Renaissance Capital

Sector update
Economic & Fixed Income Research
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Economics/Fixed income
CIS+

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CIS + economics & fixed income

Reviewing the bond space

Fundamental view

We remain constructive on CIS+ sovereign hard currency debt given the solid economic and fiscal outlook, as well as fewer concerns around political vulnerabilities for next year vs the past 12 months (see more below). In the CIS+ sovereign eurobond space, we like Kazakhstan and Uzbekistan the most in terms of fundamentals and the fiscal outlook, while in terms of pricing we see value left in Ukraine and Belarus. Russia eurobonds could gradually acquire a certain scarcity value in the absence of new issuance. We are constructive on Armenia and Azerbaijan which we think both have medium-term sovereign rating upgrade potential, as well as Georgia (for which we have a MW recommendation).

Given decent currency valuation, appealing yields and approaching the end of the monetary policy tightening cycle, as well as increasing focus of the government on domestic markets, local currency CIS+ sovereign bonds are also worth looking at, we believe. Russia, Georgia and Kazakhstan are our top picks in the local currency debt space. We see appreciation potential left in the rouble, tenge, hryvnia and lari for three-to-nine months.

Relative value considerations

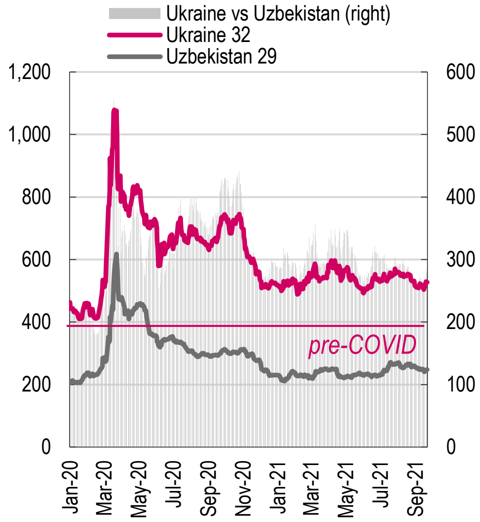
In general, in our view it would be reasonable to assume that the current technical situation in the EM eurobond market (large volumes of new issuance, but elevated EM corporate refinancing requirements in 2022-2024 and continuing inflows into EM dedicated funds) will result in a certain continuation of spread compression. The types of spreads, where the compression may be pronounced are: 1) B to BB-rated issues spreads; 2) QS to sovereign spreads; 3) subordinated to senior bonds; 4) “special situations” to the regular equally-rated credits under a realisation of the positive or neutral scenarios for bondholders.

Figure 1: CIS+ sovereign and quasi-sovereign (QS) eurobonds – current view

Issuer	Bonds	View	Rationale
Russia	$ -35, EUR -32, -36	OW	No new supply, 2022 local reinvestment, steep EUR curve
Kazakhstan	$ -44	OW	Good macro, no spread difference with Russia, lower likelihood of new supply
Ukraine	$ -28 to -33	OW	Expected further B to BB spread tightening
Uzbekistan	$ -30, -31	OW	Expected further BB to IG spread tightening
Belarus	$ -26 to -31	OW	More support from Russia, general spread tightening, no new supply
Armenia	$ -29, -31	MW	Expected further BB to IG spread tightening, no new supply
Azerbaijan	SGC-26	MW	Sovereign -guaranteed bond, c. 75-bpt spread to sovereign
Georgia	$ -26	MW	Good macro, no new supply
Gazprom	$ and EUR perps	OW	Limited range of loss absorption events, wide spread to sovereign
Gazprom	$ -28 and longer	OW	Reduction of new supply, 2022 local reinvestment
STLC	$ -24 to -28	OW	Wide spread to sovereign, 2022 local reinvestment, YE completion of reorganisation
IBA	$ -24	OW	Wide spread to sovereign, normalisation of operations

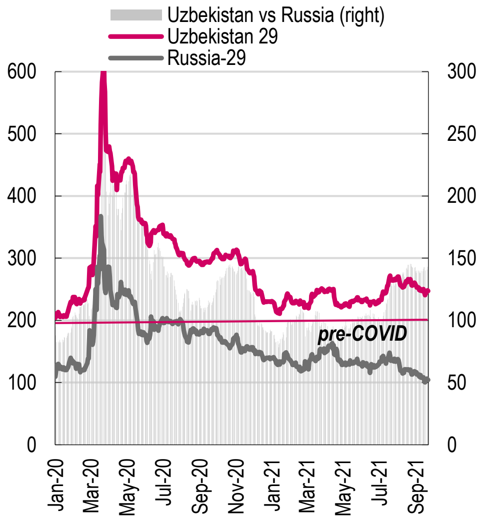
Source: Renaissance Capital

Figure 2: B vs BB: Ukraine’s spread vs BB-rated sovereigns remains wide, z-spreads, bpts



Source: Bloomberg

Figure 3: BB vs IG: Spread of BB-rated sovereigns vs IG bonds widened, z-spreads, bpts



Source: Bloomberg

CIS+ sovereigns: Economic, fiscal and rating outlook remain solid

Economic recovery. We see a solid recovery in 2021 across the region – most countries have avoided tangible quarantine restrictions during successive COVID-19 waves, benefited from decent policy response and enjoyed support from a global commodity markets' rebound. Major CIS+ economies are back to pre-crisis levels already this year with GDP growth rising from c. 4% to above 9% YoY (in Georgia) in 2021. We believe there is more upside potential for 2022 in Azerbaijan, Kazakhstan, Georgia and Ukraine, where we expect catch-up growth to continue in coming 9 to 12 months, while others are likely to return to a pre-crisis trajectory with decent 2-5% YoY growth in 2022-2023. See our September CIS+ macro update for more details.

Fiscal position. Fiscal balances of CIS+ countries remained under control during the 2020 turmoil and improved this year amid decent fiscal consolidation and an ongoing economic recovery. We expect fiscal deficits in most CIS+ countries to print at 2-5% of GDP in 2021 and 2-3% in 2022 (Figure 19), while we expect Russia to return to surplus already this year (with oil prices at $67/bl on average). Further consolidation planned for 2022-2023 should bring fiscal balances in line with medium-term fiscal rules/targets across the CIS+ space, though we believe in most countries of the region fiscal deficits will remain above pre-crisis levels in coming years.

Public debt. CIS+ countries avoided a debt overload during the crisis – with even the highest public debt in the region still below the EM and FM average. CIS+ oil-exporters maintained public debt steady below 30% of GDP, with Russia keeping below 20% – one of the lowest in the EM space. In 2021-2022, fiscal consolidation, stabilisation of national currencies and an economic growth rebound facilitate a gradual decline in debt/ GDP metrics across the CIS+ space, to compensate for a 2020 increase. Given prudent fiscal strategies – with fiscal rules setting medium-term thresholds on fiscal balances or debt in seven of 10 countries – we expect the level of public debt to be close or below 60% of GDP in all CIS+ countries by end-2023 (Figure 20).

Fiscal savings. Five of 10 of the CIS+ countries we look at have solid fiscal savings, including the major oil exporters – Russia, Kazakhstan and Azerbaijan – with their oil funds at 87%, 35% and 12% of GDP respectively, or $44bn, $65bn and $191bn (Figure 20), as well as Uzbekistan and Belarus which accumulated savings due to pre-crisis fiscal surpluses. Notably, despite the decline in fuel prices in 2020, CIS+ oil-exporters due to fiscal and currency adjustment managed to maintain and even increase their national funds, which makes them high enough to cover fiscal needs for above 10 years of below $40/bl oil prices, we estimate. Fiscal savings of Uzbekistan (in the Fund for Reconstruction and Development) and Belarus of 37% and 9% of GDP respectively ($23bn and $5.4bn) creates a medium-term buffer for fiscal financing and government investments.

External financing. The availability of external financing for most CIS+ countries remained decent, via both market borrowing – i.e. well-priced placements of Armenia, Georgia, Ukraine and Uzbekistan eurobonds this year – and support of international donors, including Western (the IMF, World Bank, European Commission) and Eastern partners (i.e. with growing China-led investments in Kazakhstan, Uzbekistan, Tajikistan and Georgia). We expect four CIS+ countries to push for new IMF programmes in 2022, including Moldova (already received the staff agreement), Ukraine, Armenia and Georgia (previous arrangement/programmes expire in 2021-2022). Additional allocation of SDRs within the IMF global initiative this August added $25bn to international reserves of CIS+ countries with the largest percentage increase seen in Ukraine, Tajikistan and Belarus (Figure 23). Sanction restrictions, limit access to external market borrowing for Russia and Belarus, but this does not compromise external debt servicing, in our view.

Inflation and domestic rates. Inflation accelerated across the region in 2021, but did not compromise long-term price stability, in our view, as CIS+ national/central banks remained strongly committed to inflation targeting and reacted appropriately by a frontloaded tightening. In most CIS+ countries rates are back to (appealing) pre-crisis levels (Figure 21). We expect the hiking cycle to be over by year-end, with an additional 25-50-bpts rate hikes likely in Russia, Kazakhstan and Ukraine. We forecast steady disinflation in 2022 (amid fading supply and demand side pressure, tight policies) to support monetary easing next year – with the largest potential rate cuts in Armenia, Belarus, Georgia and Russia.

Decent currency valuation. In 2021, CIS+ currencies performed steadily, mostly in line with EM & FM peers. Current account strengthening amid a rebound in the global commodity markets and nascent recovery of international tourism supported regional currencies, as well as improving sentiment toward EM. We regard the CIS+ currencies as relatively stable in the coming year, with appreciation potential left in the rouble, tenge, hryvnia and lari, and moderate weakening in higher-inflation currencies such as the Uzbek som and Tajik somoni. The Armenian dram and Moldovan lei this year confirmed their positions as some of the most stable currencies of the region, supported by a resolution of domestic political turbulence.

Political outlook. Uncertainty related to politics is still an important consideration for the CIS+ space, we think, but should be less sensitive in the coming year than in previous one. We believe that Russia-US relations in 1H21 have passed the worst point for now, as well as Russia-Ukraine relations. The risks of political escalation between Russia and Ukraine are still present though, with one potential trigger being the possible conclusion in early 2022 of a litigation around the $3bn eurobond payments due from Ukraine to Russia. Another area to be monitored is relations between Ukraine and Belarus, as we believe any (politically driven) restrictions on trade could be quite costly for both sides. Sanction risks for Belarus remain elevated until President Lukashenko takes a provocative position toward Europe, but we do not include additional heavy sanctions on Belarus into our base scenario for now. We expect 2021 elections in Russia and Uzbekistan to deliver no surprises, while local elections in Georgia could result in short-term political noise but not to compromise long-term stability, in our view (see more here). Meanwhile, 2022 is going to be one of those rare years when no elections are scheduled in any of the 10 CIS+ countries we look at. In terms of regional conflicts, we expect the political turmoil in Afghanistan not to create major risks for its CIS+ neighbours. We see no tangible risks of a re-escalation between Armenia and Azerbaijan given the presence of Russia in the region.

Rating outlook. The CIS+ region remains remarkably stable in the context of the EM & FM space in the course of the COVID-19 pandemic. The CIS+ space has seen a range of positive rating actions this year, including a recent Kazakhstan rating upgrade by Moody's (to Baa2 in August) and improvements in the rating outlooks for Azerbaijan, Georgia (by two rating agencies), Uzbekistan, and Ukraine. We see medium-term rating upgrade potential for Uzbekistan, Ukraine and Azerbaijan (each having one positive rating outlook now) as well as for Kazakhstan, Armenia and Moldova. We see the largest risk of a rating downgrade for Belarus (with two negative outlooks for its B/B3 rating), but we do not put it into our base case, leaving a 15% probability for the risk scenario of an escalation in Belarus' external political relations.

New issuance in 4Q21-2022

In the next 15 months (until end-2022) we expect at least four CIS+ countries to tap the eurobond market – Ukraine, Kazakhstan, Uzbekistan and Moldova (with a potential debut placement). Russia cannot issue dollar-denominated bonds due to the US August 2018 “chemical” sanctions. In theory it can issue euro-denominated paper, but the rationale for such a placement would not be obvious, since even before the June 2021 prohibition for US financial institutions to participate in primary offerings of Russian sovereign debt in any currencies, it faced limited external demand for euro primary placements in 2020-2021. Belarus cannot make new eurobond placements due to the summer 2021 US/EU sanctions.

Ukraine and Russia are two CIS+ countries which have eurobond maturities scheduled for 2022 (at $1.0bn excluding contingent payments on GDP warrants and $2.6bn respectively), while in 2023 redemptions are also due in Russia ($3.4bn), Ukraine ($1.4bn), Belarus ($0.8bn) and Kazakhstan (EUR0.5bn).

The Kazakh government’s formal schedule for foreign borrowings allows for eurobond placements in both 2021 and 2022, but we do not see external financing needs for this year left due to a sizable inflow of financing from development institutions (primarily, Asian). Probability of new placements in 2022 may be higher – in particular for a theoretically possible pre-funding of Kazakhstan-24 (a QS NC KMG has an established track record of structured maturity extensions).

The Ministry of Finance of Ukraine mulled the feasibility of one more placement in 4Q21 if market conditions are favourable (in addition to a $1.25bn Ukraine-29 in April and a $0.5bn July tap) to prefinance 2022 external debt payments (to recap, in the recent past it tendered short-dated bonds twice, in 2017 and 2020). Ukraine also resumed placements of the sovereign-guaranteed paper (as it practiced in early 2010s), issuing a $0.7bn 7Y Ukravtodor dollar bond, enhanced with the sovereign guarantee; another sovereign-guaranteed issue – Ukrenergo, possibly in euro, - is in the 4Q21 pipeline, according to ReddInt and Debtwire.

Armenia and Georgia with 1H21 bond placements covered their funding needs in the external public debt markets for several years ahead, with the crude price at current levels Azerbaijan does not have to borrow, while Tajikistan’s foreign borrowing programme does not presume new foreign bond issuance in 2021-2023.

We note that most CIS+ countries in the medium term aim to increase local currency borrowings (Ukraine’s local debt can be settled via Clearstream from mid-2019, Kazakhstan’s from mid-2018). Some sovereigns (Kazakhstan, Belarus) also eyeing more placements at the relatively deep Russian local market, with an aim to diversify the currency structure of debt (Kazakhstan) and utilise the available pockets of funding against the backdrop of western sanctions (Belarus).

Figure 4: Net issuance of sovereign FX eurobonds, CIS+, $ bn, 2018-2022E

		2018	2019	2020	2021 YtD	2021E	2022E	2018-21
Russia	Placements	7.4	4.0	2.6	1.8	1.8	0.0	15.8
	Redemptions	-11.2	-1.5	-4.4	-0.3	-0.6	-3.6	-17.4
	Net supply	**-3.8**	**2.5**	**-1.8**	**1.5**	**1.2**	**-3.6**	**-1.6**
Kazakhstan	Placements	1.2	1.3	0.0	0.0	0.0	1.0	2.4
	Redemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Net supply	**1.2**	**1.3**	**0.0**	**0.0**	**0.0**	**1.0**	**2.4**
Ukraine	Placements**	2.0	1.5	4.0	2.5	4.2	1.5	9.9
	Redemptions	0.0	-0.6	-1.8	-1.0	-1.0	-1.0	-3.4
	Net supply	**2.0**	**0.8**	**2.2**	**1.5**	**3.2**	**0.5**	**6.5**
Other CIS+*	Placements	0.6	1.5	1.8	1.9	1.9	1.1	5.8
	Redemptions	-1.0	-0.6	-0.3	-0.7	-0.7	0.0	-2.5
	Net supply	**-0.4**	**0.9**	**1.5**	**1.2**	**1.2**	**1.1**	**3.3**

* Uzbekistan, Tajikistan, Armenia, Azerbaijan, Georgia, Belarus
** Including sovereign-guaranteed issues

Source: Bloomberg, Renaissance Capital estimates

CIS+ QS: Limited net supply, not much sovereign support was required

During extended periods of spread compression QS bonds are increasingly viewed by various categories of investors as an (almost) sovereign-quality exposure with 'sovereign plus' returns.

The technical of QS bonds over 2018-2021 stayed benign:

- In Russia, due to the existence of sectoral sanctions for the state-controlled oil companies and banks, new supply of QS eurobonds is limited to half a dozen names (Gazprom, STLC, RuRail, Sovcomflot, Alrosa and supra-national EaDB), of which only the first two regularly issue dollar paper. The net supply of QS paper had been consistently negative through 2015-2019 before turning balanced/positive in 2020-2021 mainly due to increased issuance from Gazprom and lower redemptions. After the last peak of QS redemptions in 2022 (about half of Russian $24bn corporate and banking redemptions are the bonds of sanctioned entities), very few bonds of the sanctioned oil companies and banks will remain outstanding,
- Gazprom over 2020-2021 issued $12.7bn of eurobonds in various currencies in order to refinance both maturing bonds and negative FCF (more than $17bn in 2019-2020) –a product of low European gas prices and increased dividend payouts. Against the backdrop of an impressive spike in European gas prices and normalised near-term debt redemption schedule, it would be reasonable to assume moderation of new primary issuance from the company.
- Foreign debt of Kazakh QS issuers since 2016 is being monitored both on the levels of state holdings (Samruk Kazyna) and the government, so at the current level of oil prices large-scale new QS issuance is unlikely.
- The major suppliers of the new QS bonds in the coming years are likely to be Uzbekistan (where bonds of four 100% QS issuers were placed over the past two years and around 8-10 new ones are reportedly in preparations of issuing debut foreign debt) and Ukraine (where the low-yield environment facilitates normalisation of the sovereign curve and stimulates refinancing of debt of QS entities).

Figure 5: Net issuance of QS FX eurobonds, CIS+, $bn, 2018-2021E

		2018	2019	2020	2021YtD	2018-21*
	Placements	2.5	3.9	8.5	7.0	21.9
Russia	Redemptions	-14.7	-7.4	-8.6	-4.1	-34.8
	Net supply	**-12.3**	**-3.5**	**-0.1**	**2.9**	**-13.0**
	Placements	3.3	0.1	0.8	0.5	4.6
Kazakhstan	Redemptions	-4.5	-1.8	-1.0	0.0	-7.3
	Net supply	**-1.3**	**-1.7**	**-0.3**	**0.5**	**-2.7**
	Placements	0.0	2.1	0.0	0.3	2.4
Ukraine	Redemptions	0.0	-0.7	-0.8	-0.2	-1.8
	Net supply	**0.0**	**1.4**	**-0.8**	**0.1**	**0.6**
	Placements	0.0	0.8	0.6	0.8	2.2
Other CIS+*	Redemptions	0.0	-0.1	-0.1	-0.8	-0.9
	Net supply	**0.0**	**0.8**	**0.6**	**0.1**	**1.4**

* Uzbekistan, Tajikistan, Armenia, Azerbaijan, Georgia, Belarus

Source: Bloomberg, Renaissance Capital estimates

All CIS+ QS eurobond issuers muddled through 2020/2021 market volatility without requiring provision of direct extraordinary state support. All CIS+ banks received varied support packages from the respective governments, mostly in the form of forbearance and support of certain real economy sectors, and no banking system experienced severe liquidity or asset quality pressure. QS oil& gas incumbents did not require support as the international oil markets recovered rather quickly. The Georgian government helped both of its QS eurobond issuers – GOGC and Grail – to mediate external financing (for the former – in the form of supranational funding, for the latter – supporting a eurobond placement). The Ukrainian government reportedly co-ordinates forays of the QS issuers to the public debt markets and resumed practice of provision of credit enhancement in the form of sovereign guarantees to the bond placements of the weakest entities (Ukravtodor, Ukrenergo). Uzbekistan's sovereign support remains untested up to now.

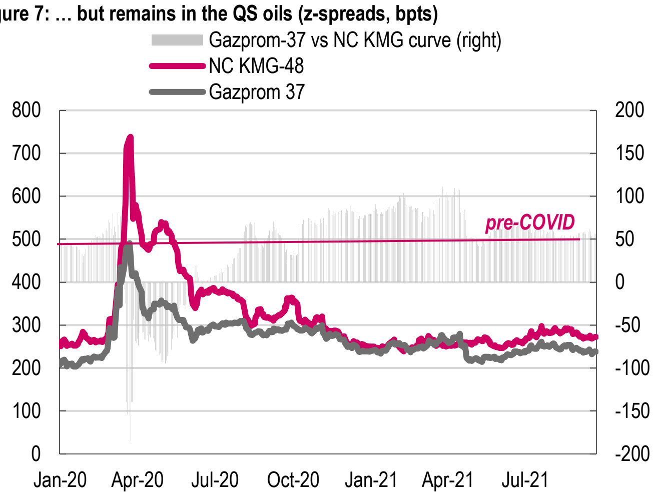
Relative pricing

In general, in our view it would be reasonable to assume that the current technical situation in the EM eurobonds market (large volumes of new issuance, but elevated EM corporate refinancing requirements in 2022-2024, continuing inflows into EM-dedicated funds) will result in certain continuation of spread compression. The types of spreads, where the compression may be pronounced are 1) B to BB-rated issues spreads; 2) QS to sovereign spreads; 3) subordinated to senior bonds; 4) 'special situations' to the regular equally rated credits under realisation of positive or neutral scenarios for bondholders.

Figure 6: 'The Russian political premium' disappeared in LT sovereigns…

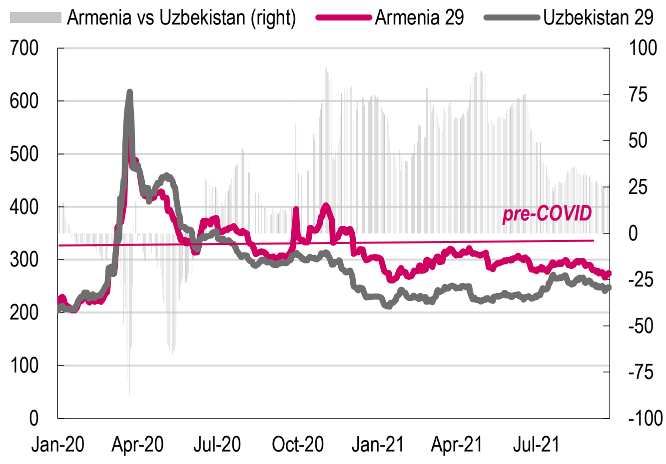
Source: Bloomberg

Figure 7: … but remains in the QS oils (z-spreads, bpts)



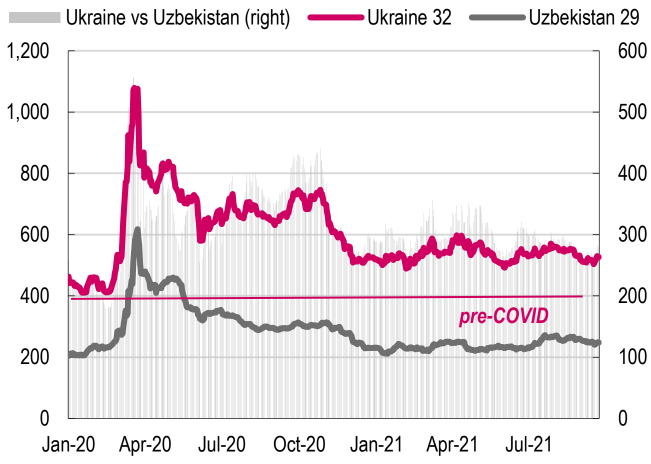
Source: Bloomberg

Figure 8: BB: Armenia still trades at a discount to Uzbekistan (z-spreads, bpts)



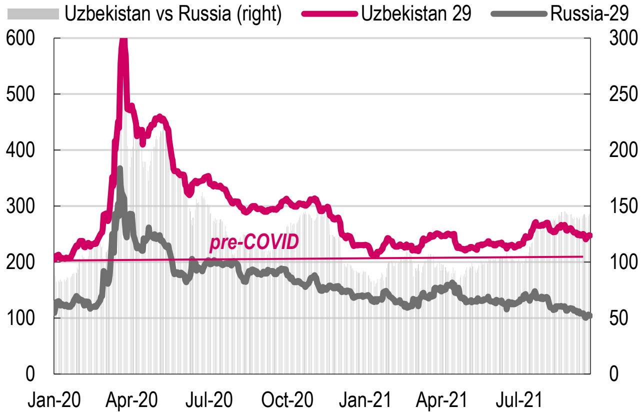
Source: Bloomberg

Figure 9: B vs BB: Ukraine's spread vs BB-rated sovereigns remains wide (z-spreads, bpts)



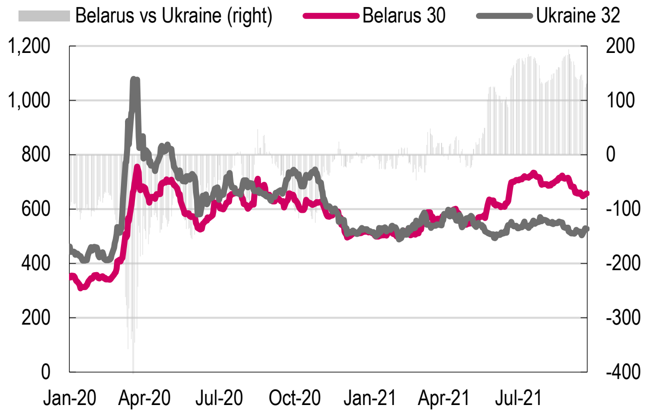
Source: Bloomberg

Figure 10: BB vs IG: Spread of BB-rated sovereigns vs IG bonds widened (z-spreads, bpts)



Source: Bloomberg

Figure 11: Special situation: Belarus (z-spreads, bpts)



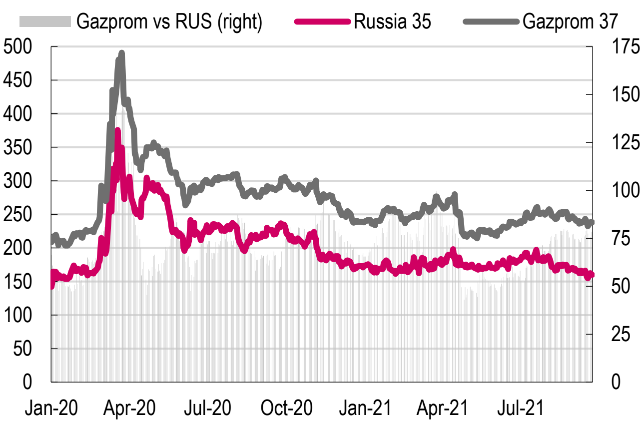
Source: Bloomberg

Other things being equal, we think that it is quite feasible if the spread to sovereign of what we view as good quality QS issuers (Gazprom, NC KMG etc) with the passage of time will reprice from the 80-120-bpt historical range to 50-90 bpts. In the case of Gazprom, the expected moderation of new issuance (including a low probability of new foreign perpetual bonds placement) would be supportive for this assumption. In the case of all Russian QS issuers (in the dollar space – Gazprom and STLC) the peak of corporate bond redemptions in 2022 may facilitate additional local demand in the secondary market (Russian local investors own c. 30% of the outstanding corporate bonds. Among Gazprom bonds, we continue liking perps (both euro and dollar) due to their limited range of loss absorption events and low (in our view) likelihood on new external hybrid placements by the company.

The Russian sovereign curve may benefit from the same 'local re-investment' factor, alongside the guaranteed absence of new issuance. The euro sovereign curve is steeper in comparison to the dollar one, which probably reflects the apparently high share of allocations to the locals in the recent long-dated placements, in our view.

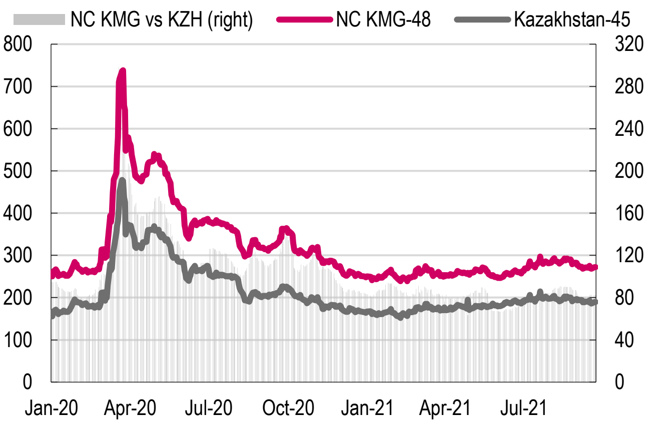
We believe a 'scarcity value' factor may also add to the spread to sovereign compression for NC KMG, SOCAR and Grail. The opposite factor of new supply overhang may deter spread compression for Uzbekistan's QS bonds. Ukrainian QS bonds, despite the generally weak standalone quality of the issuing entities, may benefit from the general 'B to BB-rated' compression. The Belarus curve may move closer to Ukraine in case of the absence of further negative surprises on the political side and more evidence of commitment of a commitment from Russia to provide refinancing support.

Figure 12: Gazprom LT bonds lagged recent recovery in LT sovereigns



Source: Bloomberg

Figure 13: Spread to sovereign of NC KMG stayed stable YTD



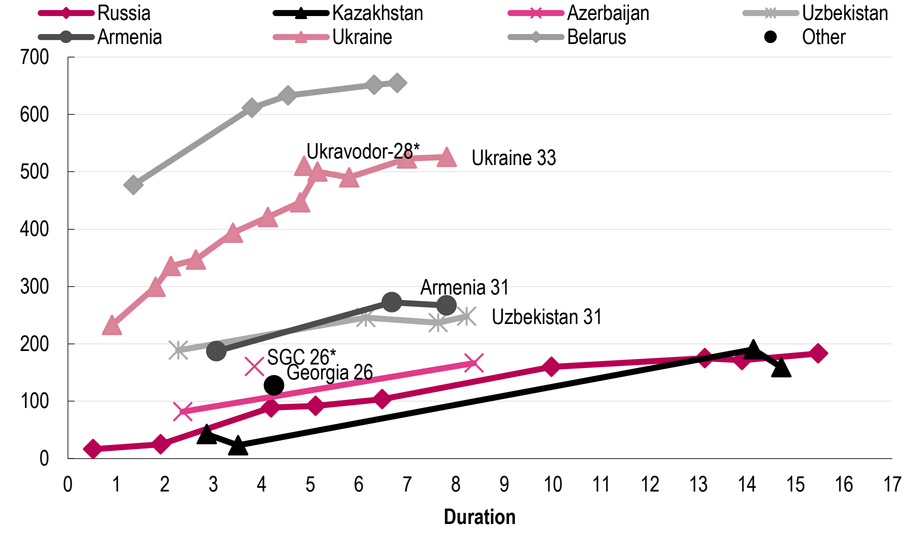
Source: Bloomberg

Figure 14: CIS+ sovereign and QS eurobonds – current view

Issuer	Bonds	View	Rationale	Risks
Russia	$ -35, EUR -32, -36	OW	No new supply, 2022 local reinvestment, steep EUR curve	External political
Kazakhstan	$ -44	OW	Good macro, no spread difference with Russia, decreased likelihood of new supply	US rates
Ukraine	$ -28 to -33	OW	Expected further B to BB spread tightening	New supply
Uzbekistan	$ -30, -31	OW	Expected further BB to IG spread tightening	New supply
Belarus	$ -26 to -31	OW	More support from Russia, general spread tightening, no new supply	External and internal political
Armenia	$ -29, -31	MW	Expected further BB to IG spread tightening, no new supply	External and internal political
Azerbaijan	SGC-26	MW	Sovereign-guaranteed bond, c. 75 bpts spread to sovereign	-
Georgia	$ -26	MW	Good macro, no new supply	Internal political
Gazprom	$ and EUR perps	OW	Limited range of loss absorption events, wide spread to sovereign	External political
Gazprom	$ -28 and longer	OW	Reduction of new supply, 2022 local reinvestment	External political
STLC	$ -24 to -28	OW	Wide spread to sovereign, 2022 local reinvestment, YE completion of VEB leasing deal	External political
IBA	$ -24	OW	Wide spread to sovereign, normalisation of operations	Mixed record of sovereign support

Source: Renaissance Capital

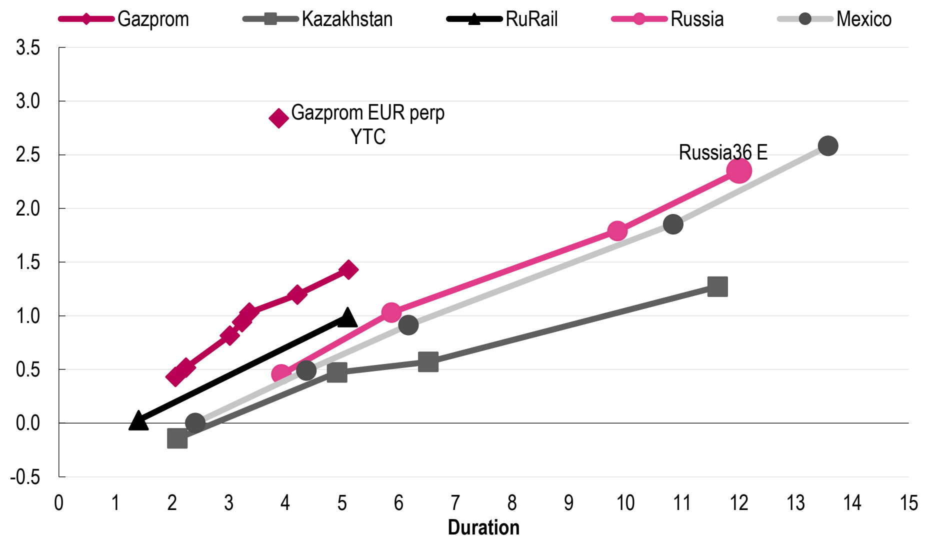
Figure 15: CIS+ $ sovereign eurobonds, z-spreads, bpts, 22 September 2021



* Sovereign-guaranteed

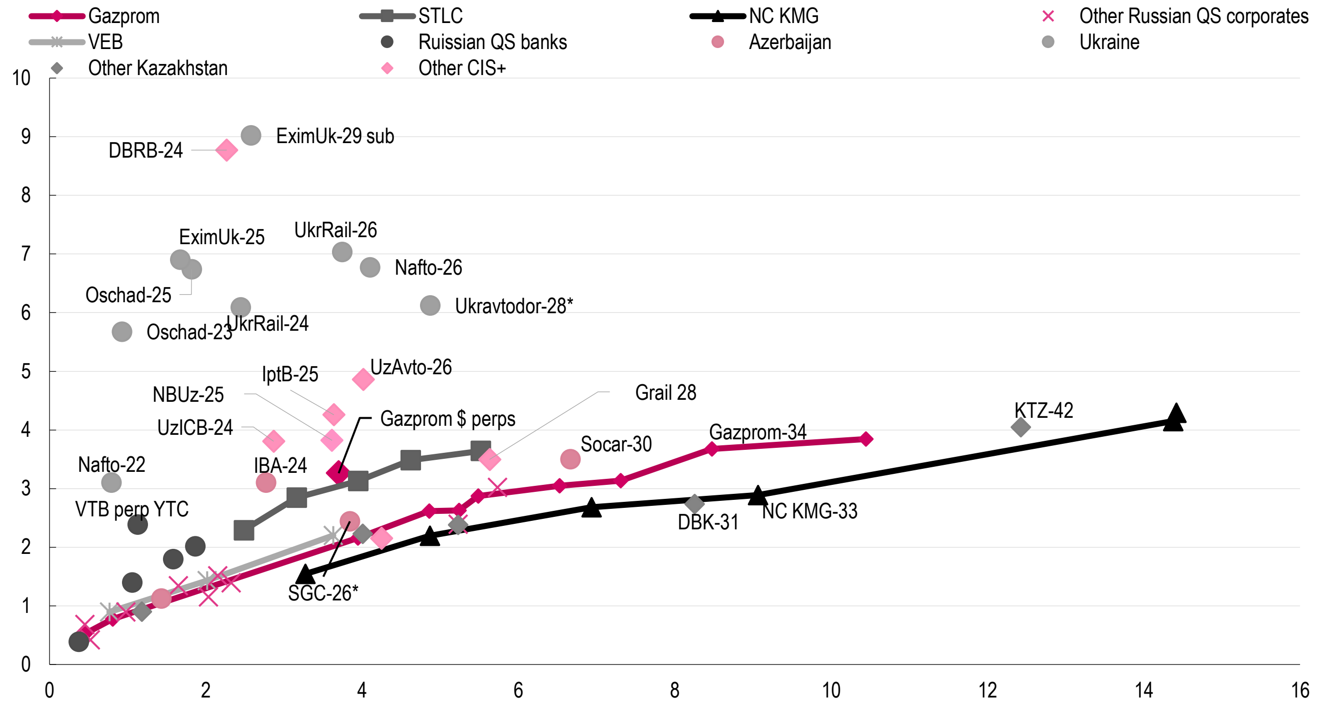
Source: Bloomberg

Figure 16: CIS+ EUR sovereign and QS eurobonds vs Mexico, YTM, %, 5, 22 September 2022



Source: Bloomberg

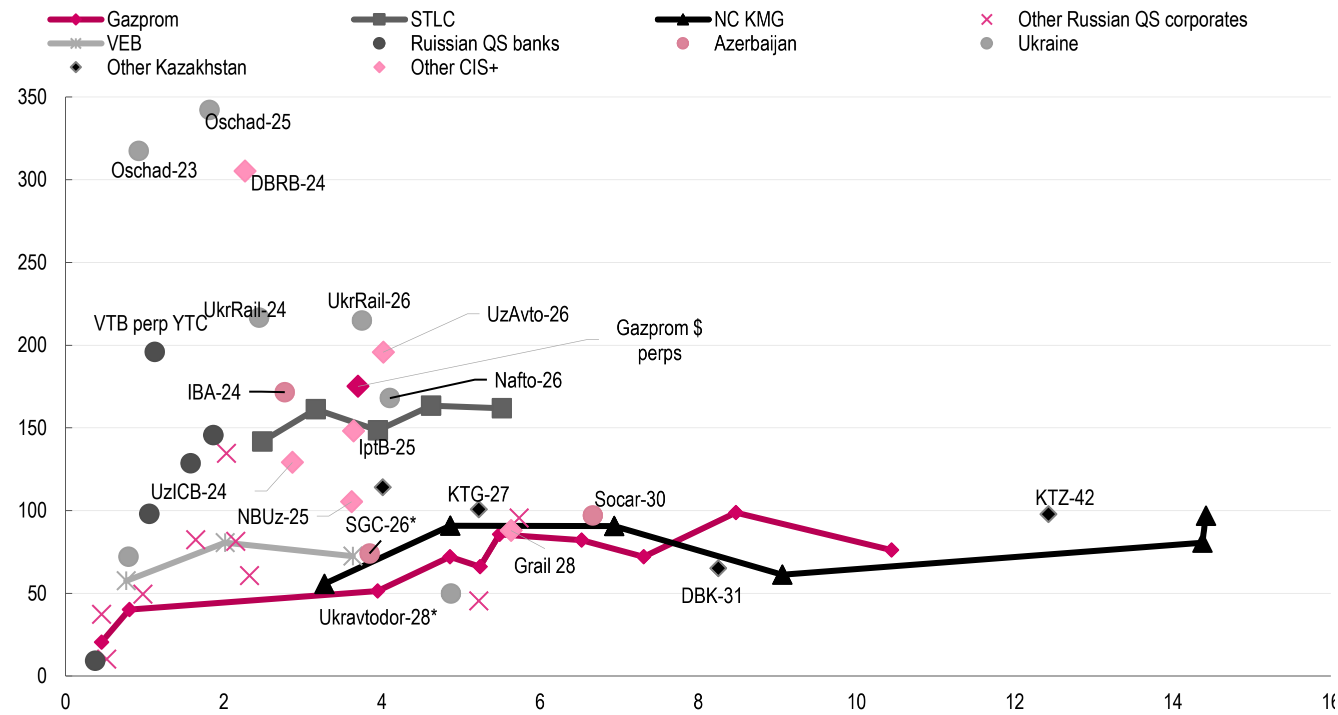
Figure 17: CIS+ QS $ eurobonds, YtM, %



*Sovereign-guaranteed

Source: Bloomberg

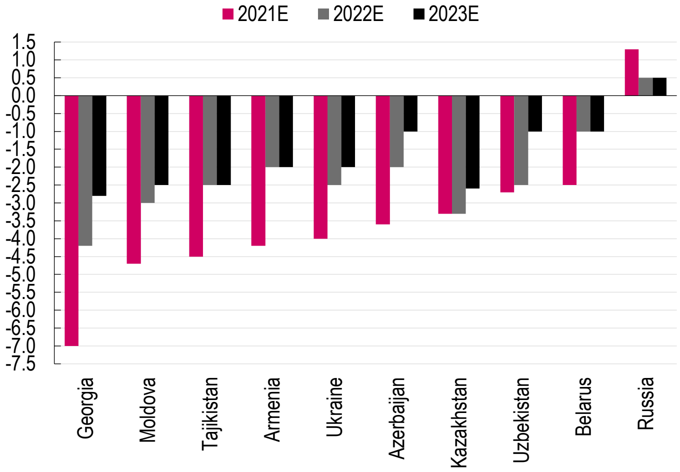
Figure 18: CIS+ QS $ eurobonds, spreads to sovereign, bpts**



* Sovereign-guaranteed
** Linear intra/ extrapolation to the respective sovereign curve

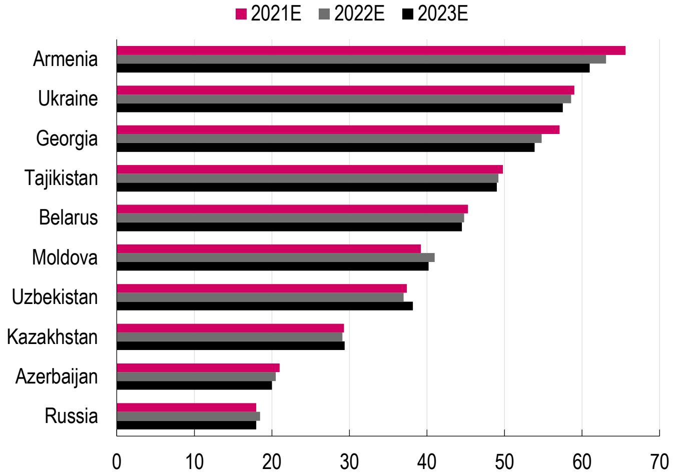
Source: Bloomberg, Renaissance Capital estimates

Figure 19: Fiscal balance, % of GDP



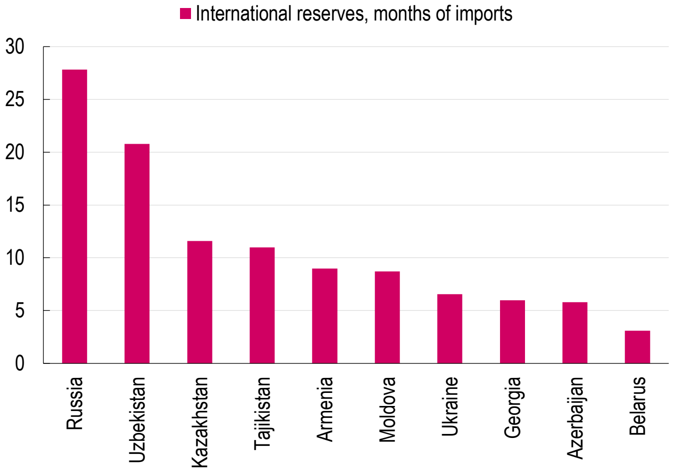
Source: Minfins, IMF, Renaissance Capital estimates

Figure 20: Public debt, % of GDP



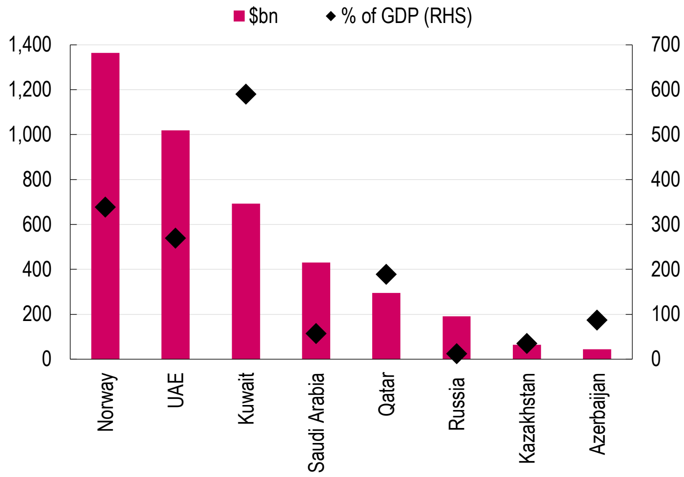
Source: Minfins, IMF, Renaissance Capital estimates

Figure 21: International reserves



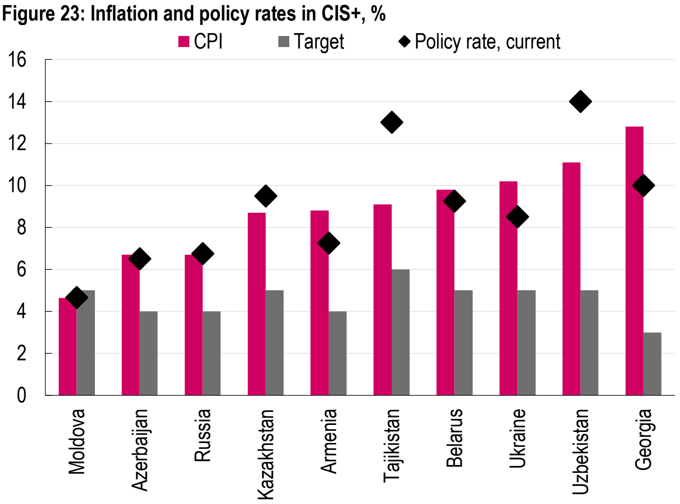
Source: National/central banks, IMF, Renaissance Capital estimates

Figure 22: Sovereign oil funds



Source: SWFI, IMF, NWF, SOFAZ, Minfins, National statistical services

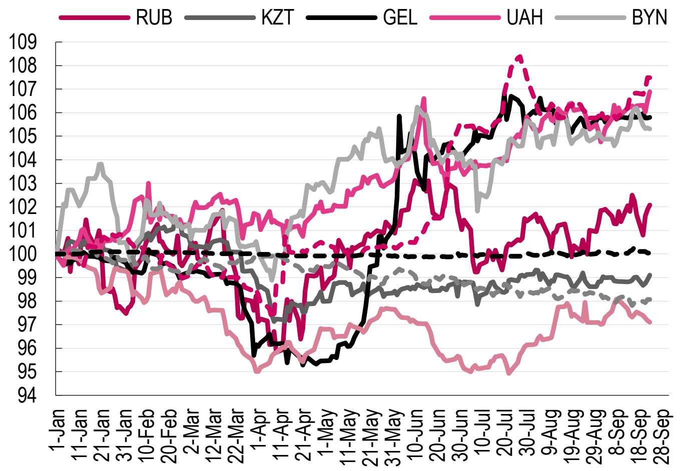
Figure 23: Inflation and policy rates in CIS+, %



Note: Uzbekistan to start targeting 5% inflation in 2023.

Source: National/central banks, National statistical services

Figure 24: CIS+ currencies, (Dec-20 = 100)



Source: Bloomberg

Figure 25: SDR allocation and latest IMF programmes, $mn

	Existing SDR	Additional SDR	Additional SDR, % of int. res.	Latest IMF programmes/assistance*
Armenia	125	175	5.9	$443mn 3Y SBA in 2019
Azerbaijan	219	531	1.1	-
Belarus**	525	923	12.3	-
Georgia	205	285	6.6	$690mn 4Y EFF/EFC in 2018
Kazakhstan	490	1,569	2.5	-
Moldova	168	234	6.9	$560mn 3Y EFF/ECF in 2020, $235mn RFI in 2020
Russia	8,077	17,480	3.0	-
Tajikistan	117	236	18.6	$190mn RFI in 2020 and Immediate Debt Relief for 2020-2021
Ukraine	1,864	2,725	9.6	$5bn ($2.9bn left) 1.5Y SBA in 2020
Uzbekistan	374	746	2.3	$375mn RFI in 2020

* SBA - Stand-By Arrangement, EFF/ECF - Extended Fund Facility/Extended Credit Facility, RFI - Rapid Financing Instrument
** New 2021 allocation is uncertain due to political risks.

Source: IMF, Renaissance Capital

Figure 26: Sovereign ratings by international agencies

Country	Overall		S&P		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Kazakhstan	**BBB**	**Stable**	BBB-	Stable	Baa2	Stable	BBB	Stable
Russia	**BBB-**	**Stable**	BBB-	Stable	Baa3	Stable	BBB	Stable
Azerbaijan	**BB+**	**Stable**	BB+	Stable	Ba2	Positive	BB+	Stable
Georgia	**BB**	**Stable**	BB	Negative	Ba2	Stable	BB	Stable
Uzbekistan	**BB-**	**Stable**	BB-	Stable	B1	Positive	BB-	Stable
Armenia	**BB-**	**Stable**			Ba3	Stable	B+	Stable
Ukraine	**B**	**Stable**	B	Stable	B3	Stable	B	Positive
Belarus	**B**	**Negative**	B	Negative	B3	Stable	B	Negative
Moldova	**B-**	**Stable**			B3	Stable		
Tajikistan	**B-**	**Stable**	B-	Stable	B3	Stable		

Source: Bloomberg

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