



PRESS-RELEASE

city of Almaty

December 12, 2018

KASE presents stock market performance results in November 2018

Kazakhstan Stock Exchange (KASE, the Exchange) presents stock market performance results for November 2018.

- The total volume of trades on KASE reached KZT11.7 trillion and increased by 14.8 % or KZT1.5 trillion compared to the previous month. All KASE markets have shown growth: securities market grew 2.7 times, money market was up by 11.3 %, foreign exchange market rose by 6.9 %.
- KASE Index rose by 2 % to 2,249.61 points according to November results.
- Equity market capitalization increased by 0.6 % or KZT 95 bn to KZT 15.4 trillion.
- The volume of outstanding corporate debt grew by 4.9 % or KZT 487.7 trillion reaching KZT 10.4 trillion.
- A total of 392 titles of securities of 156 issuers were available for trading on KASE as at December 1, 2018. Shares of five titles and seven issues of corporate bonds were included in the KASE official list in November.
- Seven bond issue took place on the primary market of corporate bonds with the total offering volume of KZT490.5 billion.
- In May, the Eurasian Development Bank raised KZT20 bn offering four-year bonds at 9.7 % APR.

EQUITY MARKET

As at the end of the month, there were 128 titles of shares issued by 111 issuers in the KASE trade lists including 4 titles of shares issued by 4 companies on the unlisted market.

Shares of five titles of four issuers were included in the official list during the reporting month: Asker Munai Exploration (AMXP), Bank CenterCredit (CCBNp), Shubarkol Komir (SHUK and SHUKp), National Atomic Company Kazatomprom (KZAP).

Equity market capitalization of KASE changed insignificantly in November. The growth in tenge terms amounted to 0.6 % or KZT95 billion to KZT15.4 trillion, in dollar terms, there was a decrease in the capitalization due to the weakening of the national currency by 0.1 % or by KZT49.6 mln to US \$41.5 bn.

KASE index continued to restore moderately having increased in November by 2 % or by 44.8 points to 2,249.61 points.

Changes in prices of shares included in the KASE representative list

Issuer	Trade code	Price change,%		
		as at November 1, 2018	as at December 1, 2018	in November 2018
KAZ Minerals PLC	GB_KZMS	2,399.0	2,625.0	9.4%
Kazakhtelecom	KZTK	29,100.0	30,050.0	3.3%
Bank CenterCredit	CCBN	241.5	248.0	2.7%
KEGOC	KEGC	1,548.0	1,564.8	1.1%
Kcell	KCEL	1,689.0	1,685.0	0.2%
KazTransOil	KZTO	1,300.0	1,292.1	0.6 %
Halyk Savings Bank of Kazakhstan JSC of Kazakhstan	HSBK	105.1	103.9	1.2%

Equity instruments of Kaz Minerals PLC, the price of which has increased by 9.4 % or KZT226 to KZT2,625 per share, grew the most among shares in the KASE Index representative list. In November, the price of shares of a manufacturing company have almost fully recovered after the October fall due to the increased copper prices. In November, the price of non-ferrous metals increased by 5.12 % to 6,145.41 dollars per tonne.

The of price of shares of Halyk Savings Bank of Kazakhstan declined the most among shares in the KASE Index representative list by 1.2 % or KZT1.2 to KZT103.86. The reduction of share prices is not a trend movement and is associated with volatility. On November 20, 2018, the results of the bank's operations for the past nine months of 2018 were presented. The bank's assets declined by 5.3 % to KZT8.4 trillion on a consolidated basis mainly due to the sale of Altyn Bank and its deconsolidation from the Group's balance sheet. The group's consolidated profits reached KZT163 bn, which exceeds profits for 9 months of the previous year by 21 %.

Stock trading volume decreased by 77.4 % or by KZT34.3 bn to KZT10 bn compared to the previous month, which is the minimum value for this year. However, these indicators are comparable with indicators of January and April of the current year. The average daily trading volume amounted to KZT455.0 mln, average number of transactions was 532, average volume of one transaction was KZT0.9 mln. The entire volume was traded in purchase-and-sale sector. There were no stock offerings in November.

Individuals were the most active investors among main investor categories: their share has reached 48.3 % of the total stock turnover. Second-tier banks (STBs) did not any deals in the reporting month, the share of broker-dealers accounted for 16.3 %, other institutional investors accounted for 1.1 %, the share of other legal entities amounted to 34.3 %. The share of non-residents is estimated at 32.9 %.

CORPORATE BOND MARKET

As at the end of November, there were 244 bond issues listed in the KASE trading lists issued by 61 issuers.

Bonds of seven issues were not included in the official list during the reporting month: AMF Group (AKFib4), Subsidiary Bank Alfa-Bank (ALBNb4), Mortgage Organization Baspana (BASPb2), Phaeton Company (FATNb3), Kazagro National Management Holding (KZAGb7), PartnerInterFreight (PIFRb1) and Samruk-Energo (SNRGb4). Bonds of Subsidiary Bank Alfa-Bank (ALBNb3) and Halyk Savings Bank of Kazakhstan (KKGBb7) have been removed due to maturity.

The volume of corporate debt traded on KASE in November rose by 4.9 % or by KZT487.7 bn to KZT10.4 trillion in nominal terms; the volume rose by 4.1 % or by US \$1,115 mln to US \$28,1 bn in dollar terms.

The value of the corporate bond yield index KASE_BMY grew in November by 22 basis points to 10.92 % APR, which was due to the increased interest in the dollar-denominated assets amid depreciating tenge.

The volume of trading in corporate bonds on KASE totalled KZT584.9 bn having increased 10.6 times compared to October. The average daily trading volume amounted to KZT26.6 bn, average number of transactions was 13, average volume of one transaction was KZT2.1 bn. The volume rose both in the primary (10.2 times) and the secondary markets (13.5 times).

Seven issues of bonds for the total amount of KZT490.5 bn have been placed in November on KASE:

- Faeton Company raised KZT200.7 mln offering bonds (FATNb2) at 10.99 % APR with the maturity of 6.7 years;
- KazAgroFinance raised KZT3.9 bn on KASE selling five-year bonds (KAFIb7) with weighted average yield to maturity of 12 % APR.
- Subsidiary Bank Alfa-Bank raised KZT 800 mln selling annual bonds (ALBNb4) at 9.5 % APR.
- Kaspi Bank raised KZT9.7 bn offering bonds (CSBNb17) at 11.5 % APR with the maturity of 4.2 years;
- Subsidiary Bank Sberbank of Russia raised KZT4.2 bn on KASE by placing three-year bonds (SBERb10) at 11 % APR.
- KazAgro National Management Holding raised KZT450 bn on KASE by placing 15-year bonds (KZAGb7) at 10 % APR.
- Samruk-Energy raised KZT 21.7 bn offering seven-year bonds (SNRGb4) at 11.2 % APR.

Main categories of investors on the primary corporate bonds market were as follows: the share of STDs accounted for 5.4 %, broker-dealers – 0.2 %, other institutional investors – 94.2 %, (mainly UAPF, there are insurance companies and investment funds), other legal entities – 0.2 %.

The trading volume in the secondary market rose by KZT87.4 bn or 13.5 times and amounted to KZT94.4 bn. In November, number of transactions reduced by 7.5 % to 259.

Main categories of investors on the secondary corporate bonds market were as follows: the share of STDs accounted for 48.1 %, broker-dealers – 3.4 %, other institutional investors – 3.6 %, other legal entities – 43.9 %, individuals – 0.9 %. The share of non-residents is estimated at 1.3 %.

GOVERNMENT SECURITIES MARKET (GS)

The nominal value of the sovereign debt traded on KASE retreated from its historic highs and reached KZT11,116.7 bn, which is by 1.9 % or KZT214 bn less than in October.

In November, the volume of trading in government securities market amounted to KZT63 bn having decreased by 51.5 % or KZT67 bn compared to the previous month, mainly due to the lack of MEKAM offering by the Ministry of Finance. The average daily trading volume amounted to KZT2.9 bn, average number of transactions was 4, average volume of one transaction was KZT0.7 bn.

Transaction volume in the primary government securities market grew by 12.4 % or KZT1.5 bn to KZT11 bn. Administrations of four regions - West Kazakhstan, Aktobe, Zhambyl, North Kazakhstan and Shymkent regions - have raised all planned volume at 0.35 % APR as part of the implementation of government programmes in the reporting month.

The volume of trading in the secondary market reduced by 55.7 % to KZT52.1 bn. 94 % of the total turnover of the secondary market accounted for the notes of the National Bank.

Main categories of investors on the secondary market were as follows: the share of STDs accounted for 45.3 %, broker-dealers – 7.7 %, other institutional investors – 15.3 %, other legal entities – 31.7 %, individuals – less than 0.1 %.

IFI bonds

There were 14 bond issues of three international financial institutions as at the end of the reporting period: Eurasian Development Bank, European Bank for Reconstruction and Development and the International Finance Corporation.

The Eurasian Development Bank raised KZT20 bn offering four-year bonds at 9.7 % APR in November. Main categories of investors were as follows: 25 % were represented by STBs, 0.3 % by brokers-dealers and 74.8 % accounted for other institutional investors.

Investment trust units

As at December 1, there were six instruments managed by five companies in the sector "Securities of investment funds". Trading volume rose by 49 % and amounted to KZT40 mln. Main categories of investors were as follows: 34.3 % were represented by individuals, 0.9 % by brokers-dealers and 64.9% accounted for other legal entities.

Individuals accounts at the securities market

As at December 1, 2018, there were 116,264 personal accounts opened by individuals at the Central Securities Depository, which is by 2,585 accounts more than as at the beginning of the year.

FOREIGN EXCHANGE MARKET

The trading volume on foreign exchange market reached KZT1,014.6 bn, which is 6.9 % or KZT65.7 bn higher than in the previous month. The average daily trading volume amounted to KZT46.1 bn, average number of transactions was 283, average volume of one transaction was KZT163.1 mln.

Falling oil quotations for the Brent crude by 22 % during the month and geopolitical tensions did not have desired effect on the rates of currency pairs on KASE. On the other hand, there was tax period of exporters that thwarted possible negative impact of external factors. The tenge has strengthened the most in November during the week of tax payments. However, temporary positive effects of the tax period were entirely offset at the first trading day after its completion. The exchange rate of the USD/KZT currency pair grew by KZT4.98 to KZT371.03 on November 26. Weighted average price of one dollar rose by KZT2.61 to KZT371.56 on KASE by the end of the reporting month.

The following table shows main characteristics of currency pairs traded on KASE (parentheses indicate the change of an indicator to the previous month, the change in the exchange rate reflects nominal change in weighted average exchange rate of a foreign currency to tenge).

Currency pair	Volume, mln units of currency	Share in trades volume, %	Number of transactions	min. and max. exchange rates, Number of base currency for the unit of quoted currency	Exchange rate at the end of the month (%)
USD/KZT	2,732.6 (+6.5 %)	99.6% (+0.35 %)	6,056 (+785)	364.95 – 375.90	371.56 (+0.7 %)
RUB/KZT	479.2 (-45.7 %)	0.3% (-0.25 %)	101 (-54)	5.5242 – 5.6647	5.6013 (-0.4 %)
CNY/KZT	17.4 (+3.0 %)	0.1 % (-0.003 %)	53 (+4)	52.5750 – 54.0979	53.3000 (+0.9 %)
EUR/KZT	1.9 (-50.0 %)	0.1 % (-0.09 %)	10 (-9)	417.85 – 425.15	420.60 (+0.5 %)

MONEY MARKET

By the end of November, TONIA indicator rose by 8 b.p. to 8.33 % APR. At the same time, TWINA indicator (weighted average interest rate on seven business days repo opening deals) remained unchanged and was 8.27 APR.

The yield of one-day dollar swap SWAP-1D (USD) at the end of November reached 8.02 % APR having increased by 3 b.p. over the month. The yield of the two-day swap SWAP-2D (USD) also grew by 44 b.p. to 8.25 % APR.

In November, KazPrime-3M (KZT) continued to move to the upper limit of the base rate of National Bank at 10.25 % APR.

MM_Index, a composite indicator of the money market representing the average value of average weighted interest rates (yield) on USD/KZT currency swap transactions and one-business day

autorepo transactions in government securities, increased by 6 b.p. to 8.31 % APR by the end of November.

Repo market

Trading volume in this segment reached KZT7.2 trillion, which is by 20.1 % higher than last month indicator. The average daily trading volume amounted to KZT328 bn, average daily number of transactions was 410, average volume of one transaction was KZT0.8 bn.

98,2 % of the total volume of repo opening transactions accounted for the GS auto repo transactions. One-day repo transaction, which accounts for more than 85,7 % of the total volume of trades in the GS auto repo market, remains the most popular instrument on the GS auto repo market.

A total of 43 members of the Exchange participated in repo market transactions in November. More than 85 % of the total turnover in this segment was represented by banks. The share of non-residents in the reporting month was negligible and amounted to 0.3 %.

Currency swap transactions

The volume of trading in the currency swap market declined by 6.2 % to KZT2.8 trillion. The average daily trading volume amounted to KZT128.9 bn, average daily number of transactions was 43, average volume of one transaction was KZT3 bn. Over 76 % of the total trading volume (KZT2.2 trillion or US \$5.8 bn) in the structure of instruments of the currency swap market accounted for two-day currency swaps (USDKZT_0_002).

DERIVATIVES MARKET

Currently, the futures, whose underlying assets are represented by the US dollar, KASE Index and particular stocks are available for trading in this sector of the exchange market. No futures transactions were made in November. There were no open positions held by participants of the derivatives market by the beginning of December.

For reference

Kazakhstan Stock Exchange (KASE) is the leading stock exchange in the Central Asian region and the only exchange in Kazakhstan carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is the member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations. In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE ranks second among the CIS exchanges on the volume of trading in securities, and it also ranks sixth on equity market capitalization among FEAS stock exchanges.

For additional information please contact: +7 (727) 237 5342, pr@kase.kz