

## Trends

### Ukraine's Eurobonds Extend Gains for Second Consecutive Week

Indicative prices of Ukraine's sovereign eurobonds rose for a second straight week. The 2029 issue gained 1.2% to 69.2 cents on the dollar (yield of about 19%), while the 2036 notes advanced 1.7% to 54.2 cents (yield of about 15%). The recent local peak for the securities was around 60 cents on the dollar.

The VRI derivatives (linked to Ukraine's future GDP growth with expiration in 2040) gained 2.1% to close at 79.4 cents on the dollar.

The corporate issues were mixed with MHP-2026 bond rising by 0.7% to 94.4 (21.3% YTM) while Metinvest-2029 declining by 0.5% to 75.6 (16.4% YTM).

On the primary market, local UAH-denominated bond yields were unchanged, with one-year notes at 16.35% and 2028 maturities offered at 17.8%.

In the war developments, russia targeted Ukraine in a massive drone and missile attack on Sunday, killing at least four people in Kyiv and wounding dozens more days after President Trump said Ukraine could win the war against Moscow.

The overnight attack lasted more than 12 hours and primarily targeted Kyiv and the nearby region. The attack included nearly 500 drones and more than 40 missiles. Kyiv's Cardiology Institute was damaged in the attack as were a bread-production facility, a tire-manufacturing plant, private homes and apartment buildings and other civilian infrastructure.

President Volodymyr Zelenskiy renewed calls for the international community to act decisively to cut off russia's energy revenues that fund its invasion. Ukraine has so far failed to convince U.S. President Donald Trump to impose punitive sanctions on Moscow.

## Highlights

- Ukraine 2Q GDP Expands 0.8%, Missing Forecasts

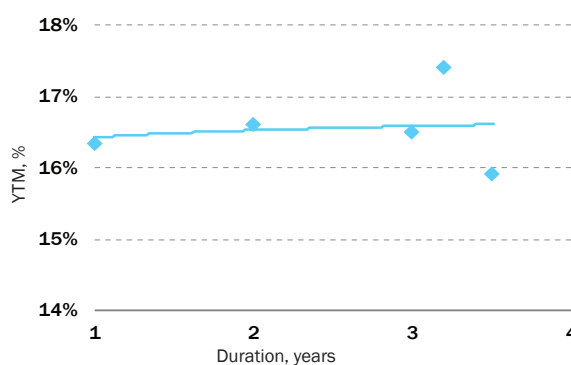
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[www.bank.gov.ua/en/about/support-the-armed-forces](http://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](http://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.	2.0 p.p.
UAH 1-year bond yield	16.4%	0.0 p.p.	0.0 p.p.
Ukraine-2029 yield	19.1%	-0.3 p.p.	3.2 p.p.
Ukraine-2036 yield	15.1%	-0.2 p.p.	0.7 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	41.64	0.1%	-1.4%
EUR/UAH	48.85	-0.1%	10.3%

Source: Eavex Capital

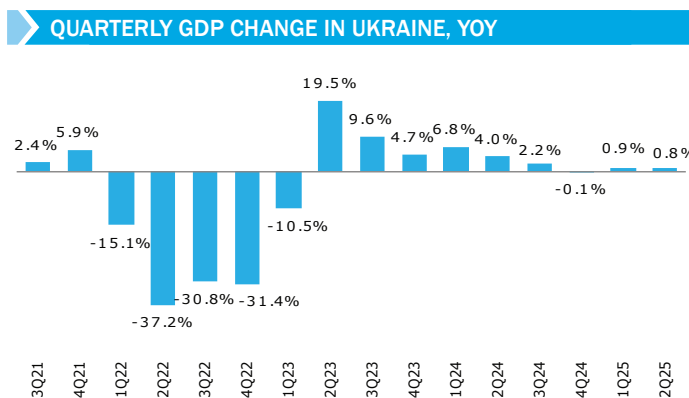
**Ukraine 2Q GDP Expands 0.8%,  
Missing Forecasts**

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**NEWS**

Ukraine’s economy expanded 0.8% in the second quarter from a year earlier, compared with 0.9% growth in the first three months of 2025.

A year ago, in the second quarter of 2024, GDP rose 4.0% year-on-year.



Source: State Statistics Committee, Eavex Research

**COMMENTARY**

Ukraine’s GDP growth came in below expectations, prompting a downgrade of this year’s economic forecast to 2.0% from 2.7%.

Weaker GDP dynamics are set to weigh on budget revenues, widening the fiscal deficit toward year-end. The Finance Ministry will be forced to step up domestic bond issuance and seek alternative external funding sources to cover spending.

Against this backdrop, sentiment was buoyed by news that the European Union is considering a EUR 130bn “reparations loan” to Ukraine. The loan would be repaid only after Russia provides war reparations, with frozen Russian assets in EU member states serving as collateral to ensure eventual repayment. A final decision on the loan size will be taken after the IMF assesses Ukraine’s financing needs for the next two years.

Prices of Ukraine’s GDP warrants — securities whose payouts depend on the pace of economic growth — rose 2.1% last week to 79.1 cents on the dollar.

The instruments remain in default and trade as speculative, high-volatility assets, with restructuring talks between the Finance Ministry and investors still unresolved. Over the past 12 months, the GDP warrants have traded in a range of 60 to 86 cents on the dollar.

SELECTED UKRAINIAN EURO BONDS								
Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>								
Ukraine, 2029	69.2	1.2%	19.1%	1.75%	1 Feb 2029	1,168	USD	Ca/SD/RD
Ukraine, 2030 (B)	52.2	2.6%	16.1%		1 Feb 2030	531	USD	Ca/SD/RD
Ukraine, 2034	56.1	0.4%	15.6%	1.75%	1 Feb 2034	3,150	USD	Ca/SD/RD
Ukraine, 2035	55.7	2.0%	15.1%	1.75%	1 Feb 2035	2,946	USD	Ca/SD/RD
Ukraine, 2036	54.2	1.7%	15.1%	1.75%	1 Feb 2036	2,456	USD	Ca/SD/RD
Ukraine, GDP-linked	79.4	2.1%			31 May 2040	3,239	USD	//
<b>Corporate Eurobonds</b>								
MHP, 2026	94.4	0.7%	21.3%	6.95%	4 Apr 2026	550	USD	//
Kernel, 2027	86.1	0.0%	15.0%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	72.1	0.0%	24.5%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	88.3	-0.3%	34.3%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	75.6	-0.5%	16.4%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.4	-0.3%	17.1%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	80.9	0.0%	41.5%	8.25%	9 Jul 2026	500	USD	/CC/C

<sup>1</sup> Moody's/S&P/Fitch

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

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