

Bond Market Insight

MoF starts July with active borrowing

Comment on government bond placement

The Ministry of Finance raised over UAH19bn (US\$428m) yesterday, including almost UAH9bn (US\$198m) in hryvnia and EUR201m (UAH10bn).

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
UA4000239016	15.15	SA	21-Jul-27	1,602,101	1,069.82	1,713.96	1,602.10	15.76	11,930.74
UA4000239040	15.85	SA	26-Apr-28	2,000,000	1,032.06	2,064.12	2,000.00	16.36	14,000.00
UA4000239073	12.75	SA	5-Dec-29	5,000,000	1,009.62	5,048.12	5,000.00	13.19	5,000.00
Total UAH				8,602,101		8,826.20	8,602.10		30,930.74
UA4000239065	3.18	SA	18-Nov-27	200,000	1,005.55	8,933.35	8,884.08	3.11	19,022.59
Total USD				200,000		8,933.35	8,884.08		19,022.59

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 44.42/USD, 51.04/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

Thirteen-month military bills again received demand for UAH1.6bn (US\$36m), slightly below the cap. None of the 32 bids required an increase in the cut-off rate, so the MoF satisfied all of them in full. As a result, the cut-off rate remained 15.15%, and the weighted average yield increased by 1bp to 15.14%.

The 1.8-year military security was traditionally oversubscribed at a 3x bid-to-cover ratio. The Ministry sold the planned UAH2bn (US\$45m) of bonds, satisfying all non-competitive bids and part of the competitive demand. In total, the MoF satisfied 18 bids out of 29, reducing the cut-off rate by 9bp to 15.7%, and the weighted average yield by 3bp to 15.7%.

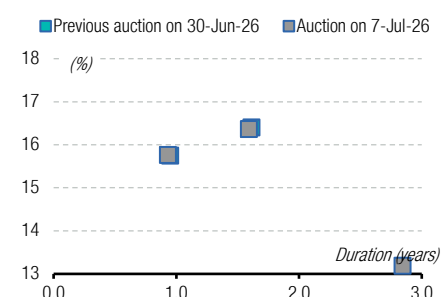
The MoF also placed a new 3.5-year note yesterday, which should soon be added to the list of benchmarks and allowed to be used by banks to cover part of the mandatory reserves. The MoF sold UAH5bn (US\$112m) at a 12.83% cut-off rate and a 12.75% weighted-average yield, or 7bp and 9bp below the previous reserve bond auction in June, respectively.

In addition, yesterday, the MoF completed the refinancing of the EUR-denominated bond redemption paid last week, attracting even more funds than were needed for the rollover. Having received 100 bids for EUR233m, the MoF satisfied all of them, but partially. Participants with non-competitive bids received only 30% of the cap, and participants with bids at the maximum rate of 3.2% (unchanged WoW) did not purchase the entire desired volume. At the same time, the weighted-average yield at which non-competitive demand was satisfied decreased by 10bp to 3.08%.

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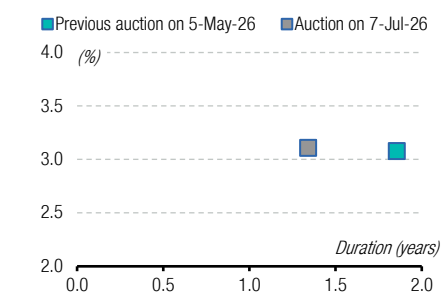
WEDNESDAY, 8 JULY 2026

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



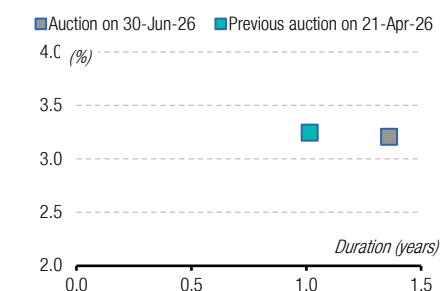
Source: Ministry of Finance of Ukraine, ICU.

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

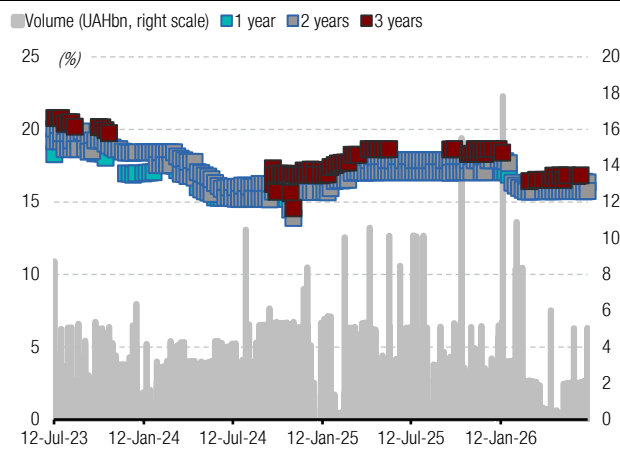


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

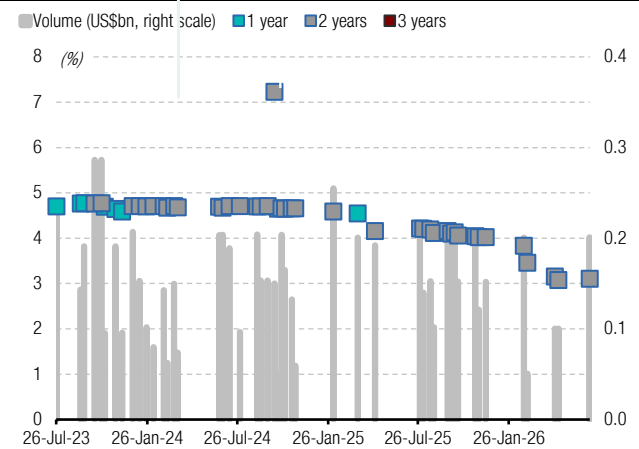
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

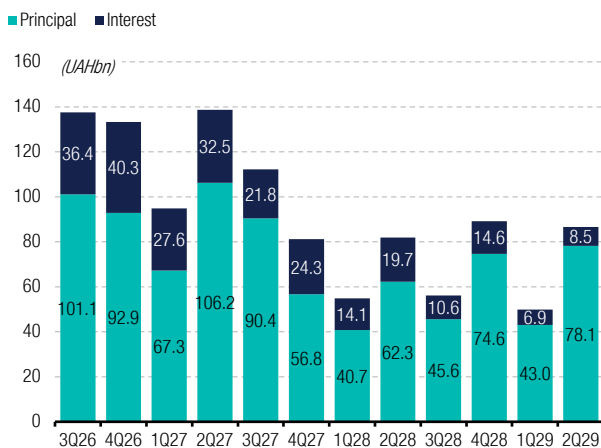
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

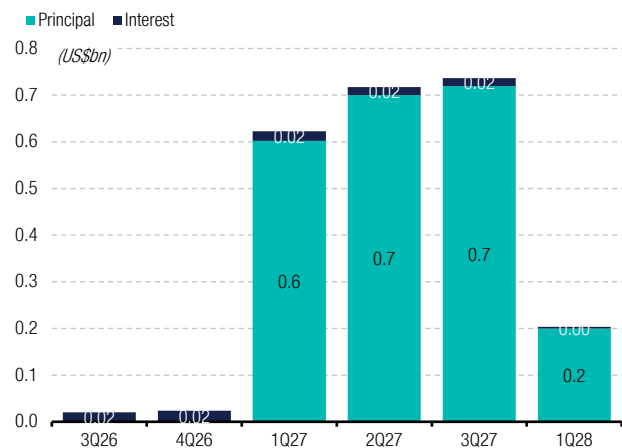
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

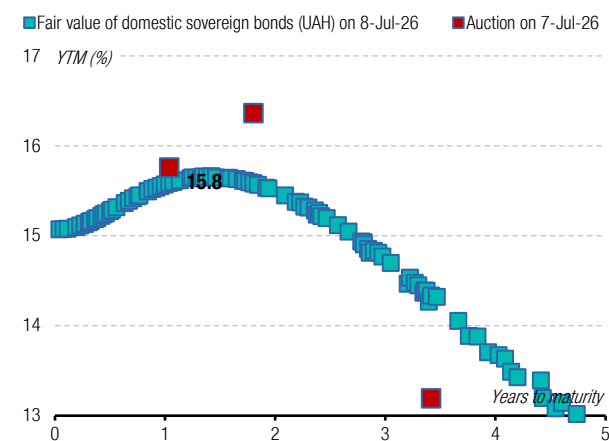
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

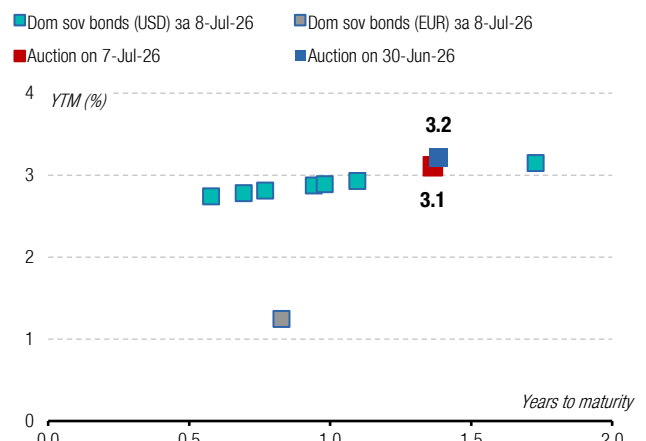
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

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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