

# KAZAKHSTAN STOCK EXCHANGE

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**Approved**

by Kazakhstan Stock Exchange  
Management Board decision

(protocol No. 395 of November 10, 2010)

**Effective from**

November 11, 2010

## **NOTICE**

The Specification below in English has been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the Specification original version in Russian, the latter prevails.

# S P E C I F I C A T I O N OF KASE INDEX FUTURES

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Almaty

2010

## LIST OF AMENDMENTS

**1. Amendments and additions No. 1:**

- approved by Kazakhstan Stock Exchange Management Board decision of December 2, 2010 No. 444;
- effective from December 3, 2010.

**2. Addition and Amendment No. 2:**

- approved by Kazakhstan Stock Exchange Management Board decision (minutes No. 20, of January 31, 2012);
- effective from February 1, 2012.

**SPECIFICATION OF KASE INDEX FUTURES**

Instrument:	futures contract
Type:	futures
Basic asset:	KASE Index
Number of a basic asset in futures contract:	KASE Index one value
Price:	number KASE Index points that make up KASE Index accurate within the first decimal
Cost per point:	KZT50
Date of satisfaction:	15th date of a satisfaction month <sup>1</sup>
Term of satisfaction <sup>2</sup> :	1) three months – for a three month futures; 2) six months – for a six month futures

Theoretical price  
*(this line is included by the Exchange Management Board decision of January 31, 2012)*

$$F_{\text{index}} = S_{\text{index}} \cdot \left(1 + \frac{r_{\text{kzt}}}{100} \cdot \frac{T}{360}\right) - \sum_j D_j \cdot \left(1 + \frac{r_{\text{kzt}}}{100} \cdot \frac{T_j}{360}\right), \text{ where:}$$

- $F_{\text{index}}$  - theoretical price of KASE Index futures;
- $S_{\text{index}}$  - weighted average price of KASE Index value on volume of deals as of 15.30 Almaty time (on case of no deals, the last KASE Index value on the previous trading day);
- $r_{\text{kzt}}$  - Kazakhstan inter-bank deposits market KazPrime – 3 months in percentage;
- $T$  - number of calendar days from the current date till the date of a corresponding futures satisfaction (actual/360);
- $\sum_j$  - amount on all shares, included to KASE Index;
- $D_j$  - absolute change of KASE Index at supposed payment of dividends on KASE index j-share;
- $T_j$  - number of days from the planned date of dividends payment on KASE Index j-share till the date of a corresponding futures satisfaction (actual/360).

Final settlement price  
*(this line was changed by the Exchange* KASE Index weighted average value on deals volume<sup>3</sup>,  
calculated by the following formula:

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<sup>1</sup> The month of satisfaction is one of the months that fall on the quarter end: March, June, September, and December.  
If 15th date of a satisfaction month falls on a holiday or weekend, then the day of satisfaction shall be considered the nearest after it working day, when futures contracts are traded.

<sup>2</sup> The term of satisfaction of futures contracts series makes up specified in this Specification number of months, excluding exchange trades initial period, when opening futures contracts with the shorter satisfaction term is allowed.  
On a three month futures contracts satisfaction day, previously opened six month futures contracts series turn into three month futures contracts series.  
On futures contracts satisfaction day begin trades in three and six month futures contracts that were not traded before.

<sup>3</sup> When defining a futures contract final settlement price shall be considered only parameters of satisfied deals made in the KASE trading system in shares from the KASE Index representative list by one of the

## Specification of KASE Index Futures

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Management Board decision of  
December 2, 2010)

$$SP_{\text{index}} = \frac{\sum_{i=1}^n (V_i' * \text{Index}_i)}{\sum_{i=1}^n V_i'}, \text{ where:}$$

<p>Satisfaction:</p> <p>Exchange trades last day:</p> <p>Tick:</p> <p>Tick cost estimate</p> <p>Maintenance margin rate:</p> <p>Term of net liability satisfaction to the Exchange:</p>	<p>SP<sub>index</sub> – final settlement price on KASE Index Futures;</p> <p>n – number of deals;</p> <p>V<sub>i</sub>' – limited volume in tenge of an i-oй deal<sup>4</sup>;</p> <p>Index<sub>i</sub> – KASE Index value, calculated as a result of an i deal making</p> <p>without a basic asset delivery with payment/receipt of an equivalent in tenge of a difference between a futures contract making price (in case of deals absence during a term of satisfaction) or a settlement price defined during the last market adjustment and the final settlement price</p> <p>the last working day, preceding this contract satisfaction day</p> <p>0.1</p> <p>KZT5</p> <p>80 % from liability initial margin</p> <p>before 10.00 a.m. of a working day following the day, by results of which occurred net liabilities</p>
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open trades methods on the last day of exchange trades for this futures contract (*this footnote was included by the Exchange Management Board decision of December 2, 2010*).

<sup>4</sup> Calculated by formula:

$$V_i' = \min\{V_i; Ave + 1.65 * Stdev\}, \text{ where:}$$

- V<sub>i</sub>' – limited volume in tenge of an i deal;
- V<sub>i</sub> – volume in tenge of an i deal, parameters of which are taken into account at calculation;
- Ave – weighted average volume in tenge on all deals, parameters of which are taken into account at calculation;
- Stdev – standard deviation on deals volume array, parameters of which are taken into account at calculation;
- 1.65 – normal distribution quantile that complies with 95% confidence level.

(*This footnote was included by the Exchange Management Board decision of December 2, 2010*).