

# Bond Market Insight

## MoF issues new USD-denominated

### Comment on government bond placement

Yesterday, the Ministry of Finance almost doubled borrowings compared with last week, thanks to the new military USD-denominated bond offer.

Demand for UAH bonds focuses on 1.5-year paper, which received the largest volume of bids yesterday – UAH2.5bn – the most for this bond in almost three months. One-year and three-year bonds collected UAH1.4bn and UAH1.5bn of bids, significantly less than last week. So, UAH bonds brought the budget almost UAH5.7bn, or a quarter less than the week before.

**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>
UA4000236624	16.35	SA	14-Oct-26	1,388,420	1,072.00	1,488.38	1,388.42	17.07	13,676.88
UA4000236228	17.10	SA	10-Mar-27	2,513,754	1,006.33	2,529.67	2,513.75	17.88	13,093.99
UA4000236475	17.77	SA	27-Sep-28	1,516,334	1,084.61	1,644.64	1,516.33	18.65	12,732.28
<b>Total UAH</b>				<b>5,418,508</b>		<b>5,662.69</b>	<b>5,418.51</b>		<b>39,503.14</b>
UA4000237242	4.12	SA	15-Apr-27	200,000	1,018.23	8,431.33	8,280.40	4.16	8,280.40
<b>Total USD</b>				<b>200,000</b>		<b>8,431.33</b>	<b>8,280.40</b>		<b>8,280.40</b>

Note: [1] payment frequency abbreviations: M - monthly, Qly - 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 41.4/USD, 48.29/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

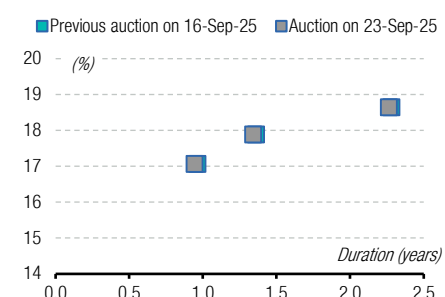
Yesterday's key offer was a USD-denominated bond. The Ministry offered US\$200mn of securities with maturity in April 2027 and saw 20% oversubscription. Again, these were military bonds, not ordinary bonds like the previous paper sold in August.

The Ministry of Finance received 74 bids for USD-denominated bonds with rates from 4% to 4.8%, but satisfied 72 at the usual parameters, maintaining the cut-off rate of 4.15% and slightly increasing the weighted average rate to 4.12% from 4.08%.

The Ministry rejected only two bids that required an increase in the cut-off rate. However, they were unlikely to be more than US\$42mn, so some participants purchased fewer bonds than they wanted and will try to buy additional USD-denominated securities next week. Therefore, the weighted average rate may decline again.

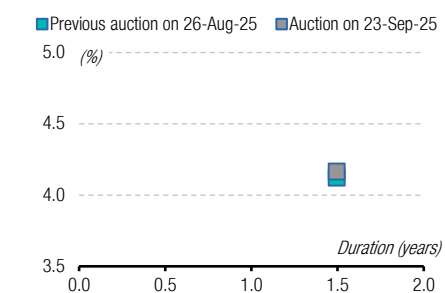
### WEDNESDAY, 24 SEPTEMBER 2025

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



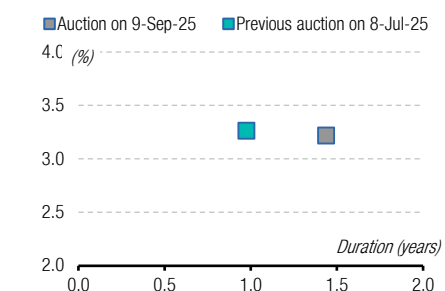
Source: Ministry of Finance of Ukraine, ICU.

#### 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

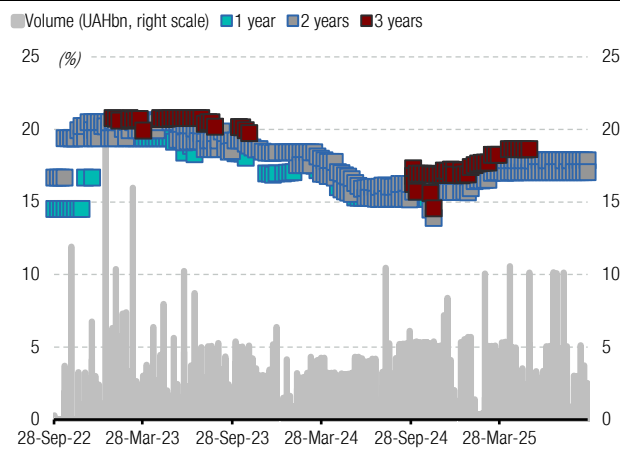


Source: Ministry of Finance of Ukraine, ICU.

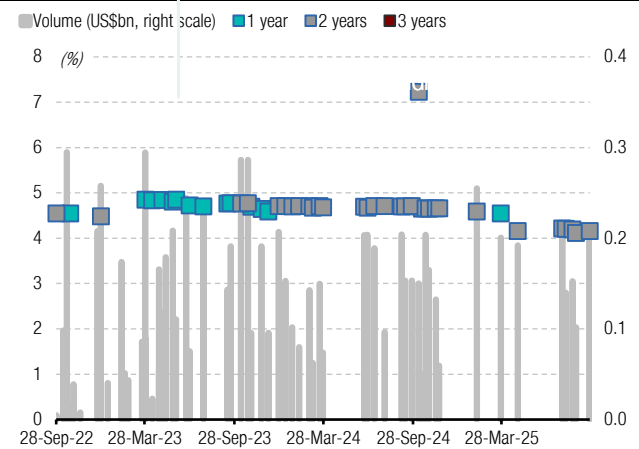
# Appendix: Yields-to-maturity, repayments

**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*

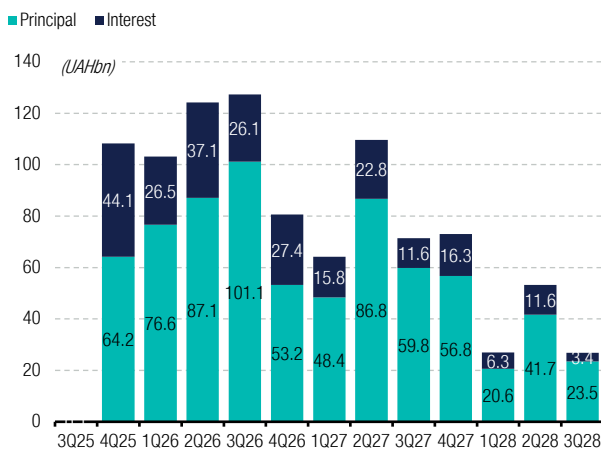


*USD-denominated domestic government bonds*

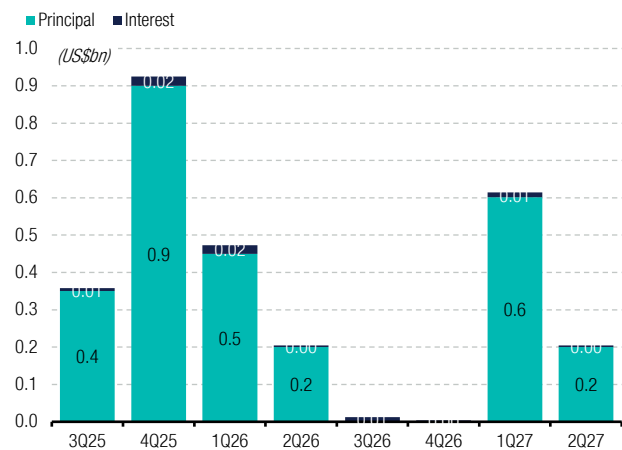


**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*

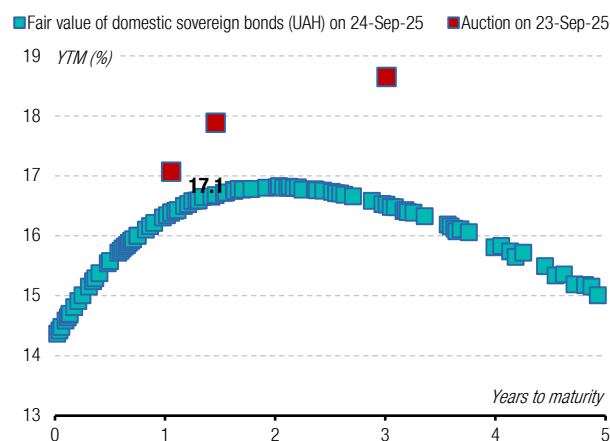


*USD-denominated domestic government bonds*

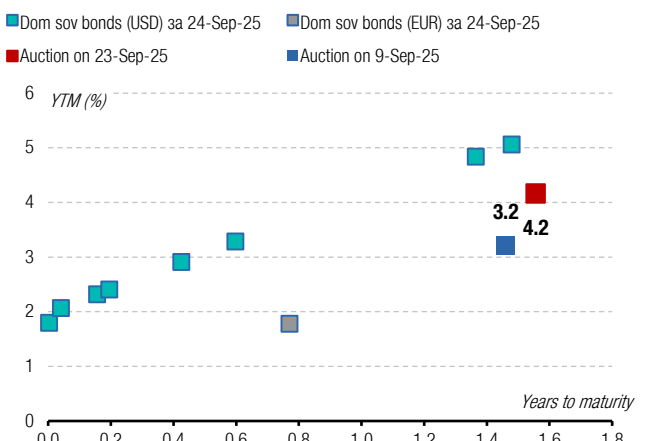


**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*UAH-denominated domestic government bonds*



*USD- and EUR-denominated domestic government bonds*



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