

Bond Market Insight

MoF fills UAH bond yield curve

Comment on government bond placement

WEDNESDAY, 11 MARCH 2026

Yesterday, after a three-month break, the Ministry of Finance issued new two-year paper. So, the offer at the primary auctions now consists of one-year, two-year, and three-year UAH bonds.

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

ISIN	Coupon rate (%)	Payment frequency ¹	Maturity	Qty of bonds sold	Price (UAH)	Proceeds ² (UAHm)	Volume ² (UAHm)	YTM ³ (%)	Outstanding (m) ⁴
UA4000238976	15.68	SA	24-Mar-27	2,000,000	1,077.48	2,154.97	2,000.00	15.72	12,000.00
UA4000239008	15.78	SA	14-Jun-28	2,000,000	1,035.66	2,071.33	2,000.00	16.45	2,000.00
Total UAH				4,000,000		4,226.30	4,000.00		14,000.00

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 43.91/USD, 50.95/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

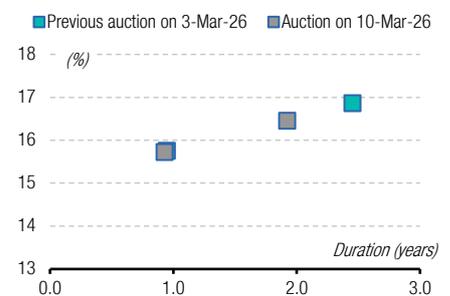
The Ministry continued to offer 13-month military bills, for which the cut-off rate yesterday slid by 4bp and the weighted average yield declined by 2bp to 15.15% and 15.11%, respectively. The minimum bid rate also declined yesterday by 10bp to 15% - the level of the NBU key policy rate.

The new two-year instrument attracted 22 bids for UAH6.1bn or 3.1 bid-to-cover ratio. The yields in the bids were fairly wide, ranging from 15.5% to 16.14%. The MoF accepted 18 bids and sold the planned UAH2bn of bonds, including UAH0.6bn under non-competitive bids (satisfied at the weighted-average rate).

The MoF set the cut-off rate at 15.87%, which is 72 bp above the 13-month instrument's cut-off rate. At the same time, the weighted average rate is set at 15.78%, 67 bps above the weighted average rate for one-year government bonds.

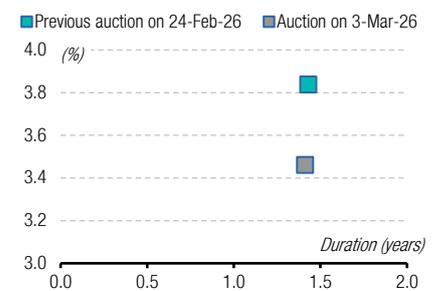
Thus, the first additional year of maturity costs the MoF 67bp above the yield on one-year securities. Still, the second additional year costs only 36bp – this is the difference between the weighted average yield of the three-year note at last week's auction and the weighted average rate of new two-year paper.

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



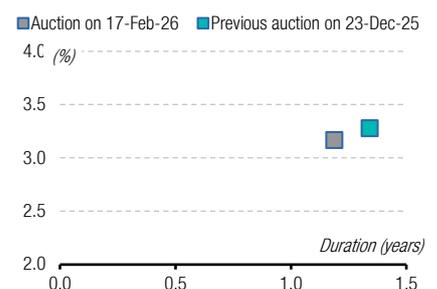
Source: Ministry of Finance of Ukraine, ICU.

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

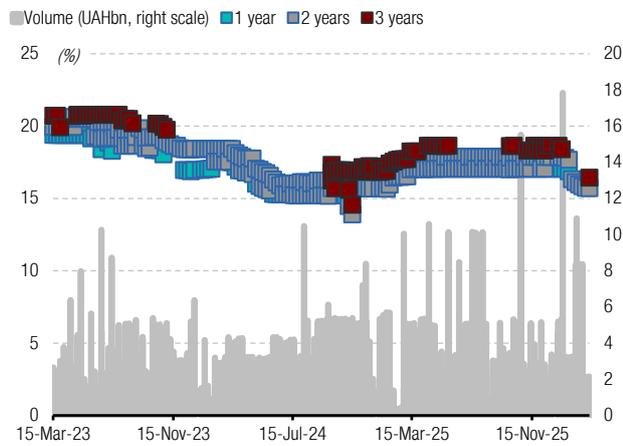


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

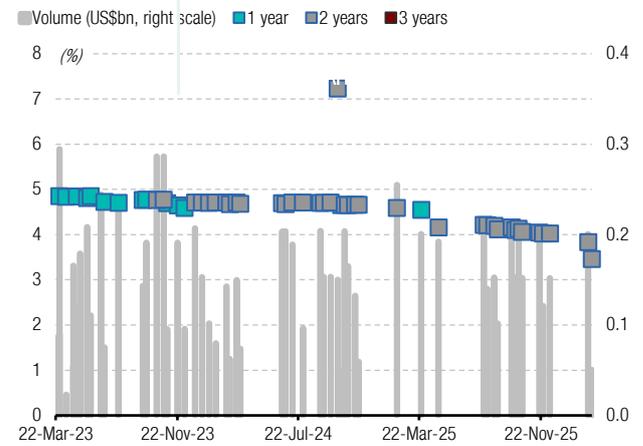
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

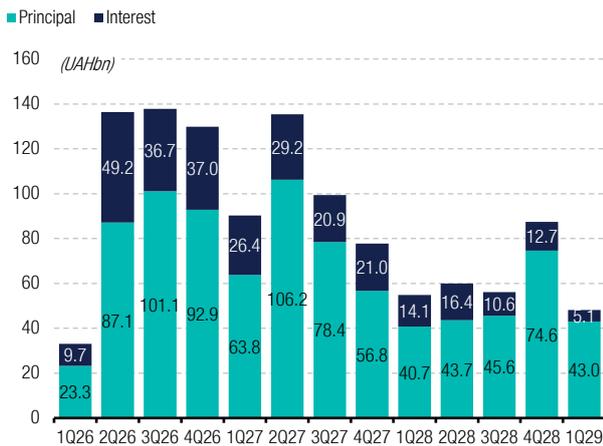
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

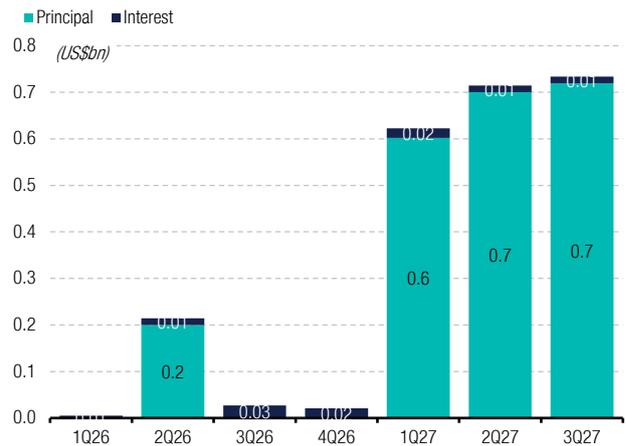
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

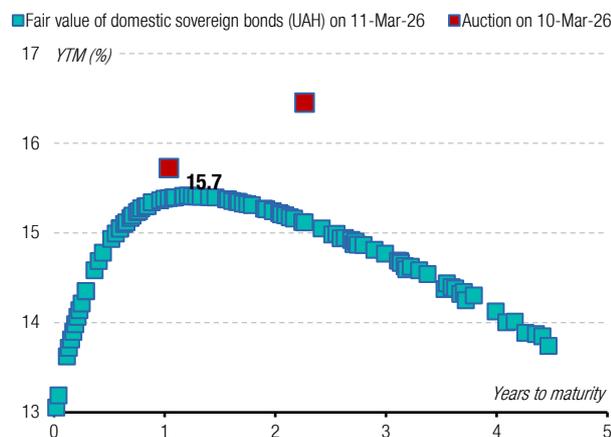
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

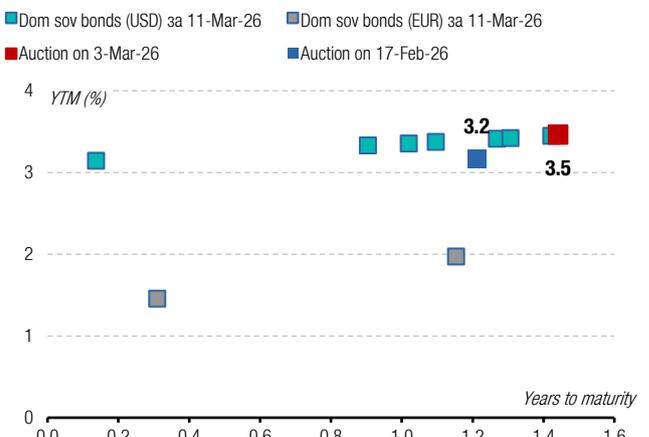
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

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.

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