

## PRESS RELEASE

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### KASE presents results of the exchange market's operations in July 2020

Kazakhstan Stock Exchange (KASE, the Exchange) informs you about the main results of operations in July 2020.

- The total amount of trading on KASE made up KZT8,581.2 bn in July, decreasing by 26.8 %, or KZT3,142.3 bn, compared with June.
- The value of KASE Index increased by 4.4 %, or 102.60 points, to 2,445.81 points.
- The equity market's capitalization increased by 1.5 %, or KZT259.4 bn, to KZT17.5 trln in July.
- The volume of traded corporate debt increased by 1.2 %, or KZT159.6 bn to KZT13.7 trln.
- In July 2020, one issue of corporate bonds and global depositary receipts, the underlying asset of which are common shares of Halyk Savings Bank of Kazakhstan JSC, were included in the Exchange's official list.
- As of August 1, 2020 KASE's trading lists featured securities of 441 titles of 181 issuers.
- As of August 1, 2020 there were 123,278 personal accounts opened at the Central Depository by individuals, which is by 925 accounts more than a month before, and by 5,583 accounts more than at the beginning of 2020.

### KEY PROJECTS AND EVENTS

In July 2020 KASE implemented the following events and projects:

- In July, KASE completed work on commissioning of the second release of the trading and clearing system ASTS+ of the stock market. Since August 3, 2020, trades in all financial instruments of the stock market are held in the new system, and from that date, KASE acts as the central counterparty in the stock market for all transactions in all securities, except for repo transactions with a number of financial instruments, settlements for which are carried out on gross basis – for each particular deal.
- On July 24, 2020, KASE took part in an online meeting to discuss growth opportunities for exchange markets, organized by the Shanghai Stock Exchange (SSE) and the Shanghai International Center for Communication and Cooperation between Exchanges (SICCCE). The meeting was attended by representatives of 16 stock exchanges.
- On July 15, 2020, within the framework of the Issuer Day project, KASE held an online meeting with the management of Kazakhtelecom JSC for investors, professional participants in the securities market and media representatives.
- KASE held webinars "How to trade on the stock market" for students, undergraduates and university teachers: on July 10, 2020 for the Kazakh-British Technical University and on July 24, 2020 for KIMEP University and Satbayev University.

### EQUITY MARKET

According to results of July, the capitalization of the equity market increased by 1.5 % or KZT259.4 bn and amounted to KZT17.5 trln (USD42.1 bn).

As of the end of July, shares of 138 denominations of 122 issuers were in KASE's trading lists, of which three issues were admitted to circulation in the sector "unlisted securities". No new shares were included in the official list.

The volume of trading in shares in July compared to June 2020 decreased by 34.7 %, or by KZT6.0 bn. to KZT11.3 bn. The average daily volume of trades amounted to KZT536.9 mln, the average daily number of deals was 815, the average volume of one deal – KZT658.8 th.

In the reporting month, in the primary equity market sector BAST JSC placed 115,211 common shares in the amount of KZT1.4 bn at a price of KZT12,000 per share. In terms of main investor categories, legal entities accounted for 76.9 %, individuals – for 23.1 %.

The volume of the secondary market in July amounted to KZT9.9 bn, which is by 37.8 %, or KZT6 bn, less than in June.

Among the main categories of investors in the secondary market, individuals were the most active, with their accounts accounting for 55.7 % of the total volume of shares transactions. The share of brokers and dealers amounted to 10.4 %, the share of other institutional investors – for 11.5 %, the share of other legal entities reached 22.0 %. Second-tier banks (STB) accounted for 0.4 %. The participation of non-residents is estimated at 4.2 %.

## KASE INDEX

According to the results of July, KASE index grew by 4.4 %, or by 102.60 points, to 2,445.81 points (maximum value in 2020, the maximum value since April 16, 2019). Since the beginning of the year, the indicator has changed by +3.5 %. The volume of transactions in index shares in July amounted to KZT7.5 bn, which is by 33.9 % less than in June.

### Change in prices of stocks from KASE Index universe

Issuer	Ticker	Price change		
		as of 01.07.2020	as of 01.08.2020	in July
KAZ Minerals PLC	GB_KZMS	2,320.00,	2,913.99,	+25.6%
National atomic company "Kazatomprom" JSC	KZAP	5,634.98	6,019.00	+6.8%
Kazakhtelecom JSC	KZTK	25,300.00	26,990.00	+6.7%
KazTransOil JSC	KZTO	791.04	814.87	+3.0%
Kcell JSC	KCEL	2,505.03	2,529.99	+1.0%
Bank CenterCredit JSC	CCBN	230.00	230.00	0.0%
KEGOC JSC	KEGC	1,726.95	1,710.00	-1.0%
Halyk Savings Bank of Kazakhstan JSC	HSBK	128.43	116.78	-9.1%

The main driver of KASE Index's growth were common shares of KAZ Minerals PLC, which in the reporting month rose in price by 25.6 % to KZT2,913.99. The value of the issuer's shares on the London Stock Exchange (LSE) for the reporting period increased by 9.0% to 545.00 British pence. The main triggers for the growth of the stocks were the recovery of copper quotes in the commodity markets and the reduction in metal production due to the deterioration of the situation with COVID-19 in large exporting countries, as well as the achievement of all-time highs by gold quotes against the backdrop of demand for safe-haven assets. In addition, the economy of the People's Republic of China, which is the main consumer of copper in the world, recovered much faster than analysts expected, which also served as a driver for the growth of copper quotes.

The second best result in July was shown by common shares of National Atomic Company "Kazatomprom" JSC, the price of which increased by 6.8 % to KZT6,019.00. The company's GDRs on the London Stock Exchange for the reporting period increased by 5.4 % to \$14.60. The main growth drivers for the company's shares were probably the increase in the value of uranium since the beginning of the year amid a decrease in its global production. In addition, the more active upward

movement of quotations could be influenced by positive assessments in publications of regional analysts.

The greatest decrease in prices among shares of KASE index in July was demonstrated by common shares of Halyk Savings Bank of Kazakhstan JSC, which dropped in price by 9.1 % over the month to KZT116.78. For almost the entire month, the share price was in a "sideways trend", with the peak of the decline falling on July 17-22 and ending after the announcement on July 23 of the decision of the general meeting of the bank's shareholders on payment of dividends on common shares at KZT17.08 per common share (the dividend for 2018 was KZT10.78 per share). It is also worth noting that this year the bank's common shares occupy a leading position in terms of the number of deals made among all shares traded on KASE; in February of this year, the value of shares reached historic maximum values.

## CORPORATE BOND MARKET

The volume of outstanding corporate debt in July increased by 1.2 %, or KZT159.6 bn, reaching KZT13.7 trln (USD32.9 bn).

At the end of July, 261 issues of corporate bonds of 72 issuers were in KASE's official list. In the reporting month, one issue of corporate bonds was included in KASE's official list: the issue of Agrarian Credit Corporation JSC.

In the reporting month four issues of corporate bonds were excluded from the official list due to the expiration of the circulation period: RG Brands JSC, Samruk-Kazyna Construction JSC, ARLAN WAGONS LLP and Mortgage Organization "Kazakhstan Mortgage Company" JSC.

The value of the yield index of corporate bonds KASE\_BMY decreased in July by 7 basis points to 10.92 % per annum.

The volume of trades in corporate bonds on KASE decreased relative to June by 55.8 %, or KZT138.8 bn, to KZT109.7 bn. A decrease in trading volumes was observed only in the primary market.

The average daily volume of trades in corporate bonds amounted to KZT5.2 bn, the average daily number of transactions – 7, the average volume of one deal – KZT703.4 mln.

Seven issues of bonds of six issuers for a total of KZT97.3 bn were placed on the primary corporate bond market, which is 59.9 %, or KZT145.1 bn, less than in June.

- Kazakhstan Stability Fund JSC raised KZT28.3 bn by placing bonds KZ2C00006476 (BASPb7) and KZ2C00006484 (BASPb8) with an average weighted yield to maturity of 11.21 % and 11.13 % per annum, respectively;
- Agrarian Credit Corporation JSC raised KZT10.0 bn., having placed bonds KZ2C00006849 (AGKKb13) with an average weighted yield to maturity of 10.75 % per annum;
- KazAgroFinance JSC raised KZT8.6 bn by placing bonds KZ2C00006781 (KAFIb10);
- TechnoLeasing LLP raised KZT122.9 mln by placing bonds KZ2P00006299 (THLZb1) with a yield of 18.00 % per annum;
- Wholesale and retail trade venture JSC raised KZT322.0 mln by placing bonds KZ2C00004539 (ORPTb1) with a yield to maturity of 10.4993 % per annum;
- Development Bank of Kazakhstan JSC raised KZT50.0 bn by placing five-year bonds KZ2C00006864 (BRKZb19) at 11.80 % per annum.

In terms of main investors on the primary corporate bond market, the share of STB made 56.3 %, brokers and dealers accounted for 5.2 %. Other institutional investors accounted for 33.3 %, other legal entities – for 5.2 %. Non-residents' share was 4.0 %.

In the secondary bond market in July, the volume of trades rose 2 times, or by KZT6.3 bn to KZT12.4 bn in comparison with June.

In terms of main investors on the secondary corporate bond market, the share of STB made 17.3 %, brokers and dealers accounted for 32.8 %, other institutional investors – for 29.0 %, other legal entities – for 16.2 %, individuals – for 3.8 %. Non-residents' share was 14.1 %.

## GOVERNMENT SECURITIES (GS) MARKET

The face value of government debt traded on KASE according to results of July decreased by 0.5 %, or KZT70.0 bn, to KZT15.1 trln (USD36.2 bn).

In July, the volume of trades on the government securities market increased by 11.6 %, or by KZT66.9 bn, to KZT645.2 bn. The average daily trading volume was at the level of KZT30.7 bn (in the secondary market – KZT8.6 bn), the average daily number of transactions – 16 (in the secondary market – 9), the average volume of one transaction – KZT2.0 bn (the average volume of one deal on the secondary market – KZT951.8 mln).

The volume of the primary market amounted to KZT465.3 bn, which is by 11.5 % less than in June. Of these, KZT14.9 bn were raised by akimdiks of four regions, Almaty and Shymkent, in order to finance housing construction as part of the implementation of state and government programs. The Ministry of Finance raised KZT450.4 bn, which is by 43.9 % higher than in June. In total, seven bond issues were placed in July with an average weighted yield of 10.52–10.79 % per annum. STBs acted as buyers, their share was 31.2%, other institutional investors with a share of 64 %, other legal entities, whose share exceeded 4%, and brokers and dealers with a share of less than 0.4 %. The share of non-residents in the primary market was 2.4 %.

The volume of trades in the secondary market increased 3.4 times, or by KZT127.4 bn to KZT179.9 bn. 82.7%, or KZT148.8 bn, of the total turnover of trades in the secondary market fell on deals with MEKAM, 17.2 %, or KZT30.9 bn – on the notes of the National Bank. The volume of transactions with government securities of foreign countries amounted to KZT102.2 mln.

In the structure of investors in the secondary market, STBs accounted for 23.9 %, brokers and dealers for – 0.4 %, the largest share – 68.8 % fell on other institutional investors, 6.9 % was the share of other legal entities, participation of individuals did not exceed 1 %. The participation of non-residents is estimated at 1.6 %.

## IFI BONDS

As of the end of the reporting period, KASE's trading lists included 28 bond issues of four international financial institutions: Eurasian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation (IFC) and Asian Development Bank.

During July, no new IFI securities were included.

On the secondary market, 3 deals were made in the amount of KZT664.3 mln.

## UNITS OF INVESTMENT FUNDS

As of August 1, the sector "securities of investment funds" featured 11 instruments managed by eight companies.

In the month under review, the trading amount made up KZT643.6 mln, increasing 2.7 times, or by KZT404 mln, on June.

Instrument	Volume, mln KZT	Number of deals
FFIN_or	557.0	6
CSECgm	45.6	4
CSECfe	23.0	4
US_SPY_	11.5	44
IE_FXBF	6.0	49
US_BIL_	0.5	2
	<b>643.6</b>	<b>109</b>

In terms of main investor categories, 49.3 % are individuals, 1.1 % are broker-dealers, and 49.6 % are other legal entities.

BCC Invest JSC, a subsidiary of Bank CenterCredit JSC, announced the payment of dividends to holders of units KZPF00000058 (BCCI\_cc) of IUIT "CenterCredit-Valyutny" for April–June 2020. According to the information provided, the amount of payment made up USD714,359.65, the record date for the payment of dividends is June 30, 2020.

Freedom Finance JSC (Almaty), which is the management company of the interval unit investment trust "Fixed Income", whose shares are in the official list of Kazakhstan Stock Exchange (KASE), notified KASE of payment on July 10, 2020 of dividends to holders of units KZPF00000082 (FFIN\_or) for the second quarter of 2020. According to the information provided, the amount of payment was KZT7,096,147.96, the record date was June 30, 2020.

### INDIVIDUAL ACCOUNTS ON THE STOCK MARKET

As of August 1, 2020 the Central Depository maintained 123,278 personal accounts, opened for individuals, which is by 295 accounts more than a month before, and by 5,583 accounts more than at the beginning of 2020.

### FOREX MARKET

In July 2020, 30 members of KASE took part in the trades on the foreign currency market on KASE.

The volume of trades in the foreign currency market in July amounted to KZT869.2 bn, which is up by 0.9 %, or KZT7.5 bn on the previous month. The average daily volume of trades in July amounted to KZT41.4 bn, the average daily number of transactions – 461, the average volume of one transaction – KZT89.8 mln. For comparison, the average daily trading volume in June 2020 made up KZT39.2 bn, the average daily number of transactions – 445, the average volume of one transaction – KZT88.1 mln.

The table below provides main characteristics of currency pairs traded on KASE (in the brackets: the change of the indicator on the previous month, the rate change reflects the nominal change of the weighted average market exchange rate of the foreign currency against the tenge).

Pair	Amount, mln currency units	Weight in the trading amount, %	Number of deals	Min. and max. rates, qty. of the quoted currency per base currency unit	Rate at the end of period (chg.%)
USD/KZT	2,067.35 (-1.3 %)	98.0 % (+0.3%)	9,476 (-38)	405.66 – 418.00	418.00 (+3.5%)
RUB/KZT	303.50 (-14.4 %)	0.2 % (0%)	90 (+8)	5.6845 – 5.8318	5.7319 (-0.5 %)
CNY/KZT	238.36 (-14.2 %)	1.6 % (-0.2%)	30 (-72)	57.1705 – 59.7200	59.72 (+4.5%)
EUR/KZT	2.67 (-25.9 %)	0.1 % (0%)	99 (-5)	453.75 – 490.30	490.30 (+8.1%)

The tenge finished July strengthening its positions in relation to the Russian currency only, and showed weakening to the other foreign currencies, traded on KASE floor. Over the current month, the tenge has depreciated against the US dollar by 3.5 % from KZT403.93 to KZT418.00. Since the beginning of the year, the tenge has depreciated against the US dollar by 9.3 % from KZT382.59 to KZT418.00. In relation to the peak value in early April, equal to KZT448.52 per dollar, the tenge strengthened by 6.8% by the end of the reporting month.

Among the CIS countries, the least weakening against the US dollar in July was demonstrated by the Kyrgyz som (+3.2 %), the Kazakh tenge (+3.5 %) and the Russian ruble (+ 4.1 %).

### MONEY MARKET

By the end of July, the TONIA indicator (the weighted average interest rate on repo opening deals with a "GS basket" for one business day) increased by 16 b.p. from 8.25 % to 8.41 % per annum compared with June.

The value of the TWINA indicator (the weighted average interest rate on repo opening deals with a "GS basket" for seven working days) showed an increase of 28 b.p. from 9.19 % per annum to 9.47 % per annum.

The value of the one-day dollar swap SWAP-1D (USD) at the end of July reached 8.11 % per annum and increased by 52 b.p. The yield on the two-day swap SWAP-2D (USD) increased by 30 b.p. up to 8.76 % per annum.

The MM\_Index composite money market indicator, which is the average value of the yield of USD/KZT currency swaps and automatic repo transactions with GS, opened for one business day, weighted through the volume of transactions, increased by 19 b.p. to 8.38 % per annum by the end of July.

By the end of July, index KazPrime-3M (KZT) decreased by 100 b.p. from 11.5 % to 10.5 % compared to June.

### REPO transactions market

The volume of trades in this segment amounted to KZT6,307.2 bn, which is lower than the figure of the previous month (in June the volume of repo transactions amounted to KZT9,416.4 bn) by KZT3,109.2 bn, or 33%. The average daily volume of transactions amounted to KZT300.3 bn, the average daily number of transactions – 502, the average volume of one transaction – KZT598.6 mln.

95.94 % of the total volume of repo opening deals fell on deals with a basket of GS. Repo transactions for a period of one day remain the most popular instrument in the auto repo market with the GS basket, the share of transactions with it in the total trading volume on the auto repo market with the GS basket was 89.1 %.

### Currency swap transactions market

The volume of trades in July on the currency swap transaction market increased by KZT36.4 bn, or 6.1 %, from KZT601.0 bn to KZT637.4 bn. All currency swap transactions in July were concluded in US dollar.

The average daily volume of transactions amounted to KZT30.4 bn, the average daily number of transactions – 10, the average volume of one transaction – KZT3 bn. In terms of instruments, 65.4 % of the total trading volume (KZT417.1 bn, or USD1 bn) in the currency swap market fell on transactions with the one-day currency swap (USDKZT\_0\_001), 31.4% of the total trading volume (KZT199.8 bn, or USD0.5 bn) in the currency swap market were made up by transactions with the two-day currency swap (USDKZT\_0\_002), 3.2 % of the total trading volume (KZT20.5 bn, or USD0.05 bn) – by transactions with the one-month currency swap (USDKZT\_01M).

### Derivatives market

In the sector of the exchange market there are futures, the underlying assets of which are the US dollar, KASE Index and particular shares. By the beginning of August, there were no open positions of traders on the derivatives market.

### For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the sixth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the repo market – repo and swap, as well as derivatives, it possesses modern technologies and provides a full range of trade and post-trade services in accordance with accepted international standards.

KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

KASE actively contributes to the economic growth of Kazakhstan by providing a transparent investment environment for local and foreign participants.

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