



## PRESS RELEASE

Almaty

March 11, 2020

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

Kazakhstan Stock Exchange (KASE, or the Exchange) presents results of the exchange market's operations in February 2020.

- The total amount of trading on KASE in February made KZT10,252.9 bn increasing by 12.2 %, or KZT1,115.2 bn, on January.
- In February KASE official list was extended by one issue of international bonds of Development Bank of Kazakhstan.
- Based on February 2020 results, KASE Index value decreased by 3.3 % to 2,222.59 points.
- The equity market's capitalization decreased by 0.02 % to KZT17.1 trln.
- The amount of corporate debt circulating on KASE increased by 0.3 %, to KZT12.9 trln.
- Initial offerings in the corporate bond sector made KZT30.6 bn.
- As of March 1, 2020 there were 118,773 personal accounts opened by individuals in the Central Depository, which is by 1,141 accounts more than a month before, and by 1,949 accounts more than at the beginning of 2019.

### EQUITY MARKET

Based on February results, the equity market's capitalization decreased by 0.02 %, or KZT4 bn, to KZT17.1 trln.

As of the end of the month, KASE trading lists featured 139 stocks of 123 issuers, with three issuances admitted to circulation in sector "unlisted securities". There were no changes in the shares list in February 2020.

The amount of share trading in February decreased by 80.3 %, or KZT14.4 bn, on January to KZT3.5 bn.

In terms of main investors, the share of individuals made 43.3 % of the total amount of transactions in shares. Second-tier banks (STB) accounted for 0.4 %, brokers and dealers – for 24.8 %, other institutional investors – for 7.5 %, other legal entities – for 23.9 %. Non-residents' share was 16 %.

### KASE INDEX

Based on results of February, Kazakhstan's main stock index decreased by 3.3 % to 2,222.59 points. The relative stability of KASE Index was assisted by the tenge's strengthening to KZT375 per US dollar, and Fitch Ratings' affirmation of Kazakhstan's long-term ratings in the national and foreign currency at "BBB". It should be noted that the main driver of KASE Index's growth and decrease during the month under review were the movement of ordinary shares of Halyk Savings Bank of Kazakhstan and KAZ Minerals PLC, with the weight of each stock in the Index's basket being at around 15 %. The decrease in prices of KAZ Minerals PLC stocks leveled the impact of the growth of stocks of the country's largest bank on KASE Index. In spite of positive financial results of the group

KAZ Minerals PLC, the decrease in prices on commodity markets was amplified by selling of the company's shares by investors.

Issuer	Ticker	Price change		
		as of 01.02.2020	as of 01.03.2020	in February 2020
Halyk Savings Bank of Kazakhstan	HSBK	137.22	142.80	+4.1 %
KEGOC	KEGC	1,600.00	1,606.93	+0.4 %
Bank CenterCredit	CCBN	237.00	237.00	0.0 %
National atomic company "Kazatomprom"	KZAP	5,050.00	4,865.00	-3.7 %
Kcell	KCEL	2,380.00	2,271.86	-4.5 %
Kazakhtelecom	KZTK	24,801.00	23,501.02	-5.2 %
KazTransOil	KZTO	1,029.97	974.42	-5.4 %
KAZ Minerals PLC	GB_KZMS	2,329.00	2,111.50	-9.3 %

In February ordinary shares of Halyk Savings Bank of Kazakhstan appreciated 4.1 %, and since the beginning of 2020 the security's price rose by 9 % on KASE. On the London Stock Exchange (LSE) the figures for the stock were -3.8 % and 4.9 %, respectively. Important growth factors for the bank's securities are its stable position in the industry, expectation of the net income growth based on 2019 results, and, as a consequence, growth of dividend payments. At the end of February the value of ordinary shares was adjusted both on KASE and LSE – the strong growth of the shares the day before could provoke a recoil of the price from new local maximums. On February 21, 2020 the price of one ordinary shares of the bank reached a maximum after the 1:10 split in December 2012.

The main outsider of the index basket for a second month in a row were ordinary shares of KAZ Minerals PLC. In February ordinary shares of the copper producer lost 9.3 % on KASE, and since the beginning of 2020 – by 19.7 %. Similar changes on LSE made -6.4 % and -22.9 %, respectively. A slight recovery of securities' quotations was fed by the news on refinancing the company's indebtedness and positive financial results of the group KAZ Minerals. Revenues across the group of companies increased in 2019 to \$2.266 bn (2018 – \$2.162 bn), despite the decrease in the average price of copper throughout the year. The growth occurred due to high production figures, as well as to the amount of copper and gold sold – it increased by 7 % and 33 % on 2018, respectively. According to Bloomberg, the value of copper futures on the commodity exchange London Metal Exchange (LME) increased by 1.2 % over February, decreased by 9 % since the beginning of the year. Global depositary receipts of the company lost 6.4 % on LSE in February 2020, fell by 22.9 % since the beginning of the year. The news on the coronavirus outbreak, and as a consequence, growing risks of both the Chinese and global economies slowing down, on the whole, kept putting downward pressure on stocks throughout the month. By the end of February, the price of one ordinary share of KAZ Minerals PLC on KASE made KZT 2,111.50, which is the minimum since July 2017.

## CORPORATE BOND MARKET

As of the end of February, KASE official list featured 272 corporate bond issuances of 72 issuers.

KASE official list was extended by one issuance of international bonds XS2106835262 (BRKZe10) of Development Bank of Kazakhstan.

The amount of corporate debt in circulation rose by 0.3 %, or KZT42.1 bn, in February, to KZT12.9 trln.

The yield index of corporate bonds KASE\_BMY rose by 3 basis points to 10.72 % APR.

The amount of trading in corporate bonds on KASE decreased by 41.8 %, or KZT24.6 bn, to KZT34.3 bn.

Four issuances in the total amount of KZT30.6 bn were placed on the primary corporate bonds market in February, which is by 30.6 %, or KZT13.5 bn, down on January figures:

- Mortgage organization "Baspana" raised KZT15.8 bn and KZT13.4 bn, by placing bonds KZ2C00006336 (BASPb6) and KZ2C00006484 (BASPb8), respectively, with a weighted average yield of 10.70 % APR;
- KazAgroFinance raised KZT1.0 bn on February 7 on KASE, by placing bonds KZ2C00006385 (KAFIb9) at 13.00 % APR with current maturity of 4.9 years;
- TechnoLeasing LLP raised KZT405.2 mln on KASE on February 13, by placing bonds KZ2P00006299 (THLZb1) at 16.00 % APR with current maturity of 3.8 years.

In terms of main investors on the primary corporate bond market, the share of STB made 43.4 %, brokers and dealers accounted for 5 %, other institutional investors – for 36.9 %, other legal entities – for 14.7 %, individuals – for less than 0.1 %. Non-residents' share was 1.1 %.

The amount of trading on the secondary bond market decreased by 75.4 %, or KZT11.1 bn, to KZT3.6 bn.

In terms of main investors on the secondary corporate bond market, the share of STB made 30.4 %, brokers and dealers accounted for 16 %, other institutional investors – for 25.8 %, other legal entities – for 22.5 %, individuals – for 5.2 %. Non-residents' share was 5.9 %.

### GOVERNMENT SECURITIES (GS) MARKET

The face value of the government debt being traded on KASE increased by KZT416.1 bn, or 3.1 %, to KZT13.9 trln in February.

In February the amount of trading on the GS market decreased by 47.7 %, or KZT87, to KZT95.3 bn.

The amount of the primary market made KZT89.3 bn, which is by 46.9 % less than in January. Of them KZT10 bn were raised by akimdik of Nur-Sultan, KZT79.3 bn at 9.50-9.65 % APR – by the Ministry of Finance, which is by 53 % less than in January. Buyers were represented by STB: they accounted for 3.4 %, brokers and dealers – for 0.8 %, other institutional investors – for 84.4 %, other legal entities – for more than 11 %. Non-residents didn't participate in transactions on the primary market.

The amount of trading on the secondary market was KZT6.1 bn, decreasing by 57.4 %, or KZT8.2 bn. Trading in notes of the National Bank on the secondary market made more than 97 % of the total trading amount on the secondary market. amount of transactions in foreign GS reached KZT166.5 bn.

In terms of main investors on the secondary market, the share of STB made up 48 %, that of brokers and dealers – 8.1 %, other institutional investors accounted for 5.6 %, other legal entities – for 38.2 %, individuals – for 1 %. Non-residents didn't participate in the trading.

### IFI BONDS

As at the end of the period under review there were 30 bond issuances of five international financial institutions in KASE's trading lists: Asian Development Bank, Eurasian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, International Finance Corporation (IFC).

In the month under review no deals were concluded in this sector.

### UNITS OF INVESTMENT FUNDS

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

In the month under review, the amount of trading made KZT402.9 mln increasing 3.9 times, or by KZT299.1 mln on January.

Instrument	Amount, mln KZT	Number of transactions
US_BIL_	240.1	7
CSECFE	73.7	7

CSECgm	43.1	9
FFIN_or	40.4	2
US_SPY_	4.9	8
IE_FXBF	0.7	21
	<b>402.9</b>	<b>54</b>

In terms of main investor categories, the share of individuals made up 54.8 %, that of brokers and dealers – 30.5 %, other legal entities – for 14.7 %.

### INDIVIDUAL ACCOUNTS ON THE STOCK MARKET

As of March 1, 2020 the Central Depository maintained 118,773 personal accounts, opened for individuals, which is by 1,141 accounts more than in the previous month, and by 1,949 accounts more than at the beginning of 2019.

### FOREX MARKET

The amount of trading on the foreign currency market reached KZT797.8 bn, which is by 11.9 %, or KZT107.4 bn, less than in previous month.

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, qnty. of the quoted currency per base currency	Rate at the end of period (chg.%)
USD/KZT	2,097.7 (-11.5%)	99.4% (+0.24%)	5,937 (-842)	375.94 – 381.19	381.19 (+0.56%)
RUB/KZT	396.2 (+8.4%)	0.3% (+0.04%)	67 (+6)	5.6976 – 6.0027	5.6976 (-5.31%)
CNY/KZT	18.7 (-65.8%)	0.1% (-0.20%)	37 (-1)	53.4087 – 54.3150	54.5840 (-0.49%)
EUR/KZT	3.5 (-37.7%)	0.2% (-0.08%)	19 (-10)	406.00 – 421.30	417.90 (+0.34%)

### MONEY MARKET

By the end of February the TONIA indicator (weighted average interest rate on one-day REPO opening deals) increased by 110 b.p., from 9.14 % to 10.24 % APR, the value of the TWINA indicator (weighted average interest rate on seven-day REPO opening deals) also demonstrated an increase by 51 b.p., from 9.24 % to 9.75 % APR.

The KazPrime-3M (KZT) remained unchanged during February and made 10.25 % APR, the KIBOR indicators remained unchanged as well.

The yield of the one-day dollar swap SWAP-1D (USD) as of the end of February reached 10.69 % APR, increasing by 212 b.p. over the month. The yield of the two-day swap SWAP-2D (USD) increased by 179 b.p. to 10.34 % APR.

The composite money market indicator MM\_Index, representing the average yield weighted through the amount of deals on currency swap transactions USD/KZT and one-day auto repo transactions in GS, increased by 114 b.p., from 9.11 % to 10.25 % APR by the end of February.

### Repo transactions market

The amount of trading in this segment made KZT8,032.3 bn, which is KZT1,791.2 bn, or by 28.70 %, more than last month.

98.10 % of the total amount of repo opening deals were deals with the GS basket. The most popular instrument on the GS basket auto repo market is still the one-day repo transaction, accounting for 97.04 % of the total amount of trading in the GS basket.

### Currency swap market

The amount of trading on the currency swap market decreased by KZT442.1 bn, or 34.29 %, from KZT1,731.4 bn to KZT1,289.3 bn. The US dollar made 100 % of currency swaps. In the structure of instruments 61.1 % of the total trading amount on the currency swap market originated from transactions in the two-day currency swap (USDKZT\_0\_002).

One-month "long" currency swaps concluded in February totaled KZT26.42 bn.

### DERIVATIVES MARKET

Currently, in this sector of the exchange market there are futures with the US dollar, KASE Index and particular stocks as underlying asset. No deals were concluded in futures in February. By the beginning of March there were no open positions of trading participants 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 repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions 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 Sustainable Stock Exchanges initiative.

Additional information: +7 (727) 237 5342, [pr@kase.kz](mailto:pr@kase.kz).