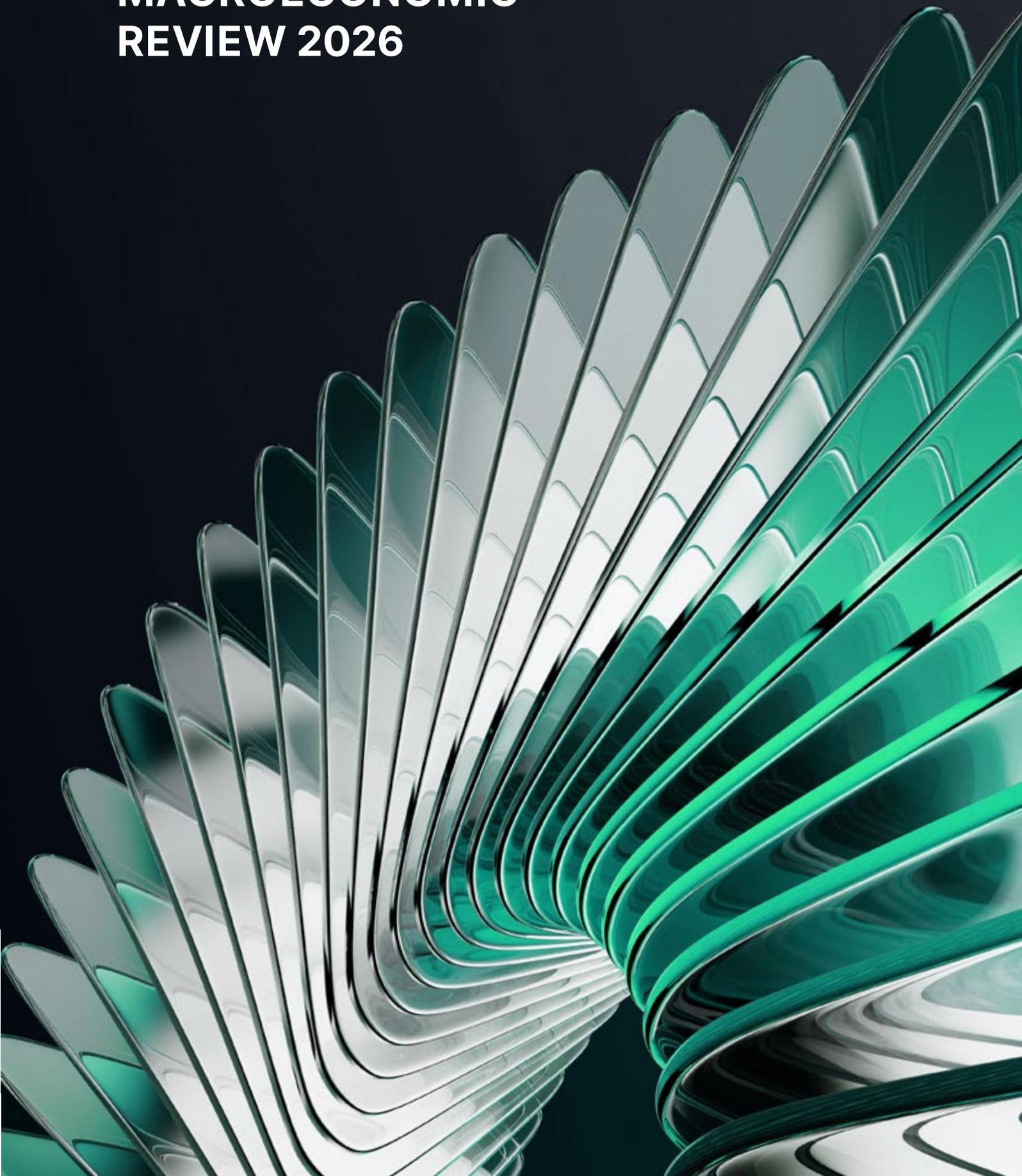


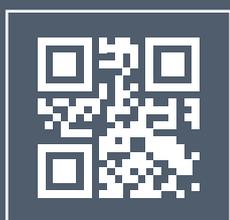
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MACROECONOMIC REVIEW 2026

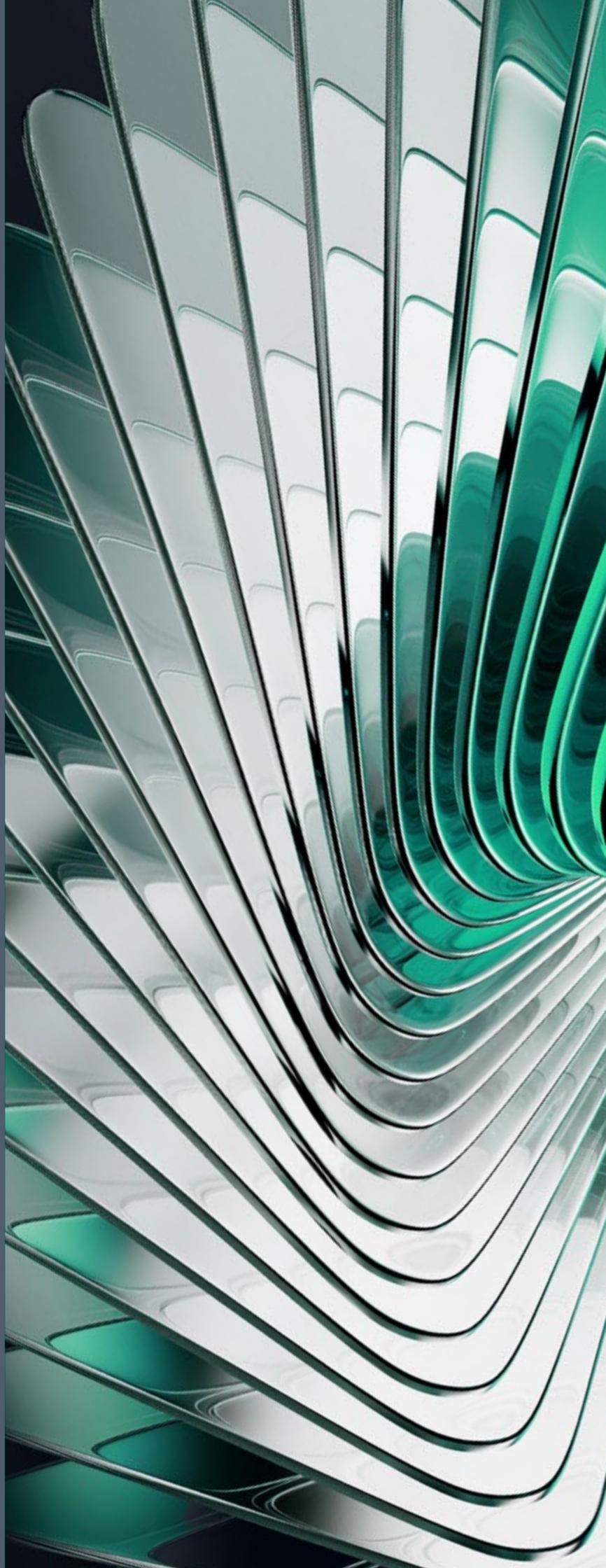


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*Electronic version of
the BCC Invest JSC
Macroeconomic Review
for 2026.*





Daniyar Shayakhmetov,
Chairman of the Management Board

Dear Clients and Partners,

The BCC Group comprises seven strategically integrated business units, anchored by Bank CenterCredit, a leading institution in Kazakhstan's financial sector. As of end-2025, the Group's assets exceeded KZT 8.5 trillion, supported by a nationwide network that keeps us attuned to the evolving needs of businesses and households. BCC Invest JSC plays a central role in this ecosystem.

Holding top positions among Kazakhstan's leading investment firms and expanding our footprint in capital markets, we closed 2025 as market leader:

- No. 1 in net profit among investment firms;
- No. 1 in IUIF (Interval Unit Investment Fund) returns;
- Leading the market with a 51% share of IUIF assets under management.

This performance is underscored by external accolades:

- Best Investment Bank in Kazakhstan 2025 from International Business Magazine;
- Corporate rating upgrade to Ba2 (Stable) by Moody's;
- Best Underwriter and Market Maker at the 2025 KASE Awards.

We are also advancing market infrastructure. Together with our partners, we launched the KASE SME Qadam Bonds programme, which provides SMEs with access to debt market financing and lowers barriers to entering the capital market.

We approach 2026 with a cautiously optimistic outlook, notwithstanding ongoing external risks and structural shifts in the global economy. Growth persists, but its drivers are becoming uneven, and the global financial system is increasingly fragmented. Central bank actions, geopolitical tensions, and technological disruptions are shaping a dynamic – and increasingly volatile – macroeconomic environment.

In this context, BCC Invest JSC aims to deliver reliable insights, enabling informed and forward-looking investment decisions in uncertain markets. We are convinced that long-term success hinges on rigorous analysis, discipline, and the ability to adapt in a timely manner. This is the value we aim to deliver to our clients and partners.

We trust this Macroeconomic Review will support your strategic decision-making.



Alibek Urazakov,
Deputy Chairman
of the Management
Board

Dear Clients and Partners,

Economists anticipate that the global macroeconomic environment in 2026 will continue to face mounting systemic risks. Drawing on historical precedents, imbalances across monetary, political, and economic domains are heightening the probability of nonlinear outcomes. That said, elevated volatility is not anomalous and, with sound policies, can serve as a catalyst for reshaping economic and institutional frameworks.

As noted in a prior report, the 2020s echo the "Roaring Twenties" of North America and Western Europe: elevated equity valuations relative to corporate earnings, rising tariffs, and uneven growth. In this environment, investors would be well-advised to intensify their diversification efforts.

This explains the record ETF inflows in 2025, with a record number of new fund launches, 83% of which were actively managed ETFs. Similar trends are emerging in the Kazakhstani market, where demand for professionally managed, diversified products

is rising. Our unit investment funds exemplify this approach — offering broad diversification through a single actively managed vehicle.

In 2025, our funds again delivered strong performance, ranking as the top-performing funds in Kazakhstan. The tenge-denominated IUIF Razumny Balans generated a 24.7% return, while the USD-denominated IUIF Valyutny achieved 21.9%, inclusive of dividends paid. These results have cemented our position with over 50% of IUIF assets under management, making us the undisputed market leader.

We are further developing the trust management market, having launched Kazakhstan's first Sharia-compliant fund — IUIF Wardat al Hayat. This fund invests solely in approved Islamic investment instruments (predominantly sukuk), ensuring transparency and compliance with ethical standards.

We are also preparing to launch two new funds:

- Kazakhstan's first ETF tracking the KASE Index, replicating the performance of the 10 largest listed companies;
- MBM Index KASE ETF – designed around a more conservative model focused on government bonds and money market instruments.

Amid evolving macroeconomic conditions, our solutions emphasise long-term sustainability and proactive risk management on a daily basis. Thank you for your confidence – we welcome ongoing dialogue.

IUIF Disclosures

IUIF CenterCredit – Razumny Balans (ISIN: KZPF00000231, registered 21 Dec 2006): 21.77% return over 12 months (as of 19 Jan 2026). IUIF CenterCredit – Valyutny (ISIN: KZPF00000058, registered 23 May 2017): 19.07% return over 12 months (as of 19 Jan 2026). IUIF BCC Elite (ISIN: KZPF00000553, registered 28 Jan 2020). IUIF Wardat al Hayat (ISIN: KZPF00000900, registered 31 Jul 2024). Returns calculated for the period 19 Jan 2025–19 Jan 2026, inclusive of dividends paid.

Disclaimer: Before transacting in units of the investment funds managed by BCC Invest JSC, investors should review the fund prospectus, investment policy statement, and fund rules. Investments involve risks, including potential loss of principal or failure to achieve expected returns, as well as associated costs. Unit values may increase or decrease. Past performance is not indicative of future results. The Republic of Kazakhstan does not guarantee returns on investment funds.

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BCC Invest JSC is one of the leading investment companies of Kazakhstan. We offer a wide spectrum of investment products that will help effectively manage your capital

Moody's Rating – “Ba2”, outlook – “Stable”

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* according to NB RK data.





Sultan Zhumagali,
Head of Research, BCC Invest JSC

We present our annual Macroeconomic Review, featuring forecasts and development scenarios for the global and Kazakhstani economies in 2026. This document reflects the consensus view of the BCC Invest JSC research team on key macroeconomic parameters, uncertainty factors, and potential economic trajectories for the coming year.

We believe it is essential not only to issue forecasts but also to evaluate them against actual outcomes. Comparing forecasts with actual results allows us to

understand which elements of our analysis proved robust – and which did not, and why.

Table 1. Forecasts vs. Actual Results

Macroeconomic Forecasts for Kazakhstan	Jan 2025 forecast	Sep 2025 forecast	Actual 2025	2026 forecast
GDP growth (% y/y)	4.4	6.1	6.5	5.4
Inflation, % year-end	8.9	12.7	12.3	11.2
Key Rate, % year-end	15.25	17.00	18.00	16.50
USD/KZT, annual average	528.1	526.8	521.6	530
USD/KZT, year-end (baseline scenario)	533.4	547.4	511.5	553
USD/KZT, year-end (optimistic scenario)	506.1	530.0		547
USD/KZT, year-end (pessimistic scenario)	561.9	541.1		570
Brent crude oil price, USD/bbl	70	65	60.9	57
Target Prices for Kazakhstani Equities (KZT)				
Kazatomprom (KZAP)	23,500	28,083	28,059	31,472
Kaspi.kz (KSPI)	88,054	57,922	40,390	57,955
KazMunayGas (KMGZ)	18,316	19,397	21,720	20,875
KEGOC (KEGC)	1,778	1,778	1,555	1,778
Global Markets and Commodities Forecasts				
S&P 500	6,700	6,700-7,000	6,845	7,700
Gold, troy oz (USD)	3,000-3,200	4,000	4,386	5,500
Bitcoin (USD)	200,000	160,000-180,000	87,711	100,000

2025 Results – Review of Forecast Accuracy

1. GDP. Our approach to assessing economic growth was conservative and aligned with forecasts from international institutions (World Bank – 4.7%, IMF – 4.8%). Actual economic growth came in at 6.5%, exceeding expectations, including the Government's projections (5.6%). The main contributions came from the expansion of production at the Tengiz field and large-scale fiscal stimulus.

2. Inflation. Actual inflation at end-2025 stood at 12.3%, considerably exceeding our January forecast of 8.9% – which was itself the most conservative among peer institutions (NBK: 6.5–8.5%, EADB (Eurasian Development Bank): 6.1%, IMF: 6.9%, World Bank: 6.7%). The trajectory of inflation aligned with our expectations, including a peak in the second half of the year.

The higher-than-expected level stemmed from sharper increases in food prices, with Russia accounting for an estimated 70% of food imports. Furthermore, pressure persisted from the currency channel, as the tenge weakened against the Russian ruble throughout the year.

3. Key Rate. Our scenario assumed the NBK would maintain tight monetary policy throughout 2025. The acceleration of inflation across key metrics led to additional tightening. In October, the key rate was raised from 16.5% to 18.0%, exceeding our September expectations. The primary objective of the tightening was to prevent the formation of an inflationary spiral.

4. USD/KZT Exchange Rate. Overall, our expectations for the average annual exchange rate were realised, and by year-end, the optimistic scenario was achieved. Exchange rate dynamics followed the pattern typical of the tenge – gradual weakening over the course of the year. However, the key rate increase to 18.0% spurred heightened investor interest in government securities and a surge in carry trade activity.

5. Oil. In 2025, oil prices declined by 18–19%, with the average Brent crude price falling from \$82 to \$69 per barrel. The main factors were more subdued fuel demand growth and a robust supply increase from OPEC+ countries.

6. Target Prices for Kazakhstani Equities. 2025 was once again a strong year for the KASE Index, allowing some of our forecasts to significantly exceed initial estimates. Regarding Kaspi.kz shares, our medium-term outlook remains positive; however, the company's Turkish operations continue to be in a phase of active investment and elevated costs, which is weighing on the share price.

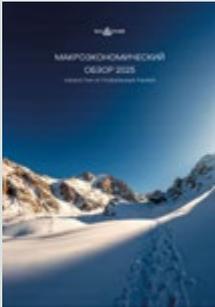
7. S&P 500. Our expectations were borne out: the S&P 500 hit new all-time highs, gaining approximately 15% for the year.

8. Gold. We viewed gold as a key risk-hedging instrument. However, the scale of the rally significantly exceeded January expectations: from the start of the year, the price rose more than 60%, setting fresh all-time highs on more than 50 occasions.

9. Bitcoin. Our forecast for the crypto market was positive. The scenario of a short-term Bitcoin correction at the start of the year followed by recovery played out as expected. Nevertheless, after reaching peak values in October, the market shed approximately 24% of its market capitalisation in Q4, amid concerns about AI-sector overheating and diminishing expectations for Fed policy easing.

[↪](#) For a detailed overview of previous macroeconomic forecasts, please refer to our earlier publications:

Macroreview 2025 (January)

Updated Macroreview 2025 (September)




2026 Outlook

Our review of 2025 forecast accuracy informed our 2026 projections. We refined several models – for example, incorporating the utility tariff freeze into the Kazakhstan inflation model, and adding carry trade parameters to the USD/KZT exchange rate model.

In the currency block, the baseline scenario assumes a gradual trajectory: an average annual USD/KZT rate of approximately 530, with a year-end rate of 553 tenge per US dollar. This embeds a gradual decline in oil prices to approximately \$52 per barrel by December 2026. Fundamental pressures on the tenge remain, though our baseline scenario does not incorporate a sharp devaluation.

The sharp rise in price levels last year significantly shaped market conditions. Tight monetary policy will persist into 2026, and the expected mid-year rate-cutting cycle will remain contingent on inflation risk containment.

We believe that **the primary inflation risk for Kazakhstan in 2026 stems from exchange rate dynamics – specifically, the potential weakening of the Russian ruble against the US dollar.**

Based on various assessments from Russian investment houses, the ruble is forecast at 85–100 RUB/USD by year-end, implying depreciation of 10 to 28%. The ruble's trajectory will be driven by a combination of declining hydrocarbon revenues and monetary policy easing.

Additional pressure may come from a reduction in FX supply on the market due to the abolition of mandatory export revenue repatriation requirements, the continuation of sanctions that complicate external settlements, and a rising risk premium on the ruble. As Russia is Kazakhstan's primary goods supplier, this raises the risk of inflation accelerating via non-monetary channels, limiting the transmission of monetary policy tightening.

Overall, 2026 shapes up as a year of significant macroeconomic developments. Key events and decisions may produce delayed or ambiguous effects, making the careful interpretation of macroeconomic signals particularly important.



Fundamental pressures on the tenge remain, though our baseline scenario does not incorporate a sharp devaluation

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About BCC Group

BCC Invest JSC is a subsidiary of Bank CenterCredit JSC,
one of the systemically important banks in the Republic of Kazakhstan

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sabr  **insurance**

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IT Company

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02

Kazakhstan Economy

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Aidos Taibekuly, macroeconomist

Economic Growth

For the full year, Kazakhstan's GDP posted unexpectedly strong growth of 6.5%. Growth was driven primarily by the oil extraction sector,

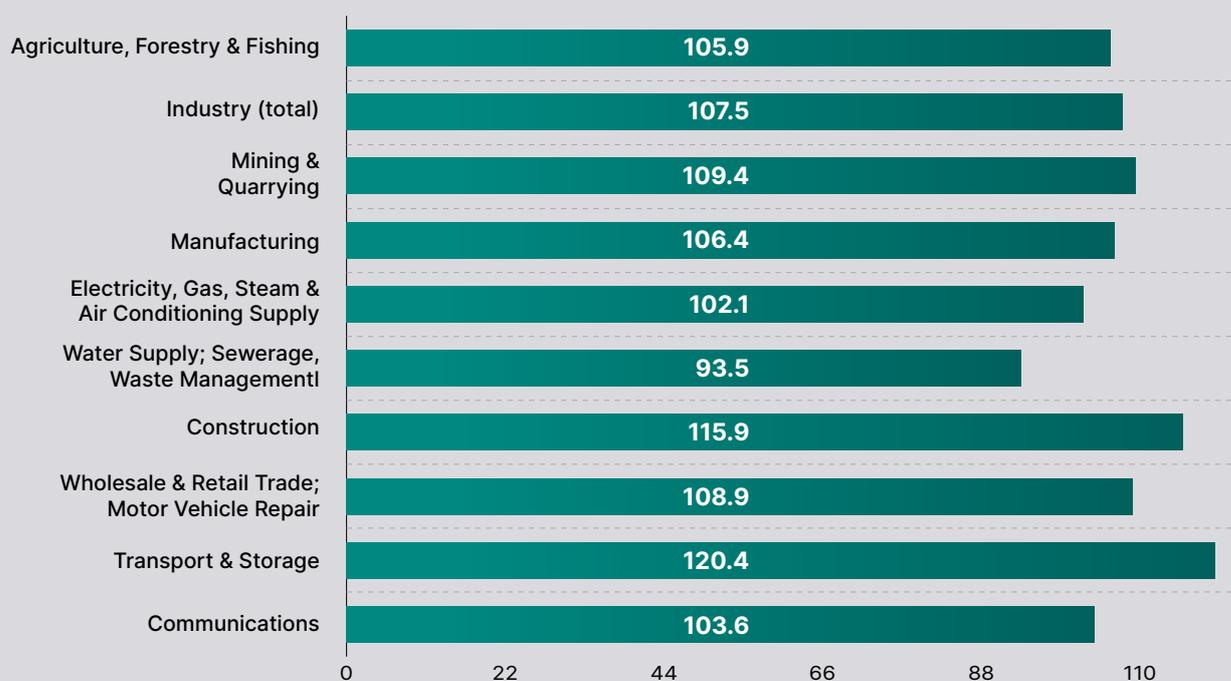
construction, and wholesale and retail trade, with pronounced regional concentration of economic activity – growth was concentrated in the major cities.

Construction as a Driver of Economic Growth

The construction sector nationally remained one of the key sources of growth: the sector index exceeded 115% for most of the year. Growth was supported by both government infrastructure investment and large-scale corporate projects, primarily in Astana, Almaty, Shymkent, and Turkestan Region.

The composition of construction points to the dominance of non-residential properties and structures at the national level (more than KZT 9 trillion, or 84% of the total), confirming the infrastructure-driven nature of current economic growth.

Figure 1. Growth by Key Sector (physical volume index, % of same period prior year)



Source: Bureau of National Statistics of the Republic of Kazakhstan (BNS RK)



In 2026, we expect economic growth to slow to 5.4%

Trade and Price Factors

Wholesale trade growth was largely driven by higher state procurement volumes and investment demand. For full-year 2025, wholesale trade turnover amounted to KZT 53.5 trillion, with 82% attributable to non-food goods and industrial/capital goods, which grew 112.1% y/y. Particularly high wholesale trade growth was recorded in Turkestan Region (non-food goods: +224.8% y/y), Akmola Region (+173.3% y/y), Almaty city (+111.8% y/y) and Astana city (+106.8% y/y).

Alongside this, a substantial contribution to economic growth was made by the transport and storage sector, where the physical volume index consistently exceeded 120% throughout the year. This growth was driven by several concurrent real-economy factors:

Pipeline transport volumes increased on the back of higher oil production and expanded export and transit deliveries (+15.0% y/y), directly reflecting increased physical throughput of hydrocarbons – both domestic and in transit.

Railway freight volumes grew on the back of increased transit of Chinese goods through Kazakhstan, primarily along the China–Uzbekistan corridor. Rail freight volumes rose 6.8% y/y, while in Turkestan Region railway freight increased by 30.6% y/y, reflecting growth in both transit flows and domestic logistics.

In regional terms, particularly high freight growth across all transport modes was recorded in Zhetysu Region (+142% y/y) and Turkestan Region (+130% y/y), attributable to the concentration of transit flows from China and the location of the main border crossings in these regions.

In 2026, we expect economic growth to slow to 5.4%. The forecast incorporates a substantial reduction in transfers from the National Fund, the gradual exhaustion of the Tengiz field expansion effect, and the impact of lower oil prices and the NBK's continued high interest rates.

Inflation

Inflationary pressure remained elevated and persistent throughout 2025. Year-end CPI stood at 12.3%, up from 8.9% at the start of the year, after peaking at 12.9% in September. Non-monetary factors dominated the inflation structure, driving the majority of price increases.

Food prices made the largest contribution, peaking at 13.5%. This reflects heavy reliance on food imports, particularly from Russia, which accounted for over 70% of food imports. Russian goods have been rising in price as a result of the classic war economy effect, where war-driven fiscal stimulus has increased liquidity in the economy, stoking broad inflationary pressure across other sectors. More expensive Russian goods then arrive in the Kazakhstani market carrying additional logistics costs. Currency passthrough added further pressure, with the tenge depreciating 21% against the ruble over the year. As a result, price growth in this segment is entrenched and relatively unresponsive to monetary tightening.

Non-food inflation accelerated progressively, reaching 11.1% by December. Services inflation spiked to 16.1% in June but moderated in the second half of the year following an administrative freeze on utility tariffs in effect through March 2026.

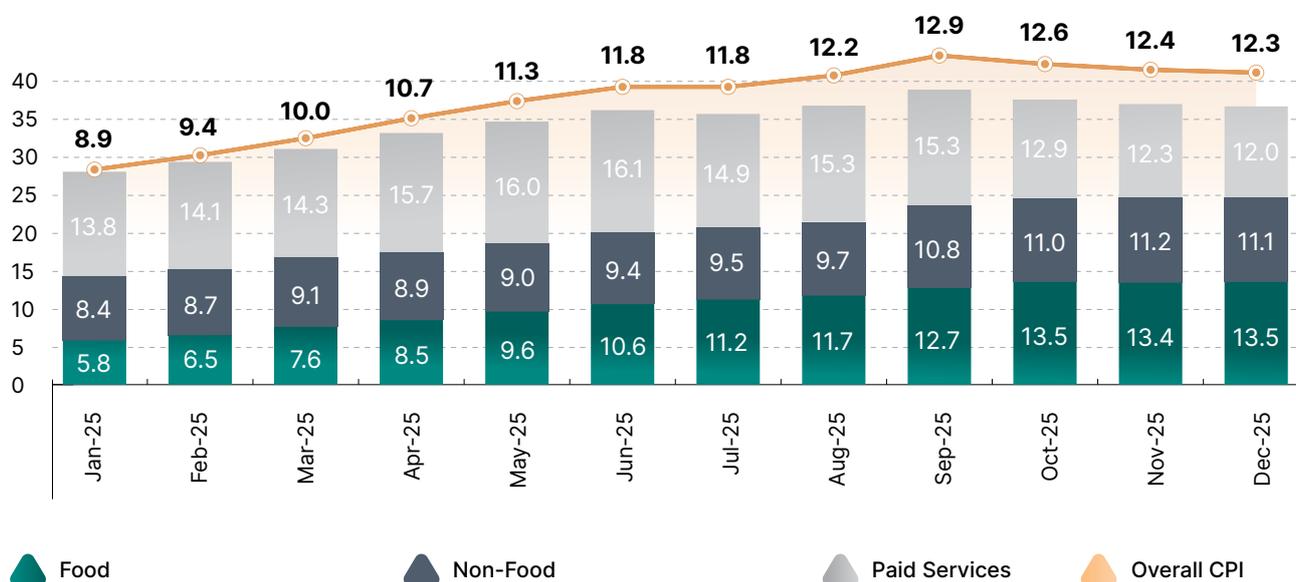
While the NBK's key rate effectively curbs monetary inflation and credit demand, its impact on imported and structurally driven inflation – fuelled by fiscal stimulus and structural imbalances – remains limited. This sustains inflationary pressure and reduces the effectiveness of monetary tools alone in combating price growth.

Inflation Forecast for 2026

For 2026, we project a gradual and modest deceleration in inflation relative to 2025. Under the baseline scenario, year-end inflation is estimated at approximately 11.2%.

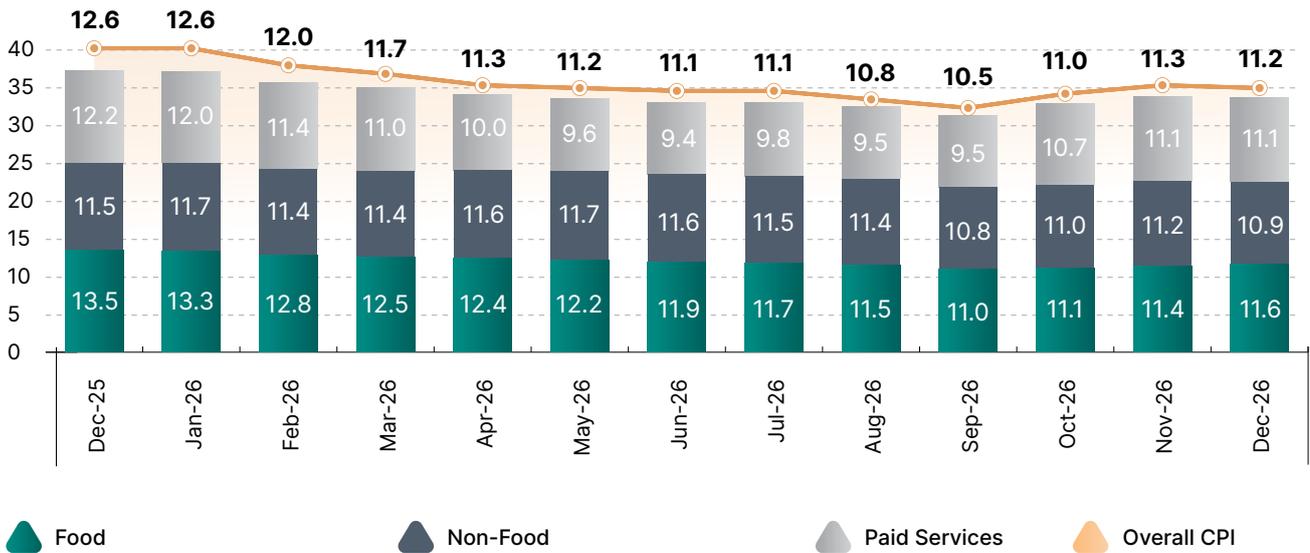
The gradual slowdown in price growth in 2026 reflects, on one hand, weaker economic

Figure 2. Inflation in 2025 (% , year-on-year, by category)



Source: BNS RK

Figure 3. Inflation Forecast for 2026 (% , year-on-year, by category)



Source: BCC Invest JSC calculations

momentum relative to 2024–25 and, on the other, the maintenance of relatively tight monetary conditions. A constraining factor for more favourable disinflation will be the effect of the VAT rate increase to 16%. At the same time, we do not expect a shock price spike, as part of the fiscal pass-through was already incorporated into prices in 2025. It is also important to account for the role of administrative measures by government bodies to prevent sharp price jumps.

Overall, the forecast points to structurally elevated inflation persisting throughout 2026. Even with a slowdown in economic growth and the maintenance of relatively tight monetary policy, a return of inflation to single-digit levels is not expected in the baseline scenario.



Tenge Exchange Rate

Tenge dynamics in 2025 broadly followed the pattern typical of the currency: gradual weakening or even a degree of strengthening in H1, with volatility emerging from mid-year. A significant inflection point came in July, following public statements by the Government indicating that budget parameters were based on an oil price of \$60 per barrel and a rate of KZT 540 per US dollar. This statement was interpreted by the market as a signal for a weaker exchange rate, triggering a brief sell-off accompanied by sharp tenge depreciation.

In response, the NBK conducted FX interventions totalling KZT 125.6 billion, which helped smooth exchange rate spikes and halt the panic-driven weakening of the national currency. Subsequent monetary policy tightening lent support to the tenge. The key rate hike to a record 18.0% boosted investor demand for government securities. Against the backdrop of the NBK's continued hawkish guidance and its stated intention not to lower the rate before at least June 2026, non-resident capital inflows intensified, contributing to tenge strengthening in the second half of the year.

An important additional factor was the NBK's expansion of its gold mirroring operations (sales of gold on KASE to absorb tenge liquidity) to a record KZT 475 billion per month from October. Elevated gold prices broadly enabled the regulator to withdraw a substantial volume of liquidity from the market, thereby supporting the national currency.

At the same time, fundamental pressure on the tenge exchange rate persisted. It stemmed from a deepening fiscal deficit, as well as from falling global oil prices, which reduced the inflow of export FX revenues. The seasonal factor also remained significant: in the summer months, demand for foreign currency from businesses and households traditionally intensifies, driven by equipment imports, the active construction season, and growth in foreign travel.

As a result, the tenge in 2025 was shaped by competing forces: on one side, tight monetary policy and NBK operations restrained depreciation and supported temporary strengthening; on the other, fundamental macroeconomic imbalances continued to exert pressure on the national currency.

Figure 4. USD/KZT Exchange Rate in 2025

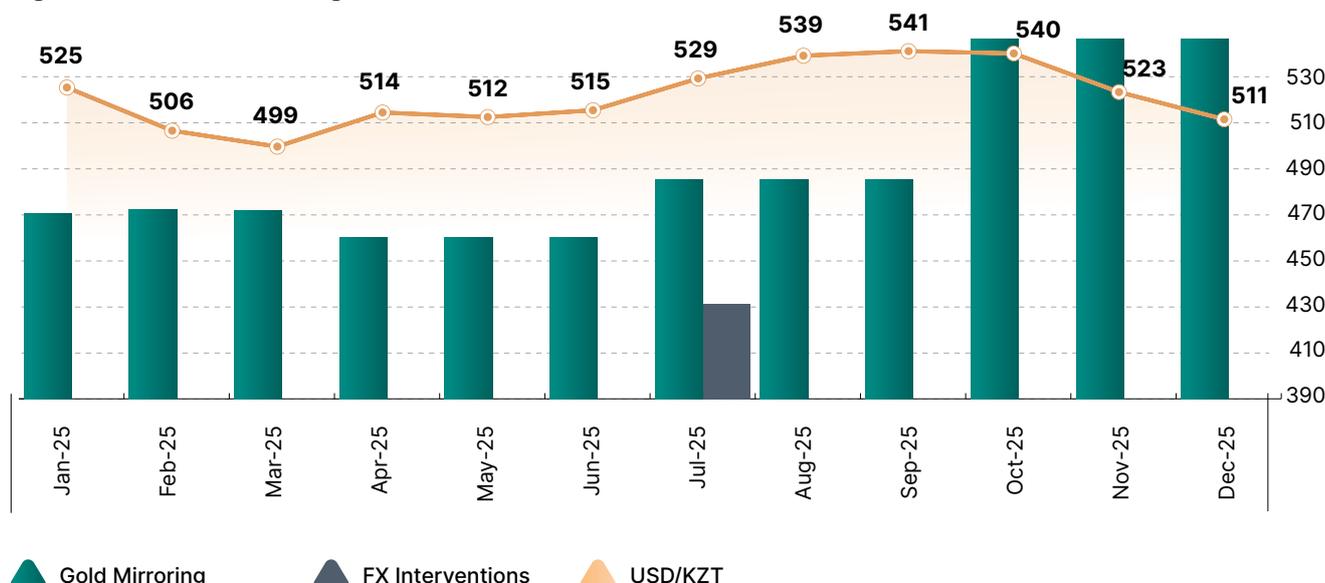
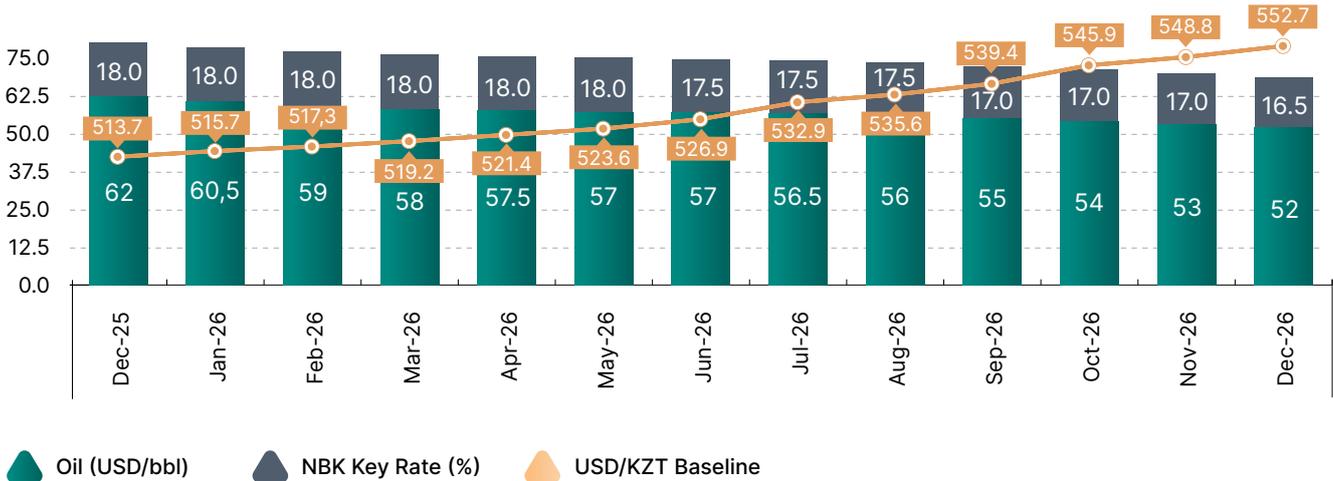


Figure 5. USD/KZT Exchange Rate Forecast for 2026



Source: BCC Invest JSC calculations

2026 Exchange Rate Forecast

For 2026, our baseline assumes a gradual decline in oil prices from \$62 per barrel at end-2025 to \$52 by December 2026, alongside the maintenance of relatively tight monetary policy in H1, which will restrain tenge depreciation through the high key rate (18.0%), sustaining investor demand for government securities.

In the second half of the year, from the summer months, a more pronounced weakening of the exchange rate is expected as the rate-cutting cycle begins, seasonal FX demand rises, and oil prices

decline further. Even in this period, a sharp devaluation is not in our baseline: oil-side pressure will be partially offset by restrained or even negative USD dynamics, the declining weight of the oil sector in Kazakhstan's economy, and the gradual development of services exports and select non-commodity sectors – providing additional, though still limited, FX inflows.

Under the baseline scenario, the average annual USD/KZT rate in 2026 is estimated at approximately 530, with a year-end rate of 553 tenge per US dollar.

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The average annual USD/KZT rate in 2026 is estimated at approximately 530, with a year-end rate of 553 tenge per US dollar



Foreign Currency Licence from BCC Invest JSC – Direct Access to the KASE Currency Market

In 2024, BCC Invest JSC obtained a foreign currency licence enabling it to conduct exchange transactions with foreign currency

on the KASE currency trading platform. **Daulet Beis, Director of the Trading Operations Department** at BCC Invest JSC, explains to Kapital magazine the benefits this licence delivers to the company's clients.

- Daulet, what is a foreign currency licence and what are its advantages?

A foreign currency licence is an official permit issued by the Agency for Regulation and Development of the Financial Market. It grants professional securities market participants the right to conduct non-cash foreign currency transactions. For us, this primarily means direct access to the KASE currency trading platform, where transactions are executed without the involvement of intermediary banks. The licence allows us not only to buy and sell currency for clients, but also to offer more complex solutions – hedging of currency risks, optimisation of settlements under foreign trade contracts, and integration of currency operations into investment strategies. As a result, clients receive more competitive exchange rates, swift order execution, and a broad set of instruments for effective currency management. For us, the foreign currency licence is not merely a new status – it is an instrument that works directly in clients' interests. It opens doors to new markets, accelerates processes, and allows us to stay one step ahead, offering solutions that until recently seemed out of reach.

- How long did it take to obtain the licence, and what steps were taken?

The process took nearly a year. We began by building the necessary infrastructure: modernising IT systems and integrating new modules for currency operations. In parallel, meticulous work was carried out on collecting and preparing the required documents, conducting the necessary audit, and bringing internal regulations into full compliance with the regulator's requirements.

We paid particular attention to foreign currency control – building a system that ensures all reporting and transaction-confirmation obligations are fulfilled accurately and on time. Every process was thought through – from transaction execution to compliance checks – to ensure everything operates clearly and transparently. Ultimately, we received regulatory approval and confirmation of our readiness to operate under the new regulatory framework.

- What advantages does the licence create for the company in the local and international markets?

In the domestic market, we gained the ability to operate on equal footing with the largest banks while preserving our flexibility and personalised approach. As for the international dimension, the licence creates a foundation for further entry into foreign markets and expansion of our range of currency instruments. This is a trajectory we have already begun working towards, with the aim of offering clients an even broader set of solutions in the future.

- How does the licence benefit the company's clients?

For clients, this is primarily about convenience and value. By eliminating intermediaries from the process, transactions are completed faster and at competitive market rates. If a client is active in the international economy – investing in bonds of foreign issuers – this becomes a meaningful competitive advantage. For those who remain within the domestic market, it opens new opportunities for capital management and investment diversification.



 For more information about the company and its services, please visit: <https://www.bcc-invest.kz>

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State Budget

In 2025, the state budget deficit widened by 11.4% to reach KZT 4.0 trillion, or 2.5% of GDP. One of the key reasons was the faster growth of budget expenditure relative to revenues: spending increased 8.0% year-on-year, while revenues rose 7.5%. An additional factor was the sharp expansion of budget lending to sectors of the economy. Net budget lending (excluding interest receipts) amounted to KZT 149 billion, up 28% year-on-year, also exerting pressure on the deficit.

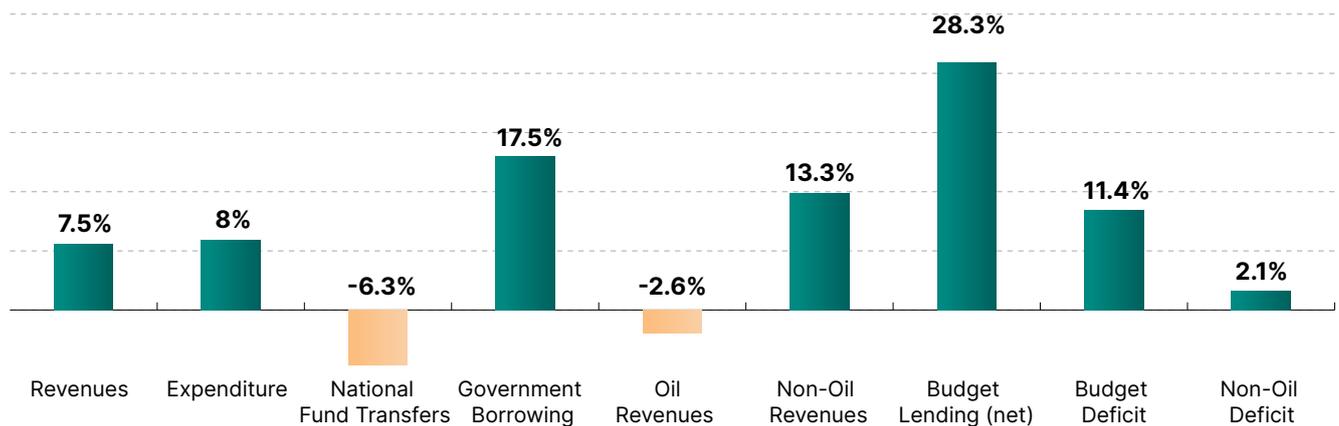
The non-oil deficit continued to deepen, reaching KZT 10.8 trillion – 2.1% above the 2024 level. The pace of its growth, however, remains lower than that of the overall deficit, reflecting the gradual decline in the oil sector's contribution to budget revenues. The share of oil revenues in the budget fell from 37% to 33%, mainly due to a 6.3% reduction in annual transfers from the National Fund. Although another oil revenue channel – export customs duties on crude oil (flowing directly into the budget) – recorded significant growth of 10%.

Against the backdrop of weakening oil funding sources, the role of borrowing in covering the budget deficit increased markedly. Government borrowing volumes rose 17.5% y/y, while principal debt service payments grew even more substantially – by 22%. This was accompanied by accelerated growth of debt-servicing expenditure. Specifically, interest payments on the principal debt reached 10.4% of total budget expenditure, versus 9.4% in 2024. For reference, in 2022 this figure stood at 7.4%.

The growing debt burden is gradually constraining fiscal flexibility and reducing the capacity to finance other priority areas. Education expenditure, for instance, declined to KZT 1.5 trillion, or 5.8% of total budget spending, versus 6.3% in the comparable period of the previous year. Under the Incheon Declaration, government spending on education should constitute 15–20% of total budget expenditure.

Overall, the structure of budget expenditure retains a social focus: the largest shares go to social assistance and social security (24% of expenditure) and fiscal transfers to local budgets (23%).

Figure 6. Key Budget Indicators, % y/y



Source: Kazakhstan Ministry of Finance (MoF)

External Trade

Goods exports declined 4% – from \$74 billion to \$71 billion, compared with the same period in 2024. The main driver of the decline was the oil sector: export volumes contracted by 7% (to \$36 billion), while physical volumes, by contrast, grew 7%. In other words, the decline in oil exports was driven primarily by the fall in global prices. Goods imports, by contrast, rose 6% to \$54.6 billion.

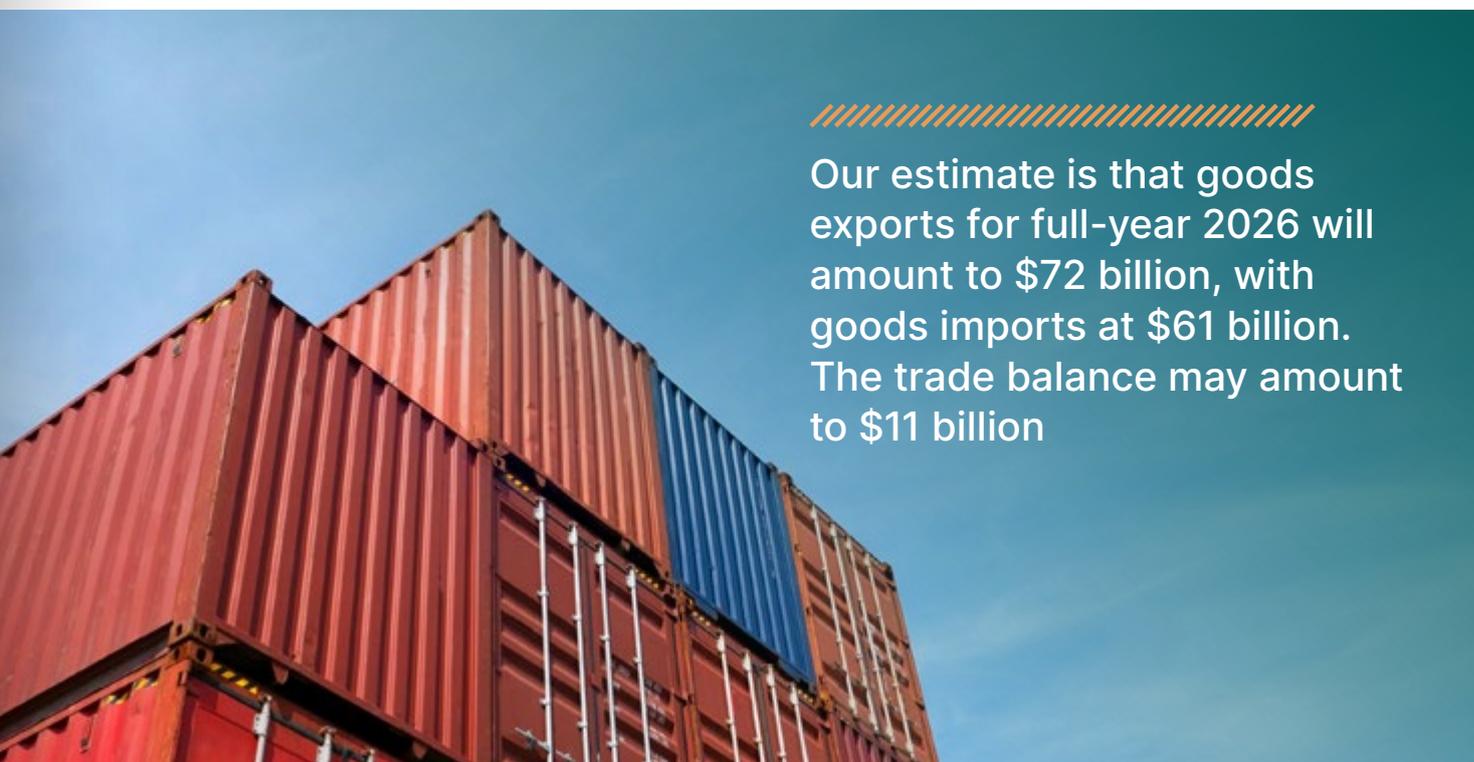
As a result, the trade balance surplus narrowed 31% – from \$19.6 billion to \$13.4 billion. If oil were notionally excluded from exports, the balance would turn negative – minus \$23 billion.

After years of growth, China's share in imports reached 29.1%, and Russia's 29.6% – despite the latter benefiting from a number of tariff and non-tariff preferences under the Eurasian Economic Union (EAEU) framework. If this trend persists over the long term, one can expect increased demand for the Chinese yuan and a growing role for it in foreign currency settlements.

Beyond oil, the decline in exports of other key Kazakhstani commodities also weighed on the total: refined copper (–3% by value and –8% by volume), uranium concentrate (–10% by value, with physical volumes up 5%) and copper ore (–11% by value and –23% by volume).

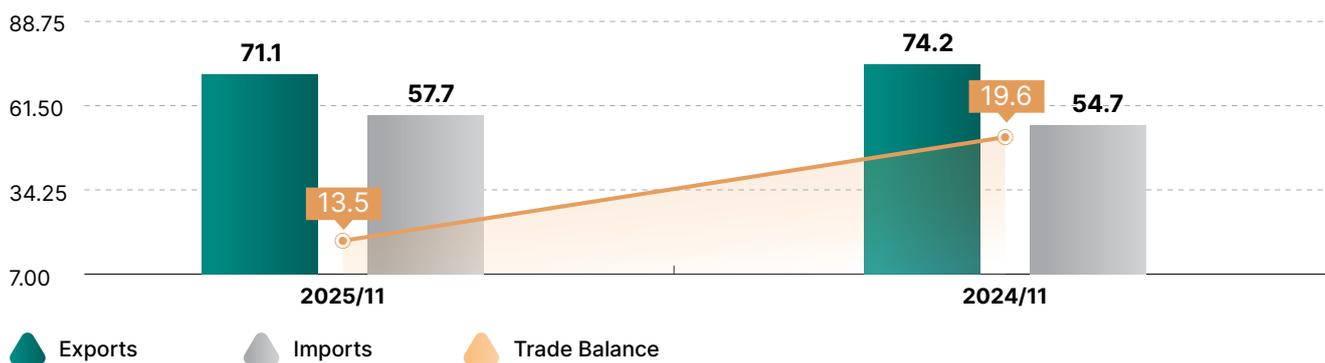
Unlike goods trade, services exports grew 5% over the first nine months of 2025 (from \$8.8 billion to \$9.2 billion), while services imports rose 5.8% (from \$9.6 billion to \$10.2 billion). The improvement was mainly driven by growth in revenues from transport and business services. The structure of services imports remained relatively stable: expenditure on tourism and transport services predominated.

According to the baseline scenario of Kazakhstan's National Socio-Economic Development Plan, exports in 2026 should reach \$77 billion. However, current dynamics point to a high probability of more modest growth. Our estimate is that goods exports for full-year 2026 will amount to \$72 billion, with goods imports at \$61 billion. The trade balance may amount to \$11 billion.



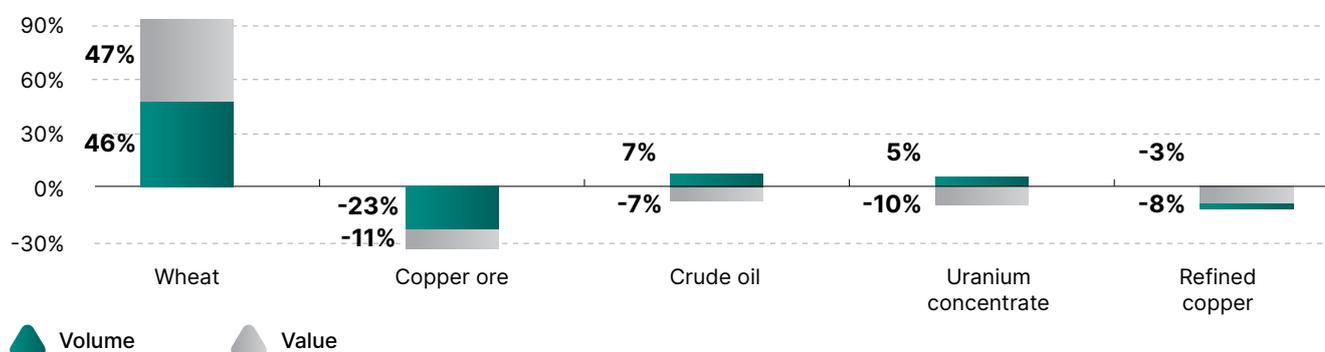
Our estimate is that goods exports for full-year 2026 will amount to \$72 billion, with goods imports at \$61 billion. The trade balance may amount to \$11 billion

Figure 7. External Trade – 11 Months 2025 (USD bn)



Source: BNS RK; BCC Invest JSC calculations

Figure 8. Export structure for 11 month of 2025



Source: BNS RK; BCC Invest JSC calculations

Agricultural Exports

Against the backdrop of a shifting external trade structure, the role of the agricultural sector in exports is growing. Wheat exports reached a record \$1.4 billion, up 47% year-on-year (for 11 months). Wheat's share in total exports increased to approximately 2%. Overall, agricultural sector exports exceeded \$6 billion, representing nearly 9% of the country's total exports.

Although this figure remains roughly one-sixth the level of oil export revenues, the gap between oil and agricultural exports has narrowed considerably.

For reference, in 2018 oil exports were approximately 14 times the size of agricultural exports, pointing to a gradual – though moderate – increase in the role of the agricultural sector in external trade and in the diversification of Kazakhstan's export structure.

Oil Export Outlook

Our oil market expectations are based on the assumption that over the medium term, global supply will exceed demand. This is driven on one side by increased output at new fields and capacity expansion by certain South American producers, and on the other by a slowdown in demand growth from China. Under these conditions, we expect the average annual Brent crude oil price to be approximately \$57 per barrel.

Domestically, we expect oil production to continue growing, driven primarily by the ramp-up of major upstream projects. However, against the backdrop of a lower price environment, the significance of the oil sector for the budget and the economy as a whole may gradually diminish, reinforcing the trend of declining contribution relative to previous years – including the current year.

Wages

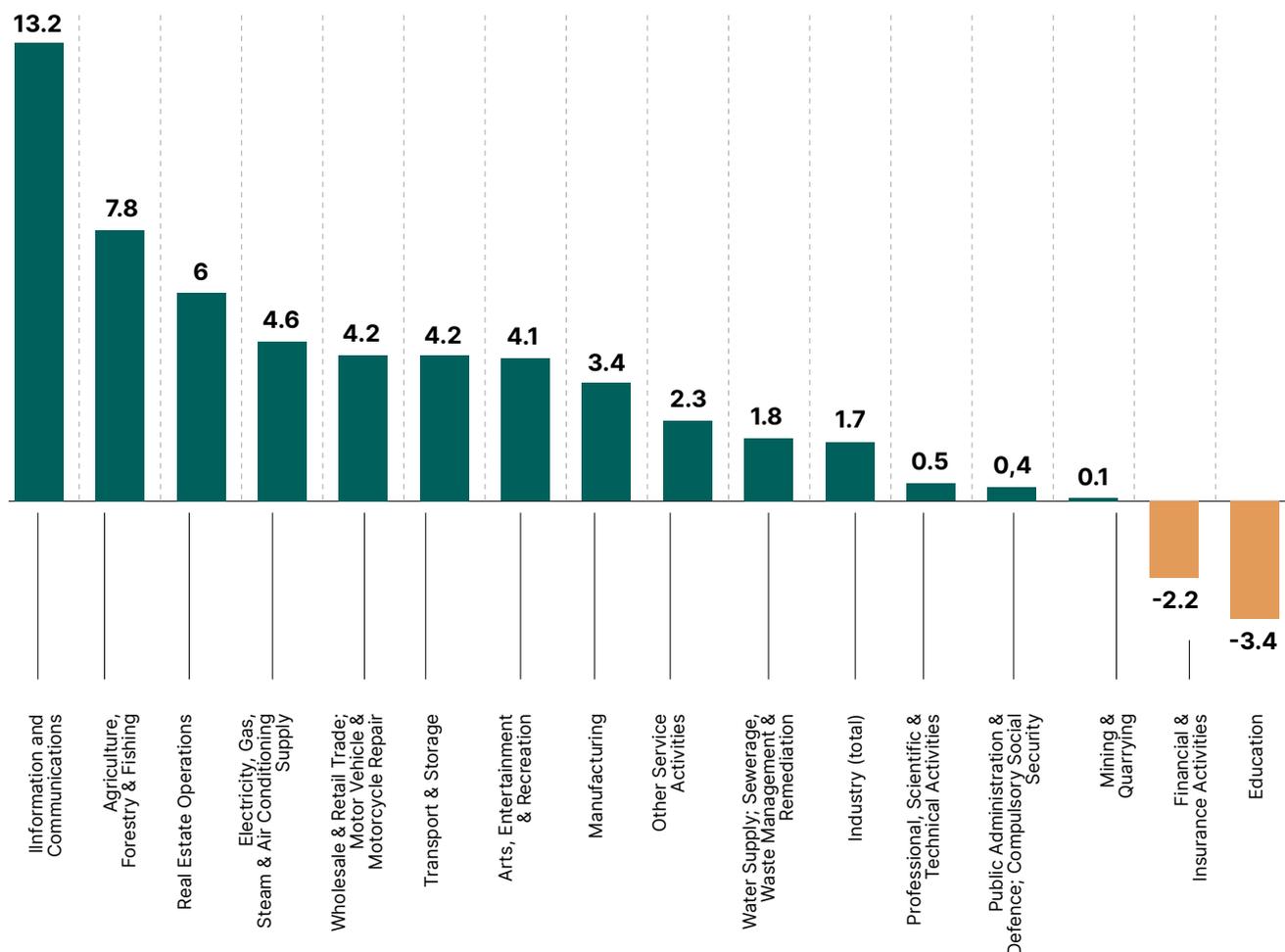
The average nominal wage for the first nine months of 2025 amounted to KZT 433,000, up 10.6% year-on-year. However, in real terms wages fell 0.4%, highlighting the impact of inflation on household incomes. Wage dynamics across sectors were uneven.

The largest nominal increase was recorded in the information and communications sector (+25%, to KZT 835,000). In agriculture, real wages increased by a record 7.1%, reflecting a low base effect – absolute wage levels remain the lowest of all sectors at KZT 299,000.

The sharpest real income decline was recorded in administrative and support services, where real wages fell 10.1% and have generally been stagnating since early 2024. This may reflect both staff reductions and broader cost-cutting among corporate employers and small and medium-sized enterprises (SMEs).

Wages also declined in real terms in education (-3.4%) and healthcare (-3.8%), linked to a reduced share of budget expenditure allocated to these sectors. The most adverse dynamics were observed in construction: wages fell both in real (-10.6%) and nominal (-0.8%) terms.

Figure 9. Real Wage Index by Sector (% , year-on-year)



Source: BNS RK; BCC Invest JSC calculations

03



Equity Research

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NAC Kazatomprom JSC (KAP)

9M 2025 Financial Results

KASE Ticker: KZAP

Target price (12M): 61\$

Potential: +10%

LSE Ticker: KAPq

Current price: 56\$*

Rating: BUY

December 2025

SC "NAC KazAtomProm" (hereinafter referred to as "the Group") published its operational results for the 9M 2025.

As a result of changes in the Group's financial indicators and changes in WACC, we have revised the price of one share to 61\$, with a potential growth of 10% from the current market price, accompanied by a BUY recommendation.

9M 2025 results based on the consolidated financial statements:

- As of the 9M 2025, the revenue growth was driven by higher uranium sales volumes, despite a decline in the average realized price following the drop in the spot uranium price.
- Uranium production volume increased by 12% as a result of a higher production plan. At the same time, the reduction in the annual production guidance at JV "Inkai" is not expected to have a material impact on the company's overall production plans for the year.
- Sales volume increased by 10% year-over-year, primarily due to the timing of customer orders and delivery schedules, which can vary significantly.
- As of the 9M 2025, the cost of sales decreased by 7%. The decrease was driven by lower expenses for materials, raw inputs, and processing services, which offset higher costs related to wages and salaries, depreciation, and taxes, resulting in an overall reduction in total cost of sales.
- The level of debt amounted to 209 bln KZT as of the 9M 2025, representing a 62% increase compared to the indicator in 2024.

Changes and updates to the valuation model:

The uranium spot price forecasts were revised based on Capital IQ and Bloomberg analytical databases.

The discount rate (WACC) was reduced to 15.6% in response to market changes. Additionally, uranium production and sales volumes were updated, and the net debt value was adjusted according to the results of the 9M 2025.

Financial indicators

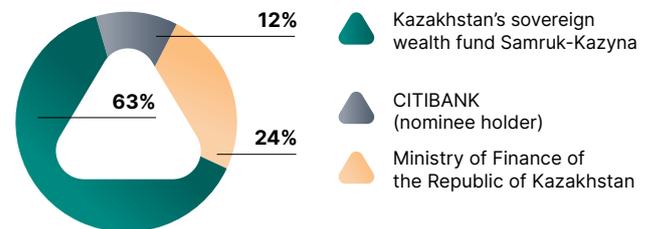
billions, ₸	9M 2025	9M 2024	Change (%)
Revenue	1,193	1,139	+5%
Cost of sales	(643)	(693)	-7%
Gross profit	550	446	+23%
Operating profit	498	399	+25%
Net income	533	745	+28%
Cash and cash equivalents	379	238	+59%

Margins

	9M 2025	9M 2024
ROA	23%	31%
ROE	30%	39%

Source: Company data, BCC Invest analysis

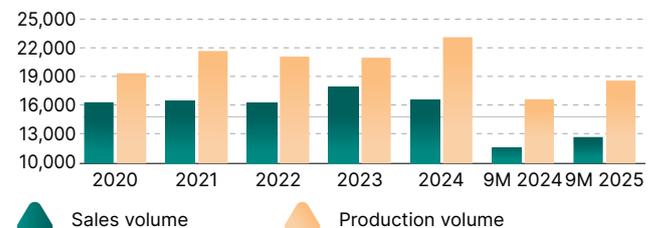
Shareholders



Market parameters

Number of shares issued (units)	259,356,608
Market capitalization (billion, ₸)	7,331
52-week min./max. (₸)	16,080-30,958

Operating performance, tons



Does not constitute investment advice

*Valuation date price

ALUA YESBOL, Chief Analyst

ayesbol@bcc-invest.kz

Kaspi.kz JSC (KSPI)

9M 2025 Financial Results

KASE Ticker: KSPI

Target price (12M): 111\$

Potential: +48%

NASDAQ Ticker: KSPI

Current price: 75\$*

Rating: Buy

November 2025

Kaspi.kz JSC (hereafter referred to as "the Company") has published its operational results for the 9M 2025. As a result, we have evaluated the value of one share at 111\$, with a potential growth of 48% from the current market price, with a BUY recommendation.

Company performance in 2025 was affected by disruptions in smartphone supply, an increase in the NBRK base rate, the introduction of a tax on income from government securities, higher mandatory reserve requirements, and the depreciation of the tenge, which led to additional provisioning. Despite these ongoing external pressures, Kaspi.kz continues to demonstrate strong resilience. Over 9M 2025, the Company's revenue increased by 61% YoY and net income rose by 9%, reaching KZT 791 billion including the contribution from Türkiye.

9M FY25 results based on the consolidated financial statements:

Kaspi.kz

Revenue has grown by 20% compared to the previous year, with the majority of this increase stemming from Marketplace revenue growth.

Marketplace. In the 9M 2025, revenue increased by 27% YoY, while net income grew by 13%. Total GMV reached KZT 4.7 trillion, reflecting a 15% YoY expansion driven by continued growth across key categories excluding smartphones.

Payments. Revenue and net income rose by 14% and 17% YoY, respectively. This performance was supported by a 21% YoY increase in TPV, driven by the ongoing expansion of Kaspi Pay and strong growth in B2B Payments.

Fintech. Revenue grew by 21% YoY. Low-risk BNPL loans remained the platform's core product, accounting for 39% of TFV. Lending to merchants and microbusinesses continued to expand at a faster pace than consumer loans, reaching 19% of TFV and further strengthening the diversification of the credit portfolio.

Hepsiburada

In the 9M 2025, Hepsiburada delivered mixed results. While revenue increased by 11% YoY, EBITDA declined by 35%, and the company reported a net loss of approximately – TRY 2.5 billion. The weaker profitability reflects higher provisioning and ongoing investments in delivery enhancements, BNPL solutions, and improvements to the mobile app.

At the same time, the continued growth in the number of purchases indicates a gradual recovery in customer activity.

Changes and updates to the valuation model:

The discount rate (WACC) was decreased to 17.3% due to market changes. Financial data has been updated, and the net debt value was adjusted according to the results of the 9M 2025.

Financial indicators

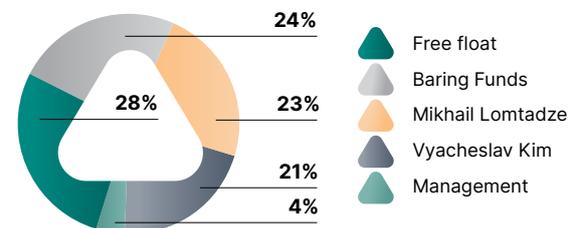
billion, ₸	9M 2025	9M 2024	Change (%)
Payments	481	421	+14%
Marketplace	1,358	498	+173%
Fintech	1,123	930	+21%
Operating expenses	(1,924)	(903)	+112%
Net income	791	740	+9%
Cash and cash equivalents	502	507	-1%

Margins

	9M 2025	9M 2024
ROA	11%	13%
ROE	47%	72%

Source: Company data, BCC Invest analysis

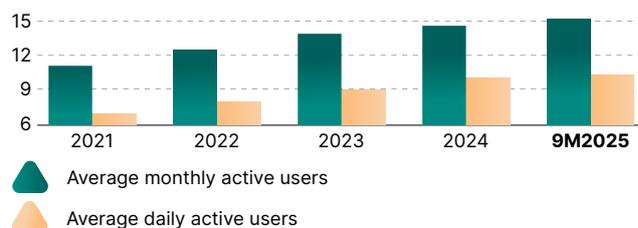
Shareholders



Market parameters

Number of shares issued (units)	216,742,000
Free float (%)	33%
Market capitalization (billion, ₸)	7,579
52-week min./max. (₸)	39,500–57,570

Operating performance, mln



Does not constitute investment advice

*Valuation date price

NC KazMunayGas JSC (KMGZ)

9M 2025 Financial Results

KASE Ticker: KMGZ

Target price (12M): 20,875₸

Potential: -3.8%

AIX Ticker: KMG

Current price: 21,700₸*

Rating: HOLD

December 2025

On November 24, the financial statements of KazMunayGas (hereinafter – the Company) based on the results of 9M 2025 were published, which demonstrated improvement in operational and financial indicators compared to 9M 2024.

As a result, we valued the cost of one share at 20,875₸ with a “Hold” recommendation.

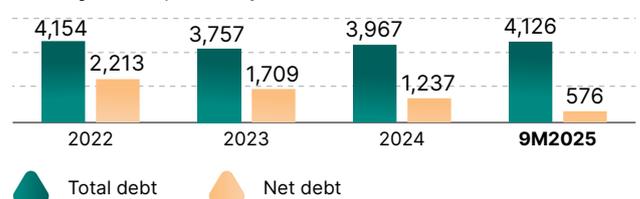
Financial and operational results based on the results of 9M 2025:

- Compared to 9M 2024, revenue from contracts with customers grew by 11.2% against the background of an increase in oil production volumes and refining volumes, with a decrease in oil transportation volumes.
- The volume of oil and condensate production of KMG for 9M 2025 grew by 10.0% – to 19,843 thousand tons. Growth is ensured by the launch of the Third Generation Plant at Tengiz and the stable operation of Karachaganak, whereas at Kashagan a slight decrease was recorded due to the increase in the gas factor.
- The total volume of oil transportation amounted to 62,503 thousand tons (-1.1%). The decrease is connected with the temporary suspension of supplies along the Aktau – Baku route and the modernization of tankers, while transportation via pipelines increased thanks to the growth of oil delivery from Tengiz and supplies to the domestic market.
- Sales volume of oil and condensate amounted to 19,922 thousand tons (+8.6%), of which 66.6% – export, and 6,661 thousand tons directed to the domestic market, including supplies to refineries to ensure the country's need for oil products.
- Hydrocarbon processing at refineries grew by 11.7% – to 15,770 thousand tons. Kazakhstan refineries processed 11,159 thousand tons (+3.7%) thanks to the continuous operation of PKOP, which was under repair last year. Romanian Petromidia and Vega increased processing by 37.1% – to 4,611 thousand tons, due to stable operation after the completion of capital repairs.
- Production of petroleum products increased by 13.5%, reaching 14,808 thousand tons, including gasoline – 4,660 thousand tons (+17.0%), diesel – 5,770 thousand tons (+20.0%). Growth is ensured by the increase in the yield of light petroleum products and the restoration of processing at Romanian refineries.
- Sales of petroleum products in the RK amounted to 4,105 thousand tons (+18.3%). Export of petroleum products decreased by 18.7%, to 411 thousand tons, mainly due to the reduction of sales of other products.
- Production of polypropylene at KPI grew by 68.4%, to 135.0 thousand tons, sales – by 54.7%, to 128.6 thousand tons. Sales on the domestic market increased to 13.7 thousand tons (+84.8%), export – to 114.9 thousand tons (+51.7%), predominantly to Turkey and Europe.

Financial indicators

billion, ₸	9M 2025	9M 2024	Change (%)
Revenue from contracts with customers	7,058	6,349	+11.2%
EBITDA	1,264	1,227	+3.1%
Net Income	978	867	+12.8%
CAPEX	398	444	-10.4%

Debt dynamics, billion ₸



Margins

	9M 2025	9M 2024
ROA (LTM)	6.3%	4.8%
ROE (LTM)	10.1%	7.8%

Source: Company data, BCC Invest JSC calculations

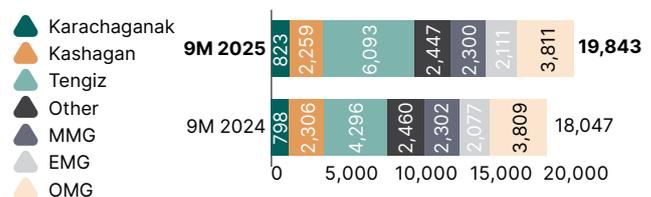
Shareholders

Sovereign Wealth Fund "Samruk-Kazyna" JSC	67.81%
SI "Ministry of Finance of the RK"	20.00%
National Bank of the RK	9.58%
Free float	2.61%

Market parameters

Number of shares issued (units)	610,119,493
Free float (%)	2.61%
Market capitalization (billion, ₸)	13,263.8
52-week min./max. (₸)	13,260–22,588

Oil and gas condensate production (KMG share), thousand tons



Does not constitute investment advice

*Valuation date price

IUIFs from BCC Invest

Unit Investment Funds (UIF) — a ready-made solution for those who want to invest without worries, trusting management to professionals

IUIF "CENTERCREDIT-VALYUTNY"

Reliable solution for currency investments

Currency: USD

Yield: 21.88%*

ISIN: KZPF00000058,
registration date: 23.05.2017

IUIF "CENTERCREDIT-RAZUMNY BALANS"

Balanced approach to yield and risk

Currency: KZT

Yield: 24.64%*

ISIN: KZPF00000231,
registration date: 21.12.2006

* Yield based on the results of 2025 considering dividends paid



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KEGOC JSC (KEGC)

9M 2025 Financial Results

KASE Ticker: KEGC

Target price (12M): 1,778₸

Potential: +27%

AIX Ticker: KEGC

Current price: 1,398₸*

Rating: BUY

November 2025

KEGOC JSC (hereinafter – the Company) published financial results of activity for 9 months of 2025.

Indicators of the company's operational activity in the reporting period demonstrated stability, without significant deviations.

As a result, we maintained the value of one share at 1778₸, with potential growth of 27% from the current market price, with a "Buy" recommendation.

Results of financial statements for 9 months of 2025:

- Revenue reached 278.9 billion tenge, which is 46.6 billion tenge higher than in the previous year. The increase by 20% is conditioned by the growth of income from the sale of electricity for the purpose of compensating the interstate balance of flows by 87%, growth of receipts from the service for the use of the NES by 20%, as well as by the growth in services for the organization of balancing the production and consumption of electricity by 18%.
- The cost of sales increased compared to the previous year by 27%. The main contribution to growth was made by expenses for the purchase of balancing electricity on the BEM RK by 89%, as well as technological consumption of electric energy, which grew by 47%.
- Net profit decreased, as the increase in costs outpaced the growth of the company's income. The greatest influence was exerted by the growth of financial expenses. As a result, additional revenue was fully compensated by increased expenses.
- The level of debt burden amounted to 161 billion tenge for 9 months of 2025, showing a decrease of 0.5% since the beginning of the year.
- The company stands out with large dividend payments, which increases its attractiveness for investors.

Valuation of one share of KEGOC JSC. Taking into account the above results, historically stable dividend payments, we maintained the value of one ordinary share at the level of 1,778 tenge, with a recommendation – BUY.

Financial indicators

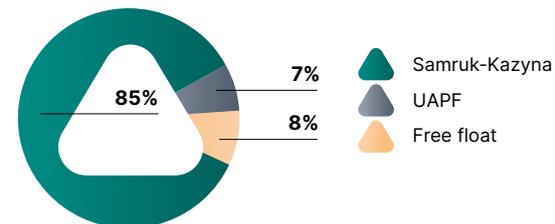
billion, ₸	9M 2025	9M 2024	Change (%)
Revenue	278.9	232.4	20.0%
Cost of sales	-208.7	-164.3	27.0%
Gross profit	70.1	68.1	3.0%
Operating profit	61.4	59.3	3.6%
Net profit	45.2	47.0	-4.0%

Margins

	9M 2025	9M 2024
ROA (LTM)	5.4%	6.2%
ROE (LTM)	7.7%	9.1%

Source: Company data, BCC Invest JSC calculations

Shareholders



Market parameters

Number of shares issued (units)	275,294,118
Free float (%)	15
Market capitalization (billion, ₸)	383
52-week min./max. (₸)	1,391-1,530

Company dividends



Does not constitute investment advice

*Valuation date price

Air Astana JSC (AIRA)

9M 2025 Financial Results

KASE Ticker: AIRA

Target price (12M): 1,124₺

Potential: +27.4%

AIX Ticker: AIRA.Y

Current price: 882₺*

Rating: BUY

November 2025

Air Astana JSC (hereinafter – the Company) on November 11 published financial and operational results of activity for 9 months ending September 30, 2025.

In our opinion, the report is neutral. Despite the growth of quarterly revenue by 10.1%, net profit for 9 months of 2025 decreased by 34%, mainly due to the temporary strengthening of the influence of problems with Pratt & Whitney engines. We expect that the influence of this factor will normalize in subsequent periods.

Taking into account the updated model, we determined the target value of the share at the level of 1124 tenge and maintained the recommendation “Buy”.

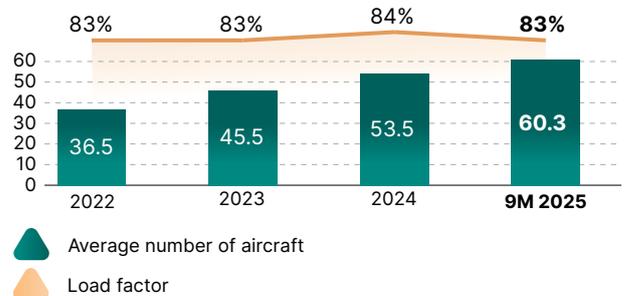
Results of financial statements for 9 months of 2025:

- Revenue of Air Astana and Fly Arystan brands for 9 months of 2025 increased by 12.5% and 12.1% respectively, compared to the similar period of last year. The main increase in revenue is conditioned by the increase in income from passenger transportation by 25%, compared to the similar period of 2024. The growth of the number of passengers of the Group by 10.5% – to 7.5 million people, of which 3 million fell on the third quarter, which is 8.8% more than the indicator of last year.
- In the third quarter, the airline FlyArystan launched two new routes: Atyrau – Tashkent and the seasonal flight Almaty – Issyk-Kul. The Group strengthened its presence in the Chinese market, increasing the number of weekly flights to five destinations from three at the beginning of the year to 31. The number of aircraft at the end of the period was 61.
- The ASK (Available Seat Kilometers) capacity coefficient of the Group for 9 months of 2025 grew by 17% y/y: by 18% for the Air Astana brand and by 14% for the FlyArystan brand. For the first nine months of 2025, the Group increased the number of transported passengers by 10.5% – to 7.5 million people compared to the same period of 2024.
- Operating profit for 9 months of 2025 amounted to 47 billion tenge, which is 7% lower than the level of 2024. The decrease is connected with the limitation of carrying capacities due to problems with Pratt & Whitney engines: since the beginning of the year, 19 unscheduled removals were recorded, 14 – in the peak summer season. This and identified design defects negatively affected EBITDAR in Q3 – by approximately 25.5 million dollars. Additional pressure was exerted by the weakening of the tenge, which worsened the profitability of FlyArystan. Without these factors, net profit for the period would likely have exceeded last year's indicator.
- The company notes growth of money supply to 296 billion tenge – this became a record level. Net debt increased to 441 billion tenge due to the growth of lease liabilities caused by fleet expansion. At the same time, the company maintains a sustainable level of the Net Debt/EBITDAR indicator – about 1.33.

Financial indicators

billion, ₺	9M 2025	9M 2024	Change (%)
Revenue	572	443	29%
Operating expenses	-525	-409	28%
Operating profit	47	51	-7%
Net profit	16	25	-34%
Cash and cash equivalents	296	228	30%

Indicators

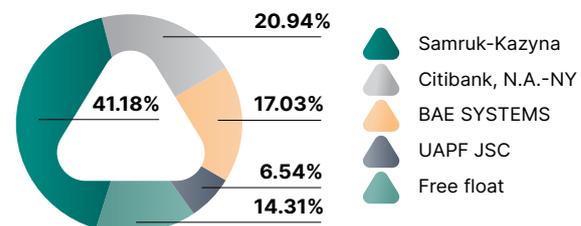


Margins

	9M 2025	9M 2024
ROA (LTM)	1.76%	3.09%
ROE (LTM)	8.53%	15.84%

Source: Company data, BCC Invest JSC calculations

Shareholders



Market parameters

Number of shares issued (units)	354,951,593
Free float (%)	14.31
Market capitalization (billion, ₺)	314.9
52-week min./max. (₺)	695–890

Does not constitute investment advice

*Valuation date price

Solidcore Resources PLC (CORE)

Coverage initiation

AIX Ticker: CORE

Target price (12M): 9.94\$

Potential: +53.5%

Current price: 6.48\$*

Rating: Buy

January 2026

We begin analytical coverage of Solidcore Resources PLC (hereinafter – the Company) – a leading gold producer in Kazakhstan, which is in a transitional phase from the current production level of 0.5 million ounces to scaling the business to 1 million ounces by 2030. The company's strategy is based on the launch of the Ertis Hydrometallurgical Plant (EHMP) in the second half of 2028, ensuring the processing of refractory ores, reducing dependence on third-party tolling, and expanding business through the processing of third-party raw materials, as well as on the transition to underground mining at Kyzyl in 2030. We believe that after 2028 Solidcore will move into a phase of more sustainable generation of free cash flow as capital expenditures decrease. We plan to update the fair value of the share periodically once every six months, which corresponds to the periodicity of the release of the Company's financial statements. Our target price for shares based on the results of financial statements for the 1st half of 2025 is 9.94 USD, which corresponds to a growth potential of 53.5%. Recommendation – "Buy".

Key assets of the Company

- The portfolio of Solidcore Resources PLC is based on two key production assets – Kyzyl and Varvarinskoye.
- Kyzyl (Abai region, Kazakhstan) – the key high-grade asset of Solidcore and the main source of margin. A significant part of the ore is refractory, therefore, before the commissioning of the EHMP, results depend on the availability of concentrate processing, which can create temporary gaps between mining and sales and increase the volatility of cash flows. Kyzyl remains the main driver of growth in the long term: the launch of the EHMP should increase the stability of processing refractory ores and the predictability of sales, and the transition to underground mining in 2030 – extend the life of the asset and support the production profile after the completion of the open-pit stage. Additional potential lies in the possible involvement of part of the resources in reserves as additional exploration and development of processing infrastructure takes place. As of 01.01.2025, Kyzyl's ore reserves amount to 10.0 million ounces GE, and mineral resources – 2.4 million ounces GE.
- Varvarinskoye (Kostanay region, Kazakhstan) – a more stable asset of the company, ensuring a base level of production and smoothing the volatility of operational results, especially in the transitional period before the launch of the EHMP. Varvarinskoye performs the role of an operational support and reduces the dependence of aggregate results on the dynamics of Kyzyl, supporting the stability of cash flows at the stage of an intensive capital cycle. Besides, the asset possesses infrastructure value and can serve as a base for connecting nearby small projects, which increases the flexibility of the strategy of expanding the resource base and supports the potential of selective M&A. As of 01.01.2025, Varvarinskoye's ore reserves amount to 2.2 million ounces GE, and mineral resources – 1.0 million ounces GE.

Financial indicators

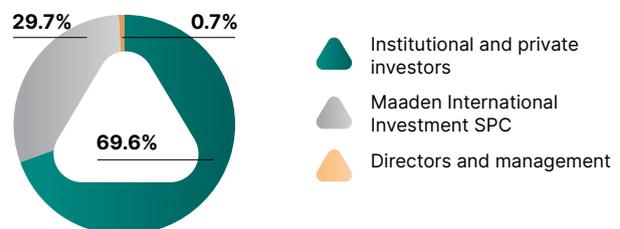
million USD	1H2025	1H 2024	Change (%)
Revenue	325	704	(53.8%)
Cost of sales	(155)	(358)	56.7%
EBITDA indicator	152	346	(56.1%)
Operating profit	127	292	(56.5%)
Net profit from continuing operations	85	238	(64.3%)
Net profit	85	(1,807)	104.7%
Capital expenditures	128	107	19.6%

Source: Company data, BCC Invest JSC calculations

Margins

	1H 2025	1H 2024
ROA (LTM)	19%	8%
ROE (LTM)	26%	19%

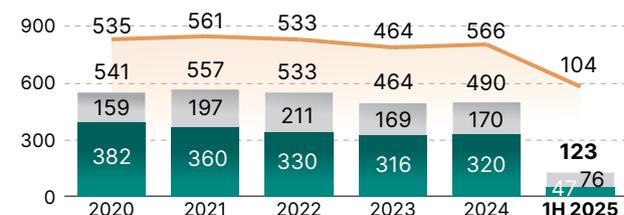
Shareholders



Market parameters

Number of shares issued (units)	473 690 320
Market capitalization (billion, \$)	2 984
52-week min./max. (\$)	3,09–6,49

Operational indicators, tons



▲ Kyzyl ▲ Varvara ▲ Sales volume

Does not constitute investment advice

*Valuation date price

BCC Invest released the first ETFs in Kazakhstan on KASE indices

● ETF KASE Index

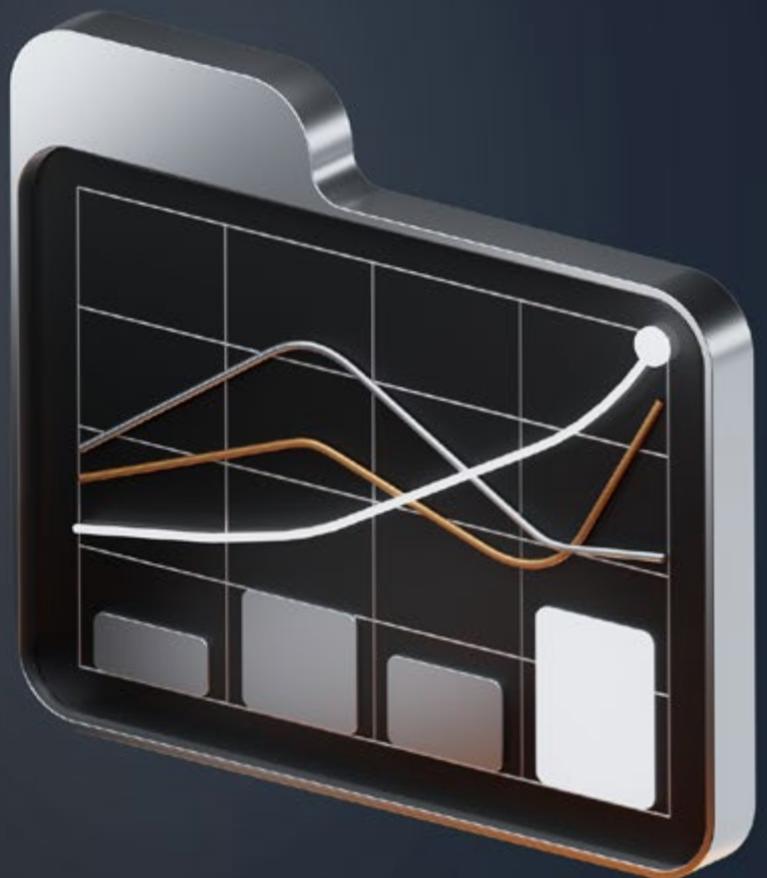
ETF KASE Index repeats the structure of the key stock index of the country and gives the investor exposure to the largest public companies of Kazakhstan

ETF KASE Index is built on shares of the 10 largest and most liquid companies of Kazakhstan

- Bank CenterCredit (CCBN)
- Halyk Bank of Kazakhstan (HSBK)
- Kaspi.kz (KSPI)
- Kcell (KCEL)
- KEGOC (KEGC)
- KazMunayGas (KMGZ)
- Kazatomprom (KZAP)
- KazTransOil (KZTO)
- Kazakhtelecom (KZTK)
- Air Astana (AIRA)

● ETF MBM Index KASE

MBM Index KASE is oriented towards a more conservative model with a focus on government securities and money market instruments



Before performing operations with units of unit investment funds, we ask you to familiarize yourself with the documents, the investment declaration, and the rules of the unit investment fund on the website bcc-invest.kz.

We warn that the value of units may increase or decrease; results of investing in the past do not determine income in the future; the state does not guarantee the yield of investments in investment funds.

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04

Kazakhstan Debt Market

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- 54 Why bonds in Kazakhstan are more attractive than bank deposits



Alua Yesbol,
Chief Analyst



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Senior Analyst

Government securities of the RK

The amount of government debt at nominal value traded on KASE as of December 1, 2025, amounted to 31.2 trillion tenge (\$60.3 billion) and recorded growth of +1.7% for the month and +15.4% since the beginning of the year (Figure 10).

The growth of government debt and the volume of GS in circulation creates for investors several opportunities at once. First, the line of instruments expands: the number of issues with different terms of circulation, coupon rates, and types of yield (fixed, floating, indexed) increases, which allows building the yield curve more precisely and managing portfolio duration. For institutional investors, this is especially important when matching the structure of assets with future liabilities and reducing interest rate risk through defensive strategies.

Second, a larger volume of traded debt usually means growth of liquidity of the secondary market. Market quotes are formed more actively, spreads decrease, and the opportunity appears to earn not only on the coupon but also on price movements. Additionally, GS remain the base low-risk asset and

benchmark for the valuation of corporate bonds and other instruments, which allows investors to build more diversified and structured portfolios with controlled level of risk.

The structure of investors on the primary GS market in 2025 noticeably shifted in favor of long-term portfolio buyers (Figure 11). If based on the results of 12M 2024 banks dominated (56.5%), and the share of institutional investors amounted to 31.7% with minimal participation of non-residents (0.2%), then for 11M 2025 the situation changed: the share of banks decreased to 31.1%, whereas institutional investors increased presence to 51.8%, and the participation of non-residents grew to 6.7%.

Such dynamics reflect the strengthening of interest in tenge yield instruments in conditions of a high rate and a more attractive yield curve, when placements become a convenient channel for gathering a significant volume of position, as well as the growth of the role of professional investors oriented towards more systemic management of the portfolio and terms.

Figure 10. Amount of government debt (at nominal value) traded on KASE, trillion tenge



Source: KASE

Figure 11. Structure of investors on the primary GS market, %

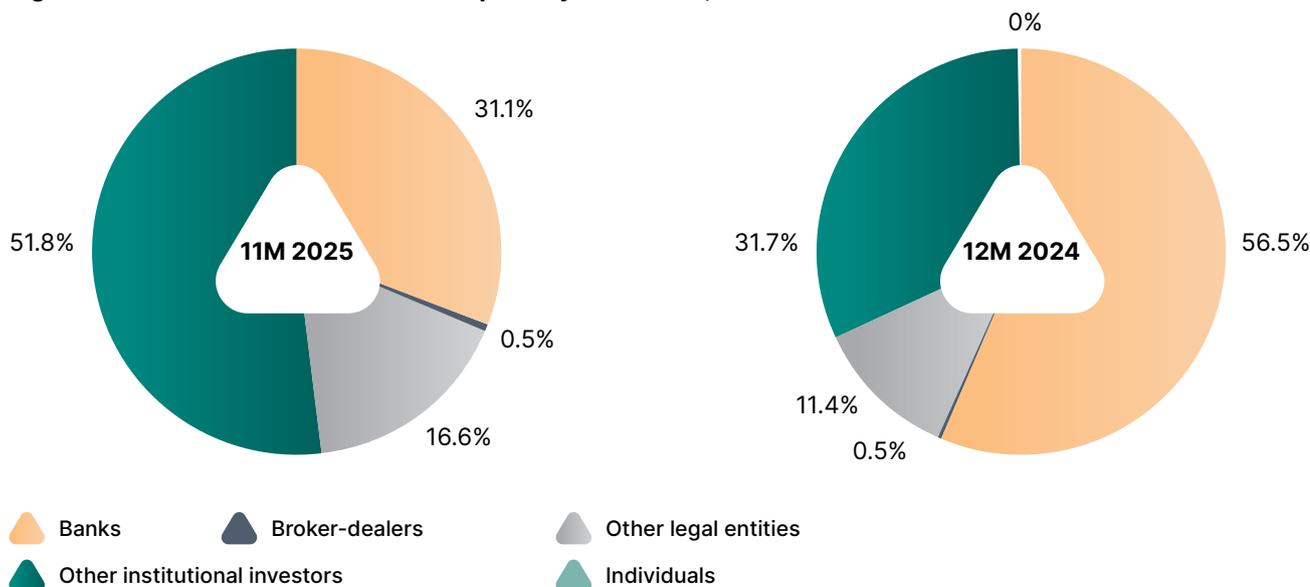
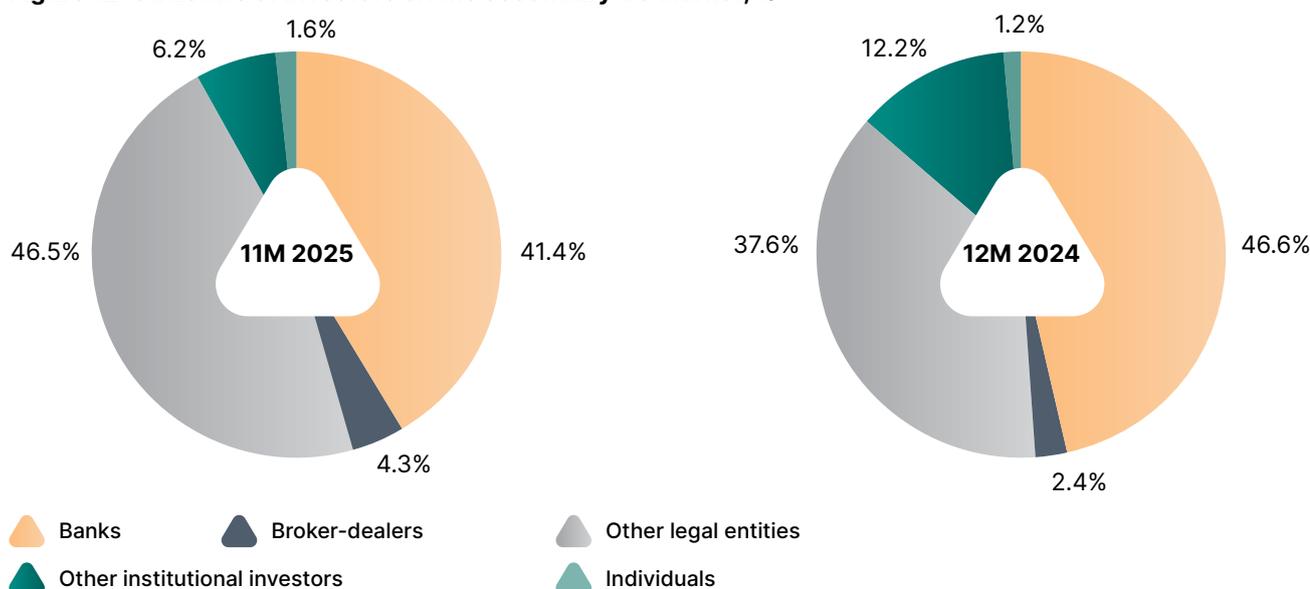


Figure 12. Structure of investors on the secondary GS market, %



Source: KASE

In 2025, the key developments in the secondary market for government securities were a sharp increase in the share of non-residents and a shift in trading activity toward the corporate segment. In 12M 2024, the main participants were banks (46.6%) and other legal entities (37.6%), with a share of non-residents of 7.8%, whereas for 11M 2025 the share of non-residents increased to 23.7%, and the specific weight of other legal entities grew to 46.5% with a moderate decrease of banks to 41.4%.

Such a shift, as a rule, is connected with the fact that the secondary market provides investors with a more flexible mechanism for entry and exit from positions due to market quotes and liquidity, and also reflects the growth of operations of liquidity management by the corporate sector; additionally, in 2025 turnovers were concentrated in the most liquid segments – MEKAM (~54.8%) and NB RK notes (~38.9%), which strengthens the attractiveness of the secondary market for tactical strategies and short-term portfolio redistribution.

Figure 13. Volume of transactions on primary and secondary markets, billion KZT

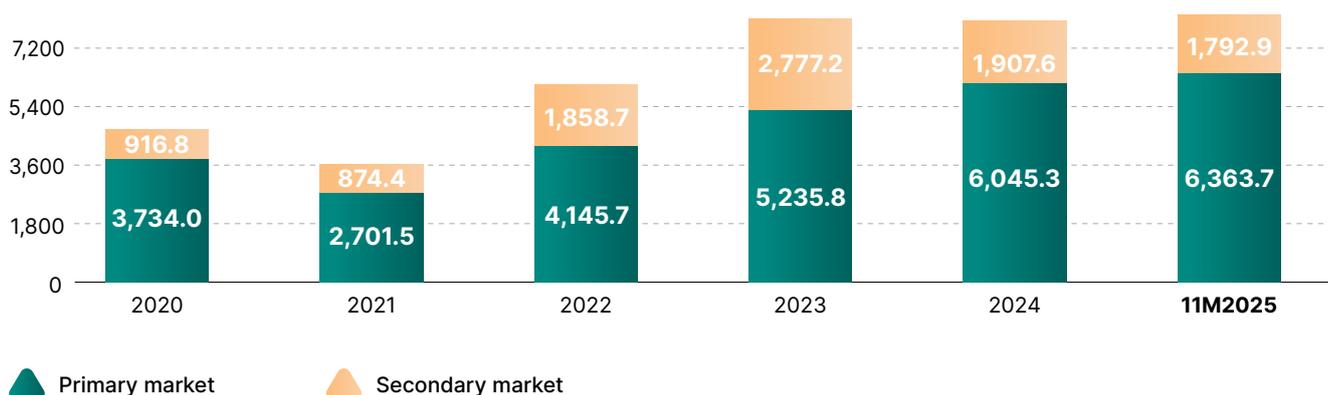
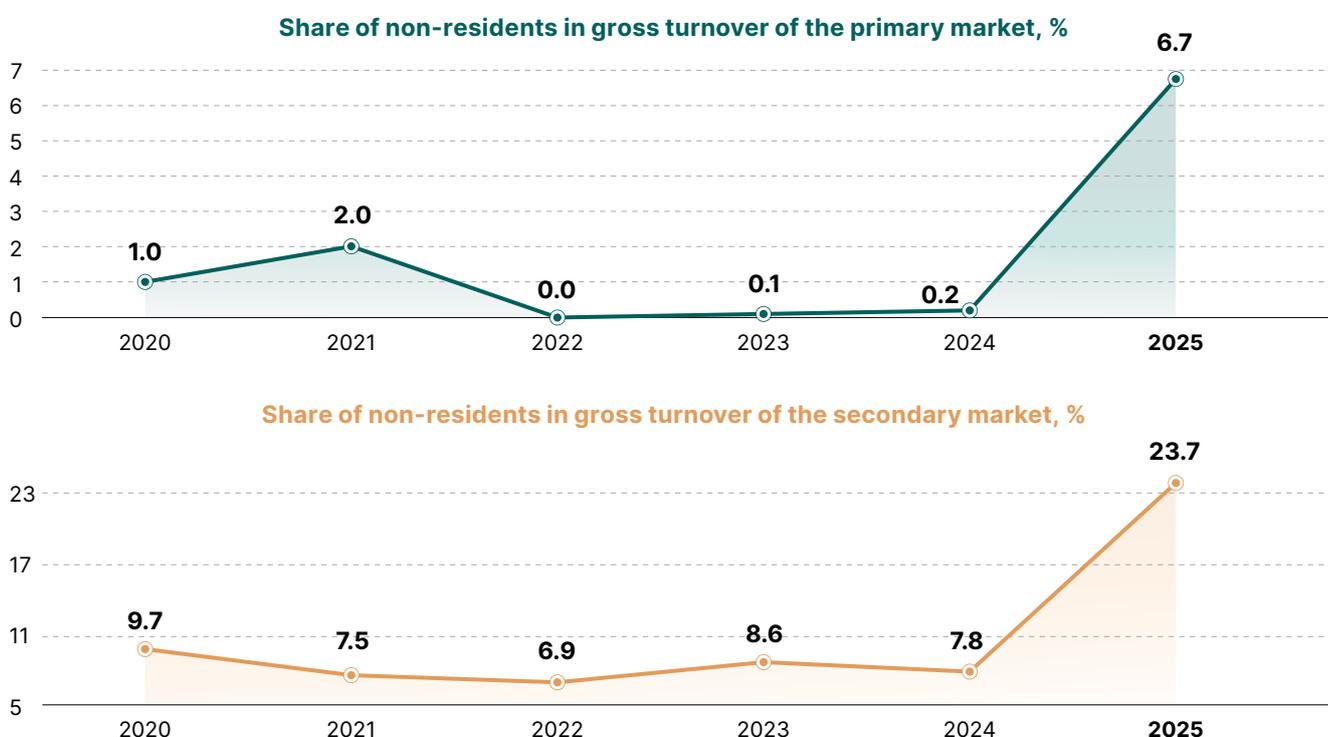


Figure 14. Volume of transactions on primary and secondary markets, billion KZT



Source: KASE

Based on the results of 11 months of 2025, the volume of trades on the market of government securities of the RK (GS) on KASE remained at a high level. Thus, on the primary market, the aggregate volume of transactions amounted to 6,363.7 billion tenge, which reflects the sustainable activity of the Ministry of Finance and other state issuers in attracting financing through the placement of bonds. Simultaneously, the secondary market ensured additional liquidity and redistribution of papers between investors: the volume of trades here reached 1,792.9 billion tenge for 11M 2025.

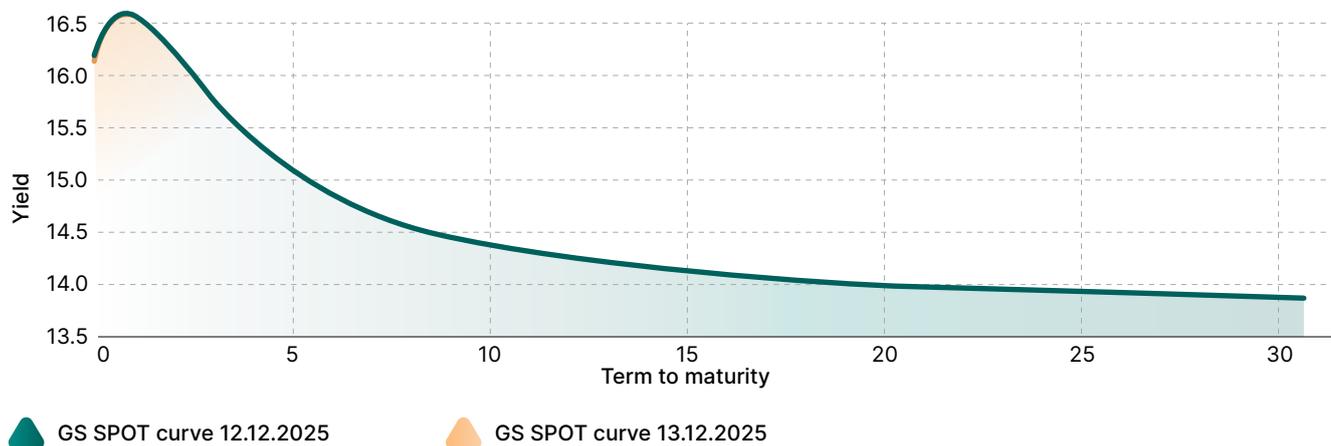
The share of non-residents increased because at the end of 2025 conditions formed for carry trade: yields on tenge instruments remained high, and it became profitable for foreign investors to convert currency into tenge and buy GS, fixing the premium on the difference of interest rates. This led to a noticeable build-up of positions: based on the results of 2025, the volume of investments of non-residents in GS grew to about 2.0 trillion tenge (incl. inflow for December). At the same time, the most attractive asset for such a strategy became short-term notes of the NB RK: according to open data/market reviews, it was they that demonstrated

sharp increases in non-resident investments, and NB RK statistics fixed the growth of their share in the ownership of notes at the end of 2025.

In turn, the inflow of non-resident funds became a factor supporting the appreciation of the tenge, as the purchase of tenge-denominated government securities technically requires selling foreign currency and generating demand for the tenge, thereby increasing the supply of foreign currency in the domestic market. The National Bank in an official message noted that from October 2025 the tenge sustainably strengthened to 499–500 per \$1 (about +9%), against the background of the improvement of investor expectations and the general set of supporting factors, among which the market also highlighted the return of non-residents to tenge assets.

On the GS market of the RK, a high-yield short end is preserved: the KASE SPOT-curve shows a peak of yields near 1 year (about 16%), which reflects tight monetary conditions and an increased premium for risks on the nearest horizon. Further, the curve quickly decreases and levels out to ~13.8–14.1% at 15–30 years, signaling that the market incorporates a gradual slowdown of inflation and normalization of rates in the medium-term perspective. In the base scenario, we expect predominantly sideways dynamics in the short segment and moderate potential for yield reduction in the medium/long segment – this makes long issues interesting for fixing yield and possible price revaluation, while short ones remain an instrument of coupon and liquidity management.

Figure 15. Yield Curve



Source: KASE



Corporate Bonds

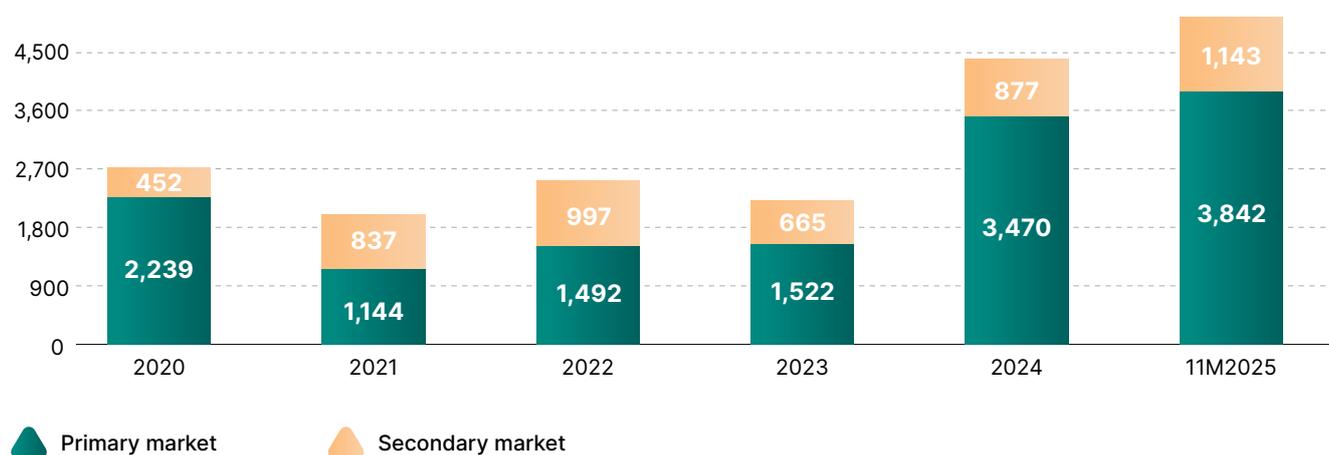
For 11M 2025, trading volume in corporate bonds on KASE increased by 33% y/y, reaching 5 trillion tenge. The average daily trading volume amounted to 22.3 billion tenge. On average, 858 transactions were concluded daily with an average trade size of 25.9 million.

As of December 1, 2025, 665 corporate bond issues from 148 issuers were listed on KASE. During the year, 154 new bond issues were added to the official exchange list.

For 11M 2025, on the primary market of corporate bonds, bonds for a total amount of 3.8 trillion tenge were placed, which is 28% higher compared to the same period of the previous year.

The leading issuers by placement volume in 11M 2025 were “Baiterek” NMH JSC (537.9 billion tenge), “Kazakhstan Sustainability Fund” JSC (333.7 billion tenge) and “Samruk-Kazyna” Sovereign Wealth Fund JSC (210.0 billion tenge).

Figure 16. Trading volume in the corporate bond market, billion tenge



Source: KASE

Figure 17. Yield dynamics of the top 3 corporate bond issuers for 11M 2025, %



Source: KASE

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EXAMPLES OF PLACED BONDS:

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- **"MFO KMF" JSC**
Yield – 19.50% per annum in KZT
- **"MFO "TAS FINANCE GROUP" LLP**
Yield – 9.00% per annum in USD / 22% per annum in KZT

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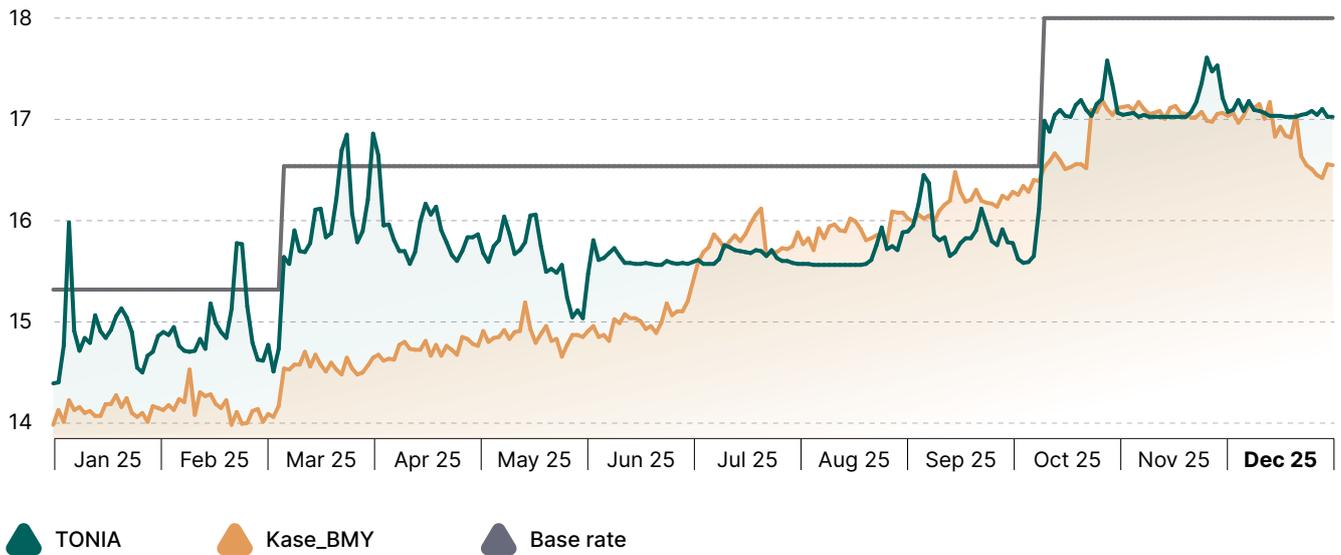


Does not constitute investment advice. Before performing operations with bonds, familiarize yourself with the documents characterizing the specified financial instruments, the investment declaration, and rules on the website: bcc-invest.kz

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Figure 18. Corporate bond yield dynamics, %



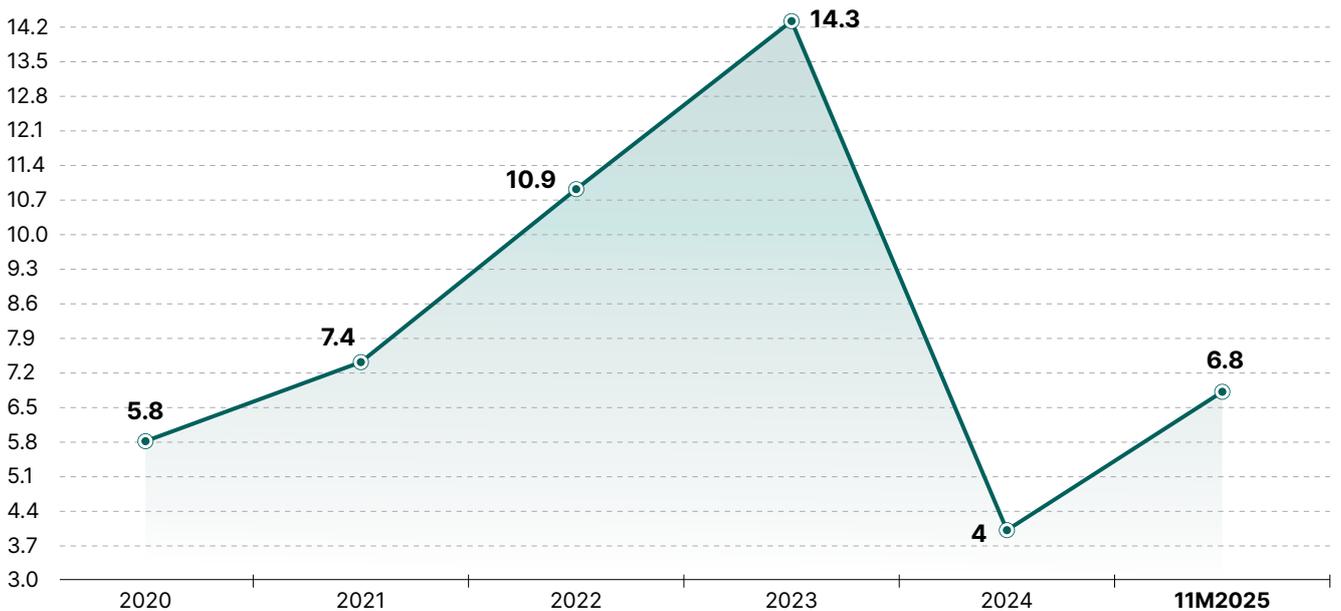
Source: KASE

Based on the results of 11M 2025, the majority of secondary market trading volume in corporate bonds was generated by other legal entities, accounting for 61.5% of total turnover (2.2 trillion tenge). A significant share was also attributed to individuals – 20.0%, reflecting strong retail investor activity. Participation of banks amounted to 6.8%, broker-dealers – 5.8%, and

other institutional investors – 5.9%, indicating relatively moderate activity of professional market participants compared to the corporate sector.

By the end of 2025, the KASE_BMY corporate bond yield index increased by 263 basis points, reaching 16.51% per annum.

Figure 19. Share of non-residents in gross turnover, %



Source: KASE

The forecast for the corporate bond market for 2025 generally was justified. Trading volumes demonstrated moderate growth, while the primary market maintained its role as the key driver, supported by significant placement volumes from quasi-sovereign institutions, banks, and large corporate issuers.

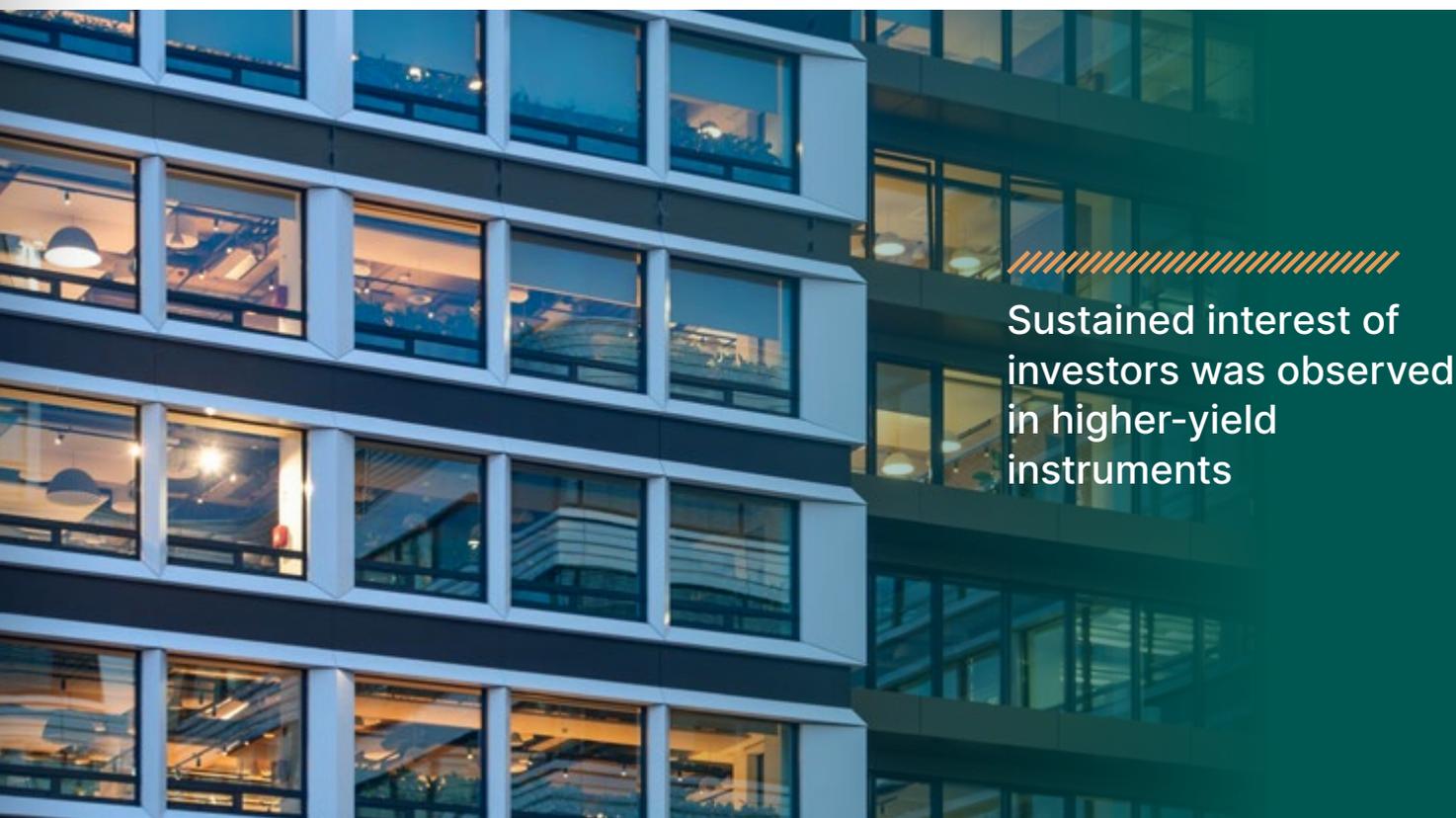
Corporate bond yields remained relatively stable throughout the year, while sustained investor demand was observed for higher-yielding instruments, primarily from the financial sector.

The expected increase in non-resident interest was partially realized. Following the decline in activity in 2024, the share of non-residents in corporate bond turnover stabilized in 2025 and showed signs of recovery amid improving macroeconomic expectations and a revival of investment activity.

In 2026, positive dynamics in the corporate bond market are expected to continue in the absence of significant macroeconomic shocks. The primary market is likely to remain the main growth driver, supported by issuers' long-term funding needs and the continued active presence of quasi-sovereign institutions, banks, and large corporate borrowers.

Corporate bond yields are expected to remain close to current levels; however, investor interest in higher-yield instruments is likely to persist, particularly in the segment of financial institutions and non-bank issuers. This is expected to support demand for bonds across different maturities and currency structures.

An additional supportive factor in 2026 may be the gradual expansion of the investor base, including increased participation of institutional and retail investors, as well as further recovery in non-resident activity amid stabilization of the external environment. Overall, these factors create conditions for moderate yet sustainable growth of the corporate bond market over the medium term.



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Sustained interest of investors was observed in higher-yield instruments

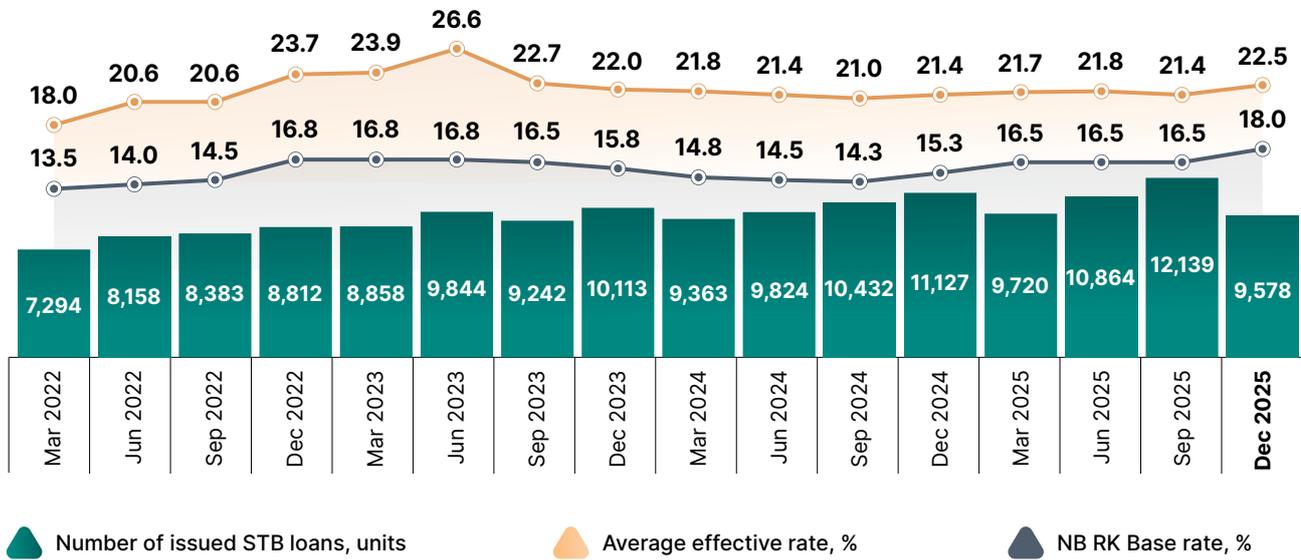
SME Financing

SME financing through STB

The dynamics of SME lending via the STB line by the number of issuances is generally upward, however, by the end of 2025, a decrease is fixed. The number of issued loans decreased, unlike in previous periods, as a result of the reaction to the tightening of monetary conditions: the increase of the NB RK base rate to 18% in October 2025 was transmitted to the market with

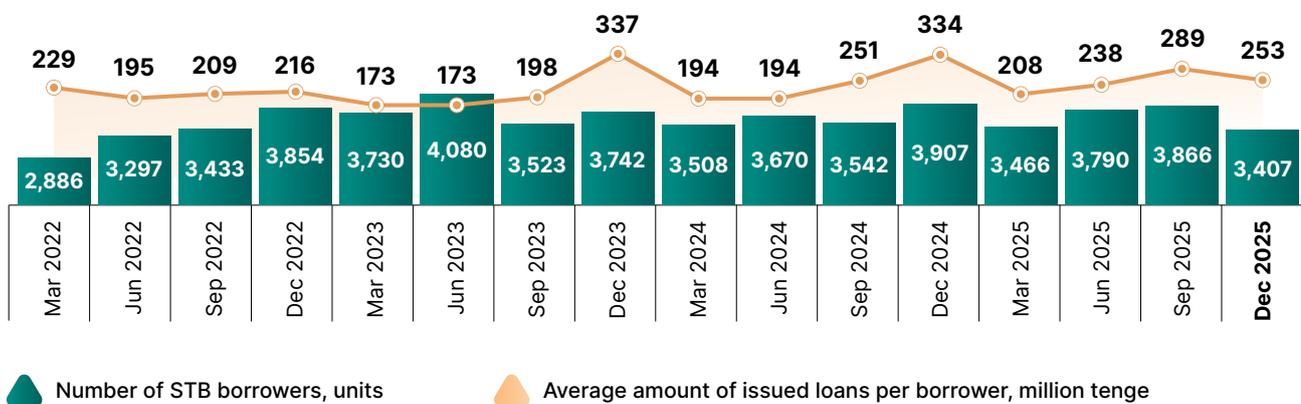
a lag through the rise in the cost of funding, growth of final rates, and more conservative risk parameters of banks, which restrains SME demand. Additional data on STBs also indicate a structural effect: fluctuations in issuances were accompanied by a change in the number of borrowers and the average size of the loan, that is, the role of concentration on larger transactions could increase.

Figure 20. Number of issued STB loans and effective rate



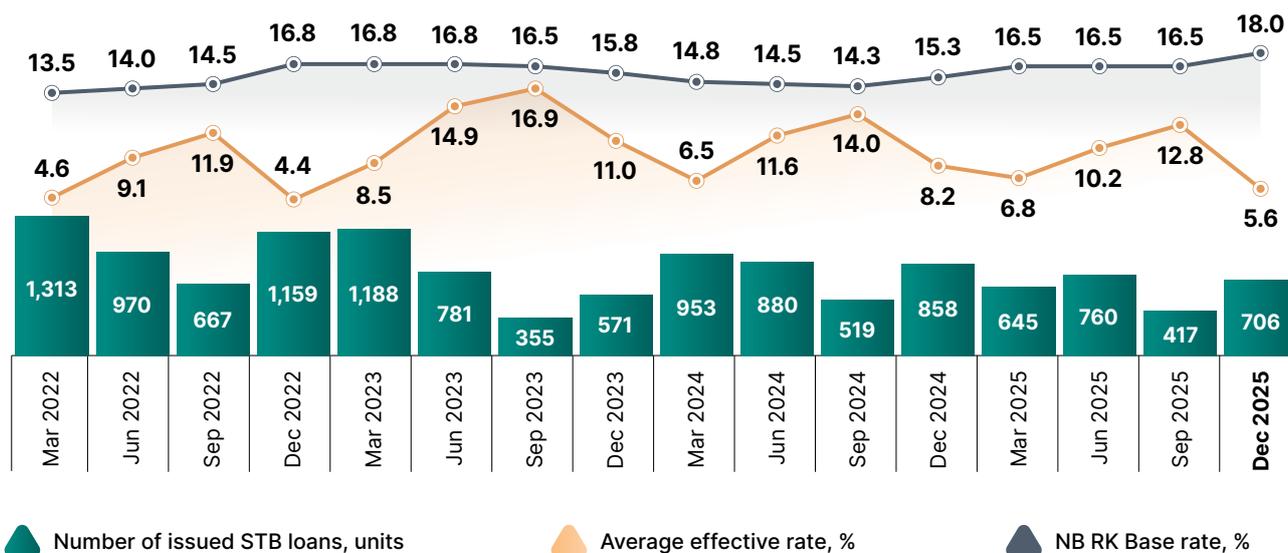
Source: FCB, NB RK

Figure 21. Number of STB borrowers and average amount of issued loans per borrower



Source: FCB

Figure 22. Number of issued loans by state operators and effective rate



Source: FCB, NB RK

The average effective rate in 2022 – mid-2023 noticeably increased, then, in 2024, decreased and in 2025 again demonstrated moderate growth. The peak of mid-2023 can be explained by the accumulated effect of tight monetary conditions and the persisting high inflationary background: banks incorporate more expensive resources and an increased risk premium into the price of the loan, moreover, the revision of rates usually occurs with a lag. Additionally, the average value is influenced by the structure of issuances: the growth of the share of short-term or less secured products is capable of temporarily increasing the average effective rate.

SME financing through state operators

The relatively small number of recipients of SME financing through state operators in the presence of preferential conditions is explained by the fact that such programs have a targeted character and work within the framework of budget and portfolio limits, whereas the SME base itself in Kazakhstan exceeds 2 million subjects, and coverage inevitably looks limited against the background of the total number of companies. Besides, even with the subsidizing of the rate or provision of guarantees bank requirements for creditworthiness (quality of financial statements, debt burden, collateral, risk profile of the industry)

are preserved, therefore preferential terms reduce the cost of the resource but do not cancel the selection. As a result, state financing performs the role of a point instrument of support for priority projects and the most sustainable borrowers, and not a mechanism of mass lending to the entire segment.

SME financing through state operators by the number of issued loans bears a wave-like character: after relatively high levels in 2022, a decline is observed by 2023, then – recovery in 2024 and uneven dynamics in 2025. The average effective rate on such loans changes noticeably and at times moves not synchronously with the NB RK base rate, which indicates the dominance of parameters of programs (preferential products, subsidizing, selection conditions, and limits), and not only market pricing.

Data on the number of borrowers and the average loan amount show a structural shift: the number of support recipients fluctuates without sustainable growth, whereas the average size of financing per one borrower increases, especially by the end of the period. This means a transition from a more “mass” model to a more concentrated one, when resources are distributed to a smaller number of projects/companies, but in large volumes, which may reflect an emphasis on investment projects, priority directions, and stricter selection of recipients.



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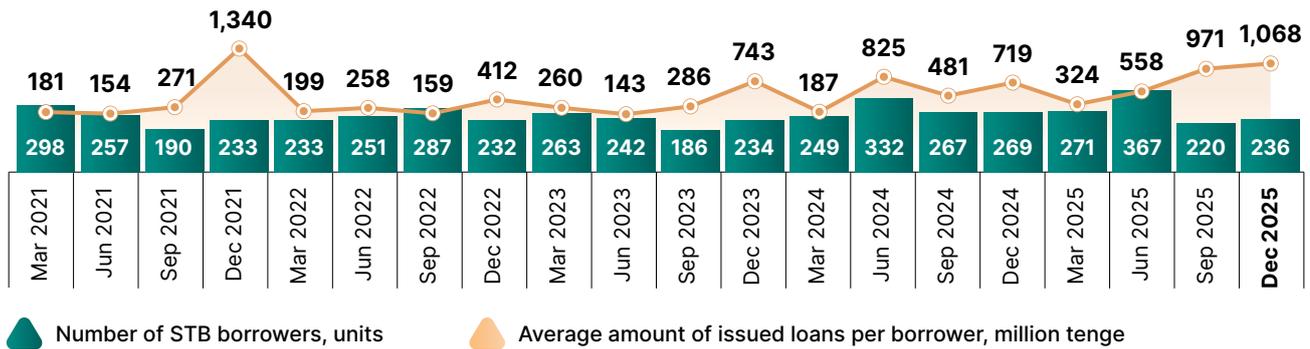
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Before performing transactions with financial instruments, we ask you to familiarize yourself with their characteristics and information posted on the website of BCC Invest JSC <https://www.bcc-invest.kz/documents?page=1>



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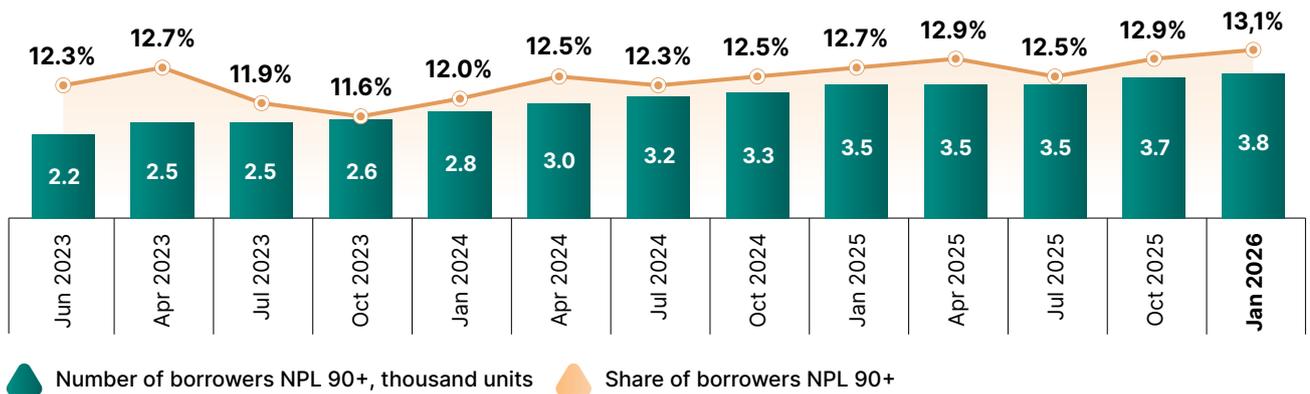
Figure 23. Number of borrowers of state operators and average amount of issued loans per borrower



Source: FCB

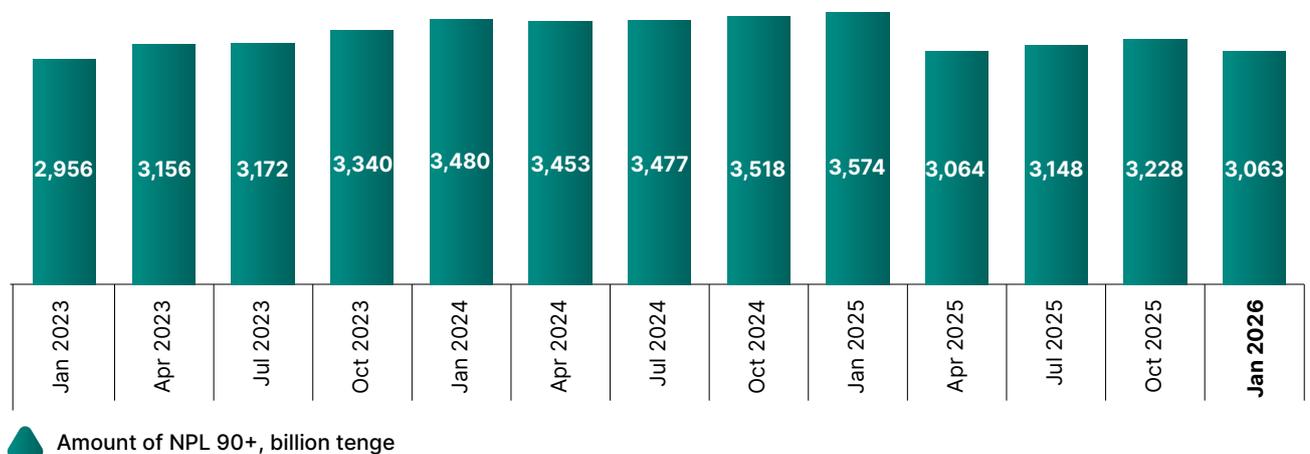
Indicators of NPL among SMEs credited by STBs

Figure 24. Number and share of borrowers NPL 90+, credited by STBs



Source: FCB

Figure 25. Number and share of borrowers NPL 90+, credited by STBs



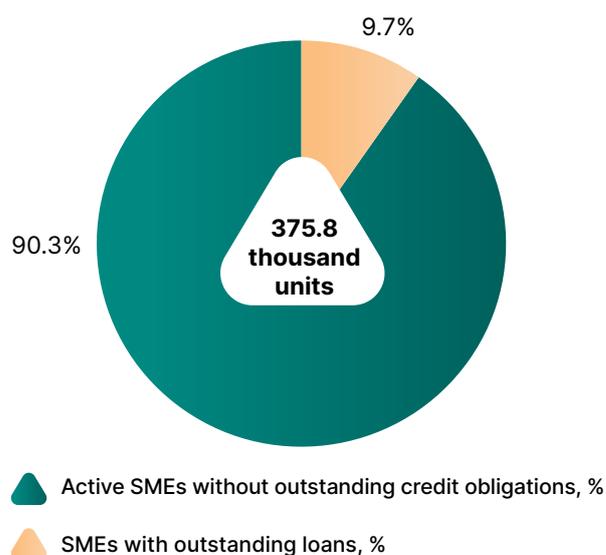
Source: FCB

According to FCB data, the dynamics of problem indebtedness NPL 90+ in the SME segment credited by STBs demonstrates a gradual deterioration of portfolio quality: the number of borrowers with overdue debt of 90+ days is steadily growing, and their share in the total number of borrowers is also increasing, while the upward trend becomes more pronounced from the middle of 2024. The amount of NPL 90+ indebtedness at the same time remains high and volatile, which indicates the preservation of a substantial load on the banking sector. The decrease of the indicator from April 2025 is connected with portfolio operations of banks (settlement of large cases, write-offs, assignment of claims, restructuring, and reclassification). The main reasons for the growth of NPL in the SME segment are the high cost of funding and rates (growth of debt burden), decrease in the stability of a part of borrowers against the background of inflationary pressure and uneven dynamics of demand, as well as limited possibilities for refinancing, due to which a part of companies moves into sustainable delinquency. Additionally, a lag effect appears after periods of active lending, when the share of riskier borrowers increases in the portfolio.

Potential

According to BNS and FCB data, in Kazakhstan, there are 375.8 thousand active SME entities (excluding individual entrepreneurs), of which only 9.7% have outstanding loans, whereas 90.3% (339,418 units) do not have active credit obligations, which indicates a significant reserve for the expansion of financing in the corporate SME segment. It is important to note that 372.7 thousand are subjects of small business, whereas 3.1 thousand are legal entities of medium entrepreneurship. The assessment of the potential

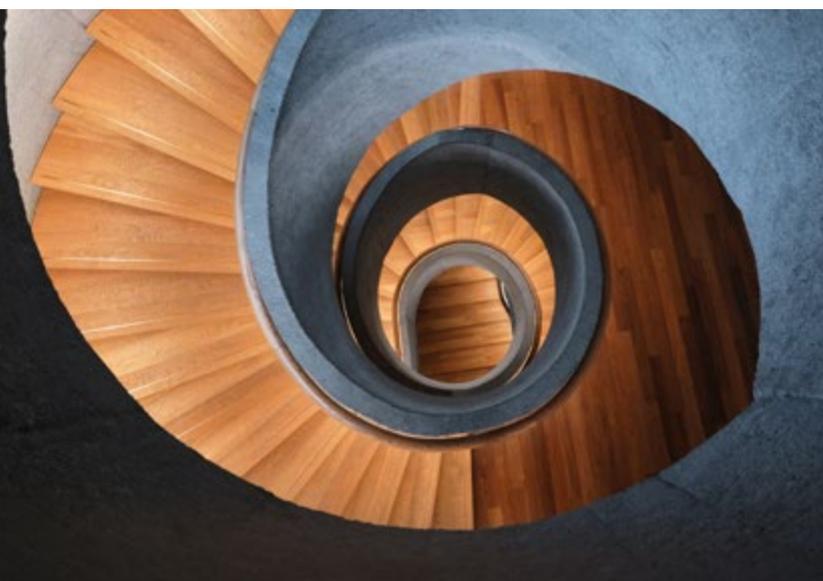
Figure 26. Debt Financing Potential of SMEs in the RK



Source: BNS, FCB

volume of debt financing, calculated as the product of the number of companies without active loans by the median loan amount in 2025 per one SME borrower (33,442.1 thousand tenge), forms a benchmark of potential demand for borrowed resources at the level of about 11.35 trillion tenge, confirming the presence of significant potential for the growth of financing provided that barriers to access to financing are reduced and the creditworthiness of enterprises is increased.

//////
In Kazakhstan, there are 375.8 thousand operating SME subjects (excluding sole proprietors), while only 9.7% of companies have active loans



KASE SME Qadam Bonds

Unlike classic bank loans, the conditions of which are often determined by requirements for collateral, internal limits of STBs, and the state of the bank funding market, a bond issue provides companies with a more flexible and predictable instrument for attracting capital.

It allows forming an individual structure of debt financing, adapted to the specifics of the issuer's cash flows. This approach is especially relevant for financially stable subjects of small and medium business, oriented towards scaling without excessive collateral load, reduction of concentration of credit risk on one creditor, as well as the formation of a market history and increasing the level of trust from the side of professional investors.

From January 1, 2026, on the Kazakhstan Stock Exchange started the program KASE SME Qadam Bonds, oriented towards the issue of bonds by small

and medium business enterprises working in real sectors of the economy. The KASE SME Qadam Bonds program is aimed at expanding the access of small and medium business subjects to market financing. Within the framework of the program, companies receive the opportunity to attract unsecured funds on the stock market with optimized costs and simplified exit procedures. The program is calculated for three years. Companies belonging to small and medium business, conducting activity in the real sector of the economy, are admitted to participation in the program. Financing term up to 3 years, at market conditions.

Table 2. Comparison of main conditions of standard bond issues with SME Qadam

Risk Category	Criterion / metric	Standard bond issue	SME Qadam issue conditions
Issue Parameters	Number of issues	No restrictions	Depending on volume
	Issue volume	No restrictions	For SB sector not more than 300,000 MCI
			For SB sector not more than 3,000,000 MCI
	Bond circulation term	No restrictions	Not more than 3 years
	Financial consultant	Yes, if non-financial company	Mandatory
	Platform	Listing on KASE	Listing on KASE

Risk Category	Criterion / metric	Standard bond issue	SME Qadam issue conditions
Covenants	Rating or leverage	Minimum credit rating not lower than “B” Standard&Poor’s or similar level of Moody’s Investors Service and Fitch, or rating not lower than “kzB-” on the national scale of Standard&Poor’s agency	No restrictions
		At the end of the last quarter before filing documents, not more than 10	No restrictions
Placement (investor)	Investors	No restrictions	Maximum number of investors should not exceed 50, minimal application volume constitutes 50,000,000 tenge Only to qualified investors
		Secondary market is provided	Secondary market is provided
Term of issue of securities	Number of days	Up to 20 work. days (ARDFM) + 20 work. days (KASE)	Up to 5 work. days (ARDFM) + 7 work. days (KASE)
Sustainability and transparency	Audited financial statements	Mandatory for the two last years (audit organization accredited on KASE)	Mandatory for the last year (audit organization accredited on KASE)
	SME Status	No restrictions	Confirmation of SME status

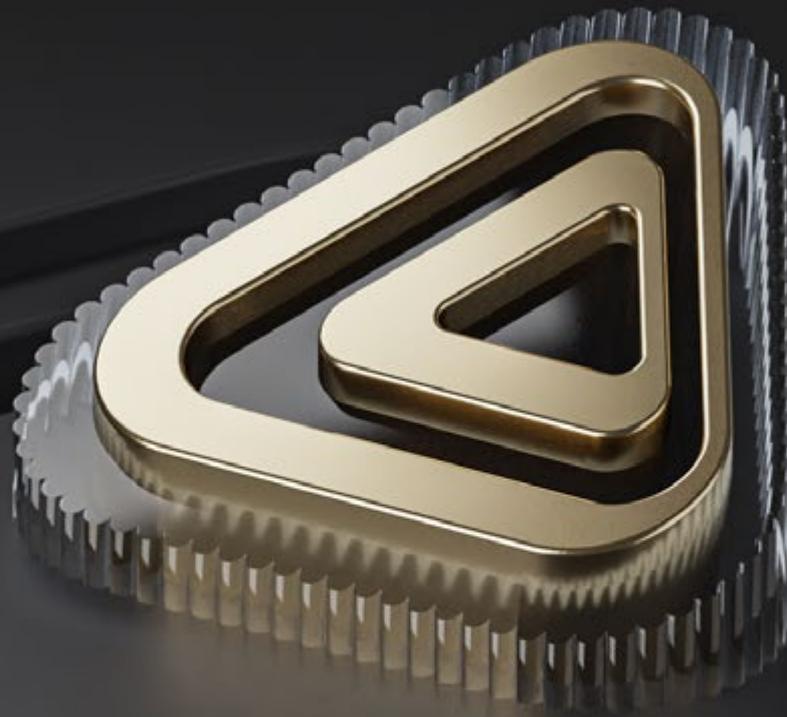
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SPAIN – MARF (MERCADO ALTERNATIVO DE RENTA FIJA)

MARF (Mercado Alternativo de Renta Fija) is an alternative bond market of Spain, designed to enable small and medium-sized enterprises (SMEs) to raise funding through bond issuance without relying on bank financing.

- It was launched in 2013 under the management of BME (Bolsas y Mercados Españoles) – this is the operator of all Spanish exchanges (including the Madrid stock exchange).
- In 2014 (a year after launch), the volume of placements amounted to about 1 billion Euro.
- By 2024, the total market volume exceeded 70 billion Euro.
- The annual volume of placements amounts to 8–10 billion Euro.

As of 2024, about 120 issuers circulate on the market.

ITALY – MINIBOND

Initially in Italy, the issue of bonds was limited by Art. 2412 of the Civil Code: companies could issue bonds only up to an amount not exceeding double the value of their equity capital, if they were not listed.

- In 2012, the Decree-Law Decreto Sviluppo (Law-Decree No. 83/2012) was adopted, which together with subsequent amendments changed the legislation to simplify the issue of bonds for non-public companies, equalize the tax regime for bonds from non-public and public companies, etc.
- As a result of these reforms, companies gained the ability to issue minibonds under certain conditions with a more favorable tax treatment. For example, bonds issued by companies listed on regulated markets or platforms, or placed with qualified investors, became eligible for preferential tax treatment.



- Reports note that only 7% of all issued minibonds are listed on the exchange, while 93% are placed privately and are effectively illiquid in the secondary market.

Since 2012, the market has demonstrated steady growth.

According to the Politecnico di Milano report, by the end of 2021, 832 Italian enterprises had already resorted to minibond projects, of which 62.5% are small and medium enterprises (SMEs).

- In 2013, after the launch of the Minibond program in Italy, the volume of placements amounted to about 160 million Euro.
- By 2024, the aggregate market volume exceeded 12.5 billion Euro. The annual volume of placements in recent years fluctuates in the range of 1–1.5 billion Euro.

As of 2024, more than 1,300 issuers and about 1,700 bond issues operate on the market.

GERMANY – SCALE FOR BONDS

Scale for Bonds (Germany) is a specialized segment of the bond market created by Deutsche Börse (Frankfurt Stock Exchange) to enable small and medium-sized enterprises (SMEs) to raise long-term funding through corporate bond issuance.

- The platform was launched in 2017 as part of the Scale program, which replaced the former Entry Standard segment and became part of the Deutsche Börse strategy to support growth companies.
- In 2023, 24 SME bond issues were placed in Germany for a total amount of about 788 million Euro.
- In 1H 2025 – 11 issues for 464 million Euro, the average yield amounted to 7.18% per annum.



The development of specialized SME bond markets reduces companies' reliance on bank lending and enhances the resilience of the financial system



Within the framework of the activity of BCC Invest JSC, support is provided to companies of the small and medium business sector in the implementation of financial and investment projects. Work is built taking into account the specifics of the business and set strategic goals. Below are presented some of the successfully implemented SME cases, reflecting the practical experience of supporting investment projects.



Limonariy

In 2023, BCC Invest JSC and the greenhouse complex BRBAPK (brand NACAgro) created an important precedent. We organized the first issue of subsidized bonds in Kazakhstan under the “Damu” program for the AIC sector.

This case proved: the stock market can be an effective alternative to lending. Additionally, the subsidizing of the rate allowed the company to attract 500 million tenge on favorable terms for the construction of a technological lemonarium on a turnkey basis.

Investments ensured the full infrastructure of the object: from the erection of greenhouse areas to the purchase of 1,300 selection seedlings and the preparation of a staff of specialists.

The project went the way from a financial transaction on the exchange to receiving the first technical harvest. This is the result of the synergy of a competent strategy and a professional approach to production.

We are happy to support Kazakhstani producers who introduce innovations, expand the assortment, and strengthen the food base of the country.

BRBAPK is a modern greenhouse complex with an area of 118,000 sq. m in the industrial zone of Almaty. Here 180 jobs have been created, and the annual harvest reaches 7,000 tons of tomatoes, cucumbers, eggplants, and bell peppers.

In 2023, the company was the first in the country to issue subsidized bonds under the “Damu” program through BCC Invest JSC. This became an alternative to usual loans and allowed attracting capital for a specific goal – the creation of a new lemonarium.

In October 2025, a lemonarium with an area of 7,700 sq. m was put into operation. Aggregate investments in the project amounted to 650 million tenge. Here 1,300 seedlings are planted, which will soon bring the first Almaty lemons!

Next year, NACAgro lemons will go on sale. Thus, stock market instruments helped the project go the way from an idea to a real product, which will soon appear in your basket.



Monolit Group

In 2025, “Monolit Group” LLP entered the market of debt financing and placed bonds on the alternative platform of KASE. The issue with parameters of 1.0 billion tenge, 2 years, and a coupon of 22% per annum became an example of how stock market instruments can be used by medium business to attract financing on transparent conditions.

Monolit Group – a design and construction company in Almaty, which builds residential complexes of comfort and business class and sells apartments directly from the developer. The company has 18 years of experience in construction and a focus on quality, safety, and a comfortable urban environment. The company has accumulated experience in executing projects for large players of the construction market: TAU Development, BI Group, BAZIS-A, and NOVEC.

MFO Rating

Microfinance organizations (MFO) occupy a noticeable place on the market of corporate bonds of the Republic of Kazakhstan, forming a substantial share of new issues in the debt segment. MFO bonds are interesting to investors, first of all, due to increased yield compared to papers of banks and large corporate issuers, which allows improving the general level of portfolio yield. Additionally, attractiveness is formed due to relatively short terms of circulation, regular coupon payments, and the possibility of diversification – MFOs often work in segments weakly correlating with traditional sectors of the economy. At the same time, demand is strengthening against the background of the growth of the financial sector and the expansion of the debt market of Kazakhstan, where investors are looking for new instruments with understandable risk-return.

The modern market of non-banking financial organizations requires unified and transparent instruments for assessing credit risk with limited access of many issuers to assessments of international rating agencies (S&P, Fitch, Moody's) and the absence of a national rating agency. The significance of a standardized rating system for investors is increasing, therefore we on a constant basis improve our own scoring matrix for assigning credit ratings to MFOs and pawnshops based on a complex assessment of quantitative and qualitative indicators, allowing to objectively assess their financial stability.

Table 3. Rating of Kazakhstani MFOs and pawnshops

Company	BCC-Invest Rating	ISIN	Currency	Maturity	Coupon rate
Microfinance organizations					
"MFO "TAS FINANCE GROUP" LLP	BCC_A	KZ2P00016231	KZT	11.12.2027	22.00%
"MFO "R-Finance" LLP	BCC_A-	KZ2P00015845	KZT	24.10.2028	23.00%
"MFO "Arnur Credit" LLP	BCC_A-	KZ2P00014434	KZT	30.07.2027	20.00%
"MFO "Toyota Financial Services Kazakhstan" LLP	BCC_A-	KZ2P00014442	KZT	28.08.2029	18.40%
"MFO "MyCar Finance" LLP	BCC_A-	KZ2P00011968	KZT	14.11.2026	17.50%
"MFO "Asian Credit Fund" LLP	BCC_B+	KZ2P00014640	KZT	20.02.2027	22.50%
"MFO "OnlineKazFinance" JSC	BCC_B	KZ2C00015576	KZT	21.11.2028	22.80%
"MFO "Mogo Kazakhstan (Mogo Kazakhstan)" LLP	BCC_B	KZ2P00014608	USD	19.11.2027	11.00%
"MFO "FREEDOM FINANCE Credit" LLP	BCC_B-	KZ2P00010978*	KZT		
"MFO "Robocash.kz" LLP	BCC_B-	KZ2P00010291	USD	15.05.2027	10.00%
"MFO "Swiss Capital (Swiss Capital)" LLP	BCC_C+	KZ2P00015712	KZT	26.05.2027	21.50%
Pawnshops					
"Safe-Lombard" LLP	BCC_A-	KZ2P00014566	KZT	17.10.2027	21.00%
"MK-Zoloto Lombard" LLP	BCC_B+	KZ2P00014624*	USD		10.00%
"Birinshi Lombard (First Pawnshop)" LLP	BCC_B+	KZ2P00014202	KZT	24.09.2028	21.00%
"Lombard "GoldFinMarket" LLP	BCC_B	KZ2P00014277	KZT	25.08.2026	22.00%

*Private placement

Why bonds in Kazakhstan are more attractive than deposits

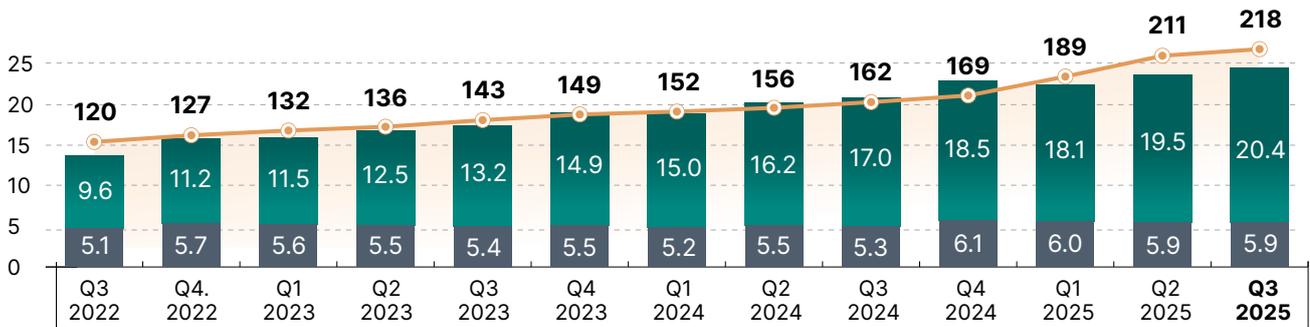
Deposits remain the basic instrument of savings for the population

According to KDIF data, retail deposits in Q3 2025 continued growth, and 84% of respondents prefer to keep savings in deposits.

At the same time, rates on deposits in 2025 consolidated at high levels. Based on the results of September, the market rate on non-term deposits amounted to 15.0%, and on term and savings deposits, the range of market rates reached 10.5–18.1% (without top-up) and 11.8–17.6% (with top-up) depending on the term.

For an investor who wants not only to save but also to receive more flexibility and potential yield, alternatives in the form of bonds often look more convincing.

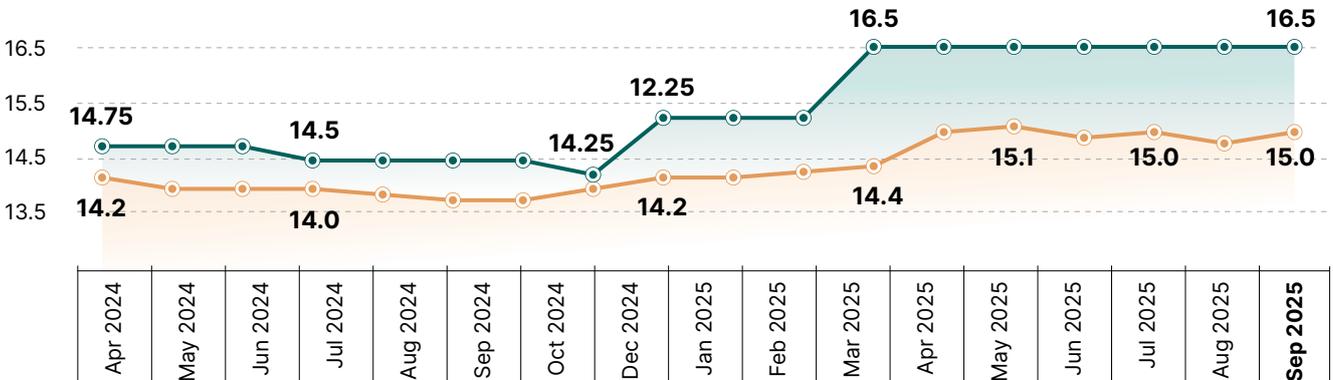
Figure 27. Volume of deposits of individuals continued growth due to deposits in national currency



▲ Deposits of individuals in tege, trillion tege
 ▲ Deposits of individuals in foreign currency, trillion tege
▲ Accounts of individuals, million accounts

Source: KDIF

Figure 28. Rates on non-term deposits, %



▲ NB RK Base rate
 ▲ Market rate on non-term deposits

Source: KDIF

BCC Invest JSC Mobile App

The BCC Invest JSC mobile app on iOS and Android – a convenient entry point: all key instruments for working with the portfolio are collected here

- Purchase and sale – fast and convenient
- Shares, bonds, funds, KASE, KASE Global, and AIX instruments
- Convenient ticker search and fast execution
- Replenishment, conversion, notifications
- Full control over funds
- Replenishment and withdrawal without extra steps
- Notifications about the movement of funds and corporate events of issuers

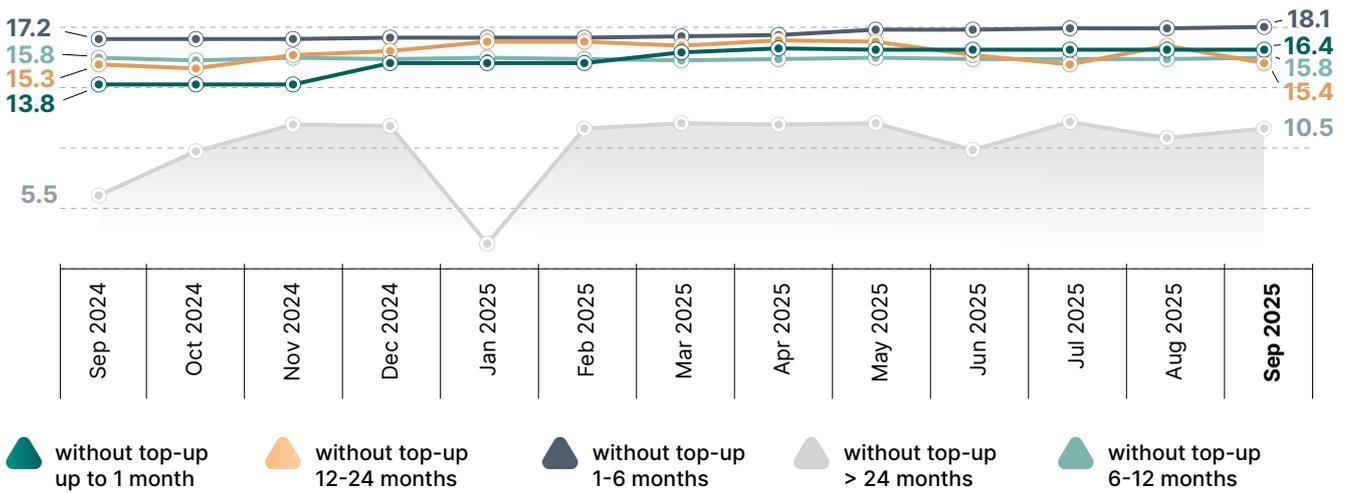
Invest with BCC Invest JSC



The application is available on AppStore and Google Play

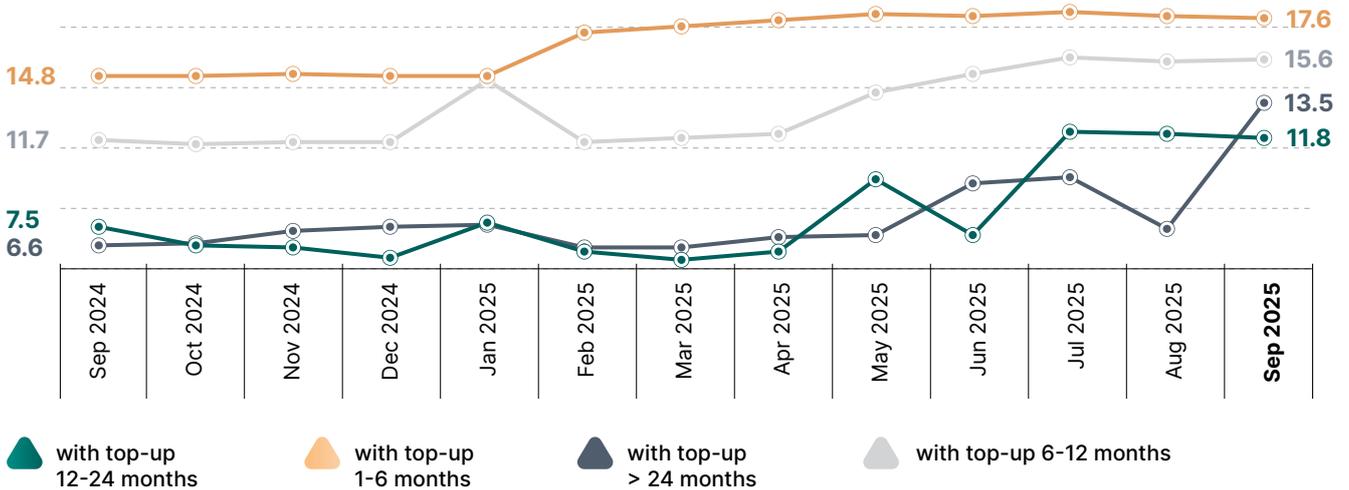


Figure 29. Weighted average rates on term and savings deposits without the right of top-up, %



Source: KDIF

Figure 30. Weighted average rates on term and savings deposits with the right of top-up, %

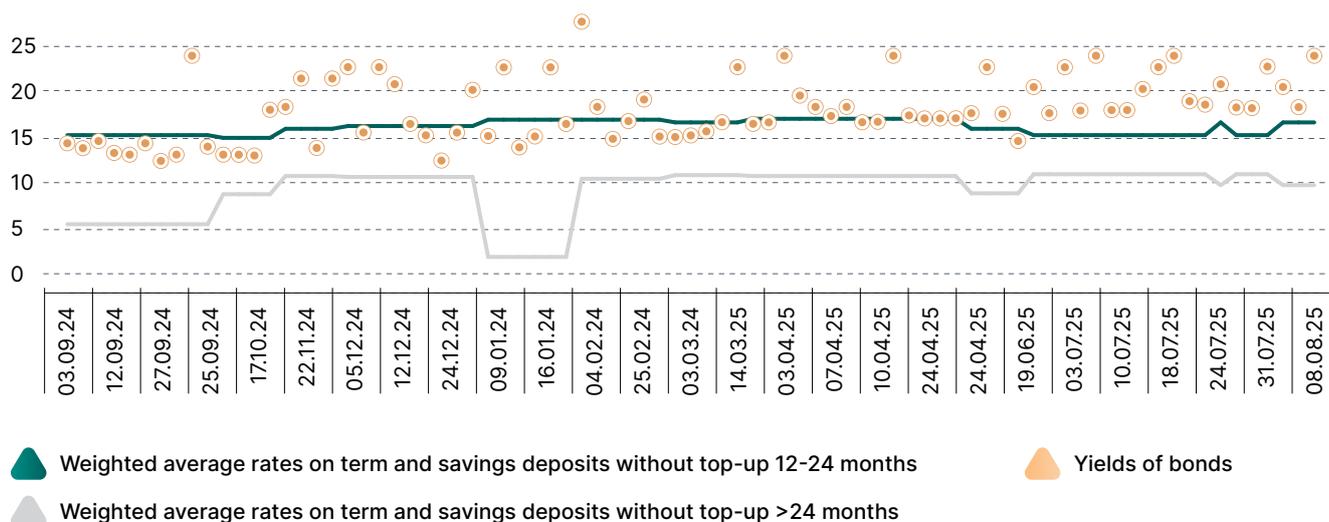


Source: KDIF

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Bonds give the opportunity to adapt the investment strategy to the term, currency, and level of risk

Figure 31. Deposit rates and yield of corporate bonds on the primary market of KASE, %



Source: KDIF, KASE data analysis

Yield

Bonds give more space for a premium. In 2025, the yield of market placements of corporate bonds on KASE varied in the range of 13.61–25.00% per annum in tenge and 4.50–10.00% per annum in dollars.

In the primary corporate bond market, investors typically receive yields exceeding deposit rates. Over most of the observed period, yields on primary placements surpassed deposit rates of comparable maturities. This implies that, all else equal, investors may achieve higher returns compared to traditional bank deposits, particularly in the high-yield segment where yields significantly exceed deposit levels.

Deposits offer a fixed rate determined by the bank. Bonds, in contrast, allow investors to earn a premium depending on:

- maturity (longer tenors typically offer higher yields);
- issuer credit quality;
- bond structure (currency denomination, fixed or floating rate).

Flexibility

Early withdrawal reduces effective deposit yield.

Deposit products offering higher rates (term and savings deposits) typically impose restrictions on early withdrawal and may result in loss of accrued interest. The KDIF notes that higher-yield savings deposits are associated with stricter early withdrawal conditions.

Bonds, as market instruments, provide flexibility to exit earlier through sale or redemption (subject to prevailing market pricing).

Diversification

The key advantage of a bond portfolio.

Bond portfolios enable risk diversification across issuers and sectors. Consequently, deposits increasingly serve as a liquidity management tool, while capital allocation is distributed across several banks as part of a broader financial strategy.

USD-denominated bonds often offer better value than USD deposits

WHILE YOU SLEEP

DEPOSIT

“Overnight”

You place free daily revenue
in the evening, and in the morning
you receive it with interest.



605



In Kazakhstan, dollar deposits historically carry low rates due to regulatory restrictions on deposit rates. In the KDIF report it is emphasized that for currency deposits a large segment of depositors prevails, for whom safety and diversification are more important than income maximization. And this is exactly where the key difference appears.

Yield in dollars for deposits is usually limited

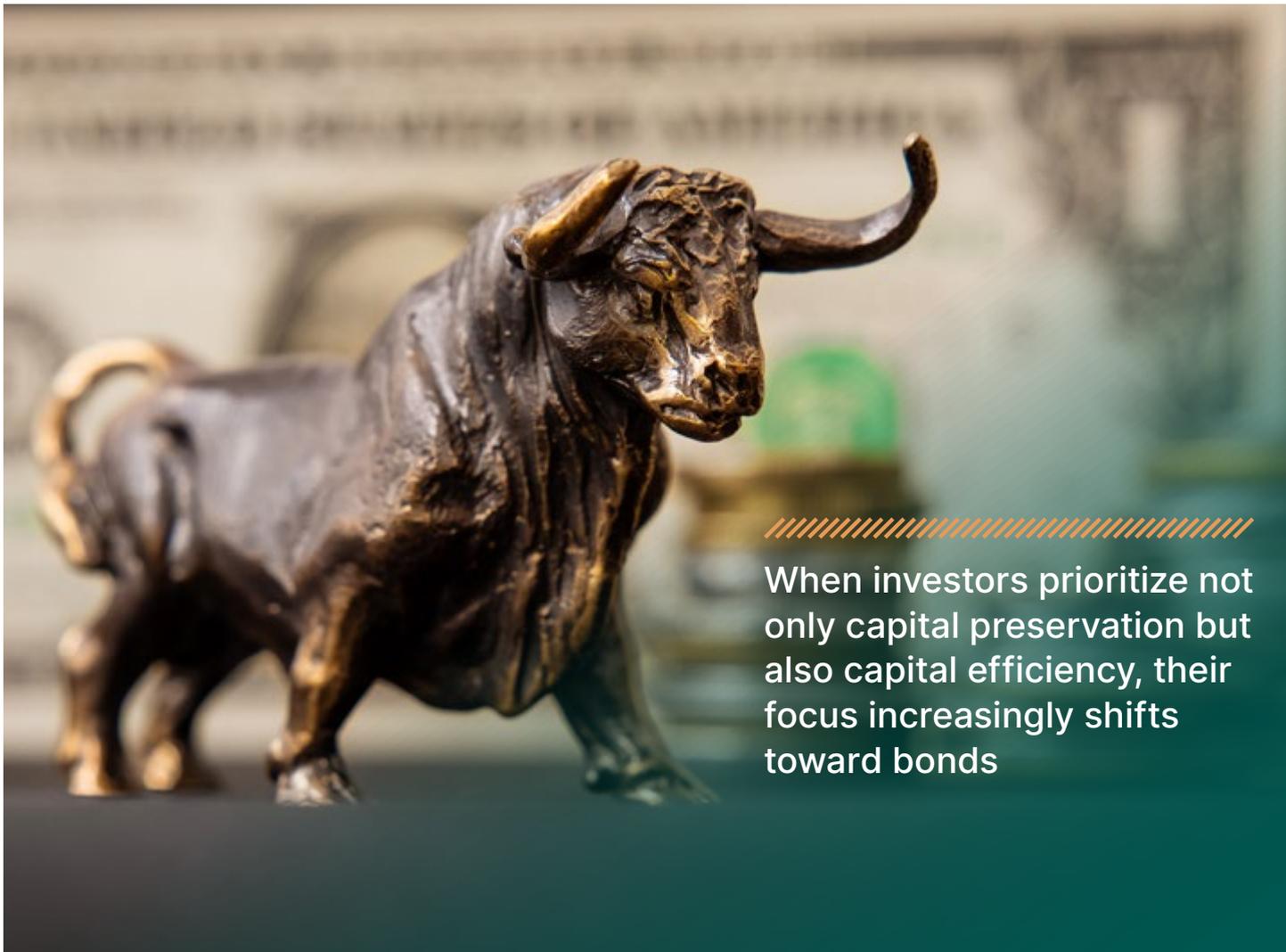
In most cases, USD deposits offer moderate rates, reflecting the lower cost of dollar funding for banks and the broader structure of global interest rates. As a result, if the objective is not merely to hold USD but to earn a tangible dollar yield, deposits often underperform due to rate caps and other limitations.

Dollar bonds allow fixing a more market yield in currency

Dollar bonds (including issues of local issuers) often offer a higher yield because the investor takes on:

- market risk of price until maturity;
- credit risk of the issuer;
- liquidity (the possibility to sell may depend on the market).

Dollar bonds give up to 10% per annum for individual issues, whereas a deposit in dollars is usually used rather as a currency safe, and not as an income instrument.



When investors prioritize not only capital preservation but also capital efficiency, their focus increasingly shifts toward bonds

05



Global Markets

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Aldiyar Anuarbekov, Analyst

2026: Investment cycle in technologies and increased market sensitivity to expectations

In 2026, the central theme for global markets remains the continuation of large-scale investments in artificial intelligence technologies. The main expenses are still concentrated in the US, however, the participation of other countries and companies is gradually expanding, which makes market dynamics more dependent on the rates of technology implementation and the actual return on investments.

For the US equity market, the balance between strong financial indicators of the largest technological companies and inflated expectations for future income is important. Signs of overheating are more noticeable in individual market segments than across a wide circle of large companies, but the high concentration of capitalization increases the sensitivity of indices to any revision of profit forecasts.

A scenario without significant corrections looks unlikely: in the logic of the current cycle, noticeable market declines during the upward movement are considered normal, and with the deterioration of financing conditions, a deeper revision of prices is possible. The most significant trigger: tightening of financial conditions through sustainable inflation and growth of bond yields.

At the global level, Europe looks comparatively more attractive in terms of valuation and may receive support from budget programs and corporate initiatives, but remains vulnerable to political and debt risks. In Asia, a “catch-up” movement with overheating in individual segments is likely; in China, growth potential is connected, first of all, with the technological agenda.

Global macroeconomic background 2026: moderately favorable base with high dependence on financial conditions

By the beginning of 2026, estimates for global dynamics look more stable than before: a number of indicators point to early signs of repeated acceleration, and expectations for growth and corporate profit have generally improved. Against this background, the thesis about the expansion of the profit cycle beyond the narrow circle of leaders, including the acceleration of profit growth outside the US, is strengthening.

Three macro-factors that form a more predictable background are connected with politics and price dynamics.

First, uncertainty in trade policy is noticeably decreasing, which reduces the risk of sharp deteriorations of external conditions for business and investments. Second, inflation expectations are described as restrained, including due to the dynamics of oil prices. Third, the logic of further easing of monetary policy in the US is preserved, which supports global risk appetite through the reduction of the cost of financing and discounting of future income.

An important part of the general picture is the role of the US budget. The budget impulse in 2026 may be “shifted to the beginning of the period”, that is, support for demand and business activity is expected rather sooner than later. This strengthens the probability of growth above the long-term trend and is supplemented by a cycle of capital expenditures, which extends not only to the technological sector but also to a wider circle of industries. In such a configuration, the base background for corporate profit in 2026 is assessed as supportive.

Regional differences persist. For Europe, support factors are highlighted, including the growth of government expenses in Germany on defense and infrastructure, which are expected to increase in 2026. At the same time, vulnerabilities are emphasized – risks of weak implementation of

programs, also risks associated with the budget stability of France remain: if the market starts demanding higher yield on its government securities, this will increase the cost of borrowing and may pressure Eurozone assets, as well as geopolitical factors. This makes the European macro-background more dependent on political decisions and confidence in the sustainability of public finances.

The key macro-uncertainty for 2026 is the risk of deterioration of financial conditions. A scenario is separately highlighted in which inflationary factors or fears around budget deficits lead to the growth of long-term yields and, as a consequence, to the rise in the cost of capital for economies and companies. In such a variant, the base “supportive” picture can quickly switch to the mode of revision of asset estimates and more cautious investor behavior.

Fed Policy

1. Current position

Based on the results of the meeting on December 10, 2025, the Fed lowered the target range of the rate by 0.25 p.p., to **3,50-3,75%**. In the statement, emphasis is placed on the fact that further decisions will depend on incoming data, updating of the forecast, and assessment of the balance of risks.

At the same time, financing conditions for the economy remain uneven. In market prices and on financial markets in general, conditions look relatively soft, but for households and small business, the cost of loans remains high. In particular, mortgage rates significantly exceed the yield of 10-year treasury bonds, and small companies attract borrowed funds at rates above 8%.

This supports the argument in favor of the continuation of rate reduction, so that the easing of monetary conditions becomes more noticeable for the real sector.

A separate element of 2026 is the factor of management continuity. The term of office of Jerome Powell as the Chairman of the Fed ends on **May 15, 2026**, and this may strengthen market attention to rhetoric and possible changes in the Fed's approach in the second half of the year.

2. Interest rates

Official Fed forecasts (median estimates of participants) suggest that the rate by the end of **2026** may be located around **3,4%**, and by the end of **2027** – around **3,1%**. In other words, the base trajectory is a further rate reduction, but without a return to the levels of “zero” rates of past cycles.

The Fed has not completed the reduction cycle, and two more rate reductions are possible before the completion of the term of office of the current chairman in May 2026. For the stock market, not only the fact of reduction is important, but also the pace: on the speed and scale of changes depends whether the market will revalue multipliers or growth will to a greater extent remain a function of company profits.

At the same time, the risk scenario for rates in 2026 is connected not so much with the short-term Fed rate, as with the yields of long US bonds.

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 The Fed has not completed the reduction cycle, and two more rate reductions are possible before the completion of the term of office of the current chairman in May 2026

One of the key risks for markets is the tightening of financial conditions due to the **growth of long-term yields**, which may be caused either by the renewal of inflationary fears or by anxiety regarding the budget

deficit. In such a scenario, even with a reduction of the short-term rate, the general level of the cost of capital may remain high.

Table 4. Current Fed rate range (end of 2025): 3.50-3.75

Fed Rate % at year-end	2026	2027	2028	Long-term
SEP Median (December 2025)	3.4	3.1	3.1	3.0
SEP Median (September 2025)	3.4	3.1	3.1	3.0

Note: SEP (Summary of Economic Projections) values are **estimates of FOMC participants** on what rate level they consider **appropriate** under their base scenario, and are published as the **midpoint of the target range** (midpoint) at the end of the corresponding year. This is not a promise of a rate trajectory and may change as data comes in.

Source: US Fed (FOMC), Summary of Economic Projections, December 2025

Base rate trajectory for 2026: moderate continuation of Fed policy easing, but with high dependence on inflation and on the dynamics of yields at the long end of the curve. In our base scenario, we expect two more rate cuts of 0.25 p.p. before the completion of the term of office of J. Powell in May 2026, that is, a transition of the target range to about 3.00-3.25%. The further trajectory in the second half of the year will be determined by the rate of inflation decrease and the reaction of the long bond market; with the preservation of disinflation, we allow for one more reduction, totaling about 0.75 p.p. for 2026 (guideline

for the range by the end of the year 2.75-3.00%). For markets, this means that support from the rate is possible, however, the *“price of error”* on inflation and the budget will be high – through the growth of long-term yields and deterioration of financing conditions.

US Equity Market

General S&P 500 Overview

The US ended 2025 on the back of stock-market rally with the S&P 500 hitting fresh record highs, adding about 15% for the year (after 23% in 2024). For the third year in a row, the index shows double-digit growth, which brought its valuation to historically high levels – about **22-times earnings** (forward P/E), that is, close to the peak of the dot-com era. Such a rally was largely conditioned by a narrow group of mega-capitalizations: the “*Magnificent Seven*” of technological giants, leading on the **AI-boom**, ensured the lion's share of the index growth and now makes up more than 30% of its aggregate capitalization. At the same time, the rest of the market grew more modestly, which led to increased concentration: the success of the S&P 500 to a significant extent depended on several IT flagships and their ultra-high rates of **profit growth**.

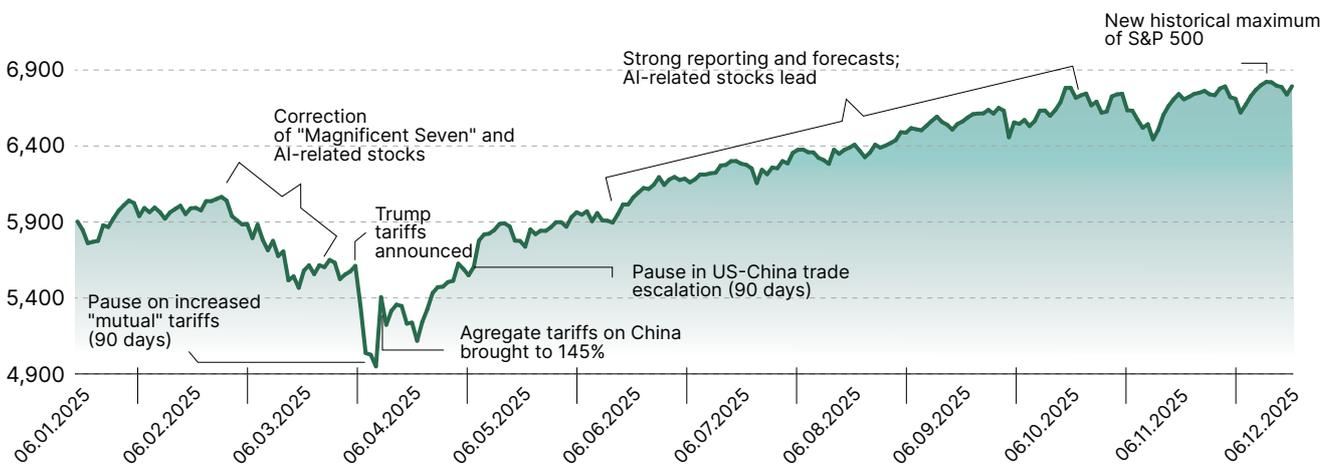
However, by the end of 2025, signs of a gradual expansion of the market base appeared. The lagging of some previously leading technological companies (for example, separate representatives of Magnificent 7) and the simultaneous revival of demand in other sectors (industrial, financial) signal a possible decrease in growth concentration. If in the previous two years investors expected future benefits from AI technologies – then now, on the threshold of 2026, the focus shifts to **the realization of profit** from these investments. The market has become more sensitive

to reporting: in conditions when the **S&P 500 is valued “for perfection”** by the majority of metrics, the slightest disappointment in financial results is capable of causing a correction of estimates. In other words, after a long period of the flow of funds into passive indices and the growth of **multipliers** due to low rates, a stage comes when the further advancement of the market must be supported by tangible growth of corporate incomes.

Key influence factors

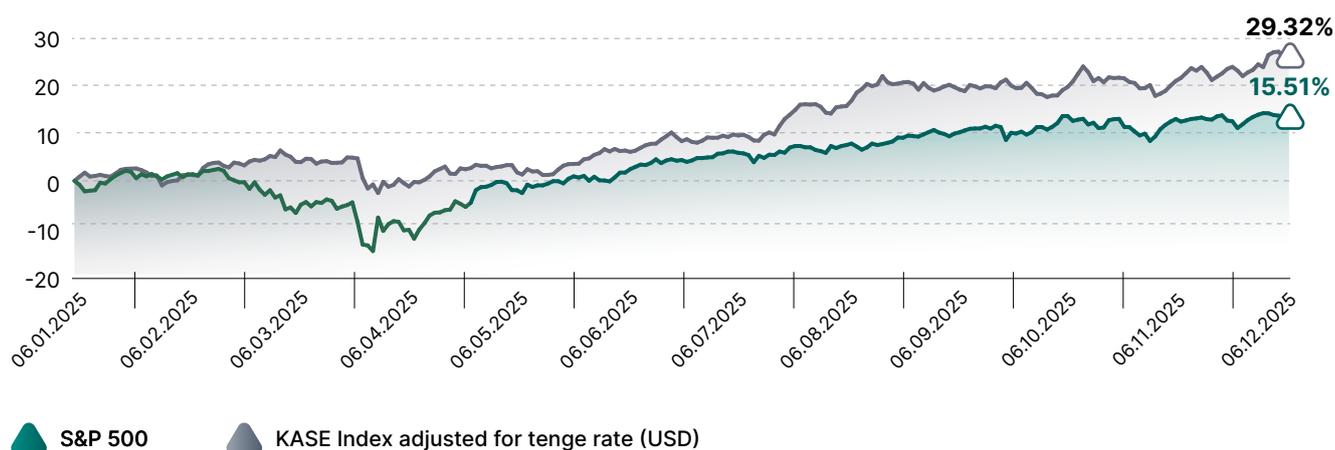
The base scenario for 2026 assumes a soft landing of the US economy and the continuation of moderately **friendly monetary policy**. Inflation, although it has decreased, remains under control, which allows the Federal Reserve to gradually lower the rate without losing confidence in price stability. As a result, financing conditions begin to soften: the cost of borrowing decreases, pressure from the side of bond yields weakens somewhat. **According to our base scenario**, the growth rates of the US economy in 2026 will remain **in the region of 2%**. Support is provided not only by consumer expenses but also by the investment cycle associated with the implementation of artificial intelligence. Largest companies will continue to invest record funds in cloud data processing centers, chips, and infrastructure. This investment **boom** contributes to the increase of productivity and, as expected, will accelerate the growth of **corporate profits** to double-digit values.

Figure 32. Influence of main events on S&P 500 in 2025



Source: Bloomberg; calculations and visualization: BCC Invest JSC

Figure 33. Comparison of S&P 500 dynamics and KASE index (USD)



Source: Bloomberg; calculations and visualization: BCC Invest JSC

The consensus forecast provides for **an increase in S&P 500 profit by 12-13%** next year, with the contribution of technologies remaining significant, but growth will start to be more evenly distributed across sectors. Simply put, if in 2025 the index grew due to **P/E**, expansion, then in 2026 the main “work” on lifting the market must be performed precisely by profit.

Despite optimistic expectations, the assessment of **profit sustainability** and external conditions remains in the center of attention, since current share prices practically do not incorporate the right to error. **The sensitivity of the market to bond yields** is at an increased level: with a yield of 10-year treasury bonds of about 4%, US shares are traded with a minimal premium to risk-free rates. Such a situation means that any changes in the trajectory of interest rates are capable of significantly influencing the revaluation of shares. **Reduction of yields** (for example, in the case of greater than expected easing of the Fed policy) may justify high multipliers and support further market growth. However, the growth of yields – whether due to a surge in inflation or increased supply of bonds for financing the deficit – will be painful: the increase of the discount rate compresses P/E of companies and may negate the positive from profit growth. Current high valuations largely rely on a combination of factors: expectations of soft policy, acceleration of economic growth, and a premium for technological innovations. Violation of any of these conditions: for example, tighter rhetoric of the Fed or slowing down of AI implementation, – is capable of forcing the market to **revise risk premiums** and provoke a wave of sell-offs.

SCENARIO RISKS. In the negative scenario, the main challenge is the return of inflationary pressure or other shocks forcing the Fed to tighten the course again. If by the middle of 2026 it becomes obvious that inflation is “*not finished*” or has risen due to, say, prices for energy carriers and wages, then instead of easing policy, the regulator may take a pause or even raise the rate. In such a case, **risk-free rates and risk premiums would rise**, sharply lowering fair share valuations, and **the S&P 500 yield could go into the negative zone**. Another risk is in the high-tech sector, about which some strategists warn. It is about the temporary gap between large-scale expenses on AI and the real return from these investments. Now companies are forced to spend huge sums on maintaining technological leadership (partly to the detriment of share buyback programs and dividends), whereas the effect on profitability will not manifest immediately. If in 2026 the reporting of IT giants shows that the growth of costs has not transformed into proportional income growth, the market may **lose faith in AI profitability**. Such a fracture is fraught with revaluation of the most expensive papers – the very ones that previously pulled the index up. Since concentration remains high, weakness in several mega-caps is capable of tangibly pulling down the entire S&P 500.

At the same time, **positive deviations** from the base scenario are also possible. For example, more aggressive easing of the Fed while maintaining moderate inflation. In such an optimistic configuration, profit could grow stronger, and the index – surpass current forecasts. Nevertheless, even **noticeable growth** above the base trend



does not guarantee a sustainable win: an excessive rally increases the risk of bubble formation and subsequent sharp cooling of the market in the future. Therefore, in our base variant, more balanced growth is incorporated taking into account already high **multipliers** and the need to confirm them with **profit facts**.

In general, the view on the US equity market in 2026 is restrainedly positive. **The base scenario** assumes that a combination of softening monetary policy, healthy consumption, and investment boom in the AI sphere will allow the S&P 500 to demonstrate **growth to \$7,700**, supported by a real increase of corporate incomes. Moreover, **expansion of the market breadth is expected**: from a narrow group of technological leaders to a wider circle of sectors, including industry, finance, and small capitalization, which will benefit

from the improvement of fundamental conditions. This will make the rally potentially more sustainable. **Market valuation** remains tense, but acceptable subject to the fulfillment of these expectations. At the same time, it is necessary to take into account **risks**: the market will carefully track macro-signals and corporate reports, reacting to deviations. Any deterioration – renewal of inflation, failure in the implementation of AI initiatives, or slowdown of the economy – can break the positive plot and lead to a **correction scenario**. Thus, the **US stock market** in 2026 enters a phase when **sensitivity to yields and revaluation of profit expectations** is especially high, requiring investors to carefully weigh the balance between expected return and optimistic forecasts incorporated into prices.

Assessment of bubble risks in the AI sector: key indicators and conclusions

Historical parallels: lessons of past bubbles

History shows that major technological breakthroughs often were accompanied by large-scale speculative surges. Back in the XIX century, the first industrial revolution led to a boom and subsequent crash of shares of railway companies in Britain; in the 1920s, the rapid growth of the stock market in the US was fueled by the appearance of automobiles, radio, and consumer electronics; and in the late 1990s, the technological breakthrough of the Internet gave birth to the famous **dot-com** bubble. All these episodes developed over several years and ended in landslide price falls. Analysts note common features of such bubbles: investors unite around the idea of a “*magical future*” associated with a new technology, although the scale and timing of the embodiment of this idea are unclear. Besides, in all three mentioned technological bubbles, two factors were clearly present – a massive inflow of retail investors and active use of borrowed capital. These historical parallels serve as a landmark for assessing the current hype around artificial intelligence.

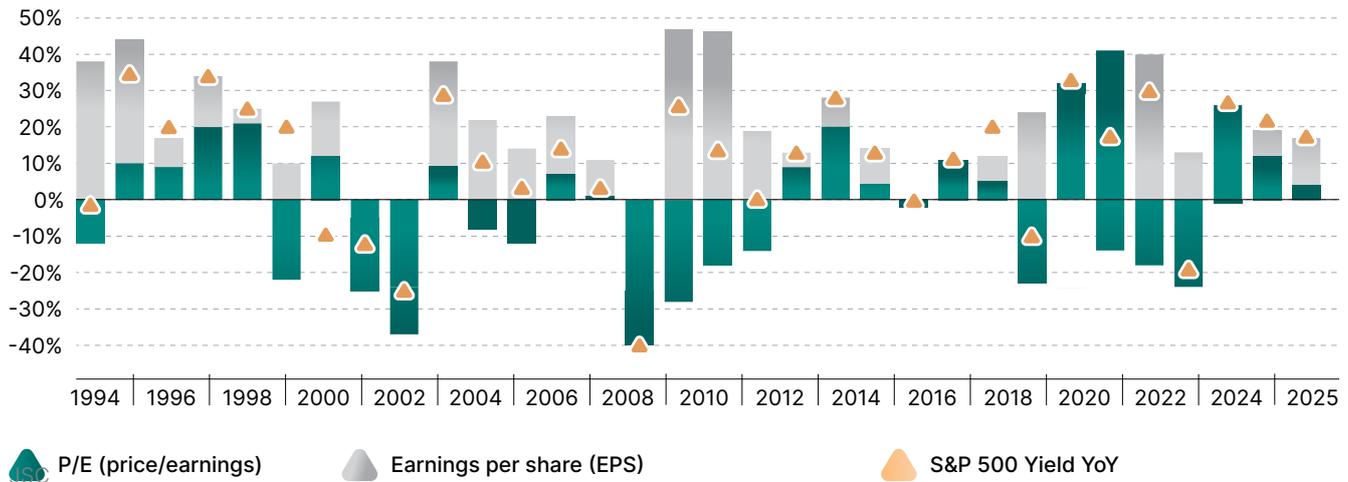
AI Rally: why it is too early to talk about the “bubble peak”

Despite the impressive growth of the AI sector in 2023–2025, many signs of a classic bubble are absent so far. **The market does not show explosive, irrational acceleration of price growth, which usually happens before the bubble reaches a maximum and bursts.** But now daily price fluctuations and volatility remained relatively restrained by the standards of past hype rallies, and investors are more oriented towards real financial indicators. It is indicative that the growth of the S&P 500 index in 2025 is almost completely conditioned

by the improvement of corporate profits, and not by the inflation of price multipliers. By the middle of Q4 2025, the S&P 500 index rose by 11.7% since the beginning of the year, while about 11.1% of this increase is ensured by the growth of earned profit of companies – that is, **almost the entire growth is supported fundamentally.** Such a rally structure *hardly testifies to a bubble.* For comparison, on the eve of the peak of the dot-com bubble in 1997–1998, the main part of market growth was provided precisely by the expansion of price coefficients (by 17–20% annually), whereas the contribution of the real increase in profit was much more modest. In other words, in the late 90s, investors paid ever higher prices for promises of future income, whereas now price growth is to a significant extent justified by current business results.

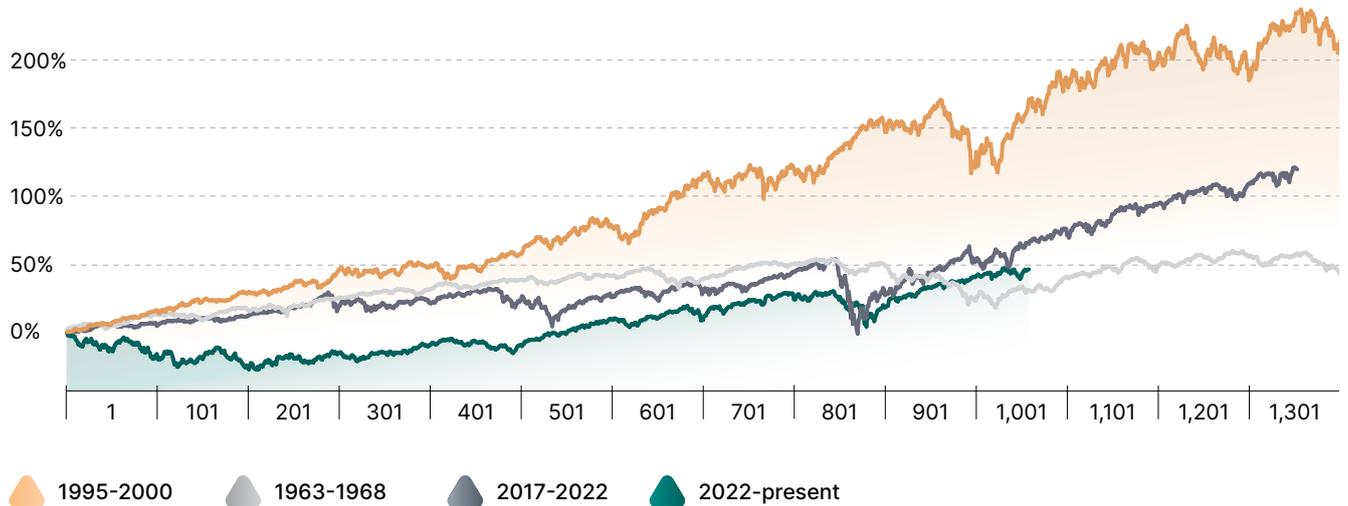
Another factor is the **absence so far of a super-extreme price impulse and volatility.** Although shares of key AI beneficiaries (the so-called Magnificent 7) significantly grew on the wave of interest in AI, overall market action doesn't look purely speculative. Many companies really demonstrate a jump in revenue and profit thanks to the implementation of AI, therefore the growth of their shares is fueled by fundamental expectations, and not just by irrational optimism. Also, **valuation coefficients of the AI sector (for example, of the largest technological companies) are so far far from extremes, and there is no obvious overheating in the market via leverage (credit shoulder),** which was typical for previous bubbles. Moreover, unlike the late 1990s, now the Federal Reserve is not tightening, but on the contrary, easing policy, which is also not characteristic for the final stage of a bubble. All these moments lead to the conclusion that **it is early to talk about the reached peak:** the current rise in the segment of artificial intelligence has tangible support on real indicators and is not accompanied by extreme manifestations of hype, characteristic of the finale of speculative bubbles.

Figure 34. Decomposition of S&P 500 yield



Source: Bloomberg; calculations and visualization: BCC Invest JSC

Figure 35. Bull markets of S&P 500 (normalized yield)



Source: Bloomberg; calculations and visualization: BCC Invest JSC

Differences of the current cycle from the dot-com era

Observers emphasize that **the current boom around artificial intelligence has important structural differences from the dot-com bubble of the late 90s**. The fundamental factor is **the active role of states**. If the internet revolution developed mainly at the expense of private capital and non-interference of the state, then now the situation is different. Governments of the largest economies directly invest in AI and stimulate this industry, considering

it strategically important. Many countries consider the integration of AI into the economy necessary for maintaining competitiveness, and technological leadership in AI – a guarantee of geopolitical influence. In fact, it is about a kind of “new arms race” between powers, where artificial intelligence is the next critically important instrument. Such state support can prolong the life of the market, insuring it against rapid collapse: financing of research, subsidies, and state orders create sustainable demand, which did not exist during the dot-com bubble.

Figure 36. S&P 500: Earnings per share (EPS)



Source: Bloomberg; calculations and visualization: BCC Invest JSC

The second difference is the **structure of the investor base and the degree of retail hype**. The dot-com bubble largely became a social phenomenon: millions of private investors rushed to the stock market, hundreds of dubious internet startups went to IPO, and mass culture praised easy money on shares. In the late 90s, euphoria was observed among retail and rapid growth of margin lending; these factors significantly heated up the market. Now the picture is different: **retail investors, although they show interest in AI shares, do not yet demonstrate signs of unrestrained mania**. The rise of the AI sector is led, first of all, by large technological corporations with real profits, and the share of institutional investors in them is significant. So far, there is no explicit participation of “price-insensitive” retail and widely spread credit “leverage”, which were characteristic of past bubbles. The absence of overheated mass speculation at the level of households is an important difference of the current situation from the dot-com era. This does not mean that retail investors stand aside (the growth of popularity of the AI theme testifies to their

interest), but **mass hysteria is not yet observed**. Another restraining factor is the relative limitation of new share offering: the number of IPOs in the AI/tech sphere from 2022 to 2025 is much less than placements of the late 90s.

Thus, **the current boom relies on a narrower circle of investment objects and a large share of professional capital**, and is also indirectly supported by states – all this makes its course more sustainable than the chaotic splash of dot-coms.

Structural risks: what can provoke a fall

With all differences, **the mechanism of bubble collapse remains unchanged**: sooner or later euphoria collides with the harsh reality of financial conditions. Historically, the inevitable trigger for bubble bursting became **tightening of monetary conditions** – growth of rates and reduction of liquidity. Before the peak of all major bubbles of the last 180 years, there was a significant increase in the cost of borrowed capital or other financial “belt tightening”. In the current cycle, risks in this area are also present: if inflation accelerates again or economic conditions force central banks to raise rates, rapidly more expensive money can cool even the hottest AI market.

Another significant risk is hidden in the segment which is not visible on exchange charts – **private (non-public) investments in AI**. In recent years, into venture projects and private companies associated with artificial intelligence, huge funds poured in –

It is about a kind of “new arms race” between powers, where artificial intelligence is the next critically important instrument



The market of artificial intelligence cannot yet be unequivocally called a formed bubble

according to BofA estimate, these investments reach \$5 trillion. These investments are often based on high valuations of startups expecting rapid growth. **If in the private segment inflated expectations start to “burst”** – for example, due to technology failures or drying up of financing – this can spread to public markets as well. So far, **the public market wins from the inflow into AI startups, but if problems appear there, they will inevitably start to pressure investor sentiments.** In connection with this stands the question of **leverage and derivative instruments.** A number of observers point to the growth of popularity of complex exchange-traded products – for example, on the American market, over 500 ETFs with credit or reverse leverage are traded, which theoretically can increase volatility. However, now their influence is assessed as limited. A much more significant factor will become the **activity of retail investors at the late stage of the bubble.** It is retail that traditionally inflates the bubble to the maximum – and in the case of AI, this can be expressed, for example, in a splash of speculation in associated assets and mass FOMO-entry of unprepared investors. Such a phase, if it comes, will likely coincide in time with the deterioration of financial conditions, creating ground for a sharp reversal of the market.

Conclusion: is there a bubble and what is the risk of its development?

Summarizing the analysis, **the market of artificial intelligence cannot yet be unequivocally called a formed bubble**, but signs of movement in this direction are growing. The core of the AI sector at the moment is growing within the framework of relatively normal market logic, relying on the improvement of profits and support for demand from the side of business and the state. Many attributes of “overheating of the highest point” are absent – there is no explosive surge of volatility, mass euphoria of private players, or detachment of prices from fundamental metrics on a wide scale.

Thus, **at the moment the AI market is rather in a state of “bubble origin”.** It is important for investors and observers to maintain vigilance, and the further development of events will largely depend on the balance between the real progress of technologies and irrational excesses of the market.

Priorities for 2026

2026 promises to be favorable for risky assets against the background of stabilization of growth and weakening of inflationary pressure. Many forecasts emphasize support for markets from the side of the investment boom in the sphere of artificial intelligence and favorable policy, which will stimulate further growth of corporate profits. Expansion

of market growth beyond the narrow group of technological “favorites” of 2025 is expected: cyclical and value sectors, such as finance and industry, return to focus. We also highlight point opportunities in segments of electrification infrastructure and beneficiaries of the recovery of Europe and developing markets.

Table 5. Top-5 directions for 2026

Direction (theme/sector/region)	Brief explanation	Outlook
Artificial intelligence and technologies	Rapid growth of investments in AI solutions and digital infrastructure supports leaders of the technological sector	AI-capex will continue to grow at a rapid pace (almost independently of stock dynamics)
Financial sector (banks of Europe and Japan)	Attractive valuations with improved balance sheet indicators	Revaluation potential with the preservation of stable profitability and without sharp acceleration of rate reduction in Europe against the background of stable fundamental indicators
Electrification and infrastructure	Modernization of power grids and growth of renewable energy to achieve climate goals stimulate capital investments	Early stage of a multi-year trend: the share of electricity in the energy balance should grow from 20 to 55-70% by 2050.
Europe and EM: recovery	Eurozone and China show signs of improvement	Acceleration of profit growth in Europe and a positive turn in the economy of China are forecast, reinforcing the bullish view on developing markets
Rotation to cyclical/value-sector	After the growth of a narrow circle of shares in 2025, redistribution of capital into a broader the group that had previously lagged behind beneficiaries	Continuation of transition to small capitalization and traditional industries; interest in value-style will likely persist



Expansion of market growth beyond the narrow group of technological “favorites” of 2025 is expected



Table 6. Top-5 stocks for 2026

Ticker and company	Direction	Description	Expectations
MSFT (Microsoft Corp.)	Technology (AI)	Leader in cloud and AI servers; key beneficiary of the continuing boom of corporate investments in AI	Outpacing profit growth of the tech sector is expected on a two-year horizon thanks to the AI effect
BARC LN (Barclays Plc)	Banking sector (Europe)	One of the leading European banks, beneficiary of the improvement of macro-conditions; will benefit from higher interest rates	We expect revaluation of European banks due to stronger, than historically, fundamental indicators and low valuation base
ETN (Eaton Corp.)	Industry and energy management (electrification)	Diversified industrial company; solutions for management and distribution of electricity against the background of investment growth in power grids and infrastructure (incl. data processing centers)	Growth of investments in energy and infrastructure supports multi-year demand for the company's products (the trend for electrification is only gaining strength)
700 HK (Tencent Holdings)	Internet technologies (China)	Leading Chinese online platform (social network, games, fintech); potential beneficiary of the revival of the private sector and consumption in China	Leading Chinese online platform (social network, games, fintech); potential beneficiary of the revival of the private sector and consumption in China
NVT (nVent Electric plc)	Electrical equipment (electrification, infrastructure of data processing centers)	Manufacturer of solutions for power supply, energy distribution and industrial connection; beneficiary of growth of investments in power supply and infrastructure of data processing centers	Positive dynamics of demand is likely against the background of a multi-year investment cycle in power grids and capacity for digital infrastructure



We also highlight point opportunities in segments of electrification infrastructure and beneficiaries of the recovery of Europe and developing markets



Syrym Kuttygul, Senior Analyst

Bond Market – 2026 Overview

In 2025, the bond market returned to the focus of investors after several years of pressure from the side of high interest rates, however, the recovery bore an uneven character. The slowdown of inflation and the shift of the rhetoric of central banks towards easing supported debt markets, but differences in macroeconomic conditions and fiscal positions of countries led to multidirectional yield dynamics. In the US and a number of markets, the decrease in yields was accompanied by price growth and a high contribution of duration, whereas in other countries yields remained elevated against the background of fiscal risks and peculiarities of monetary policy. As a result, the dynamics of the global market of government bonds moved to a stabilization phase after growth in the first half of the year, which was reflected in the behavior of the FTSE World Government Bond Index (WGBI) – an indicator of the aggregate yield of government bonds of the largest economies, taking into account price and coupon.

The credit segment in 2025 demonstrated resilience against the background of a slowdown in growth

without a pronounced deterioration of fundamental indicators. Investment grade and high yield spreads compressed for the greater part of the year, reflecting high demand for yield and limited supply of quality papers. As price revaluation was realized, coupon payments began to make an increasing contribution to yield, whereas the potential for further compression of spreads decreased. By the end of the year, the bond market moved to a more restrained phase of the cycle.

In 2026, as normalization proceeds of the macroeconomic environment and further slowdown of inflation, conditions for debt markets in general remain favorable, although trajectories of economic growth and monetary policy differ noticeably between countries. At the same time, the growth of government borrowings and fiscal restrictions, especially in the US and a number of European economies, can lead to episodic pressure on the long end of yield curves. Nevertheless, in the base scenario, such risks remain manageable and do not change the overall investment attractiveness of the asset class.

Figure 37. FTSE World Government Bond Index (WGBI): aggregate yield



Description: government bonds of countries: growth in H1 and stabilization in H2.

Source: Refinitiv (LSEG)

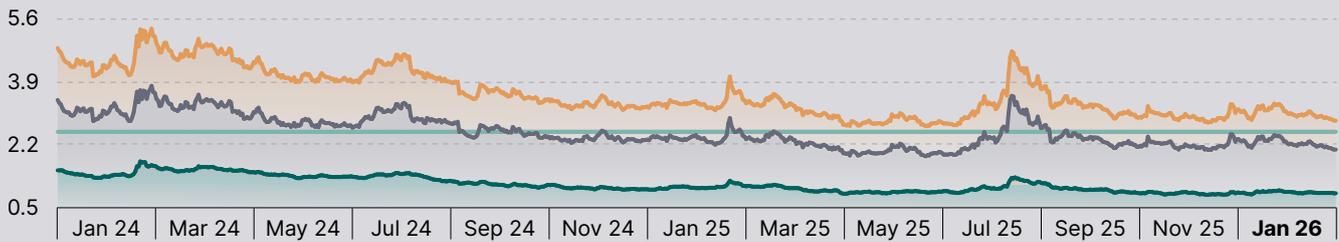
Figure 38. Dynamics of yield of 10-year US treasury bonds



Description: a decrease in the yield of 10-year US treasury bonds is observed.

Source: Refinitiv (LSEG)

Figure 39. Dynamics of yield of 10-year US treasury bonds



IG credit spread HY credit spread HY-IG spread Average HY-IG (3 years)

Description: the credit risk premium on the US bond market remains at low levels.

Source: FRED, Federal Reserve Bank of St. Louis

Central bank policy remains the key driver of debt markets in 2026, although its influence differs significantly by region. In the US, the Federal Reserve continues policy easing, increasingly focusing on risks for the labor market and financial stability, which forms a supportive environment for treasury bonds, primarily in the middle segment of the curve. In the Eurozone, the combination of weak economic dynamics and moderate inflation limits the space for tightening policy, supporting demand for government bonds. In developing markets, positive real rates and the presence of space for rate cuts create a favorable background for local bonds.

Against the background of the divergence of central bank policies, debt markets of developing countries look like one of the most attractive segments in 2026. More restrained inflation and the potential for policy easing create a favorable background. Additional support may be provided by the possible weakening of the US dollar, which is traditionally favorable for assets of developing markets. Special interest is represented by local bonds of countries with stable fiscal positions and independent monetary policy.

Corporate debt in 2026 continues to offer attractive coupon income against the background of generally stable issuer indicators. However, compressed credit spreads mean that additional compensation for risk remains limited, increasing the sensitivity of the segment to the deterioration of macroeconomic conditions. In such conditions, the significance of selectivity and risk control increases. Focusing on bonds seems more justified of investment grade, short and medium duration, as well as on instruments with a more stable yield profile looks more justified, whereas striving for maximum yield due to lowering the quality of loans may turn out to be unjustified.

As interest rates decrease, the attractiveness of monetary instruments and short-term cash decreases, whereas bonds again strengthen their role as a source of regular income and reduction of portfolio volatility. In the absence of universal solutions, the effectiveness of strategies in 2026 will depend on flexibility, diversification, and active management of risks. A competently built portfolio of bonds is capable of ensuring stable income and increasing the stability of investments in conditions of persisting uncertainty.

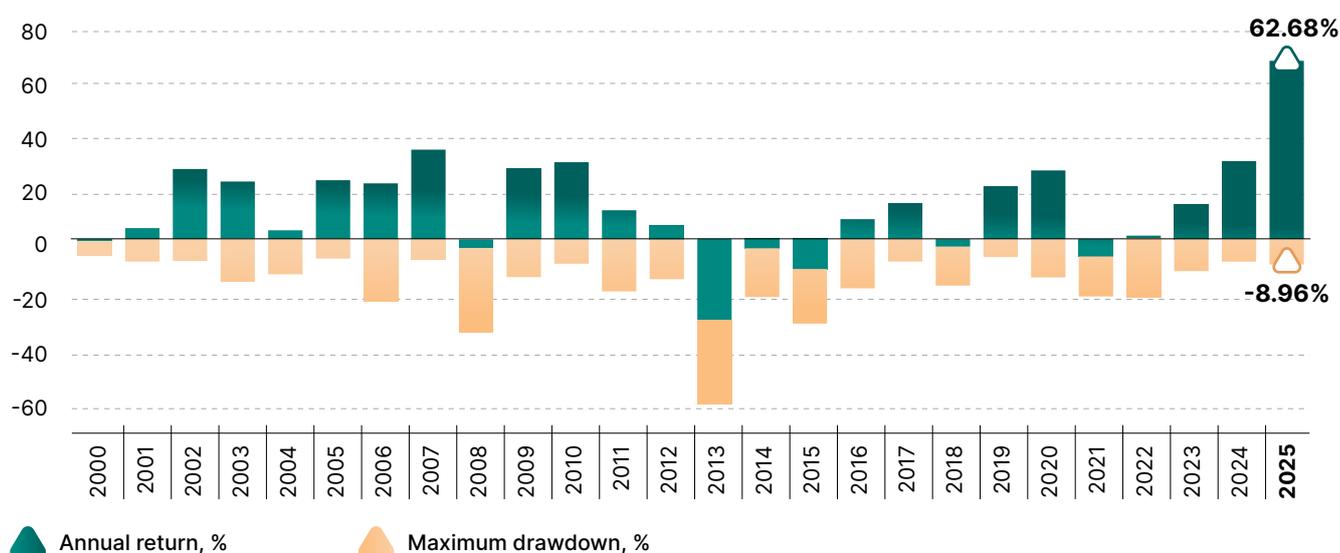
Gold

2025 became exceptional for gold: the price reached record highs more than 50 times, and the aggregate growth since the beginning of the year exceeded 60%. This rally was facilitated by a combination of factors. First, unprecedentedly high geopolitical and economic uncertainty stimulated demand for protective assets, which gave gold a significant “premium” impulse. According to World Gold Council (WGC) estimates, the high level of geopolitical risks and general macroeconomic uncertainty explains about 12 percentage points of the gold price growth in 2025. Second, the weakening of the US dollar and some decrease in real interest rates reduced the alternative costs of owning gold, adding about another 10 p.p. to the yield. These two groups of factors in aggregate ensured about half of the growth, emphasizing the large influence of central bank policy and monetary conditions on the gold market. Other drivers also made a significant contribution: positive price dynamics and the flow of investor funds (momentum) added about 9 p.p., and the improvement of the economic situation – about another 10 p.p. It is noteworthy that the contribution of the main factors to the growth of the gold price in 2025 was unusually balanced – not one of the drivers dominated single-handedly. This suggests that the market grew on a broad basis: from the growth of protective demand to the improvement

of fundamental indicators, with a somewhat more noticeable role of the price impulse (speculative demand) than in previous years.

The key role in the rally was played by **investment demand** and purchases by central banks. Against the background of falling yield of other assets and fears regarding the overheating of stock markets, investors strengthened diversification in favor of gold. Flows into gold exchange-traded funds (ETF) turned upwards: for 2025 ETF almost completely compensated for the outflow of the previous four years, demonstrating record monthly inflows (about \$17 billion in September alone) – the largest monthly inflow for all time of observations. In general, for the July-September quarter, the aggregate inflow into gold ETFs reached \$26 billion, which is a historical maximum. These large-scale investments, along with sustainable demand from central banks, allowed the total global demand for gold to approach 4850 tons in 2025 – the maximum level since 2011. Central banks continued active purchases of gold for reserves, although they somewhat reduced the rates compared to the records of the previous three years. The demand of central banks remains much higher than average historical values, reflecting the desire for de-dollarization and hedging of geopolitical risks.

Figure 40. Gold: Annual Return and Maximum Drawdown since 2000, %



Source: Bloomberg; calculations and visualization: BCC Invest JSC

Pension Asset Management

Pension savings with BCC Invest JSC is an opportunity to effectively manage your pension assets through investment instruments with professional support. The product allows diversifying investments, preserving pension funds taking into account long-term goals and an acceptable level of risk.

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You can transfer the desired part of pension savings to private management

2. How they manage:

BCC Invest JSC invests according to the investment declaration

A professional team invests in reliable and proven financial instruments

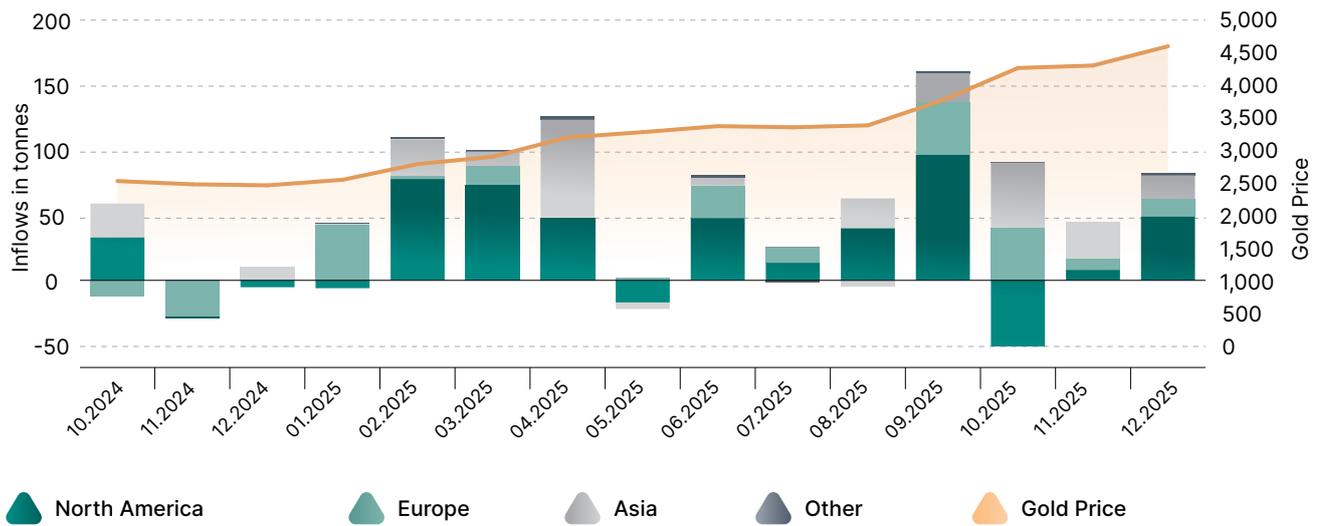
3. Terms of receiving your savings

10 days before reaching retirement age pension savings together with the result from investments are transferred to your account in the UAPF





Figure 41. Monthly inflows into gold ETFs in tons and gold price movements



Source: World Gold Council

For example, the share of gold in the reserves of central banks of developing countries so far is only about a third of the corresponding share in central banks of developed countries, and many EM central banks plan to increase gold reserves for diversification and reduction of sanctions and currency risks. In the private sector, similarly, underutilization of gold in portfolios is observed: according to the assessment of UBS analysts, gold now accounts for only 0.4% of global investment assets, whereas in past decades this indicator routinely amounted to 5-10%. This speaks of significant potential for further inflow of capital into the gold sector while maintaining volatility on markets. Additional support to the market in 2025 was provided by the **geopolitical factor**: the continuation of military conflicts and the aggravation of geo-economic contradictions increased the attractiveness of gold. According to WGC estimates, it was political instability that was one of the main components of price growth – about 8 p.p. of the aggregate 60% yield fell on geopolitical risk (for example, risk premiums associated with it). Thus, the result of 2025 was the strengthening of gold's positions as a high-yield asset against the background of turbulence: gold entered the number of the most profitable asset classes of the year, overtaking many stock indices and commodities and confirming the status of an effective protective instrument.

Expectations and scenarios for 2026

Current prices largely already reflect consensus expectations for economic growth, inflation, and monetary policy; therefore, with **stabilization of the macroeconomic situation**, gold may remain in a relatively narrow range. The World Gold Council describes this status quo as the *Macro consensus* scenario, under which the change in the gold price in 2026 is estimated only in the range of 5% from current levels. However, as experience shows, reality rarely strictly follows the consensus path. WGC and the largest banks consider several alternative scenarios taking into account possible deviations of the economy from the base.

The base scenario of the majority of banks for 2026 incorporates a **smooth slowdown of the global economy and easing of monetary policy**. This means that **significant movement of the gold price is not expected**, although a moderate upward trend is preserved. Consensus estimates for the market also indicate the preservation of prices around current levels with the possibility of small growth: on average forecasts fluctuate in the range of \$4300-4700 per ounce at the end of 2026. At the same time, futures and forward curves for gold indicate the continuation of **backwardation**, reflecting expectations of partial normalization of demand after the extremely strong 2025.

Separately, it is worth emphasizing the **role of gold in portfolios in conditions of volatility**, which remains relevant under any scenario. Gold has proven itself as an effective diversifier: its correlation with risky assets (shares, high-yield bonds) is usually negative in periods of crises, which helps to smooth portfolio drawdowns. 2025 became a clear example – the inclusion of gold brought a significant positive effect for balanced portfolios, compensating for the weakness of bonds and increased volatility of shares. In 2026, high uncertainty will persist (geopolitical conflicts, fiscal problems of a number of countries, **events with tail risks**), therefore investors are expected to maintain interest in protective assets. Gold still performs the hedging function in the portfolio, and current price pullbacks provide an opportunity to increase the share of gold to the optimal 5% of the portfolio without excessive risk. The key factor remains precisely the **stabilizing role** of gold – the metal ensures diversification and reduces the volatility of aggregate investments, especially in conditions of increased market fluctuations. Thus, entering 2026, gold retains a dual nature: on the one hand, the potential for rapid growth is limited in the absence of new shocks, on the other – the metal remains extremely in demand as a hedge against unforeseen events and an instrument of capital preservation. In our base scenario, we assumed that during the current

year, the gold price could rise to the region of \$4,900 per ounce. However, the market realized this growth **significantly faster than expected**: in current conditions gold is growing at an accelerated pace, and at the moment the price is already near \$5,200. This means that the initial base trajectory was effectively “passed” in advance and the risk of shifting the final range for the year upwards noticeably increased.

Taking this into account, we update the benchmarks. If initially our **base scenario** assumed \$5,200 at the end of the year, then after such a sharp and rapid upward movement, we raise the target price in the base scenario **to \$5,500 per ounce. In the bull scenario**, while maintaining a high geopolitical premium, stable demand from investors and continued purchases by central banks, we allow reaching **\$5,700 by the end of the year. In the adverse scenario** (normalization of expectations, profit fixing, partial reduction of the risk premium and strengthening of the dollar), the base “anchor” of the decline remains the range close to the previously expected level of **about \$4,900 per ounce**. The balance of these qualities means that gold, according to estimates, will continue to occupy an important place in strategic portfolios both under the base scenario and even more so under the realization of stress scenarios.



Gold is expected to continue occupying an important place in strategic portfolios both in the baseline scenario and even more so in the event of stress scenarios materializing



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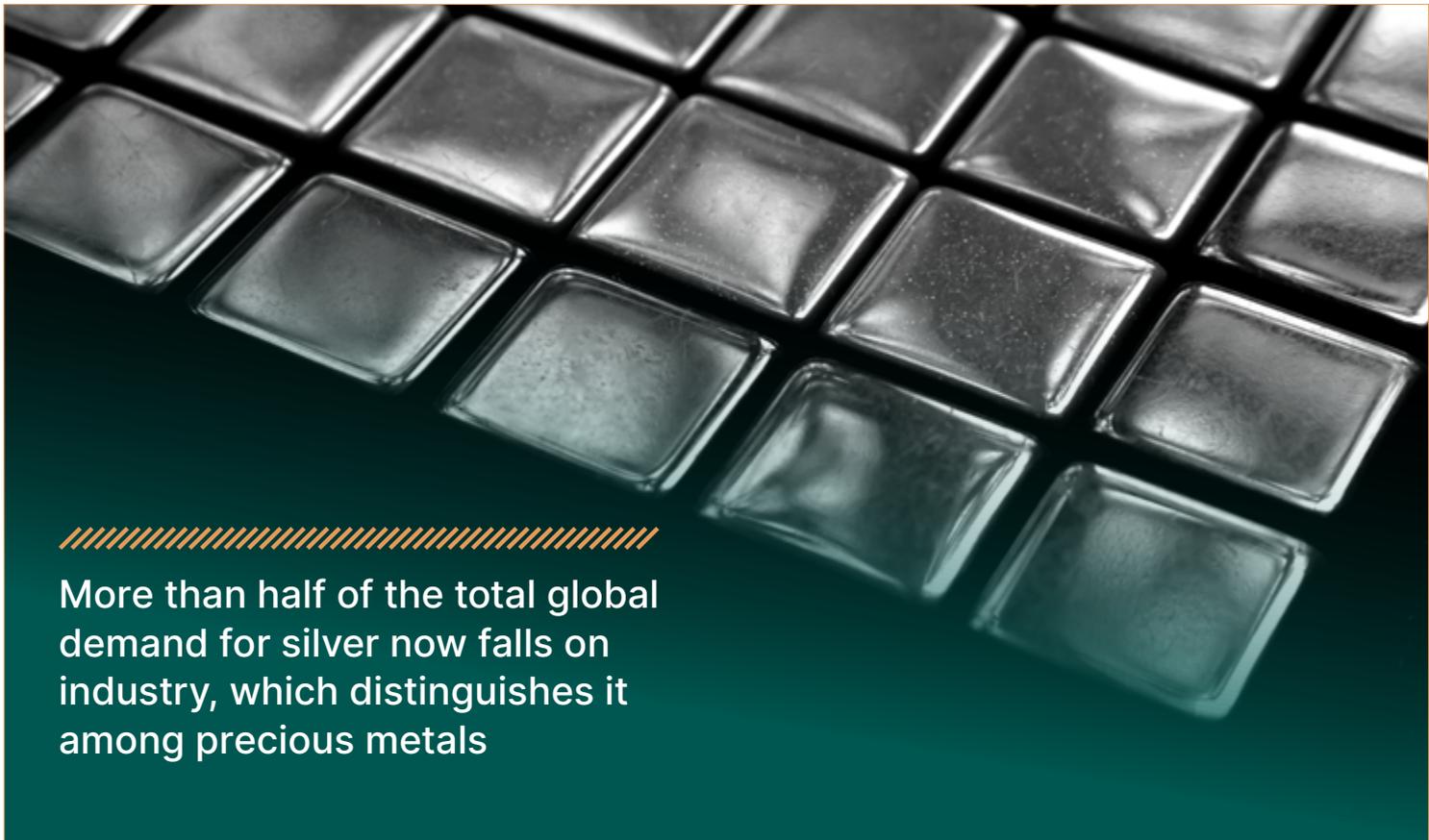
Silver Market

2025 Results

The silver market in 2025 developed under the influence of similar macro-trends as gold, however, it demonstrated even more impressive performance. Against the background of the “gold rally”, silver made a powerful surge, traditionally outpacing gold in volatility. By the end of the year, prices for silver grew by almost **140% since the beginning of the year**, whereas gold “limited itself” to growth of **63%** for the similar period. During the year, silver experienced sharp fluctuations: periods of rapid growth alternated with pullbacks. For example, after a series of record maximums in autumn, the largest daily price drop in a decade followed (-6.6% per session) in October, when part of investors fixed profit on fears of market overheating. Nevertheless, fundamental factors supported the upward trend, and drawdowns attracted new buyers – the FOMO effect (*fear of missing out*) manifested itself in the silver market as well. As a result, 2025 became for

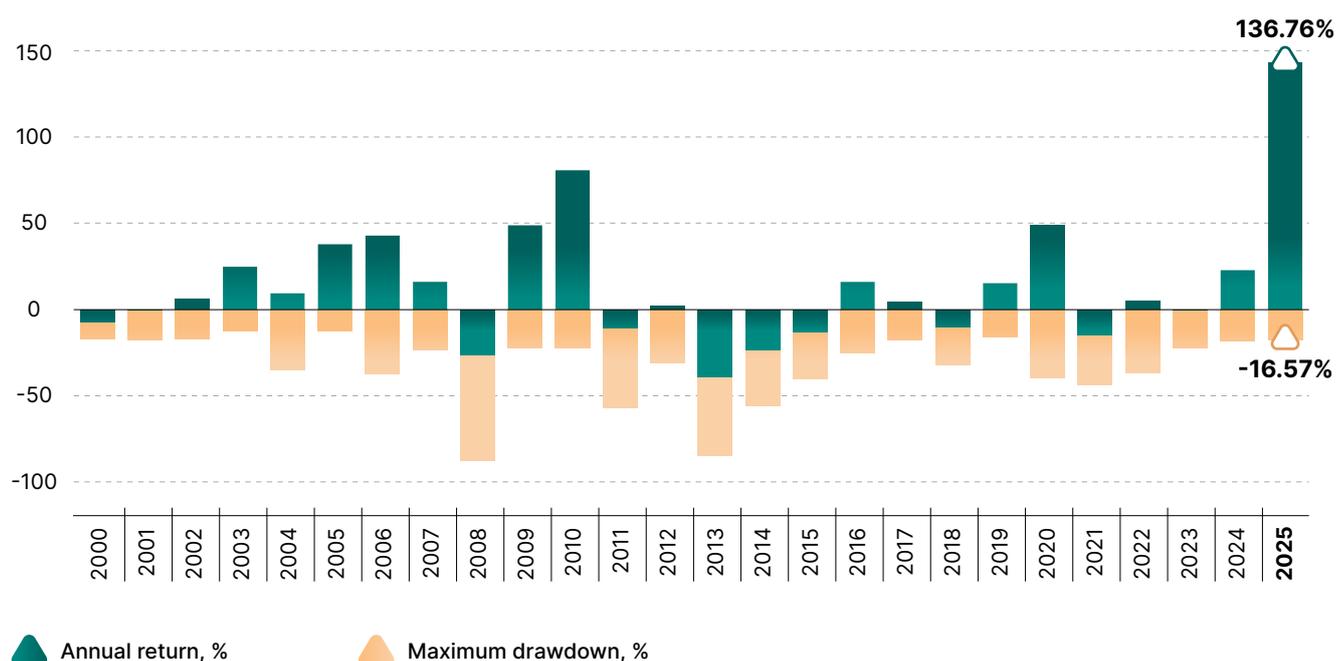
silver one of the best in modern history: by yield, the metal significantly outpaced gold. The **Gold/Silver ratio** coefficient (ratio of gold and silver prices) decreased from **105** at the beginning of the year to **70** by December, reaching minimum levels for the last few years. The decrease of this coefficient meant the outpacing growth of the cost of silver and the return of interest of institutional investors to previously undervalued silver after a long period when gold outperformed silver in terms of price performance.

Such impressive growth of prices for silver in 2025 was conditioned by a combination of investment and industrial factors. **On the one hand**, silver, like gold, received a significant inflow of funds from investors looking for protection from inflation and geopolitical risks. In anticipation of the easing of the Fed policy, investors actively bought precious metals. As a result, substantial volumes of capital returned to silver ETFs for 2025, and the recovery of global reserves of these funds to previous record maximums (about 1.021



More than half of the total global demand for silver now falls on industry, which distinguishes it among precious metals

Figure 42. Annual return and maximum drawdown since 2000, %



Source: Bloomberg; calculations and visualization: BCC Invest JSC

billion ounces). An additional driver of capital inflow became the relative price imbalance: at the beginning of the year, silver looked cheap relative to gold (with G/S ratio > 100), therefore part of investors considered it as a more accessible alternative to gold with great growth potential. The growth of investment demand for silver was especially noticeable in Asia and among private investors, who were attracted by the relative availability of this metal.

On the other hand, industrial demand for silver reached new peaks thanks to structural trends. Silver is widely used in high-tech industries: primarily in the production of solar panels, as well as in electronics, electric transport (hybrids and electric cars) and various electrification systems. The stormy growth of the renewable energy sector became one of the key drivers: after record volumes of commissioning of solar energy capacities in recent years (especially in China), the demand for silver for photovoltaic panels rose to a historical maximum. Parallel development of electric transport vehicles and related infrastructure (charging stations, electronic systems in cars) also increased industrial consumption of silver, as this metal possesses unique electrical conductivity and thermal conductivity necessary in the electronic industry. Thus, the energy transition and technological boom gave the silver market a powerful fundamental impulse. According to ING estimates, more than half of the aggregate

global demand for silver now falls on industry, which distinguishes it among precious metals (for gold, on the contrary, investment-jewelry demand dominates). In 2025, industrial consumption of silver continued to grow, although by the end of the year first signals of reaching a local peak appeared – in particular, in China, the rates of commissioning new solar capacities will likely stabilize after a period of extreme growth.

The combination of sustainable industrial demand and investment inflow occurred against the background of limited possibilities to increase the supply of silver, which led to the formation of a deficit on the market. 2025 became already the fifth year in a row when global demand for silver exceeded the volume of supply from mining and processing. This structural deficit is explained including by the inelasticity of supply: about 70–80% of global silver production is mined incidentally, as a by-product in the development of deposits of other metals (predominantly lead, zinc, copper, and gold). This means that even a significant increase in prices for silver does not lead to a rapid increase in its mining, since there are not many specialized silver mines capable of instantly increasing output. Mining companies are oriented, first of all, to the prices of basic metals, and silver production grows only with the expansion of the mining of these base metals. In 2025, global silver mining even decreased

slightly (approximately by 3% year-on-year) – this is connected with the gradual depletion of ores (fall in silver content at mature deposits) and lack of investments in new projects in previous years.

Limitations of supply were aggravated by unique logistical factors. In 2025, an episode of regional liquidity compression on the silver market due to trade barriers was observed. In anticipation of possible US import duties on some metals (including silver, which was included in the list of critical mineral resources for the US), large batches of silver rushed from London to the American market. This led to a sharp decrease in visible reserves of silver in London and a simultaneous increase in premiums on the COMEX exchange in New York. As a result, a kind of *short-squeeze* formed: futures prices for silver in the US traded noticeably higher than spot quotes in London, stimulating the flow of metal across the Atlantic. As a consequence, rates of lease of silver in London jumped to ~6% per annum – an anomalously high level, which persisted even after the record import of metal to replenish the deficit in warehouses. These events emphasize that the physical silver market was extremely tense in 2025: reserve volumes were at a minimum, due to which prices became extremely sensitive to any disruptions in supply. In

aggregate, 2025 for silver was characterized by a rare coincidence of factors: strong investment demand + record industrial demand + limited supply. Such a combination explains the two-fold growth of prices for the metal, accompanied by increased market volatility.

Outlook and Risks for 2026

In 2026, the preservation of favorable conditions is expected for silver, although price growth rates will likely normalize after the extreme jump of the previous year. Fundamental support for the market remains strong: the physical balance is still deficit, and the macroeconomic environment (easing of monetary policy, weaker dollar, preservation of geopolitical uncertainty) stimulates investor interest in precious metals.

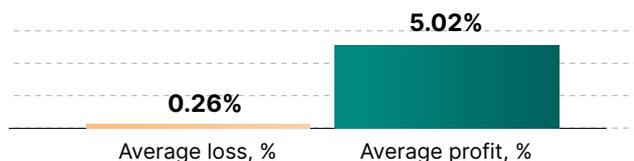
CONCLUSION ON SILVER: base forecast for 2026 – preservation of high prices, supported by a combination of investment and industrial demand. At the same time, it is important to note that silver in recent weeks has been growing just as dynamically as gold, and the market demonstrates increased sensitivity to the news background and capital



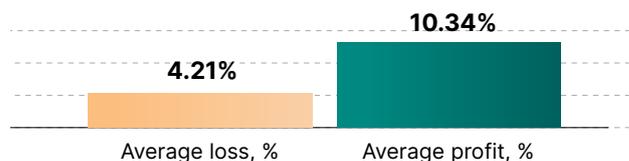
2025 for silver was characterized by a rare coincidence of factors: strong investment demand + record industrial demand + limited supply

Figure 43. Risk-return profile (monthly payoff) for 2025

Gold: Risk-Return Profile (monthly payoff) for 2025



Silver: Risk-Return Profile (monthly payoff) for 2025



Source: Bloomberg; calculations and visualization: BCC Invest

inflows into precious metals. This increases the probability of wider price ranges during the year and makes the scenario approach especially important.

In the base scenario, we expect that after sharp growth and acceleration of the rally, the metal will pass through a correction phase: the most probable correction range is \$83–92 per ounce. Further, with the preservation of the deficit balance and sustainable industrial demand (solar energy, electrification, electronics), a return of prices to current levels, which we estimate as about \$110 per ounce, is likely.

In the bull scenario, if the current trend continues and strong investment demand persists (including ETFs and speculative capital), silver may remain extremely volatile and trade in an expanded corridor of \$125–140 per ounce by the end of the year.

In the bear scenario (cooling of “risk-on”, profit fixing, strengthening of the dollar or deterioration of the cyclical background), silver after correction may get stuck in the range of \$83–92, without rapid recovery to higher levels. Silver will still remain in a state of deficit, which will limit the potential for price reduction. Volatility at the same time will not disappear anywhere: the metal still reacts sharply to changes in sentiments and news. Investors should take into account that silver is a more risky and volatile asset than gold, with increased sensitivity to cyclical fluctuations of the situation.

An additional factor limiting unrestrained growth may be the reaction of consumers in industry to a long period of high prices. Industries where silver is a substantial expense item (primarily manufacturers of solar panels), with the preservation of expensive

silver, may more actively implement technologies to reduce the specific consumption of this metal or look for partial substitutes. This is capable of restraining the growth rates of industrial demand in 2026, even if the general trend of the energy transition continues.

In the phase of market rise, silver is capable of outpacing gold, demonstrating super-profits – as happened in 2025. However, in the phase of decline, it often falls faster and deeper, simultaneously suffering from the outflow of speculative capital and the reduction of real industrial consumption. This factor remains the key risk for silver in 2026: with the deterioration of the macroeconomic situation, the metal may encounter a more serious correction than gold.

KEY FACTORS WORTH WATCHING IN 2026:

dynamics of development of solar energy (signs of market saturation or, conversely, new stimuli and goals for commissioning capacities), demand from the side of electronics and the automotive industry, Fed policy (trajectory of interest rate changes) and the US dollar rate, as well as possible changes in the tactics of central banks regarding reserves of precious metals. In aggregate, on the threshold of 2026, silver is perceived as an important component of the raw material part of the investment portfolio, possessing attractive growth potential against the background of the energy transition, but requiring caution due to its inherent high volatility.

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