

KASE WEEKLY

07–11 September, 2020

KASE NEWS

- ▲ KASE [held](#) an online media briefing for mass media dedicated to results of the exchange market's operations in August 2020.
- ▲ Amendments to the Rules of Market-Makers' Activities [have been put into effect](#).
- ▲ Information on the circulation period of bonds KZ2C00004356 (KZIKb28) of Mortgage Organization "Kazakhstan Mortgage Company" JSC [has been changed](#) in KASE's trading system and databases and trading in them has been resumed.
- ▲ Ordinary shares KZ1C00000629 (CAHO) of CHINATOWN JSC [were excluded](#) from the list of securities admitted to circulation on KASE in the "Non-listing securities" sector.
- ▲ Trades in bonds KZ2C00006948 (KFUSb2) of Kazakhstan Sustainability Fund JSC [were opened](#) on KASE.

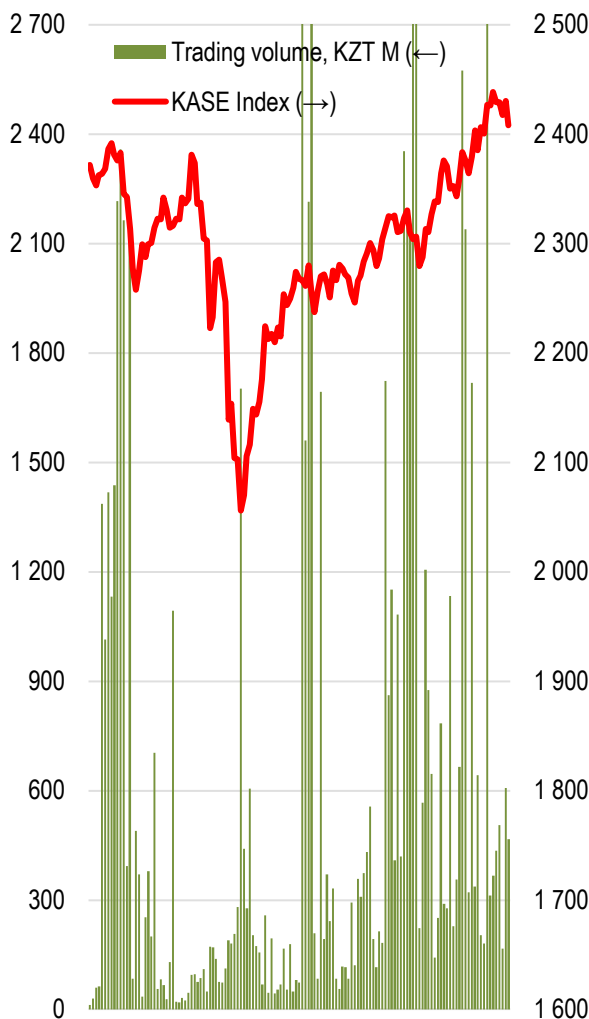
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kazakhstan Sustainability Fund JSC [raised](#) KZT6.7 bn on KASE by placing bonds KZ2C00006948 (KFUSb2) with a weighted average yield to maturity of 10.8875 % per annum.
- ▲ Kazakhstan Sustainability Fund JSC [raised](#) KZT6.3 bn on KASE by placing bonds KZ2C00006955 (KFUSb3) with a weighted average yield to maturity of 11.2414 % per annum.
- ▲ The Fund for Financial Support of Agriculture JSC [paid](#) dividends on ordinary shares for 2019.
- ▲ Subsidiary bank Home Credit and Finance Bank JSC [paid](#) dividends on ordinary shares for 2019.
- ▲ Tethys Petroleum Limited [has provided](#) an update on its operations.



Based on results of the week, KASE index went down by 0.4 % to 2,467.55 points. The largest number of deals among index shares was made with ordinary shares of Halyk Bank – 583 deals. The largest trading volume fell on Kcell securities – KZT4.4 bn (89.7% of the total volume over the week).

KASE Index shares



11.09.2020

KASE Index	2 467,55	Trends (%)	
		0,2	1,7
First class of liquidity	Price	Δ 7d	Δ 1m
Aeroflot	469,7	2,1	-1,4
NAC Kazatomprom	6 340,0	1,9	7,7
Kazakhtelecom, preferred shares	12 450,0	1,2	-0,4
KazTransOil	819,9	1,0	4,1
Halyk Savings Bank of Kazakhstan	119,5	0,5	4,9
Freedom Holding Corp.	10 847,0	0,4	15,0
KEGOC	1 709,0	0,1	0,4
Kcell	2 525,0	0,1	-0,2
VTB Bank	0,2	0,0	-4,8
Bank CenterCredit	227,5	-0,3	-0,4
Sberbank Russia	1 260,0	-0,6	-3,4
KAZ Minerals	2 990,0	-0,7	-2,4
Kazakhtelecom	25 800,0	-0,8	-3,3
Gazprom	1 004,0	-1,8	-12,5
Bank of America Corporation	10 895,3	-4,1	-2,9

Note: Index stocks are highlighted in green

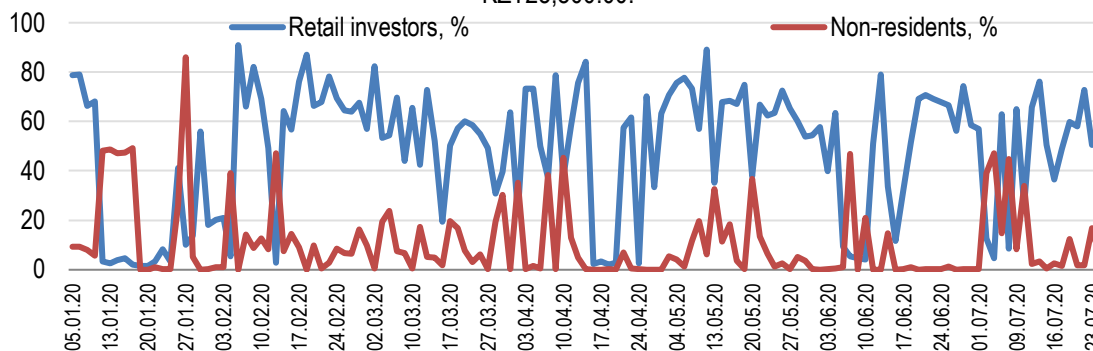
Against the background of negative trends in external markets, the national stock market indicator is closing in the red for the week (at the time of writing this review, the SP500 lost 2.6%, MOEX – 0.5%, MSCI – 1.3%). Five of the eight shares of KASE Index closed in the red.

The strongest decline fell on the ordinary share of KAZ Minerals, which fell 2.6% to KZT2,990.00. General concerns of the market about the pace of the economic recovery and the decline in Chinese imports in August amid exhaustion of storage space put pressure on copper prices, which in turn pulled KAZ Minerals shares with it. The stock of the copper mining company on the London Stock Exchange (LSE) at the moment of close of trades on KASE was traded at 572.20 British pence or KZT3,171.99 per share at the official rate of the National Bank for September 11.

The growth leader was the ordinary share of Halyk Bank, whose price increased by 1.7% to KZT119.49. Despite the weakening tenge, stocks of Halyk Bank on the local market were probably trying to level the price difference with the more liquid marketplace – the LSE. The bank's GDR on the LSE at the close of trades on KASE was traded at \$11.38, which is equivalent to KZT121.10 at the official rate of the National Bank for September 11.

We remind that this week it became known that the extraordinary general meeting of shareholders of Kazakhtelecom JSC, scheduled for September 7, was postponed to September 11, 2020 due to the lack of a quorum. The telecommunications company's share fell 1.3% over the week to KZT25,800.00.

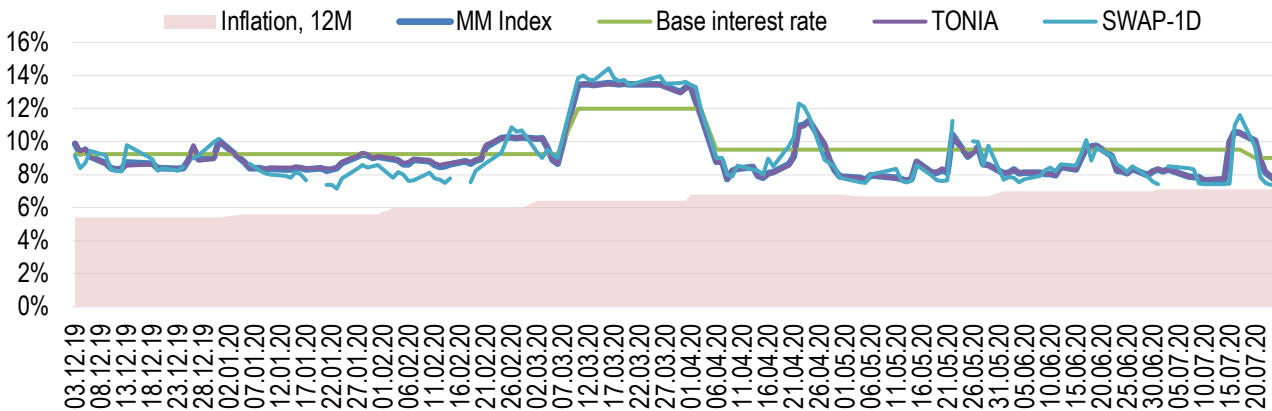
Retail investors & non-residents. %



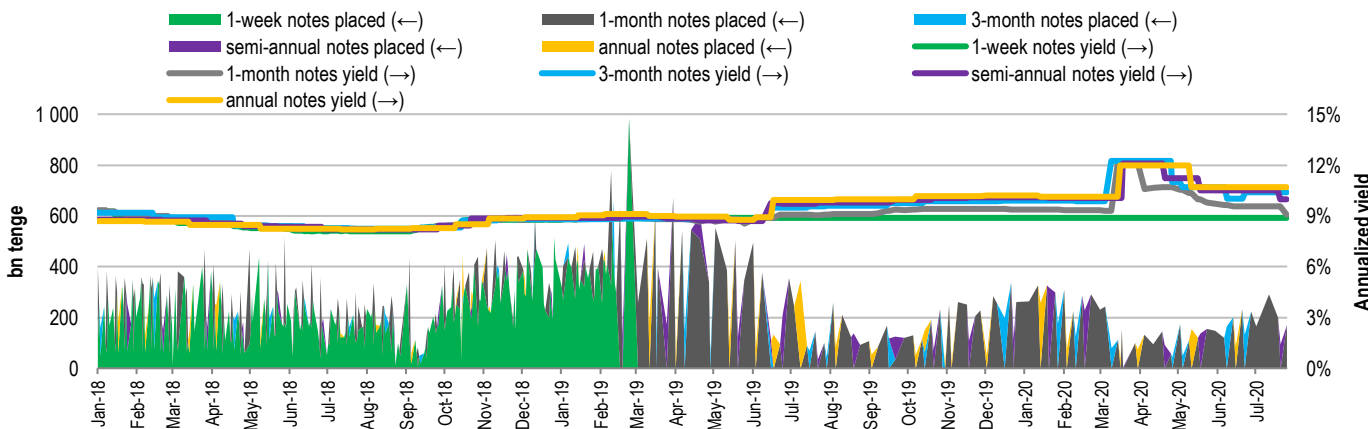
On Monday, at a meeting of the National Bank of Kazakhstan, it was decided to keep the base rate at 9% per annum with an interest rate corridor of +/-1.5 percentage points. The statement notes that this decision was made taking into account the balance of inflation risks in the short and medium term.

The yield on one-day repo transactions with government securities increased by 15 b.p. over the week, to the level of 8.00% per annum. The rate of borrowing the tenge secured by US dollars decreased by 10 b.p. to 8.10% per annum. The average volume of borrowing the tenge liquidity for one day amounted to KZT138.2 bn (-16.7% to the same indicator of the previous week) over the week.

Inflation and interest rates

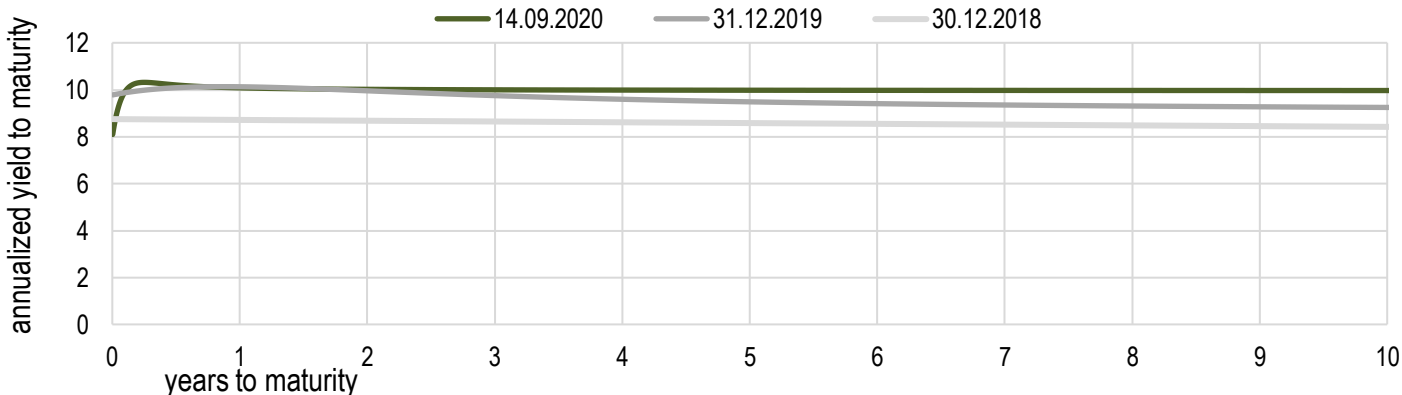


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





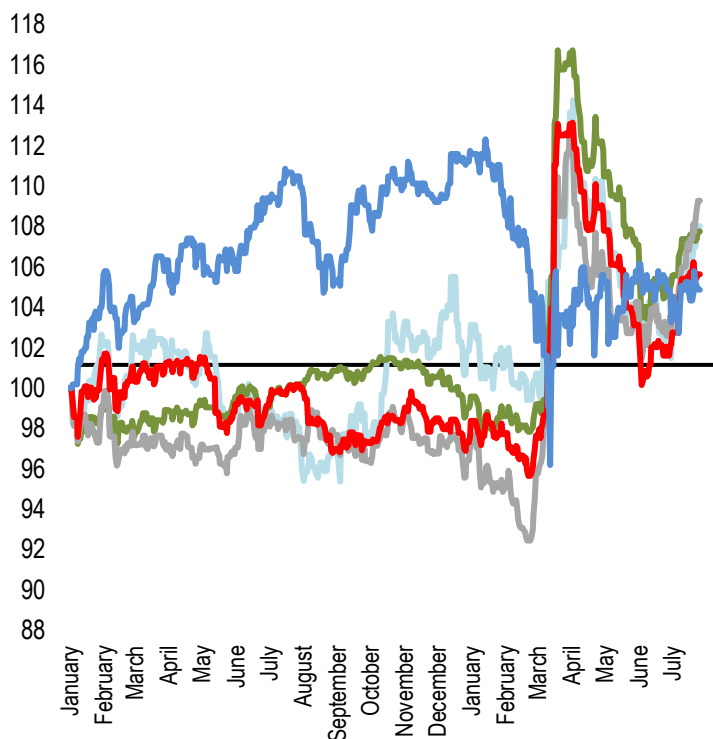
As a result of the week, the tenge lost its positions against the US dollar by KZT5.53 to KZT426.29. The demand for the currency has grown this week. The total trading volume amounted to \$649.8 mln (+ 62.7% on the same period last week) over the week. The total number of transactions for purchase and sale of the US dollar amounted to 2,892 (+1,351 on last week). The maximum price was KZT426.70 per US dollar, the minimum was KZT422.00.

The tenge is losing 1.3% against the US dollar against the background of a drop in oil prices. By 15:00 o'clock, Nur-Sultan time, the November Brent oil futures was trading at \$39.93 per barrel, thus risking ending the week with a decline of more than 6%. Oil is getting cheaper against the background of weekly data from the American Petroleum Institute (API), according to which reserves of the "black gold" in the US unexpectedly increased by 3 million barrels last week. Also, pressure on the market this week was exerted by news about low demand for oil in Asia, in particular in China – and low demand for petrol in the United States. In addition, traders continue to monitor the number of cases of coronavirus infection and monitor the tensions between Washington and Beijing.

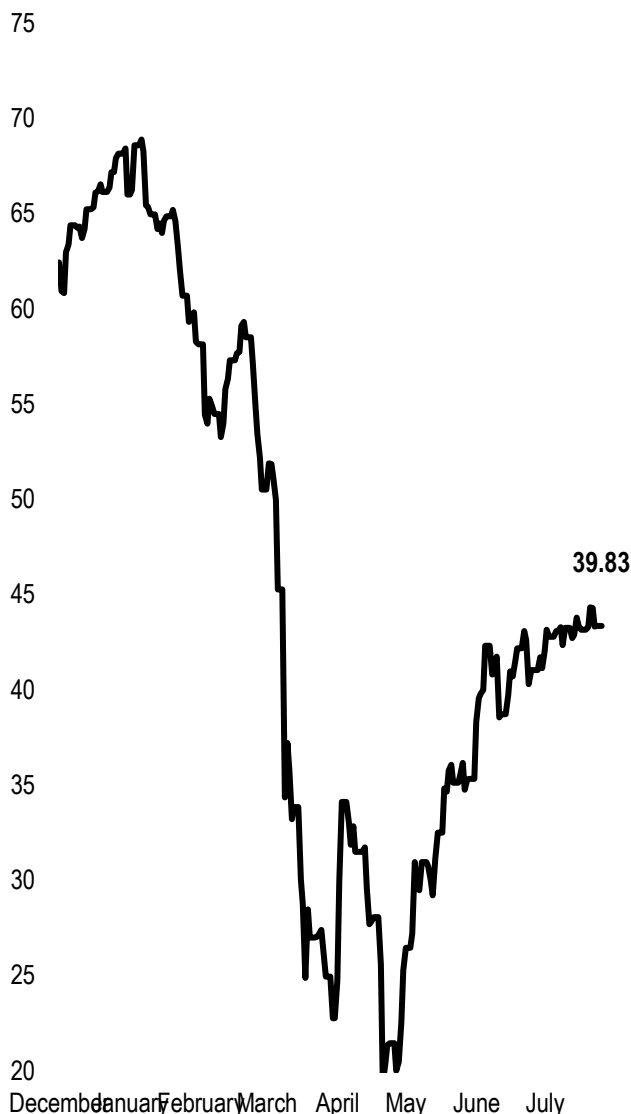
The value of the Russian ruble increased by KZT0.0709 to KZT5.6800. The total trading volume amounted to KZT79.5 mln (+12.5% to the same indicator last week). The euro rose in price against the tenge by KZT5.77 to KZT504.02. The total trading volume amounted to EUR410.0 th. (-59.0 % to the same indicator last week). The Chinese yuan rose in price by KZT0.9026 to KZT62.3845. The total trading volume was CNY29.7 mln (-11.9 % compared to the same period last week).

FX rates

Δ % . base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	554,35	-0,7	1,3	10,9
— USDKZT	425,67	1,3	1,8	11,7
— EURKZT	503,82	1,4	2,3	18,0
— CNYKZT	62,23	1,2	3,4	14,1
— RUBKZT	5,65	1,4	-1,6	-8,4

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

Commodities market

11.09.2020

Name	Value	Trend %			Futures 7d	Name	Price	Trend %		
		7d	1m	1y				7d	1m	1y
S&P 500	3 340,97	-2,5	-1,2	11,0	-2,8	Oil	39,83	-5,2	-12,3	-34,0
Dow Jones	27 665,64	-1,7	-1,1	1,8	-2,1		37,33	-6,1	-12,5	-32,2
RTS	1 223,05	0,4	-6,4	-10,1	-0,1	Natural gas	2,27	-12,3	5,4	-11,8
MICEX	2 285,53	0,0	0,0	0,0	-0,1	Copper	303,40	-0,4	4,9	15,6
Hang Seng	24 503,31	-0,4	-2,9	-9,5	-0,9	Iron	941,00	-2,3	9,0	12,6
SS CSI 300	4 627,28	-0,9	-0,4	16,5	-2,9	Gold	1 940,55	0,6	-0,3	29,5
Euro Stoxx 50	3 315,81	0,1	-1,4	-6,3	2,3	Silver	26,74	0,6	2,9	48,2
FTSEuroFirst	3 626,00	-0,1	-3,0	-13,9	1,4	Wheat	533,75	-1,1	8,7	9,9
FTSE 100	6 032,09	1,6	-3,9	-17,9	4,5					
KASE	2 467,55	0,2	1,7	12,7						

Economic calendar

Currency

Forecast

Previous

09/15	Industrial output (y/y) (Aug)	CNY	5.1%	4.8%
09/16	Crude oil reserves	USD		2.032M
09/16	Decision on the interest rate of the FRS	USD	0.25%	0.25%
09/17	Consumer price index (CPI) (y/y) (Aug)	EUR	-0.2%	-0.2%
09/17	Decision on the interest rate (Sept)	GBP	0.10%	0.10%
09/17	Number of initial claims for unemployment benefits in the US	USD	850K	884K
09/18	Decision on the interest rate (Sept)	RUB	4.00%	4.25%

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	7.0%	09/01/20	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

03/27/20

BBB- stable

MOODY'S

Baa3 positive

08/22/19

Baa3 stable

FitchRatings

BBB stable

08/21/20

BBB stable

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Corporate Events Calendar of KASE listed Companies

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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the entire invested amount back. For the investments in non-universally recognized markets, the investors may experience various difficulties, including selling them or obtaining the reliable information about their value or the risks involved;
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