Fixed Income Weekly Monitor

August 17, 2026

Trends

Ukrainian Sovereign Eurobonds Decline Last Week

Ukraine's sovereign Eurobond indicative prices fell an average 1.4% over the past week as Russia's blockade of Black Sea ports sharply disrupted agricultural exports. Ukraine's farm exports fell 70% in August, with no vessel calls recorded at the ports of Greater Odesa, which include the three key deep-water Black Sea ports of Odesa, Chornomorsk and Pivdennyi. Rail and Danube ports can cover only part of the shortfall, with alternative routes estimated to meet no more than 50% of export needs. The National Bank of Ukraine estimates the blockade could cost the country about USD 2.5bn in foreign-currency export proceeds by year-end.

Quotes for the benchmark Ukraine-2036 issue decreased by 1.8% over the week to close at 66.5 cents on the dollar (13.0% yield to maturity).

The shortest outstanding issue Ukraine-2029 declined by 1.2% to 84.7 cents on the dollar (15.0% YTM).

Corporate Ukrainian Eurobonds were also lower for the week with DTEK Energy-2027 declining by 0.9% to 89.1 (15.7% YTM). Kernel-2027 edged down by 0.4% to 94.2 (12.1% YTM).

Ukrainian President Volodymyr Zelenskyy has warned that Russia is preparing to escalate the war, calling on the country's partners to ramp up sanctions pressure on Moscow and provide Kyiv with further air defense support.

Russian forces have increased the number of missile strikes on Ukrainian cities in recent weeks, likely as part of a push to exploit Kyiv's shortage of ballistic missile interceptors.

Ukraine remains heavily reliant on the American Patriot PAC-3 system to intercept Russian ballistic missiles, even as domestic companies such as Fire Point scramble to procure their own antimissile technology. U.S. President Donald Trump cast doubt last month on whether Washington would allow Kyiv to manufacture Patriots domestically and in Europe.

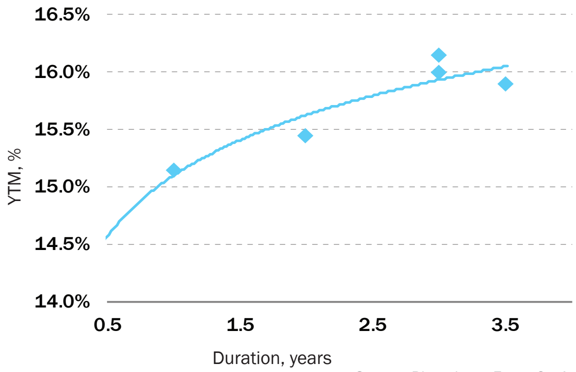
Highlights

- Ukraine's inflation accelerated to 7.7%

The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:
www.bank.gov.ua/en/about/support-the-armed-forces

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:
www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine

UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg. Eavex Capital

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.5%	0.0 p.p.	0.0 p.p.
UAH 1-year bond yield	15.2%	0.1 p.p.	-1.2 p.p.
Ukraine-2029 yield	15.0%	0.7 p.p.	-3.0 p.p.
Ukraine-2036 yield	13.0%	0.4 p.p.	-1.5 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.70	-0.1%	5.4%
EUR/UAH	51.55	-0.2%	3.4%

Source: Eavex Capital

Kyiv, Ukraine.
research@eavex.com.ua

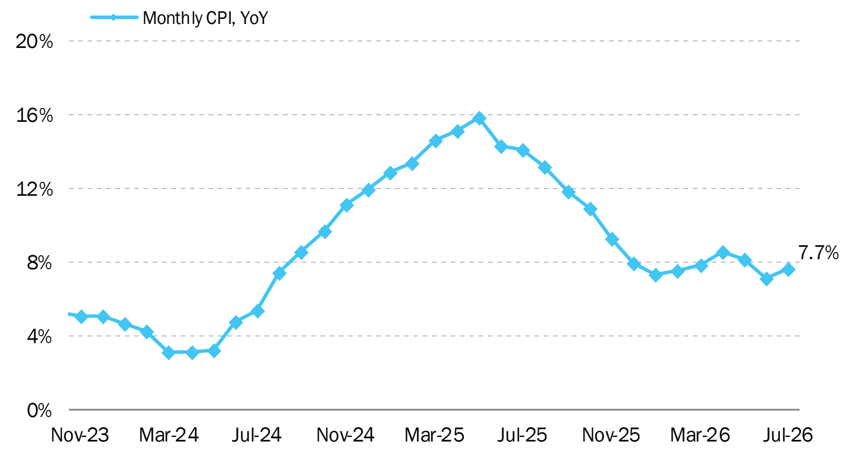
Ukraine's inflation accelerated to 7.7%

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Ukraine's annual inflation accelerated to 7.7% in July from 7.2% in June, while consumer prices rose 0.3% month-on-month. The National Bank of Ukraine expects inflation to accelerate further in the coming months, potentially reaching around 10%.

UKRAINE'S ROLLING 12-MONTH CPI



Source: State Statistics Committee

COMMENTARY

Ukraine's July inflation reading came in slightly above expectations, driven in part by a sharp 30% increase in water-supply and sewerage tariffs. Overall, prices for administratively regulated goods and services accelerated to 11.8% year-on-year.

Fuel prices surged 28% from a year earlier, adding to inflationary pressure across other consumer categories through higher logistics costs.

The acceleration in inflation is likely to keep yields on Ukrainian government bonds at elevated levels. The Finance Ministry raised OVDP yields by 10 basis points at last week's auction, responding to a shift in market sentiment. The yield on one-year bonds was set at 15.19%, while the 2029-maturity notes were sold at a 16.1% yield.

The Aug. 11 auction raised UAH 2.3 billion for the budget, below average funding volumes. This suggests investors may be looking for a more substantial increase in offered yields before significantly increasing demand for OVDPs.

For comparison, US consumer inflation stood at 3.4% year-on-year in July, down from 3.5% in June.

In the euro area, inflation accelerated to 2.9% in July from 2.8% in June, remaining well above the European Central Bank's 2% target.

SELECTED UKRAINIAN EUROBONDS

Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings[1]
Sovereign Eurobonds								
Ukraine, 2029	84.7	-1.2%	15.0%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	71.7	-1.4%	10.1%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	68.7	-1.7%	13.3%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	67.8	-1.0%	13.0%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	66.5	-1.8%	13.0%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	103.8	-0.2%	8.9%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.2	-0.4%	12.1%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	89.1	-0.9%	15.7%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	98.8	0.1%	7.5%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	93.0	0.0%	10.4%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2033	89.7	-0.1%	n/a	6.00%	15 Jan 2033	500	USD	//
Ukrainian Railways, 2026	83.9	0.0%	n/a	8.25%	9 Jul 2026	500	USD	//

[1] Moody's/S&P/Fitch

Source: Boerse-Berlin, Boerse-Stuttgart. TR Data, Eavex Research

Eavex Capital

7 Klovsky uzviz, 16th Floor

Carnegie Center

Kyiv, 01021, Ukraine

Telephone: +38 044 590 5454

E-mail: research@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

SALES & TRADING

Pavlo Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

RESEARCH

Dmytro Churin

Head of Research

d.churin@eavex.com.ua