

IMF Arrives, as Election Prospects Turn Murky

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The IMF remains the key to many issues in Ukraine. News of the September 6th arrival of its mission signaled that a deal had been reached with Ukrainian authorities. On August 29th, however, the Cabinet extended existing residential gas rates for another month, which confused observers. We remain optimistic that a deal will be struck with the Fund, since Premier Volodymyr Groysman has little room for maneuver, with the hryvnia moving into creeping depreciation. But with elections around the corner, we can't rule out surprises entirely.

Public sentiment is very gloomy. Polls show that Ukrainians see few improvements in their lives: people say they are disappointed in politicians, and tired of both war and reforms. Ukraine's Army is the most trusted institution in the country, though, with 62% of the public supporting it. Indeed, Ukrainians respect the Army even more than they do the church, which has 57% support. Among parties, Yulia Tymoshenko's Batkivshchyna leads in the polls. But she is reaching the ceiling in voter potential, as she is largely seen as cooperating with the aggressor, Russia.

The hryvnia fell an additional 4.9% in August, to UAH 28.35/USD by September 1st. A surge in imports [>>>](#)