

## Trends

### Ukraine Eurobonds Advance as Peace Talks Lift Sentiment, MHP Returns to Market

Indicative prices for Ukrainian sovereign Eurobonds advanced by 3.8% on average last week due to speculative trading interest tied to the news flow around Ukraine after direct talks with Russia on ending the war were scheduled.

Ukrainian President Volodymyr Zelenskyy said Saturday that two days of trilateral talks with Russia and the US in Abu Dhabi concluded with “constructive” discussions on “possible parameters for ending the war.”

However, the key sticking point remains territorial issues, including Russia’s demand that Ukraine give up the 25% of the Donetsk region, which Kyiv still controls.

The Ukraine-2029 issue gained by 2.9% to 74.9 cents on the dollar (18.1% YTM) and the 10-year benchmark surged by 4.8% to 58.9 (14.5% YTM).

Corporate debt papers were also on the rise with Kernel-2027 adding 0.4% to close at 92.3 (11.7% YTM) and NaftoGaz-2028 increasing by 3.8% to 74.6 (20.0% YTM).

The MHP-2026 Eurobonds rose by 1.0% to 99.3 (8.9% YTM) after the company successfully placed new USD 450mn bonds at 10.5%. The bonds, maturing in 2029, will refinance USD 550mn in MHP debt that is coming due this year. MHP’s bond sale was the first for a Ukrainian company since Russia’s invasion in 2022.

Global markets are entering another bout of volatility with investment funds beginning to hedge positions amid mounting risks in debt markets. Yields on Japanese government bonds have risen recently, highlighting challenges for Tokyo in raising additional funding. Japan’s debt-to-GDP ratio is among the highest globally, at nearly 230%.

More broadly, Japan is also the largest foreign holder of U.S. Treasuries, with holdings of about USD 1.1 trillion. Any large-scale selling of U.S. debt by Japan could trigger a wave of selloffs across global equity markets.

## Highlights

- › CentEnergy Targets Near UAH 4.5bn Net Profit in 2025, Board Chair Says

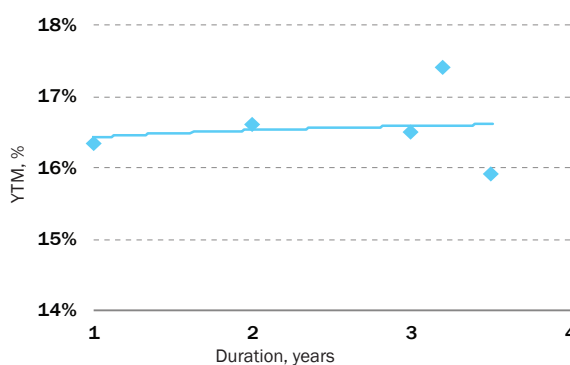
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank’s official website under the link below:

[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 chg	YTD
NBU Key Rate	15.5%	0.0 p.p.	0.0 p.p.
UAH 1-year bond yield	16.4%	0.0 p.p.	0.0 p.p.
Ukraine-2029 yield	18.1%	-1.1 p.p.	0.1 p.p.
Ukraine-2036 yield	14.5%	-0.7 p.p.	0.0 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	43.30	-0.7%	2.4%
EUR/UAH	51.00	0.4%	2.1%

Source: Eavex Capital

## CentrEnergO Targets Near UAH 4.5bn Net Profit in 2025, Board Chair Says

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### NEWS

Ukraine's state-owned power producer CentrEnergO (CEEN) plans to end 2025 with net profit of about UAH 4.5bn after years of losses, Supervisory Board Chairman Andriy Hota said in an interview with Interfax-Ukraine.

Since a management overhaul in July 2024, the company has not posted a single loss-making month, Hota said. CentrEnergO has repaid around UAH 2.5bn of legacy debt and halted further accumulation. At the same time, receivables from grid operator UkrEnergO for balancing market services have risen to UAH 2.2bn, more than double the level at the end of 2024.

Hota attributed the financial turnaround to the absence of influence from financial-industrial groups, a focus on internal promotions and disciplined cash-flow allocation.

The company has already returned UAH 900mn to the state budget from previously received financial aid, using only part of the funds, including for strengthening protective infrastructure at power plants. Despite more than 200 strikes on two of its thermal power plants and direct damage estimated at UAH 12.5bn in 2024, CentrEnergO gradually restored generation to more than 1.2 gigawatts during peak periods in 2025.

### COMMENTARY

CentrEnergO does not formally disclose its financial results, but data from quarterly reporting cited by information systems indicate net profit of UAH 3.4bn for the first nine months of 2025, equivalent to UAH 9.3 per share. If full-year profit reaches UAH 4.5bn, this would correspond to roughly UAH 12 per share.

Revenue for January–September 2025 rose 2.3 times to UAH 16.7bn (USD 390mn), while gross profit reached UAH 4.0bn (USD 93mn), compared with a gross loss of UAH 227mn a year earlier.

CentrEnergO's shares are currently illiquid, with no indicative exchange quotations. According to the state registry Smida, the last on-exchange price was UAH 4.9 per share, while the most recent over-the-counter transaction took place on July 31, 2025, at UAH 2 per share.

Assuming a 50% dividend payout ratio for state-owned companies in 2026, CentrEnergO could potentially approve dividends of about UAH 6 per share. Even if dividend payments are delayed, existing minority shareholders could still receive a substantial dividend yield. Continued profitability could revive demand for the stock on the exchange, while speculative interest may also emerge if the war ends.

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	74.9	2.9%	18.1%	4.50%	1 Feb 2029	1,168	USD	Ca/SD/CCC
Ukraine, 2030 (B)	60.9	3.4%	13.1%	-	1 Feb 2030	531	USD	Ca/SD/CCC
Ukraine, 2034	61.2	3.7%	14.9%	4.50%	1 Feb 2034	3,150	USD	Ca/SD/CCC
Ukraine, 2035	60.0	4.2%	14.6%	4.50%	1 Feb 2035	2,946	USD	Ca/SD/CCC
Ukraine, 2036	58.9	4.8%	14.5%	4.50%	1 Feb 2036	2,456	USD	Ca/SD/CCC
<b>Corporate Eurobonds</b>								
MHP, 2026	99.3	1.0%	8.9%	6.95%	4 Apr 2026	550	USD	//
Kernel, 2027	92.3	0.4%	11.8%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	67.0	1.4%	32%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	91.4	1.7%	53%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	75.2	0.0%	17.8%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	74.6	3.8%	20.0%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	71.5	4.7%	n/a	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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