

Kazakhstan

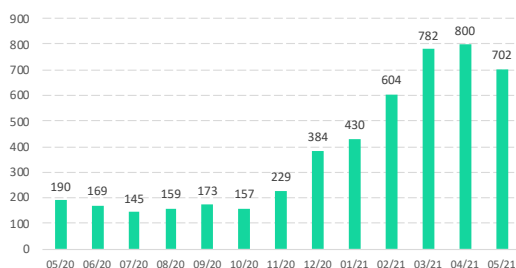
Bonds of the Ministry of Finance of the Republic of Kazakhstan. Last week, the Ministry of Finance of the Republic of Kazakhstan placed two bond issues for a total of KZT9bn (KZT11bn in the previous week). The yield on 6-year MF notes fell over 20 bps compared to similarly maturing 7-year bonds issued a week earlier. The rate on 9-year government securities rose insignificantly. Thus, the KZT government securities of the Ministry of Finance of the Republic of Kazakhstan rate growth, which has been observed over the past few weeks, has stopped.

Tab. 1. Results of auctions of the Ministry of Finance

Date	Volume, KZT bn	YTM, %	Circulation period, years	Demand / supply	Change in yield in the previous similar place.
4-May	4.7	10.20	5.8	102%	-0.20
5-May	4.2	10.45	8.7	49%	0.05

National Bank Notes. The National Bank held one auction for the placement of 3-month notes in the amount of **KZT453bn** with a yield of 9.13%. In the period from April 23 to April 30, foreign investors partially restored their positions in the notes after their earlier interest decline. The portfolio of non-residents of NBK notes increased from **T400bn** to **T449bn**, and the number of shares of ownership increased from 12% to 13%. Nevertheless, in April, the ownership of Kazakhstan's domestic public debt by non-residents decreased from **T800bn** to **T702bn**.

Internal public debt of the Republic of Kazakhstan owned by non-residents (billion tenge)



Regional Market

Inflation in the **Russian Federation** slowed down to 5.5% in April from 5.8% in March. The annual growth in prices for food products amounted to 6.55%, non-food products - 6.16% and for paid services - 3.3%. There is a noticeable rise in prices for fuel by 5.9% yoy among non-food products. Among utilities, there is an increase in the cost of electricity supply services by 4.1% yoy.

The primary placements of government bonds of the RF Ministry of Finance were not carried out due to the holiday weekend. The rates on the secondary OFZ market outside the country changed insignificantly.

In April annual **inflation in Ukraine** slowed down to 8.4% from 8.5% in March.

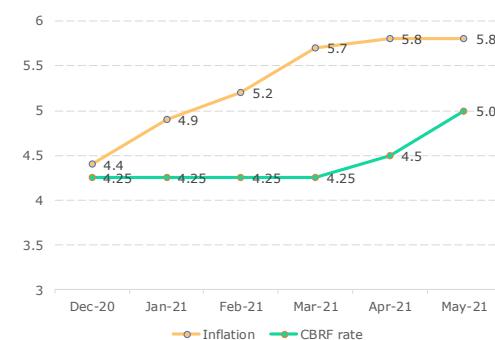
There were no placements of OVDPs in the primary market, and there was no activity in the secondary market.

The Turkish Ministry of Finance held three auctions for the placement of government securities last week. The rates on government securities with a maturity of 1-2 years have slightly increased, while the demand for them remained low. In the secondary market, the yield on government securities fell on bonds with a maturity of 3 to 10 years in the range of 20-40 bps, giving the yield curve a flatter appearance. The premium on inflationary government securities in the primary market grew insignificantly.

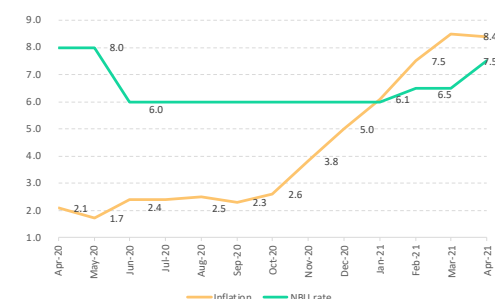
Bond yields

Country	YTM, %	Yld (ask), %	1W, p-p	YTD, p-p
Emerging markets (local currency)				
Kazakhstan	10.0	10.40	0.050	0.660
Russia	8.9	6.90	-0.110	1.020
Vietnam	9.5	2.33	-0.017	0.213
Brazil	9.7	9.19	0.123	2.329
Turkey	9.5	17.26	-0.42	4.76
Developed markets (local currency)				
USA	9.3	1.54	-0.053	0.639
Canada	9.1	1.43	-0.054	0.728
Germany	9.3	-0.26	-0.015	0.313
Spain	9.5	0.42	0.012	0.379
Portugal	9.4	0.38	0.019	0.357
Italy	9.9	0.91	0.058	0.373
Emerging markets (USD)				
Russia	13.9	3.38	-0.062	0.605
Belarus	8.8	6.79	0.008	0.977
Turkey	7.5	5.95	-0.326	0.940
Serbia	9.6	2.90	-0.123	0.719
Romania	9.8	2.66	-0.117	0.508
Mexico	8.9	2.85	-0.055	0.627
Oman	8.2	4.88	-0.103	-0.529
Ecuador	9.2	6.18	-0.282	-1.564
Egypt	11.1	6.61	-0.121	0.683
China	9.5	1.71	-0.049	0.534
India	8.7	3.21	-0.031	0.596
Developed markets (USD)				
Finland	9.0	1.65	-0.033	0.636
Belgium	9.1	1.69	-0.051	0.599
Italy	8.4	2.54	-0.048	0.393

Inflation versus CBRF rate



Inflation versus NBU rate



Taking into account the high level of inflation, the Central Bank of the Republic of Turkey decided once again to leave the key rate unchanged at 19%. The regulator also confirmed that tight monetary policy will continue until inflation reaches the target of 12% (+ -2%) by the end of the year.

Tab. 2. Results of auctions of government securities of the Ministry of Finance of Turkey

Date	Volume, TRY bn	YTM%	Circulation period, years	Demand / supply	Change in yield in the previous
3-May	1.3	18.11	1.7	38%	0.13
4-May	0.8	18.16	1.0	37%	0.18
4-May	4.6	CPI+3	4.0	66%	0.12

Turkish government securities yield curve

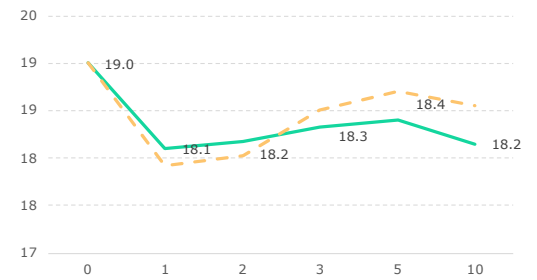
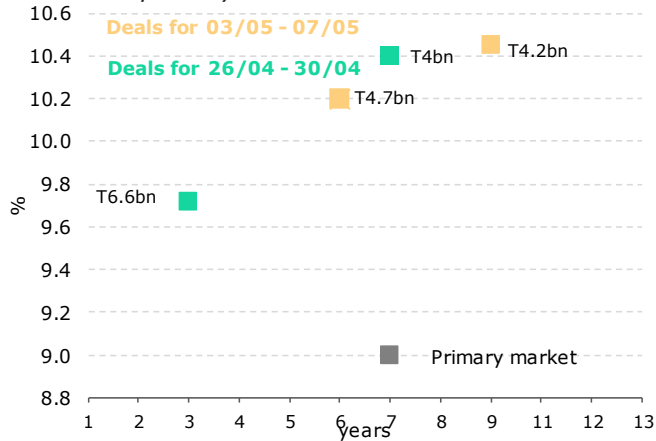
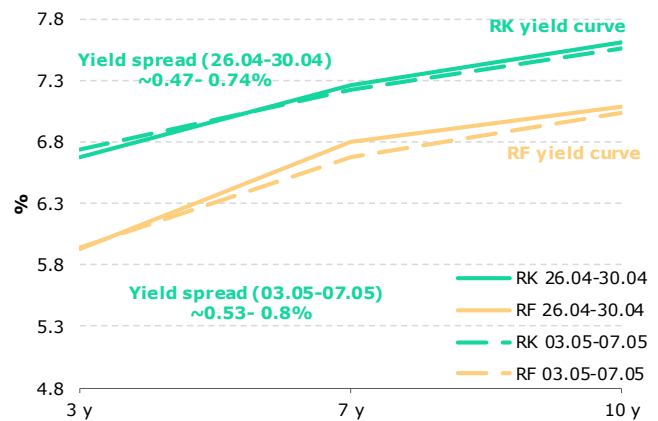


Fig 1. Bonds trade volume and yields of the Ministry of Finance on primary market



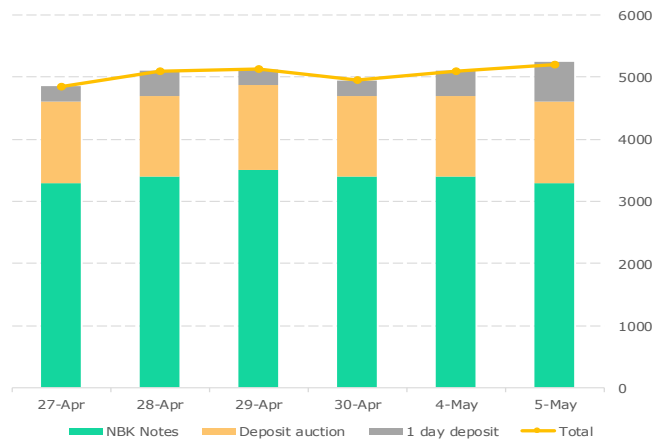
Source: KASE

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



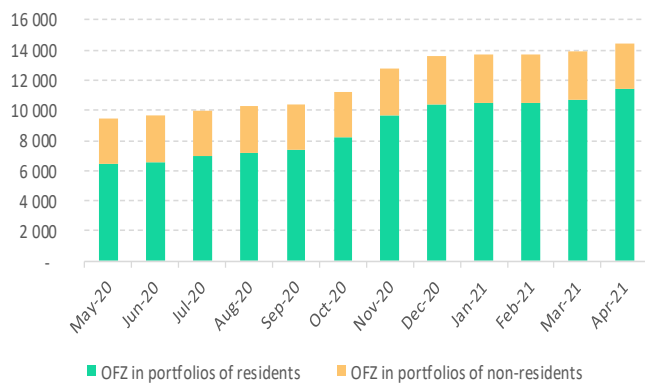
Source: Bloomberg

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



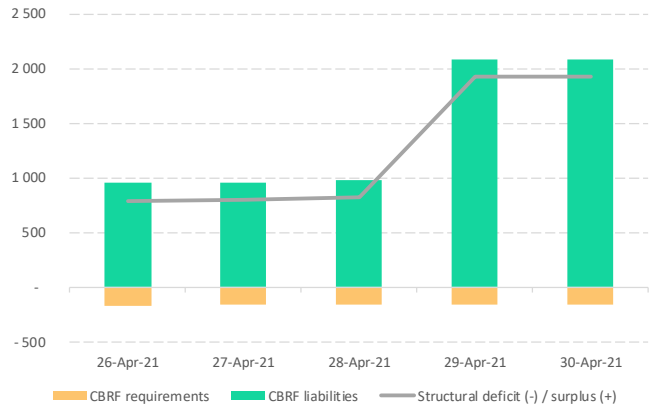
Source: NBK

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



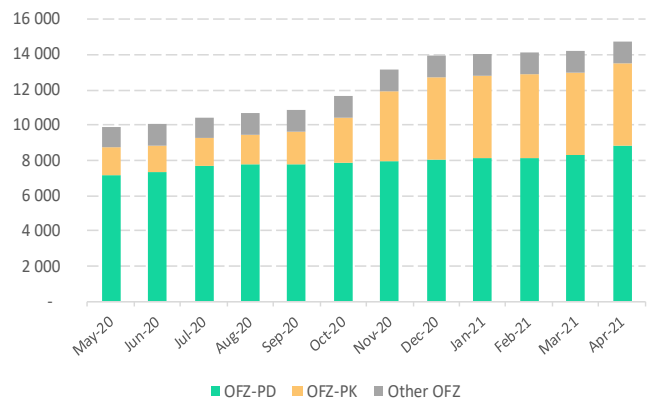
Source: Central Bank of the RF

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



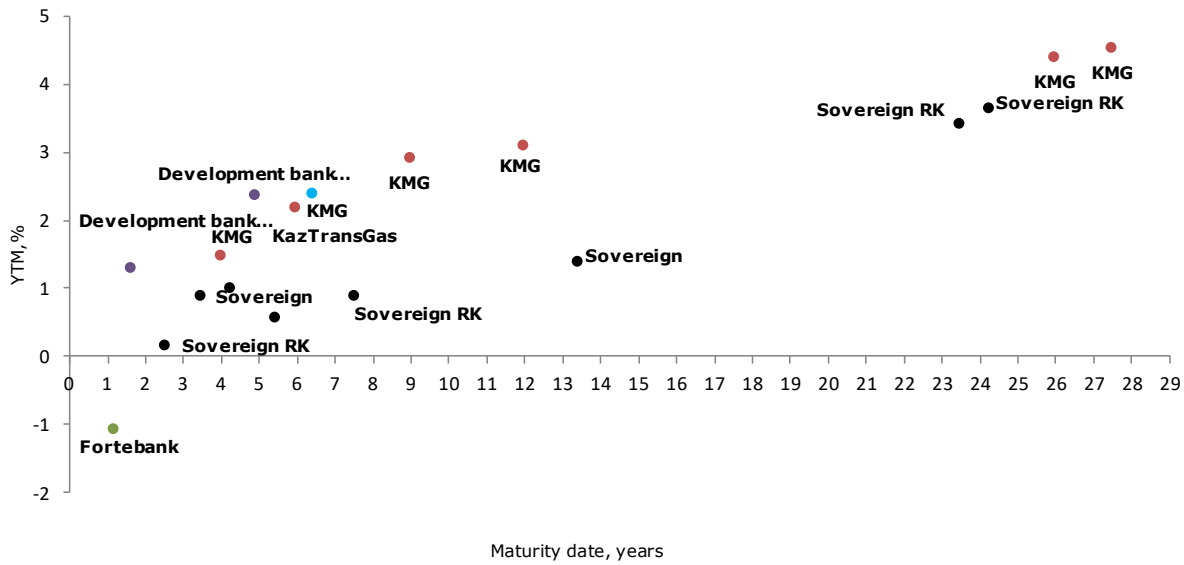
Source: Central Bank of the RF

Figure 6. OFZs by type (billion rubles)



Source: Central Bank of the RF

Fig 7. Kazakhstan issuers Eurobonds yields in USD



Current Eurobonds yields

Company	Country	Crcny	Amt outstan . mln	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	3.42	109.84	110.21	0.84	-0.05	0.11
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	4.19	116.63	117.13	0.95	-0.07	0.05
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	23.44	122.83	123.88	3.39	-0.04	0.62
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	24.21	144.84	145.85	3.64	-0.02	0.71
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	7.50	111.00	111.00	0.85	-0.09	-0.09
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	5.39	99.70	100.46	0.51	0.00	0.18
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	2.49	103.14	103.70	0.07	-0.02	-0.05
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	13.39	100.77	101.78	1.35	-0.01	0.33
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	2.78	106.88	107.71	1.89	-0.07	0.21
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	7.78	112.04	113.04	3.45	-0.08	0.48
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	9.54	100.16	101.34	3.53	-0.10	0.55
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	7.12	166.78	167.48	2.39	-0.06	0.13
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	11.53	98.53	99.17	1.93	-0.03	0.20
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	4.56	109.14	109.71	0.71	-0.02	0.12
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	9.54	98.37	99.07	0.35	0.00	0.13
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	4.44	98.35	98.79	0.83	-0.09	0.30
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	7.48	116.85	117.45	6.74	-0.17	0.81
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	5.31	108.66	109.22	5.71	-0.19	0.73
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	4.31	108.47	109.21	5.33	-0.25	0.65
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	3.31	108.03	108.77	4.84	-0.29	0.59
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	11.85	102.13	102.88	6.89	-0.25	0.80
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	11.38	103.13	103.79	6.89	-0.29	0.80
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	8.72	92.56	93.34	5.35	-0.16	0.48
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	1.80	101.93	103.17	5.01	-0.32	0.67
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	8.80	94.78	96.14	6.79	0.01	0.92
Banks												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	2.03	105.56	106.37	2.04	-0.08	0.02
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	1.13	116.69	117.83	-1.50	-1.68	-3.77
TINKOFF	RU	USD	300	9.3	15.06.2017	perpetual	0.00	104.72	106.03	8.06	-0.01	0.02
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	3.56	104.26	105.72	4.01	-0.34	-0.11
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	2.20	106.03	106.90	2.76	-0.05	-0.69
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	3.10	106.76	107.55	3.18	-1.07	-1.07
Ipoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	4.52	103.94	104.98	4.28	-0.19	-0.67
Corporate												
DEVELOPMENT BANK OF KZ	KZ	USD	1264	4.1	10.12.2012	10.12.2022	1.58	104.10	104.69	1.12	-0.12	-0.15
DEVELOPMENT BANK OF KZ	KZ	USD	107	6.0	23.03.2006	23.03.2026	4.86	115.68	117.35	2.22	0.06	-0.31
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	883	7.0	10.07.2012	10.07.2042	21.17	134.08	135.48	4.36	-0.03	0.73
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250	3.3	05.12.2018	05.12.2023	2.56	106.72	107.24	0.41	-0.01	-0.35
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185	3.6	20.06.2014	20.06.2022	1.10	103.34	103.91	0.11	-0.02	-0.20
KAZMUNAYGAS NATIONAL CO	KZ	USD	500	4.8	24.04.2018	24.04.2025	3.95	112.13	112.85	1.40	0.02	0.17
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000	4.8	19.04.2017	19.04.2027	5.94	113.75	114.46	2.14	0.00	0.22
KAZMUNAYGAS NATIONAL CO	KZ	USD	750	3.5	14.10.2020	14.04.2033	11.93	103.54	104.28	3.07	-0.02	0.51
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.4	24.04.2018	24.04.2030	8.95	118.80	119.59	2.88	-0.02	0.40
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.8	19.04.2017	19.04.2047	25.95	120.37	121.25	4.37	-0.01	0.69
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500	6.4	24.04.2018	24.10.2048	27.47	128.42	129.23	4.51	0.00	0.74
KazTransGas	KZ	USD	706	4.4	26.09.2017	26.09.2027	6.38	111.33	112.04	2.33	-0.01	0.49
Development Bank of Belarus	BK	USD	500	6.8	02.05.2019	02.05.2024	2.97	97.49	98.63	7.27	0.05	2.51
SOCAR	AZ	USD	750	7.0	18.03.2015	18.03.2030	8.85	124.37	125.59	3.55	-0.09	0.37
SOCAR	AZ	USD	1000	4.8	13.03.2013	13.03.2023	1.83	105.86	106.67	1.07	-0.09	-0.14
Georgian Railway	GG	USD	500	7.8	05.07.2012	11.07.2022	1.16	105.49	106.54	2.04	-0.25	-1.25

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