AVESTA INVESTMENT GROUP

October 2024

RSE «Toshkent»

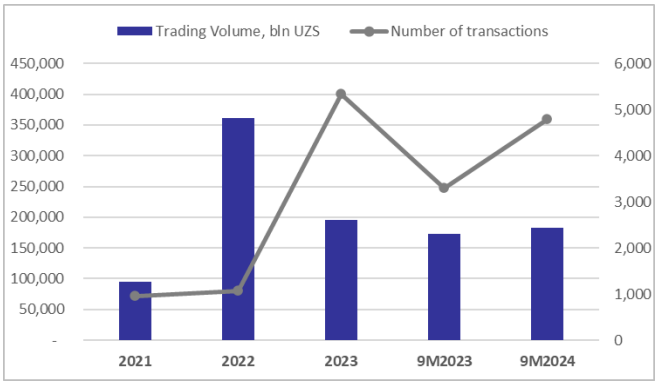
Securities market

Tashkent Stock Exchange results: 9 months of 2024

In the first nine months of 2024, the total trade volume on the Tashkent Stock Exchange reached 2.44trln UZS, reflecting a 6.1% increase compared to the same period in 2023. Similarly, the total number of transactions grew by 45.2%, reaching 358,448 transactions. Notably, September marked the highest number of trades in the first nine months of 2024; however, the growth was mostly due to several large volume transactions related to M&A and restructuring processes. Total market capitalization of 103 securitites traded on the Stock Exchange equaled 234.8trln UZS by the end of the period.

AVEX (Avesta Equity Index) decreased by 2.6% in 9M2024.

Total volume of trades and number of transactions



AVEX Index

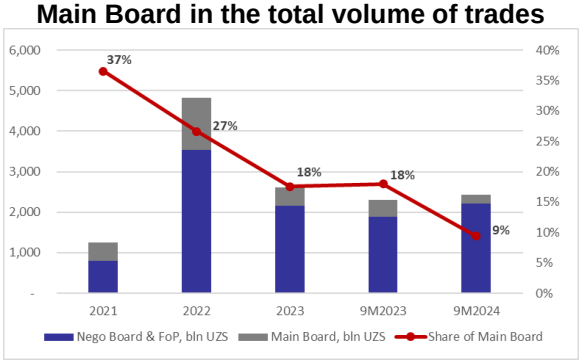


Source: RSE Toshkent, Calculations: Avesta Investment Group

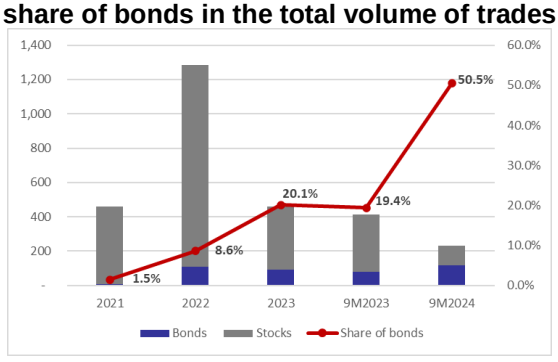
Over the last five years, the share of trades on the Main Board within the Tashkent Stock Exchange's turnover structure has exhibited a consistent decline. The retail trades accounted for 9.4% of the total trading volume, amounting to 229.6bln UZS in the first nine months of 2024, which is half as much as the same period last year. A significant portion of the trading volume on the Tashkent Stock Exchange is driven by large M&A deals and transactions executed on the Nego or FoP platforms.

Moreover, there is a noticeable increase in the presence of corporate bonds in the turnover structure of retail trades. Throughout the nine months of the year, the share of bonds in the retail platform climbed to over half of the total volume, amounting to 115.9bln UZS. This figure contrasts with the 9M 2023 data, where it accounted for nearly 19% of the total volume.

Total turnover structure and share of the Main Board in the total volume of trades



Turnover breakdown of the Main Board and the share of bonds in the total volume of trades

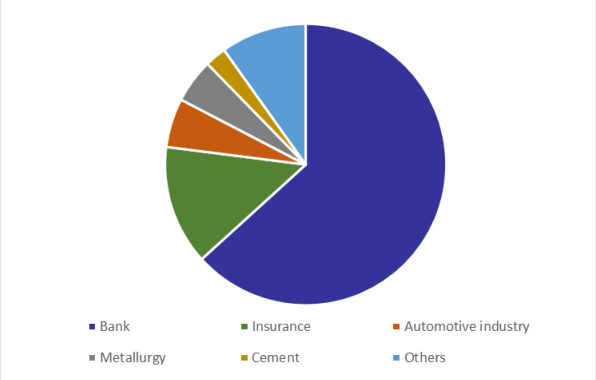


Source: RSE Toshkent, Calculations: Avesta Investment Group

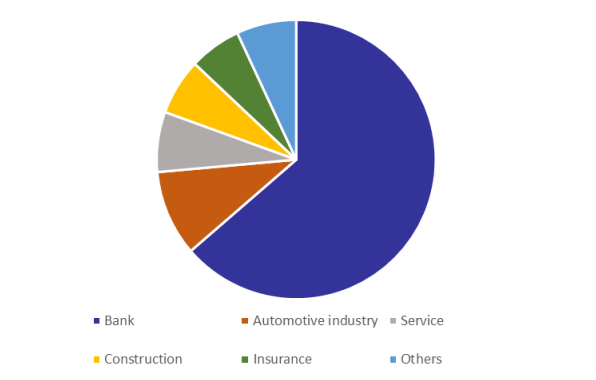
The charts below illustrate the industry composition of total trade volumes in 9M2023 and 9M2024. To provide a more accurate representation of market volumes, the structure analysis was conducted solely based on retail trading, excluding large trades that can distort the actual volumes. In both years, the banking industry maintained its leading position, representing almost 63% of the total volume.

The share of the automotive industry nearly doubled compared to the same period the previous year, reaching close to 10% and securing the second position in the total turnover. The service sector claimed the third spot primarily due to trades involving URTS shares. The construction sector accounted for 6.5% of the total volume, while the Insurance sector, which previously held around 14%, comprised approximately 6% of the volume in 9M2024.

Sectors by volume in 9M2023



Sectors by volume in 9M2024



Source: RSE Toshkent, Calculations: Avesta Investment Group

Top 10 issuers with the highest trading volume for 9M2023

Company	Ticker	Sector	Trading Volume	Num. of transactions	Avg. price, UZS	Share in total turnover	% of equity	Mcap (bln UZS)	Closing price 9M2023, %
Xalq Bank	XKBK	Bank	1,837,000,000,000	1	1,000	75.36%	19.14%	9,597	0.00%
Kapital Bank	KPBA	Bank	156,694,192,584	6	950	6.43%	38.46%	2,266	44.00%
Universal Bank	UNVB	Bank	100,041,657,037	1,180	5,178	4.10%	19.32%	850	-49.90%
Dori-Darmon	DORI	Pharmacy	60,808,033,852	1,993	8,606	2.49%	35.20%	187	-7.00%
Mortgage Refinancing Company	IQMK5E	Bank	50,000,000,000	1	1,000,000	2.05%	100.00%	50	0.00%
Hamkorbank bonds	HMBK1	Bank	41,294,581,815	13	825,892	1.69%	100.00%	41	-1.33%
UzAuto Motors	UZMT	Automotive industry	22,792,507,256	1,504	71,814	0.94%	0.12%	17,180	-8.55%
Biznes finance bonds	BFMT3V2	Microfinance	17,985,976,565	2,066	100,602	0.74%	89.39%	20	0.23%
Aria Insurance	ARST	Insurance	12,659,240,000	1	2,877	0.52%	20.00%	63	0.00%
Uzbek Commodity Exchange	URTS	Service	12,147,599,463	8,728	15,792	0.50%	0.01%	1,154	-12.01%
	Others		126,209,660,232	342,955		5.18%			
	Total	**Total**	**2,437,633,448,805**	**358,448**		**100.00%**			

Source: RSE Toshkent, Calculations: Avesta Investment Group

The table provided ranks the top 10 securities based on trade volume during the first nine months of 2024. The majority of the trading activity was driven by M&A and restructuring processes within this period. XKBK emerged as the top contributor, accounting for three-quarters of the total turnover with a deal amounting to 1.8trln UZS at 1,000 UZS per share. The transaction was executed on the Free of Payment (FoP) Board of the Stock Exchange which was specifically created for execution of so-called block trades. The next largest contributor to the turnover was KPBA with trades for 156.7bln UZS at 950 UZS per stock, involving the transfer of a 38.4% equity stake in the company.

UNVB represented nearly one-fifth of the turnover, with a portion of trades attributed to the Chairman of the Supervisory Board, Mr. Irchaev Anvar, gradually increasing his equity stake in the company to 9.17% by the period's end. As mentioned before, bonds saw active trading, with three out of the top 10 securities by volume being bonds. The largest bond transaction was with the green bonds issued by Uzbekistan Mortgage Refinancing Company (IQMK5E) worth 50bln UZS (approx. $3.96mln), featuring a five-year maturity and an expected

return of 18%. This marked the debut of green bond placements shortly after the introduction of regulations on issuing green bonds by the regulator (NAPP). Collectively, the top 10 stocks accounted for nearly 95% of the trading volume.

TOP-10 issuers with the highest number of deals for 9M2023

Company	Ticker	Sector	Trading Volume	Num. of transactions	Avg.price, UZS	% of deals	% of equity	Mcap (bln. UZS)	Closing price 9M2023, %
Ipoteka Bank	IPTB	Bank	8,127,229,682	84,356	1.1	30.78%	0.25%	4,737	59.60%
SQB	SQBN	Bank	997,446,283	73,600	9.7	26.85%	0.04%	2,442	-0.20%
Uztelecom	UZTL	Telecommunications	2,947,777,541	14,456	4,951	5.27%	0.21%	1,289	-28.68%
Chilonzor item trading centre	CBSK	Service	1,481,567,797	13,206	1.4	4.82%	2.37%	93	-17.19%
Hamkorbank	HMKB	Bank	1,658,795,753	12,209	30.9	4.45%	0.04%	3,203	-25.69%
Ipak Yuli Bank	IPKY	Bank	2,000,891,148	11,514	219.9	4.20%	0.01%	12,048	106.19%
Hamkorbank pref	HKMBP	Bank	260,737,490	9,810	26.7	3.58%	0.01%	3,203	-30.16%
Uzbek Commodity Exchange	URTS	Service	12,147,599,463	8,728	15,792	3.18%	0.01%	1,154	-12.01%
Qizilqumcement	QZSM	Cement	1,792,775,269	8,443	2,173.07	3.08%	0.18%	850	-35.63%
Ipoteka Bank pref	IPTBP	Bank	5,463,867,770	8,034	3.01	2.93%	0.06%	4,737	-6.38%
	Others		2,400,754,760,609	114,092		41.63%			
	Total	**Total**	**2,429,506,219,122**	**274,092**		**100.00%**			

Source: RSE Toshkent, Calculations: Avesta Investment Group

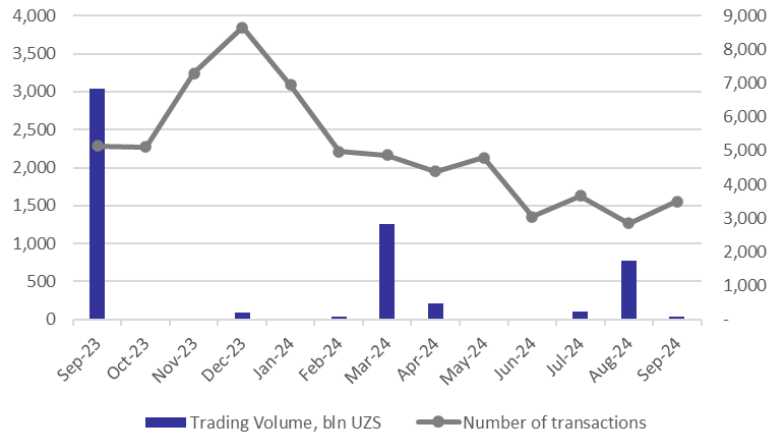
In 9M2024, IPTB emerged as a dominant contributor to the number of securitites accounting for almost 31%. SQBN also maintained its top position, contributing 26.9% of the total transactions. UZTL rounded off the top three in terms of transaction volume, contributing nearly 5.3%.

In contrast to the top 10 securities ranked by trading volume, the composition of the top 10 securities based on the number of transactions executed remains similar, with only a few alterations and primarily includes the most liquid stocks on the Stock Exchange.

OTC platform of the Tashkent Stock Exchange

The total trade volume on the OTC platform for nine months of 2024 reached 2.4trln UZS, which is twice less compared to the corresponding period in 2023. Despite the decrease in total volume, the number of transactions executed on the platform reached 39,050, indicating a notable 53.8% increase compared to the transactions recorded in the same period of 2023. This can be attributed to the prevalence of multiple M&A-related activities last year, which notably inflated the overall volume of trades, although the number of individual transactions was lower.

The total volume of trades and number of transactions on the OTC platform of Tashkent Stock Exchange for 9 months of 2022-2023

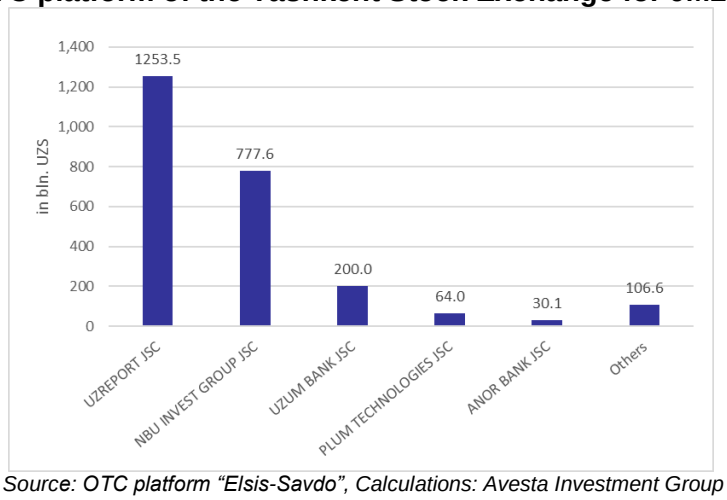


Source: OTC platform "Elsis-Savdo", Calculations: Avesta Investment Group

UZREPORT JSC dominated the OTC market by holding over half of the total volume. NBU INVEST GROUP was the second largest contributor to turnover, followed by UZUM

BANK JSC, which accounted for 8.2% of the turnover. PLUM TECHNOLOGIES JSC and ANOR BANK JSC had comparatively lower trading volumes of 64bln UZS (2.6%) and 30.1bln UZS (1.2%), respectively. The remaining securities on the platform collectively made up 4.4% of the overall turnover.

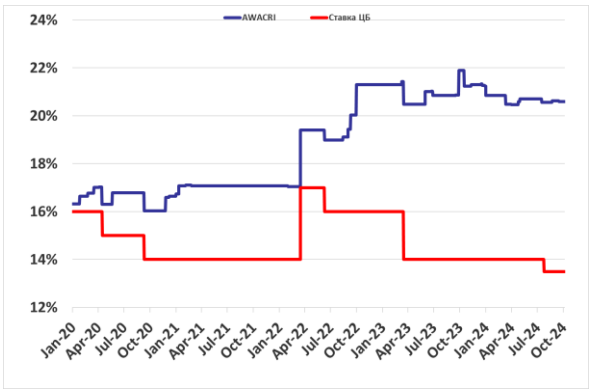
Top 5 entities by volume of transactions at the OTC platform of the Tashkent Stock Exchange for 9M2023



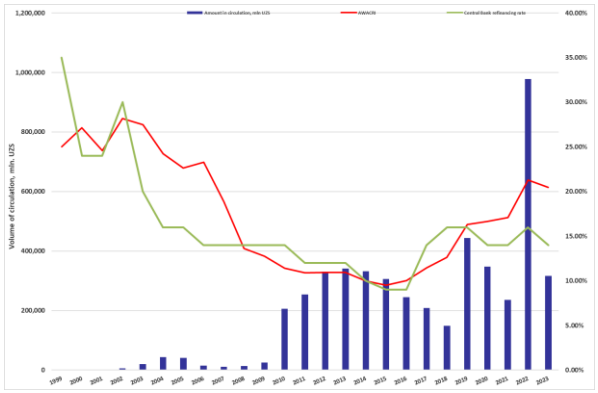
Source: OTC platform "Elsis-Savdo", Calculations: Avesta Investment Group

Debt market

AWACRI and CB rate in 2020-2023



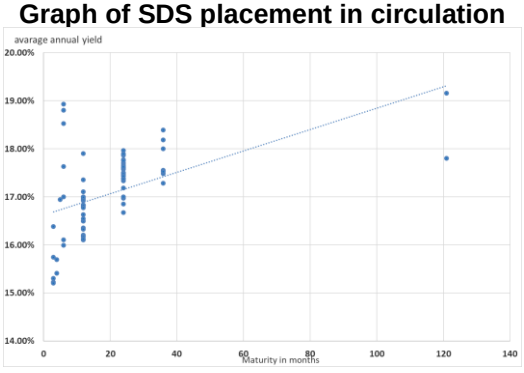
AWACRI, CB rate and volume in circulation



Source: Central Bank of the Republic of Uzbekistan, Avesta Investment Group

At the moment AWACRI corporate bond index (Avesta Weighted-Average Coupon Rate Index) exceeds the CB rate by 7.1%.

Graph of SDS placement in circulation



The total amount of placed SDS (State Debt Securities) that are in regulation (not repaid) for 9M2024 reached 81.6trln UZS in 64 placements since the beginning of the year with a 16.8% average annual yield.

CONTACTS

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