

2 December 2024

# FREEDOM HOLDING CORP. KAZAKHSTAN MANUFACTURING PMI®

## New order growth hits new record in November



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## About the report

The Freedom Holding Corp. Kazakhstan Manufacturing PMI<sup>®</sup> provides a timely snapshot of manufacturing performance. The report tracks monthly changes in output, demand, employment, prices and supply chains, compiled from survey responses from a representative panel of local manufacturers.

# KEY FINDINGS

**November 2024**

**Sharpest rise in new business in survey's history**

**Further expansions in output, employment and purchasing**

**Input costs increase at marked pace**

The PMI provides a snapshot of manufacturing performance. It is a weighted average of five sub-indices tracking reported monthly changes in new orders, output, employment, suppliers' delivery times and stocks of purchases. Each sub-index varies between 0 and 100, and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The indices are seasonally adjusted. For more information on the PMI survey methodology, click [here](#).

**Freedom Holding  
Corp. Kazakhstan  
Manufacturing PMI  
November 2024**

**53.5**



# NEW ORDER GROWTH HITS NEW RECORD IN NOVEMBER

## Business conditions in the Kazakhstan manufacturing sector improved to the greatest extent since the survey began in March 2019 during November.

A rapid rise in new orders was signalled during the month, feeding through to stronger increases in output and purchasing activity, plus sustained job creation.

On the price front, inflationary pressures strengthened slightly since October, with higher prices often linked to weakness of the tenge against the US dollar.

The Freedom Holding Corp. Kazakhstan Manufacturing PMI® (Purchasing Managers' Index™) rose to 53.5 in November from 51.7 in October, pointing to a solid improvement in the health of the manufacturing sector midway through the final quarter of the year. Moreover, business conditions strengthened to the largest extent on record, surpassing the previous peak seen in August. The health of the sector has now improved in nine consecutive months.

The rate of growth in new orders accelerated sharply in November and was the strongest in the series history. Respondents often noted improving customer demand.

The pace of expansion in output also quickened and was the steepest since September 2020. The increase was the third-fastest on record. As well as rising new orders, production growth also in some cases reflected expanded capacity.

Firms increased their operating

capacity through both the hiring of additional staff and the purchasing of inputs.

Staffing levels increased for the ninth consecutive month, albeit modestly and to a lesser extent than in October. Hiring often reflected the taking on of full-time staff members.

Purchasing activity increased sharply, with the rate of growth quickening to a four-month high. Despite the ramping up of input buying, firms reported a further reduction in stocks of purchases as inputs were used directly to support production. The latest fall was only slight, however.

Expanded capacity helped manufacturers to keep on top of workloads despite strong growth of new orders. As such, backlogs of work were depleted at a solid pace.

Stocks of finished goods also decreased during November, albeit slightly and to the smallest extent since June.

Those firms that purchased materials during the month continued to be faced by longer suppliers' delivery times amid logistical issues, delays at the border and capacity constraints on the railways.

Input costs, meanwhile, increased sharply, and at a slightly faster pace than in October. Rising prices for raw materials were exacerbated by a depreciation of the tenge against the US dollar.

In turn, output prices also increased at a slightly steeper pace in November, albeit one that was still slower than the series average. Charges increased for the fifteenth consecutive month.

With new contracts close to being



signed and plans in place to expand production, manufacturers were optimistic that output will rise over the coming year. More than 44% of respondents predicted an increase in production, although sentiment eased slightly from October and was below the average seen since the series began in March 2019.

# COMMENT

**Yerlan Abdikarimov, Director of Financial Analysis Department at Freedom Finance Global PLC (100% subsidiary of the Freedom Holding Corp.):**

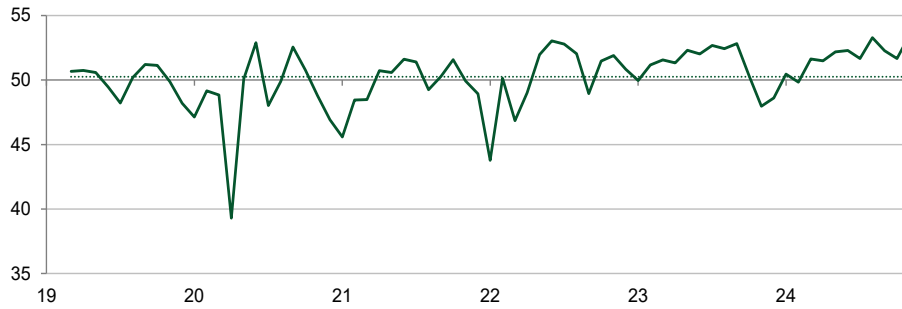
"In November, business conditions and new orders in the manufacturing industry of Kazakhstan reached record levels, surpassing the figures for August this year. Among support factors was strong customer demand – the balance of finished goods and work in progress was decreasing. As a result,

we are seeing one of the highest rates of growth in production capacity, accompanied by active procurement and staff expansion. However, the situation is clouded by ongoing logistical problems, rising costs of raw materials and supplies, and a significant depreciation of the national currency. The combination of all these factors is likely to have caused resources to be transferred directly to production, with stocks reduced. Despite the contradictory situation, the industry remains optimistic and predicts production growth next year, although expectations have decreased slightly compared to October."

## Contact

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Freedom Holding Corp.

Freedom Holding Corp. Kazakhstan Manufacturing PMI  
Index, sa, >50 = improvement m/m. Dots = long-run average.



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# OUTPUT AND DEMAND

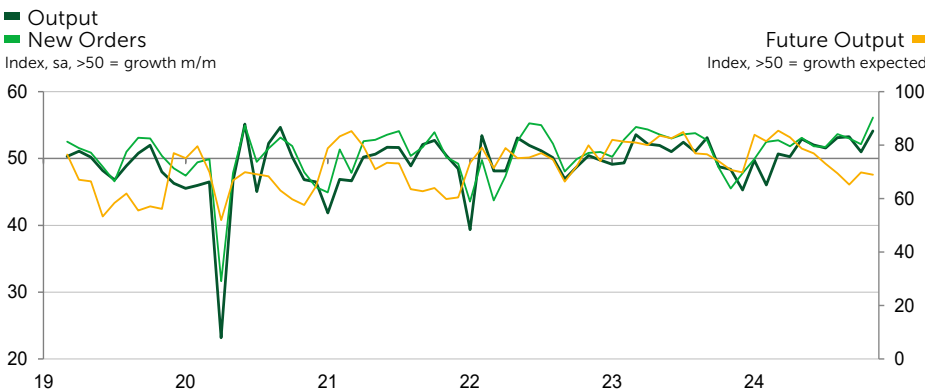
## Growth of manufacturing production in Kazakhstan accelerated in November.

The rate of expansion was solid and the most marked since September 2020. In fact, the rise was the third-fastest since the survey began in March 2019. Production has now increased in each of the past nine months.

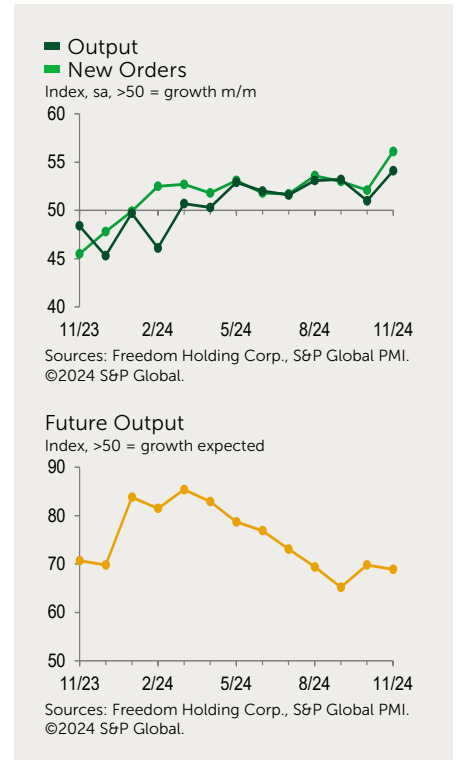
Anecdotal evidence suggested that the latest rise in output reflected a combination of higher new orders and expanded capacity.

In turn, new orders rose amid reports of strengthening customer demand. Furthermore, the sharp increase in new business was the fastest in the survey's history.

Plans to expand production supported ongoing confidence in the 12-month outlook for output. New contracts were also close to being signed, further supporting sentiment. That said, optimism waned slightly from that seen in October and was below the series average.



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# EMPLOYMENT AND CAPACITY

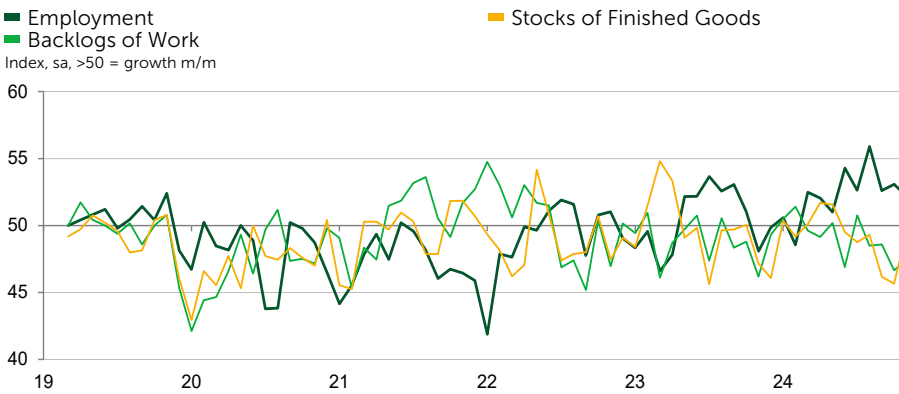
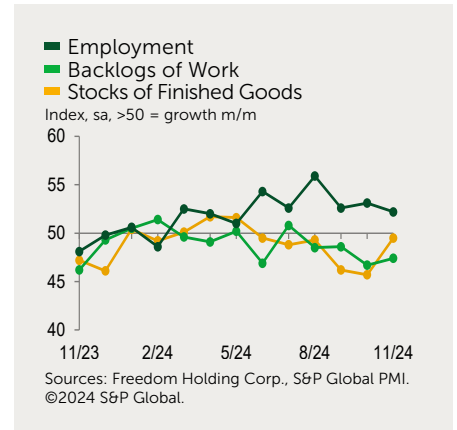
## Manufacturers responded to strong growth in new orders by raising their staffing levels in November.

Employment increased for the ninth consecutive month, although the pace of job creation was modest and eased to the weakest since May. New staff were generally hired on a full-time basis.

Sustained hiring meant that firms were able to keep on top of workloads

in November, despite the record increase in new business. Backlogs of work decreased for the fourth month running, and at a solid pace.

Meanwhile, stocks of finished goods neared stabilisation midway through the final quarter, after having fallen sharply in October. Where post-production inventories were reduced, firms linked this to the prompt dispatch of finished items. That said, a stronger rise in production helped to limit the depletion of inventories.



# SUPPLY CHAINS

## Firms ramped up their purchasing activity in response to higher production requirements.

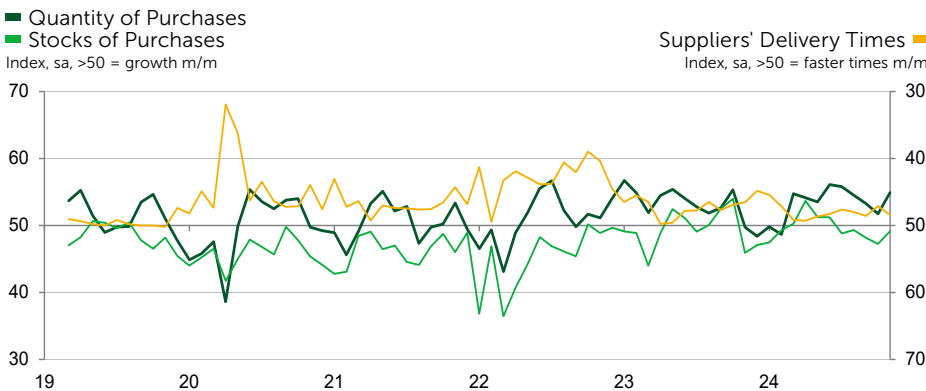
November saw input buying increase for the ninth consecutive month, and at a marked pace that was the fastest since July.

Despite the expansion in purchasing activity, stocks of inputs decreased over the month as bought materials were often used directly to support

production. Pre-production inventories fell for the fifth consecutive month, albeit at a slight pace that was the softest since August.

Manufacturers in Kazakhstan were again faced with lengthening suppliers' delivery times in November, although the extent of delays eased slightly from October.

Where lead times lengthened, panellists linked this to logistics issues, delays at the border and capacity constraints on the railway system.



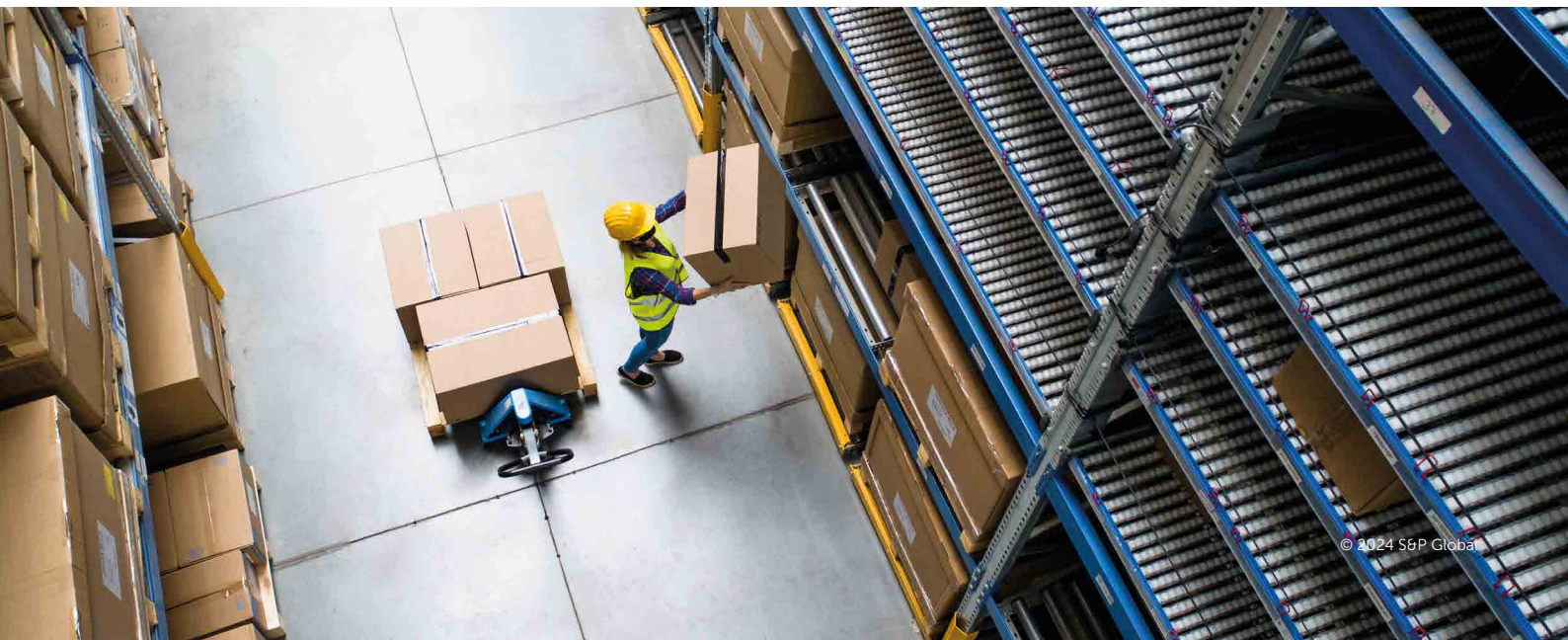
Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.



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# INFLATION

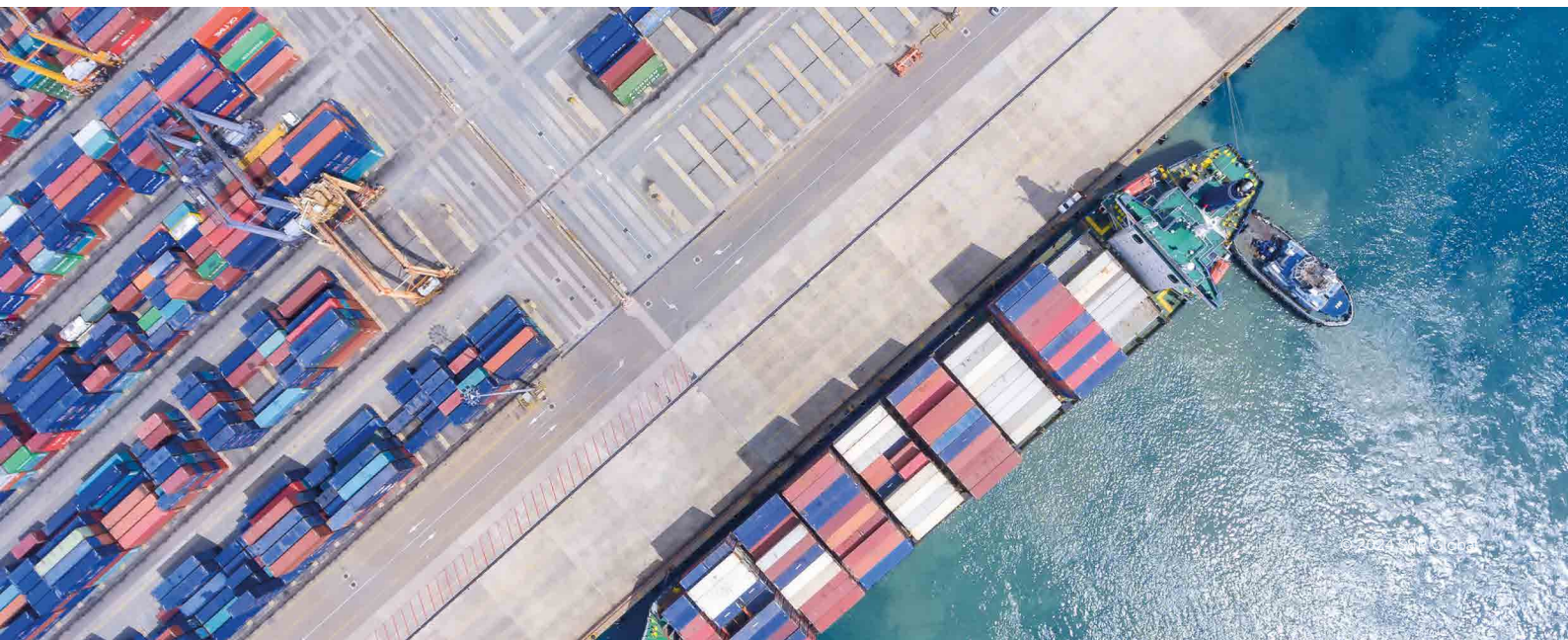
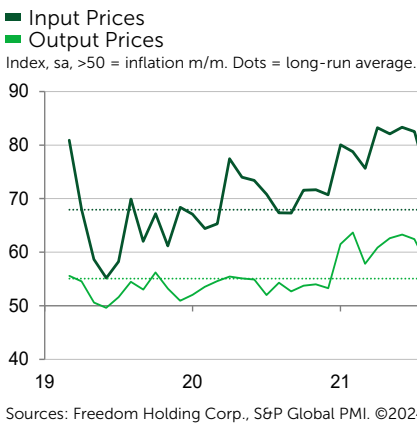
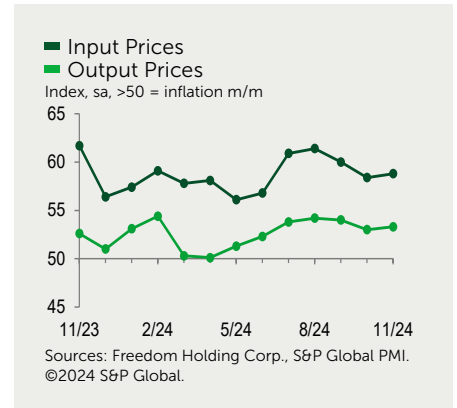
## Input prices increased sharply during November.

The rate of inflation ticked higher from that seen in October, but was still slower than the series average. Around 18% of respondents signalled a rise in input costs over the month. A depreciation of the tenge against the US dollar and higher charges for raw materials from suppliers were

reportedly behind the latest increase in input prices.

The rise in the cost of raw materials fed through to higher output prices in November. In line with the picture for input costs, the pace of charge inflation quickened from the previous survey period.

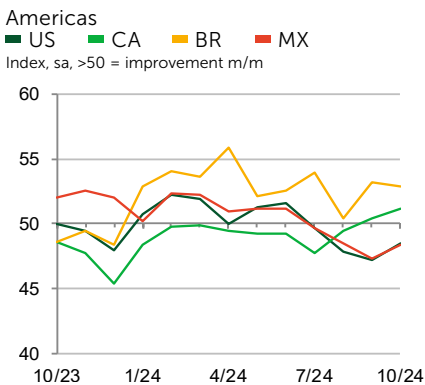
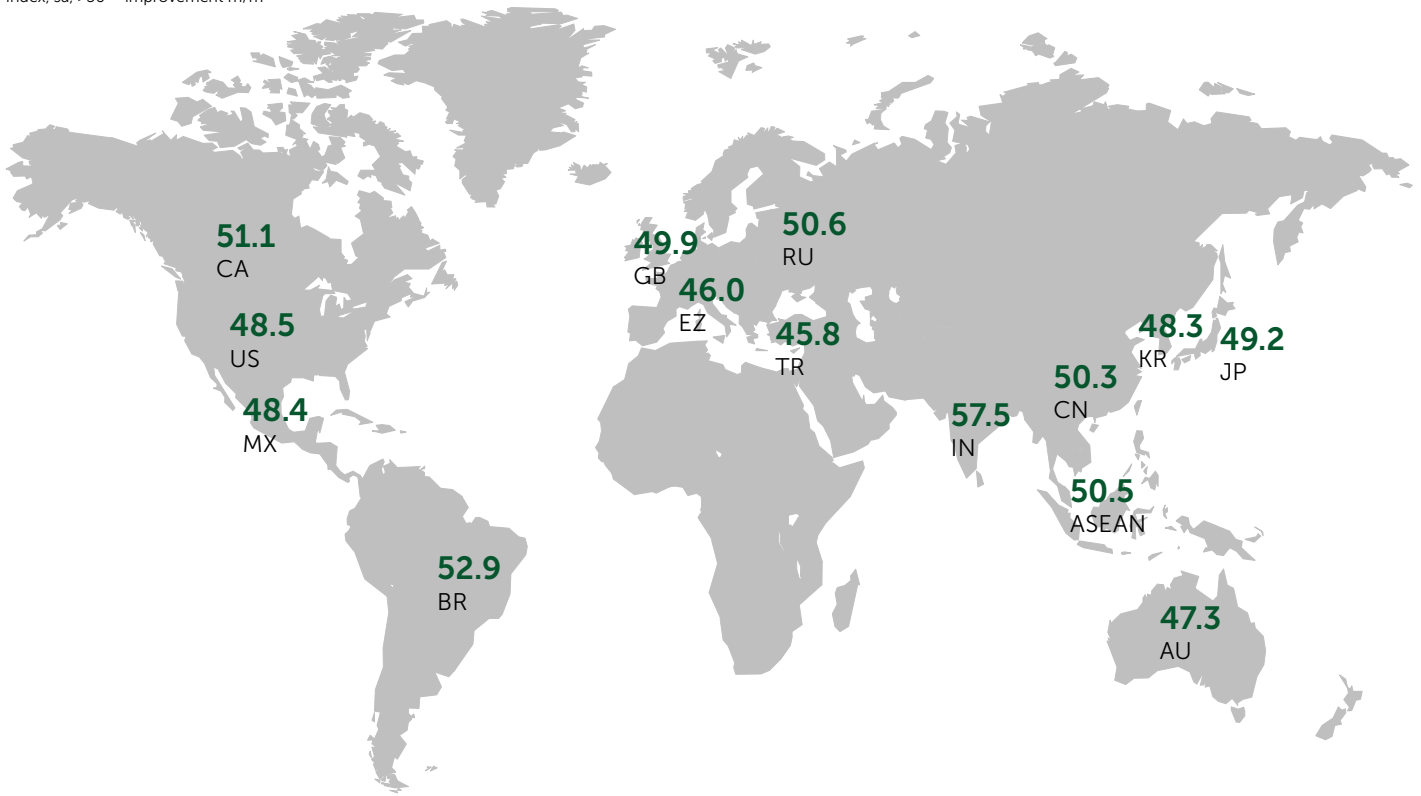
Output prices have now risen in each of the past 15 months.



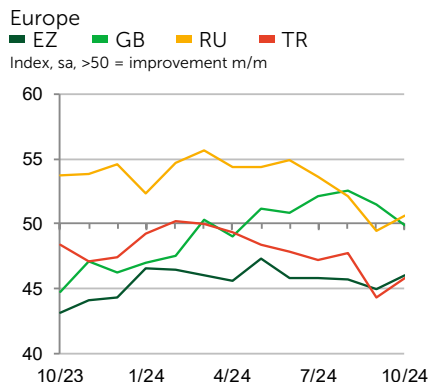
# INTERNATIONAL PMI

Manufacturing PMI  
Index, sa, >50 = improvement m/m

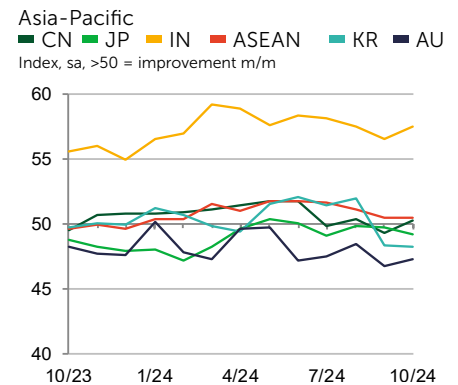
Oct '24



Source: S&P Global PMI. ©2024 S&P Global.



Source: S&P Global PMI. ©2024 S&P Global.



Source: S&P Global PMI. ©2024 S&P Global.

**Key**  
US United States  
CA Canada  
BR Brazil  
MX Mexico

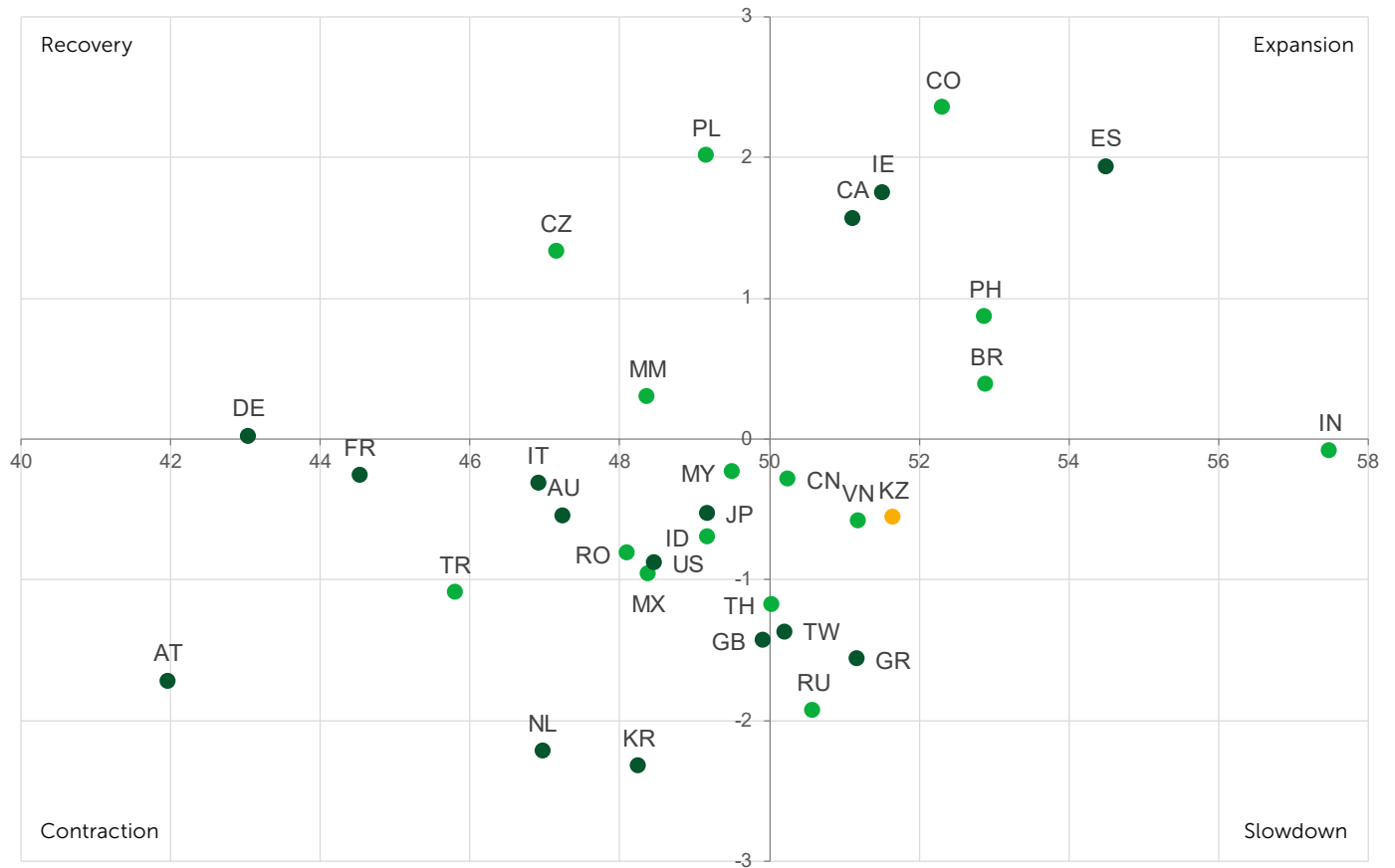
EZ Eurozone  
GB United Kingdom  
RU Russia  
TR Turkey

CN Mainland China  
JP Japan  
IN India  
ASEAN Association of South East Asian Nations  
KR South Korea  
AU Australia

■ Advanced economies ■ Emerging economies

X axis = PMI, sa, >50 = improvement m/m . Y = Change in PMI vs. six-month average

Oct '24



Source: S&P Global PMI. ©2024 S&P Global.

### Expansion

Regions are expanding at a faster rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the highest regions are seeing the greatest acceleration in growth.

### Slowdown

Regions are expanding at a slower rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the lowest regions are seeing the greatest deceleration in growth.

### Contraction

Regions are contracting at a faster rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the lowest regions are seeing the greatest acceleration in the rate of decline.

### Recovery

Regions are contracting at a slower rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the highest regions are seeing the greatest deceleration in the rate of decline.

**Key**

AT Austria	CN Mainland China	ES Spain	ID Indonesia	JP Japan	MX Mexico	PL Poland	TR Turkey
AU Australia	CO Colombia	FR France	IE Ireland	KR South Korea	MY Malaysia	RO Romania	TW Taiwan
BR Brazil	CZ Czech Republic	GB United Kingdom	IN India	KZ Kazakhstan	NL Netherlands	RU Russia	US United States
CA Canada	DE Germany	GR Greece	IT Italy	MM Myanmar	PH Philippines	TH Thailand	VN Vietnam

# METHODOLOGY

## The Freedom Holding Corp. Kazakhstan Manufacturing PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers.

The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2019.

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

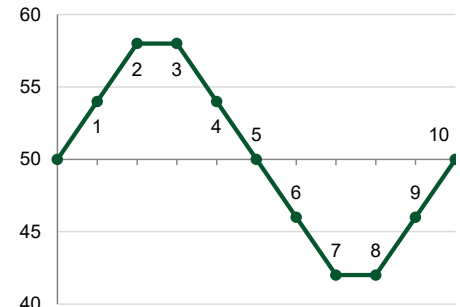
compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

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

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

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

Index interpretation  
Index, sa, >50 = growth m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.

### Key

- |                          |                            |
|--------------------------|----------------------------|
| 1 Growth, from no change | 6 Decline, from no change  |
| 2 Growth, faster rate    | 7 Decline, faster rate     |
| 3 Growth, same rate      | 8 Decline, same rate       |
| 4 Growth, slower rate    | 9 Decline, slower rate     |
| 5 No change, from growth | 10 No change, from decline |

### Survey size

250 manufacturers

### Survey history

March 2019

### Survey questions

Output, new orders, new export orders, future output, employment, backlogs of work, stocks of finished goods, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices

### Sector coverage

International Standard Industry Classification (ISIC) code

- 10 Food products
- 11 Beverages
- 12 Tobacco products
- 13 Textiles
- 14 Wearing apparel
- 15 Leather and related products
- 16 Wood and wood products
- 17 Paper and paper products
- 18 Printing and reproduction of recorded media
- 19 Coke and refined petroleum products
- 20 Chemicals and chemical products

- 21 Pharmaceutical products
- 22 Rubber and plastic products
- 23 Other non-metallic mineral products
- 24 Basic metals
- 25 Fabricated metal products
- 26 Computer, electronic and optical products
- 27 Electrical equipment
- 28 Machinery and equipment n.e.c.
- 29 Motor vehicles, trailers and semi-trailers
- 30 Other transport equipment
- 31 Furniture
- 32 Other manufacturing
- 33 Repair and installation of machinery and equipment

# FURTHER INFORMATION

## Freedom Holding Corp.

Freedom Holding Corp. is a diversified company. It provides financial services and brokerage services securities trading, investment research and consulting, investment banking and underwriting services, mortgages, insurance, telecommunications, online sales of airline tickets and event tickets, offer online supermarket services and many others.

The Holding, including subsidiaries, employs more than 6.8 thousand people.

The headquarter of Freedom Holding Corp. is in Almaty (Kazakhstan) with supporting administrative offices and subsidiaries locations in 22 countries including Kazakhstan, the United States of America, Cyprus, Poland, Spain, Uzbekistan, Azerbaijan and others.

Freedom Holding Corp.'s common stocks are registered with the U.S. Securities and Exchange Commission and trades under the ticker symbol FRHC on the Nasdaq Capital Market.

[www.freedomholdingcorp.com](http://www.freedomholdingcorp.com)

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## PMI by S&P Global

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

[www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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