



# Armenian Bond Market at a Glance



June 2025



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# ARMENIAN MACRO OVERVIEW



**Yerevan**  
Capital



**Parliamentary Republic**  
Government System



**2026**  
Upcoming Parliamentary Election



**Armenian**  
Official Language



**3 mn**  
Population (2024)



**Services, Manufacturing**  
Main Economic Sectors



**USD 25.8 bn**  
Nominal GDP (2024)



**USD 8,501**  
GDP per Capita (2024)



**1.5%**  
Inflation (2024, %, End of Year)



**50.3%**  
Public Debt (2024, % of GDP)



**Armenian Dram (AMD)**  
Currency



**1 USD = 392.7 AMD**  
(2024 Average)

**S&P Global**

**BB-**  
Credit Rating

**Stable**  
Outlook

**MOODY'S**

**Ba3**  
Credit Rating

**Stable**  
Outlook

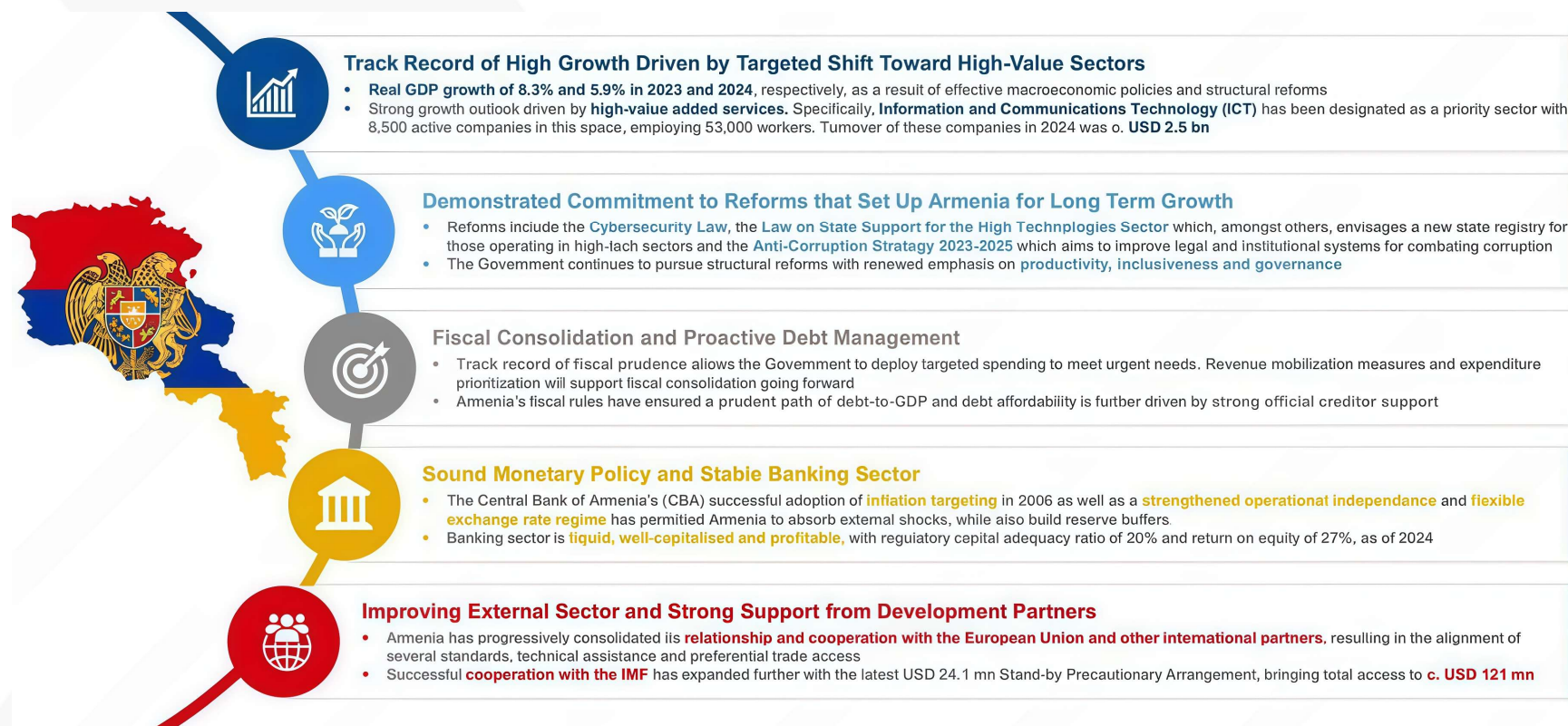
**FitchRatings**

**BB-**  
Credit Rating

**Stable**  
Outlook

\* Source: Ministry of Finance of Armenia

# ARMANIAN MACRO OVERVIEW



\* Source: Ministry of Finance of Armenia

# ARMENIAN MACRO OVERVIEW

## Top-5 Trends for 2025:

- Commitment to Fiscal Consolidation
- Diversification of the Economy
- Strengthening of Economic Cooperation
- Proactive Monetary Policy
- Shift to High-Value Sectors

**Medium-Term Expenditure Framework for 2025**  
(Expenditures, % of GDP)



\* Source: Ministry of Finance of Armenia

# ARMENIAN BOND MARKET

## Gov Eurobonds Statistics

Year	Amount (USD mln)	Tenor (years)	Coupon (%)	Yield to Maturity (%)	Issue Price (%)	Over-sub-n	Key Highlights
2018	400	5	7.125	7.25	99.5	2.8x	First sovereign Eurobond issuance
2021	750	7	3.875	3.90	100	3.5x	Issued amid post-COVID low rates
2023	500	5	6.25	6.25	100	4.0x	Strong demand despite rising global rates
2025	750	10	6.75	7.10	97.524	3.3x	Longest tenor to date, high EM yield environment

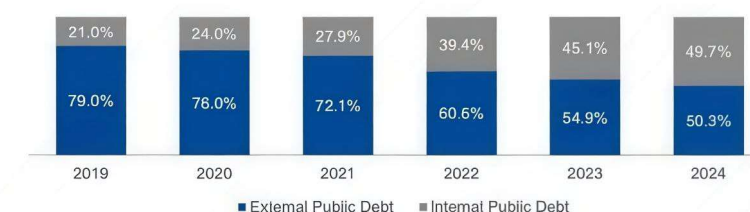
## Government Debt Management Strategy, 2025–2027\*

The Government's Debt Management Strategy has been envisioned to align with the broader MTEF, with key aims such as:

- **Continued cooperation** with external creditors, giving preference to creditors with favorable terms in freely convertible currency
- **A new electronic system for recording**, servicing and organizing Government debt
- **Ensuring transparency and consistent communication** with investors and the wider population regarding Armenia's debt
- **Reducing the refinancing risk** by applying liquidity management instruments such as cash buffers, and the implementation of buybacks and switches

\* Source: Ministry of Finance of Armenia

## Pivot Towards Domestic Debt is Reflective of Government Debt Management Strategy 2025-2027 (% of Total)



## External Debt Currency Composition (% of Total)





# ARMENIAN BOND MARKET

## ARMEN 2025 CASE STUDY

### Issue Details:

- Issue Date: March 5, 2025
- Maturity: 10 years (March 12, 2035)
- Amount: USD 750 million
- Coupon: 6.75% annually
- Issue Price: 97.524%
- Yield to Maturity (YTM): 7.10%
- Currency: USD

### Demand and Investor Distribution:

- Order Book: ~USD 2.5 billion (oversubscribed ~3.3x)
- Investor Geography: Europe: 43%, USA: 32%, UK: 15%, Asia & Middle East: 10%
- Investor Type Breakdown: Asset managers: 65%, Banks: 20%, Insurance & pension funds: 10%, Others: 5%

### Market Context and Strategy:

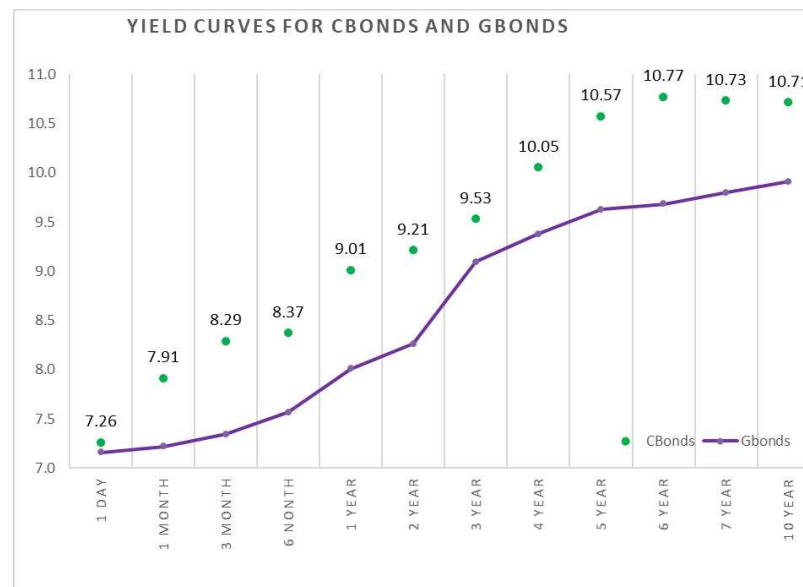
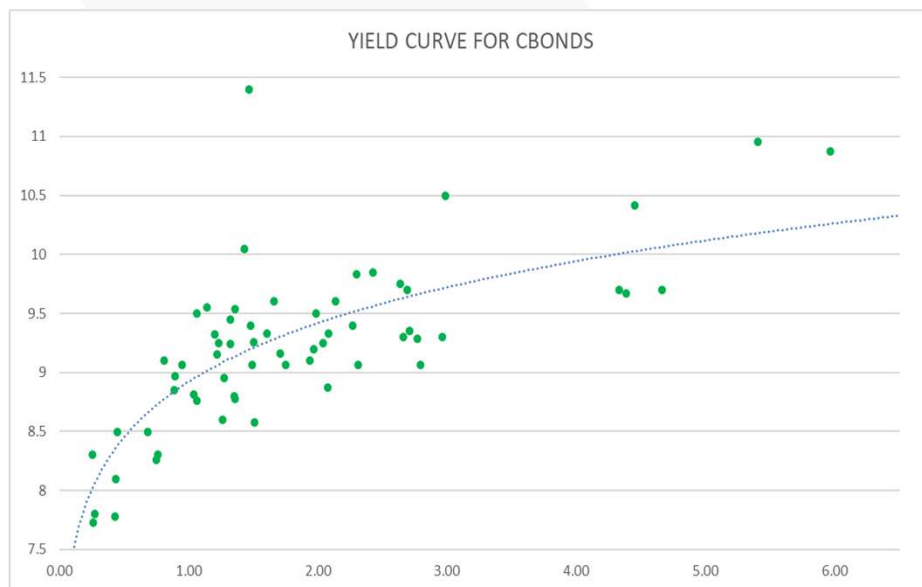
- Issuance took place amid a high-interest rate environment for emerging markets, with the U.S. 10Y Treasury yield around 4.3–4.6%.
- The Armenia 2025 bond priced at a spread of ~286 bps over U.S. Treasuries, reflecting both macro and geopolitical risk premium.
- This was Armenia's fifth sovereign Eurobond issuance, and the largest 10-year tranche to date.
- Use of Proceeds: Refinancing of USD 313 million in Eurobonds maturing in March 2025, Partial budget financing, Liquidity buffer for external obligations
- The Ministry of Finance announced no further Eurobond issuance is expected before 2027, citing elevated borrowing costs.

### Key Takeaways:

- Strong market confidence: Oversubscription of 3.3x confirms Armenia's standing among EM sovereigns.
- Longer tenor issuance: Reflects investor appetite for duration and Armenia's focus on term extension.
- Yield premium: 7.10% yield reflects EM risk but remains competitive compared to regional peers.
- Investor diversification: Broad participation across geographies and types, enhancing market resilience.

# ARMENIAN BOND MARKET

## CBonds vs Gbonds Overview



### Key Takeaways

- Government bonds remain the backbone of the local debt market, with strong demand and solid institutional participation.
- Corporate bonds offer higher yields, making them attractive for retail investors, but lack the same level of liquidity.
- Liquidity and diversification are growing, but the corporate bond segment still requires development—especially in transparency, ratings, and standardized terms.
- Market-maker programs and digital platforms (used by ACBA, Ameriabank, etc.) are helping bridge the gap.



# ARMENIAN BOND MARKET



## INVESTORS' PROFILE

Bond Type	Key Investor Groups	Share / Role	Notes
<b>Local Gov't Bonds (AMD)</b>	- Commercial Banks- Pension Funds- Retail Investors- Insurers & Inv. firms- Foreign Investors	Banks: 35–45%, Pensions: 25–30%, Retail: 10–15%, Foreign: 5–10%	Banks use for repo/liquidity, Pensions hold to maturity, Retail via mobile apps
<b>Local Corporate Bonds (AMD)</b>	- Retail Investors- Banks- Pension/Insurance Funds- Corporates	Retail: 30–40%, Banks: 20–25%, Funds: 10–15%	Driven by high coupon & tax perks, Liquidity lower than gov' t bonds
<b>Gov't Eurobonds (USD)</b>	- Asset Managers- Banks- Pension & Insurance Funds- Hedge/EM Funds	Asset Mgrs: ~65%, Banks: ~20%, Funds: ~10%	High demand in 2025 issue, Oversubscription ~3.3x, Rated BB-/Ba3
<b>Corporate Eurobonds (USD)</b>	- IFIs (IFC, ADB)- EM Bond Funds- Private Banks / HNWI's- Regional Institutions	No standard breakdown, Highly deal-specific	ZCMC and Ameriabank have set precedents. Limited but growing segment

# ARMENIAN BOND MARKET

## KEY CHALLENGES

### Key Challenges for Bond Market

- 1. Low Secondary Market Liquidity**
  1. Thin trading volumes, especially in long-term instruments
  2. Buy-and-hold behavior dominates (banks, pension funds)
- 2. Narrow Investor Base**
  1. Heavy reliance on banks and few institutional investors
  2. Limited participation from foreign investors and corporates
- 3. Limited Depth of Corporate Bond Market**
  1. Concentration in banking sector issuers
  2. Few large non-financial corporates issuing regularly
- 4. Lack of Market-Making and Price Transparency**
  1. Limited quote availability and real-time pricing
  2. Weak incentives for market makers to provide depth
- 5. Currency & Interest Rate Risks**
  1. No effective hedging tools (e.g., swaps, forwards)
  2. Local investors exposed to inflation volatility and FX mismatch
- 6. Regulatory & Infrastructure Gaps**
  1. Underdeveloped repo and derivatives markets
  2. Fragmented access for retail investors across platforms

### Top-5 Suggested Actions for Market Development

- 1. Enhance Liquidity & Market Infrastructure**
  1. Expand repo and securities lending mechanisms
  2. Develop benchmark curves to support pricing
- 2. Broaden the Investor Base**
  1. Attract foreign institutional investors via reforms and visibility (Euroclear access, roadshows)
  2. Deepen retail participation through fintech platforms and education
  3. Boost Transparency & Data Availability
- 3. Strengthen Corporate Issuance**
  1. Offer incentives for non-financial corporates to issue debt (e.g. partial guarantees, reduced fees)
  2. Promote credit ratings and standardized disclosure templates
- 4. Improve Risk Management Tools**
  1. Develop FX and interest rate hedging instruments
  2. Introduce inflation-linked bonds or floating-rate notes
- 5. Regulatory and Legal Reforms**
  1. Clarify bankruptcy and bondholder rights
  2. Align legal frameworks with international standards (e.g., ISDA for derivatives)

# META-X MARKETS OVERVIEW



## ➤ About MXM

Meta-X Markets (MXM) is a leading investment services company, providing strategic access to top global financial centers. Regulated by the Central Bank of Bank of Armenia, MXM upholds the highest standards of financial integrity and compliance.

## ➤ Our Vision

Assisting clients in pursuing their goals throughout every stage of their lives by providing innovative and integrated financial solutions.

## ➤ Our Mission

Delivering exceptional brokerage services with a focus on the highest standards of excellence and integrity, dedicated to serving clients' best interests with unwavering commitment.

## ➤ Our Goals

Develop and offer a diverse range of financial products and services to meet the the evolving needs of wealthy clients. Enhance regional presence and capabilities to capabilities to better serve high-net-worth individuals globally.

# META-X MARKETS SERVICES



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