

## Stock Market Update

### Ukrainian Stocks End Mixed as Fed Rate Cut Fuels Global Risk Appetite

Equities of Ukrainian companies ended the week with mixed performance. Kernel (KER) and IMC (IMC) fell 2.7% and 4.7%, respectively, while MHP (MHPC) and Kyivstar (KYIV) gained 6.6% and 8.0%.

Shares of sugar maker Astarta (AST) climbed by 1.9% to PLN 45.5 (MCap of USD 308mn), consolidating in a narrow corridor of of PLN 44 - 47 per share.

Ferrexpo (FXPO) gained by 6.8% to GBp 71.1 (MCap of USD 566mn) as the benchmark 62% Fe iron ore prices rose by 2% this month. Iron ore prices have held at elevated levels for most of 2025, but next year's fundamentals point to a more bearish environment. China remains the single most important swing factor for iron ore demand, but the nature of its demand is changing. While the property market shows little sign of a meaningful recovery, which has eroded a key pillar of steel consumption, Beijing has a renewed focus on infrastructure investment, particularly in transport, energy and advanced manufacturing. This shift, however, is less steel-intensive than previous investment booms and does not fully offset the drag from traditional demand drivers. Iron ore prices could fall from the current USD 106 to USD 80 per tonne by 2029 before potentially recovering to USD 95 by 2035.

Globally, the key market event of the week was the US Federal Reserve's decision to cut its benchmark interest rate to 3.75% from 4.0%. Fed officials signaled they expect only one rate cut next year, even as some traders continue to speculate that a change in Fed leadership could open the door to multiple reductions – a scenario that would likely support further gains in risk assets.

## Highlights

### POLITICS AND ECONOMICS

- > National Bank Holds Rate at 15.5% as Inflation Slows but Energy Shock Threatens 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](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)

### 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%	0.0%
RTS	1082	-3.6%	21.2%
WIG20	3079	4.4%	40.5%
MSCI EM	1390	0.4%	29.3%
MSCI Global	1009	-0.2%	20.0%
S&P 500	6827	-0.6%	16.1%

### 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	18.6%	-2.4 p.p.	2.7 p.p.
Ukraine-2036 yield	14.8%	-1.1 p.p.	0.4 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	42.35	0.2%	0.2%
EUR/UAH	49.85	1.0%	12.5%

Source: Eavex Capital

**National Bank Holds Rate at 15.5% as Inflation Slows but Energy Shock Threatens Outlook**

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**NEWS**

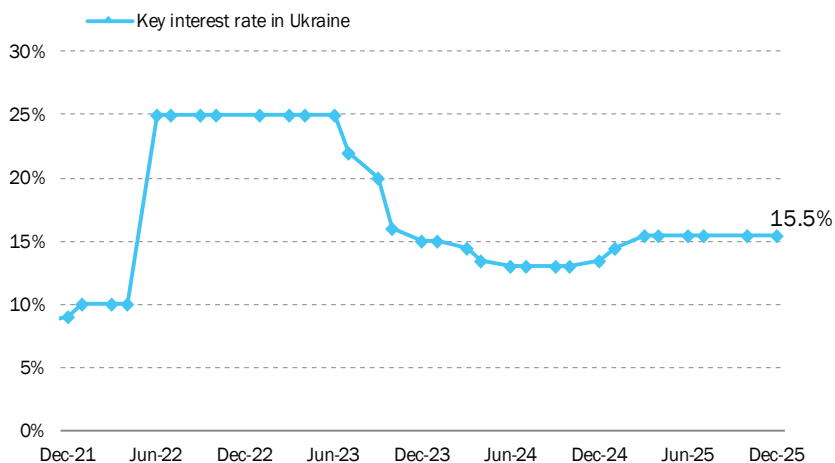
The National Bank of Ukraine kept its key policy rate unchanged at 15.5% on Thursday, Dec. 11. The benchmark has remained steady since March, when the regulator raised it from 14.5%.

The overnight lending rate stands at 19.5%, while the overnight deposit rate is 15.5%.

The central bank said it refrained from cutting rates due to persistent inflation risks, including uncertainty around future international funding.

Ukraine has secured USD 45.8bn in official financing since the start of the year, with about USD 5bn expected before year-end. External support has helped maintain an adequate level of international reserves, strengthening the National Bank’s ability to stabilize the FX market and anchor inflation expectations.

**NATIONAL BANK KEY POLICY RATE**



Source: National Bank of Ukraine

**COMMENTARY**

The decision to hold the key rate at 15.5% was widely expected after the central bank signaled that monetary easing would not begin until next year. Inflation slowed to 9.3% in November from 10.9% a month earlier.

The current disinflation trend supports the NBU’s view that its 5% inflation target could be reached in 2027. Still, the sharp deterioration in the energy sector is likely to push consumer prices higher in the coming months, complicating the central bank’s assessment of the appropriate level of interest rates.

The National Bank’s next monetary policy meeting is scheduled for Jan. 29. The regulator will hold eight rate reviews in 2026.

**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	
UX Index	UX	1194	0.0%	0.0%								
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	71.1	6.8%	-37.1%	566	465	25.5%	8.7	6.7	4.2	3.3	0.5
<b>Oil &amp; Gas</b>												
Enwell Energy	ENW	21.0	7.7%	-4.5%	90	-4	21.6%	6.0	8.1	na	na	na
<b>Telecom</b>												
Kyivstar	KYIV	15.01	8.0%	21.7%	3,465	3,905	10.0%	19.3	13.9	6.4	6.1	3.6
<b>Agro sector</b>												
MHP	MHPC	6.74	6.6%	35.3%	721	1,963	33.7%	6.0	5.3	4.4	4.2	0.6
Kernel (FY24, FY25, FY26E)	KER	20.15	-2.7%	55.0%	1,642	1,785	5.4%	6.9	6.6	3.8	4.5	0.4
Astarta	AST	45.45	1.9%	11.4%	308	531	37.0%	4.4	4.0	3.2	3.0	0.9
IMC	IMC	28.20	-4.7%	76.3%	278	271	18.3%	5.3	4.3	3.2	3.1	1.3
										<b>Price/Book</b>	<b>Price/Assets</b>	
Raiffeisen Bank Aval	BAVL	0.33	0.0%	32.0%	479		1.8%	4.8	4.5	0.7	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 2026E	
			1W	YtD			2025E	2026E	2025E	2026E		
Индекс S&P 500	S&P 500	6827	-0.6%	16.1%								
<b>Technology sector</b>												
Apple	AAPL	278	-0.4%	8.6%	4,337	4,377		48	45	32	31	11
Microsoft	MSFT	479	-0.8%	11.4%	3,558	3,548		37	35	24	23	12
NVIDIA	NVDA	175	-3.8%	30.6%	4,286	4,256		52	46	45	39	26
Palantir Technologies	PLTR	183.6	1.0%	132.2%	400	396		500	364	440	305	68
<b>Electric Utilities</b>												
American Electric Power	AEP	114.1	-2.9%	23.3%	61	105		19.6	18.4	13.1	12.5	4.9
Dominion Energy	D	59.3	1.4%	10.0%	50	92		19.9	17.8	13.0	12.7	5.8
<b>Oil &amp; Gas</b>												
Exxon Mobil	XOM	119	1.7%	11.8%	524	539		15.0	14.2	7.1	6.6	1.4
Devon Energy	DVN	37.5	0.0%	20.2%	25	33		6.8	6.5	4.2	3.9	1.9
PBF Energy	PBF	30.4	-9.0%	19.7%	4.6	5.7		9.1	11.4	7.1	8.1	0.1
<b>Iron Ore Mining</b>												
VALE	VALE	12.69	-1.6%	43.1%	54	66		5.4	5.0	3.9	4.6	1.4
<b>Pharmaceutical</b>												
Pfizer	PFE	25.9	-0.4%	-2.7%	147	204		30.0	28.8	14.1	13.8	3.3
Bristol-Myers Squibb	BMJ	52.4	0.4%	-9.2%	106	149		neg	18.3	12.0	11.6	2.9

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
<b>Iron Ore Mining</b>																
Ferrexpo	FXPO	933	850	880	69	110	140	7.4%	12.9%	15.9%	-50	65	85	-5.4%	7.6%	9.7%
<b>Oil &amp; Gas</b>																
Enwell Energy	ENW	80	45	35	49	25	18	61.3%	55.6%	51.4%	28	15	11	35.0%	33.3%	31.4%
<b>Telecom</b>																
Kyivstar	KYIV	919	990	1,085	592	610	635	64.4%	61.6%	58.5%	283	180	250	30.8%	18.2%	23.0%
<b>Agro sector</b>																
MHP	MHPC	3,046	3,150	3,250	566	450	462	18.6%	14.3%	14.2%	144	120	135	4.7%	3.8%	4.2%
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%
<b>Banks</b>		<b>Total Assets</b>			<b>Total Equity</b>			<b>Total Income</b>			<b>Net Profit</b>			<b>Return on Equity</b>		
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
<b>Technology sector</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Oil &amp; Gas</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Pharmaceutical</b>																
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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