

PRESS RELEASE

Almaty

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KASE presents results of the exchange market's operation in the third quarter and nine months of 2022

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) presents the main results of its activities for the nine months of 2022:

- The total volume of trading on KASE amounted to KZT193.6 trln having increased by 69.4 %, or KZT79.3 trln, YoY.
- The value of KASE Index decreased by 16.1 % to 3,083.79 points.
- Capitalization of the equity market decreased by 20.7 %, or KZT6.0 trln, to KZT22.8 trln.
- Since the beginning of 2022, securities of 75 titles of 43 issuers have been included in KASE official list, with 20 of them listed for the first time.
- As of October 1, 2022, 589 corporate securities of 237 issuers were in KASE trading lists.
- As of October 1, 2022, the Central Securities Depository maintained 440.3 thousand personal accounts opened for 412.7 thousand individuals. According to the results of nine months, individuals registered 233.9 thousand new personal accounts.

KEY PROJECTS AND EVENTS

As part of the implementation of KASE's development strategy for 2022–2024, in the third quarter of 2022, the Exchange implemented the following projects and carried out the following activities.

- On July 11, KASE launched a browser-based version of "IRIS Finance" information product. The following features and functions are available in the new version: real time market data broadcast; the order book updated in real time; historical information about orders and deals on KASE; stock indices and indicators with convenient visualization.
- On July 13, KASE took part in the first open discussion of the upcoming IPO, which took place at Samruk-Kazyna's premises.
- On August 22, KASE launched a new version of the trading and clearing system ASTS+, which provides for the possibility of making repo transactions with the central counterparty (CCP) with clearing participation certificates.
- **Educational events**

As part of the upcoming IPO, the Exchange:

- takes part in information and explanatory meetings organized by Samruk-Kazyna JSC. Speakers talk about how one could become an investor in a large national company;
- on radio station "Business FM" KASE launched informational podcasts about IPO in Kazakh and Russian languages, in which Exchange employees tell what an IPO is and why a company needs it, why it is interesting for investors, how to choose a broker, etc.;
- on its social media pages, KASE launched videos about the IPO;
- continues broadcasting the news program "KASE's exchange news" on the radio station "Business FM" in order to raise awareness of activities of KASE's exchange market, as well as highlight the events of the securities market.

Open lectures were held as part of the "KASE Talks" project:

- "Opening new opportunities" with the Chairman of the Management Board of Jusan Invest JSC Maxim Kabanov;
- "New opportunities for retail clients of banks" with the Chairman of the Management Board of Bank CenterCredit JSC Galim Khussainov;
- "All about securities: expertise of the Halyk group" with a deputy Chairman of the Management Board of Halyk Bank Yertai Salimov and Chairman of the Management Board of Halyk Finance Farkhad Okhonov.

The Exchange held webinars "Fundamentals of investment literacy".

The Exchange held a training webinar in the Kazakh language "Pro IPO: what you need to know and how to participate".

The Exchange held a training webinar for listed companies on the topic "ESG in Corporate Governance".

In support of the annual World Investor Week 2022 of the World Federation of Exchanges (WFE) KASE organized and holds a fair of Kazakh brokers called "KASE FEST" at the leading universities of Astana and Almaty. This event is aimed at popularizing trading on Kazakh securities market, as well as improving the financial literacy of investors on the eve of the IPO of national companies in Kazakhstan.

– **Events for businesses**

As part of the project "Road Show" at KASE, an online presentation was organized for potential investors before the offering of tenge-denominated bonds.

As part of the "Issuer Day" project, KASE held:

- an online meeting with executives of Kcell JSC on the topic "Covering the results of the second quarter and first half of 2022";
- an online meeting with executives of Kazakhtelecom JSC on the topic "Results of the first half of 2022".

– **International cooperation**

KASE and a delegation of representatives of the financial sector of the Republic of Turkmenistan headed by Nurgeldi Meredov, General Director of the Ashgabat Stock Exchange, held a series of working meetings to get acquainted with detailed information on the organization of trading in various markets, clearing, listing, etc.

KASE made a working visit to Borsa Istanbul (Turkey) in order to get acquainted with the capital market and activities of the exchange.

KASE held a training course "FEAS on-site training" for members of the Federation of Euro-Asian Stock Exchanges (FEAS). This was the ninth meeting of securities market specialists, during which KASE employees introduced colleagues to activities of the Exchange and its services.

A delegation from Tehran Stock Exchange Technology Management Co (TSETMC) visited KASE. The purpose of this visit is to exchange information on the technological solutions of the Exchanges.

EQUITY MARKET

Capitalization of the equity market since the beginning of the year has decreased by 20.7%, or 6.0 trln tenge, and amounted to 22.8 trln tenge (47.8 bn USD). At the same time, according to the results of the third quarter of 2022, the capitalization of the equity market increased by 9.2%, or 1.9 trln tenge. The main share of growth in the third quarter fell on the companies of KASE Index due to the adjustment of the price of their shares.

As of the end of September 2022, shares of 121 titles of 106 issuers were listed on KASE, including shares of four titles of four companies in the unlisted securities sector.

Since the beginning of the year, ordinary shares of five titles of five issuers have been included in the Exchange's official list (four new ones listed on KASE for the first time), of which shares of four titles were included in KASE official list in the third quarter of 2022 – common shares of Akbakai Gold Resources JSC, Eurasian Financial Company JSC, Aidarly Project JSC (the issuers were listed on KASE for the first time),

and preferred shares of IC "Sinoasia B&R" JSC. In the "unlisted securities" sector, common shares of Kokshe JSC were admitted to trading.

Since the beginning of the year, shares of six titles have been excluded from the Exchange's trading list, with preferred shares of Financial Company "REAL-INVEST.kz" JSC excluded from the Exchange's official list in the third quarter at the initiative of their issuer.

The volume of trading in shares for the nine months of 2022 amounted to 83.9 bn tenge and decreased compared to the same indicator in 2021 by 55.3 %, or 103.6 bn tenge.

The average daily trading volume amounted to KZT461.0 mln, the average daily number of deals – 1,362, the average volume of one deal – KZT338.4 th.

The volume of the primary market is estimated at KZT979.0 mln. The entire volume fell on placement in KASE's trading system of 55,000 preferred shares of IC "Sinoasia B&R" JSC in July 2022.

The trading volume on the secondary equity market decreased by 55.6%, or 103.8 bn tenge, and amounted to 82.9 bn tenge. In the third quarter of 2022, the volume of the secondary equity market amounted to 28.8 bn tenge, having increased by 12.4 % compared to the second quarter of 2022.

Among the main categories of investors in the secondary market, the share of individuals amounted to 44.1 % of the total turnover of transactions with shares. The share of banks was 0.1 %, that of brokers and dealers – 14.5 %, the share of other institutional investors – 14.0 %, the share of other legal entities reached 27.3 %. Participation of non-residents is estimated at 2.3 %.

KASE INDEX

Since the beginning of the year, KASE Index has decreased by 16.1 %, or by 591.5 points, to 3,083.79 points. In the first half of the year, KASE Index lost 27.2 %, reaching a local minimum on June 17 at the level of 2,617.15 points. In July and August, KASE Index recovered 10.4 % and 6.7 %, respectively. On September 13, having fixed the maximum of 3,173.01 points, KASE Index completed a positive correction. According to the results of the third quarter of 2022, KASE Index increased by 15.3 %, or 409.1 points.

The total volume of transactions in index shares in nine months amounted to 44.6 bn tenge. The largest trading volume fell on common shares of Kcell JSC – 13.2 bn tenge (29.5 % of the total trading volume with index shares)*.

Change in prices of shares from KASE representative list

Issuer	Trading code	Price, tenge per share			Trading volume, million tenge		
		as of 01.10.22	as of 01.01.22	Δ, %	9M 2022	9M 2021	Δ
Bank CenterCredit JSC	CCBN	589.00	398.00	+48.0	9,922.2	5,315.4	+4,606.8
Kcell JSC	KCEL	1,553.00	1,626.91	-4.5	13,168.3	17,650.3	-4,481.9
KEGOC JSC	KEGC	1,581.99	1,870.52	-15.4	665.1	1,231.7	-566.6
Kazakhtelecom JSC	KZTK	29,156.00	35,800.00	-18.6	1,942.9	4,355.3	-2,412.4
National Atomic Company Kazatomprom JSC	KZAP	13,722.00	16,890.00	-18.8	3,549.6	1,540.0	+2,009.6
Halyk Savings Bank of Kazakhstan JSC	HSBK	122.01	186.99	-34.8	9,571.7	8,656.4	+915.3
KazTransOil JSC	KZTO	692.99	1,094.10	-36.7	2,854.1	4,764.5	-1,910.3
Kaspi.kz JSC	KSPI	28,100.00	52,250.00	-46.2	2,932.5	308.8	+2,623.7

*excluding major transactions and transactions of an irregular nature

The driver of the local stock market this year continues to be Bank CenterCredit JSC. The bank's shares added 8.2 % in the first six months of 2022, and accelerated growth in the third quarter and grew by 48.0 % in the first nine months of 2022. Bank CenterCredit JSC publishes very strong financial statements this year. In 2021, net income almost doubled – from 12.5 to 20.6 bn tenge, and in the first half of the year amounted to 102.6 bn tenge. The bank did not pay dividends on ordinary shares, but the bank paid dividends on preferred shares in the amount of 11.7 bn tenge and redeemed the bond issue for 26.5 bn tenge. Noting the improvement in the financial institution's business position, S&P raised the long-term credit rating of Bank CenterCredit JSC from "B" to "B+", with a "Stable" outlook.

Shares of Kcell JSC completed nine months with the least losses, while they were distinguished by the greatest volatility among all index companies. In the first half of the year, they lost 32.7 % in price, and in the third quarter they reduced the fall to 4.5 %. Despite the fact that in 2021 the company's net income per share almost doubled, the shareholders at the general meeting decided to postpone the payment of dividends.

The shares of the main shareholder of Kcell – Kazakhtelecom JSC – for the first nine months of 2022 decreased by 18.6 %. Despite a slight decrease in the Group's net income compared to the first half of last year, the shareholders of Kazakhtelecom JSC decided on October 31 to consider the distribution of net profit, and the shares of the telecommunications operator rose in price by 8.0 % over the past three months.

The third place with a decrease of 15.4 % is occupied by shares of KEGOC. Due to the reduced regulated tariff for electricity transportation, the company's net income has been declining for several financial periods in a row: at the end of 2021, net income decreased from 53.5 to 52.6 bn tenge, at the end of the first half of 2022 it amounted to 14.0 bn tenge. Despite this, the company paid dividends for 2021 in the amount of 135.57 tenge per share, and on October 27, the board of directors will consider the payment of dividends for the first half of 2022. On July 23, KEGOC registered the first issue of "green" bonds in the amount of 35 bn tenge. On September 15, SWF "Samruk-Kazyna" JSC announced plans to increase the company's free-float. Following the revision of the sovereign ratings, S&P changed the outlook on KEGOC's ratings from BB+ "Stable" to BB+ "Negative".

Among the companies with dual listing on Kazakhstan and London sites, the smallest decrease is observed in the National Atomic Company Kazatomprom JSC due to the increased interest in switching to alternative energy sources and fairly stable prices in the uranium market. Common shares of NAC Kazatomprom JSC for nine months of 2022 decreased in price by 18.8 %. The company's annual net profit decreased from 221.4 to 220 bn tenge despite a record increase in world prices for uranium last year. As the company explained in official sources, this is due to long-term price fixing in contracts. As the contracts were renegotiated, the semi-annual net income of NAC Kazatomprom JSC increased to 167.4 bn tenge compared to 58.1 bn tenge for the same period last year. On May 27, the annual general meeting of shareholders decided to pay dividends in the amount of 227.4 bn tenge, or 876.74 tenge per share, which is the highest dividend in the history of the company since the IPO.

Shares of Halyk Savings Bank of Kazakhstan JSC lead by a significant margin, in the first nine months of 2022 they lost 34.8 % in price. Most of the decline occurred in the first half of the year during the period of aggravation of the political situation both in- and outside the country. At the same time, the bank's essential indicators remained very strong. The annual net income amounted to 462.4 bn tenge vs. 352.7 bn tenge in 2020. However, the Board of Directors recommended not to allocate the net profit to payment of dividends until the situation stabilizes. On April 13, Halyk Savings Bank of Kazakhstan JSC, under an assignment agreement, bought out part of the portfolio of the subsidiary bank Sberbank of Russia in the amount of 330 bn tenge. According to the results of the half-year, the Bank's net profit increased from 225.4 to 281.4 bn tenge. On September 19, the bank announced that at the extraordinary general meeting of shareholders on October 21, 2022, a decision would be made to pay dividends on ordinary shares. Rating agencies Fitch, Moody's, S&P affirmed the bank's rating at the sovereign level.

Common shares of KazTransOil JSC following the results of nine months decreased in price by 36.7%. On April 19, the Board of Directors proposed to allocate 10 bn tenge for the payment of dividends, which is 26 tenge per share. On June 13, the company paid the previously announced dividends, fixing a local minimum of 640.5 tenge per share. By the end of July, the price recovered to 844.37 tenge per share, however, after that it again moved to a gradual decrease. According to the results of the first half of the year, the company's net income decreased from 33.9 to 15.8 bn tenge.

Common shares of Kaspi.kz JSC in the first half of the year decreased by 53.6 %. In the third quarter, the fall was partially won back to 46.2 % due to the announcement of dividends and share buyback on the London Stock Exchange. In September, at the Kazakhstan Growth Forum, Mikhail Lomtadze announced that the company intended to enter the second (apart from London) foreign listing and is waiting for favorable external conditions.

KASE GLOBAL SECTOR

As of the end of September, there were 47 shares and six ETFs of foreign issuers in the KASE Global sector.

In the nine months of 2022, in the KASE Global sector, the trading volume amounted to 20.4 bn tenge. The average daily trading volume amounted to KZT112.0 mln, the average daily number of deals – 107, the average volume of one deal – KZT1.1 mln.

The following stocks accounted for the largest trading volume in the nine months:

- Airbus SE (AIR_KZ) – 90 transactions for a total of KZT3,385.8 mln;
- Intel Corporation (INTC_KZ) – 1,603 deals for a total of KZT1,366.5 mln;
- Advanced Micro Devices Inc. (AMD_KZ) – 1,148 deals for a total of KZT1,036.9 mln.

Among the main categories of investors, the largest share fell on the share of brokers and dealers – 42.5 %, 8.2 % – on the share of other institutional investors, 22.1 % – on the share of other legal entities, 27.2 % – on the share of individuals. Participation of non-residents is estimated at 0.5 %.

CORPORATE BONDS

According to the results of nine months of 2022, the volume of corporate debt traded on KASE increased by 0.2 %, or 32.2 bn tenge, to 15.4 trln tenge (32.4 bn USD). At the same time, the volume of corporate debt for the third quarter of 2022 increased by 1.1 %, or 175.3 bn tenge.

As of October 1, 2022, there were 344 issues of corporate bonds of 83 issuers on KASE's trading lists. Since the beginning of 2022, 52 issues of bonds of 26 issuers (seven new ones) have been included in the KASE official list, with bonds of 33 issues of 15 issuers (**two new ones**) listed in the third quarter of 2022: 13 issues of Kazakhstan Sustainability Fund JSC, three issues of Microfinance Organization OnlineKazFinance LLP, two issues each of Development Bank of Kazakhstan JSC and Leasing Group JSC, Logicom JSC, Bank RBK JSC and one issue of MFO "R-Finance" LLP, NC Kazakhstan temir zholy JSC, **Almaty Logistic Center LLP**, FIVE BROKERS' CAPITAL JSC, Bank CenterCredit JSC, **Avesta-Karaganda LLP**, Safe Lombard LLP, National Company "KazMunayGas" JSC, Fincraft Group LLP.

KASE_BMY index (index of yield of corporate bonds of the main market) has grown by 124 b.p. since the beginning of the year, having reached the value of 11.85 % APR.

In nine months, the total trading volume amounted to 1.2 trln tenge, having decreased by 9.4 %, or 121.4 bn tenge, compared to the same period in 2021. The average daily trading volume amounted to 6.5 bn tenge (in the secondary market – 4.0 bn tenge), the average daily number of transactions – 69 (in the secondary market – 63), the average volume of one transaction – 94.2 million tenge (in the secondary market – 64.5 million tenge).

Overall, 28 bond issues of 12 issuers were placed on KASE in nine months of 2022 for a total amount of 442.5 bn tenge, which is 35.2 % lower than the corresponding indicator of the previous year. Of these, 312.9 bn tenge were raised in the third quarter (14 issues of 6 issuers):

- Kazakhstan Sustainability Fund JSC raised 149.4 bn tenge by placing eight issues of bonds with a yield to maturity of 14.73-16.00 % per annum and a maturity of one to three years;
- KazAgroFinance JSC raised 40.2 bn tenge by placing bonds with a yield to maturity of 16.85 % per annum and a maturity of seven years;
- Kazakhstan Housing Company JSC raised 1.1 bn tenge by placing two issues of bonds with a yield to maturity of 0.1-2.99 % per annum and a maturity of 26.7-28.8 years;
- Microfinance Organization OnlineKazFinance LLP raised 3.2 bn tenge by placing bonds with a yield to maturity of 9.99-10.00 % per annum with a maturity of less than a year;
- MFO "Arnur Credit" LLP raised 105 million tenge by placing two-year bonds at 21% per annum;
- NC Kazakhstan temir zholy raised 118.9 bn tenge by placing two-year bonds with a margin of 3.00 % to the TONIA interest rate .

In terms of the main categories of investors in the primary market of corporate bonds, the share of banks was 61.4 %, that of brokerage and dealer organizations – 6.7 %, that of other institutional investors – 13.3 %, that of other legal entities – 17.2 %, that of individuals – 1.5 %. The share of non-residents in the primary corporate bond market was 10.1%.

In the secondary bond market of 2022, the trading volume increased in nine months by 19.3 %, or by 118.9 bn tenge, to 733.5 bn tenge compared to the same period in 2021. In the third quarter of 2022, the trading volume amounted to 160.5 bn tenge having decreased by 2.5 times compared to the second quarter of 2022.

In terms of the main categories of investors in the secondary market of corporate bonds in the nine months of 2022, the share of banks was 6.2 %, that of brokerage and dealer organizations – 4.9%, that of other

institutional investors – 13.5 %, that of other legal entities – 71.8 %, the share of individuals is 3.6 %. The share of non-residents was 10.6 %.

GOVERNMENT SECURITIES (GS)

According to the results of nine months of 2022, the amount of public debt traded on KASE at face value is estimated at 19.5 trln tenge (41.0 bn USD), having increased by 9.6 %, or 1.7 trln tenge, since the beginning of the year. According to the results of the third quarter of 2022, the amount of public debt increased by 5.4 % or 997.2 bn tenge.

The total volume of GS trading on KASE amounted to 4.5 trln tenge, having increased by 85.8 %, or 2.1 trln tenge, compared to the same period in 2021. The average daily trading volume was 24.9 bn tenge (in the secondary market – 8.7 bn tenge), the average daily number of transactions was 14 (in the secondary market – 10), the average volume of one transaction was 1.8 bn tenge (in the secondary market – 0.8 bn tenge).

The volume of trading in the primary market of government securities increased by 62.3 %, or by 1.1 trln tenge, to 2.9 trln tenge. Of these, 153.4 bn tenge were raised by akimdiks of 12 regions, Astana, Almaty and Shymkent at 0.35-4.25 % per annum (in order to finance activities within the framework of state programs). The Ministry of Finance raised 2.8 trln tenge with an average weighted yield to maturity of 10.21–15.20 % per annum (at 10.21–15.29 % per annum), placing 25 issues (14 new issues and 11 issues were enlarged) with a maturity of 0.8 to 15 years.

At the same time, in the third quarter of 2022, the volume of offerings amounted to 1.3 trln tenge, which is 22.3 % more than the volume of placements in the second quarter of 2022. Of these, 23.2 bn tenge were raised by akimdiks, by the Ministry of Finance – 1.2 trln tenge. The rates at the offering auctions of the Ministry of Finance were in the range of 13.60–15.29 % per annum.

In terms of the main categories of investors in the primary market in the nine months of 2022, the share of banks accounted for 15.2 %, the share of broker-dealer organizations – for 0.5 %, the share of other institutional investors – for 73.3 %, the share of other legal entities amounted to 10.9 %, individuals accounted for less than 0.1 %. Non-residents did not take part in the primary GS market.

The volume of trading on the secondary market increased 2.5 times having reached 1.6 trln tenge. The share of trading in the notes of the National Bank in the secondary market amounted to 34.5 %, or 545.1 bn tenge of the total trading volume, the share of MEKAM – 58.3 %, or 921.7 bn tenge, the share of Eurobonds of the Republic of Kazakhstan – 5.4 %, or 86.0 bn tenge. The rest of the volume fell on transactions with government securities of foreign states and amounted to 1.7%, or 27.1 bn tenge.

In the third quarter of 2022, the trading volume of government securities on the secondary market amounted to 507.9 bn tenge, while the share of trading in notes of the National Bank on the secondary market was 47.6 %, or 241.5 bn tenge, of the total trading volume, the share of MEKAM was 50.2 %, or 254.7 bn tenge, the share of Eurobonds of the Republic of Kazakhstan – 1.4 %, or 7.1 bn tenge. The rest of the volume, amounting to 0.9 % (4.5 bn tenge) fell on transactions with government securities of foreign states.

In terms of the main categories of investors in the secondary government securities market in nine months of 2022, the share of banks amounted to 40.4 %, that of brokerage and dealer organizations – to 2.7 %, that of other institutional investors – to 12.4 %, that of other legal entities – to 43.9 %, that of individuals – to 0.7 %. The share of non-residents was 8.0 %

BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS (IFIs)

At the end of the period under review, 39 issues of bonds of four international financial organizations were listed on KASE: nine issues of the Asian Development Bank, 17 issues of the Eurasian Development Bank, 11 issues of the European Bank for Reconstruction and Development and two issues of the International Finance Corporation (IFC).

Since the beginning of 2022, the official list has been supplemented with three issues of bonds of the Asian Development Bank, two issues of the Eurasian Development Bank and one issue of IFC. In nine months, 13 bond issues have been excluded from the official list: nine issues of the Eurasian Development Bank two IFC issues – due to the expiration of the circulation period, and two issues of the Asian Development Bank – due to early redemption.

Over the past period, the trading volume amounted to 73.2 bn tenge, which is lower than the result of the same period in 2021 by 27.5 bn tenge, or 27.3 %. The number of transactions compared to the same period of last year increased 3.2 times, reaching 275 transactions.

In the primary market, the trading volume amounted to 44.0 bn tenge having decreased compared to the same period in 2021 by 36.3 %, or 25.1 bn tenge. At the same time, according to the results of the third quarter, the volume of offerings decreased by 16.8 % compared to the second quarter of 2022.

In total, four placements of four bond issues took place in the period under review (two of which were in the third quarter):

The Asian Development Bank raised on KASE:

- 14.0 bn tenge by placing international social bonds at 11.00 % per annum with a maturity of 8.8 years;
- 10.0 bn tenge by placing international bonds at 14.00 % per annum with a maturity of 2.2 years;
- 6.5 bn tenge by placing three-year international bonds at 14.15 % per annum.

The Eurasian Development Bank raised KZT13.5 bn on KASE by placing two-year bonds at 15.00 % APR.

In terms of the main categories of investors in the primary market, the share of banks was 42.1 %, other institutional investors – 12.5 %, other legal entities – 45.5 %.

In the secondary market, the trading volume amounted to 29.2 bn tenge, which is 7.6 %, or 2.4 bn tenge, lower than a year earlier.

In terms of the main categories of investors in the secondary market in the nine months of 2022, the share of banks accounted for 16.0 %, the share of broker-dealer organizations – for 19.3 %, the share of other institutional investors – for 27.7 %, the share of other legal entities – for 35.2 %, the share of individuals – for 1.9%. Participation of non-residents is estimated at 7.3 %.

UNITS OF INVESTMENT FUNDS

As of October 1, 2022, there were 21 instruments of unit investment trusts managed by seven management companies and six ETFs in the "Securities of investment funds" sector.

Since the beginning of the year, two instruments of unit investment trusts have been included in the "Securities of investment funds" sector of KASE official list, with shares of the interval unit investment trust "BCC Elite" managed by BCC Invest JSC included in the third quarter of 2022.

In the period under review, the trading volume amounted to 6.6 bn tenge, which is lower than the result of the same period by 79.7 %, or 26.1 bn tenge.

In terms of the main categories of investors, 30.0 % are individuals, 23.5 % – brokers and dealers, 2.8 % – other institutional investors and 43.7 % – other legal entities. Participation of non-residents is estimated at 3.0 %.

DERIVATIVE SECURITIES

As of October 1, 2022, KASE official list was supplemented with global depository receipts (GDRs) of five issues, the underlying assets of which are common shares of National Atomic Company Kazatomprom JSC, Halyk Savings Bank of Kazakhstan JSC, Kaspi.kz JSC, Kazakhtelecom JSC and ForteBank JSC.

The volume of trading in the nine months of 2022 amounted to 16.1 bn tenge having decreased by 57.1 %, or 21.4 bn tenge, YoY.

In terms of the main categories of investors, accounts of individuals accounted for 34.8 % the, broker-dealer organizations – for 2.8 %, other institutional investors – for 46.2 % and other legal entities for – 16.3 %. The share of non-residents was 8.8 %.

ACCOUNTS OF INDIVIDUALS IN THE SECURITIES MARKET

As of October 1, 2022, there were 440.3 thousand personal accounts in the Central Securities Depository, which is by 222.0 thousand accounts more than at the beginning of 2022. According to the results of nine months, individuals registered 233.9 thousand new personal accounts.

FOREIGN CURRENCY MARKET

In nine months of the current year 32 KASE members took part in trades on KASE's foreign currencies market.

The volume of trading in the foreign exchange market amounted to 13.9 trln tenge in nine months, which is 30.0 %, or 3.2 trln tenge up YoY. The average daily trading volume amounted to 76.6 bn tenge, the average daily number of deals – 333, the average volume of one deal – 229.8 million tenge. In the third quarter of 2022, the trading volume amounted to 5.7 trln tenge having increased by 48.6 % compared to the second quarter.

The table below shows the main characteristics of currency pairs traded on KASE (changes in volume, share in the trading volume, number of deals are indicated relative to the same period last year; rate change

reflects the nominal change in the weighted average exchange rate of foreign currency against tenge by the beginning of the year).

Currency pair	Volume, mln units of currency	Share in trading volume, %	Number of transactions	Min. and max. rates, qnty. of quoted currency per unit of basic currency	Rate as of the end of September (chg. %)
USD/KZT	22,948.29 (-6.5 %)	75.7 % (-21.7 %)	51,246 (-19,087)	409.50-523.00	476.53 (+10.4 %)
RUB/KZT	200,655.31 (x7.3)	10.2 % (+8.8%)	5,634 (+3,638)	4.7200-8.9400	8.3000 (+40.1 %)
CNY/KZT	5,842.02 (x4.1)	3.0 % (+2.1 %)	1636 (+606)	61.8000-81.0100	67.1314 (-1.1 %)
EUR/KZT	373.92 (x5.6)	1.3 % (+1.0 %)	1 214 (+997)	449.50-570.00	456.95 (-7.1 %)
EUR/USD	2,915.65 (-)	9.9 % (+9.9 %)	913 (+913)	0.9545-1.1041	0.9800 (-)

MONEY MARKET

The total volume of trading in the money market in the nine months of 2022 amounted to 173.7 trln tenge, having increased by 74.7 %, or 74.3 trln tenge, compared to the corresponding period in 2021.

The Monetary Policy Committee of the National Bank of the Republic of Kazakhstan four times during nine months of 2022 made a decision to raise the base rate: on January 24 from 9.75 % to 10.25 % per annum, on February 24 – to 13.50 % per annum, 25 April – to 14.00 % per annum, July 25 – to 14.50 % per annum.

Composite indicator of the money market MM_Index, which is the average yield on USD/KZT currency swap transactions and auto repo transactions with government securities opened for one business day weighted through the volume of deals, increased by 435 b.p. from 10.52 % to 14.87 % per annum by the end of September 2022.

Repo transactions market

The trading volume in this segment amounted to 152.9 trln tenge in the nine months of 2022, which is by 66.5 %, or 61.1 trln tenge, up YoY. The average daily volume of transactions amounted to 840.2 bn tenge, the average daily number of transactions – 898, the average volume of one transaction – 936.1 million tenge.

The volume of trades in GS autorepo amounted to 115.9 trln tenge, or 75.8 % of the total volume of repo, autorepo with CS – 37.0 trln tenge, or 24.2 %, GS nego repo – 43.7 bn tenge, or 0.03 %, nego repo with CS – 40.9 bn tenge, or 0.03 %. Two autorepo deals worth 5.1 mln tenge were made with GCC.

By the end of September, the TONIA indicator (weighted average interest rate on repo opening deals for a period of one business day, concluded on the Exchange in the sector of autorepo with securities of the GS Basket) increased by 412 b.p. from 10.56 % to 14.68 % per annum. The TRION indicator (the weighted average interest rate on repo opening deals for a period of one business day, concluded on the Exchange during the day in the sector of autorepo with securities of the GS Basket, for which the Exchange carries out clearing activities using services of the Central Counterparty) increased by 411 b.p. from 10.53 % to 14.64 % per annum.

The TWINA indicator (weighted average interest rate on repo opening deals for a period of seven business days, concluded on the Exchange in the sector of autorepo with securities of the GS Basket, for which the Exchange carries out clearing activities using services of the Central Counterparty) increased by 377 b.p. from 10.34 % to 14.11 % per annum.

Currency swap transactions market

The volume of trading in the currency swap market amounted to 20.8 trln tenge in the nine months of 2022, which is 2.7 times more, or by 13.2 trln tenge up YoY. The average daily volume of transactions since the beginning of the year amounted to 114.4 bn tenge, the average daily number of transactions – 21, the average volume of one transaction – 5.4 bn tenge.

In the instrumental structure, 19,986.9 bn tenge, or 96.0 % of the swap trading volume, fell on USDKZT swaps, 676.3 bn tenge, or 3.2 %, on RUBKZT, 158.6 bn tenge, or 0.8 % – on EURKZT swaps.

In the pair USDKZT, 80.1% of the total volume of trading in this pair (16,002.7 bn tenge, or 34,836.5 mln USD) fell on transactions with the one-day currency swap (USDKZT_0_001), 18.8 % of the total volume of trading in this pair (3,758.1 bn tenge, or 8,522.4 mln USD) – on deals with the two-day currency swap (USDKZT_0_002), 0.2 % of the total volume of trades in this pair (32.0 bn tenge, or 70.0 mln USD) – on deals with the one-week currency swap (USDKZT_0_01W), 1.0 % of the total volume of trades in this pair (194.2 bn tenge, or 432.0 mln USD) – on deals with the one-month currency swap (USDKZT_0_01M).

In the pair RUBKZT, 21.8 % of the total volume of trading in this pair (147.2 bn tenge, or 19,878.7 mln rubles) fell on transactions with the one-day currency swap (RUBKZT_0_001), 76.6 % of the total volume of trading in this pair (517.9 bn tenge, or 67,400.0 mln rubles) for deals with the two-day currency swap (RUBKZT_0_002), 1.7 % of the total volume of trades in swaps (11.2 bn tenge, or 1,300.0 mln rubles) – on deals RUBKZT_1_001.

In the pair EURKZT, 80.6% of the total volume of trading in this pair (127.8 bn tenge, or 255.8 mln euro) fell on transactions with the one-day currency swap (EURKZT_0_001), 19.4 % of the total volume of trading in this pair (30.8 bn tenge, or 55.0 mln euro) – on transactions with EURKZT_1_001.

Yield on the one-day dollar swap SWAP-1D (USD) at the end of September reached 15.82 % per annum, having increased by 634 b.p. since the beginning of the year. The yield on the two-day SWAP-2D (USD) currency swap has increased by 576 b.p. since the beginning of the year to 16.00 % per annum.

DERIVATIVES MARKET

At the moment, non-deliverable futures for the exchange rate of the US dollar to tenge, exchange rate of the Russian ruble against tenge, common shares of Halyk Savings Bank of Kazakhstan JSC, NAC Kazatomprom JSC and KASE Index are available for trading in this sector of the exchange market.

In nine months of 2022, no transactions were concluded in this sector. By the beginning of October, there were no open positions of trading participants on the derivatives market.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the fifth rank in terms of the equity market capitalization among the FEAS exchanges. It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

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