



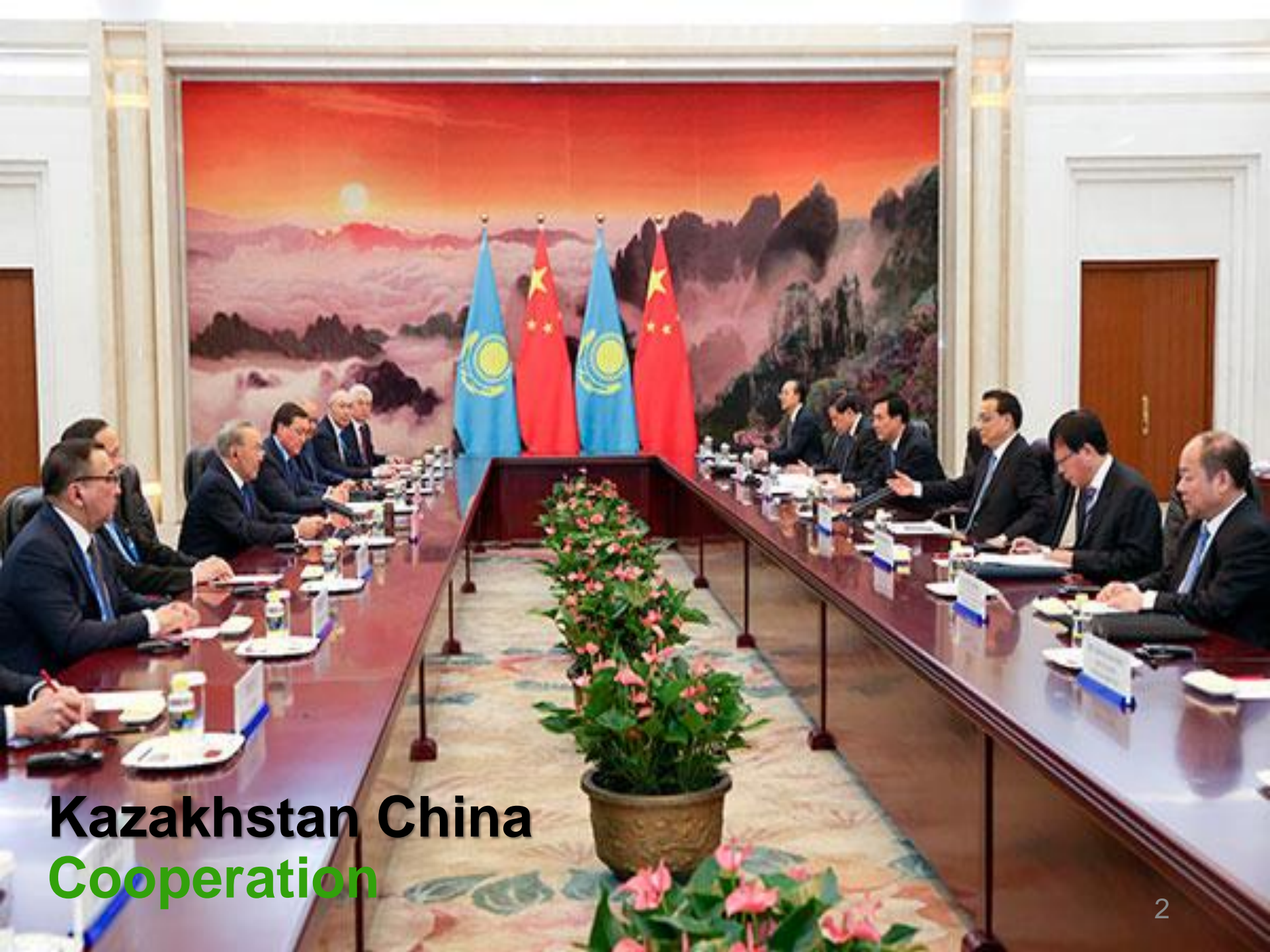
Қазақстан қор биржасы
Казакстанская фондовая биржа
Kazakhstan Stock Exchange

CNY/KZT Trading on KASE

September 14, 2017

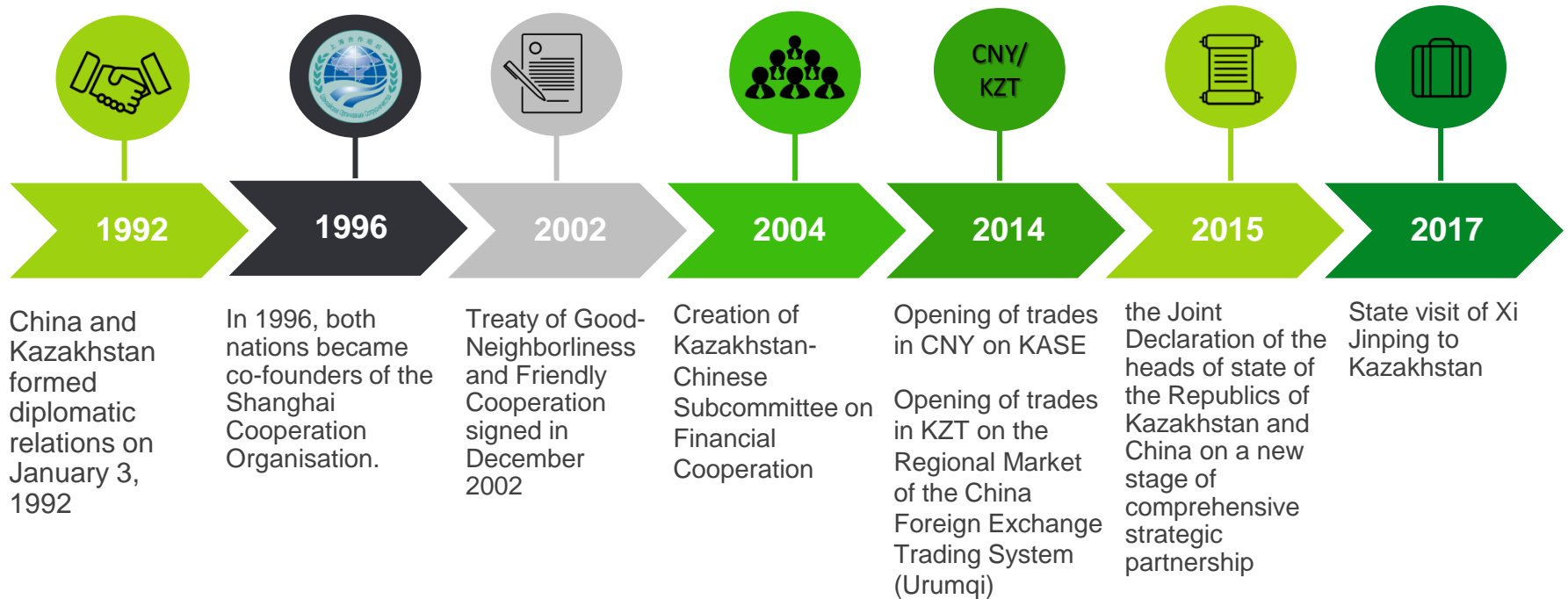
Almaty, Kazakhstan





Kazakhstan China
Cooperation

History of Cooperation



Cooperation Within the SCO

Investments

The total amount of China's investment in the economy of Kazakhstan exceeded **USD42.8 bn**, and lending - in total more than **USD50 bn***.

Chinese companies produce **25%** of the Kazakhstani oil

About **985** enterprises with participation of Chinese capital are represented in Kazakhstan



Trade Cooperation

In 2016 the volume of bilateral trade between Kazakhstan and China reached almost **USD8 bn**.

In 2017, in January-April, trade turnover increased by **45.6%**.

Through the China-Kazakhstan gas pipeline, **183 billions** cubic meters of gas have been delivered to China

Through the China-Kazakhstan oil pipeline, **100 millions** tons of oil have already been delivered to China

The initiative of Chairman of China "**One Belt, One Road**" perfectly continues the Kazakhstani program "**Nurly Zhol**"

Kazakhstan becomes transit country connecting Pacific Ocean and Europe

The volume of rail transportation reached **8.2 millions tons**

Container transportation on the route China-Kazakhstan-Europe today **doubles** and demonstrates a **steady** positive dynamics

1,5 thousand kilometers of railways were built over 4 years

Main roads from China through Kazakhstan: **Northern Road** to Europe
Central Road to Caspian Ocean
Southern Road to Persian gulf

3 thousand kilometers of roads were built over 4 years

Current Projects

The parties have identified **51 projects** of cooperation

Worth **USD27 bn**

3 projects have been implemented

6 projects were launched in 2016 , and another 7 projects will be launched this year

Projects in **petrochemicals, infrastructure construction and mining sector**



The projects are designed to significantly promote the **industrialization** of Kazakhstan and create new jobs in the country

A close-up photograph of several business professionals in a meeting. They are wearing dark blue suits and are focused on writing on documents held on clipboards. The scene is brightly lit, and the background shows a whiteboard with green sticky notes. The overall atmosphere is professional and collaborative.

KASE Overview

KASE – Universal Exchange



5
currency pairs



150+
issuers



125+
shares in
trade list



260+
corporate bonds in
the trade list



6th place
on capitalization of the stock market
among stock exchanges of FEAS
(2016)



2nd place
among CIS exchanges by trading
volume (2016)



57
members of the
exchange



>100 000
accounts of retail
investors

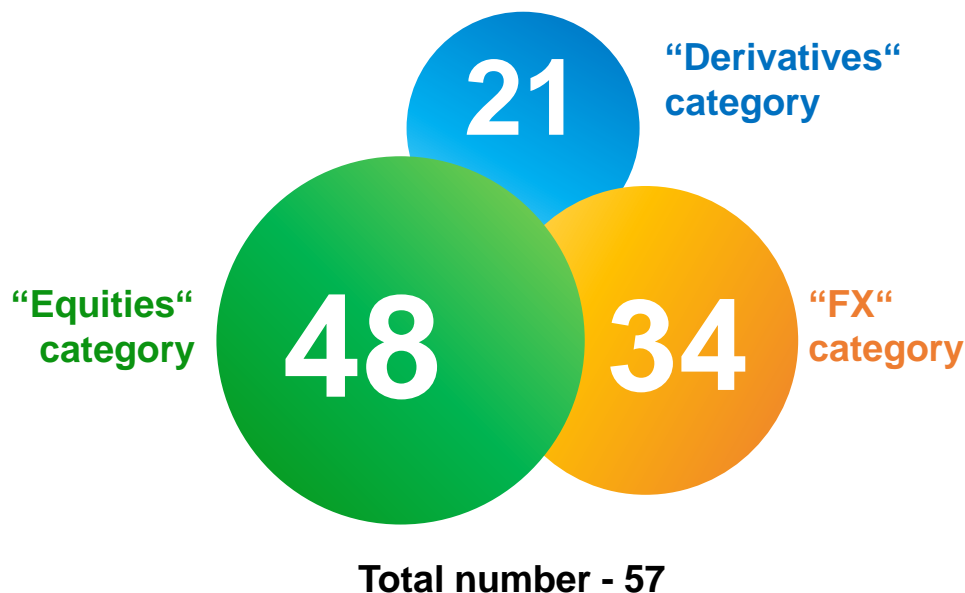


20+
years on the
capital market



Frontier
MSCI FTSE





Membership categories:

- I. Currency (with access to the foreign exchange market)
- II. Stock (with access to the securities market)
- III. Derivatives (with access to the derivatives market)



Interstate Bank

Admitted to trading in foreign currencies on KASE since February 8, 2017



Eurasian Development Bank

Admitted to trading in securities and derivatives financial instruments at KASE since February 10, 2017

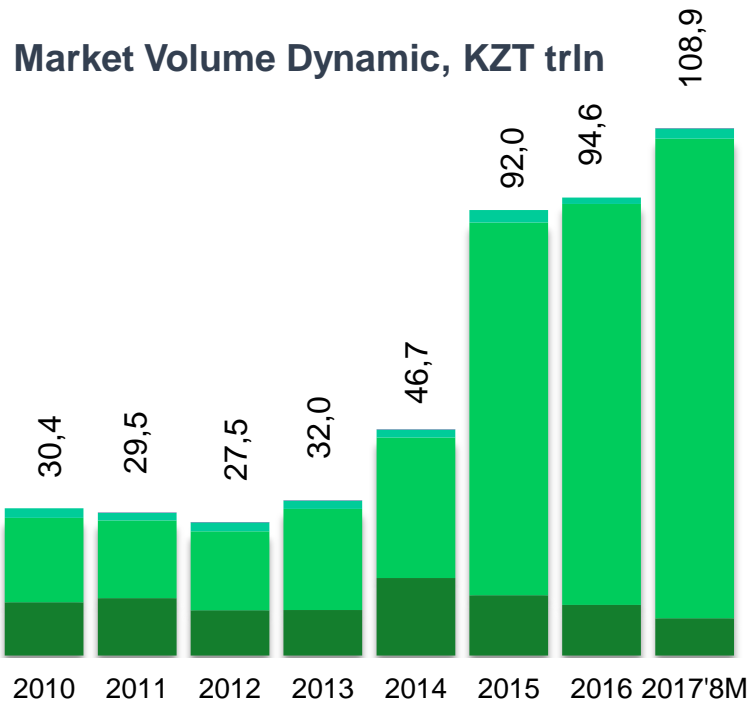


Admitted to trading in securities and derivatives financial instruments at KASE since April 12, 2017

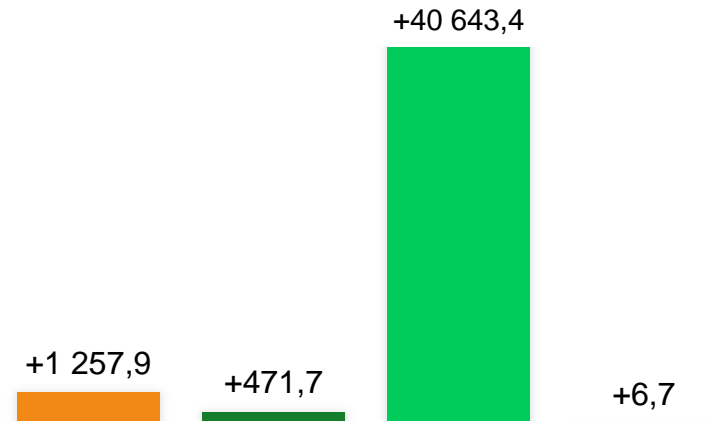
Stock market indicators for 8M 2017, KZT bn

Market Sector	Volume	Average daily number of deals	Average daily volume of deals	Average volume of one deal
Foreign currency (spot)	7,654.2	270	47	0.2
Shares	226.7	403	1.4	0.003
Corporate bonds	345.9	6	2.1	0.3
Kazakhstan GS	1,541.1	3	9.5	3.6
Money market				
Swap operations	50,801.2	47	311.7	6.6
Repo operations	48,280.4	335	296.2	0.9
Derivatives	6.7	0,04	0.04	1.0
Investment funds securities	0.7	0,4	0.004	0.01
TOTAL	108,877.2	1 064	668.0	0.6

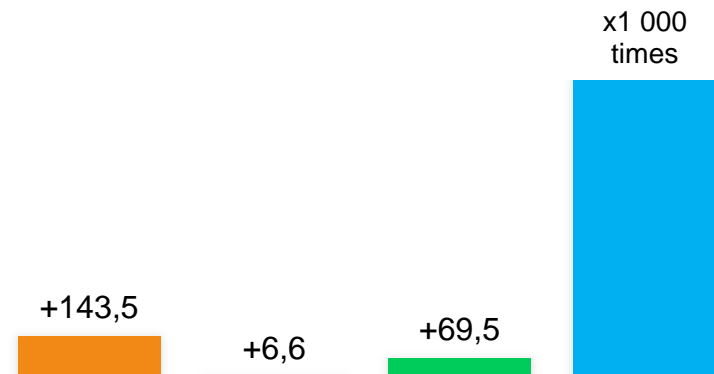
KASE Market's Volume and Structure



Market sector's growth for 8M'2017, KZT bn



Market sector's growth for 8M'2017, %



FX Market Structure

FX Instruments



USDKZT_TOD
USDKZT_TOM
USDKZT_SPT



EURKZT_TOD
EURKZT_TOM
EURKZT_SPT



RUBKZT_TOD
RUBKZT_TOM

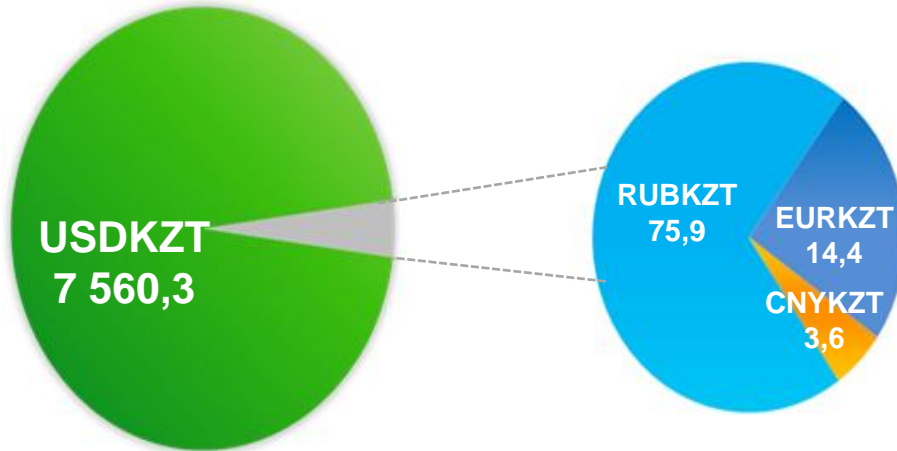


CNYKZT_TOD
CNYKZT_TOM
CNYKZT_SPT

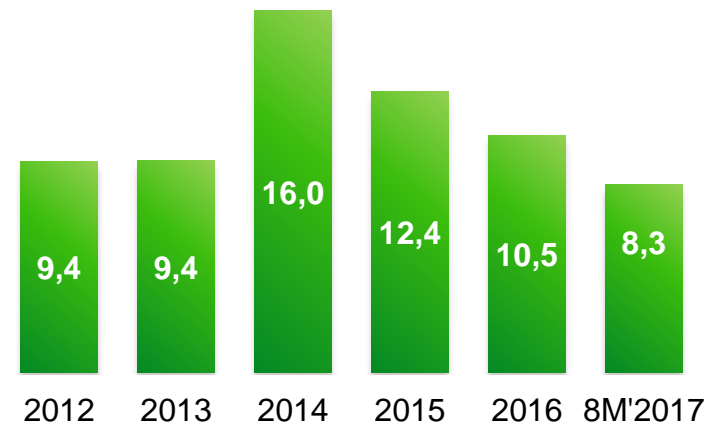


EURUSD_TOD
EURUSD_TOM
EURUSD_SPT

FX Trading Volume Structure, KZT bn



FX Spot Market Volume, KZT trln



СВОЙ РЫНОК KASE

Индекс KASE

+58%
ГОДОВЫХ

2016

234
Средне-
дневное
кол-во
сделок

CNY/KZT
settlement

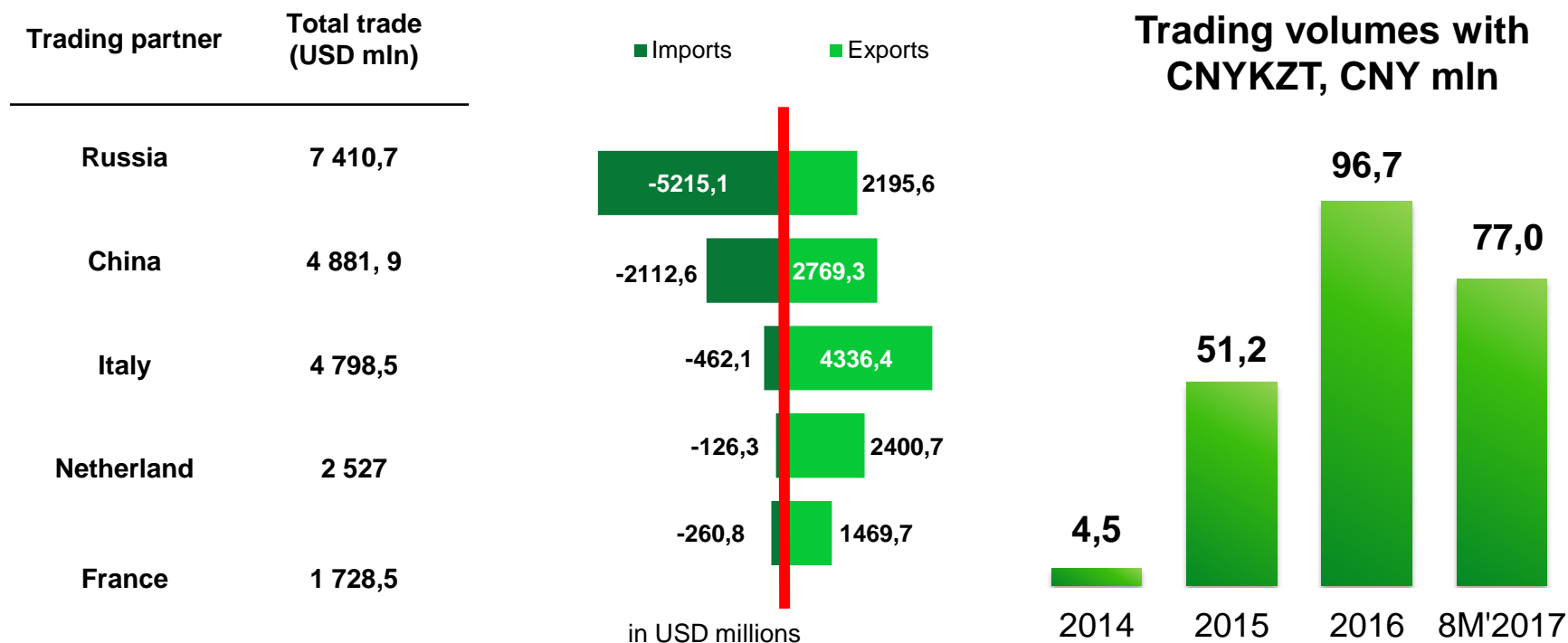
Динамика объемов торгов по CNY/KZT
трлн KZT

свопа



Kazakhstan's Trade Partners

Top 5 trading partners of Kazakhstan H1 2017



Development of CNY Trades on KASE

Development of CNY trades on KASE



2014

Opening of trades in CNY on KASE on September 25, 2014

More than 30 transactions with the total volume of KZT 131 mln (CNY4,5 mln)

2015

The popularity of this tool on the Exchange has grown significantly.

The volume of CNY trades reached KZT1,8 bn (CNY51,2 mln).

2016

The volume of CNY trades in 2016 amounted to CNY 96,7 mln (which is 89% more than in 2015).

Prepayment and pre-delivery of CNY for buyers have been cancelled.

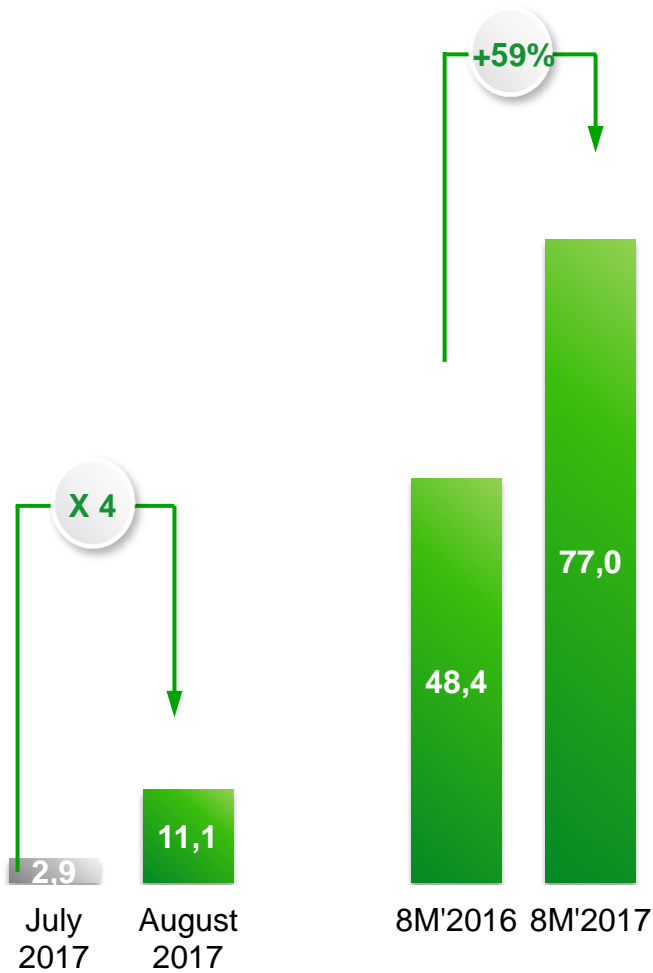
The new KASE's correspondent account in CNY in ICBC Almaty was activated for settlements on trades, in addition to the correspondent account at the Bank of China in Kazakhstan.

2017

The trades in new financial instruments on the foreign currency market CNYKZT_TOM with T + 1 settlements opened

CNY Trading in 2017

Trading volume, CNY mln



Dynamics of CNY/KZT for 8M 2017, KZT per unit currencies



CNY/KZT Settlement

CNYKZT operations:

- 1** CNYKZT_TOD Settlement on the day of the trades
Trading during the morning trading session
- 2** CNYKZT_TOM Settlement on T + 1 calculations (from February 20, 2017)
within the framework of the day's session
- 3** CNYKZT_SPT Settlement on T + 2 calculations (from September 14, 2017)
within the framework of the day's session

Lot size - 50 000 CNY

The price is measured in Kazakhstan Tenge for one Chinese Yuan to the fourth decimal place

14 buyers, three of which serve as market makers

Market-Makers for CNY/KZT Trades

K▲SE

Market-makers on the currency pair CNYKZT at KASE:

JSC AB "Bank of China Kazakhstan"

from 25.09.2014



JSC Subsidiary Bank "Sberbank Russia"

from 25.09.2014



JSC "Industrial & Commercial
Bank of China (Almaty)"

from 15.02.2016



CNY/KZT: Settlement Features



In calculations based on the trade results, KASE, being a party of settlements in CNY, uses its correspondent accounts in CNY with Bank of China in Kazakhstan and with ICBC Almaty



KASE, being a party of settlements in KZT, uses its correspondent account with KZT in the National Bank of the Republic of Kazakhstan



The trading on the FX market involves trading participants, whose correspondent CNY-accounts are maintained in the same correspondent banks, where KASE has its own correspondent accounts

Trading and Settlement Procedure CNY/KZT



10.15 – 11.00 – trading session CNY_KZT_TOD

11.00 – 11.30 – clearing session on Yuan trading



11.30 – 15.30 – trading session CNY_KZT_TOM

11.30 – 12.00 – transfer of CNY by sellers in favor of the Exchange and KZT by buyers in favor of the Exchange



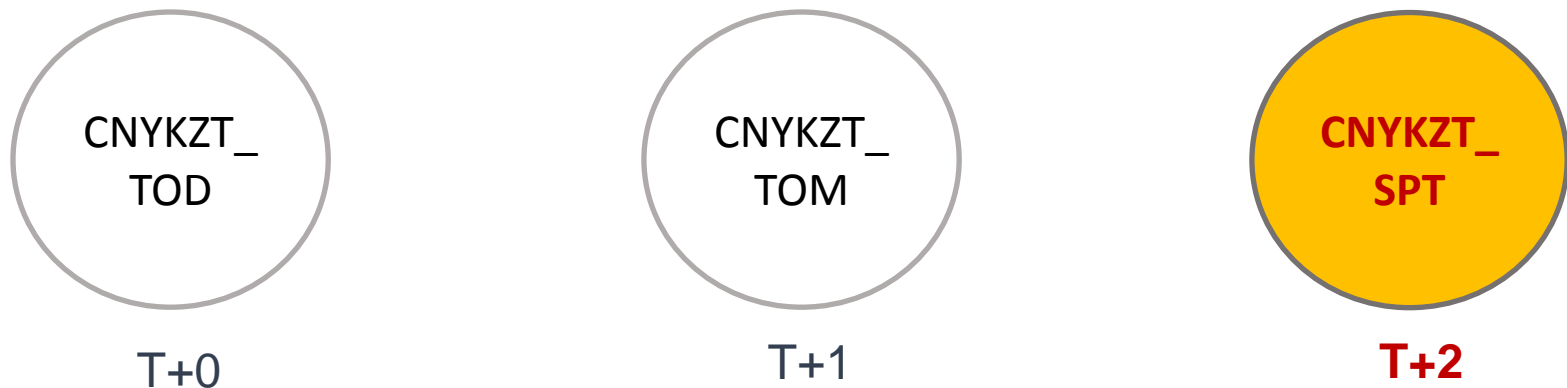
12.00 – 14.00 – transfer of CNY by the Exchange in favor of buyers

16.30 – 17.30 – transfer of KZT by the Exchange in favor of sellers of CNY in the total netting of net claims for all foreign currencies

Introduction of a New Product

KASE introduces a new financial instrument:

CNYKZT_SPT with T + 2 settlements



Lot size - 50 000 CNY.

The open price is the price of the first transaction made on the trade session.

For CNY price deviation is 3% from the price of the latest transaction.

Reserve method is a fixing method.

Thank you for your attention!

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