

# Bond Market Insight

## Investors focuses on longer bonds

### Comment on government bond placement

Among UAH bonds, investors preferred the longest offered bonds due in November 2028. However, the most significant amount of funds the MoF received were from EUR-denominated bills.

**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> (%)	Out-standing (m) <sup>4</sup>
UA4000235865	16.35	SA	16-Sep-26	1,702,290	1,049.56	1,786.65	1,702.29	17.07	11,734.33
UA4000236228	17.10	SA	10-Mar-27	1,416,900	1,055.12	1,494.99	1,416.90	17.88	2,505.56
UA4000235782	17.80	SA	29-Nov-28	5,000,000	1,016.55	5,082.73	5,000.00	18.65	17,495.24
<b>Total UAH</b>				<b>8,119,190</b>		<b>8,364.38</b>	<b>8,119.19</b>		<b>31,735.13</b>
UA4000235576	3.16	SA	2-Jul-26	168,920	999.84	8,277.43	8,278.77	3.27	18,080.78
<b>Total EUR</b>				<b>168,920</b>		<b>8,277.43</b>	<b>8,278.77</b>		<b>18,080.78</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, 49.01/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

Demand for 14-month military bills almost doubled. The MoF received 20 bids totalling UAH1.7bn with 16.3-16.35% yields. For 20-month paper, 10 bids totalling UAH1.4bn were received with the usual 17-17.1% yields. All these bids were accepted fully.

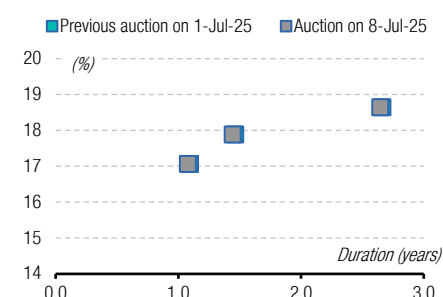
For the 3.4-year note, the MoF did not reject any bids, either, but partially satisfied most of them within the cap.

At the same time, the EUR-denominated bills provided the state budget with the most funds from among the offered securities. The MoF sold EUR169m of bonds or just 84% of the cap.

For the second week, investors focused on the 3.4-year paper, which had the highest yields. This is not to be taken as a signal that the NBU will decrease the key policy rate, more, some investors prefer to lock in the current yields for the next three years.

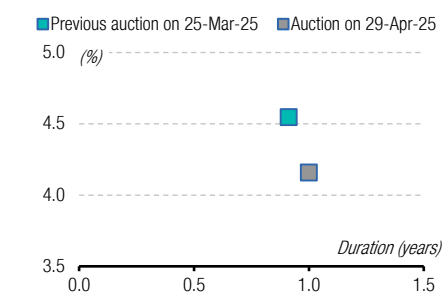
WEDNESDAY, 9 JULY 2025

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



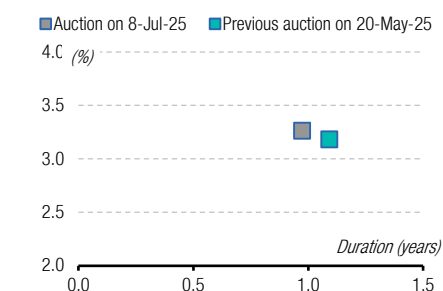
Source: Ministry of Finance of Ukraine, ICU.

### 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

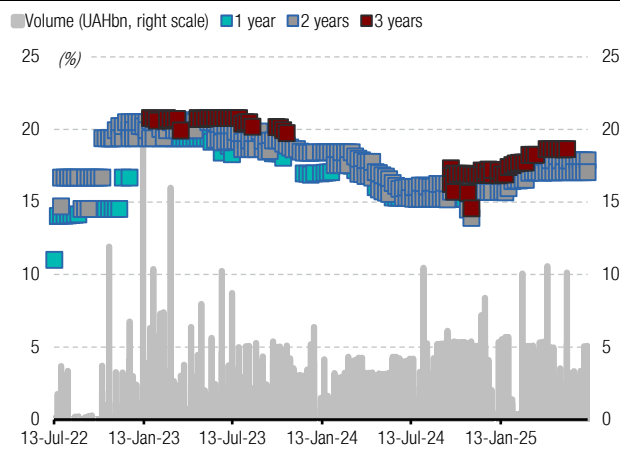


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

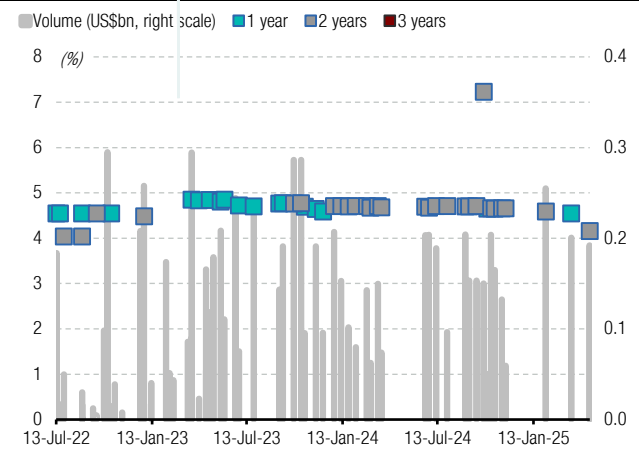
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

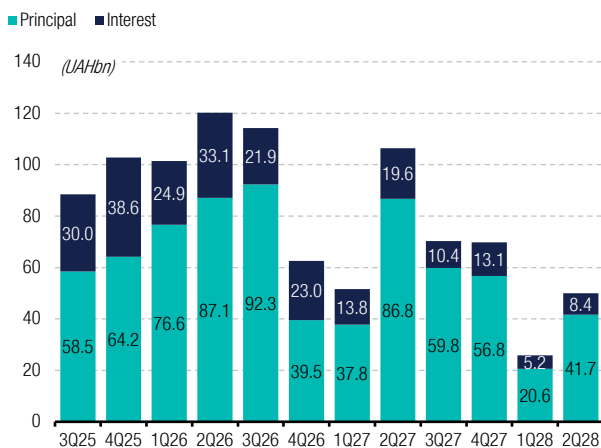
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

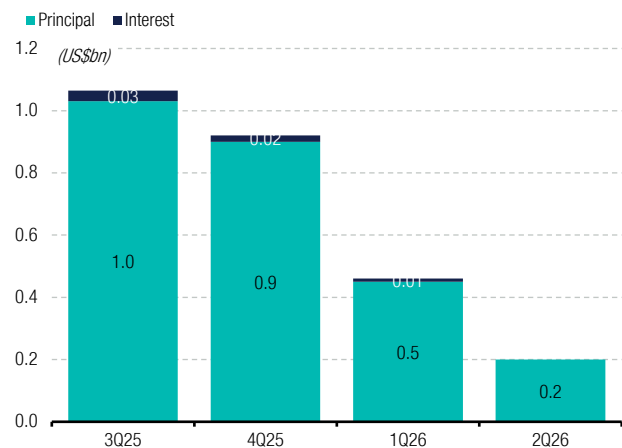
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

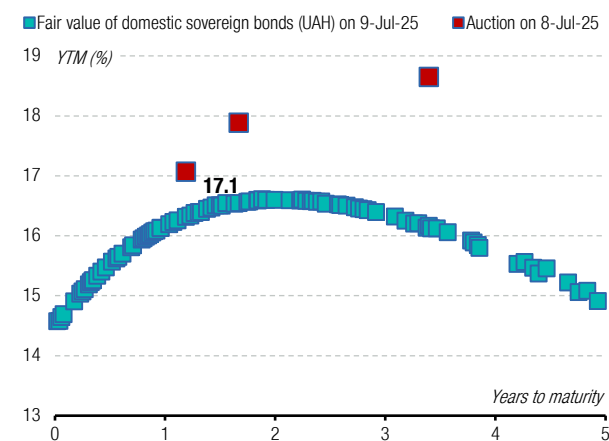
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

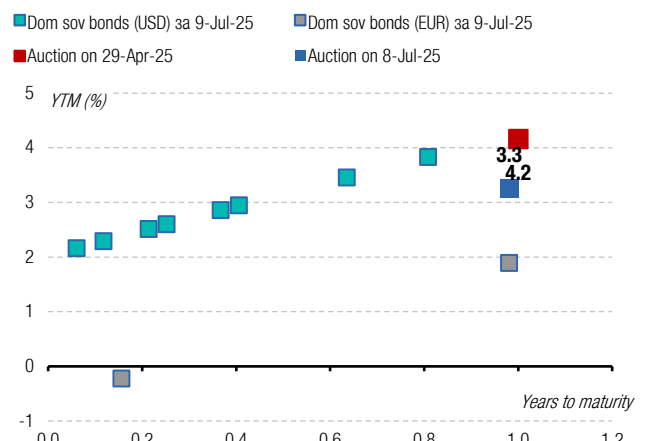
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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