



Azerbaijan Debt Market



Orkhan Baghirov

Country: Azerbaijan

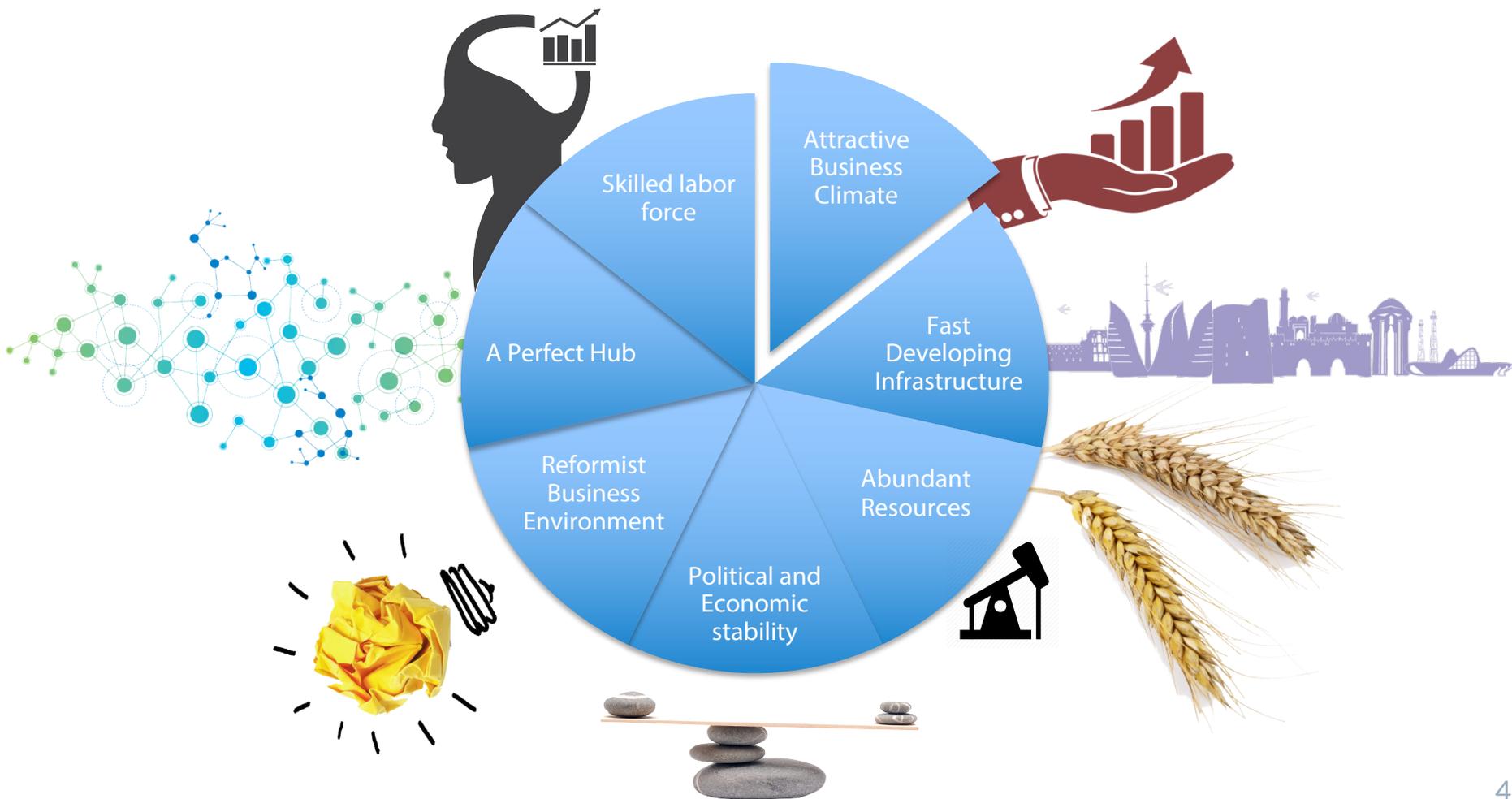
Company: InvestAZ Investment Company

Position: Deputy CEO



Country:	Azerbaijan
Population:	10 million
Area:	86,000 sq. km
GDP:	46.94 bln USD (+1.4%)
Currency reserves:	47 bln USD
Foreign debt:	9.6 bln USD
Central bank rate:	8.5%
Budget	13.5 bln USD
Inflation rate:	9.6%
Currency rate:	1.7000

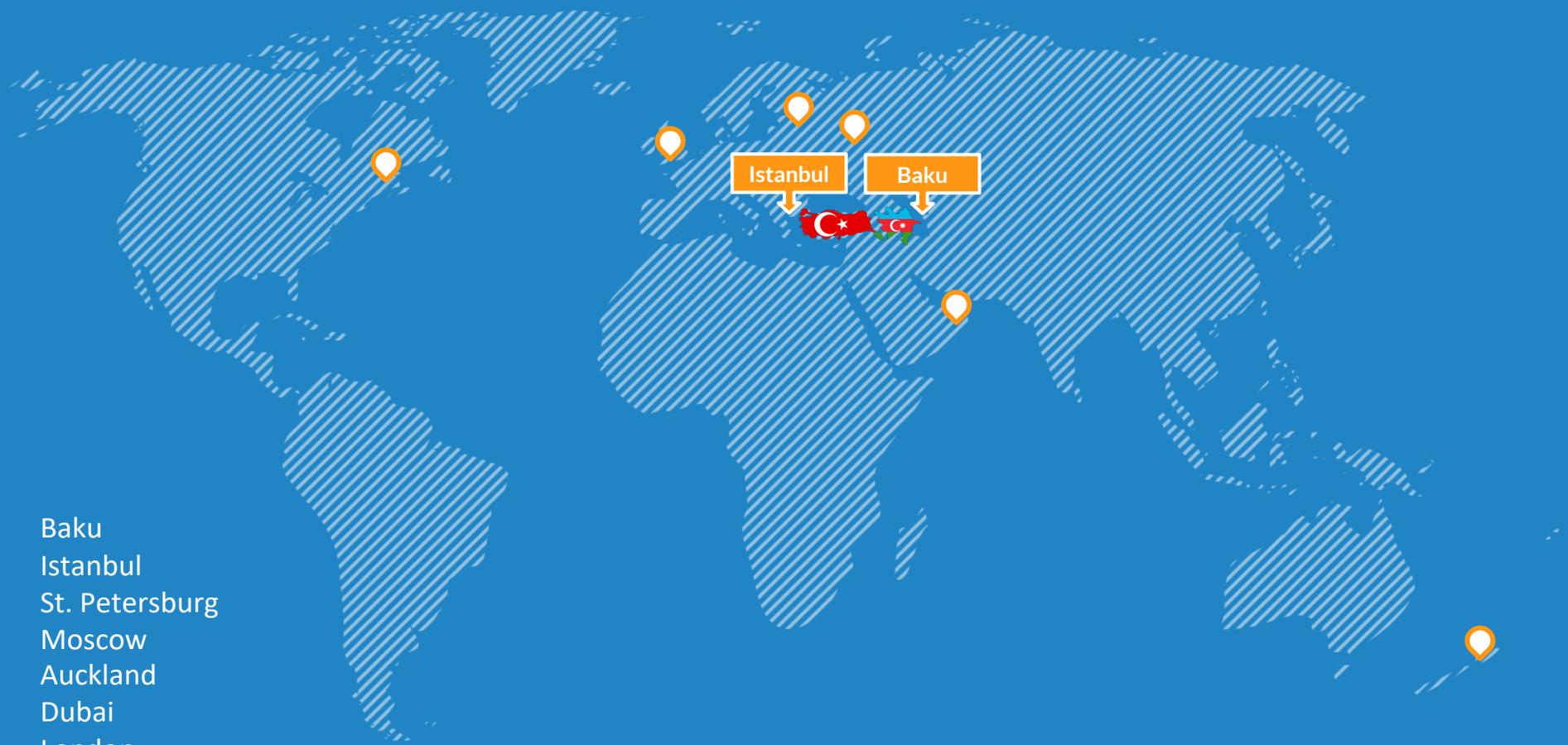
AZERBAIJAN



INVEST  AZ

InvestAZ Investment Company

International Investment Company



- Baku
- Istanbul
- St. Petersburg
- Moscow
- Auckland
- Dubai
- London
- New York

About InvestAZ

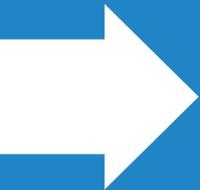
- ▷ Founded in 2002
- ▷ Investment banking
- ▷ Underwriting
- ▷ Brokerage
- ▷ Market Making
- ▷ Financial Advice

Bond Market Statistics

Bonds are primarily traded in Stock Exchange

Last 10 years

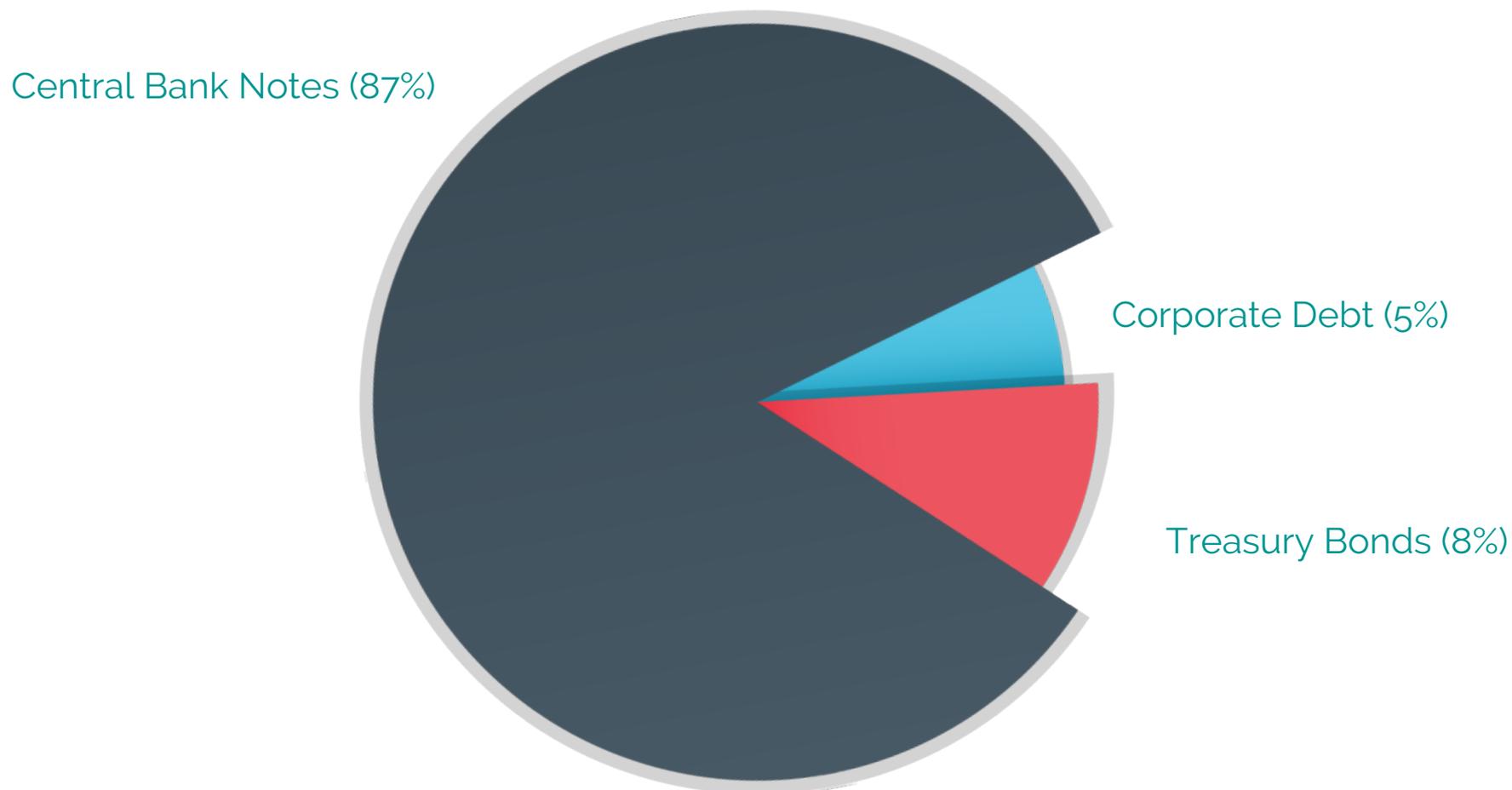




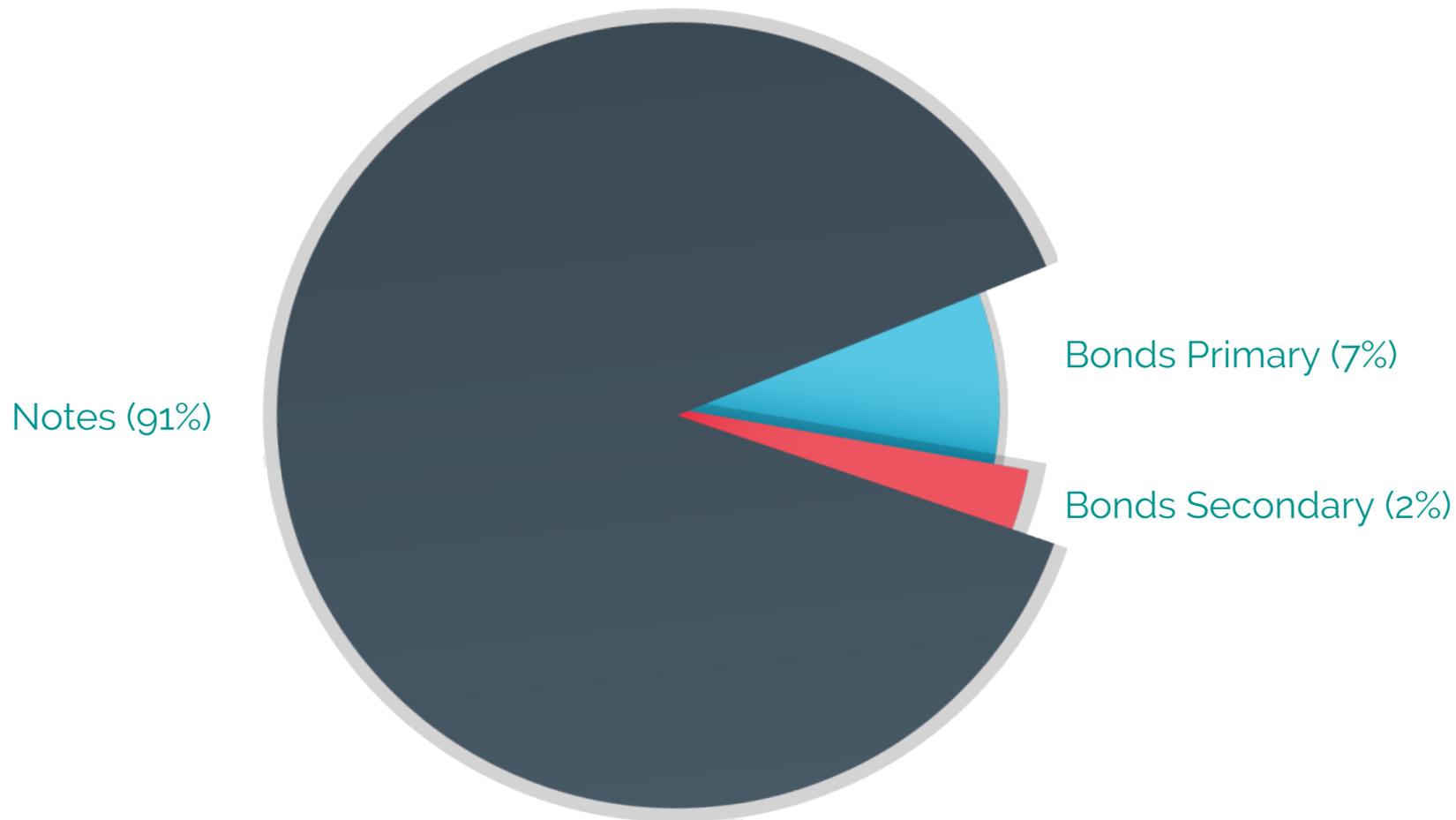
14,066,841,335
8,274,612,550 USD

Total debt Market Volume of Azerbaijan
(2018)

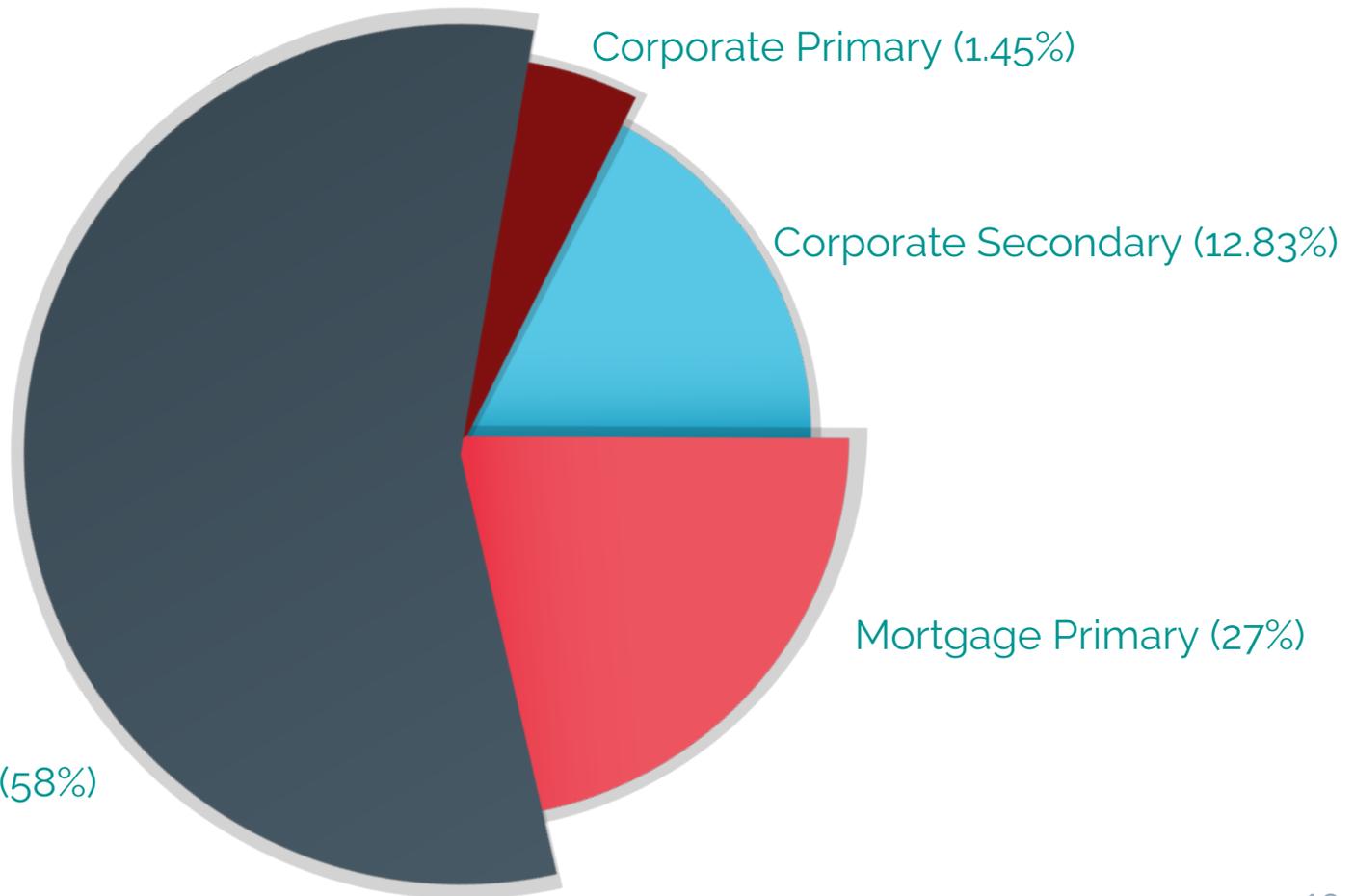
Azerbaijan Debt Market (14.07 bln)



Government Debt 13.3 bln AZN



Corporate Debt 726.3 mln AZN



Mortgage Secondary (58%)

Corporate Primary (1.45%)

Corporate Secondary (12.83%)

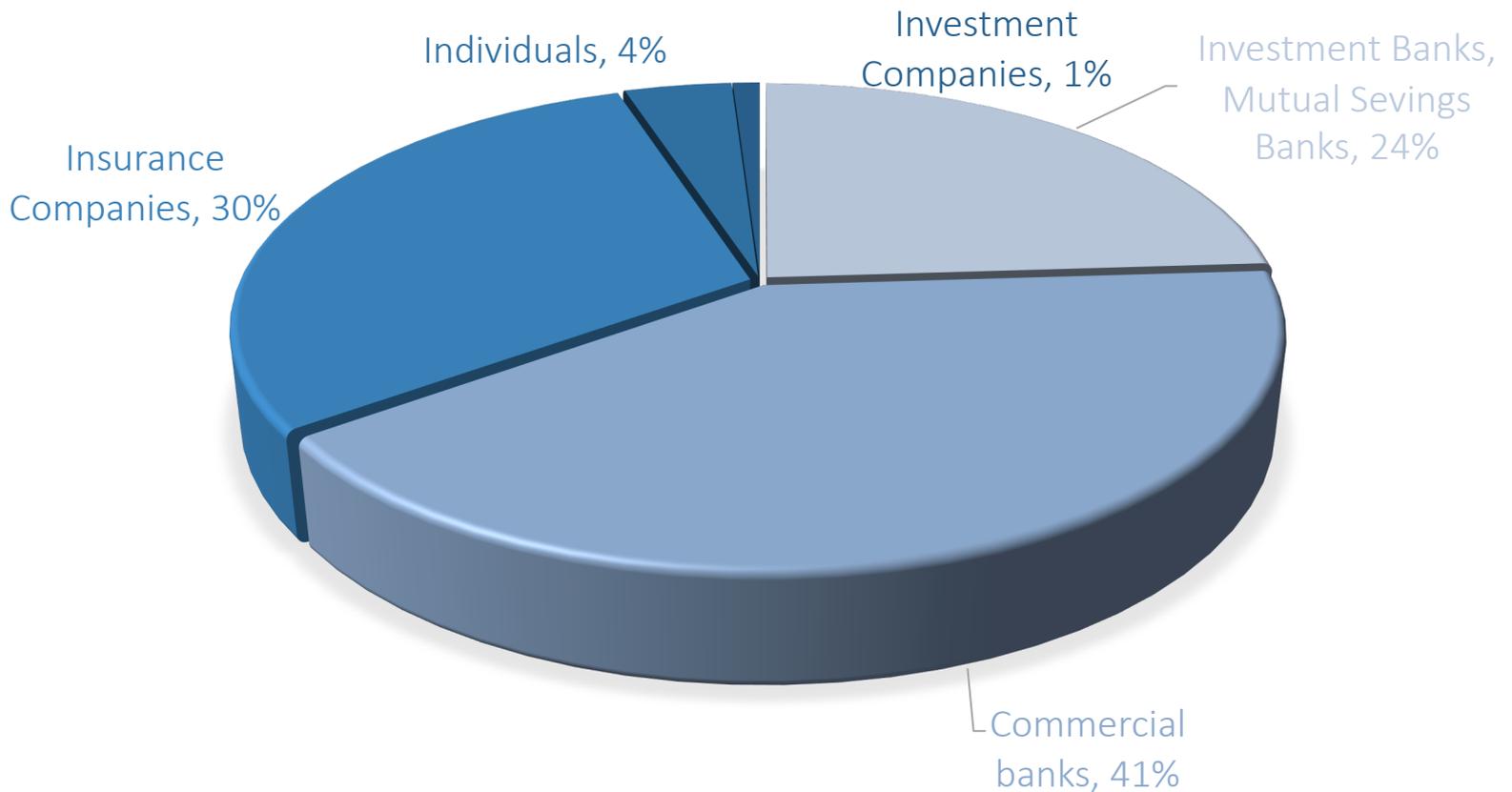
Mortgage Primary (27%)

Debt market	14,066,841,335.17	17.63%
Corporate Debt	726,298,219.91	5.16%
Mortgage Bonds-Primary Market	200,557,915.45	27.61%
Mortgage Bonds- Secondary Market	421,975,256.49	58.10%
Other Corporate Bonds-Primary Market	10,550,000.00	1.45%
Other Corporate Bonds-Secondary Market	93,215,047.97	12.83%
<i>-including market making transactions</i>	<i>4,946,306.55</i>	<i>0.96%</i>
Treasury Bonds	1,097,631,471.79	7.80%
Primary Market	872,757,965.79	79.51%
Secondary Market	224,873,506.00	20.49%
Central Bank Notes	12,242,911,643.47	87.03%
Primary Market	12,208,265,147.93	99.72%
Secondary Market	34,646,495.54	0.28%

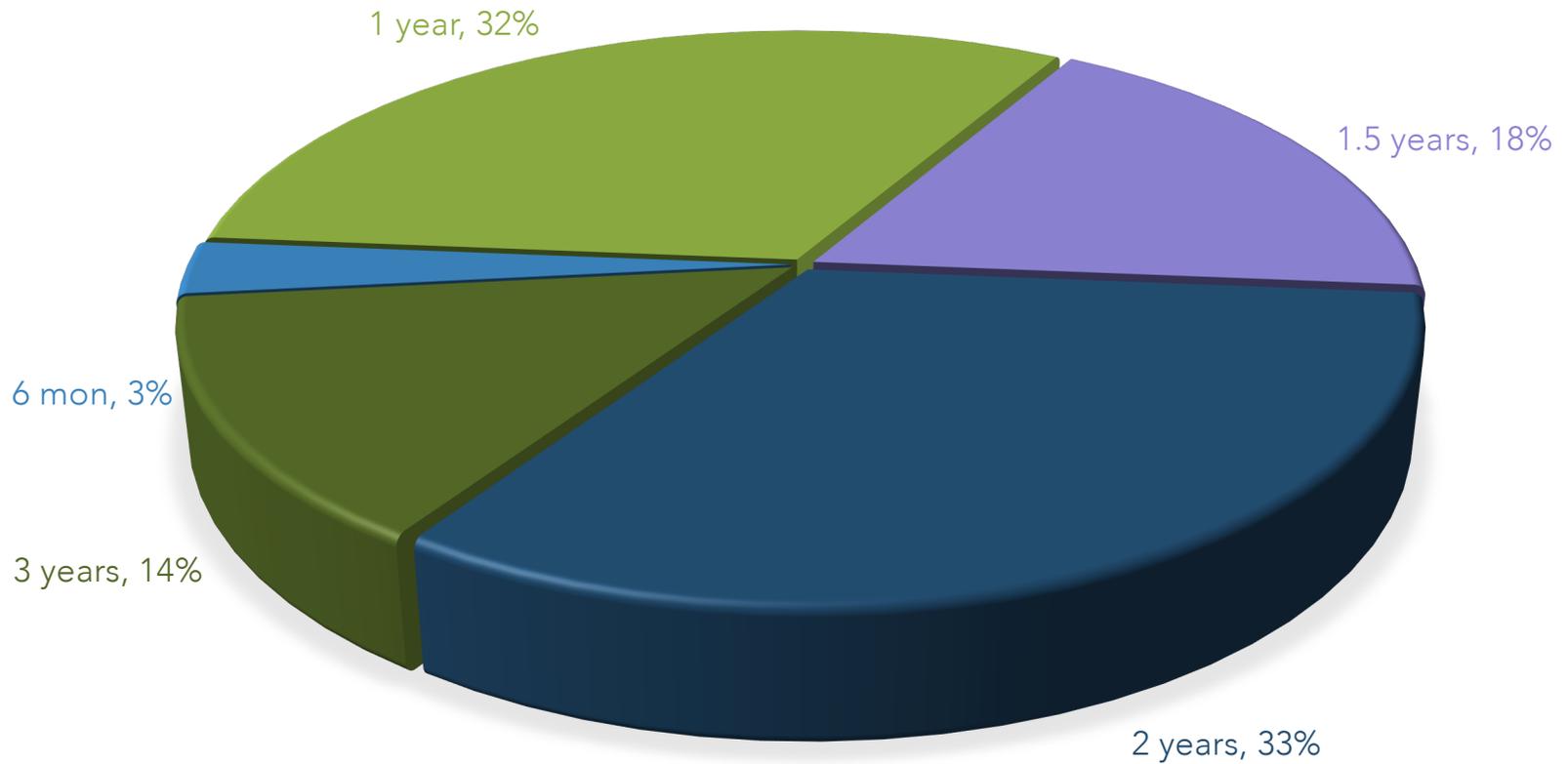
Summary of Total Market 2018



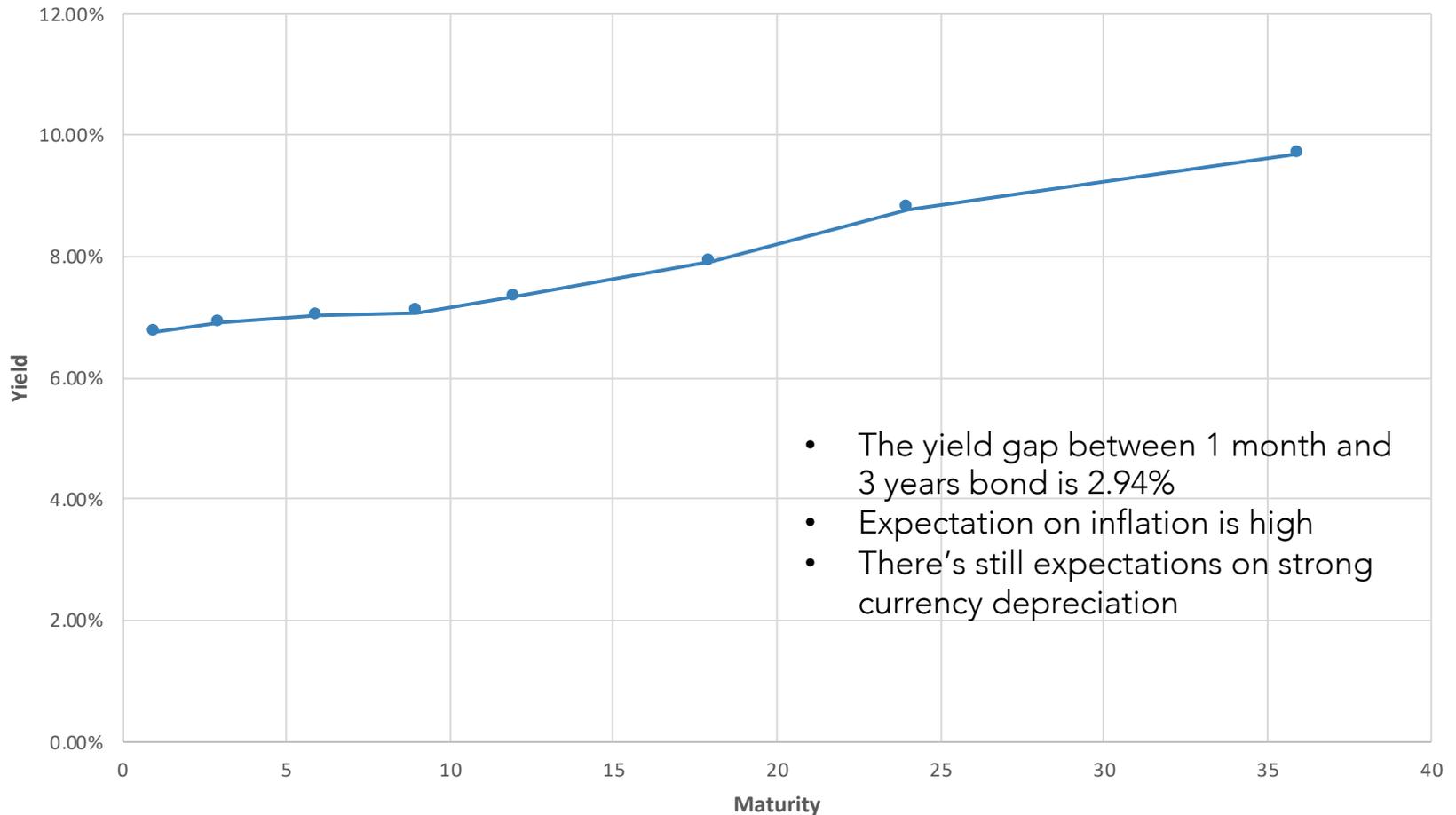
Investor Structure (gov. bonds)



Maturity Structure (gov. bonds)



Yield Curve on gov. debt



The biggest corporate bond



- ▷ 100 mln USD
- ▷ USD denomination
- ▷ 40% individuals
- ▷ 60% corporate
- ▷ 5 years
- ▷ 5% coupon rate
- ▷ 3.5% yield





What is next?

The future of Azerbaijan's Bond Market

The reasons and outcomes

Government debt

Because there is little budget deficit in Azerbaijan, government is reluctant to increase the size of government debt securities

Foreign Investors

Azerbaijan is actively working on attracting more foreign investors which should activate the corporate debt market

Key market participants

Needs to develop institutional investor profile as investment funds to support demand side

Retail Trading

The electronic integration possibility is crucial for retail trading

Thanks!

Any questions?

You can find me at:
orkhan@investaz.az