Focus
Ukraine

Markets
Government bonds, FX market, and macro

Research team
Alexander Martynenko
Taras Kotovych

Weekly Insight

MoF borrowing plan near complete

Key messages of the today's comments

Ukrainian bond market

MoF full-year borrowing plan near complete

Last week, the Ministry of Finance sold UAH- and FX-denominated bonds, taking the total YTD one step close to the full-year borrowing plan.

Investors disappointed by trilateral meeting

Sentiment among holders of Ukrainian Eurobonds deteriorated significantly following the meeting between the leaders of russia, the US, and China.

Foreign exchange market

Budgetary flows help NBU strengthen hryvnia

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MONDAY, 23 NOVEMBER 2026

Banks' reserves market (20 November 2026)

	Last	Weekly chg (%)	YoY chg (%)
NBU rate (%)[1]	16.50	+0bp	+100bp
ON rate (%)	16.50	+2bp	+100bp
Reserves (UAHm)[2]	281,155	-11.2	+4.9
CDs (UAHm)[3]	612,821	-1.6	+26.5

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) (20 November 2026)

	Last	Weekly chg (%)	YoY chg (%)
NBU	654,757	+0.0	-1.7
Banks	901,976	+0.1	-2.2
Residents	229,568	-3.8	+19.3
Individuals	171,252	-2.7	+56.6
Foreigners	18,248	-0.1	+11.1
Total	**1,975,957**	**-0.6**	**+3.7**

Source: NBU, ICU.

FX market indicators (20 November 2026)

	Last	Weekly chg (%)	YoY chg (%)
USD/UAH	44.9525	-0.9	+6.5
EUR/USD	1.0968	-0.5	-4.9
DXY	103.807	+0.4	+3.6

Source: Bloomberg, ICU.

Market gov't bond quotes (23 November 2026)

Maturity	Bid (%)	Ask(%)
6 months	15.00	14.00
12 months	16.25	15.50
2 years	17.00	16.00
3 years	17.50	16.50
6 months ($)	3.50	2.00
1.5 years ($)	4.00	2.50

Source: ICU.

READ FIRST THE DISCLOSURES SECTION (ON LAST PAGE) FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATION

Ukrainian bond market

MoF full-year borrowing plan near complete

Last week, the Ministry of Finance sold UAH- and FX-denominated bonds, taking the total YTD one step close to the full-year borrowing plan.

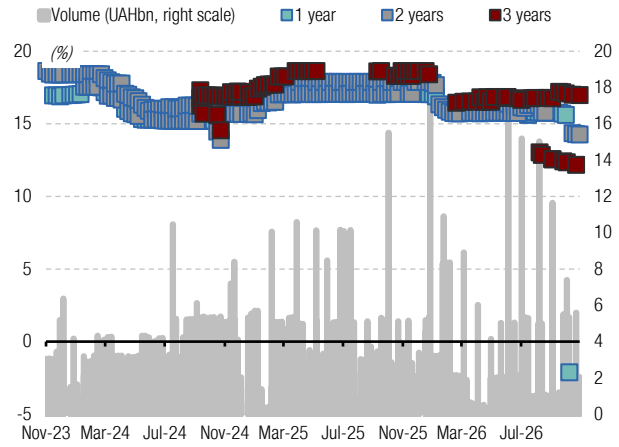
At last Tuesday's auction, the MoF offered two UAH bonds (capped at UAH2bn each) and FX-denominated paper of EUR200m. Demand for two of the three securities fell short of the offer. Therefore, total borrowing amounted to UAH10.8bn. See details in the auction review.

According to our estimates, the MoF raised nearly UAH409.5bn YTD, just a notch below UAH419.6bn of domestic borrowing (in all currencies) scheduled in the 2026 budget plan—approximately 98% of the annual target. Just over UAH10bn remains to be raised until year-end in the domestic market. Based on the published schedule, five more auctions are slated for the remainder of the year, implying a borrowing target of approximately UAH2bn per week.

ICU view: The MoF borrowed actively early in the year—before the EUR90bn European aid package (the Ukraine Support Loan) was finalised—and then again during the summer—before the National Bank embarked on its key policy rate-hike cycle. The MoF has been in a position to gradually reduce the borrowing pace since August and may scale it down further in December. With the borrowing plan nearly completed for 2026, the MoF has no incentive to raise yields on UAH bonds.

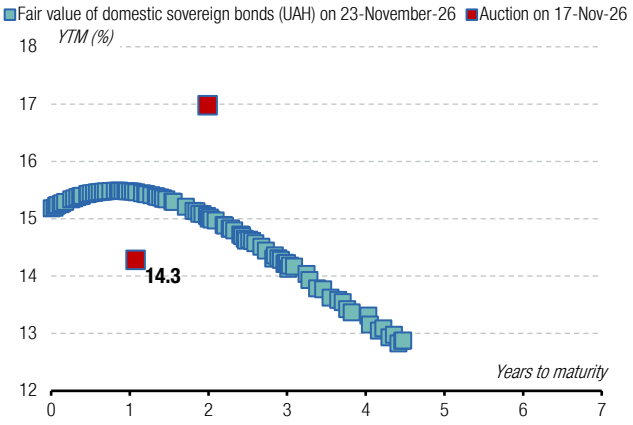
Chart 1. Local-currency bonds

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



Source: MFU, ICU.

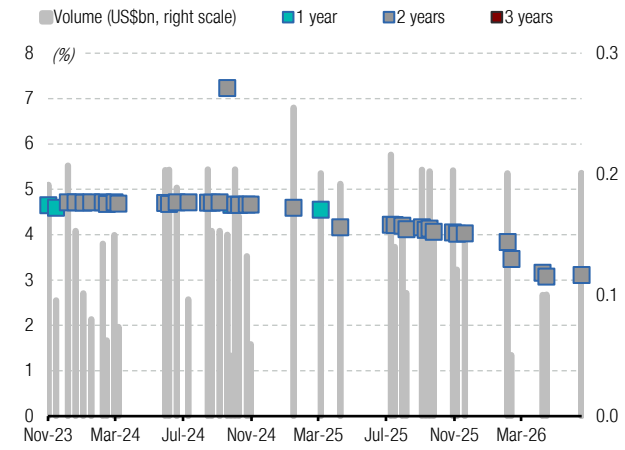
YTMs of domestic government bonds as calculated by NBU versus placements via primary market auctions



Source: NBU, MFU, ICU.

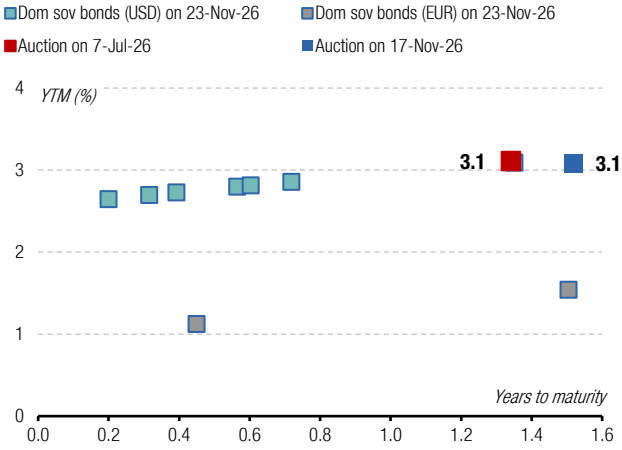
Chart 2. FX-denominated bonds

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.

Investors disappointed by trilateral meeting

Sentiment among holders of Ukrainian Eurobonds deteriorated significantly following the meeting between the leaders of russia, the US, and China.

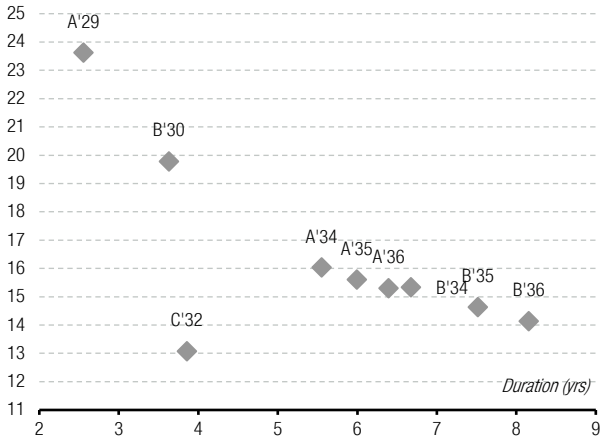
Although the war in Ukraine was on the agenda during last week's trilateral meeting, the talks failed to yield any notable progress. The lack of positive news re-enhanced the negative sentiment, driving Ukrainian Eurobond prices further down.

Early in the week, Ukrainian securities followed the broader trend across the EM bond market, falling by an average of 1.2%, while the EMBI index was down 0.4% over the same three-day period. The fall in prices accelerated on Thursday. By the end of the week, Ukrainian Eurobonds lost 7.4%, while the EMBI index dropped by 1.2%. Spreads between the yields of the shortest and longest-dated instruments widened further, reaching new record highs. For Series A bonds (maturing in 2029 and 2036), the spread exceeded 800bp and for Series B bonds (maturing in 2030 and 2034) it reached 450bp.

ICU view: Investors learned their lessons of the past and had little hopes for a positive outcome of the meeting. Like before, we don't see solid pre-conditions for a near-term negotiation progress. russia is clearly putting forward demands that neither Ukraine nor its European partners would be willing to accept.

Chart 3. Ukrainian Eurobond YTMs and prices

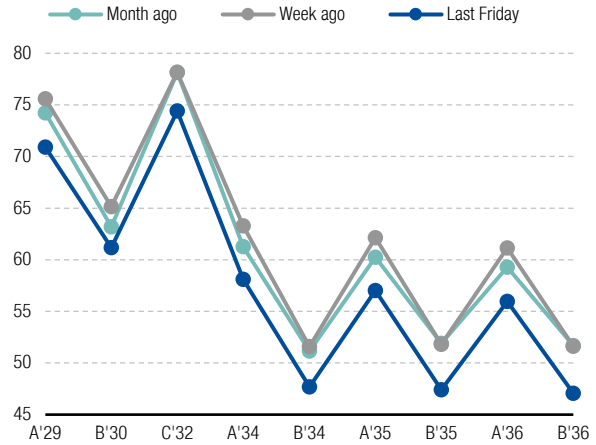
Eurobonds yield map



Note: The nominal value of Series B bonds due in 2035 and 2036 may increase in 2030

Source: Bloomberg, ICU.

Eurobonds price changes



Source: Bloomberg, ICU.

Foreign exchange market

Budgetary flows help NBU strengthen hryvnia

Last week, the NBU significantly strengthened the hryvnia and managed to reduce FX interventions, as the Treasury withdrew some funds from the banking system.

Last week's trends in FX market stood in stark contrast to the pattern seen in late October. The Treasury sterilized over UAH20bn of liquidity from the banking system last week as companies were making quarterly tax payments. In late October, the Treasury injected net UAH131bn in just six days.

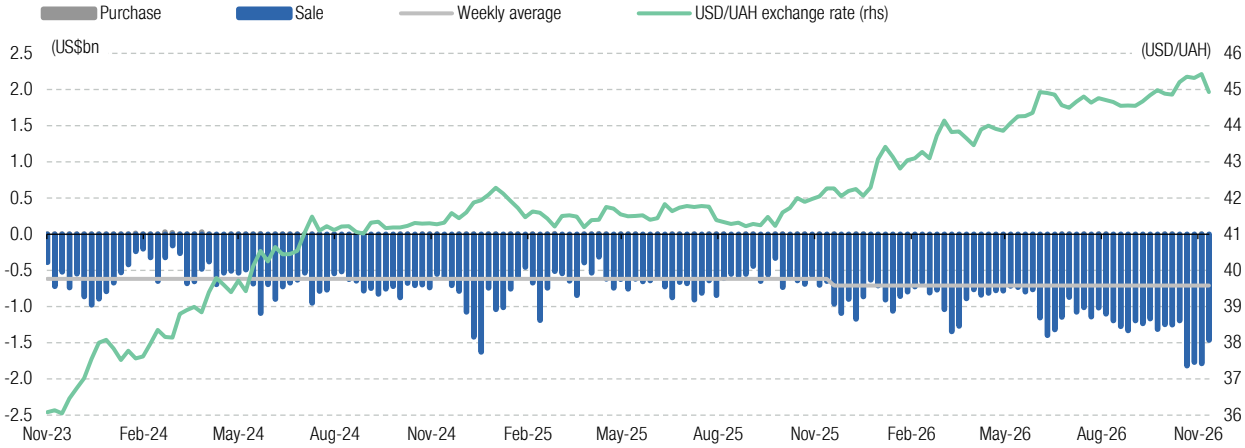
Consequently, demand for foreign currency declined in both the interbank market and the retail segment, allowing the NBU to reduce FX sale interventions by 20% to below US$1.5bn.

The NBU strengthened the hryvnia to UAH44.93/US$ last Friday, a 1.1% increase for the week, but YTD weakening was 6.1%.

ICU view: NBU interventions remain substantial, primarily due to a significant structural deficit driven by expenditures on the procurement of weaponry funded through the USL program. Last week, the aftershocks of late October—characterised by high volatility in the hryvnia exchange rate—largely subsided. Furthermore, the MoF's absorption of funds likely reduced demand for hard currency and helped the NBU reduce interventions. However, pressure on the hryvnia is expected to return this week, as government expenditure may increase following the receipt of a EUR7.9bn tranche from the EU. The NBU continues to demonstrate that it has no intention of allowing the hryvnia to weaken significantly. Therefore, we maintain our year-end forecast for the official exchange rate at UAH45.8/US$.

Chart 4. 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.

11th floor, LEONARDO Business Centre
19-21 Bogdan Khmelnytsky Street
Kyiv, 01030 Ukraine
Phone/Fax +38 044 3777040

WEB www.icu.ua

RESEARCH

Alexander Martynenko
Head of corporate research
alexander.martynenko@icu.ua

Mykhaylo Demkiv
Financial analyst (Banks)
mykhaylo.demkiv@icu.ua

Taras Kotovych
Senior financial analyst (Sovereign debt)
taras.kotovych@icu.ua

Dmitriy Dyachenko
Financial analyst
dmitriy.dyachenko@icu.ua

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