

# Bond Market Insight

## MoF returns reserve bonds

### Comment on government bond placement

WEDNESDAY, 10 JUNE 2026

Yesterday, the Ministry of Finance raised almost UAH8.5bn for the state budget, almost 2/3 of which came from a new bond issue that banks will soon be able to use to cover mandatory reserves.

**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	1,303,712	1,057.78	1,379.04	1,303.71	15.77	5,361.28
UA4000239040	15.85	SA	26-Apr-28	2,000,000	1,018.38	2,036.76	2,000.00	16.48	6,000.00
UA4000239057	12.84	SA	14-Nov-29	5,000,000	1,007.27	5,036.35	5,000.00	13.29	5,000.00
<b>Total UAH</b>				<b>8,303,712</b>		<b>8,452.15</b>	<b>8,303.71</b>		<b>16,361.28</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.

Fourteen-month military government bills provided the budget with almost UAH1.4bn. The MoF rejected one bid for UAH100m, which required an increase in the cut-off rate by 3bp.

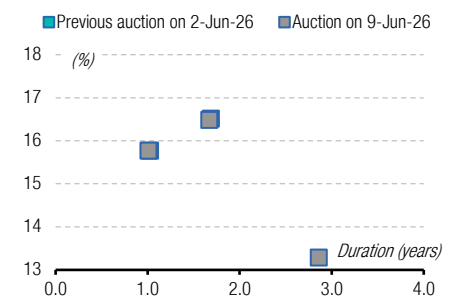
The two-year military paper saw a 2x bid-to-cover ratio of UAH3.8bn. So, realising that all non-competitive demand is less than 30% of the cap and will be fully satisfied, the ministry accepted bids with the lowest yields. The offered volume of bonds was exhausted at 15.83%, and the weighted average yield was 15.81%. These yields are insignificantly below last week's auction.

After a three-month break, the offer of reserve bonds was the most interesting. The Ministry of Finance offered securities with maturity in November 2029, and announced an exchange auction for reserve bonds due next month.

In total, the offer received 61 bids for almost UAH24bn vs UAH5bn cap. The minimum bid yield was 12.64%, and the maximum was 14.9%. Therefore, 30% of the offer was automatically allocated to non-competitive applications, and the remaining UAH3.5bn of new notes were distributed among competitive bids. The offer was exhausted at 12.9%, which was 20bp below the February placements. And the weighted-average yield was 12.84%, only 11bp lower than in February.

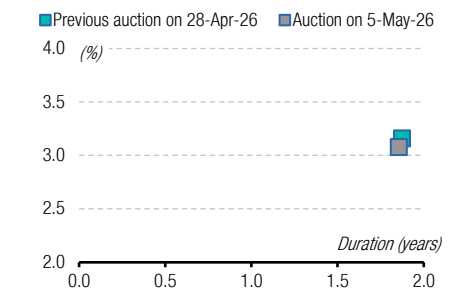
There was no significant price competition yesterday, as bids with minimum yields did not significantly affect the weighted-average yields.

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



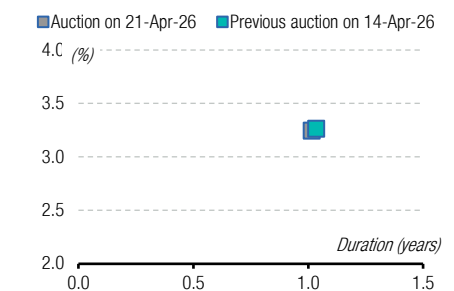
Source: Ministry of Finance of Ukraine, ICU.

### 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

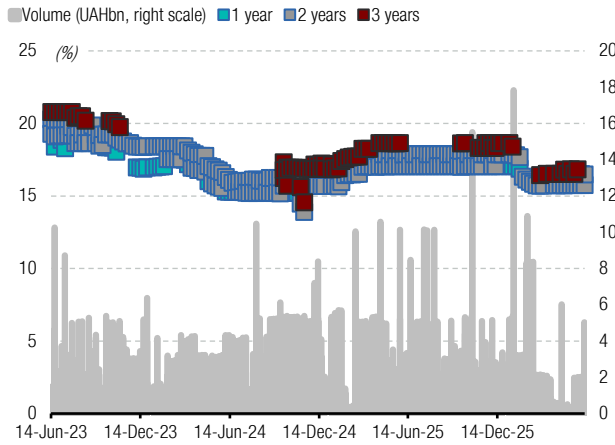


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

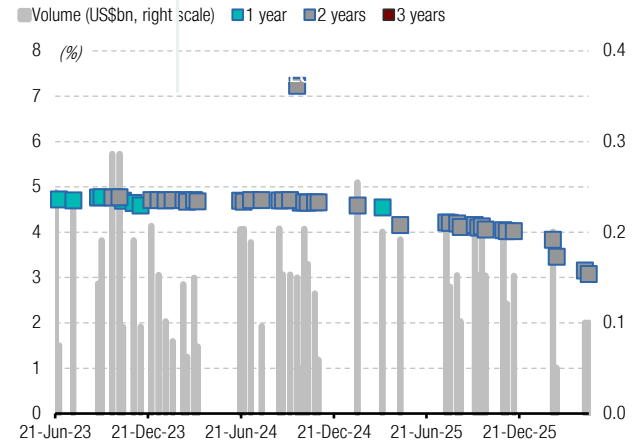
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

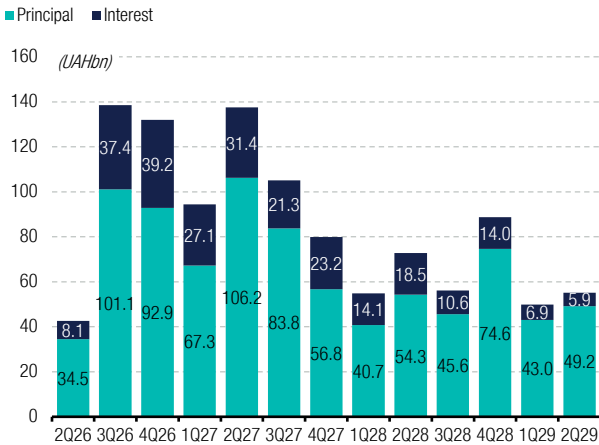
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

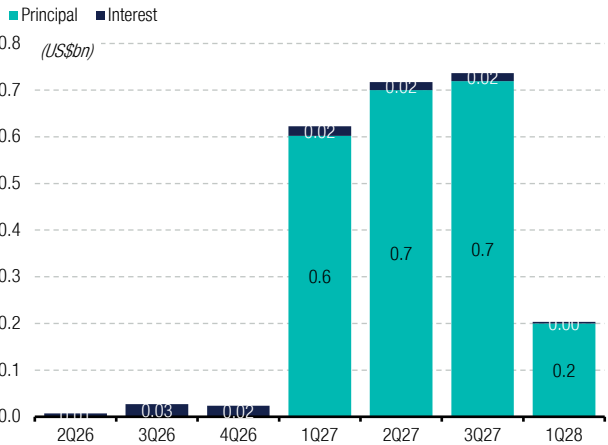
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

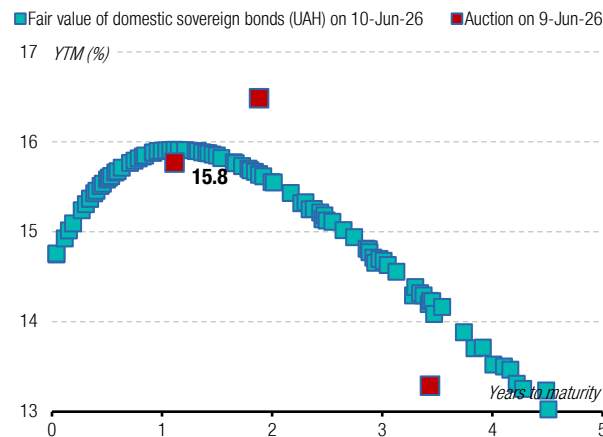
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

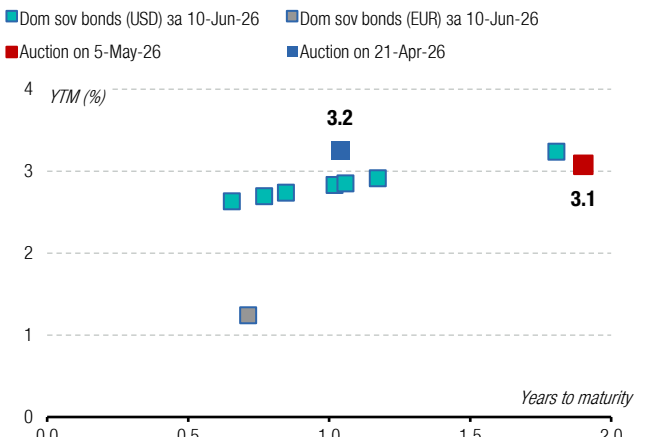
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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