Focus	Markets	Analyst(s)
Ukraine	**Domestic government bonds**	**Taras Kotovych**

Bond Market Insight

MoF improves borrowings using FX-

Comment on government bond placement

WEDNESDAY, 19 NOVEMBER 2025

Interest in UAH bonds decreased again, as investors have shifted their focus to USD-denominated and EUR-denominated securities. Most proceeds for the budget were from USD-denominated bills and UAH military bonds maturing in 2028.

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	693,360	1,000.00	693.36	693.36	17.07	17,542.25
UA4000237424	17.10	SA	23-Jun-27	201,157	1,068.52	214.94	201.16	17.88	15,194.04
UA4000237804	17.50	SA	22-Mar-28	3,836,282	1,026.15	3,936.60	3,836.28	18.32	11,172.60
UA4000237556	17.80	SA	15-Nov-28	145,179	1,000.02	145.18	145.18	18.65	12,129.62
Total UAH				**4,875,978**		**4,990.09**	**4,875.98**		**56,038.52**
UA4000237994	4.01	SA	1-Jul-27	200,000	1,015.44	8,548.19	8,418.20	4.05	8,418.20
Total USD				**200,000**		**8,548.19**	**8,418.20**		**8,418.20**
UA4000237077	3.19	SA	25-Feb-27	6,705	1,006.95	329.11	326.84	3.25	4,256.27
Total EUR				**6,705**		**329.11**	**326.84**		**4,256.27**

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 42.09/USD, 48.75/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

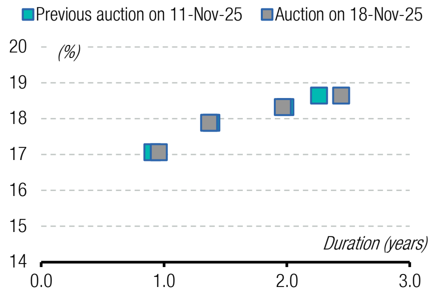
Although one-year military paper received considerable interest, it was only for UAH0.7bn, one-third of last week's demand. Interest in ordinary 19-month paper decreased by almost a third WoW to UAH0.2bn in only two bids. The volume of bids for the three-year note fell significantly, from UAH1.2bn last week to UAH145m yesterday.

Demand for the two-year military paper maturing in 2028 also declined, but only to UAH3.8bn from almost UAH6.3bn a week ago.

All UAH instruments received bids at the usual yield levels, so the maximum satisfied and weighted average rates remained unchanged.

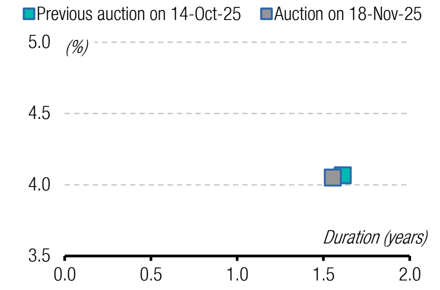
At the same time, there was considerable interest in FX-denominated bonds. USD-denominated bills collected almost US$232m in 83 bids, which was US$32m more than the cap. Therefore, the Ministry of Finance had to reject two bids with high rates and distribute the offering among the remaining participants. Participants with non-competitive bids (satisfied at the weighted average rate) received 30% of the cap or US$60m. Participants with the lowest bid rates got the requested volume of bonds. The remaining bonds the MoF distributed among participants who submitted bids at

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



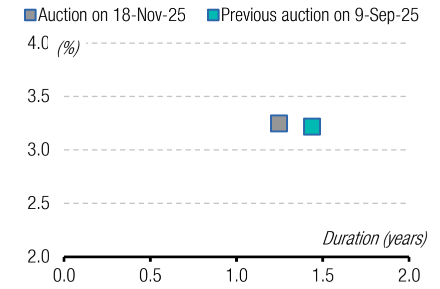
Source: Ministry of Finance of Ukraine, ICU.

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.

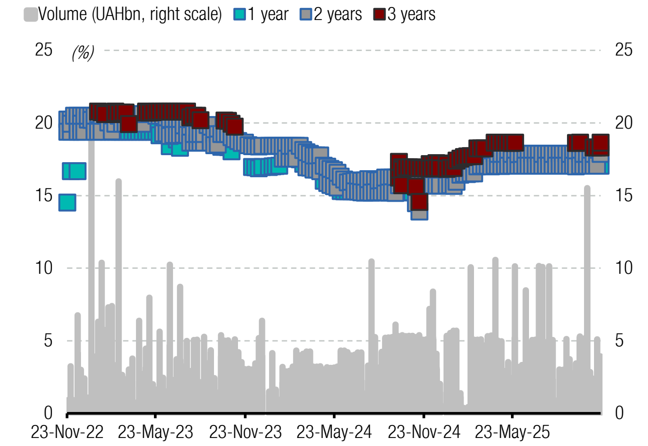
the cut-off rate. Therefore, a significant number of participants received fewer bonds than they wanted to purchase.

The last time the Ministry of Finance sold bonds in euros was in early September, but yesterday they received little demand, only EUR6.7m in 14 bids. Given that the bids were with yields not higher than the cut-off rate of the last auction, the MoF satisfied all of them.

Appendix: Yields-to-maturity, repayments

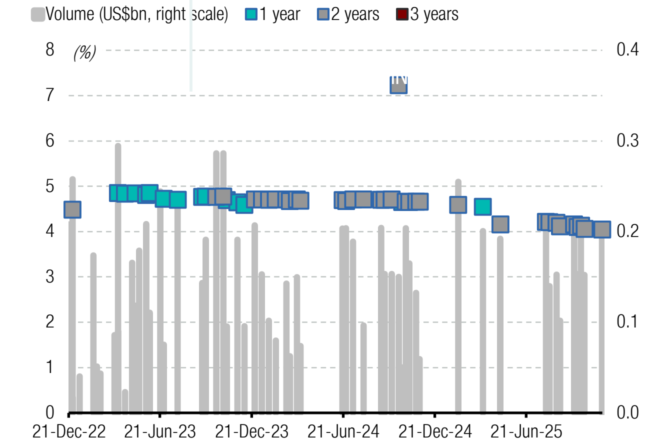
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

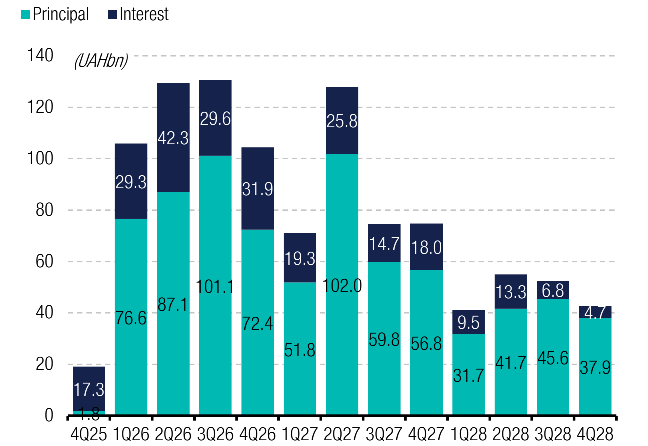
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

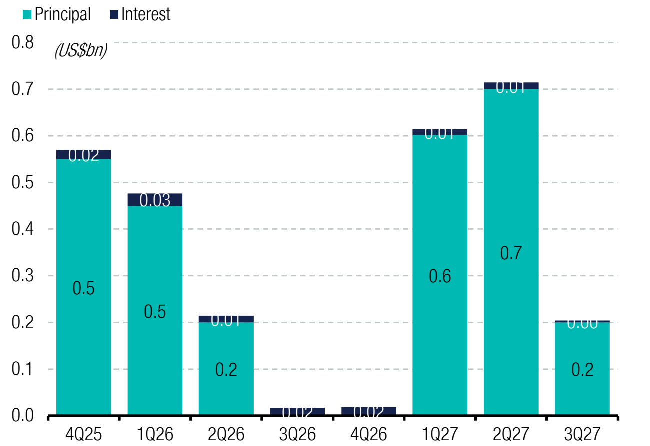
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

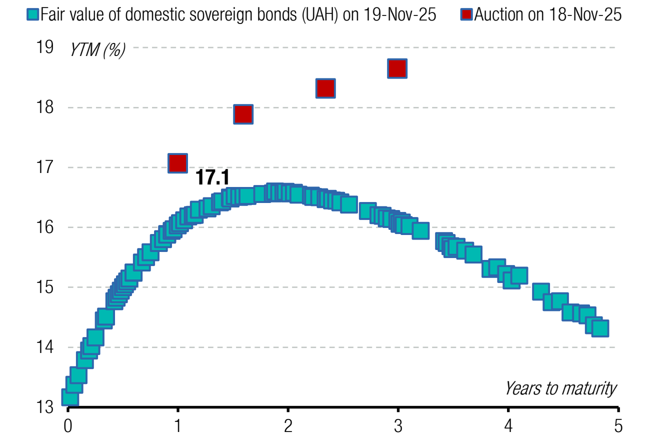
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

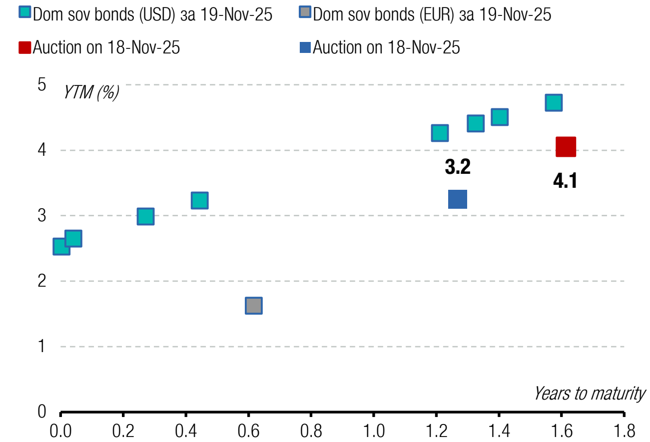
Chart 3. YTMs of domestic government bonds as calculated by NBU versus placements via primary market auctions

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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