



## PRESS RELEASE

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### KASE changes procedure for calculating TONIA

From December 28, Kazakhstan Stock Exchange JSC has changed the procedure for calculating the main indicator of the money market TONIA.

The implementation of the new calculation methodology was carried out in order to create a risk-free benchmark in the money market of the Republic of Kazakhstan, based on the principles of reliable indicators in accordance with international practice, and enhance the transparency of the TONIA management.

In accordance with the updated methodology, the indicator TONIA is calculated based on opening deals of one-day repo transactions with the GS Basket. The calculation is carried out as the volume-weighted average of the central 90% of the specified deals. In this case, deals are cut off according to the value of their yield – 5 % of deals with the lowest and highest yield, which were concluded on the day of the indicator calculation, are cut off.

If the total volume of transactions after the cut-off is less than KZT100 bn, then the TONIA on such day is determined as the sum of the values of the base rate of the National Bank of the Republic of Kazakhstan and the average spread of the indicator TONIA to the specified rate, formed over the previous five days.

The formation of indicators of the money market is an important component of the debt market as a whole. These indicators serve as a benchmark for determining yield rates in the debt market. In particular, the TONIA indicator is the initial value for building the yield curve for government securities of the Republic of Kazakhstan.

"KASE has extensive experience in calculating indicators of the securities market and money market. Doing this work, KASE pursues a policy of maximum openness so that all market participants have reliable information about the current and historical values of indicators and the procedure for calculating them. In the process of updating the methodology for calculating the indicator TONIA, within the framework of the working group, the Exchange carried out test calculations of this indicator, adapting its information systems to the new calculation methodology, as well as providing statistical support to the members of the working group for making the most balanced decision. Currently, KASE has started calculating and publishing the updated TONIA indicator as its administrator", – said Alina Aldamergen, the Chairperson of KASE's Management Board.

"The National Bank of the Republic of Kazakhstan, the European Bank for Reconstruction and Development, KASE, the Association of Financiers of Kazakhstan and second-tier banks have done a lot of work to update the indicator TONIA. Our goal was to create a benchmark that would serve as an interest rates gauge for participants in the local financial market. We are confident that the changes made to the calculation of the indicator TONIA will increase its representativeness and emphasize its transparency in the international arena", – said Aliya Moldabekova, Director of the Monetary Transactions Department of the National Bank of the Republic of Kazakhstan.

In addition to the TONIA indicator, the methodology also provides for the calculation of two additional indicators that are designed to broadcast the intraday value of the average weighted yield rate on repo transactions with securities of the GS Basket.

These indicators are calculated in real time. The indicator TRION reflects the change in the "overnight" repo rates, the TWINA indicator – the seven-day repo. To calculate these indicators, repo transactions' opening deals made using KASE's services as the central counterparty will be used.

The indicator TONIA will be published on KASE website (kase.kz) as the main indicator of the money market once a day at the end of each trading day. The indicators TRION and TWINA will be published as indicators of the current intraday change in repo rates after the conclusion of each opening deal of repo transactions on the corresponding instrument.

### **For reference**

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the sixth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for government and corporate securities, bonds of international financial institutions, foreign currencies repo market instruments, money market transactions – repo and swap, as well as derivatives, it possesses modern technologies and provides a full range of trade and post-trade services in accordance with accepted international standards.

KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN Sustainable Stock Exchanges initiative.

KASE actively contributes to the economic growth of Kazakhstan by providing a transparent investment environment for local and foreign participants.

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