

## Trends

### Ukraine Eurobonds Hold Steady as Liquidity Stays Thin

Ukraine's sovereign Eurobonds were little changed, with wide bid-ask spreads underscoring thin liquidity and muted investor interest. The benchmark Ukraine 2029 notes slipped 0.4% to 68.6 cents on the dollar, implying a yield of about 20.4%. The 10-year Eurobond declined by 0.7% to 54.7 (15.8% YTM).

The VRI derivatives (linked to Ukraine's future GDP growth with expiration in 2040) decreased by 0.5% to close at 87.6 cents on the dollar.

Ukraine faces severe winter challenges as Russian attacks on energy infrastructure intensify, reducing power generation to less than half of prewar capacity. Russian strikes last week have already sparked power reductions to customers in several areas across the country, intensifying fears of what may come. Although national power operator UkrEnergo has fortified 70 substations, it is impossible to fully protect energy facilities from all attacks – especially ballistic missiles. In Kyiv, the loud hum of generators has become a constant companion on the streets. They appear in front of cafes, shops, and apartment blocks, often switched on within minutes of strikes cutting electricity.

Yields on Ukrzaliznytsia bonds (RAILUA-2026) due next July surged to roughly 74% as prices fell to 73 cents, reflecting concerns the state railway operator will be unable to meet the maturity. A restructuring that pushes out repayment by several years remains the base case among investors.

Among other Ukrainian corporate Eurobonds, DTEK Energy-2026 rebounded by 4.6% to 70.3 (27% YTM) as Ukraine signed a deal with Greece to supply US-origin liquefied natural gas (LNG) to the war-battered provinces whose energy infrastructure has been crippled by Russian strikes.

Most European Union countries recently approved a ban on imports of Russian natural gas by the end of 2027, a decision aimed at hitting Russia's funding for the war.

## Highlights

- Ukraine Inflation Slows to 10.9% YoY in October

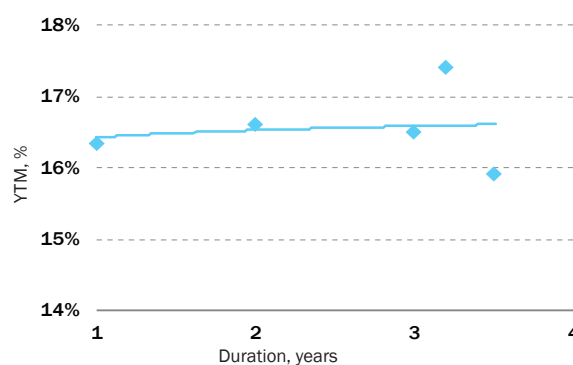
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[www.bank.gov.ua/en/about/support-the-armed-forces](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	20.1%	-0.4 p.p.	4.2 p.p.
Ukraine-2036 yield	15.5%	0.1 p.p.	1.1 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	42.20	0.1%	-0.1%
EUR/UAH	49.20	0.6%	11.1%

Source: Eavex Capital

**Ukraine Inflation Slows to 10.9% YoY in October** **NEWS**

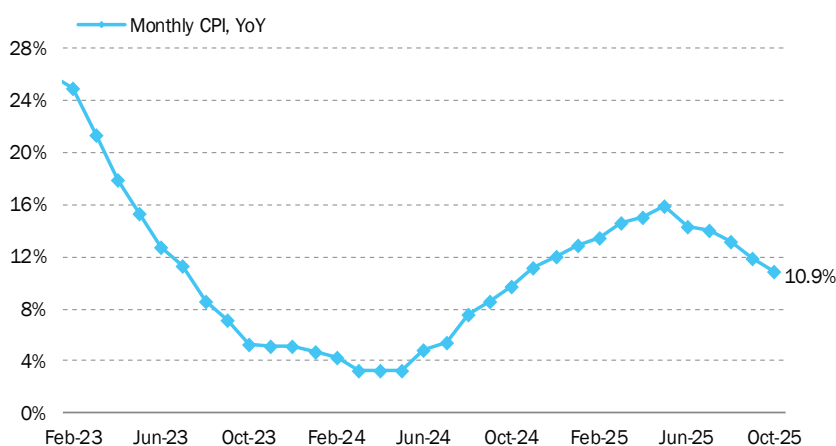
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Ukraine’s annual inflation slowed to 10.9% in October from 11.9% in September, according to the State Statistics Service. The reading is below the 11.2% low recorded in November 2024, and well off the recent peak of 15.9% reached in May 2025.

The deceleration was driven largely by a 21.5% drop in vegetable prices and stable retail fuel costs.

The National Bank of Ukraine targets inflation at 5%, a level it had previously expected to reach in 2026. The war, weaker crop outlook and a softer hryvnia against the euro have forced the central bank to push back the timeline, with the target now expected only in 2027.

**UKRAINE'S ROLLING 12-MONTH CPI**



Source: State Statistics Committee

**COMMENTARY**

Despite easing inflation, the National Bank has kept its key policy rate at 15.5%. The next rate decision is scheduled for Dec. 11, and expectations point to the regulator holding the benchmark unchanged.

A steady policy rate has helped temper interest-rate volatility across the Ukrainian financial system. The Finance Ministry has been consistently offering one-year domestic bonds at yields of about 16.35% and three-year notes at around 17.8% at primary auctions. Leading banks, meanwhile, are offering hryvnia retail deposits at 13% to 16% for one-year maturities.

On the interbank FX market, the central bank continues to maintain the exchange rate near 42.04 per dollar. It spent USD 700mn on interventions last week. With foreign-exchange reserves at USD 49.5bn at the start of the month, the NBU has ample capacity to support the currency in the near term. The central bank has sold almost USD 30bn on the market since the beginning of the year.

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	68.6	-0.4%	20.4%	4.50%	1 Feb 2029	1,168	USD	Ca/SD/RD
Ukraine, 2030 (B)	51.5	-3.9%	17.0%	-	1 Feb 2030	531	USD	Ca/SD/RD
Ukraine, 2034	55.4	0.2%	16.3%	4.50%	1 Feb 2034	3,150	USD	Ca/SD/RD
Ukraine, 2035	54.7	-0.7%	15.8%	4.50%	1 Feb 2035	2,946	USD	Ca/SD/RD
Ukraine, 2036	54.6	1.5%	15.3%	4.50%	1 Feb 2036	2,456	USD	Ca/SD/RD
Ukraine, GDP-linked	87.6	-0.5%			31 May 2040	3,239	USD	//
<b>Corporate Eurobonds</b>								
MHP, 2026	94.0	-0.4%	24.5%	6.95%	4 Apr 2026	550	USD	//
Kernel, 2027	90.4	0.0%	12.6%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	70.3	4.6%	27%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	88.7	-0.2%	41%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	74.2	-0.3%	17.3%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.3	-0.4%	17.6%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	73.0	0.0%	74%	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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