

## Kazakhstan

On 9 March 2022, the National Bank of the Republic of Kazakhstan decided to keep the base rate at 13.5%, leaving it unchanged. In February 2022, annual inflation amounted to 8.7% (+0.2 pp since last month).

On 5 March 2022, S&P Global Ratings affirmed Kazakhstan's sovereign credit rating at BBB-, Outlook - stable. This decision reflects the agency's expectations that the governmental budget and balance of payments will remain stable in the next two years. S&P suggests that total international reserves of the country will be sufficient to mitigate effects of potential "macroeconomic instabilities arising from close political, financial and economic relations between Kazakhstan and Russia".

### 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 KZT48.2 bln (last week – two bond issues for a total of KZT56.7 bln). The 7-year bonds evidenced the strongest demand of 98% vs supply and the bonds' yield amounted to 13.21%. Yield on 15-year bonds amounted to 12.91% (last week's issue – KZT30.7 bln with a yield of 11.10%).

According to Central Securities Depository (KACD), as of end of February, share of governmental securities held by foreign investors grew 4.3% mom (-4.8% YTD) and amounted to KZT567 bln.

Tab.1. Results of government securities auctions of the Ministry of Finance of the Republic of Kazakhstan

Date	Volume, KZT bln	YTM, %	Maturity, years	Demand / Supply	Change in yield from a previous similar issue, pp
02 Mar	23.0	13.21	6.7	98%	2.24
02 Mar	25.2	12.91	14.9	98%	1.81

Source: KASE

**Notes of the National Bank of the Republic of Kazakhstan.** On 28 February 2022, an auction for 28-day notes placement was held in the amount of KZT69.5 bln with a yield of 13.2432% (previous week – yield of 10.232% on a placement in the amount of KZT180.7 bln). On 4 March, another auction for 28-day notes placement was held in the amount of KZT115.2 bln with a yield of 13.4494%.

**Corporate issuers.** During the period of 28 February – 4 March 2022, there were no securities issued by corporations.

## Regional market

On 2 March 2022, Fitch downgraded Russia's sovereign credit rating from BBB to B, and on 9 March, the agency downgraded it again from B to C. Furthermore, Fitch stated that it will suspend commercial operations in the country.

On 2 March 2022, **Bank of Russia** restricted coupon payments for OFZ for foreign investors, and on 6 March the Bank issued a statement that "creditors from the countries that have not joined the sanctions against Russia will be able to receive repayments on Russian residents' current debt obligations within the respective periods in rubles in the amount of the ruble equivalent at the FX rate as of the moment of the repayment".

**The Ministry of Finance of Russia** did not hold any government securities auctions during the period of 28 February – 4 March 2022. According to the OFZ auction schedule for 1Q2022, there was supposed to be an auction held on 2 March.

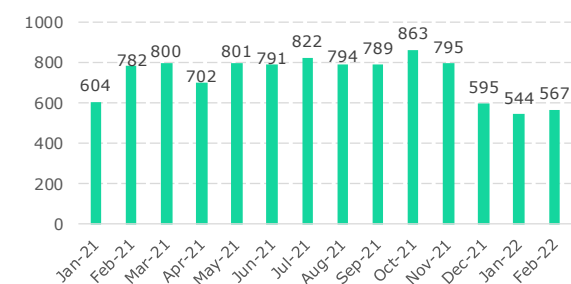
On 1 March 2022, **the Ministry of Finance of Ukraine** issued two OVDP placements with maturities of 2 months and 1 year for a total of UAH8.1

## Bond yields

Country	YTM, %	Yld (ask), %	1W, p.p	YTD, p.p
<b>Emerging markets (local currency)</b>				
Kazakhstan	10.0	13.00	2.000	2.220
Russia	9.6	-	-	-
Vietnam	9.8	2.16	0.006	-
Brazil	10.8	12.33	0.658	-
Turkey	8.7	25.07	2.62	2.13
<b>Developed markets (local currency)</b>				
USA	8.9	1.66	-0.240	0.262
Canada	9.7	1.67	-0.269	0.187
Germany	8.4	-0.19	-0.315	0.074
Spain	11.4	0.98	-0.239	0.326
Portugal	12.1	1.07	-0.158	0.427
Italy	11.5	1.64	-0.294	0.363
<b>Emerging markets (USD)</b>				
Russia	13.1	15.94	7.745	12.619
Belarus	9.0	48.25	-	38.589
Turkey	9.3	8.85	0.759	1.393
Serbia	11.0	5.30	1.491	3.006
Romania	8.9	4.47	0.431	1.727
Mexico	11.9	4.13	-0.023	-
Oman	25.0	7.10	0.103	2.088
Ecuador	8.4	7.22	1.013	0.503
Egypt	10.2	11.78	2.080	3.490
China	17.7	2.74	-0.103	0.371
India	8.9	4.27	1.274	1.639
<b>Developed markets (USD)</b>				
Finland	8.2	1.93	-0.117	0.496
Belgium	8.2	1.99	-0.119	0.434
Italy	7.6	3.12	-0.080	0.610

Source: Bloomberg, Halyk Finance calculations

## Kazakhstan sovereign debt held by foreign investors (KZT bln)



Source: KACD

bln (last week – 5 placements for a total of UAH3.3 bln). The 1-year war bonds evidenced the strongest demand (111%) despite a fixed yield rate of 11%. The total planned financing amount for the programme aimed at ensuring “the uninterrupted provision of the state’s financial needs under war conditions” stands at UAH400 bln (USD13.7 bln).

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

Date	Volume, UAH mln	YTM, %	Maturity, years	Change in yield from a previous similar issue, pp
1 Mar	21	10.00	0.2	-0.50
1 Mar	8 123	11.00	1.0	-

Source: NBU

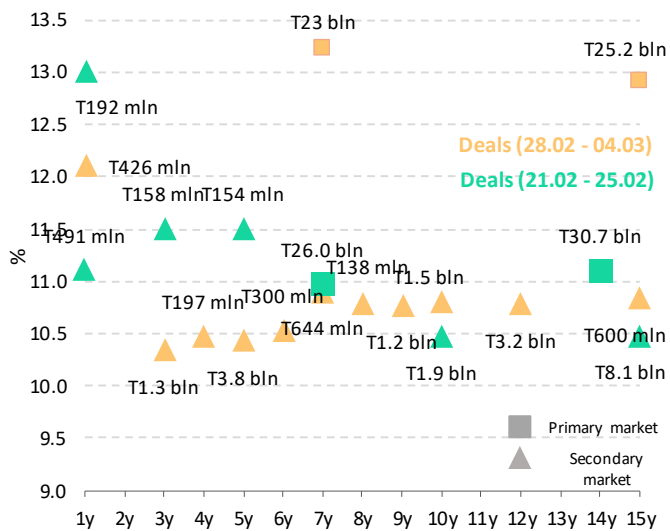
On 8 March 2022, **The Ministry of Finance of Turkey** held two government securities auctions for a total of TRY8.3 bln. The 1.5-year bonds evidenced a substantial yield increase (+3.76 pp).

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

Date	Volume, TRY mln	YTM, %	Maturity, years	Demand / Supply	Change in yield from a previous similar issue, pp
8 Mar	3.8	22.16	0.9	193%	-
8 Mar	4.5	23.93	1.5	140%	3.76

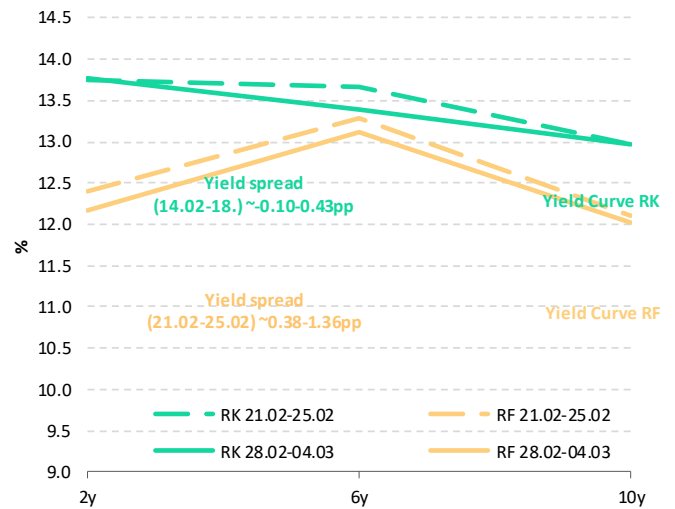
Source: MFT

Fig 1. Primary and secondary market yields and trade volume of bonds issued by the Ministry of Finance of the Republic of Kazakhstan



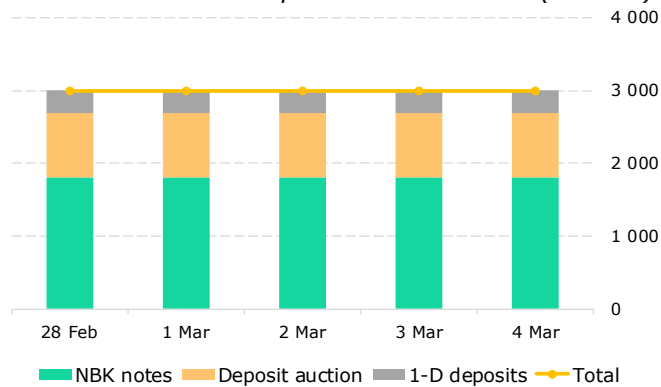
Source: KASE

Fig 2. Yield curve of RUB-denominated bonds issued by governments of Kazakhstan and Russia (OFZ)



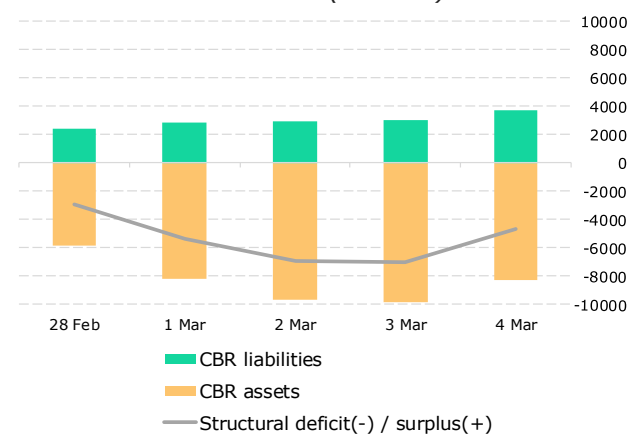
Source: Bloomberg

Fig 3. Key instruments for liquidity sterilization of the National Bank of the Republic of Kazakhstan (KZT bln)



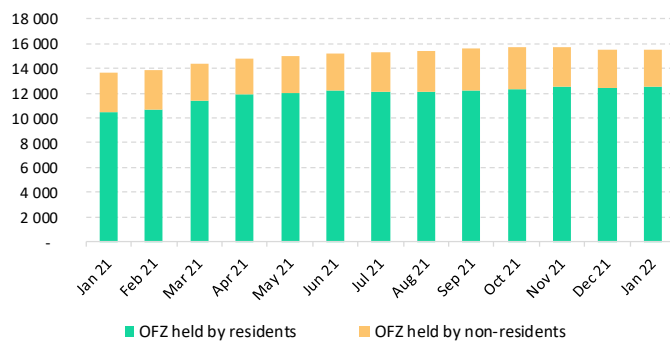
Source: NBK

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



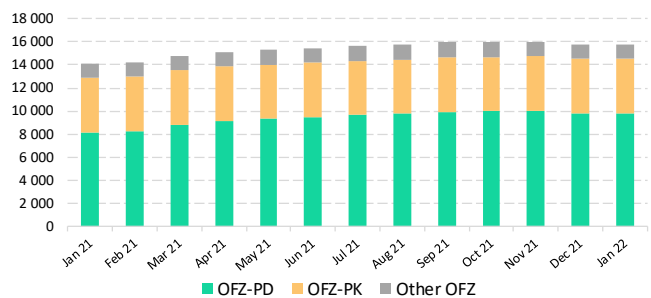
Source: Central Bank of Russia

Fig 5. OFZ market volume and share of non-residents (RUB bln)



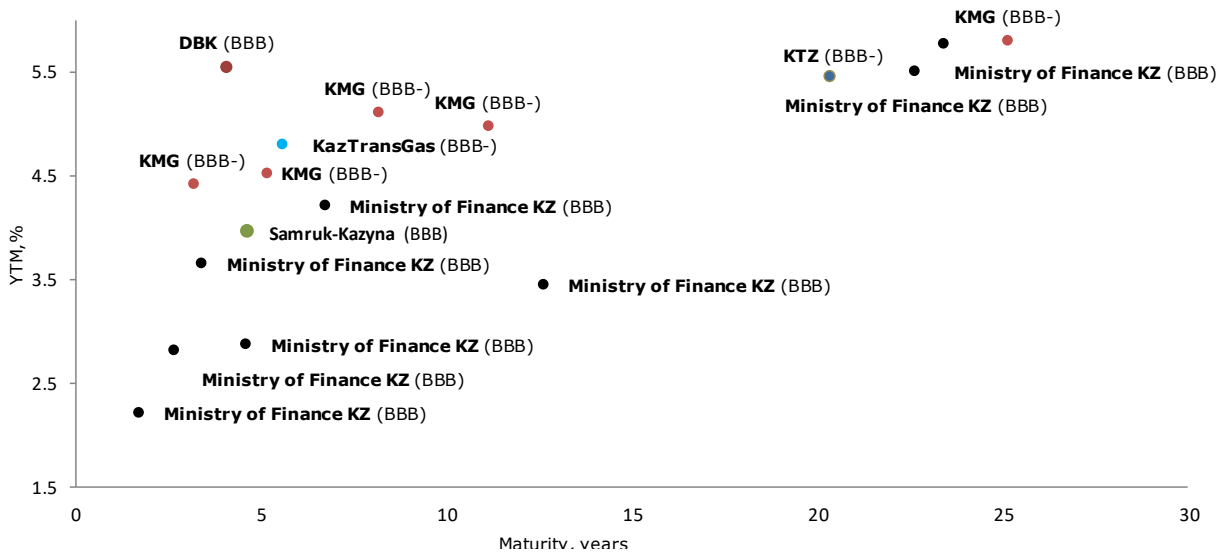
Source: Central Bank of Russia

Fig 6. OFZ types (RUB bln)



Source: Central Bank of Russia

Fig 7. Yield curve of USD-denominated Eurobonds issued by governmental and corporate entities in Kazakhstan (Fitch ratings)



Source: Bloomberg

## Eurobond 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	2.60	102.30	102.97	2.68	0.74	1.63
Kazakhstan	KZ	USD	2500	5.1	21.07.2015	21.07.2025	3.37	104.14	105.11	3.50	0.87	2.13
Kazakhstan	KZ	USD	1000	4.9	14.10.2014	14.10.2044	22.62	90.98	92.81	5.43	0.92	2.04
Kazakhstan	KZ	USD	1500	6.5	21.07.2015	21.07.2045	23.38	108.58	109.98	5.72	0.78	2.04
Kazakhstan	KZ	EUR	525	2.4	09.11.2018	09.11.2028	6.68	89.01	89.98	4.12	2.01	3.12
Kazakhstan	KZ	EUR	500	0.6	30.09.2019	30.09.2026	4.56	90.20	90.60	2.82	0.85	2.07
Kazakhstan	KZ	EUR	525	1.6	09.11.2018	09.11.2023	1.67	98.74	99.08	2.12	1.48	1.98
Kazakhstan	KZ	EUR	650	1.5	30.09.2019	30.09.2034	12.57	79.97	80.82	3.40	0.92	1.95
Uzbekistan	UZ	USD	500	4.8	20.02.2019	20.02.2024	1.95	96.97	97.45	6.16	2.67	3.65
Uzbekistan	UZ	USD	500	5.4	20.02.2019	20.02.2029	6.96	93.38	94.38	6.39	1.30	2.15
Uzbekistan	UZ	USD	555	3.7	25.11.2020	25.11.2030	8.72	77.88	79.88	6.80	1.63	2.64
Russia	RU	USD	2500	12.8	24.06.1998	24.06.2028	6.30	-	-	-	-	-
Russia	RU	EUR	1250	1.9	20.11.2020	20.11.2032	10.71	-	-	-	-	-
Russia	RU	EUR	1750	2.9	04.12.2018	04.12.2025	3.74	-	-	-	-	-
China	CH	EUR	2000	0.3	25.11.2020	25.11.2030	8.72	92.06	92.98	1.10	0.01	0.55
China	CH	USD	2250	0.6	21.10.2020	21.10.2025	3.62	95.05	95.28	1.90	-0.08	0.70
Ukraine	UK	USD	1600	9.8	01.11.2018	01.11.2028	6.65	21.19	23.68	49.74	24.52	40.34
Ukraine	UK	USD	1318	7.8	12.11.2015	01.09.2026	4.48	21.48	23.92	54.82	27.68	46.03
Ukraine	UK	USD	1329	7.8	12.11.2015	01.09.2025	3.48	20.38	22.49	68.99	36.79	60.20
Ukraine	UK	USD	1339	7.8	12.11.2015	01.09.2024	2.48	20.46	25.03	84.31	44.83	75.64
Ukraine	UK	USD	2600	7.3	30.07.2020	15.03.2033	11.02	19.63	20.85	37.96	19.77	29.16
Ukraine	UK	USD	3000	7.4	25.09.2017	25.09.2032	10.56	19.67	24.67	33.83	15.17	25.01
Ukraine	UK	EUR	1250	4.4	27.01.2020	27.01.2030	7.89	19.13	22.57	32.74	16.15	25.18
Belarus	BK	USD	800	6.9	29.06.2017	28.02.2023	0.98	5.00	15.00	361.57	292.69	354.13
Belarus	BK	USD	600	6.2	28.02.2018	28.02.2030	7.98	5.00	14.67	50.54	35.61	40.82
<b>Banks</b>												
SBERBANK	RU	USD	1000	5.3	23.05.2013	23.05.2023	1.21	-	-	-	-	-
FORTEBANK JSC	KZ	USD	75	14.0	30.06.2010	30.06.2022	0.31	103.07	103.77	1.78	2.21	-1.44
TINKOFF	RU	USD	300	9.3	15.06.2017	бессроч.	0.00	-	-	-	-	-
UZPROMSTROYBANK	UZ	USD	300	5.8	02.12.2019	02.12.2024	2.74	89.35	90.93	9.60	3.51	4.86
BANK OF GEORGIA JSC	GG	USD	350	6.0	26.07.2016	26.07.2023	1.38	104.24	106.60	1.18	-1.12	-1.16
TBC BANK JSC	GG	USD	300	5.8	19.06.2019	19.06.2024	2.28	103.72	105.00	3.45	0.19	0.33
İpoteka Bank	UZ	USD	300	5.5	19.11.2020	19.11.2025	3.70	90.03	95.89	6.77	0.93	1.90
<b>Corporate</b>												
SAMRUK KAZYNA	KZ	USD	500.00	2.00	28.10.2021	28.10.2026	4.64	90.63	92.99	3.66	0.42	1.48
DEVELOPMENT BANK OF KZ	KZ	USD	1264.00	4.13	10.12.2012	10.12.2022	0.76	97.79	99.02	5.46	2.75	4.31
DEVELOPMENT BANK OF KZ	KZ	USD	106.67	6.00	23.03.2006	23.03.2026	4.04	95.07	97.84	6.62	2.30	2.53
KAZAKHSTAN TEMIR ZHOLY	KZ	USD	882.98	6.95	10.07.2012	10.07.2042	20.35	117.80	118.91	5.41	0.19	0.99
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	250.00	3.25	05.12.2018	05.12.2023	1.74	-	-	-	-	-
KAZAKHSTAN TEMIR ZHOLY	KZ	CHF	185.00	3.64	20.06.2014	20.06.2022	0.28	85.40	92.23	33.32	30.42	33.01
KAZMUNAYGAS NATIONAL CO	KZ	USD	500.00	4.75	24.04.2018	24.04.2025	3.13	100.60	101.29	4.30	1.03	2.39
KAZMUNAYGAS NATIONAL CO	KZ	USD	1000.00	4.75	19.04.2017	19.04.2027	5.12	100.58	101.45	4.43	0.58	1.89
KAZMUNAYGAS NATIONAL CO	KZ	USD	750.00	3.50	14.10.2020	14.04.2033	11.11	87.02	87.99	4.92	0.60	1.87
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250.00	5.38	24.04.2018	24.04.2030	8.13	101.20	102.30	5.03	0.73	2.00
KAZMUNAYGAS NATIONAL CO	KZ	USD	1250.00	5.75	19.04.2017	19.04.2047	25.13	98.70	99.89	5.76	0.46	1.48
KAZMUNAYGAS NATIONAL CO	KZ	USD	1500.00	6.38	24.04.2018	24.10.2048	26.65	101.61	102.55	6.18	0.73	1.83
KazTransGas	KZ	USD	706.32	4.38	26.09.2017	26.09.2027	5.55	97.70	98.21	4.75	0.58	2.14
Development Bank of Belarus	BK	USD	500.00	6.75	02.05.2019	02.05.2024	2.15	6.84	9.21	185.35	168.61	181.05
SOCAR	AZ	USD	750.00	6.95	18.03.2015	18.03.2030	8.03	111.53	112.82	4.99	0.78	1.11
SOCAR	AZ	USD	1000.00	4.75	13.03.2013	13.03.2023	1.01	98.91	99.99	4.76	2.47	3.31

Source: Bloomberg

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