Fixed Income Weekly Monitor

July 20, 2026

Trends

Ukraine Cuts Yield on 2029 Hryvnia Bonds as Demand Strengthens; Eurobonds Edge Higher on World Bank Funding

Ukraine's Finance Ministry lowered the yield on its benchmark 2029 hryvnia-denominated domestic government bonds for the first time in several weeks after stronger investor demand at the latest primary auction. The ministry set the cutoff yield at 16.08%, down 7 basis points from the 16.15% level at which the bonds had been consistently sold over an extended period.

Investors submitted 39 bids with requested yields ranging from 16.05% to 16.15%. The ministry accepted only 23 bids, signaling its intention to gradually reduce borrowing costs on medium-term domestic debt. If demand remains resilient, the next auction of the 2029 notes could see the yield fall below 16%.

Yields on other benchmark instruments were left unchanged. The Finance Ministry maintained the yield on 2027 bonds at 15.15%, while the 2028 issue was placed at 15.65%.

Indicative prices for Ukraine's sovereign Eurobonds rose by an average of 0.3% over the week after the country received USD 3.35bn under a World Bank program, including a USD 2.35bn grant financed through the F.O.R.T.I.S. Ukraine Financial Intermediary Fund. The grant component is particularly important as it does not add to Ukraine's public debt burden. The World Bank program also foresees an additional USD 1bn in financing, which the government plans to secure by the end of 2026.

In the war developments, Ukraine launched over 400 drones toward Moscow overnight on Monday, reportedly hitting an oil depot and a logistics centre.

Ukrainian President Volodmyr Zelenskyy said Ukrainian forces also struck two shadow fleet tankers and four cargo ships in the Black Sea.

The attacks followed a weekend of escalating exchanges between the two sides, with Russia targeting Kyiv with ballistic missiles on Sunday and Ukraine hitting warehouses belonging to one of Russia's largest online marketplaces — Wildberries — outside of Moscow on Saturday.

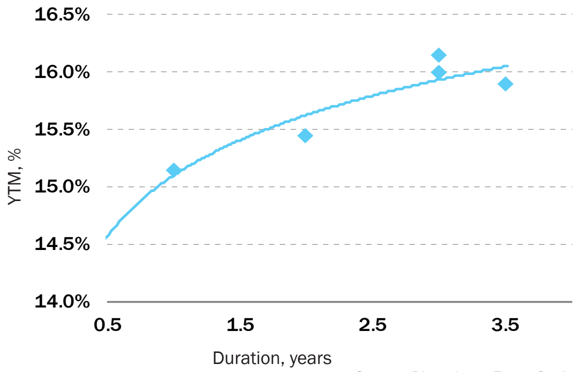
Highlights

- Ukraine Sees $146bn External Financing Need Through 2029 as Markets Bet on Continued Western Support

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	15.1%	-0.1 p.p.	-1.3 p.p.
Ukraine-2029 yield	14.0%	-0.1 p.p.	-4.0 p.p.
Ukraine-2036 yield	11.9%	0.0 p.p.	-2.6 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.62	0.2%	5.3%
EUR/UAH	51.16	0.6%	2.6%

Source: Eavex Capital

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Ukraine Sees $146bn External Financing Need Through 2029 as Markets Bet on Continued Western Support

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NEWS

Ukraine will require an estimated $146 billion in external financing over 2027-2029, according to the government's Budget Declaration for 2027-2029. Financing needs for 2027 alone are projected at about $45.3 billion.

Since Russia's full-scale invasion began in February 2022, Ukraine has secured almost $180 billion in external financial assistance.

COMMENTARY

The government's projection of $146 billion in external financing needs through 2029 underscores that, even under a gradual economic recovery scenario, Ukraine will remain heavily dependent on international financial support for several years beyond the active phase of the war. The projected more than $45 billion funding requirement for 2027 is broadly in line with the scale of assistance provided by Western partners in recent years. Maintaining such support, however, is likely to become increasingly challenging as donor countries face election cycles, competing fiscal priorities and growing pressure on public finances.

At the same time, the nearly $180 billion Ukraine has already secured since the start of the full-scale invasion highlights the unprecedented scale of international financial backing. For investors, the key question is no longer only the amount of future assistance, but also its composition — specifically, how much will come in the form of grants, concessional loans or funding backed by immobilized Russian sovereign assets. The answer will shape Ukraine's debt sustainability, the timing of its eventual return to international capital markets and the medium-term performance of its sovereign Eurobonds.

Ukrainian sovereign Eurobonds are currently trading near their highest levels since the August 2024 debt restructuring, reflecting improved investor confidence. The benchmark Ukraine-2029 bond is quoted at 85.6 cents on the dollar, implying a yield to maturity of 14.0%, compared with about 58 cents immediately after the restructuring — a gain of roughly 47%.

The longer-dated Ukraine-2036 bond trades at 70.1 cents on the dollar, implying a yield of 11.9%. The bond has rallied approximately 59% from around 44 cents immediately after the restructuring.

For holders of Ukrainian sovereign debt, the government's financing projections are a reminder that the country's credit profile over the coming years will depend primarily on the willingness of Western governments and multilateral institutions to sustain financial support. Sovereign risk is increasingly driven by the durability of political commitment from Ukraine's allies rather than by domestic macroeconomic fundamentals alone.

Another indicator of the scale of the fiscal challenge is defense spending. Ukraine allocated approximately $31 billion to defense during the first half of the year, accounting for 63% of total expenditures from the state budget's general fund. The figures illustrate that, while official external financing largely covers civilian budget needs, domestic resources continue to be overwhelmingly directed toward financing the war effort.

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	85.6	0.6%	14.0%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	73.2	0.3%	9.2%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	71.7	0.0%	12.3%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	70.7	0.1%	12.1%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	70.1	0.3%	11.9%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	104.1	-0.1%	8.9%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.4	-0.2%	11.8%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	89.7	0.6%	15.7%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	98.2	0.0%	7.8%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	93.7	-0.2%	10.0%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2028	89.9	0.7%	n/a	7.625%	8 Nov 2028	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

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