

Bond Market Insight

Moderate borrowings; no surprises

Comment on government bond placement

The MoF offered both UAH and FX-denominated bonds yesterday and borrowed almost UAH14bn, mostly in local currency. However, such distribution is the result of the limited offering of USD-denominated bills.

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
UA4000238281	16.35	SA	16-Dec-26	2,621,699	1,078.49	2,827.48	2,621.70	17.07	3,213.87
UA4000237424	17.10	SA	23-Jun-27	260,635	1,078.72	281.15	260.64	17.88	19,400.38
UA4000237804	17.50	SA	22-Mar-28	1,598,491	1,036.17	1,656.30	1,598.49	18.32	20,177.91
UA4000237556	17.80	SA	15-Nov-28	2,048,761	1,009.89	2,069.03	2,048.76	18.65	15,043.12
Total UAH				6,529,586		6,833.96	6,529.59		57,835.28
UA4000238356	3.98	SA	12-Aug-27	150,000	1,012.92	6,419.41	6,337.50	4.03	6,337.50
Total USD				150,000		6,419.41	6,337.50		6,337.50
UA4000238364	3.24	SA	6-May-27	13,606	1,003.08	670.44	668.38	3.27	668.38
Total EUR				13,606		670.44	668.38		668.38

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 42.25/USD, 49.12/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

The MoF satisfied all bids to purchase UAH bonds as yields were usual and did not affect the cut-off and weighted average rates in any way. The one-year UAH bill provided the state budget with UAH2.8bn, the 19-month paper with less than UAH0.3bn, the two-year bond with almost UAH1.7bn, and the three-year note with almost UAH2.1bn.

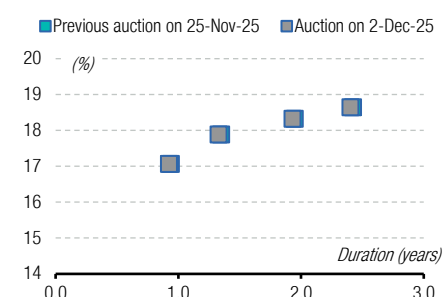
As expected, there was low demand for EUR-denominated paper, resulting in budget proceeds equivalent to UAH0.7bn, with a 2bp increase in the weighted average rate to 3.24%, while the maximum satisfied rate remained unchanged at 3.25%.

At the same time, the USD-denominated paper saw 2x oversubscription - almost US\$315m vs the US\$150m cap. Therefore, the MoF rejected bids with high interest rates and most of the bids were accepted partially due to low supply. The Ministry of Finance reduced the cut-off rate by 5bp to 4%, and the weighted average rate decreased by 3bp to 3.98%.

The auction schedule does not include any FX-denominated bonds for the rest of the year. However, we will see two more auctions with UAH bonds only.

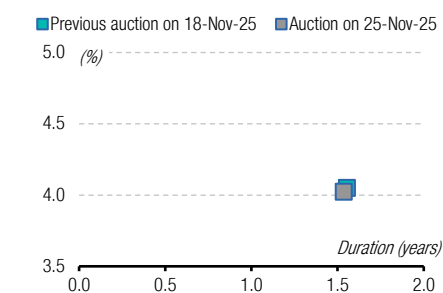
WEDNESDAY, 10 DECEMBER 2025

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



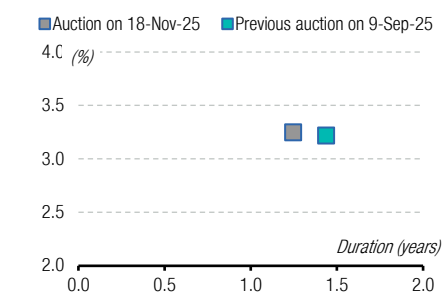
Source: Ministry of Finance of Ukraine, ICU.

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

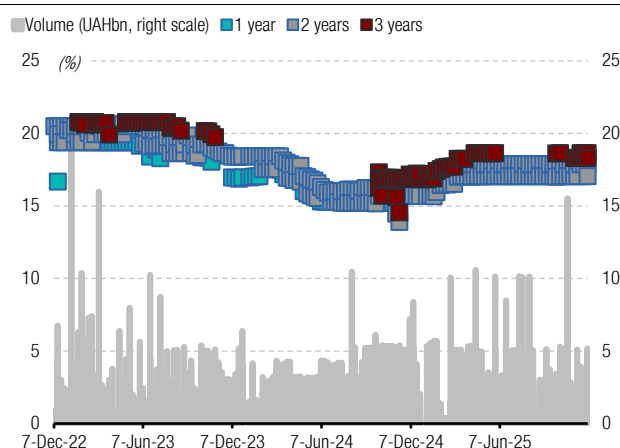


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

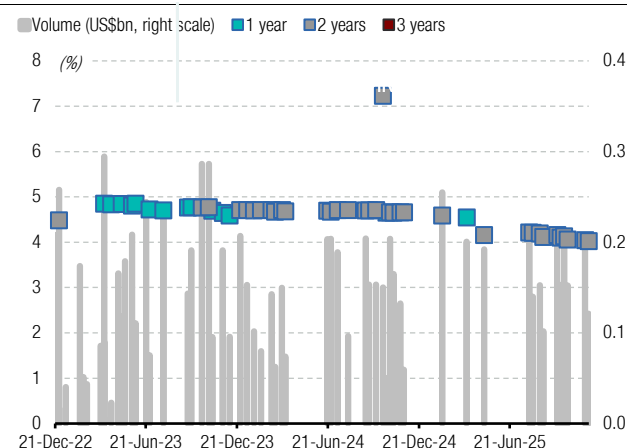
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

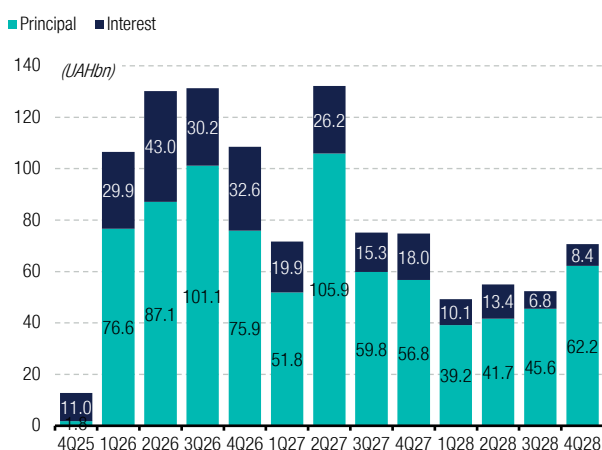
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

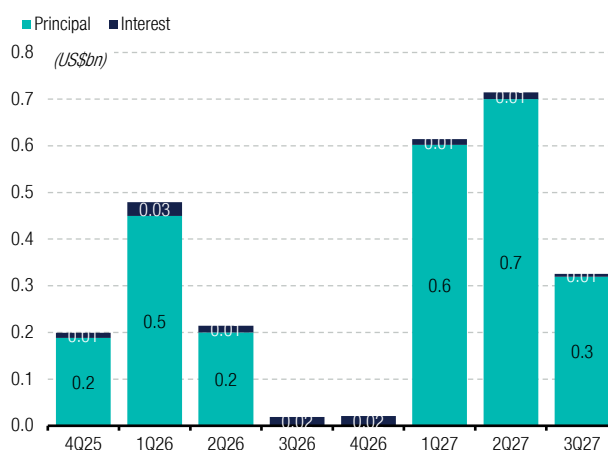
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

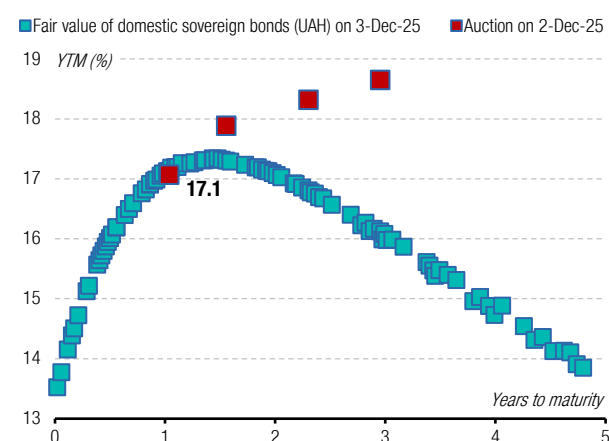
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

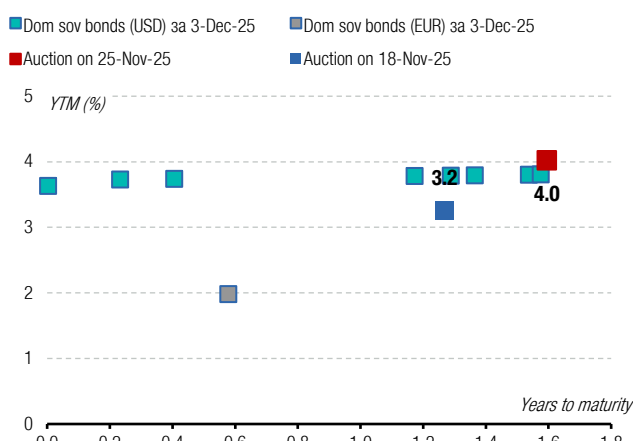
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

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.

This page is intentionally left blank.



11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kyiv, 01030 Ukraine
Phone/Fax +38 044 3777040

WEB www.icu.ua



RESEARCH

Alexander Martynenko

Head of corporate research
alexander.martynenko@icu.ua

Mykhaylo Demkiv

Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Taras Kotovych

Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Dmitriy Dyachenko

Financial analyst
dmitriy.dyachenko@icu.ua

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.

Additional information is available upon request.

