

Ukraine raises USD 575 million from 1.5-year local Eurobond placements

Posted by:

Posted on : 2017/11/30 1:14:10

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KYIV, Nov 30, 2017 - Ukraine's Finance Ministry placed seven issues of local USD-denominated bonds for total value of USD 575 mln on Nov. 28, according to its announcement. It issued USD 135 mln in bonds maturing on Apr. 3, 2019 and six series of USD 73 mln bonds maturing between Apr. 10 and May 29, 2019. There were four bids for the USD 135 mln in bonds and one bid for each of the issues of USD 73 mln bonds, with MinFin satisfying all of them. The yield at placements was 3.85% for each issue. The bonds can be repaid ahead of their maturity. Recall, on Nov. 21, MinFin attracted just USD 89 mln from the placement of local 2-year Eurobonds at a yield of 5.40%. Concorde analyst Alexander Paraschiy added: "Yesterday's placement was a surprise as MinFin had not scheduled the placement of USD-denominated bonds this week. This, as well as the high amount raised at low yields - amid a tiny number of bidders - suggest MinFin agreed upon the placement with selected investors, most likely state-controlled banks. Most likely, the biggest buyer was Ukreximbank (EXIMUK), which is scheduled to repay USD 375 mln in amortization of its 2022 Eurobond in late April 2019. "Whoever was the buyer, the news is positive for Ukraine's budget as this was one of the cheapest placements of USD-denominated bonds in Ukraine's recent history. Meanwhile, it's good that now Ukraine's gross reserves won't fall much in November from the level of USD 18.7 bln at the start of the month."

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