Trends

Ukraine-2029 Bonds Hit Post-Restructuring High on Renewed Demand

Ukraine's sovereign Eurobonds attracted renewed investor demand amid improving sentiment following another meeting between President Volodymyr Zelenskiy and U.S. President Donald Trump on the sidelines of the NATO summit.

The benchmark Ukraine-2029 bond climbed 0.6% over the week to 85.1 cents on the dollar, its highest level since the debt restructuring, implying a yield to maturity of 14.1%. The longer-dated Ukraine-2036 issue advanced 1.7% to 69.9 cents on the dollar, with its yield falling to 11.9%.

Among Ukrainian corporate Eurobonds, Ukrzaliznytsia led gains, rising 1.9% to 83.9 cents on the dollar. The state railway operator's financial outlook is expected to improve after authorities approved a phased increase in freight transportation tariffs, with rates set to rise 30% from Aug. 1, 2026, followed by a further 15% increase from Jan. 1, 2027.

Eurobonds of poultry maker MHP with maturity in 2029 were unchanged at 104.2 (8.9% YTM) and Kernel-2027 traded at 94.6 (11.4% YTM).

In domestic political events, Yulia Svyrydenko resigned from her position as Ukraine's prime minister on Sunday, after Ukrainian President Volodymyr Zelenskyy announced that she would take on a new position within the country's government. Svyrydenko is among several Ukrainian leaders whose roles will shift, according to Zelenskyy, who said the nation is "changing its political strategy."

Zelenskyy, who has remained in office under martial law because wartime elections are prohibited, has periodically reshuffled his government in an effort to bring fresh momentum to his administration. Zelenskyy met with a series of senior officials following the announcement, including Energy Minister Denys Shmyhal, Interior Minister Ihor Klymenko and Defense Minister Mykhailo Fedorov.

The overhaul, which Zelenskyy has yet to explain in detail, would be the fourth major reorganization of his government since the start of Russia's full-scale invasion.

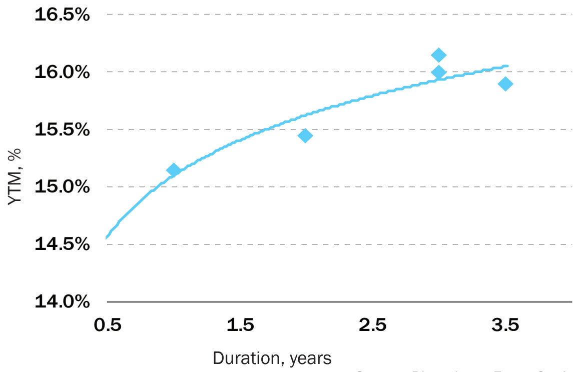
Highlights

- Svirydenko to Take on Washington Role as Zelenskiy Shuffles Gov't
- Ukraine Inflation Slows to 7.2% in June, Easing Pressure on the NBU

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	15.0%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	14.1%	-0.2 p.p.	-3.9 p.p.
Ukraine-2036 yield	11.9%	-0.3 p.p.	-2.6 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.51	-0.6%	5.0%
EUR/UAH	50.88	-0.4%	2.0%

Source: Eavex Capital

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Svirydenko to Take on Washington Role as Zelenskiy Shuffles Gov't

by Will Ritter
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NEWS

Ukrainian Prime Minister Yulia Svirydenko is expected to leave her post in the near term and head to Washington as Ukraine's new ambassador to the United States, the Financial Times reported on Sunday (Jul 12).

Current ambassador Olga Stefanishyna has indicated her intention to resign amid an investigation into her activity by Ukraine's NABU anti-corruption agency.

Both women were appointed to their current jobs almost exactly one year ago in July 2025 in the previous government reshuffle, which was engineered by then-presidential administration head Andriy Yermak.

The FT reported that the top contender to replace Svirydenko is Naftogaz state energy company CEO Serhiy Koretskiy, who met with President Zelenskiy in Kyiv on Sunday.

Zelenskiy also held meetings with several other possible candidates, including Energy Minister Dennis Shmyhal (who held the PM job prior to Svirydenko), Interior Minister Ihor Klymenko, and Kharkiv city mayor Ihor Terekhov.

There were additional unconfirmed rumors that Defense Minister Mykhailo Fedorov might be dismissed in the reshuffle due to alleged conflicts with Ukrainian Armed Forces Commander Oleksander Syrskiy.

COMMENTARY

The departure of Svirydenko from the government after only a year should not be viewed as a demotion, as the Ukrainian ambassadorship in Washington is arguably an even more important role in the current environment.

We suspect that Stefanishyna was either seen as being too close to Yermak, or was simply not well-liked by the Trump administration (or both).

Svirydenko has considerable experience in negotiating with the US administration and could be an effective ambassador, we think.

Regarding Fedorov, we are skeptical that he will leave the Defense Ministry, as his tenure has been quite well-reviewed since taking the job in December. Syrskiy is a widely unpopular figure in Ukraine, and we believe that Zelenskiy prefers to use him as a lightning rod to absorb criticism, before eventually firing him at a time which would bring the maximum political benefit.

If Koretskiy is named prime minister, one of his key tasks will be preparing the defense of Ukraine's energy-generating infrastructure ahead of a possible 5th winter of Russian attacks starting in November.

In our view, the current level of pressure on the Putin regime from Western sanctions and Ukraine's oil refinery bombing campaign looks insufficient to force Russia into negotiations to end the war this autumn.

Ukraine Inflation Slows to 7.2% in June, Easing Pressure on the NBU

by Dmitry Churin
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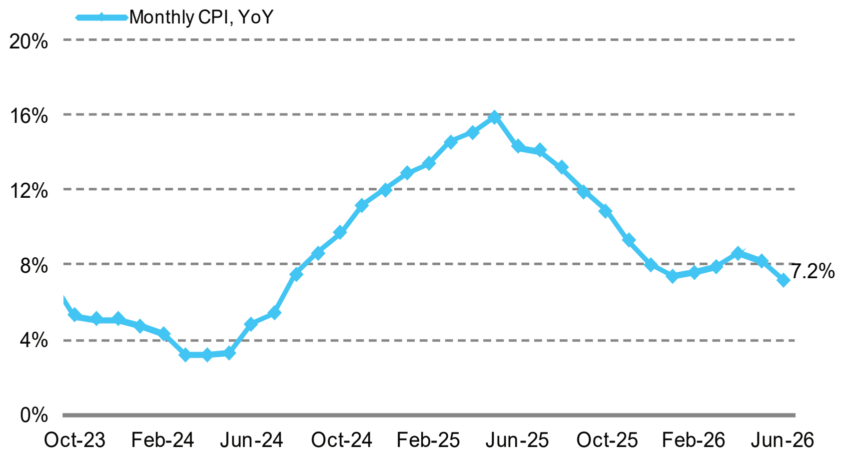
NEWS

Ukraine's annual consumer inflation slowed to 7.2% in June 2026 from 8.2% in May, while consumer prices declined 0.1% month-on-month, marking the first monthly deflation this year. Despite seasonal declines in raw food prices, core inflation accelerated to 8.1%, highlighting persistent underlying price pressures. Inflation is expected to pick up later in the year as higher energy costs continue to feed through to businesses.

The National Bank of Ukraine projects inflation will accelerate to 9.4% by the end of 2026.

UKRAINE'S ROLLING 12-MONTH CPI



Source: State Statistics Committee

COMMENTARY

June's inflation data delivered the first meaningful positive macroeconomic surprise in several months. The slowdown in annual inflation to 7.2%, combined with monthly deflation, suggests that Ukraine's inflation cycle has likely peaked.

For financial markets, the softer inflation print reduces pressure on the National Bank to maintain a restrictive monetary stance. The central bank's key policy rate, currently at 15.0%, could be cut by 50 basis points to 14.5% as early as its next monetary policy meeting. Such a move would likely encourage the Finance Ministry to lower yields offered on domestic government bonds. Against this backdrop, medium-term hryvnia-denominated government bonds appear attractive, as investors could lock in current yields before borrowing costs decline, potentially outperforming a strategy focused on rolling over one-year securities.

The domestic bond market already appears to be positioning for an easing cycle. Demand at the latest primary government bond auction surged, allowing the Finance Ministry to raise the equivalent of nearly UAH 19bn, one of the largest auction proceeds in recent months. The bulk of the proceeds came from the placement of EUR 200mn in euro-denominated domestic government bonds at a 3.2% yield. Meanwhile, one-year hryvnia-denominated domestic government bonds were placed at a yield of 15.15%, while bonds maturing in April 2028 were sold at 15.7%.

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	85.1	0.6%	14.1%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	73.0	1.8%	9.2%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	71.7	1.7%	12.2%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	70.6	1.3%	12.1%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	69.9	1.7%	11.9%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	104.2	0.1%	8.9%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.6	-0.1%	11.4%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	89.2	0.6%	15.8%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	98.2	0.4%	7.8%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	93.9	0.0%	9.9%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2028	89.3	0.9%	n/a	7.625%	8 Nov 2028	500	USD	//
Ukrainian Railways, 2026	83.9	1.9%	n/a	8.25%	9 Jul 2026	500	USD	//

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

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

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