

PRESS RELEASE

city of Almaty

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KASE presents the exchange market's performance in January 2023

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) informs about the main results of activities in January 2023:

- The total volume of trading on KASE in January 2023 amounted to 23.7 trln tenge having decreased by 9.2 %, or 2.4 trln tenge, compared to December.
- Based on January results, the value of KASE Index increased by 1.5 % and totaled 3,299.91 points.
- Based on January results, the equity market's capitalization increased by 2.5 % to 21.7 trln tenge, the volume of traded corporate debt decreased by 0.3 % to 14.4 trln tenge.
- As of February 1, 2023, corporate securities of 579 names of 228 issuers were listed on KASE.
- As of February 1, 2023, the Central Securities Depository operated 578,673 personal sub-accounts opened for 545,431 individuals. Based on January results, individuals registered 38,972 new personal sub-accounts

KEY PROJECTS AND EVENTS

In January of this year, KASE hosted the first "Green bond competition" for companies and local executive bodies planning to secure funding by issuing "green" bonds.

In addition, in the reporting month, the Exchange held a round table with representatives of the Union of Industrialists and Entrepreneurs "El Tiregi" called "Raising funds on KASE". At the online meeting, the Exchange's employees spoke about KASE, the Exchange's fundraising instruments, the SME financing program and listing on KASE.

EQUITY MARKET

At the end of January 2023, capitalization of the equity market amounted to 21.7 trln tenge (47.2 bn USD), which is by 524.0 bn tenge, or 2.5 %, more than in the previous month. The main share of the growth fell on the capitalization of NAC Kazatomprom JSC, National company "KazMunayGas" JSC and Kaspi.kz JSC due to an increase in the price of their shares.

As of the end of January, shares of 113 names of 99 issuers were listed on KASE, of which shares of four names of four issuers were admitted to circulation in the "Unlisted securities" sector. In January common shares of Kazburgaz JSC were excluded from KASE official list on the issuer's initiative.

The volume of trading in shares amounted to 19.0 bn tenge in January, having decreased by 90.4 %, or 179.3 bn tenge, relative to December.

In the reporting month, as part of the subscription, AMF Group JSC issued 561,678 common shares at a price of KZT258.00 per share for a total of KZT144.9 mln.

In the secondary market, the trading volume amounted to 18.9 bn tenge. The average daily trading volume was KZT944.0 mln, the average daily number of deals – 2,990, the average volume of one deal – KZT315.7 th.

Among the main categories of investors, individuals accounted for 48.2 % of the total volume of transactions with shares, banks – for 2.4 %, broker-dealer organizations – for 7.7 %, other institutional investors – for 2.7 %, other legal entities – for 38.9 %. The share of non-residents was 32.9 %.

KASE INDEX

The value of KASE Index increased by 1.5 % in January and by the end of the month reached 3,299.91 points. The maximum value was recorded on January 25 – 3,334.03 points.

Since February 3, 2023, ordinary shares of National company "KazMunayGas" JSC have been included in the calculation of KASE Index. Securities of National company "KazMunayGas" JSC closed January with a growth of 1 %.

The volume of transactions with index shares in January 2023 amounted to 3.3 bn tenge, which is by 616 mln tenge more than in December 2022. The largest trading volume fell on common shares of Kcell JSC – KZT1,247.7 mln (38.0 % of the total trading volume with index shares).

Issuer	Ticker	Price, tenge per share			Trading volume, mln tenge		
		as of 01.02.23	as of 01.01.23	Δ, %	January	December	Δ
NAC Kazatomprom JSC	KZAP	14,214.64	12,874.00	+10.4	828.3	474.1	+354.2
Kazakhtelecom JSC	KZTK	29,190.00	28,362.32	+2.9	339.7	324.9	+14.9
Kcell JSC	KCEL	1,750.00	1,725.00	+1.4	1,247.7	444.0	+803.7
Kaspi.kz JSC	KSPI	33,557.22	33,196.5	+1.1	125.3	119.4	+5.9
KEGOC JSC	KEGC	1,622.00	1,620.02	+0.1	43.7	291.2	-247.5
Bank CenterCredit JSC	CCBN	634.69	640.00	-0.8	83.5	181.2	-97.7
Halyk Savings Bank of Kazakhstan JSC	HSBK	122.95	126.47	-2.8	488.3	537.2	-49.0
KazTransOil JSC	KZTO	710.00	734.00	-3.3	127.8	296.0	-168.2

Common shares of NAC Kazatomprom grew by 10.4 % in January. From the beginning of the year until January 25, the share price consistently grew on positive corporate news: on January 5, the company announced the affirmation of its international ratings by Fitch and Moody's at BBB-Stable and Baa2 Stable, respectively. The company also announced the extension by the Ministry of Energy of subsoil use contracts for two subsidiaries and the completion by 2025 of the investment stage of a joint project with the Canadian uranium company Cameco.

Since January 27, after the announcement of production results for 2022, the share price began to correct downwards. Based on results of the year, the company's output decreased by 3 % to 21.2 th. tons, sales decreased by 1 % to 16.4 th. tons, while the average selling price increased by 31 % to \$43.46 per ounce of uranium. In 2023, the company plans to keep production at the level of 20.5-21.5 th. tons and at the same time reduce sales to 15.4-15.9 th. tons.

Shares of Kazakhtelecom JSC and Kcell JSC are on the second and third places according to the results of the month with the results of +2.9 % and +1.4 % respectively. On January 11, Kazakhtelecom JSC announced that it plans to resume work on laying fiber-optic communication along the bed of the Caspian Sea together with AzerTelecom and complete the work within one and a half to two years.

Of the index representatives of the financial sector, only common shares of Kaspi.kz JSC, which added 1.1 %, were able to end the month in the green zone. In the middle of the month, Mikhail Lomtadze increased his stake in the fintech giant from 23.42 % to 24.55 %, and buybacks of GDRs on the London Stock Exchange also continue: according to reports posted on the Exchange's website, 187,173 GDRs worth 13.7 mln USD were repurchased in January. The Group will announce corporate results on 27 February.

Shares of KazTransOil JSC finished the month with the biggest decline, having lost 3.3 % in price. On January 13, confirmation was received from the Ministry of Energy of the Russian Federation for the transportation in the first quarter of 2023 of 300 th. tons of Kazakh oil through the system of main oil pipelines of Transneft PJSC in the direction of the Adamova Zastava oil delivery point for further delivery to Germany. On January 26, KazTransOil JSC announced production results for 2022. The volume of

oil transportation through the system of main oil pipelines decreased by 1.4 % to 40.7 mln tons, while the volume of supplies to the refineries of the Republic of Kazakhstan and the consolidated cargo turnover increased by 5.5 % and 0.5 %, respectively.

SECTOR KASE GLOBAL

As of the end of January there were shares of 46 titles and six ETFs of foreign issuers in the KASE sector Global.

During the reporting month 4,520 deals were made in the KASE Global sector for a total of KZT2.0 bn. Relative to December, the trading volume increased by 16.8 %, or KZT287.3 mln. The average daily trading volume was KZT100.0 mln, the average daily number of deals – 226, the average volume of one deal – KZT442.7 th.

At the end of the month, the largest volume of transactions fell on the following shares:

- Apple Inc. (AAPL_KZ) – 541 deals for a total of KZT449.4 mln;
- Intel Corporation (INTC_KZ) – 535 deals for a total of KZT201.0 mln;
- Advanced Micro Devices, Inc. (AMD_KZ) – 272 deals for a total of KZT177.3 mln.

In terms of the main categories of investors, 52.1 % were individuals, 17.7 % - broker-dealers, 30.2 % - other legal entities. The share of non-residents was 3.0 %.

CORPORATE BONDS

The volume of outstanding corporate debt decreased by 0.3 %, or 42.0 bn tenge, to 14.4 trln tenge (31.3 bn USD) in January 2023.

As of the end of January 2023, corporate bonds of 342 issues of 82 issuers were on KASE official list. In January, one issue of bonds of MFO Credit Time LLP was included in KASE official list. Five issues of bonds were excluded from KASE official list in January: one issue each of Kazakhstan Sustainability Fund JSC, KazAgroFinance and Kaspi Bank JSC due to the expiration of the circulation period and one issue of National Company "Kazakhstan Engineering" JSC – at the issuer's initiative.

The yield index of corporate bonds KASE_BMY increased by 19 b.p. in January and at the end of the month amounted to 12.85 % per annum.

The volume of trading in corporate bonds on KASE decreased compared to December 2022 by 66.3 %, or 362.8 bn tenge, to 184.3 bn tenge. The average daily trading volume was 9.2 bn tenge (in the secondary market – 1.9 bn tenge), the average daily number of transactions - 108 transactions (in the secondary market – 107 transactions), the average volume of one transaction – 85.5 mln tenge (in the secondary market – 18.1 mln tenge).

In January 2023, the volume of the primary corporate bond market for amounted to 145.7 bn tenge, which is by 64.4 %, or 263.6 bn tenge, lower than in December. Three issues were placed in the reporting month – Kazakhstan Sustainability Fund JSC raised 43.9 bn tenge by placing bonds with an average weighted yield to maturity of 18.12-18.53 % per annum and with a maturity of three to seven years.

In terms of the main categories of investors in the primary corporate bond market, the share of broker-dealers was 0.3 %, that of other institutional investors - 75.7 %, other legal entities - 24.1 %. Non-residents did not take part in the primary corporate bond market.

The volume of trading in the secondary bond market compared to December 2022 decreased by 72.0 %, or 99.3 bn tenge, to 38.6 bn tenge.

In terms of the main categories of investors in the secondary corporate bond market, the share of brokerage and dealer organizations was 4.2 %, that of other institutional investors – 33.9 %, that of other legal entities – 59.8 %, the share of individuals – 2.2 %. The share of non-residents was 21.8 %.

GOVERNMENT SECURITIES (GS)

The amount of government debt at par value traded on KASE amounted to 21.7 trln tenge (47.2 bn USD), having increased by 0.9 %, or 188.5 bn tenge, since the beginning of the year.

The total volume of trades in GS on KASE amounted to KZT515.6 bn having decreased by 22.8 %, or KZT152.7 bn, compared to December last year. At the end of January 2023, the average daily trading volume amounted to 25.8 bn tenge (in the secondary market – 3.3 bn tenge), the average daily number of transactions was 17 (in the secondary market – 11), the average volume of one transaction was 1.6 bn tenge (in the secondary market – 0.3 bn tenge).

The volume of trades in the primary GS market decreased by 21.8 %, or 125.4 bn tenge, to 449.6 bn tenge. The entire volume fell on the placement of treasury obligations of the Ministry of Finance of the Republic of Kazakhstan. A total of 12 bond issues were placed with an average weighted yield of 11.50-16.70 % per annum (at 11.50-17.00 % per annum), placing bonds with a maturity of one to 25 years.

In terms of the main categories of investors in the primary market, the share of banks accounted for 66.5 %, the share of brokers – for 2.6 %, the share of other institutional investors – for 20.3 %, the share of other legal entities – for 10.5 %, the share of individuals – for 0.1 %. The share of non-residents in the primary GS market was less than 0.1 %.

The volume of trading in the secondary market decreased by 29.3 %, or 27.3 bn tenge, to 66.0 bn tenge. The share of trading in the notes of the National Bank in the secondary market amounted to 54.9 %, or 36.3 bn tenge, of the total trading volume, the share of MEKAM – 43.7 %, or 28.9 bn tenge, the share of Eurobonds of the Republic of Kazakhstan – 0.2 %, or 150.9 mln tenge. The rest of the volume, amounting to 1.1 %, or KZT745.9 mln, fell on deals with government securities of foreign states (bonds of the US Department of the Treasury, the Ministries of Finance of Turkey and Austria).

In terms of the main categories of investors in the secondary market, the share of banks accounted for 27.6 %, the share of broker-dealers – for 1.7 %, the share of other institutional investors – for 4.4 %, the share of other legal entities – for 65.7 %, the share of individuals – for 0.6 %. Participation of non-residents is estimated at 10.7 %.

BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS (IFOs)

As of the end of January 2023, bonds of 40 issues of four international financial institutions were listed on KASE: the Eurasian Development Bank, the European Bank for Reconstruction and Development, the Eurasian Development Bank, the International Finance Corporation and the Asian Development Bank.

In January 2023, one issue of green bonds of the Asian Development Bank was included in KASE official list. In January, one issue of bonds of the Asian Development Bank was excluded from the sector "Securities of international financial organizations" due to the expiration of the circulation period.

In January, the volume of trades in bonds of international financial organizations increased by 67.0 %, or KZT3.7 bn, compared to the previous month and amounted to KZT9.1 bn. The average daily trading volume amounted to KZT456.8 mln (on the secondary market – KZT11.8 mln), the average daily number of deals – one deal, the average volume of one deal – KZT365.4 mln (on the secondary market – KZT11.8 mln).

In the primary market of the sector of bonds of international financial organizations, one issue of the Asian Development Bank was placed for a total of 8.9 bn tenge at 16.65 % per annum.

In terms of the main categories of investors in the primary market, the share of banks amounted to 50.6 %, the share of institutional investors – to 49.4 %. Non-residents did not participate in the primary MFO market.

In January 2023, the volume of trading on the secondary market decreased by 95.7 %, or 5.2 bn tenge, compared to December 2022 and amounted to 235.4 mln tenge.

In terms of the main categories of investors in the secondary market for bonds of international financial organizations, the entire volume fell on the accounts of legal entities.

SECURITIES OF INVESTMENT FUNDS

As of February 1, 2023, there were 21 instruments of unit investment trusts managed by six management companies and six ETFs in the "Securities of investment funds" sector.

In the reporting month, the trading volume amounted to 302.2 mln tenge and decreased by 14.2 %, or 50.1 mln tenge, relative to December 2022. In terms of the main categories of investors, 40.6 % were individuals, 11.0 % - broker-dealers, 48.4 % - other legal entities. The share of non-residents was 10.8 %.

DERIVATIVE SECURITIES

As of February 1, 2023, KASE official list included global depository receipts (GDRs) of five issues, the underlying assets of which are common shares of NAC Kazatomprom JSC, Halyk Savings Bank of Kazakhstan JSC, Kaspi.kz JSC, Kazakhtelecom JSC and ForteBank JSC.

The trading volume in January 2023 amounted to 153.2 mln tenge and decreased by 87.3 %, or 1.1 bn tenge, relative to December 2022. In terms of the main categories of investors, 33.4 % fell on broker-dealer organizations, 56.8 % - on other institutional investors, 9.7 % - on individuals. Non-residents did not participate in the trades.

ACCOUNTS OF INDIVIDUALS IN THE SECURITIES MARKET

As of February 1, 2023, the Central Securities Depository operated 578,673 personal sub-accounts opened for 545,431 individuals. Base on January results, individuals registered 38,972 new personal sub-accounts

FOREIGN CURRENCY MARKET

In January of the current year 31 members of KASE took part in trades on the foreign currencies market on KASE.

The trading volume in January on the foreign exchange market compared to December 2022 decreased by 6.2 %, or 112.8 bn tenge, to 1.7 trln tenge. The average daily trading volume decreased from 87.0 bn tenge to 85.8 bn tenge, the average daily number of deals decreased from 440 to 347, the average volume of one deal increased from 198.0 mln tenge to 247.4 mln tenge.

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

Pair	Volume, mln units of currency	Share in trading volume, %	Number of transactions	Min. and max. rates, qty. of quoted currency per unit of base currency	Course at the end of the month (change %)
USD/KZT	2,411.57 (-28.9 %)	65.0 % (-21.5 %)	5,908 (-2,009)	459.20 – 467.00	460.52 (-0.5 %)
RUB/KZT*	13,478.07 (-56.5 %)	5.2 % (-6.5 %)	692 (-398)	6.3994 – 6.8900	6.5304 (+1.9 %)
CNY/KZT	298.50 (-14.4 %)	1.2 % (-0.1 %)	133 (-40)	67.4000 – 68.9800	68.1548 (+3.2 %)
EUR/KZT*	22.28 (+56.6 %)	0.6 % (+0.3 %)	73 (+30)	492.64 – 503.65	498.03 (+1.2 %)
EUR/USD**	954.05 (x436 times)	27.9 % (+27.8 %)	128 (+120)	1.0503 – 1.0897	1.0829 (+1.9 %)

* deals were made mainly with instruments RUBKZT_TOM and EURKZT_TOM

** transactions were made with the instrument EURUSD_TOM

MONEY MARKET

The total volume of trading in the money market in January amounted to 21.2 trln tenge, having decreased relative to December by 7.1 %, or 1.6 trln tenge.

On January 13, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan decided to leave the key rate at 16.75 % per annum with an interest band of +/- 1.0 percentage points. Accordingly, the rate on standing access operations to provide liquidity was 17.75 %, and on standing access operations to withdraw liquidity – 15.75 %.

Composite indicator of the money market MM_Index, which is the weighted average of the volume of deals yield on USD/KZT currency swap transactions and auto repo transactions with government securities opened for one business day, decreased over the month by 169 b.p. from 17.85 % to 16.16 % per annum.

REPO MARKET

The total volume of repo transactions in January amounted to 17.8 trln tenge, which is by 1.4 trln tenge, or 7.2 %, less than in December. In average daily terms, the volume of transactions decreased from 911.5 bn tenge to 888.5 bn tenge, the average daily number of daily transactions increased from 1,164 to 1,229, the average volume of a transaction decreased from 783.3 mln tenge to 723.1 mln tenge.

The volume of autorepo transactions with government securities was 13.1 trln tenge, or 73.8 %, autorepo with CS – 4.6 trln tenge, or 26.2 %, nego repo GS – 130.1 mln tenge, or less than 0.1 %, nego repo CS – 3.8 bn tenge, or less than 0.1 %.

Based on January 2023 results, the TONIA indicator fell by 147 b.p. from 17.63 % to 16.16 % per annum, the value of the TRION indicator – by 133 b.p. from 17.56 % to 16.23 % per annum, the value of the TWINA indicator, which is the weighted average interest rate on repo opening deals for a period of seven business days – by 108 b.p. from 17.04 % to 15.96 % per annum.

CURRENCY SWAP OPERATIONS

The total volume of currency swap transactions in January amounted to 3.5 trln tenge, which is lower than the volume of December by 240.5 bn tenge, or 6.5 %. The average daily volume of transactions decreased from 177.1 to 173.9 bn tenge, the average daily number of daily transactions increased slightly from 24 to 25, the average volume of a transaction decreased from 7.4 bn tenge to 7.0 bn tenge.

In the instrumental structure, 36.1 % of the total volume in the currency swap market (KZT1,256.1 bn, or USD2,713.9 mln) fell on operations with the one-day currency swap (USDKZT_0_001), 63.1 % of the total trading volume in the currency swap market (2,196.0 bn tenge, or 4,747.9 mln USD) fell on transactions with the two-day currency swap (USDKZT_0_002), 0.8 % of the total trading volume on the currency swap market (26.5 bn tenge, or 4.0 bn RUB) fell on transactions with the two-day currency swap (RUBKZT_0_002).

Yield of the one-day dollar swap SWAP-1D (USD) as of the end of January amounted to 16.18 % per annum, having decreased by 244 b.p. over the month. The yield on the two-day currency swap SWAP-2D (USD) fell by 196 b.p. to 16.72 % per annum in January.

DERIVATIVES MARKET

At present, non-deliverable futures for the US dollar to tenge, Russian ruble to tenge, common shares of Halyk Savings Bank of Kazakhstan JSC, common shares of NAC Kazatomprom JSC and KASE Index are available for trading in this sector of the exchange market.

In January 2023, four transactions were concluded with futures for the exchange rate of the Russian ruble against the tenge in the amount of 6.8 bn tenge. As of February 1, open positions of trading participants in the derivatives market amounted to 1,000,000 futures.

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 fifth place 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 organizations, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. 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.

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