

## Kazakhstan

Last week the international rating agencies **Moody's** and **Fitch Ratings** affirmed Kazakhstan's credit ratings (IDR) at Baa3, with a positive outlook and at "BBB" with a stable outlook, respectively. The rating agencies indicate that the main factors of such a credit rating were the low level of public debt, significant fiscal reserves, as well as the growth potential of the economy and household income.

**Bonds of the Ministry of Finance of the Republic of Kazakhstan.** Last week, the Ministry of Finance of the Republic of Kazakhstan placed 3 bond issues for a total of **KZT45.8bn** (KZT86.3bn in the previous week). Primary market bonds' yield continued to decline, dropping 28-40 bps. Demand for long-term bonds was as usual high, but for 2-year bonds it exceeded the supply by 7 times.

Placement of the Ministry of Finance of Republic of Kazakhstan

Date	Volume, KZT bn	Yield, %	Maturity, years	Demand/supply, %	Change in yield to the previous similar place.
15-Feb	3.6	10.07	11.2	113	0.03
17-Feb	13.9	10.12	13.0	169	-0.40
19-Feb	28.3	9.19	2.4	7.1 times	-0.28

On the secondary market, yields on 1-3-year bonds of the Ministry of Finance grew by 10-60 bps, and the trade volume amounted to T8 billion.

**National Bank's notes.** Last week, the National Bank placed two issues of its notes for a total of KZT488 bln. of 28 day notes were placed in the volume of **KZT388bn** with the yield of 9.0096% (9.0069% on February 8). The demand was practically in line with the supply. KZT100bn of 182 days notes were placed with the yield of 9.22% (9.63% on January 20). Demand exceeded supply 5.9 times. At the same time, last week, the National Bank paid off 28-day and 182-day notes for a total amount of KZT538bn.

On February 16, the Asian Development Bank (ADB) raised KZT9.0 bn at KASE by placing 5-year international bonds with YTM of 9.95%. At the same time, on February 9, ADB placed 10-year international bonds in the amount of KZT8.4bn with YTM of 10.15%.

**Corporate bonds.** On Friday, Kazakhstan Stability Fund JSC placed KZT9.9bn of 3-year bonds. YTM decreased by 9bps up to 10.05% to the previous issue last week.

## Regional market

**The Ministry of Finance of the Russian Federation** placed two **OFZ-PD** issues (with constant income) on February 17, 2021, totaling RUB 81.5 billion. The placement of the first issue with maturity on May 17, 2028 amounted to 42.2 billion rubles with the weighted average yield at 6.61% per annum. The yield on the previous similar OFZ-PD issue was 5.91% per annum. The placement of the second issue with maturity on July 18, 2035 amounted to 39.2 billion rubles with the weighted average yield at 7.11% per annum. The yield on the previous similar issue was 6.84% per annum.

The Ministry of Finance of the Russian Federation has also published a schedule of auctions for the placement of OFZs for 1Q2021. According to it, it is planned to hold 5 auctions in March 2021 alone (there were 6 of them in January-February). The planned volume of OFZ placement for 1Q2021 to total 1 trillion rubles. The major part of the planned placement of OFZ falls on securities with a maturity of 5-10 years (450 billion rubles) and over 10 years (450 billion rubles). The volume of OFZ placement at par as of February 17, 2021 amounted to 423 billion rubles. As a reminder, the planned placement of OFZs in 4Q2020 was 2 trn rubles.

On February 16, **the Central Bank of the Russian Federation** placed **COBR-40** (coupon bonds of the Bank of Russia) in the amount of 6.3

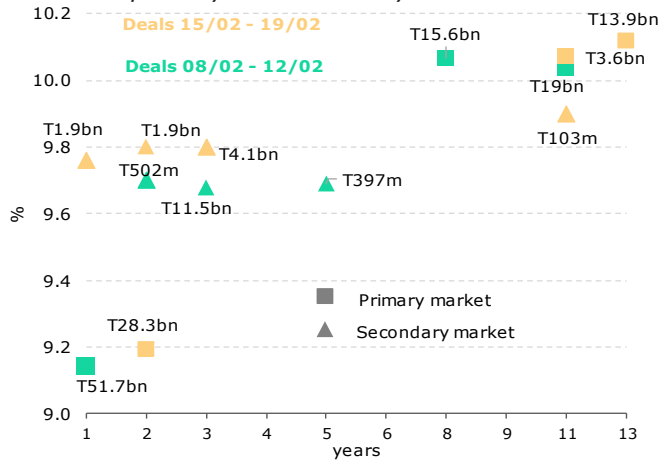
## Bond yields

Country	YTM, %	Yld (ask), %	1W, p.p	YTD, p.p
<b>Emerging markets (local currency)</b>				
Kazakhstan	10.0	10.07	0.020	0.330
Russia	9.1	6.66	0.160	0.750
Vietnam	9.7	2.05	-0.017	-0.075
Brazil	9.9	8.00	0.178	1.132
Turkey	8.2	5.18	0.20	-0.02
<b>Developed markets (local currency)</b>				
USA	9.5	1.30	0.135	0.397
Canada	9.3	1.14	0.177	0.438
Germany	9.5	-0.34	0.120	0.232
Spain	9.7	0.29	0.138	0.252
Portugal	9.7	0.25	0.146	0.225
Italy	10.1	0.59	0.145	0.056
<b>Emerging markets (USD)</b>				
Russia	14.1	3.20	0.099	0.426
Belarus	9.0	6.14	-0.010	0.332
Turkey	7.7	4.97	0.066	-0.041
Serbia	9.8	2.56	0.161	0.380
Romania	10.0	2.49	0.239	0.333
Mexico	9.1	2.63	0.186	0.404
Oman	8.4	5.19	0.222	-0.219
Ecuador	9.4	9.15	0.238	1.407
Egypt	11.3	6.33	0.241	0.408
China	9.7	1.53	0.157	0.353
India	8.9	2.75	0.192	0.140
<b>Developed markets (USD)</b>				
Finland	9.2	1.40	0.142	0.383
Belgium	9.3	1.47	0.154	0.373
Italy	8.7	2.34	0.158	0.192

billion rubles with a buyback date on March 10, 2021 and with an average weighted yield of 4.22% per annum and the **COBR-42** issue in the volume of 38.7 billion rubles with a buyback date on May 12, 2021 with a weighted average yield of 4.25% per annum. In addition, the Central Bank of the Russian Federation is preparing issues of **COBR-43**, **COBR-44** and **COBR-45** for a total of 900 billion rubles to be placed on March 9, April 21 and May 11, respectively.

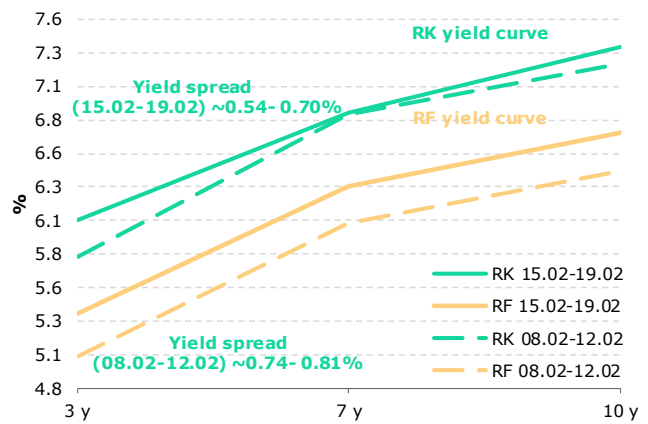
On February 16, **the Ministry of Finance of Azerbaijan** issued medium-term bonds in the amount of 45 million manats (\$ 26.5 million) with a maturity date of February 14, 2023, with an average weighted yield of 7.85% per annum. The yield on the previous issue with a similar maturity was 8.36%.

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



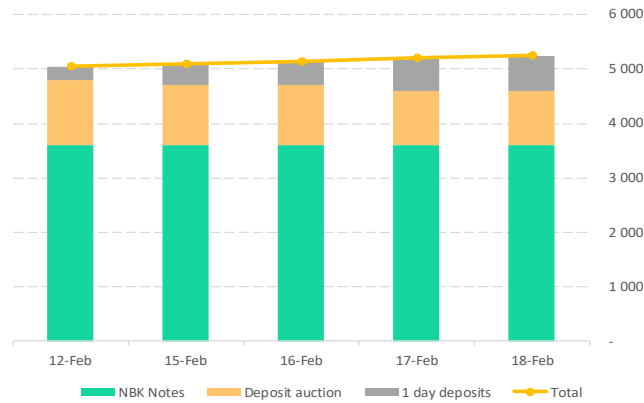
Source: KASE

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



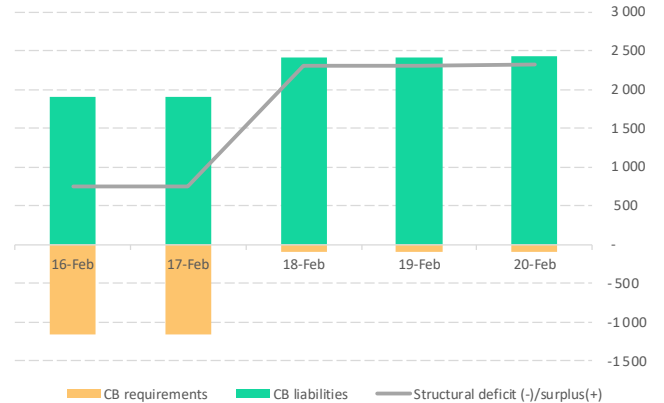
Source: Bloomberg

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



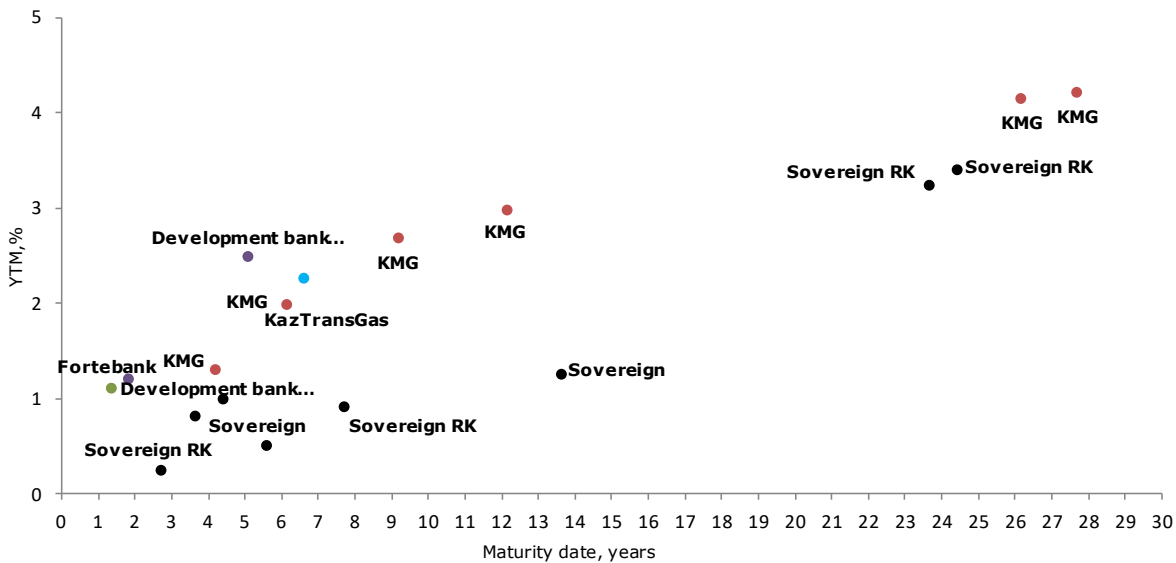
Source: NBK

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



Source: Central Bank of the RF

Fig 5. Kazakhstan issuers Eurobonds yields in USD



## 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	3.64	110.66	111.20	0.75	0.05	0.02
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	4.41	117.55	118.06	0.94	0.08	0.03
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	23.65	126.45	127.39	3.21	0.20	0.44
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	24.42	150.74	151.76	3.37	0.20	0.45
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	7.72	111.00	111.00	0.89	-0.05	-0.05
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	5.60	100.09	100.85	0.45	0.04	0.11
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	2.71	103.20	103.83	0.13	0.04	0.01
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	13.61	102.60	103.61	1.21	0.07	0.19
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	2.99	106.77	107.71	2.08	0.09	0.41
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	8.00	113.22	114.00	3.36	0.14	0.39
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	9.76	101.67	102.60	3.38	0.13	0.40
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	7.34	169.24	169.95	2.32	-0.01	0.07
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	11.75	99.75	100.21	1.83	0.03	0.10
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	4.78	110.04	110.62	0.61	0.02	0.02
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	9.76	99.75	100.39	0.21	0.02	-0.01
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	4.66	99.01	99.31	0.70	0.05	0.17
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	7.69	121.23	121.89	6.13	0.30	0.20
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	5.52	111.05	111.64	5.29	0.39	0.32
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	4.52	111.21	111.96	4.78	0.23	0.10
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	3.52	109.83	110.66	4.45	0.35	0.19
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	12.06	104.43	105.18	6.62	0.33	0.53
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	11.59	105.79	106.46	6.57	0.29	0.48
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	8.93	94.69	95.54	5.01	0.27	0.14
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	2.01	104.01	104.94	4.29	-0.17	-0.04
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	9.02	98.94	100.39	6.14	-0.01	0.28
Georgia	GG	USD	500	6.9	12.04.2011	12.04.2021	0.13	100.31	100.92	0.14	-0.66	0.53
<b>Banks</b>												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	2.24	106.76	107.41	1.87	-0.01	-0.14
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	1.35	116.87	117.63	0.86	-0.44	-1.41
TINKOFF	RU	USD	300	9.3	15.06.2017	perpetual	0.00	105.28	106.44	7.82	0.00	0.00
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	3.78	104.46	105.58	4.14	-0.18	0.01
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	2.42	105.35	106.00	3.40	-0.04	-0.05
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	3.32	104.96	105.81	3.91	-0.22	-0.71
TBC BANK JSC	GG	USD	125	10.8	03.07.2019	perpetual	0.00	104.67	107.73	9.35	-0.03	-0.30
Ipoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	4.74	103.76	104.55	4.42	-0.19	-0.52
<b>Corporate</b>												
DEVELOPMENT BANK OF KZ	KZ	USD	1264	4.1	10.12.2012	10.12.2022	1.79	104.89	105.46	1.05	0.05	-0.23
DEVELOPMENT BANK OF KZ	KZ	USD	107	6.0	23.03.2006	23.03.2026	5.08	115.91	117.48	2.33	0.05	-0.19
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	883	7.0	10.07.2012	10.07.2042	21.39	141.46	143.09	3.95	0.13	0.31
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250	3.3	05.12.2018	05.12.2023	2.78	105.39	107.10	0.67	0.06	-0.10
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185	3.6	20.06.2014	20.06.2022	1.32	103.16	104.25	0.42	0.03	0.11
KAZMUNAYGAS NATIONAL CO	KZ	USD	500	4.8	24.04.2018	24.04.2025	4.17	113.63	114.30	1.22	0.04	-0.01
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000	4.8	19.04.2017	19.04.2027	6.15	115.63	116.32	1.93	0.05	0.00
KAZMUNAYGAS NATIONAL CO	KZ	USD	750	3.5	14.10.2020	14.04.2033	12.15	105.02	105.68	2.94	0.23	0.38
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.4	24.04.2018	24.04.2030	9.17	121.33	121.98	2.66	0.17	0.18
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.8	19.04.2017	19.04.2047	26.17	124.83	125.71	4.13	0.17	0.45
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500	6.4	24.04.2018	24.10.2048	27.68	134.62	135.43	4.20	0.17	0.43
KazTransGas	KZ	USD	706	4.4	26.09.2017	26.09.2027	6.59	112.52	113.16	2.22	0.22	0.37
Development Bank of Belarus	BK	USD	500	6.8	02.05.2019	02.05.2024	3.19	101.80	102.69	5.81	0.11	1.05
SOCAR	AZ	USD	750	7.0	18.03.2015	18.03.2030	9.07	127.06	128.33	3.31	0.10	0.12
SOCAR	AZ	USD	1000	4.8	13.03.2013	13.03.2023	2.05	105.89	106.67	1.45	0.09	0.24
Georgian Railway	GG	USD	500	7.8	05.07.2012	11.07.2022	1.38	106.41	108.04	1.83	-0.07	-1.45
Georgian Oil & Gas Corp	GG	USD	250	6.8	26.04.2016	26.04.2021	0.17	100.25	100.96	2.25	-0.14	-1.61

© 2021 Halyk Finance, a subsidiary of Halyk Bank.

For contact details see the information on Halyk Finance website [www.halykfinance.kz](http://www.halykfinance.kz) or contact Halyk Finance office. All rights reserved. This document and/or information has been prepared by and, except as otherwise specified herein, is communicated by Halyk Finance. This document is for information purposes only. Opinions and views expressed in this document do not necessarily represent the opinions and views held by Halyk Finance, or other subsidiaries of Halyk Bank. The differences of opinion stem from different assumptions, sources information, criteria and methodology of valuation. Information and opinions expressed herein are subject to change without notice; and neither Halyk Finance, or Halyk Bank, or any of its subsidiaries or affiliates are under any obligation to keep them current. This document is not an offer or an invitation to engage in investment activity. It cannot be relied upon as a representation that any particular transaction necessarily could have been or can be effected at the stated price. This document does not constitute an advertisement or an offer of securities, or related financial instruments. Descriptions of any company or companies or their securities or the markets or developments mentioned herein are not intended to be complete. Views and opinions expressed in this document cannot substitute for the exercise of own judgment and do not attempt to meet the specific investment objectives, financial situation or particular needs of any specific investor. The information and opinions herein have been arrived at based on information obtained from sources believed to be reliable and in good faith. Such sources have not been independently verified; information is provided on the basis and no representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness, reliability, merchantability or fitness for a particular purpose of such information and opinions, except with respect to information concerning Halyk Finance and its affiliates. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign-currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or the price of, or income derived from, the investment. Halyk Finance and its affiliates, directors, representatives, employees, or clients may have or have had interests in issuers described herein. Halyk Finance may have or have had long or short positions in any of the securities or other financial instruments mentioned herein at any time and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any such securities or other financial instruments at any time, as principal or agent. Halyk Finance and its affiliates may act or may have acted as market maker in the securities or other financial instruments described herein, or in securities underlying or related to such securities. Employees of Halyk Finance or its affiliates may serve or have served as officers or directors of the said companies. Halyk Finance and its affiliates may have or have had a relationship with or have provided investment banking, capital markets, advisory, investment management, and/or other financial services to the relevant companies. Halyk Finance relies on information barriers to avoid the appearance of conflict of interests within Halyk Finance or in its relations with clients, other issuers, and external investors.

The information herein is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Halyk Finance. Neither Halyk Finance nor any of its affiliates accepts any liability whatsoever for the actions of third parties in this respect. This information may not be used to create any financial instruments or products or any indices. Neither Halyk Finance, nor its affiliates, nor their directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of any information herein.

© 2021, All rights reserved

## Research department

Stanislav Chuev	Head
Asan Kurmanbekov	Macroeconomics
Dmitry Sheikin	Macroeconomics
Vladislav Benberin	Fixed income
Madina Meterkulova	Equity
Almas Almaganbetov	Equity

## E-mail

[s.chuev@halykfinance.kz](mailto:s.chuev@halykfinance.kz)  
[a.kurmanbekov@halykfinance.kz](mailto:a.kurmanbekov@halykfinance.kz)  
[d.sheikin@halykfinance.kz](mailto:d.sheikin@halykfinance.kz)  
[v.benberin@halykfinance.kz](mailto:v.benberin@halykfinance.kz)  
[m.meterkulova@halykfinance.kz](mailto:m.meterkulova@halykfinance.kz)  
[a.almaganbetov@halykfinance.kz](mailto:a.almaganbetov@halykfinance.kz)

## Address:

Halyk Finance  
Abay av., 109 «B», 5th fl  
A05A1B4, Almaty, Kazakhstan  
Contact. +7 727 357 59 77  
[www.halykfinance.kz](http://www.halykfinance.kz)

## Bloomberg

HLFN

## Thomson Reuters

Halyk Finance

## Factset

Halyk Finance

## Capital IQ

Halyk Finance