Focus
Ukraine

Markets
Domestic government bonds

Analyst(s)
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Bond Market Insight

MoF maintains high borrowings

Comment on government bond placement

WEDNESDAY, 15 OCTOBER 2025

Yesterday, the Ministry of Finance borrowed almost UAH20bn and sold USD-denominated and new reserve bonds in addition to regular and UAH military securities.

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

ISIN	Coupon rate (%)	Pay-ment freq[1]	Maturity	Qty of bonds sold	Price (UAH)	Pro-ceeds[2] (UAHm)	Volume[2] (UAHm)	YTM[3] (%)	Out-standing (m)[4]
UA4000237416	16.35	SA	18-Nov-26	2,415,253	1,065.61	2,573.71	2,415.25	17.06	7,415.25
UA4000237424	17.10	SA	23-Jun-27	2,260,388	1,051.78	2,377.43	2,260.39	17.88	7,260.39
UA4000237556	17.80	SA	15-Nov-28	2,925,847	1,071.40	3,134.74	2,925.85	18.64	2,925.85
UA4000237564	14.89	SA	25-Jul-29	5,000,000	1,030.82	5,154.08	5,000.00	15.49	5,000.00
Total UAH				**12,601,488**		**13,239.96**	**12,601.49**		**22,601.49**
UA4000237432	4.09	SA	17-Jun-27	150,000	1,014.44	6,359.76	6,269.25	4.07	14,628.25
Total USD				**150,000**		**6,359.76**	**6,269.25**		**14,628.25**

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 41.8/USD, 48.29/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

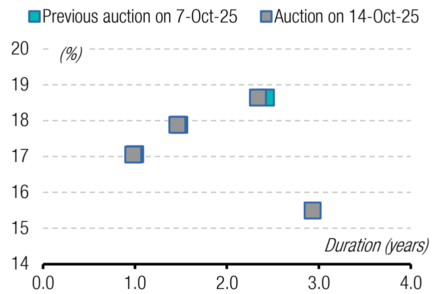
Interest in military and regular bonds cooled yesterday. Demand for one-year bills more than halved, for 1.5-year bills interest fell almost three times, and for three-year bonds, bids slid by about a third. All three securities received bids with the usual interest rates, so the MoF accepted all fully. The new three-year UAH bond received a 3bp higher coupon rate than the previous paper with a maturity of two weeks later.

The Ministry completed this month's placement of FX-denominated bonds. US$350m of bonds were sold in two weeks, the same amount as last week's redemption.

Additionally, yesterday, the MoF sold a new note with maturity in July 2029, i.e., with a maturity of more than 3.5 years. Demand for this instrument was huge, receiving x4.5 oversubscription while bid rates were significantly lower than for three-year paper. So, this is obviously the beginning of placing new reserve securities, but there is no further offer of this instrument in the auction schedule. That is, the MoF will add it to the offer in case of urgent need for funds.

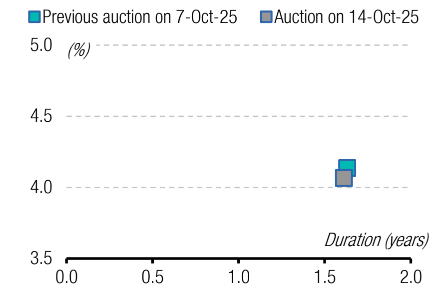
Overall, the auction was successful, although it did not set a new record regarding borrowing volume. Banks shifted their focus to reserve securities because reserve bonds will be redeemed in early November, causing a decrease in demand for ordinary and military hryvnia securities.

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



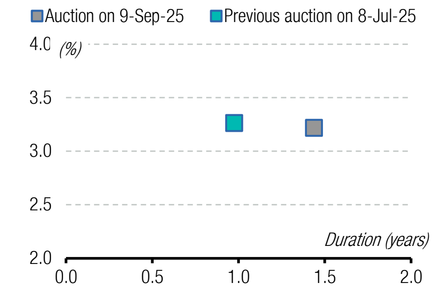
Source: Ministry of Finance of Ukraine, ICU.

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

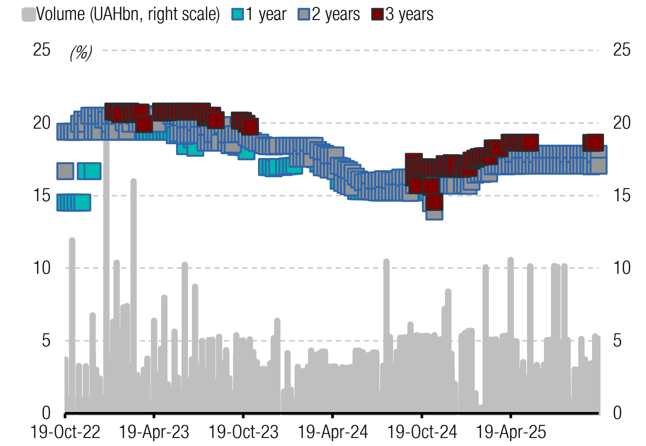


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

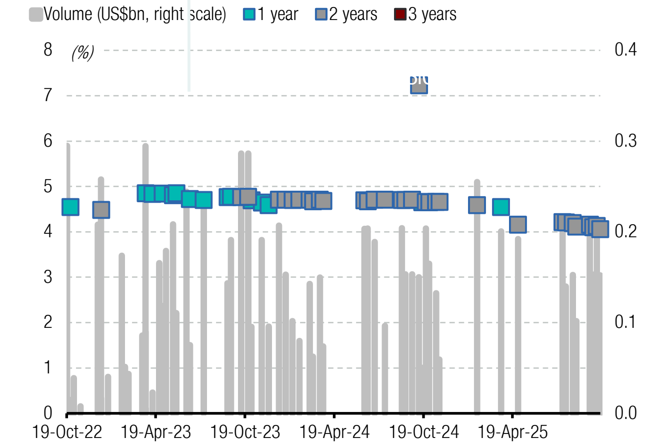
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

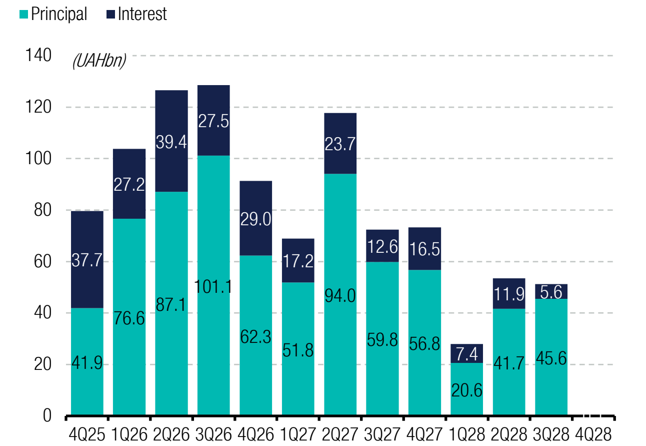
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

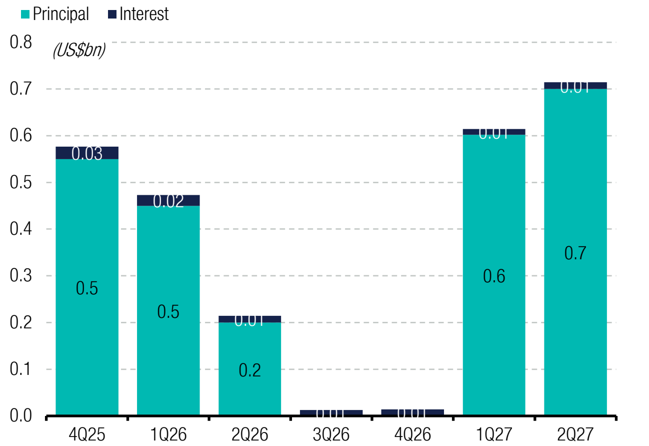
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

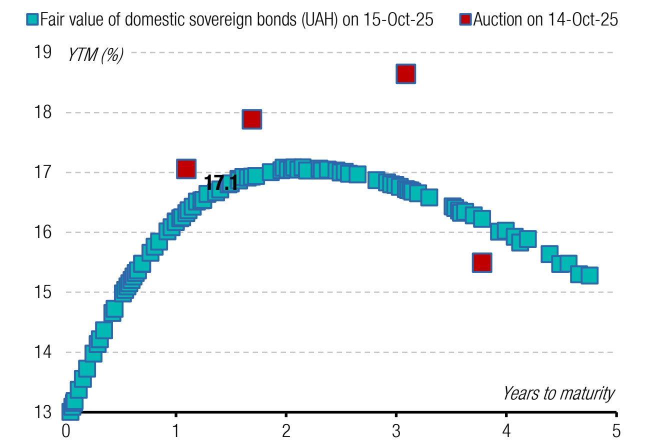
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

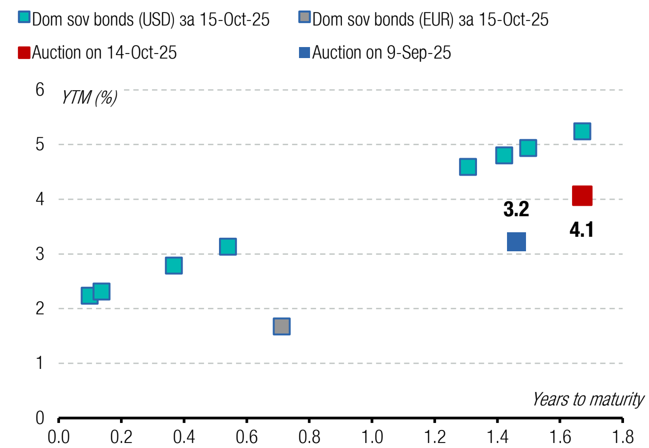
Chart 3. YTMs of domestic government bonds as calculated by NBU versus placements via primary market auctions

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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