

Overview of the government securities market of the Republic of Kazakhstan

I quarter 2022

KASE Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

+56%

trading volume
from 84,8 to
132,3 mln USD

x2,3

trading volume on the
secondary GS market
from 474,3 to
1 102,0 mln USD

+31%

trading volume in the
foreign exchange market
from 7,3 to
9,6 bn USD

+63%

trading volume in the
money market
from 73,6 to
119,6 bn USD



-9%

decrease
in KASE Index
from 3 675,28 to
3 348,63 points

+1%

equity market
capitalization
from 50,4 to
50,9 USD bn

+100 th.

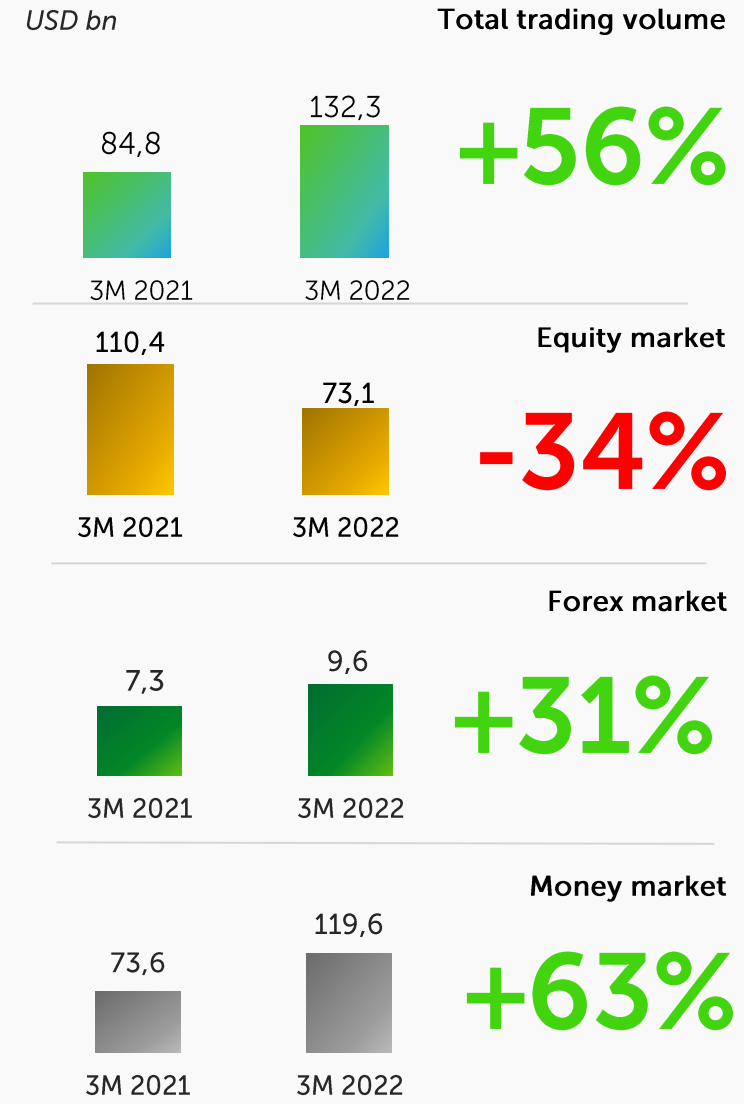
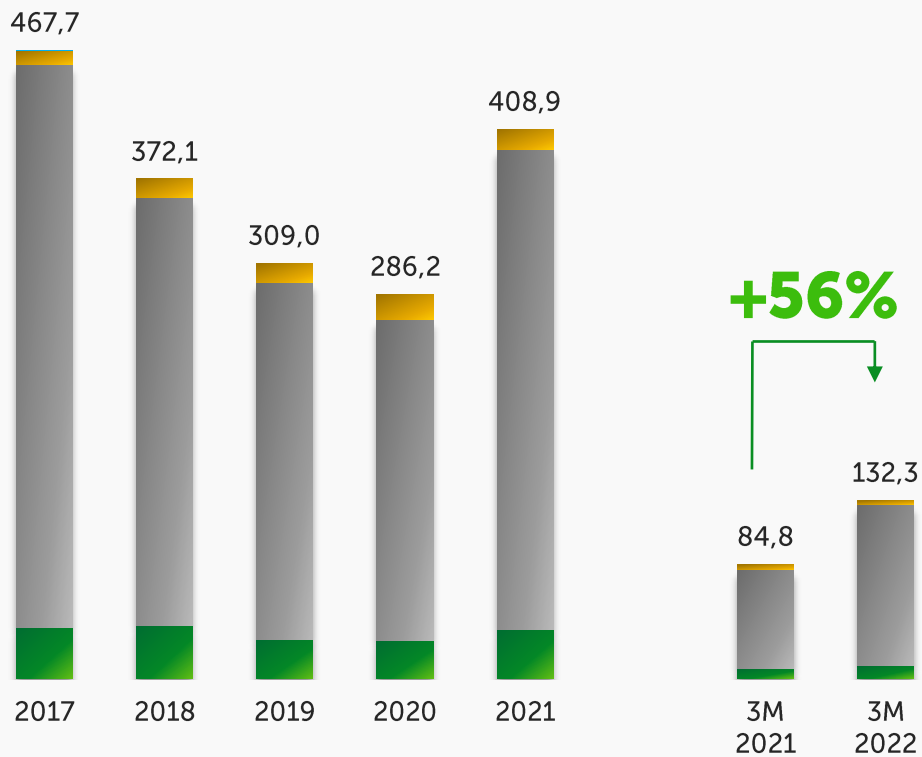
new accounts opened by
individuals
313 thousand accounts in the CSD as
of 01.04.22

+11 new

instruments in the official list

KASE Markets:

a significant increase in the volume of trading in the money and currency markets,
decline in volume in the stock market



Source: KASE

On the trading lists,

There are 1,396 instruments, including 887 securities, 252 instruments on the T+ list during 3M 2022 – 17 securities, -16 instruments on the T+ list

as of April 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	Since the 7 th of July 2021
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		
55	192	5			
111	504	20	473	16	20
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

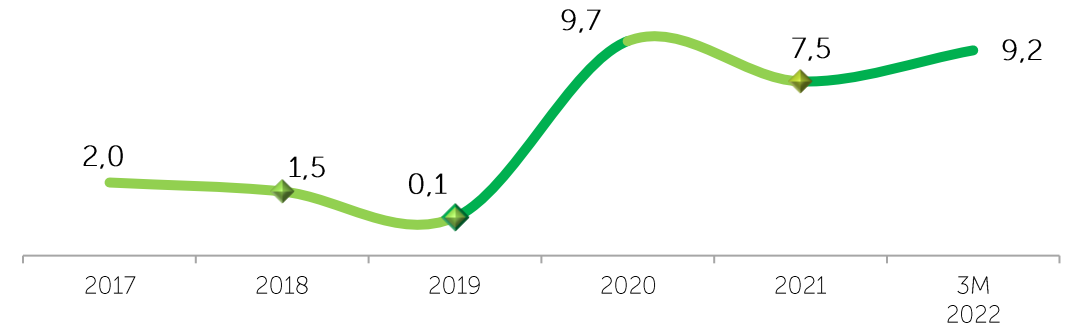
2021

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

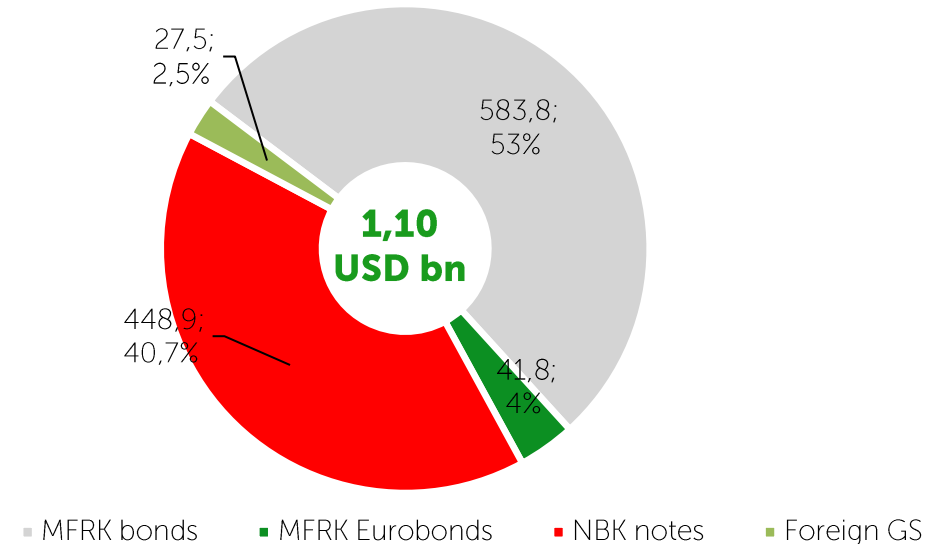
2022

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

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

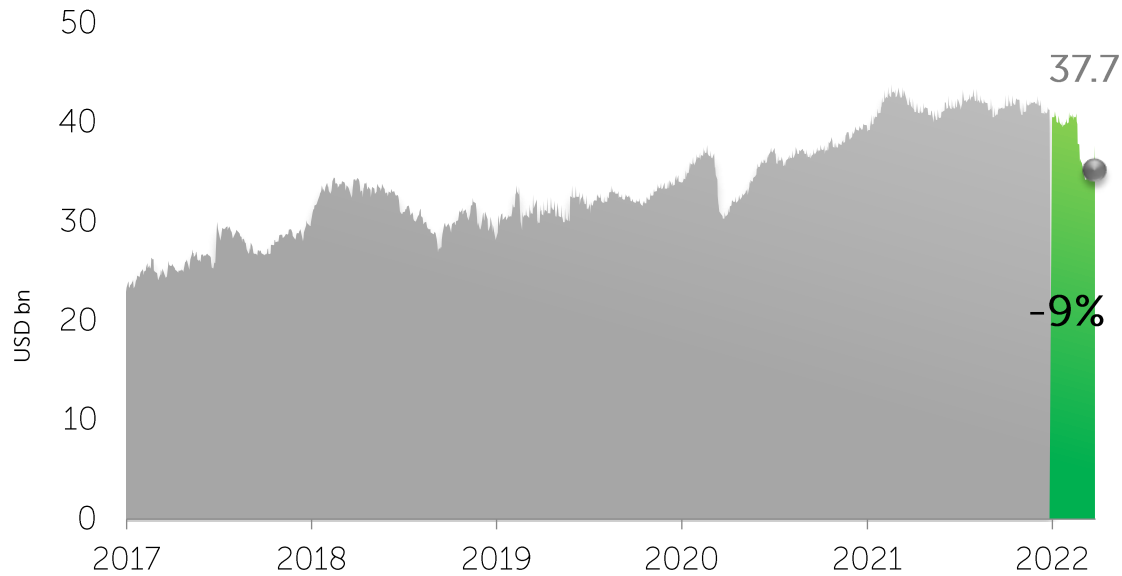


The volume of secondary trading in the government securities market by instruments for 3M 2022, KZT bn



Government debt traded on KASE

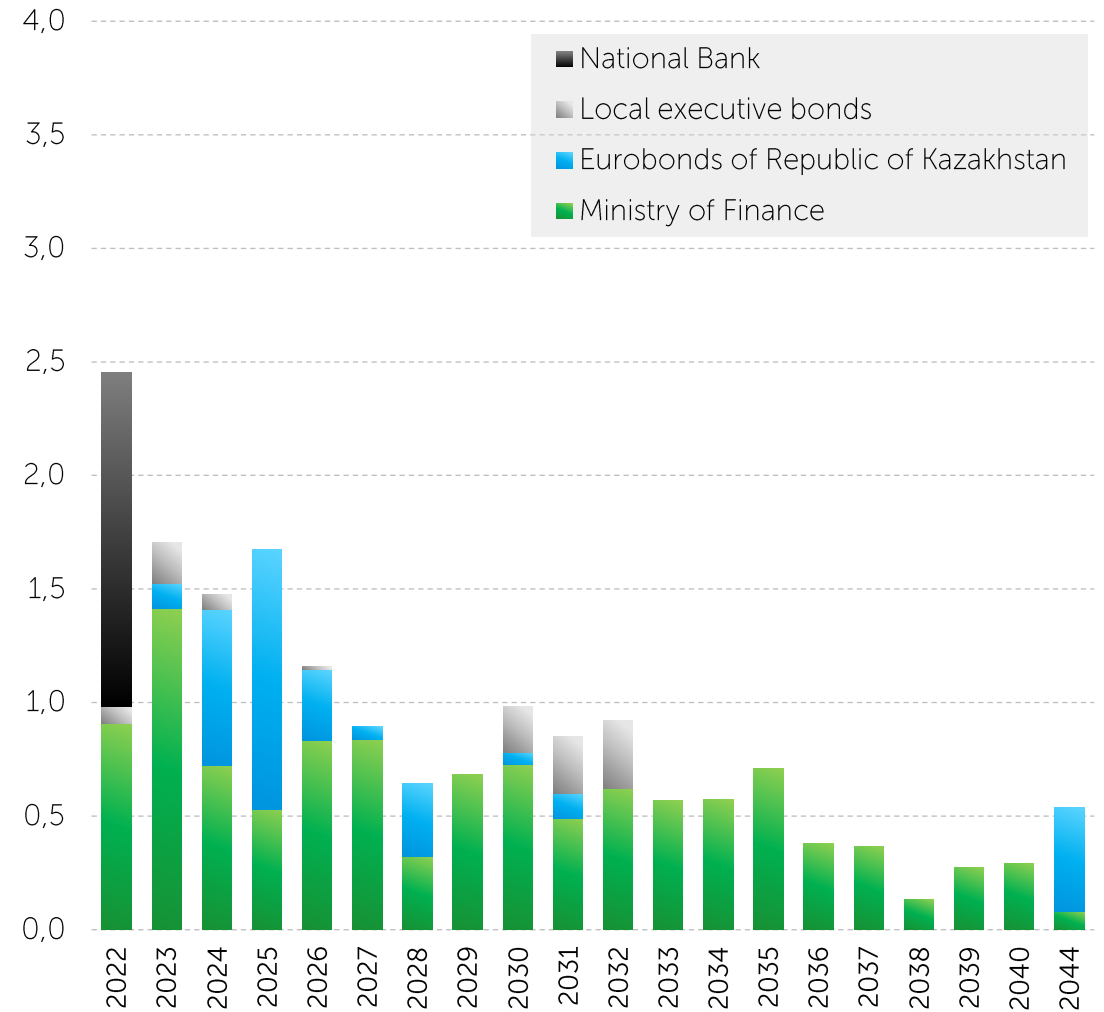
Amount of government debt (at face value) traded on KASE, USD bn



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

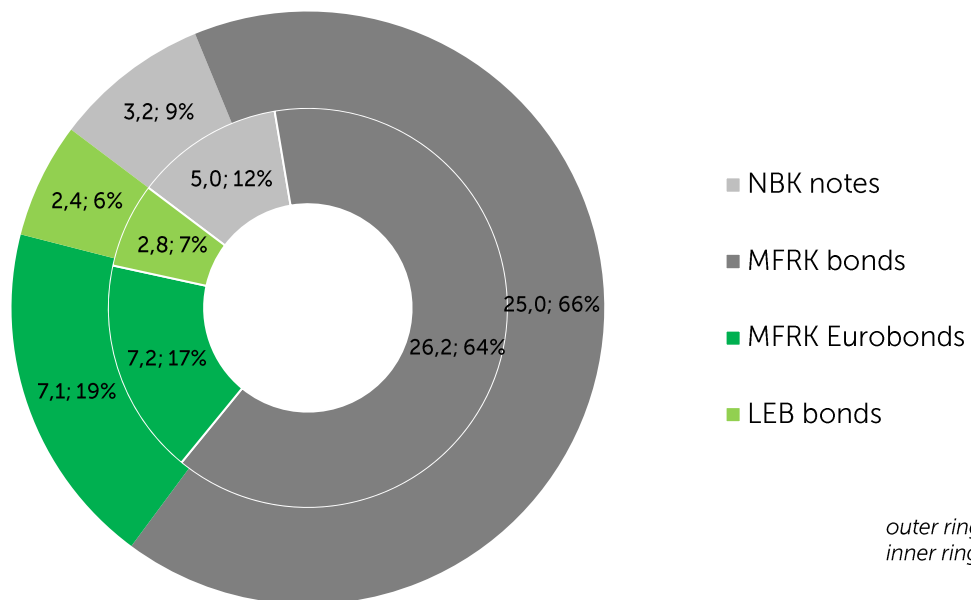
01.01.2022	41,3 USD bn	↑ +4% growth during 2021
01.04.2022	37,7 USD bn	↑ -9% growth during 3M 2021

Dynamics of public debt redemption, USD bn



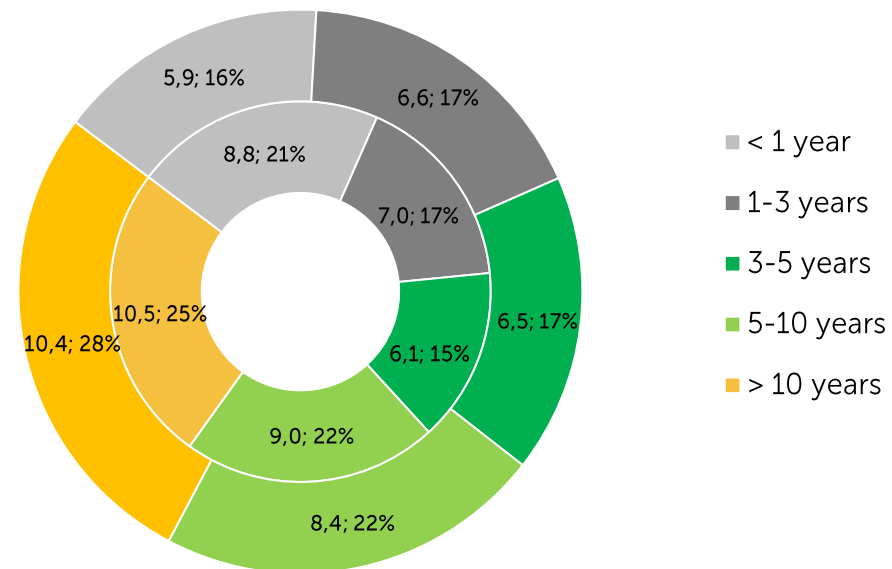
Structure of government debt traded on KASE

Structure of public debt by type of securities, USD bn



outer ring – as of 01.04.2022
inner ring – as of 01.01.2022

Structure of public debt by maturity, USD bn



Share in the public debt by GS type:

NBRK notes	9 % 01.04.22	←	12 % 01.01.22	←	18 % 01.01.21
MFRK bonds	66% 01.04.22	←	64 % 01.01.22	←	58 % 01.01.21

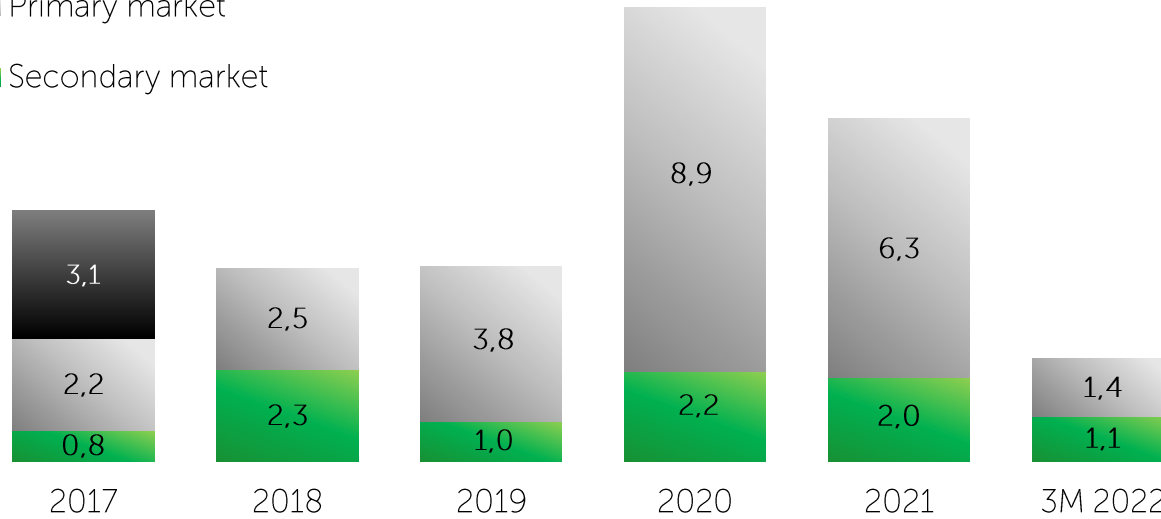
Share in the public debt by maturity:

< 1 year	16 % 01.04.22	←	21 % 01.01.22	←	24 % 01.01.21
1-3 years	17 % 01.04.22	←	17 % 01.01.22	←	15 % 01.01.21
> 10 years	28 % 01.04.22	←	25 % 01.01.22	←	27 % 01.01.21

Trading volume on the GS market

Dynamics of trading volume, USD bn

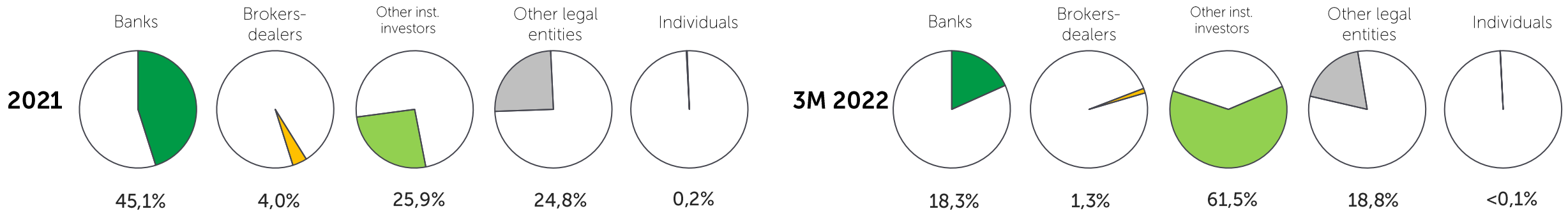
- Securities of the Ministry of Finance (subscription)
- Primary market
- Secondary market



2021 year **8,3** USD bn **↓ -25,2%**

1Q 2022 **2,5** USD bn **↑ +14,7%**

Structure of investors in the primary and secondary GS market

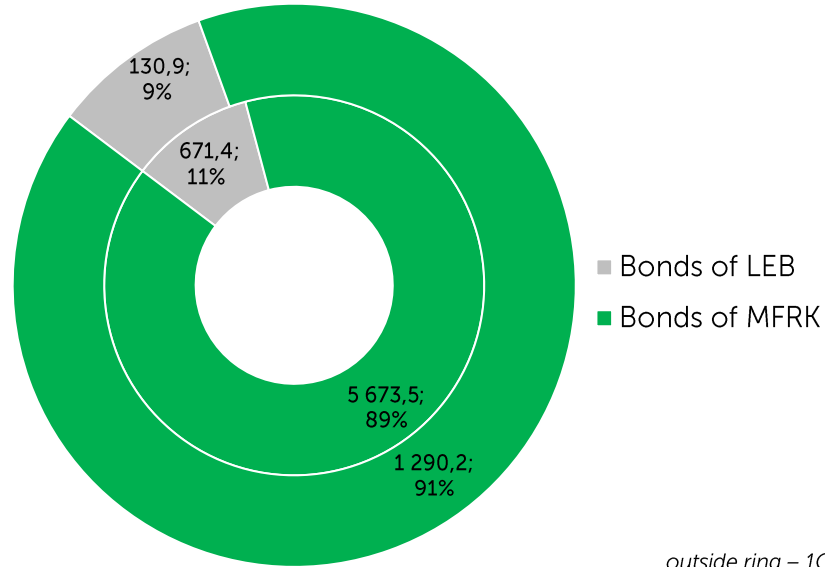


*of the total gross turnover of GS trading; the position of the initiator of the special trading session is excluded from the calculation

**The share of IMPA (the share of investment managers of pension assets) in 2021 was <0.1%

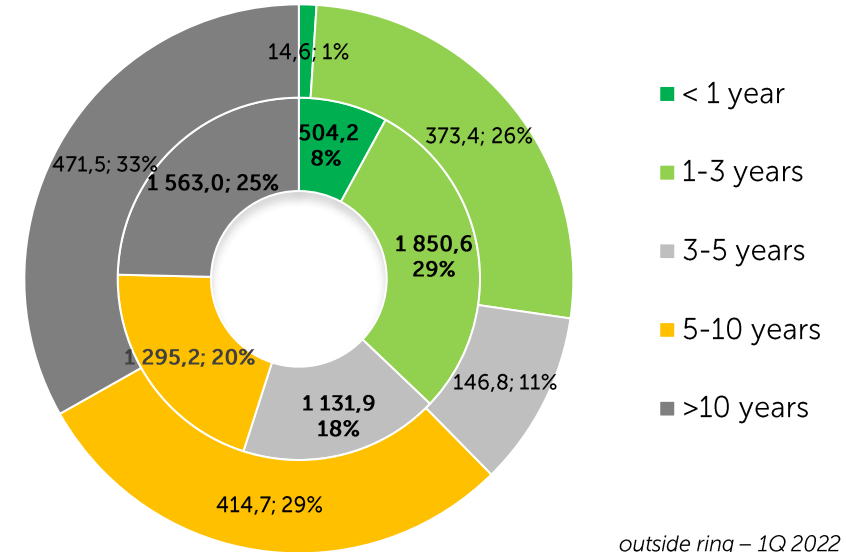
Volume of trades in the primary GS market

Instrumental structure of the primary GS market, USD mln



outside ring – 1Q 2022
inside ring – 2021

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



outside ring – 1Q 2022
inside ring – 2021

Share of trade volume, by GS type:

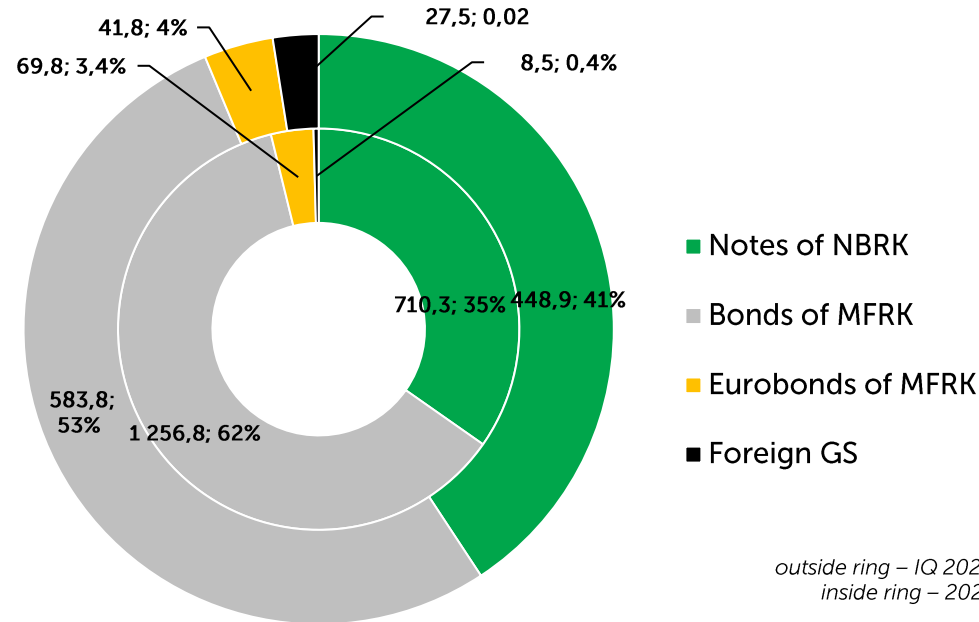
LEB	9 % 1Q 2022	←	11 % 2021	←	26 % 2020
MEKAM	91 % 1Q 2022	←	89 % 2021	←	74 % 2020

Share of trade volume, by maturity:

< 1 year	1 % 1Q 2022	←	8 % 2021	←	9 % 2020
1-3 years	26 % 1Q 2022	←	29 % 2021	←	25 % 2020
> 10 years	33 % 1Q 2022	←	25 % 2021	←	42 % 2020

Volume trading on the secondary GS market

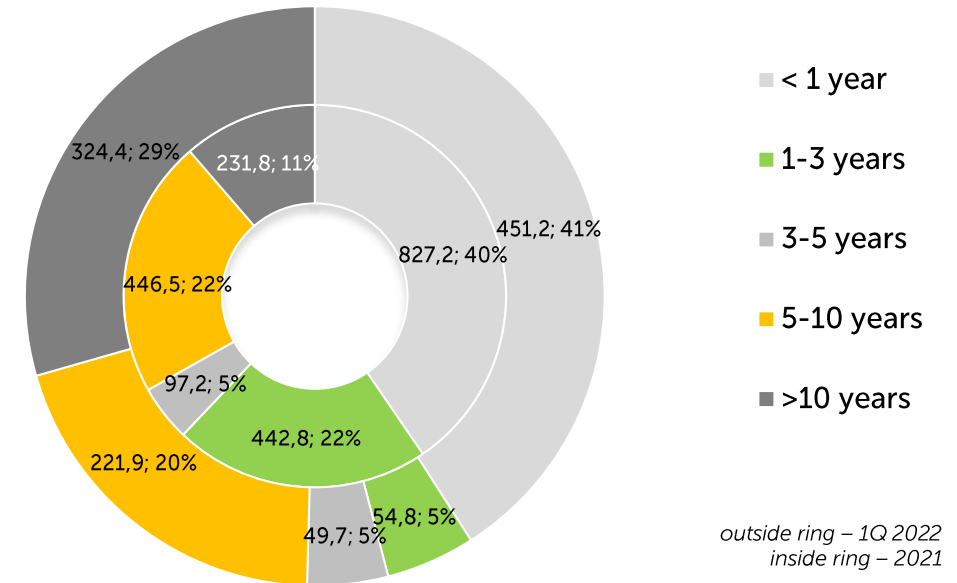
Instrumental structure of the GS secondary market, USD mln



Share of trade volume, by GS type:

Notes	41 % IQ 2022	←	35 % 2021	←	50 % 2020
MEKAM	53 % IQ 2022	←	62 % 2021	←	49 % 2020
Eurobonds	4 % IQ 2022	←	3 % 2021	←	1 % 2020

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

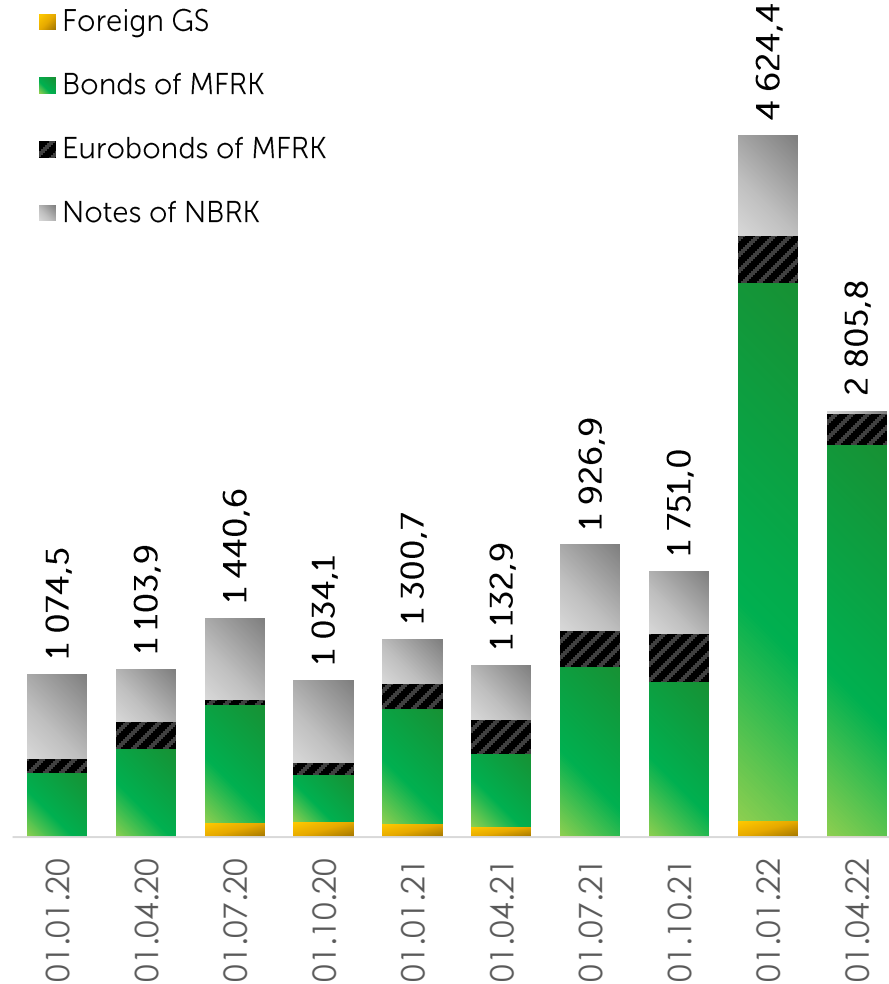


Share of trade volume, by maturity:

< 1 year	41% IQ 2022	←	40 % 2021	←	53 % 2020
1-3 years	5% IQ 2022	←	22 % 2021	←	19 % 2020
> 10 years	29% IQ 2022	←	11 % 2021	←	10 % 2020

Dynamics of the GS market

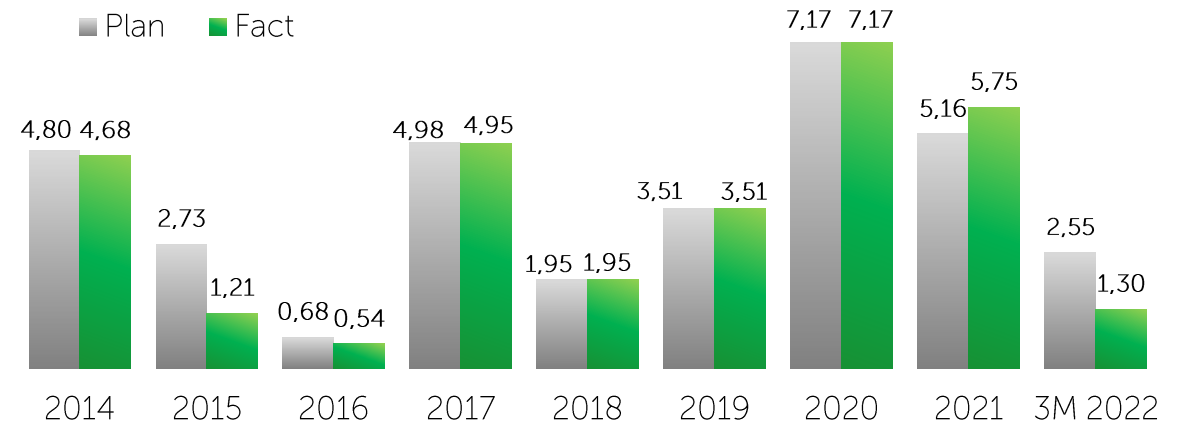
Open positions of participants in auto repo sector with GS on KASE by securities, USD mln



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*



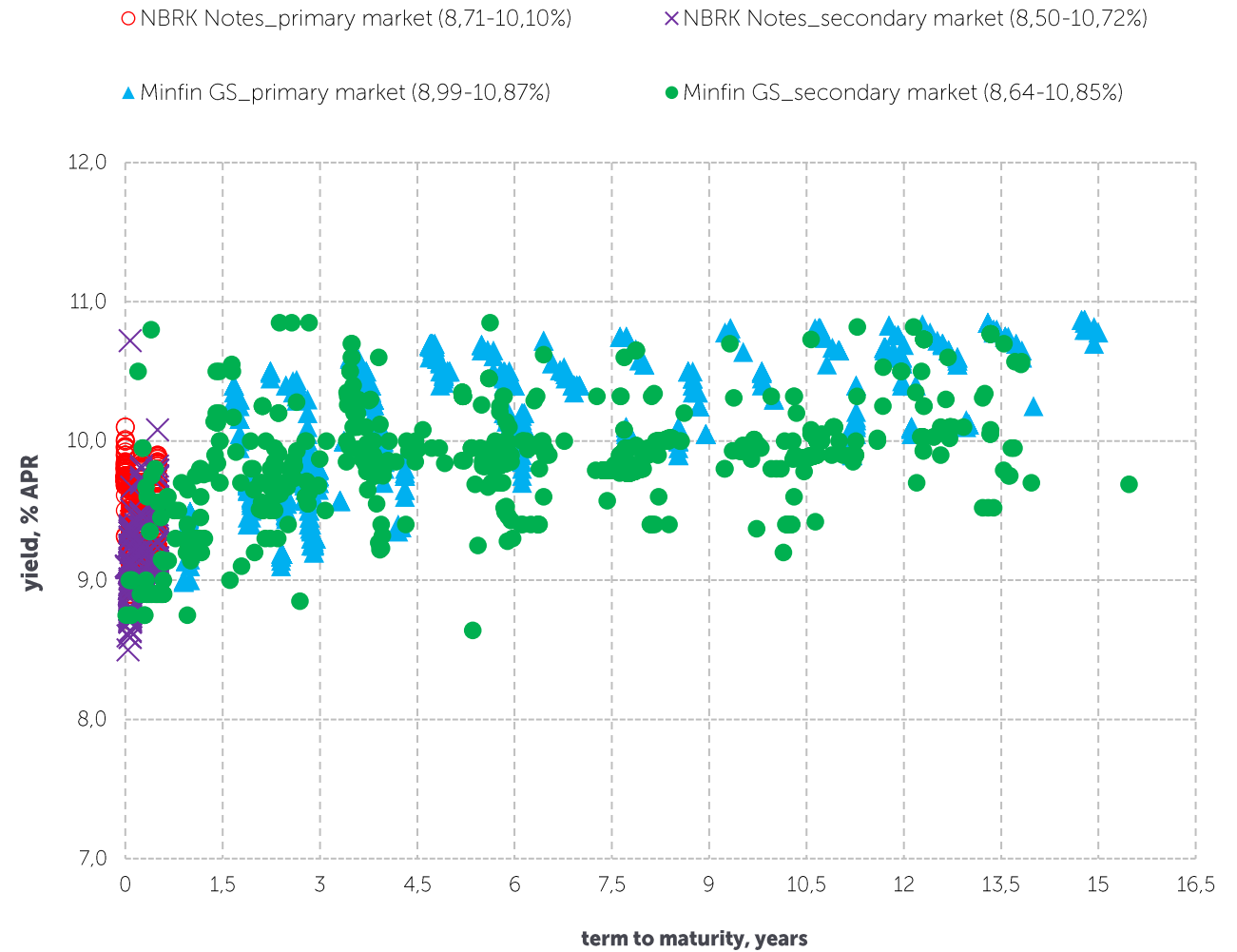
* placement volumes are indicated in nominal terms

Yield of transactions in the GS market

Yield of transactions in 2020

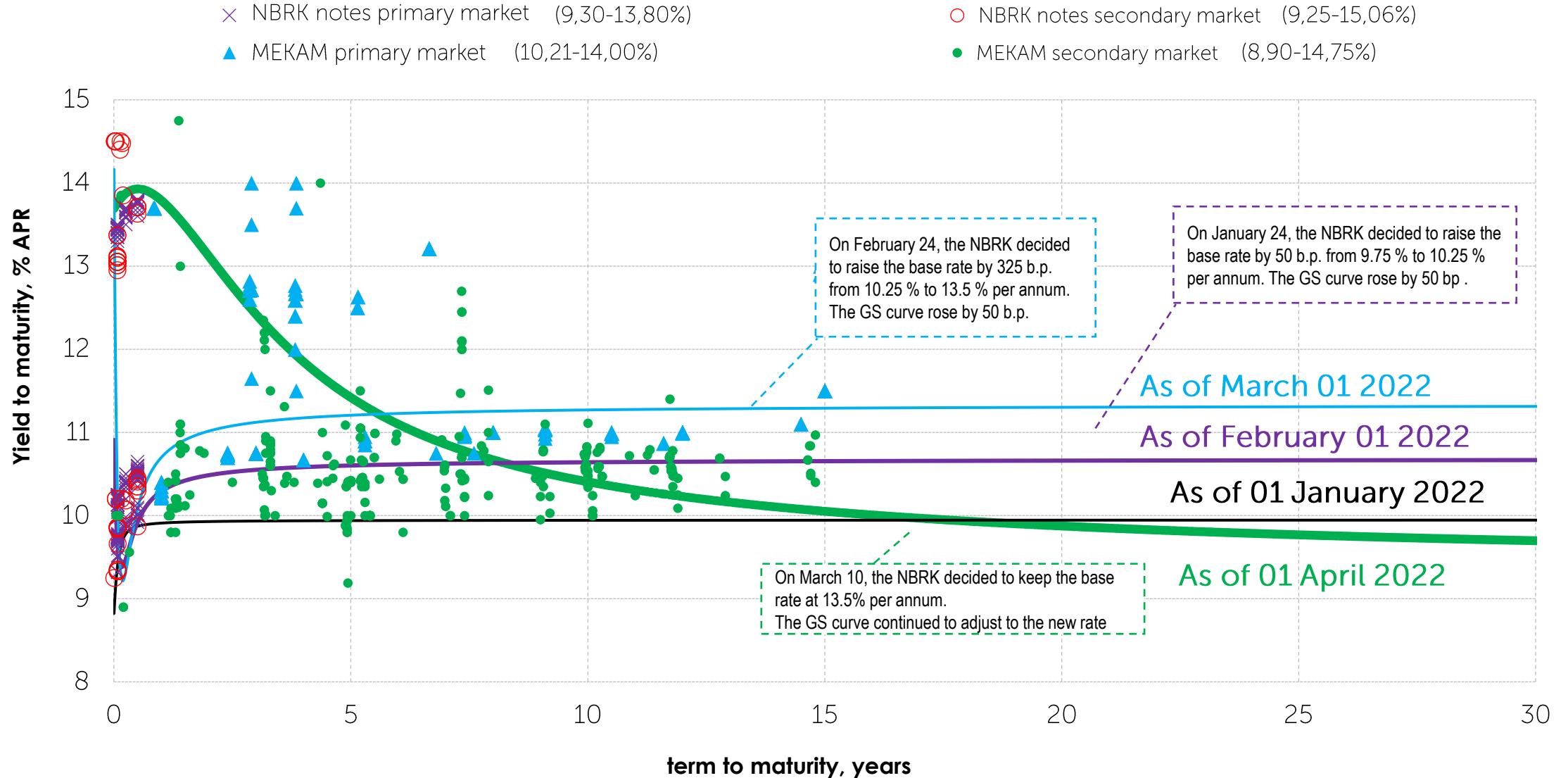


Yield of transactions in 2021



GS yield during 3M 2022 and GS yield curve during MEKAM placements

from 10.21 % to 14.00 % per annum



Profitability of transactions by GS type

Type	Description	2021 year		IQ 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%	9,30%-13,80%	9,25%-15,06%
MEKKAM of MF of RK	Discount short-term treasury bonds	8,99%-10,40%	8,64%-10,85%	10,21%-13,70%	-
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%-14,00%	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%-13,21%	8,90%-14,75%
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%	-	2,34%-10,6%
Municipal bonds of akimdiks of RK	Obligations of local akami's executive bodies (akimdiks)	4,23%-10,80%	-	0,35%-4,24%	-

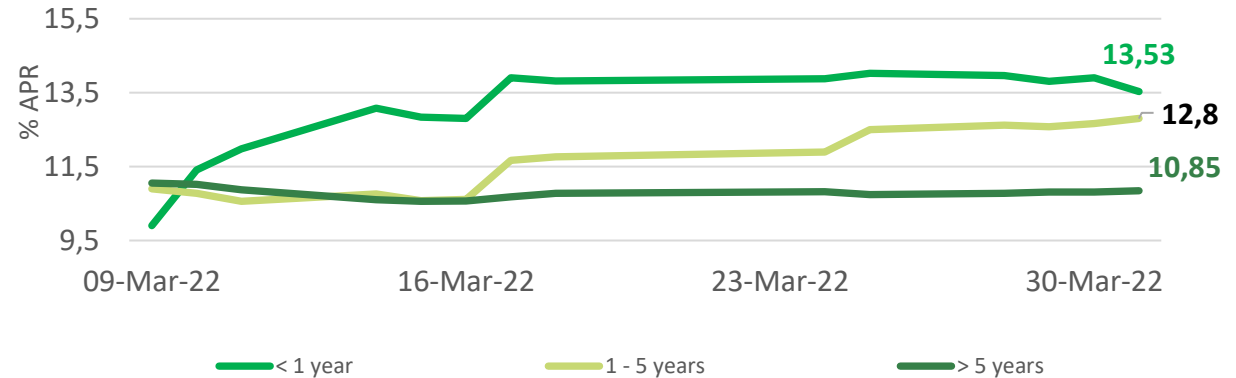
From **March 9, 2022**, new indices and indicators of the GS market of the Republic of Kazakhstan are calculated.

New 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)**. Each series includes:

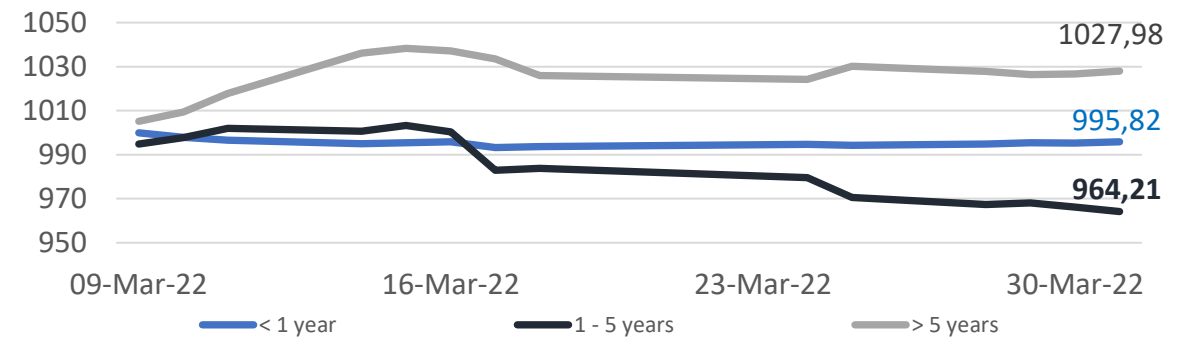
- ▶ **KZGB_CP** – price index of "clean" GS prices, calculated at prices excluding accrued and unpaid coupon interest;
- ▶ **KZGB_DP** – comprehensive income price index (taking into account accrued coupon interest and reinvested coupon payment);
- ▶ **KZGB_Y** – yield indicators, in percent per annum;

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

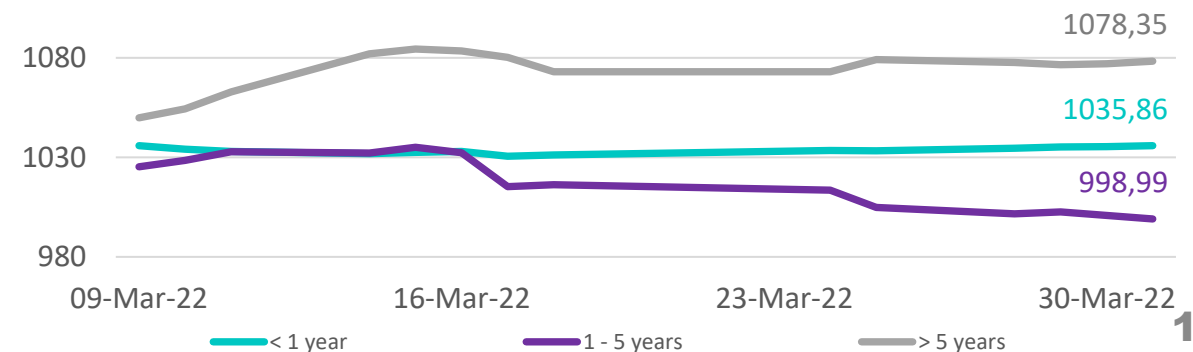
GS yield indicators



Indicators of "clean prices" of government securities



Indicators of total income of government securities



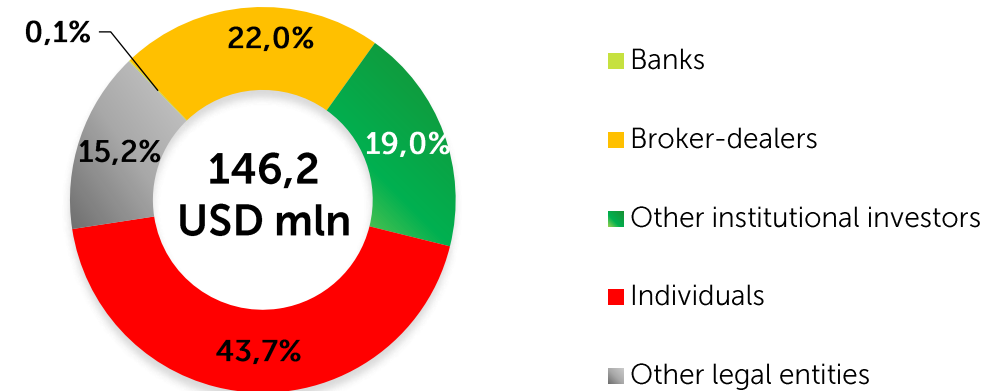
Stock market

decline in trading volume

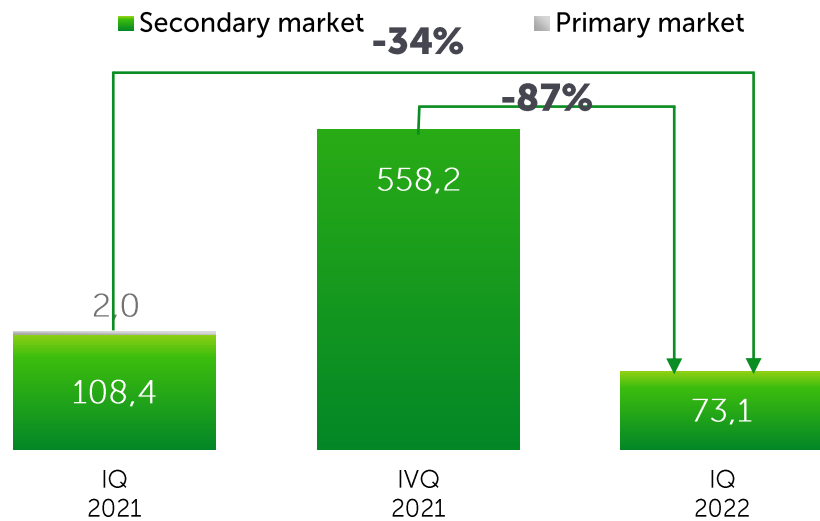
Key facts and figures

- + market capitalization as of April 1, 2022 ~ 50,9 USD bn
- + average daily trading volume during 3M2022 ~ 1,3 USD mln
- + average daily trading volume of shares of KASE Index during 3M2022 ~ 872 th. USD
- + average daily number of transactions during 3M2022 ~ 2,230 transactions
- + average volume of one transaction during 3M2022 ~ 585 USD
- + since March 1, trading in shares of Russian companies of 9 titles has been suspended

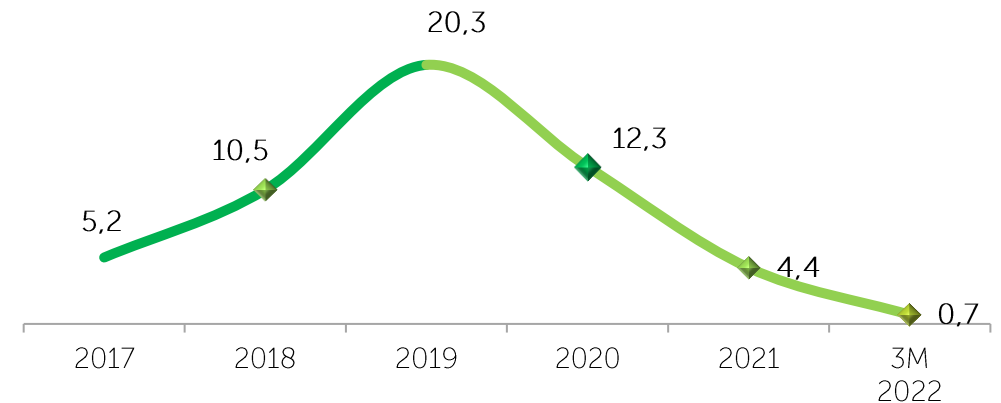
Investor structure during 3M 2022*



Volume of transactions in the stock market, USD mln



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

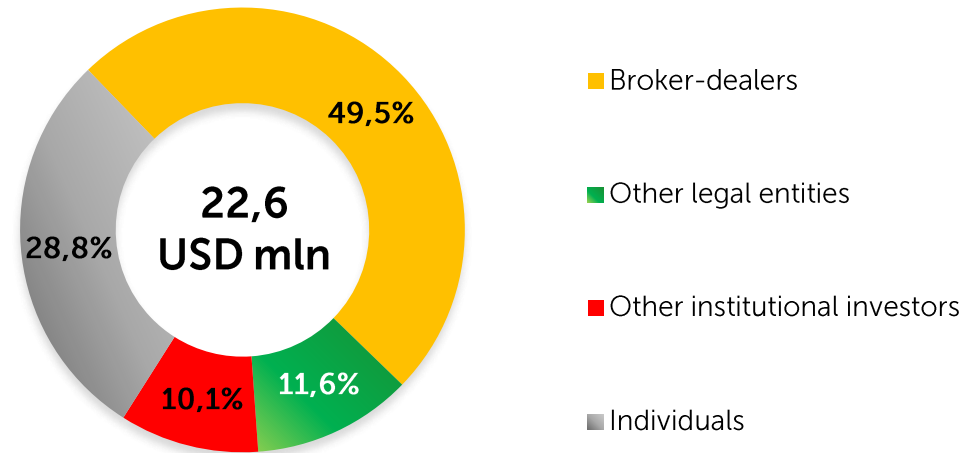


* of the total gross turnover of trading in shares on the secondary market, excluding major transactions and transactions of an irregular nature

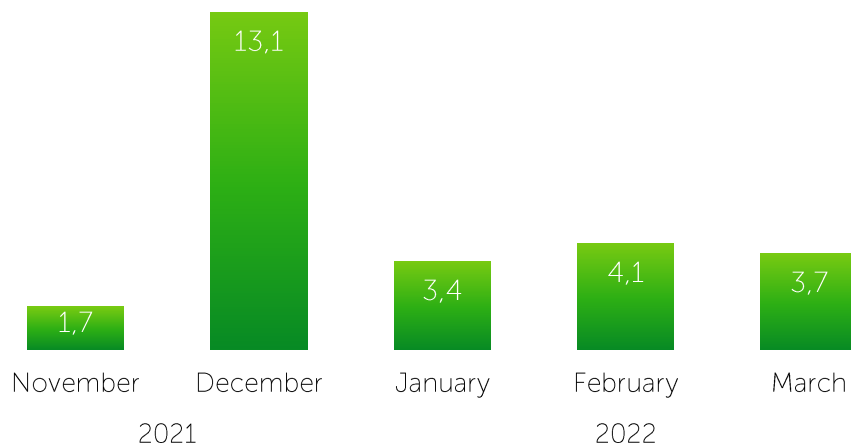
Key facts and figures

- + On November 15, a new sector – KASE Global – was launched, intended for circulation of shares of foreign issuers
- + shares of 43 titles are available for trading
- + average daily trading volume during 3M2022 ~ 201 th. USD
- + average daily number of transactions during 3M2022 ~ 143
- + average volume of one transaction during 3M2022 ~ 1,4 th. USD
- + design schemes T+0, T+2
- + trading in USD
- + trading schedule: 11:20 – 22:00

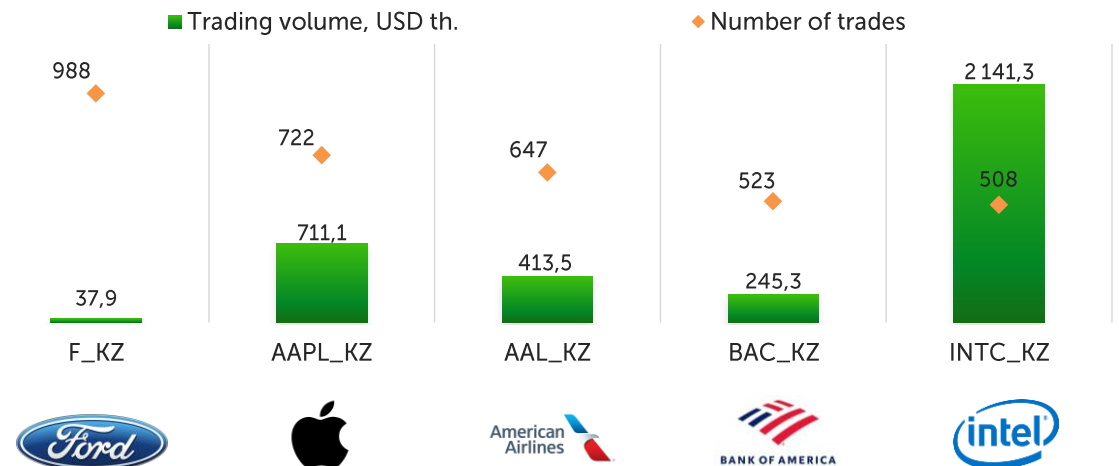
Investor structure during 3M 2021*



Trading volume, USD mln



Top 5 most popular shares of the KASE Global sector in 3M 2022



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

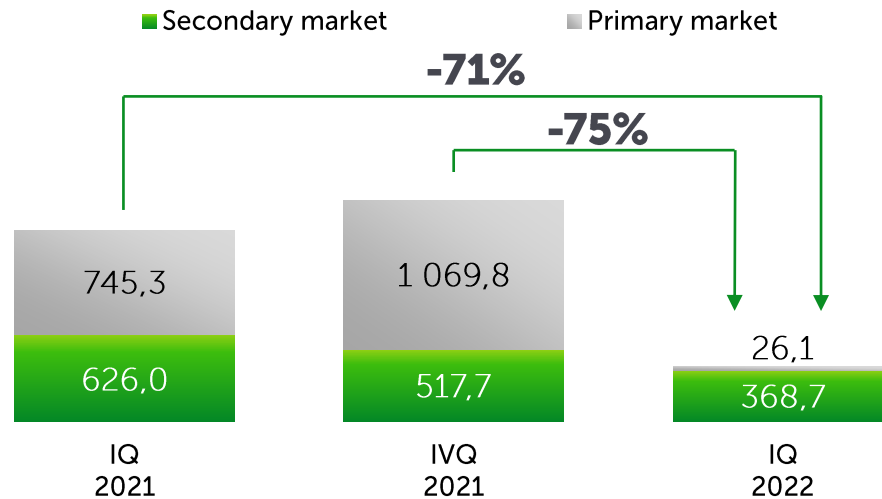
Corporate bond market

decline in trading volume

Key facts and figures

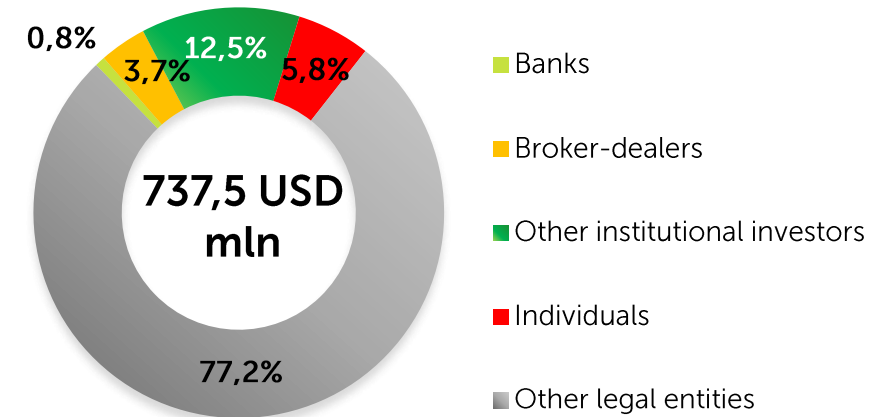
- + volume of corporate debt in circulation as of April 1, 2022 – 32,4 USD bn
- + average daily trading volume during 3M2022 ~ 7,1 USD mln
- + average volume of one transaction during 3M2022 ~ 129 th. USD
- + share of Eurobonds in the total volume of corporate debt ~ 43%
- + share of quasi-state in the total volume of corporate debt ~ 70%
- + Trading in bonds of KTZh Finance LLC has been suspended since March 1

Volume of transactions in the corporate bond market, USD mln

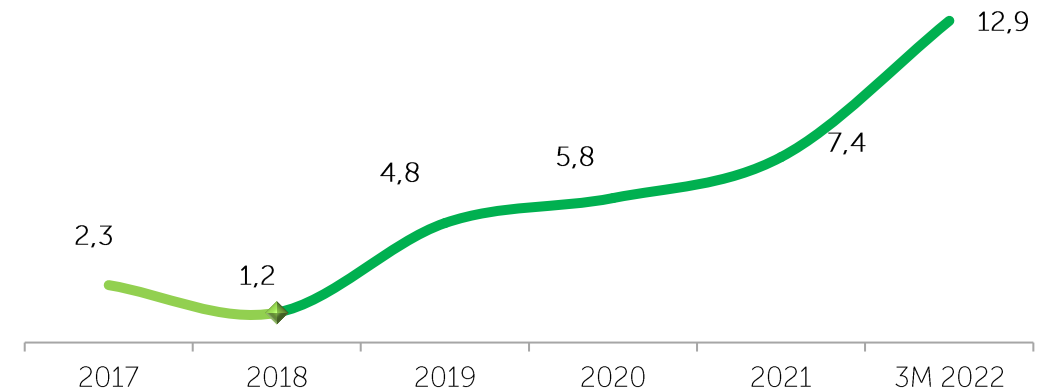


Source: KASE

Investor structure during 3M 2022*



Share of non-residents in gross turnover*, %

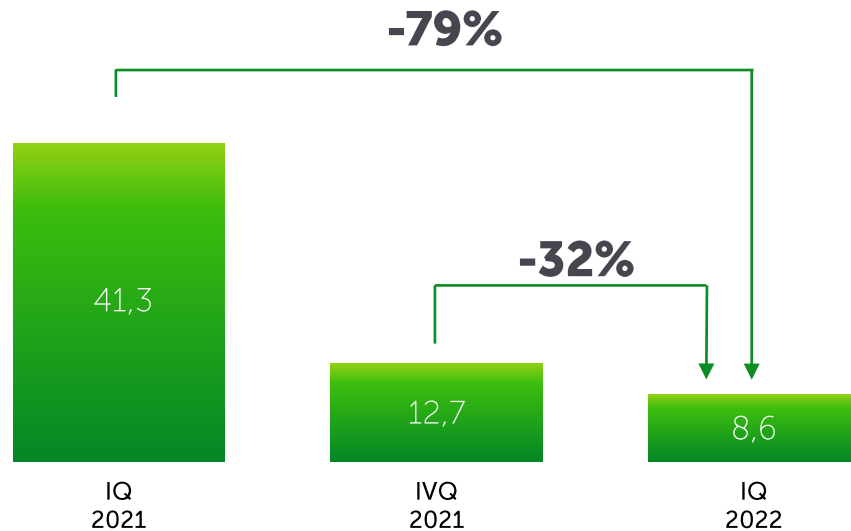


*of the total gross turnover of trading in shares on the secondary market, excluding major transactions and transactions of an irregular nature

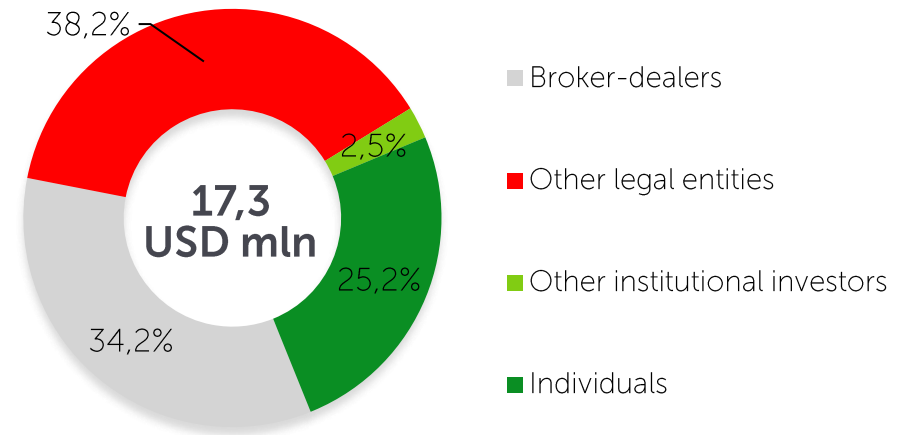
Key facts and figures

- + as of April 1, 2022, there were 19 unit investment trusts managed by 6 management companies and 6 ETFs on KASE official list
- + average daily trading volume during 3M2022 ~ 154 th. USD
- + average daily number of transactions during 3M2022 ~ 95
- + average volume of one transaction during 3M2022 ~ 1,6 th. USD
- + Trading in units of 3 unit investment trusts managed by a Russian company has been suspended since March 1

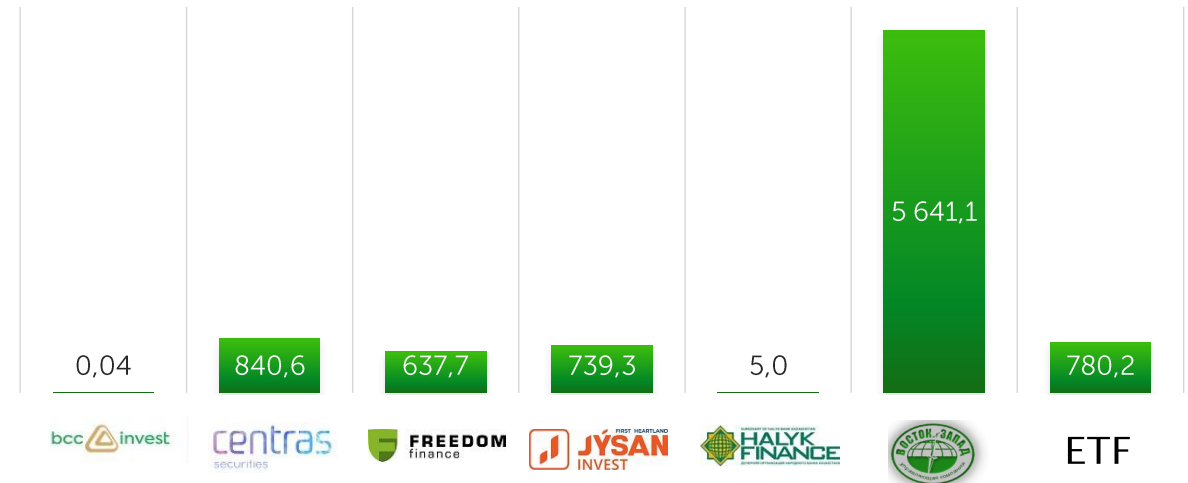
The volume of transactions of securities of investment funds, USD mln



Investor structure during 3M 2022*



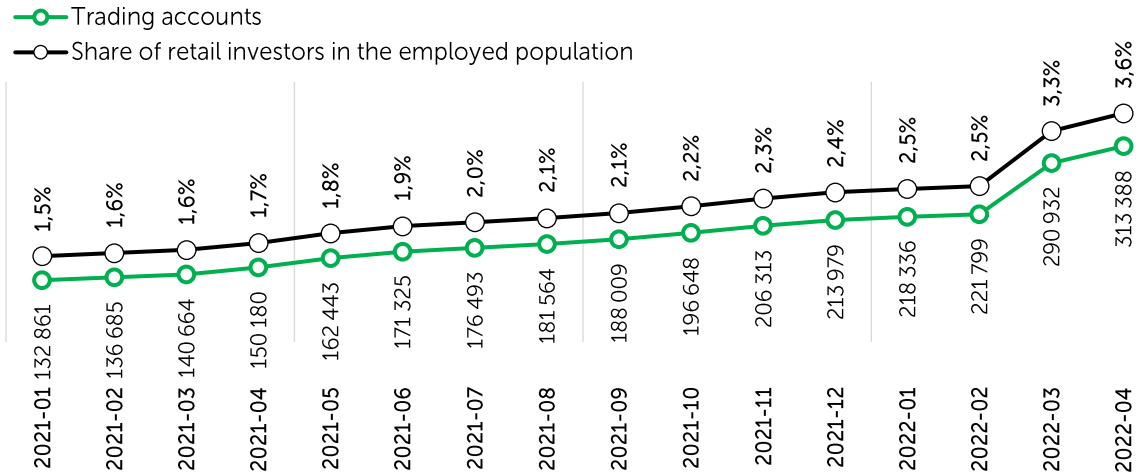
Trading volume by management company, th. tenge



* of the total gross turnover of trading in units of investment trust funds
Source: KASE

Growing number of retail investors: 313.4 thousand accounts ~ 291 thousand individuals

Number of trading accounts of individuals in the CSD



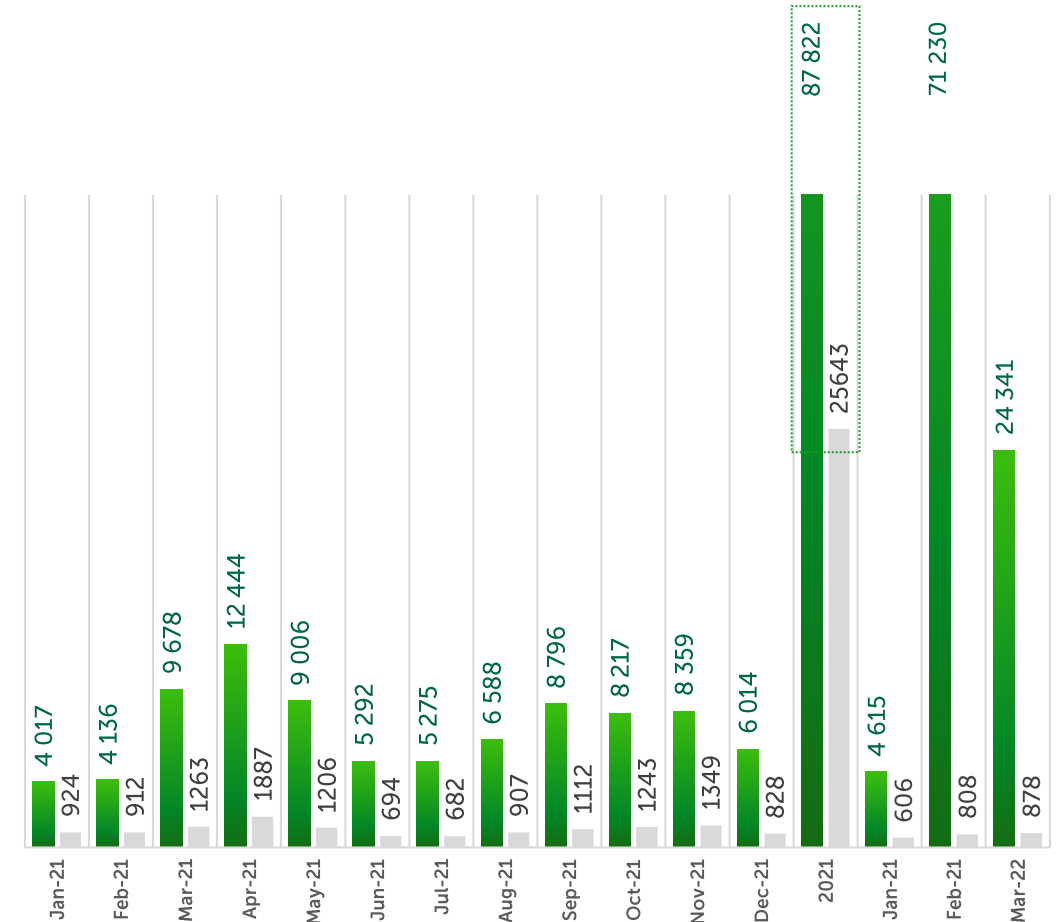
+100 186

new accounts during 3M 2022

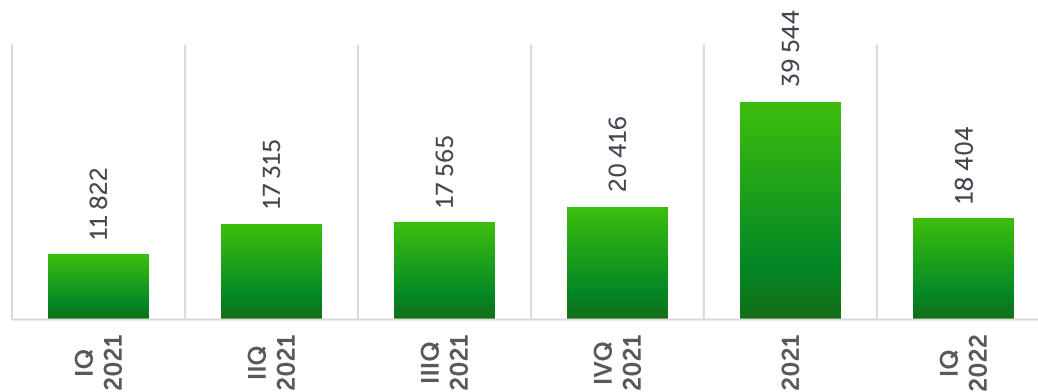
+95 052

increase in accounts during 3M 2022

Individuals who have made at least one deal since opening



Active accounts of individuals in the stock market

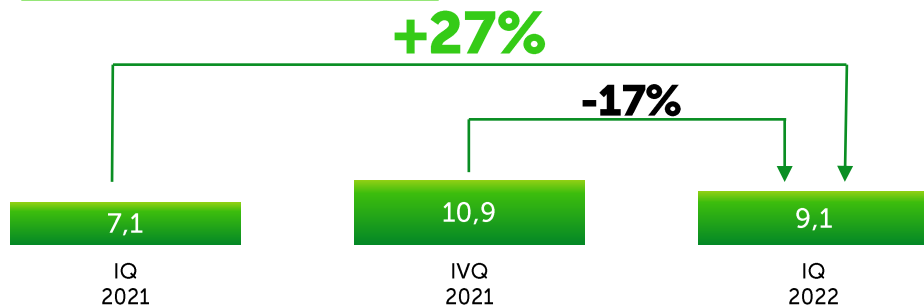


Source: KASE, CSD, Bureau of National statistics of Agency for Strategic planning and reforms of the RK

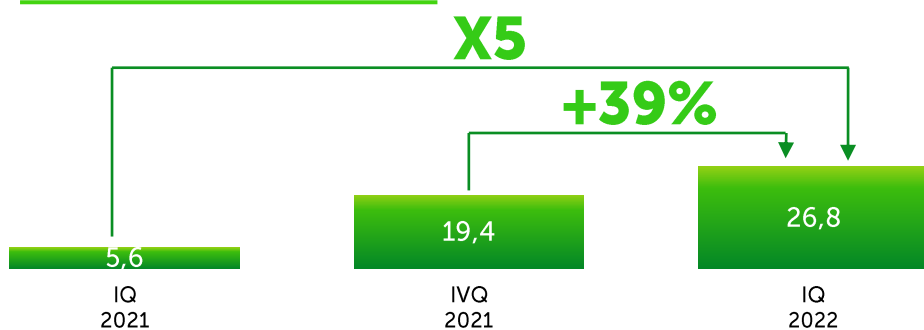
Foreign currencies::

volume RUB/KZT X5, CNY/KT X3

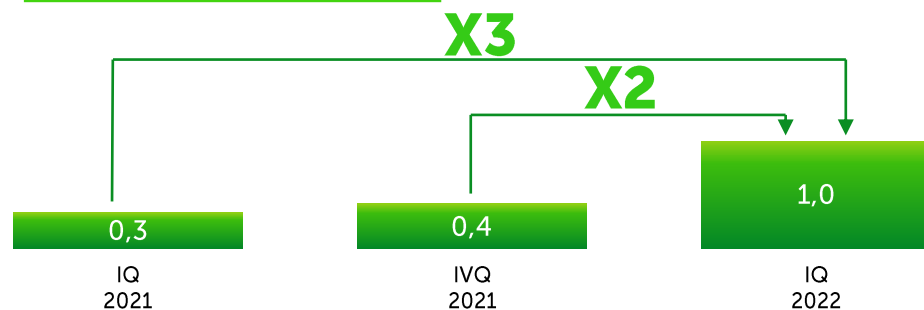
Trading volume, bn USD



Trading volume, bn RUB

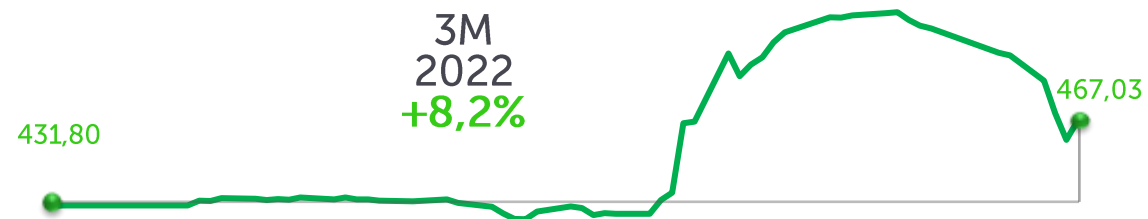


Trading volume, bn CNY



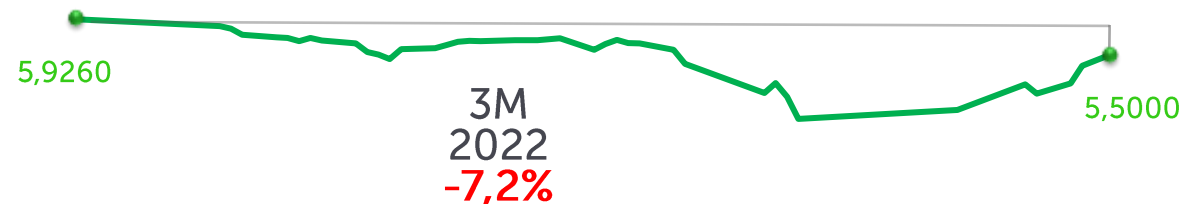
Source: KASE

USD/KZT exchange rate dynamics



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

USD/KZT exchange rate dynamics



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

CNY/KZT exchange rate dynamics

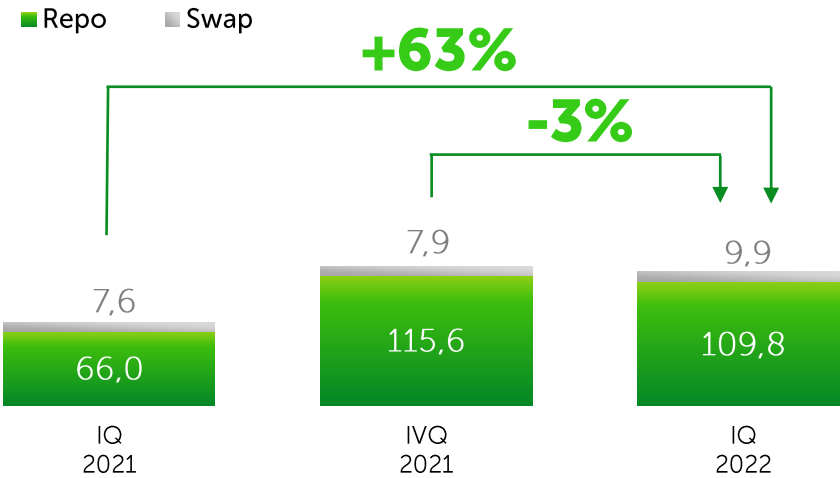


Note: CNY/KZT exchange rate dynamics based on the weighted average rate based on results of the trading day

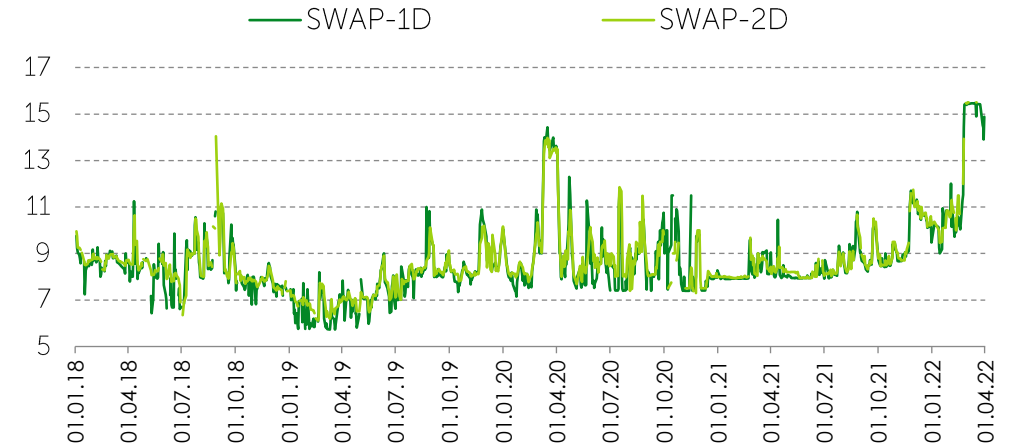
Money market:

63% increase in trading volume

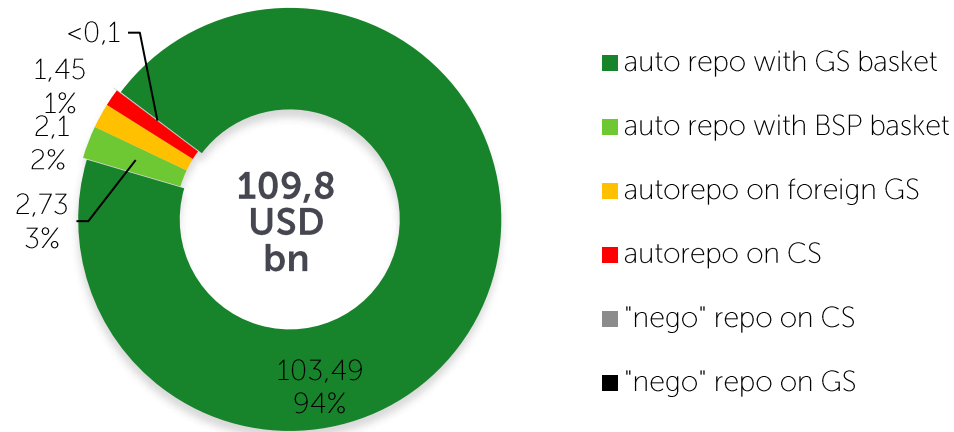
Trading volume, USD bn



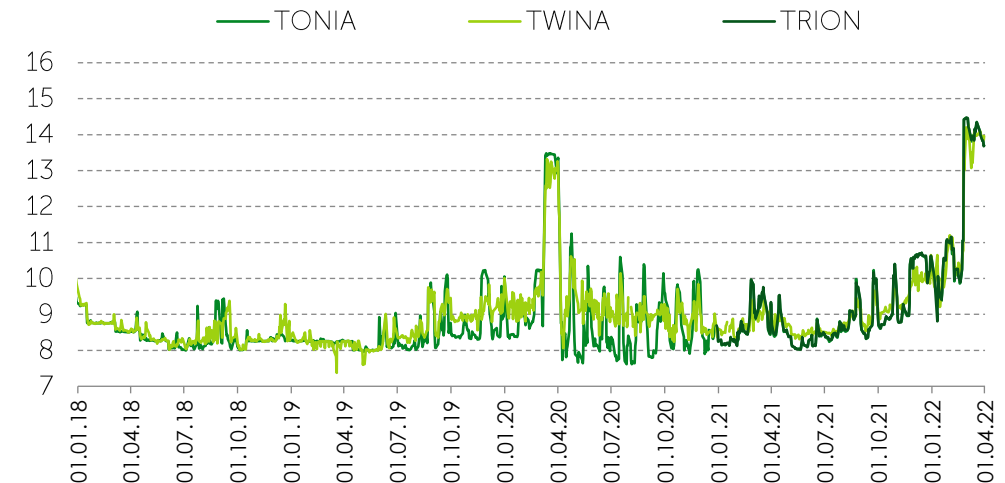
Swap market indicators, % per annum



Repo market instruments, trln KZT



Repo indicators, % per annum



Source: KASE

280 Baizakov St.
Northern Tower of
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FAQ



KASE

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Kazakhstan Stock Exchange