Focus
Ukraine

Markets
Government bonds, FX market, and macro

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Weekly Insight

NBU continues to calm FX market

Key messages of the today's comments

MONDAY, 20 JULY 2026

Ukrainian bond market

Investors focus on six bonds

Last week, five UAH bonds were in investor focus in the secondary bond market. Two of them were offered at the primary auction.

Foreign exchange market

NBU continues to calm FX market

Last week, the National Bank was again forced to hike interventions to over US$1bn to prevent the exchange rate from rising above UAH45/US$.

Banks' reserves market (17 July 2026)

	Last	Weekly chg (%)	YoY chg (%)
NBU rate (%)[1]	15.00	+0bp	-50bp
ON rate (%)	14.99	+0bp	-50bp
Reserves (UAHm)[2]	277,640	+1.2	+5.1
CDs (UAHm)[3]	645,194	+1.9	+35.0

Notes: [1] NBU's key policy rate; [2] stock of banks' reserves held at NBU; [3] stock of NBU's certificates of deposit.
Source: NBU, Bloomberg, ICU.

Breakdown of govt bond holders (UAHm) (17 July 2026)

	Last	Weekly chg (%)	YoY chg (%)
NBU	655,757	+0.0	-2.5
Banks	927,942	+0.3	+6.6
Residents	238,717	+0.2	+15.3
Individuals	156,152	+1.6	+58.9
Foreigners	19,079	+3.5	-5.6
Total	**1,997,942**	**+0.3**	**+6.9**

Source: NBU, ICU.

FX market indicators (17 July 2026)

	Last	Weekly chg (%)	YoY chg (%)
USD/UAH	44.6842	+0.3	+7.0
EUR/USD	1.1439	+0.2	-1.4
DXY	100.765	-0.2	+2.1

Source: Bloomberg, ICU.

Market gov't bond quotes (20 July 2026)

Maturity	Bid (%)	Ask(%)
6 months	15.50	14.50
12 months	16.25	15.50
2 years	17.00	16.00
3 years	17.25	16.50
6 months ($)	4.00	3.10
1.5 years ($)	4.00	3.30

Source: ICU.

Ukrainian bond market

Investors focus on six bonds

Last week, five UAH bonds were in investor focus in the secondary bond market. Two of them were offered at the primary auction.

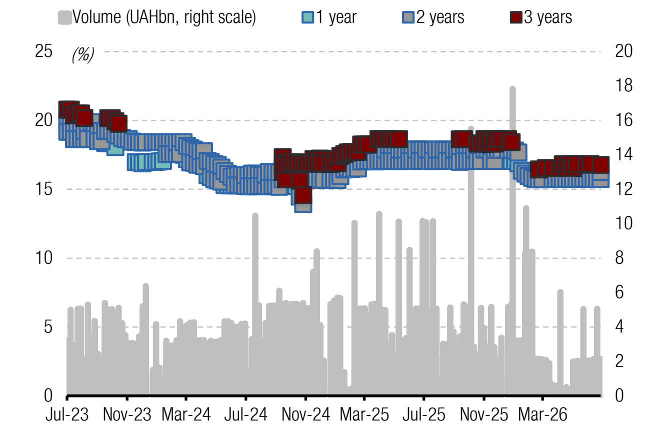
In total, 48 government bonds were traded in the secondary bond market last week for a total of UAH16.8bn. Six securities accounted for 58% of that volume. Bonds due within the next 12 months made up 48% of all trades, and those due between one and two years accounted for 21%.

At the primary auction, the MoF sold bonds maturing in April 2028 and April 2029, with bid-to-cover ratios of 3.4x and 4.3x (details in our review).

ICU view: The secondary market focuses on short-term securities that cannot be purchased directly at the primary auctions of the Ministry of Finance. However, investors also remain interested in longer-term instruments that allow them to lock in current yields longer.

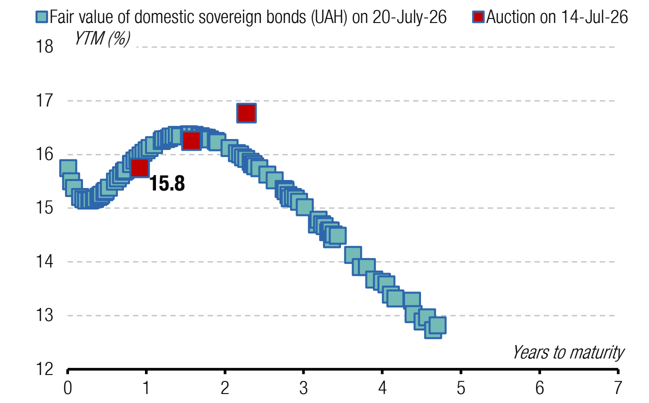
Chart 1. Local-currency bonds

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



Source: MFU, ICU.

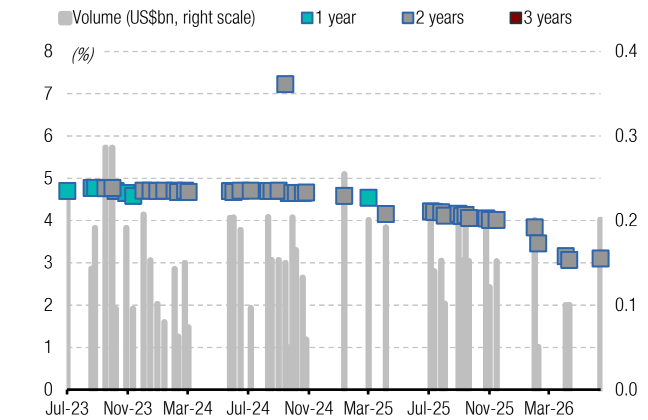
YTMs of domestic government bonds as calculated by NBU versus placements via primary market auctions



Source: NBU, MFU, ICU.

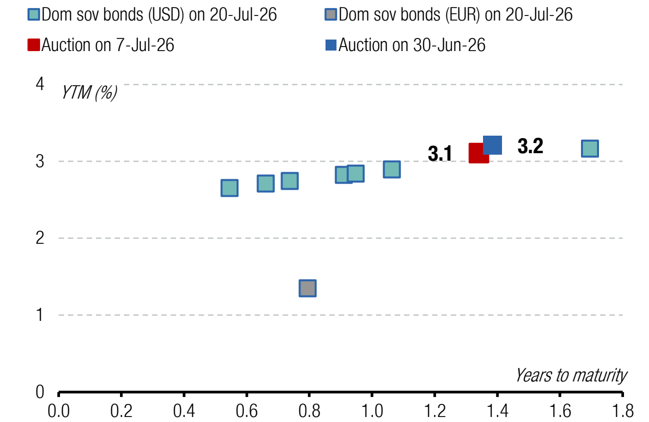
Chart 2. FX-denominated bonds

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



Source: MFU, ICU.

YTMs of domestic government bonds as calculated by NBU versus placements via primary market auctions



Source: NBU, MFU, ICU.

Foreign exchange market

NBU continues to calm FX market

Last week, the National Bank was again forced to hike interventions to over US$1bn to prevent the exchange rate from rising above UAH45/US$.

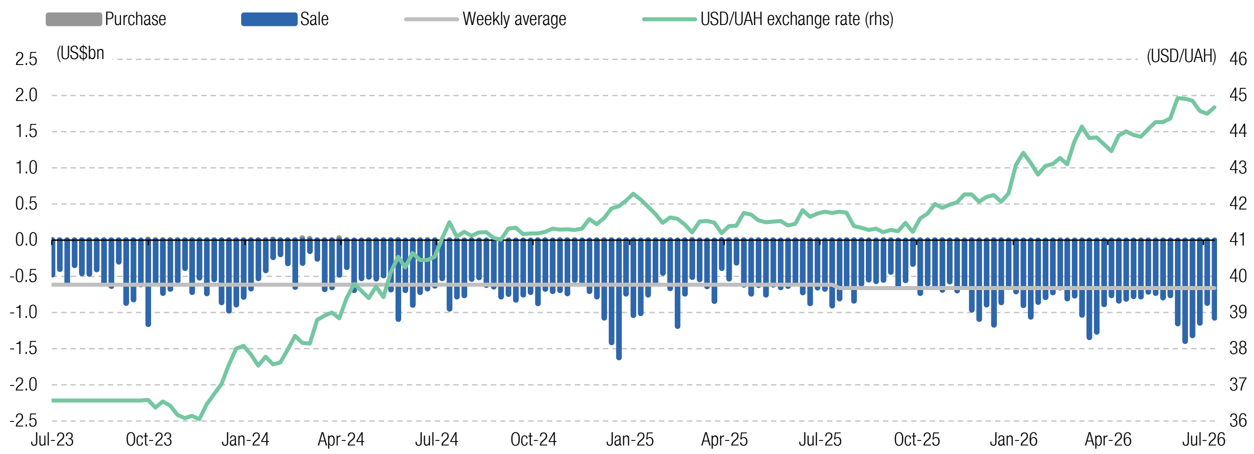
The NBU's interventions last week amounted to almost US$1.1bn, up a quarter WoW. Net FX purchases by legal entities over the four business days stood at US$674m (+62% WoW), while net FX purchases in the retail segment fell substantially to just US$47m.

The hryvnia fluctuated within the range of UAH44.5-44.9/US$, and the official hryvnia exchange rate weakened by 0.4% to UAH44.67/US$ over the week.

ICU view: The NBU maintains interventions at a high level to keep the hryvnia exchange rate within a range of UAH44.5-45/US$ and to ease devaluation expectations among businesses and households. However, it is unlikely that the current size of interventions is comfortable for the NBU. We maintain our expectation that the NBU will be forced to weaken the hryvnia gradually going forward.

Chart 3. FX market indicators, 3-year history

Ukraine hryvnia UAH exchange rate per US dollar at the interbank market and NBU interventions (weekly data and weekly average starting from 24-Feb-2022



Source: NBU, Bloomberg, ICU.

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