

Trends

Ukraine Eurobonds Slide as Yields Spike, DTEK Drops on Refinancing Risks Amid Stalled Peace Talks

Prices of Ukrainian sovereign Eurobonds declined again. The long-dated Ukraine-2036 issue dropped 7% over the week to 53.4 cents on the dollar, implying a yield to maturity of about 15.8%. The Ukraine-2029 bond slipped 0.9% to 74.3 cents, with a yield of 18.3%.

For corporate Eurobonds, MHP's 2029 notes edged down from 101.4 to 100.9 cents on the dollar, implying a yield of 9.9%.

Quotes for DTEK Energy-2027 slipped by 8.4% to 71.9 cents on the dollar (23% YTM) as prospects of successful refinancing of this debt papers is unclear in the rising yield environment.

In political developments, Peace talks between the US, Russia and Ukraine on ending the Ukraine war, the deadliest European conflict since World War II, were on a "situational pause", the Kremlin said. Russia and Ukraine held talks in Turkey last year, and have conducted several more sessions with US mediation in Abu Dhabi and Geneva this year. But they remain far apart on Russia's demand for Ukraine to cede control of the whole of its eastern Donetsk region.

Ukraine and European leaders have said that Russia cannot be allowed to achieve its aims after what they cast as an imperial-style land grab. If Russia wins, European powers said, then it would one day attack Nato.

Ukraine's European allies have promised to maintain their steadfast support, but continuous bickering over a major EUR 90bn European Union loan to cover Kyiv's military and economic needs for two years has reflected the mounting challenges.

Although many EU leaders have warned against letting the conflict in Iran overshadow the war in Ukraine, the ongoing US-Israel strikes and the resulting escalation have effectively stalled Ukraine's diplomatic process.

Highlights

- > US Rejects Russian Request to End Targeting Support for Ukraine
- > National Bank of Ukraine Holds Key Policy Rate at 15.0%

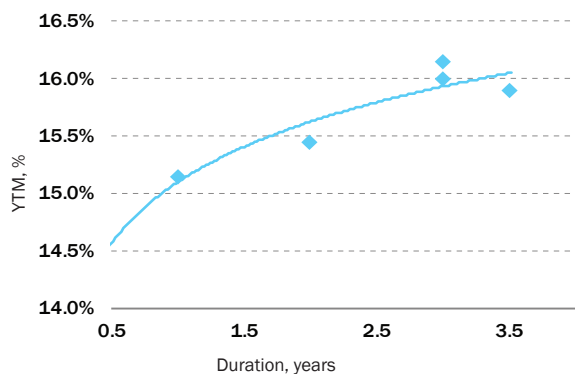
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

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	15.0%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	18.3%	0.6 p.p.	0.3 p.p.
Ukraine-2036 yield	15.8%	1.3 p.p.	1.3 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.05	-0.7%	4.1%
EUR/UAH	51.10	0.0%	2.3%

Source: Eavex Capital

US Rejects Russian Request to End Targeting Support for Ukraine

by Will Ritter
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NEWS

Trump administration negotiator Steven Witkoff refused a Russian offer to end Moscow's intelligence aid to Iran in exchange for a similar halt in US intelligence support for Ukraine, The Wall Street Journal reported on Friday (Mar 20).

The Russian request was made at a meeting in Miami earlier last week. The Ukrainian side held its own separate meetings with Witkoff, with the negotiating team led by National Security Council chairman Rustem Umerov, but no details on the progress of the talks were released.

Meanwhile, President Zelenskiy continued to stress the narrative of Ukraine's role in aiding the countries of the Middle East with air defense expertise to blunt Iranian missile and drone attacks. Western media coverage of the war in Ukraine has declined sharply this month amid the US-Israeli war against Iran.

COMMENTARY

The ongoing war in Iran is negative for Ukraine, as it has sharply pushed up the price at which Russia is able to sell its oil to India, with proceeds currently reported at around USD 98 per barrel, or nearly double what Russia was receiving during much of 2025.

Additionally, already-scarce air defense assets are becoming even harder for Ukraine to procure, as they are being bought up by wealthy Middle Eastern countries.

However, we see Iran as being short-term positive for Zelenskiy in political terms, as it has effectively relieved Zelenskiy of the dual pressures of peace negotiations and domestic politics, likely for several months. The narrative that Ukraine is helping to defend the Middle East has been highly coordinated and has received significant amplification, resulting in positive Western media coverage for Zelenskiy. Nonetheless, with the spring-summer fighting season set to begin within the next month, it is unclear whether Ukraine will be able to prevent new Russian advances in an environment where substantive peace talks have been postponed indefinitely.

National Bank of Ukraine Holds Key Policy Rate at 15.0%

by Dmitry Churin
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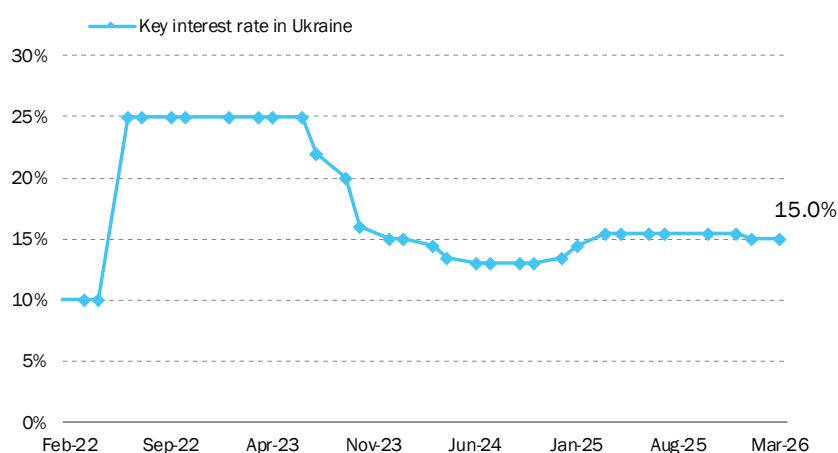
NEWS

The National Bank of Ukraine left its key policy rate unchanged at 15.0%, pausing further monetary easing amid rising inflation risks.

The central bank said annual inflation accelerated to 7.6% in February, slightly exceeding its forecast. At the same time, household inflation expectations deteriorated, driven by higher fuel and food prices.

The regulator warned that inflationary pressures may intensify in the coming months due to rising global energy prices, particularly amid escalating tensions in the Middle East. Against this backdrop, the regulator signaled readiness to maintain tight monetary conditions for longer or even raise rates should risks increase.

NATIONAL BANK KEY POLICY RATE



Source: National Bank of Ukraine

COMMENTARY

With its March 18 decision, the National Bank of Ukraine effectively acknowledged that the easing cycle launched in January when the key rate was cut from 15.5% to 15.0% has been put on hold.

The key concern is not so much current inflation, which remains relatively contained, but the deterioration in consumer expectations and mounting external risks. The energy factor is again becoming decisive: higher oil and gas prices could quickly feed through into broader domestic price growth.

From an investment perspective, keeping the rate at 15% supports the appeal of UAH-denominated instruments, primarily domestic government bonds and bank deposits, helping to contain pressure on the foreign-exchange market.

Large Ukrainian banks are currently offering 13%–16% annual yields on 12-month deposits, while some smaller lenders provide rates as high as 17%.

At primary auctions, yields on local government bonds stand at 15.15% for one-year notes and 16.15% for securities maturing in 2029.

The National Bank’s next monetary policy meeting is scheduled for April 30.

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	74.3	-0.9%	18.3%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	59.9	-4.3%	14.2%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	55.3	-7.2%	16.5%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	54.5	-6.4%	16.1%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	53.4	-7.0%	15.8%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	100.9	-0.5%	9.8%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.0	-0.6%	10.9%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	71.9	-8.4%	23%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	97.6	-0.9%	n/a	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	87.8	0.0%	11.9%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.0	0.0%	18.8%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	79.1	0.5%	n/a	8.25%	9 Jul 2026	500	USD	/CC/C

¹ Moody's/S&P/Fitch

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

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