EAVEX capital

Fixed Income Weekly Monitor

September 21, 2026

Trends

Ukrainian Eurobonds Slide 2.6% and DTEK Notes Face Renewed Restructuring Risk

Ukrainian sovereign Eurobonds came under pressure, declining an average 2.6% over the week. Longer-dated bonds due in 2036 underperformed, falling 4.6% from the previous week's levels. Indicative prices for Ukraine-2029 dropped 2.0% to 82.4 cents on the dollar, implying a yield to maturity of 15.7%.

Corporate Eurobonds issued by Ukrainian companies posted more moderate losses. DTEK Energy's 2027 notes declined 0.8% to 86.9 cents on the dollar, implying a yield to maturity of 18.4%. The DTEK bonds, however, remain exposed to the risk of another restructuring. Given the company's financial challenges and the substantial capital requirements facing its energy business, securing sufficient funds to meet the maturity on time could prove difficult. The elevated implied yield reflects, among other factors, the significant credit risk and uncertainty surrounding repayment.

In the war related developments, Ukrainian forces fired more than 1,000 drones at Russia on Sunday, including hundreds that were launched toward Moscow.

Since Russia's invasion more than four years ago, Ukraine has become a global leader in military drone technology, deploying domestically produced long-range drones alongside missiles for strikes deep inside Russia. Its drone technology has impressed governments and defense manufacturers around the world.

Kyiv is aiming to make the Russian public feel the war's consequences and pressure Russian President into negotiating a peace settlement. However, the Kremlin has so far shown no signs it intends to stop the invasion. Instead, Moscow and Kyiv have been drawn into an escalating duel of long-range aerial strikes as fighting along the roughly 1,250-kilometer (780-mile) front line in eastern and southern Ukraine has slowed, restricted by large numbers of drones and ground robots threatening troop movements.

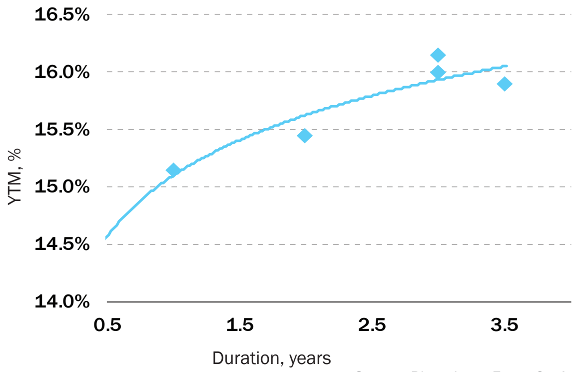
Highlights

- National Bank Raises Key Rate to 16.0% From 15.5%

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	16.0%	0.5 p.p.	0.5 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	15.7%	1.2 p.p.	-2.3 p.p.
Ukraine-2036 yield	13.2%	0.8 p.p.	-1.3 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.66	0.2%	5.4%
EUR/UAH	51.24	-1.0%	2.8%

Source: Eavex Capital

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National Bank Raises Key Rate to 16.0% From 15.5%

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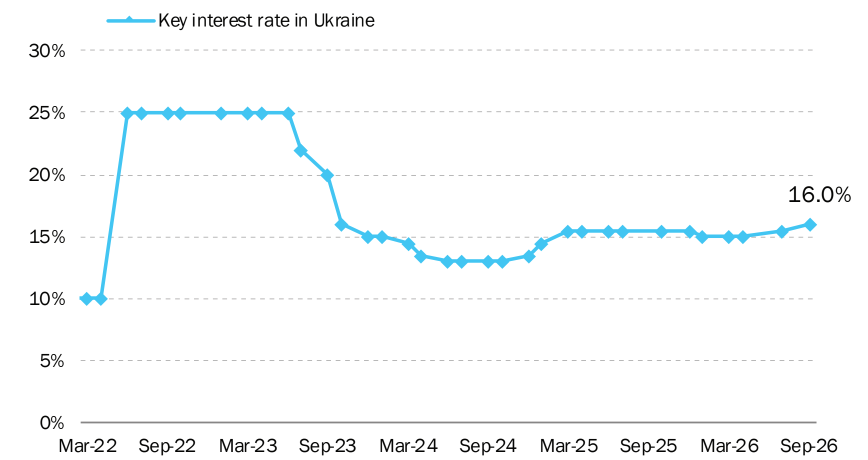
NEWS

The National Bank of Ukraine raised its key policy rate to 16.0% from 15.5% on Sept. 17, signaling increased vigilance over inflation risks and the need to maintain the attractiveness of hryvnia-denominated financial instruments.

The central bank's next Monetary Policy Committee meeting is scheduled for Oct. 29.

NATIONAL BANK KEY POLICY RATE



Source: National Bank of Ukraine

COMMENTARY

In our view, the significance of the decision lies not only in the rate increase itself but also in the signal it sends about the future direction of monetary policy. If inflationary pressures remain persistent, the scope for rapid monetary easing in the coming months could be limited. Ukraine's annual inflation accelerated to 8.1% in August.

For the government bond market, the rate hike creates conditions for a potential reassessment of yields on new domestic government bond (OVDP) placements. However, a change in the policy rate does not automatically translate into a proportional increase in yields across all government securities. Current placement rates remain at 15.2% for one-year OVDPs and 16.1% for three-year instruments.

In the foreign-exchange market, higher policy rates could support demand for hryvnia-denominated assets by improving their relative yield appeal. This could reduce incentives for households and investors to shift savings into foreign currency, while strengthening the monetary conditions underpinning exchange-rate stability.

Hryvnia deposit rates at Ukrainian banks currently range from 14% to 17.5%, keeping local-currency instruments competitive with foreign-currency alternatives. The rate increase could help preserve this relative attractiveness, although actual deposit pricing will depend on banks' funding needs, liquidity conditions and expectations for future monetary policy.

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	82.4	-2.0%	15.7%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	70.6	-1.3%	10.9%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	66.7	-2.5%	13.5%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	65.1	-2.8%	13.4%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	64.1	-4.6%	13.2%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	100.2	0.3%	10.3%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	93.7	-0.6%	14.8%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	86.9	-0.8%	18.4%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	98.7	0.2%	7.6%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	86.0	-0.6%	13.4%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2033	87.6	-0.2%	8.6%	6.00%	15 Jan 2033	500	USD	//CC
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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