

# Bond Market Insight

## Investors focus on FX bonds and longer maturities

### Comment on government bond placement

Yesterday, the MoF borrowed over UAH18bn, mostly from USD-denominated paper and a four-year note.

The least amount of budget proceeds was from bills with a maturity of less than two years. Fourteen-month bills provided the budget with UAH552bn, and 19-month paper raised UAH398m of funds. A three-year note provided UAH1.3bn.

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

ISIN	Coupon rate (%)	Payment frequency <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>
UA4000236624	16.35	SA	14-Oct-26	525,964	1,049.56	552.03	525.96	17.07	525.96
UA4000236228	17.10	SA	10-Mar-27	372,263	1,068.64	397.82	372.26	17.87	5,898.34
UA4000236475	17.77	SA	27-Sep-28	1,210,219	1,060.02	1,282.86	1,210.22	18.65	4,179.41
UA4000236632	14.84	SA	27-Jun-29	10,000,000	1,013.90	10,139.04	10,000.00	15.43	10,000.00
<b>Total UAH</b>				<b>12,108,446</b>		<b>12,371.74</b>	<b>12,108.45</b>		<b>20,603.72</b>
UA4000236541	4.17	SA	4-Feb-27	140,000	1,000.10	5,831.60	5,831.00	4.21	14,652.35
<b>Total USD</b>				<b>140,000</b>		<b>5,831.60</b>	<b>5,831.00</b>		<b>14,652.35</b>

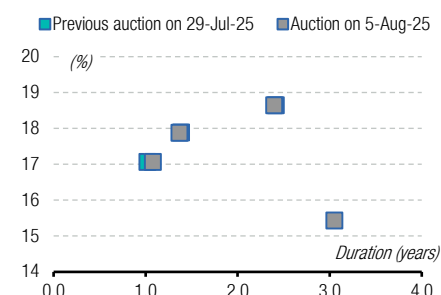
Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 41.65/USD, 48.99/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

At the same time, a new four-year note saw oversubscription, doubling from the UAH10bn cap. Such demand, with interest rates around 15%, below the interest rates for a three-year bond, suggests that this paper will become a reserve paper. However, the cut-off rate rose 16bp to 15%, and the weighted-average rate rose 21bp to 14.84%.

Finally, the FX-denominated bill saw almost 3x oversubscription. The MoF offered UA\$140m of bills, which saw almost US\$412m of demand. Interest rates were hardly changed, as the MoF rejected just two bids, and some were partially satisfied.

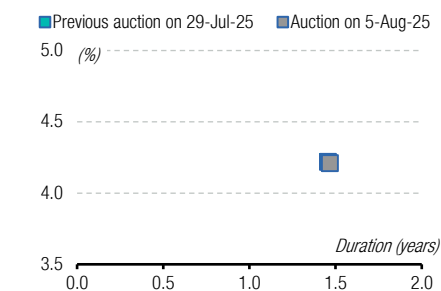
### WEDNESDAY, 6 AUGUST 2025

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



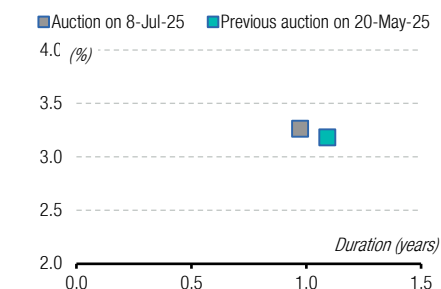
Source: Ministry of Finance of Ukraine, ICU.

#### 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

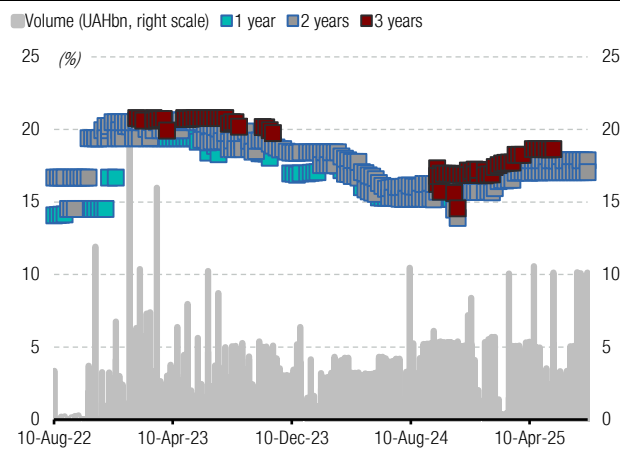


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

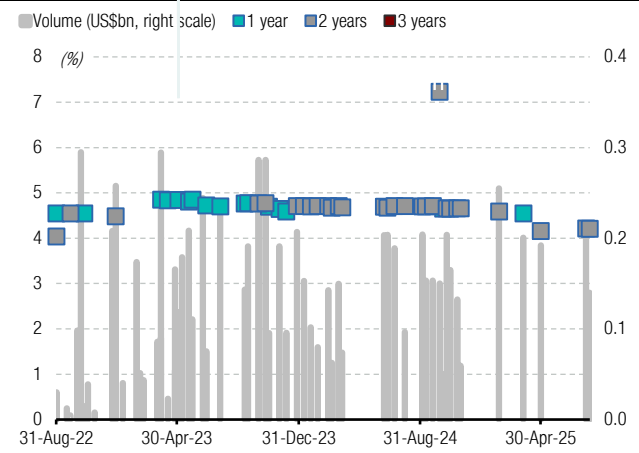
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

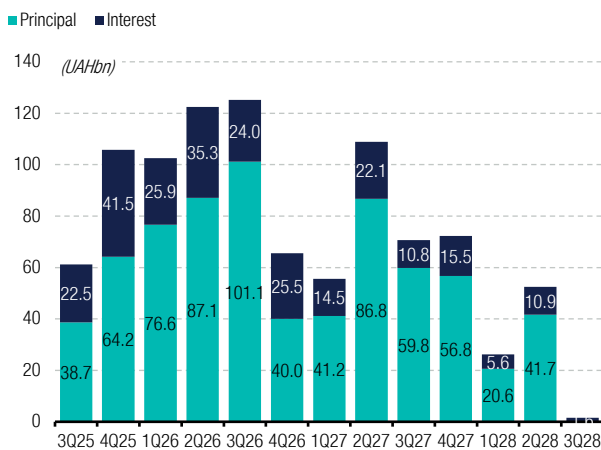
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

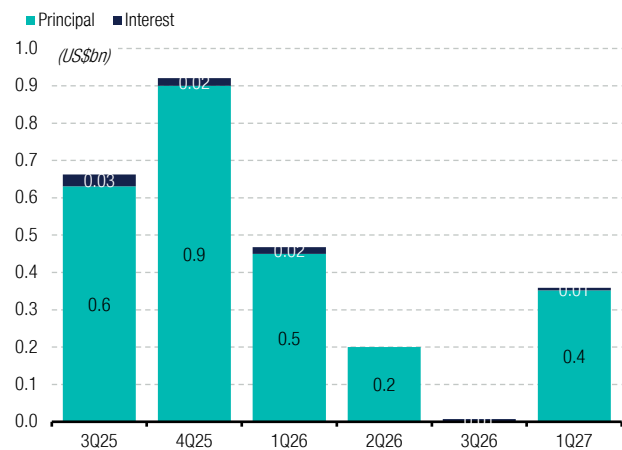
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

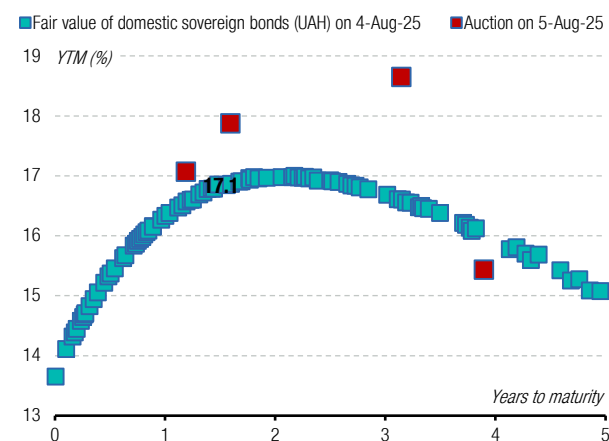
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

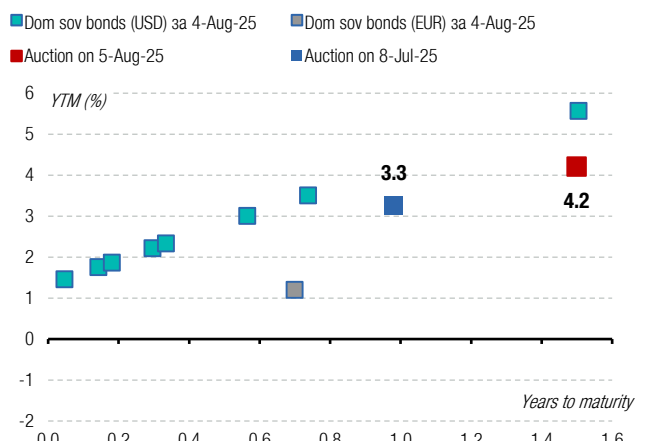
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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11th floor, LEONARDO Business Centre  
19-21 Bogdan Khmelnytsky Street  
Kyiv, 01030 Ukraine  
Phone/Fax +38 044 3777040

**WEB** [www.icu.ua](http://www.icu.ua)



## RESEARCH

**Alexander Martynenko** 

Head of corporate research  
[alexander.martynenko@icu.ua](mailto:alexander.martynenko@icu.ua)

**Mykhaylo Demkiv** 

Financial analyst (Banks)  
[mykhaylo.demkiv@icu.ua](mailto:mykhaylo.demkiv@icu.ua)

**Taras Kotovych** 

Senior financial analyst (Sovereign debt)  
[taras.kotovych@icu.ua](mailto:taras.kotovych@icu.ua)

**Dmitriy Dyachenko**

Financial analyst  
[dmitriy.dyachenko@icu.ua](mailto:dmitriy.dyachenko@icu.ua)

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