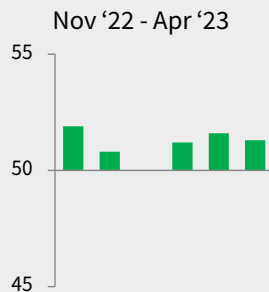
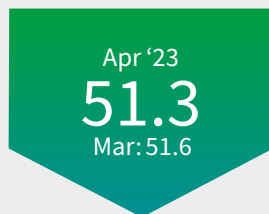




Tengri Partners Kazakhstan Manufacturing PMI™

Production increases for second month running

Tengri Partners Kazakhstan Manufacturing PMI



Continued growth of output and new orders

Cost inflation softens to 46-month low

Near-stabilisation of suppliers' delivery times

The latest PMI™ survey data from Tengri Partners and S&P Global signalled sustained improvements in the health of the Kazakhstan manufacturing sector amid strengthening demand. Output increased for a second month running on the back of new order growth, with purchasing activity also up. Firms continued to note challenges with staff retention, however, leading to a further drop in employment.

Price and supply pressures continued to ease. Suppliers' delivery times were broadly stable, while the rate of input cost inflation softened to a near four-year low, in part due to an improvement in the tenge against the Russian rouble.

The headline Kazakhstan Manufacturing PMI is a composite single-figure measure of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery

times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement in the sector.

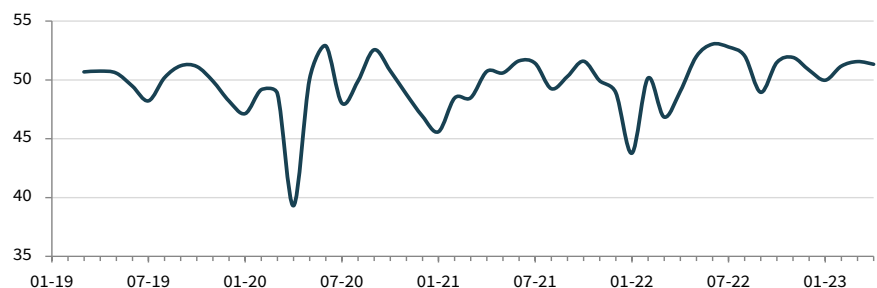
The headline PMI posted above the 50.0 no-change level for the third consecutive month in April, dipping only slightly to 51.3 from 51.6 in March. The index signalled a modest improvement in business conditions in the manufacturing sector.

New orders continued to expand solidly at the start of the second quarter, extending the current sequence of growth to six months. According to respondents, the latest rise generally reflected further demand improvements.

In turn, firms expanded their production volumes for the second successive month, albeit to a lesser extent than in March. The increase in output helped firms to raise their stocks of finished goods and deplete backlogs of work, despite a further dip in

continued...

Tengri Partners Kazakhstan Manufacturing PMI
sa, >50 = improvement since previous month



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employment.

Higher output requirements encouraged manufacturers to expand their purchasing activity for the seventh time in as many months. Moreover, the rate of increase was marked and faster than in the previous survey period. The use of inputs directly in the production process meant that stocks of purchases continued to fall despite growth of input buying.

Firms were helped in their efforts to secure inputs by further signs of easing supply-chain disruption. Lead times on the delivery of inputs lengthened only fractionally in April, and to the least extent in 41 months. Although there remained some logistical challenges related to the securing of items from Russia in particular, anecdotal evidence suggested that these issues were being overcome.

Cost pressures also eased, with the rate of

input price inflation the slowest in almost four years and the second-weakest since the survey began in March 2019. While raw material prices rose, there were some reports that they were levelling off. An improvement in the strength of the tenge against the Russian rouble also helped to alleviate price pressures.

The rate of output price inflation meanwhile slowed to a 46-month low. Charges were up only marginally as some firms took advantage of softer cost pressures to offer discounts to customers in order to support demand.

Business confidence remained broadly stable at an elevated level as current demand improvements fed optimism regarding the year-ahead outlook for production. Around 65% of panellists expressed an optimistic outlook at the start of the second quarter.



Comment

Anuar Ushbayev, Managing Partner and Chief Investment Officer at Tengri Partners said:

"The Kazakhstan manufacturing sector was able to build on the renewed output growth seen in March with a further expansion in April as the impressive run of new order expansion continued.

"Alongside stronger demand conditions, firms are also benefitting from improvements to the supply side of their

operations. Input cost inflation was the slowest in almost four years in April, while suppliers' delivery times neared stabilisation as firms begin to overcome the logistical challenges that have caused such disruption over the past year."

Output and demand

Output

Manufacturers in Kazakhstan posted a second successive monthly rise in production during April, with output increasing in response to sustained growth of new orders. That said, the rate of expansion softened from that seen in the previous survey period.

Output Index

sa, >50 = growth since previous month

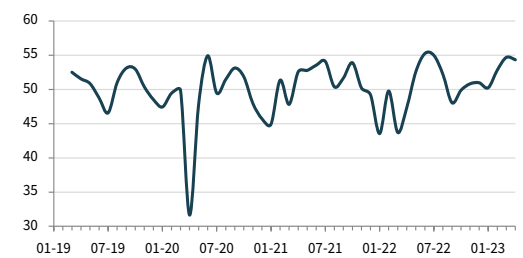


New orders

April data pointed to a further solid expansion in new orders at Kazakh manufacturers, with the rate of growth only marginally weaker than the eight-month high seen in March. Respondents mainly linked the latest rise to improving demand, while there were some mentions of customer bases having expanded. New orders have now risen in each of the past six months.

New Orders Index

sa, >50 = growth since previous month

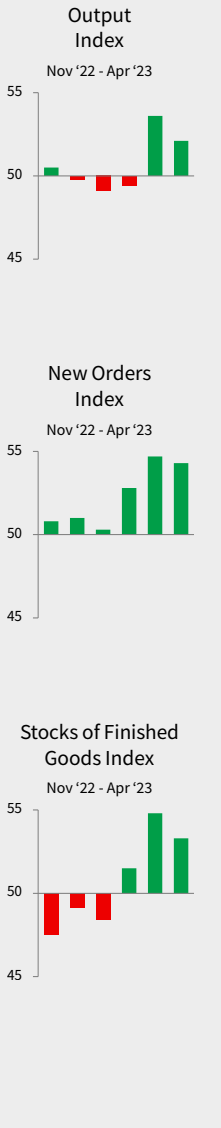
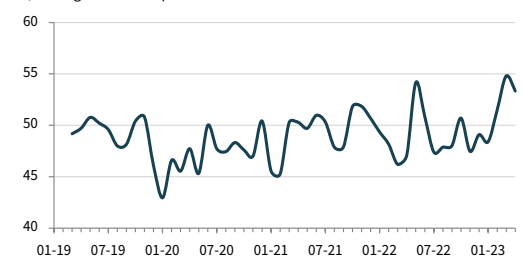


Stocks of finished goods

Output growth enabled firms to expand their stocks of finished goods at the start of the second quarter. Post-production inventories were up for the third month running, and at a solid pace. In fact, the increase was the third-fastest since the series began in March 2019.

Stocks of Finished Goods Index

sa, >50 = growth since previous month

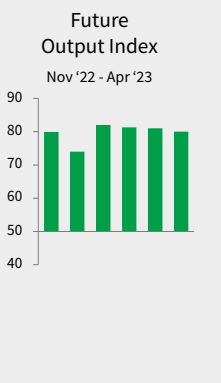
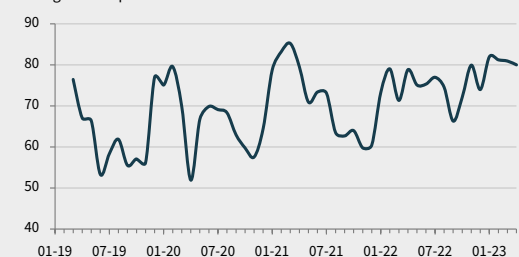


Business expectations

Confidence in the year ahead outlook remained stable at an elevated level in April, dipping only marginally from that seen in March. Around 65% of respondents predicted a rise in output over the next 12 months, with hopes for the future buoyed by current demand improvements.

Future Output Index

>50 = growth expected over next 12 months



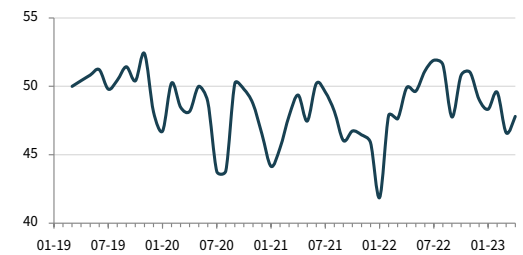
Employment and capacity

Employment

Manufacturers continued to see employment fall in April, despite sustained improvements in output and new orders. Panellists reported that the drop in staffing levels reflected voluntary resignations. Workforce numbers have decreased in five successive months. The latest reduction was solid, albeit softer than in the previous survey period.

Employment Index

sa, >50 = growth since previous month

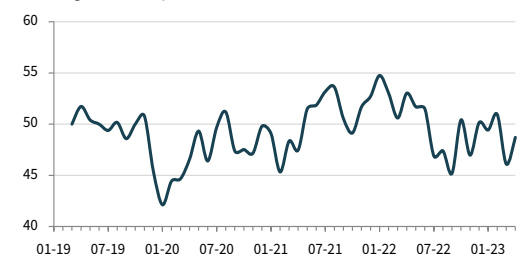


Backlogs of work

April data pointed to a second consecutive monthly reduction in backlogs of work, with a number of respondents indicating that they had completed their outstanding orders. The rate of depletion was only slight, however, and less pronounced than that seen in March.

Backlogs of Work Index

sa, >50 = growth since previous month



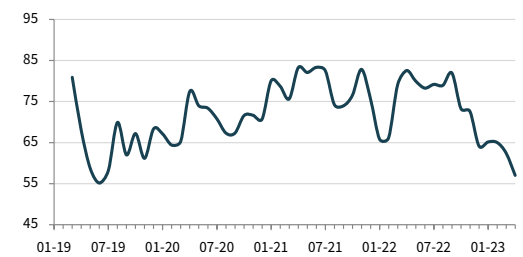
Prices

Input prices

The rate of input cost inflation slowed sharply in April, easing for the third month running to the softest since June 2019. Moreover, the rise was the second-weakest on record. Input prices continued to rise overall, however, amid reports of higher raw material costs and increased prices of items sourced from Russia. These reports were tempered by some signs of raw material prices levelling off and an appreciation of the tenge against the Russian rouble.

Input Prices Index

sa, >50 = inflation since previous month

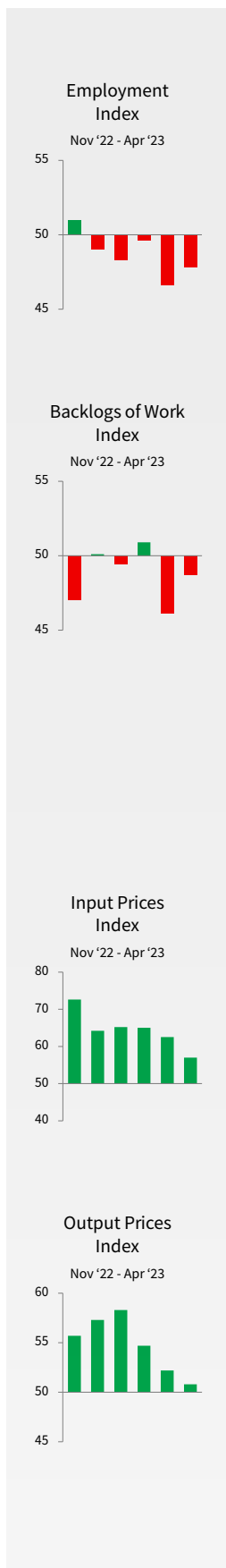
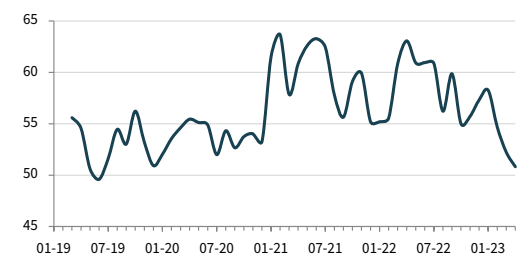


Output prices

The softening of cost inflation was also evident with regards to output prices, which increased only marginally in April as firms made efforts to limit price increases in order to support demand. The rate of inflation was the slowest in close to four years.

Output Prices Index

sa, >50 = inflation since previous month



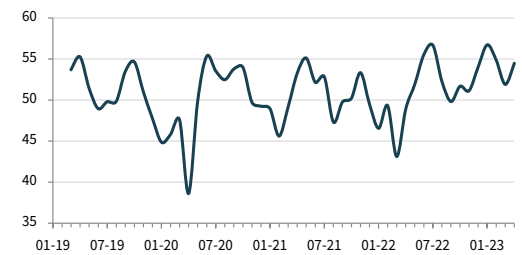
Purchasing and inventories

Quantity of purchases

Higher production requirements meant that manufacturers in Kazakhstan continued to expand their purchasing activity at the start of the second quarter. Input buying has now risen in each of the past seven months. The latest increase was marked and faster than that seen in March.

Quantity of Purchases Index

sa, >50 = growth since previous month

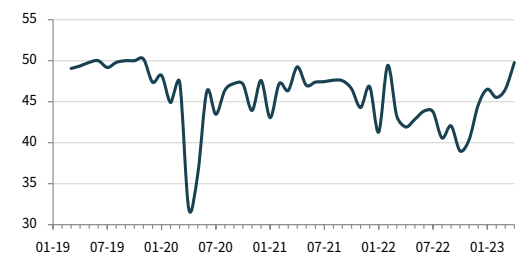


Suppliers' delivery times

Suppliers' delivery times were broadly stable in April, following 40 successive months of lengthening lead times through to March. A number of respondents mentioned that the logistical issues that have hampered the sector since the start of the war in Ukraine had begun to be overcome, although others reported that these remained a challenge. Delivery delays from Russia continued to be reported.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

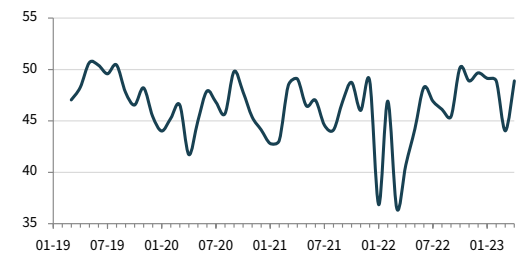


Stocks of purchases

While purchasing activity continued to rise, firms signalled a further reduction in their stocks of inputs during April as items were used directly to support production rather than being held in stock. Pre-production inventories decreased for the sixth month in a row, albeit to a lesser extent than in March.

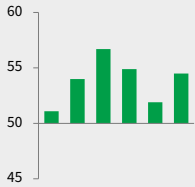
Stocks of Purchases Index

sa, >50 = growth since previous month



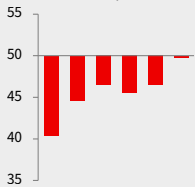
Quantity of Purchases Index

Nov '22 - Apr '23



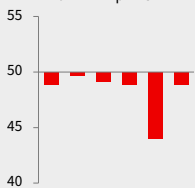
Suppliers' Delivery Times Index

Nov '22 - Apr '23



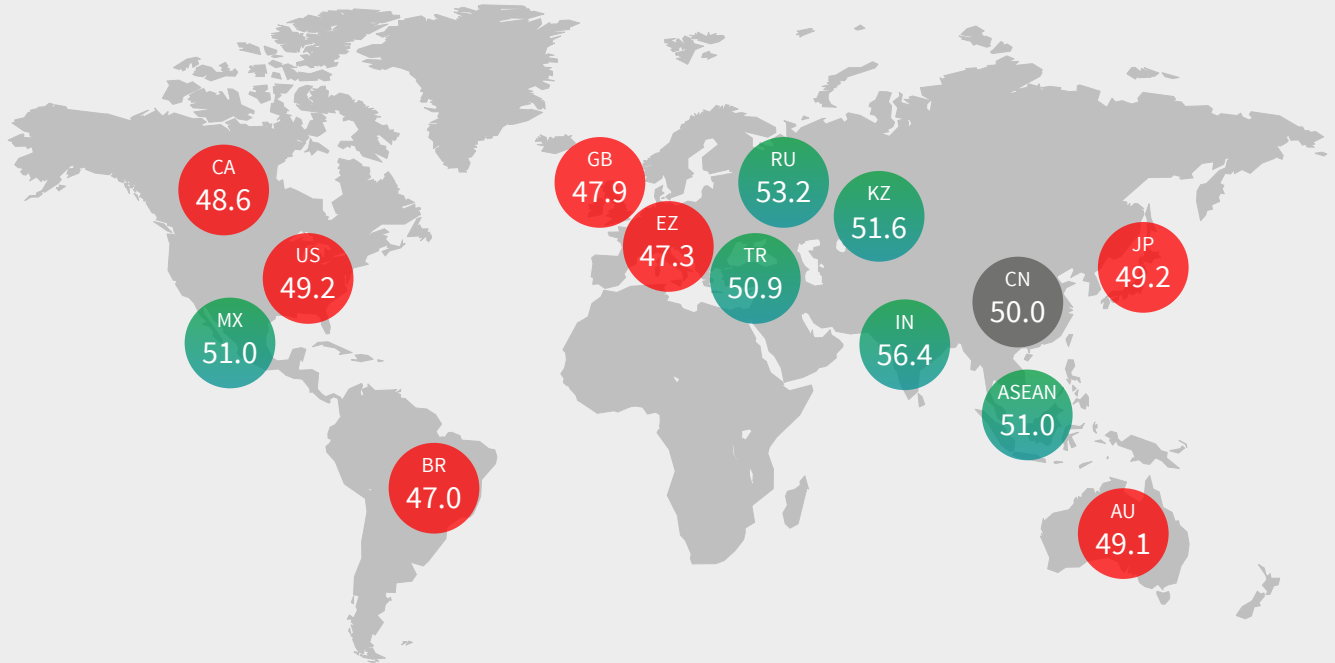
Stocks of Purchases Index

Nov '22 - Apr '23



International PMI

Manufacturing PMI, Mar '23
 sa, >50 = improvement since previous month



Manufacturing PMI
 sa, >50 = improvement since previous month



Survey methodology

Survey panel size
250
manufacturers

Index calculation
% 'Higher'
+
(% 'No change')/2

The Tengri Partners Kazakhstan Manufacturing PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

Survey dates and history

April data were collected 12-21 April 2023.

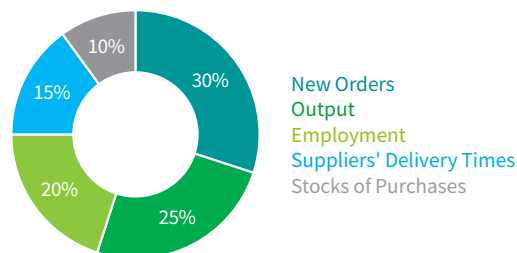
Data collection began in March 2019.

Index interpretation

50.0 = no change since previous month

Previous	Latest	Movement	Interpretation
49.0	51.0	▲	Growth, from decline
50.0	51.0	▲	Growth, from no change
51.0	52.0	▲	Growth, faster rate
52.0	51.0	▼	Growth, slower rate
52.0	52.0	▶	Growth, unchanged rate
51.0	50.0	▼	No change, from growth
49.0	50.0	▲	No change, from decline
50.0	50.0	▶	No change, from no change
51.0	49.0	▼	Decline, from growth
50.0	49.0	▼	Decline, from no change
49.0	48.0	▼	Decline, faster rate
48.0	49.0	▲	Decline, slower rate
48.0	48.0	▶	Decline, unchanged rate

PMI component weights



Sector coverage

Manufacturing PMI data include responses from companies operating in the entire manufacturing sector, including the following ISIC Rev.4 codes:

- | | | |
|---|---|---|
| C10 - Food Products | C17 - Paper and Paper Products | C25 - Fabricated Metal Products, Except Machinery and Equipment |
| C11 - Beverages | C18 - Printing and Reproduction of Recorded Media | C26 - Computer, Electronic and Optical Products |
| C12 - Tobacco Products | C19 - Coke and Refined Petroleum Products | C27 - Electrical Equipment |
| C13 - Textiles | C20 - Chemicals and Chemical Products | C28 - Machinery and Equipment N.E.C. |
| C14 - Wearing Apparel | C21 - Basic Pharmaceutical Products and Pharmaceutical Preparations | C29 - Motor Vehicles, Trailers and Semi-Trailers |
| C15 - Leather and Related Products | C22 - Rubber and Plastic Products | C30 - Other Transport Equipment |
| C16 - Wood and of Products of Wood and Cork, Except Furniture; Articles of Straw and Plaiting Materials | C23 - Other Non-Metallic Mineral Products | C31 - Furniture |
| | C24 - Basic Metals | C32 - Other Manufacturing |

About Tengri Partners

Tengri Partners is a diversified Central Asia-based merchant banking group engaged in securities trading, capital markets, investment banking, investment management, commercial finance and principal investments.

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S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

www.spglobal.com

About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

ihsmarkit.com/products/pmi.html

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