

## PRESS RELEASE

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### KASE presents the results of the exchange market for August 2021

Kazakhstan Stock Exchange JSC (KASE, the Exchange) informs about the main results of its activities for August 2021.

- The total trading volume on KASE in August 2021 amounted to 14.9 trillion tenge and increased by 24.1% or 2.9 trillion tenge compared to July.
- The KASE index increased by 2.8 % and amounted to 3,172. 45 points.
- The capitalization of the stock market increased by 0.2 % to 28.4 trillion tenge, the volume of traded corporate debt increased by 0.3 % to 15.1 trillion tenge.
- As of September 01, 2021, there were non-government securities of 504 names of 190 issuers in the trading lists of KASE.
- As of September 01, 2021, the Central Securities Depository had 188,009 personal accounts opened for individuals, which is 6,445 accounts more than a month earlier and 55,148 accounts more than at the beginning of 2021.

### KEY PROJECTS AND ACTIVITIES

On August 27, 2021, to inform the business community and the interested public, KASE, together with the Damu Entrepreneurship Development Fund and the Akimats of Aktobe and Kyzylorda regions, held an online round table on raising capital on the stock market.

### STOCK MARKET

At the end of August, the capitalization of the stock market amounted to 28.4 trillion tenge (66.7 billion USD), which is 49 billion tenge or 0.2% higher than the same indicator of the previous month. The increase in capitalization was facilitated by an increase in prices for shares included in the basket of the KASE Index.

At the end of August, there were shares of 138 names of 122 issuers in the trading lists of KASE, of which shares of four names of four issuers were admitted to circulation in the "Unlisted Securities" sector. In the reporting month, new shares were not included in the official list of KASE.

The volume of trading in shares in August compared to July decreased by 9.4 % or 1.2 billion tenge to 12 billion tenge. The average daily trading volume amounted to 573.8 million tenge, the average daily number of transactions – 1,775, the average volume of one transaction-323.2 thousand tenge.

Among the main categories of investors, individuals accounted for 45.4 % of the total volume of transactions with shares. The share of broker-dealers was 11.4 %. Other institutional investors accounted for 1 %, while other legal entities accounted for 42 %. The participation of non-residents is estimated at 4.8 %.

## KASE INDEX

In August, the local stock market traditionally ended the post-dividend information lull season. Companies are starting to issue semi-annual reports, on the basis of which investors can predict the annual profit and the amount of future dividends. The new information impulse contributed to the fact that the KASE Index, which had been in the correction phase since the beginning of June, moved to a sideways trend.

The growth at the end of August was 2.8 % or 85.79 points. The volume of transactions with index shares in August amounted to 6.2 billion tenge, which is 33.9% or 2.1 billion tenge lower than the same indicator for July. The largest trading volume fell on ordinary shares of Kcell JSC – 3.1 billion tenge (49.8% of the total trading volume with index shares).

### Changes in the prices of shares included in the KASE representative list

| Issuer                                  | Trading code | Price, tenge per share |                |       | Trading volume, million tenge |         |          |
|---|--------------|------------------------|----------------|-------|-------------------------------|---------|----------|
|   |              | as of 01.09.21         | as of 01.08.21 | Δ, %  | July                          | August  | Δ        |
| JSC "Bank CenterCredit"                 | CCBN         | 288.00                 | 249.00         | +15.7 | 592.3                         | 945.7   | 353.4    |
| Kazakhtelecom JSC                       | KZTK         | 33 940.00              | 30 000.01      | +13.1 | 142.1                         | 120.0   | -22.1    |
| Halyk Savings Bank of Kazakhstan JSC    | HSBK         | 180.10                 | 162.50         | +10.8 | 578.7                         | 1 672.5 | 1093.8   |
| JSC National Atomic Company Kazatomprom | KZAP         | 12 019.30              | 11 700.00      | +2.7  | 145.0                         | 124.4   | -20.6    |
| KEGOC JSC                               | KEGC         | 1 808.08               | 1 773.00       | +2.0  | 89.8                          | 58.0    | -31.8    |
| JSC "KazTransOil"                       | KZTO         | 1 021.90               | 1 089.99       | -6.2  | 248.7                         | 179.6   | -69.1    |
| JSC "Kcell"                             | KCEL         | 1 340.00               | 1 595.00       | -16.0 | 6 459.5                       | 3 063.0 | -3 396.5 |

Throughout the month, the index was supported by common shares of banking sector companies – Bank CenterCredit JSC and Halyk Savings Bank of Kazakhstan JSC, which increased in price by 15.7 % and 10.8 %, respectively. The shares of Bank CenterCredit JSC are traded at one of the highest levels in the entire history of publicity – 288 tenge per share.

The increase in the share price of Halyk Savings Bank of Kazakhstan JSC is due to market expectations, confirmed by the published positive financial statements. Net profit for the six months reached 225 billion tenge, which is 44.2 % higher than the same period last year. Also, in early August, the Bank announced the voluntary liquidation of a subsidiary bank in the Republic of Tajikistan – the Closed Joint-Stock Company "Halyk Bank Tajikistan" in order to concentrate efforts on more economically attractive areas.

Another growth leader in the past month was the common shares of Kazakhtelecom JSC, which rose by 13.1 % to 33,940 tenge per share. According to the published semi-annual reports, the revenue of Kazakhtelecom JSC increased by 15 %. In its press release, the Company also stated the strategic importance for the business of the Kcell mobile operator Group, whose sales volume increased by 14.6 % in the first half of the year %.

The price of shares of Kcell JSC by the end of August fell by 16 % to 1,340 tenge per share against the background of a significant offer from the former holders of the GDR. On the last day of the month, Kcell, Jusan Bank and the international payment system Mastercard announced the launch of a joint digital product.

The shares of JSC "NAC "Kazatomprom" increased by 2.7 % for the month. According to the company's financial statements, the consolidated revenue of this group increased by 54 % compared to the same period last year. The price of the company's main commodity also increased – uranium futures on the New York Mercantile Exchange (NYMEX) reached \$33.5 per pound for the first time since June 2020 amid growing global interest in nuclear energy.

## CORPORATE BOND MARKET

The volume of corporate debt in circulation in August increased by 0.3 % or 47.6 billion tenge to 15.1 trillion tenge (35.4 billion USD).

At the end of August, the official list of KASE included corporate bonds of 299 issues of 72 issuers. In the reporting month, the official list included corporate bonds of five issues from four issuers (one new): one issue of JSC "KEGOC", JSC "KazAgroFinance", JSC "Kazyna Capital Management", two JSC "Kazakhstan Housing Company". In August, corporate bonds of two issues were excluded from the official list due to the expiration of the circulation period: JSC "FIVE BROKERS' CAPITAL" and a subsidiary of JSC VTB Bank (Kazakhstan).

The value of the KASE\_BY corporate bond yield index in August decreased by 15 basis points to 10.21 % per annum, since the beginning of the year it has decreased by 55 bps.

The volume of trading in corporate bonds on KASE increased 2.3 times compared to July, or 109.1 billion tenge to 194.8 billion tenge. The average daily trading volume amounted to 9.3 billion tenge (in the secondary market – 5.8 billion tenge), the average daily number of transactions – 34 transactions (in the secondary market – 32 transactions), the average volume of one transaction – 269.5 million tenge (in the secondary market – 181.9 million tenge).

Bonds of six issues of four issuers totaling 73.3 billion tenge were placed on the primary corporate bond market, which is 60% higher than in July, or 27.5 billion tenge:

- Kazakhstan Sustainability Fund JSC attracted KZT 19.9 billion by placing bonds of two issues with a yield to maturity of 9.82–9.85 % per annum (the weighted average yield on issues varied in the range of 9.84–9.85 % per annum);
- A subsidiary of VTB Bank JSC (Kazakhstan) raised KZT 12 billion by placing bonds of two issues with a yield to maturity of 11.0-11.1 % per annum (the weighted average yield on issues varied in the range of 11.04-11.10 % per annum) and a maturity of 2.8-3 years;
- KazAgroFinance JSC attracted 40 billion tenge by placing seven-year bonds with a yield to maturity of 11.90 % per annum;
- The subsidiary bank of JSC "Home Credit and Finance Bank" attracted 1.4 billion tenge by placing bonds with a weighted average yield to maturity of 12.5 % per annum and a maturity of 1.3 years.

In the context of the main categories of investors in the primary corporate bond market, the share of STBs was 18.4 %, broker-dealer organizations – 17.2 %, other institutional investors – 24.3 %, other legal entities – 40.1 %, individuals – less than 0.1 %. The share of non-residents was 19 %.

The volume of trading on the secondary bond market compared to July increased by 3 times or 81.6 billion tenge to 121.5 billion tenge.

In the context of the main categories of investors in the secondary market of corporate bonds, the share of STBs was 1.3 %, broker-dealer organizations – 22.1 %, other institutional investors – 25.5 %, other legal entities – 50 %, the share of individuals – 1.1 %. The share of non-residents was 7.2 %.

## GOVERNMENT SECURITIES MARKET (GS)

The nominal value of the government debt traded on KASE decreased by 1.2 %, or 214.9 billion tenge to 17.9 trillion tenge (42 billion USD) in August.

The volume of trading on the GS market in August amounted to 172 billion tenge and decreased by 50.7 %, or 176.8 billion tenge, compared to July 2021, while the volume of trading on the secondary market increased, while there was a decline in the primary market. The average daily trading volume amounted to 8.2 billion tenge (in the secondary market – 3.2 billion tenge), the average daily number of transactions – 12 (in the secondary market – 10 transactions), the average volume of one transaction – 687.9 million tenge (in the secondary market – 317.1 million tenge).

In the primary GS market, the volume of borrowings amounted to 103.8 billion tenge and decreased by 67.2 % or 212.5 billion tenge compared to July 2021. Of the specified volume, 83.7 % or 86.9 billion tenge fell on transactions with MEKAM with a yield to maturity of 10.25-10.80 % per annum (weighted average yield on issues – 10.36-10.78 % per annum). The remaining 16.9 billion tenge or 16.3% was attracted by the Akimat of the Akmola region at 4.25 % per annum in order to finance housing

construction as part of the implementation of state and government programs and the Akimat of Almaty at 9.9 % per annum in order to finance the budget deficit.

In the structure of investors in the primary GS market, the share of STB accounted for 24.4 %, the share of broker-dealer organizations – 0.1 %, the share of other institutional investors – 67.1 %, individuals – 8.5 %. The participation of non-residents is estimated at 1.3 %.

The volume of trading on the secondary market increased 2.1 times or 35.7 billion tenge to 68.2 billion tenge. The share of transactions with MEKAM amounted to 60.5 % or 41.2 billion tenge of the total turnover of secondary market trades, 24.4 % or 16.6 billion tenge accounted for transactions with notes of the National Bank, 15.1 % or 10.3 billion tenge accounted for transactions with Eurobonds of the Republic of Kazakhstan. The remaining volume, amounting to 50.4 million tenge or 0.1 %, fell on transactions with state securities of foreign countries.

In the structure of investors in the secondary market, the share of STB accounted for 14.1%, the share of broker-dealer organizations – 25.2 %, the share of other institutional investors – 5.7 %, the share of other legal entities was 54.2 %, the share of individuals – 0.9 %. The participation of non-residents is estimated at 5.2 %.

### BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS

At the end of the reporting period, KASE's trading lists included 41 bonds issued by four international financial organizations: the Eurasian Development Bank, the European Bank for Reconstruction and Development, the International Finance Corporation and the Asian Development Bank.

In August, four bond issues of the Eurasian Development Bank were included in the "Securities of International Financial Organizations" sector of the official KASE list.

The trading volume in August amounted to 1,105.01 tenge.

### INVESTMENT FUND UNITS

As of September 01, 2021, there were 16 mutual fund instruments under the management of six management companies and six ETFs in the Securities of investment funds sector.

In the reporting month, the trading volume amounted to 2.9 billion tenge and increased by 9.5 % or 0.3 billion tenge compared to July.

| Tool                | Volume, million tenge |                |                | Number of transactions, pcs. |              |
|---------------------|-----------------------|----------------|----------------|------------------------------|--------------|
|                     | July                  | August         | changed amount | July                         | August       |
| RU_UKFFipo          | 1 991.7               | 2 474.7        | +483.1         | 839                          | 728          |
| FHJlag              | 43.9                  | 90.6           | +46.7          | 23                           | 16           |
| FFIN_or             | 36.5                  | 81.0           | +44.5          | 59                           | 80           |
| FHJlpc              | 18.3                  | 60.3           | +42.0          | 12                           | 6            |
| US_BIL_             | 0.5                   | 28.8           | +28.3          | 2                            | 1            |
| US_SPY_             | 19.2                  | 35.1           | +15.9          | 77                           | 114          |
| CSECgm              | 8.2                   | 18.4           | +10.2          | 5                            | 4            |
| BCCI_cc             | 3.6                   | 11.0           | +7.4           | 1                            | 1            |
| BCClrb              | 0.0                   | 4.8            | +4.8           | 0                            | 1            |
| FHJlhm              | 7.6                   | 7.4            | -0.2           | 924                          | 309          |
| US_GLD_             | 0.5                   | 0.0            | -0.5           | 3                            | 0            |
| US_ICLN             | 2.5                   | 0.2            | -2.3           | 5                            | 6            |
| CSECfe              | 7.3                   | 3.7            | -3.6           | 4                            | 5            |
| FHJlq               | 18.0                  | 13.3           | -4.7           | 5                            | 6            |
| FHJlds              | 19.8                  | 11.3           | -8.4           | 344                          | 328          |
| US_PHO_             | 63.4                  | 9.4            | -54.0          | 15                           | 4            |
| FFINgw              | 153.2                 | 0.0            | -153.2         | 5                            | 3            |
| IE_FXBF             | 238.4                 | 32.7           | -205.6         | 324                          | 368          |
| <b>Total result</b> | <b>2 632.2</b>        | <b>2 882.6</b> | <b>+250.4</b>  | <b>2 647</b>                 | <b>1 980</b> |

In the context of the main categories of investors, 52.6 % are individuals, 43 % are broker-dealers, 4.4 % are other legal entities. The share of non-residents was less than 0.1 %.

### ACCOUNTS OF INDIVIDUALS ON THE SECURITIES MARKET

As of September 01, 2021, the Central Securities Depository had 188,009 personal accounts opened for individuals, which is 6,445 accounts more than a month earlier and 55,148 accounts more than at the beginning of 2021.

### FOREIGN EXCHANGE MARKET

In August of this year, 28 KASE members participated in trading on the foreign exchange market on KASE. The volume of trading on the foreign exchange market in August reached 1.2 trillion tenge, which is 11.5 % lower than the same indicator last month, or 159.1 billion tenge. The average daily trading volume amounted to 58.1 billion tenge, the average daily number of transactions – 411, the average volume – 141.5 million tenge.

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

| Couple  | Volume,<br>million units of<br>currency | Share in the<br>trading volume,<br>% | Number<br>of deals | Min. and max. rates, the<br>number of quoted<br>currency per unit of the<br>base | Exchange rate at<br>the end of August<br>(change%) |
|---------|---|--------------------------------------|--------------------|--|--|
| USD/KZT | 2 765.92<br>(-12.5 %)                   | 96.3 %<br>(-1.3 %)                   | 8 238<br>(-910)    | 423.76 – 427.13  | 425.42<br>(+0.2 %)                                 |
| RUB/KZT | 6 116.64<br>(+95.6 %)                   | 2.9 %<br>(+1.6 %)                    | 242<br>(-4)        | 5.7486-5.8249  | 5.8059<br>(-0.02 %)                                |
| CNY/KZT | 128.17<br>(-38.0%)                      | 0.7 %<br>(-0.3 %)                    | 125<br>(-8)        | 65.4897 – 65.8885  | 65.8225<br>(+0.1 %)                                |
| EUR/KZT | 1.78<br>(-17.9%)                        | 0.07 %<br>(-0.01 %)                  | 22<br>(+3)         | 498.50 – 503.53  | 501.67<br>(-0.4 %)                                 |

### MONEY MARKET

The total trading volume on the money market amounted to 13.3 trillion tenge and increased by 30.9 % or 3.1 trillion tenge compared to the previous month.

The MM Index composite money market indicator, which represents the weighted average value of weighted average interest rates (yield) on USD/KZT currency swap operations and automatic repo operations with securities of the GS Basket opened for one business day, increased by 56 bps from 8.74 % to 9.30 % per annum.

### REPO operations Market

The trading volume in this segment in August 2021 amounted to 12.6 trillion tenge, which is higher than the volume of the previous month by 3.4 trillion tenge or 36.5 %. The average daily volume of transactions amounted to 602.2 billion tenge, the average daily number of daily transactions – 579, the average volume of one transaction – 1 billion tenge.

The volume of auto-repo transactions with state securities amounted to 8.75 trillion tenge or 69.2% of the total volume of repo transactions, auto-repo of national securities – 3.89 trillion tenge or 30.8 %, direct repo of national securities – 2.8 billion tenge or 0.02 %, direct repo with state securities – 18.3 million tenge or less than 0.01 %.

By the end of August, the TONIA indicator (the main indicator of the repo operations market, which is the weighted average interest rate on repo operations with a Basket of government securities for

a period of one day, calculated at the end of each trading day) increased by 57 bps from 8.74 % to 9.31 % per annum.

The TRION indicator (the weighted average interest rate on repo transactions with a Basket of government securities carried out with the participation of a Central Counterparty for a period of one day, calculated during each trading day) increased by 68 bps from 8.73 % to 9.41 % per annum.

The TWINA indicator (the weighted average interest rate on repo operations with a Basket of government securities carried out with the participation of the Central Bank for a period of seven days, calculated during each trading day) increased by 36 bps from 8.72 % to 9.08 % per annum in August 2021.

### Currency Swap Operations Market

The trading volume in August 2021 on the currency swap market amounted to 608.6 billion tenge, which is 253 billion tenge lower or 29.4 % of the volume in July.

The average daily volume of currency swap operations in August amounted to 29 billion tenge, the average daily number of transactions – 11, the average volume of one transaction – 2.5 billion tenge.

In the instrumental structure, 48.2 % of the total volume on the currency swap market accounted for transactions with a one-day currency swap (USDKZT\_0\_001), 42.8 % of the total trading volume on the currency swap market accounted for transactions with a two-day currency swap (USDKZT\_0\_002) and 9.1 % of the total trading volume with a monthly currency swap (USDKZT\_01M).

The indicator of the one-day dollar swap SWAP-1D (USD) by the end of August increased by 25 bps from 8.80 % to 9.05 % per annum. The yield of the two-day currency swap SWAP-2D (USD) increased by 103 bps from 8.67 % to 9.70 % per annum.

### DERIVATIVES MARKET

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

In August 2021, five futures transactions were concluded with execution in August 2021: one transaction with a futures on the US dollar to tenge exchange rate for a total of 849,600 tenge, two transactions with a futures on common shares of Halyk Savings Bank of Kazakhstan JSC for a total of 64,575 tenge and two transactions with a futures on the KASE Index for a total of 9,286 tenge. By the beginning of September, there were no open positions of trading participants in the derivatives market.

### For reference

Kazakhstan Stock Exchange JSC (KASE) is the leading stock exchange in the Central Asian region. KASE ranks second among the CIS exchanges in terms of securities trading volume, and fifth in terms of the capitalization of the FEAS stock market.

It is a universal trading market for corporate and government securities, bonds of international financial institutions, foreign currencies, money market operations – repo and swap, as well as derivatives. KASE is a member of the International Federation of Stock Exchanges (WFE), the Federation of Eurasian Stock Exchanges (FEAS) and other international and domestic professional associations, as well as a participant of the UN initiative "Stock Exchanges for Sustainable Development".

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