

KASE WEEKLY

November 02–06,
2020

KASE NEWS

- ▲ KASE [changed](#) parameters of stocks from KASE Index universe.
- ▲ KASE [released](#) on its website the rankings of members of the Exchange for October 2020.
- ▲ KASE's Management Board agreed to include supposed-to-be-issued international bonds [XS2251962903](#) and XS2251962499 of the Asian Development Bank and [XS2252216937](#) of the European Bank for Reconstruction and Development in the sector "Securities of International Financial Institutions" of KASE's official list.
- ▲ Trades in common shares KZ1C00005388 (SABR) of Insurance Company "Sinoasia B&R" JSC [are opened](#).
- ▲ Bonds KZ2C00007037 (KFUSb4) of Kazakhstan Sustainability Fund JSC [are included](#) in KASE's official list under the category "bonds" of the main market.
- ▲ Bonds KZMJ00000909 (KOK024_090) of the local executive body of Kyzylorda region [are included](#) in the sector "Government securities" of KASE's official list.
- ▲ International bonds XS2242422397 (KMGZe16) of NC KazMunayGas JSC [are included](#) in the List T+ and the Collateral List+.
- ▲ Halyk Finance JSC [has been assigned](#) the status of a market-maker on KASE for international bonds XS2242422397 (KMGZe16) of NC KazMunayGas JSC.

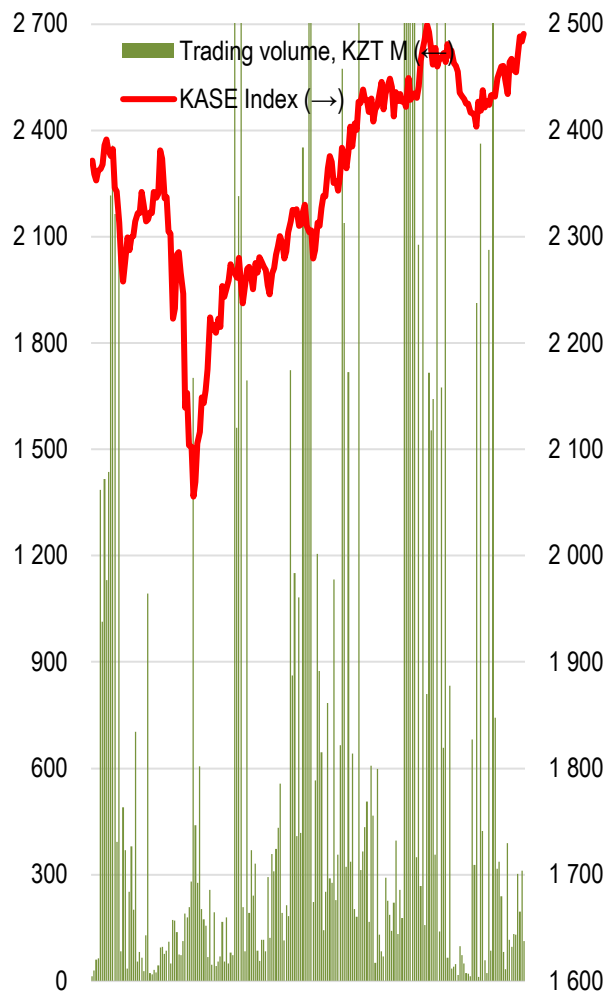
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Akimdik of Kyzylorda region [raised](#) KZT2.7 bn on KASE by placing bonds KZMJ00000909 (KOK024_090).
- ▲ Kazakhstan Sustainability Fund JSC raised KZT18.9 bn on KASE by placing bonds [KZ2C00006948](#) (KFUSb2) with a yield of 10.8800 % per annum and [KZ2C00007037](#) (KFUSb4) with a yield of 10.8800 % per annum.
- ▲ **ANNOUNCEMENT:** On November 17, a teleconference of Halyk Savings Bank of Kazakhstan JSC will be held to announce financial results for nine months and the third quarter of 2020.
- ▲ KAZ Minerals PLC [has advised](#) its shareholders on acquisition of shares by NOVA RESOURCES B.V.
- ▲ First Heartland Jýsan Bank JSC and the shareholder of ATFBank JSC [have reached](#) a preliminary agreement on purchase of 99.76 % of shares of ATFBank JSC by First Heartland Jýsan Bank JSC.
- ▲ National Atomic Company Kazatomprom JSC [reported](#) its operating results for the third quarter of 2020.
- ▲ Kaspi Bank JSC [announced](#) that Moody's Investors Service upgraded the bank's ratings.
- ▲ ATFBank JSC [plans](#) early redemption of international bonds XS0274618247 (ATFBe7).
- ▲ NC KazMunayGas JSC [announced](#) early redemption of international bonds XS0925015074, US46639UAA34 (KMGZe6) and XS1595713279, US48667QAM78 (KMGZe10).
- ▲ Faeton Company LLP [repurchased](#) 3,407,107 bonds KZ2P00003874 (FATNb1) ahead of schedule.
- ▲ KEGOC JSC [paid](#) dividends on common shares KZ1C00000959 (KEGC) for the first half of 2020.

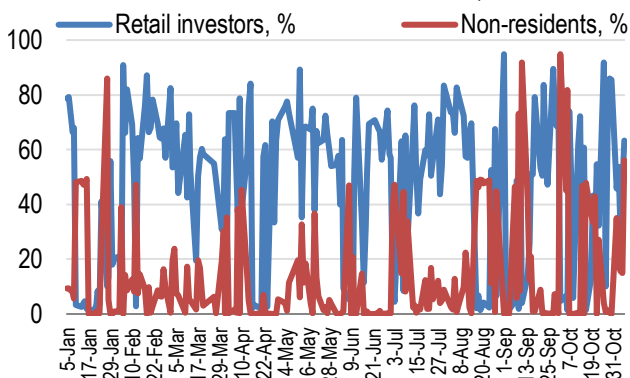


According to the results of the week, KASE index increased by 1.4% to 2,490.73 points. The largest number of deals among index shares over the week was made with common shares of Halyk Bank – 638 deals. The largest trading volume fell on Kcell securities – KZT430.2 mln (50.9% of the total volume for the week).

KASE Index shares



Retail investors & non-residents, %



06.11.2020

KASE Index	2 490,73	Trends (%)	
		1,5	2,6
First class of liquidity	Price	Δ 7d	Δ 1m
Freedom Holding Corp.	13 104,5	10,7	22,9
Halyk Savings Bank of Kazakhstan	113,0	3,5	-2,2
Kazakhtelecom	25 850,1	3,4	4,7
Bank of America Corporation	10 583,0	2,8	-0,4
Aeroflot	368,0	2,3	-4,8
NAC Kazatomprom	6 135,0	2,2	0,9
Sberbank Russia	1 219,0	1,6	-0,1
Bank CenterCredit	218,1	1,6	0,1
Gazprom	910,0	1,1	-10,9
KazTransOil	801,6	0,2	-0,5
KEGOC	1 678,0	0,1	-1,8
KAZ Minerals	3 302,0	0,1	17,6
VTB Bank	0,2	0,0	0,0
Kcell	2 714,0	-0,1	4,7
Kazakhtelecom, preferred shares	12 300,0	-0,4	2,2

Note: Index stocks are highlighted in green

Seven of the eight shares of the representative list ended the week in the green zone. An exception was Kcell's ordinary share, whose price decreased by 0.2% – to KZT2,714.00. The leaders of growth were quotations of Halyk Bank shares, which increased by 3.5% – to KZT112.99.

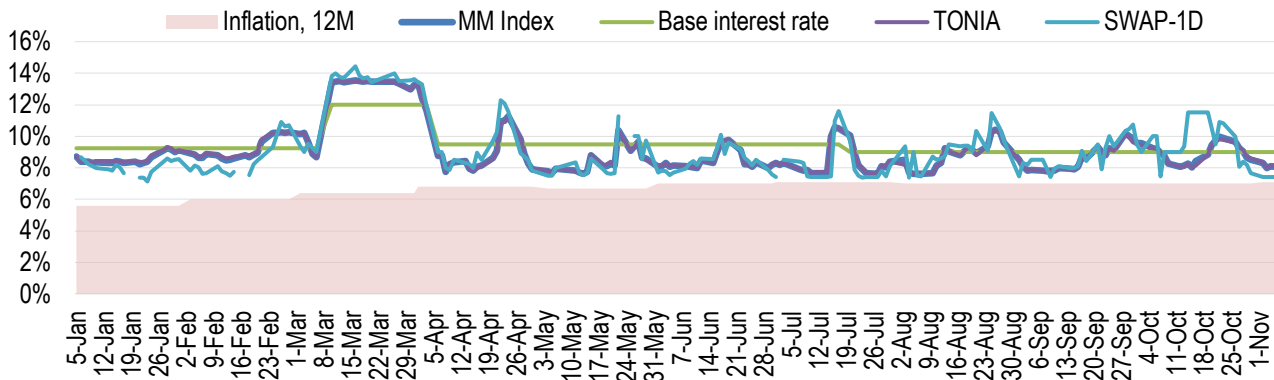
The price of Kazatomprom shares increased by 1.4% – to KZT6,135.00. The National Atomic Company presented operating results for the third quarter and nine months of 2020, which saw a decrease in uranium production and an increase in sales on a year-over-year basis. The volume of uranium production in January-September of this year decreased by 10.6 %, to 15.091 thousand tons. As noted in the company's statement, production volumes were lower as a result of the expected impact from the decline in development activities and a decrease in the number of production personnel throughout the second quarter against the background of the COVID-19 pandemic. Meanwhile, the sales volume of Kazatomprom and its subsidiaries in 9M 2020 increased by 23.2% YoY, to 9,857 thousand tons, the average sales price per pound of uranium concentrate increased by 7.2%, to \$29.58. The company says that the increase in sales compared to the same period of last year, both at the group level and at the level of Kazatomprom, is caused by seasonality and the delivery schedule in 2019 and 2020.

Quotations of KAZ Minerals have risen in price by 0.9% – to KZT3,302.01. On November 3, KAZ Minerals PLC informed KASE that the Management Board of Nova Resources B.V. and the Independent Committee of KAZ Minerals PLC have reached agreement on the terms of a recommended cash tender offer to be made by Nova Resources in respect of all issued and proposed to be issued shareholder capital of KAZ Minerals (except for KAZ Minerals shares already owned or controlled by the consortium). As of October 27, 2020 (the last business day before the date of this announcement) the number of KAZ Minerals shares owned or controlled by the consortium was 186,079,209, which is equivalent to approximately 39.39% of the issued share capital of KAZ Minerals (except for treasury shares) as of this date. It is assumed that the acquisition will be carried out under a conciliative scheme.

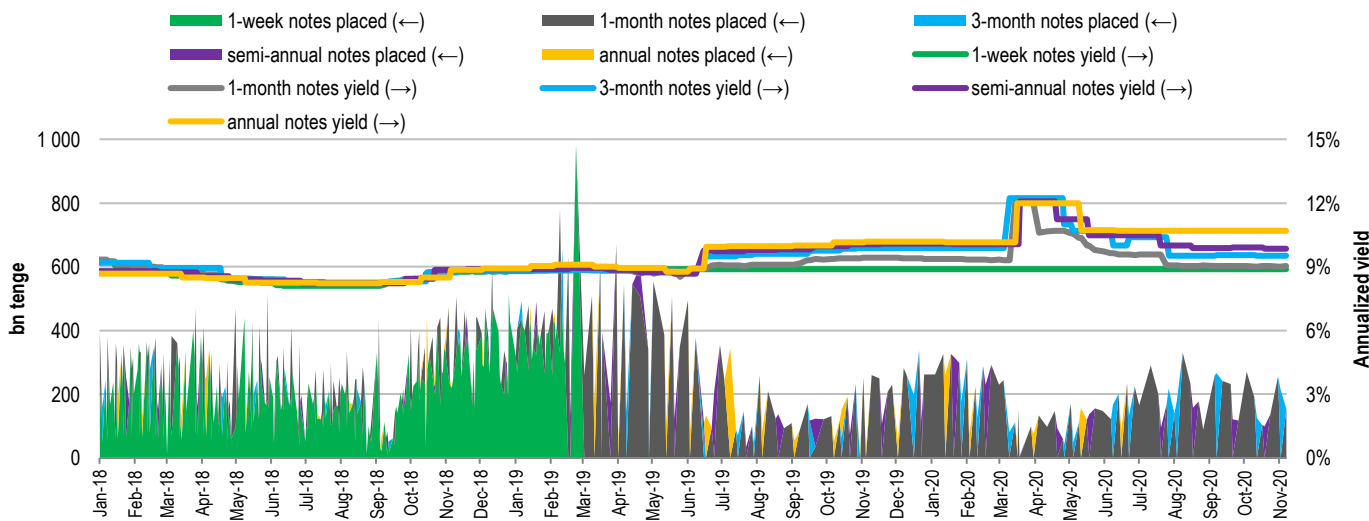


The yield on one-day repo transactions with government securities decreased by 32 b.p. over the week, to the level of 8.28% per annum. The rate of borrowing the tenge secured by US dollars decreased by 28 b.p. to the level of 7.40% per annum. The average volume of borrowing the tenge liquidity for one day amounted to KZT238.56 bn (-9.4% to the same indicator of the previous week) for the week.

Inflation and interest rates

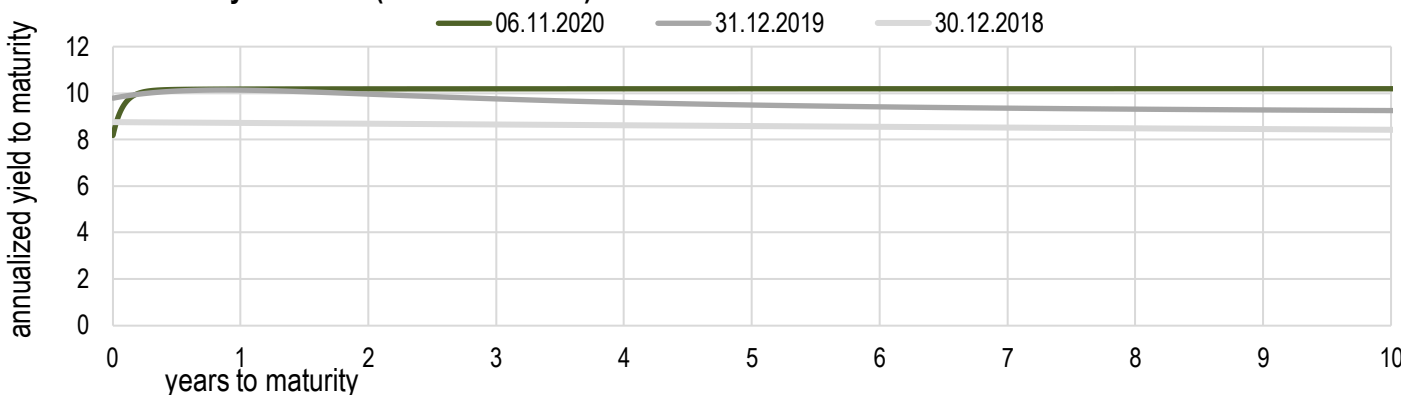


Main Features of National Bank Notes Placements



* weighted average yield on all currency swap transactions with the US dollar.

Risk-free yield curve (non-indexed GS)





According to results of the week, the exchange rate of the US dollar against the tenge decreased by KZT0.21 (-0.05%) to KZT432.43. The total trading volume for the week amounted to \$526.8 mln (-46.0% to the same indicator of last week). The total number of transactions for purchase and sale of the US dollar amounted to 1,491 (-475 to the previous week). The maximum price was KZT435.85 per US dollar, the minimum was KZT431.35.

The tenge slightly appreciates against the US dollar at the end of the week, however it is in the red against the Russian ruble, euro and Chinese yuan. The US dollar is losing ground amid uncertainty over the outcome of the US presidential elections held on November 3. The vote count is going on and according to the latest data, the US presidential candidate from the Democratic Party Joe Biden is ahead of the incumbent President Donald Trump, gaining 264 electoral college votes from the required 270, while Trump still has 214 votes. Along with the presidential elections, there are by-elections to the Congress: in the Senate, the seats are equally divided – 48 each, in the House of Representatives, the Democrats have a majority – 208 vs 193. The likelihood of new major measures to stimulate the economy remains low, as the hopes that the Democrats will get the majority in both houses of the Congress are weakening.

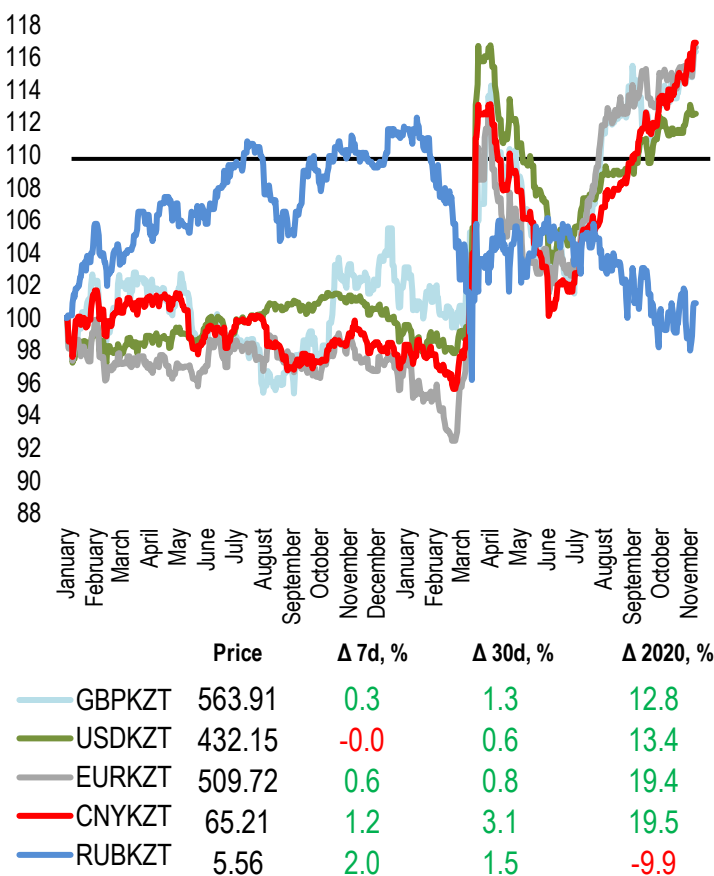
Meanwhile, the Fed kept the interest rate on federal loans in the range from 0% to 0.25% per annum following its meeting on November 4-5, and announced its readiness to use all the instruments at its disposal to support the US economy.

In the meantime, concerns over lower energy demand persist amid news of re-imposing of tough quarantine measures in Europe due to the rapid increase in the number of cases of coronavirus. In Italy and Spain, meanwhile, the death toll from COVID-19 reached a record.

The price of January Brent oil futures on the London stock exchange ICE Futures by 15:30 o'clock, Nur-Sultan time, Friday decreased by 1.4% – to \$40.37 per barrel. The exchange rate of the US dollar against the Russian ruble on the Moscow Stock Exchange by this time increased by 0.5% – to RUB77.4264.

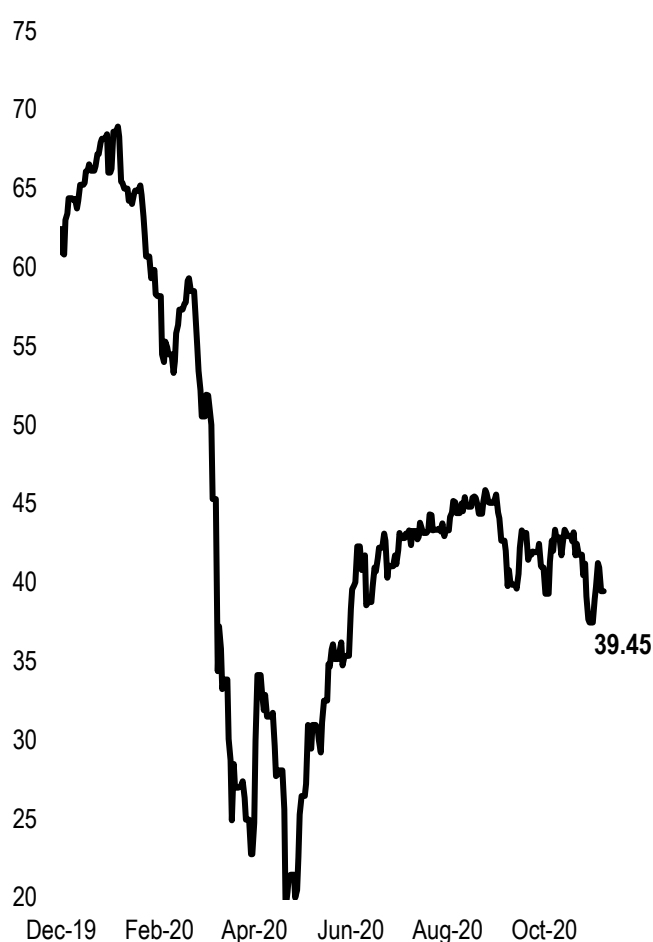
The value of the Russian ruble increased by KZT0.14 (+2.5%) to KZT5.6044. The euro rose in price by KZT5.30 (+1.0%) to KZT511.30. The Chinese yuan appreciated KZT0.6183 (+ 1.0%) to KZT65.3656.

FX rates Δ%, base (01.01.20)



Note: The chart and the table are based on the official market rates of the NBK. NBK rates may differ from KASE rates.

Brent oil USD/barrel





Global indices

Commodities market

06.11.2020

Name	Value	Trend %			Futures 7d	Name	Price	Trend %		
		7d	1m	1y				7d	1m	1y
S&P 500	3 509,44	6,0	2,6	13,8	7,2	Oil (Brent)	39,45	1,2	-6,0	-36,7
Dow Jones	28 323,40	5,2	0,1	2,3	6,9	Oil (WTI)	37,14	0,9	-7,0	-35,0
RTS	1 178,28	10,2	3,0	-20,8	10,1	Natural gas	2,89	-11,0	10,8	4,2
MICEX	2 285,53	0,0	0,0	0,0	10,1	Copper	315,40	2,5	4,0	15,6
Hang Seng	25 712,97	5,1	6,1	-7,7	6,5	Iron	849,50	-2,1	-11,6	24,1
SS CSI 300	4 885,72	3,5	6,5	22,4	3,8	Gold	1 951,35	2,9	3,4	33,3
Euro Stoxx 50	3 204,05	6,1	-0,9	-13,6	8,1	Silver	25,66	6,8	7,4	50,9
FTSEuroFirst	3 526,50	5,1	-1,0	-19,5	7,0	Wheat	602,00	-0,9	-0,9	17,5
FTSE 100	5 910,02	4,5	-0,6	-20,2	5,8					
KASE	2 490,73	1,5	2,6	7,8						

Economic calendar

Currency

Forecast

Previous

11/10	Great Britain: change in number of unemployment benefit claims (Oct)	GBP	78.8K	28.0K
11/10	Short-term forecast of situation on energy carriers markets from the EIA	USD		
11/12	Great Britain: GDP (y/y) (3 qtr.)	GBP	-9.4%	-21.5%
11/12	Great Britain: production volume in the manufacturing industry (m/m) (Sept)	GBP	0.9%	0.7%
11/12	US: base consumer price index (CPI) (m/m) (Oct)	USD	0.2%	0.2%
11/12	US: Number of initial claims for unemployment benefits	USD	738K	751K
11/12	US: crude oil reserves	USD		-7.988M

Note: the calendar contains the most significant economic events of the current week according to KASE analysts opinion

B – billions
M – millions
K – thousands

Kazakhstan statistics

Value

As of

Beginning 2019

Annual inflation	7.1%	08/01/20	5.3%
Gross international reserves of NBK, USD bn	31,561	06/01/20	30,927
Reserve money, KZT bn	8,428.3	06/01/20	5,995.7
Money supply, KZT bn	22,438.2	06/01/20	20,813.4

Kazakhstan credit ratings

Rating

Date

Previous

S&P Global

BBB- stable

09/10/18

BBB- stable

MOODY'S

Baa3 stable

07/26/17

Baa3 stable

FitchRatings

BBB stable

09/28/18

BBB stable

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Corporate Events Calendar of KASE listed Companies

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