

Trends

Ukraine Eurobonds Slip on Profit-Taking as EU Funding Priced In; Domestic Auctions Remain Strong

In the Eurobond market, news that the Council of the European Union approved the final decision enabling EUR 90bn in financing for Ukraine for 2026–2027 was largely priced in. As a result, Ukraine’s 2036 sovereign Eurobond fell 1.8% to 59.9 cents on the dollar (14.1% YTM), as investors took profits following recent gains. The Ukraine-2029 issue was unchanged at 77.6 cents, implying a yield to maturity of about 17.0%.

On the domestic debt market, the Ministry of Finance of Ukraine conducted another successful switch auction of local bonds worth UAH 6 bn, issuing new 2029 notes with a yield of 16.2%. The ministry also placed EUR 102mn of domestic euro-denominated bonds at a yield of 3.25%.

Corporate Ukrainian Eurobonds ended mixed for the week with Metinvest-2029 gaining by 3.8% to 88.2 (12.0%) after the company timely redeemed in 2026 bonds due on Apr 23.

Quasi-sovereign debt NaftoGaz-2028 declined by 1.0% to 76.7 (20.0% YTM) as chances for further restructuring are pretty high.

In political developments, with American dealmakers preoccupied with the war in Iran, Europe is preparing for a longer war in Ukraine, with dwindling expectations for a negotiated settlement between Moscow and Kyiv. That leaves Ukraine largely on its own, fighting a war of attrition with Russia with no end in sight. Neither Ukraine nor Russia has a clear path to victory, and no one expects that a settlement of the war could be possible without the active American involvement and pressure on Russia that Trump has always been reluctant to exercise.

For now, at least, Ukraine feels emboldened with new European money and some progress on the battlefield; the aggressor has not achieved his objectives even as his economy benefits from higher energy prices from the war in Iran; and Washington is distracted and losing interest. So the war continues, and a cease-fire or settlement still feels far away.

Highlights

- › Kernel Reports 7% YoY Growth in Sunflower Oil Sales Volume in July-March

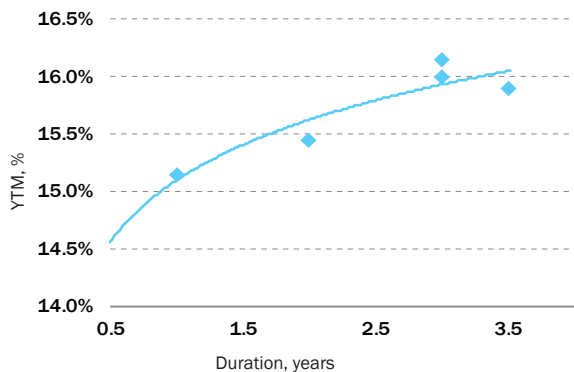
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank’s official website under the link below:

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 chg	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	17.0%	0.2 p.p.	-1.0 p.p.
Ukraine-2036 yield	14.1%	0.4 p.p.	-0.4 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	43.94	0.7%	3.7%
EUR/UAH	51.38	-0.1%	3.0%

Source: Eavex Capital

Kernel Reports 7% YoY Growth in Sunflower Oil Sales Volume in July-March

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KERNEL (KER PW)

Price: PLN 19.60 Market Cap: USD 1,589mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
FY25	0.8	0.5	6.7	4.4	0.0%
FY26E	0.0	0.5	6.4	5.1	0.0%

NEWS

Kernel Holding, Ukraine's largest sunflower oil producer and exporter, said its sunflower oil sales volume grew by 7% YoY to 1.1mn tonnes in the July-March reporting period (9M FY26 in the company's July-to-June reporting calendar), according to an operational update published on Apr 21.

In other business segments, Kernel's sunflower grain exports decreased by 4% YoY to 4.25mn tonnes while export terminal throughput declined by 6% to 6.89mn tonnes for the 9 months ending Mar 31.

Kernel's sunflower seeds processing volume rose by 2% YoY to 2.54mn tonnes in the 9 months ending Mar 31.

KERNEL OPERATIONAL UPDATE

Volume	3Q FY25	3Q FY26	Change	9M FY25	9M FY26	Change
Grain export, tonnes	1,591,000	1,508,000	-5%	4,444,000	4,254,000	-4%
Sunflower oil sales, tonnes	347,000	373,000	+7%	1,023,000	1,099,000	+7%
Oilseeds processed, tonnes	845,000	986,000	+17%	2,502,000	2,540,000	+2%
Export terminals throughput, tonnes	2,522,000	2,613,000	+4%	7,330,000	6,888,000	-6%

Source: Companies' data

COMMENTARY

Kernel processed 986,000 tonnes of oilseeds during January-March 2026, representing a 17% YoY increase, supported by improved availability and procurement of sunflower seeds from the domestic market. Sunflower seeds accounted for the majority of the processed volume, while soybeans and rapeseeds supported overall utilization at the Group's oilseed processing plants.

In its corporate update, Kernel said that on 1 April 2026, the company signed an agreement for the acquisition of 100% stake in Enselco Holding Limited for USD 348 million. Under the terms of the deal, the company will acquire a group of companies, which currently operates a consolidated agricultural business of 190,000 hectares of leasehold agricultural land, a proprietary network of grain silos, agricultural machinery and equipment, and a fleet of grain railcars, among other assets.

Separately, Kernel reported that it secured USD 45mn loan from the EBRD to partly finance the construction of a 106 MW solar power plant with a co-located battery energy storage system in Ukraine. The total estimated cost of the project amounts to USD 86mn.

Kernel's share price on the Warsaw Stock Exchange closed at PLN 19.60 on Friday (Apr 24). The stock's 52-week high was PLN 22.60 in January and 52-week low was at PLN 16.00 last June. The stock's previous multiyear high was at PLN 64.10 in October 2021. The stock's all-time high was at a level of PLN 80 back in 2011.

We forecast that Kernel will post a net profit of USD 250mn in FY26, implying earnings per share of PLN 3.08. This means that the current P/E multiple for the stock is just 6.4x.

The company's outstanding Eurobonds with maturity in 2027 are traded at 93.8 cents on the dollar implying a yield of 11.5%.

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	77.6	-0.1%	17.0%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	64.2	-0.9%	12.5%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	62.0	-1.0%	14.5%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	61.1	-1.5%	14.2%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	59.9	-1.8%	14.1%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	102.2	0.6%	9.7%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	93.8	0.1%	11.5%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	79.0	2.5%	25%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2026	96.1	0.0%	9%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	88.2	3.8%	12.0%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	76.7	-1.0%	20.0%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	77.2	-0.8%	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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