



Macroeconomic and Monetary Review

December 2025



Summary

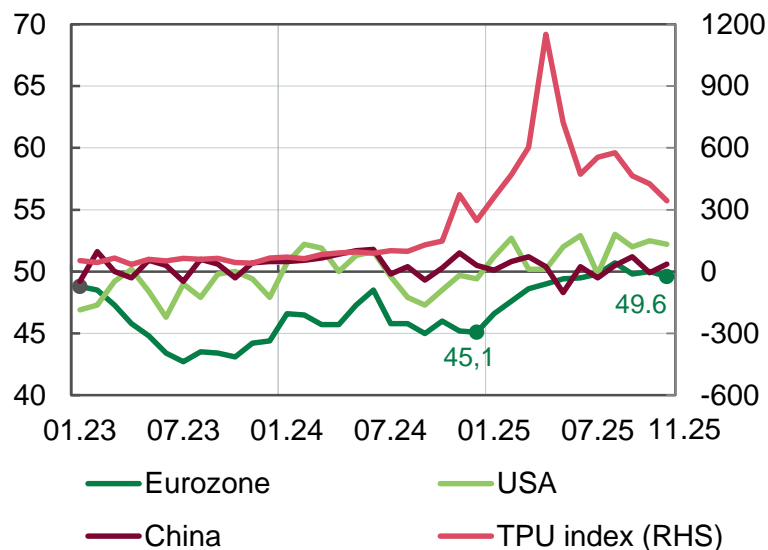
- **Economic growth in Ukraine's MTPs slowly picked up, inflation stabilized.** CBs mostly held their rates steady. Energy prices have been slowly declining in view of the expectation of oversupply. Prices for commodities prevailing in Ukraine's exports, with the exception of vegetable oils, moved sideways
- **In October, both headline and core inflation continued to slow** (to 10.9% yoy and 10.2% yoy, respectively). According to NBU's estimates, **these trends persisted in November.** The further decline in inflation was primarily driven by sufficient food supply
- **Business expectations of enterprises and some indicators of economic activity deteriorated in November.** Intensification of attacks by the rf, growing energy shortages and slow harvests restrained activity in a number of manufacturing sectors and the transportation, and the situation in construction worsened. At the same time, significant defense orders supported the workload of metallurgical and machinery enterprises, while seasonal discounts supported trade growth
- Growth of the number of resumes continued to outpace the increase in the number of job openings, easing pressure on the labor market. However, **labor shortages persisted, so real wage growth continued, albeit slowing in 2025.** The number of migrants abroad increased
- In October, **the goods trade deficit narrowed slightly**, thanks to an increase in exports due to the arrival of the new harvest. Significant amounts of international aid contributed to the **achievement of a record level of reserves** of USD 49.5 billion at the end of the month, with their buildup continuing in November
- **Relatively tight monetary conditions supported demand for hryvnia instruments and were an important factor in maintaining a sustainable situation in the FX market.** Net demand for non-cash and cash foreign currency and its net sales by the NBU remained almost at the previous month's level



External Environment

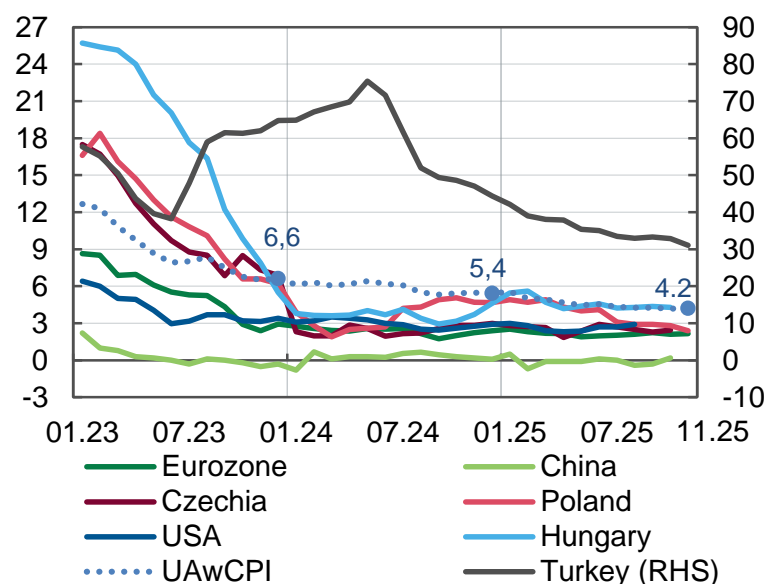
Economic growth in Ukraine's MTPs slowly picked up, inflation stabilized

Manufacturing PMIs of selected countries and Trade policy uncertainty index (TPU)



Source: S&P Global, Matteo Iacoviello webpage (based on textual analysis of news, 1% of all articles = 100).

CPIs in selected countries and Weighted average of Ukraine's MTP countries' CPI (UAWCPI), % yoy

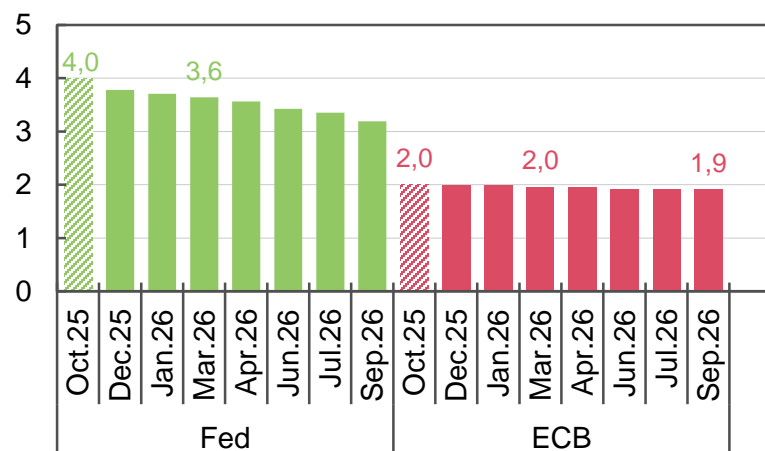


Source: national statistical offices, NBU staff estimates.

- Leading indicators pointed to the unstable revival of the economies of Ukraine's MTPs: the production of consumer and intermediate goods grew moderately, while the production of investment goods decreased
- Thanks to a number of trade agreements signed between the U.S. and third countries, the level of uncertainty has been increasingly reduced. As a result, business optimism improved significantly, although it remained below its long-term average level. Despite the weakness of new export orders in developed countries, trade flows accelerated in EM economies
- Inflationary pressure from Ukraine's MTP countries (UAWCPI) has stabilized at an elevated level: a gradual reduction of food prices due to the new harvest was offset by the labor market pressure

Central banks mostly kept rates unchanged

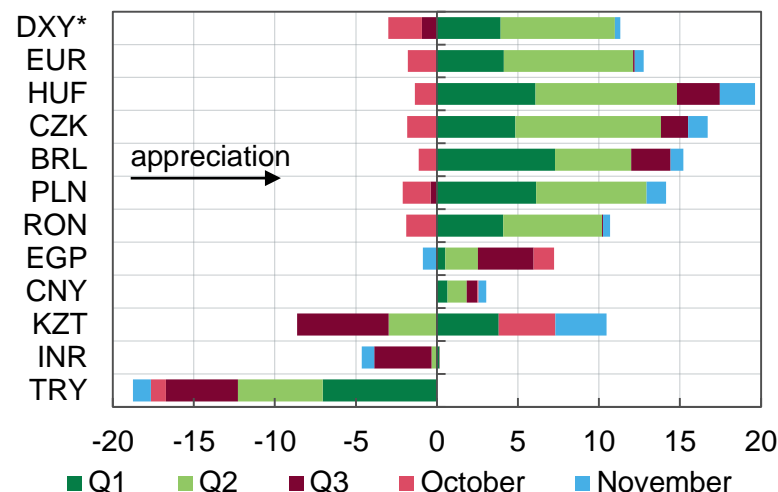
Market expectations (according to OIS) of key policy rates* on the respective meeting dates, %



* For the Fed – upper limit of the target range, for the ECB – deposit rate. October 2025 – actual data. Current expectations as of 28.11.2025.

Source: Bloomberg, official web pages of the Fed and ECB.

Change in the exchange rate of selected currencies against the U.S. dollar in 2025, %



* Inversed U.S. dollar index (changes in the basket of six major currencies against the U.S. dollar).

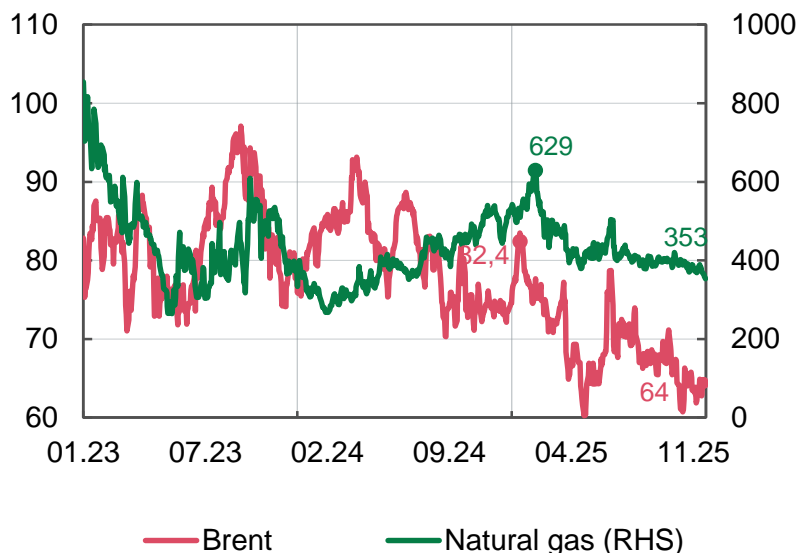
Source: LSEG, NBU staff calculations.

- The Fed signaled a possible December cut to the target rate range (3.75%-4%) amid the weakening labor market, but diverging views among Fed officials highlight the elevated uncertainty. The ECB signaled that its monetary policy is in a “good position”, thus it does not see a need to adjust monetary conditions (deposit rate at 2%). Financial markets expect the Fed to lower its rate in December and the ECB to hold rates steady
- The U.S. dollar started to gradually regain investors' confidence amidst lower trade uncertainty (appreciated by over 1.2% against the euro in October–November). However, the expectations for the Fed rate cut restrained its further strengthening. The consensus forecast for the euro-dollar exchange rate for the end of 2025–early 2026 is holding at ≈ 1.17 -1.18 USD/EUR

CBs of the EM countries mostly kept their rates unchanged against the backdrop of elevated risks to inflation or eased policy (Poland, South Africa, Mexico, Ghana) to support economic growth

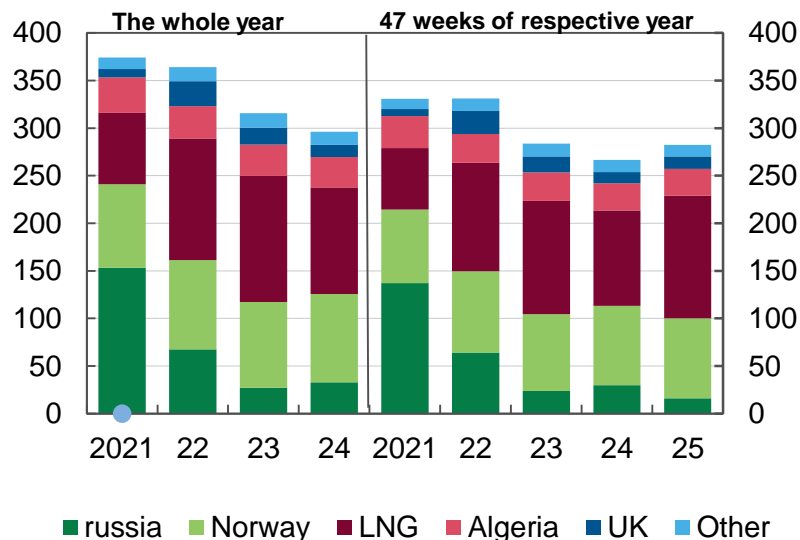
Energy prices have been slowly declining in view of the expectation of oversupply

World Brent oil prices (USD/bbl) and Dutch TTF natural gas prices (USD/kcm)



Source: LSEG.

Natural gas imports to the EU by origin, bcm

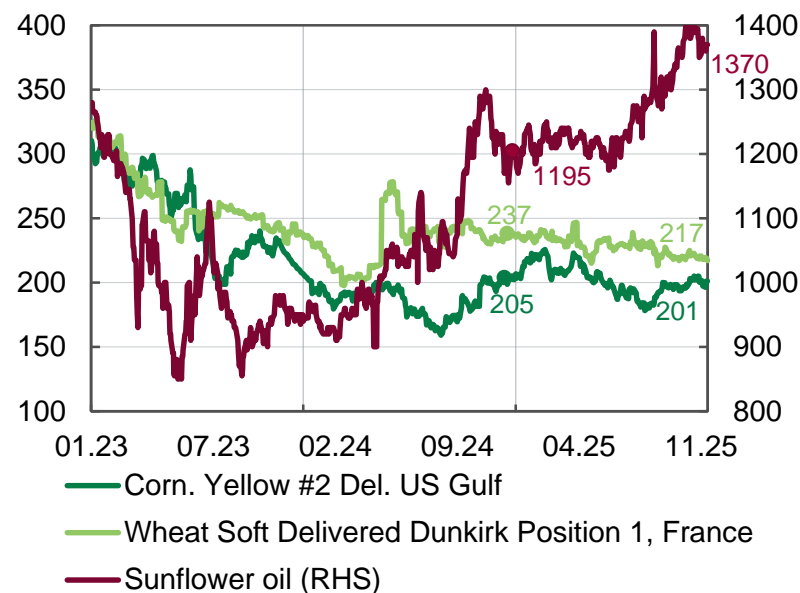


Source: Bruegel (russia, Norway, Algeria – pipelines).

- Speculation about a possible easing of sanctions on russian oil and gas was a significant factor in the energy price decrease
- Oil prices were also falling as OPEC+ output increased, U.S. production reached a record high, and China's imports declined due to significant domestic stocks. Only the increased U.S. sanctions against oil exports from Iran and russia, a reduction in U.S. rig count, and an expected suspension of OPEC+ production growth in the first quarter of 2026 deterred prices from falling deeper
- Gas prices in Europe were also falling, in particular due to the increase in wind energy production in Germany, France, and the Netherlands; stable gas production in Norway; significant LNG imports and slow removal of gas from storage facilities

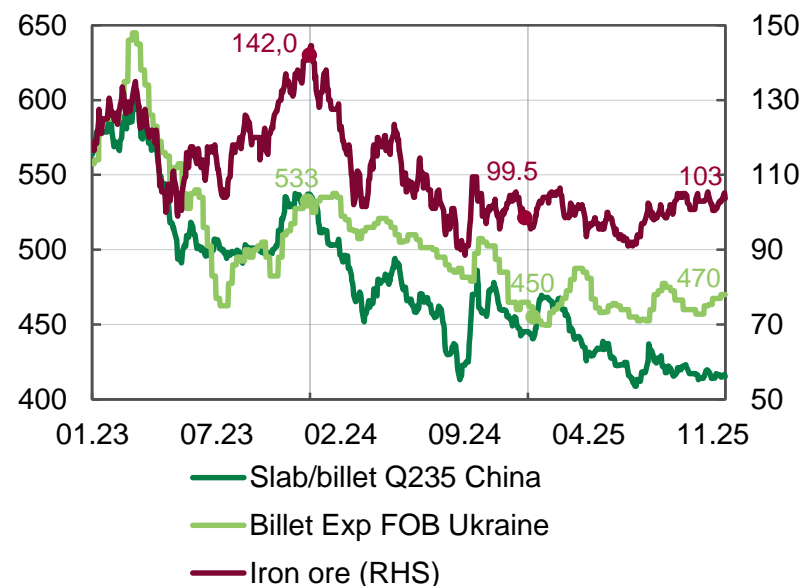
Prices for commodities prevailing in Ukraine's exports, with the exception of vegetable oils, moved sideways

Global grain and sunflower oil prices, USD/MT



Source: LSEG.

Global steel and iron ore prices, USD/MT



Source: LSEG, Delphica.

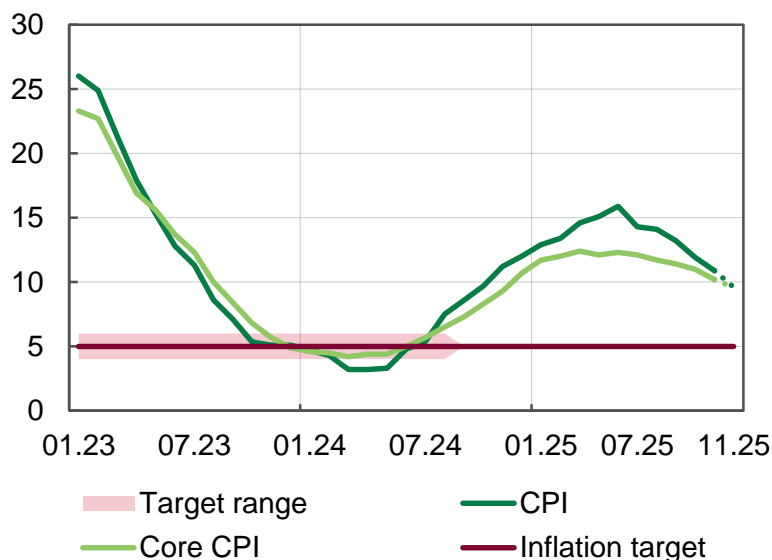
- The wheat and corn market remained relatively balanced in the context of the completion of harvesting and active sowing in the world's largest exporting countries. The available supply was sufficient to meet steadily growing demand
- Prices for sunflower oil, despite a slight downward correction, remained at record high levels. The reason is the deterioration of the USDA forecast for world production of oil harvest in MY 2025/2026, in particular in Ukraine, amid significant demand from animal farming and bioethanol producers
- The market for ferrous metals remained weak and prices fluctuated in a relatively narrow range. Sluggish world demand, primarily from China and European countries, against the backdrop of stable supply, put downward pressure on prices. Only a high level of production costs for metallurgical products restrained prices from falling



Ukraine: Inflation

Consumer inflation continued to slow down, but inflation expectations mostly remained elevated

Inflation* and inflation target, % yoy

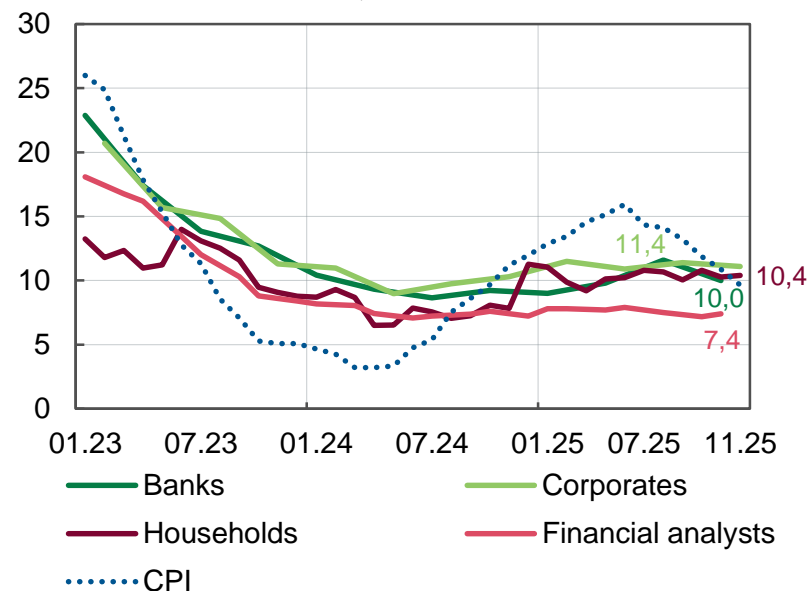


* Data for November reflects nowcast. The target range remained in effect until August 2024 inclusive.

Source: SSSU, NBU staff estimates.

- In October, both headline and core inflation continued to slow (to 10.9% yoy and 10.2% yoy, respectively). According to NBU's estimates, these trends persisted in November, primarily due to sufficient supply of food from new harvests
- The decline in core inflation in October was driven primarily by the impact of higher harvests on the cost of processed food products, as well as lower inflation in non-food goods. At the same time, services inflation remained fairly steady
- Inflation expectations of most respondent groups remained elevated. Only the expectations of financial analysts were relatively close to the NBU's forecasts

Inflation in annual terms* and inflation expectations for the next 12 months, %

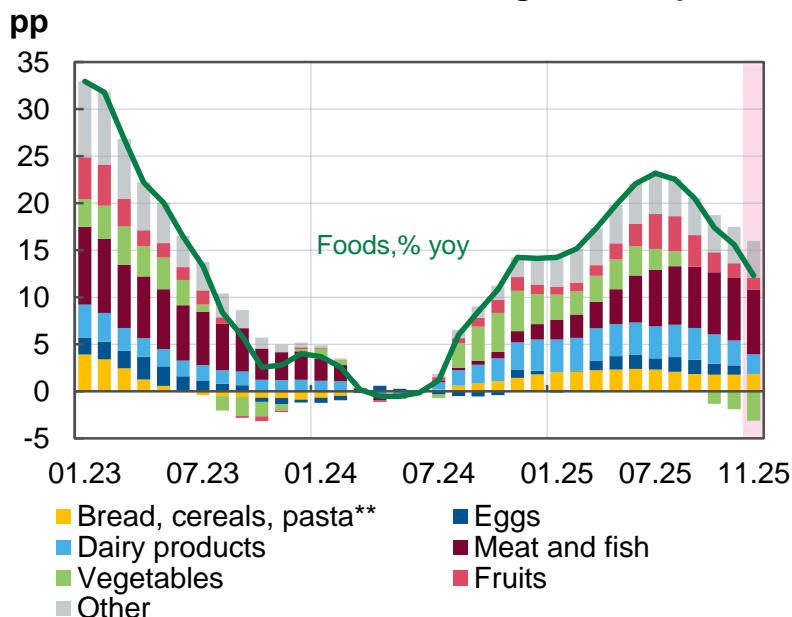


* Data for November reflects nowcast.

Source: NBU, Info Sapiens.

A sufficient supply of food from new harvests contributed to a further decline in food inflation

Contributions to the annual change in food prices*, pp



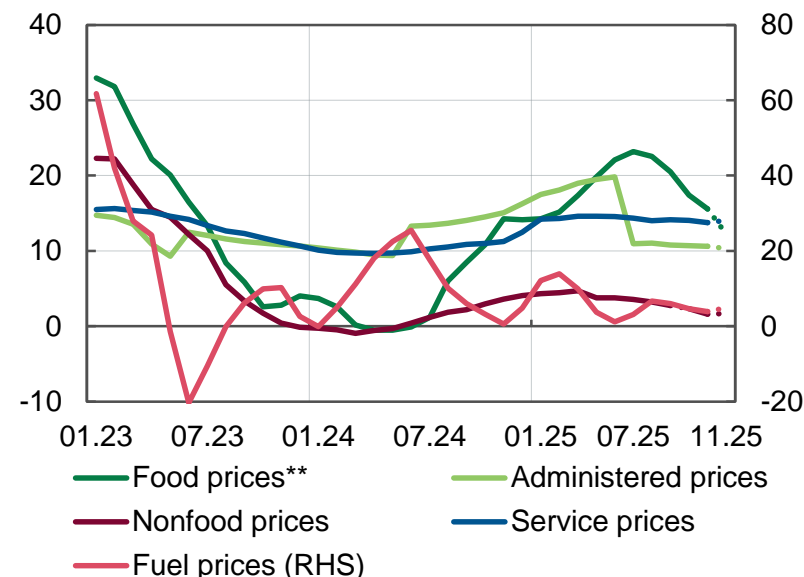
* Data for November reflects nowcast.

** Also includes products with admin. regulated prices.

Source: SSSU, NBU staff estimates.

- In October, food inflation continued to slow down, both for raw (to 15.2% yoy) and processed (to 15.6% yoy) products. According to NBU's nowcast, these trends persisted in November
- The year-on-year decline in vegetable prices deepened due to [higher harvests](#) this year. The rate of growth in fruit prices slowed significantly. The pace of increase in flour prices continued to decelerate due to a higher [share of milling wheat](#) in this year's harvest. After a prolonged acceleration, pork prices growth stabilized amid lower purchase prices for pigs. The rise in chicken prices also stabilized as global prices declined

Selected CPI components*, % yoy



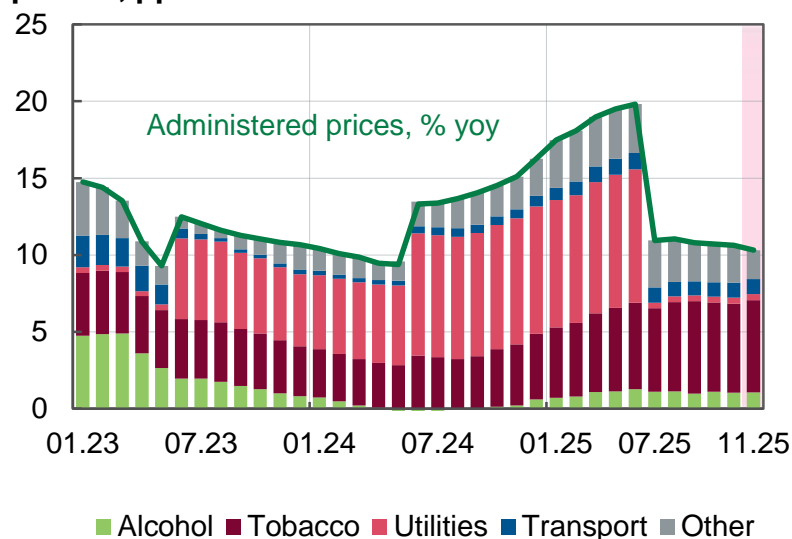
* Data for November reflects nowcast.

** Also includes products with admin. regulated prices.

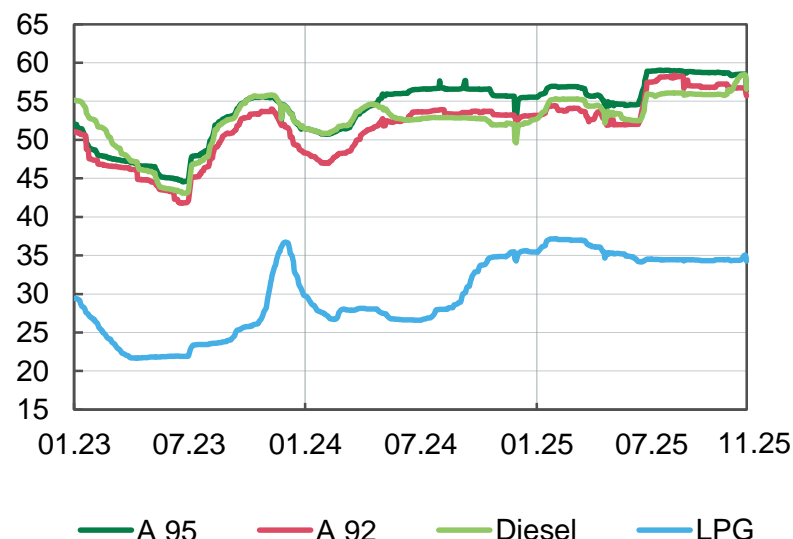
Source: SSSU, NBU staff estimates.

Administered inflation declined slowly and was primarily driven by higher prices of tobacco products

Contributions to the annual change in administered prices*, pp



Fuel prices, UAH / L



* Data for November reflects nowcast.

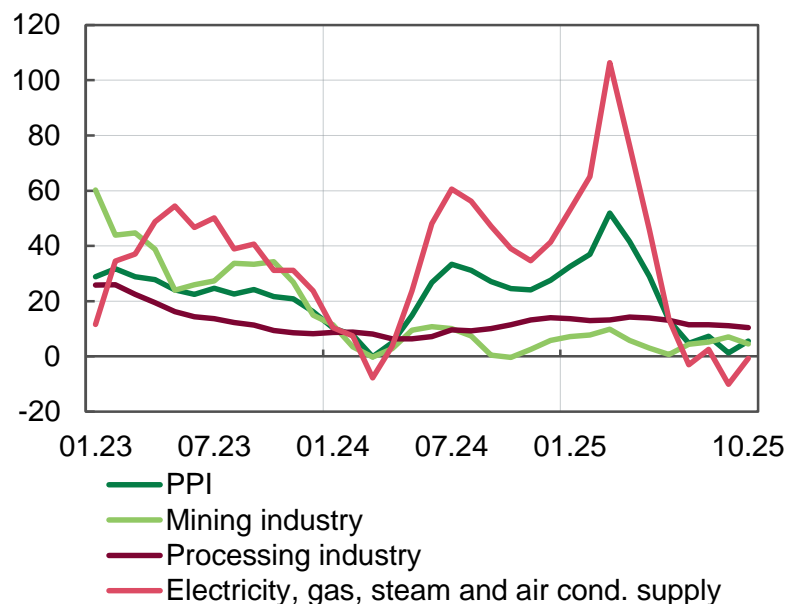
Source: SSSU, NBU staff estimates.

Source: minfin.com.ua.

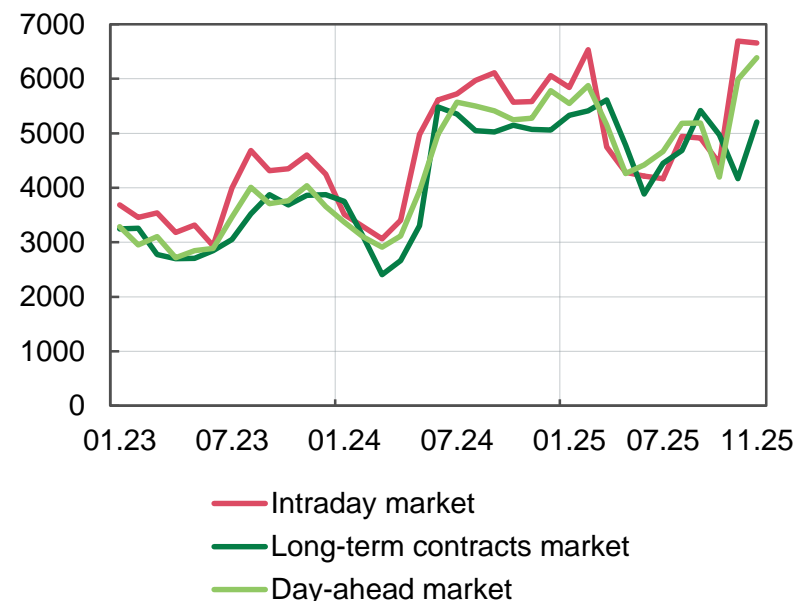
- Administered inflation slowed slightly but remained elevated (10.6% yoy in October) due to rising prices of tobacco products. These dynamics were driven in particular by [tax changes](#) for manufacturers and importers of tobacco products (effective March 25, 2025)
- The growth rate of fuel prices slowed to 3.9% yoy in October, primarily due to the comparison base effect, with prices for all types of fuel remaining virtually unchanged in October. The increase in wholesale prices was offset by a reduction in markups of gas stations. According to NBU's estimates, fuel inflation accelerated in November due to [rising diesel prices](#) amid higher external prices and logistical difficulties

Industrial inflation accelerated due to higher electricity prices

PPI and its components, % yoy



Electricity prices for non-household consumers, UAH/MWh



Source: SSSU.

Source: Ukrainian Energy Exchange, Market operator.

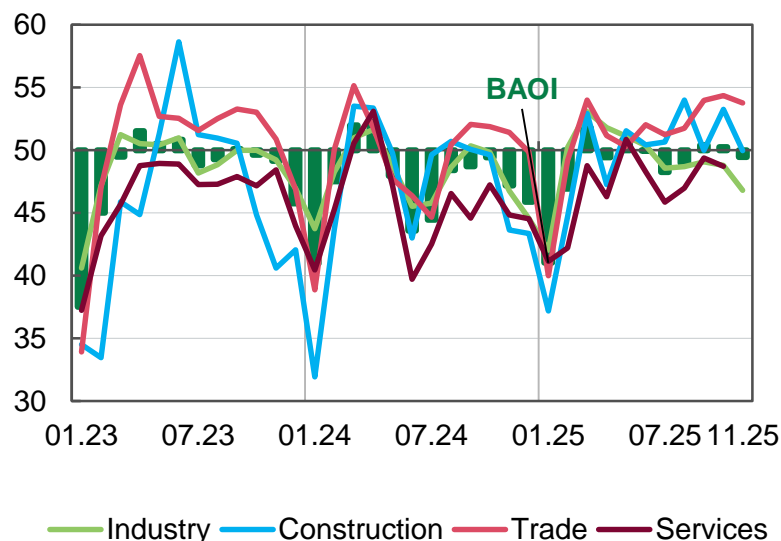
- The growth rate of producer prices accelerated in October (to 5.5% yoy) due to a slower decline in prices in the "electricity, gas, steam supply" sector (to -0.7% yoy). Average monthly prices on certain wholesale electricity markets rose to historic highs as a result of shortages caused by attacks on energy infrastructure and an increase in evening [price caps](#) since August
- Price growth in the mining and processing industries slowed slightly (to 4.5% yoy and 10.4% yoy, respectively). Inflation in the processing industry eased due to weaker second-round effects from higher food raw material prices and a gradual reduction in labor market pressures. The highest inflation was observed in the production of food, beverages, and tobacco products



Ukraine: Economic activity

Business sentiment and selected economic activity indicators have deteriorated somewhat amid growing energy shortages

NBU's business activity outlook index, p

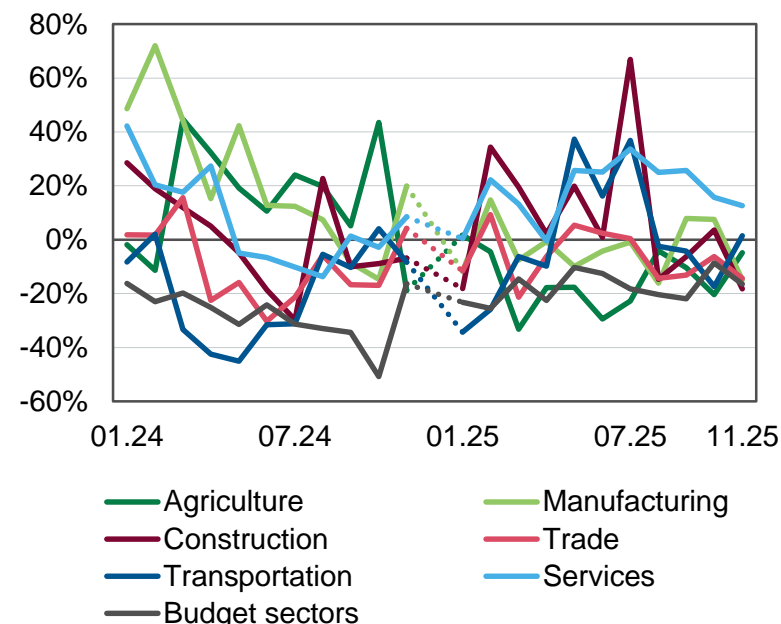


A level above 50 indicates mainly positive expectations.

Survey was not conducted from March to May 2022.

Source: NBU.

Enterprise registrations by type of activity, % yoy

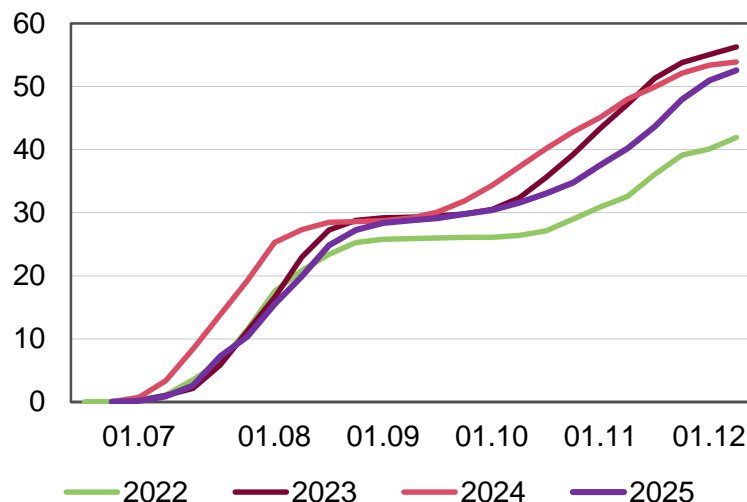


Source: opendatabot.ua, NBU staff estimates.

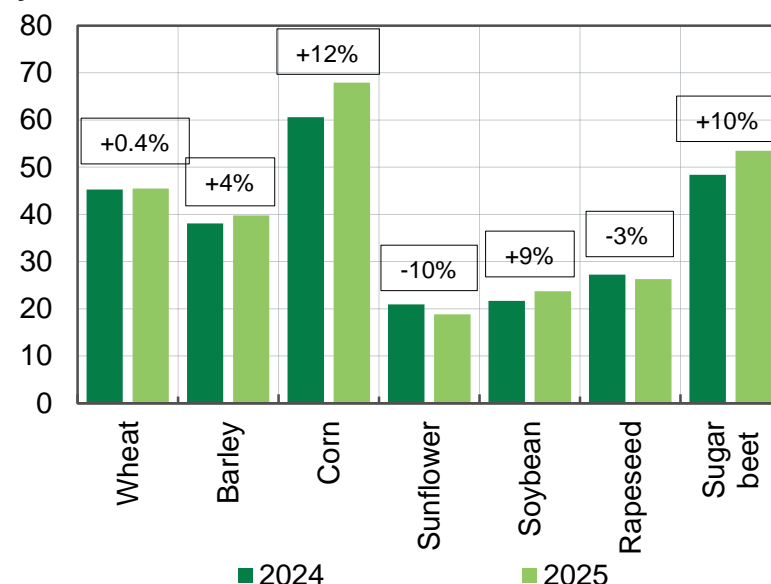
- In November, business expectations of enterprises and economic activity across several sectors were restrained amid a growing electricity deficit, a difficult security situation and a slow harvest
- In particular, the Business Activity Outlook Index (BAOI) turned negative (-0.6 points) in November after improving in September-October, in particular due to the deterioration of expectations of industrial and construction enterprises, while positive sentiment continued to prevail in trade. At the same time, business sentiment was better than in November of the previous year
- Some indicators of economic activity also deteriorated. Thus, the number of company registrations in a number of sectors decreased

In October-November, the harvest pace accelerated, but the threshed volumes still lag behind last year's

Grain and leguminous crop volumes, million tons, cumulative



Crop yield compared to the date of the previous year, when similar areas were threshed, centner/ha



** As of 28.11.2025

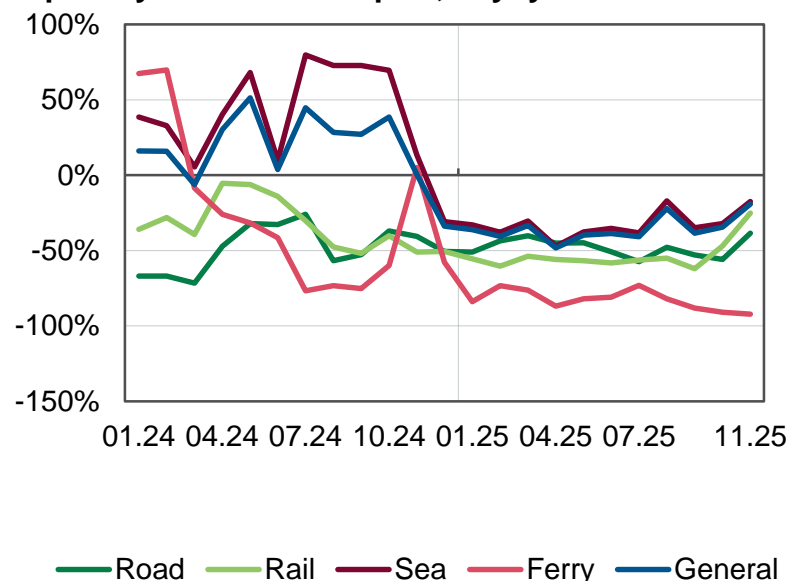
Source: Ministry of Agriculture.

Source: Ministry of Agriculture.

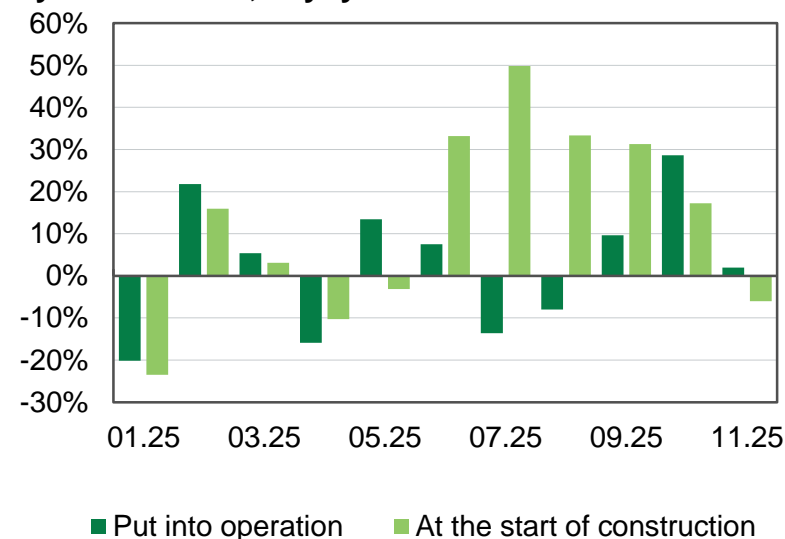
- According to the SSSU, in October the decline in agricultural production slowed to 4.6% yoy (from 23.6% yoy in September) amid the backdrop of intensified corn harvesting. In November, the harvest pace continued to accelerate. However, the total threshed volumes still lagged significantly behind last year's due to a slower start to the harvesting campaign and rains. As of the end of November, the harvested areas of grain and oilseed crops were 6% lower than on the same date in the previous year
- At the same time, grain crop yields exceeded last year's due to corn (+3% compared to the same date last year and +12% compared to the same date last year, when similar areas were harvested) and slightly better results for wheat and barley

Slow harvests hampered the transportation industry, while power outages and labor shortages held back construction

Volumes of agricultural products transportation for export by mode of transport, % yoy



Change in the number of new buildings constructed by businesses*, % yoy



* Buildings constructed by legal entities and individual entrepreneurs.

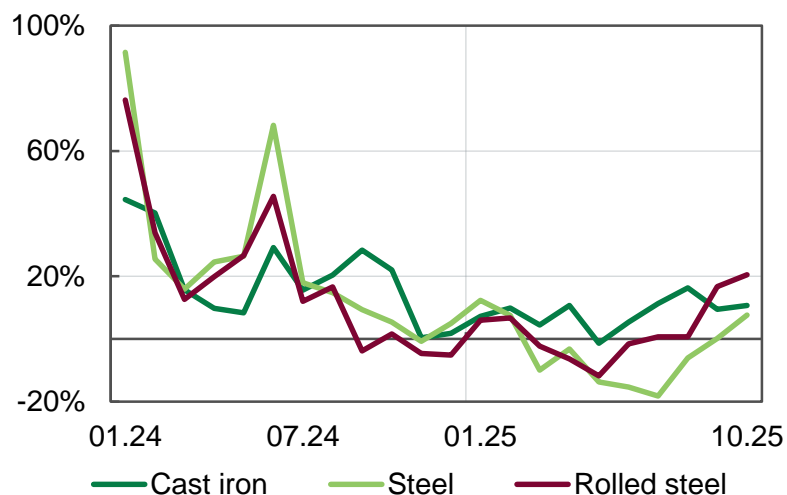
Source: Construction activity registry

Source: UGA.

- In November, the rate of decline in agricultural cargo exports slowed significantly (-19% yoy) by all modes of transport except ferry. However, transportation still lags significantly behind last year's due to the slow pace of the harvest
- Construction activity weakened amid power outages and increasing labor shortages. The number of buildings under construction in November fell by 6% yoy, and the growth rate of the number of buildings put into operation slowed to 2% yoy. In particular, construction for production needs, budget sectors and service sectors decreased. At the same time, construction of logistics facilities, infrastructure and housing grew steadily in annual terms

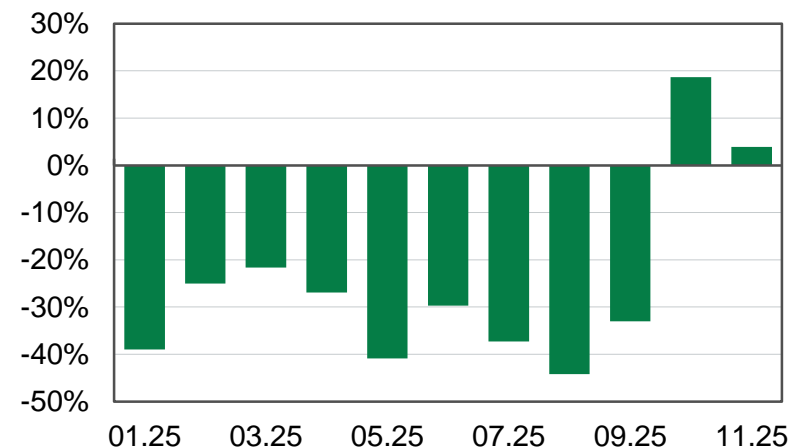
The growing electricity deficit held back a number of industries, but metallurgy grew

Production of steel, cast iron and rolled steel, yoy



Source: Ukrmetallurgprom.

Registration of vehicles manufactured in Ukraine, % yoy

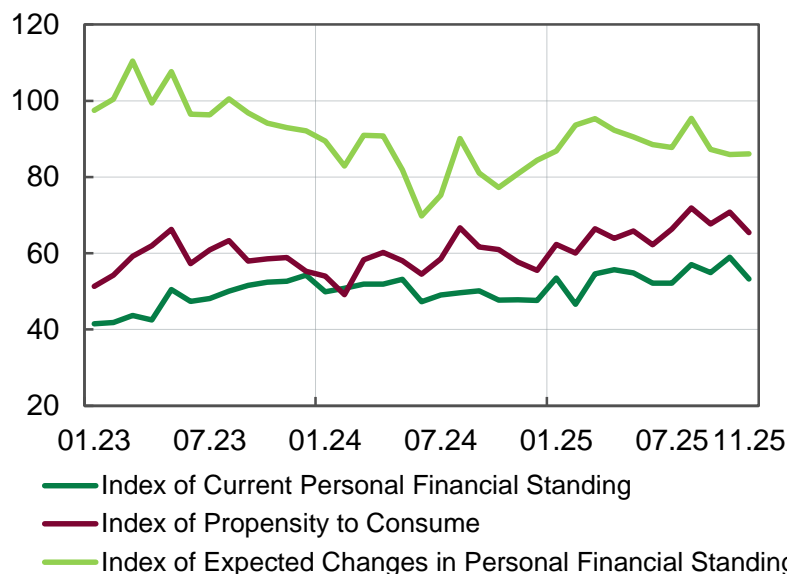


Source: Ministry of Internal Affairs.

- The intensification of the russian shelling hampered the work of industry in November, both directly - through the reduction of electricity production, the [suspension of the work of extractive industry enterprises](#), etc., and indirectly through the growth of the energy deficit
- The arrival of new crop oilseeds and [increased processing of soybeans and rapeseed](#) contributed to an increase in the load of food industry enterprises, but the lower than last year's sunflower harvest and low raw material stocks continued to [restrain the growth of the industry](#)
- Due to the decrease in the area sown under sugar beet, [sugar production](#) is also lower than last year
- Metallurgical production continued to pick up in October, individual enterprises [maintained high capacity utilization in November](#), in particular amid high needs of the defense sector. This also supported machine-building enterprises, and the production of vehicles continued to grow. On the other hand, the unfavorable international situation continued to restrain the activity of [ore enterprises](#)

Trade revived amid seasonal discounts, consumer sentiment weakened somewhat, but was better than last year

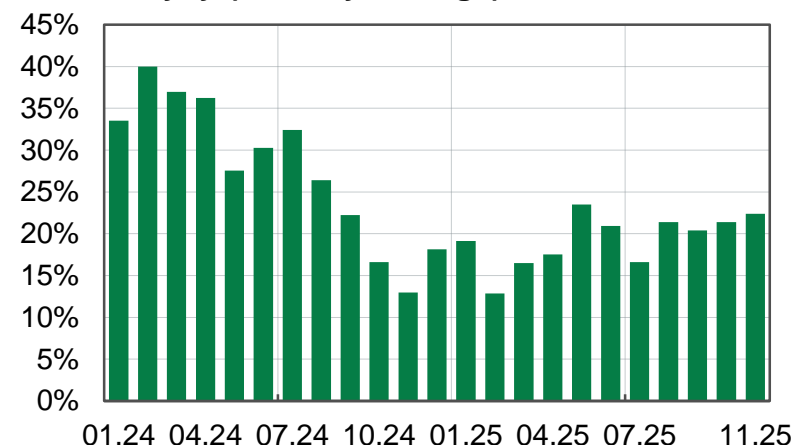
Components of the consumer sentiment index, p



In March 2023, the survey method was changed from face-to-face to telephone interviews. Source: Info Sapiens.

- Trade picked up in November due to the seasonal discounts. In particular, payment terminal transaction volumes growth in retail trade accelerated to 22.4% yoy
- A significant increase in passenger car registrations also continued, driven in particular by increased sales of electric vehicles
- Consumer sentiment eased slightly in November, although it remained better than last year

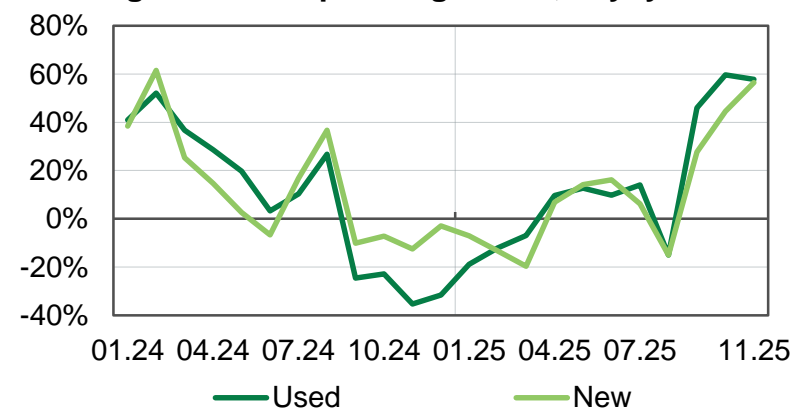
Payment terminal transaction volumes in retail trade*, % yoy (monthly average)



* Deflated by inflation index

Source: State Tax Service, NBU staff estimates.

First registration of passenger cars, % yoy



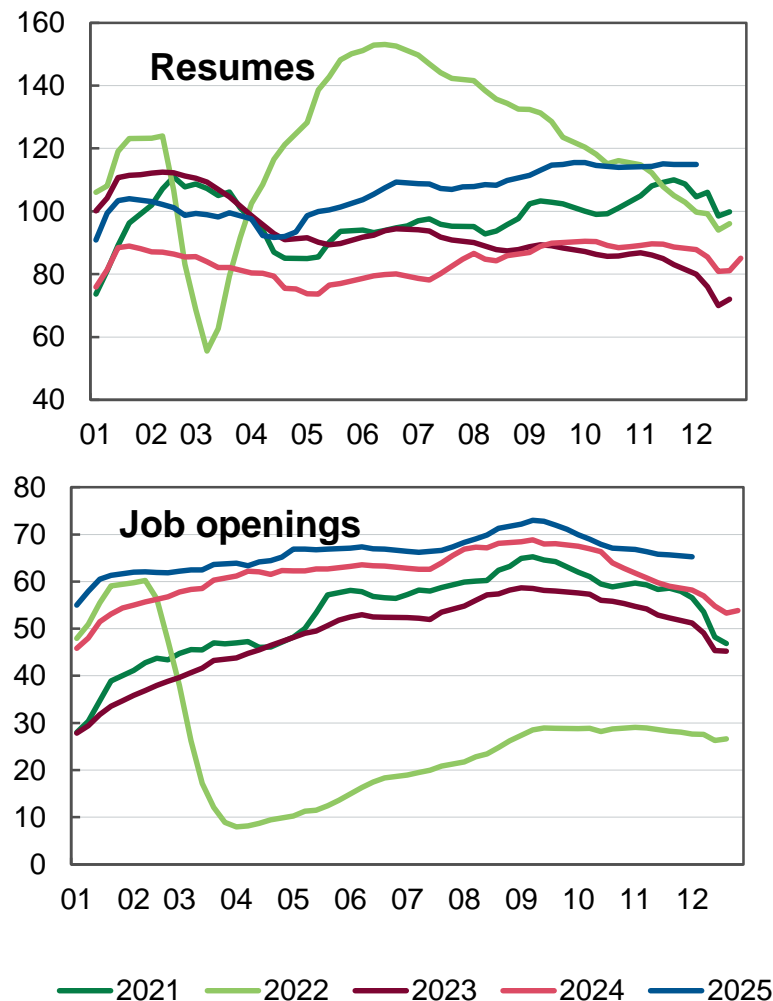
Source: Ministry of Internal Affairs.



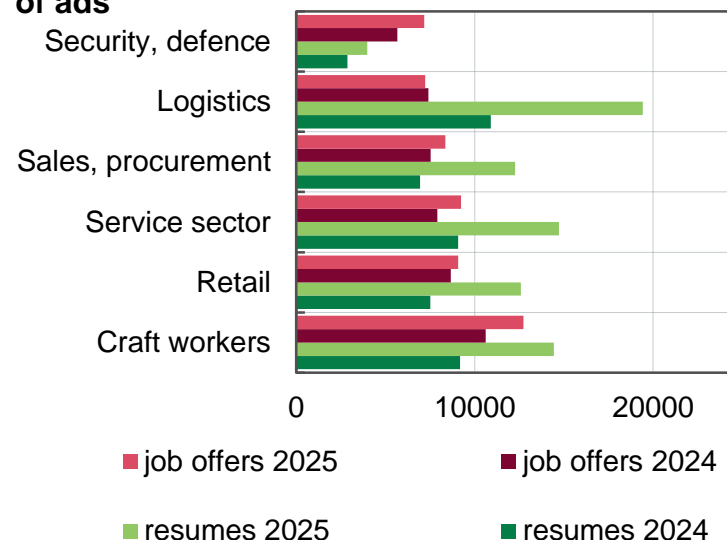
Ukraine: Labor market

Labor supply growth continued to outpace growth in demand in November

Labor market indicators, four-week rolling average, thousands



Occupations with the largest number of job openings and resumes in November 2025, number of ads

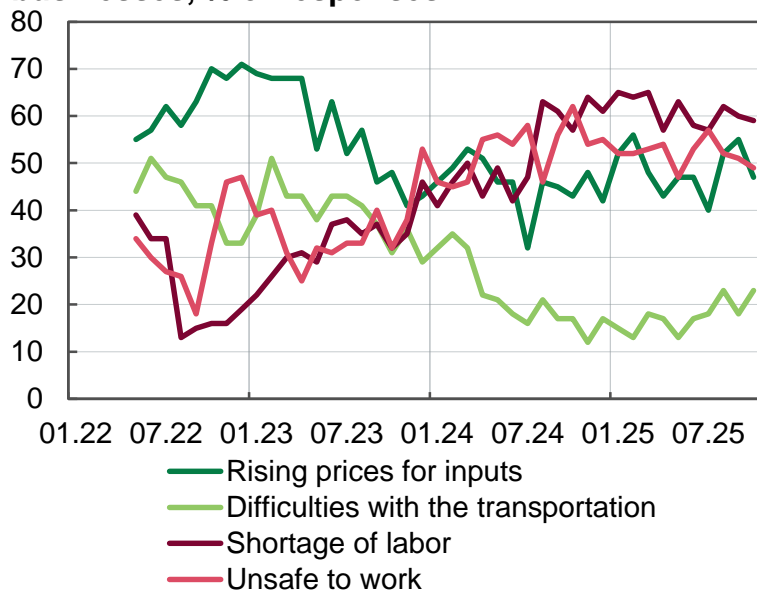


Source: work.ua.

- The number of resumes grew by an average 27% yoy in November, while the number of job openings grew by 9% yoy. Such dynamics eased pressure on the labor market
- Significant sectoral imbalances remained. In particular, the growth in job offers for the most in-demand craft workers was 20% yoy, and the resume rate growth was 57% (1.1 candidate per position). At the same time, job openings in sales and procurement decreased by 2%, while resumes increased by 78% (2.7 candidates per position)

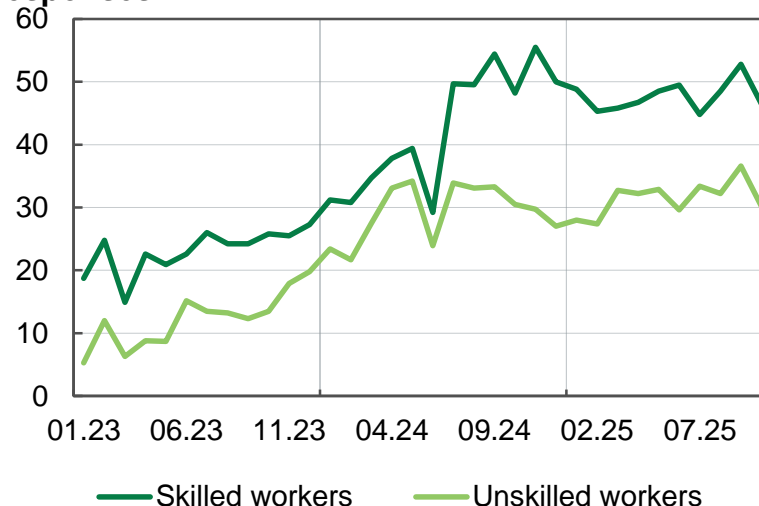
Meanwhile, the shortage of employees remained significant

The most important problems for the surveyed businesses, % of responses



Source: IER.

Index of problems in finding employees, balance of responses

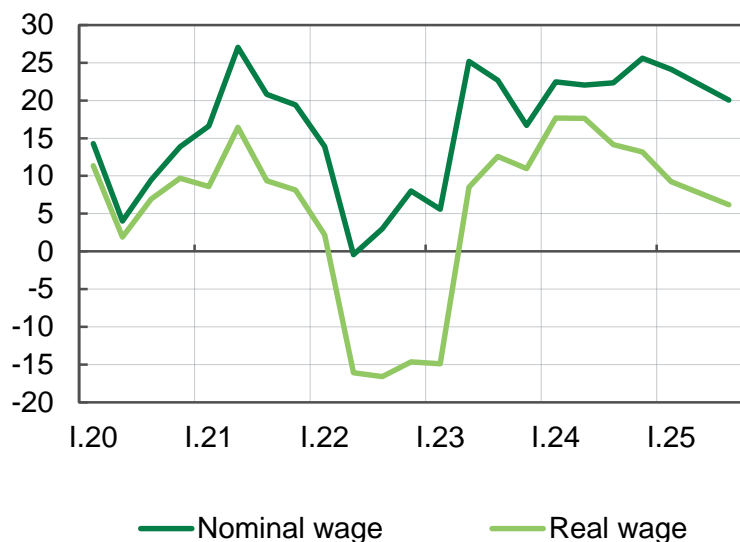


Source: IER.

- Lack of labor has remained the No. 1 problem for the surveyed companies since November 2024. In 2025, the indicator remained at a consistently high level, but gradually decreased
- The difficulty of finding workers decreased slightly in October compared to the previous month for both skilled and unskilled workers, which likely indicates a slight decrease in labor demand due to increased bombings and deteriorating energy supply

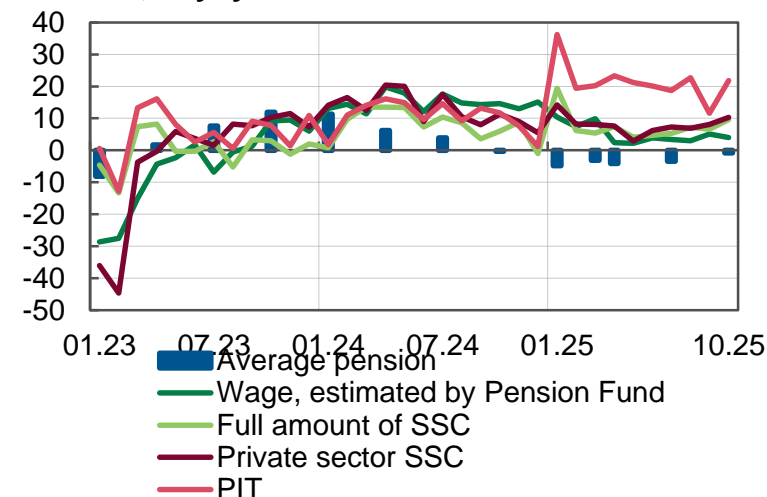
Due to the gradual easing of pressure from the labor market, wage growth is slowing down

Nominal and real wage growth rates, % yoy



Source: SSSU.

Indirect indicators for estimating real household income*, % yoy



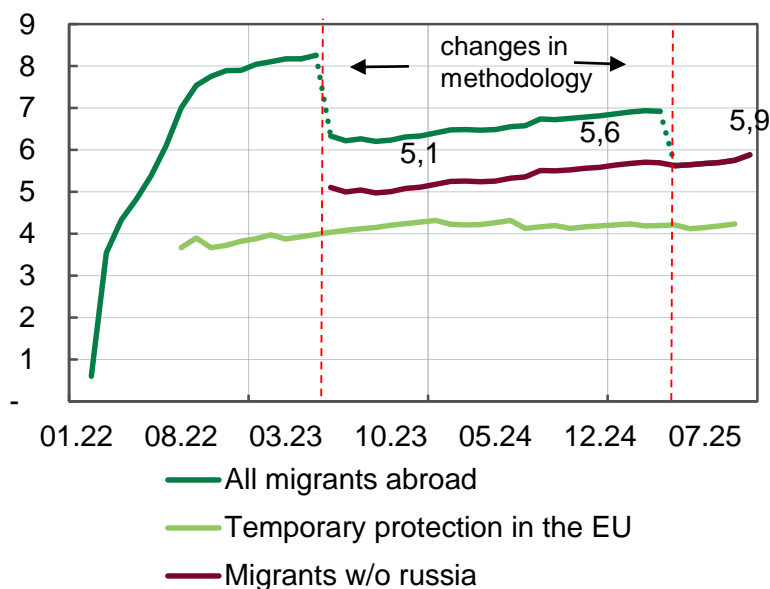
* Deflated by CPI. The private sector SSC is calculated as the difference between total SSC and SSC on wages from the consolidated budget.

Source: Pension Fund of Ukraine, STSU, SSSU, NBU staff calculations.

- According to the SSSU, the average wage in October 2025 amounted to UAH 26.9 thousand. In Q3'2025, according to an indirect estimate, average wages increased by 20% yoy in nominal terms, and by 6.2% yoy in real terms
- According to work.ua, the median nominal wage offered in November increased by 20% yoy and amounted to UAH 27 thousand.

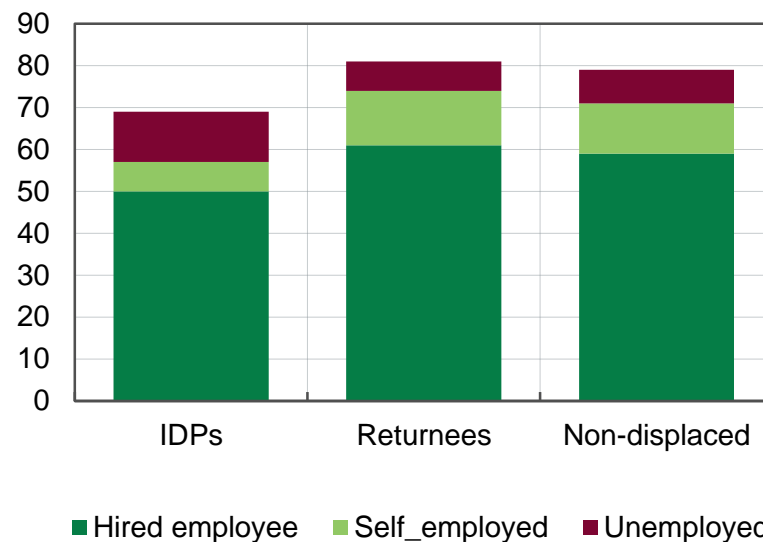
According to the UNHCR, the number of Ukrainian migrants abroad increased in the fall

Number of migrants since the start of the full-scale invasion, million persons



Source: UNHCR, Eurostat.

Structure of the labor force of IDPs, returnees and non-displaced, % of responses



Source: IOM.

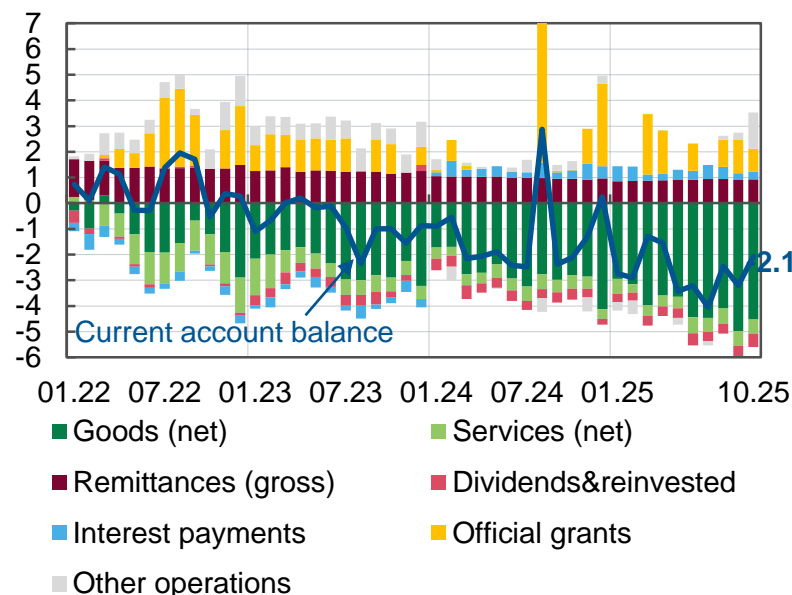
- According to the UNHCR, the number of migrants increased to 5.9 million persons as of 14 November 2025. Since the previous update (October 03), the increase was 128 thousand persons, which is comparable to the increase in January-September (166 thousand). This could be due, in part, to increased shelling of civilian infrastructure, as well as to the permission to leave for men aged 18-22
- According to a survey conducted by IOM, the unemployment rate among IDPs (17%) was almost twice as high as among returnees (9%) and non-displaced (10%). With the number of IDPs estimated by IOM at 3.7 million in September 2025, the higher unemployment rate among IDPs has a significant impact on the overall unemployment rate in the country



Ukraine: Balance of Payments

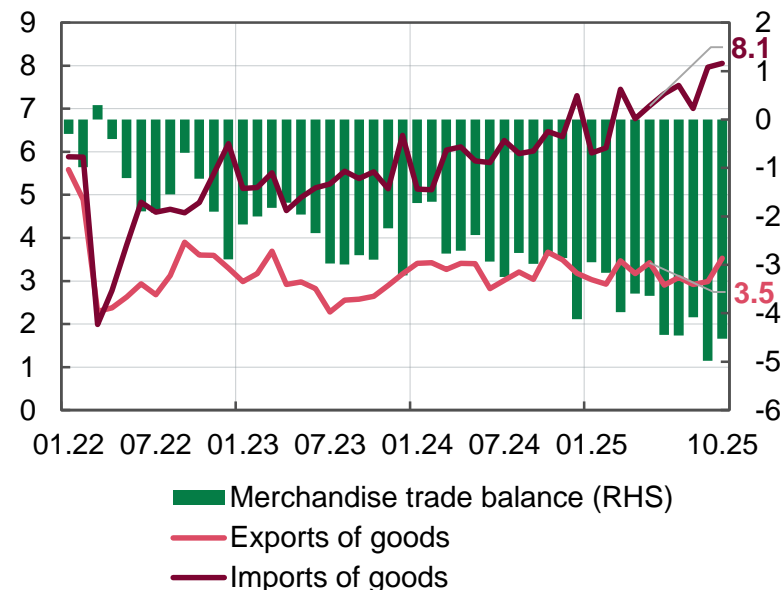
In October, the current account deficit decreased primarily due to higher inflows from international partners

Current account balance, USD billions



Source: NBU.

Merchandise trade balance, USD billions

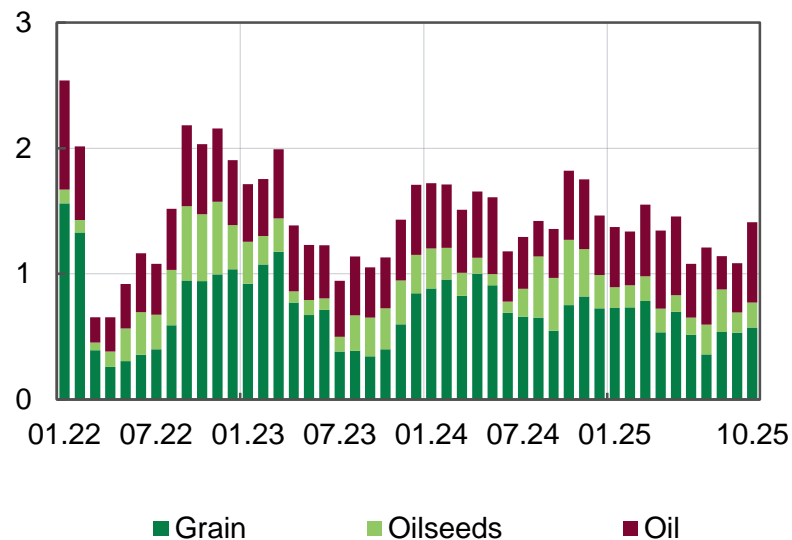


Source: NBU.

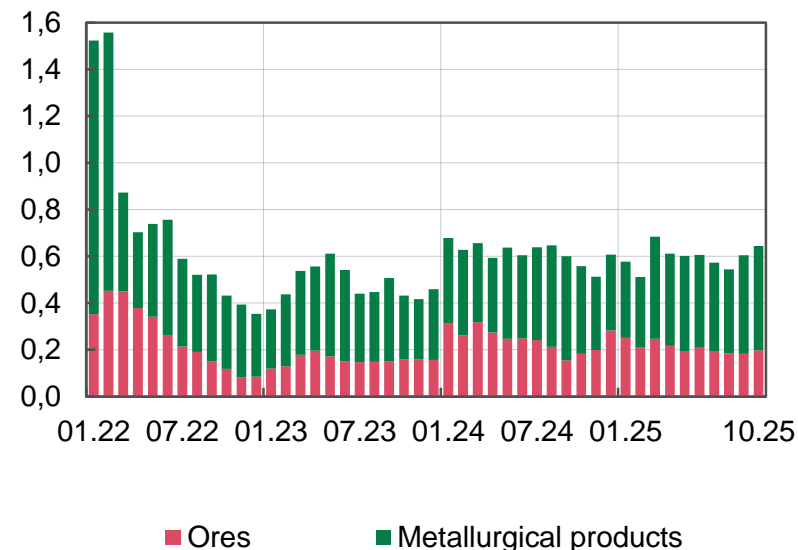
- In October, inflows into the secondary income account increased significantly. The volume of grants slightly decreased but remained substantial. At the same time, the volume of aid received within the framework of international cooperation, including through charitable foundations, grew
- Additionally, the goods trade deficit narrowed. Specifically, goods exports grew on account of food products, particularly vegetable oils, which was facilitated by the accumulation of new harvest stocks. The increase in imports significantly slowed down due to a seasonal reduction in product purchases by agricultural producers
- As a result, the current account deficit narrowed to USD 2.1 billion and for the first 10 months, it amounted to USD 26.9 billion (compared to USD 14.1 billion for the first 10 months of 2024)

The accumulated volumes of the harvested crop contributed to the increase in exports of food products, primarily vegetable oil

Exports of some food products, USD billions



Exports of metallurgical products and ores, USD billions



Source: NBU.

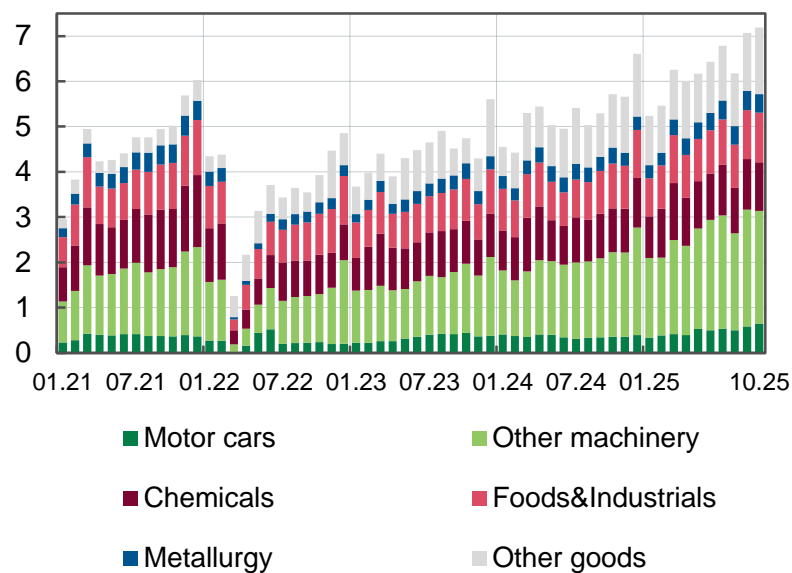
Source: NBU.

- A favorable external market environment combined with an increased supply of sunflower seed on the domestic market led to a significant increase in sunflower oil exports. Furthermore, the accumulation of harvested volumes of soybeans contributed to the growth of exports of both seeds and soybean oil
- The arrival of the new corn harvest ensured the growth of grain exports
- In October, iron ore shipments to [Poland](#) increased, which almost offset the reduction in its exports to China amid weak demand. Thanks to the higher price of ore supplied to Europe compared to the Chinese destination, the value of iron ore exports grew

The buildup of tubes and pipes exports continues: Interpipe is increasingly expanding its participation in investment projects in Asian countries, which supports the export of metallurgical products

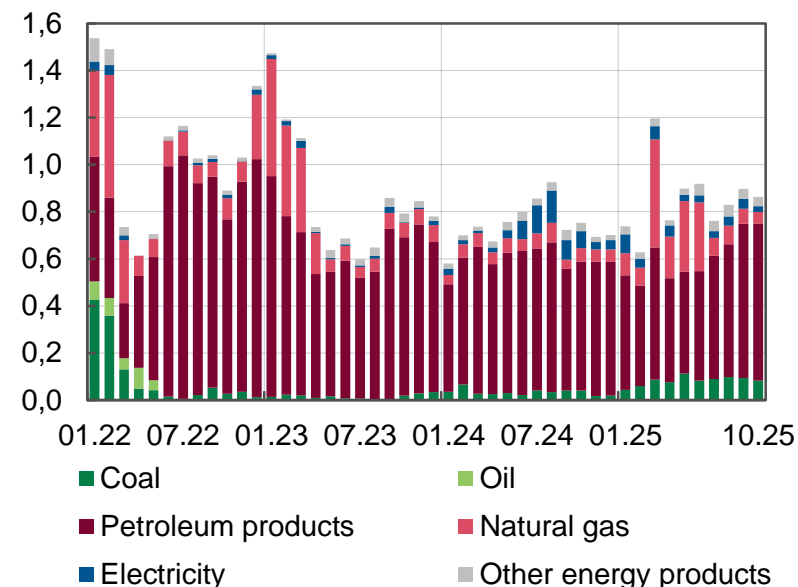
The growth of non-energy imports significantly slowed down, primarily due to seasonal factors

Non-energy imports, USD billions



Source: NBU.

Energy imports, USD billions

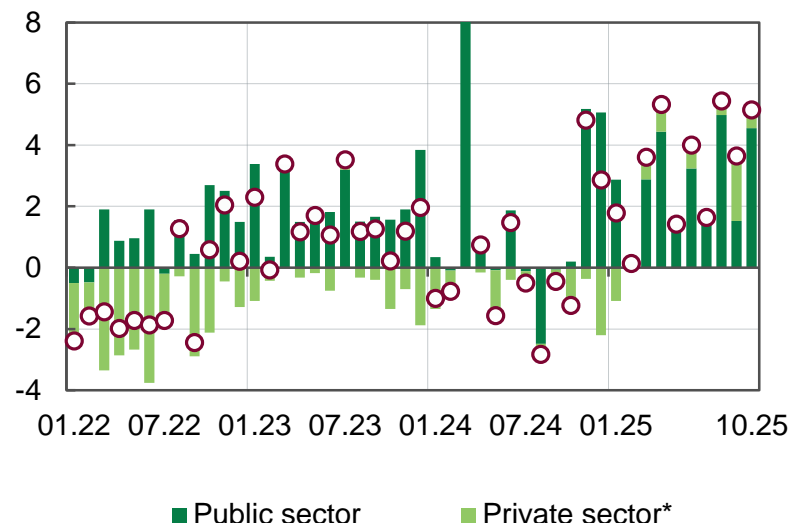


Source: NBU.

- Due to lower demand from agricultural producers, the import of fertilizers and agricultural machinery decreased
- In contrast, the import of energy equipment for infrastructure restoration and military products continues to grow
- In addition, ahead of the return of VAT on electric vehicle imports from 1 January 2026, the import of motor cars continued to increase
- Energy imports remained high; in October, purchases of oil products increased against the backdrop of the active harvesting campaign

The receipt of significant loan amounts from international partners contributed to an increase in capital inflow under the FA

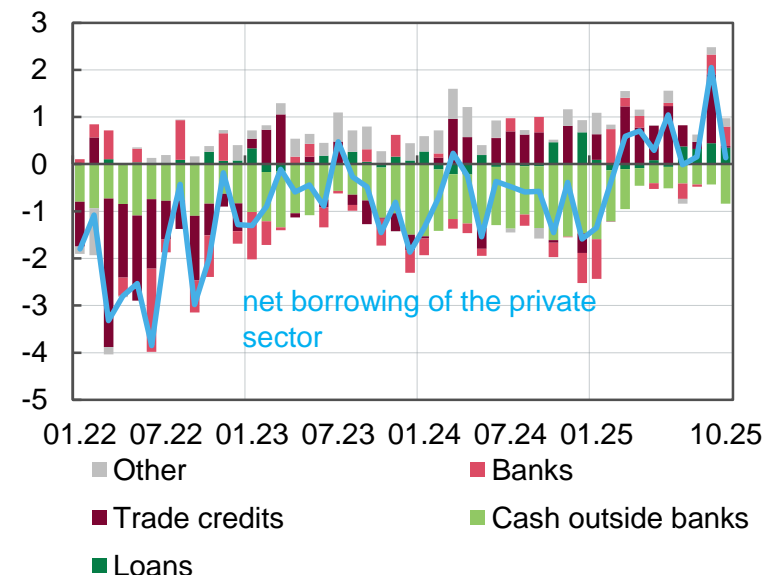
Financial account: net external liabilities, USD billions



* Including net errors and omissions.

Source: NBU.

Private sector: net external liabilities, USD billions

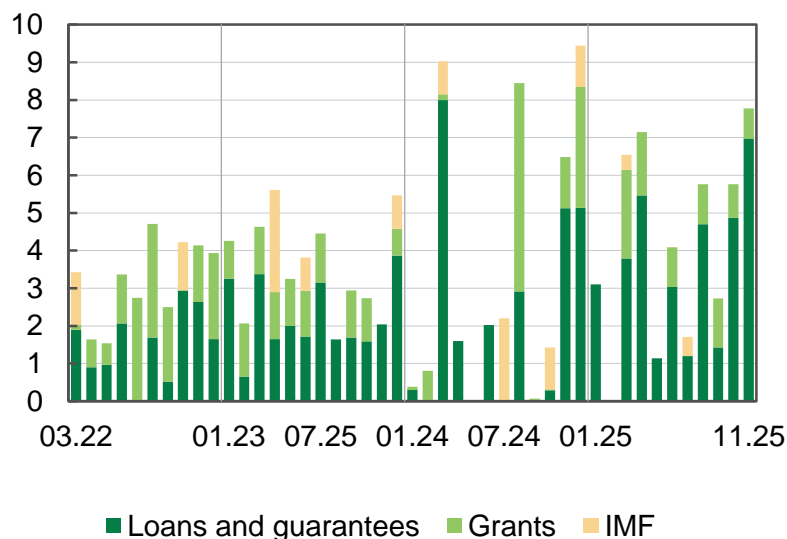


Source: NBU.

- The receipt of significant loan amounts from international partners (USD 4.9 billion) contributed to the increase in capital inflow to the public sector
- In contrast, the capital inflow to the private sector declined due to both the seasonal increase in demand for FX cash and a reduction in the inflow of currency from trade credits
- As a result, the balance of payments was recorded with a surplus amounting to USD 3.1 billion

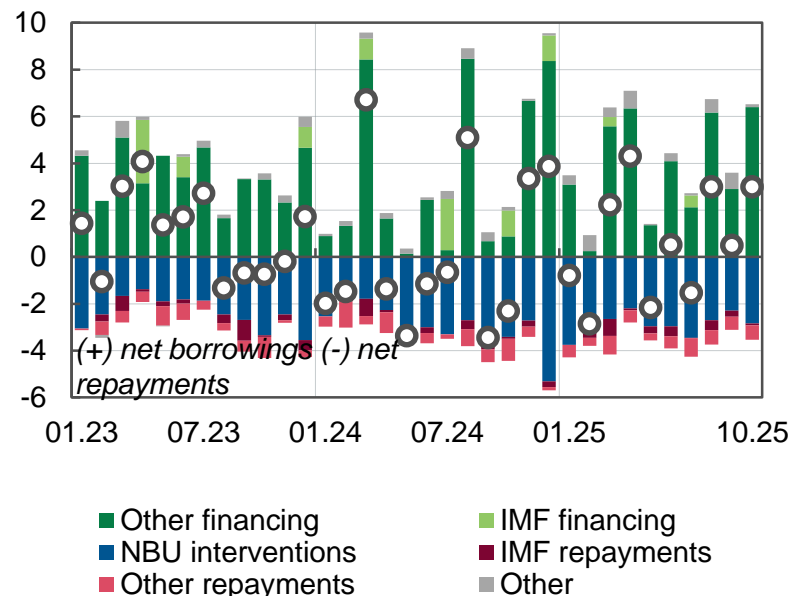
Reserves have been growing for two consecutive months thanks to significant volumes of international aid

International financial assistance since the beginning of the full-scale war, USD billions



Source: NBU, MFU, open sources data.

Change in gross international reserves, USD billions



Source: NBU.

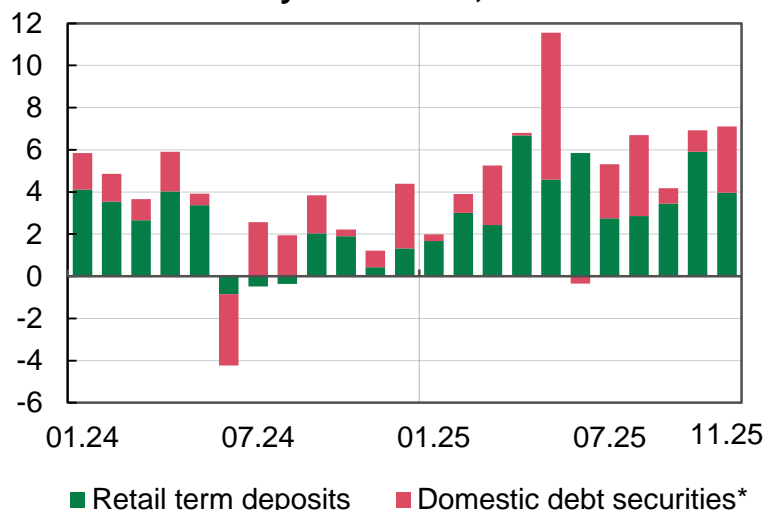
- In October, the volume of international aid increased to USD 5.8 billions, and in November, inflows amounted to USD 7.8 billions
- As a result, gross reserves in October grew to a record value of USD 49.5 billions as of the end of the month, which is 11% above the minimum required level according to the IMF's composite metric. In November, reserves continued to reach new historical highs

The left side of the slide features a vertical strip with a light green diamond-patterned texture. Overlapping this is a solid green trapezoidal shape that tapers to the right. A darker green vertical rectangle is positioned on the left edge of the trapezoid.

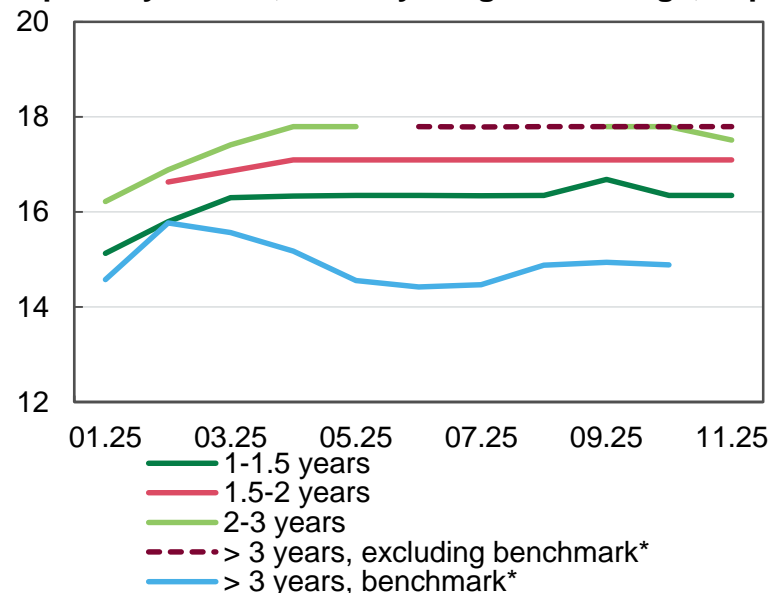
Ukraine: Monetary sector

Attractive yields on hryvnia instruments supported demand from individuals

Changes in the stock of selected hryvnia instruments held by individuals, UAH billions



Yield on hryvnia domestic government debt securities in the primary market, monthly weighted average, % pa



* At outstanding nominal value.

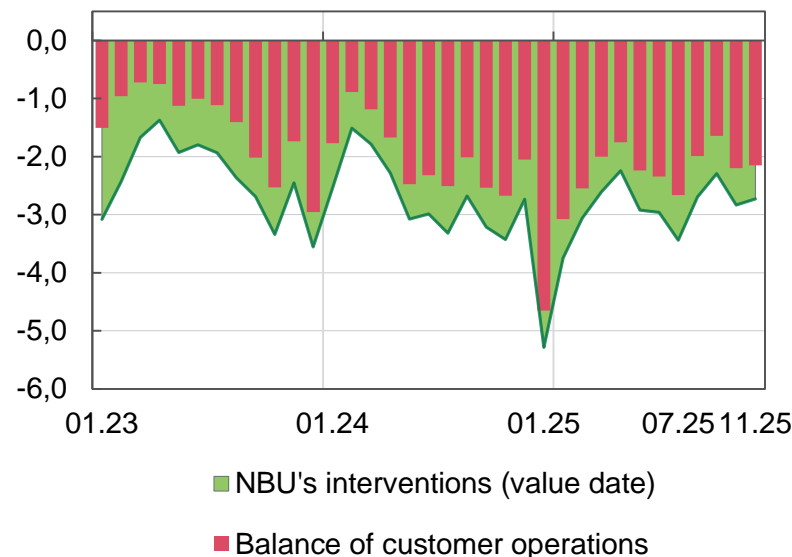
Source: NBU.

* Included in the list of domestic government debt securities that banks can use to partially meet the reserve requirements.
Source: NBU staff estimates.

- The preservation of relatively tight monetary conditions ensured the attractiveness of hryvnia assets. In November, the amount of hryvnia deposits of households with a maturity of over three months increased by UAH 3.8 billion, and the portfolio of hryvnia-denominated government debt securities – by UAH 3.2 billion
- The share of term deposits of households has remained stable in recent months and amounted to about 34%
- The nominal yields of hryvnia instruments in November remained virtually unchanged compared to previous months, and minor fluctuations in weighted average interest rates were mainly due to structural changes

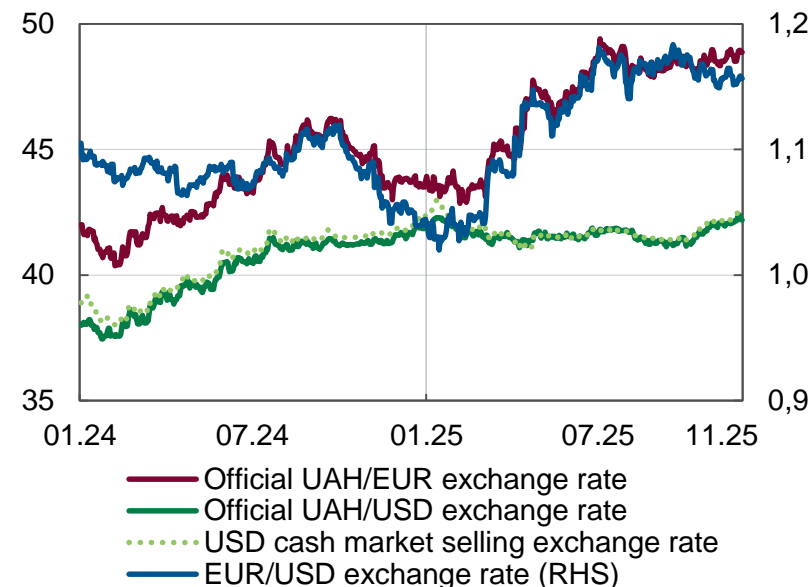
The situation in the FX market in November remained sustainable

Bank clients' FX transactions and NBU FX interventions, USD billions



Source: NBU.

Hryvnia per USD and per EUR exchange rates, and EUR per USD



Source: NBU, ECB.

- The situation in the FX market in November remained sustainable: net demand for non-cash and cash foreign currency, as well as its net sales by the NBU, have hardly changed compared to October
- The average official hryvnia exchange rate has slightly depreciated against the U.S. dollar by 1.1%, and against the euro – by 0.4%. The spread between the U.S. dollar cash selling rate and its official exchange rate remained low and did not exceed 0.6%, and on average for the month was 0.4%