

## Trends

### Ukraine's Eurobonds Rally as Risk Appetite Improves, 2036 Notes Jump 12%

Improving global risk sentiment helped lift Ukrainian sovereign Eurobond prices. The indicative price of Ukraine's 2029 Eurobond rose 7.7% to 75.7 cents on the dollar, implying a yield to maturity of about 17.9%. The bond still trades below its recent peak of 80 cents, reached when investors were more optimistic about a possible end to the war this year. Longer-dated Ukraine 2036 Eurobonds posted an even stronger rally, rising 12% from 52 cents to 58.3 cents on the dollar, implying a yield of about 14.5%.

In corporate Ukrainian Eurobonds, the MHP-2029 issue rose by 0.4% to 100.8 (10.3% YTM) while Ukrainian Railways (RAILUA-2026) declined by 0.4% to 77.6 cents on the dollar as the company continued a tough negotiations with creditors regarding the debt restructuring.

In the war developments, there was a media report that Ukraine and Russia are moving towards a potential deal to end the war. Kyrylo Budanov, a former head of Ukraine's military intelligence, said that he saw progress towards a deal, but declined to say what a potential compromise on territory, a key stumbling block, would look like. Budanov was appointed head of Zelenskiy's office in January and has become a key Ukrainian negotiator during U.S.-brokered talks between Kyiv and Moscow.

The only tangible outcome from several rounds of talks this year was the exchange of prisoners of war. In the latest exchange in March, Ukraine and Russia swapped 500 POWs. Meanwhile, Kyiv and Moscow have each accused one another of hundreds of violations of a short ceasefire coinciding with Orthodox Easter celebrations.

Kyiv has long pushed for a more comprehensive ceasefire, which it and its European allies see as a necessary first step towards striking a lasting end to the full-scale invasion.

But Moscow has insisted on agreeing a peace deal first, prompting accusations that it is not serious about ending the fighting.

## Highlights

- > Ukraine Sees Spring Fighting Ramp-Up after Winter Lull
- > Ukraine's Annual Inflation Accelerates to 7.9% in March, Exceeding National Bank Forecast

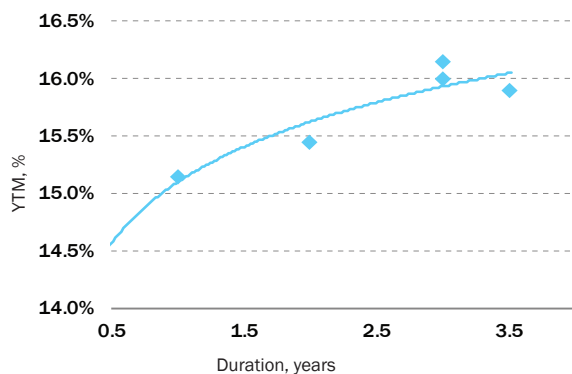
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[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          | 15.0% | 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    | 17.9% | -3.2 p.p. | -0.1 p.p. |
| Ukraine-2036 yield    | 14.5% | -1.9 p.p. | 0.0 p.p.  |

### OFFICIAL EXCHANGE RATES

|         | Last, UAH | 1W chg. | YTD  |
|---------|-----------|---------|------|
| USD/UAH | 43.47     | -0.8%   | 2.5% |
| EUR/UAH | 50.80     | 0.7%    | 1.9% |

Source: Eavex Capital

## Ukraine Sees Spring Fighting Ramp-Up after Winter Lull

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### NEWS

Russia appears to have renewed its full-scale assaults against Ukrainian positions in Eastern Ukraine in April, following a nearly-three-month winter period which saw only minor territorial changes.

The Ukrainian-operated Deepstate mapping project has shown Russian advances east of the Ukraine-controlled cities of Kupyansk (Kharkiv province), Slavyansk, Kostantinivka (both Donetsk province) and the town of Orikhiv (Zaporizhia province) in recent days.

For its part, Ukraine has reportedly destroyed the Feodosia oil depot in Russian-occupied Crimea and has also landed drone hits against refineries in the Baltic Sea region.

President Zelenskiy said in an interview with the Financial Times published on Friday (Apr 10) that the technological effectiveness of Ukraine's drones "is improving every day". He acknowledged that Russia's profits from the current elevated global oil prices are likely to be spent on attacking Ukraine, and said this justifies a strategy of drone strikes to hinder Russian oil exports.

### COMMENTARY

News from Ukraine's front line has been overshadowed recently by the US-Israeli war against Iran, but what happens on the ground in Eastern Ukraine in the next 2 to 3 months will be critical to the future course of the war, we believe.

The most immediately concerning situation for Ukraine is probably Kostantinivka, which is fully enveloped on its southern and eastern sides by Russian forces. The manpower issues which plagued Ukraine in 2025 have not disappeared, and presidential administration chief Kyrilo Budanov publicly admitted last week that Ukrainians "running away from mobilization" is a major problem.

In our view, the Putin regime has set the nominal goal of occupying the remainder of the Donbas region simply as a way of keeping the war going, rather than due to a real desire to control that particular territory. Around 2000 square miles of Donetsk province, including the de-facto provincial capital of Kramatorsk, are currently under Ukrainian control.

**Ukraine's Annual Inflation Accelerates to 7.9% in March, Exceeding National Bank Forecast**

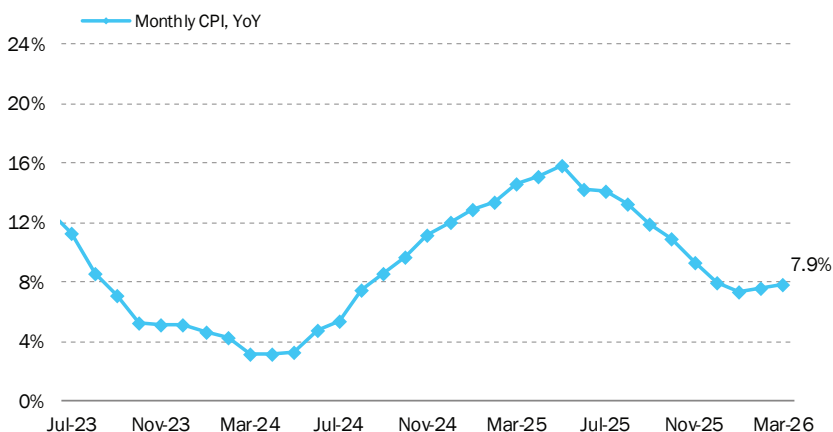
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**NEWS**

Ukraine's annual inflation accelerated to 7.9% in March from 7.6% in February, according to data published by the State Statistics Service on April 9.

On a monthly basis, consumer prices rose 1.7% in March, driven largely by a 13.2% jump in fuel prices.

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



Source: State Statistics Committee

**COMMENTARY**

Both headline and core inflation came in above the forecast published by the National Bank of Ukraine in its January 2026 Inflation Report. The main driver was a surge in global oil prices, which pushed up costs across nearly all categories of final consumer goods.

The central bank also said services inflation accelerated to 12.8%, partly due to higher mobile communication tariffs amid ongoing strains in the energy sector. The regulator is set to release an updated macroeconomic forecast on April 30. It also warned that inflationary pressures are likely to remain elevated in the near term because of high energy costs, supply chain disruptions and continued Russian attacks on infrastructure.

For Ukraine's domestic financial market, the latest inflation data suggest the central bank may be unable to ease monetary policy at the pace previously expected, meaning interest rates in the banking system are likely to stay elevated for longer.

That is already weighing on the Finance Ministry's ability to raise funds at weekly domestic bond auctions. At the April 7 auction, the government sold just Hr 1.26 billion (\$30.3 million) of local bonds. By comparison, Ukraine would need to raise an average of about Hr 12.5 billion per week to fully refinance repayments on outstanding domestic government debt, based on indicative calculations.

For now, the Finance Ministry has kept hryvnia bond yields unchanged at 15.15% for one-year notes, while June 2028 bonds were offered at 15.87%.

| 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                 | 75.7             | 7.7%                     | 17.9%  | 4.50%  | 1 Feb 2029    | 1,168         | USD      | Ca/CCC+/CCC          |
| Ukraine, 2030 (B)             | 63.4             | 6.9%                     | 12.7%  | -      | 1 Feb 2030    | 531           | USD      | Ca/CCC+/CCC          |
| Ukraine, 2034                 | 60.2             | 11.5%                    | 15.0%  | 4.50%  | 1 Feb 2034    | 3,150         | USD      | Ca/CCC+/CCC          |
| Ukraine, 2035                 | 59.4             | 12.1%                    | 14.6%  | 4.50%  | 1 Feb 2035    | 2,946         | USD      | Ca/CCC+/CCC          |
| Ukraine, 2036                 | 58.3             | 12.1%                    | 14.5%  | 4.50%  | 1 Feb 2036    | 2,456         | USD      | Ca/CCC+/CCC          |
| <b>Corporate Eurobonds</b>    |                  |                          |        |        |               |               |          |                      |
| MHP, 2029                     | 100.8            | 0.4%                     | 10.3%  | 10.5%  | 28 Jul 2029   | 550           | USD      | //                   |
| Kernel, 2027                  | 93.4             | -0.1%                    | 11.7%  | 6.75%  | 27 Oct 2027   | 300           | USD      | //                   |
| DTEK Energy, 2027             | 76.0             | 1.3%                     | 25%    | 5.00%  | 31 Dec 2027   | 1,645         | USD      | //                   |
| Metinvest, 2026               | 96.4             | -0.5%                    | n/a    | 8.50%  | 23 Apr 2026   | 648           | USD      | Caa3//CCC            |
| Metinvest, 2029               | 85.0             | -2.4%                    | 13.2%  | 7.75%  | 17 Oct 2029   | 500           | USD      | Caa3//CCC            |
| NaftoGaz, 2026                | 77.5             | 0.1%                     | n/a    | 7.625% | 8 Nov 2026    | 500           | USD      | //                   |
| Ukrainian Railways, 2026      | 77.6             | -0.4%                    | 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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