

Kazakhstan

Bonds of the Ministry of Finance of the Republic of Kazakhstan. Last week, the Ministry of Finance of the Republic of Kazakhstan placed three issues of bonds for a total of KZT17.0 bn (the previous week - 2 issues were placed for a total of KZT28.6 bn). Both 8-year and 12-year bonds were in practically the same demand, the yield on which increased by 2 and 3 bps. respectively. The least demand was for 15-year bonds, however the yield increased by 3 bps. It is noteworthy that during this placement, the purchase order was received only from one participant of the auction.

In 1H2021, the Ministry of Finance of the Republic of Kazakhstan placed government securities for the total amount of KZT1.380.5 bn (+0.3% yoy). At the same time, 82.9% of the amount of placement were domestic placements in national currency, and 17.9% were external placements of government securities denominated in Russian rubles.

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

Date	Volume, KZT bn	YTM, %	Circulation period, Years	Demand / supply	Change in yield in the previous similar place.
23-Aug	5.0	10.69	12.0	47%	0.02
25-Aug	7.0	10.78	15.0	28%	0.03
27-Aug	5.0	10.58	7.9	50%	0.03

Notes of the National Bank of the Republic of Kazakhstan. On August 23, an auction was held on the placement of 28 days notes for a total amount of KZT156.4bn with a yield of 9.2382% (in the previous week the volume of placements was more than 2 times higher with a comparable yield).

The weekly net borrowing balance of the Ministry of Finance of Kazakhstan and the National Bank of Kazakhstan in the government securities market amounted to minus T229.8bn (minus T590.6bn in the previous week), while the net borrowing balance of the National Bank stroke at the end of the week at minus T181.9bn (minus KZT434.3 bn in the previous week).

Placements by corporate issuers. On August 27, **VTB Bank JSC (Kazakhstan)** placed 3-year bonds for a total of KZT9.5 bn with a yield of 11.1% per annum (the yield on the previous similar placement, held last week, was 6 bps lower). Institutional investors who purchased the bonds accounted for 31.6% while other legal entities - 63.1%.

Regional market

Last week, **the Ministry of Finance of Russia** placed two issues of long-term OFZ-PD bonds totaling RUB106.1 bn. This time the yields showed multidirectional dynamics. Thus, the yield on 8-year bonds worth RUB57.5 bn decreased by 4 bps, while the yield on 15-year bonds totaling RUB48.6 bn increased by 3 bps.

Tab. 2. Auctions results of 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.
25-Aug	57.5	7.11	7.7	222%	-0.04
25-Aug	48.6	7.39	15.1	117%	0.03

The share of OFZ bonds held by non-residents amounted to 20.6% as of August 1 (+0.9% mom, -9.2% yoy). Investments of non-residents in nominal terms increased by 5.8% mom to RUB3.16 trln. In general, the OFZ market as of August 1 in the Russian Federation amounted to RUB15.3 trln.

Last week **the Ministries of Finance of Turkey and Ukraine** had not placed their governmental bonds.

Bond yields

Country	YTM, %	Yld (ask), %	1W, p.p	YTD, p.p
Emerging markets (local currency)				
Kazakhstan	10.0	10.63	0.050	0.950
Russia	10.0	7.13	0.040	-0.200
Vietnam	9.2	1.82	0.001	-0.297
Brazil	9.3	10.49	1.200	3.628
Turkey	9.2	16.46	-0.97	3.96
Developed markets (local currency)				
USA	9.0	1.25	0.053	0.349
Canada	8.8	1.14	0.065	0.439
Germany	9.0	-0.51	0.068	0.065
Spain	9.2	0.15	0.080	0.108
Portugal	9.1	0.02	0.068	0.002
Italy	9.6	0.65	0.086	0.116
Emerging markets (USD)				
Russia	13.6	3.06	-0.015	0.286
Belarus	8.5	8.18	0.103	2.371
Turkey	7.2	5.44	-0.183	0.435
Serbia	9.3	2.49	-0.060	0.308
Romania	9.5	2.44	0.011	0.282
Mexico	8.6	2.52	-0.035	0.288
Oman	7.9	4.81	-0.148	-0.597
Ecuador	8.9	6.34	-0.419	-1.408
Egypt	10.7	6.59	-0.249	0.665
China	9.1	1.41	0.033	0.233
India	8.4	2.82	-0.037	0.165
Developed markets (USD)				
Finland	8.7	1.28	0.032	0.264
Belgium	8.7	1.36	0.016	0.264
Italy	8.1	2.09	0.034	-0.053

Investments of non-residents in OFZ

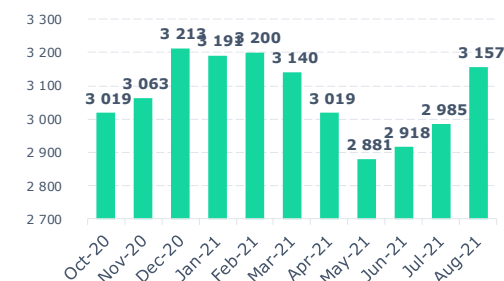
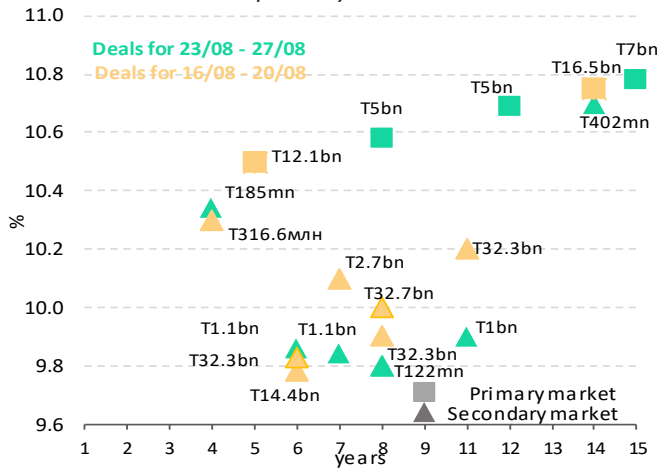
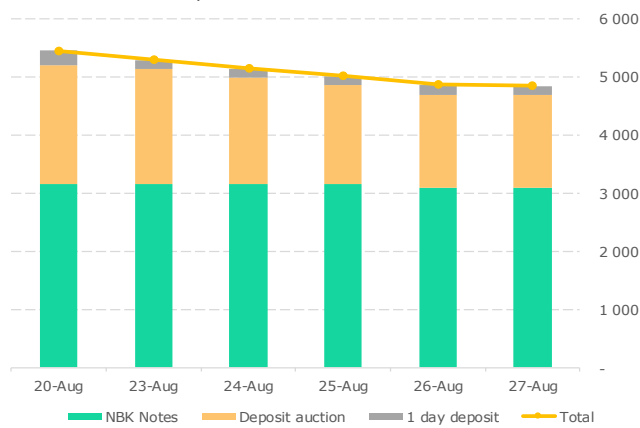


Fig 1. Bonds trade volume and yields of the Ministry of Finance of RK on the primary market



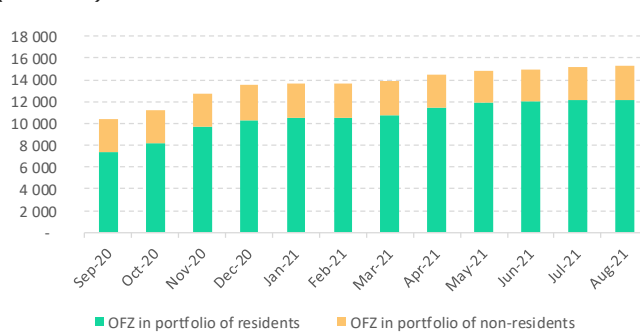
Source: KASE

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



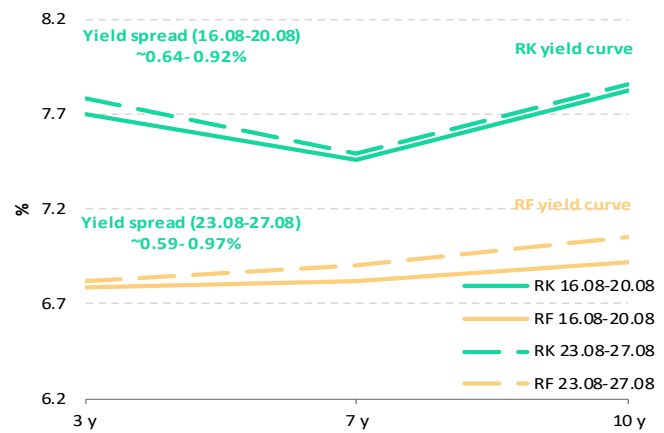
Source: NBK

Fig 5. OFZ market and the share of non-residents (RUB bn)



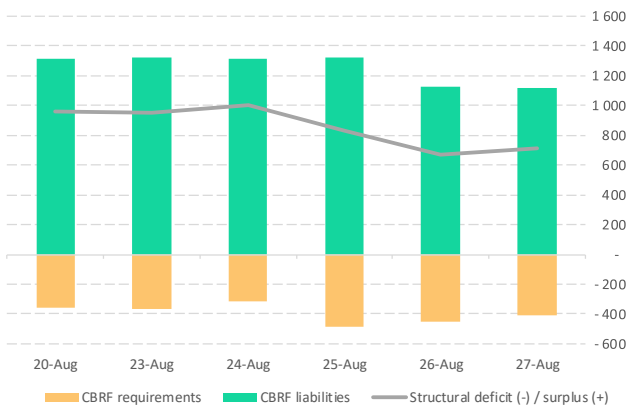
Source: Central Bank of the RF

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



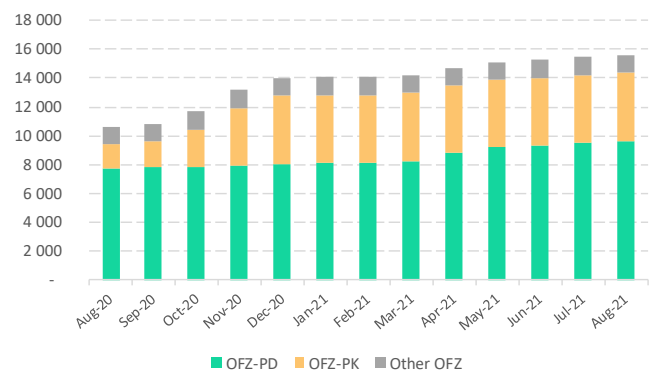
Source: Bloomberg

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



Source: Central Bank of the RF

Figure 6. OFZs by type (RUB bn)



Source: Central Bank of the RF

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			
Sovereign												
Kazakhstan	KZ	USD	1500	3.9	14.10.2014	14.10.2024	3.12	108.69	109.08	0.92	0.04	0.18
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	3.89	115.65	116.04	0.92	0.04	0.02
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	23.13	126.72	127.48	3.19	0.00	0.42
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	23.90	147.55	148.43	3.49	0.00	0.57
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	7.19	112.35	112.35	0.61	-0.33	-0.33
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	5.08	100.38	101.07	0.39	-0.04	0.05
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	2.19	103.30	103.72	-0.15	0.00	-0.27
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	13.09	101.86	102.73	1.27	-0.03	0.25
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	2.47	105.33	106.04	2.23	0.12	0.55
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	7.48	110.27	111.23	3.64	0.01	0.68
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	9.24	98.52	99.48	3.77	-0.02	0.78
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	6.82	167.36	168.10	2.01	0.01	-0.24
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	11.23	99.20	99.69	1.88	-0.03	0.15
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	4.26	109.72	110.22	0.45	0.00	-0.14
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	9.24	99.23	99.88	0.26	-0.01	0.05
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	4.14	98.61	98.97	0.80	0.00	0.27
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	7.17	120.22	120.79	6.12	-0.19	0.19
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	5.00	110.59	111.21	5.18	-0.23	0.20
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	4.00	109.82	110.52	4.83	-0.31	0.15
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	3.00	109.50	110.21	4.10	-0.38	-0.15
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	11.54	105.08	105.72	6.54	-0.18	0.44
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	11.07	106.00	106.67	6.52	-0.20	0.43
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	8.41	94.38	95.09	5.10	-0.18	0.24
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	1.49	100.12	101.18	6.04	-0.25	1.70
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	8.50	86.82	88.03	8.18	0.10	2.32
Banks												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	1.72	105.50	106.05	1.69	0.02	-0.32
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	0.83	114.46	115.15	1.47	-0.04	0.04
TINKOFF	RU	USD	300	9.3	15.06.2017	perpetual	0.00	104.97	105.99	7.96	-0.01	0.00
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	3.25	105.21	106.31	3.68	0.10	-0.45
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	1.90	106.14	107.29	2.08	-0.22	-0.26
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	2.80	107.56	108.71	2.51	-1.70	-1.82
Ipoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	4.22	103.37	104.53	4.31	0.03	-0.63
Corporate												
DEVELOPMENT BANK OF KZ	KZ	USD	1264	4.1	10.12.2012	10.12.2022	1.27	104.00	104.58	0.52	-0.10	-0.75
DEVELOPMENT BANK OF KZ	KZ	USD	107	6.0	23.03.2006	23.03.2026	4.56	117.47	117.92	1.88	-0.44	-0.73
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	883	7.0	10.07.2012	10.07.2042	20.87	139.27	140.48	4.06	-0.02	0.42
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250	3.3	05.12.2018	05.12.2023	2.26	106.15	106.70	0.28	-0.03	-0.49
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185	3.6	20.06.2014	20.06.2022	0.80	102.45	102.86	0.05	0.02	-0.25
KAZMUNAYGAS NATIONAL CO	KZ	USD	500	4.8	24.04.2018	24.04.2025	3.65	111.07	111.72	1.44	-0.01	0.21
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000	4.8	19.04.2017	19.04.2027	5.63	113.08	113.76	2.15	-0.01	0.22
KAZMUNAYGAS NATIONAL CO	KZ	USD	750	3.5	14.10.2020	14.04.2033	11.62	104.15	104.99	2.99	-0.05	0.43
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.4	24.04.2018	24.04.2030	8.65	119.44	120.13	2.74	-0.05	0.27
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250	5.8	19.04.2017	19.04.2047	25.65	123.47	124.44	4.19	-0.01	0.50
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500	6.4	24.04.2018	24.10.2048	27.16	130.88	131.81	4.36	-0.03	0.59
KazTransGas	KZ	USD	706	4.4	26.09.2017	26.09.2027	6.07	110.07	110.83	2.44	0.01	0.60
Development Bank of Belarus	BK	USD	500	6.8	02.05.2019	02.05.2024	2.67	93.13	94.13	9.28	0.43	4.51
SOCAR	AZ	USD	750	7.0	18.03.2015	18.03.2030	8.55	123.81	125.13	3.52	-0.01	0.34
SOCAR	AZ	USD	1000	4.8	13.03.2013	13.03.2023	1.53	105.00	105.79	0.94	0.01	-0.27

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