

**Authors:**

Yeghishe Kerobyan

Araqsya Nikoghosyan

## **Armenia's Bond Market Monthly Update: Rising Sovereign Bond Prices, Strong Auction Demand, and a Positive Sovereign Outlook**

### **Executive summary**

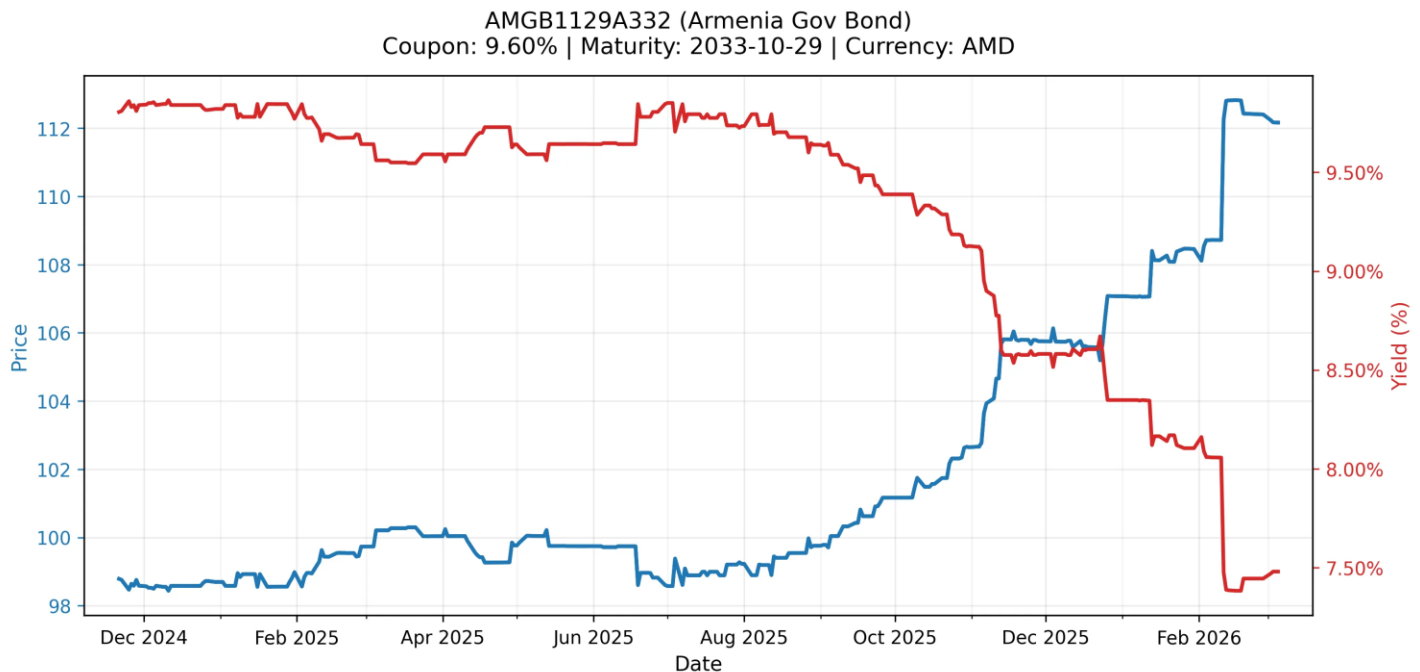
- Government bond prices rose and yields declined in February. The average price of AMD sovereign bonds increased from about 105% to around 107% of par, while the average yield fell from roughly 8.0% to about 7.5%, reflecting strong secondary-market demand.
- Primary auctions remained well supported. Investor demand continued to exceed supply, illustrated by the 10 February 2026 allocation auction for the 5-year AMGN60294300, where AMD 75.5 bn of bids were submitted for AMD 20 bn offered ( $\sim 3.77\times$  demand coefficient). The average weighted yield was around 7.61%, with a coupon rate of 8.6%.
- Government bond buybacks resumed. On 10 February, the Ministry of Finance conducted buybacks in two lines, accepting AMD 8.334 bn, marking the first sovereign buyback operation since December 2024.
- Corporate bond market activity remained solid. In February 22 securities were admitted to trading, while AMX recorded 1,500 trades across 196 instruments.
- Macro conditions remained supportive. The CBA refinancing rate stayed at 6.50%, S&P revised Armenia's outlook to Positive, and the dram appreciated slightly, with USD/AMD moving from about 379 to 377 during the month.

## Government bonds, rising prices and lower yields

AMX market data indicate that during February 2026 AMD-denominated government bonds continued to gain in price while yields declined. In February the average quoted price of AMD government bonds increased from roughly about 105% of par to around 107%, while the average yield declined from about 8.0% to roughly 7.5%. This reflects continued demand for sovereign paper in the secondary market.

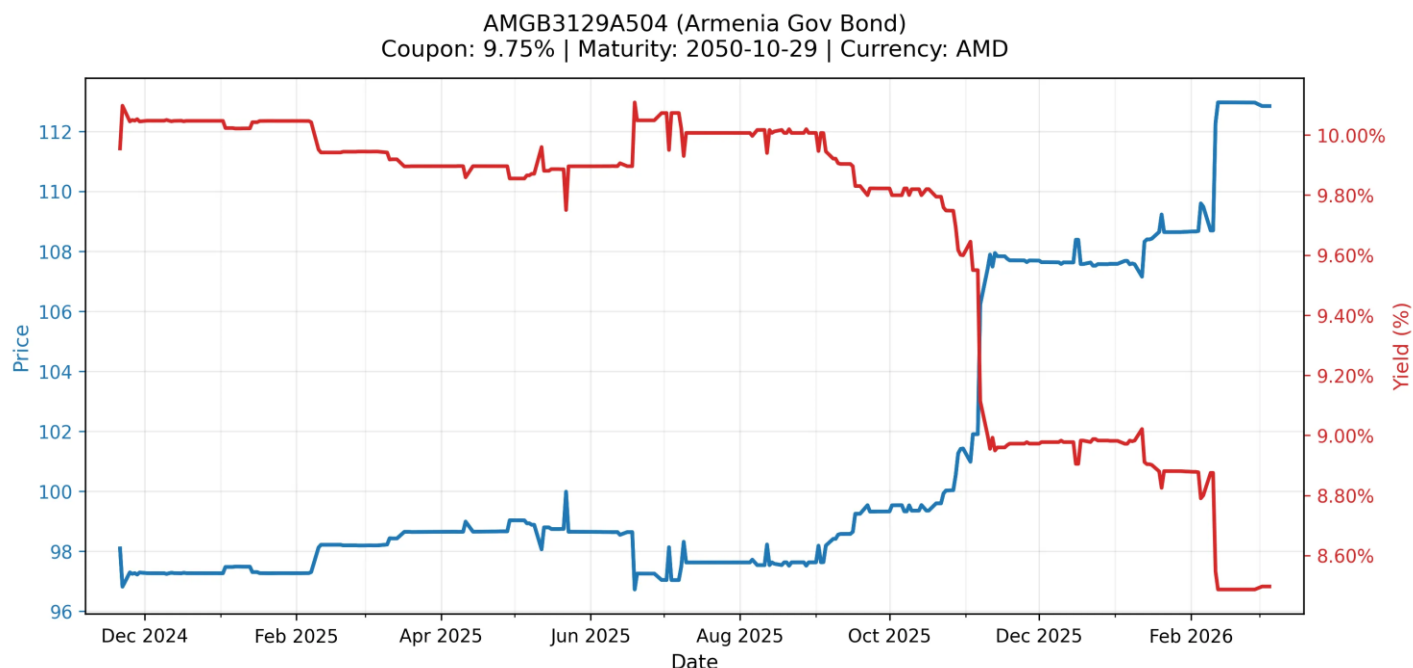
Two actively traded benchmarks illustrate this movement particularly well:

- AMGB1129A332 (benchmark 5-year)
  - By 27 February, the bond was trading at approximately 112.4% of par.
  - The corresponding market yield was around 7.44%.



*Data: AMX | Analysis: KK Partners*

- AMGB3129A504 (longer tenor)
  - By 27 February, the bond price reached about 112.96% of par.
  - The corresponding yield was approximately 8.49%.



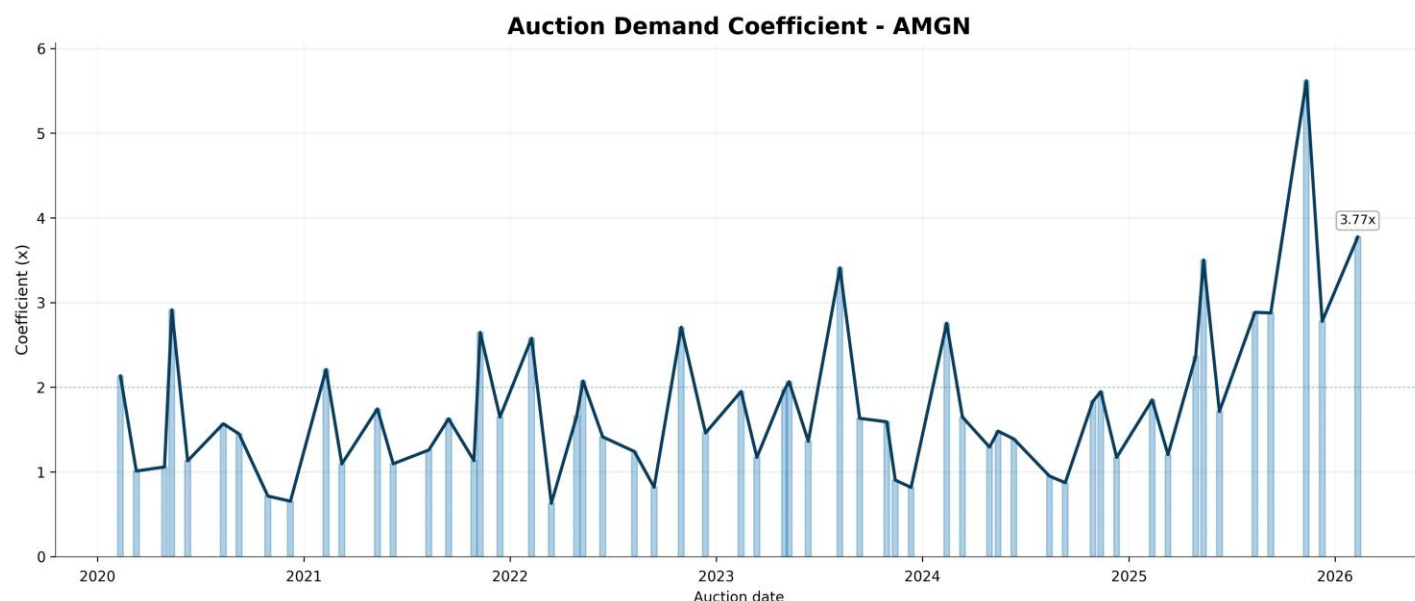
Overall, February trading showed a clear continuation of the price-up / yield-down trend in the government bond market. Strong demand in both the primary and secondary markets, together with a stable macro and FX environment, helped sustain investor interest in AMD sovereign securities.

### Sovereign auctions and strong participation from investors

The primary market remained constructive for AMD government bonds during February. Auctions again showed strong investor participation, with demand exceeding the volumes offered.

A notable example was the 10 February 2026 allocation auction for the 5-year AMGN60294300:

- Volume offered: AMD 20 bn
- Total demand: AMD 78.9 bn
- Auction demand coefficient (bids ÷ offered): ~3.29×
- Average weighted yield: ~7.61%
- Coupon: 8.6%



*Data: Minfin | Analysis: KK Partners*

In addition, three AMGT Treasury bill auctions were conducted during the month, with combined placements of about AMD 9 bn, also reflecting solid demand for short-term government instruments.

### Government bond buybacks resume after a pause

Buybacks resumed in February after a long pause. On 10 February 2026 (settlement 11 February), the Ministry of Finance conducted two buyback operations:

- AMGN36294277 (3-year)
  - Accepted volume: AMD 3.334 bn (out of AMD 3.334 bn submitted)
  - Weighted average buyback yield: 6.8583%
  - Lowest accepted yield: 6.623%
- AMGN60294276 (5-year)
  - Accepted volume: AMD 5.000 bn (out of AMD 6.592 bn submitted)
  - Weighted average buyback yield: 6.9777%
  - Lowest accepted yield: 6.880%

In total, AMD 8.334 bn was accepted against AMD 9.926 bn of bids, with AMD 10 bn announced buyback volume across the two lines.

Notably, this was the first government bond buyback operation since December 2024, marking a resumption of sovereign debt management operations in the secondary market.

## Corporate bonds and trading activity on AMX

Corporate bond activity on AMX remained active during February, supported by steady secondary-market trading and a continued flow of new listings expanding the corporate universe.

During the month, 22 securities were admitted to trading (15 BBOND, 6 ABOND, 1 GBOND), including several notable corporate issues.

| Issuer             | ISIN         | Admission Date | Maturity Date | Currency | Coupon Rate |
|--------------------|--------------|----------------|---------------|----------|-------------|
| ACBA Bank OJSC     | AMACBAB2NER0 | 24.02.2026     | 15.01.2031    | AMD      | 10.50%      |
| Ameriabank CJSC    | AMAMRBBNMER3 | 18.02.2026     | 10.12.2028    | AMD      | 9.75%       |
| Team Holding CJSC  | AMTMHDB21ER0 | 16.02.2026     | 03.12.2029    | AMD      | 12.00%      |
| Team Holding CJSC  | AMTMHDB22ER8 | 16.02.2026     | 03.12.2029    | USD      | 9.00%       |
| AMIO Bank CJSC     | AMARBBB2LER6 | 11.02.2026     | 14.02.2028    | AMD      | 10.25%      |
| Converse Bank CJSC | AMCOVSB2PER5 | 09.02.2026     | 18.11.2029    | USD      | 5.25%       |

Overall trading activity on AMX remained solid in February. The exchange recorded 1,500 non-addressed trades across 196 instruments, with turnover of approximately:

- AMD 4.62 billion
- USD 16.40 million
- EUR 0.88 million

The continued pipeline of corporate listings is gradually expanding the investable universe and supporting broader secondary-market activity on AMX.

## Macro backdrop and S&P rating

February's macro environment remained supportive for AMD fixed income.

- Policy rate: the CBA refinancing rate remained at 6.50% throughout the month.
- Sovereign rating outlook: on 20 February, S&P Global Ratings revised Armenia's outlook from "Stable" to "Positive", while maintaining the BB- rating, citing reduced security risks following progress in Armenia–Azerbaijan relations.
- FX (USD/AMD): the dram remained stable, with USD/AMD moving from about 379.0 at the start of February to roughly 377.0 by month-end, implying a modest appreciation of around 0.5%.

A stable FX environment and improved sovereign sentiment helped keep risk premia contained and supported continued demand for AMD-denominated assets.

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