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Armenia's Bond Market Monthly Update: Above-Par Government Bond Prices, Lower Yields, and a New Step Toward Market Integration

Summary

- Armenian Dram government bonds continued to trade above par in May, with the average price reaching approximately 104.69% at the end of the month.
- The average yield declined from 8.00% at the beginning of May to 7.90% by month-end.
- Secondary market activity weakened, with the number of transactions falling to 1,459 compared with 1,684 in April, while AMD turnover totaled around AMD 5.77 billion. Secondary market activity weakened, with transactions falling to 1,497 from 1,693 in April, while AMD turnover totaled approximately AMD 5.85 billion.
- In May, the total accepted volume in government bond placement auctions reached AMD 39.0 billion, including three 1-year issues and one 5-year issue. Government bond buyback auctions also took place.
- The corporate bond market continued to expand with new instruments. In May, 9 new corporate bonds were admitted to trading on the Armenia Securities Exchange.
- The Armenian Dram continued to strengthen in May. The USD/AMD exchange rate declined from 370.44 at the beginning of the month to 368.18 at month-end.
- The Armenia Securities Exchange and Kazakhstan Stock Exchange signed a Memorandum of Understanding aimed at deepening regional capital market integration through the Tabadul Hub platform.

Government Bond Yields Continue to Decline Gradually

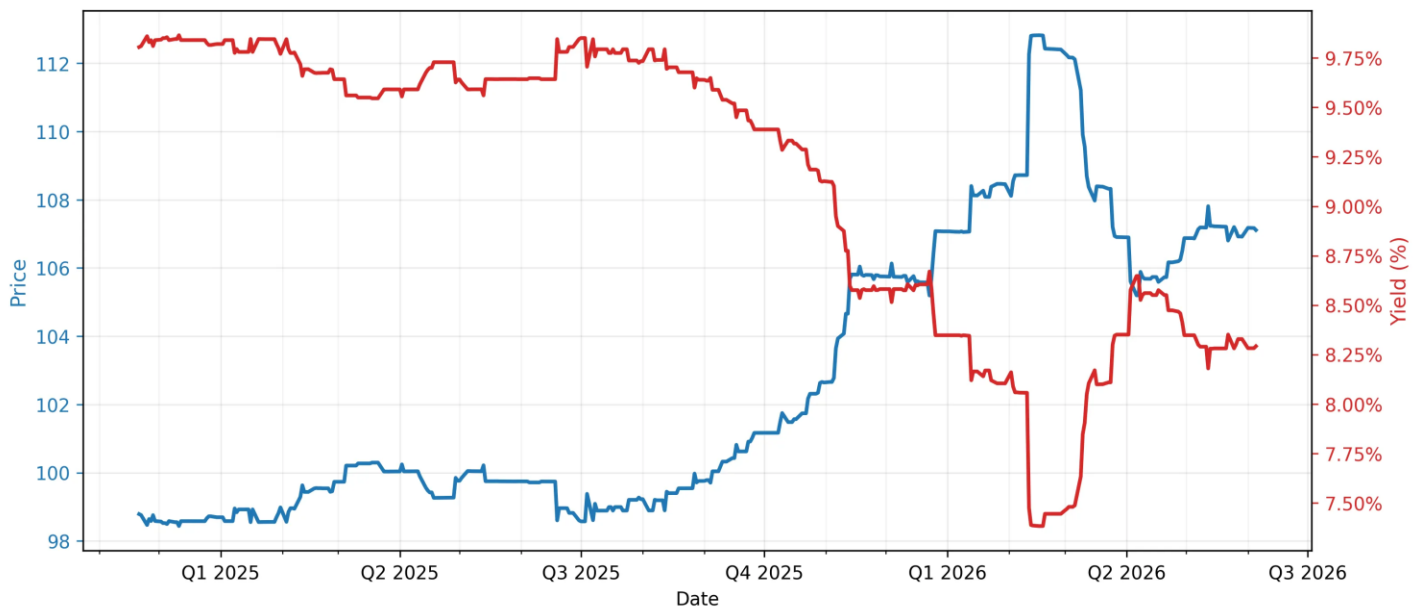
Data from the Armenia Securities Exchange (AMX) shows that in May 2026, the average price of AMD government bonds remained above par. At the beginning of May, the average price stood at approximately 104.62%, while by the end of the month it reached 104.69%.

The average yield declined over the same period, falling from 8.00% to 7.90%. The lowest average yield during the month was recorded on May 12, at around 7.87%, when the average price increased to approximately 104.93%.

The two benchmark bonds also reflected this stabilization dynamic:

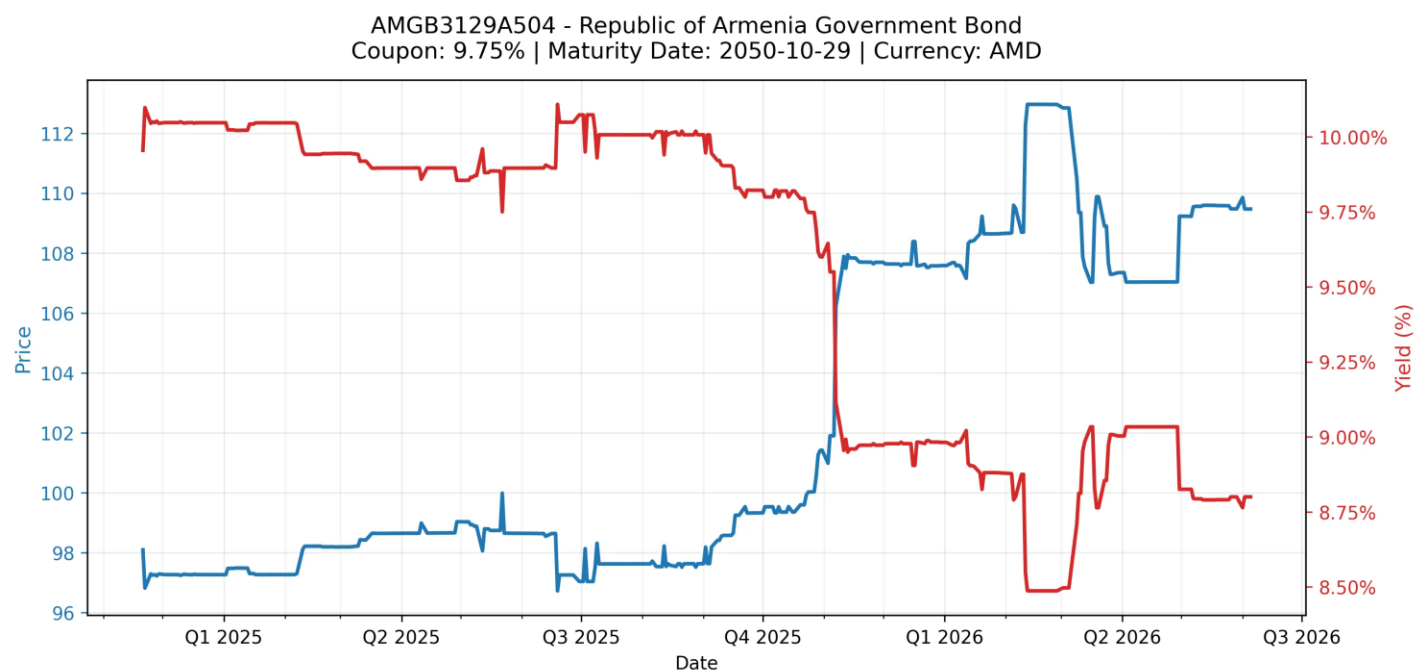
- AMGB1129A332 (benchmark 5-year)
 - By the end of May, the bond was trading at around 106.92% of nominal value.
 - The corresponding yield stood at approximately 8.33%.

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 the end of May, the price stood at around 109.47% of nominal value.
 - The yield stood at approximately 8.80%.



These levels show that demand for AMD government bonds remains stable. At the same time, yields in the longer segment remain higher, reflecting the impact of term premium and inflationary risks.

Government Bond Auctions: Allocations and Buybacks

The main primary market events in May were the regular government bond placement auctions. During the month, the total accepted volume amounted to AMD 39.0 billion, while total bids reached approximately AMD 87.09 billion. The auctions included three 1-year issues and one 5-year issue.

ISIN	Maturity	Offered volume	Total bids	Accepted bids	Weighted average yield
AMGT52045276	1 year	AMD 3.0bn	AMD 11.70bn	AMD 3.0bn	6.8757%
AMGN60294318	5 years	AMD 30.0bn	AMD 59.86bn	AMD 30.0bn	7.9963%
AMGT52013274	1 year	AMD 3.0bn	AMD 8.23bn	AMD 3.0bn	6.8353%
AMGT5230B268	1 year	AMD 3.0bn	AMD 7.30bn	AMD 3.0bn	6.6821%

The largest placement in May was the auction of the 5-year AMGN60294318 bond, with an accepted volume of AMD 30.0 billion and a weighted average yield of 7.9963%. The placement yield, at around 8%, was broadly in line with the overall dynamics of the secondary market.

Government bond buyback auctions also took place on May 12, with a total accepted volume of AMD 5.0 billion.

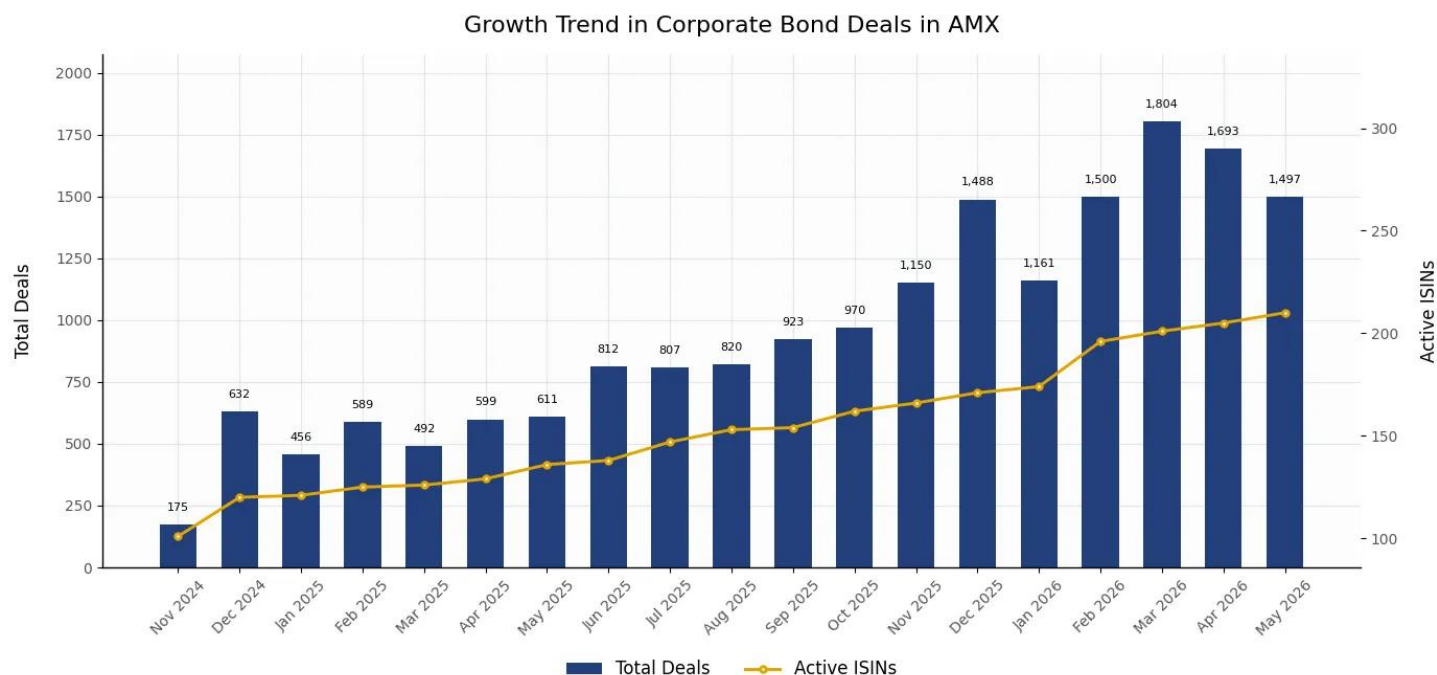
ISIN	Maturity	Buyback Volume	Total bids	Accepted bids	Weighted average yield
AMGN60294276	5 years	AMD 2.0bn	AMD 2.11bn	AMD 2.0bn	6.7000%
AMGN36294277	3 years	AMD 3.0bn	AMD 3.52bn	AMD 3.0bn	6.7391%

The buyback auctions indicate an active approach to public debt management.

Secondary Market: Transactions and Turnover Decline

Secondary market activity declined in May compared with April. Transactions stood at 1,497, compared with 1,693 in April. AMD turnover declined to approximately AMD 5.85 billion from AMD 7.88 billion.

- During the month of reporting, 1,497 transactions were executed, representing a decline of around 11.6% compared with April.
- AMD turnover amounted to approximately AMD 5.85 billion, compared with AMD 7.88 billion in April.
- 210 active securities were traded, compared with 205 in April.



Data: AMX | Analysis: KK Partners

May data show that the market was quieter in terms of both the number of transactions and AMD and USD turnover. At the same time, the small increase in the number of active instruments indicates that the market's instrument base remains broad.

Corporate Bonds: New Instruments Continue to Expand the Market

Activity in the corporate bond market remained steady. In May, 9 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
Dilijan Finance B.V.	XS3239201414	06.05.2026	22.01.2031	USD	6.60%
“Garni Invest” UCO CJSC	AMGRUCB21ER1	12.05.2026	18.03.2029	AMD	12.50%
“Garni Invest” UCO CJSC	AMGRUCB22ER9	12.05.2026	18.03.2029	USD	6.50%
ACBA BANK OJSC	AMACBAB2OER8	20.05.2026	15.01.2031	USD	5.50%
ID Bank CJSC	AMANLBBM4ER2	27.05.2026	27.11.2028	USD	5.00%
ID Bank CJSC	AMANLBBM5ER9	27.05.2026	17.03.2029	AMD	10.00%
AMERIABANK CJSC	AMAMRBBNQER4	27.05.2026	15.04.2029	AMD	9.75%
INECOBANK CJSC	AMINECB2PER9	29.05.2026	03.04.2029	AMD	10.00%
ARMECONOMBANK OJSC	AMHEZBB2PER7	29.05.2026	23.02.2029	USD	5.50%

Banks continue to be the main suppliers of listed bonds. At the same time, the AMD and USD bonds of “Garni Invest” UCO CJSC are important from the perspective of non-bank financial sector participation.

Coupon rates on AMD instruments are generally in the 9.75–12.50% range, while USD instruments are in the 5.00–6.60% range. This shows that the market continues to offer instruments in different currencies and at different yield levels, matching various investor demand profiles.

Market Infrastructure: Tabadul Hub

One of the important events in May was the signing of a Memorandum of Understanding between the Armenia Securities Exchange and Kazakhstan Stock Exchange. The MoU was signed as part of the Armenia Securities Exchange’s 25th anniversary events and is aimed at deepening regional capital market integration.

Cooperation envisages the development of connectivity between the two markets through the Tabadul Hub platform. Tabadul Hub is based on a mutual market access model and enables licensed brokers from participating markets to remotely access connected markets.

For the Armenian market, this is an important infrastructure development. The short-term impact on bond yields may be limited; however, from a longer-term perspective, such cooperation may increase the visibility of the local market, broaden access for foreign investors, and support the development of cross-border trading.

Macroeconomic Environment and Inflationary Risks

Macroeconomic signals were generally constructive in May. The Dram continued to strengthen, inflation eased, and the Central Bank maintained a predictable monetary policy stance.

- The Dram strengthened further in May, with the USD/AMD exchange rate falling from 370.44 at the start of the month to 368.18 by month-end. This trend supports investor interest in AMD-denominated fixed-income instruments by lowering short-term currency risk.
- At its May 5 meeting, the Central Bank kept the refinancing rate unchanged at 6.50%. The Lombard repo rate remained at 8.00%, while the deposit facility rate stood at 5.00%.
- Inflationary risks, despite ease, remained relevant for the bond market. In May 12-month inflation declined to 4.2% from 5.3% in April; however, this level still limits the possibility of a rapid decline in yields.

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