Cash, Just In Time for Elections

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The situation in Ukraine has been intense in recent weeks. Residential gas prices have finally been raised by 23.5%, and the IMF immediately announced a staff-level agreement on a new 14-month Standby arrangement—a credit line worth up to $3.9 billion. This positive signal gave the green light for $2 billion Eurobond placement, and more credit from the EU and the World Bank. The IMF deal still must be approved by the IMF Executive Board, after Ukraine's 2019 budget is passed. But the news has already improved sentiment, and has removed concerns about sliding gross international reserves, for now. Hopefully, the placement of Eurobonds ahead of the finalized IMF deal won't become a repeat of last year's situation, when Ukraine's leadership dropped its commitments as soon as the Eurobond funds arrived.

The 2019 election campaign is already in full swing. Yulia Tymoshenko continues to lead in the polls, but with well below 20%. Her supporters firmly believe she can save the country. For those who dismiss Tymoshenko, the choice is quite complicated. The positions of other candidates are fluctuating, which means that people are a bit lost between politicians who all sound similar, and new faces from show business **>>>**