

KASE WEEKLY

October 19–23, 2020

KASE NEWS

- ▲ Freedom Finance to act as a market maker for the bonds [KZ2C00006955](#) (KFUSb3) of the Kazakhstan Sustainability Fund.
- ▲ Bonds KZ2C00003176 (EUBNb16) of the Eurasian Bank [removed](#) from KASE Official List due to maturity.
- ▲ Bonds [KZ2D00006913](#) (SBERb12) of Subsidiary Bank Sberbank of Russia were listed on KASE.
- ▲ 34 issues of local executive authorities [included](#) in the Government Securities sector.
- ▲ Trading in international bonds US912810FJ26 (US_04_2908) of the U.S. Department of the Treasury [opened](#) on KASE.
- ▲ International bonds US912810FJ26 (US_04_2908) of the U.S. Department of the Treasury [included](#) in the List T+ and the Collateral List T+.

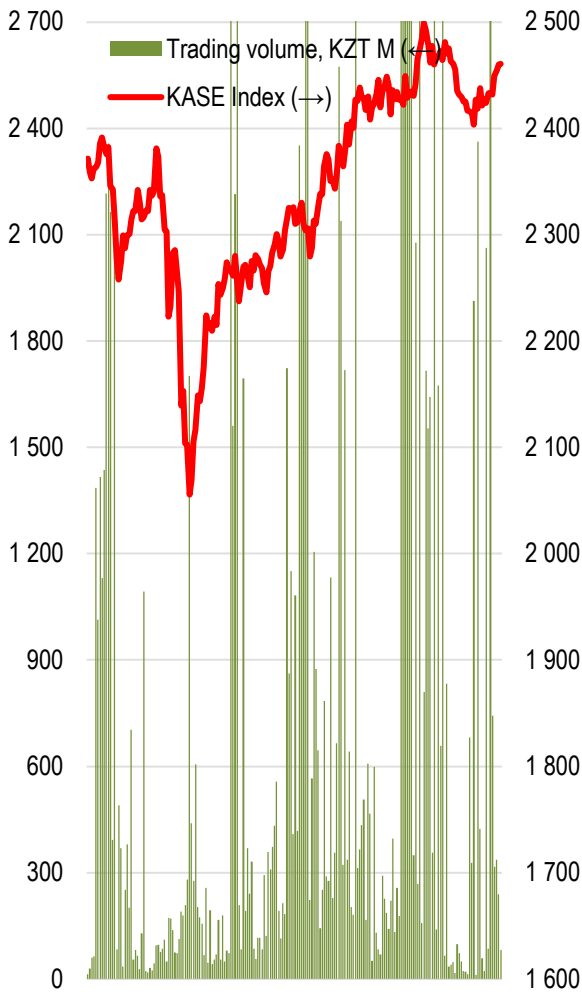
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT222.8 bn on KASE placing the 13th issue ([KZKD00000931](#)) of MEUKAM-180 with the yield of 10.50% APR, MEUKAM-300 second issue ([KZKD00000774](#)) with a yield of 10.52% APR, the 17th issue ([KZKD00000881](#)) of MEUKAM-084 with the yield of 10.2504% APR, the third issue ([KZKD00000857](#)) of MEUKAM-300 with the yield of 10.4998% APR, the 12th issue ([KZKD00000915](#)) of MEUKAM-108 with the yield of 10.45% APR, the 11th issue ([KZKD00000816](#)) of MEUKAM-108 with the yield of 10.3768% APR, the 17th issue ([KZKD00000881](#)) of MEUKAM-084 with the yield of 10.4226% APR, the 13th issue ([KZKD00001087](#)) of MEUKAM-108 with the yield of 10.48% APR, the second issue ([KZKD00000774](#)) of MEUKAM-300 with the yield of 10.52% APR, the 12th issue ([KZKD00000915](#)) of MEUKAM-108 with the yield of 10.2796% APR, the second issue ([KZKD00001079](#)) of MEUKAM-216 with the yield of 10.52% APR and the 148th issue ([KZK100000241](#)) of MEUKAM-12 with the yield of 9.83-20% APR.
- ▲ Kazakhstan Sustainability Fund raised KZT203.2 bn on KASE by placing bonds [KZ2C00006906](#) (KFUSb1) with weighted average yield of 11.9728 % APR and bonds [KZ2C00006948](#) (KFUSb2) with weighted average yield of 10.8900 % APR.
- ▲ Local administrations of 14 regions, cities of Nur-Sultan, Almaty and Shymkent [raised](#) KZT200.0 bn on KASE.
- ▲ Kazakhstan Sustainability Fund raised KZT203.0 bn on KASE by placing bonds [KZ2C00006823](#) (BTDVb6) with weighted average yield of 6.0200 % APR and bonds [KZ2C00006831](#) (BTDVb7) with weighted average yield of 6.0200 % APR.
- ▲ **ANNOUNCEMENT:** Kcell to hold conference call on the January–September 2020 financial performance on November 13
- ▲ National Company KazMunayGas [was assigned](#) ESG rating in the field of sustainable development.



KASE Index rose by 1.1% to 2,460.38 points over the week. The largest number of transactions among index shares – 490 – was made with Halyk Bank's ordinary shares. The largest volume of trading was with securities of Kcell – KZT999.8 mln (72.6% of the total volume of trading for the week).

KASE Index shares



23.10.2020

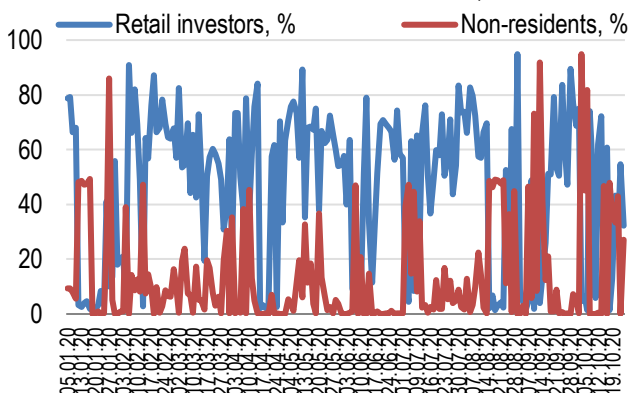
		Trends (%)	
KASE Index	2 460,38	1,2	0,2
First class of liquidity	Price	Δ 7d	Δ 1m
KAZ Minerals	3 100,0	5,4	5,1
Sberbank Russia	1 211,4	2,7	-6,6
Bank of America Corporation	10 695,0	0,9	2,2
Aeroflot	360,0	0,8	-20,9
Bank CenterCredit	219,3	0,7	-2,1
NAC Kazatomprom	6 073,1	0,7	-2,8
Halyk Savings Bank of Kazakhstan	109,3	0,6	-8,2
Freedom Holding Corp.	12 310,2	0,6	18,5
KEGOC	1 722,0	0,6	-0,2
Kazakhtelecom, preferred shares	12 350,0	0,0	-0,4
VTB Bank	0,2	0,0	-5,0
Kcell	2 700,0	-0,2	4,0
KazTransOil	803,0	-0,2	-1,3
Kazakhtelecom	25 995,0	-0,5	2,3
Gazprom	930,1	-4,3	-11,4

Note: Index stocks are highlighted in green

Five out of eight shares of the representative list closed in the "green zone" this week. KAZ Minerals' shares, which slightly adjusted down at the Friday trading session to KZT3,100.01, grew most of all by the end of the week. During the week, the shares grew by 5.1% and came close to the threshold of KZT3,120-KZT3,130 amid rising copper prices. Meanwhile, the shares of KAZ Minerals were traded at the price of 593.20 British pences (KZT3,329.99 at the rate of the National Bank as at October 23) at the London Stock Exchange (LSE).

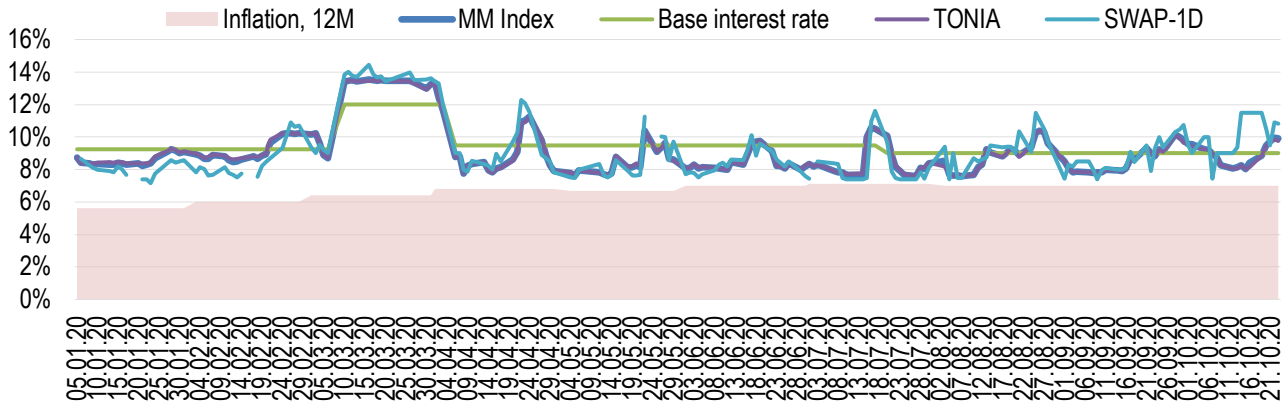
Three out of eight shares closed at the end of the week in the red, but the price reduction was within a half a percentage point (Kazatomprom - 0.3%; Kcell - 0.3%; KazTransOil - 0.2%). The greatest faller of the week was Kazatomprom's securities that fell by 0.3% to KZT6,073.10. This week, British investment fund Yellow Cake, which specializes in the purchase and storage of uranium oxide concentrate (an intermediate product of natural uranium processing), in its report notes stabilization of uranium prices, but does not rule out the resumption of volatility on the spot market amid COVID-19. During Q3, the spot price of uranium oxide (yellow cake) dropped from US \$32.60 per pound as at the end of June to US \$29.75 per pound as at the end of September. The report shows that the main factor contributing to the price decline was the reduction in the volume of transactions on the spot market. The global uranium market continues to adjust to Canada's Cameco announcement to restart the Cigar Lake uranium mine and to Kazatomprom's decision to resume full production. Although spot market volumes are not likely to increase, these decisions will gradually reduce expected purchases on the spot market by these two major producers, the report says.

Retail investors & non-residents, %

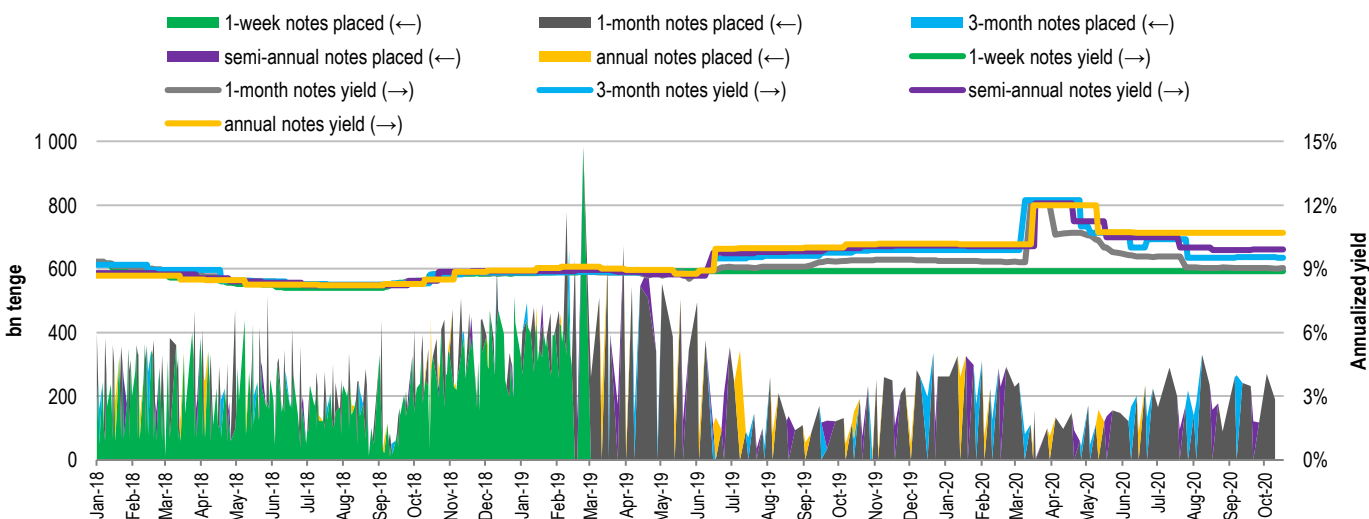


The yield of one-day repo transactions with government securities rose by 163 bps to 9.76% APR over the week. SWAP 1D USD rate was down 66 bps to 10.84% APR. The average amount of tenge liquidity raised for one day this week was KZT254.4 bn (+15.1% to the same indicator of the last week).

Inflation and interest rates

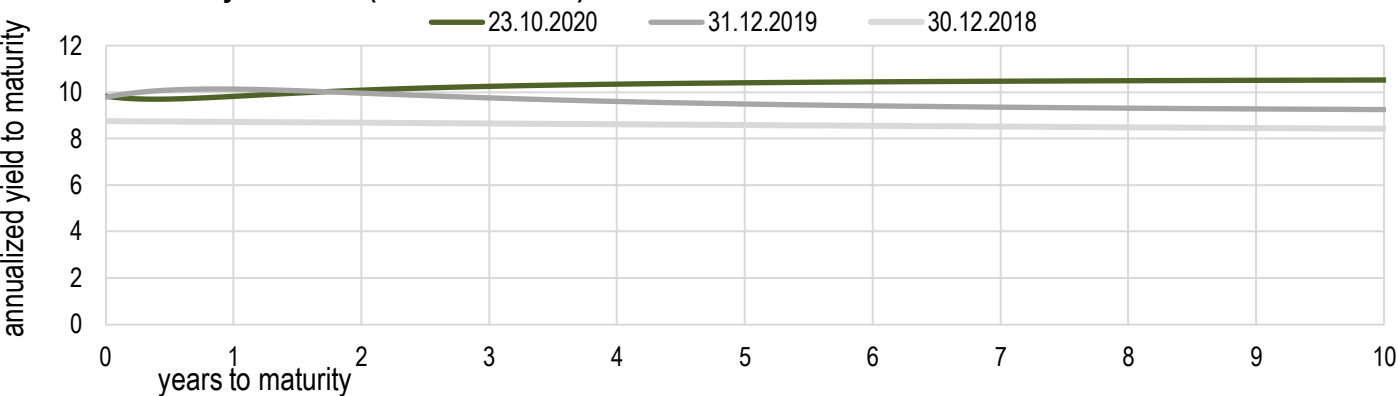


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





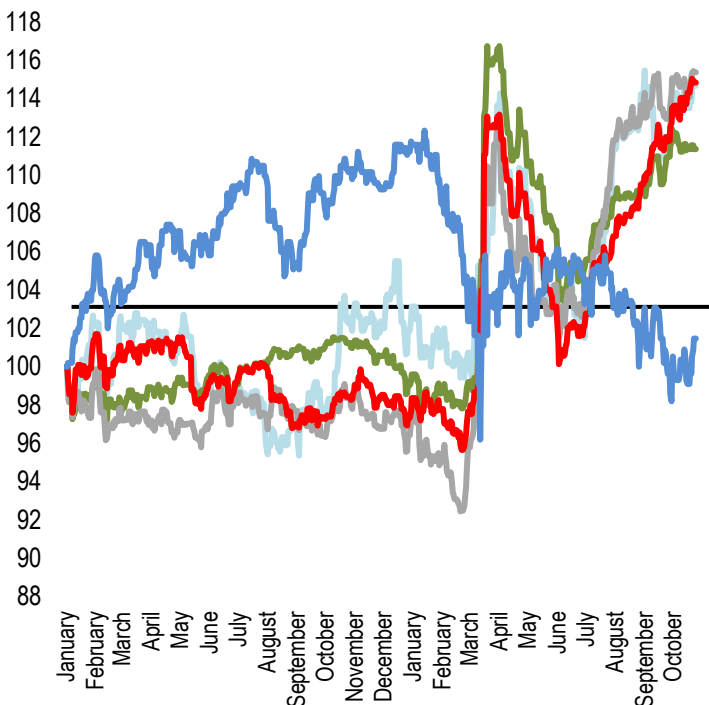
The US dollar exchange rate against the tenge decreased by KZT0.14 (-0.03%) to KZT427.91 at the end of the week. Total trading volume over the week amounted to US \$391.5 mln (-34.1% compared to the last week). Total number of transactions for buying and selling the U.S. dollar was 1,170 (-833 compared to the last week). The maximum price this week was KZT428.95 per U.S. dollar, the minimum price is KZT427.40.

The tenge goes up against the U.S. dollar at Friday's trading and ends the week with a small strengthening. The Russian rouble, which is rising against the dollar and the euro amid currency sales by large Russian exporters on the eve of quarterly tax payments in Russia, plays to the benefit of the national currency. Meanwhile, oil prices continue to be under pressure from market concerns about lowering energy demand due to new restrictive measures in a number of countries. However, investors remain optimistic about the possible adoption of a new stimulus package in the U.S. in the near future, which supports risk assets. Besides, Russian President Vladimir Putin's statement, who did not rule out the possibility of extending or deepening OPEC+ restrictions on oil production, had positive effect on oil prices the previous day.

The price of Brent crude oil futures for December at the London ICE Futures exchange by 15:30 Nur-Sultan time on Friday rose by 0.5% to US \$42.67 per barrel. The US dollar exchange rate against the Russian rouble on the Moscow Exchange dropped by 0.3% to RUB76.3855 by that time.

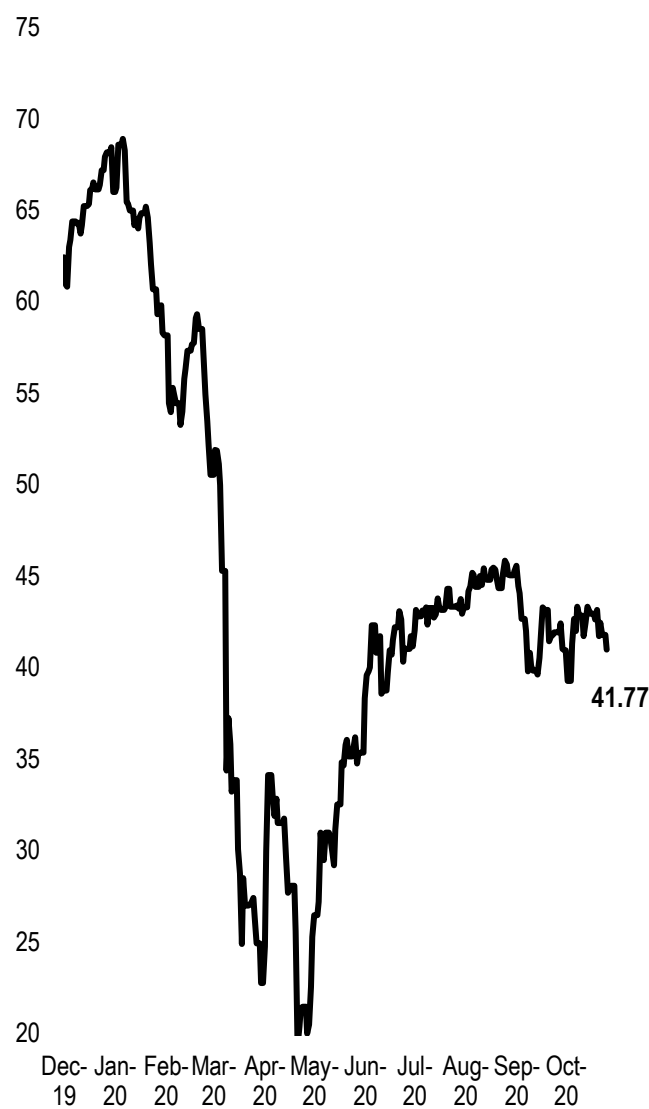
The exchange rate of the Russian rouble rose by KZT0.1146 (+2.1%) to KZT5.6096. The euro dropped by KZT2.05 (-0.4%) to KZT501.70. The Chinese yuan rose by KZT0.3847 (+0.6%) to KZ64.1547.

FX rates
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2019, %
— GBPKZT	561.36	1.20	3.70	12.27
— USDKZT	428.68	0.25	1.24	12.46
— EURKZT	507.21	1.29	2.07	18.83
— CNYKZT	64.20	1.04	2.85	17.67
— RUBKZT	5.57	1.64	0.00	-9.72

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

23.10.2020

Name	Value	Trend %			Futures 7d	Name	Price	Trend %		
		7d	1m	1y				7d	1m	1y
S&P 500	3 465,39	1,1	7,1	15,1	-0,3	Oil (Brent)	41,77	-2,0	0,0	-32,3
Dow Jones	28 335,57	0,5	5,9	5,7	-0,8	Oil (WTI)	39,85	-2,4	-0,2	-29,1
RTS	1 164,06	2,5	-2,7	-17,7	2,7	Natural gas	2,97	6,3	39,8	28,3
MICEX	2 285,53	0,0	0,0	0,0	2,7	Copper	312,90	1,4	4,5	17,3
Hang Seng	24 918,78	1,5	5,0	-7,0	2,3	Iron	868,00	0,6	-4,5	21,1
SS CSI 300	4 718,49	-0,8	1,4	21,9	-0,7	Gold	1 902,05	-0,4	1,9	26,7
Euro Stoxx 50	3 198,86	-1,3	0,6	-11,7	-1,8	Silver	24,68	-0,1	7,2	38,6
FTSEuroFirst	3 510,50	-1,2	0,1	-18,4	-1,4	Wheat	632,75	0,9	15,3	22,6
FTSE 100	5 860,28	-0,4	-0,7	-20,0	-1,3					
KASE	2 460,38	1,2	0,2	9,6						

Economic calendar

Currency

Forecast

Previous

10/29	Change in the number of the unemployed in Germany (Oct.)	EUR	-5K	-8K
10/29	U.S. GDP (QoQ) (Q3)	USD	31.9%	-31.4%
10/29	U.S.: number of initial applications for unemployment benefits	USD	780K	787K
10/29	The decision on the ECB interest rate	EUR		0.0%
10/30	Germany's GDP (QoQ) (Q3)	EUR	7.2%	-9.7%
10/30	EU: Consumer price index (CPI) (YoY) (Oct.)	EUR	-0.3%	-0.3%
10/31	China ISM Services Index (Manufacturing PMI) (Oct.)	CNY	51.2	51.5

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

S&P Global

BBB- stable

09/10/18

BBB- stable

MOODY'S

Baa3 stable

07/26/17

Baa3 stable

FitchRatings

BBB stable

09/28/18

BBB stable

CONTACT INFORMATION



Address: Republic of Kazakhstan, 050040, Almaty, Baizakov St., 280, Business Center "Almaty Towers"

Tel.: 8 (727) 237 53 00



Corporate website



Contact us



Corporate Events Calendar of KASE listed Companies

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