



Bond Market Insight

MoF borrows steadily

Comment on government bond placement

Yesterday, the Ministry of Finance offered the same bonds as last week. However, supply was lower, allowing the MoF to reduce yields a mere.

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
UA4000239115	15.18	@Mty	15-Sep-27	1,000,000	1,012.07	1,012.07	1,000.00	15.71	8,000.00
UA4000239131	15.49	SA	21-Mar-29	1,000,000	1,009.96	1,009.96	1,000.00	17.18	2,194.43
Total UAH				2,000,000		2,022.03	2,000.00		10,194.43

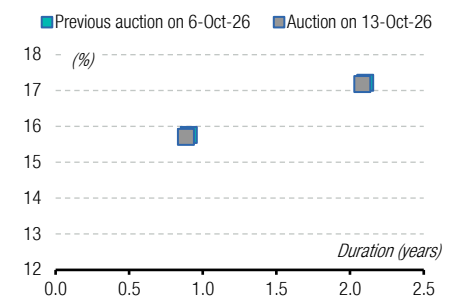
Note: [1] payment frequency abbreviations: M - monthly, Qtly - quarterly, SA - semi-annually, @Mty - at maturity date; [2] proceeds and volumes for the USD-denominated bonds are calculated based on the previous day's exchange rate 44.48/USD, 51.04/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

Interest in the 11-month military bills remains high, as these are currently the only military bonds being offered at primary auctions. The Ministry of Finance traditionally sets the cap at UAH1bn, and yesterday's bid-to-cover ratio was 5x. With such activity, the ministry sold the planned volume and lowered yields to 15.09%—a reduction of 6bp for the cut-off rate and 5bp for the weighted average rate.

While a decision regarding a new issue of last week's bonds is pending, the Ministry of Finance continued to offer them at primary auctions. However, the supply volume was reduced from UAH5bn a week ago to UAH1bn yesterday. Demand for this paper totalled nearly UAH4.4bn, resulting in a 3bp decline in the cut-off rate to 16.47%, while the weighted average yield slid by 4bp to 16.45%.

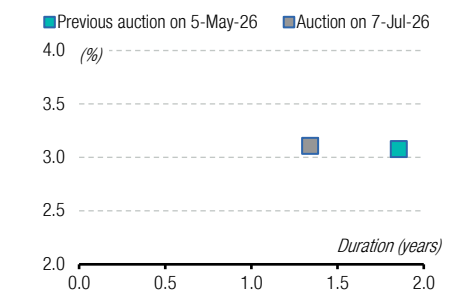
WEDNESDAY, 14 OCTOBER 2026

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



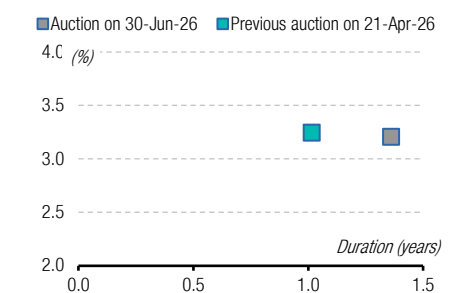
Source: Ministry of Finance of Ukraine, ICU.

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

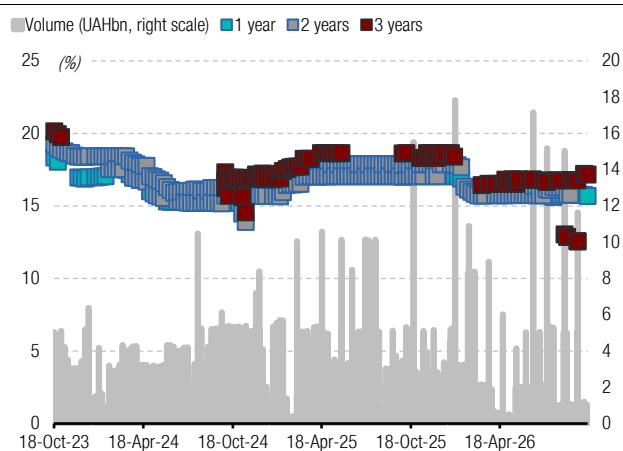


Source: Ministry of Finance of Ukraine, ICU.

Appendix: Yields-to-maturity, repayments

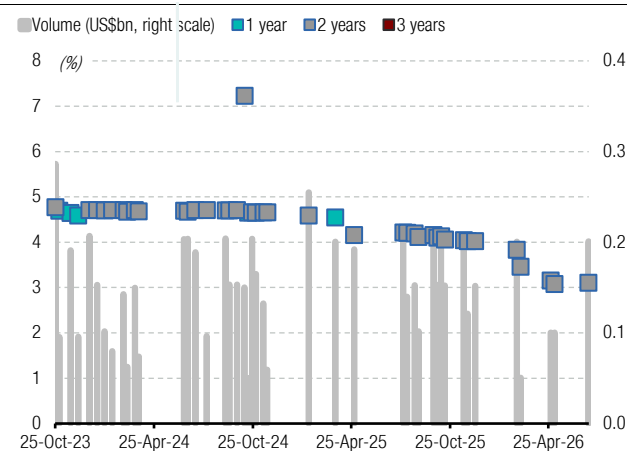
Chart 1. Three-year history of domestic government bond placements at primary market: proceeds (in billions) and yields-to-maturity (%)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

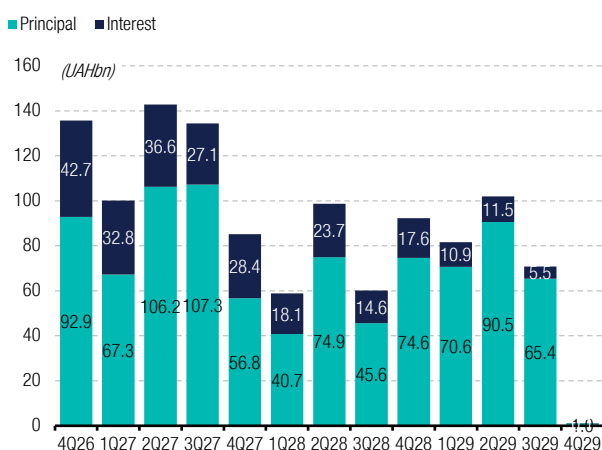
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

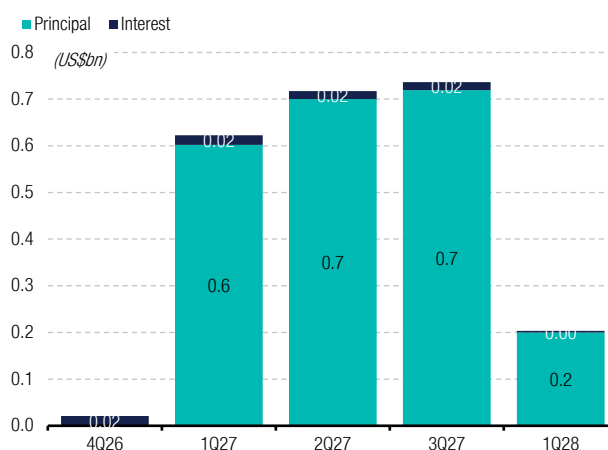
Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

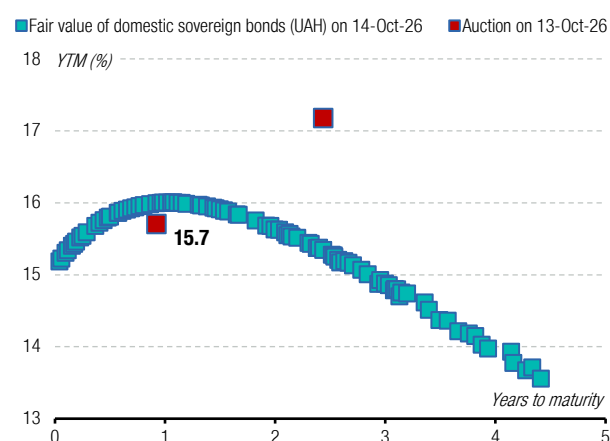
USD-denominated domestic government bonds



Source: Ministry of Finance of Ukraine, ICU.

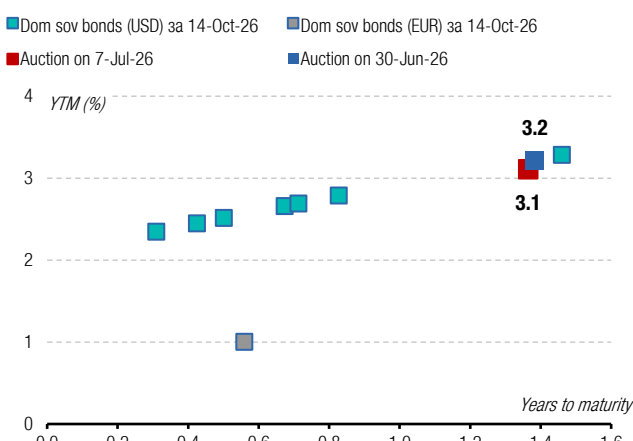
Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

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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