AVESTA INVESTMENT GROUP

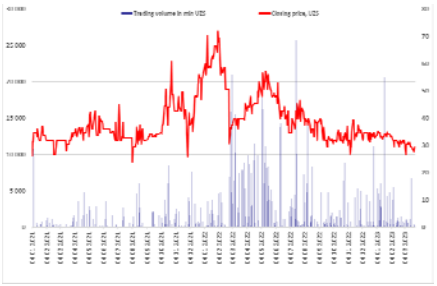
Uzbekistan Weekly

Weekly Review
March 23-25, 2023

OVERVIEW OF THE TASHKENT STOCK EXCHNAGE

Ticker	Sectors	Sum, UZS	Num. of deals	Closing price, UZS	Change. %	% of turnover
ATSZ	Engineering	749 859 912	8	16 243	4,12%	48,22%
TRSB	Bank	265 394 062	14	8 501	-10,52%	17,07%
UZMK	Metallurgy	215 914 578	57	8 900	0,85%	13,89%
URTS	Service	93 159 220	156	18 500	-2,63%	5,99%
UZTL1	Telecommunications	70 818 970	27	14 360	-20,22%	4,55%
BFMTN	Bank	42 341 754	1	1 008 137	0,00%	2,72%
UZMT	Automotive industry	36 243 222	44	59 000	-4,43%	2,33%
DORI	Pharmaceutical	29 930 188	31	10 000	-1,00%	1,92%
UZM1	Metallurgy	10 517 006	40	2 500	8,70%	0,68%
KASU	Insurance	5 612 179	167	0	0,00%	0,36%
Others		35 170 207	1 906			2,26%
Total		**1 554 961 298**	**2 451**			**100,00%**

AGM1 price and volume dynamics



Dynamics of exchange rates



The turnover of trades at the RSE "Toshkent" over the past week amounted to more than 1.5bln UZS (+34.6 times) in 2,451 transactions, which is 32% less than the previous week. Shares of 58 companies participated in the trades, and TOP-10 accounts for 97.7% of the total turnover. Only ATSZ accounts for 48.2% of the total turnover. The transaction was carried out at a price of 16,243 UZS per share for 749.8bln UZS as a first stage of privatization process.

Weekly News:

ECONOMICS

- Gas production in January-February decreased by 8.2% down to 8.1bcm;
- JICA is to provide $200mln loan for 15 years, including 5 years grace period, at SOFR+1.25% interest to finance the second stage of the VAT-added chains in the agriculture project;
- Uzbekistan, Kazakhstan, Azerbaijan, Kyrgyzstan and Turkiye established the joint investment fund in amount of $500mln;
- $2bln investments will be attracted to construct four solar-power stations in the Tashkent region with a total capacity of 2.4GW to cover growing demand from the population;
- The number of transactions with real estate increased by 2.6% y-o-y;
- IFC to provide $150mln loan for construction of power station in Sirdarya with 1.58GW capacity. The project is run by Electricité De France, Nebras Power (Qatar), Sojitz Corporation and Kyuden International (Japan);
- The Cabinet of Ministers of Uzbekistan lifted temporary restrictions on the export of onions abroad, the press service of the Ministry of Agriculture reports;
- Uzbekistan proposed to its neighbors to create a single payment system. Other initiatives include the unification of e-commerce laws and a regional supplier platform;
- In February, Uzbekistan bought an aircraft from Switzerland for $86.5mln. In just two months, 14 aircraft were imported in the amount of more than $700mln;
- Gold bars and coins set new price records since 2020. Over the long weekend, the cost of one gram of the precious metal rose by 2%, making up 751,400 UZS;
- The foreign trade deficit in January-February increased more than fivefold. Without the export of gold, exports sank by $1bln, while imports increased by $1.16bln;
- The import of electric vehicles sets a new record for the second month in a row (789 passenger cars with electric motors in January-February). Compared to last year, deliveries increased by 3.5 times, and their cost - by 4.5 times making up $26.8mln;
- Zero duties on imports of 22 types of products have been extended until 2024. For the same period, the requirement for labeling in the Uzbek language is suspended.

BUSINESS

- Insurance 8888 LLC (100% owned by Mr.Yernazarov Davron Muxtarovich) purchased 100% of equity of the Perfect Insurance LLC, owned by Qishloq Qurilish Bank JSCB (KKBN);
- President announced the purchasing price for Ipoteka-bank JSCB (IPTB) controlling stake privatized by Hungarian OTP Bank - $324mln. Privatization includes two stages when OTP purchases 75% of the MoF's share (approx.97% of equity) in the first stage, and the remaining 25% in the second, we consider calculating the per share price for 75% stake only, as the second stage might consider some additional covenants and guarantees - purchase price may by 1.7 UZS per share (closing price at the Stock Exchange is 0.9 UZS per share) or 1.27 UZS per share for 100% state share. According to 9M2022 reporting, bank was valued at 0.9xBV and 5.94xP/E at 1.7 UZS per share, or 0.7xBV and 4.46xP/E at 1.27 UZS per share;
- Aakash Health to invest $100mln in construction of new clinic in Tashkent;
- Asakabank and Ipoteka bank (IPTB) got in the top 10 rating of the most reliable credit institutions in the CIS, according to Forbes Russia.

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