

JANUARY 2020

Kazakhstan PMI Launch

A critical addition to the economic and market analysis toolkit

Disclaimer

The information provided in this presentation is for informational purposes only. No warranty or representation is made as to the correctness, completeness and accuracy of either the information provided or the conclusions drawn. Opinions reflected in this document may change without notice. Opinions expressed may be different or inconsistent with views reflected in other reports produced by Tengri Partners, and Tengri Partners assumes no obligation to bring such other reports and opinions to the attention of any recipient of this present report.

This document was prepared exclusively for the benefit and internal use of the Recipient in order to indicate, on a preliminary basis, the feasibility of a possible transaction or transactions and does not carry any right of publication or disclosure to any other party. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Tengri Partners. This document is confidential and may be neither communicated to any third party (with the exception of external advisors on the condition that they themselves respect this confidentiality undertaking) nor copied in whole or in part, without the prior written consent of Tengri Partners.

The contents of this document are given for purely indicative purposes and have no contractual value. This document does not constitute an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice.

Due to various risks and uncertainties, actual events or results, the actual performance of securities may differ materially from that reflected or contemplated in such forward-looking statements. Except where otherwise indicated in this presentation, the information provided herein is based on matters as they exist as of the date of preparation and not of as any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. Tengri Partners shall be liable for the contents of any forward-looking statements. The market information referred to in this document. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Tengri Partners

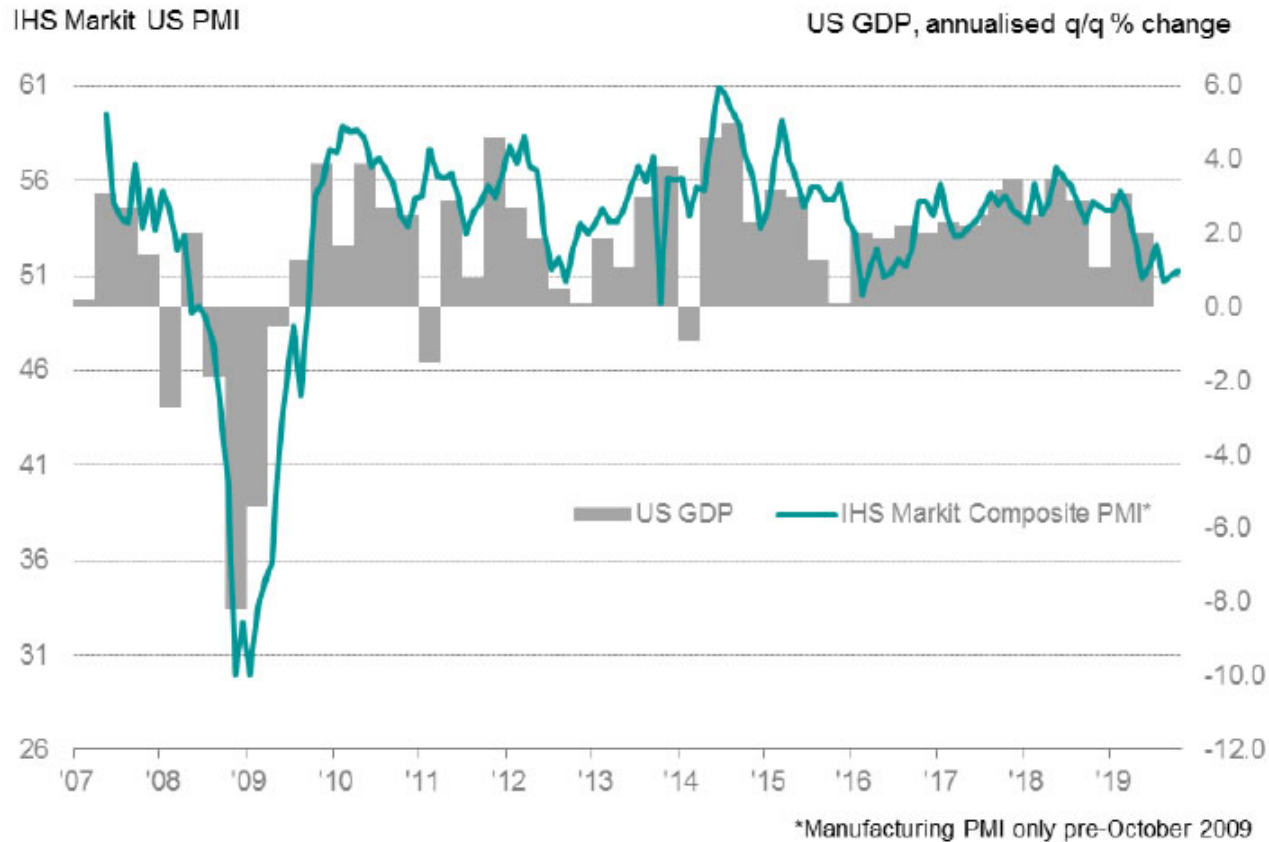
7th Floor, Nurly Tau 4B – 17 Al-Farabi – Almaty 050059 – Kazakhstan

Web: www.tengripartners.com – Tel.: +7 (727) 311-05-50

PMI

... and its usefulness for overall economy performance forecasting (US)

IHS Markit Composite PMI and U.S. GDP

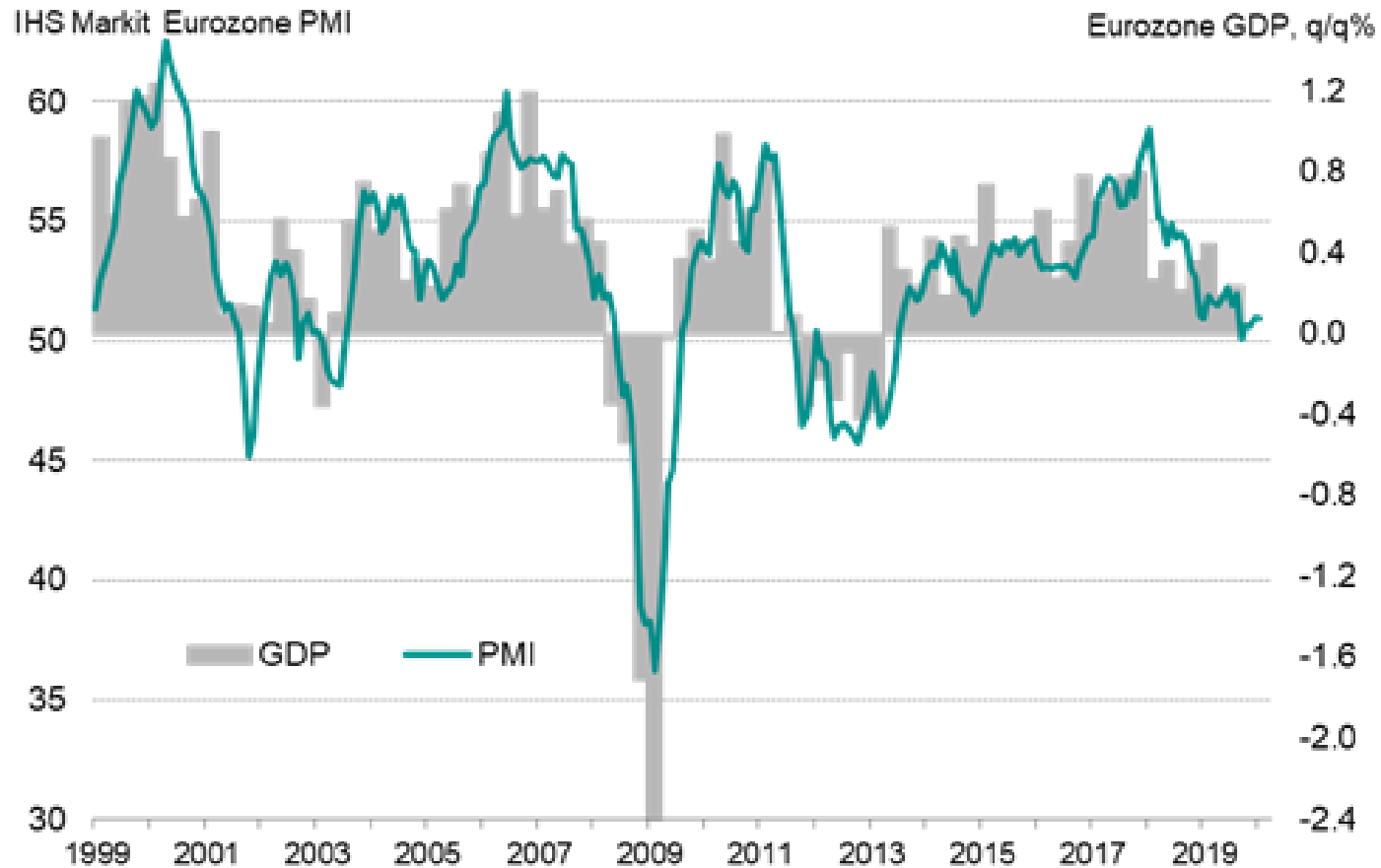


Sources: IHS Markit, U.S. Bureau of Economic Analysis.

PMI

... and its usefulness for overall economy performance forecasting (Euro Area)

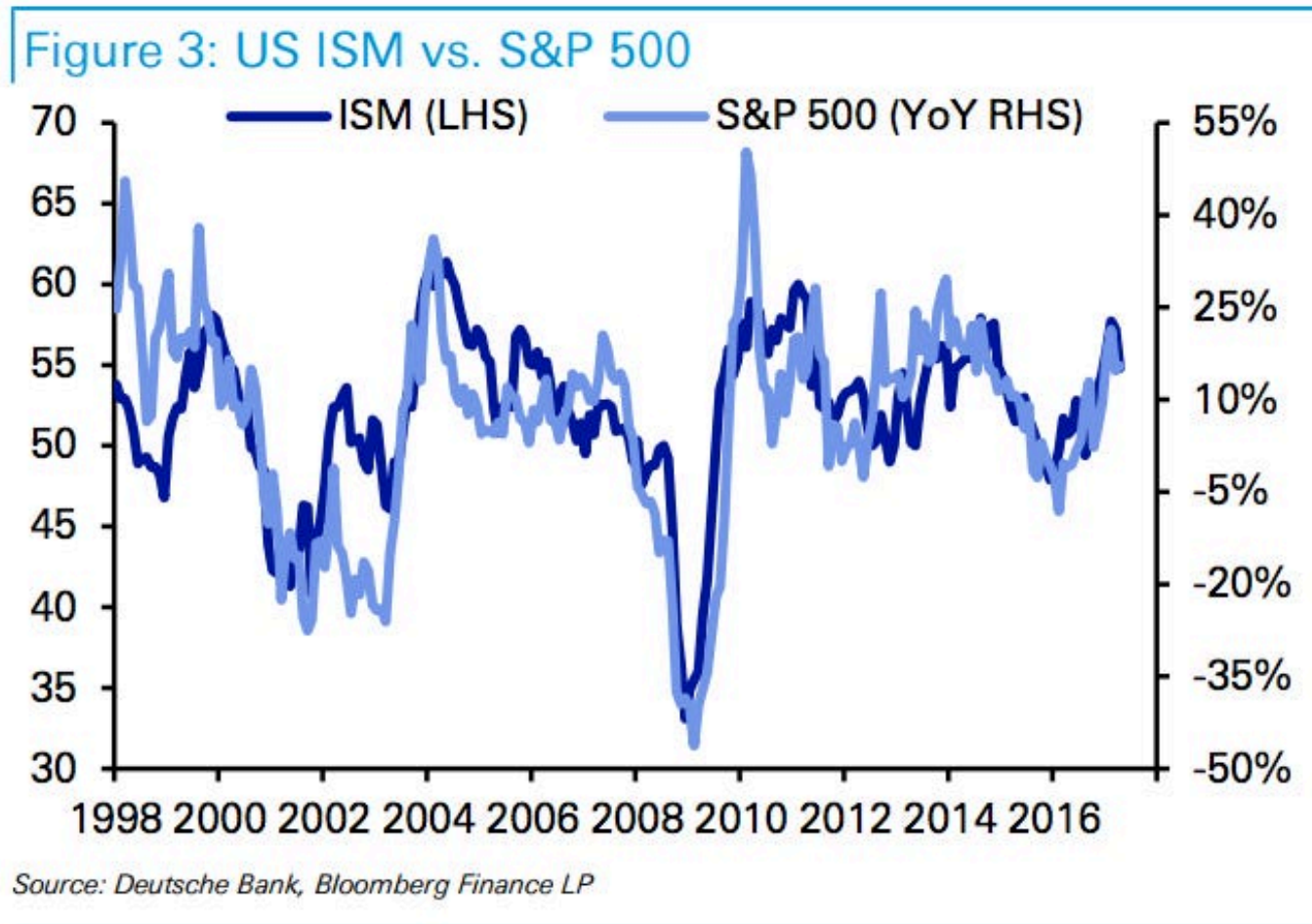
IHS Markit Eurozone flash PMI and GDP



Sources: IHS Markit, Eurostat.

PMI

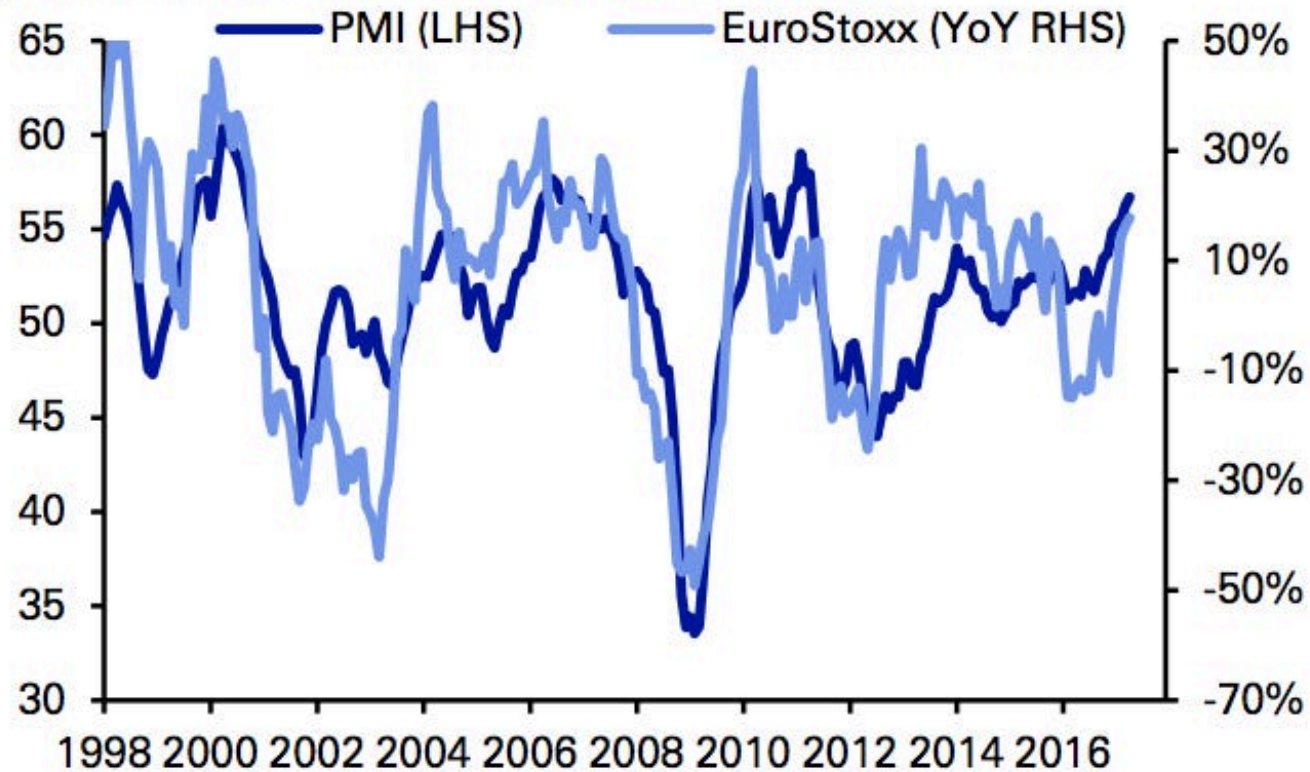
... and its usefulness for stock market performance forecasting (US)



PMI

... and its usefulness for stock market performance forecasting (Euro Area)

Figure 4: Euro Area PMI vs. EuroStoxx

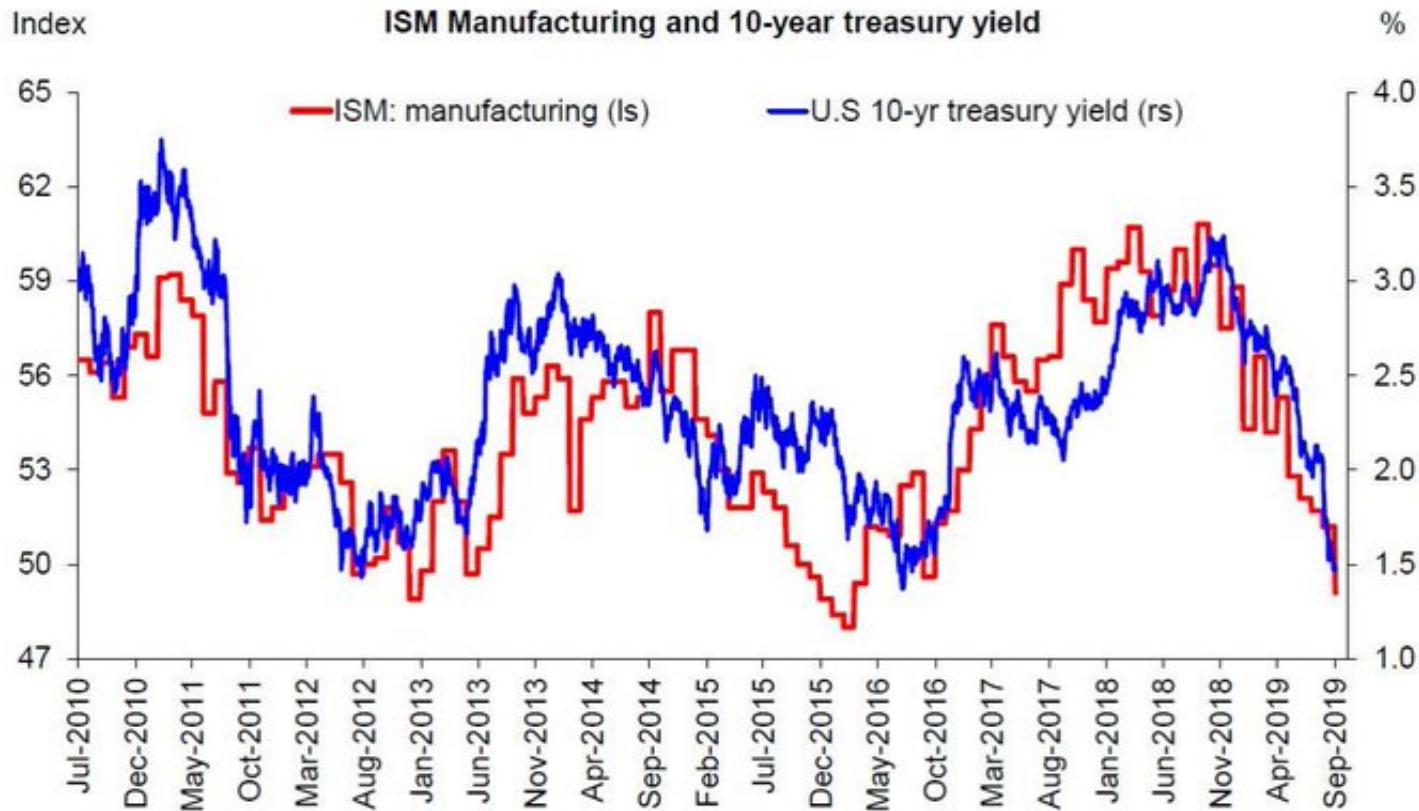


Source: Deutsche Bank, Bloomberg Finance LP

PMI

... and its usefulness for bond market performance forecasting (US)

US 10-year rates driven by US fundamentals and not by foreigners buying US Treasuries



Source: FRB, ISM, Haver Analytics, DB Global Research

Deutsche Bank Research

Torsten Slok, torsten.slok@db.com +1 212 250-2155

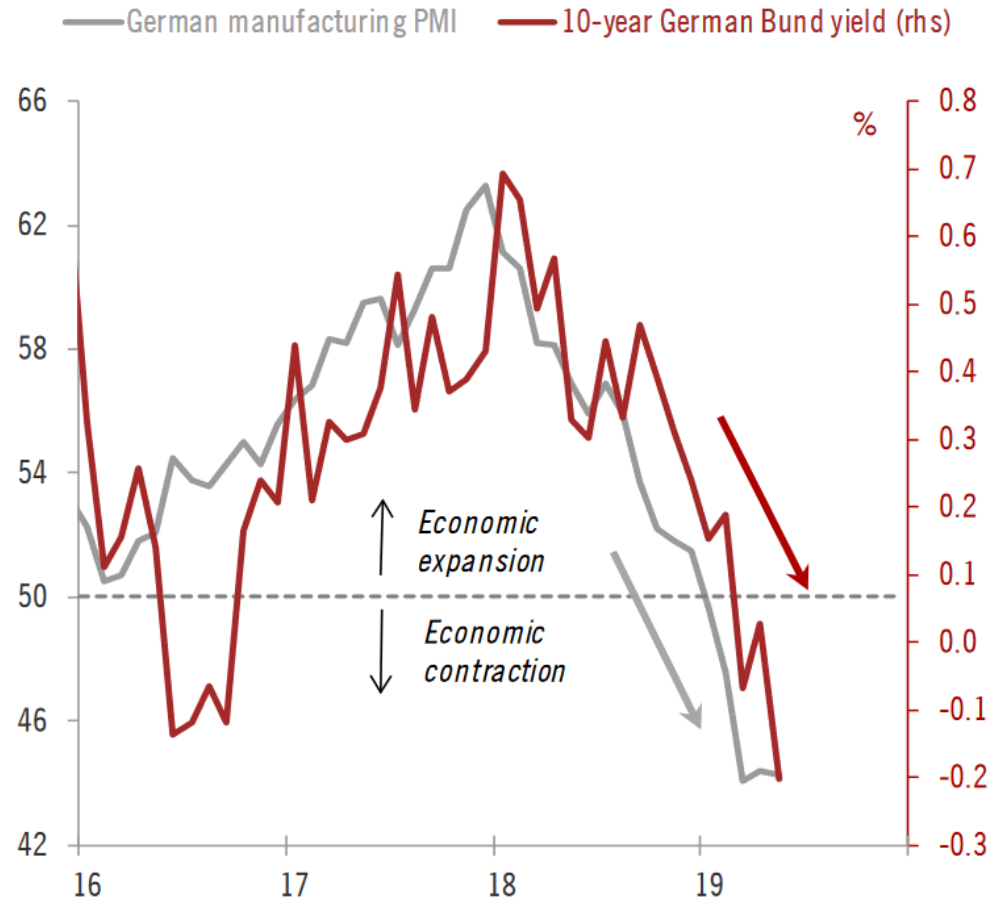
September 2019

102

PMI

... and its usefulness for bond market performance forecasting (Euro Area)

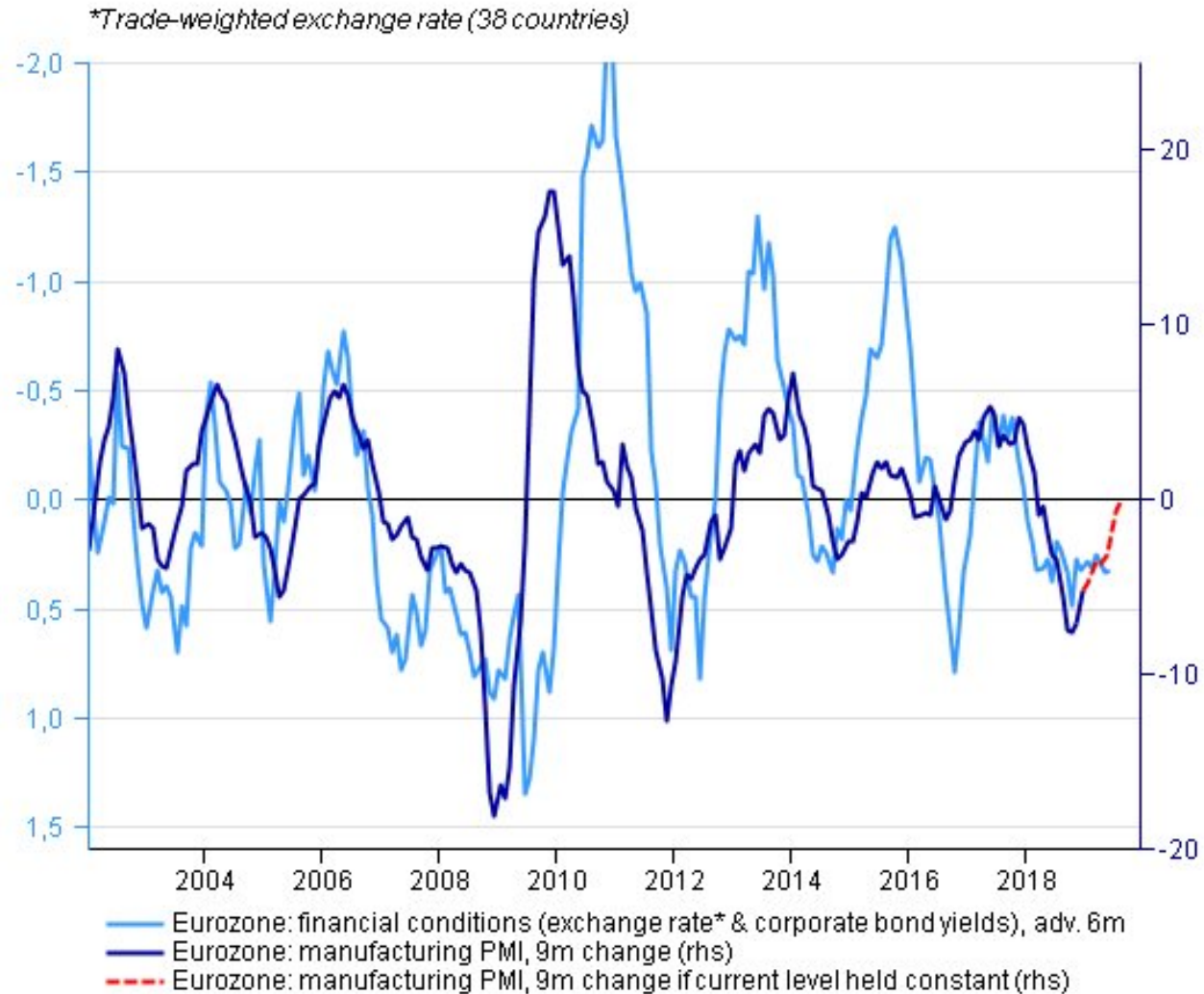
CHART 4: 10-YEAR BUND YIELD AND MANUFACTURING PMI



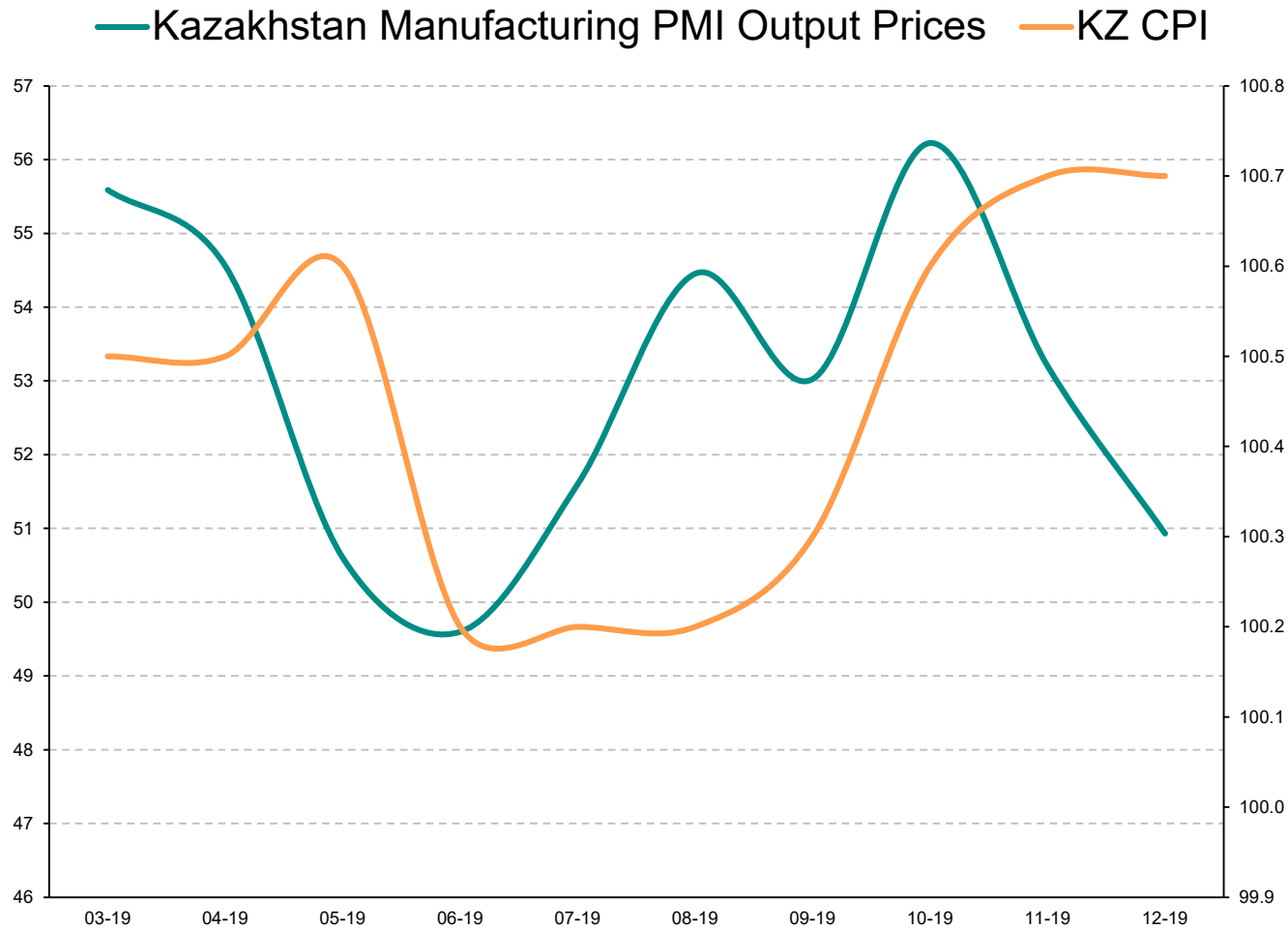
Source: PWM - AA&MR, Thomson Reuters, Factset, 31.05.2019

PMI

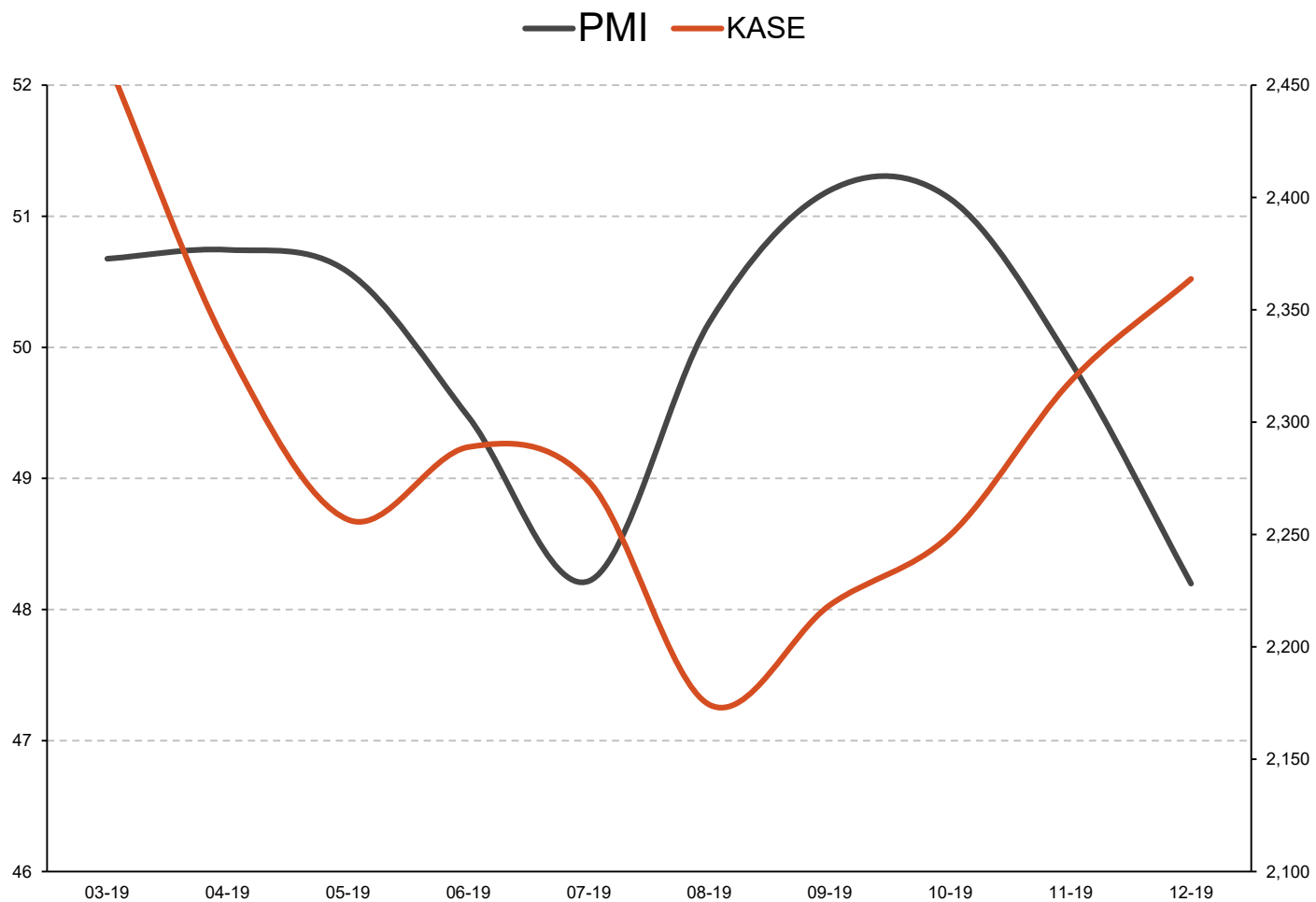
... and its usefulness for financial conditions forecasting (Euro Area)



Kazakhstan Manufacturing PMI Output Prices vs CPI



Kazakhstan Manufacturing PMI Output Prices vs KASE Index



Kazakhstan Bond Market

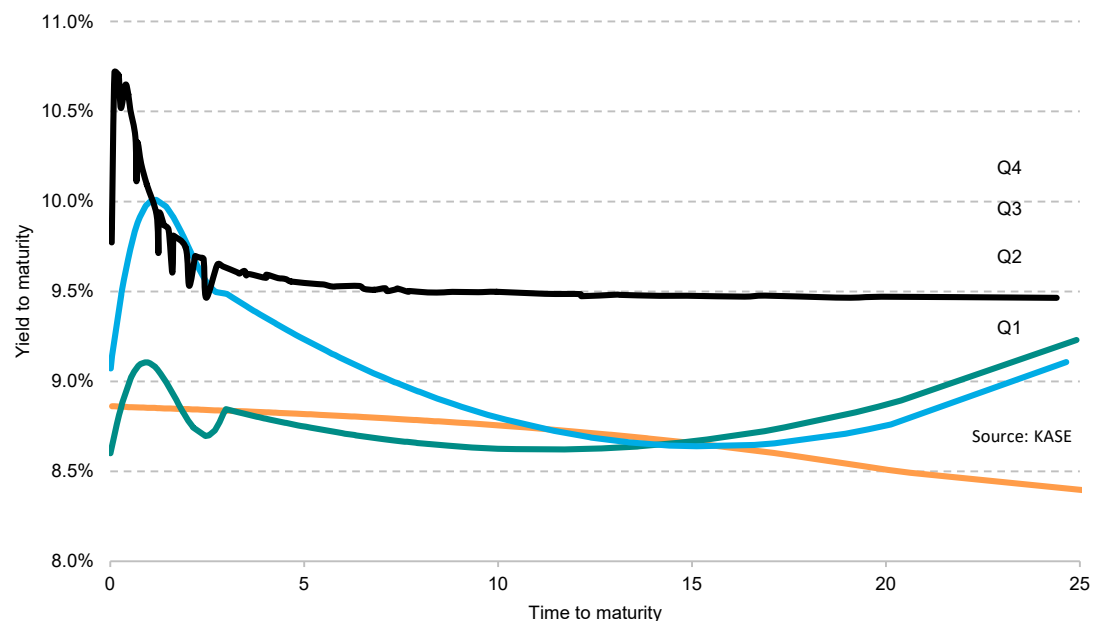
The largest securities market segment

Market dynamics on KASE in 2019:

- Securities market volume on KASE increased by 8.5% to KZT 5,287 bn
- 30 new issuers was listed on KASE: 19 in stocks, 7 in corporate bonds, 2 in IFI bonds and 2 in investment funds
- Market cap of KASE increased by 11% to KZT 17 tn
- Outstanding principal of listed corporate bonds increased by 12% to KZT 17 tn
- 43 new issues took place, with 9 coming from market debutants

In a growing market bond investors will be using PMI for anticipating economic activity and adjusting their portfolio positions accordingly.

Dynamics of the Risk-free Yield Curve in KZT



Contacts

For any more information or business requests please contact us at:

Address: Tengri Partners, LLC
7th Floor
Nurly Tau 4B
17 Al-Farabi, Almaty A15E2P9, Kazakhstan

Telephone: +7 (727) 311-05-50

Email: enquiries@tengripartners.com

Web: www.tengripartners.com