

# KASE WEEKLY

June 28–July 09, 2021

## KASE NEWS

- ▲ Trades in futures in the SPECTRA trading and clearing system are open on KASE
- ▲ A new "Private Placement" market has been opened at KASE.
- ▲ Trading using omnibus accounts is available on the KASE stock market.
- ▲ KASE has formed lists of securities of the first, second and third classes of liquidity for July 2021.
- ▲ KASE has set the risk parameters for financial instruments of the derivatives market for the period from July 7 to September 15.
- ▲ The official list of KASE includes bonds KZ2C00007755 (AGKKb19) Agrarian Credit Corporation JSC, KZX000000690 (AOILe1) 5A OIL (5A OIL) LLP and KZ2P00007727 (RGBKb1) RG Brands Kazakhstan LLP.
- ▲ KASE opened trades in bonds XS2351373134 (ASDBe8) of the Asian Development Bank, KZ2C00007466 (KFUSb13), KZ2C00007474 (KFUSb14) and KZ2C00007581 (KFUSb25) Kazakhstan Sustainability Fund JSC, KZ2C00006120 (AGKKb11) Agrarian Corporation loan, KZ2C00006120 (AGKKb11) Agrarian corporation 380000 "MFO" Credit Time ".
- ▲ Bonds KZ2C00006849 (AGKKb13) of Agrarian Credit Corporation were excluded from the official list of KASE due to the expiration of the circulation period.
- ▲ Freedom Finance JSC was assigned the status of a market-maker at KASE on bonds KZ2C00007516 (KFUSb18) and KZ2C00007573 (KFUSb24) of Kazakhstan Stability Fund JSC.
- ▲ Capital Bank Kazakhstan JSC was excluded from the KASE members in the currency category.

## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan attracted KZT9.8 billion at KASE by placing MEUKAM-084 of issue 18 (KZKD00001137, MUM084\_0018), MEUKAM-240 of the first issue (KZKD00000550, MUM240\_0001), MEUKAM-120 of issue 16 (KZKD00000865, MUM120\_0016), MEUKA 18 (KZKD00001137, MUM084\_0018).
- ▲ Agrarian Credit Corporation JSC raised KZT35.0 billion at KASE by placing bonds KZ2C00007755 (AGKKb19).
- ▲ Akimat of East Kazakhstan region attracted KZT4.7 billion at KASE by placing bonds KZMJ00000990 (VKK024\_099).
- ▲ Akimat of Shymkent city attracted KZT3.6 billion at KASE by placing bonds KZSJ00000093 (SHK024\_009).
- ▲ Kazakhstan Stability Fund JSC attracted KZT17.4 billion at KASE by placing bonds KZ2C00007474 (KFUSb14) and KZ2C00007581 (KFUSb25).
- ▲ S&P Global Ratings has affirmed the ratings of Development Bank of Kazakhstan JSC and its international bonds, the forecast is Stable.
- ▲ S&P Global Ratings raised the ratings of ATFBank JSC (SB Jusan Bank JSC) and withdrew them at the initiative of the bank.
- ▲ S&P Global Ratings has upgraded the ratings of Freedom Finance JSC, the forecast is Stable.
- ▲ S&P Global upgraded the forecast on the ratings of Kaspi Bank to Positive and noted the high quality of loans.
- ▲ S&P Global Ratings has affirmed the ratings of Subsidiary Bank Alfa-Bank JSC, the forecast is Positive.
- ▲ Fitch Ratings affirmed ratings of KazTransOil JSC, Forecast Stable.
- ▲ Altyntau Kokshetau JSC paid dividends on common shares KZ1C00001312 (ATKT) for 2020.
- ▲ Samruk-Energo JSC announced payment of dividends on ordinary shares for 2020.
- ▲ Bank RBK JSC paid dividends on ordinary shares for 2020
- ▲ KazTransCom JSC paid dividends on preferred shares KZ000A0Q5HL3 (KZTCp) for 2020.



July 9, 2021	Trends (%)		
<b>KASE Index</b>	3 263,95	-2,5	-2,9
<b>First class of liquidity</b>	<b>Price</b>	<b>Δ 7D</b>	<b>Δ 1M</b>
KazTransOil	1 105,0	0,2	-13,3
Kazakhtelecom	31 299,9	1,6	8,5
KAZ Minerals	0,0		
Halyk Savings Bank of Kazakhstan	167,0	-1,8	-2,7
KEGOC	1 744,9	0,2	-1,1
Bank CenterCredit	250,0	0,0	0,0
Kcell	2 184,0	-9,8	-13,5
NAC Kazatomprom	12 690,0	-5,2	-4,6
Gazprom	1 704,0	2,3	4,5
Sberbank Russia	1 748,8	-5,9	-4,7
Freedom Holding Corp.	27 400,0	0,2	16,1
Bank of America Corporation	16 991,7	-4,6	-8,6
Kazakhtelecom, preferred shares	18 900,0	-1,3	4,9
Aeroflot	420,1	0,0	-2,1
VTB Bank	0,3	-3,4	-3,4

As a result of June, KASE Index value decreased by 1.1%. The only representative of the index basket, whose shares closed in the green zone, was Kazakhtelecom JSC, which added 11.9% over the month. In early May, two new members joined the Board of Directors of the telecommunications company, including a representative of the largest shareholder of the NWF SamrukKazyna. Following the new appointments, an extraordinary meeting of shareholders was announced with the agenda "On some issues of the board of directors of Kazakhtelecom JSC", respectively, the dynamics of the share price may reflect the market expectations of strategically important announcements from the company.

The rest of the companies in the index basket ended the month with a decline, which is mainly associated with corporate cycles. Shares of Kaztransoil JSC ended the month with a drop of 9.1%. From the beginning of the year to June 7, the company's shares increased from 970 to 1270 tenge, and then, on the eve of fixing the register of shareholders, they went down and traded at the level of 1105 tenge per share by the end of the month. Such pronounced price dynamics during the period of dividend payments is inherent in companies that offer high dividend yields. In turn, the dynamics of the price of shares of companies that offer low dividends does not respond well to the dividend period, but it offers its holders good returns from changes in market prices in response to strategic events.

A wide range of coupon yields was offered by the KASE debt market in June: four new bond issues of the Kazakhstan Fund for Sustainability and Development were placed for a total of 40 billion tenge with a coupon rate of 9.5% per annum, one new issue of bonds of the leasing company Capital Leasing Group at 16% per annum and additional placement of bonds of the Development Bank of Kazakhstan at 10.85% per annum. Also, in the sector of international bonds, 13.3 billion tenge was attracted by the Asian Development Bank with a yield of 10.45% per annum. In the government securities sector, 11 additional placements of bonds issued by the Ministry of Finance with a yield to maturity of 9.6-10.6% and six new placements of bonds of local executive bodies with a yield to maturity of 4.3-10.8% took place. The remaining issues to maturity for the placed issues vary from one year to 14 years.

To expand the range of securities denominated in foreign currencies, bonds of the US Treasury Department were included in the trading lists.

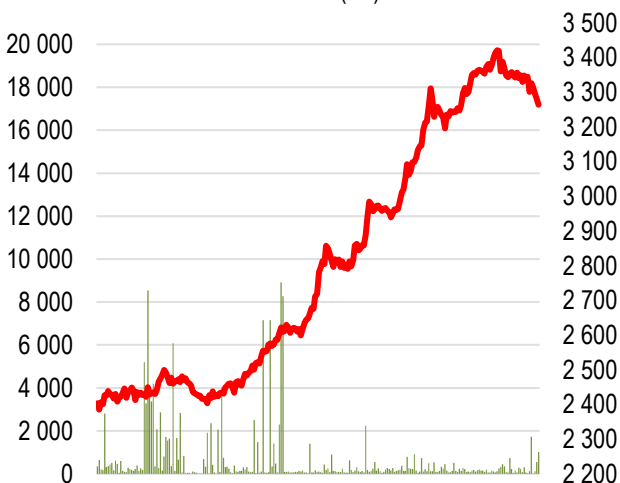
In June, the sector of securities of KASE investment funds, which is popular among private investors, was replenished with another ETF - Invesco Water Resources. The underlying asset of this ETF is stocks of companies developing water storage and treatment products for households and businesses. In total, six ETFs and 16 mutual investment funds are offered at KASE.

In the sector of shares of foreign issuers over the past month, the largest increase in value was shown by securities of Freedom Finance (+ 26.2%), Nike (+ 13.2%) and Microsoft (+ 7.3%). Among Russian issuers, the growth leaders were securities of Lukoil (+ 16.8%), Gazprom (+ 6.8%) and Yandex (+ 6.6%).

Note: Index stocks are highlighted in green

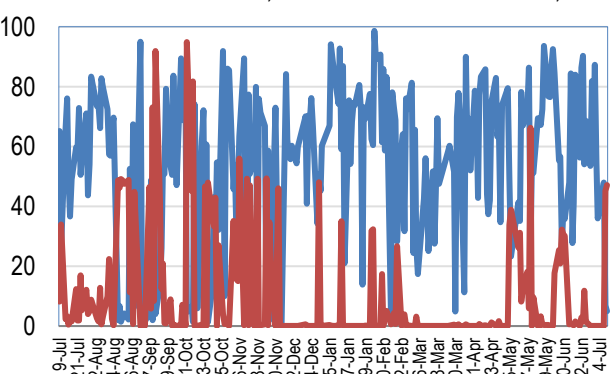
**KASE Index shares**

Trading volume, KZT M (←) KASE Index (→)



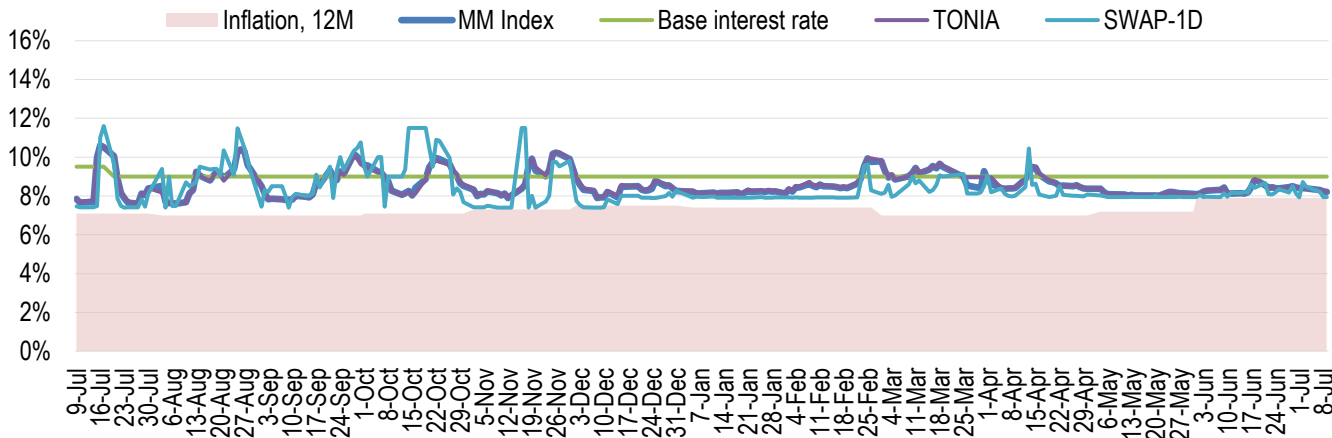
**Retail investors & non-residents, %**

Retail investors, % Non-residents, %

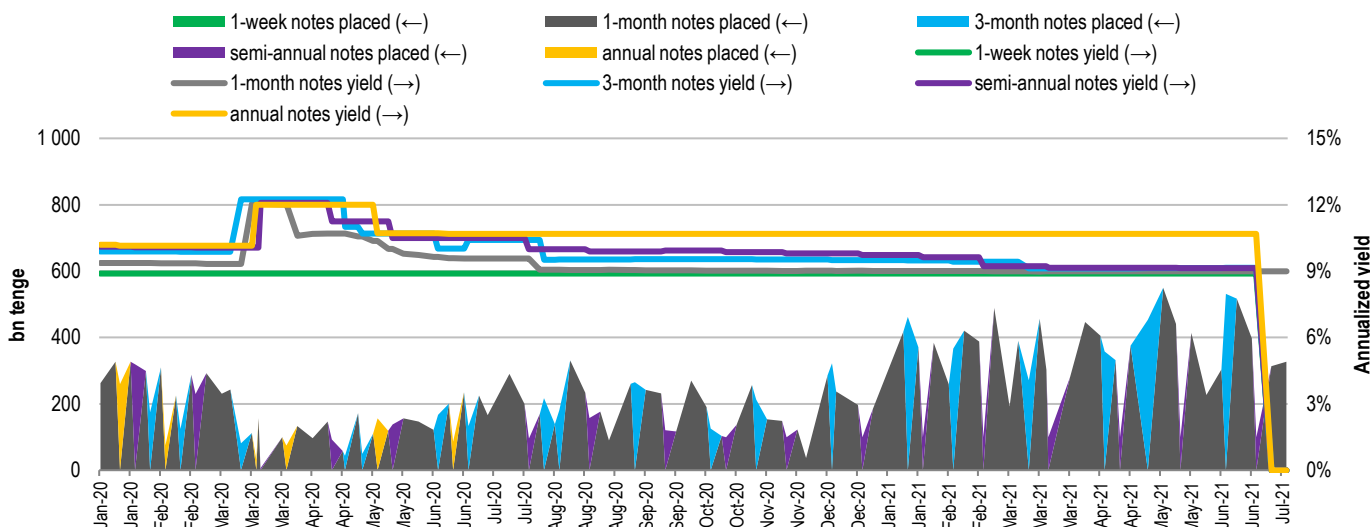


The yield on REPO transactions with government securities (GS) for one day (TONIA) in June increased from 8.11% to 8.45% per annum, while the maximum yield reached 8.88% during the month. The rate of borrowing tenge secured by US dollars for a period of one day (SWAP-1D (USD)) increased over the past month from 8.09% to 8.43% per annum by 8 basis points and amounted to 8.35% per annum. Average trading volume in one-day money market instruments amounted to KZT49.7bn in June compared to KZT110.4bn in May.

**Inflation and interest rates**

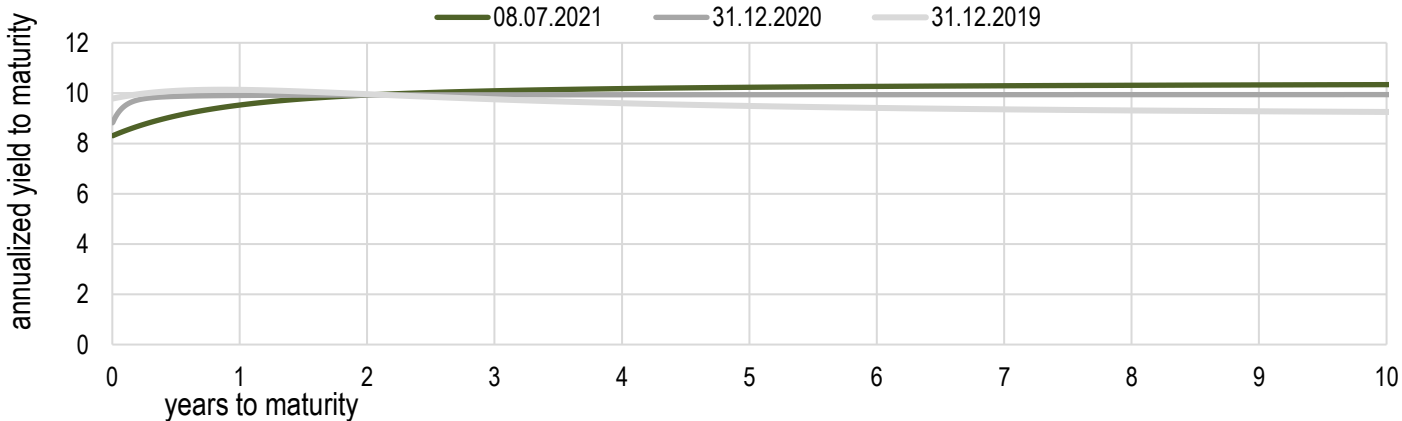


**Main Features of National Bank Notes Placements**



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

**Risk-free yield curve (non-indexed GS)**





The weighted average rate of the US dollar against the tenge with the term "tomorrow" for the first week of July increased from KZT427.79 to KZT429.34.

According to the comments of Nurzhan Tursunkhanov, Director of the Monetary Operations Department of the National Bank, external factors have a negative impact on the national currency, the main of which is the current high volatility of oil prices.

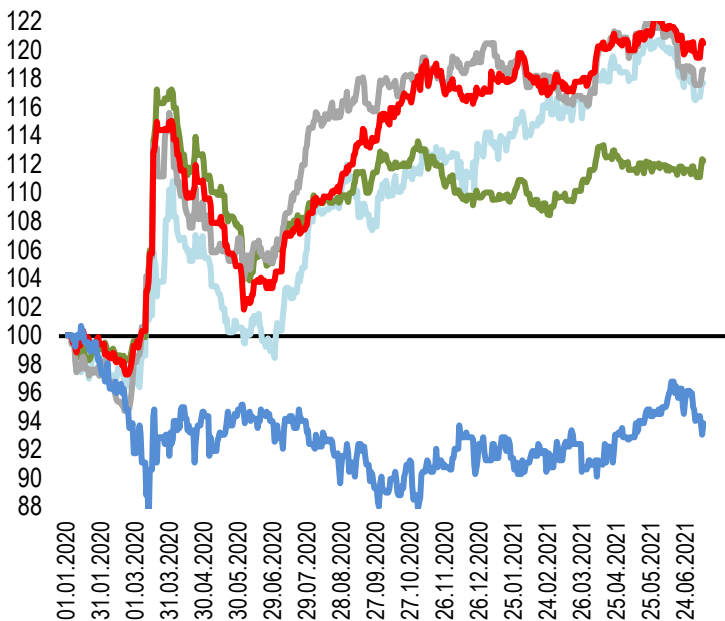
The OPEC + countries, led by Saudi Arabia, could not reach a compromise on increasing oil production by 400 thousand barrels per month from August to December of this year due to the requirements of the UAE to revise the base level of production from 3.2 million to 3.8 million barrels per day. According to the Saudi Arabian Energy Minister, the OPEC + alliance cannot make exceptions to the rules for the UAE. Failure to reach a compromise means that the expected production will not increase in August, as a result of which the price of Brent crude for the first time since October 2018 exceeded \$ 77 per barrel.

However, amid uncertainty about the future OPEC + decision, White House Press Secretary Jen Psaki announced during a July 6 briefing that the US authorities were holding high-level consultations with representatives of Saudi Arabia and the UAE in the hope that OPEC members and its partners could provide reliable energy supplies at affordable prices. As a result of this announcement, oil prices plummeted from \$ 77.8 to \$ 74.13 per barrel, showing a 5% intraday decline.

An additional factor putting pressure on the tenge is the deterioration of the global risk sentiment of investors. In particular, concerns about the spread of the Covid-19 delta strain have increased, and some countries are forced to tighten quarantine measures again.

**FX rates**

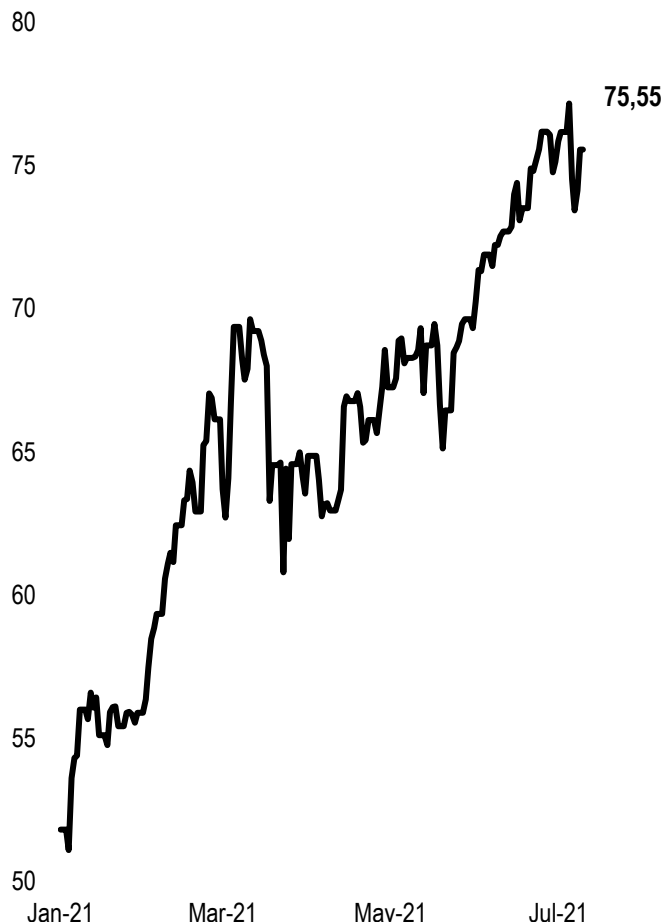
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	592,18	0,88	-2,07	3,68
— USDKZT	429,80	0,88	0,46	2,16
— EURKZT	508,58	0,70	-2,34	-1,46
— CNYKZT	66,31	0,62	-0,85	2,82
— RUBKZT	5,73	-1,88	-2,72	1,42

**Brent oil**

USD/barrel



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



## Global indices

Name	Value	Trend %			Futures
		7D	1M	1Y	7D
S&P 500	4 369,55	2,1	3,6	38,6	0,4
Dow Jones	34 870,16	1,3	1,2	35,6	0,2
RTS	1 635,04	-2,2	-2,4	32,5	-1,4
MICEX	2 285,53	0,0	0,0	0,0	-1,4
Hang Seng	27 344,54	-6,6	-4,9	4,3	-3,2
SS CSI 300	5 069,44	-3,4	-3,2	4,7	0,0
Euro Stoxx 50	4 068,09	-1,3	-0,7	24,7	-0,4
FTSEuroFirst	4 462,00	-1,0	-1,2	22,3	-0,2
FTSE 100	7 121,88	-0,2	0,6	17,7	0,0
KASE	3 263,95	-2,5	-2,9	35,8	

## Commodities market

July 9, 2021

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	75,55	-0,7	4,6	78,4
Oil (WTI)	74,56	0,7	6,6	88,2
Natural gas	3,67	4,3	17,4	106,5
Copper	435,25	1,8	-3,9	53,9
Iron	1 346,00	0,3	6,0	60,2
Gold	1 808,32	1,3	-4,2	0,3
Silver	26,21	-0,1	-6,4	38,8
Wheat	608,50	-5,6	-10,8	15,6

## Economic calendar

		Currency	Forecast	Previous
13.07	Core Consumer Price Index (CPI) (m / m) (June)	USD	0.4	0.7
14.07	Producer Price Index (PPI) (m / m) (June)	USD	0.5	0.8
15.07	GDP YoY (Q2)	CNY	8.1%	18.3%
15.07	Industrial Production (YoY) (June)	CNY	7.8%	8.8%
15.07	Number of initial applications for unemployment benefits	USD	360K	373K
16.07	Consumer Price Index (CPI) YoY (June)	EUR	1.9%	1.9%

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 2020
Annual inflation	7.2%	06/01/21	5.6%
Gross international reserves of NBK, USD bn	34,674	02/01/21	35,638
Reserve money, KZT bn	9,173.8	01/01/21	8,652.5
Money supply, KZT bn	25,392	01/01/21	20,875.8

## Kazakhstan credit ratings

	Rating	Date	Previous
	BBB-/A-3- stable	03/06/21	BBB- stable
	Baa3 positive	02/17/21	Baa3 positive
	BBB stable	02/20/21	BBB stable

# CONTACT INFORMATION



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**Corporate Events Calendar of KASE listed Companies**

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