

Kazakhstan

Bonds of the Ministry of Finance of the Republic of Kazakhstan. Last week, the Ministry of Finance of the Republic of Kazakhstan placed only one issue of 11-year bonds of for a total amount of KZT7.1 bn with a yield of 10.67% per annum (last week, 3 bond issues were placed for a total of KZT17.0 bn). The yield change on bonds of the Ministry of Finance, placed at the end of July, was 2 bps.

According to the Central Securities Depository, non-residents' investments in government securities of the Republic of Kazakhstan in August decreased by 3.4% mom (+84.6% YTD) and as of the end of the month reached KZT794 bn (KZT822 bn at the end of July - the maximum since 2008).

Tab. 1. Auctions results of securities of the Ministry of Finance of the Republic of Kazakhstan

Date	Volume, KZT bn	YTM, %	Circulation period, years	Demand / supply	Change in yield in the previous similar place.
3-Sep	7.1	10.67	10.9	70%	0.02

Notes of the National Bank of the Republic of Kazakhstan. On August 31, an auction was held on the placement of 28 days notes with a maturity for a total amount of KZT206.6 bn with a yield of 9.2369% (in the previous week the yield of similar bonds was 9.2382%, while the volume of placement was one third less).

The weekly net borrowing balance of the Ministry of Finance of the Republic of Kazakhstan and the National Bank of Kazakhstan in the government securities market amounted to minus KZT367.4 bn (minus KZT229.8 bn in the previous week). As the end of last week the net borrowing of the National Bank stroke a balance in the amount of minus KZT320.8 bn (minus KZT181.9 bn last week).

Regional market

Last week, **the Ministry of Finance of the Russian Federation** placed two issues of long-term OFZ-PD bonds totaling RUB92.6 bn. The yield on both issues evidenced the same uptrend. According to the Ministry of Finance of Russian Federation, the placement of government securities in 1H2021 amounted to RUB2.3 trln, while the share of OFZ-PD in the OFZ structure made 95.2%.

Tab. 2. Auctions results of government securities of the Ministry of Finance RF

Date	Volume, RUB bn	YTM, %	Circulation period, years	Demand / supply	Change in yield in the previous similar place.
1-Sep	67.9	7.13	10.0	204%	0.04
1-Sep	24.6	7.39	20.0	147%	0.04

The planned OFZ placement in 3Q2021 will amount to RUB700 bn, which is slightly less than the plan for 1Q2021 and 2Q2021 that was RUB1 trln for each quarter.

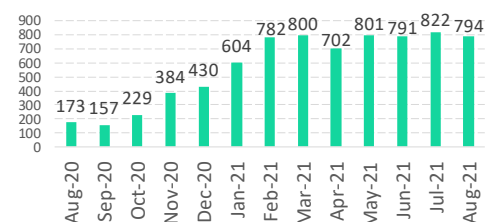
The Ministry of Finance of Ukraine has placed **five** OVDP issues for 1 to 6 years with a total amount of UAH3.0 bn. The yield rates on bonds of the Ministry of Finance of Ukraine evidenced a positive trend in comparison with the placements two weeks earlier. The largest bond issues with a maturity of one and three years showed the most notable change in yield (16 bps and 10 bps, respectively). Short term bonds with the smallest placement marked a 1 bps yield increase, while the yield on 2-year and 6-year bonds remained unchanged.

On September 1, the Ministry of Finance of Ukraine redeemed a series of government bonds issued during the 2015 restructuring with maturity in 2021 with a total of par value of USD1.4 bn at an interest rate of 7.75% per annum. The total amount of the payment amounted to more than USD1.3 bn. By the end of 2021, foreign currency payments due on the public debt will amount to another USD3.6 bn. As of the end of July, the

Bond yields

Country	YTM, %	Yld (ask), %	1W, p.p	YTD, p.p
Emerging markets (local currency)				
Kazakhstan	10.0	10.63	0.000	0.900
Russia	10.0	7.13	0.000	-0.150
Vietnam	9.2	1.86	0.050	-0.262
Brazil	9.3	10.83	1.536	3.964
Turkey	9.2	16.36	-1.07	3.86
Developed markets (local currency)				
USA	8.9	1.26	0.007	0.356
Canada	8.7	1.13	-0.013	0.426
Germany	8.9	-0.45	0.063	0.128
Spain	9.2	0.19	0.041	0.149
Portugal	9.1	0.08	0.051	0.053
Italy	9.6	0.67	0.077	0.132
Emerging markets (USD)				
Russia	13.6	3.07	-0.018	0.293
Belarus	8.5	7.90	-0.278	2.093
Turkey	7.1	5.45	0.006	0.441
Serbia	9.2	2.49	-0.045	0.313
Romania	9.4	2.50	0.051	0.347
Mexico	8.6	2.56	0.043	0.331
Oman	7.9	4.76	-0.100	-0.654
Ecuador	8.9	6.45	-0.099	-1.299
Egypt	10.7	6.54	-0.174	0.614
China	9.1	1.41	-0.005	0.228
India	8.4	2.85	0.013	0.239
Developed markets (USD)				
Finland	8.7	1.33	0.030	0.316
Belgium	8.7	1.42	0.042	0.326
Italy	8.1	2.14	0.028	-0.008

Investments of non-residents in government securities



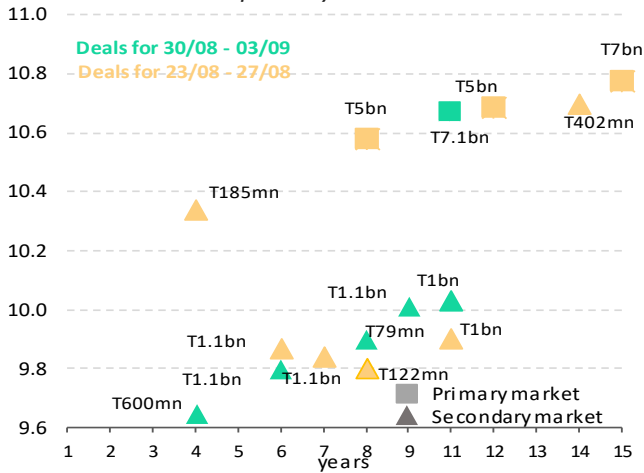
amount of Ukraine's public debt is USD93 bn or about 57.2% of GDP (USD162.4 bn).

Tab. 3. Results of auctions of government securities of the Ministry of Finance of Ukraine

Date	Volume, UAH mn	YTM %	Circulation period, years	Change in yield in the previous similar place.
31-Aug	95	11.15	1.0	0.01
31-Aug	1 261	11.30	1.0	0.16
31-Aug	268	12.09	2.0	0.00
31-Aug	1 102	12.40	3.0	0.10
31-Aug	252	12.75	6.0	0.00

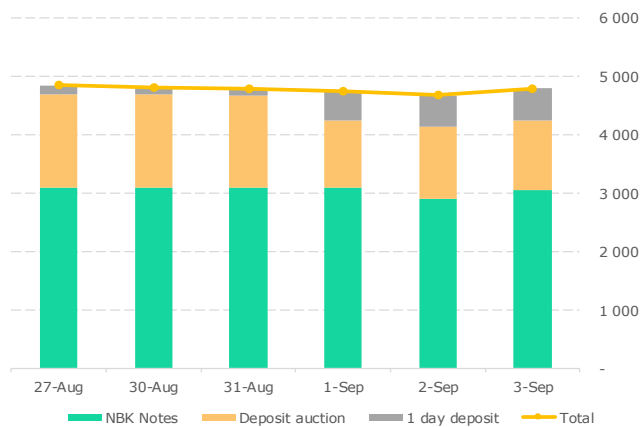
The Ministry Finance of Turkey has updated its internal borrowing strategy for the autumn of this year. Domestic debt repayment is forecasted in September in the amount of TRY35.9 bn, and domestic borrowing - in the amount of about TRY40 bn. In October, domestic debt repayment is projected at TRY46.2 bn while domestic borrowing will amount to about TRY47.4 bn. In November the repayment of domestic debt will be TRY11.1 bn whereas and domestic borrowings will decrease to TRY20 bn.

Fig 1. Bonds trade volume and yields of the Ministry of Finance of RK on the primary market



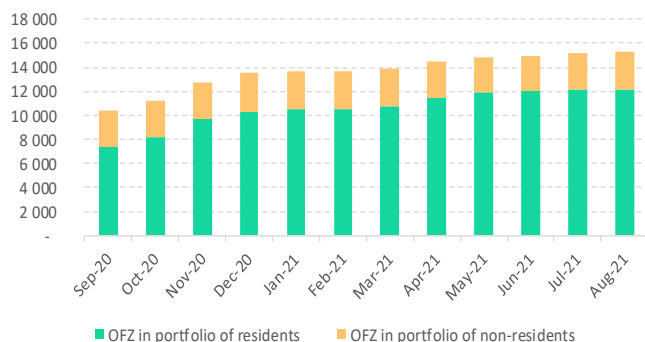
Source: KASE

Figure 3. Key instruments for withdrawing liquidity of the NBK (KZT bln)



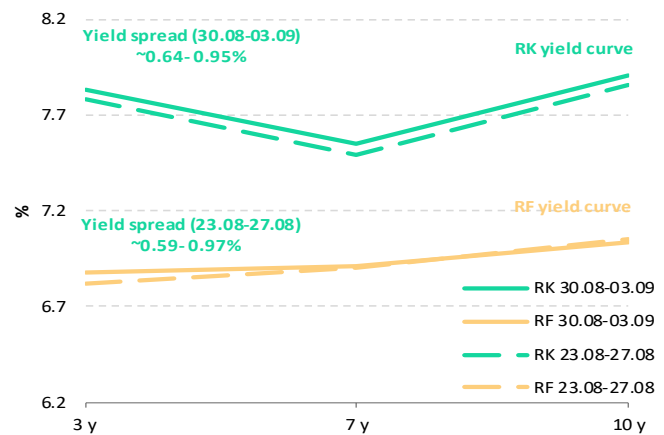
Source: NBK

Fig 5. OFZ market and the share of non-residents (billion rubles)



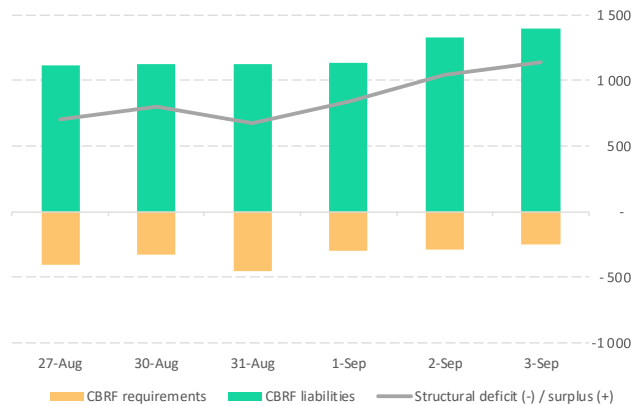
Source: Central Bank of the RF

Fig 2. Ruble bonds yield curve of Kazakhstan and OFZ of the Russian Federation



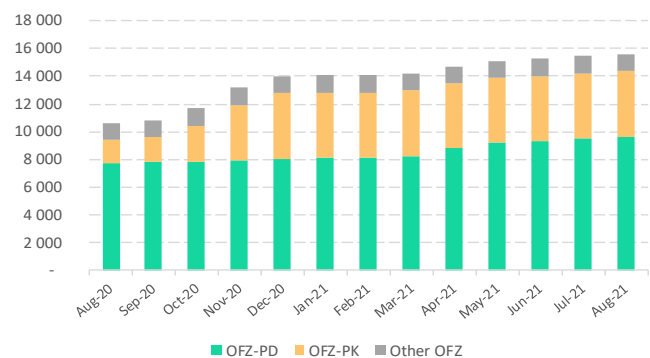
Source: Bloomberg

Figure 4. Structural liquidity deficit (-) / surplus (+) of Russian commercial banks' liquidity (RUB bln)



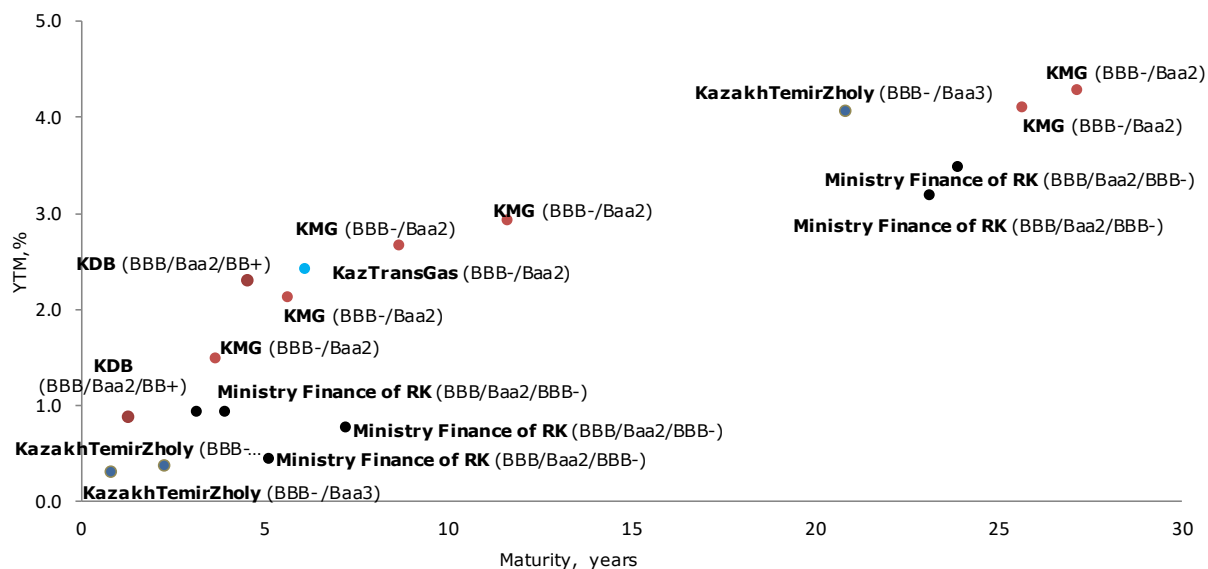
Source: Central Bank of the RF

Figure 6. OFZs by type (billion rubles)



Source: Central Bank of the RF

Fig 7. Kazakhstan issuers Eurobonds yields in USD



Source: Bloomberg

Current Eurobonds yields

Company	Country	Crncy	Amt outstan . min	Cpn	Date		YTM, %	Price		Yld (ask), %	1W, p.p	YTD, p.p
					Issue	Maturity		Bid	Ask			
Sovereign												
Kazakhstan	KZ	USD	1500	3.9	14.10.2014	14.10.2024	3.10	108.76	109.15	0.88	-0.04	0.14
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	3.87	115.68	116.15	0.87	-0.05	-0.03
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	23.12	126.97	127.96	3.16	-0.03	0.39
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	23.88	148.05	148.89	3.47	-0.02	0.54
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	7.18	112.35	112.35	0.61	-0.33	-0.33
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	5.07	100.46	101.15	0.37	-0.02	0.04
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	2.17	103.31	103.76	-0.18	-0.03	-0.30
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	13.07	102.18	103.12	1.24	-0.03	0.22
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	2.45	105.63	106.29	2.10	-0.12	0.43
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	7.46	110.79	111.77	3.56	-0.08	0.59
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	9.22	99.27	100.31	3.66	-0.11	0.68
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	6.80	167.35	168.01	2.00	-0.01	-0.26
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	11.21	99.83	100.30	1.82	-0.06	0.09
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	4.24	109.79	110.23	0.43	-0.02	-0.16
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	9.22	99.23	99.87	0.26	0.00	0.05
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	4.12	98.60	99.02	0.79	-0.01	0.26
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	7.16	121.32	121.94	5.94	-0.19	0.00
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	4.99	111.47	112.01	5.00	-0.18	0.02
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	3.99	110.61	111.35	4.60	-0.23	-0.08
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	2.99	109.93	110.63	3.94	-0.17	-0.32
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	11.53	106.31	106.94	6.39	-0.15	0.30
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	11.06	107.25	107.92	6.37	-0.15	0.27
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	8.39	95.74	96.46	4.90	-0.21	0.03
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	1.48	101.10	102.03	5.42	-0.62	1.09
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	8.48	88.36	89.62	7.90	-0.28	2.04
Banks												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	1.71	105.48	106.02	1.66	-0.03	-0.35
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	0.81	114.10	114.78	1.50	0.03	0.07
TINKOFF	RU	USD	300	9.3	15.06.2017	perpetual	0.00	105.02	105.96	7.97	0.00	0.01
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	3.24	105.01	106.34	3.65	-0.02	-0.47
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	0.00	106.15	107.53	1.91	-0.39	-0.42
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	0.00	107.55	108.72	2.48	-1.76	-1.76
Ipoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	0.00	103.31	104.41	4.34	0.02	-0.61
Corporate												
DEVELOPMENT BANK OF KZ	KZ	USD	1264	4.1	10.12.2012	10.12.2022	0.00	103.81	104.33	0.66	0.13	-0.62
DEVELOPMENT BANK OF KZ	KZ	USD	107	6.0	23.03.2006	23.03.2026	0.00	115.28	116.72	2.12	0.02	-0.49
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	883	7.0	10.07.2012	10.07.2042	0.00	140.08	141.09	4.02	-0.04	0.38
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250	3.3	05.12.2018	05.12.2023	0.00	106.21	106.65	0.27	0.00	-0.49
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185	3.6	20.06.2014	20.06.2022	0.00	102.42	102.79	0.06	0.18	-0.25
KAZMUNAYGAS NATIONAL CO	KZ	USD	500	4.8	24.04.2018	24.04.2025	0.00	111.17	111.75	1.42	-0.03	0.19
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000	4.8	19.04.2017	19.04.2027	0.00	113.49	114.20	2.06	-0.09	0.14
KAZMUNAYGAS NATIONAL CO	KZ	USD	750	3.5	14.10.2020	14.04.2033	0.00	105.16	106.12	2.88	-0.11	0.32
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.4	24.04.2018	24.04.2030	0.00	120.37	121.07	2.63	-0.12	0.15
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.8	19.04.2017	19.04.2047	0.00	125.47	126.42	4.08	-0.11	0.40
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500	6.4	24.04.2018	24.10.2048	0.00	132.86	133.72	4.27	-0.10	0.49
KazTransGas	KZ	USD	706	4.4	26.09.2017	26.09.2027	0.00	110.57	111.24	2.37	-0.07	0.52
Development Bank of Belarus	BK	USD	500	6.8	02.05.2019	02.05.2024	0.00	93.10	95.13	8.85	0.04	4.09
SOCAR	AZ	USD	750	7.0	18.03.2015	18.03.2030	0.00	124.15	125.27	3.50	-0.02	0.31
SOCAR	AZ	USD	1000	4.8	13.03.2013	13.03.2023	0.00	105.00	105.83	0.87	-0.08	-0.34

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Contacts:

Research department mail to: research@halykfinance.kz

Sales department mail to: sales@halykfinance.kz

Address:

Halyk Finance
Abay av., 109 «B», 5th fl
A05A1B4, Almaty, Kazakhstan
Contact. +7 727 357 59 77
www.halykfinance.kz

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