ARMENIAN BOND MARKET

October 2026 Monthly Report

Reporting period 1–31 October 2026 | Market comparison 30 September–30 October

October brought divergent sovereign yield moves and stronger auction demand. Regular corporate trading slowed, even though negotiated transactions kept the broader turnover total almost unchanged. The key distinction is between headline volume and the pace of day-to-day trading.

9.10%	1,847	AMD 110bn	USD 14.08m
2050 sovereign ask yield	**Corporate trades**	**Cash auction nominal**	**USD corporate turnover**
+25 bp | month end	−2.4% | regular market	2.38x | bid-to-offer cover	−7.0% | regular market

Sovereign repricing. The 2050 yield rose 25 bp, while the 2035 yield fell 14.8 bp. Their spread widened from 10.2 to 50.0 bp. A nearly flat five-bond average conceals this divergence. [1]

Auction demand. Accepted nominal rose 144.4% to AMD 110bn, while aggregate cover improved from 1.81x to 2.38x. Demand strengthened despite substantially larger supply. [1]

Trading intensity. Average daily AMD and USD corporate turnover fell 12.4% and 11.3%. October had 22 trading days versus 21 in September, so monthly totals understate the slowdown. [1]

The 2050 yield rose while intermediate yields eased

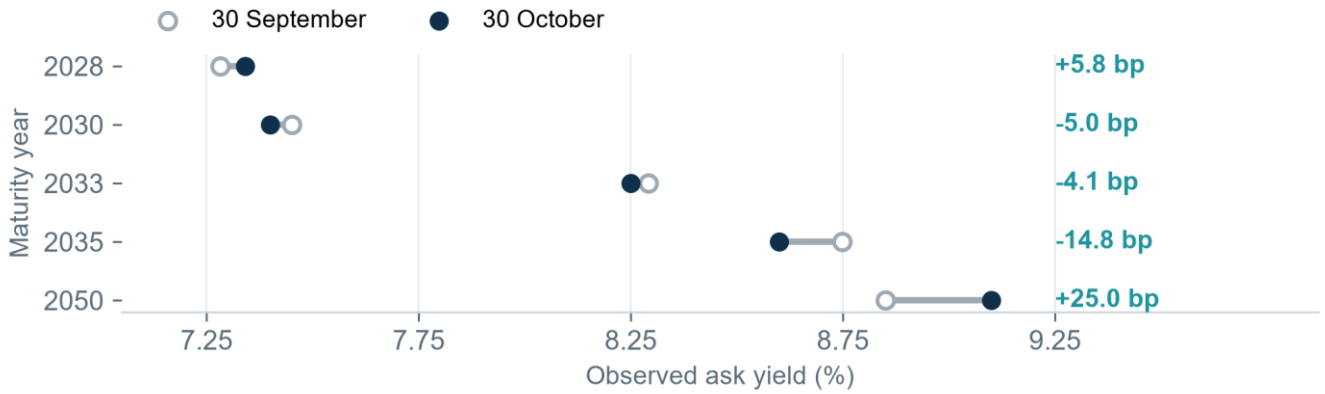


Figure 1. Five identical AMD government bonds with positive ask yields at both month ends. Observed quotations, not a total-return index. Source: AMX; KK Partners calculations. [1]

Watch next. Test whether auction demand persists after the 3 November rate increase, and whether regular-market turnover recovers without relying on negotiated transactions.

Sovereign yields moved in different directions

The common five-bond ask-yield average edged up from 8.124% to 8.138%, just 1.4 bp. Within that cohort, the 2028 and 2050 yields rose, while the 2030, 2033 and 2035 yields fell. The wider 2050–2035 spread is the clearer signal than the average. [1]

Observed quotes drive the interpretation

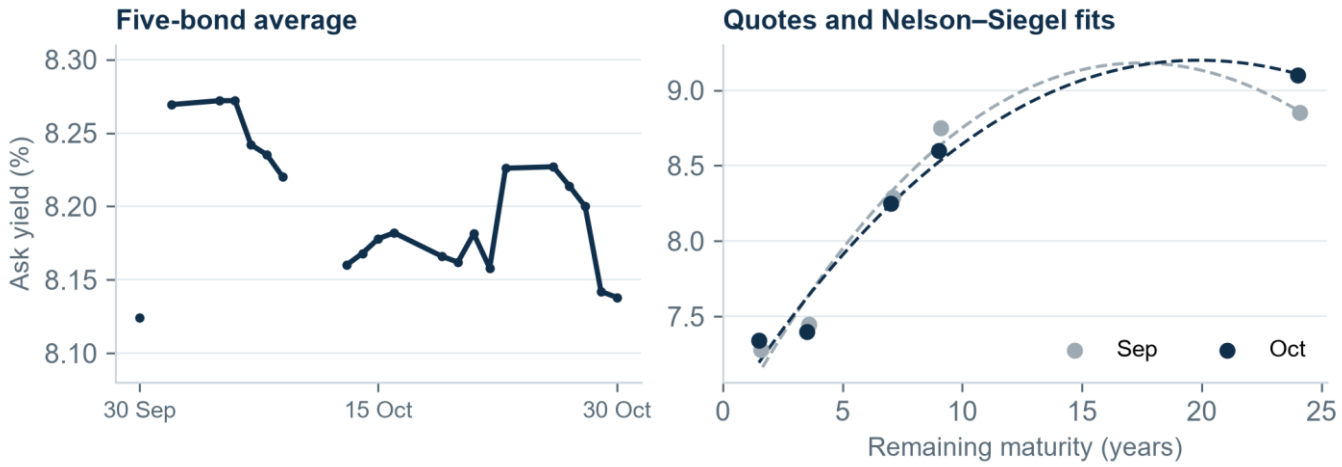


Figure 2. Fixed five-bond daily average and month-end Nelson–Siegel fits. Gaps mark incomplete daily cohorts. Both fits reach the decay-parameter ceiling; dashed curves are illustrative model estimates. [1] Quote coverage is explained in the appendix.

Maturity	ISIN	Sep ask yield %	Oct ask yield %	Change bp	Ask price change %
2028	AMGN36294285	7.28	7.34	+5.8	-0.15
2030	AMGN60294300	7.45	7.40	-5.0	+0.09
2033	AMGB1129A332	8.29	8.25	-4.1	+0.17
2035	AMGB1129A357	8.75	8.60	-14.8	+0.91
2050	AMGB3129A504	8.85	9.10	+25.0	-2.38

Table 1. 30 September–30 October 2026. Ask prices are per 100 nominal; their changes exclude coupon income and FX and are not total returns. [1]

The 2035 ask price gained 0.91%, while the 2050 price fell 2.38%. Long-duration exposure therefore mattered even as several shorter yields declined. The 2035 issue also attracted 2.91x cover at the 29 October auction; this is consistent with demand for that maturity, but does not establish the cause of the secondary quote move. [1, 3]

Regular and negotiated sovereign turnover fell 18.2% to AMD 36.66bn, while transactions rose from 91 to 111. More transactions alongside lower value imply a smaller average transaction, not uniformly weaker participation. October’s total contains no negotiated sovereign trades. [1]

Auction demand and scheduled redemptions

Seven cash auctions accepted AMD 110bn nominal against AMD 261.85bn in bids, producing AMD 108.96bn in proceeds. Bill cover rose from 1.68x to 2.05x; coupon-bond cover rose from 1.85x to 2.43x. [1]

Coverage strengthened in both auction categories

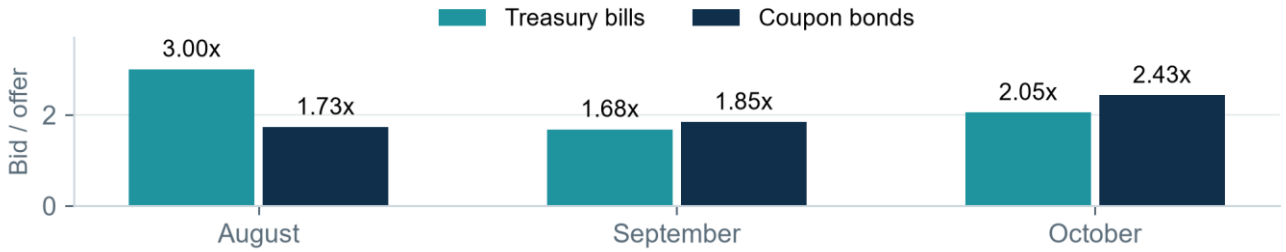


Figure 3. Bids / offered nominal, aggregated by category. Maturity mix still varies. [1]

Date	ISIN	Maturity	Accepted AMD bn	Cover	Weighted yield %
05.10	AMGT5204A273	04.10.2027	5.0	1.88x	7.0518
13.10	AMGB3029A548	29.10.2054	25.0	1.67x	9.7428
19.10	AMGT52028272	02.08.2027	5.0	2.20x	7.0672
26.10	AMGT52045276	04.05.2027	5.0	2.08x	7.0247
29.10	AMGB1129A357	29.10.2035	40.0	2.91x	8.8186
29.10	AMGN36294293	29.04.2029	15.0	2.28x	7.8721
29.10	AMGN60294318	29.04.2031	15.0	2.58x	8.1792

Table 2. Accepted nominal equals offered nominal in all seven auctions. The 29 October auctions account for AMD 70bn, or 63.6% of the month's accepted volume. [1, 3] Auction comparisons are explained in the appendix.

The two-year principal calendar remains concentrated in April

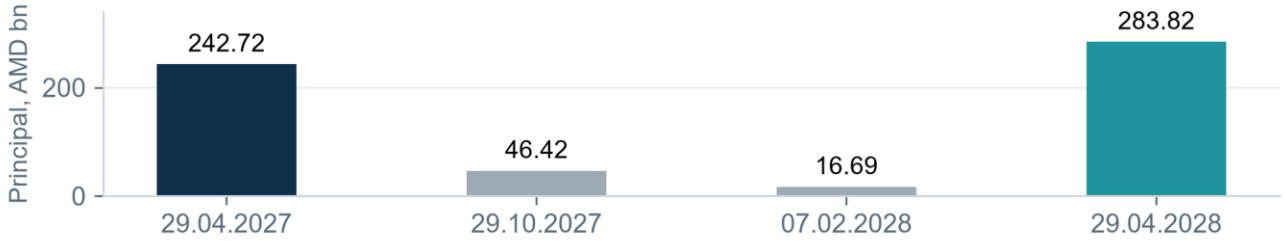


Figure 4. Coupon-bond principal due through 31 October 2028, based on the 30 October snapshot. Excludes bills, savings bonds, Eurobonds and interest. [1, 8]

AMD 289.14bn falls due within 12 months and AMD 589.65bn within 24 months. The 12-month increase from AMD 242.72bn reflects the rolling window now including October 2027, not new near-term obligations. April maturities account for 89.3% of the two-year amount. [1, 8]

Corporate activity weakened beneath the headline

Regular corporate transactions fell 2.4% to 1,847. AMD turnover declined 8.2% to AMD 8.32bn and USD turnover fell 7.0% to USD 14.08m. EUR turnover rose 43.1%, but only eight trades generated EUR 129.1k, so the move has limited market-wide significance. [1]

Currency unit	Sep turnover	Oct turnover	Change	Sep trades	Oct trades
AMD bn	9.07	8.32	-8.2%	1,317	1,298
USD m	15.15	14.08	-7.0%	560	541
EUR k	90.19	129.10	+43.1%	16	8

Table 3. Regular ABOND, BBOND and CBOND daily totals in native currencies; excludes repos, auctions and negotiated trades. [1]

An extra trading day masks part of the slowdown

October had 22 recorded trading dates versus 21 in September. Average daily turnover fell to AMD 378.3m and USD 640.1k, declines of 12.4% and 11.3%. Daily averages therefore show a sharper contraction than monthly totals. EUR daily turnover rose 36.6% to EUR 5.9k. [1]

Quotes remained widespread while trading was infrequent

Currency	Sep traded / recorded ISINs	Oct traded / recorded ISINs	Two-sided quotes Sep / Oct	Days with a trade Sep / Oct	Top 5 issuer share Sep / Oct
AMD	115 / 127	114 / 125	97.4% / 97.4%	29.9% / 29.7%	54.7% / 52.3%
USD	82 / 98	81 / 98	95.3% / 97.3%	19.1% / 18.2%	75.3% / 70.1%
EUR	6 / 6	4 / 6	97.6% / 97.7%	12.7% / 5.4%	100.0% / 100.0%

Table 4. Quote and active-day shares use recorded ISIN-days. Issuer shares use regular turnover within each currency. [1]

Across currencies, 199 bonds traded at least once versus 203 in September. USD two-sided quote coverage improved to 97.3%, yet only 18.2% of recorded USD bond-days had a trade. Available quotes do not establish executable size, freshness or low trading costs. [1]

Negotiated trades kept the wider total nearly flat

Adding 22 negotiated trades gives 1,869 corporate transactions and AMD 15.40bn of turnover, versus 1,906 and AMD 15.42bn in September. Negotiated value rose from AMD 0.81bn to AMD 1.93bn, offsetting most of the regular-market decline after daily FX conversion. A nearly unchanged wider total therefore does not imply stable day-to-day liquidity. [1]

Typical dollar transactions became smaller

USD regular turnover declined as both transaction count and average size fell. The full-market mean dropped 3.8%, from USD 27,053 to USD 26,030. The matched transaction sample shows a lower median but a higher 90th percentile, so the distribution did not shift uniformly. [1]

The median fell while the upper percentile increased

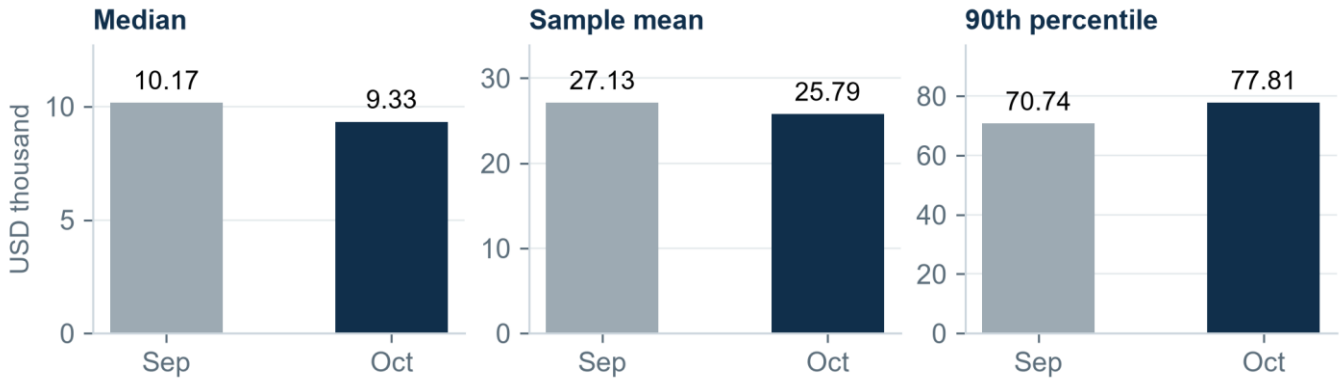


Figure 5. Settlement amounts including accrued interest, from fully reconciled ISIN-days. September: 558 trades; October: 536 trades covering 98.15% of USD regular turnover. The sample mean differs from the full-market mean. [1]

The median fell 8.3%, from USD 10,172 to USD 9,330, while the 90th percentile rose 10.0% to USD 77,805. The ten largest trades accounted for 14.4% of sample turnover, close to September's 14.7%. This is mixed evidence on transaction sizes, rather than a broad move toward larger tickets. [1]

Issuer concentration fell as traded breadth edged lower

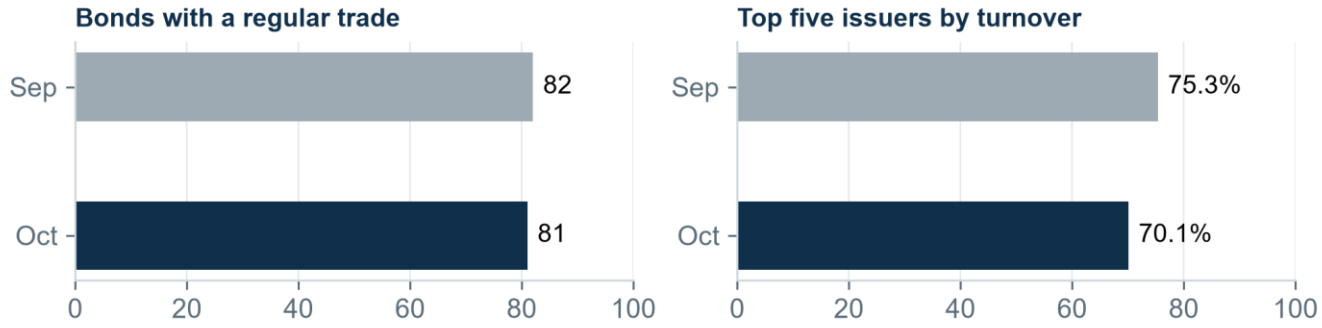


Figure 6. Full daily regular-market aggregates. Traded USD ISINs fell from 82 to 81; the top five issuer share fell from 75.3% to 70.1%. [1] Distribution interpretation is in the appendix.

Ameriabank remained the largest issuer by USD regular turnover, with 39.2% versus 42.2% in September. Lower issuer concentration alongside lower turnover suggests activity was less concentrated among the largest issuers; it does not establish a broader investor base. [1]

Sample control. October has 541 USD trades in daily totals; three transaction records are missing. Excluding both affected ISIN-days leaves 536 trades. No missing transaction is estimated. September includes 558 of 560 trades. Full daily totals drive all monthly headline measures.

Admissions, monetary policy and the dram

Six non-government debt issues were admitted to trading: four bank and two non-bank issues, split between two AMD and four USD bonds. Admission dates can be months later than issuance dates; this count is not a measure of new financing raised in October. [1]

Issuer	ISIN	Admitted	Maturity	CCY	Coupon %
Armeconombank	AMHEZBBM1ER6	02.10	28.08.2029	AMD	9.75
Unibank	AMUNIBBM3ER5	02.10	Perpetual	AMD	13.25*
Team Holding	AMTMHDB24ER4	06.10	20.05.2030	USD	8.65
Converse Bank	AMCOVSB2SER9	15.10	26.08.2029	USD	5.00
Inecobank	AMINECB2UER9	15.10	03.09.2029	USD	5.00
Global Shipping	AMGLBSB23ER6	23.10	14.08.2029	USD	8.25

Table 5. AMX admission records. Coupons are contractual rates, not market yields. *Unibank: initial rate for 36 months; resets thereafter. [1, 4]

Unibank's perpetual issue requires a different maturity comparison from dated bonds; its 13.25% initial coupon is not a comparable yield-to-maturity. ArmSwissBank's two issues announced on 29 October were admitted on 3 November and are excluded from the October count. [4, 5]

The policy rate was unchanged during October

The CBA policy rate remained 6.75% during October. After month end, the CBA raised it 25 bp to 7.00% on 3 November. October inflation was reported on 4 November at 4.3% year-on-year and 0.3% month-on-month. The release followed the policy decision and was not available at the October market cut-off. [2, 6, 7]

The dram appreciated about 0.75 percent against the dollar

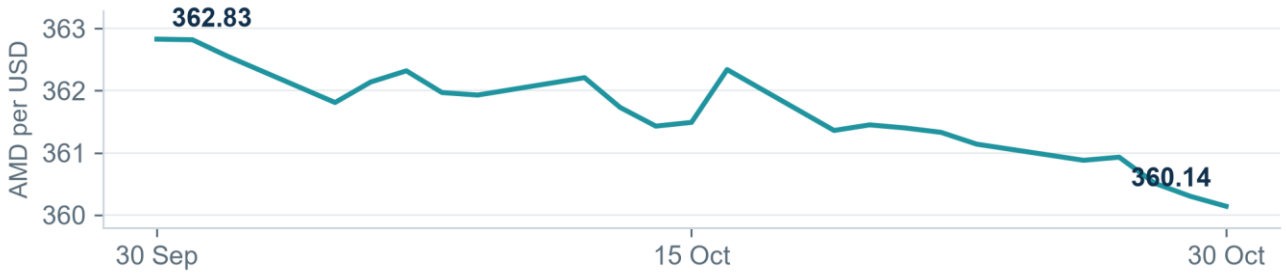


Figure 7. CBA reference rate, 30 September–30 October. A lower AMD-per-USD quote means a stronger dram. [1, 9]

The reference rate moved from AMD 362.83 to AMD 360.14 per dollar. This supports the dollar value of an unhedged AMD asset, other things equal, but does not offset every bond's price move. Coupons, transaction costs and the investor's currency of measurement also matter. [1]

Definitions and methods

Coverage. The reporting period is 1–31 October 2026. Market comparisons use the final trading days, 30 September and 30 October. Information was reviewed through 5 November. The 3 November policy decision and 4 November CPI release are explicitly identified as later information. Treasury outstanding snapshots are dated 29 September and 30 October.

Sovereign yields. The five unchanged ISINs in Table 1 form a fixed, equal-weight ask cohort. September is recalculated on this cohort; its 8.124% mean is not directly comparable to the six-bond headline in the September report. One basis point is 0.01 percentage points. Daily averages require all five positive observations; incomplete dates are left blank.

Curve fitting. Nelson–Siegel is fitted to the five observations at each endpoint using unchanged calibration settings. Remaining maturity is actual days / 365; nonlinear least squares uses the same starting values and a decay-parameter range of 0.000001–100 years. Both fits reach the upper bound. RMSE is 11.8 bp in September and 12.4 bp in October. Curves stop at observed maturity limits; sparse long maturities make the intervening shape model-dependent.

Trading and liquidity. Daily AMX ABOND, BBOND and CBOND aggregates determine regular turnover and trade counts. Negotiated trades enter only the wider reconciliation, using settlement amounts and same-day CBA FX. Average daily turnover divides by 21 September and 22 October trading dates. Recorded ISIN-days underpin quote and active-day shares. A two-sided quote requires positive bid and ask prices; this does not establish freshness or depth.

Trade-size sample. Individual records are deduplicated by trading date and trade number. Each included ISIN-day must reconcile trade count and settlement total to daily figures within 0.1 currency unit. Amounts include accrued interest; where the total is not separately supplied, it equals reported clean consideration plus reported accrued interest. This identity was verified against 5,232 complete non-repo bond trades. No missing trade is estimated. Medians and linearly interpolated 90th percentiles use only reconciled ISIN-days; headline turnover and issuer shares use full daily totals.

Auctions and principal. Cover is submitted bids / offered nominal, not proceeds. Cash auctions are separate from exchange auctions. Principal sums positive outstanding amounts once per AMGN or AMGB ISIN at 30 October. The forward window begins after 31 October and excludes bills, savings bonds, Eurobonds, interest and future issuance or buybacks. The calendar is not a forecast of net financing needs.

Research use

This report describes observed market activity and selected quotations. It does not estimate default probabilities, investor numbers or total investment returns. Changes in turnover, quote presence and model curves should not be treated as substitutes for execution analysis or security-specific risk assessment.

Appendix and sources

Quote coverage

Five unchanged bonds have positive ask yields at both endpoints. Replacement issues are not spliced into the cohort. Only two of these bonds also have positive bid and ask yields at both dates, so a sparse midpoint basket is not substituted. The five-bond average peaked at 8.272% on 5–6 October and ended at 8.138%. Missing complete cohorts on 1 and 12 October remain gaps. Observed points, rather than the fitted curve between roughly 9 and 24 years, support the conclusions. [1]

Auction comparison and outstanding principal

The bill and coupon split reduces, but does not eliminate, maturity-mix effects. Stronger cover therefore does not imply uniform yield declines. Coupon principal outstanding rose from AMD 2,782.95bn to AMD 2,877.97bn between the two snapshots; the AMD 95.02bn increase was close to October's AMD 95bn coupon auction nominal. [1, 8]

What the transaction distribution shows

Restricting the USD sample to the 73 ISINs present in both months still gives a median decline of 6.8%. The fall is therefore not solely a result of changing bond coverage. Investor identities remain unknown, and transaction sizes cannot distinguish retail from institutional activity. [1]

Sources

[1] AMX market and instrument records. Daily quotations, trades, admissions and auction records; CBA daily FX. Reviewed 5 November 2026. Calculations by KK Partners.

[2] CBA policy statement. 15 September 2026; 6.75% policy rate preceding October.

[3] AMX government auction results. 29 October 2026; AMD 70bn allocation.

[4] Unibank perpetual bond terms. 13.25% initial coupon for 36 months; subsequent reset linked to government yields.

[5] AMX ArmSwissBank listing notice. 29 October announcement; trading admission 3 November 2026.

[6] CBA policy decision. 3 November 2026; rate raised to 7.00%. Post-month-end information.

[7] Statistical Committee CPI figures via ARKA. 4 November 2026; October CPI. Secondary report of the official release.

[8] Ministry of Finance outstanding Treasury bonds. 29 September and 30 October 2026 snapshots.

[9] CBA exchange-rate archive. Daily reference exchange rates; month-end comparison 30 September–30 October.

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