

## PRESS RELEASE

Almaty

March 14, 2022

### **KASE presents the results of the exchange market for February 2022**

Kazakhstan Stock Exchange JSC (hereinafter - KASE, the Exchange) informs about main results of activity for February 2022:

- The total volume of trades on KASE in February 2022 amounted to KZT 18.1 trln and decreased by 8.0% or KZT 1.6 trln compared to January.
- KASE Index fell by 5.3 per cent to 3,361.98 points in February.
- In February, equity market capitalisation fell 13.3% to KZT23.1 trln, the volume of traded corporate debt fell 2.7% to KZT15.0 trln .
- As of March 1, 2022, KASE lists 561 corporate securities of 229 issuers.
- As of March 1, 2022, there were 290,932 personal accounts opened for 269,872 individuals in the Central Securities Depository. As of February, individuals had registered 71,230 new personal accounts.

### **KEY PROJECTS AND EVENTS**

On 10 February 2022, the closing ceremony of the 13th annual KASE "Exchange Simulator" competition was held. Thirteen winners from eight universities were selected based on the results of the competition. The total volume of trades within the project exceeded KZT5.1 bn. A total of 5,944 deals were concluded. The maximum volume of trades per participant was 544 mln tenge, and the maximum number of transactions per participant was 522

On 15 February 2022 KASE Talks with Yernar Zhanadil, Managing Director for Privatisation and Development - Member of the Management Board of Samruk-Kazyna JSC, was broadcast live on the Exchange's Instagram page. The topic of the broadcast: "On the threshold of the IPO of Samruk-Kazyna JSC.

On 21 February 2022, KASE held an online meeting with the management of Kcell JSC as part of the "Issuer Day" project on "Review of the Company's 2021 performance, overview of commercial trends and strategic development plans for Kcell JSC".

On 25 February 2022 KASE held a webinar for novice investors "Pro IPO: what you need to know and how to participate". The speakers of the online seminar were Shynar Yelubayeva, Chief Specialist of KASE Issuer and Investor Relations Department; Sholpan Aynabayeva, Chairman of the Management Board of SkyBridge Invest, Maria Pan, Director of Sales Department of Halyk Finance.

### **STOCK MARKET**

In February, the stock market capitalization amounted to KZT23.1 trln (USD49.6bn), which is KZT3.5 trln or 13.3% lower than in the previous month. The decline was caused by share price

adjustments in the last days of February, associated with worsening geopolitical situation and increased volatility of stock markets.

By the end of February, shares of 164 names of 150 companies were in the trade lists of KASE, of which shares of three names of three issuers were admitted to trading in "non-listed securities" sector.

Volume of trades in shares in February increased by 3.4% relative to January and amounted to KZT10.3bn. At that, number of concluded deals grew by 28.9% to 51,217. Average daily trading volume amounted to KZT515.7 mln, average daily number of deals equaled KZT2,561, average volume of one deal - KZT201.4 th. Shares were traded in February exclusively on the secondary market.

Among the main categories of investors, individuals accounted for 52.5% of the total volume of equity transactions. Broker-dealers accounted for 18.1%. Other institutional investors accounted for 22.4 %, other legal entities - 7.0 %. The participation of non-residents is estimated at 1.4 %.

## KASE INDEX

External political factors continued to determine the development of the local share market in February. In the dynamics of KASE Index during the month there were three distinct periods: from February 1 to 10 KASE Index continued to develop the positive trend accumulated at the end of January, from February 11 to 21 the market shifted to a horizontal trend, and from February 22 - to the red zone.

all shares of KASE Index representative list, except National Atomic Company Kazatomprom JSC, declined in price.

KASE Index has fallen 5.3% since the beginning of February to 3,361.98 points, the level of October 2021.

Volume of deals in index shares in February equaled KZT6.2 bn, which is 8.8% or KZT0.6 bn lower than in January. The biggest volume of trades was in common shares of Halyk savings bank of Kazakhstan JSC - KZT3.7 bn. (59.4% of total volume of trades in index shares).

| Issuer                                  | Trade code | Price, KZT/share    |                        |       | Trading volume, mln tenge |         |          |
|---|------------|---------------------|------------------------|-------|---------------------------|---------|----------|
|   |            | as of March 1, 2022 | As of February 1, 2022 | Δ, %  | February                  | January | Δ        |
| JSC National Atomic Company Kazatomprom | KZAP       | 14,869.00           | 14,165.00              | 5.0   | 346.4                     | 215.7   | +11.1    |
| KEGOC JSC                               | KEGC       | 1,853.22            | 1,862.00               | -0.5  | 54.6                      | 52.3    | +2.3     |
| Kcell JSC                               | KCEL       | 1,701.00            | 1,739.99               | -2.2  | 421.3                     | 2,930.7 | -2,509.4 |
| Bank CenterCredit JSC                   | CCBN       | 375.01              | 403.00                 | -6.9  | 79.5                      | 1,635.5 | -1,556.0 |
| KazTransOil JSC                         | KZTO       | 1,050.00            | 1,129.00               | -7.0  | 446.5                     | 1,245.5 | -799.1   |
| JSC Halyk Savings Bank of Kazakhstan    | HSBK       | 133.99              | 152.99                 | -12.4 | 3,663.9                   | 613.4   | +3,050.6 |
| Kazakhtelecom JSC                       | KZTK       | 31,000.00           | 35,399.00              | -12.4 | 1,157.9                   | 72.2    | +1,085.7 |

The only representative of the index basket, whose shares closed in the green zone by the end of the month, is National Atomic Company Kazatomprom JSC. The securities added 5.0% over the month.

KEGOC's share price declined the least over the month by 0.5%.

Kcell's shares fell by 2.2%. During Kcell's Issuer Day, held on February 21, the mobile operator announced its financial results for 2021. The consolidated net income of the company increased by 84.9% to 32.5bn Tenge from the previous year, of which 21.5bn Tenge was recommended by the Board of Directors to be distributed as dividends. On a per share basis, the dividend may amount to KZT 107.5. The dividend yield, accordingly, is estimated at approximately 6.3% p.a.

The largest decrease by results of the month was fixed in shares of Kazakhtelecom JSC and Halyk Savings Bank of Kazakhstan JSC. Securities of both companies fell in price by 12.4 %.

## KASE GLOBAL SECTOR

At the end of February, KASE Global had 43 issuers with a primary listing on leading US exchanges in its trade lists.

In February the volume of trades in KASE Global sector equaled KZT1.8 bn and grew by 20.1% or KZT0.3 bn compared to January. Average daily trading volume equaled KZT89.7 mln, average daily number of deals - 161, average volume of one deal - KZT557.7 th.

The following stocks saw the highest trading volume in February:

- Meta Platforms, Inc. - 247 transactions totalling KZT 229.7 mln;
- Advanced Micro Devices, Inc. - 181 transactions totalling KZT 165.4 mln;
- Micron Technology, Inc. - 73 transactions totalling KZT 137.1 mln.

Among the main categories of investors, individuals accounted for 29.9% of the total volume of equity transactions. Broker-dealers accounted for 58.8%. Other institutional investors accounted for 4.3 %, other legal entities - 7.1 %. Participation of non-residents is estimated at 0.6 %.

## CORPORATE BONDS

Corporate debt outstanding in February 2022 decreased by 2.7% or 417.0 bn tenge to 15.0 trillion tenge (32.0 bn USD).

At the end of February 2022, there were 324 corporate bonds of 82 issuers in the official list of KASE. In February 2022 bonds of five issues from four issuers were included in KASE official list, including two new ones: two issues of Home Credit & Finance Bank and one issue each of Alfa Bank, MFO Arnur Credit LLP and SilkNetCom LLP. In February 2022 Lloyds Bank PLC corporate bonds were removed from the official list of KASE due to early redemption.

KASE\_BMY corporate bond yield index rose 29 basis points to 10.75% p.a. in February 2022.

The volume of trades in corporate bonds on KASE increased 3.3 times to KZT91.8 bn compared to January 2022. Average daily trading volume amounted to KZT4.6 bn (on the secondary market - KZT4.1 bn), average daily number - 57 transactions (on the secondary market - 56 transactions), average volume per transaction - KZT80.4 mln (on the secondary market - KZT74.0 mln).

In February 2022 the volume of the primary market for corporate bonds amounted to KZT9.5bn, up 5.3 times or by KZT7.7bn compared to January 2022.

- Kazakhstan Housing Company raised KZT1.3bn on KASE by placing 30-year bonds at 0.1% per annum;
- Home Credit & Finance Bank's subsidiary raised KZT6.2bn on the Exchange by placing three-year bonds and two-year bonds with a yield to maturity of 12.80% per annum;
- Microfinance Organization OnlineKazFinance LLP raised KZT1.5 bn on KASE, having placed bonds with yield to maturity of 17.50% per annum and a term to maturity of 2.7 years;
- Swiss Capital MFI LLP raised KZT 504.7 mln on the Exchange by placing bonds with a yield to maturity of 19.99% per annum and 2.7 years to maturity;
- Microfinance Organization R-Finance LLP raised KZT548.0 th. on KASE by offering bonds at 18.00% APR.

By main categories of investors in the primary corporate bond market the share of broker-dealer organisations amounted to 21.2 %, other institutional investors - 36.2 %, other legal entities - 42.6 % and individuals - less than 0.1 %. Non-residents did not participate in the primary market of corporate bonds.

The trading volume on the secondary bond market increased 3.1-fold or by KZT53.0bn to KZT82.4bn compared to January 2022.

By main categories of investors in the secondary corporate bond market the share of second-tier banks (STBs) amounted to 1.0%, broker-dealer organizations - 2.2%, other institutional investors - 8.0%, other legal entities - 87.1%, the share of individuals - 1.7%. The share of non-residents was 12.6 %.

## GOVERNMENT SECURITIES (GS)

The government debt at par traded on KASE amounted to KZT17.7 trln (USD37.8bn), up 2.3% or KZT395.7bn in February.

The total volume of trades in GS on KASE amounted to KZT333.2 bn and increased by 41.2 % or KZT97.2 bn compared to January. By results of February 2022 average daily trading volume amounted to KZT16.7 bn (secondary market - KZT6.1 bn), average daily number of transactions - 11 (secondary market - 8), average volume per transaction - KZT1.5 bn (average volume per transaction on the secondary market - KZT0.7 bn).

Volume of trades on the primary GS market increased by 25.9% or by KZT43.6 bn to KZT212.0 bn. The entire volume came from the placement of treasury bonds of the Ministry of Finance of the Republic of Kazakhstan. A total of eight bond issues were placed at 10.70-11.10 % APR (weighted average yield - 10.73-11.10 % APR).

In terms of main categories of investors on the primary market, BST accounted for 5.6%, brokers-dealers - 1.1%, other institutional investors - 75.2%, other legal entities - 18.1%. Non-residents did not participate in the primary government securities market.

The volume of trades on the secondary market increased by 79.3 % or KZT53.6 bn and reached KZT121.2 bn. The share of trades in National Bank notes at the secondary market comprised 7.8 % or KZT9.5 bn of the total trading volume, the share of MEKAM comprised 81.6 % or KZT98.9 bn, the share of Eurobonds of the Republic of Kazakhstan comprised 7.7 % or KZT9.4 bn. The rest volume, amounting to 2.8% (KZT3.4 bn), fell to deals in GS of foreign countries (bonds of the US Ministry of Finance, Ukraine, Republic of Turkey and Republic of Austria).

In terms of the main categories of investors in the secondary market, the share of BVIs accounted for 7.2%, broker-dealers 2.0%, other institutional investors 2.9%, other legal entities 87.5% and individuals 0.3%. Participation of non-residents is estimated at 8.9%.

## BONDS OF INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS)

As of the end of February, KASE trade lists contained bonds of 43 issues of four international financial organizations: Eurasian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation and Asian Development Bank.

In February one issue of Asian Development Bank bonds was included in the "Securities of International Financial Institutions" sector of KASE official list. In the same month, three bond issues were removed from the official list due to expiry of circulation: one issue of Asian Development Bank and two issues of Eurasian Development Bank.

In the reporting month, the trading volume amounted to KZT16.0 bn versus KZT9.2 bn a month earlier, an increase of KZT6.8 bn or 73.5%.

One issue of Asian Development Bank amounting to KZT14.0 bn with a yield to maturity of 11.00% per annum was placed on the primary market of the bond sector of international financial organisations.

In terms of the main categories of investors on the primary market, institutional investors accounted for 35.7% and other legal entities for 64.3%.

On the secondary market, trading volume amounted to KZT 2.0 bn, down 78.0% or KZT 7.2 bn from a month earlier.

In terms of the main categories of investors in the secondary market of bonds of international financial organisations, the share of STBs was 42.3%, brokers-dealers - 2.3%, other institutional investors - 47.9% and other legal entities - 7.5%.

## INVESTMENT FUND UNITS

As at 1 March 2022, there were 19 mutual fund instruments managed by six management companies and six ETFs in the Investment Funds Securities sector.

In the month under review, trading volume amounted to KZT 916.1 mln, down 57.5% or KZT 1.2 bn compared to January 2022.

In terms of main investor categories, individuals accounted for 47.7%, broker-dealers 36.0%, other institutional investors 3.4% and other legal entities 12.9%. Non-residents accounted for 0.3%.

### DERIVATIVE SECURITIES

As of March 1, 2022 there were Global Depositary Receipts (GDR) of five issues on KASE official list, whose underlying assets are common shares of National Atomic Company Kazatomprom JSC, Halyk Savings Bank of Kazakhstan JSC, Kaspi.kz JSC, Kazakhtelecom JSC and ForteBank JSC.

Trading volume in February 2022 amounted to KZT 8.8 bn, up 3.1 times or KZT 5.9 bn compared to January 2022.

In terms of main investor categories, 43.7% were individual accounts, 0.7% were broker-dealer organisations, 47.4% were other institutional investors and 8.2% were other legal entities. The share of non-residents was less than 0.1%.

### SECURITIES MARKET ACCOUNTS OF INDIVIDUALS

As of March 01, 2022, there were 290,932 personal accounts opened for 269,872 individuals in the Central Securities Depository. As of February, individuals had registered 71,230 new personal accounts.

### FOREIGN EXCHANGE MARKET

In February this year, 30 KASE members participated in foreign exchange market trading on KASE.

Trading volume on the foreign exchange market in February reached KZT1.3 trln, adding 1.9% or KZT23.6 bn from January. The average daily trading volume amounted to KZT62.8bn, the average daily number of transactions was 325 and the average volume per transaction was KZT193.3 mln.

The table below shows the main characteristics of the currency pairs traded on KASE (change in the indicator against the previous month is given in parentheses, change in the rate reflects the nominal change in the weighted average exchange rate of the foreign currency to tenge).

| Pair    | Volume, mln currency units | Share in trading volume of trades, % | Number of transactions | Min. and max. rates, Quantity of quoted currency per unit of base currency | Exchange rate at end of February (% change) |
|---------|----------------------------|--------------------------------------|------------------------|--|---|
| USD/KZT | 2,800.24<br>(+0.5 %)       | 97.9 %<br>(-0.3 %)                   | 6,220<br>(+135)        | 426.10 – 495.00  | 495.00<br>(+14.18 %)                        |
| RUB/KZT | 2,526.80<br>(-16.3 %)      | 1.1 %<br>(-0.2 %)                    | 168<br>(-13)           | 5.4207-5.7068  | 5.4207<br>(-3.17 %)                         |
| CNY/KZT | 59.54<br>(-17.9%)          | 0.3 %<br>(-0.1 %)                    | 92<br>(+26)            | 66.8389 – 74.0680  | 73.9700<br>(+8.37 %)                        |
| EUR/KZT | 15.43<br>(x19.2)           | 0.6 %<br>(+0.6 %)                    | 15<br>(+5)             | 487.00 – 496.26  | 487.00<br>(+0.67 %)                         |

### MONEY MARKET

The total volume traded on the money market in February reached KZT16.4 trln, down 9.7%, or KZT1.8 trln, compared to January.

On February 24 the Monetary Policy Committee of the National Bank of Kazakhstan decided to set the base rate at 13.5% per annum with an interest corridor of +/- 1.00 p.p. Accordingly, the rate on constant access operations to provide liquidity will amount to 14.5% per annum, and on constant access operations to withdraw liquidity - 12.5% per annum.

The money market composite indicator MM\_Index, which is a weighted average of the return on USD/KZT cross-currency swap transactions and automatic repo transactions with government securities opened for one business day, increased by 357 bp from 11.01 % p.a. to 14.58 % p.a.

## REPO MARKET

The total volume of repo transactions in February 2022 amounted to KZT15.6 trln, down by KZT1.6 trln or 9.5% from January 2022. Average daily transaction volume decreased to KZT781.1 bn (KZT234.5 bn), while the average daily number of deals concluded increased to 904 (+67) and the average volume of one deal reached KZT864.2 mln (-KZT348.8 mln).

The volume of autorepo transactions with state securities amounted to KZT11.4 trln or 72.8%, autorepo with corporate securities was KZT4.2 trln or 27.2%, direct repo with corporate securities was KZT2.2bn or 0.01% and direct repo with government securities was KZT29.5m or less than 0.01%.

At the end of February 2022, the TONIA indicator rose by 345 bp from 11.02 % to 14.47 % p.a., the TRION indicator rose by 349 bp from 10.98 % to 14.47 % p.a. and the TWINA indicator rose by 300 bp from 11.20 % to 14.20 % p.a.

## CURRENCY SWAP TRANSACTIONS

The total volume of currency swap transactions in February decreased by KZT119.2bn or 13.1% to KZT791.0bn from KZT910.2bn in January. Average daily volume of transactions in February 2022 was KZT39.5bn (-14.0bn), average daily number of transactions was 13 (-4) and average volume per transaction was KZT3.1bn (-0.2bn).

In the instrumental structure 82.0% of the total trade volume (KZT 648.3 bn or USD 1 456.4 mln) on the currency swap market was accounted for by the deals with one-day currency swap (USDKZT\_0\_001), 10.2% of the total trade volume (80 10.2% of the total trading volume (KZT 62.2 bn or USD 183.9 mln) on the currency swap market accounted for deals with two-day currency swap (USDKZT\_0\_002), 7.8% of the total trading volume (KZT 62.2 bn or USD 142.0 mln) with one-month currency swap (USDKZT\_01M).

The yield on the SWAP-1D (USD) overnight swap reached 15.47 % p.a. at the end of February and rose by 469 bp over February. The yield on the two-day SWAP-2D (USD) currency swap increased by 492 bp to 15.48% p.a.

## DERIVATIVES MARKET

Currently, in this sector of the exchange market non-deliverable futures on the US Dollar/Tenge exchange rate, common shares of Halyk Savings Bank of Kazakhstan JSC, common shares of NAC Kazatomprom JSC and KASE Index are available for trading.

In February 2022 there were no transactions in this sector. There were no open positions on the derivatives market by the beginning of March.

### For reference

Kazakhstan Stock Exchange (KASE) is the leading stock exchange in the Central Asian region. KASE ranks second among the CIS exchanges in terms of the volume of securities trading, and fifth in terms of capitalization of the FEAS stock market.

It is a universal trading floor for corporate and government securities, bonds of international financial institutions, foreign currencies, money market transactions - repo and swap, as well as derivative instruments. KASE is a member of the International Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS) and other international and domestic professional associations, as well as a member of the UN initiative "Stock Exchanges for Sustainable Development".

*Additional Information: +7 (727) 237 5342, pr@kase.kz.*