

Bond Market Insight

UAH bond yields unchanged

Comment on government bond placement

The MoF's first auction in May started on a positive note. No one paper was oversubscribed, but the MoF borrowed UAH6.5bn without changes in interest rates.

Table 1. Details of domestic government bonds placed at the auction (UAHbn)

ISIN	Coupon rate (%)	Payment frequency ¹	Maturity	Qty of bonds sold	Price (UAH)	Proceeds ² (UAHm)	Volume ² (UAHm)	YTM ³ (%)	Outstanding (m) ⁴
UA4000235378	16.33	SA	19-Aug-26	2,822,280	1,033.56	2,916.99	2,822.28	17.07	7,648.37
UA4000234413	16.61	SA	13-Jan-27	1,202,655	1,043.36	1,254.80	1,202.66	17.88	7,307.88
UA4000235196	17.80	SA	12-Apr-28	2,304,156	1,009.94	2,327.06	2,304.16	18.65	12,893.46
Total UAH				6,329,091		6,498.85	6,329.09		27,849.71

Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 41.53/USD, 45.32/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

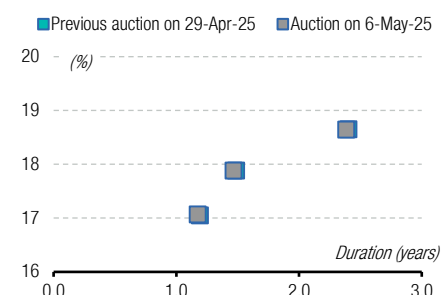
All bids had the same interest rates as in previous weeks. In a few weeks during April, the MoF rejected some demand that requested an increase in interest rates, but later in April and yesterday, all bids were within the same range without attempts to get higher yield.

Therefore, the cut-off and weighted average rates remain the same for the third week: 16.35% for 16-month military bills, 17.1% for 1.7-year regular paper, and 17.8% for the three-year regular note.

The MoF's UAH6.5bn proceeds are new funds, as there are no redemptions rollover needs today.

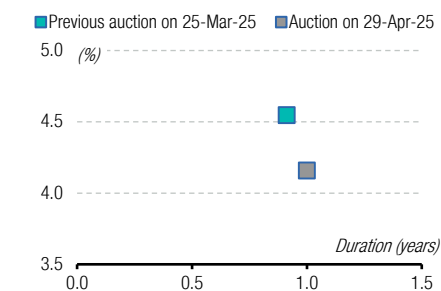
WEDNESDAY, 7 MAY 2025

UAH-denominated domestic gov't bonds: yield curve in past two auctions



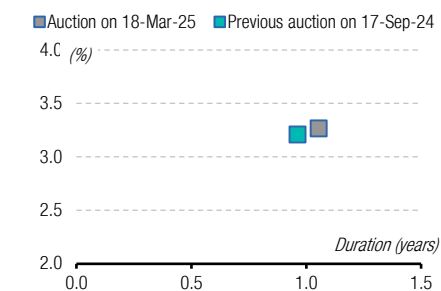
Source: Ministry of Finance of Ukraine, ICU.

USD-denominated domestic gov't bonds: yield curve in past two auctions



Source: Ministry of Finance of Ukraine, ICU.

EUR-denominated domestic gov't bonds: yield curve in past two auctions

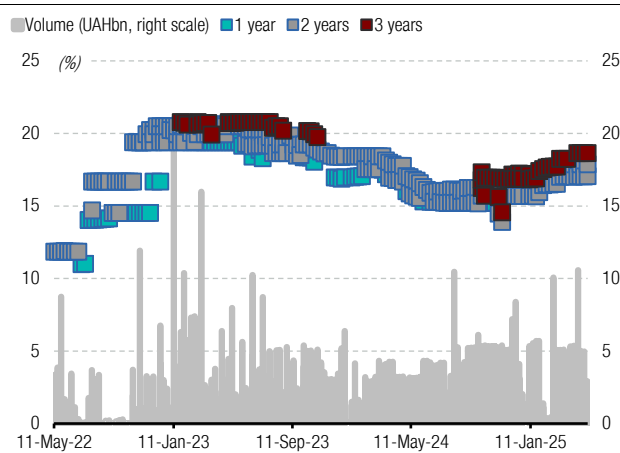


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

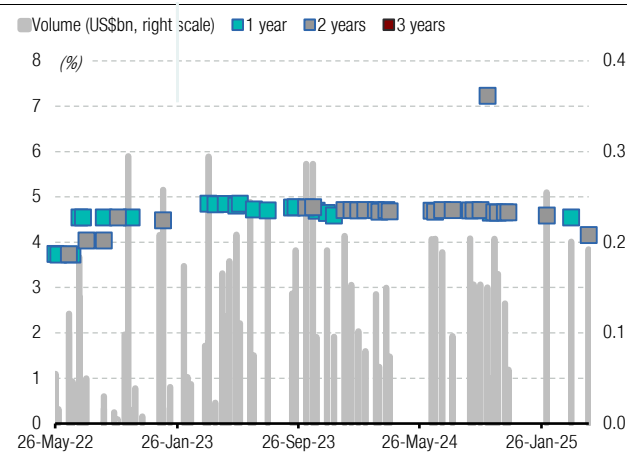
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

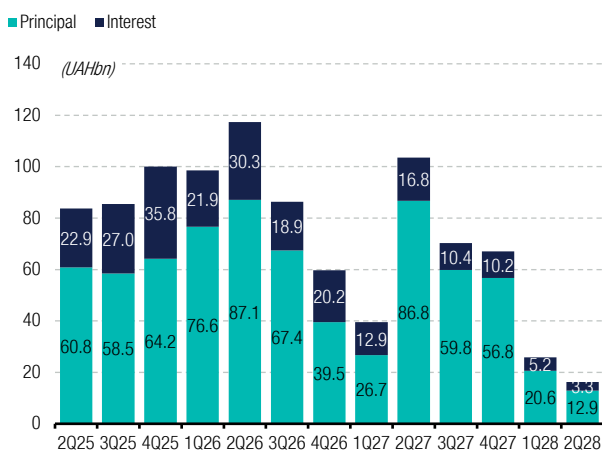
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

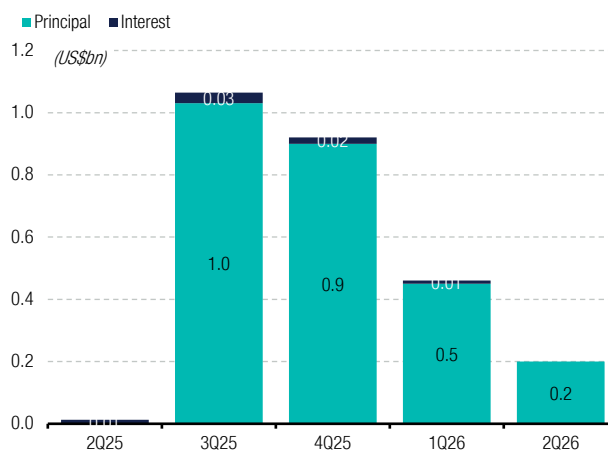
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

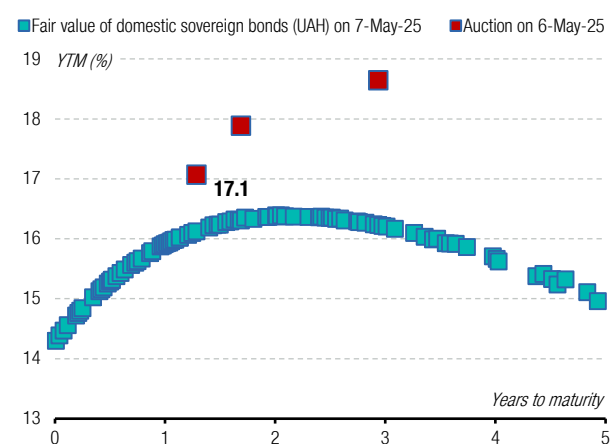
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

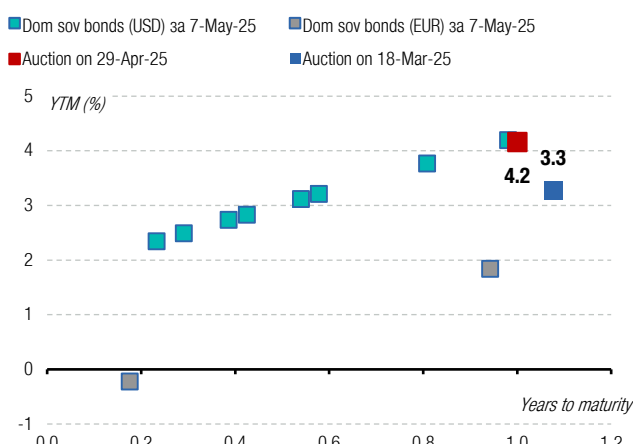
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

UAH-denominated domestic government bonds



Source: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

USD- and EUR-denominated domestic government bonds



Source: National Bank of Ukraine, Ministry of Finance of Ukraine, ICU.

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