

UKRAINE

A Lull in the Barrage of Bad News

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Domestic tensions eased significantly in March and April. While economic problems and the military threat are still on the agenda, a dearth of breaking news from the Eastern front, and a strengthening of the *hryvnia* (to 22 per \$1, from 30 in February) relieved the generally depressing atmosphere.

Debt restructuring is now front and center. Finance Minister Natalie Jaresko has been traveling around the world, trying to convince bondholders that, absent debt restructuring, Ukraine will perform very badly, and that there won't be a further IMF program to speak of. Still, after a very mild "debt operation" plan for Ukreximbank was released, it became clear that Jaresko's arguments hadn't been very convincing. We now expect similar mild proposals for sovereign bonds to be announced in May.

Economic figures tell a scary story>>>

