

Bond Market Insight

Focus remains on FX-denominated bonds

Comment on government bond placement

The Ministry of Finance planned four placements of USD-denominated bills after taking a small break last week. However, despite the regularity of placements, USD-denominated securities continue to collect significant demand and consistently bring the budget the planned proceeds.

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

ISIN	Coupon rate (%)	Payment freq ¹	Maturity	Qty of bonds sold	Price (UAH)	Proceeds ² (UAHm)	Volume ² (UAHm)	YTM ³ (%)	Out-standing (m) ⁴
UA4000236624	16.35	SA	14-Oct-26	841,643	1,055.92	888.70	841.64	17.07	3,526.35
UA4000236228	17.10	SA	10-Mar-27	682,417	1,075.27	733.78	682.42	17.88	6,873.33
UA4000236475	17.77	SA	27-Sep-28	297,902	1,067.09	317.89	297.90	18.64	4,976.79
Total UAH				1,821,962		1,940.38	1,821.96		15,376.47
UA4000236806	4.15	SA	18-Mar-27	150,000	1,017.53	6,312.12	6,203.36	4.20	6,203.36
Total USD				150,000		6,312.12	6,203.36		6,203.36

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 41.36/USD, 48.99/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

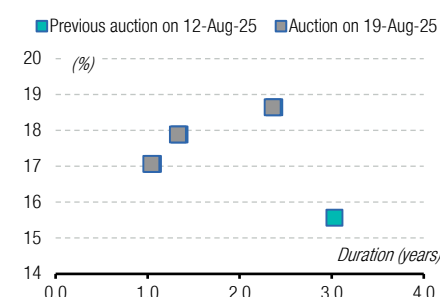
Yesterday, the MoF offered US\$150m of bonds. Demand exceeded the offer by over three times and amounted to US\$482.5m. Most accepted bids had 4.15% interest rates, as the cut-off rate decreased by 10bp to 4.15%, and the weighted average rate decreased by only 1bp to the same level, 4.15%.

At the same time, UAH bonds attracted relatively small demand and brought the state budget only UAH1.9bn, significantly less than in previous weeks, excluding reserve securities.

The budget received more than UAH8bn in all currencies, and slightly replenishing the foreign currency accounts before tomorrow's redemption. The Ministry of Finance will need hryvnia funds for redemptions in September, so there is no need to rush with reserve bonds now.

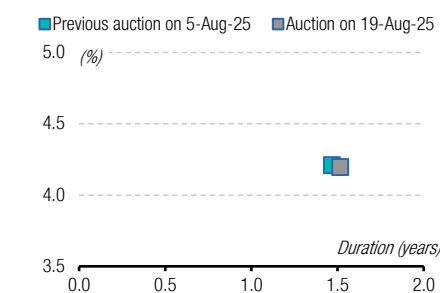
WEDNESDAY, 20 AUGUST 2025

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



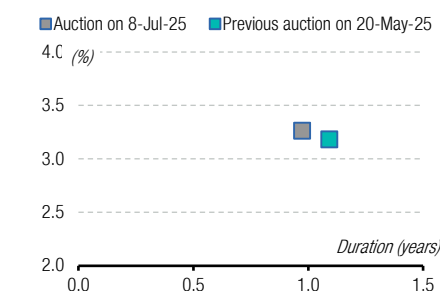
Source: Ministry of Finance of Ukraine, ICU.

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

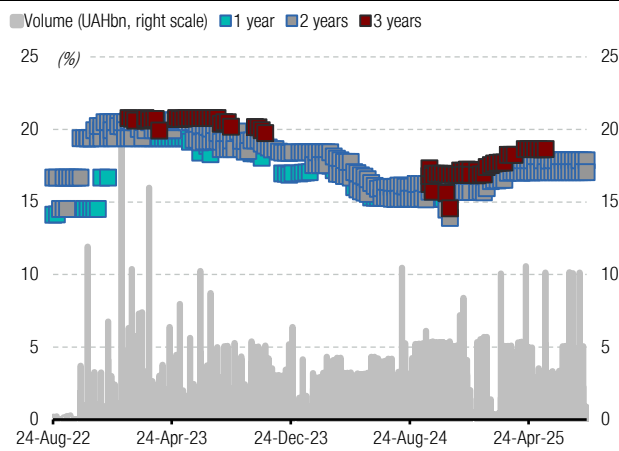


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

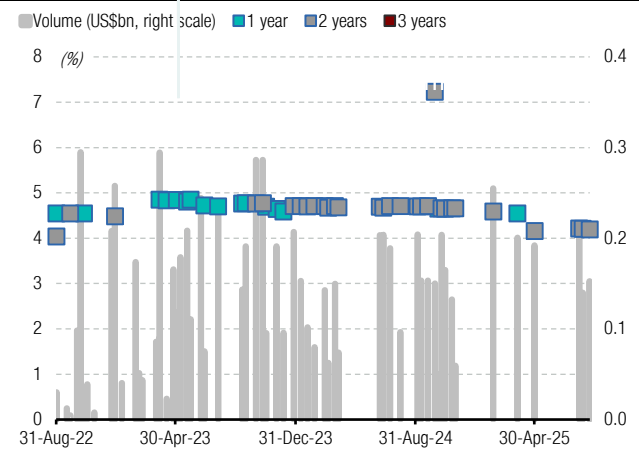
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

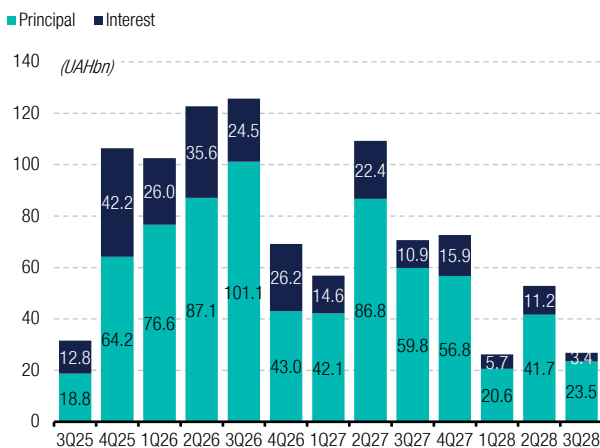
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

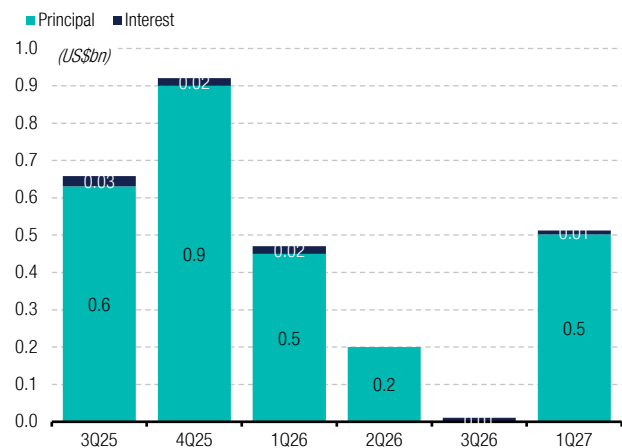
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

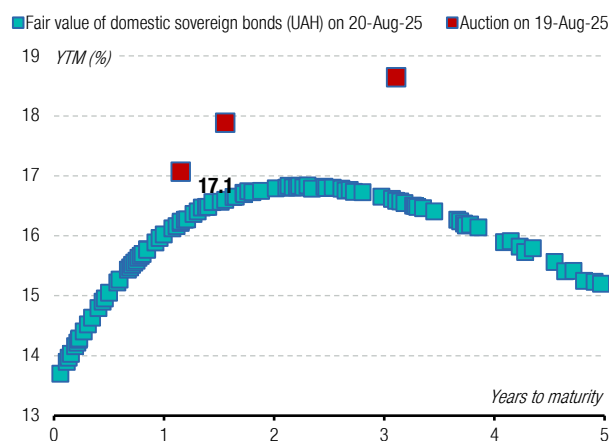
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

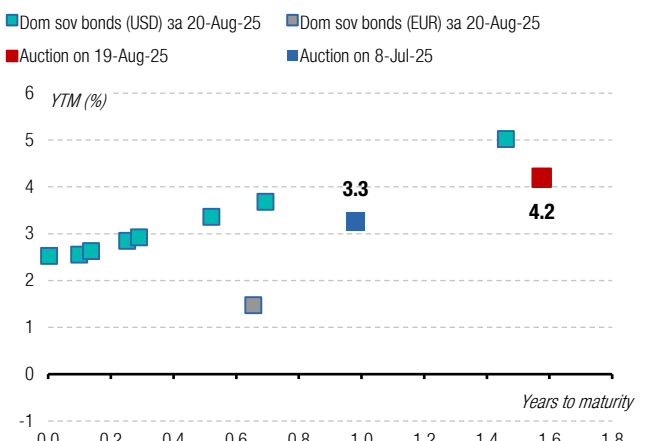
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

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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