

4 December 2024

# FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI<sup>®</sup>

Renewed rise in new business supports fresh growth in activity

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## About the report

The Freedom Holding Corp. Kazakhstan Services PMI<sup>®</sup> provides a timely snapshot of service sector performance. The report tracks monthly changes in activity, demand, employment and prices, compiled from survey responses from a representative panel of local service providers.

# KEY FINDINGS

**November 2024**

**Solid rise in new businesses...**

**...supports renewed growth in business activity**

**Charge inflation eases to near four-year low**

**Freedom Holding Corp.  
Kazakhstan Services PMI  
Business Activity Index  
November 2024**

**50.8**

The Services PMI Business Activity Index is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The 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 index is seasonally adjusted. For more information on the PMI survey methodology, click [here](#).



# RENEWED RISE IN NEW BUSINESS SUPPORTS FRESH GROWTH IN ACTIVITY

## November data marked a renewed rise in service sector activity across Kazakhstan, amid a fresh improvement in underlying demand trends.

The latest PMI<sup>®</sup> data by Freedom Holding Corp. and S&P Global indicated a renewed rise in new business received at Kazakh service providers in November, thereby overturning the fall experienced in the month prior. Similarly, a fresh rise in activity was also observed in the latest survey period.

Meanwhile, cost pressures remained subdued, enabling firms to pursue more competitive pricing strategies. Average output charges for Kazakh services increased at the slowest pace since December 2020.

The headline figure is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase and below 50 a decrease. The index is adjusted for seasonal variation.

The seasonally adjusted Business Activity Index rose above the neutral 50.0 threshold, which distinguishes expansion from contraction, in November. With a reading of 50.8, up from 49.0 in October, latest data indicated that activity within the Kazakh service sector increased at a modest pace.

This uptick in business activity was supported by a renewed rise in new business received by Kazakh service providers. Surveyed businesses cited new contract wins, successful marketing

campaigns, the introduction of new products, and heightened competition as contributing factors.

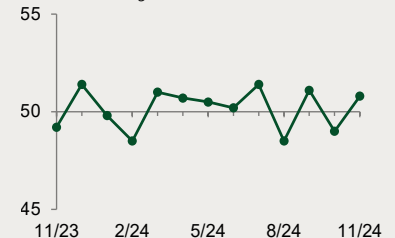
In response to increased business demands, service providers in Kazakhstan expanded their workforce numbers. November marked the third consecutive month of job creation, with companies reporting the hiring of full-time employees. However, due to varying trends in new business, firms approached new hiring with caution, resulting in the most recent round of job creation being only marginal and the weakest in the current growth sequence.

Turning to prices, similar to what was observed in the previous two months, cost pressures rose only slightly. The rate of input price inflation remained well below the historical average and was among the weakest on record since the series began in March 2019. Where firms reported higher business expenses, this was linked to higher material costs and utilities.

Subdued cost pressures allowed Kazakhstan's service sector to adjust their charges accordingly. While output charges were raised once again in November, the rate of inflation was the weakest since December 2020. Anecdotal evidence also indicated that some firms reduced their prices to enhance their competitiveness.

Kazakh service providers expressed optimism regarding the outlook for activity, with confidence levels increasing over the month to reach a three-month high, and posting above the long-term survey average. This positive sentiment was supported by plans for new product launches, increased investments, marketing strategies, and expectations of improving demand trends.

Freedom Holding Corp. Kazakhstan Services PMI Business Activity Index, sa, >50 = growth m/m



Data compiled 12-26 November 2024.

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

# COMMENT

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

"November saw a recovery in business activity among Kazakhstan's service sector, with a noticeable increase in the number of new orders. Service providers reported successful marketing campaigns, the launch of new products, and a rise in demand. It

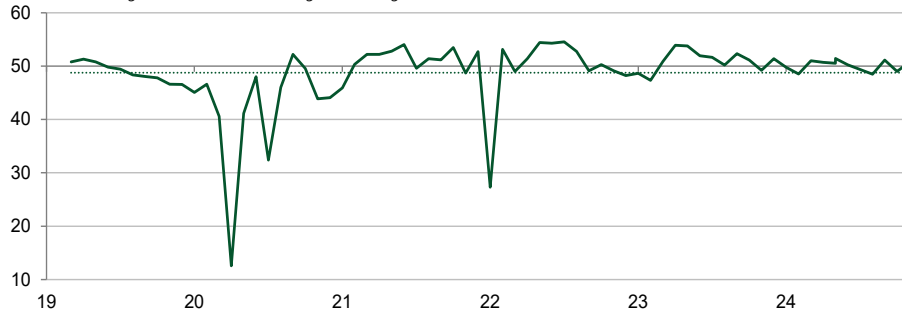
appears that service providers have nearly completed their staffing needs, as the hiring pace has become more moderate compared to the previous two months. Long-term easing of inflationary pressures, despite the continued rise in certain costs and utility prices, has contributed to an increase in sector competitiveness. In some cases, this has allowed for a reduction in service prices. Outlook for the near future improved for the second consecutive month, exceeding the historical average. Key factors supporting this growth include increased investments, the implementation of marketing strategies, the launch of new products, and improved demand."

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Freedom Holding Corp.

Freedom Holding Corp. Kazakhstan Services PMI Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average.



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



# DEMAND, EMPLOYMENT AND OUTLOOK

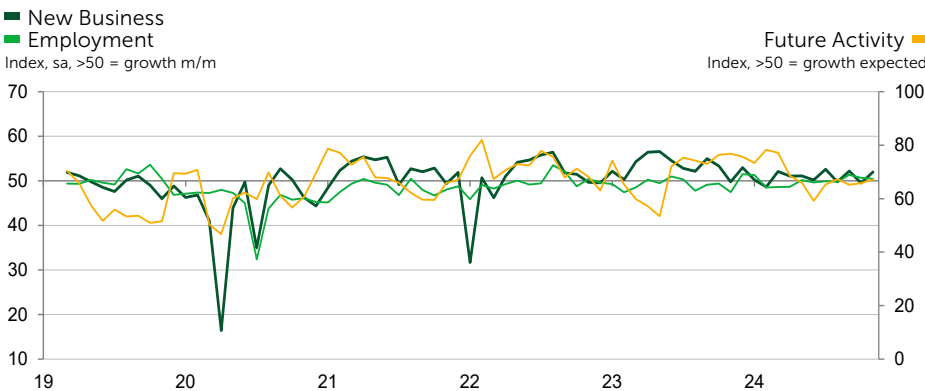
## November data pointed to renewed increases in both output and new orders in the Kazakh service sector.

Following a fall at the start of the quarter, November marked a renewed, albeit slight rise in Kazakh business activity. According to anecdotal evidence, the upturn resulted from a similar uplift in demand trends.

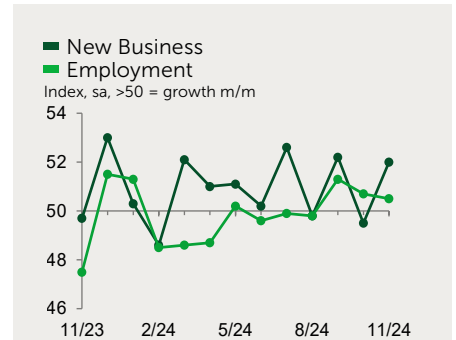
The seasonally adjusted New Business Index printed in expansion territory in November, with growth now noted in two of the last three survey periods. The rate of increase was solid overall. New contract wins, successful marketing campaigns, the introduction of new products and increased competition were all said to be drivers of growth.

A third successive monthly rise in employment was noted across Kazakhstan's service sector in November. Where a rise was reported, businesses mentioned taking on full-time staff to support higher business requirements. However, the rate of job creation was marginal overall and the weakest in the aforementioned sequence of growth.

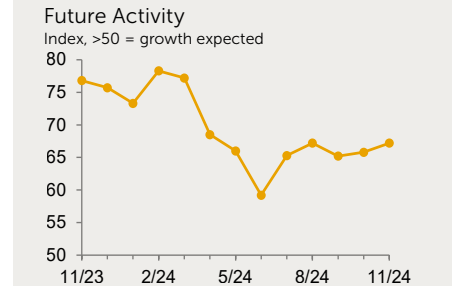
Business confidence again improved on the month, with the degree of optimism regarding future activity measuring a three-month high in November. Underlying data indicated that 37% of respondents expected an increase (compared to 3% anticipating a decline), with qualitative data highlighting plans for new product launches, investments and marketing campaigns, along with hopes for improving demand trends.



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.



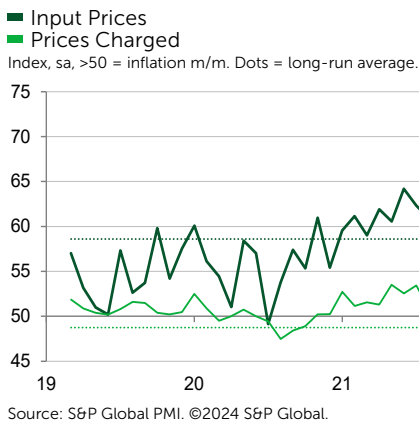
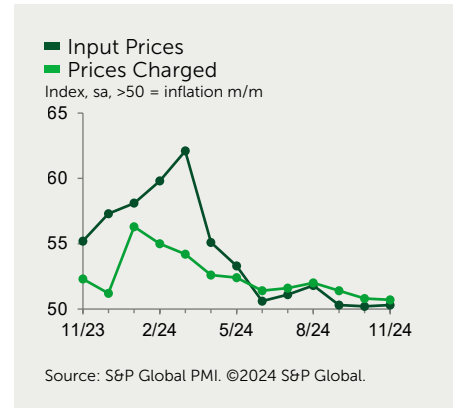


# INFLATION

## The rate of input cost inflation remained only slight in November.

Although increases in material prices and utility expenses led to further cost pressures, the rate of inflation was minimal and was broadly unchanged for the second consecutive month. In fact, nearly 99% of respondents reported no change in their business expenses since October.

The subdued cost pressures enabled firms to adjust their output prices, with charges increasing at the slowest pace in almost four years in November. Additionally, some firms chose to lower their prices to remain competitive and attract customers.



# KAZAKHSTAN COMPOSITE PMI<sup>®</sup>

## Renewed rise in Kazakh private sector activity

The Kazakhstan Composite PMI Output Index printed in expansion territory in November, with a reading of 51.9, up from 49.6 in October, indicating renewed growth that was the strongest in 14 months. This increase in output was driven by a solid rise in manufacturing production, along with a slight recovery in services activity.

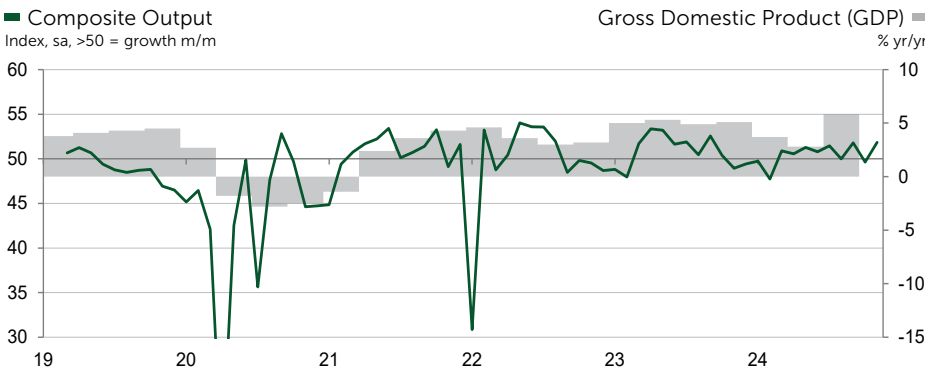
Output growth was supported by a solid and stronger rise in new orders. Expansions were recorded for the ninth consecutive month, with the latest increase being the fastest since

September 2023.

Despite the improving demand trends, price pressures remained largely consistent with those observed in October and were below their respective averages.

Looking ahead, confidence in the outlook for activity improved for the second consecutive month in November, with both underlying sectors expressing optimism regarding output over the next 12 months.

Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Kazakhstan Composite Output Index is a weighted average of the Kazakhstan Manufacturing Output Index and the Kazakhstan Services Business Activity Index.



Sources: Freedom Holding Corp., S&P Global PMI. Agency of Statistics of the Republic of Kazakhstan via S&P Global Market Intelligence. ©2024 S&P Global.

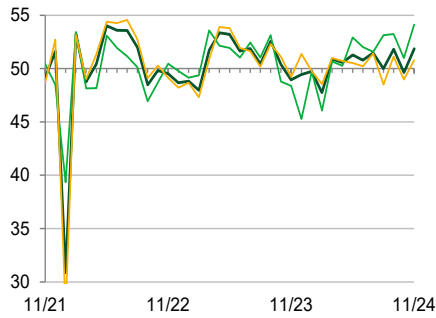




**Composite**

**Output**

Index, sa, >50 = growth m/m

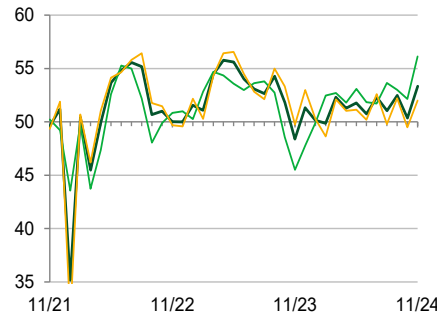


Source: S&P Global PMI. ©2024 S&P Global.

**Manufacturing**

**New Business**

Index, sa, >50 = growth m/m

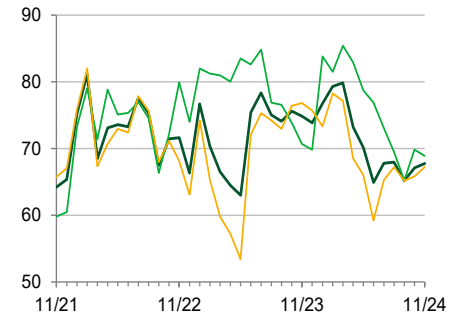


Source: S&P Global PMI. ©2024 S&P Global.

**Services**

**Future Output**

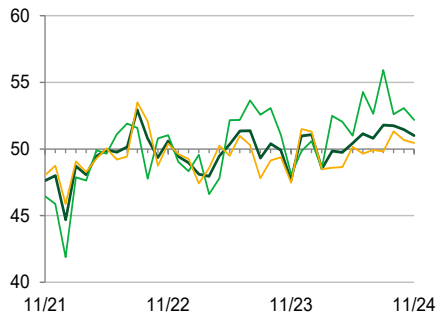
Index, >50 = growth expected



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

**Employment**

Index, sa, >50 = growth m/m

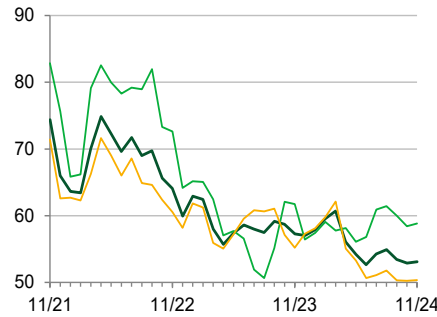


Source: S&P Global PMI. ©2024 S&P Global.

Note: Sector indices are smoothed using a three-month moving average (3mma).

**Input Prices**

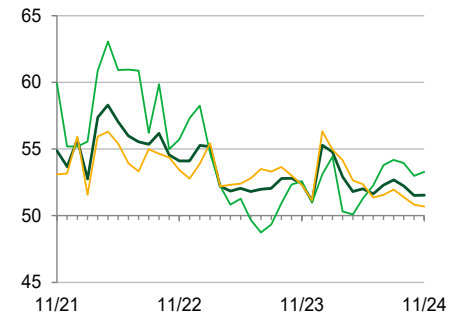
Index, sa, >50 = inflation m/m



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

**Output Prices**

Index, sa, >50 = inflation m/m



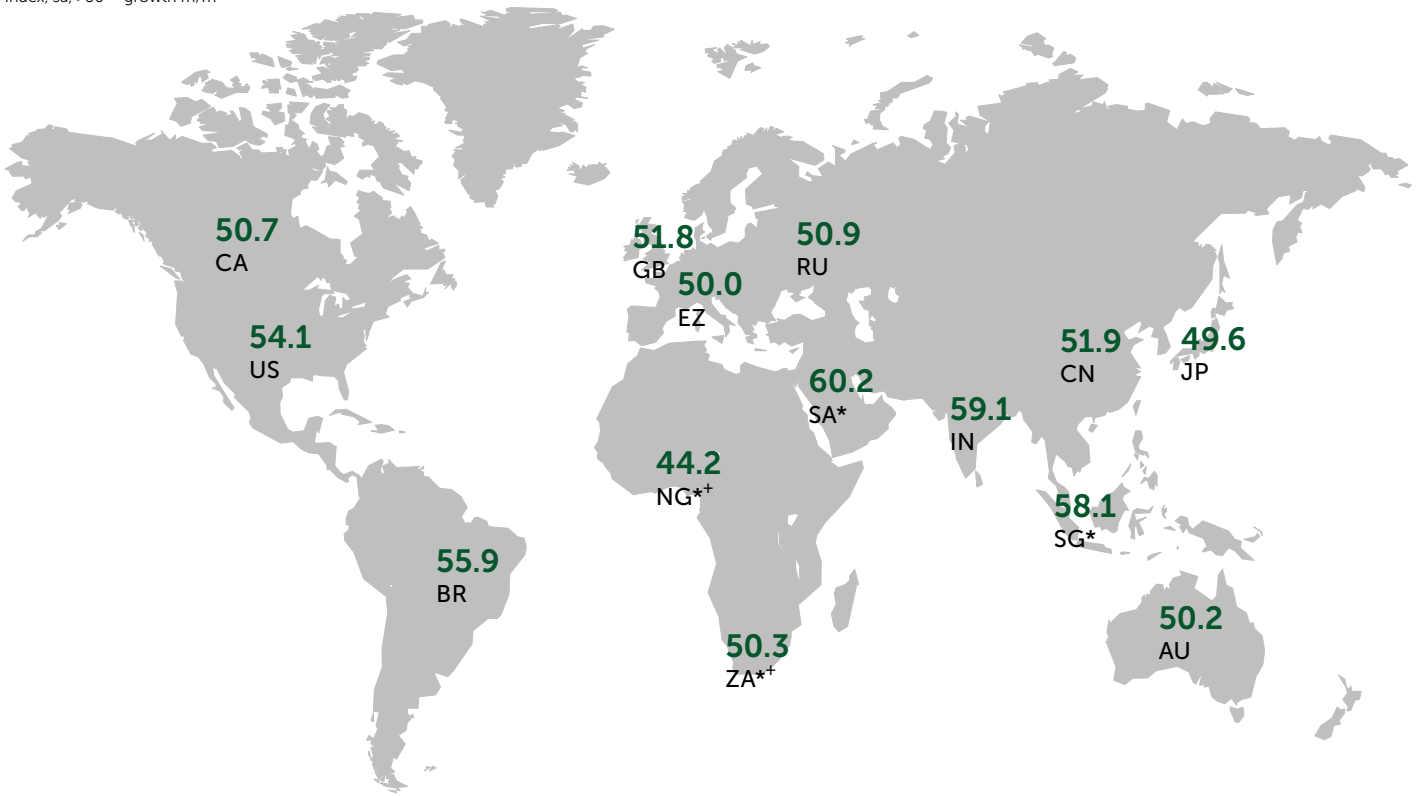
Source: S&P Global PMI. ©2024 S&P Global.



# INTERNATIONAL PMI

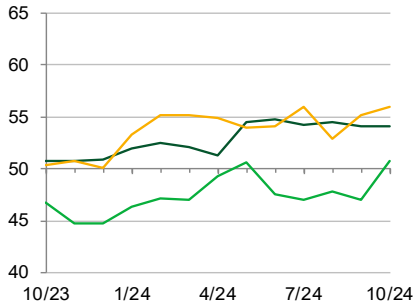
Composite Output (manufacturing and services)  
Index, sa, >50 = growth m/m

Oct '24



## Americas

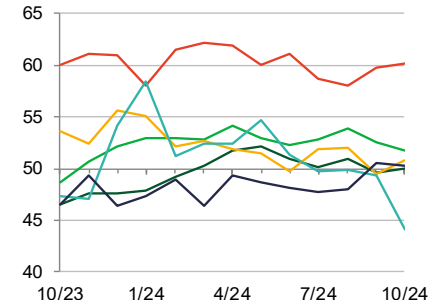
■ US ■ CA ■ BR  
Index, sa, >50 = growth m/m



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

## Europe, Middle East & Africa

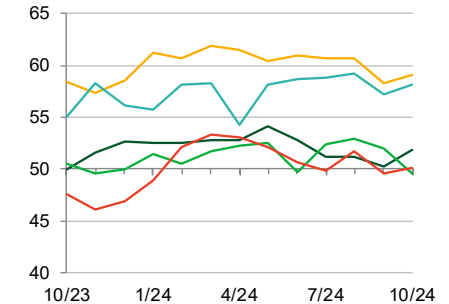
■ EZ ■ GB ■ RU ■ SA\* ■ NG\*\* ■ ZA\*\*  
Index, sa, >50 = growth m/m



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

## Asia-Pacific

■ CN ■ JP ■ IN ■ AU ■ SG\*  
Index, sa, >50 = growth m/m



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

## Key

US United States  
CA Canada  
BR Brazil

EZ Eurozone  
GB United Kingdom  
RU Russia  
SA Saudi Arabia\*  
NG Nigeria\*\*  
ZA South Africa\*\*

CN Mainland China  
JP Japan  
IN India  
AU Australia  
SG Singapore\*

\*Sector coverage also includes construction, wholesale and retail. \*\*Sector coverage also includes agriculture and energy.

■ Advanced economies ■ Emerging economies

X axis = PMI Output Index, sa, >50 = growth m/m . Y = Change in Index 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**

AE United Arab Emirates*	CA Canada	FR France	HK Hong Kong SAR*	JP Japan	MZ Mozambique**	SA Saudi Arabia*	ZA South Africa**
AU Australia	CN China	DE Germany	IE Ireland	KE Kenya**	NG Nigeria**	SG Singapore*	ZM Zambia**
BR Brazil	EG Egypt*	GB United Kingdom	IN India	KZ Kazakhstan	QA Qatar*	UG Uganda**	
	ES Spain	GH Ghana**	IT Italy	LB Lebanon*	RU Russia	US United States	

\*Sector coverage also includes construction, wholesale and retail. \*\*Sector coverage also includes agriculture and energy.

# METHODOLOGY

**The Freedom Holding Corp. Kazakhstan Services PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies.**

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. 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.

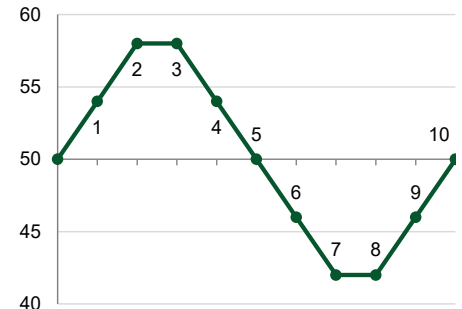
The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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



Source: 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 service providers

## Survey history

March 2019

## Survey questions

Business activity, new business, new export business, future activity, employment, outstanding business, input prices, prices charged

## Sector coverage

International Standard Industry Classification (ISIC) code

- H Transportation and storage
- I Accommodation and food service activities
- J Information and communication
- K Financial and insurance activities
- L Real estate activities
- M Professional, scientific and technical activities

N Administrative and support service activities

P Education\*

Q Human health and social work activities\*

R Arts, entertainment and recreation

S Other service activities

\*Private sector only



# 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, Azerbaidjan 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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