

PRESS RELEASE

Almaty

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KASE presents results of the exchange market operation for January 2021

Kazakhstan Stock Exchange JSC (KASE, the Exchange) informs you about the main results of operations in January 2021.

- The total volume of trades on KASE in January 2021 amounted to KZT11.3 trln and decreased by 8%, or KZT987.5 bn, relative to December 2020.
- The value of KASE Index increased by 4.6%, or by 124.34 points, to 2,799.92 points.
- Capitalization of the share market increased by 4% or KZT760.1 bn, and amounted to KZT19.8 trln.
- 2 issuers of corporate securities have passed the listing procedure.
- As of February 1, 2021, there were 473 corporate securities of 188 issuers in the KASE's trade lists.
- As of February 1, 2021, the Central Securities Depository maintained 136,685 personal accounts opened for individuals, which is by 3,824 accounts more than a month earlier and by 18,990 accounts more than at the beginning of 2020.

KEY PROJECTS AND EVENTS

In January 2021, KASE presented the KASE Mobile application for a wide range of users. The application supplements the list of information products of the Exchange and is aimed primarily at simplifying access to exchange information for retail and professional investors, and also provides an opportunity to participate in educational trading.

The application allows users to track market and reference information on most instruments traded on the Exchange – stocks, corporate and government bonds, and foreign currency. Through "KASE Mobile" one can view data on KASE market indicators, news of the Exchange and its issuers.

A feature of the "KASE Mobile" application is the structured access to information on markets "in one click", the ability to create a selected set of tools by the user for further tracking their prices on one page. The use of "KASE Mobile" is free of charge and does not require authorization.

EQUITY MARKET

Based on results of January, the capitalization of the equity market increased by 4 %, or KZT760.1 bn, and amounted to KZT19.8 trln (USD46.8 bn).

As of the end of January, shares of 139 titles of 123 issuers were in KASE's trading lists, of which three issues were admitted to circulation in the "unlisted securities" sector. In the reporting month, no new shares were included in the official list.

In January, common shares of three titles were excluded from the Exchange's trading list: Tiffany & Co (US_TIF_) – from KASE official list at the request of the admission initiator of these shares for voluntary delisting (due to exclusion from the list of the New York Stock Exchange, which is the main market, due to the takeover of the issuer of the said shares by LVMH MOET HENNESSY); "Qazaqstan Magtasy" JSC (KZMK) and National Company "Food Contract Corporation" JSC (PRKR) – from the sector "unlisted securities" due to the absence of deals within 90 days.

The volume of trading in shares in January relative to December 2020 decreased by 18.7 %, or KZT4.7 bn, to KZT20.5 bn. The average daily volume of trading amounted to KZT1.1 bn, the average daily number of deals was 1,390, the average volume of one deal was KZT817.9 thousand.

In the reporting month, in the sector of the primary equity market, BAST JSC has placed 54,546 common shares KZ1C00001015 (BAST) in the trading system for the amount of KZT600 mln. A total of 364,485 common shares were offered. The bid to ask made 15 %. In the total volume of active orders, legal entities accounted for 81.7 %, and individuals – for 18.3 %.

The volume of the secondary market in January amounted to KZT19.9 bn, which is by 21.1 % less than in December 2020.

In terms of the main investor categories, individuals accounted for 54.2 % of the total volume of deals with shares. The share of brokers and dealers amounted to 7.7 %. Other institutional investors accounted for 5.3 %, other legal entities – for 32.8 %. The participation of non-residents is estimated at 4.1 %.

KASE Index

According to the results of January, KASE index grew by 4.6 %, or 124.34 points, to 2,799.92 points. The volume of deals with index shares in January (except for specialized trades on the purchase of common shares of KazTransOil JSC) amounted to KZT3.2 bn. The largest trading volume fell on common shares of Halyk Savings Bank of Kazakhstan JSC – KZT1.3 bn (42.2 % of the total trading volume in index shares).

Changes in share prices included in KASE Index universe

Issuer	Ticker	Price change		
		as of 01.01.2021	as of 01.02.2021	In January
KAZ Minerals PLC	GB_KZMS	3,502.00	4,100.00	+17.1 %
Halyk Savings Bank of Kazakhstan JSC	HSBK	123.99	134.00	+8.1 %
Kazatomprom JSC	KZAP	7,150.00	7,499.99	+4.9 %
Kcell JSC	KCEL	2,760.00	2,839.90	+2.9 %
KazTransOil JSC	KZTO	970.00	996.00	+2.7 %
KEGOC JSC	KEGC	1,697.00	1,690.00	-0.4 %
Kazakhtelecom JSC	KZTK	26,700.00	26,015.07	-2.6 %
Bank CenterCredit JSC	CCBN	215.64	210.00	-2.6 %

During the reporting period, the growth leaders among the representatives of the index basket were ordinary shares of KAZ Minerals PLC, which increased in price by 17.1% to KZT4,100 per share. The most part of the growth, namely just over 11%, fell on the first trading week of January, when the copper stocks were regaining the positive background as copper futures rose to levels close to eight-year highs.

Copper prices have shown a significant recovery in the second half of 2020 thanks to strong demand from China and the prospects for a faster global economic recovery in 2021 – amid the creation of COVID-19 vaccines around the world. In the last trading week of January, the company's shares began to adjust downward amid a decline in copper futures prices.

On January 28, KAZ Minerals provided its 12M and Q4 quarter 2020 production report, according to which the company reduced the copper production in 2020 vs. 2019 by 1.8 %. 5.2% less copper was sold than in 2019. The decrease is due to a delay in shipment at the end of 2020, the company said. Gold production for the reporting period also decreased – by 2.6 %, sales – by 9.1 %.

A significant rise in price was also demonstrated by common shares of Halyk Savings Bank of Kazakhstan JSC. The share price for the reporting month increased by 8.1% to KZT134 per share. The improvement in financial performance, marked in November 2020 by a positive rating upgrade by Fitch, as well as a demonstration of readiness to fulfill their obligations in large volumes, prompted investors to be more willing to acquire financial assets of the country's largest bank.

CORPORATE BOND MARKET

The volume of outstanding corporate debt in January decreased by 1.6 %, or KZT239.3 bn, to KZT14.5 trln.

As of the end of January, there were 279 corporate bond issues of 72 issuers in KASE official list. Four issues of bonds of Kazakhstan Sustainability Fund JSC were included in KASE official list. Six issues of corporate bonds were excluded from KASE official list: an issue of Halyk Savings Bank of Kazakhstan JSC, an issue of Kcell JSC and four issues of Sovereign Wealth Fund "Samruk-Kazyna" JSC – due to the expiration of the circulation period.

The value of the corporate bonds yield index KASE_BMY increased by 8 basis points to 10.84 % per annum.

The volume of trades in corporate bonds on KASE decreased relative to December by 65.8% or KZT451 bn, to KZT234.8 bn. The average daily trading volume amounted to KZT13 bn (in the secondary market – KZT9.1 bn), the average daily number of deals – 20 deals (in the secondary market – 18 deals), the average volume of one deal – KZT669 mln (in the secondary market – KZT510.5 mln).

In January, five bond issues of two issuers were placed on the primary market in the corporate bonds sector for a total of KZT70.4 bn, which is by 88.7 %, or KZT553.7 bn, less than in December:

- Kazakhstan Sustainability Fund JSC raised KZT61.8 bn by placing four bond issues (KFUSb4, KFUSb5, KFUSb8, KFUSb9) with a yield of 10.27 – 10.77 % per annum;
- KEGOC JSC raised KZT8.6 bn by placing bonds KZ2C00006658 (KEGCb3) with an average weighted yield to maturity of 11.6161 % per annum.

In terms of the main investor categories, in the primary corporate bonds market, the share of STBs was 48.1 %, that of brokers and dealers – 4.8 %, that of other institutional investors – 9.6 %, that of other legal entities – 37.5 %.

The volume of trades in the secondary bond market increased 2.7 times, or by KZT102.7 bn, to KZT164.4 bn.

In terms of the main investor categories, in the secondary corporate bond market, the share of STBs was less than 0.1 %, that of brokers and dealers – 1.8 %, that of other institutional investors – 10.9 %, that of other legal entities – 86.9 %, the share of individuals – 0.4 %. The share of non-residents was 8.3 %.

GOVERNMENT SECURITIES (GS) MARKET

The face value of the government debt traded on KASE increased by 3.7 %, or by KZT622.4 bn, up to KZT17.4 trln in January.

In January, the volume of trades on the government securities market grew 2.3 times, or by KZT192.2 bn, to KZT342.3 bn. The average daily trading volume amounted to KZT19 bn (in the secondary market – KZT3.8 bn), the average daily number of deals – 11 (in the secondary market – 5 deals), the average volume of one deal is KZT1.8 bn (in the secondary market – KZT840.4 mln).

In the primary government securities market, the trading volume amounted to KZT274.3 bn, which is 3.3 times, or by KZT191.4 bn, higher than the indicator of December 2020. The entire volume fell on the placement of treasury bonds of the Ministry of Finance of the Republic of Kazakhstan. A total of six bond issues were placed at 9.29 – 10.40 % per annum (weighted average yield – 9.54 – 10.40 % per annum). Non-residents did not participate in the primary market.

In the structure of investors in the primary government securities market, STBs accounted for 78.3 %, brokers and dealers – for 0.4 %, other institutional investors – for 9.5 %, the share of other legal entities was 11.9 %. The participation of non-residents is estimated at 3.3 %.

The volume of trades in the secondary market increased by 1.2 %, or by KZT0.8 bn, to KZT68.1 bn. 78.6 %, or KZT53.5 bn, of the total turnover of trades in the secondary market fell on deals with MEKAM, 20.3%, or KZT13.9 bn – on the notes of the National Bank. The rest of the volume, amounting to 1.1 % (KZT742.4 mln), fell on deals with Eurobonds of the Republic of Kazakhstan and government securities of foreign countries.

In the structure of investors in the secondary market, the share of STBs accounted for 35.7 %, the share of brokers and dealers – for 1.4 %, the share of other institutional investors – for 16.2 %, the share of other legal entities amounted to 46.6 %, the share of individuals does not exceed 1%. The participation of non-residents is estimated at 14.4 %.

IFI BONDS

By the end of the reporting month, there were 34 bond issues of four international financial organizations in KASE's trading lists: Eurasian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation (IFC) and Asian Development Bank.

No deals were made in this sector in the month under review.

UNITS OF INVESTMENT FUNDS

As of February 1, there were 17 instruments under the management of ten companies in the sector "Securities of Investment Funds".

Since January 20, units KZPF00000231 (BCClrb) of IUIT "CenterCredit – Reasonable Balance" managed by BCC Invest JSC have been included in KASE official list's sector "Securities of Investment Funds".

In the month under review, the trading volume amounted to KZT5.4 bn, and increased by 25.7 % relative to December.

Instrument	Volume, mln KZT	Number of deals
RU_UKFFipo	3,729.6	1,210
FHJlag	764.7	7
FFIN_or	260.5	120
FHJlpc	247.9	3
CSECfe	168.1	18
IE_FXBF	113.9	128
CSECgm	89.5	18
US_BIL_	21.8	8
US_SPY_	15.6	70
US_GLD_	8.9	2
FHJlds	0.1	7
FHJlhm	0.1	7
	5,420.8	1,598

In terms of the main investor categories, 47.3 % falls on individuals, 34.9 % – on brokers and dealers, 0.6 % – on other institutional investors and 17.1 % – on other legal entities.

INDIVIDUAL ACCOUNTS ON THE SECURITIES MARKET

As of February 1, 2021, the Central Securities Depository maintained 136,685 personal accounts opened for individuals, which is by 3,824 accounts more than a month earlier and by 18,990 accounts more than at the beginning of 2020.

FOREIGN CURRENCY MARKET

In January 2021, 28 members of KASE took part in the trades on the foreign currency market on KASE. In the reporting month, three brokers took part in the market, their share in the gross turnover was 0.2 %.

The volume of trades in the foreign currency market amounted to KZT954.1 bn, which is by 15 %, or KZT168.8 bn, less than the figure of the previous month. The average daily trading volume in January 2021 amounted to KZT53 bn, the average daily number of deals – 403, the average volume of one deal – KZT131.5 mln.

The following table shows the main characteristics of the currency pairs traded on KASE (the change in the indicator against the previous month is indicated in brackets, the change in the rate reflects the nominal change in the weighted average 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, qnty. of the quoted currency per base currency unit	Rate at the end of month (chg.%)
USD/KZT	2,225.50 (-15.00 %)	98.04 % (-0.0004 %)	6,996 (-478)	417.96 – 425.00	424.21 (+0.78 %)
RUB/KZT	1,501.48 (-16.26 %)	0.88 % (-0.02 %)	162 (-33)	5.5470 – 5.7250	5.5996 (-1.52 %)
CNY/KZT	103.40 (-35.11 %)	0.70 % (-0.21 %)	78 (-5)	64.6100 – 65.5750	65.5672 (+1.33 %)
EUR/KZT	6.91 (x2.28)	0.37 % (+0.23 %)	21 (+7)	508.00 – 517.50	515.00 (+0.49 %)

As follows from the above data, the tenge ended January with a weakening against major currencies, but strengthened against the ruble. The support was provided by the rise in prices for oil products caused by data on the reduction in the level of oil production by Saudi Arabia from February to March by 1 million barrels per day, as well as the development of vaccination. However, the market was under pressure from the general negative sentiment of investors regarding the global economic recovery.

MONEY MARKET

The total volume of trades in the money market amounted to KZT9,752.2 bn, having decreased by 4.8%, or by KZT496.7 bn, compared with last month.

The MM_Index composite money market indicator, which is the average value of the yield on USD/KZT currency swaps and one-day automatic repo transactions with government securities, weighted through the volume of deals, decreased by 1 b.p. from 8.25 % to 8.24 % per annum, the weighted average rate in January was 8.18 %.

REPO transactions market

The trading volume in this segment in January 2021 amounted to KZT8,520.4 bn, which is by KZT802.5 bn, or 8.6 %, less than the volume of the previous month. The average daily volume of transactions amounted to KZT473.4 bn, the average daily number of daily concluded deals – 411, the average volume of one deal – KZT1.2 bn.

The volume of auto repo transactions with GS amounted to KZT5,575.3 bn, or 65.4 %, of the total volume of repo transactions, auto repo with CS – KZT2,940.3 bn, or 34.5 %, nego CS repo – KZT4.9 bn, or 0.1 %.

By the end of January, the main indicator of the money market – the TONIA (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange in the automatic repo sector with securities of the GS Basket) did not change and amounted to 8.25 % per annum.

The indicator TRION (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange during the day in the automatic repo sector with securities of the GS Basket, for which the Exchange carries out clearing activities using the services of the Central Counterparty) increased by 1 b.p. from 8.25 % to 8.26 % per annum.

The indicator TWINA (weighted average interest rate on repo opening deals for seven business days, concluded on the Exchange in the automatic repo sector with securities of the GS Basket, for which the

Exchange performs clearing activities using the services of the Central Counterparty) showed a decrease of 25 b.p. from 8.60 % to 8.35 % per annum in January.

Indicators of repo transactions TONIA, TRION and TWINA after the New Year decreased in parallel, then increased with the beginning of the tax week, while maintaining a narrow horizontal spread throughout the month.

Currency swap transactions

The volume of trades in January in the currency swap transactions market amounted to KZT1,231.8 bn, which is by KZT305.8 bn, or 33 %, more than the volumes in December (KZT926 bn). The number of deals amounted to 245, which is by 44 deals, or 21.9 %, more compared with the previous month.

The average daily volume of deals in January amounted to KZT68.4 bn, the average daily number of deals – 14, the average volume of one deal – KZT5 bn.

In the instrumental structure, 71 % of the total volume in the currency swap market fell on deals with the one-day currency swap (USDKZT_0_001), 24.6 % – on deals with the two-day currency swap (USDKZT_0_002), 1.0 % – on the one-week currency swap deals (USDKZT_01W), 3.4 % – on the one-month currency swap deals (USDKZT_01M).

The one-day dollar swap indicator SWAP-1D (USD) at the end of January decreased by 35 b.p. from 8.28 % to 7.93 % per annum. The value of the two-day swap SWAP-2D (USD) decreased by 4 b.p. from 7.99 % to 7.95 % per annum.

Derivatives market

In this sector of the exchange market, futures are available, the underlying assets of which are the US dollar, KASE index and particular titles of shares. By the beginning of February, there were no open positions of trading participants on the derivatives market, and no transactions were made in January.

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 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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