

KASE WEEKLY

November 16–20,
2020

KASE NEWS

- ▲ KASE's Management Board approved the [Specification](#) of currency swap transactions and foreign currency transactions, [amendments](#) to the Regulations for conducting clearing sessions for deals with the central counterparty.
- ▲ KASE [conducts](#) training trades as part of the educational project "Exchange simulator".
- ▲ ForteFinance JSC [was assigned](#) the status of a clearing participant in the stock market and derivatives market.
- ▲ Trades in bonds [KZ2D00007002](#) (PKDAb1) of PK SPK DAMU AGRO and [KZ2C00007037](#) (KFUSb4) of Kazakhstan Sustainability Fund JSC were opened on KASE.
- ▲ Bonds KZ2C00007037 (KFUSb4) of Kazakhstan Sustainability Fund JSC are included in [the GS basket](#) with the CCP and in the NBRK basket with the CCP, [in the List T+](#) and the Collateral List T+.
- ▲ International [bonds](#) XS2251962903 (ASDBe4) and XS2251962499 (ASDBe5) of Asian Development Bank are included in the sector "Securities of international financial institutions".
- ▲ International bonds XS0971721450 (RU_19_2309) of the Ministry of finance of the Russian Federation [are included](#) in the sector "Government securities".
- ▲ [Bonds](#) of Kazakhstan Sustainability Fund JSC of three issues and [KZ2C00007086](#) (KZIKb32) of MO "Kazakhstan Mortgage Company" JSC are included in the category "bonds" of KASE's official list's main market.
- ▲ Bonds KZ2C00006351 (AKFIb5) of AMF Group [were removed](#) from KASE's official list due to the expiration of the circulation period.
- ▲ Bonds KZ2D00007002 (PKDAb1) of PC "SPK "DAMU AGRO" [were transferred](#) to the trading mode in "clean" prices.

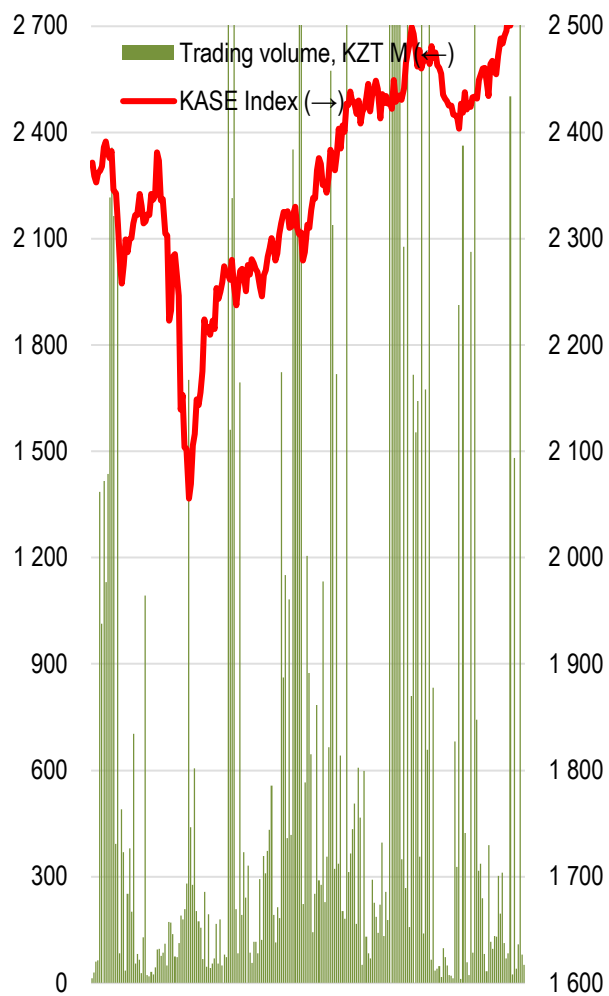
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT36.3 bn on KASE by placing MEUKAM-084 of issue 17 ([KZKD00000881](#)), MEUKAM-096 of issue 11 ([KZKD00001095](#)) and MEUKAM-108 of issue 13 ([KZKD00001087](#)).
- ▲ Asian Development Bank raised KZT14.0 bn. via subscription on KASE by placing "green" international bonds [XS2251962903](#) (ASDBe4) at 10.10% and [XS2251962499](#) (ASDBe5) at 10.12%.
- ▲ Kazakhstan Sustainability Fund JSC [raised](#) KZT9.1 bn on KASE by placing bonds KZ2C00007136 (KFUSb7) with a weighted average yield to maturity of 11.0900% per annum.
- ▲ Halyk Savings Bank of Kazakhstan JSC [reported](#) consolidated financial results for nine months and the third quarter ended September 30, 2020.
- ▲ KEGOC [provided](#) management's comments on the financial results of operations as of and for nine months ended September 30, 2020.
- ▲ KazTransOil JSC [reported](#) its financial results for nine months of 2020.
- ▲ NOSTRUM OIL & GAS PLC [announced](#) financial results for the third quarter and nine months ended September 30, 2020.
- ▲ Insurance Company Amanat [announced](#) that it had been assigned ratings by S&P Global Ratings.

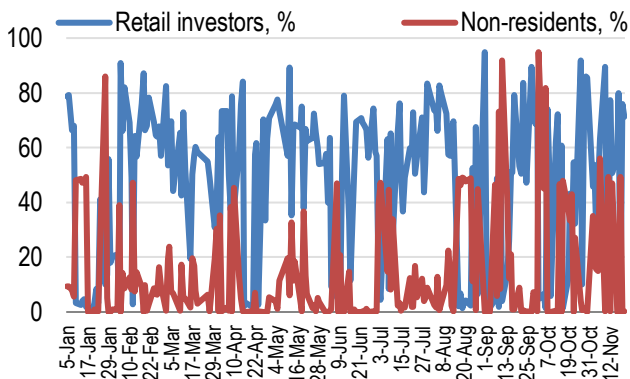


According to the results of the week, KASE index increased by 1.1% to 2,553.40 points. The largest number of deals among index shares over the week was made with common shares of KazTransOil – 973 deals. The largest trading amount fell on KAZ Minerals securities – KZT7.2 bn (96.4% of the total amount over the week).

KASE Index shares



Retail investors & non-residents, %



20.11.2020

KASE Index	2 553,40	Trends (%)	
		1,4	4,0
First class of liquidity	Price	Δ 7d	Δ 1m
Freedom Holding Corp.	14 945,0	7,3	22,5
KazTransOil	872,5	6,7	8,1
KAZ Minerals	3 505,0	3,2	14,2
Bank of America Corporation	11 535,0	0,8	11,2
Bank CenterCredit	215,0	0,5	-0,5
Kcell	2 732,0	0,4	1,6
Kazakhtelecom	25 580,0	0,1	-0,9
KEGOC	1 701,9	0,1	-1,3
Halyk Savings Bank of Kazakhstan	117,1	0,0	5,6
Gazprom	1 005,0	0,0	3,9
Kazakhtelecom, preferred shares	12 500,0	0,0	1,2
VTB Bank	0,2	0,0	5,3
NAC Kazatomprom	6 200,0	-0,0	3,2
Aeroflot	387,0	-0,7	15,2
Sberbank Russia	1 295,0	-1,9	8,7

Note: Index stocks are highlighted in green

Despite a slight correction at the end of the week, the local stock market indicator is finishing in the black. Favorable conditions in external markets taking the form of growing global stock indices after successful trials of vaccines against COVID-19, as well as positive statistics from China and India, which increased the hope for a quick recovery of the world economy, allowed KASE Index on November 18 to once again update the maximum value of 2020 (maximum since July 3, 2008).

Ordinary shares of KazTransOil turned out to be the growth leaders of the week, with their price jumping by 7.8% – to KZT872.46. The company's quotes rose amid growing optimism in the oil markets after news of successful trials of vaccines against COVID-19. In addition, the oil company's securities were supported by the financial results for nine months of 2020. The consolidated net income of KazTransOil in Jan-Sep 2020 amounted to KZT51.9 bn, which is up 38% YoY. The consolidated revenue decreased by 1.5% and amounted to KZT177.0 bn. The income before taxation increased by 29.3% to KZT63.7 bn, the operating margin – by 36.6% to KZT54.3 bn. The gross margin, on the contrary, decreased by 6.9% to KZT63.5 bn.

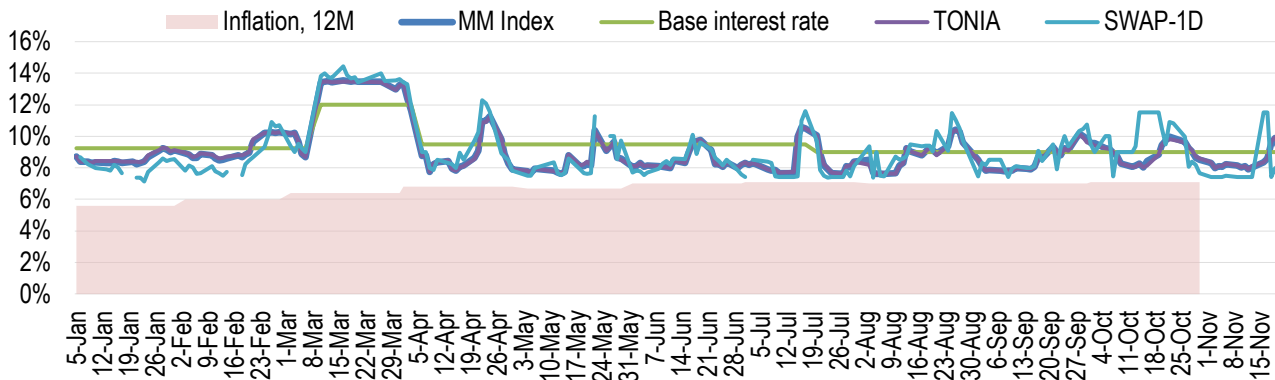
The second-best result was recorded for securities of KAZ Minerals, which appreciated by 3.1% – to KZT3,505.01. On November 18, the company provided an update on the Baimskaya project. More details in the [statement](#) of the company.

Half of the shares from the representative list closed in the red, however, securities fell by less than 1%: quotes of Kazakhtelecom, Halyk Bank, Bank CenterCredit and Kazatomprom depreciated by 0.8%, 0.8%, 0.5% and 0, 2%, respectively.

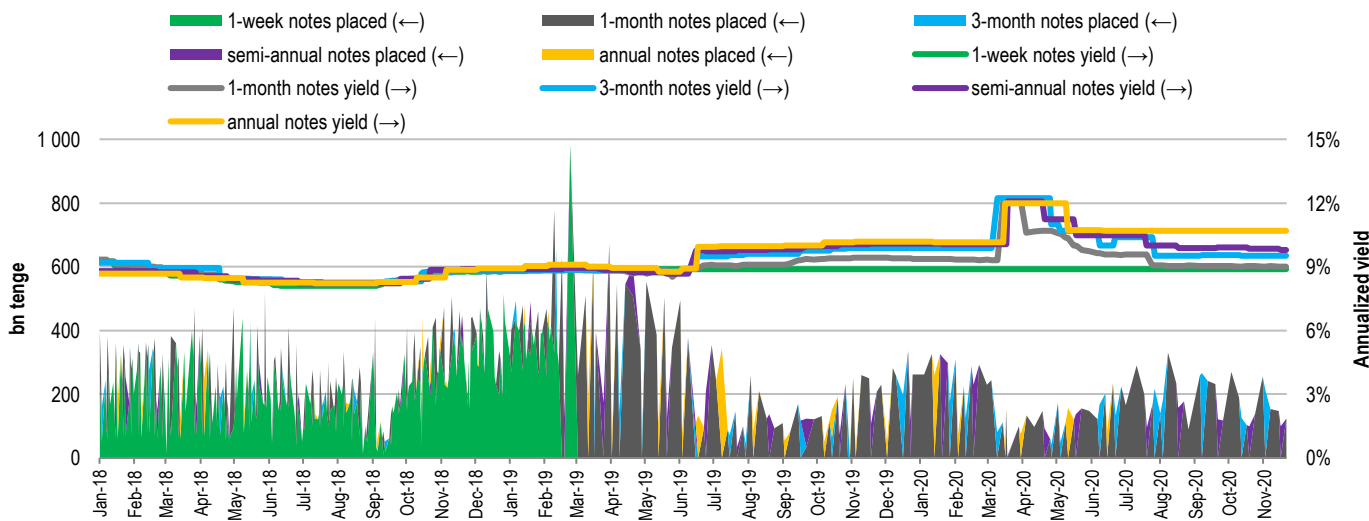
Halyk Bank on Monday provided consolidated financial results for 9 months and the third quarter of 2020, according to which the bank's net income for January-September of this year decreased by 2.7% YoY. Net income to ordinary shareholders in the third quarter of 2020 increased by 1.7% to KZT88.7 bn compared to the third quarter of 2019. According to the bank, the growth was mainly due to an increase in other non-interest income and a decrease in expenses on credit losses. The [full version](#) is posted on KASE's website.

The yield on one-day repo transactions with government securities increased by 121 b.p. over the week, to the level of 9.49 % per annum. The rate of borrowing the tenge secured by US dollars did not change and made 7.40 % per annum. The average volume of borrowing tenge liquidity for one day amounted to KZT255.1 bn over the week (+ 7.0 % on the same indicator of last week).

Inflation and interest rates

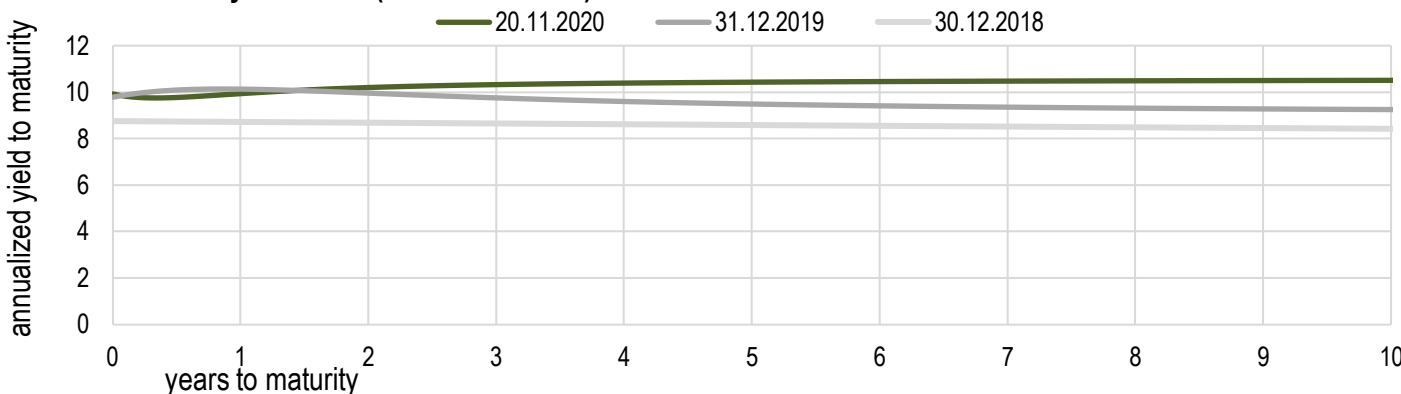


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





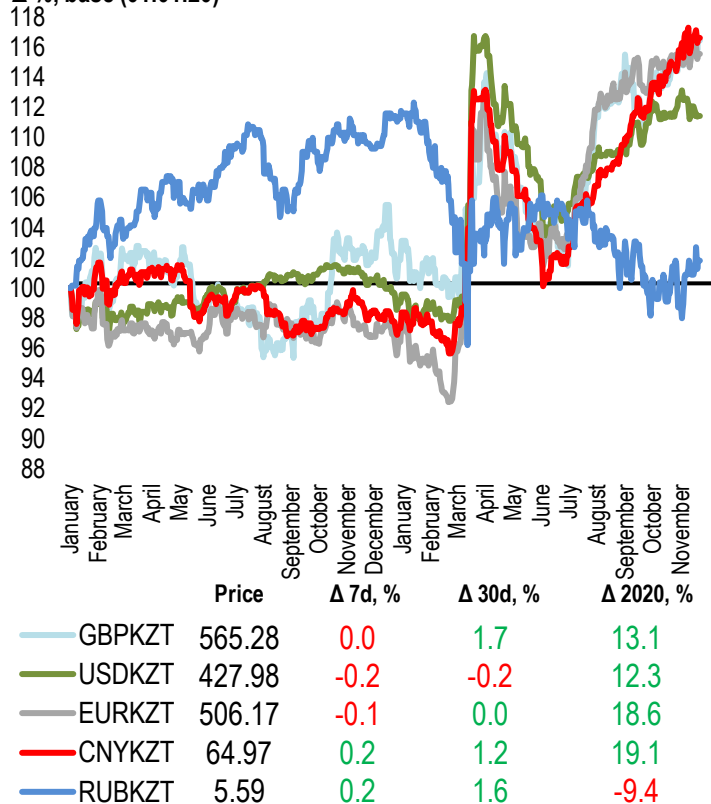
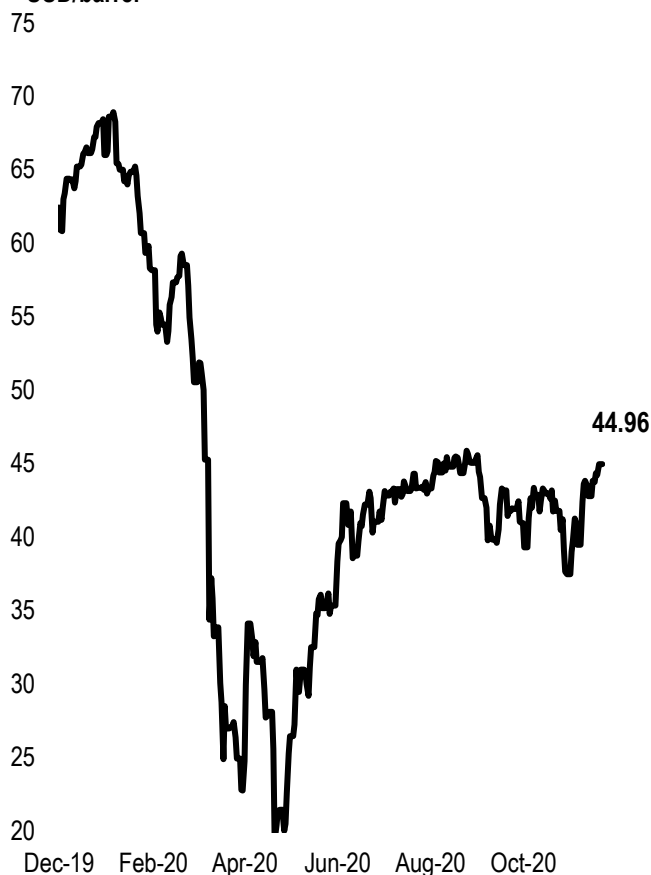
According to the results of the week, the exchange rate of the US dollar against the tenge decreased by KZT4.36 (-1.0 %) to KZT428.07. The total trading volume over the week amounted to \$511.0 mln (-3.0 % on the same indicator of last week). The total number of transactions for the purchase and sale of the US dollar amounted to 1,569 (-316 to the previous week's figure). The maximum price was KZT429.75 per US dollar, the minimum – KZT427.17.

The tenge appreciates by the end of the week against the US dollar and the Chinese yuan against the background of the growing investor appetite for risk assets. The drivers for this were the positive mood of the market following news of successful trials of two vaccines against COVID-19 at once, as well as the favorable economic statistics from China and India – the second and third economies in the world – indicating a faster pace of economic recovery. In addition, the market is supported by the signing by the ASEAN countries over the weekend in Hanoi of the world's largest free trade agreement or the document on the regional comprehensive economic partnership (RCEP). The agreement was signed by 15 countries, the trade volume of which accounts for a third of the world GDP.

Also, this week, the OPEC+ countries decided to postpone the recommendations, continue to study the situation with supply and demand in the market in the IV quarter of 2020 and consider their further actions on the world oil market in 2021 during the next ministerial conference of OPEC and non-OPEC countries, scheduled for December 1, 2020. The market, in its turn, counted on more decisive decisions following the meeting on Tuesday, which was reflected in oil prices in the form of a short decline in prices. In addition, oil prices are restrained by the growth of oil reserves in the United States and news about the possible withdrawal of the UAE from the OPEC+ deal. On Wednesday, the US Department of Energy published a weekly report on energy reserves, according to which oil reserves in the country for the week ended November 13 increased by 768 million barrels. Meanwhile, the United Arab Emirates have expressed dissatisfaction with its oil production cut quota under the OPEC+ agreement and are considering withdrawal from the alliance.

The price of January Brent futures on the London stock exchange ICE Futures by 15:30 o'clock, Nur-Sultan time, on Friday increased by 0.4% – to \$44.39 per barrel. The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange by this time had grown by 0.2% – up to 76.1973 rubles.

The value of the Russian ruble increased by KZT0.0201 (+ 0.4%) to KZT5.6245. The Chinese yuan lost in price KZT0.1656 (-0.3%) to KZT65.2000.

FX rates**Δ %, base (01.01.20)****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

20.11.2020

Name	Value	Trend %			Futures	Name	Price	Trend %		
		7d	1m	1y	7d			7d	1m	1y
S&P 500	3 557,54	-1,9	3,6	14,6	-0,8	Oil (Brent)	44,96	2,6	7,7	-29,7
Dow Jones	29 263,48	-2,3	3,7	5,4	-0,7	Oil (WTI)	42,15	2,0	5,3	-28,0
RTS	1 262,69	-0,5	10,4	-13,2	2,8	Natural gas	2,65	-1,7	-12,3	3,2
MICEX	2 285,53	0,0	0,0	0,0	2,8	Copper	329,10	2,1	2,9	25,4
Hang Seng	26 451,54	0,3	6,9	-0,1	1,1	Iron	913,00	5,1	3,9	39,3
SS CSI 300	4 943,29	0,8	3,1	27,1	2,3	Gold	1 870,99	-1,0	-2,8	27,7
Euro Stoxx 50	3 467,60	0,0	9,0	-5,8	0,7	Silver	24,36	-1,8	-3,5	42,8
FTSEuroFirst	3 841,50	-0,4	10,0	-11,3	1,2	Wheat	593,25	-0,8	-5,8	16,6
FTSE 100	6 351,45	-1,1	10,0	-12,3	0,3					
KASE	2 553,40	1,4	4,0	10,4						

Economic calendar

Currency

Forecast

Previous

11/24	Germany's GDP (qtr./qtr.) (3 qtrs.)	EUR	8.2%	8.2%
11/25	US GDP (qtr./qtr.) (3 qtrs.)	USD	33.1%	33.1%
11/25	US: Number of initial claims for unemployment benefits	USD	730K	742K
11/25	US: new home sales	USD	975K	959K
11/25	US: crude oil reserves	USD		0.768M
11/26	Release of the minutes of the ECB meeting on monetary policy	EUR		
11/24	Germany's GDP (qtr./qtr.) (3 qtrs.)	EUR	8.2%	8.2%

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	7.1%	08/01/20	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
	BBB- stable	09/10/18	BBB- stable
	Baa3 stable	07/26/17	Baa3 stable
	BBB stable	09/28/18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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