

## Kazakhstan

In August the government securities of the Ministry of Finance of the Republic of Kazakhstan denominated in tenge all found in circulation decreased by 0.4% mom to KZT10 169 bn (+7.3% YTD, +15.8% yoy). Long-term bonds with a fixed interest rate share 82.4% whereas with a floating rate of 11.8% of the setup in circulation. The share of medium-term securities and short-term securities is 4.3% and 1.4%, respectively. The effective yield on medium-term securities in August increased by 6 bps mom and amounted to 9.13% (+19 bps YTD). The effective yield on short-term securities remained unchanged over the month and amounted to 9.29% (-1.43 p.p. YTD), on medium-term securities the yield was 9.79% (+19bps mom; +19 bps mom; +19 bps since the beginning of the year).

### Bonds of the Ministry of Finance of the Republic of Kazakhstan.

Last week, the Ministry of Finance of the Republic of Kazakhstan placed three bond issues with maturities from 4 to 8 years for a total of KZT22.8 bn (3 bond issues for a total of KZT43.8 bn in the previous week). The yield on all three bond issues evidenced positive dynamics, having increased by 13 bps on 4-year bonds, and by 9 bps on 6-year bonds. The yield on the smallest issue in terms of placement - 8-year bonds - increased by 8 bps.

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.
13-Sep	10.6	10.56	3.7	41%	0.13
15-Sep	3.0	10.66	7.9	100%	0.08
17-Sep	9.2	10.59	5.7	70%	0.09

**Notes of the National Bank of the Republic of Kazakhstan.** On September 13, an auction was held on the placement of 28-day notes for a total amount of KZT408.3 bn with a yield of 9.2356% (the yield of similar bonds issued the previous week amounted to 9.233%, the placement amounted to KZT489.7 bn).

The weekly net borrowing balance of the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan in the government securities market amounted to minus KZT384.5 bn (last week the weekly net borrowing balance was minus KZT1 113.8 bn). The weekly net borrowing balance of the National Bank of the Republic of Kazakhstan amounted to minus KZT370.2bn (the weekly net borrowing balance last week was plus KZT185.8m).

## Regional market

Last week, **the Ministry of Finance of Russia** placed two issues of long-term OFZ-PD totaling RUB63.5 bn (last week, only one issue of 15-year bonds for RUB11.6 bn was placed). The yield on 10-year bonds rose 6 bps up to 7.19% per annum. The yield on 20-year bonds increased by 11 bps compared to the previous issue at the beginning of the month.

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

Date	Volume RUB, bn	YTM, %	Circulation period, years	Demand / supply	Change in yield in the previous similar place.
15-Sep	45.7	7.19	10.0	150%	0.06
15-Sep	17.8	7.50	20.0	147%	0.11

**The Ministry of Finance of Ukraine** has placed six OVDP issues with maturities from 3 months to 5 years for a total of UAH1.2 bn (6 issues were also placed for UAH1.4 bn last week). Two months after the previous placement of 3-month bonds, the Ministry of Finance of Ukraine placed a new issue in the amount of UAH87 mn, which is half the July placement, while the yield was 9.5% per annum (+1 p.p.). The yield rates on the two-year and five-year bonds of the Ministry of Finance of Ukraine did not

## Bond yields

Country	YTM, %	Yld (ask), %	1W, p.p	YTD, p.p
<b>Emerging markets (local currency)</b>				
Kazakhstan	10.0	10.68	0.030	0.930
Russia	10.0	7.19	0.060	-0.030
Vietnam	9.1	1.89	0.047	-0.227
Brazil	9.3	10.98	1.684	4.113
Turkey	9.2	16.64	-0.79	4.14
<b>Developed markets (local currency)</b>				
USA	8.9	1.31	0.031	0.405
Canada	8.7	1.22	0.041	0.521
Germany	8.9	-0.37	0.049	0.207
Spain	9.1	0.21	0.022	0.172
Portugal	9.1	0.10	0.022	0.079
Italy	9.5	0.67	0.025	0.130
<b>Emerging markets (USD)</b>				
Russia	13.5	3.02	-0.020	0.248
Belarus	8.4	7.62	-0.063	1.806
Turkey	7.1	5.92	0.427	0.911
Serbia	9.2	2.55	0.063	0.377
Romania	9.4	2.50	0.025	0.346
Mexico	8.6	2.58	0.016	0.355
Oman	7.9	4.76	0.048	-0.648
Ecuador	8.9	6.86	0.381	-0.891
Egypt	10.7	6.72	0.108	0.791
China	9.1	1.43	0.014	0.252
India	8.3	2.91	0.052	0.254
<b>Developed markets (USD)</b>				
Finland	8.7	1.30	-0.021	0.289
Belgium	8.7	1.38	-0.016	0.286
Italy	8.1	2.12	-0.015	-0.026

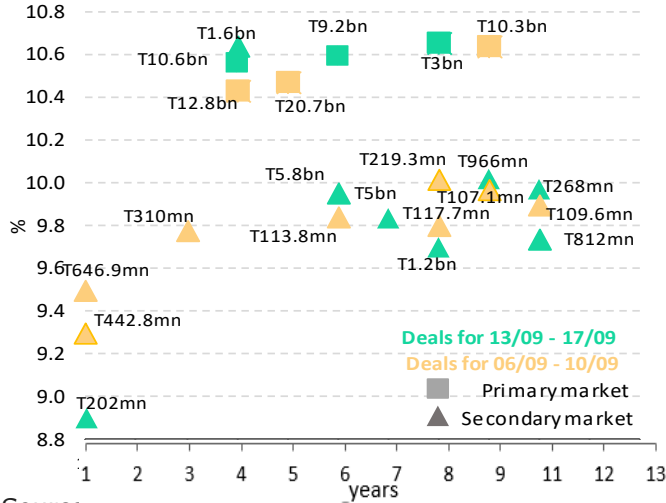
change, compared to the placements a week earlier. Only the three-year bond issue showed a 15 bps decrease of the yield. On the contrary, yields on 1-year bonds showed an increase of 7 bps and 19 bps respectively.

*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.
14-Sep	87	9.50	0.25	1.00
14-Sep	584	11.37	1.0	0.07
14-Sep	237	11.49	1.0	0.19
14-Sep	220	12.09	2.0	0.00
14-Sep	23	12.30	3.0	-0.15
14-Sep	23	12.59	5.0	0.00

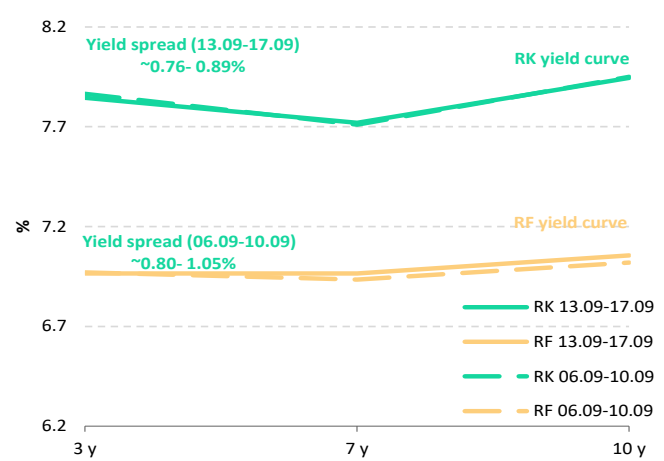
On September 14, **the Ministry of Finance of Republic of Turkey** assigned Citi, JP Morgan and Société Générale to issue dollar-denominated bonds in two tranches. The issue involved an additional placement of bonds in the amount of USD750 mn maturing in October 2028 with a yield of 5.7% and the placement of new bonds maturing in 2033 for a total amount of USD1.5 bn and a yield of 6.5% per annum. The offer attracted an order book of more than 4 times the actual issue size, in excess of 200 accounts. About 37% of the issue was sold to investors in the UK, 31% in the USA, 16% in other European countries and 9% in Turkey. The amount of funds raised by Turkey in the international capital markets in 2021 totaled of USD10 bn.

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



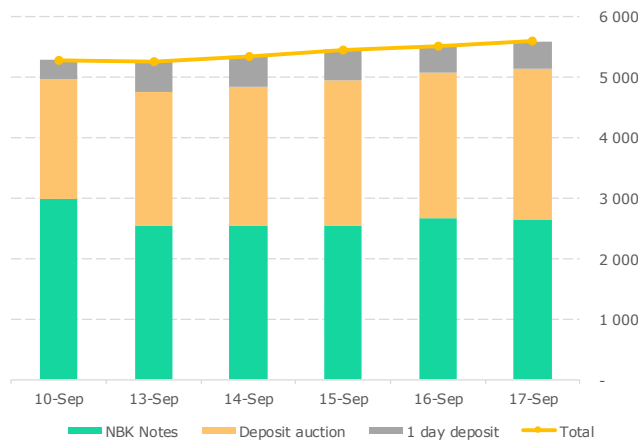
Source: KASE

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



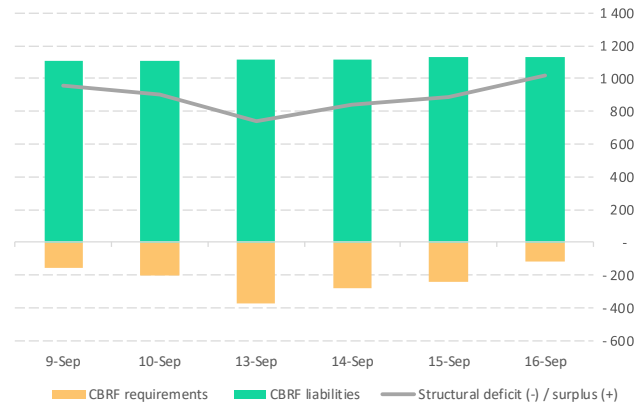
Source: Bloomberg

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



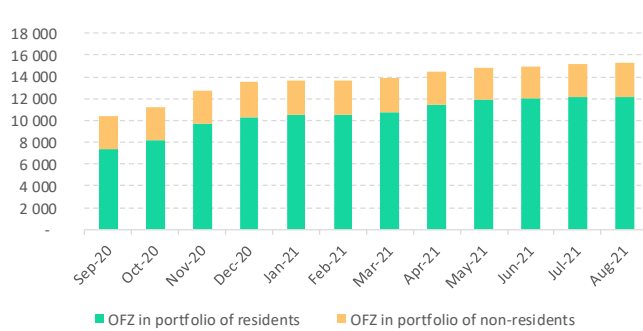
Source: NBK

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



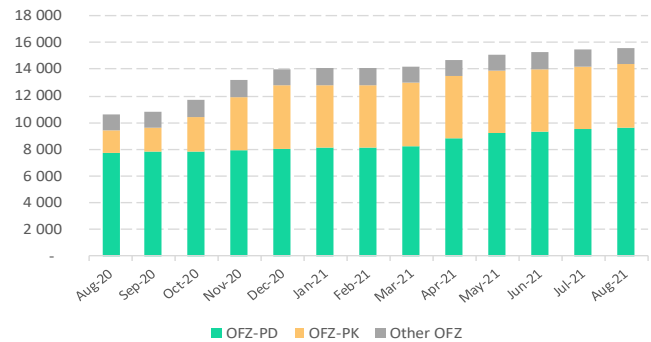
Source: Central Bank of Russia

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



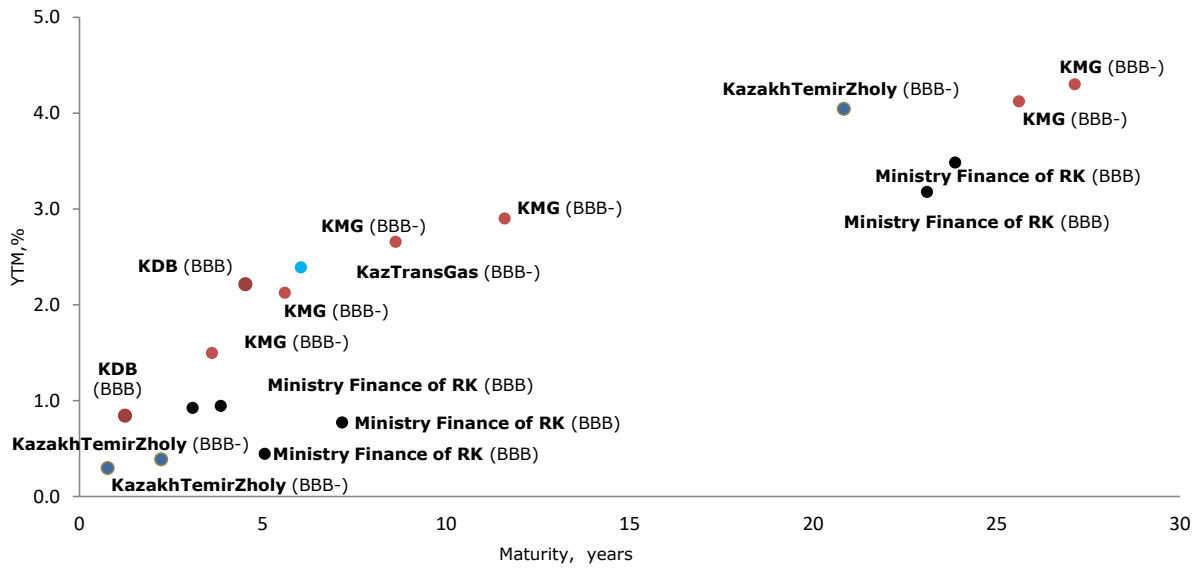
Source: Central Bank of Russia

Figure 6. OFZs by type (billion rubles)



Source: Central Bank of Russia

Fig 7. Kazakhstan issuers Eurobonds yields in USD (Fitch ratings)



Source: Bloomberg

## Current Eurobonds yields

Company	Country	Crncy	Amt outstan . mln	Cpn	Date		YTM, %	Price		Yld (ask), %	1W, p.p	YTD, p.p
					Issue	Maturity		Bid	Ask			
<b>Sovereign</b>												
Kazakhstan	KZ	USD	1500	3.9	14.10.2014	14.10.2024	3.08	108.66	109.23	0.84	-0.04	0.10
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	3.85	115.55	115.99	0.89	0.02	-0.01
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	23.10	127.14	128.11	3.15	-0.01	0.38
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	23.87	148.12	149.00	3.46	-0.01	0.54
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	7.16	112.35	112.35	0.61	-0.33	-0.33
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	5.05	100.43	101.11	0.38	0.01	0.04
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	2.15	103.31	103.78	-0.20	-0.03	-0.32
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	13.05	102.31	103.24	1.23	-0.01	0.21
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	2.44	105.52	106.13	2.15	0.05	0.48
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	7.44	110.94	111.82	3.55	-0.01	0.58
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	9.20	99.76	100.67	3.61	-0.05	0.63
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	6.78	167.31	167.91	1.99	-0.01	-0.26
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	11.19	99.99	100.47	1.80	-0.02	0.07
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	4.22	109.78	110.23	0.42	-0.01	-0.16
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	9.20	99.38	100.11	0.24	-0.03	0.02
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	4.10	98.59	98.95	0.81	0.02	0.28
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	7.14	120.56	121.07	6.07	0.13	0.13
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	4.97	110.96	111.55	5.09	0.09	0.11
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	3.97	110.29	110.88	4.71	0.11	0.03
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	2.97	109.70	110.31	4.03	0.09	-0.23
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	11.51	105.42	106.03	6.50	0.11	0.41
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	11.04	106.33	106.96	6.48	0.12	0.39
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	8.38	95.10	95.79	5.00	0.10	0.13
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	1.46	101.58	102.59	5.00	-0.42	0.67
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	8.46	89.86	91.00	7.67	-0.24	1.80
<b>Banks</b>												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	1.69	105.49	106.00	1.64	-0.02	-0.37
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	0.79	109.97	110.64	1.53	0.06	0.10
TINKOFF	RU	USD	300	9.3	15.06.2017	perpetual	0.00	104.99	105.98	7.97	0.00	0.01
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	3.22	105.53	106.59	3.56	-0.09	-0.56
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	0.00	105.85	107.59	1.85	-0.45	-0.49
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	0.00	107.88	108.97	2.38	-1.87	-1.87
Ipoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	0.00	104.02	104.94	4.20	-0.14	-0.75
<b>Corporate</b>												
DEVELOPMENT BANK OF KZ	KZ	USD	1264	4.1	10.12.2012	10.12.2022	0.00	103.79	104.29	0.65	-0.01	-0.63
DEVELOPMENT BANK OF KZ	KZ	USD	107	6.0	23.03.2006	23.03.2026	0.00	115.49	116.94	2.06	-0.01	-0.47
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	883	7.0	10.07.2012	10.07.2042	0.00	140.00	141.19	4.01	-0.01	0.38
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250	3.3	05.12.2018	05.12.2023	0.00	106.11	106.55	0.29	0.02	-0.47
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185	3.6	20.06.2014	20.06.2022	0.00	102.37	102.74	0.05	-0.01	-0.26
KAZMUNAYGAS NATIONAL CO	KZ	USD	500	4.8	24.04.2018	24.04.2025	0.00	111.08	111.70	1.42	0.00	0.19
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000	4.8	19.04.2017	19.04.2027	0.00	113.47	114.08	2.07	0.01	0.15
KAZMUNAYGAS NATIONAL CO	KZ	USD	750	3.5	14.10.2020	14.04.2033	0.00	105.46	106.24	2.86	-0.01	0.31
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.4	24.04.2018	24.04.2030	0.00	120.45	121.16	2.61	-0.02	0.14
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.8	19.04.2017	19.04.2047	0.00	125.07	126.07	4.10	0.02	0.41
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500	6.4	24.04.2018	24.10.2048	0.00	132.56	133.50	4.28	0.01	0.50
KazTransGas	KZ	USD	706	4.4	26.09.2017	26.09.2027	0.00	110.82	111.36	2.35	-0.03	0.50
Development Bank of Belarus	BK	USD	500	6.8	02.05.2019	02.05.2024	0.00	94.09	95.66	8.62	-0.18	3.86
SOCAR	AZ	USD	750	7.0	18.03.2015	18.03.2030	0.00	124.09	125.26	3.49	0.00	0.31
SOCAR	AZ	USD	1000	4.8	13.03.2013	13.03.2023	0.00	104.98	105.71	0.90	0.04	-0.31

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