

# Bond Market Insight

## UAH bond yields stabilise

### Comment on government bond placement

WEDNESDAY, 25 MARCH 2026

Yesterday's auction saw the first material increase in weighted average yields this year, which came as close as possible to the cut-off rates.

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

| ISIN             | Coupon rate (%) | Payment frequency | Maturity  | Qty of bonds sold | Price (UAH) | Proceeds <sup>2</sup> (UAHm) | Volume <sup>2</sup> (UAHm) | YTM <sup>3</sup> (%) | Outstanding (m) <sup>4</sup> |
|------------------|-----------------|-------------------|-----------|-------------------|-------------|------------------------------|----------------------------|----------------------|------------------------------|
| UA4000238976     | 15.68           | @Mty              | 24-Mar-27 | 1,304,437         | 1,004.89    | 1,310.82                     | 1,304.44                   | 15.75                | 14,605.98                    |
| UA4000239008     | 15.78           | SA                | 14-Jun-28 | 2,000,000         | 1,040.43    | 2,080.85                     | 2,000.00                   | 16.53                | 4,000.00                     |
| <b>Total UAH</b> |                 |                   |           | <b>3,304,437</b>  |             | <b>3,391.67</b>              | <b>3,304.44</b>            |                      | <b>18,605.98</b>             |

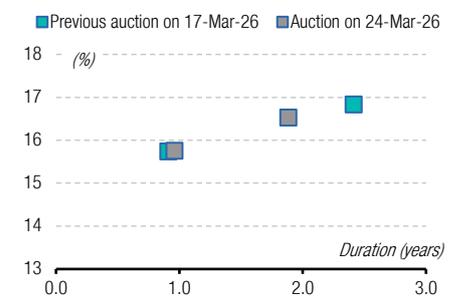
Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 43.91/USD, 50.95/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

For the second time in a row, demand for one-year military bills was lower than supply, but there were already two bids above the cut-off rate of previous auctions. Therefore, the MoF rejected them, selling only UAH1.3bn of bills. The cut-off rate remained at 15.15%, the same as the two previous auctions. At the same time, the weighted average yield increased by another 1bp to 15.13%, and is now only 2bp below the cut-off rate.

The placement of two-year securities was even more interesting. The minimum rate in bids increased by 10bp to 15.6%, and the maximum bid rate decreased by 24bp to 15.9%. However, since demand exceeded supply by 10%, the ministry satisfied all non-competitive demand at the weighted-average rate and most competitive bids at their yields up to 15.87%, unchanged from the auction two weeks ago. At the same time, the weighted average rate increased by 7bp to 15.85%, and is now also only 2bp below the cut-off rate.

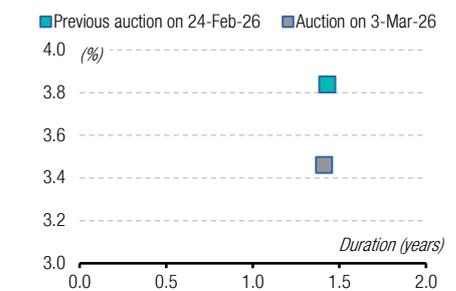
Currently, the decline in yields has paused, which may last for at least a few weeks. The NBU will not rush to lower the key policy rate, so the potential opportunity for the Ministry of Finance to reduce yields has now been exhausted. In a few weeks, we can see demand consolidate at the cut-off rate, where it will stay until expectations of a reduction in the NBU discount rate again reach critical mass.

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



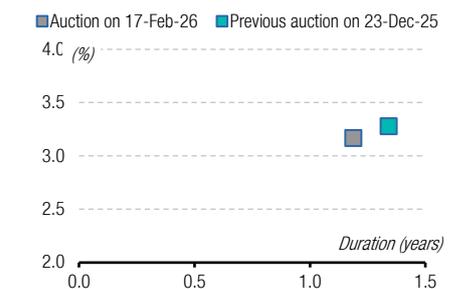
Source: Ministry of Finance of Ukraine, ICU.

### 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

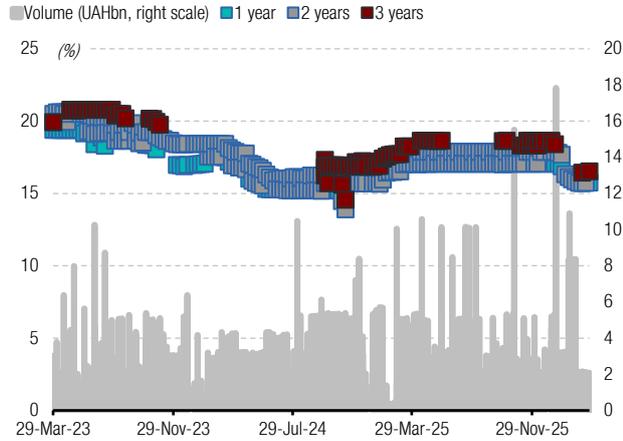


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

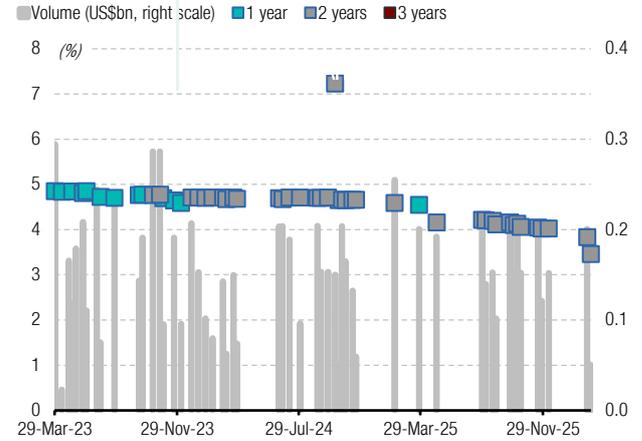
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

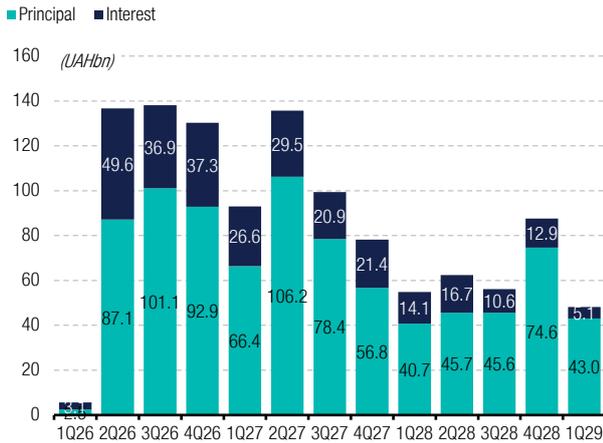
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

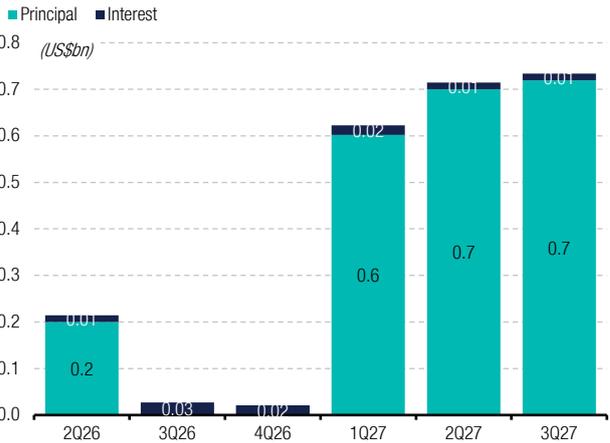
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

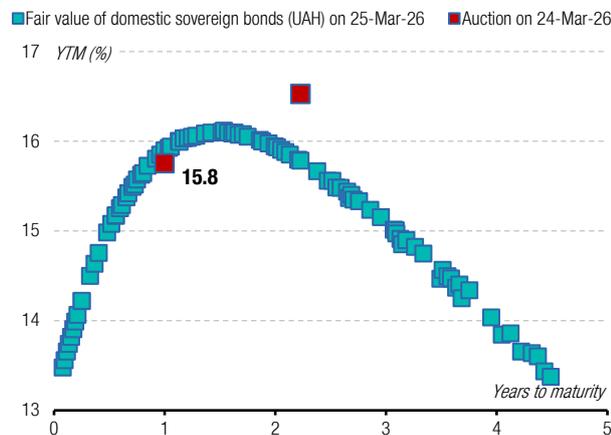
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

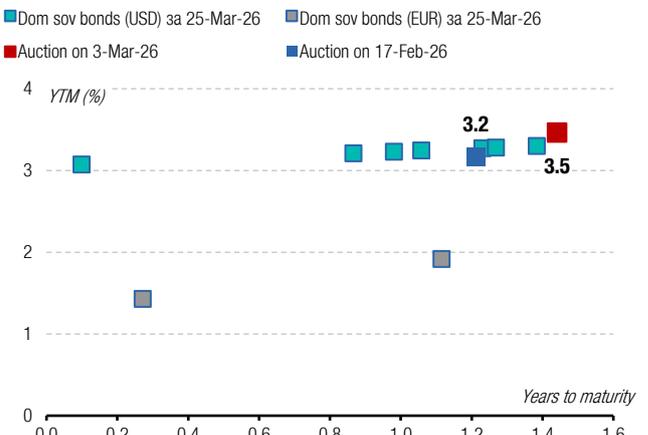
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

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

**WEB** [www.icu.ua](http://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

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