

Bond Market Insight

UAH proceeds exceed borrowings in FX

Comment on government bond placement

Interest in hryvnia-denominated bonds has increased again, their proceeds outweighing those from FX-denominated bonds.

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

ISIN	Coupon rate (%)	Payment freq ¹	Maturity	Qty of bonds sold	Price (UAH)	Proceeds ² (UAHm)	Volume ² (UAHm)	YTM ³ (%)	Outstanding (m) ⁴
UA4000236624	16.35	SA	14-Oct-26	2,869,023	1,059.10	3,038.59	2,869.02	17.07	6,395.37
UA4000236228	17.10	SA	10-Mar-28	739,235	1,078.67	797.39	739.24	11.22	7,612.57
UA4000236475	17.77	SA	27-Sep-28	903,642	1,070.49	967.34	903.64	18.65	5,880.43
Total UAH				4,511,900		4,803.32	4,511.90		19,888.37
UA4000236806	4.15	SA	18-Mar-27	100,000	1,019.43	4,215.87	4,135.50	4.12	10,338.75
Total USD				100,000		4,215.87	4,135.50		10,338.75

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 41.36/USD, 48.99/EUR; [3] yields on coupon-bearing bonds are effective yields to maturity. Sources: Ministry of Finance of Ukraine, Bloomberg, ICU.

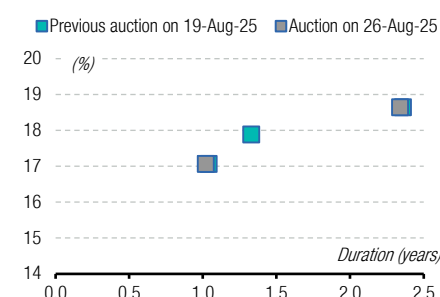
Most of the UAH proceeds came from military government bills, which totalled almost UAH2.9bn, which brought most of the local-currency funds for the budget. In addition, almost UAH1.8bn came from the 1.5 and 3-year hryvnia securities. So, the MoF raised UAH4.8bn from hryvnia instruments.

The budget received less from FX-denominated instruments. Nineteen-month USD-denominated securities collected almost US\$390m in demand, but the cap was only US\$100m. So, the MoF satisfied 65 out of 69 applications, but a significant number only partially.

In total, the budget received over UAH9bn, which is generally a good result, especially in conditions when UAH instruments compete with FX-denominated instruments. The advantage of UAH borrowing is primarily due to the small supply of foreign exchange instruments.

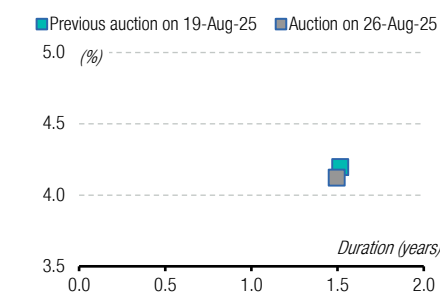
WEDNESDAY, 27 AUGUST 2025

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



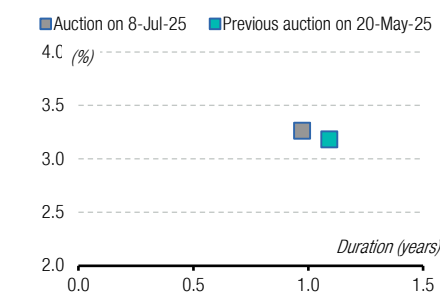
Source: Ministry of Finance of Ukraine, ICU.

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

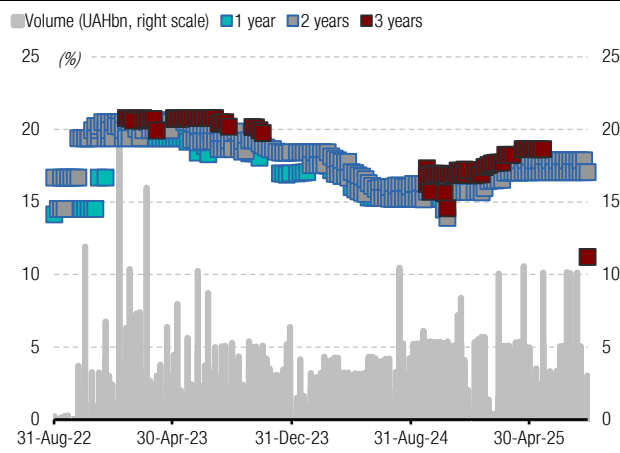


Source: Ministry of Finance of Ukraine, ICU.

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



USD-denominated domestic government bonds

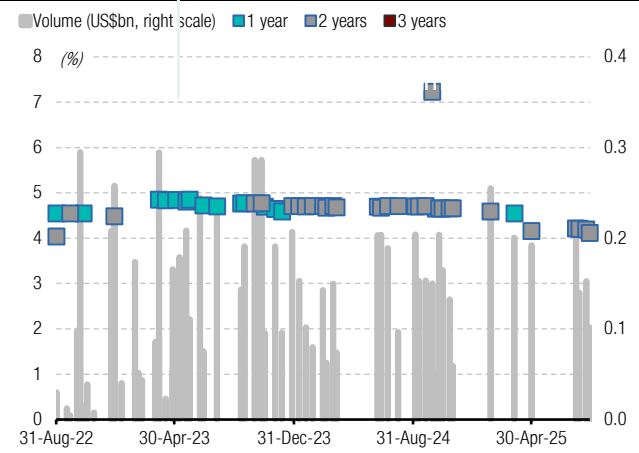
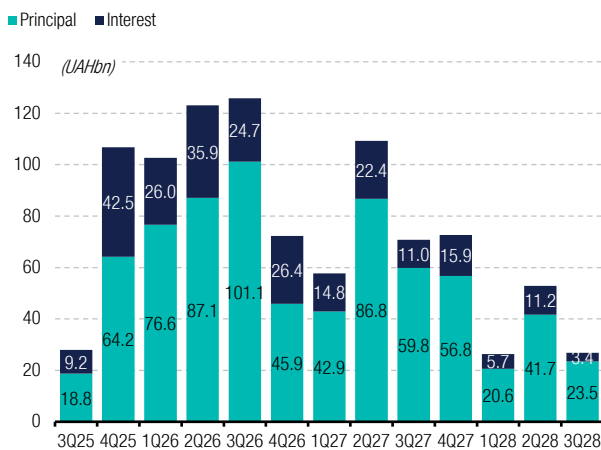


Chart 2. Future repayments on domestic government bonds (in billions of currency)

UAH-denominated domestic government bonds



USD-denominated domestic government bonds

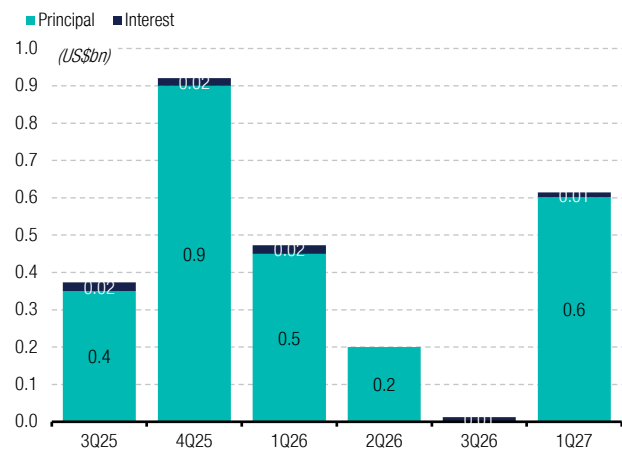
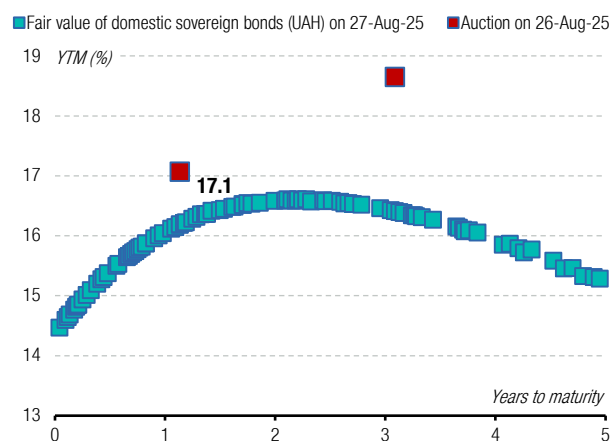
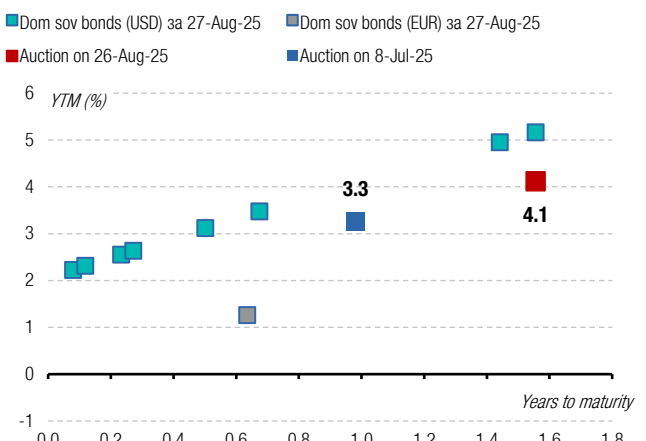


Chart 3. YTM of domestic government bonds as calculated by NBU versus placements via primary market auctions

UAH-denominated domestic government bonds



USD- and EUR-denominated domestic government bonds



This page is intentionally left blank.



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

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (license numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.

Additional information is available upon request.

