

## Trends

### Ukraine's Eurobonds Rise for Third Consecutive Week

Indicative quotes on Ukraine's 2029 sovereign Eurobonds climbed to 70 cents on the dollar, pushing implied yields to 18.6% – the highest price level in six months. Still, prices remain below the 75-cent mark seen in February amid investor optimism that President Trump, following his inauguration, could swiftly halt Russian aggression.

The recent rally in Ukrainian debt is largely driven by comments from German Chancellor Friedrich Merz, who backed a proposal to provide Ukraine with a zero-interest loan of about EUR 140bn. The loan would be secured by frozen Russian assets and repaid only once Russia compensates Ukraine through war reparations.

The VRI derivatives (linked to Ukraine's future GDP growth with expiration in 2040) advanced by 1.1% to close at 80.9 cents on the dollar.

In the corporate debt issue, DTEK Energy-2027 decreased by 0.6% to 71.7 (24.2% YTM) as the company faced another damages of its facilities from russian missile attacks.

In the primary domestic bond market, yields on local-currency government securities (OVDPs) remained unchanged. Bonds maturing in 2028 continue to offer yields of around 17.8%. According to data from the National Bank's depository, between January and September 2025, the Ukrainian government raised UAH 303bn, USD 1.5bn, and EUR 643mn from OVDP auctions. Over the same period, repayments amounted to UAH 241bn, USD 2.0bn, and EUR 753 mn. The highest auction yields in September stood at 17.8% in hryvnia, 4.15% in US dollars, and 3.25% in euros.

## Highlights

- > Naftogaz Secures EUR 300mn EIB Loan to Boost Winter Gas Reserves

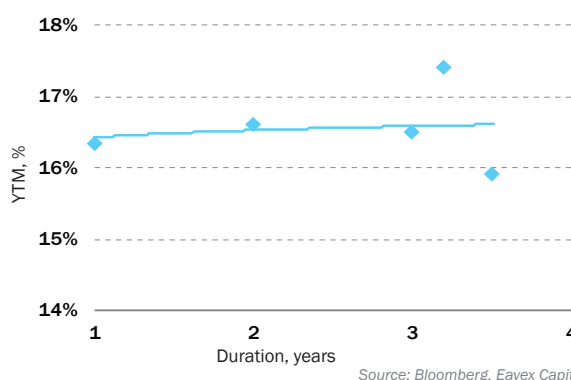
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[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



### 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	18.6%	-0.5 p.p.	2.7 p.p.
Ukraine-2036 yield	14.7%	-0.4 p.p.	0.3 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	41.50	-0.3%	-1.8%
EUR/UAH	48.80	-0.1%	10.2%

Source: Eavex Capital

## Naftogaz Secures EUR 300mn EIB Loan to Boost Winter Gas Reserves

by Dmitry Churin  
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### NEWS

Naftogaz signed a EUR 300mn loan agreement with the European Investment Bank to finance natural gas purchases ahead of the heating season. The loan, guaranteed by the European Commission under the Ukraine Investment Framework, will be used to build up long-term reserves and ensure stable winter supplies.

The deal follows an earlier EUR 500mn facility from the European Bank for Reconstruction and Development in August, also earmarked for gas procurement. Ukraine plans to stockpile 13.2 billion cubic meters of gas by November 1 for the 2025/26 season, including 4.6 bcm of imports.

### COMMENTARY

Naftogaz is close to completing its storage target, with financing sufficient to buy up to 2 bcm of additional imported gas.

In July, the company secured UAH 4.7bn in loans from state lenders UkrgasBank and PrivatBank.

As of mid-September, gas reserves in underground storage reached 12 bcm, with 6.7 bcm injected since the start of the season – 1.7 times more than in 2024. European gas prices remain at USD 380 – USD 400 per 1,000 cubic meters.

Still, the war poses a key risk. Last week, Russian strikes targeted Naftogaz production assets in Kharkiv and Poltava regions. As a result, domestic output is set to decline to 18.1 bcm this year from 19.1 bcm in 2024, while consumption is expected to rise to 22.7 bcm, leaving a 4.6 bcm gap to be covered by imports.

Growing household arrears on gas, heating, and hot water – which reached over UAH 100bn (USD 2.5bn) in the second quarter – are straining Naftogaz's liquidity and limiting its ability to self-finance imports.

Naftogaz's 2028 eurobonds trade at 78.5 cents on the dollar, implying a yield to maturity of 17%. By comparison, Ukraine's sovereign 2029 notes yield about 18%.

**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	70.3	1.6%	18.6%	1.75%	1 Feb 2029	1,168	USD	Ca/SD/RD
Ukraine, 2030 (B)	53.6	2.7%	15.5%		1 Feb 2030	531	USD	Ca/SD/RD
Ukraine, 2034	56.7	1.1%	15.5%	1.75%	1 Feb 2034	3,150	USD	Ca/SD/RD
Ukraine, 2035	56.8	2.0%	14.8%	1.75%	1 Feb 2035	2,946	USD	Ca/SD/RD
Ukraine, 2036	55.6	2.6%	14.7%	1.75%	1 Feb 2036	2,456	USD	Ca/SD/RD
Ukraine, GDP-linked	80.3	1.1%			31 May 2040	3,239	USD	//
<b>Corporate Eurobonds</b>								
MHP, 2026	94.7	0.3%	20.4%	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	71.7	-0.6%	24.2%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	87.9	-0.5%	34.0%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	75.4	-0.3%	16.7%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.5	0.1%	17.1%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	80.9	0.0%	42.4%	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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