

# Bond Market Insight

## MoF issues new three-year bonds

### Comment on government bond placement

The MoF offered both military and regular bonds, seemingly not in a hurry to borrow more funds. Therefore, the MoF did not offer reserve bonds.

The MoF offered the usual 15 and 20-month bills yesterday, replacing a three-year note with a new issue due at the end of November 2028.

Demand expectedly focuses on 15-month and three-year bonds, while 20-month paper received just 0.7bn of bids.

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

| ISIN             | Coupon rate (%) | Payment freq <sup>1</sup> | Maturity  | Qty of bonds sold | Price (UAH) | Proceeds <sup>2</sup> (UAHm) | Volume <sup>2</sup> (UAHm) | YTM <sup>3</sup> (%) | Outstanding (m) <sup>4</sup> |
|------------------|-----------------|---------------------------|-----------|-------------------|-------------|------------------------------|----------------------------|----------------------|------------------------------|
| UA4000235378     | 16.33           | SA                        | 19-Aug-26 | 3,065,170         | 1,046.25    | 3,206.93                     | 3,065.17                   | 17.05                | 20,776.03                    |
| UA4000234413     | 16.61           | SA                        | 13-Jan-27 | 736,485           | 1,056.79    | 778.31                       | 736.49                     | 17.87                | 8,768.60                     |
| UA4000235782     | 17.80           | SA                        | 29-Nov-28 | 2,939,211         | 1,000.00    | 2,939.21                     | 2,939.21                   | 18.65                | 2,939.21                     |
| <b>Total UAH</b> |                 |                           |           | <b>6,740,866</b>  |             | <b>6,924.45</b>              | <b>6,740.87</b>            |                      | <b>32,483.84</b>             |

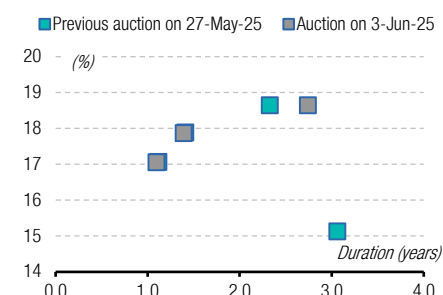
Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 41.53/USD, 46.99/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

Interest rates for 15 and 20-month bills remain almost unchanged. At the same time, the MoF set cut-off and weighted average rates for the new three-year note at 17.8%, rejecting three bids with higher yields.

The state budget received UAH6.9bn of proceeds yesterday, which will not cover weekly needs to maintain the rollover of the UAH debt above 100%.

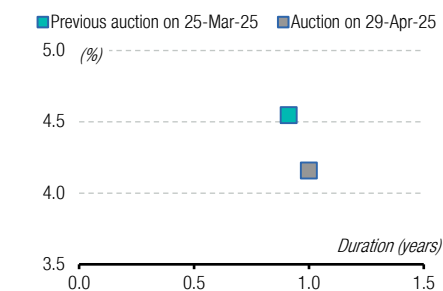
### WEDNESDAY, 4 JUNE 2025

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



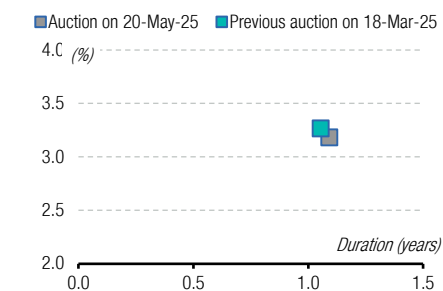
Source: Ministry of Finance of Ukraine, ICU.

#### 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

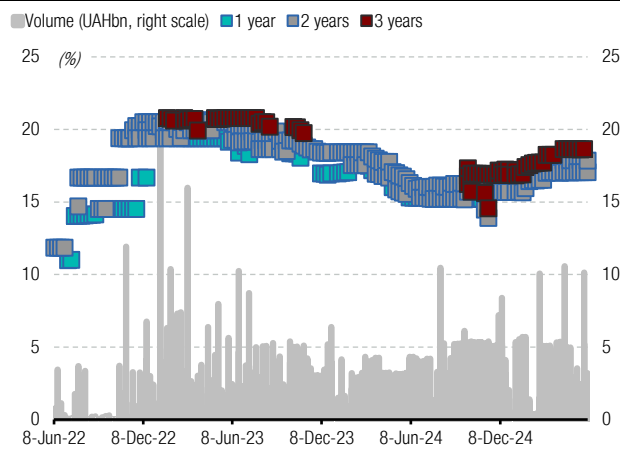


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

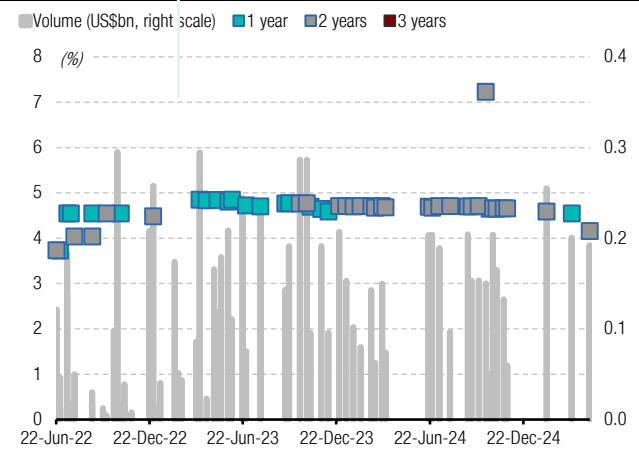
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

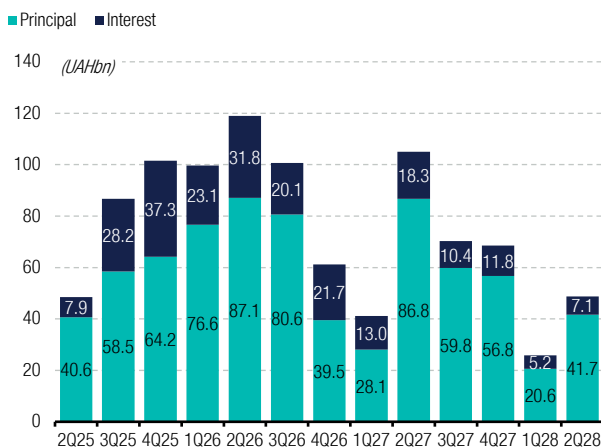
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

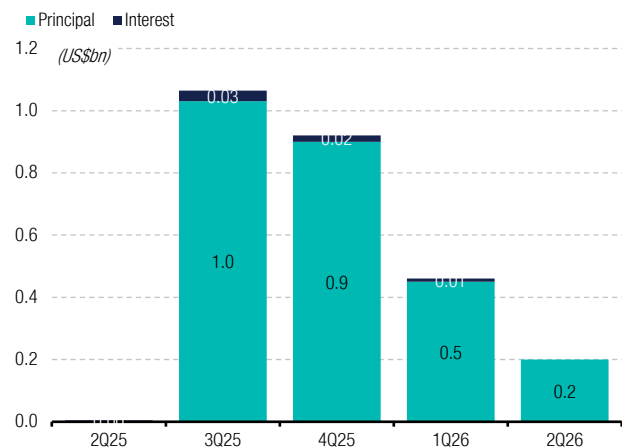
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

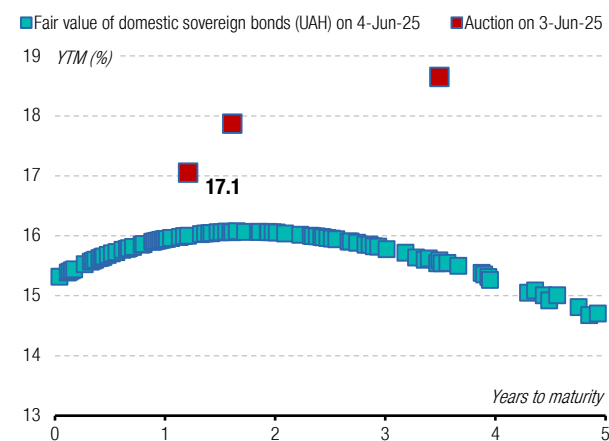
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

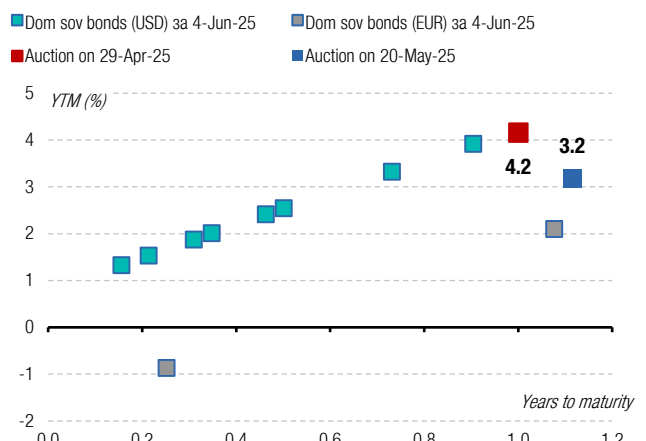
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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