

# Bond Market Insight

## Coincidental increase in demand

### Comment on government bond placement

WEDNESDAY, 24 JUNE 2026

Yesterday, the Ministry of Finance received oversubscription for two of the three offered bonds, although demand for the shortest paper was only slightly undersubscribed.

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

ISIN	Coupon rate (%)	Payment frequency <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	1,696,680	1,063.73	1,804.81	1,696.68	15.77	8,328.64
UA4000239040	15.85	SA	26-Apr-28	2,000,000	1,025.74	2,051.48	2,000.00	16.39	10,000.00
UA4000238992	16.16	SA	25-Apr-29	2,000,000	1,024.44	2,048.88	2,000.00	16.85	10,368.64
<b>Total UAH</b>				<b>5,696,680</b>		<b>5,905.17</b>	<b>5,696.68</b>		<b>28,697.27</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.

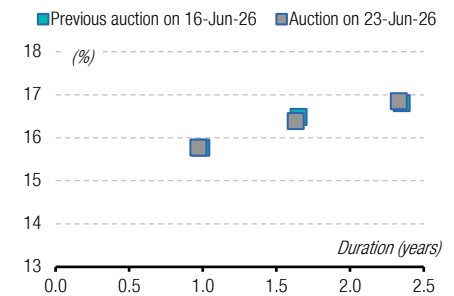
The 13-month bill received 23 bids for UAH1.7bn vs the UAH2bn cap. All bids were at rates no higher than the cut-off from previous auctions, so the MoF satisfied all bids and raised UAH1.8bn for the budget without changes in rates.

The 1.9-year paper was expected to see much higher demand than the cap. The bid-to-cover ratio reached nearly 2.7x, causing another decrease in yields. The cut-off rate slid by only 1bp to 15.81%, while the weighted average yield declined by 9bp to 15.72%, as the minimum bid rate fell by as much as 21bp to 15.54%. The MoF sold the planned volume of securities, raising a little more than UAH2bn for the budget.

For the first time since the end of March, the three-year note was oversubscribed. A 1.4x bid-to-cover ratio was already a certain surprise. The yields in the bids were not higher than the cut-off level of the previous auction, so the Ministry of Finance satisfied all non-competitive demand and all competitive bids, although not all in full, within the cap.

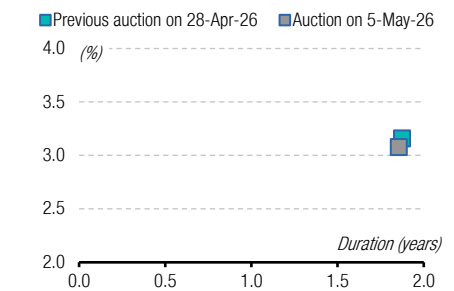
Such demand was partly a situational response because, before today's redemption, banks and brokers could replenish their stock of such government bonds to serve their clients.

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



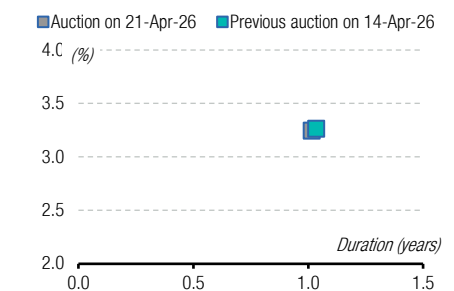
Source: Ministry of Finance of Ukraine, ICU.

### 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

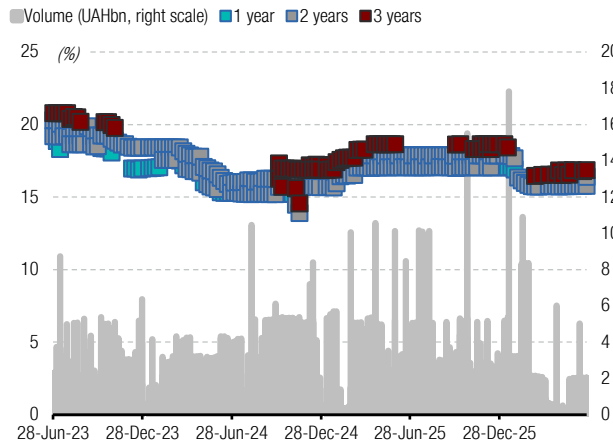


Source: Ministry of Finance of Ukraine, ICU.

# Appendix: Yields-to-maturity, repayments

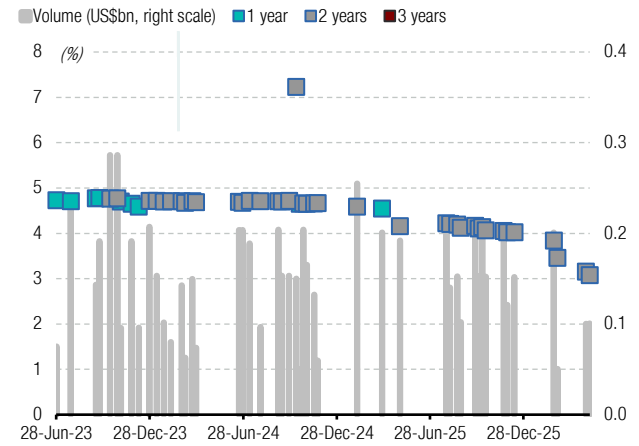
**Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

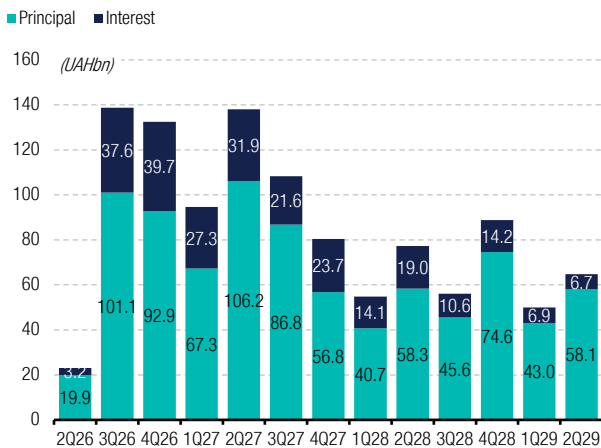
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

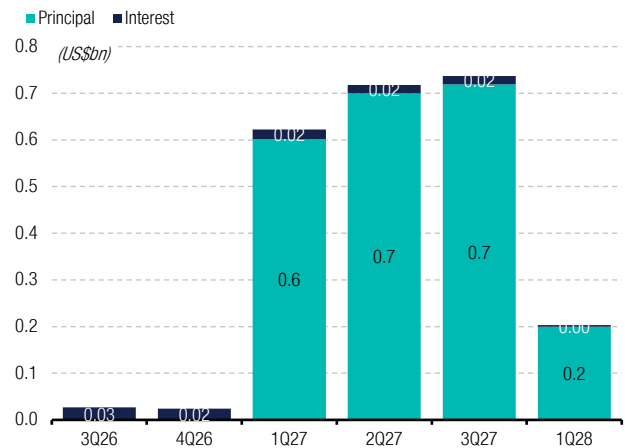
**Chart 2. Future repayments on domestic government bonds (in billions of currency)**

*UAH-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

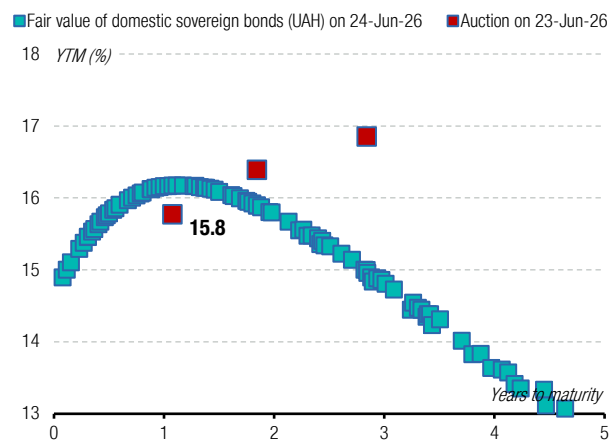
*USD-denominated domestic government bonds*



Source: Ministry of Finance of Ukraine, ICU.

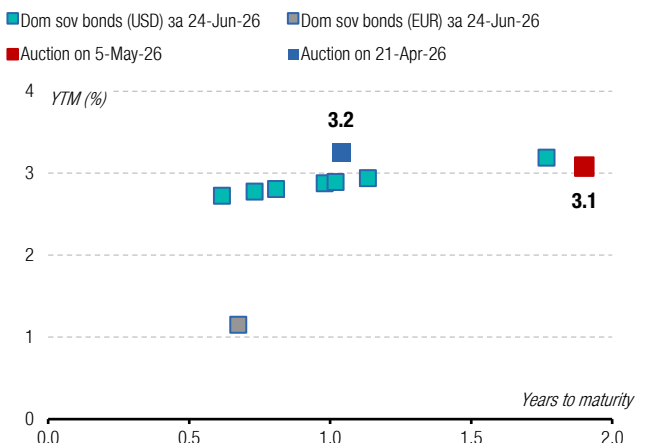
**Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions**

*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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