

# Overview of the government securities market of the Republic of Kazakhstan

2022 year

**KASE** Қазақстан қор биржасы  
Казахстанская фондовая биржа  
Kazakhstan Stock Exchange

2022 to 2021

**+40%**

trading volume

from 408,9 to  
570,6 USD bn

**x2**

trading volume on the  
secondary GS market

from 2,1 to  
4,0 USD bn

**11%**

trading volume on  
the secondary corporate  
bonds market

from 2,0 to  
2,2 USD bn

**+23%**

trading volume in the  
foreign exchange market

from 36,5 to  
44,8 USD bn



since 01.01.2022

**KASE**

**-11,5%**

KASE Index

from 3 675,28 to  
3 251,64 points

**-31%**

equity market

capitalization

from 66,6 to  
45,9 USD bn

**+341 th.**

new accounts opened by  
individuals

547 thousand accounts in the CSD  
as of 01.01.23

**+96<sub>new</sub>**

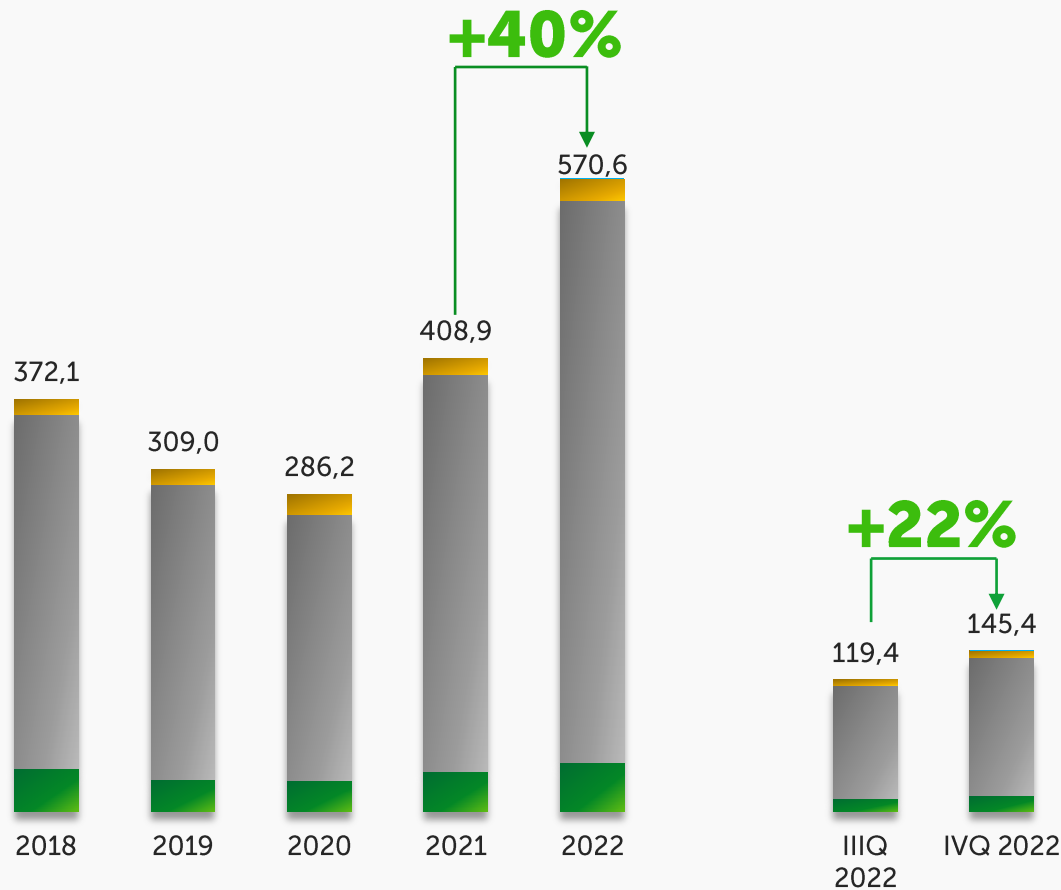
instruments in the official list

# KASE Markets:

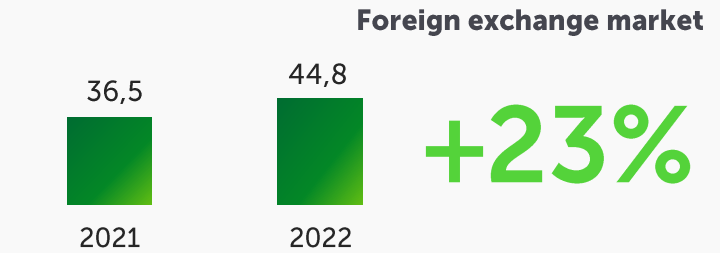
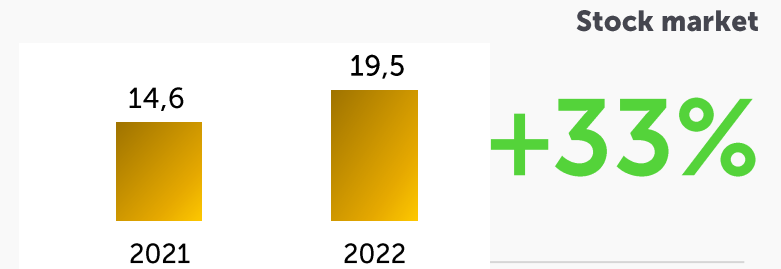
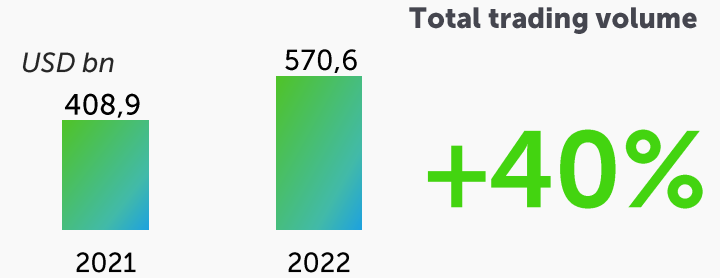
40% increase in trading volume



Dynamics of trading volume by sector, USD bn



2022 to 2021



# 1 433 instruments, including 927 securities, 245 instruments on the T+ list

during 2022 year +23 securities, -27 instruments on the T+

As of January 1, 2023

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	RUBKZT
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		
<b>57</b>	<b>173</b>	<b>11</b>			
<b>108</b>	<b>556</b>	<b>22</b>	<b>459</b>	<b>16</b>	<b>31</b>
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 institutions  
Source: KASE

# Development of the government securities market

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

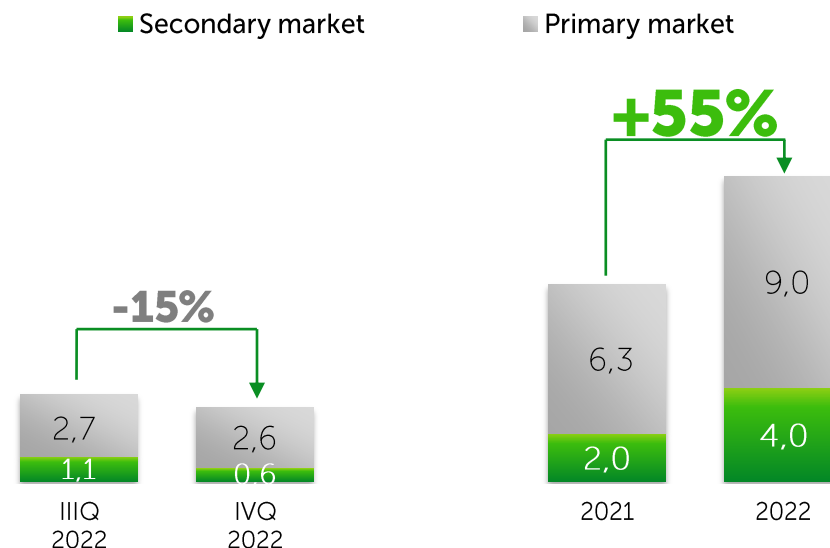
## The role of the Exchange in the GSM

Primary / secondary circulation **MEKAM** and **bonds of akimdiks**  
 Secondary circulation of **NBRK notes**  
**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

## Key facts and figures

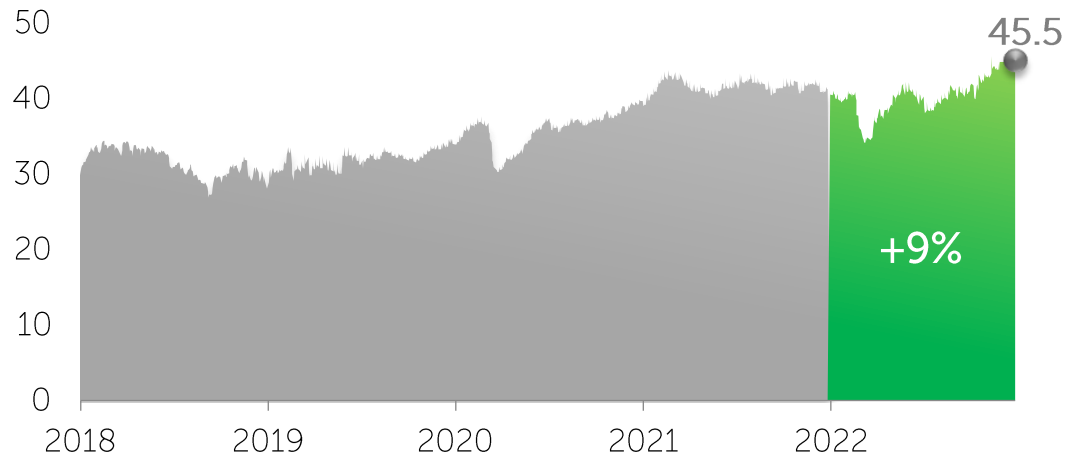
- As of January, 2023 the amount of public debt traded on KASE ~ 45,5 USD bn
- the largest share (~26%) of the outstanding tenge debt of the Ministry of Finance falls on long-term bonds (more than 10 years)
- average daily trading volume in 2022 ~ **53 USD mln** (+55% к 2021)
- average volume of one deal in 2022 ~ **3,8 USD mln тенге** (+16% к 2021)
- yield on placements of tenge bonds of the Ministry of Finance in 2022 - **8,90-16,70% per annum**

## Volume of transactions in the government securities market,



# Government debt traded on KASE

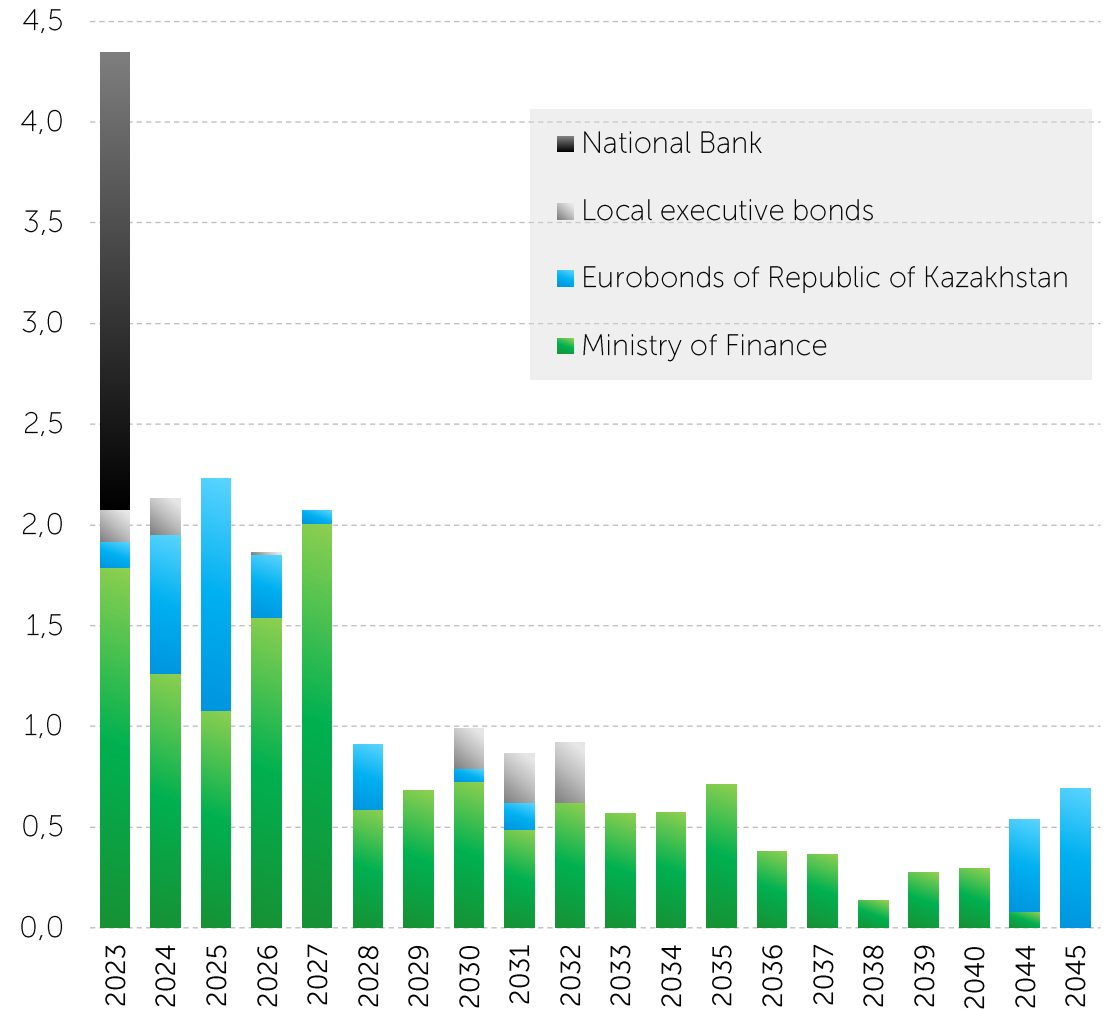
Amount of government debt (at face value) traded on KASE, USD bn



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

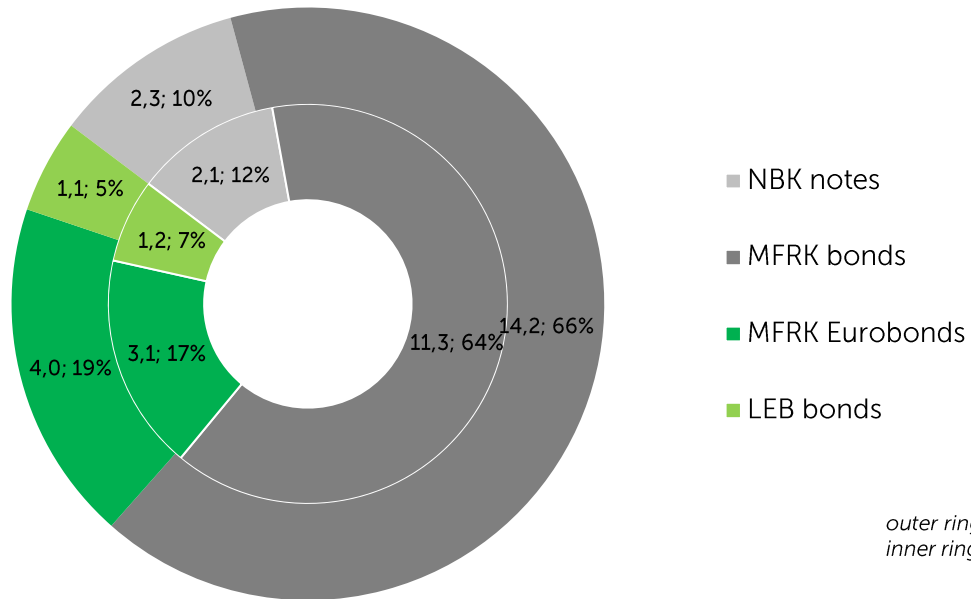
01.01.2022	41,3 USD bn	↑ +4% growth during 2021
01.01.2023	45,5 USD bn	↑ +9% growth during 2022

Dynamics of public debt redemption, USD bn



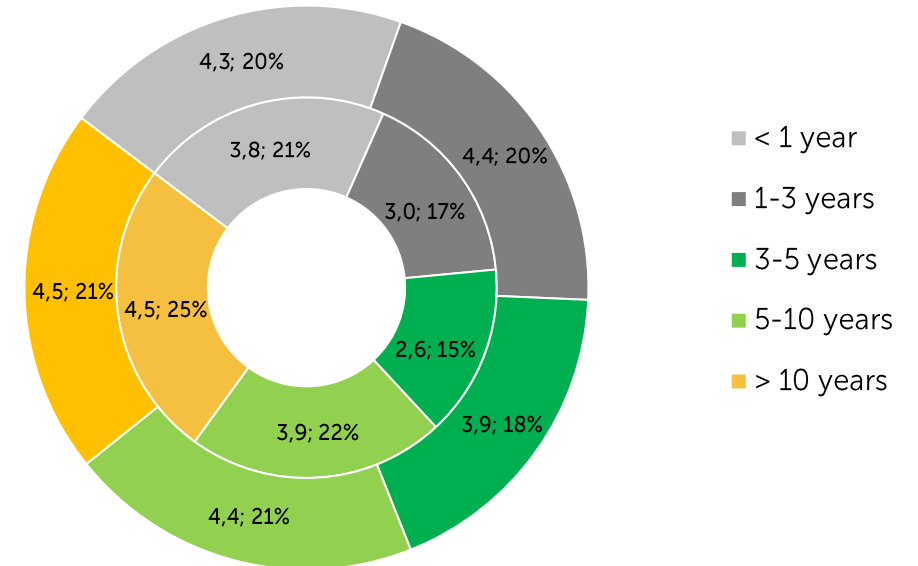
# Structure of government debt traded on KASE

Structure of public debt by type of securities, USD bn



outer ring – as of 01.01.2023  
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	10 %	01.01.23	←	12 %	01.01.22	←	18 %	01.01.21
MEKAM bonds	66%	01.01.23	←	64 %	01.01.22	←	58 %	01.01.21

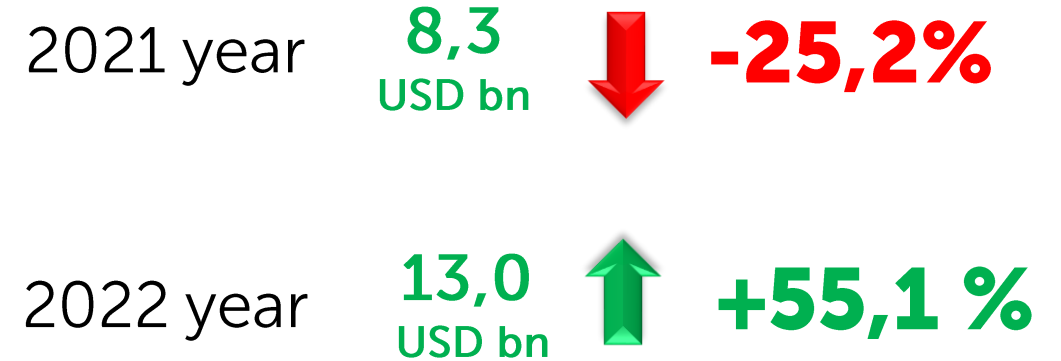
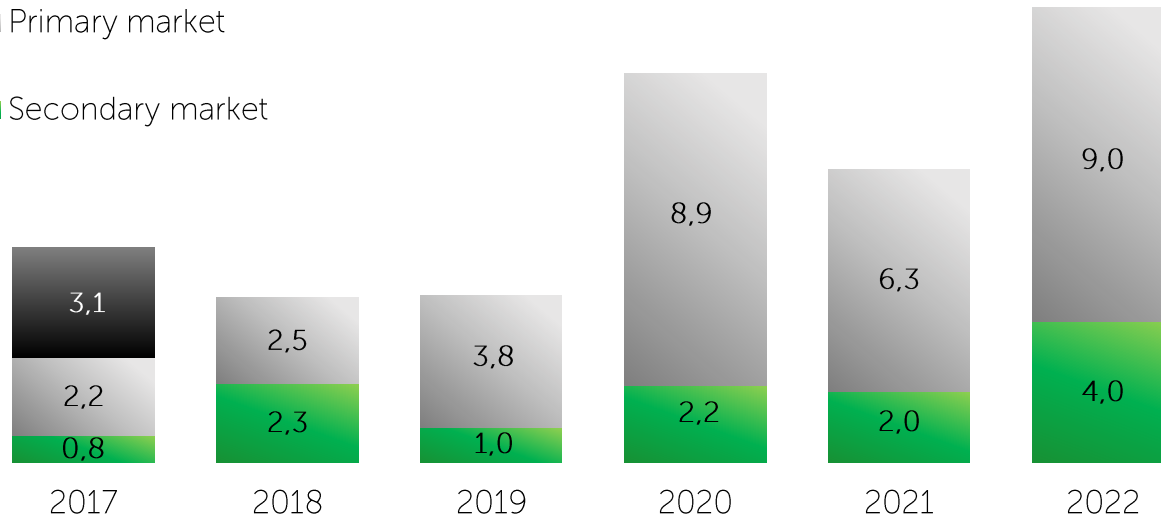
## Share in the public debt by maturity:

< 1 year	20 %	01.01.23	←	21 %	01.01.22	←	24 %	01.01.21
1-3 years	20 %	01.01.23	←	17 %	01.01.22	←	15 %	01.01.21
> 10 years	21 %	01.01.23	←	25 %	01.01.22	←	27 %	01.01.21

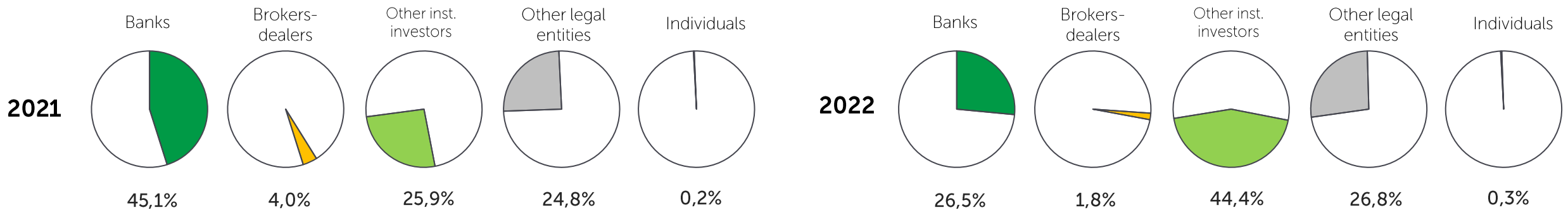
# Trading volume on the GS market

## 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



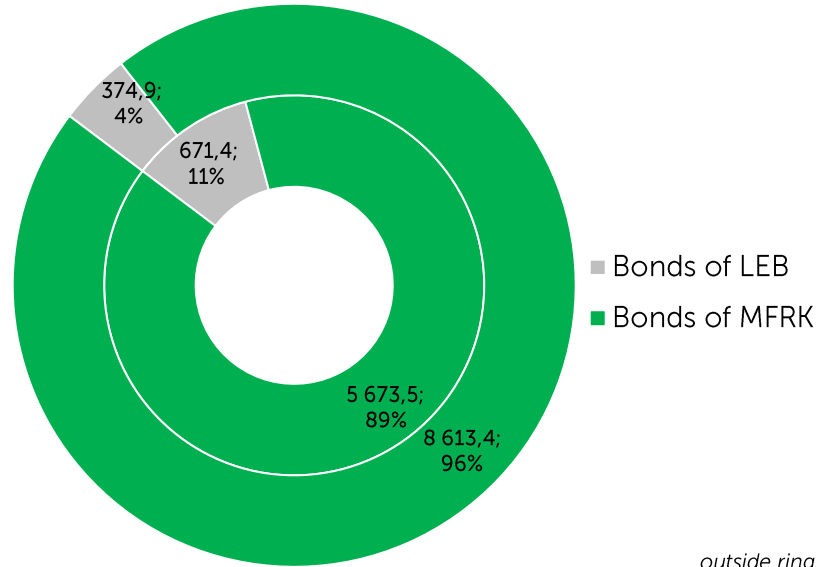
\*of the total gross turnover of GS trading; the position of the initiator of the special trading session is excluded from the calculation

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



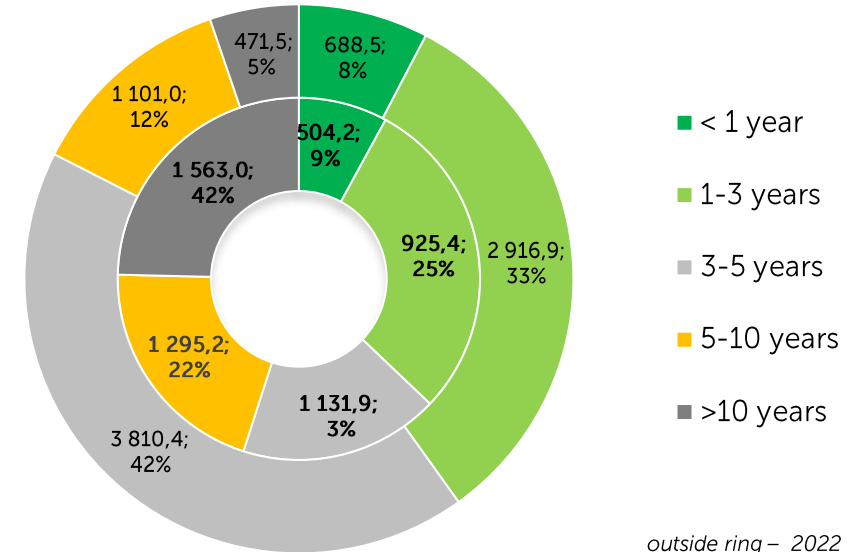
# Volume of trades in the primary GS market

Instrumental structure of the primary GS market, USD mln



outside ring – 2022  
inside ring – 2021

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



outside ring – 2022  
inside ring – 2021

## Share of trade volume, by GS type:

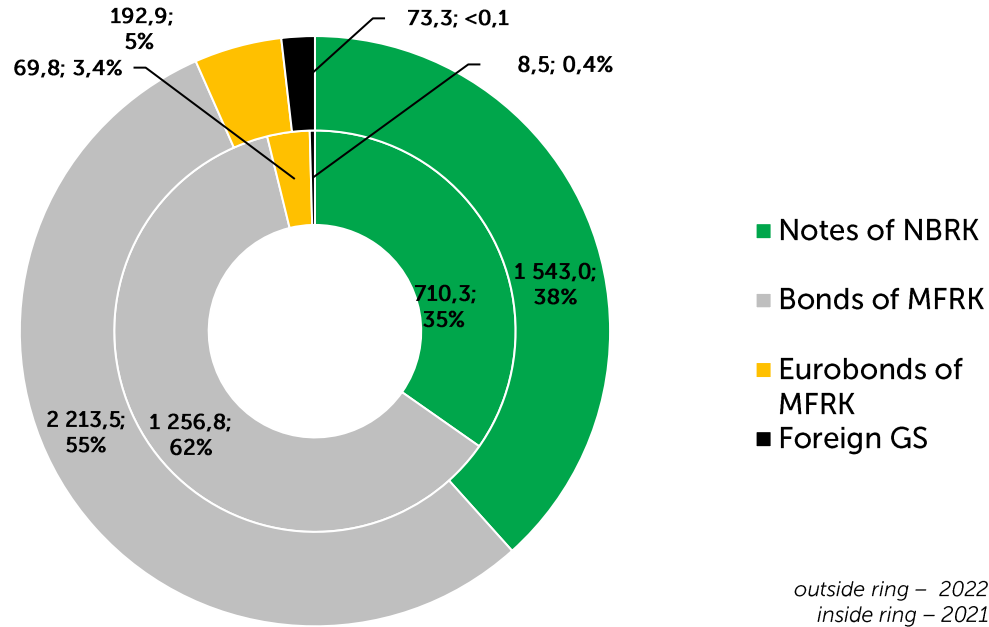
LEB	4 % 2022	←	11 % 2021	←	26 % 2020
MEKAM	96 % 2022	←	89 % 2021	←	74 % 2020

## Share of trade volume, by maturity:

< 1 year	8 % 2022	←	8 % 2021	←	9 % 2020
1-3 years	33 % 2022	←	29 % 2021	←	25 % 2020
> 10 years	5 % 2022	←	25 % 2021	←	42 % 2020

# Volume trading on the secondary GS market

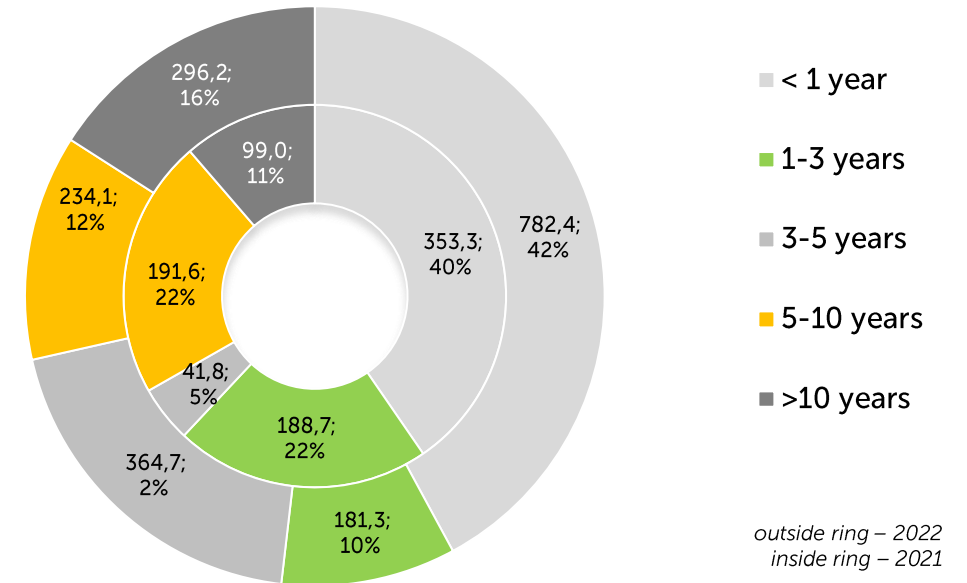
Instrumental structure of the GS secondary market, USD mln



## Share of trade volume, by GS type:

Notes	38 % 2022	←	35 % 2021	←	50 % 2020
MEKAM	55 % 2022	←	62 % 2021	←	49 % 2020
Eurobonds	5 % 2022	←	3 % 2021	←	1 % 2020

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

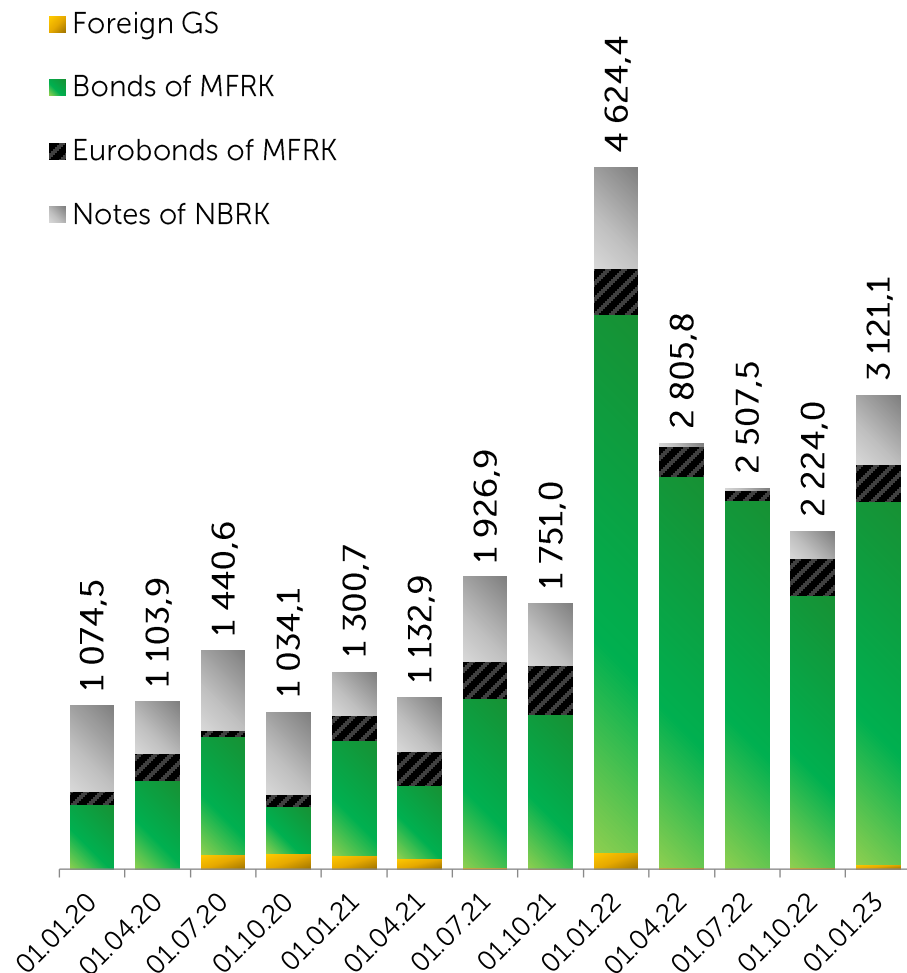


## Share of trade volume, by maturity:

< 1 year	42% 2022	←	40 % 2021	←	53 % 2020
1-3 year	10% 2022	←	22 % 2021	←	19 % 2020
> 10 years	16% 2022	←	11 % 2021	←	10 % 2020

# Dynamics of the GS market

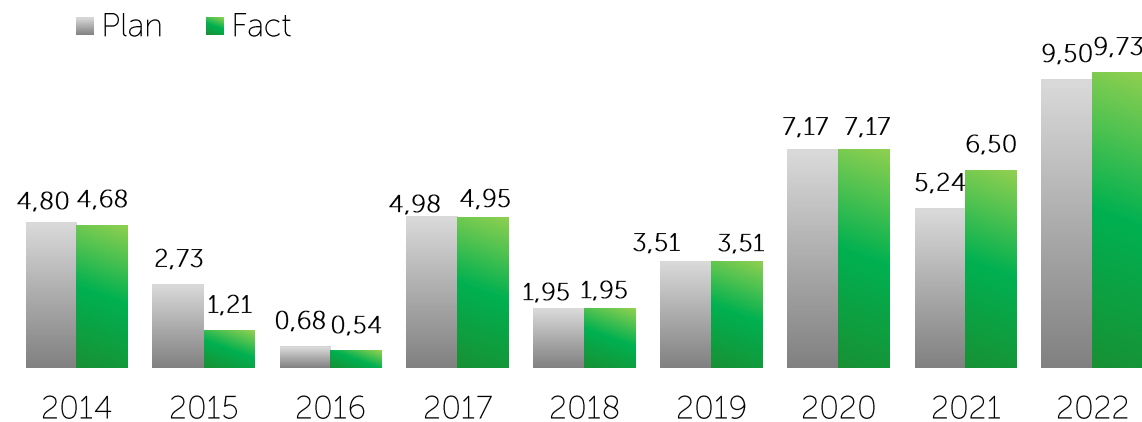
Open positions of participants in auto repo sector with GS on KASE by securities, USD mln



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



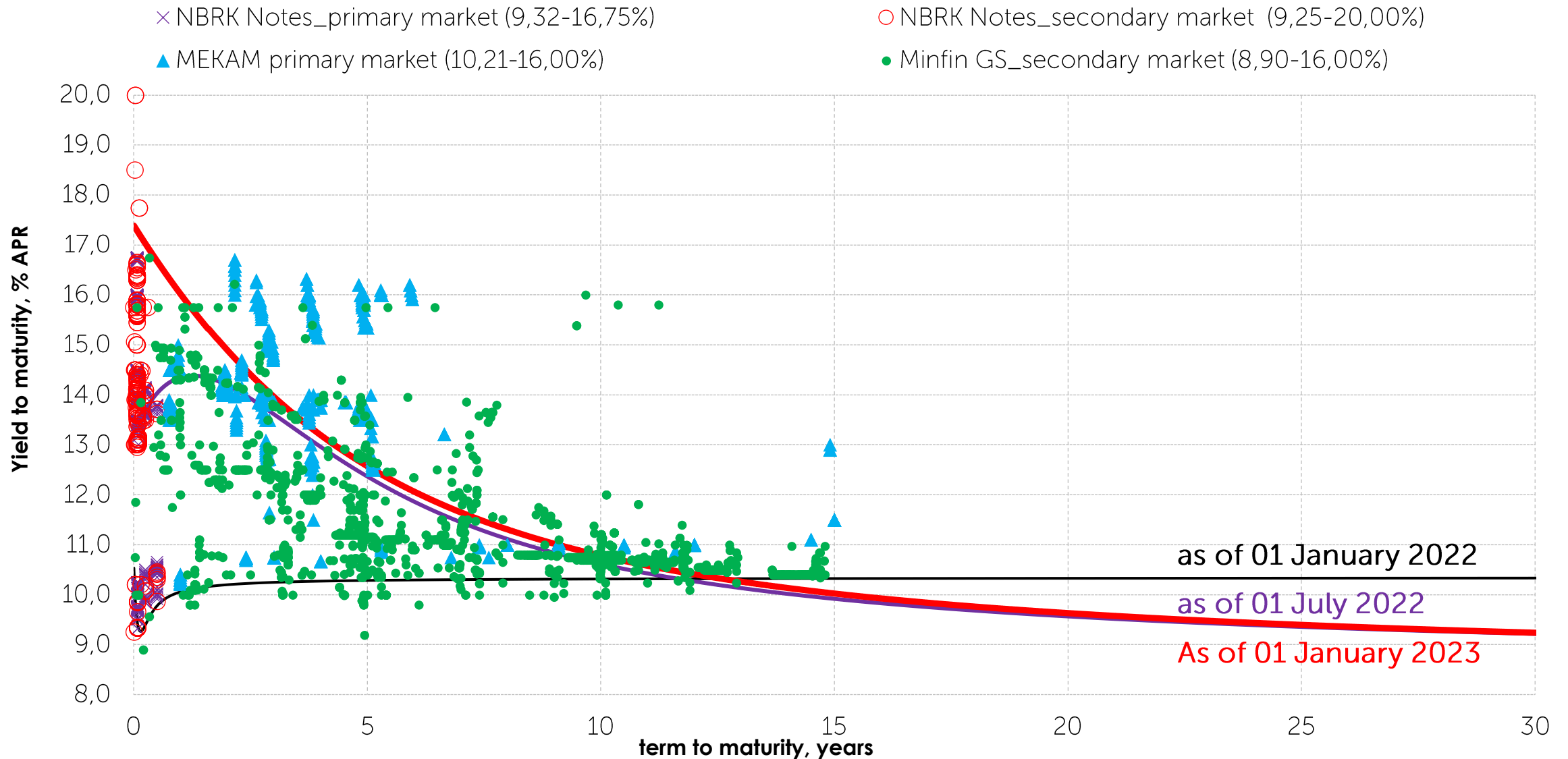
Volume of planned and actual offerings of the Ministry of Finance, USD bn\*



\* placement volumes are indicated in nominal terms

# GS yield during 9M 2022 and GS yield curve

during MEKAM placements from 10,21% to 16,70% per annum



# Profitability of transactions by GS type

Type	Description	2021 year		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%-16,75%	9,25%-20,00%
MEKKAM of MF of RK	Discount short-term treasury bonds	8,99%-10,40%	8,64%-10,85%	10,21%-15,00%	-
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%-16,70%	9,56%-16,22%
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%-16,10%	8,90%-16,75%
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).**

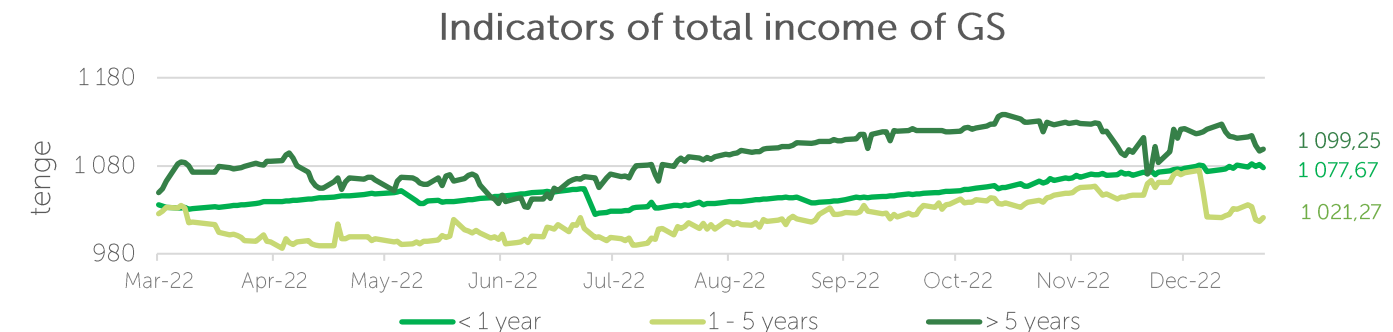
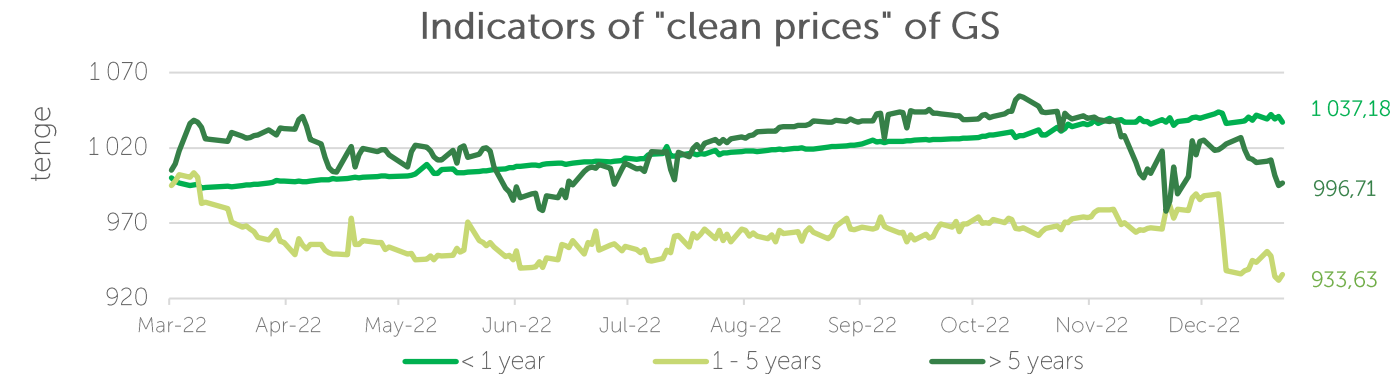
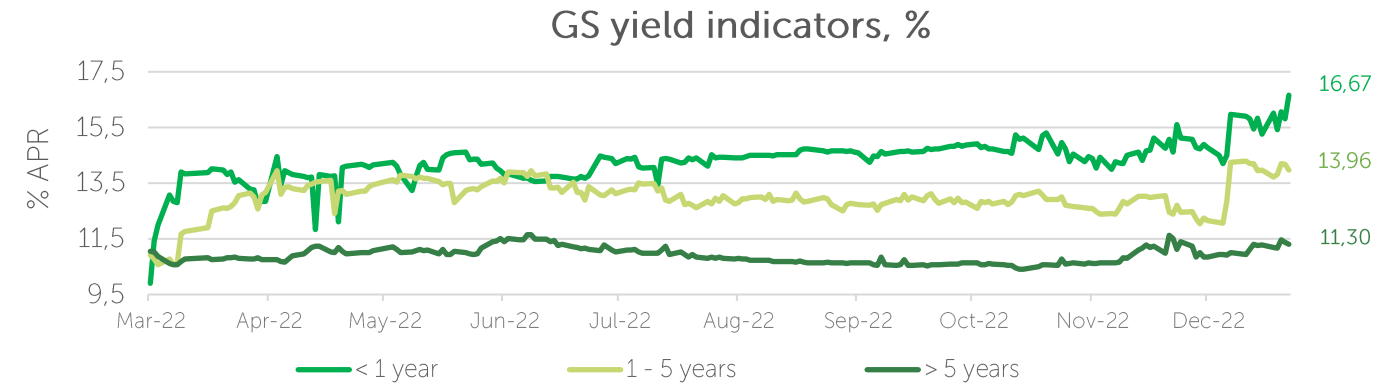
- **KZGB\_CP** – price index of "clean" GS prices, calculated at prices excluding accrued and unpaid coupon interest;
- **KZGB\_DP** – comprehensive income price index (taking into account accrued coupon interest and reinvested coupon payment);
- **KZGB\_Y** – yield indicators, in percent per annum;

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](https://kase.kz/ru/stock_market)



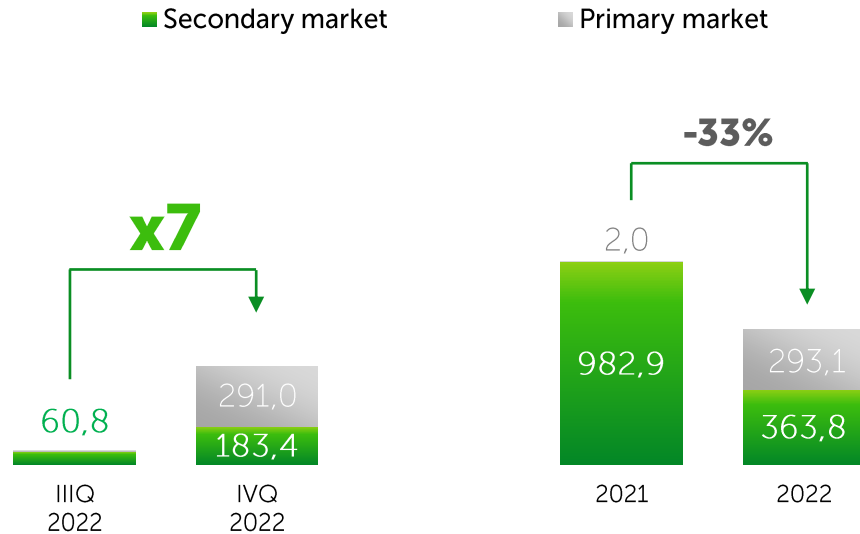
# Equity market:

growth in trading volume in the fourth quarter

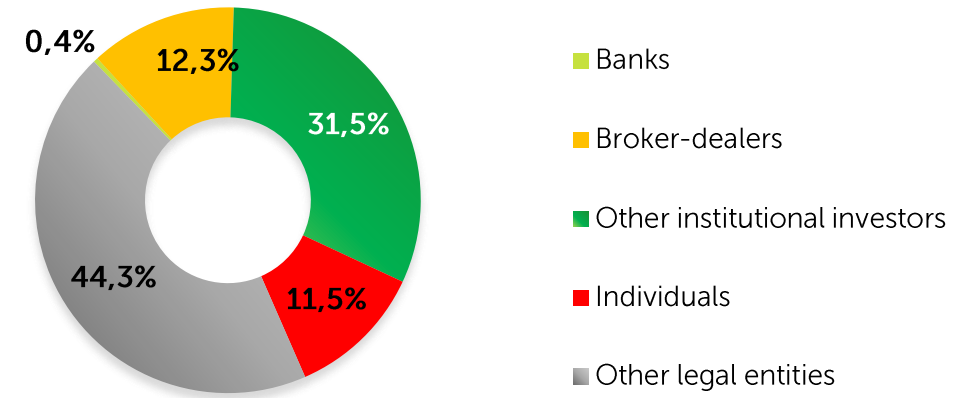
## Key facts and figures

- + market capitalization as of January 1, 2023 ~ **45,9 USD bn** (since the beginning of the year -31%)
- + average daily trading volume for 2022 ~ **2,7 USD mln.** (-33% to 2021)
- + average daily volume of trading in shares of KASE Index for 2022 ~ **681 USD th.**
- + average daily number of deals in 2022 ~ **2 107 deals** (+14% to 2021)
- + average volume of one deal in 2022 ~ **1 452 USD** (-33% to 2021)

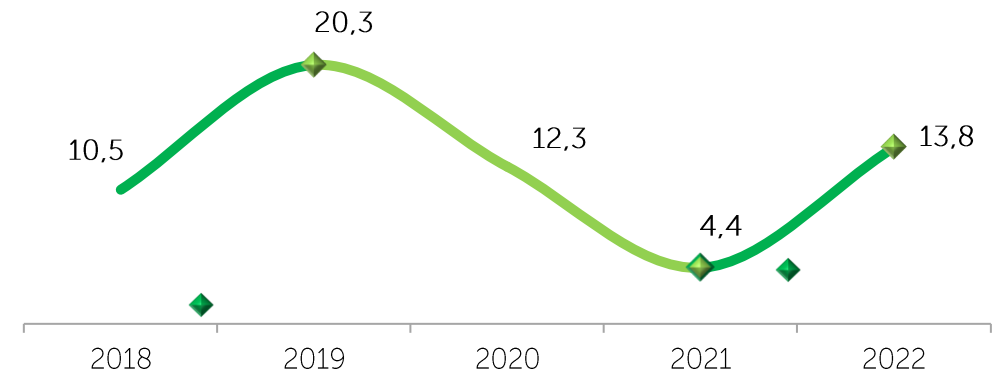
## Volume of deals in the equity market, USD mln



## Investor structure in 2022\*



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



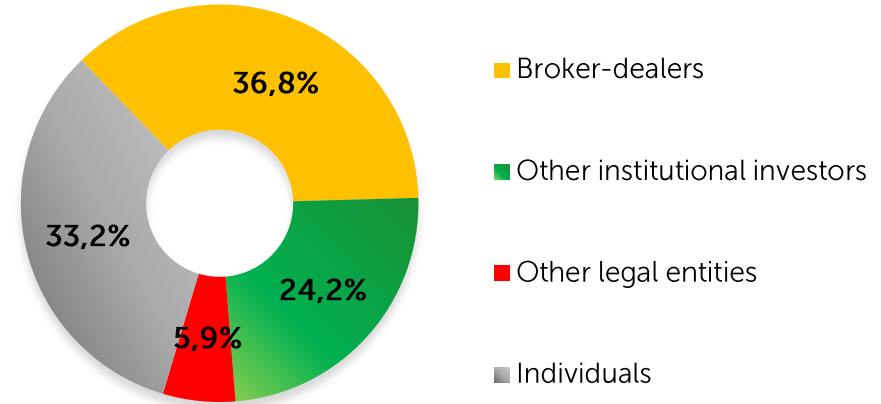
Source: KASE

\* 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

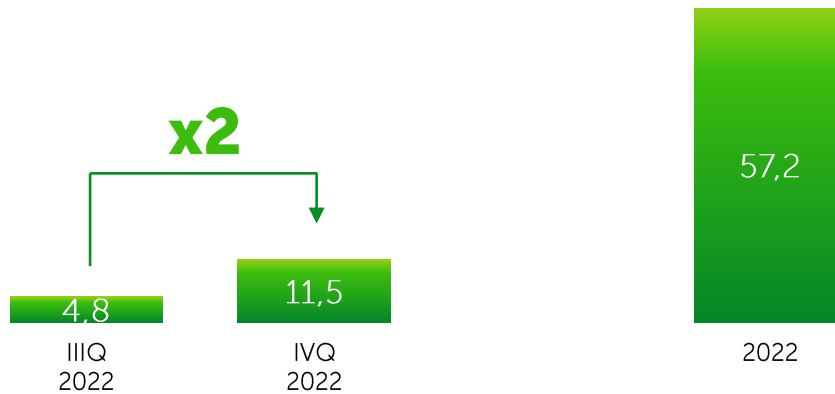
- + Shares of **46 titles** and **6 ETF** are available for trading
- + average daily trading volume in 2022 ~ **234 USD th.**
- + average daily number of transactions in 2022 ~ **116**
- + average volume of one transaction in 2022 ~ **2 015 USD**
- + settlement schemes **T+0, T+2**, trades in **USD, KZT**
- + trading schedule: **11:20 – 22:00** o'clock

## Investor structure in 2022

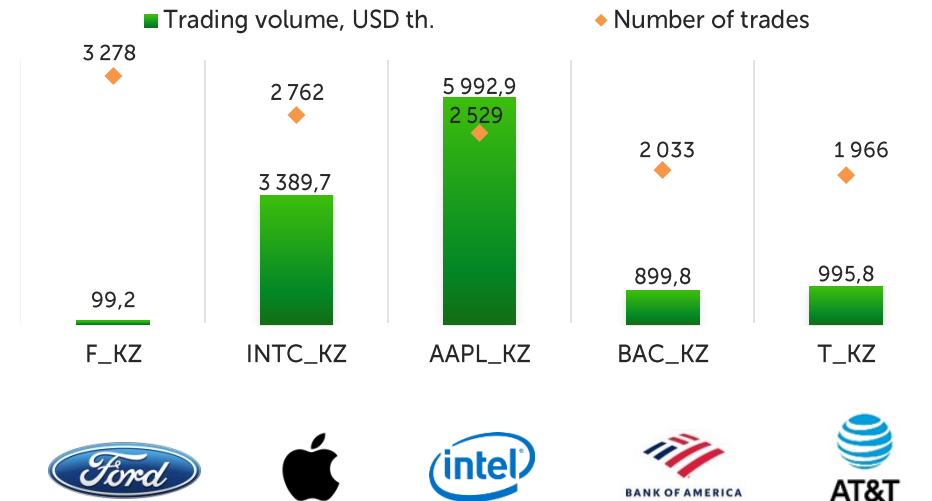


## Trading volume, USD mln

■ Secondary market      ■ Primary market



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





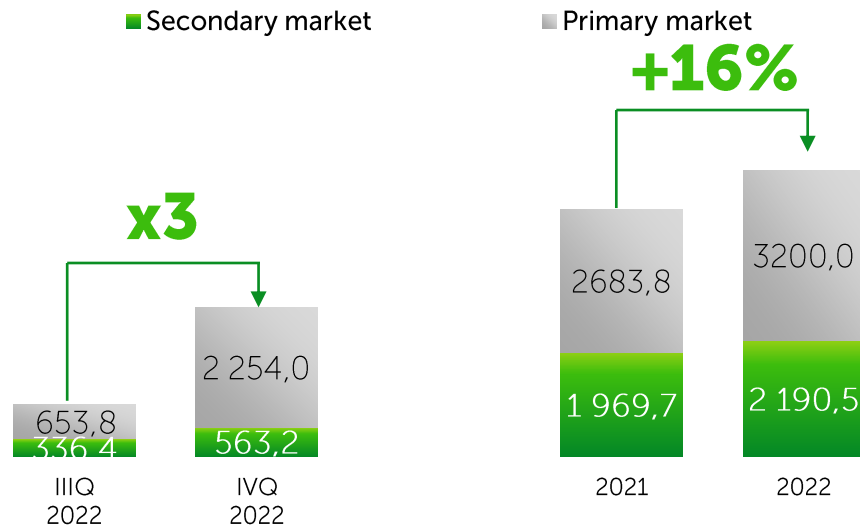
# Corporate bond market:

11% increase in trading volume on the secondary market

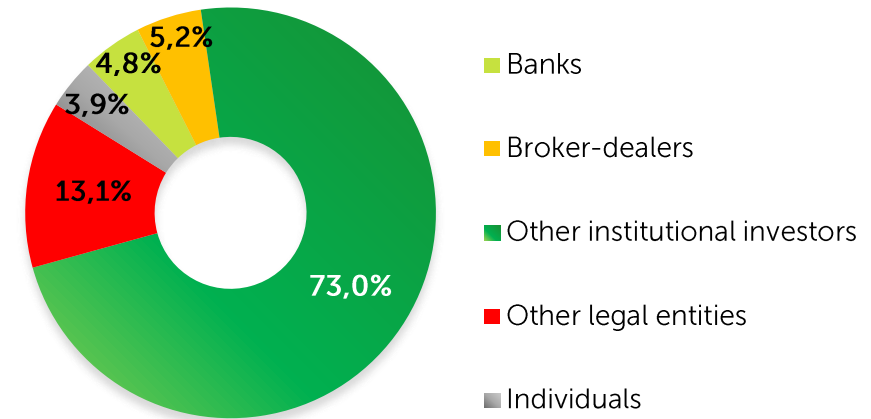
## Key facts and figures

- + the volume of outstanding corporate debt as of January 1, 2023 – 31,3 USD bn (since the beginning of the year -12%)
- + average daily trading volume in 2022 ~ **22 USD mln** (+16% to 2021)
- + average volume of one deal in 2022 ~ **292 USD th.** (-45% to 2021)
- + share of Eurobonds in total corporate debt ~ **39 %**
- + share of quasi-state debt in total corporate debt ~ **69 %**

## Volume of transactions in the corporate bond market, USD mln

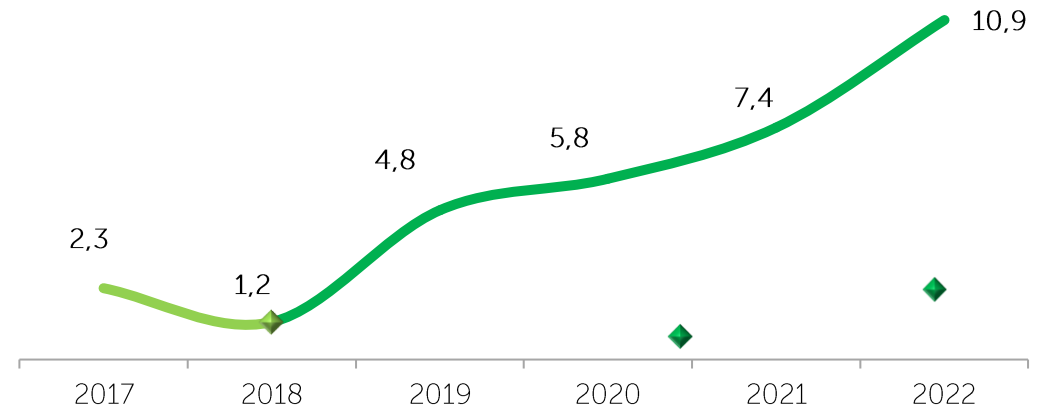


## Investor structure in 2022\*



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

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



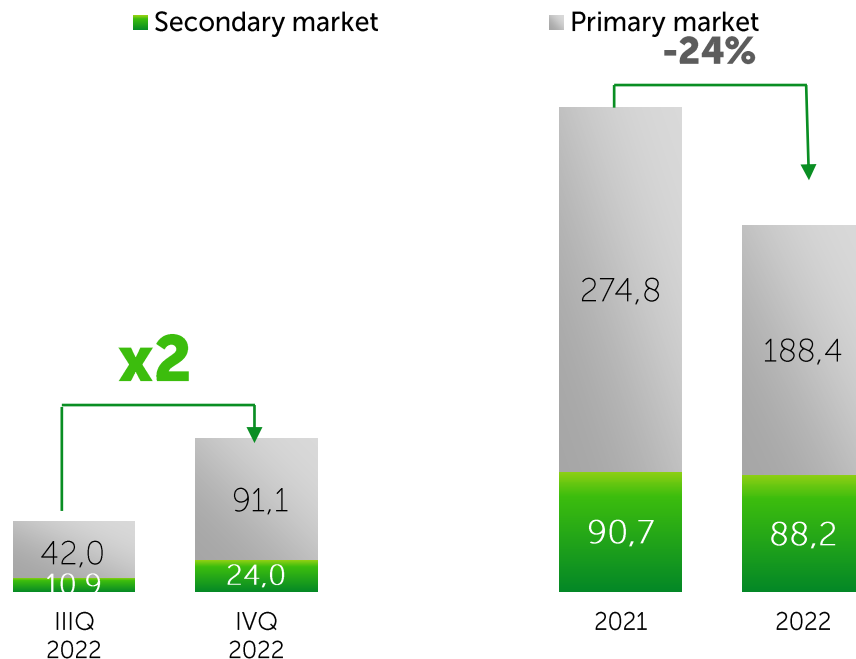
\*\* of the total gross turnover of trades in corporate bonds, the position of the initiator of specialized trades is excluded from the calculation

# Bonds of international financial organizations

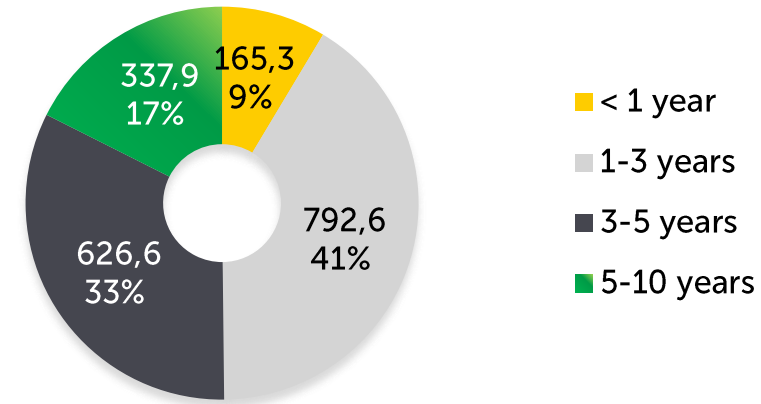
## Key facts and figures

- + as of January 1, 2023, there were **40 bond issues of 4 organizations** in KASE official list
- + average daily trading volume in ~ **1,1 USD mln.** (-24% κ 2021)
- + average volume of one deal in 2022 ~ **766 USD th.** (-65% κ 2021)
- + settlement schemes **T+0, T+2**
- + trades in **KZT** and **USD**

## Trading volume, USD mln

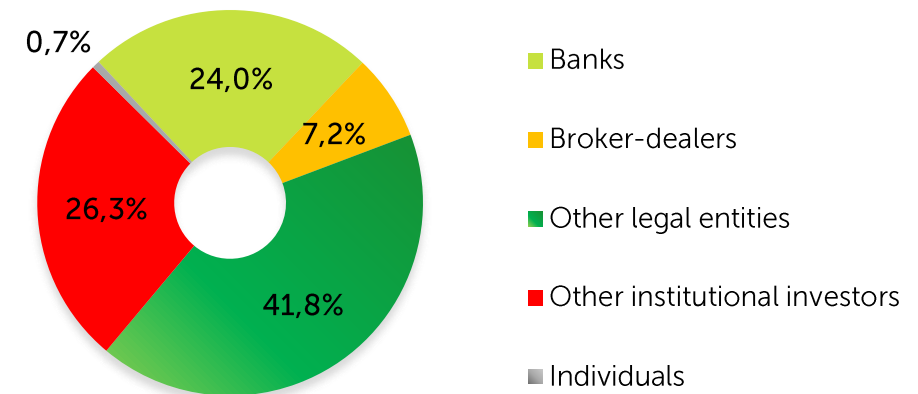


## Debt structure of IFO bonds in circulation by maturity\*



\* data are presented as of January 1, 2023 at face value

## Investor structure in 2022\*\*



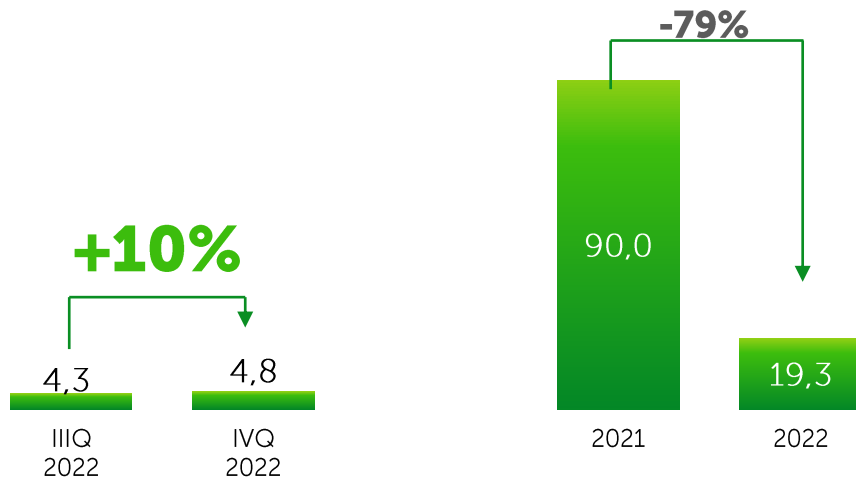
\*\* of the total gross turnover of trades in IFO bonds, the position of the initiator of special trading sessions is excluded from the calculation

# Market of investment funds' securities

## Key facts and figures

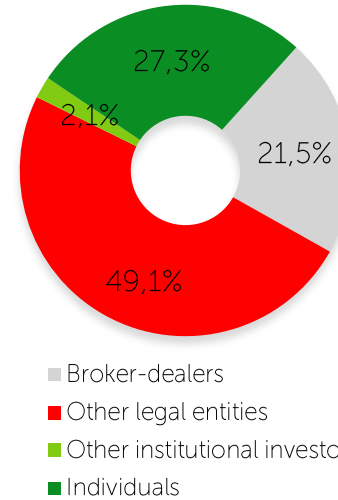
- as of January 1, 2023, there were **21 mutual investment funds** managed by **6 management companies** and **6 ETFs** on KASE official list
- in 2022 units of **BCC Invest JSC** and **Halyk Finance JSC** (former management company **Halyk Global Markets JSC**) are included
- average daily trading volume in 2022 ~ **79 USD th.** (-79% to 2021)
- average daily number of deals in ~ **63** (-38% to 2021)
- average volume of one deal in 2022 ~ **1 247 USD** (-65% to 2021)
- trades in **USD** (12 instruments), **KZT** (15 instruments)

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



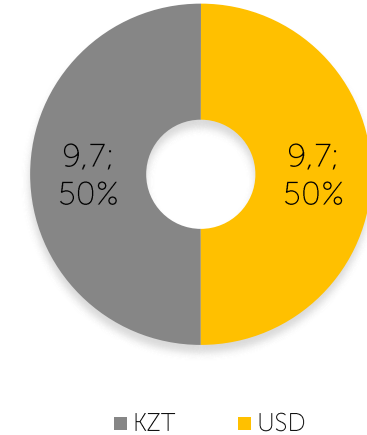
Source: KASE

## Investor structure in 2022\*

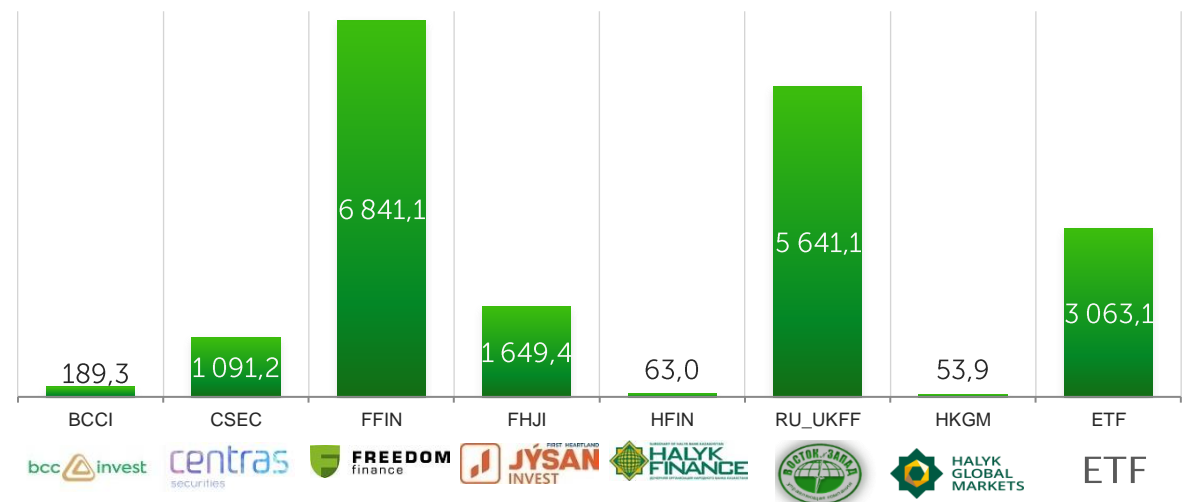


\* of the total gross turnover of trading in units of investment trust funds

## Trading volume by currency of trades for 2022, USD mln



## Trading volume by management company, th. USD



# Growth in the number of retail investors:

547 thousand accounts ~ 513 thousand individuals

Number of trading accounts of individuals in the CSD



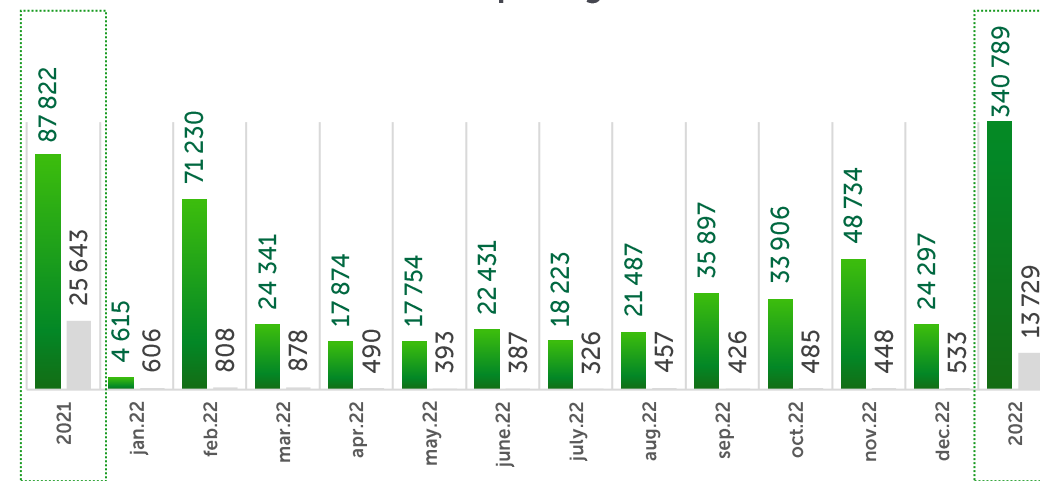
**+340 789**

new accounts opened by individuals

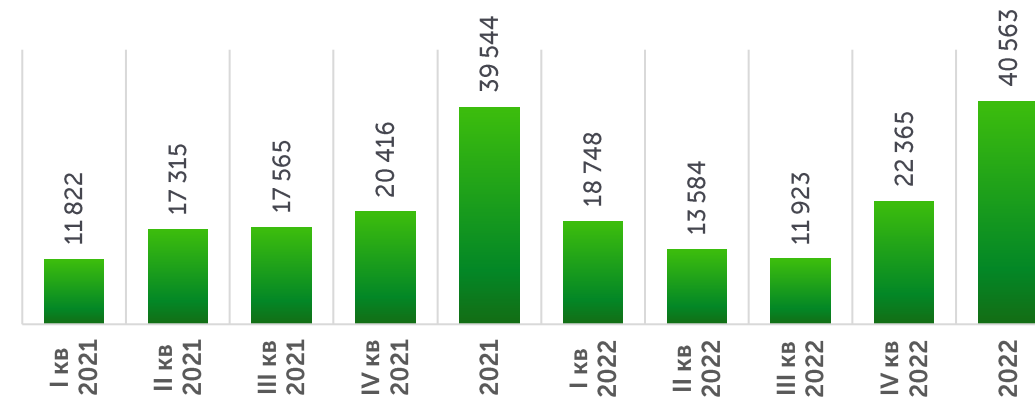
**+328 818**

increase in accounts during 2022

Individuals who have concluded at least one deal since opening



Active accounts of individuals in the stock market

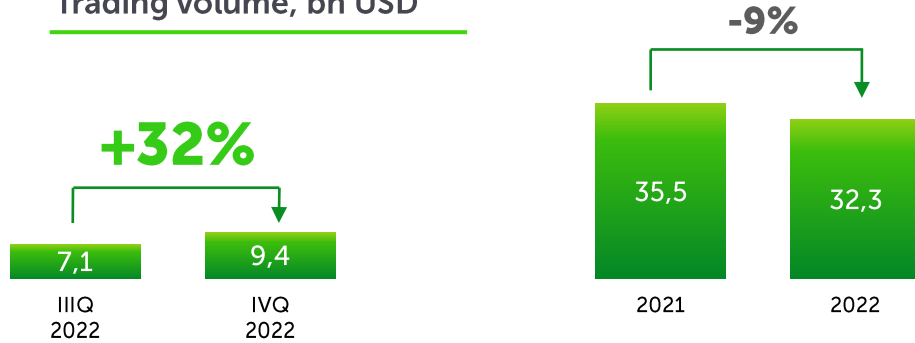


Source: KASE, CSD, Bureau of National statistics of Agency for Strategic planning and reforms of the RK

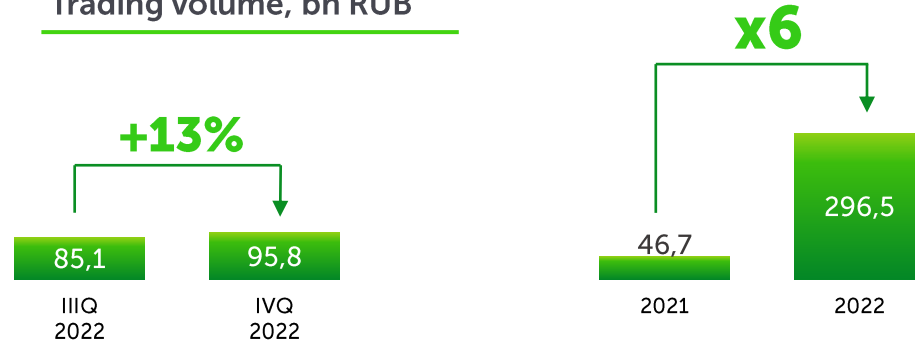
# Foreign currencies:

volume RUB/KZT X6, CNY/KZT X5

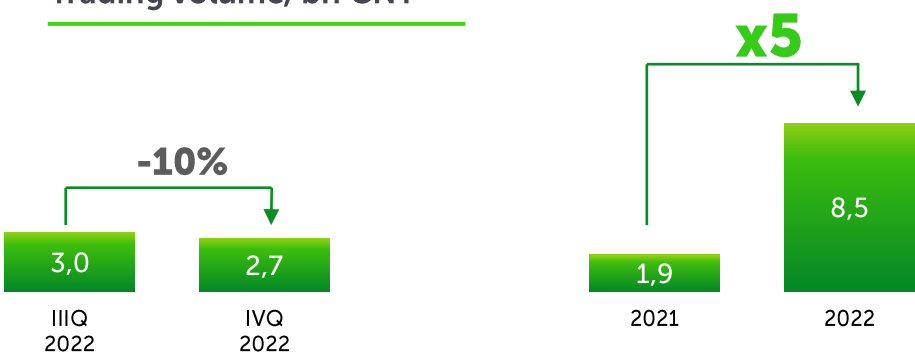
Trading volume, bn USD



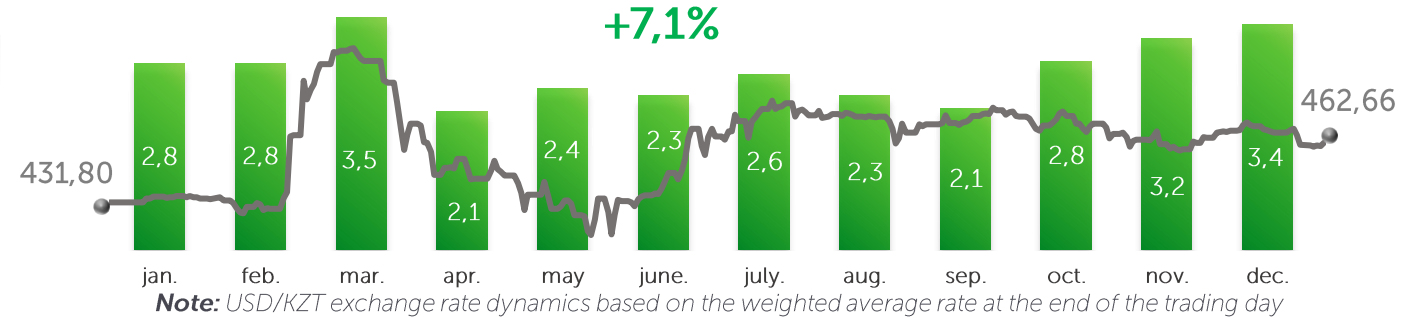
Trading volume, bn RUB



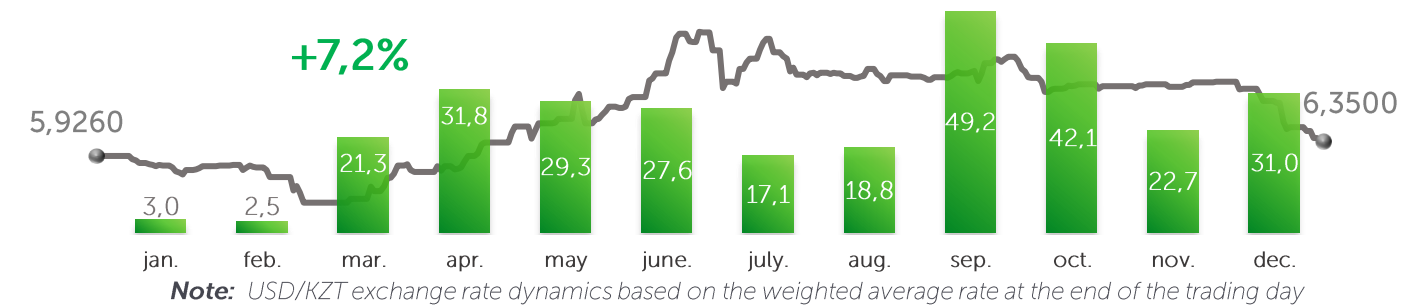
Trading volume, bn CNY



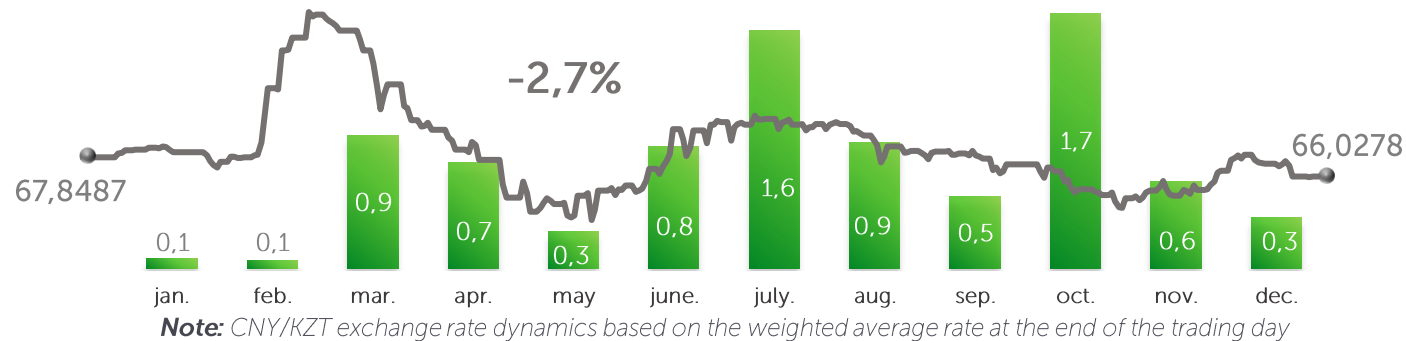
USD/KZT exchange rate dynamics and monthly trading volume in 2022, USD bn



RUB/KZT exchange rate dynamics and monthly trading volume in 2022, RUB bn



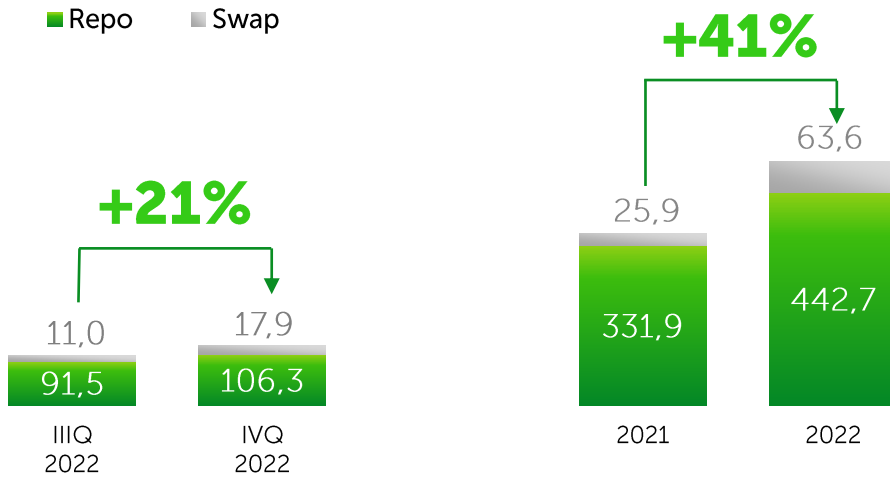
CNY/KZT exchange rate dynamics and monthly trading volume in 2022, CNY bn



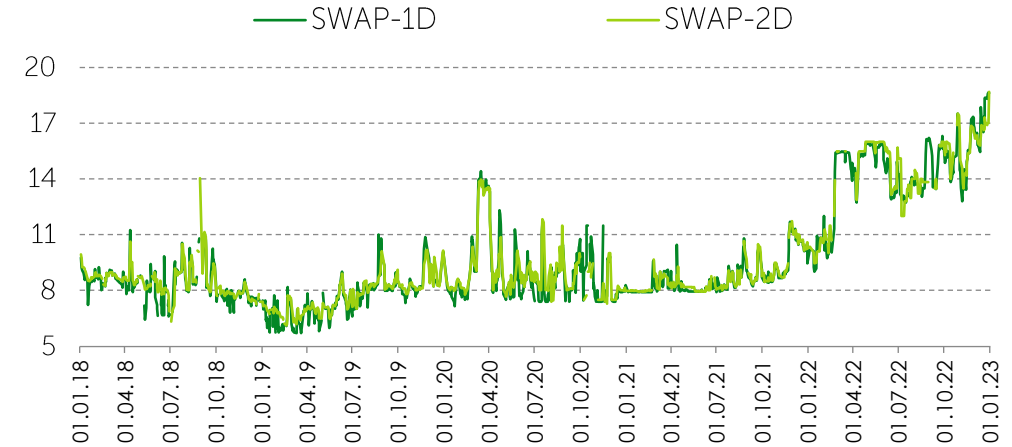
# Money market:

41% increase in trading volume

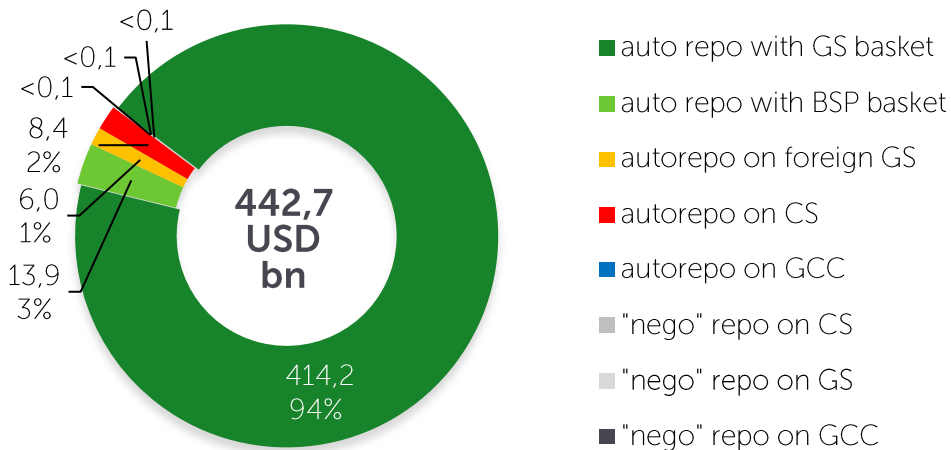
Trading volume, USD bn



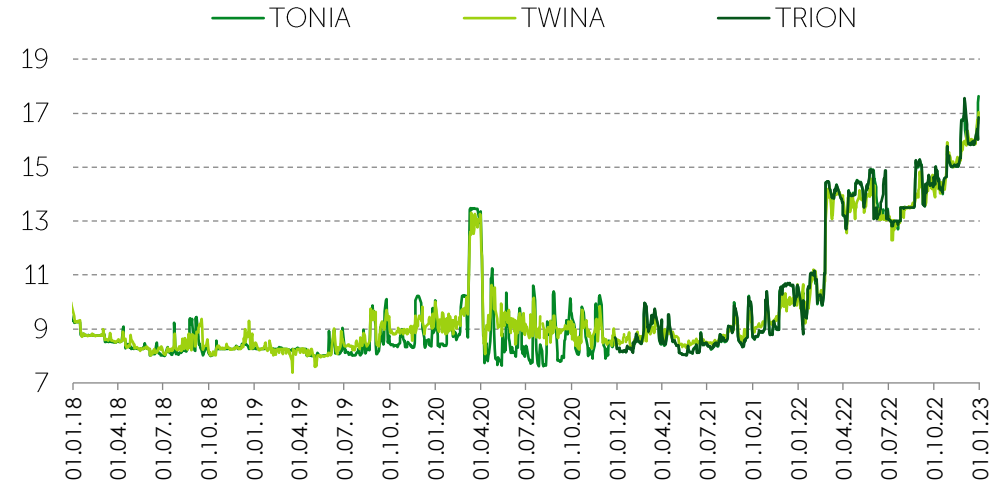
Swap market indicators, %



Repo market instruments, USD bn



Repo market indicators, %



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