

Overview of the government securities market of the Republic of Kazakhstan

III quarter 2022

KASE Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

9M'2022 to 9M'2021

+58%

trading volume

from 269,1 to
425,2 bn USD

x2,3

trading volume on the
secondary GS market

from 1 458,9 to
3 425,1 mln USD

+12%

trading volume on
the secondary corporate
bonds market

from 1 452,0 to
1 627,3 mln USD

+20%

trading volume in the
foreign exchange market

from 25,2 to
30,2 bn USD



since 01.01.2022

KASE

-16%

KASE Index

from 3 675,28 to
3 083,79 points

-28%

equity market
capitalization
from 66,6 to
47,8 bn USD

+234 th.

new accounts opened by
individuals

440 thousand accounts in the CSD
as of 01.10.22

+75_{new}

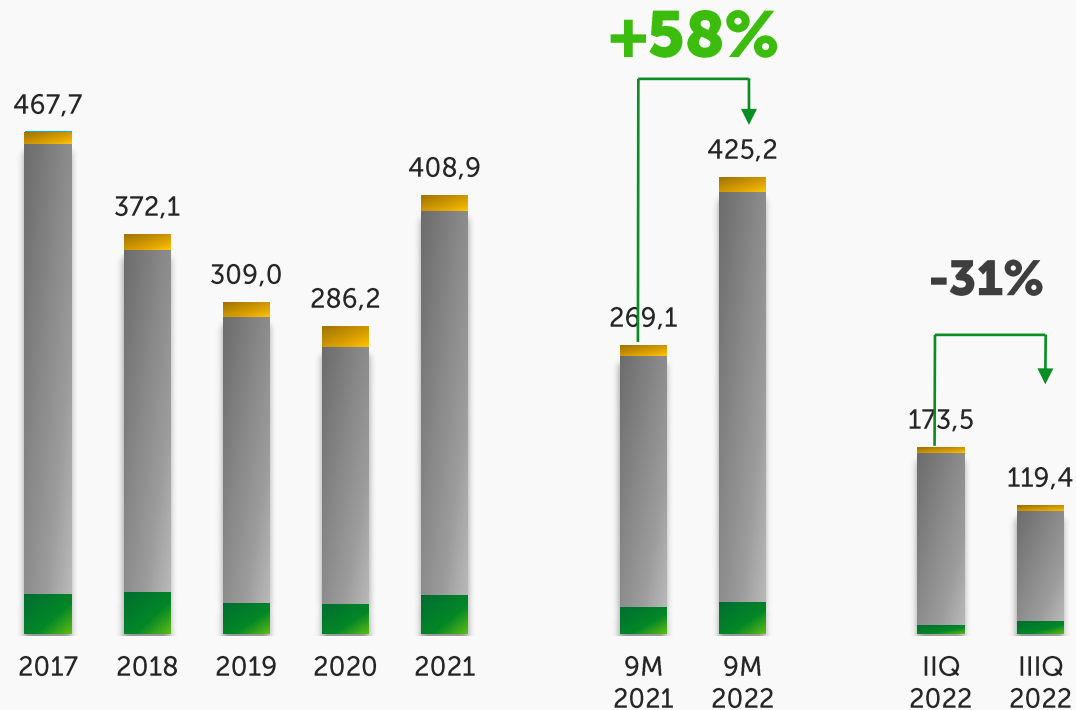
instruments in the official list

KASE Markets:

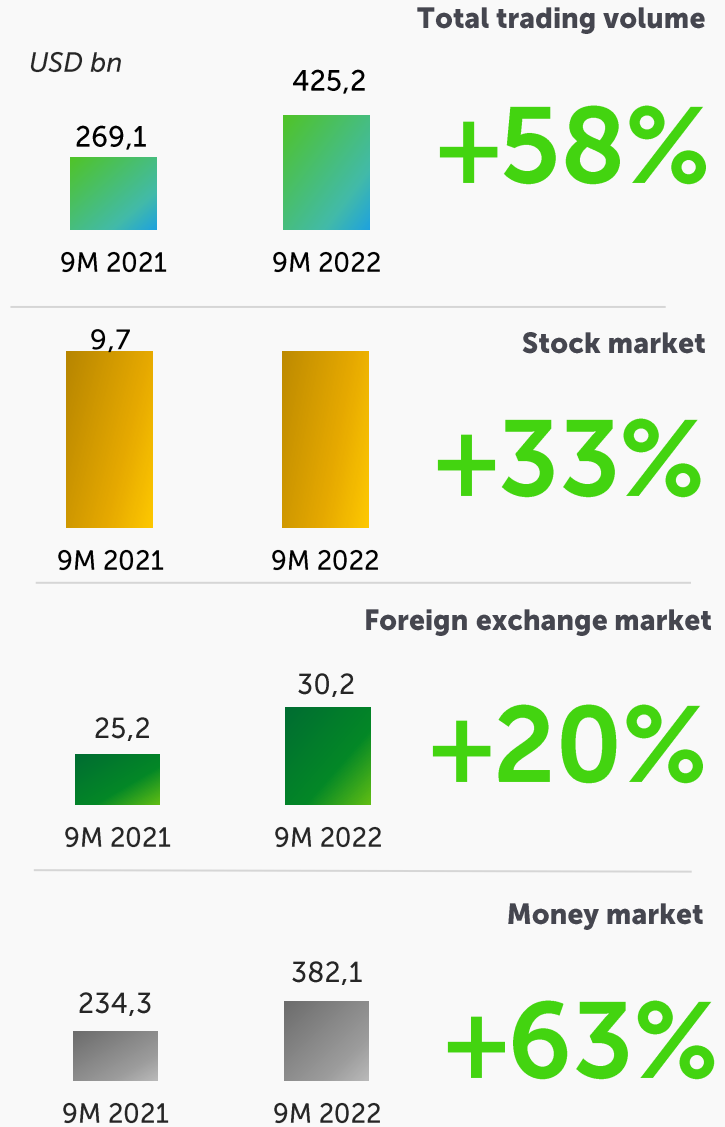
91% increase in trading volume



Dynamics of trading volume by sector, USD bn



9M'2022 к 9M'2021



1,433 instruments, including 921 securities, 245 instruments on the T+ list

during 9M 2022 +17 securities, -23 instruments on the T+ list

as of October 1, 2022

Stock Market			Money Market	FX	Derivatives
Equities	Fixed Income	Other securities	Swap	Spot	Stock
IPO / Auctions	Auctions	Secondary market	RUBKZT	RUBKZT	KASE Index
Redemption	Secondary market	Investment Funds	USDKZT	USDKZT	USDKZT
Secondary market	GS MF RK	ETF	CNYKZT	CNYKZT	RUB/KZT
Large cap	Municipal bonds		EURKZT	EURKZT	KZAP
Small cap	NBRK notes		Repo	EURUSD	HSBK
Dual listing	GB of foreign countries		Equities		
GDRs	Corporate Bonds		Bonds		
	IFI Bonds*		Government Bonds		
			CPCs		
57	177	11	465	16	31
116	538	22			
Settlements					
T+2	T+2	T+2	from T+1 to T+1Y	T+0	T+1W
T+0 – illiquid securities	T+0 – illiquid securities	T+0	from T+0 to T+90	T+1	T+1M
				T+2	T+3M
					T+6M

*bonds of international financial organizations
Source: KASE

Government securities market

The role of the Exchange in the government securities market



- Primary / secondary circulation MEKAM
- Secondary circulation of NBRK notes
- Primary/secondary circulation of bonds of akimdiks
- Repo with GS baskets with and without the CCP
- Building the GS curve
- Calculation and maintenance of government securities indices
- Provision of additional liquidity by the NBRK to
- STBs on the repo market under the monetary policy

2018

Inclusion of **GS in the list of securities** settled in the Clearstream system
Enlargement of existing **MEKAM** issues and reduction of their number
Transfer of the government securities market to the **T+2** settlement system

2019

KASE's introduction of a **new methodology for building the GS yield curve** that meets international standards
 Introduction on KASE of an **incentive program for market-makers** on the GS market

2020

Migration to **DVP** in **Clearstream** system

2021

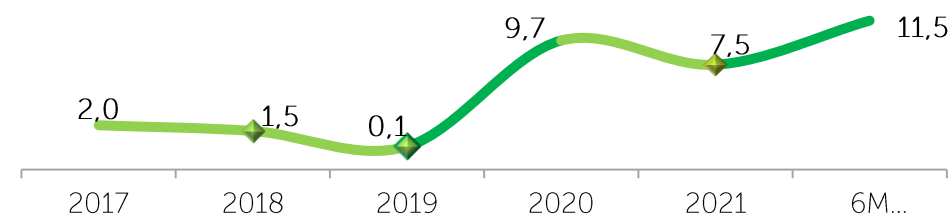
Inclusion of the debt market of the Republic of Kazakhstan in the "watchlist" in the JP Morgan international index
 Transfer of **MEKAM** primary placements to **T+2** settlement system

2022

Implementation of government securities **indices**: "clean" price index KZGB_CP, "dirty" price index KZGB_DP and yield index KZGB_Y
 Updating the GS page on the Exchange's website in a form convenient for investors

Source: KASE

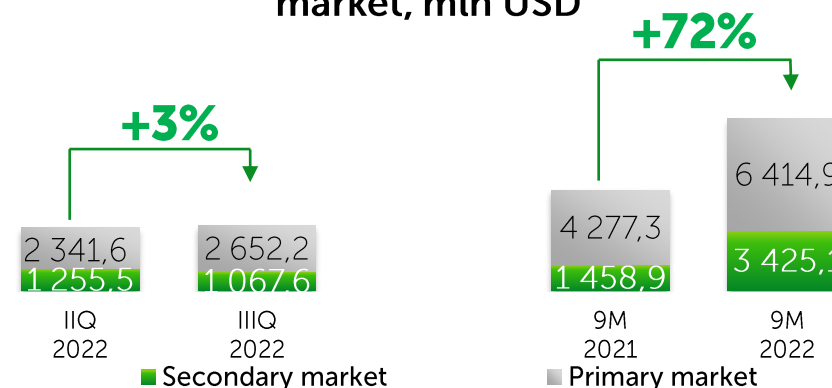
Share of non-residents in the gross turnover of the secondary market, %



Key facts and figures

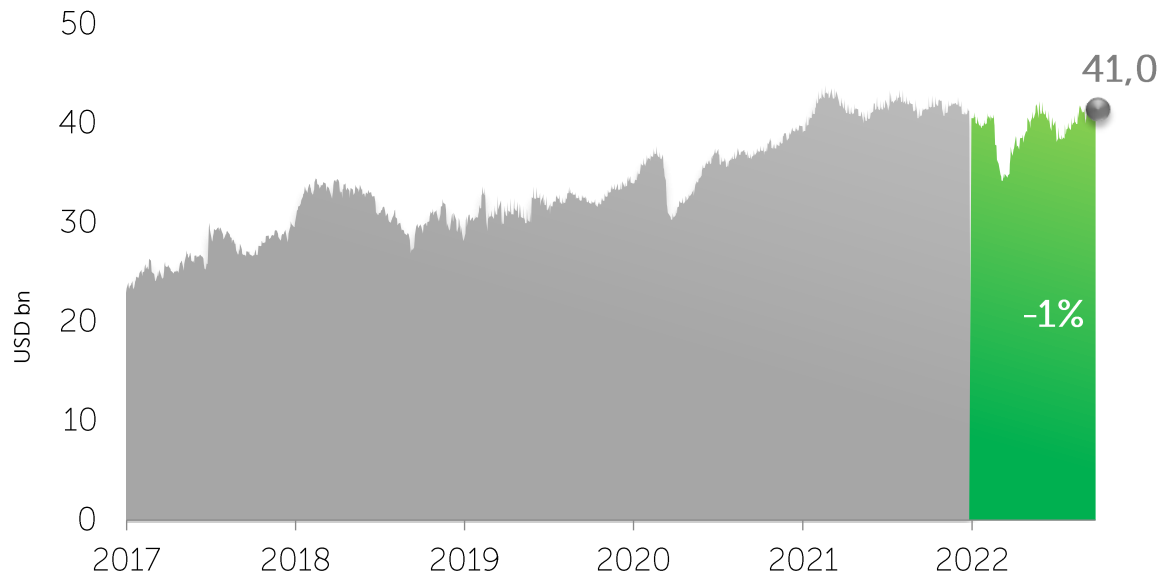
- + as of October 1, 2022, the amount of public debt traded on KASE ~ 32,4 USD bn (~ 80% of total public debt)
- + the largest share (~23%) of the outstanding tenge debt of the Ministry of Finance falls on long-term bonds (more than 10 years)
- + average daily trading volume for 9M2022 ~ **54,1 mln USD** (+72% κ 9M2021)
- + average volume of one deal in 9M2022 ~ **4 mln USD** (+24% κ 9M2021)
- + yield on placements of tenge bonds of the Ministry of Finance in 2022 10,21-15,29% per annum

Volume of transactions in the government securities market, mln USD



Government debt traded on KASE

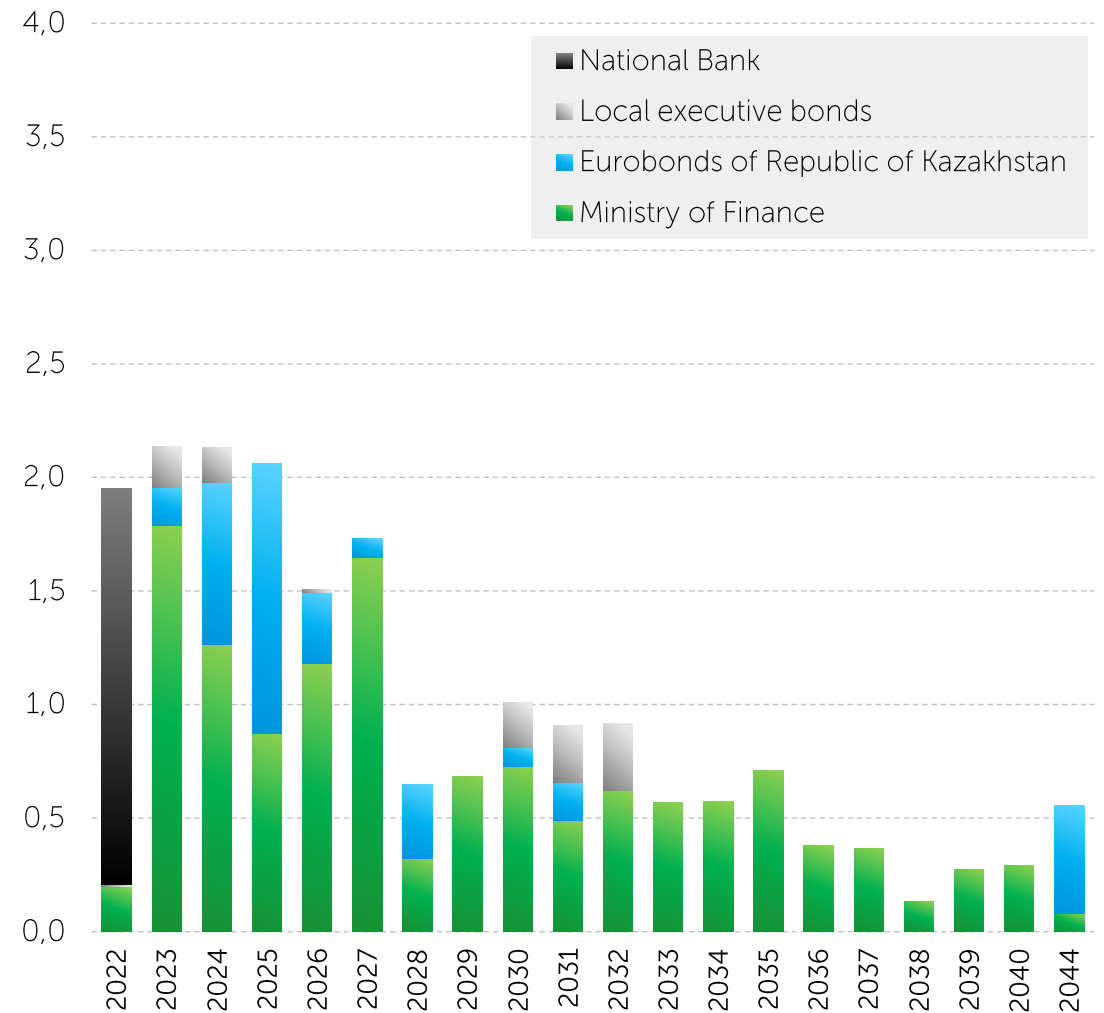
Amount of government debt (at face value) traded on KASE, USD bn



Amount of government debt (at face value) traded on KASE:

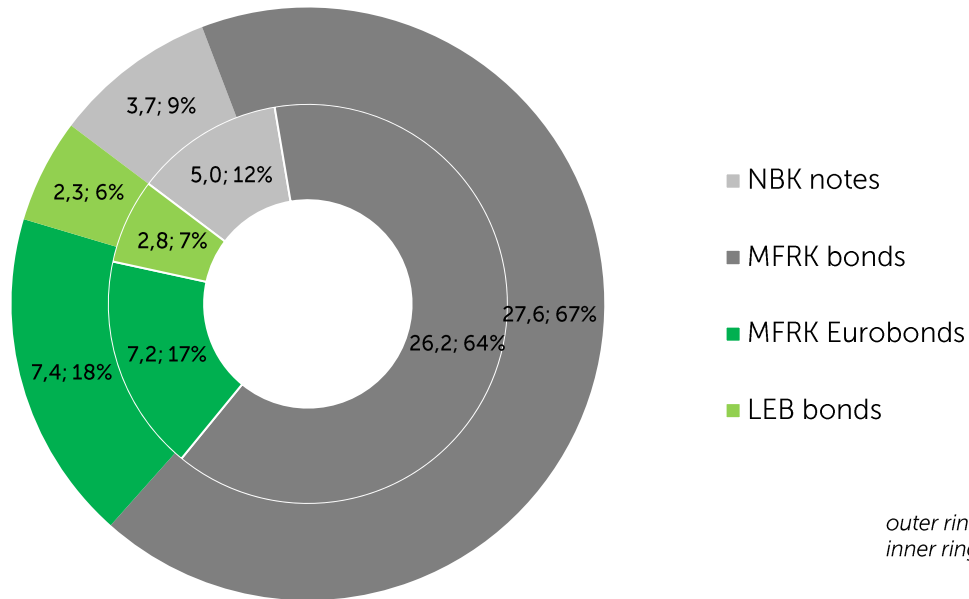
01.01.2022	41,3 USD bn	↑ +4% growth during 2021
01.10.2022	41,0 USD bn	↓ -1% decline during 9M 2022

Dynamics of public debt redemption, USD bn

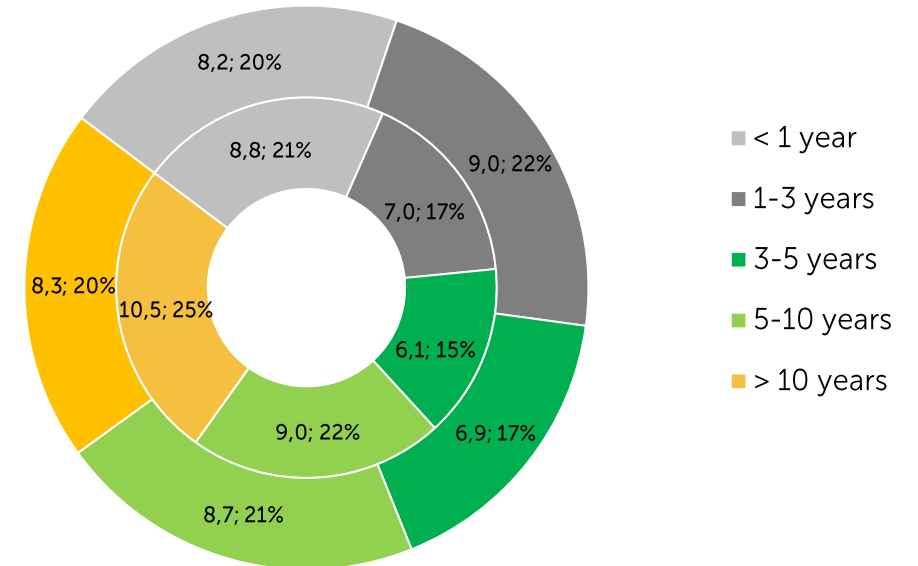


Structure of government debt traded on KASE

Structure of public debt by type of securities, USD bn



Structure of public debt by maturity, USD bn



outer ring – as of 01.10.2022
inner ring – as of 01.01.2022

Share in the public debt by GS type:

NBRK notes	9 % 01.10.22	←	12 % 01.01.22	←	18 % 01.01.21
MFRK bonds	67% 01.10.22	←	64 % 01.01.22	←	58 % 01.01.21

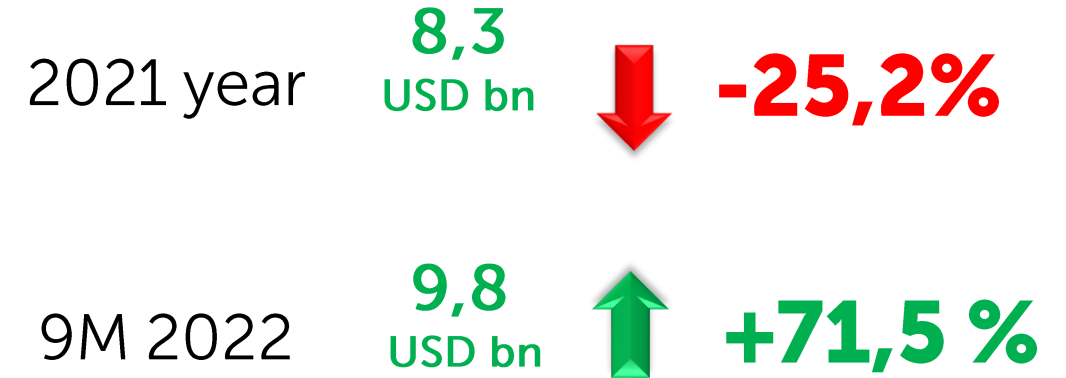
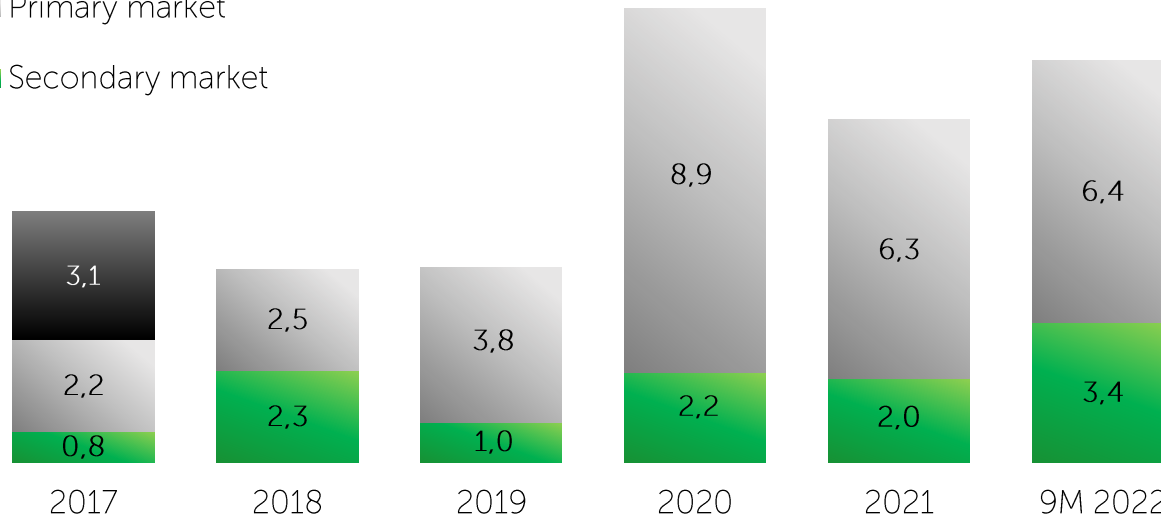
Share in the public debt by maturity:

< 1 year	20 % 01.10.22	←	21 % 01.01.22	←	24 % 01.01.21
1-3 years	22 % 01.10.22	←	17 % 01.01.22	←	15 % 01.01.21
> 10 years	20 % 01.10.22	←	25 % 01.01.22	←	27 % 01.01.21

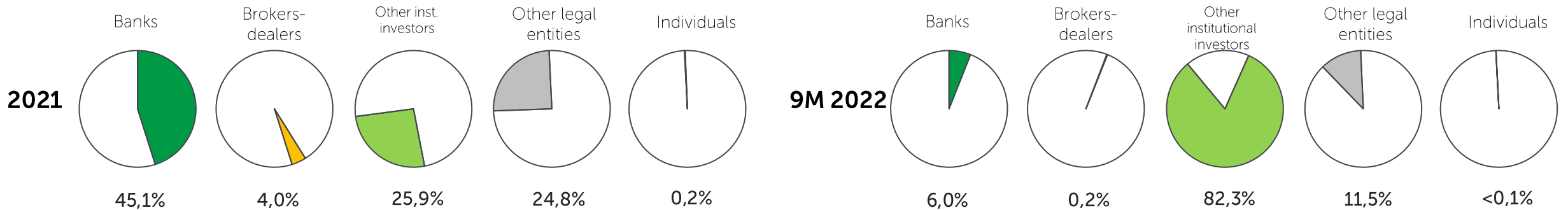
Trading volume on the GS market

Dynamics of trading volume, USD bn

- Securities of the Ministry of Finance (subscription)
- Primary market
- Secondary market



Structure of investors in the primary and secondary GS market

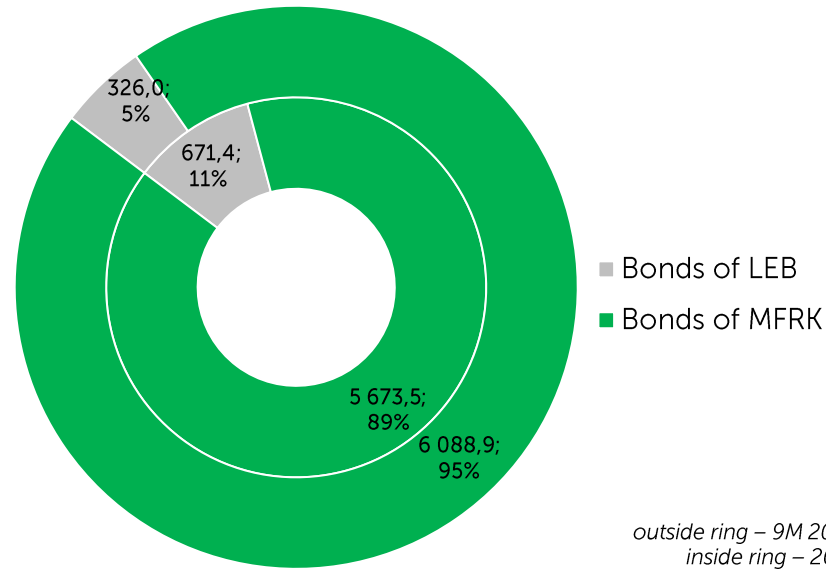


*of the total gross turnover of GS trading; the position of the initiator of the special trading session is excluded from the calculation

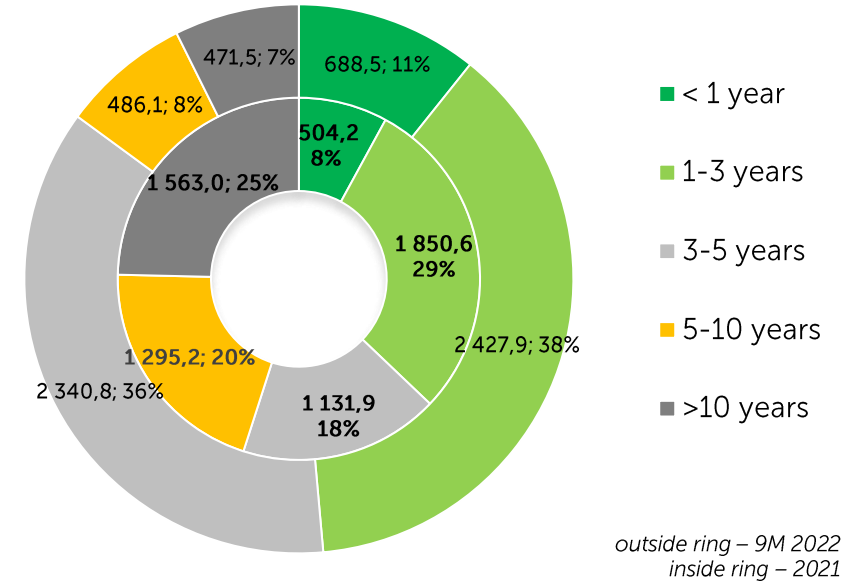
**The share of IMPA (the share of investment managers of pension assets) in 2022 was <0.1%

Volume of trades in the primary GS market

Instrumental structure of the primary GS market, USD mln



Structure of GS offerings in the primary market by maturity, USD mln



Share of trade volume, by GS type:

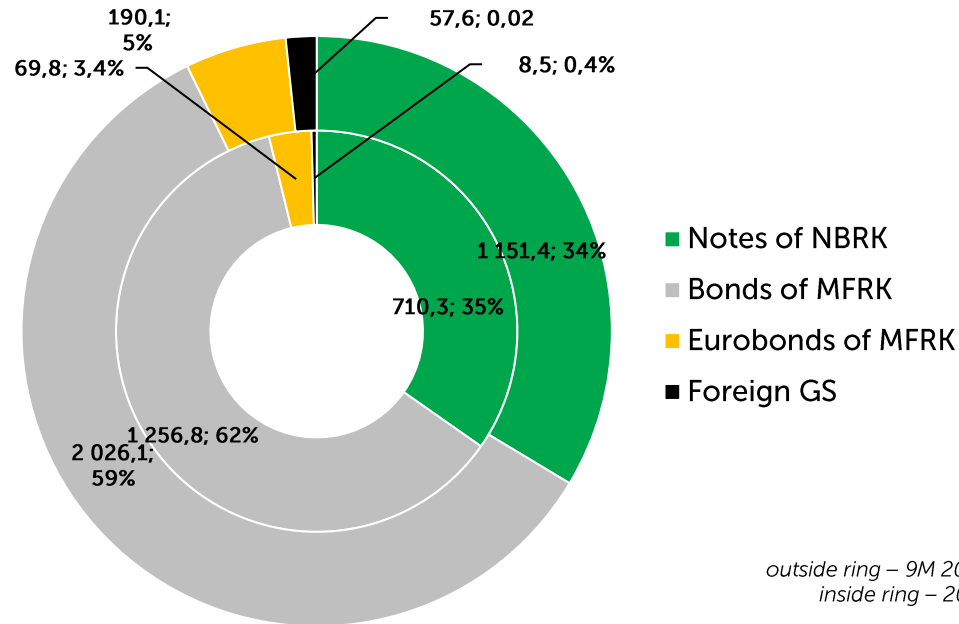
LEB	5 % 9M 2022	←	11 % 2021	←	26 % 2020
MEKAM	95 % 9M 2022	←	89 % 2021	←	74 % 2020

Share of trade volume, by maturity:

< 1 year	11 % 9M 2022	←	8 % 2021	←	9 % 2020
1-3 years	38 % 9M 2022	←	29 % 2021	←	25 % 2020
> 10 years	7 % 9M 2022	←	25 % 2021	←	42 % 2020

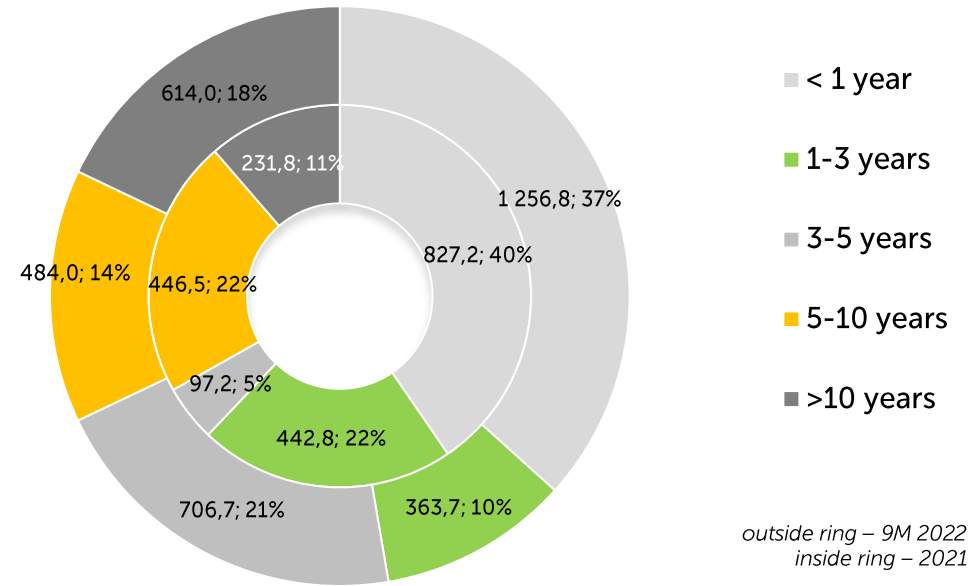
Volume trading on the secondary GS market

Instrumental structure of the GS secondary market, USD mln



outside ring – 9M 2022
inside ring – 2021

Structure of GS offerings in the secondary market by maturity, USD mln



outside ring – 9M 2022
inside ring – 2021

Share of trade volume, by GS type:

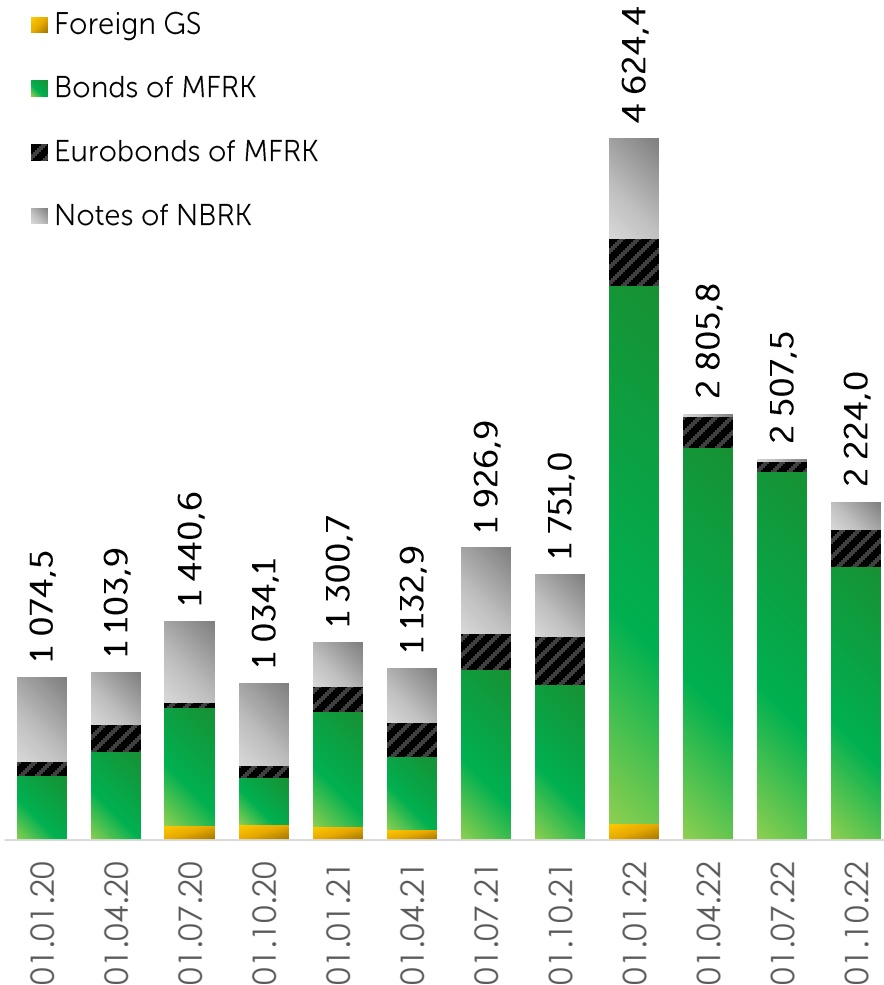
Notes	34 % 9M 2022	←	35 % 2021	←	50 % 2020
MEKAM	59 % 9M 2022	←	62 % 2021	←	49 % 2020
Eurobonds	6 % 9M 2022	←	3 % 2021	←	1 % 2020

Share of trade volume, by maturity:

< 1 year	37 % 9M 2022	←	40 % 2021	←	53 % 2020
1-3 years	10 % 9M 2022	←	22 % 2021	←	19 % 2020
> 10 years	18 % 9M 2022	←	11 % 2021	←	10 % 2020

Dynamics of the GS market

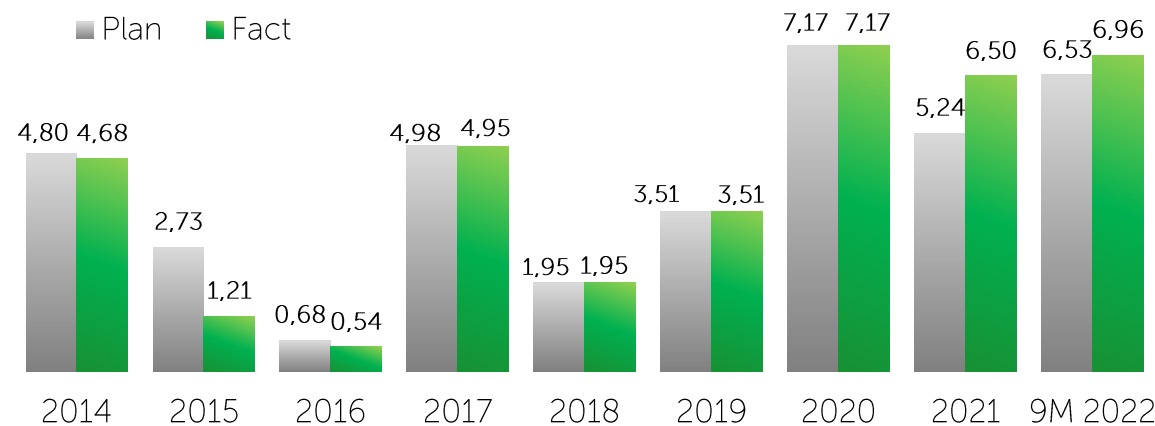
Open positions of participants in auto repo sector with GS on KASE by securities, USD mln



The volume of public debt owned by non-residents of the Republic of Kazakhstan, USD mln



Volume of planned and actual offerings of the Ministry of Finance, USD bn*

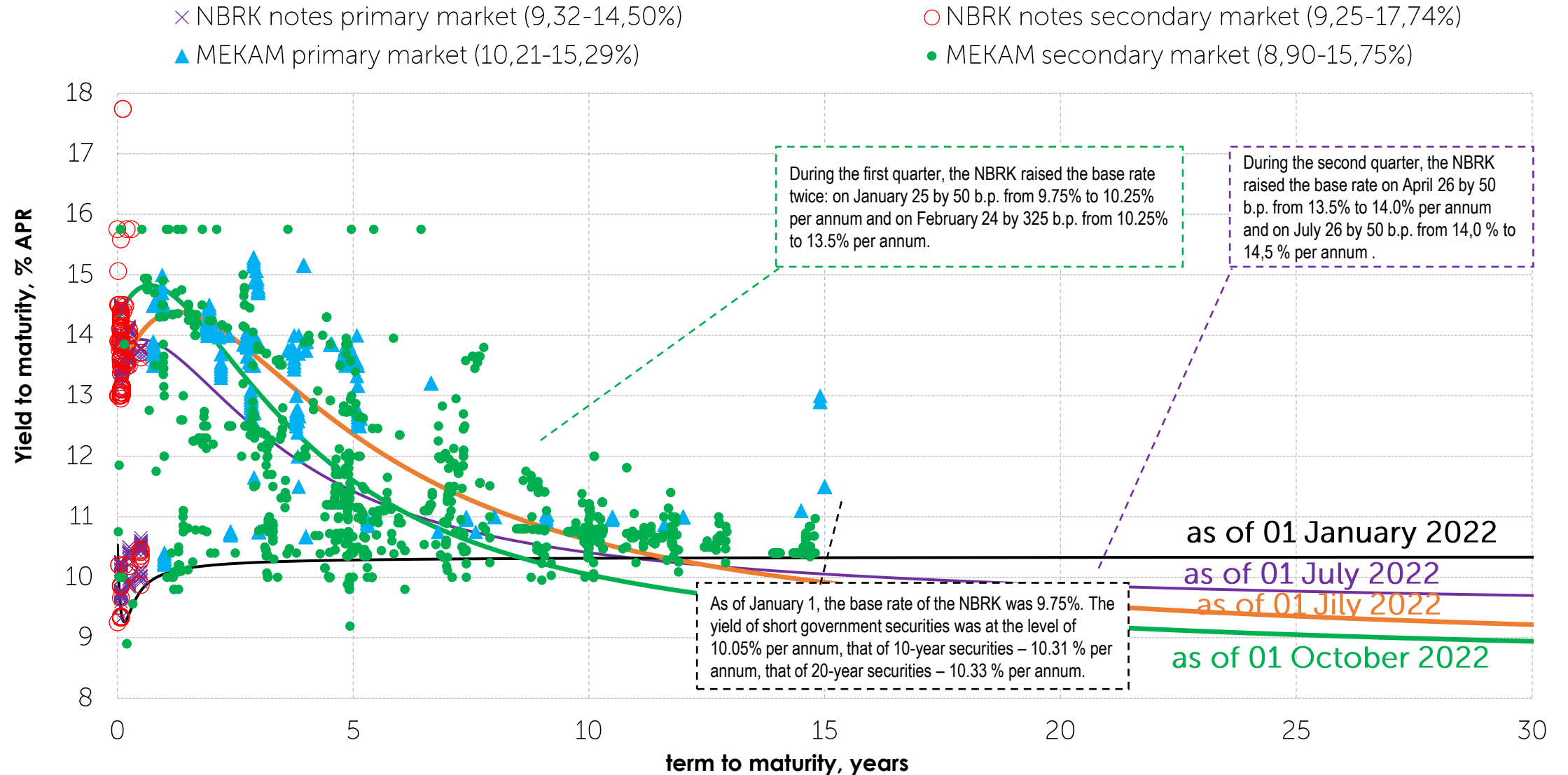


Source: KASE, CD, Ministry of Finance RK

* placement volumes are indicated in nominal terms

GS yield during 9M 2022 and GS yield curve

during MEKAM placements from 10,21% to 15,29% per annum



Profitability of transactions by GS type

Type	Description	2021 year		9M 2022 year	
		primary	secondary	primary	secondary
NBRK notes	Short-term notes with a maturity of 7 to 360 days. The terms of the auctions and the volumes of issues are regulated by the National Bank of the Republic of Kazakhstan and are announced in the conditions of the auctions	8,71%-10,10%	8,50%-10,72%	9,32%-14,50%	9,25%-17,74%
MEKKAM of MF of RK	Discount short-term treasury bonds	8,99%-10,40%	8,64%-10,85%	10,21%-13,90%	-
MEOKAM of MF of RK	Medium-term treasury bonds with a maturity of 2-3 years	9,95-10,87%	8,75%-10,85%	10,67%-14,05%	9,56%-14,00%
MEUKAM of MF RK	Long-term treasury bonds with maturities of up to 10 years	8,99%-10,87%	8,64%-10,85%	10,70%-14,50%	8,90%-15,75%
MEUJKAM of MF RK	Long-term savings treasury bonds with a maturity of more than 10 years. Indexed to inflation for the past coupon period	-	-	-	-
Eurobonds of MF RK	Treasury bills with different maturities issued in foreign currencies in accordance with foreign legislation	-	-1,25%-15,00%	-	1,07%-10,6%
Municipal bonds of akimdiks of RK	Obligations of local akami's executive bodies (akimdiks)	4,23%-10,80%	-	0,35%-4,25%	-

GS indices

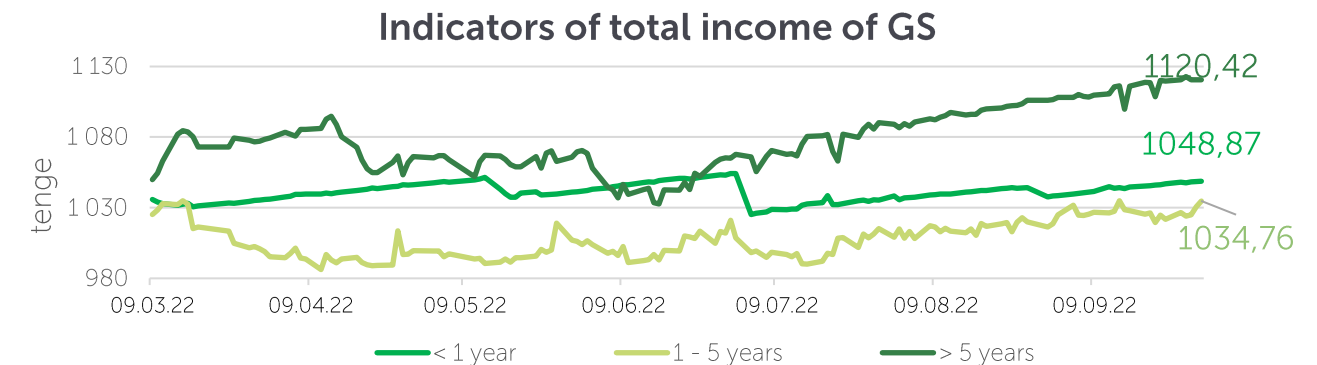
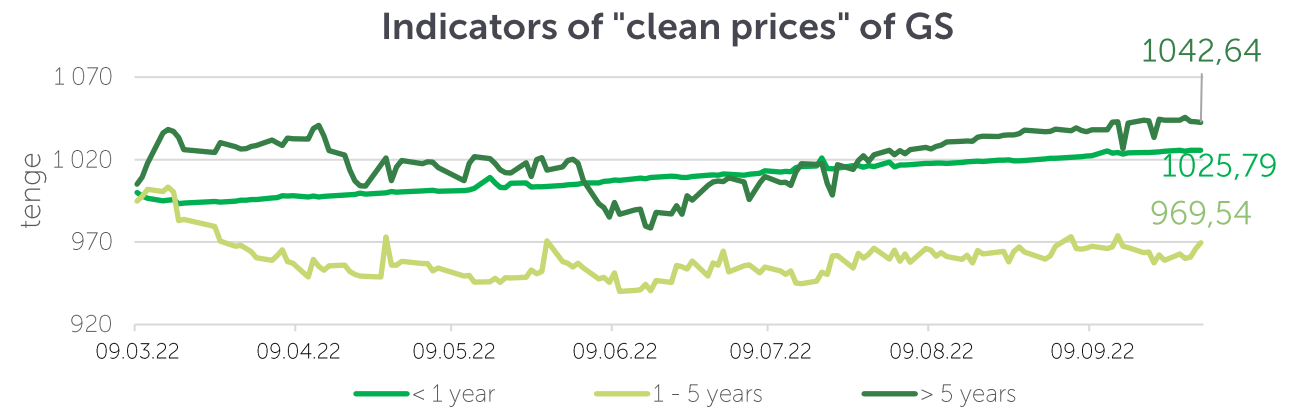
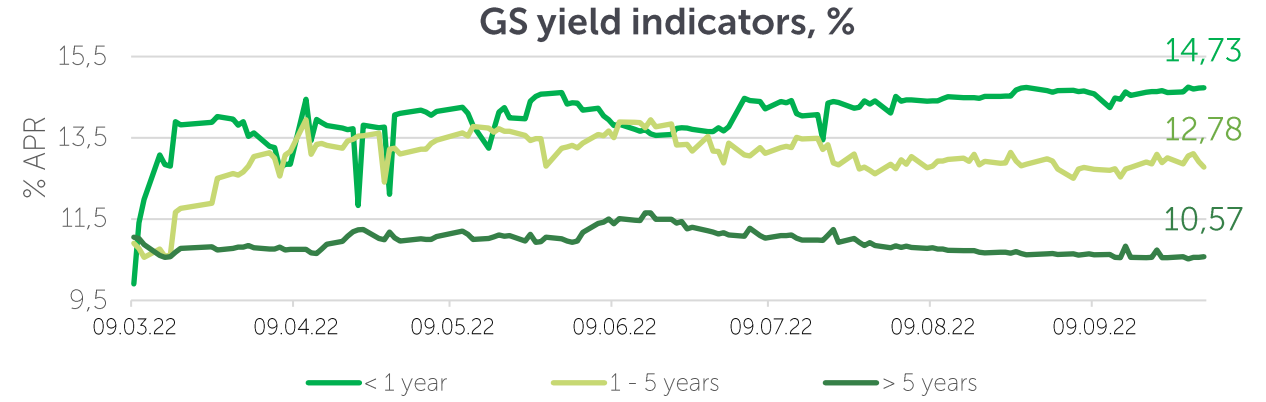
Series of GS indices show the change in the value and yield of government securities with different current maturity: **less than 1 year (s), 1 year to 5 years (m), from 5 years and more (l).**

- **KZGB_CP** – price index of "clean" GS prices, calculated at prices excluding accrued and unpaid coupon interest;
- **KZGB_DP** – comprehensive income price index (taking into account accrued coupon interest and reinvested coupon payment);
- **KZGB_Y** – yield indicators, in percent per annum;

Initial value of indexes:

- **KZGB_CP** = 1 000 tenge
- **KZGB_DP** = 1 000 tenge plus the average of accrued and unpaid interest

Index values will be calculated once a day after the completion of exchange trading in the GS market and published on the official website of the Exchange in the "Stock Market Indicators" section – https://kase.kz/ru/stock_market



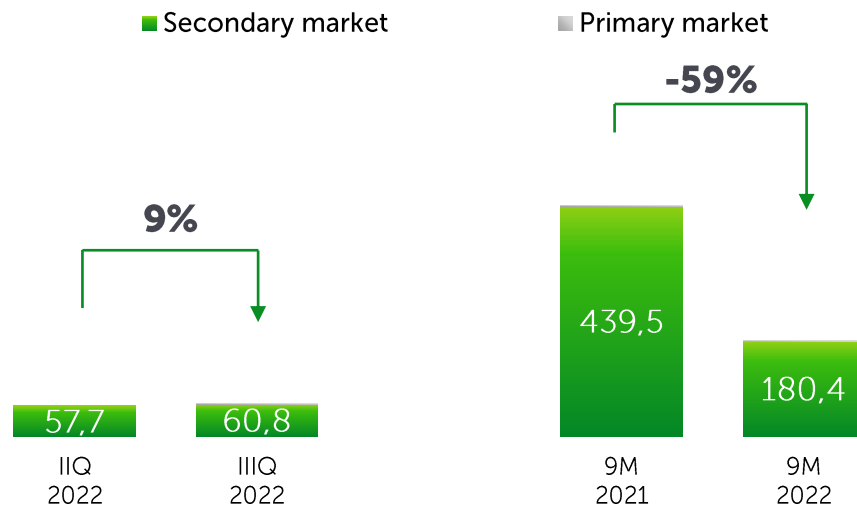
Equity market:

59% decline in trading volume

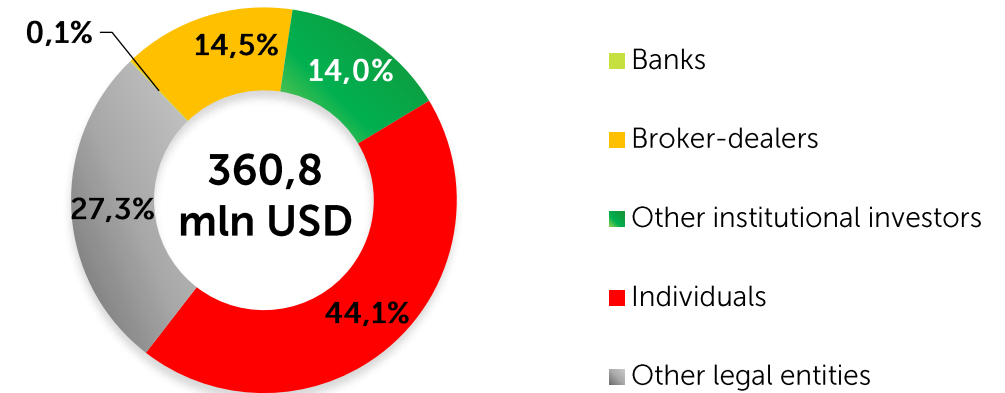
Key facts and figures

- market capitalization as of October 1, 2022 ~ 47,8 **трлн тенге** (since the beginning of the year -28 %)
- average daily trading volume for 9M2022 ~ **1 mln USD** (-59% к 9M2021)
- average daily volume of trading in shares of KASE Index for ~ **764 USD th.**
- average daily number of deals in 9M2022 ~ **1 362 deals** (-18% к 9M2021)
- average volume of one deal in 9M2022 ~ **735 USD** (-50% к 9M2021)

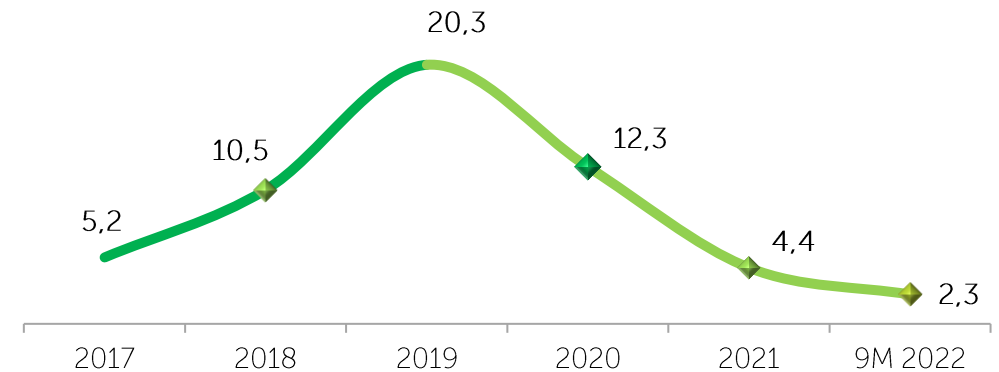
Volume of deals in the equity market, USD mln



Investor structure in 9M 2022*



Share of non-residents in total gross turnover*, %

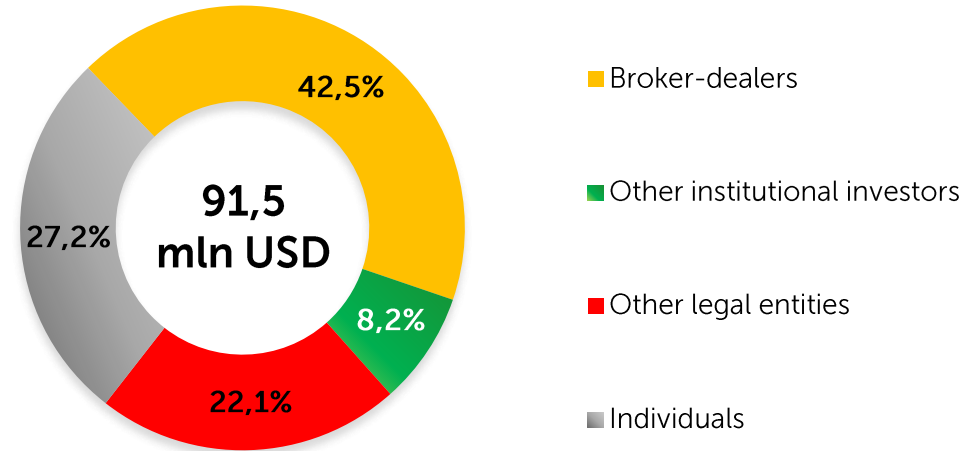


* of the total gross turnover of trading in shares on the secondary market, excluding major transactions and transactions of an irregular nature

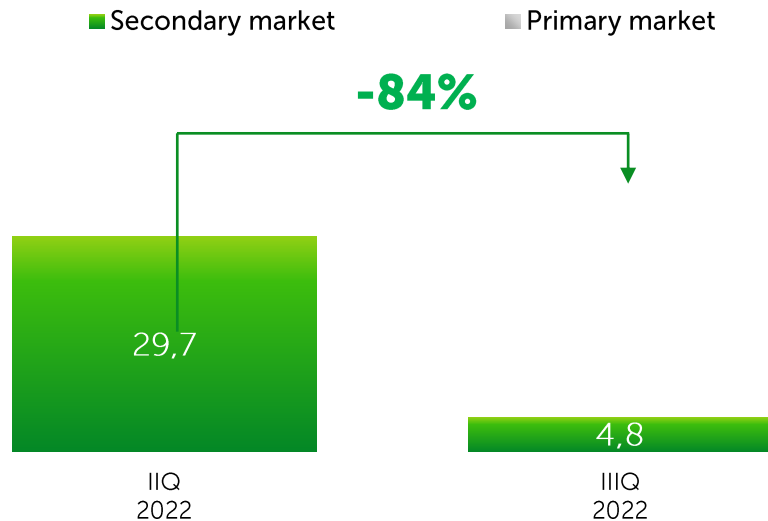
Key facts and figures

- + EuroNext exchange and EURONEXT 100 Index were added to the list of markets, securities from which can be admitted to trading in the "KASE Global" sector
- + Shares of 47 titles and 6 ETF are available for trading
- + average daily trading volume in 9M2022 ~ **251 th. USD**
- + average daily number of transactions in 9M2022 ~ **107**
- + average volume of one transaction in 9M2022 ~ **1 051 USD**
- + settlement schemes **T+0, T+2**, trades in **USD, KZT**
- + trading schedule: **11:20 – 22:00** o'clock

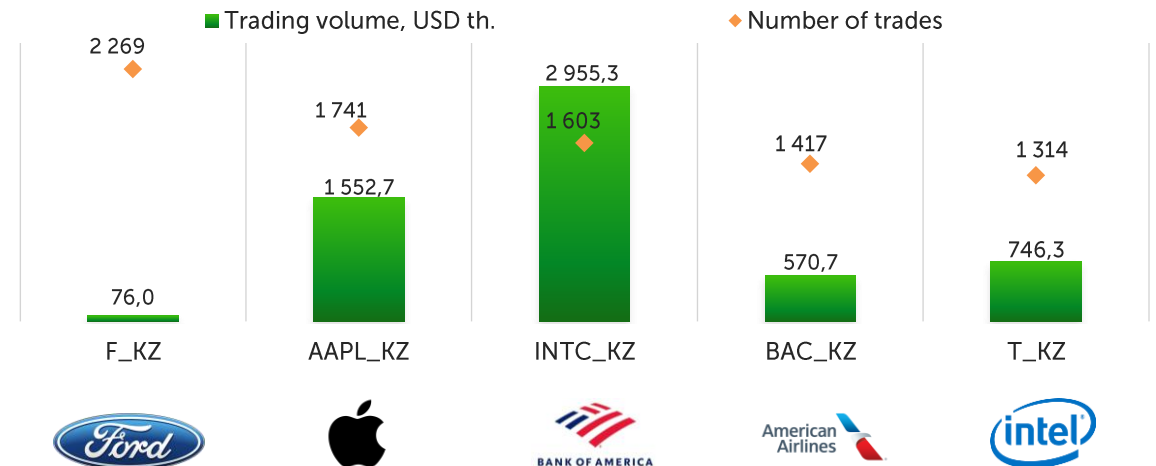
Investor structure in 9M 2022



Trading volume, USD mln



Top 5 most popular shares of the KASE Global sector in 9M 2022



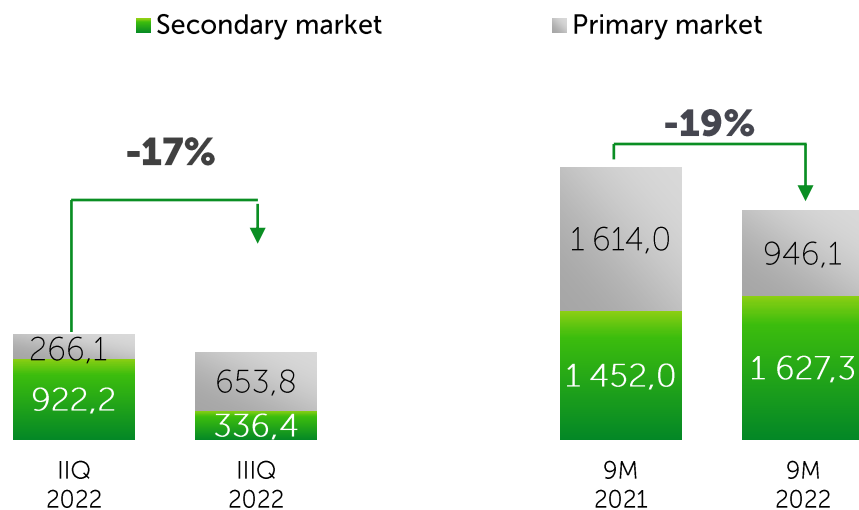
Corporate bond market:

12% increase in trading volume on the secondary market

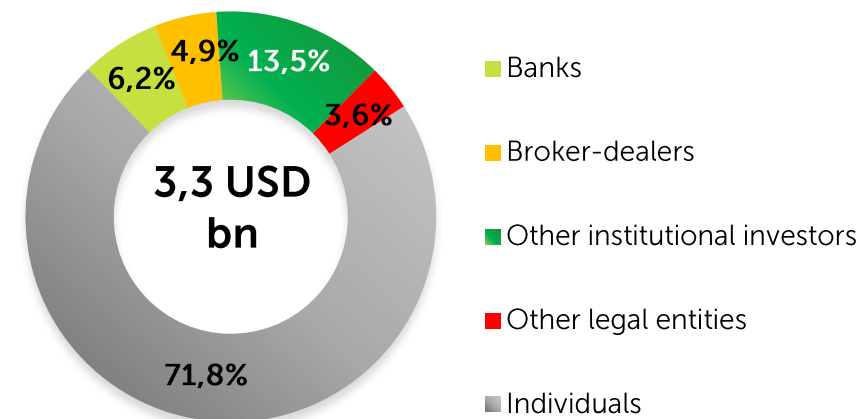
Key facts and figures

- + the volume of outstanding corporate debt as of October 1, 2022 is – **32,4 bn USD** (since the beginning of the year -9%)
- + average daily trading volume in 9M2022 ~ **14,1 mln USD** (-16% κ 9M2021)
- + average volume of one deal in 9M2022 ~ **206 th. USD** (-63% κ 9M2021)
- + share of Eurobonds in total corporate debt ~ **44 %**
- + share of quasi-state debt in total corporate debt ~ **71 %**

Volume of transactions in the corporate bond market, USD mln

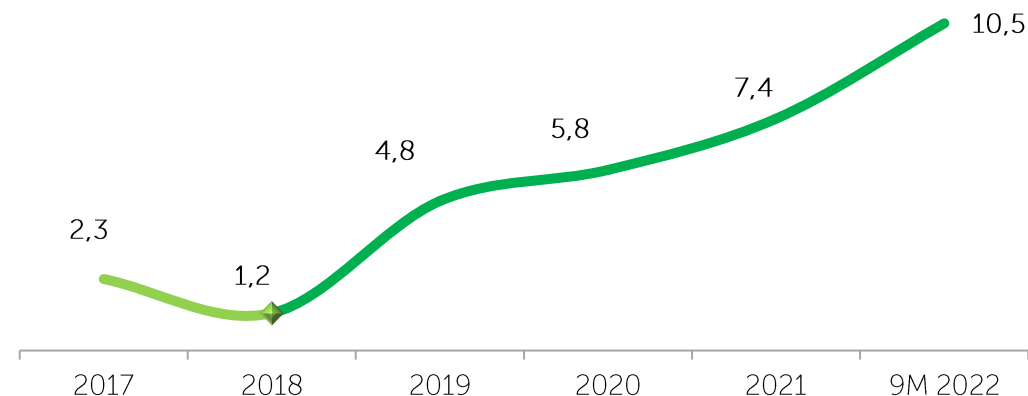


Investor structure in 9M 2022*



* of the total gross turnover of trading in shares on the secondary market

Share of non-residents in total gross turnover**, %

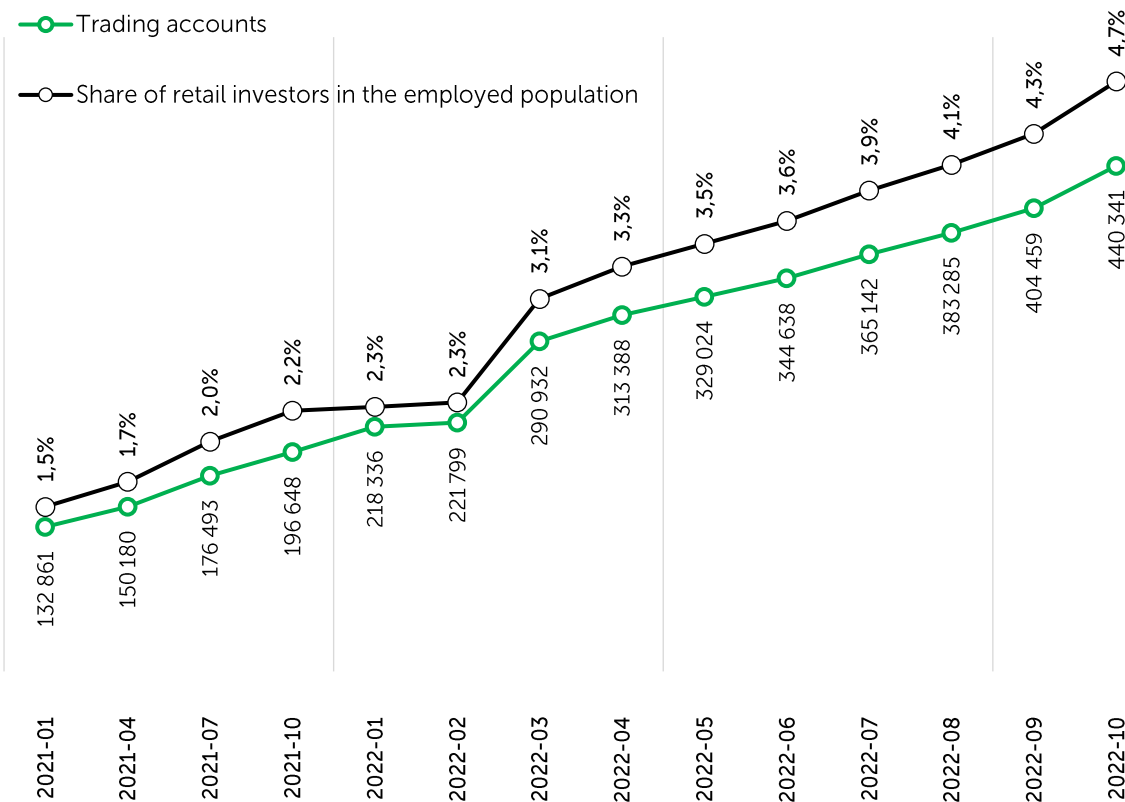


* of the total gross turnover of trades in corporate bonds, the position of the initiator of specialized trades is excluded from the calculation

Growth in the number of retail investors:

440 thousand accounts ~ 413 thousand individuals

Number of trading accounts of individuals in the CSD

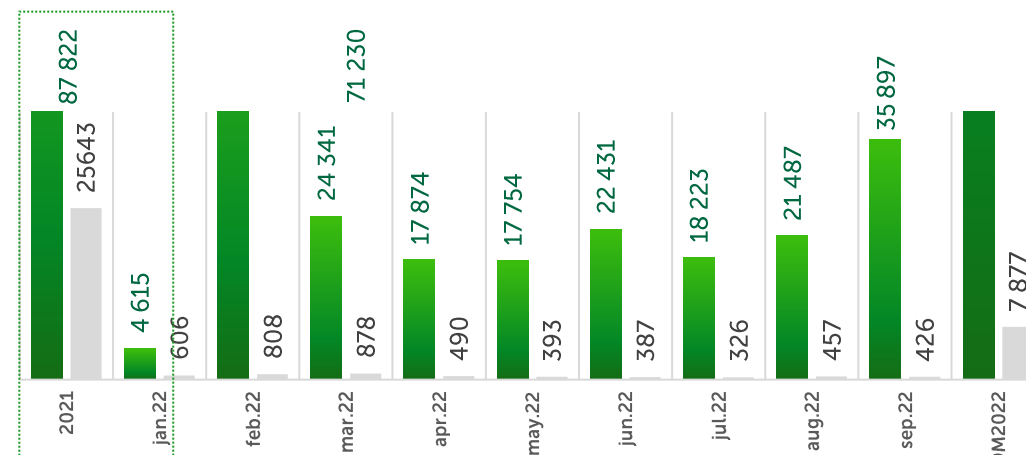


+233 852

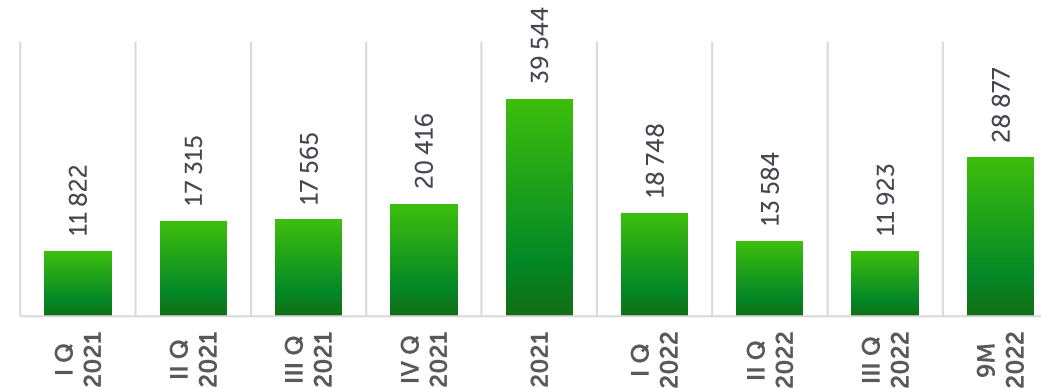
+222 005

new accounts opened by individuals increase in accounts during 9M 2022

Individuals who have concluded at least one deal since opening



Active accounts of individuals in the stock market

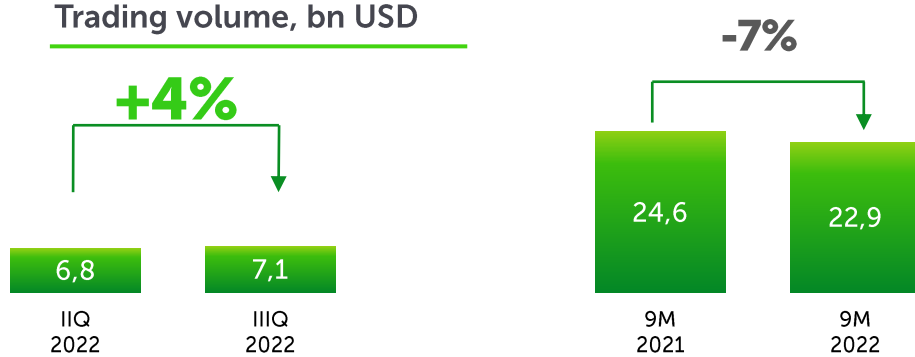


Source: KASE, CSD, Bureau of National statistics of Agency for Strategic planning and reforms of the RK

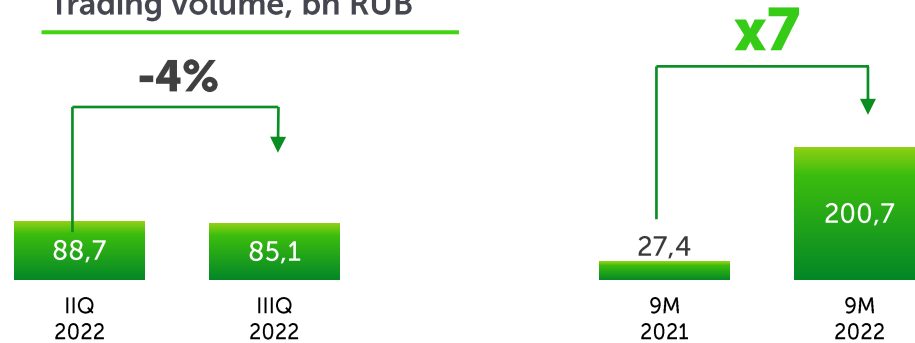
Foreign currencies:

volume RUB/KZT X10, CNY/KZT X3

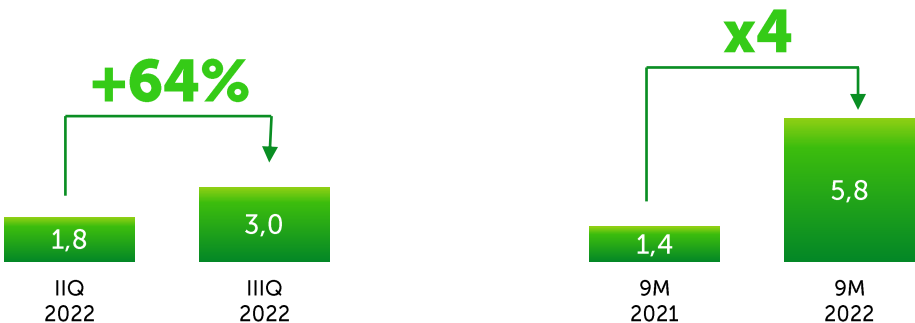
Trading volume, bn USD



Trading volume, bn RUB

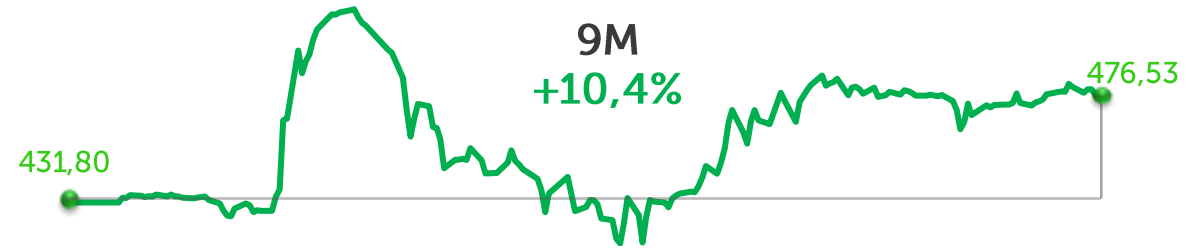


Trading volume, bn CNY



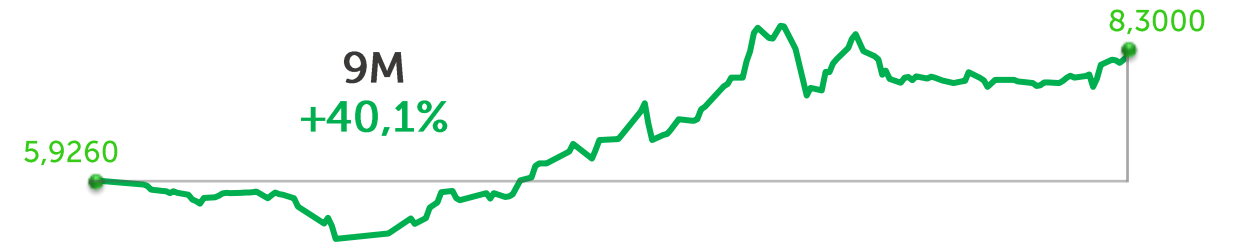
Source: KASE

USD/KZT exchange rate dynamics



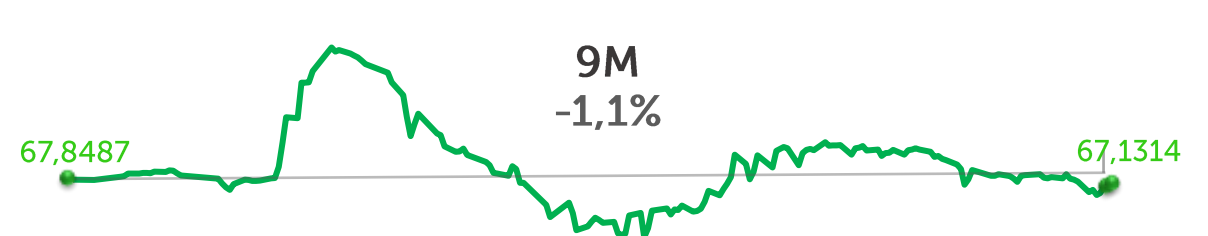
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

RUB/KZT exchange rate dynamics



Note: RUB/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

CNY/KZT exchange rate dynamics

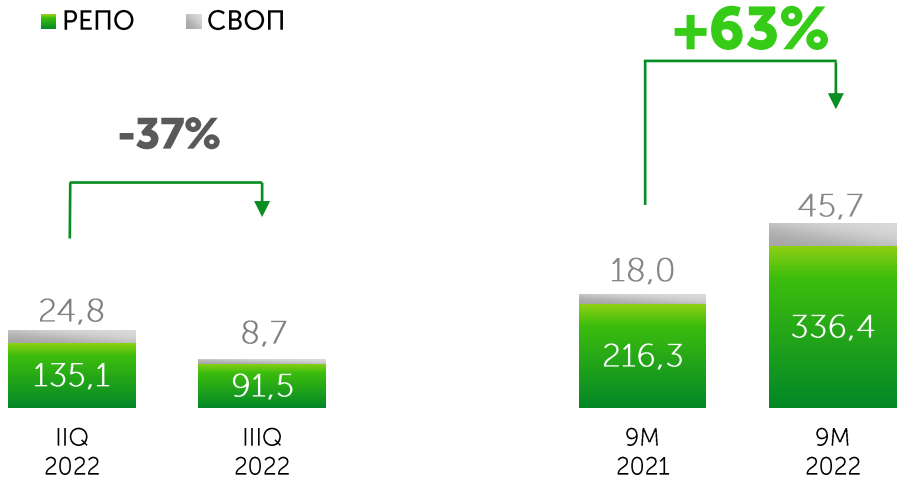


Note: CNY/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

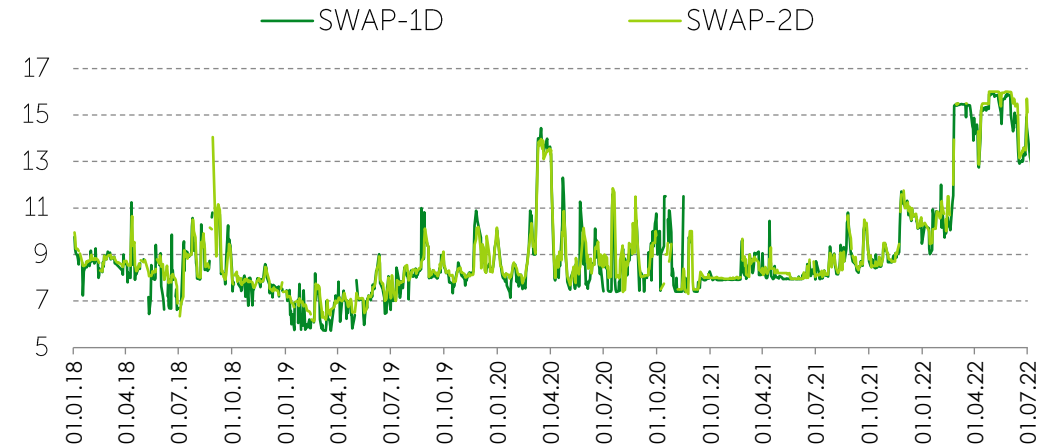
Money market:

63% trading volume growth

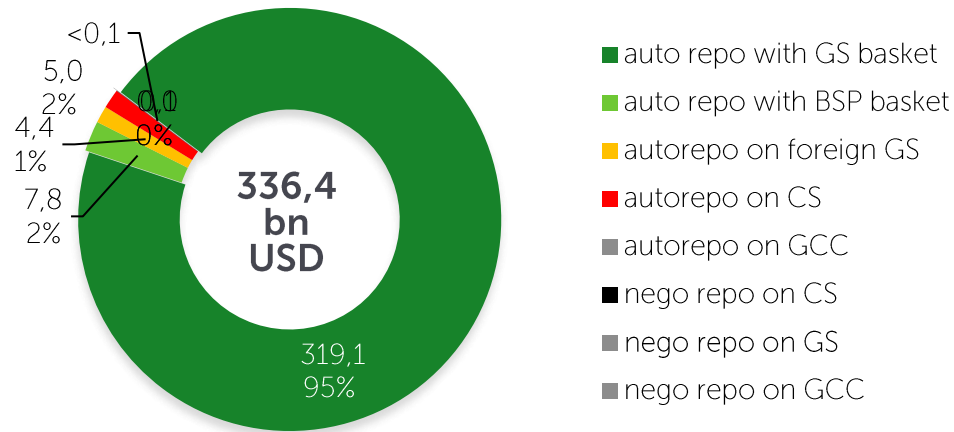
Trading volume, bn USD



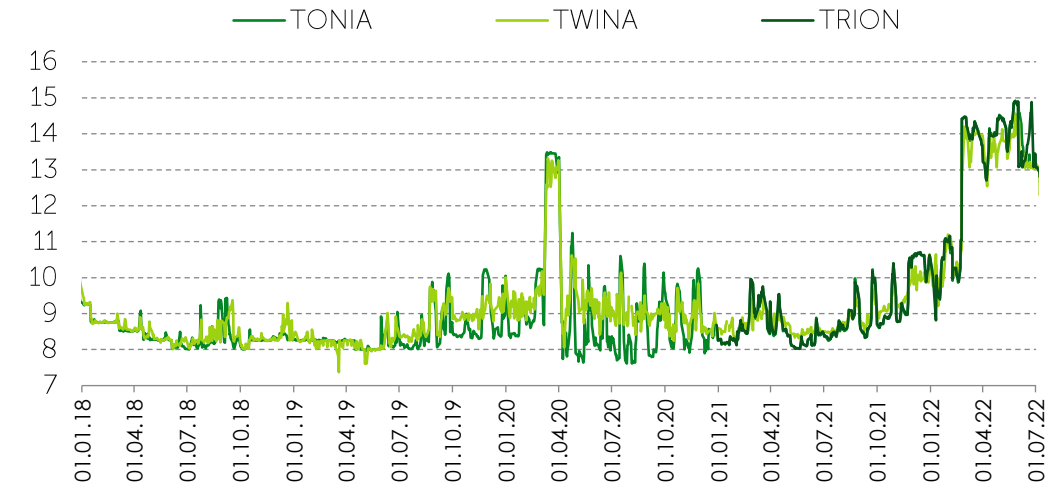
Swap market indicators, % per annum



Repo market instruments, bn USD



Repo indicators, % per annum



280 Baizakov St.
Northern Tower of
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FAQ



KASE

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