

Stock Market Update

2026 Outlook

MHP, Astarta Poised to Lead Gains Among Ukrainian Stocks

From a fundamentals perspective, both MHP and Astarta remain attractive, trading at around 4.0x forward P/E.

A key near-term challenge for MHP is the refinancing of its USD 550 mn Eurobond maturing in April. The company is exploring options to return to the debt markets with a new issuance. Progress toward a peace settlement in Ukraine would likely act as a catalyst, potentially unlocking renewed investor demand for Ukrainian risk.

US Technology Stocks: A Correction Is Inevitable

The question is not when the artificial intelligence bubble will burst, but what will trigger it. The most likely catalyst is China. Competition in global AI models is intensifying rapidly, with Chinese developers rolling out comparable products at a fraction of the cost of Western alternatives.

US Trade Policy Remains a Key Risk Factor

Over the past year, Trump altered US tariff policy toward China 17 times, testing Beijing’s patience and prompting tougher rhetoric, including threats to restrict supplies of rare earth elements to the US. Since 2019, China’s share of US imports has fallen from 17% to 10%. At the same time, China’s total global exports have risen by about 40%, while imports have remained broadly flat.

Trump’s tariff strategy illustrates the limits of protectionism: it inflicts damage on trading partners while also undermining the US economy. The long-anticipated revival of domestic manufacturing has failed to materialize. Instead, exports have declined and global supply chains are gradually re-routing away from the US market. The notion that “everything will be fine once the Federal Reserve cuts interest rates” is unlikely to amount to a credible economic strategy.

Highlights

POLITICS AND ECONOMICS

- > Zelenskiy Signals Harder Line with Choice of Budanov to Lead Admin
- > Ukraine Raises UAH 569bn (USD 13.5bn) From Domestic Bond Sales in 2025

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
PFTS	461	0.0%	0.0%
RTS	1117	0.0%	0.3%
WIG20	3262	3.4%	2.4%
MSCI EM	1429	2.3%	1.8%
MSCI Global	1019	-0.4%	0.5%
S&P 500	6854	-1.1%	-0.7%

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	19.3%	1.9 p.p.	1.3 p.p.
Ukraine-2036 yield	15.1%	0.6 p.p.	0.6 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	42.45	0.4%	0.4%
EUR/UAH	49.95	0.0%	0.0%

Source: Eavex Capital

Zelenskiy Signals Harder Line with Choice of Budanov to Lead Admin

by Will Ritter
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NEWS

President Zelenskiy appointed HUR military intelligence chief Gen. Kyrylo Budanov as the new head of his administration on Friday (Jan 2), ending weeks of uncertainty that had followed the ouster of previous head Andriy Yermak. Zelenskiy also announced other key government changes, including the transfer of Defense Minister Dennis Shmyhal to lead the Energy Ministry, the appointment of Technology Minister Mykhailo Fedorov to take the place of Shmyhal, and the replacement of 5 provincial governors seen as close to Yermak.

Deputy Foreign Minister Serhiy Kislytsia, who has been heavily involved in recent negotiations with the US, will become the first deputy administration head under Budanov.

The role of Budanov at HUR will be assumed by current Foreign Intelligence Agency director Oleg Ivaschenko.

Separately, Zelenskiy appeared to take a harder line toward Ukraine's Western allies ahead of this week's diplomatic meetings in Europe, stating in a social media post that Ukraine intends "to continue our active defense, if the pressure of partner countries on Russia is not sufficient" to force a diplomatic settlement in the near future.

COMMENTARY

Zelenskiy's move to replace Yermak with Budanov, 39, indicates to us that Zelenskiy feels he needs an enforcer in the role of administration chief, rather than a figure who is experienced in dialogue with Western countries, such as Shmyhal or Kislytsia.

This choice by Zelenskiy can also be seen as an attempt to co-opt Budanov as a political rival, although we believe that former top general Valeriy Zaluzhniy would be a stronger presidential challenger to Zelenskiy than Budanov, given the latter's youth and rather limited public profile.

Budanov enjoys strong support from Ukraine's hard-line nationalists, a constituency which Zelenskiy would likely need to have on his side in order to secure another term in office.

The situation with elections remains unclear, given the possibility that peace talks will fail to yield results amid ongoing Russian efforts to capture additional Ukrainian territory. However, it is not out of the question that the election could be held this year, even if a final peace deal is not concluded; the vote taking place under martial law would give Zelenskiy an advantage, we think.

Ukraine Raises UAH 569bn (USD 13.5bn) From Domestic Bond Sales in 2025

by Dmytro Churin
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NEWS

Ukraine raised UAH 430bn at domestic bond auctions in 2025, along with USD 2.4bn and EUR 779mn, according to data from the National Bank of Ukraine's depository. Total proceeds amounted to UAH 569bn, equivalent to about USD 13.5bn.

Over the same period, the government allocated UAH 320bn, as well as USD 2.9bn and EUR 753mn, to service and redeem domestic government bonds. As a result, net domestic borrowing by the Finance Ministry exceeded repayments by the equivalent of UAH 94bn in 2025.

The rollover ratio of domestic bonds reached 113% in nominal terms across all currencies at prevailing official exchange rates.

COMMENTARY

The Finance Ministry's ability to successfully refinance domestic bonds has helped keep the debt burden under control without adding pressure on the FX market or monetary policy. This, in turn, supports investor confidence in local bonds, reduces the risk of liquidity shocks in the banking system and creates more favorable conditions for gradually extending the average maturity of domestic debt.

Maximum yields at December auctions stood at 17.80% on UAH-denominated bonds, 4.00% on USD bonds and 3.25% on EUR bonds.

Outstanding domestic government bonds are held as follows:

Banks: UAH 936bn (47.6%)
National Bank: UAH 665bn (33.8%)
Corporates: UAH 212bn (10.8%)
Households: UAH 112bn (5.7%)
Insurance companies: UAH 24bn (1.2%)
Non-residents: UAH 16bn (0.8%)

Total outstanding domestic bonds amount to UAH 1.97trn, or roughly USD 47bn in nominal terms.

Domestic bonds account for about 24% of Ukraine's total state and state-guaranteed debt.

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	73.6	0.0%	-0.7%	594	493	25.5%	9.1	7.0	4.5	3.5	0.6
Oil & Gas												
Enwell Energy	ENW	17.0	3.0%	-2.9%	74	-20	21.6%	4.9	6.7	na	na	na
Telecom												
Kyivstar	KYIV	13.27	-1.6%	2.4%	3,064	3,504	10.0%	17.0	12.3	5.7	5.5	3.2
Agro sector												
MHP	MHPC	7.20	0.0%	0.0%	771	2,301	33.7%	3.1	3.7	4.3	4.2	0.7
Kernel (FY24, FY25, FY26E)	KER	20.95	0.0%	0.0%	1,712	1,855	5.4%	7.2	6.8	4.0	4.6	0.4
Astarta	AST	44.80	2.5%	1.8%	305	527	37.0%	4.3	4.0	3.2	3.0	0.9
IMC	IMC	26.30	3.5%	2.7%	260	253	18.3%	5.0	4.0	3.0	2.9	1.2
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.38	0.0%	0.0%	552		1.8%	5.5	5.2	0.8	0.8	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	6858	-1.0%	-0.6%								
Technology sector												
Apple	AAPL	271	-0.7%	-0.4%	4,227	4,267		47	44	31	30	10
Microsoft	MSFT	473	-3.1%	-2.1%	3,514	3,504		37	34	24	23	12
NVIDIA	NVDA	189	-1.0%	1.3%	4,629	4,599		56	50	48	43	28
Palantir Technologies	PLTR	167.9	-11.0%	-5.5%	366	362		458	333	402	278	62
Electric Utilities												
American Electric Power	AEP	115.8	0.1%	0.5%	62	106		19.9	18.7	13.2	12.6	4.9
Dominion Energy	D	59.2	0.0%	1.0%	50	92		19.9	17.8	13.0	12.6	5.8
Oil & Gas												
Exxon Mobil	XOM	123	3.4%	2.5%	541	556		15.5	14.6	7.3	6.9	1.5
Devon Energy	DVN	37.9	6.2%	3.3%	25	33		6.9	6.6	4.2	3.9	1.9
PBF Energy	PBF	28.5	8.8%	4.6%	4.3	5.4		8.6	10.7	6.7	7.7	0.1
Iron Ore Mining												
VALE	VALE	13.26	0.2%	2.0%	57	69		5.7	5.2	4.0	4.7	1.5
Pharmaceutical												
Pfizer	PFE	25.2	0.4%	1.2%	143	200		29.2	28.0	13.8	13.5	3.3
Bristol-Myers Squibb	BMJ	53.5	-2.0%	-0.9%	109	152		neg	18.7	12.2	11.8	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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