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Armenia's Bond Market Monthly Update: Yield Stabilization, Large Auction Absorption, and Dram Appreciation

Summary

- **Premium Pricing:** Despite a slight price dip, Armenian Dram (AMD) government bonds continued to trade above par in April, ending the month with an average price of approximately 103.5%.
- **Stable Yields:** Average yields remained nearly unchanged compared to the beginning of the month, moving from 8.14% to 8.15%.
- **Secondary Market Dynamics:** The number of transactions decreased to 1,693, while AMD turnover increased to approximately AMD 7.88 billion.
- **Major Auction:** A significant government bond auction at the end of the month saw a total allocation exceeding 112.5 billion AMD, covering maturities of 1, 3, 5, and 11 years.
- **Currency Strengthening:** The Armenian Dram appreciated in April, with the USD/AMD exchange rate dropping from 377.23 to 370.78.
- **Monetary Policy:** The macroeconomic environment remains supportive, though inflationary risks persist. During April, the Central Bank of Armenia (CBA) maintained the refinancing rate at 6.50%.

Government Bonds: Trading Above Par and Yield Stabilization

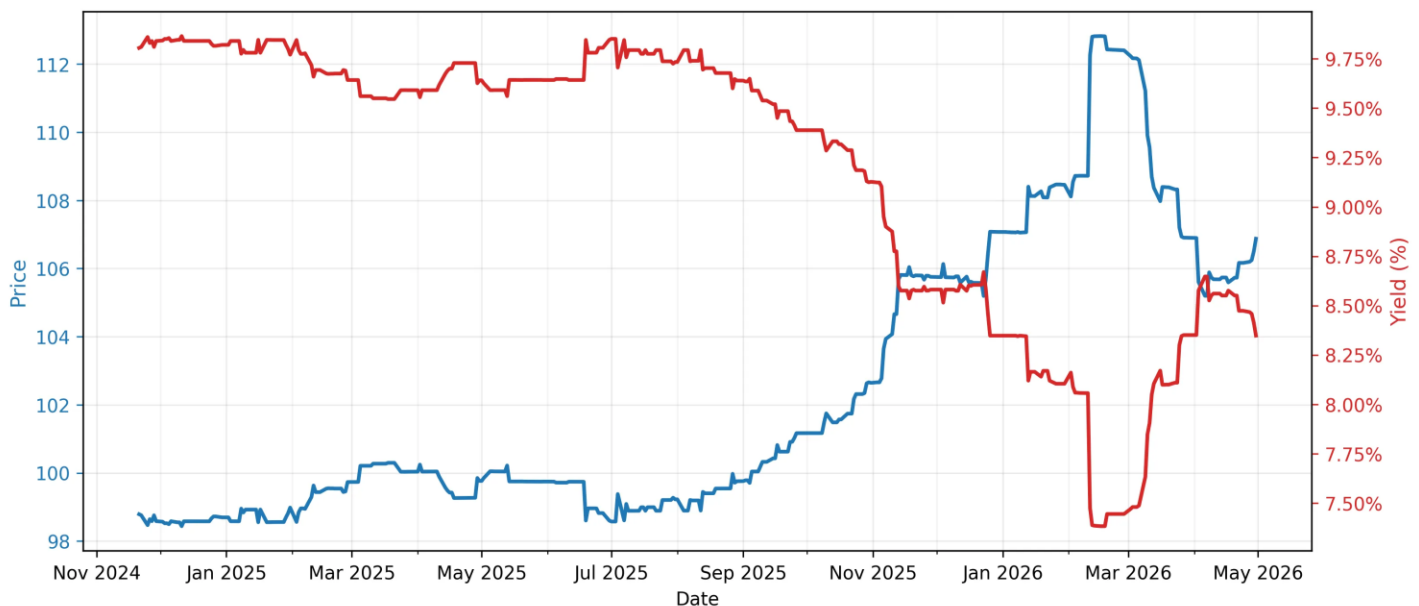
Data from the Armenia Securities Exchange (AMX) indicates that in April 2026, the average price of AMD government bonds remained above face value. The average price started the month at 103.91% and closed at 103.50%.

While the average yield ended the month almost flat (moving from 8.14% to 8.15%), intra-month volatility was present. On April 3, the average yield spiked to approximately 8.39% before gradually receding.

The two benchmark bonds reflected this stabilization:

- AMGB1129A332 (benchmark 5-year)
 - By 30 April, the bond was trading around 106.88% of nominal value.
 - The corresponding yield was about 8.35%.

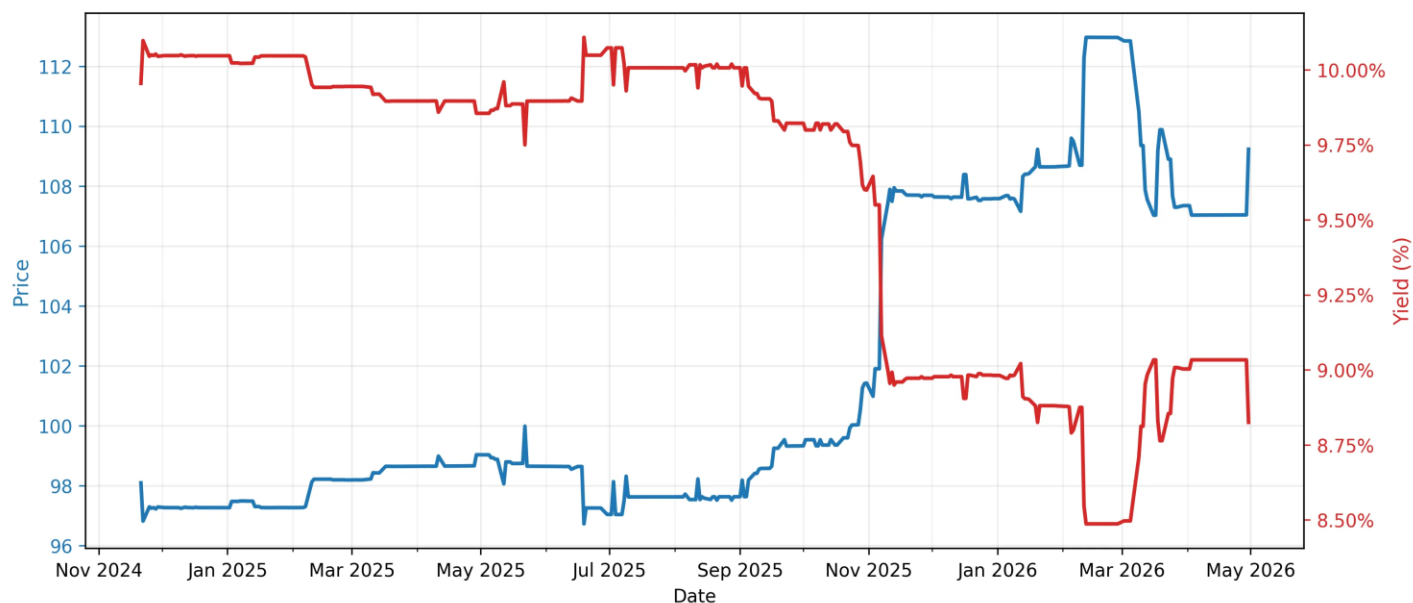
AMGB1129A332 - Republic of Armenia Government Bond
Coupon: 9.60% | Maturity Date: 2033-10-29 | Currency: AMD



Data: AMX | Analysis: KK Partners

- AMGB3129A504 (longer tenor)
 - By 30 April, the price stood near 109.23% of nominal value.
 - The yield was about 8.83%.

AMGB3129A504 - Republic of Armenia Government Bond
Coupon: 9.75% | Maturity Date: 2050-10-29 | Currency: AMD



Data: AMX | Analysis: KK Partners

These levels suggest that demand for AMD government bonds remains robust. The slight price correction and yield stabilization indicate that the market moved into a balanced phase rather than establishing a new directional trend.

Bond Auctions: Market Absorbs Large Supply

The primary market's highlight was a massive government bond auction at month-end, with total allocation exceeding 112.5 billion AMD. The auction featured four different maturities:

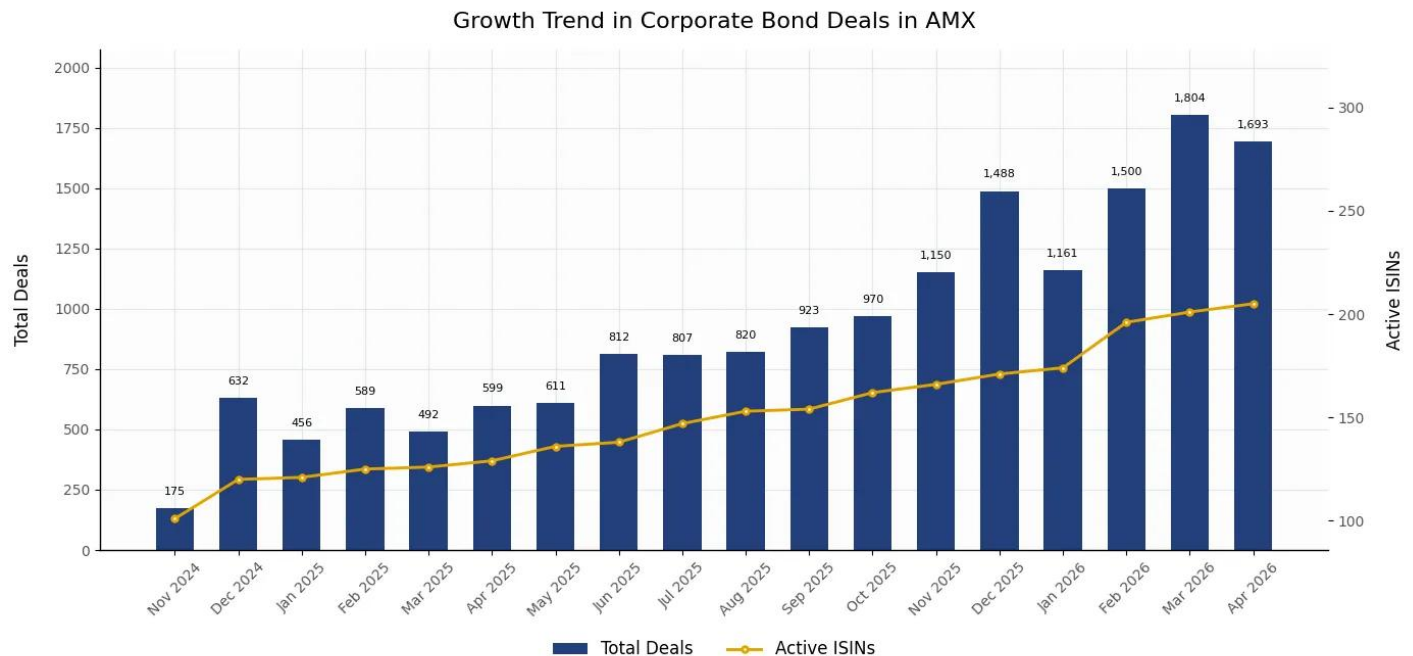
ISIN	Maturity	Offered volume	Total bids	Accepted bids	Weighted average yield
AMGT52054278	1Y	AMD 5.0bn	AMD 16.75bn	AMD 5.0bn	6.9643%
AMGN36294293	3Y	AMD 40.0bn	AMD 71.25bn	AMD 40.0bn	7.4851%
AMGN60294318	5Y	AMD 40.0bn	AMD 89.55bn	AMD 40.0bn	8.0136%
AMGB1129A357	11Y	AMD 60.0bn	AMD 136.76bn	AMD 27.57bn	8.6845%

The successful absorption of this large supply without significant negative pressure on the secondary market underscores the strength of domestic demand, even as balanced interest rate prospects remain tempered by inflation risks.

Secondary Market: Lower Volume, Higher Turnover

April saw a qualitative shift in secondary market activity: while the frequency of trade declined, the total value increased, signaling a concentration on larger institutional transactions.

- Transactions: 1,693 trades, representing a 6.2% decrease from March's 1,804.
- Total Volume of AMD Bonds: 7.88 billion AMD (a 11.8% increase from March's 7.05 billion).
- Active Securities: 205 active instruments were traded, up from 201 in the previous month.



Data: AMX | Analysis: KK Partners

Corporate Bonds: Diversifying the Market

Activity in the corporate bond market remained steady. In April, 8 new corporate bonds were admitted to trading on the Armenia Securities Exchange. The flow of corporate bond issuances continued in both AMD and USD instruments.

Issuer	ISIN	Admission Date	Maturity Date	Currency	Coupon Rate
INECOBANK CJSC	AMINECB2QER7	28.04.2026	03.07.2028	USD	5.00%
ARMSWISSBANK CJSC	AMSWISB2QER2	02.04.2026	04.02.2029	AMD	10.00%
ARMECONOMBANK OJSC	AMHEZBB2RER3	13.04.2026	02.03.2029	AMD	10.00%
AMIO BANK CJSC	AMARBBB2MER4	14.04.2026	10.02.2028	AMD	10.25%
AMIO BANK CJSC	AMARBBB2NER2	14.04.2026	10.02.2028	USD	5.50%
AMIO BANK CJSC	AMARBBB2OER0	14.04.2026	03.03.2028	AMD	10.00%
DALAN TECHNOLOGIES LLC	AMDLNTB22ER8	20.04.2026	10.11.2028	USD	8.75%
Team Holding CJSC	AMTMHDB23ER6	28.04.2026	12.02.2030	USD	8.75%

Banks continue to be the primary suppliers of listed bonds; however, April data shows that non-financial companies are also increasingly using the bond market as an alternative source of financing. This is crucial for market deepening, as expanding the issuer base can gradually increase investor choice and improve market structure.

Macroeconomic Environment and Inflationary Risks

Macroeconomic signals are mixed but remain constructive. Economic growth remains relatively strong and the currency environment is stable, yet inflationary risks limit the possibility of a further rapid decline in bond yields.

- **Dram Appreciation:** The AMD strengthened in April. The USD/AMD exchange rate dropped from 377.23 at the start of the month to 370.78 at the end. This continues to support investor interest in AMD fixed-income instruments by reducing short-term currency risk.
- **Monetary Policy:** During April, the CBA refinancing rate remained at 6.50%. The Lombard repo rate was maintained at 8.00%, and the deposit rate for funds attracted from banks stood at 5.00%.
- **Forecasts:** Inflationary risks remain a consideration for the bond market. The International Monetary Fund (IMF) forecasts Armenia's real GDP growth for 2026 at 5.3% and consumer price inflation at 3.6%.

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