

# Bond Market Insight

## MoF is in no hurry to borrow

### Comment on government bond placement

WEDNESDAY, 6 MAY 2026

With yesterday's auction, the Ministry of Finance completed the refinancing of FX-denominated bonds redeemed in April and refused to raise the yields on UAH instruments.

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

ISIN	Coupon rate (%)	Payment freq <sup>1</sup>	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>
UA4000239016	15.15	SA	21-Jul-27	489,623	1,043.10	510.72	489.62	15.76	1,483.58
UA4000239008	15.78	SA	14-Jun-28	124,740	1,058.90	132.09	124.74	16.53	4,772.71
<b>Total UAH</b>				<b>614,363</b>		<b>642.81</b>	<b>614.36</b>		<b>6,256.29</b>
UA4000239032	3.13	SA	30-Mar-28	100,000	1,004.43	4,414.49	4,395.00	3.08	8,790.00
<b>Total USD</b>				<b>100,000</b>		<b>4,414.49</b>	<b>4,395.00</b>		<b>8,790.00</b>

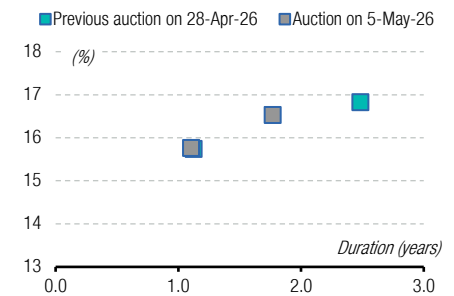
Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 43.95/USD, 51.44/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

The key event yesterday was the offering of USD-denominated bills. The MoF offered another US\$100m in bonds, in addition to the US\$100m placed last week. Demand decreased slightly from a 2.1 bid-to-cover to 1.5, but it still left the Ministry of Finance with room for manoeuvre. The offer was exhausted when the bid rate reached 3.15% (9 bp below last week). Taking into account the minimum rate of 2.8%, the weighted average rate was set at 3.05%, or down 8bp WoW.

At the same time, UAH bonds saw almost no change in interest rates. The Ministry of Finance rejected bids with rates above the cut-off rates of previous auctions for both UAH instruments. However, the weighted average rates changed slightly: for 15-month bills, the weighted average rate increased by 2bp to 15.14%, and for the two-year instrument, it slid by 1bp to 15.85%.

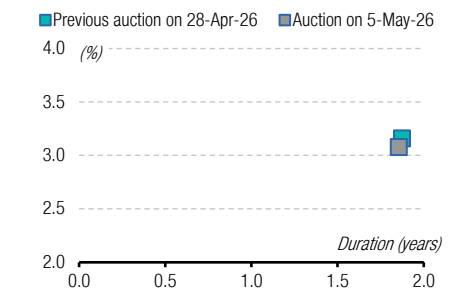
To do this, the Ministry of Finance rejected 8% of the demand for 15-month securities and almost 30% of the demand for two-year paper, because some bidders sought to raise rates by 25-33bp. However, for the ministry, the volume of demand at such rates was not at all important that it would make such concessions.

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



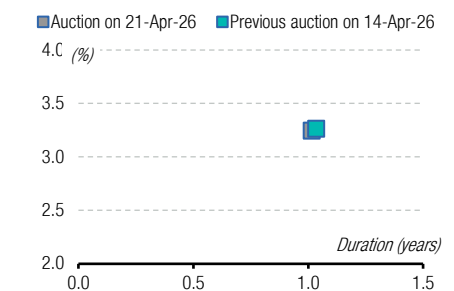
Source: Ministry of Finance of Ukraine, ICU.

### 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

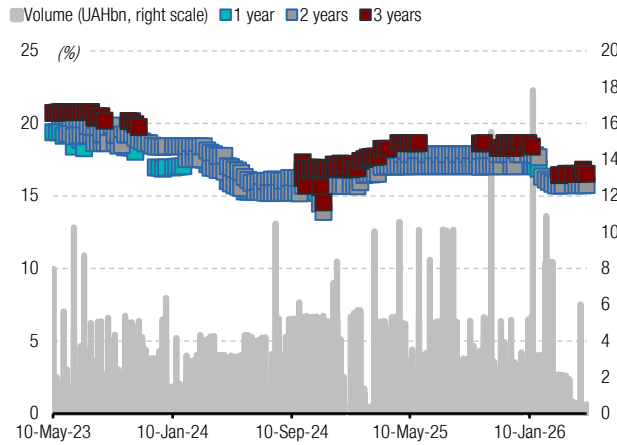


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

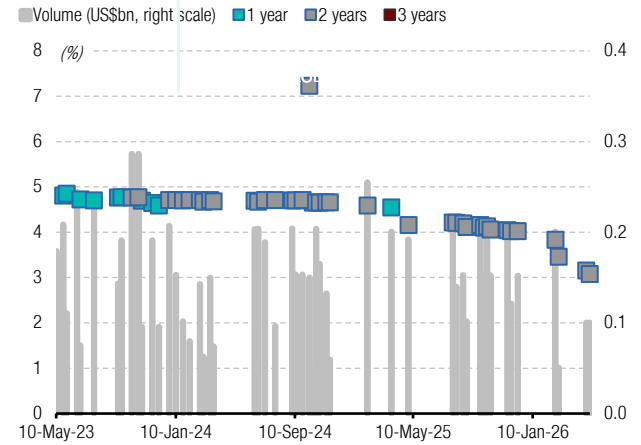
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

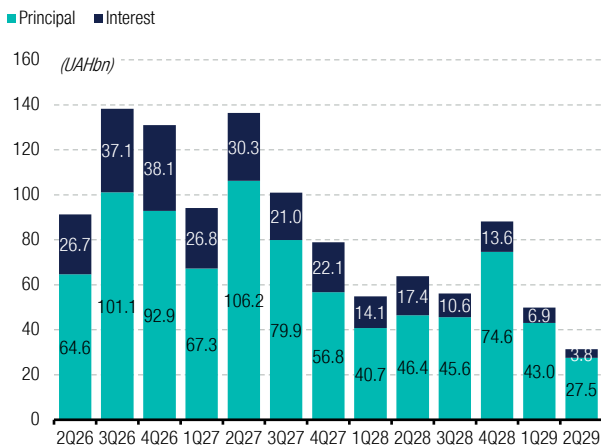
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

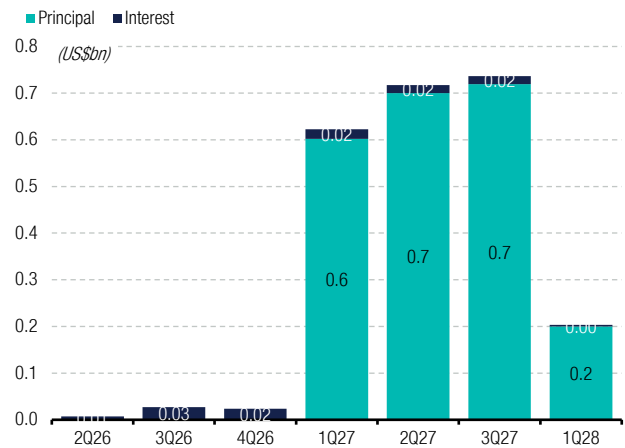
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

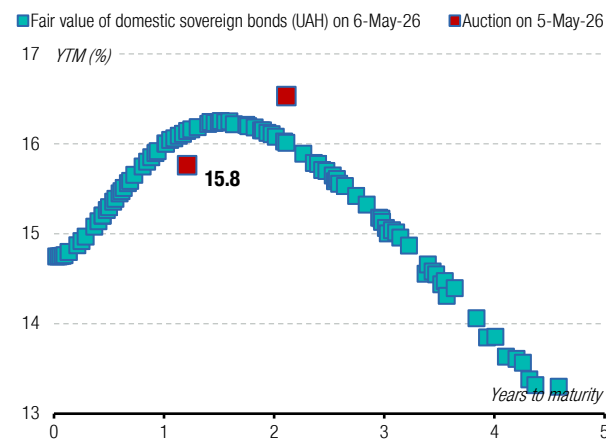
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

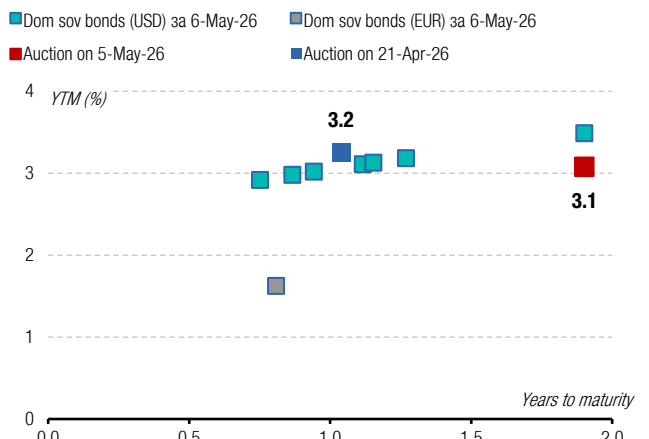
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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