by the end of this year, then to 12.6% in 2026 and 11.1% in 2027.

At its latest domestic bond auction, the Finance Ministry raised a total of UAH 23bn, including USD 203mn from the sale of foreign-currency domestic bonds yielding 4.1%. The yield on UAH-denominated government bonds maturing in September 2028 stood at 17.8%, while one-year notes carried a yield of 16.35%.

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	48.8	-7.8%	-56.9%	391	279	25.5%	3.3	2.3	1.6	1.2	0.3
Oil & Gas												
Enwell Energy	ENW	18.0	-5.3%	-18.2%	77	-16	21.6%	3.1	2.6	na	na	na
Telecom												
Kyivstar	KYIV	11.82	-1.5%	-4.1%	2,729	3,169	10.0%	9.6	9.3	5.4	5.2	3.2
Agro sector												
MHP	MHPC	5.70	-5.0%	14.5%	610	1,852	33.7%	4.2	5.1	3.3	4.1	0.6
Kernel (FY24, FY25, FY26E)	KER	18.98	0.4%	46.0%	1,538	1,681	5.4%	6.5	6.2	3.6	4.2	0.4
Astarta	AST	43.80	-1.6%	7.4%	295	474	37.0%	3.3	3.2	2.3	2.6	1.0
IMC	IMC	23.40	5.4%	46.3%	229	243	18.3%	4.2	4.4	3.0	2.9	1.2
Banks										Price/Book		Price/Assets
Raiffeisen Bank Aval	BAVL	0.33	0.0%	32.0%	489		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	6553	-2.4%	11.4%							
Technology sector											
Apple	AAPL	245	-5.0%	-4.3%	3,822	3,862	41	42	29	28	10
Microsoft	MSFT	511	-1.2%	18.8%	3,796	3,786	43	40	28	26	14
NVIDIA	NVDA	183	-2.7%	36.6%	4,482	4,452	69	54	59	47	31
Palantir Technologies	PLTR	175.4	1.3%	121.8%	382	378	765	478	631	420	92
Electric Utilities											
American Electric Power	AEP	117	2.5%	26.5%	62	106	23.1	20.1	13.8	13.3	5.1
Dominion Energy	D	61	-0.8%	13.1%	51	94	21.4	20.5	14.0	13.2	6.2
Oil & Gas											
Exxon Mobil	XOM	111	-1.8%	4.2%	488	503	14.4	14.0	7.0	6.6	1.4
Devon Energy	DVN	32.5	-6.1%	4.2%	21	30	6.3	5.9	3.9	3.8	1.8
PBF Energy	PBF	27.7	-9.2%	9.1%	4.2	5.2	20.8	8.3	13.1	6.6	0.1
Iron Ore Mining											
VALE	VALE	10.75	-2.4%	21.2%	46	58	4.9	4.6	3.8	3.4	1.3
Pharmaceutical											
Pfizer	PFE	24.8	-9.5%	-6.8%	141	198	32.7	28.7	14.3	13.6	3.2
Bristol-Myers Squibb	BMJ	44	-3.3%	-23.7%	89	132	neg	13.7	25.9	10.7	2.7

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																
Enwell Energy	ENW	80	55	65	49	52	57	61.3%	94.5%	87.7%	28	25	30	35.0%	45.5%	46.2%
Telecom																
Kyivstar	KYIV	915	919	990	604	592	610	66.0%	64.4%	61.6%	281	283	295	30.7%	30.8%	29.8%
Agro sector																
MHP	MHPC	3,021	3,046	3,150	445	566	450	14.7%	18.6%	14.3%	142	144	120	4.7%	4.7%	3.8%
Kernel (FY24, FY25, FY26E)	KER	3,800	4,115	4,300	680	466	400	17.9%	11.3%	9.3%	370	238	250	9.7%	5.8%	5.8%
Astarta	AST	628	645	482	199	202	181	31.7%	31.3%	37.7%	85	89	94	13.5%	13.8%	19.4%
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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