# Ferrexpo shares plummet amidst nationalisation fears and market volatility



Shares in Ferrexpo, an iron ore pellets producer listed on the FTSE 250, have experienced a significant decline following troubling developments in Ukraine, where the state bureau of investigations is preparing to lodge a case for the nationalisation of the company’s Poltava mining and processing plant. This facility is the largest project belonging to Ferrexpo, and the request for nationalisation comes amid allegations of illegal mining and the sale of waste products involving managers at the site. Ferrexpo has publicly stated that it considers the accusations to be without merit.

The situation is further complicated by ongoing probes into the company's main shareholder, Kostyantyn Zhevago, who is a sanctioned businessman and former politician. These investigations are part of broader efforts by Ukrainian authorities to combat corruption, a campaign that has continued even after the invasion by Russia in 2022. The uncertainty surrounding these issues has contributed to a sharp drop in Ferrexpo's shares, plummeting by 30.4 per cent, decreasing by 30.2p to a valuation of 69.1p.

In the broader market context, the mood in London remained cautious, as the FTSE 100 index closed down by 0.6 per cent, or 49.56 points, at 8,662.97, while the FTSE 250 fell by 0.5 per cent, or 95.02 points, to close at 20,612.77. Other components of the FTSE 100 also saw declines, with BP suffering a 1.1 per cent drop, falling by 4.95p to 452p. This decline was attributed to the stock trading without entitlement to its latest dividend, dampening the impact of an upgrade by JP Morgan from ‘underweight’ to ‘neutral’ in response to BP's recent results.

Company-specific news saw Indivior's shares tumble by 15.7 per cent, or 136p, to 732p, following the announcement of a projected 17 per cent reduction in its 2025 net revenue, primarily due to weak sales of its opiate addiction therapy. Diversified Energy confirmed its plans to raise approximately £97 million from US investors for acquiring Maverick Natural Resources, leading to a share price drop of 6.4 per cent, or 79p, to 1,150p. Furthermore, Hays reported a decline in first-half profit, causing its shares to shed 1.9 per cent, or 1.35p, down to 71.7p.

However, amidst this turbulent environment, a few companies reported positive news. Safestore’s shares rose by 2.7 per cent, or 15.5p, to 600p, driven by improving like-for-like growth across markets. Wood Group's shares experienced a 6.4 per cent increase, rising by 1.54p to 25.8p, following the award of a £95 million contract extension with Shell UK, despite the resignation of its chief financial officer due to an incorrect description of his qualifications. Ithaca Energy surged by 9.3 per cent, or 12.2p, to 143.4p, as it announced production forecast for 2024 at the top end of guidance, representing a 14 per cent increase from 2023 levels.

Among smaller market players, Greatland Gold saw a 4.9 per cent rise, or 0.4p, reaching 8.6p after reporting exceptional results from its first underground drilling project in Australia. Conversely, Ceres Power experienced a significant downturn, plummeting by 38.5 per cent, or 50.45p, to 80.55p, following the announcement that major partner Robert Bosch would be pulling its partnership as part of a strategic shift, which includes the sale of its 17.44 per cent stake in the company. Similarly, Zoo Digital's shares dropped by 37.3 per cent, or 10.25p, to 17.25p after the company warned that its revenue and earnings projections for the future would fall below market expectations.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.lse.co.uk/news/ferrexpo-shares-tank-on-ukraine-mine-nationalisation-report-lkpsppcbr2lzkwm.html> - This article supports the claim that Ferrexpo shares have declined significantly due to reports of Ukraine planning to nationalize the Poltava mining and processing plant amid allegations of illegal mining and fund misappropriation.
* <https://www.lse.co.uk/news/press-ukraine-moves-to-nationalise-ferrexpos-poltava-mine-reuters-2ksdsh6irljn6vi.html> - This article corroborates the nationalization efforts by Ukrainian officials and the impact on Ferrexpo's shares, which plummeted by 30% in response.
* <https://www.marketscreener.com/quote/stock/FERREXPO-PLC-9590229/news/Ukraine-moves-to-nationalise-Ferrexpo-s-Poltava-mine-Reuters-49114675/> - This news piece provides further details on the nationalization move, including the freezing of assets and corporate rights at the Poltava site due to alleged misappropriation of funds.
* <https://www.bloomberg.com/markets/stocks/uk> - This Bloomberg page provides general market data that can support the broader market context, including the performance of the FTSE 100 and FTSE 250 indices.
* <https://www.investing.com/indices/ftse-100> - This page offers real-time data on the FTSE 100 index, supporting the claim about its decline and overall market mood.