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Armenia's Bond Market Monthly Update: Strong Demand at Government Auctions, Growth in AMD Turnover, and the EBRD's Return

Summary

- Armenian dram-denominated government bonds continued to trade above par in July, with the average price ending the month at approximately 104.65%. The average yield declined from 7.89% to 7.83%.
- The number of secondary-market transactions decreased slightly from 1,838 in June to 1,777 in July, while AMD-denominated bond turnover increased by 22.5% to AMD 9.58 billion.
- Four government bond placement auctions attracted AMD 245.16 billion in total bids, of which AMD 85 billion was accepted.
- On July 7, two government bonds maturing in 2027 were also repurchased for a total of approximately AMD 7.92 billion.
- Ten new corporate bonds were admitted to trading on the Armenia Stock Exchange in July, including Renshin LLC's first three bond issues.
- After an approximately ten-year absence, the European Bank for Reconstruction and Development (EBRD) returned to the Armenia Stock Exchange with AMD-denominated floating-rate bonds.
- The Armenia Stock Exchange also received an international award recognizing 25 years of excellence in capital market development.
- Fitch Ratings affirmed Armenia's BB- rating with a Positive outlook, while Moody's maintained its Ba3 rating and revised the outlook from Stable to Positive. The Armenian dram appreciated by approximately 0.5% against the US dollar during July.

Government Bond Market Trends

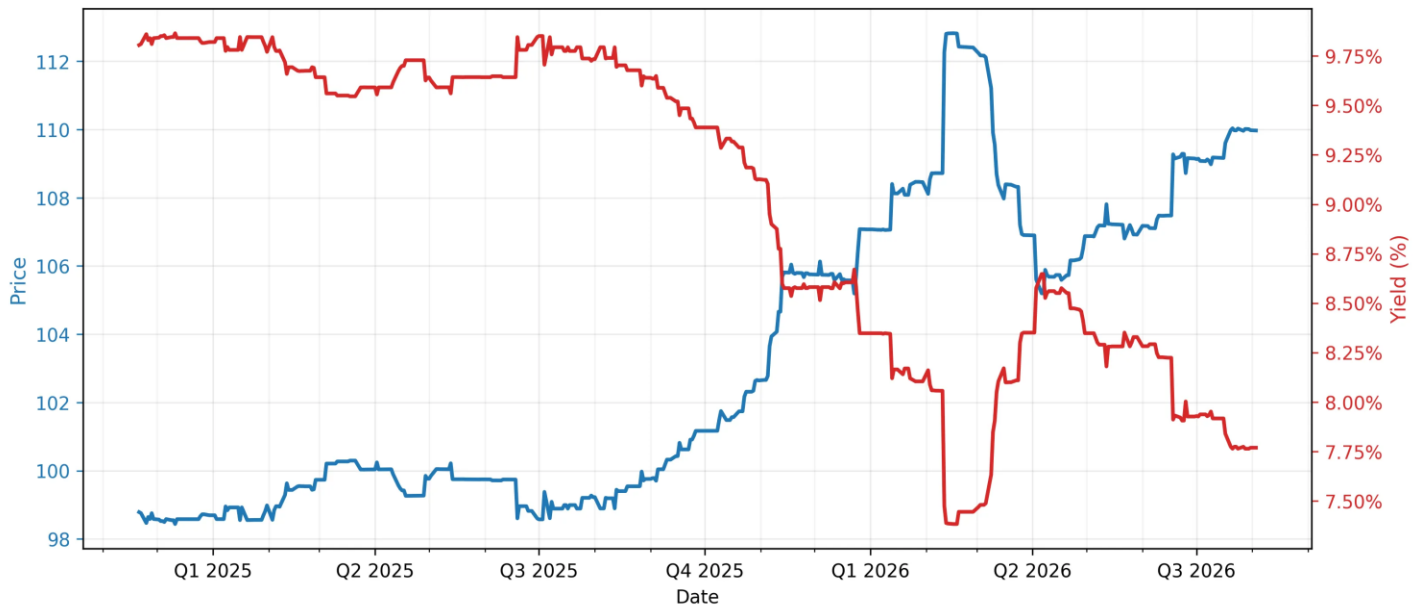
Data from the Armenia Stock Exchange indicate that the average price of AMD-denominated government bonds remained above par in July 2026. The average price stood at approximately 105.12% at the beginning of the month and 104.65% at month-end.

Over the same period, the average yield declined from 7.89% to 7.83%. The highest average yield during the month was recorded on July 3 at approximately 7.98%.

Yields declined on four of the five quoted benchmark bonds. The only exception was the long-term bond maturing in 2050. The performance of two of these bonds is presented below:

- AMGB1129A332 (benchmark 5-year)
 - The bond traded at approximately 109.13% of par at the start of July and 109.98% at month end.
 - Its yield declined from 7.93% to 7.77%, a decrease of approximately 16 basis points.

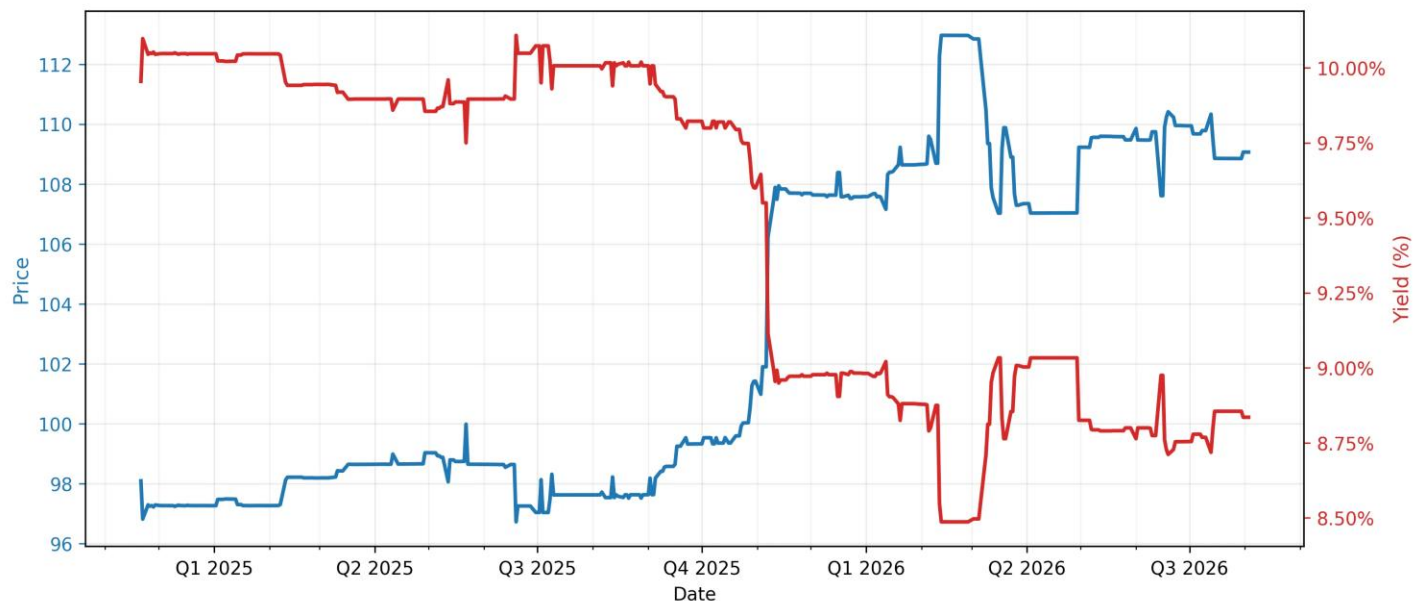
AMGB1129A332 - Republic of Armenia Government Bond
Coupon: 9.60% | Maturity Date: 2033-10-29 | Currency: AMD



Data: AMX | Analysis: KK Partners

- AMGB3129A504 (longer tenor)
 - The bond traded at approximately 109.94% of par at the start of July and 109.07% at month end.
 - Its yield increased from 8.75% to 8.84%, an increase of approximately 8 basis points.

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



Data: AMX | Analysis: KK Partners

Yields on the other quoted bonds declined by 6-13 basis points. This indicates that the downward movement extended across several segments of the yield curve. However, the longest-maturity bond continued to face upward pressure from a higher term premium.

Government Bond Allocations and Buyback Auctions

Four government bond allocation auctions were held in July. Total accepted bids amounted to AMD 85 billion, against AMD 245.16 billion in submitted bids.

ISIN	Maturity	Offered volume	Total bids	Accepted bids	Weighted average yield
AMGB1129A357	11 years	AMD 70.0 billion	AMD 202.32 billion	AMD 70.0 billion	8.6064%
AMGT52127272	1 year	AMD 5.0 billion	AMD 16.56 billion	AMD 5.0 billion	6.7981%
AMGT52045276	1 year	AMD 5.0 billion	AMD 12.52 billion	AMD 5.0 billion	6.6811%
AMGT52012276	1 year	AMD 5.0 billion	AMD 13.75 billion	AMD 5.0 billion	6.6703%

The largest auction of the month was the AMD 70 billion placement of the 11-year AMGB1129A357 bond. Total bids reached AMD 202.32 billion, while the weighted average yield was 8.6064%.

On July 7, buyback auctions were also conducted for two government bonds maturing in April 2027. The total accepted volume amounted to AMD 7.92 billion.

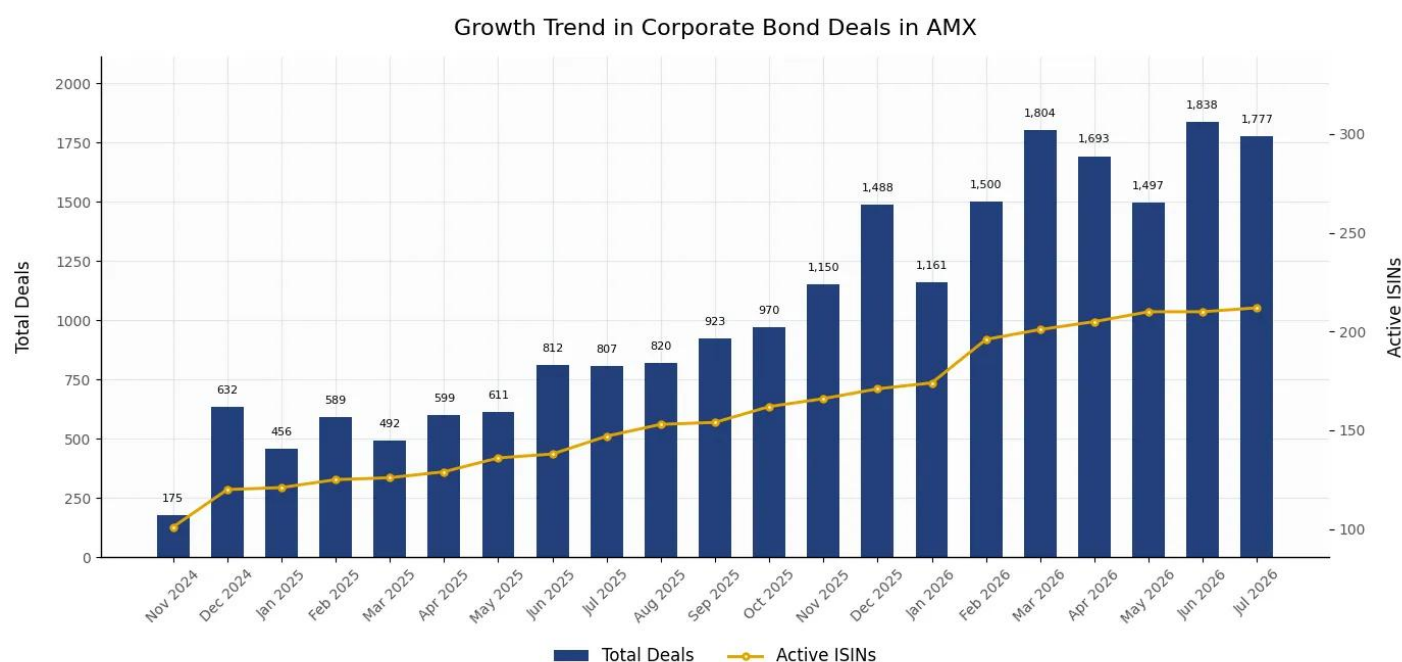
ISIN	Maturity	Buyback Volume	Total bids	Accepted bids	Weighted average yield
AMGN36294277	3 years	AMD 6.0 billion	AMD 6.03 billion	AMD 6.0 billion	6.7009%
AMGN60294276	5 years	AMD 2.0 billion	AMD 1.92 billion	AMD 1.92 billion	6.7726%

These transactions help reduce the repayment burden concentrated in April 2027 and reflect the active and targeted management of the government debt maturity profile.

AMD Bond Turnover Rises in the Secondary Market

Secondary-market activity moved in different directions in July. The number of transactions decreased slightly, while turnover in AMD-denominated bonds increased by 22.5%.

- A total of 1,777 transactions were completed, representing a decline of approximately 3.3% from June.
- Turnover in AMD-denominated bonds reached approximately AMD 9.58 billion, increasing by 22.5%.
- Turnover in USD-denominated bonds declined from USD 17.02 million to USD 12.11 million, while turnover in euro-denominated bonds fell from EUR 1.26 million to approximately EUR 391,800.
- The number of active bonds reached 212, compared with 210 in June.



Data: AMX | Analysis: KK Partners

The data indicate that secondary-market activity shifted toward AMD-denominated instruments in July. The increase in AMD turnover, despite a relatively small decline in the number of transactions, points to stronger trading activity in value terms.

Corporate Bonds: New Instruments Admitted to Trading

Ten new corporate bonds were admitted to trading on the Armenia Stock Exchange in July. Four were denominated in Armenian drams and six in US dollars.

Issuer	ISIN	Admission Date	Maturity Date	Currency	Coupon Rate
National Mortgage Company RCO CJSC	AMNMCCB2UER5	07.07.2026	16.06.2031	AMD	9.00%
Renshin LLC	AMRENSB21ER7	08.07.2026	02.02.2029	AMD	12.00%
Renshin LLC	AMRENSB22ER5	08.07.2026	02.02.2029	USD	8.00%
Renshin LLC	AMRENSB23ER3	08.07.2026	02.02.2031	USD	8.50%
Fast Bank CJSC	AMFSCRB2OER5	15.07.2026	23.02.2028	USD	6.00%
Fast Bank CJSC	AMFSCRB2PER2	15.07.2026	23.02.2030	USD	6.25%
Agrotech LLC	AMAGRTB22KT8	15.07.2026	22.06.2029	AMD	12.25%
Unibank OJSC	AMUNIBBM2ER7	17.07.2026	20.04.2029	USD	5.60%
IDBank CJSC	AMANLBBM7ER5	22.07.2026	15.06.2029	AMD	10.00%
Inecobank CJSC	AMINECB2RER5	23.07.2026	14.04.2029	USD	5.00%

Notably, this marked Renshin LLC's debut in the exchange-traded bond market and its first listing on a public capital market platform.

The EBRD Returns to the Armenia Stock Exchange

In July, the European Bank for Reconstruction and Development returned to the Armenia Stock Exchange after an absence of approximately ten years.

The EBRD's AMD 5 billion bond issue was fully placed through an auction conducted on the AMX platform, although the bonds had not yet been admitted to exchange trading. The auction attracted AMD 6 billion in total demand, of which AMD 5 billion was accepted. The weighted average price was 100.0132% of par, corresponding to a yield of 6.8310%. Converse Bank acted as the firm-commitment underwriter.

The bonds have a 36-month maturity and a floating coupon linked to the yield on six-month Armenian government securities, with coupon payments made semi-annually.

The EBRD's return is significant because it brings a highly creditworthy international issuer back to the market and expands the availability of floating-rate instruments.

The EBRD's previous bonds traded in Armenia between 2014 and 2016 and generally had short maturities. The new issue therefore represents a significant extension in tenor.

Macroeconomic Environment and Inflationary Risks

Armenia's macroeconomic environment remained stable in July, continuing to provide supportive conditions for the government bond market.

- Fitch Ratings affirmed Armenia's BB- rating with a Positive Outlook, while Moody's maintained its Ba3 rating and revised the outlook from Stable to Positive.
- The Armenia Stock Exchange received the "25 Years of Excellence – Capital Market Development Armenia 2026" award at the Global Banking & Finance Awards 2026, highlighting the institutional development of the country's capital market.
- The Armenian dram appreciated by approximately 0.5% in July, with the USD/AMD exchange rate declining from 368.05 at the beginning of the month to 366.20 at month end.
- The Central Bank of Armenia maintained its refinancing rate at 6.50%, while the Lombard repo facility and deposit facility rates remained at 8.00% and 5.00%, respectively.

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