

Trends

Ukrainian Eurobonds Rally on Hopes of Diplomatic Progress After Trump-Zelenskyy Talks

Prices of Ukrainian sovereign Eurobonds surged sharply amid speculative buying by active traders betting on progress in diplomatic efforts to end the war. President Trump held a lengthy phone conversation with the Russian president, though no details were disclosed. Following his meeting with President Zelenskyy on October 17, Trump said that Ukraine and Russia “should stop where they are.” He also signaled that the U.S. is not currently considering supplying Ukraine with Tomahawk missiles.

Ukrainian Eurobond prices rose an average of 5.4%. The 2029 notes gained 4.6% to trade at 70 cents on the dollar, implying a yield of about 19%. Longer-dated 2034 bonds climbed 6.4% to 57.8 cents, with yields around 15.2%.

The VRI derivatives (linked to Ukraine’s future GDP growth with expiration in 2040) gained 3.7% to close at 81.8 cents on the dollar.

Corporate Ukrainian Eurobonds were little changed over the week with MHP-2026 trading at 94.5 (18.9% YTM) and Kernel-2027 remaining at 86.1 (15.2% YTM).

The primary domestic bond market remained stable, with the Finance Ministry continuing to raise funds at 16.35% for one-year bills and 17.80% for 2028 maturities.

On the interbank currency market, the hryvnia trades in a tight range near 41.77 UAH/USD. Demand for the hard currency exceeds the supply forcing the regulator to intervene to support the hryvnia.

Highlights

- Ukraine’s FX Reserves Reach USD 46.5bn at Start of October

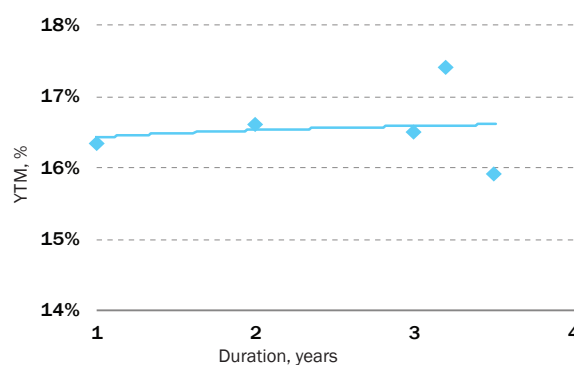
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank’s official website under the link below:

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.	2.0 p.p.
UAH 1-year bond yield	16.4%	0.0 p.p.	0.0 p.p.
Ukraine-2029 yield	19.1%	-1.7 p.p.	3.2 p.p.
Ukraine-2036 yield	14.5%	-0.7 p.p.	0.1 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	41.95	0.2%	-0.7%
EUR/UAH	49.20	1.3%	11.1%

Source: Eavex Capital

Ukraine's FX Reserves Reach USD 46.5bn at Start of October

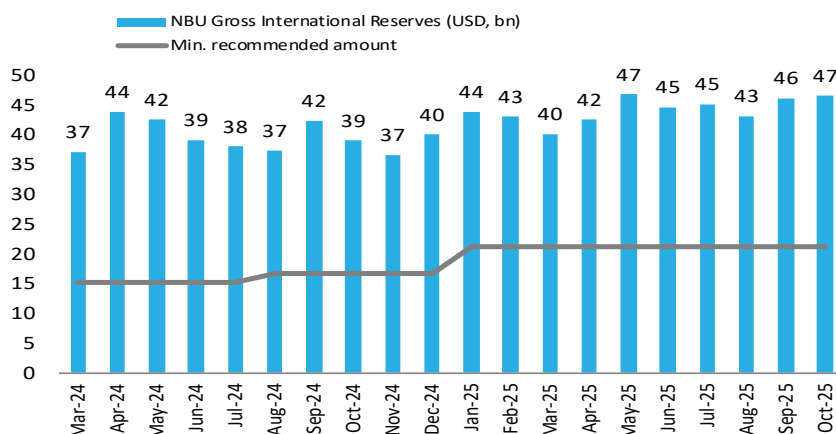
by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Ukraine's foreign exchange reserves rose to a record USD 46.5bn, boosted by USD 2.5bn in inflows from international partners in September.

The current level of reserves covers 5.1 months of future imports, well above the minimum recommended threshold of three months.

UKRAINE'S FX RESERVES, USD bn



Source: National Bank of Ukraine

COMMENTARY

Supported by ample reserves, the National Bank of Ukraine continues to keep the hryvnia within a narrow range of 41.2–41.8 per dollar. Since the beginning of the year, the regulator has sold USD 27.2bn on the interbank market, with weekly interventions averaging about USD 650mn.

Recent reports suggest that the IMF is pushing for a controlled depreciation of the hryvnia, though Ukrainian authorities remain cautious, fearing the move could dampen public sentiment. The IMF argues that a weaker currency would boost nominal budget revenues, as foreign-currency proceeds converted at a higher exchange rate would yield more in local terms.

Ukraine has already received most of the USD 15.6bn under the IMF program agreed in 2023, and both sides are now negotiating a new package that could total about USD 8 bn.

In our view, a 10%–15% depreciation of the hryvnia next year appears increasingly likely, as the current exchange rate is being sustained almost entirely through central bank interventions.

SELECTED UKRAINIAN EURO BONDS

Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings ¹
Sovereign Eurobonds								
Ukraine, 2029	69.9	4.6%	19.1%	4.50%	1 Feb 2029	1,168	USD	Ca/SD/RD
Ukraine, 2030 (B)	54.8	6.6%	15.1%	-	1 Feb 2030	531	USD	Ca/SD/RD
Ukraine, 2034	57.8	6.4%	15.2%	4.50%	1 Feb 2034	3,150	USD	Ca/SD/RD
Ukraine, 2035	56.4	4.6%	15.1%	4.50%	1 Feb 2035	2,946	USD	Ca/SD/RD
Ukraine, 2036	56.5	4.6%	14.6%	4.50%	1 Feb 2036	2,456	USD	Ca/SD/RD
Ukraine, GDP-linked	81.8	3.7%			31 May 2040	3,239	USD	//
Corporate Eurobonds								
MHP, 2026	94.5	-0.1%	18.9%	6.95%	4 Apr 2026	550	USD	//
Kernel, 2027	86.1	0.0%	15.2%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	71.7	0.3%	26.5%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	89.0	-0.7%	36.0%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	75.3	0.0%	16.7%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.2	-0.4%	17.0%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	80.9	0.0%	44.0%	8.25%	9 Jul 2026	500	USD	/CC/C

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.korovitskiy@eavex.com.ua

RESEARCH

Dmytro Churin

Head of Research

d.churin@eavex.com.ua

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