

Stock Market Update

Ukrainian Stocks Diverge as Global Volatility Spikes on Tech Earnings and Commodity Swings

Ukrainian equities showed mixed performance. Shares of Kyivstar (KYIV) fell 7.8% over the week to USD 11.35, valuing the company at about USD 2.6bn, while IMC (IMC) jumped 12.6% to PLN 33.9, lifting its market capitalization to roughly USD 338mn.

MHP (MHPC) and Kernel (KER) gained 4.4% and 1.3% respectively, with the former closing at USD 8.56 (MCap of USD 916mn).

In the war developments, Ukraine is ready to reciprocate if Russia halts its attacks on the country’s energy infrastructure that has plunged the capital Kyiv into cold, President Volodymyr Zelenskiy said on Friday, adding there was no formal truce between the two countries. There was no immediate comment from the Kremlin on the proposal for an energy ceasefire. If implemented, a ceasefire for the energy sector would come at a critical moment in the war, which will mark its fourth anniversary this month.

Global markets saw a pickup in volatility amid the release of quarterly results from major technology companies and sharp speculative swings in commodities. On Friday, gold prices dropped 9% and silver plunged 27%, reflecting what investors described as overheated conditions following rapid gains in recent months. Even after the selloff, gold remains 13% above its December level, while silver is still up 18% since the start of the year. On a year-on-year basis, gold has surged about 75% and silver roughly 170%. Among individual stocks, Microsoft slid 7.7% after the company disclosed a larger-than-expected capital expenditure plan in its quarterly report. The software giant spent USD 37.5bn on data centers in the final three months of 2025 alone, up 66% from a year earlier.

Highlights

POLITICS AND ECONOMICS

- > Kyiv Coldest in 14 Years as Donbas Territory Still the Key Issue in Peace Talks
- > Ukraine’s Central Bank Cuts Key Rate from 15.5% to 15.0%, Signals Scope for Further Easing

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

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
PFTS	461	0.0%	0.0%
RTS	1157	0.4%	3.9%
WIG20	3360	1.8%	5.5%
MSCI EM	1528	1.8%	8.8%
MSCI Global	1044	0.7%	3.0%
S&P 500	6939	0.3%	0.6%

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.0%	-0.5 p.p.	-0.5 p.p.
UAH 1-year bond yield	16.2%	-0.2 p.p.	-0.2 p.p.
Ukraine-2029 yield	16.8%	-1.3 p.p.	-1.2 p.p.
Ukraine-2036 yield	14.1%	-0.4 p.p.	-0.4 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	43.10	-0.5%	1.9%
EUR/UAH	51.40	0.8%	2.9%

Source: Eavex Capital

Kyiv Coldest in 14 Years as Donbas Territory Still the Key Issue in Peace Talks

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NEWS

Kyiv and much of Central Ukraine are expected to see their coldest temperatures since the winter of 2011-12 early this week, with the mercury dropping to near -25 C (-12 F) in the capital overnight on Monday-Tuesday (Feb 2-3).

Some improvement in the weather is expected starting on Wednesday (Feb 4). Power outages in Kyiv are widespread, and the Kyiv City administration reported that some 240 multi-story residential buildings (roughly 2% of the capital's residential housing stock) remain without heating due to Russian strikes on energy infrastructure.

The government of President Zelenskiy has blamed Ukraine's European allies for a shortage of air defense which has allowed Russia to incapacitate key energy targets.

On the negotiations front, Zelenskiy announced that trilateral US-Ukraine-Russia peace talks which were due to take place in Abu Dhabi this past weekend have been pushed back to later this week for unexplained reasons.

Zelenskiy had previously stated in remarks published in the Financial Times that a deal on US postwar security guarantees for Ukraine is "100 percent ready to be signed" but that the key remaining point of contention for a deal with Russia is still the 25% of Donetsk province controlled by Ukraine. The Putin regime has been demanding this territory as a condition for stopping the war.

COMMENTARY

As previously, we still do not believe that Zelenskiy is willing to unilaterally withdraw Ukraine's forces from the cities of northwestern Donetsk province (home to about 200,000 residents), even in return for US guarantees, as such guarantees from the Trump administration will likely be viewed as not credible.

This implies to us that Ukraine will continue to defend the region into the spring and summer.

The question from a military point of view is whether Russia might manage to capture new territory around other less-defended parts of the front line (mainly in Zaporizhia and Dnipropetrovsk provinces), which could put new political pressure on Zelenskiy to finally concede the Donbas.

We note that the current winter weather is also hitting Russia, and although oil prices have risen recently, Russia is being forced to use much of its production for domestic consumption, reducing its export revenues to fund the war.

Other cracks continue to appear in the Russian economy thanks to the cumulative effects of Western sanctions, and we are cautiously optimistic that the Putin regime may finally be forced into a definitive peace deal by the end of the summer, i.e. September 2026. However, failing that outcome, Ukraine could be forced into yet another winter of war and energy crisis in 2026-27.

Ukraine's Central Bank Cuts Key Rate from 15.5% to 15.0%, Signals Scope for Further Easing

by Dmitry Churin
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NEWS

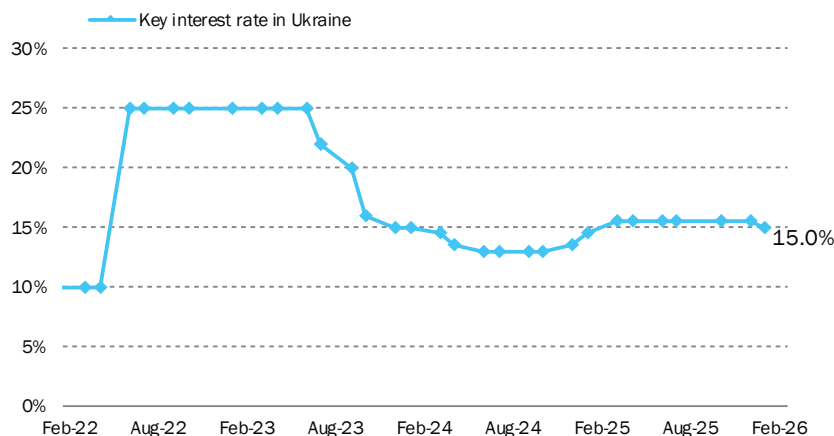
Ukraine's central bank cut its benchmark interest rate to 15.0% from 15.5%, kicking off an easing cycle as inflationary pressures continue to subside and risks related to external financing ease.

The National Bank of Ukraine said its board decided to lower the key rate effective Jan. 30, 2026.

At the same time, the NBU downgraded its 2026 economic forecasts, largely reflecting the impact of continued Russian attacks on Ukraine's energy infrastructure. The central bank now expects gross domestic product to grow by 1.8% in 2026, down from a previous estimate of 2.0%.

The inflation outlook was also revised higher. The National Bank now sees consumer price growth at 7.5% by the end of 2026, compared with an earlier projection of 6.6%.

NATIONAL BANK KEY POLICY RATE



Source: National Bank of Ukraine

COMMENTARY

The National Bank of Ukraine last eased monetary policy in June 2024, when it cut the key policy rate to 13.0% from 13.5%. The benchmark was then held unchanged through December 2024, before the regulator embarked on a tightening cycle amid a renewed surge in inflation.

Under the current base-case scenario, the policy rate is expected to be reduced to about 14.5% over the course of the year.

The primary market for domestic government bonds has already reacted to expectations of lower borrowing costs. At auctions last week, the Finance Ministry sold UAH-denominated government bonds at yields 16 to 20 basis points lower than a week earlier. As a result, one-year bonds were placed at a yield of 16.19%, while three-year securities cleared at 17.30%. Bonds maturing in August 2027 were sold at a yield of 16.91%.

Deposit rates at leading banks are unlikely to adjust materially in the near term and are expected to remain in the 13%–16% range.

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 2026E
			1W	YtD				2025E	2026E	2025E	2026E	
PFTS Index	PFTS	461	0.0%	0.0%								
Iron Ore Mining												
Ferrexpo	FXPO	76.0	-6.1%	2.6%	623	522	25.5%	9.6	7.3	4.7	3.7	0.6
Oil & Gas												
Enwell Energy	ENW	16.5	0.0%	-5.7%	72	-21	21.6%	4.8	6.6	na	na	na
Telecom												
Kyivstar	KYIV	11.35	-7.8%	-12.4%	2,620	3,060	10.0%	14.6	10.5	5.0	4.8	2.8
Agro sector												
MHP	MHPC	8.56	4.4%	18.9%	916	2,446	33.7%	3.7	4.4	4.6	4.4	0.7
Kernel (FY24, FY25, FY26E)	KER	22.60	1.3%	7.9%	1,863	2,006	5.4%	7.8	7.5	4.3	5.0	0.5
Astarta	AST	49.10	0.8%	11.6%	337	559	37.0%	4.8	4.4	3.4	3.2	1.0
IMC	IMC	33.90	12.6%	32.4%	338	331	18.3%	6.5	5.2	3.9	3.8	1.6
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.38	0.0%	0.0%	542		1.8%	5.4	5.1	0.8	0.7	0.11

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 2026E	
			1W	YtD			2025E	2026E	2025E	2026E		
Индекс S&P 500	S&P 500	6939	0.3%	0.6%								
Technology sector												
Apple	AAPL	259	4.4%	-4.8%	4,040	4,080		45	42	30	29	10
Microsoft	MSFT	430	-7.7%	-11.0%	3,194	3,184		33	31	22	21	11
NVIDIA	NVDA	191	1.6%	2.4%	4,678	4,648		56	50	49	43	28
Palantir Technologies	PLTR	146.6	-13.6%	-17.5%	320	316		399	291	351	243	54
Electric Utilities												
American Electric Power	AEP	119.8	2.7%	4.0%	64	108		20.6	19.3	13.5	12.8	5.0
Dominion Energy	D	60.2	1.0%	2.7%	51	93		20.2	18.1	13.1	12.8	5.9
Oil & Gas												
Exxon Mobil	XOM	141	4.4%	17.5%	620	635		17.7	16.8	8.4	7.8	1.7
Devon Energy	DVN	40.2	4.1%	9.5%	26	35		7.3	7.0	4.4	4.1	2.0
PBF Energy	PBF	33.5	0.3%	22.9%	5.0	6.1		10.1	12.6	7.6	8.7	0.2
Iron Ore Mining												
VALE	VALE	16.07	-0.7%	23.6%	69	81		6.9	6.4	4.7	5.6	1.7
Pharmaceutical												
Pfizer	PFE	26.4	2.7%	6.0%	150	207		30.5	29.4	14.3	14.0	3.4
Bristol-Myers Squibb	BMJ	55.1	0.7%	2.0%	112	155		neg	19.3	12.5	12.0	3.0

Source: Bloomberg

MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Iron Ore Mining																
Ferrexpo	FXPO	933	850	880	69	110	140	7.4%	12.9%	15.9%	-50	65	85	-5.4%	7.6%	9.7%
Oil & Gas																
Enwell Energy	ENW	80	45	35	49	25	18	61.3%	55.6%	51.4%	28	15	11	35.0%	33.3%	31.4%
Telecom																
Kyivstar	KYIV	919	990	1,085	592	610	635	64.4%	61.6%	58.5%	283	180	250	30.8%	18.2%	23.0%
Agro sector																
MHP	MHPC	3,046	3,350	3,420	566	530	550	18.6%	15.8%	16.1%	144	245	210	4.7%	7.3%	6.1%
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	645	518	570	202	164	177	31.3%	31.7%	31.1%	89	70	77	13.8%	13.6%	13.5%
IMC	IMC	180	170	210	80	85	87	44.4%	50.0%	41.4%	55	52	65	30.6%	30.6%	31.0%
Banks		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	4,643	5,059	5,011	615	707	731	488	467	500	100	100	107	16.3%	14.2%	14.6%

Source: Eavex Research

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

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Technology sector																
Apple	AAPL	391	395	407	135	137	141	34.5%	34.7%	34.6%	94	90	96	24.0%	22.8%	23.6%
Microsoft	MSFT	245	265	285	133	147	152	54.3%	55.5%	53.3%	88	96	102	35.9%	36.2%	35.8%
NVIDIA	NVDA	118	145	165	75	95	108	63.6%	65.5%	65.5%	65	83	93	55.1%	57.2%	56.4%
Palantir Technologies	PLTR	2.9	4.1	5.8	0.6	0.9	1.3	20.7%	22.0%	22.4%	0.5	0.8	1.1	17.2%	19.5%	19.0%
Electric Utilities																
American Electric Power	AEP	19.8	20.7	21.5	7.7	8.0	8.4	38.9%	38.6%	39.1%	2.7	3.1	3.3	13.6%	15.0%	15.3%
Dominion Energy	D	14.7	15.1	15.9	6.7	7.1	7.3	45.6%	47.0%	45.9%	2.4	2.5	2.8	16.3%	16.6%	17.6%
Oil & Gas																
Exxon Mobil	XOM	344	352	375	72	76	81	20.9%	21.6%	21.6%	34	35	37	9.9%	9.9%	9.9%
Devon Energy	DVN	15.8	16.2	17.5	7.6	7.9	8.6	48.1%	48.8%	49.1%	3.4	3.6	3.8	21.5%	22.2%	21.7%
PBF Energy	PBF	34.9	35.3	37.9	0.4	0.8	0.7	1.1%	2.3%	1.8%	0.2	0.5	0.4	0.6%	1.4%	1.1%
Iron Ore Mining																
VALE	VALE	41.0	44.0	47.0	15.2	17.0	14.5	37.1%	38.6%	30.9%	9.3	10.0	10.8	22.7%	22.7%	23.0%
Pharmaceutical																
Pfizer	PFE	59.4	62.0	61.0	13.8	14.5	14.8	23.2%	23.4%	24.3%	4.3	4.9	5.1	7.2%	7.9%	8.4%
Bristol-Myers Squibb	BMJ	47.4	48.8	51.0	5.1	12.4	12.9	10.8%	25.4%	25.3%	-7.3	6.5	5.8	-15.4%	13.3%	11.4%

Source: Bloomberg

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