

SEPTEMBER 2019

Latest Information on Capital Market of Uzbekistan

Opportunities and prospects of Uzbekistan capital market for investors

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UZBEKISTAN'S SOVEREIGN CREDIT RATINGS

Fitch
Ratings

Fitch's credit rating for Uzbekistan was last reported at BB - with stable outlook December 21, 2018.

Fitch Ratings has affirmed Uzbekistan's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) at 'BB-'. The Outlook is Stable.

S&P Global
Ratings

Standard & Poor's credit rating for Uzbekistan stands at BB - with stable outlook on December 21, 2018.

S&P Global Ratings assigned its 'BB-/B' long- and short-term foreign and local currency sovereign credit ratings to Uzbekistan. The outlook is stable. The transfer and convertibility (T&C) assessment is 'BB-'..

MOODY'S

Moody's credit rating for Uzbekistan was last set at B1 with stable outlook February 13, 2019.

Moody's Investors Service assigned a first-time long-term issuer rating to the Government of Uzbekistan at B1. The outlook is stable.

IMPROVEMENT OF THE COUNTRY IN WORLD'S RANKINGS



The Organization for Economic Cooperation and Development (OECD) has improved Uzbekistan's credit risk rating, moving the country from point 6 to point 5. Improvement of Uzbekistan's position in the classification of the country credit risks significantly reduces the insurance premium for attracted loans under the guarantee of export-credit agencies. Uzbekistan rose to the 5th category from 6th (from 7 to 0) in the classification of OECD country credit risk ranking.



Uzbekistan is ranked 76 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. Uzbekistan is ranked 76th among the world's 190 economies in the World Bank Group's Doing Business 2019 rating. A presidential decree issued on achieving 20th rank by year 2022.

UZBEKISTAN'S SOVEREIGN BOND DEBUT

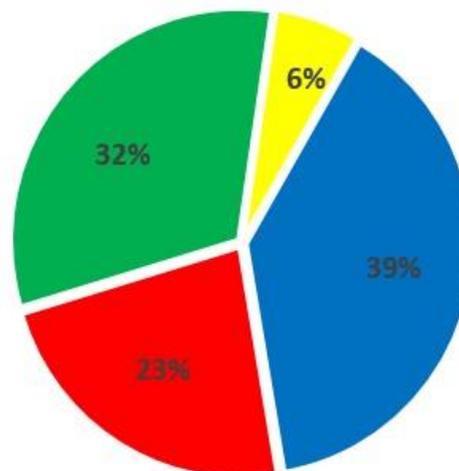


Uzbekistan sold **1 bln USD** of Eurobonds in London Exchange, after its Roadshow in New York and Boston. The deal priced with a yield of 4.75% (initially announced at 5.375%) on five-year paper at the amount of 500 mln USD and 5.375% (initially announced at 6%) on 10-year notes for 500 mln USD.

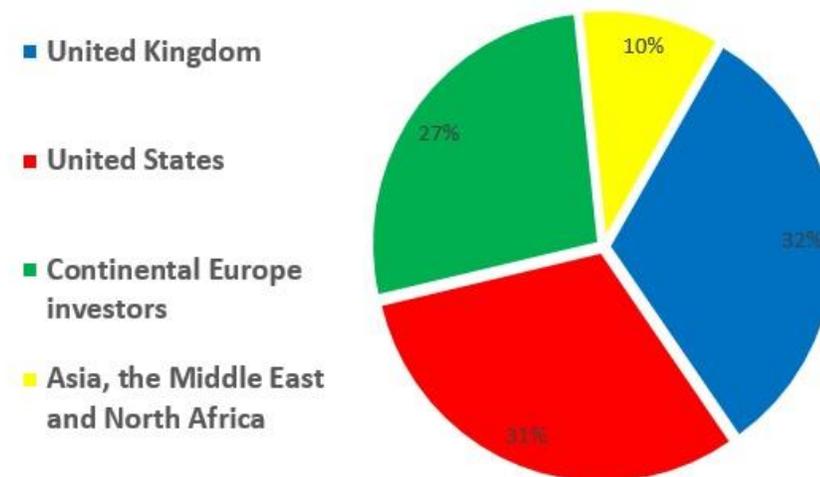
J.P. Morgan acted as Global Coordinator & Joint Bookrunner; **Citi** acted as Joint Bookrunner, Fiscal and Transfer Agent and Registrar; whilst **Gazprombank** acted as Joint Bookrunner. White & Case LLP and Centil Law Firm acted as the issuer's Legal Counsel and Linklaters LLP and Kinstellar acted as arrangers' Legal Counsel.

Most of the 5-year and 10-year debt bonds were bought by investors from the **UK - 39%** and **32%**, respectively, while **American investors** accounted for **23%** and **31%**, **continental Europe investors** - **32%** and **27%**, countries in Asia, the Middle East and North Africa - **6%** and **10%**.

The 5-year debt bonds



The 10-year debt bonds



GOVERNMENT BONDS OF UZBEKISTAN

№	Date of allocation	Volume (mln.USD)	Average coupon	Maturity, mths
1	26 Dec 2018	23.63	14.10%	6
2	27 Dec 2018	23.98	14.22%	12
3	28 Dec 2018	23.98	14.86%	36
4	19 Feb 2019	7.19	14.86%	12
5	27 Feb 2019	4.80	12.98%	12
6	5 March 2019	3.57	14.94%	12
7	12 March 2019	4.78	14.54%	12
8	19 March 2019	9.55	12.94%	12
9	8 May 2019	11.84	10.47%	12
10	15 May 2019	11.82	10.47%	12
11	22 May 2019	11.82	10.04%	18
12	4 June 2019	11.75	9.82%	18
13	12 June 2019	11.74	8.93%	24
14	19 June 2019	11.66	7.73%	24
15	5 July 2019	11.66	10.11%	36
16	12 July 2019	11.65	10.41%	36
17	17 July 2019	23.30	12.72%	5
Total		218.71		

CORPORATE BONDS IN UZBEKISTAN

№	Issuer	Registration date	Volume (mln.USD)	Average coupon	Maturity, years
1	Uzb.Indust & Const.Bank	9 March 2010	0.71	D.rate	10
2	Uzb.Indust & Const.Bank	29 Dec 2010	2.03	D.rate	10
3	Uzb.Indust & Const.Bank	10 Aug 2012	1.19	D.rate - 1	10
4	National Bank of Uzbekistan	12 Jan 2010	3.57	12.00	10
5	National Bank of Uzbekistan	12 Nov 2010	4.17	10.50	10
6	National Bank of Uzbekistan	05 Nov 2012	4.17	10.50	10
7	Uzavtosanoat	30-May-17	5.95	9.00	5
8	Invest Finance Bank	26-Feb-19	11.90	16	2
9	Asia Alliance Bank	28-June-19	5.81	D.rate + 4	7
Total			39.50		

THE MOST LIQUID STOCKS IN TASHKENT STOCK EXCHANGE

Quoted price and trading volume (mln UZS) of Qizilqumsement JSC (QZSM)



Quoted price and trading volume (mln UZS) of Quartz JSC (KVTS)



Quoted price and trading volume (mln UZS) of Kokand mechanical plant JSC (KUMZ)



Quoted price and trading volume (mln UZS) of Almalyk mining combine (AGM1)



Let's compare cbonds 2018 vs cbonds 2019 with 1 mln. USD investments

No	Name of issuer	14.09.2018	11.09.2019	Total investments, UZS	Change in Price	Dividends, UZS	Dividend yield	Total income	Portfolio
1	Kvarts	2 595,00	4 330,00	786 217 000,00	66,86%	0,00	0,00%	66,86%	1 311 876 535,65
2	Qizilqumsement	1 150,00	1 531,00	786 217 000,00	33,13%	227,00	19,74%	52,87%	1 201 886 509,57
3	O'zbekko'mir	5 000,00	3 400,00	786 217 000,00	-32,00%	0,00	0,00%	-32,00%	534 627 560,00
4	O'zRTXB	5 800,00	10 550,00	786 217 000,00	81,90%	550,00	9,48%	91,38%	1 504 656 672,41
5	Olmalig KMK	5 750,00	22 000,00	786 217 000,00	282,61%	978,00	17,01%	299,62%	3 141 859 865,39
6	O'zmetkombinat	16 500,00	30 000,00	786 217 000,00	81,82%	0,00	0,00%	81,82%	1 429 485 454,55
7	Hamkorbank	5,52	27,00	786 217 000,00	389,13%	1,61	29,17%	418,30%	4 074 939 922,10
8	Ipoteka-bank	0,75	0,80	786 217 000,00	6,67%	0,08	10,67%	17,33%	922 494 613,33
9	O'zsanoatqurilishbank	16,00	15,00	786 217 000,00	-6,25%	0,63	3,94%	-2,31%	768 035 731,88
10	Trastbank	8 500,00	7 500,00	786 217 000,00	-11,76%	925,00	10,88%	-0,88%	779 279 791,18
Total				7 862 170 000,00					15 669 142 656,05

Your total revenue from portfolio on September 11th is \$1 667 705.38, and your net profit is **\$667 705.38 in USD**, your capital gain in % is **66,77%!!!** In national currency your capital gain in % is **99,30%!!!**

Let's continue to wait for **cbonds 2020** or start to invest???

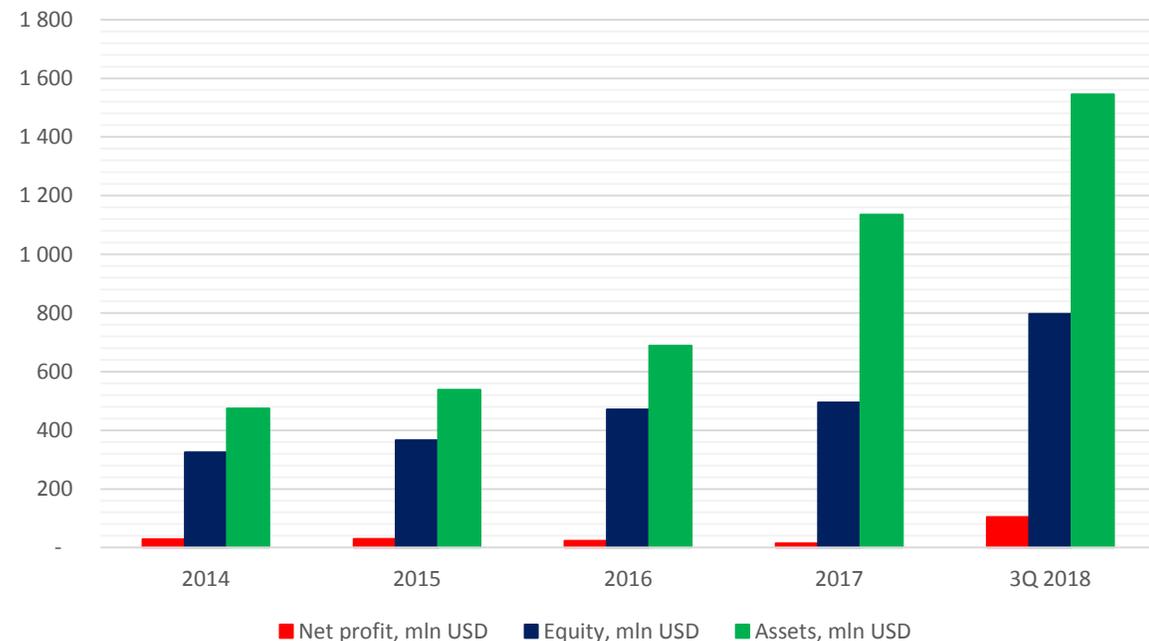
Financial indicators of companies with upcoming IPO/SPO campaigns

A number of government decisions were taken on privatization of the state share, including by means of IPO/SPO campaigns, including:

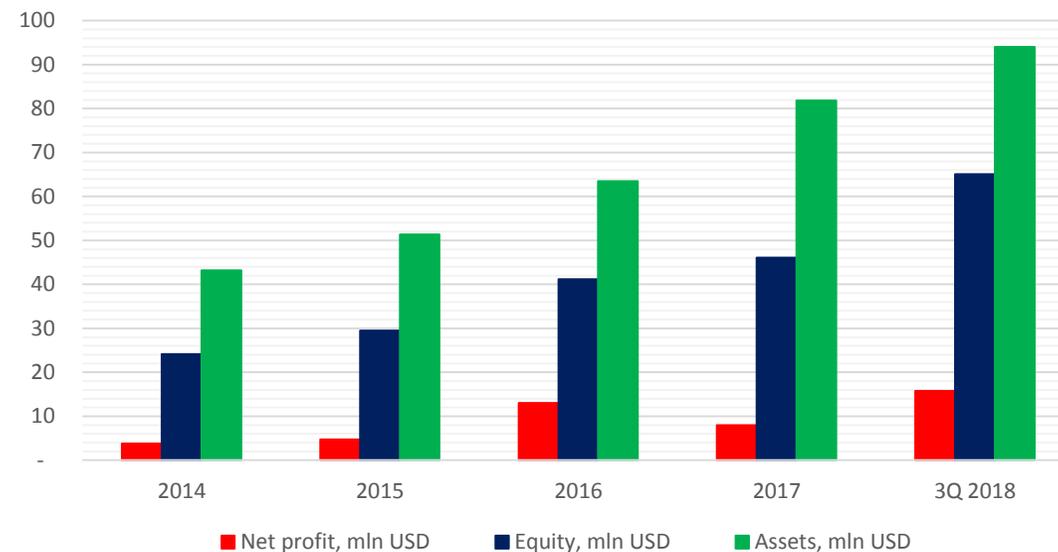
- state shares in Uzbek metallurgy combinat, Almalyk mining combinat, Navoi mining combinat;
- state shares in 16 oil&fat companies;
- 12% state share in Uzbek Commodity Exchange JSC;
- 20% state share in Kvarts;
- 25% share in Jizzakh Plastmassa JSC;
- 35,9% state share in Qizilqumsement JSC;
- 25% state share in Asia Alliance Bank JSCB;
- 25% state share in Alokabank JSCB;
- 25% state share in Turonbank JSCB;
- 10% share in Uzpromstroybank JSC

Above-mentioned companies are in need of financing for further business expansion and to increase assets. So the debt issuing is the one of the options and most of them are ready to provide interest at the level of 12-18%.

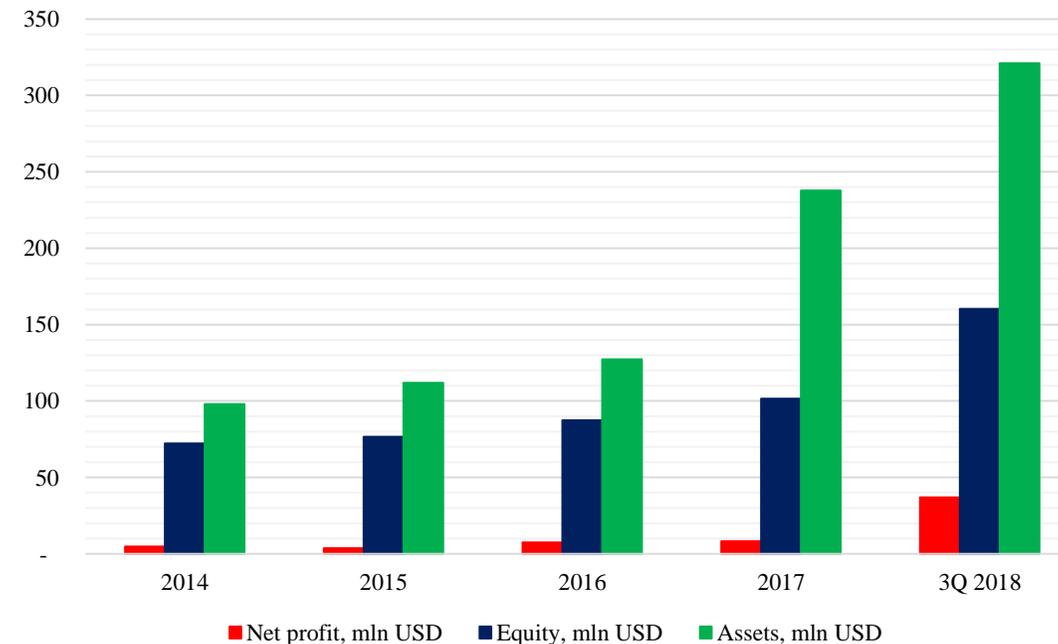
Financial indicators of Almalyk mining company



Oil&fat companies aggregate financial indicators (16 plants)



Financial indicators of Uzbek metallurgy combinat



Rewards & achievement of Portfolio Investments LLC



Portfolio Investments LLC was established on May 2012 and today is operating as one of the most successful investment brokerage&depository, investment consultant and asset management company in Uzbekistan.

More than 5 000 customers prefer us with above 15 000 customer accounts. We cooperate with private, corporate and foreign investors.



2018 – recognized as the best investment consultant by securities market regulator.

2018 – nominated for FEAS Championship League 2018.

2017 – recognized as the best investment intermediary by securities market regulator.



2017 – recognized as the investment intermediary with the biggest quantity of deals by Uzbek Stock exchange.

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