



Focus
Ukraine

Markets
Government bonds,
FX market, and macro

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Weekly Insight

NBU widens hryvnia volatility range

Key messages of the today's comments

Ukrainian bond market

MoF did not seek to improve debt rollover in November

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Peace plan progress supports Eurobonds

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Foreign exchange market

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MONDAY, 1 DECEMBER 2025

Banks' reserves market (28 November 2025)

	Last	Weekly chg (%)	YoY chg (%)
NBU rate (%) ¹	15.50	+0bp	+250bp
ON rate (%)	15.50	+0bp	+250bp
Reserves (UAHm) ²	251,930	-4.7	+7.7
CDs (UAHm) ³	547,906	+8.8	+22.3

Notes: [1] NBU's key policy rate; [2] stock of banks' reserves held at NBU; [3] stock of NBU's certificates of deposit.

Source: NBU, Bloomberg, ICU.

Breakdown of govt bond holders (UAHm) (28 November 2025)

	Last	Weekly chg (%)	YoY chg (%)
NBU	666,322	+0.0	-1.7
Banks	923,474	-0.1	+7.0
Residents	195,014	+3.6	+20.2
Individuals	107,155	+3.5	+47.5
Foreigners	16,304	-0.6	-29.8
Total	1,908,685	+0.5	+6.1

Source: NBU, ICU.

FX market indicators (28 November 2025)

	Last	Weekly chg (%)	YoY chg (%)
USD/UAH	42.2689	+0.0	+1.6
EUR/USD	1.1598	+0.7	+9.9
DXU	99.459	-0.7	-6.2

Source: Bloomberg, ICU.

Market gov't bond quotes (1 December 2025)

Maturity	Bid (%)	Ask(%)
6 months	15.50	14.00
12 months	17.50	16.50
2 years	18.50	17.50
3 years	18.75	18.00
6 months (\$)	4.25	2.00
1.5 years (\$)	4.25	3.50

Source: ICU.

Ukrainian bond market

MoF did not seek to improve debt rollover in November

In November, the Ministry of Finance refinanced all maturing debt, but did not make any special efforts to increase net borrowings significantly.

Last month, the Ministry raised UAH25bn—US\$319m and EUR6.7m—while debt repayments totalled UAH18bn and US\$362m. The MoF did not offer reserve bonds in November. At the last auction of the month, the demand for USD-denominated bills was unexpectedly low, yet, even so, the MoF rejected some bids (details in the [auction review](#)).

Rollover in November was 141% for UAH debt and 88% for USD debt. Rollover YTD slightly improved in 11M25 compared with 10M25.

Table 1. Monthly and YTD rollover rates in 2025

	UAH		USD		EUR		All currencies	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
January	140%	140%	-	-100%	-	-	79%	79%
February	39%	71%	-	71%	-	-	64%	71%
March	125%	86%	63%	67%	59%	59%	91%	79%
April	76%	82%	68%	67%	-	59%	75%	78%
May	256%	97%	-	67%	128%	82%	211%	90%
June	74%	91%	-	67%	-	82%	74%	87%
July	261%	107%	53%	63%	89%	84%	237%	102%
August	218%	112%	139%	76%	-	84%	180%	102%
September	174%	117%	100%	80%	96%	85%	137%	106%
October	102%	114%	100%	83%	-	85%	102%	105%
November	141%	115%	88%	84%	-	86%	118%	106%

"-" means there were no borrowings and/or redemptions during a specific month, only YTD figures were calculated in such cases.

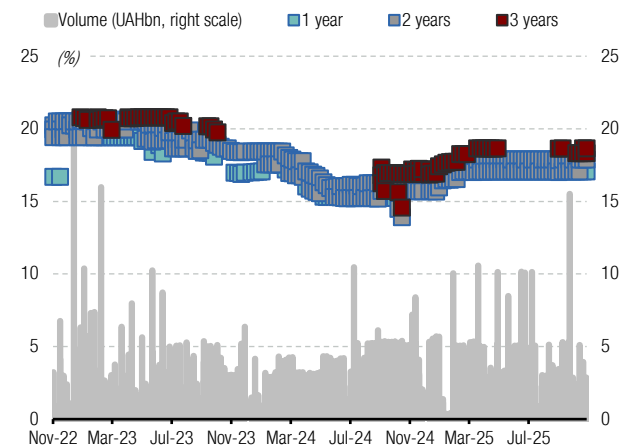
Source: MFU, ICU.

In December, the scheduled redemptions are small, with approximately US\$188m of debt maturing this week and UAH7.2bn in the following weeks. In total, there are four auctions scheduled for the month. The MoF plans to offer UAH securities at each of these auctions while USD-denominated and EUR-denominated bonds will be offered next week only.

ICU view: The MoF has not made significant efforts to increase borrowings. The MoF is now relying more on international financial assistance to cover the budget deficit rather than on domestic funding. They may need to scale up domestic borrowings significantly in January-February 2026 if the inflow of foreign aid falls short of budget needs at the beginning of the year. However, according to the mass media, foreign partners are working to frontload the financial assistance that is already scheduled for 2026.

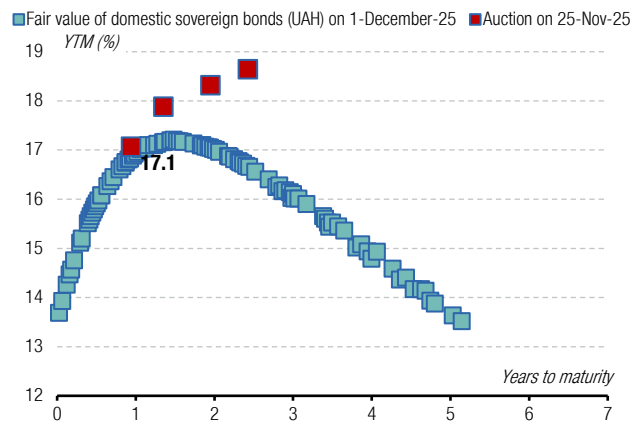
Chart 1. Local-currency bonds

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



Source: MFU, ICU.

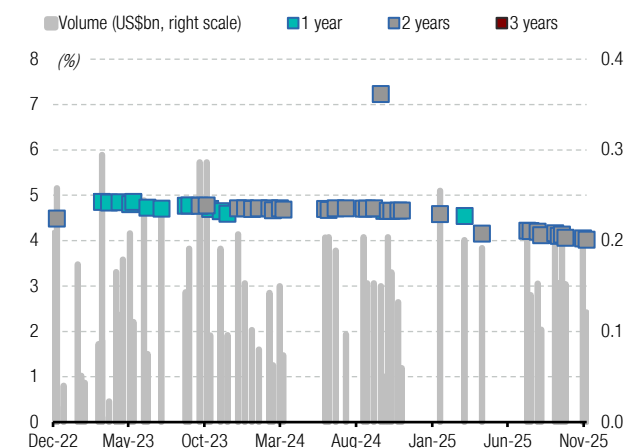
YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions



Source: NBU, MFU, ICU.

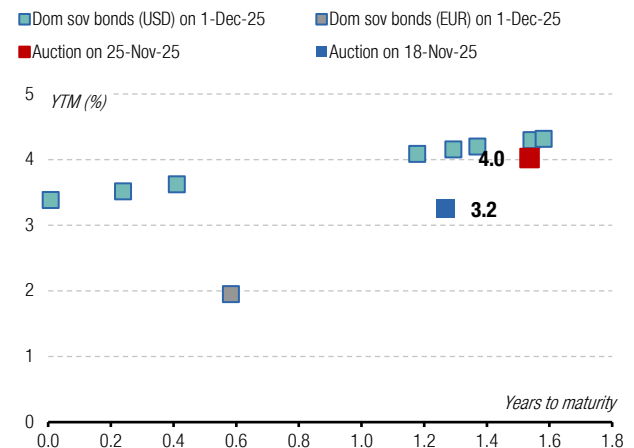
Chart 2. FX-denominated bonds

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



Source: MFU, ICU.

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



Source: NBU, MFU, ICU.

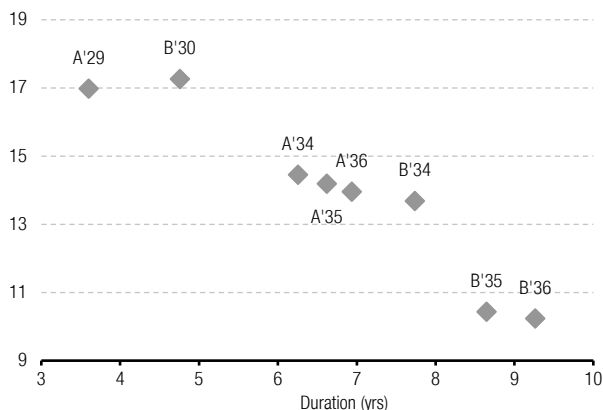
Peace plan progress supports Eurobonds

The progress made on the peace plan for Ukraine last week strengthened optimism of Eurobond holders.

At this stage, Ukraine has managed to remove some of the unacceptable components from the peace plan during the negotiation with the US in Switzerland. That fact was very much welcomed by the market, and Eurobond prices rose by 3-5% on Monday. The prices rose by 4-8% over the week. An additional supporting factor was the staff level agreement on the start of a new four-year IMF program for Ukraine.

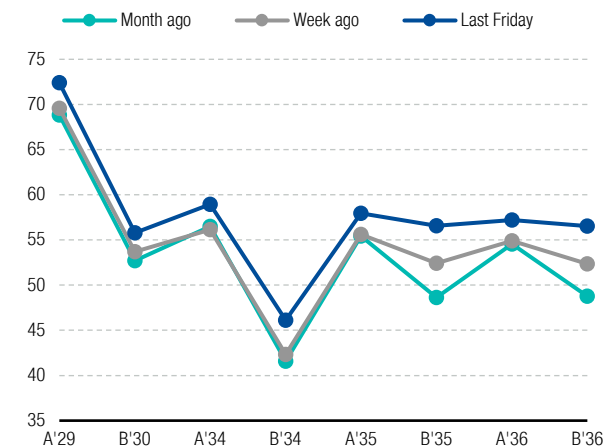
VRI prices also grew steeply and exceeded 93 cents per dollar of notional value last Friday. However, the key news here was that the MoF and VRI holders restarted closed negotiations on the restructuring.

ICU view: We don't rule out that market optimism may again prove premature, as we think Russia is very likely to reject a proposal at this point simply to delay any meaningful negotiations on ending the war.

Chart 3. Ukrainian Eurobond YTM and prices*Eurobonds yield map*

Note: The nominal value of Series B bonds due in 2035 and 2036 may increase in 2030

Source: Bloomberg, ICU.

Prices of Eurobonds as of last Friday, a week and a month ago

Source: Bloomberg, ICU.

Foreign exchange market

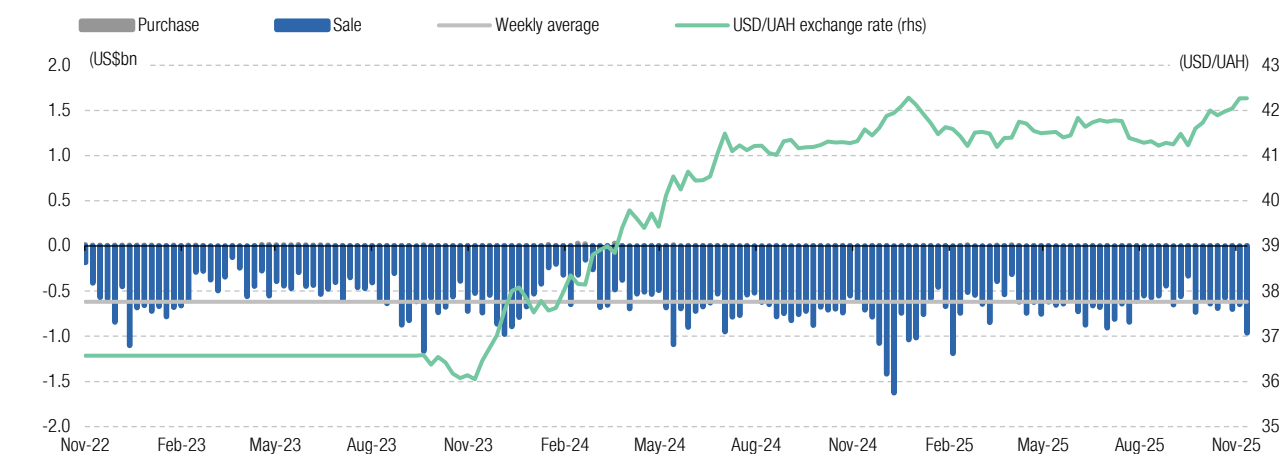
NBU widens hryvnia volatility range

In late autumn, the National Bank further widened the band of hryvnia fluctuations compared with September and October, and even briefly weakened the hryvnia below its January lows.

Last week began with the hryvnia sliding further and reaching UAH42.5/US\$ at the end of the day. The trend reversed on Tuesday, the NBU chose to strengthen the hryvnia and the rate was back to UAH42.2/US\$ by Thursday. Thus, the NBU widened the range of hryvnia fluctuations from UAH0.1 in summer months and UAH0.2 for most of the autumn to UAH0.3 by the end of November. At the end of the week, the official hryvnia exchange rate was UAH42.27/US\$ or unchanged WoW.

Yet, the increase in volatility somewhat worsened the market sentiment, driving an increase in the hard currency deficit, which more than doubled WoW. Therefore, the NBU had to increase interventions to US\$963m last week, the biggest size since mid-February, when the NBU sold almost US\$1.2bn.

ICU view: *The NBU weakened the hryvnia to new historical lows, but this was a very short-term move. More importantly, the NBU has demonstrated its willingness to significantly expand the range of exchange rate fluctuations. Historically, demand for foreign currency consistently increases in December, and we expect this pattern to repeat this year. Despite that we do not expect a significant weakening of the hryvnia in the near future.*

Chart 4. FX market indicators, 3-year history*Ukraine hryvnia UAH exchange rate per US dollar at the interbank market and NBU interventions (weekly data and weekly average starting from 24-Feb-2022)*

Source: NBU, Bloomberg, ICU.



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