

INTERVIEW: Kazakhstan's capital market is constantly developing, says KASE chair



Alina Aldambergen, chair of the Kazakhstan Stock Exchange (KASE). / KASE

By Clare Nuttall in Almaty March 27, 2025

Kazakhstan's economic expansion and the launch of new instruments on the Kazakhstan Stock Exchange (KASE) have fuelled continuous development in the country's capital market, with increasing wealth among the population translating into greater participation in securities trading, according to Alina Aldambergen, chair of the KASE.

KASE has seen trading volumes more than double over the past three years, reaching KZT389.1 trillion (\$774bn) by the end of 2024, according to exchange data. The capitalisation of the equity market rose 14.3% to KZT32.9 trillion over the same period.

The KASE Index stood at 5,578.10 points as of January 1, 2025, a 52% increase since the start of 2022. It has since risen further to 5,620.34 points as of the end of February.

The exchange attributed the expansion to efforts to widen the investor base by attracting retail investors, successfully executed initial and secondary public offerings, an expanded range of traded instruments, and the inclusion of new issuers, including SMEs and microfinance institutions. KASE also cited ongoing improvements in service quality as a

contributing factor. On top of that, the increase in activity reflects the increasing affluence of Kazakhstan's population.

"There is constant development of the capital market. Since the economy is growing, there is more money, people are becoming more wealthy," Aldambergen said in an interview with *bne IntelliNews* in Almaty. "All this leads to the development of different sectors of the capital market."

Overall, Kazakhstan's capital markets have matured, with a robust infrastructure supporting trading. "The infrastructure is there, the institutions are there, retail investors are picking up and we see that the number of accounts being opened is growing," said Aldambergen.

"As the economy develops, we see the capital market is used to finance various projects in our economy, even though usually it is more developed companies that go to the market."

IPO market gains momentum

The KASE Index comprises 10 stocks in a broad range of industries including telecoms, oil and gas, metals and mining, uranium and banking. "Basically I would say it is a snapshot of the Kazakh economy," said Aldambergen.

Now more companies are considering coming to the market. The IPO market in Kazakhstan has been evolving, with the first wave of IPOs emerging in the mid-2000s, including the 2006 listing of Halyk Bank, one of the largest banks in the country.

Another significant IPO in recent years was that of KazMunayGas (KMG) in 2022. This was followed in 2024 by national carrier Air Astana's triple IPO on the KASE, the London Stock Exchange and the Astana International Exchange. Also in 2024, fintech Kaspi became the first Kazakhstan-based company to list in the US, going public with a \$1bn IPO on Nasdaq.

"The IPO market has started to develop in Kazakhstan," said Aldambergen. "Samruk-Kazyna is continuing to privatise, and raise investments through IPOs. Different names been mentioned, but of course it depends on whether the company is ready to go public."

However, this is not limited to companies within the umbrella of Kazakhstan's sovereign wealth fund and state holding company Samruk-Kazyna.

"The private sector is also considering doing IPOs, because some of the medium-sized companies are quite advanced. Most have established corporate governance but they are still waiting for the moment to go public. We are in touch with some of them and they are considering IPOs within the next three years," according to the KASE chair.

Kazakhstan's bond market gets bigger – and greener

Beyond equities, Kazakhstan's bond market has expanded. Historically dominated by large issuers, it is now attracting medium-sized companies too.

"We have quite a developed bond market. The bond market used to be for large issuers, well-traded national or large private companies or banks, but right now there are more medium-sized companies going to the market. We also promote the development of bonds from smaller companies, with help and guarantees from the DAMU fund," said Aldambergen.

As Environmental, Social and Governance (ESG) has become increasingly important to investors, the KASE bond market has also grown, with green financing becoming more prominent.

“A trend we see in the capital market is ESG bonds. This started four years ago when we developed the green financing listing requirements. Initially it was international or local development institutions, but now banks and medium-sized companies, even small companies, are issuing bonds to finance their new projects or, for banks, to provide financing for green projects,” Aldambergen said.

From 2025 it will become obligatory for all listed companies to disclose information according to ESG methodology; however, Aldambergen said, “we think the companies are ready for that.”

Investors at home and abroad

Kazakhstan has a substantial institutional investor base. “We have robust banks with assets totaling approximately \$121.2bn, pension funds that have accumulated around \$44.7bn, and insurance companies with assets reaching about \$5.78bn,” according to Aldambergen.

Meanwhile, retail investor participation has surged since 2020, with increasing trading volumes on KASE. The rise of digital platforms has played a crucial role.

“Since 2020, we have seen an increase in retail investors, who started to trade more in more domestic shares and high yield bonds. Over the last five years, the increase in retail investors caused increased trading volumes on the KASE. Each year we see that the number of transactions doubled, especially on the stock market,” said Aldambergen.

“IT technologies have been changing the way financial markets operate, making investment in the stock market more accessible,” she added.

In Kazakhstan, banks’ mobile applications now offer securities trading, allowing customers to invest in local and international stocks directly through their bank accounts. Leading banks have developed ‘super apps’ that provide a range of financial instruments.

KASE has started offering international stocks, for example in major tech companies, to local investors, which have proved attractive among retail investors.

At the same time, Kazakhstan’s profile has increased internationally, following the series of listings on major global exchanges.

Future strategy

In January, the KASE boards of director approved the exchange’s development strategy for 2025-2027, with the aim of reinforcing its position as the leading exchange in Central Asia by expanding its product offerings, enhancing clearing services and prioritising customer needs.

The plan builds on the 2022-2024 strategy, which focused on financial inclusion, capital market development and digitalisation, the exchange said in a press release. Over the next three years, KASE will broaden its core operations, introduce new products, and upgrade its IT infrastructure to meet evolving market demands. It also seeks to deepen liquidity in government securities, equities, and international markets by attracting new issuers and investors.

"We accomplished the goals we established for a three-year period and adopted a new three-year strategy. However, companies right now are living in such a rapidly changing environment, we adjust the strategy almost every year," commented Aldambergen.

"Over the next three years, given we have a significant stronghold in terms of expertise and technologies, I think we will focus on development of our markets. We are potentially considering entering new markets," she added.

"For example, we have been using blockchain technologies to establish trading in digital instruments, and we will continue this project. We also think trading in carbon credits will be established in Kazakhstan, and we would like to offer this."

Following the launch of the KASE's Central Counterparty (CCP), the CCP will develop its services and expand its client base, the KASE chair said. "And of course, IT and technology investments will continue. KASE is investing significantly in IT security, both cyber security and in our data centres."

As Kazakhstan's economy continues to expand, KASE will play an increasing role in financing growth and diversifying investment opportunities for both institutional investors and ordinary citizens.