

## Trends

### Ukraine Eurobonds Demand Picks Up

In the sovereign Eurobond market, demand picked up for Ukrainian debt papers, likely supported by progress toward securing EUR 90bn in EU funding for Ukraine. Bonds maturing in 2029 rose 0.7% to 70.3 cents on the dollar (yield to maturity of 21.1%), while the 2034 issue gained 2.7% to 54.0 cents (yield of 17.1%).

Corporate Eurobonds, however, mostly traded lower. In particular, Naftogaz 2028 notes fell 0.5% to 77.4 cents on the dollar (yield of 19.5%), pressured by reports of targeted attacks on oil and gas infrastructure by Russia.

MHP-2029 edged down 0.2% to close at 100.4 (10.3% YTM) and Kernel-2027 declined by 0.3% to 93.5 (11.5% YTM).

Hopes for an Easter truce between Russia and Ukraine have been dashed as Russia launches a barrage of more than 500 drones and missiles during a Good Friday daylight salvo. At least 14 people have died due to the attacks, which targeted residential areas and also damaged a veterinary clinic, killing about 20 animals.

Moscow has been firing aerial broadsides at Ukraine regularly throughout its more than four-year invasion, mostly at night, but in recent weeks it has stepped up its attacks during daylight hours.

Ukrainian President Volodymyr Zelenskyy accused Russia of purposefully intensifying attacks ahead of the Catholic Easter Sunday

Currently, Ukraine is concerned about the extent to which the Iran war is benefiting its nemesis Russia – not only on the economic front, but also from a geopolitical perspective. Ukrainian President Volodymyr Zelenskyy claimed last week that some of the country's partners had called on Kyiv to scale down strikes on Russia's oil sector because of the global oil price surge.

## Highlights

- European Commission Clears Paperwork for EUR 90bn Ukraine Loan as Hungary Holdout Persists

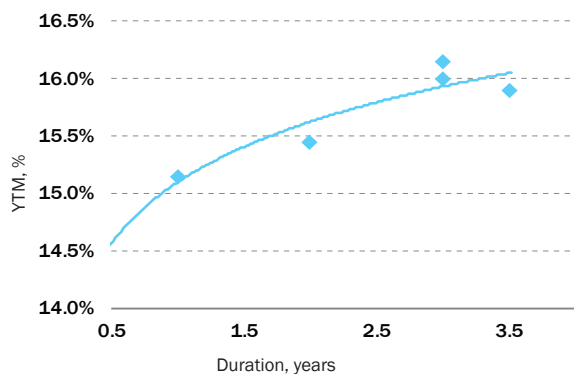
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[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	21.1%	-0.2 p.p.	3.1 p.p.
Ukraine-2036 yield	16.4%	-0.4 p.p.	1.9 p.p.

### OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	43.81	-0.2%	3.3%
EUR/UAH	50.46	-0.3%	1.2%

Source: Eavex Capital

## European Commission Clears Paperwork for EUR 90bn Ukraine Loan as Hungary Holdout Persists

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### NEWS

The European Commission approved a new package of documents on April 1 as part of technical preparations to provide a EUR 90bn loan to Ukraine in 2026–2027, a plan still being blocked by Hungary.

The documents outline the allocation of funding and introduce preferences for procuring drones for Ukraine's military.

The proposed facility is aimed at supporting Ukraine's state budget and defense needs amid the war with Russia. Of the total, EUR 30bn would be provided as macro-financial assistance via the Ukraine Facility, while EUR 60bn would be directed toward developing the defense industry and purchasing military equipment.

Debt servicing would be covered by the EU budget, with repayment obligations expected to become binding only after Russia pays reparations to Ukraine.

EU member states have provided Ukraine with a total of EUR 193bn in aid since the start of the war and plan to continue support across multiple sectors.

### COMMENTARY

Roughly EUR 60bn support for military needs includes weapons procurement, with priority given to producers in the EU and Ukraine. If specific equipment cannot be sourced domestically, purchases may be made from third countries. This structure is likely to channel additional orders to Ukraine's defense-industrial complex, supporting broader economic recovery.

Despite forecasts of 2% GDP growth in 2026, Ukraine's economic environment remains fragile. Preliminary data indicate GDP contracted by 1.2% in January–February, reflecting ongoing blackouts and weaker consumer sentiment.

At the same time, partial stabilization in the energy sector is beginning to support business activity. The latest survey published by the National Bank of Ukraine showed a marked improvement in short-term business expectations, with the business activity expectations index rising to 52.7 in March from 45.9 in February. A reading above 50 signals expansion, while 50 is neutral.

According to the IMF, Ukraine will need to secure financing equivalent to USD 138bn in 2026–2027. This implies that, beyond EU funding, additional sources will be required to cover the budget deficit. On a relative basis, external financing needs are estimated at around 25% of GDP annually. Ukraine officially projects a 2026 budget deficit of 19% of GDP.

News of progress toward securing EU assistance helped lift Ukrainian sovereign Eurobonds. The indicative price of the Ukraine-2036 issue rose 3.0% over the week to 52 cents on the dollar, implying a yield to maturity of 16.4%.

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	70.3	0.7%	21.1%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	59.3	2.6%	14.6%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	54.0	2.7%	17.1%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	53.0	3.1%	16.7%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	52.0	3.0%	16.4%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
<b>Corporate Eurobonds</b>								
MHP, 2029	100.4	-0.2%	10.3%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	93.5	-0.3%	11.5%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	75.0	1.6%	25%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	96.9	-0.5%	n/a	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	87.1	-0.8%	12.3%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	77.4	-0.5%	19.5%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	77.9	-1.0%	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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