

KASE WEEKLY

20–24 July, 2020

KASE NEWS

- ▲ Trades in international bonds [US912796XF18](#) (US_02_2008) of the US Department of Treasury, bonds [KZ2C00006658](#) (KEGCb3) of KEGOC JSC and common shares [KZ1C00013663](#) (BENK) of Mining Company Benkala JSC were opened on KASE.
- ▲ Trading in new instruments is [opened](#) on the automatic repo market.
- ▲ Bonds KZ2P00003635 (ARWAb1) of ARLAN WAGONS LLP were [excluded](#) from KASE's official list due to the expiration of the circulation period.

ISSUER NEWS AND ANNOUNCEMENTS

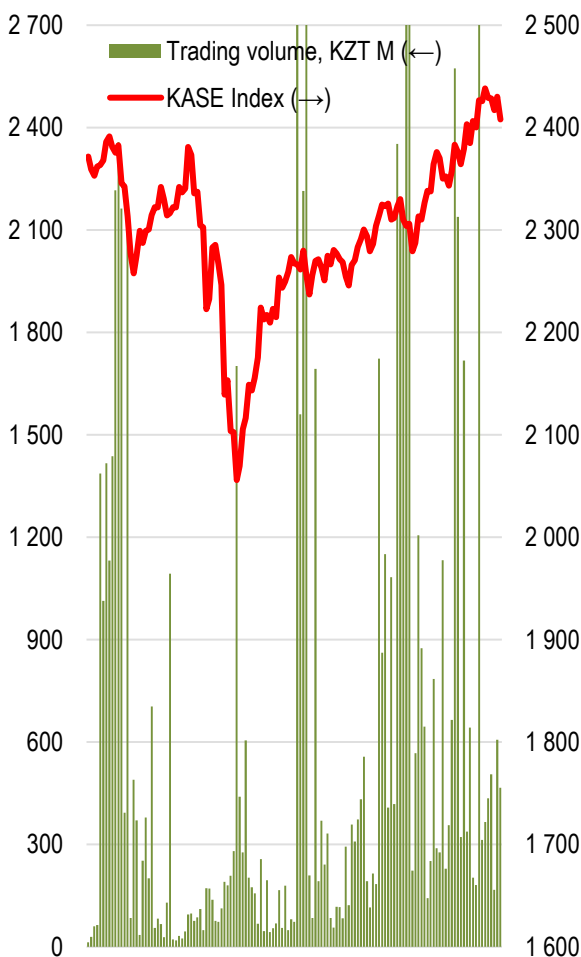
- ▲ The Ministry of Finance of Kazakhstan [attracted](#) KZT74.7 bn on KASE by selling the first issue MEUKAM-144 (KZKD00000261) with a weighted average YTM of 10.5250% APR.
- ▲ RG Brands JSC [repurchases](#) 789,500 own preferred shares KZ1P00000509 (RGBRp) on KASE in the amount of KZT947.4 mln.
- ▲ Akimdik of Zhambyl region [raised](#) KZT1.0 bn on KASE by selling bonds KZMJ00000644 (DZK024_064).
- ▲ BAST JSC [places](#) 25,007 common shares KZ1C00001015 (BAST) in KASE's trading system in the amount of KZT300.1 mln.
- ▲ Kazakhstan Sustainability Fund JSC raises KZT465.2 mln on KASE by placing bonds [KZ2C00006476](#) (BASPB7) with a yield to maturity of 11.1500% per annum and KZT2.9 bn, by placing bonds [KZ2C00006484](#) (BASPB8) with a yield to maturity of 11.0000 % per annum.
- ▲ Tethys Petroleum Limited (Cayman Islands) [provides](#) an update on its operations.
- ▲ KazTransOil JSC [reports](#) operating results for the first half of 2020.
- ▲ Mortgage Organization "Kazakhstan Mortgage Company" JSC [announces](#) its reorganization by acquiring Baiterek Development JSC.
- ▲ RG Brands JSC [announced](#) the exit of the investment company Resmi from the RG Brands's project.
- ▲ Dosjan temir joly JSC [announces](#) a partial repurchase of 2,015,540 bonds KZ2C00000701 (DTJLb1).
- ▲ **ANNOUNCEMENT:** Kcell JSC will hold a conference call on July 30 to announce financial results for January–June 2020.
- ▲ Kcell JSC [announces](#) a decrease in the interest rate under an additional agreement with Halyk Savings Bank of Kazakhstan JSC.
- ▲ Shareholders of Halyk Savings Bank of Kazakhstan JSC [made a decision](#) to pay out dividends on common shares KZ000A0LE0S4 (HSBK) for 2019.
- ▲ NOSTRUM OIL & GAS PLC [intends](#) to use grace periods for interest payments with regard to bonds of Nostrum Oil & Gas Finance B.V.

KASE Index at the close of trading on Friday was fixed at 2,408.16 points, thus falling by 1.2% over the week. The largest number of transactions – 903 – was made with Halyk Bank's shares. Almost half of the trading volume (47%) was made with Kcell's ordinary shares for the amount of KZT509.8 mln.

24.07.2020

		Trends (%)	
KASE Index	2 408.16	-1.2	1.4
First class of liquidity	Price	Δ 7d	Δ 1m
VTB Bank	0.2	10.0	4.8
NAC Kazatomprom	5 966.0	5.8	5.2
Aeroflot	508.2	4.7	7.7
Kazakhtelecom, preferred shares	12 500.0	2.0	1.4
KAZ Minerals	2 786.4	2.0	26.7
Bank of America Corporation	10 389.0	1.9	1.9
Freedom Holding Corp.	8 300.0	1.0	4.2
KEGOC	1 709.9	0.6	-1.4
Sberbank Russia	1 262.1	0.2	4.7
Kcell	2 515.0	0.2	-0.6
Bank CenterCredit	230.7	0.0	-2.0
KazTransOil	806.9	-2.2	0.4
Kazakhtelecom	26 600.1	-2.9	1.9
Gazprom	1 131.5	-4.6	-2.9
Halyk Savings Bank of Kazakhstan	115.1	-10.9	-13.9

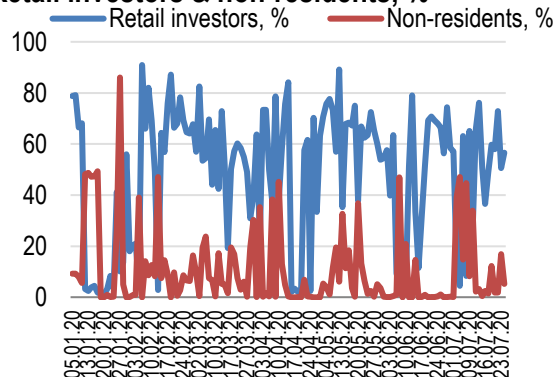
KASE Index shares



Note: Index stocks are highlighted in green

Half of the shares of the KASE representative list closed at the end of the week in the green zone. Kazatomprom's ordinary shares, which rose by 5.8% to KZT5,966, grew most of all. The company's GDR is traded at US \$14.85 per share on the London Stock Exchange by 16:00 o'clock Nur-Sultan time, which makes KZT5,712 at today's official rate of the National Bank. The main driver of the growth of the company's securities continues to be rising uranium prices since the beginning of the year in the conditions of reduced production of uranium. In addition, one of the reasons for the growth of the national atomic company's stocks could be the beginning of the issuer's coverage and the publication of the annual target of the GDR of the company from one of the leading Russian investment banks, according to which the target price in 12 months will be \$22.50 or KZT10,237, taking into account today's USDKZT rate on one-year non-deliverable currency forward. The strongest price decline was recorded for ordinary shares of Halyk Bank, which fell by 10.9% to KZT115.05. It is likely that the securities of the country's largest bank are depreciating prior to the payout of dividend, which is inherent with shares during the period when shareholder register is fixed.

Retail investors & non-residents, %

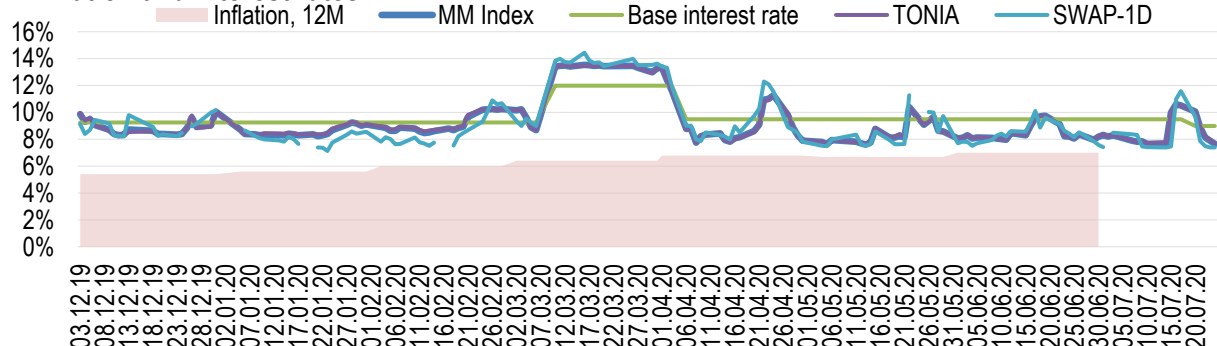


On Monday, the National Bank of Kazakhstan decided to reduce the base rate from 9.5% to 9.0% APR within an interest range of plus minus 1,5 pp. According to the NBRK, the reduction in the base rate is due to the weakening of inflationary risks and a stronger decline in economic activity in the first half of 2020 than expected in the forecast for May-June this year.

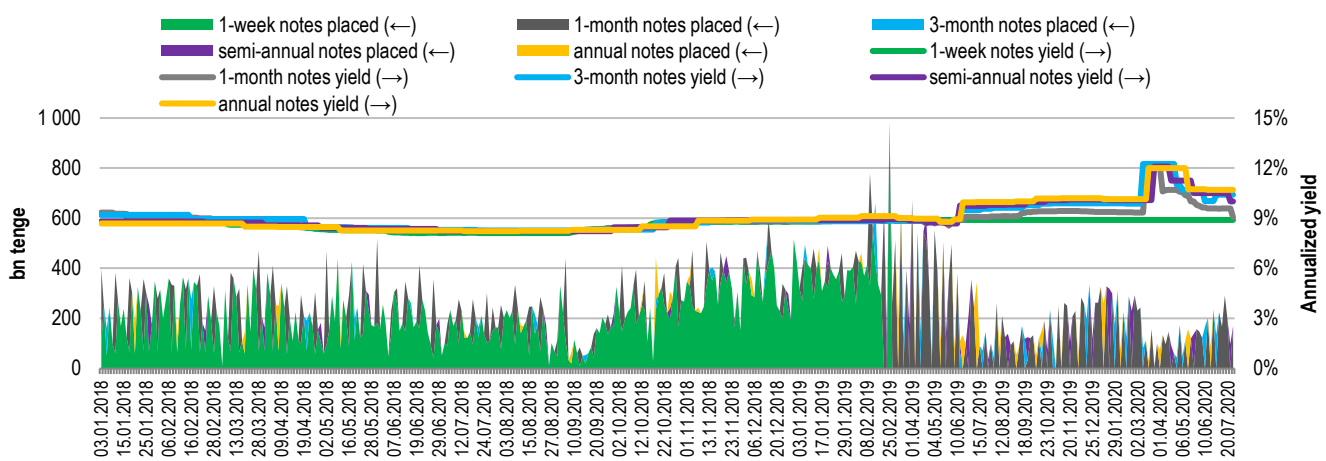
This week, the yield of one-day repo transactions with government securities dropped by 280 bps to 7.7% APR. SWAP 1D USD rate was down 419 bps to 7.4% APR. The average amount of tenge liquidity raised for one day this week was KZT259 bn, which is by 0,3% less than last week.

On July 24, 2020, the Board of Directors of the Bank of Russia decided to reduce the key rate by 25 bps to 4.25% APR due to the continued dominance of disinflationary factors in the economy. According to the Bank of Russia, taking into account the current monetary policy, annual inflation will be 3.7-4.2% in 2020 and 3.5-4.0% in 2021.

Inflation and interest rates

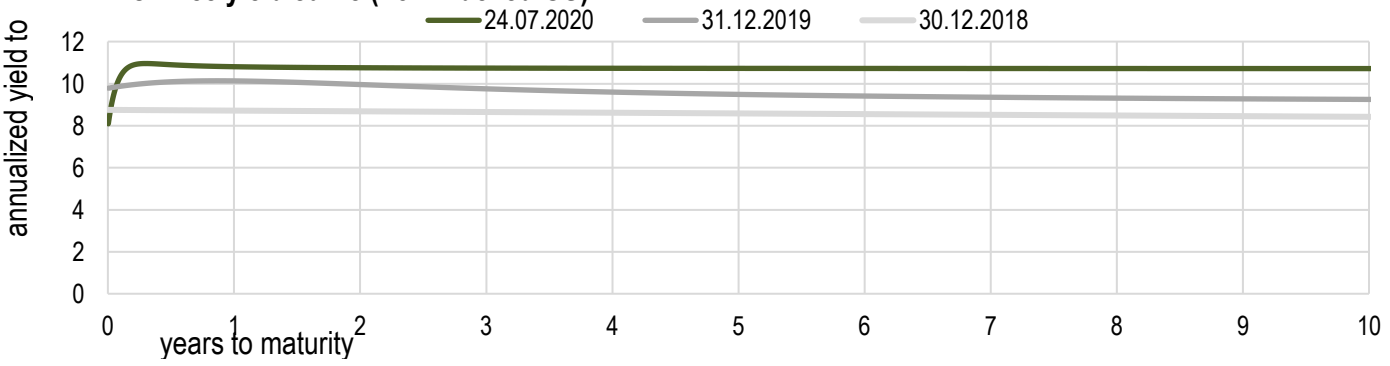


Main Features of National Bank Notes Placements



* weighted average yield on all currency swap transactions with the US dollar.

Risk-free yield curve (non-indexed GS)





The tenge weakened against the US dollar by KZT0.64 to KZT414.09 by the end of the week. Total trading volume over the week was US \$407 mln, a 12% drop compared to the last week.

Despite rising oil prices and the strengthening of the Russian ruble, the tenge depreciates against the US dollar, the Russian ruble and the euro by 0.2%, 0.3% and 0.5%, respectively. At the same time, the national currency strengthens against the Chinese yuan by 0.2%. By 3 p.m. o'clock of Nur-Sultan time, the September Brent crude futures were traded at US \$43.50 per barrel, up nearly 1 percent over the week. Oil prices were increasing amid news of the imminent emergence of the vaccine against COVID-19. Meanwhile, the U.S. government has reached an agreement with Pfizer, a pharmaceutical company, to purchase 100 million future doses of coronavirus vaccine for the amount of US \$1.95 billion. However, the concerns on the market remain as the number of COVID-19 infected people continues to grow.

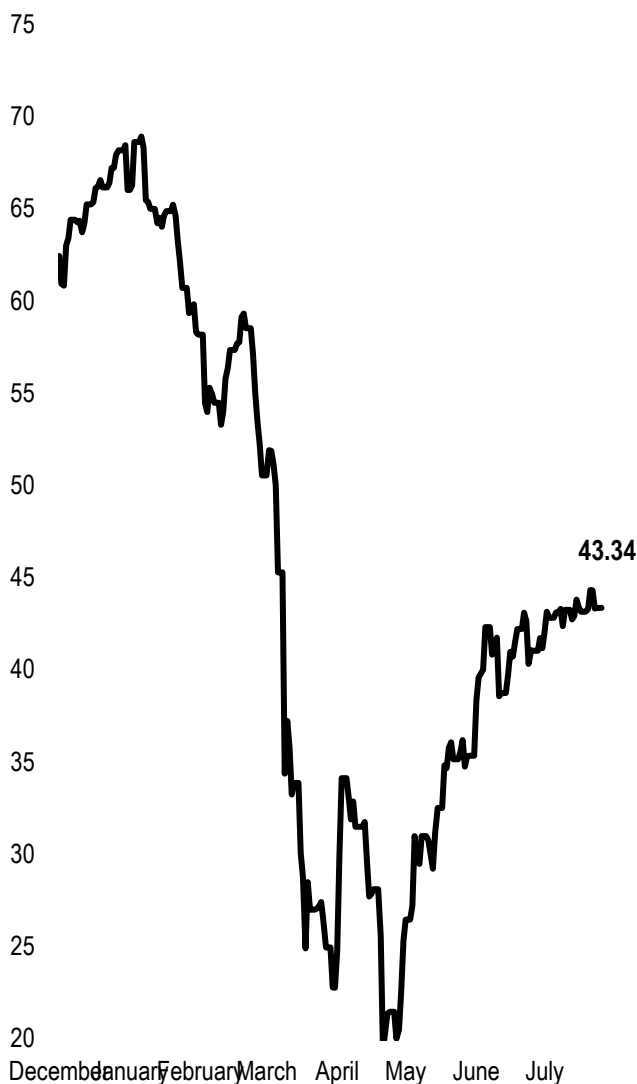
The exchange rate of the Russian ruble rose by KZT0.02 to KZT5.80. The euro rose by KZT2.50 to KZT475.50 against the tenge. The Chinese yuan rate against the tenge dropped by KZT0.10 to KZT58.98.

FX rates
Δ %, base (01.01.19)



	Price	Δ 7d, %	Δ 30d, %	Δ 2019, %
— GBPKZT	525,20	1,7	5,2	5,0
— USDKZT	412,54	0,0	2,8	8,2
— EURKZT	478,18	1,9	5,6	12,0
— CNYKZT	58,94	0,0	3,8	8,0
— RUBKZT	5,80	0,3	-0,5	-6,0

Brent oil
USD/barrel



Note: The chart and the table are based on the official market rates of the NBK. NBK rates may differ from KASE rates.



Global indices						Commodities market					24.07.2020	
Name	Value	Trend %			Futures	Name	Price	Trend %				
		7d	1m	1y				7d	1m	1y		
S&P 500	3 215.63	-0.3	5.4	7.1	-0.3	Oil	43.34	0.5	7.5	-31.6		
Dow Jones	26 469.89	-0.8	4.0	-2.5	-0.7		41.29	1.7	8.6	-26.3		
RTS	1 255.98	3.3	-2.0	-6.8	3.3	Natural gas	1.81	5.2	13.2	-19.4		
MICEX	2 285.53	0.0	0.0	0.0	3.3	Copper	288.20	-0.2	8.7	6.9		
Hang Seng	24 705.33	-1.5	-0.3	-13.6	-1.8	Iron	870.00	0.1	7.9	-7.3		
SS CSI 300	4 505.59	-0.9	8.9	17.0	-1.1	Gold	1 902.02	5.1	7.7	34.5		
Euro Stoxx 50	3 310.89	-1.6	3.6	-5.7	-1.7	Silver	22.81	15.9	29.1	39.6		
FTSEuroFirst	3 673.50	-1.9	1.5	-13.0	-1.9	Wheat	539.50	0.9	12.1	8.0		
FTSE 100	6 123.82	-2.6	0.0	-18.2	-2.7							
KASE	2 408.16	-1.2	1.4	5.8								

Economic calendar		Currency	Forecast	Previous
27.07	IFO Business Climate Index for Germany (July)	EUR	89,3	86,3
29.07	Crude oil reserves	USD	-2,088M	4,892M
29.07	The decision on the FED interest rate	USD	0,25%	0,25%
29.07	FOMC press conference	USD		
30.07	Germany's GDP (QoQ) (Q2)	EUR	-9,0%	-2,2%
30.07	International reserves of the Central Bank (USD)	RUB		574,0B
31.07	ISM Services Index (Manufacturing PMI) (July)	CNY	50,7	50,9

Note: the calendar contains the most significant economic events of the current week according to KASE analysts opinion

B – billions
M – millions
K – thousands

Kazakhstan statistics	Value	As of	Beginning 2019
Annual inflation	7,0%	01.07.20	5,3 %
Gross international reserves of NBK, USD bn	31 561	01.06.20	30 927
Reserve money, KZT bn	8 428,3	01.06.20	5 995,7
Money supply, KZT bn	22 438,2	01.06.20	20 813,4

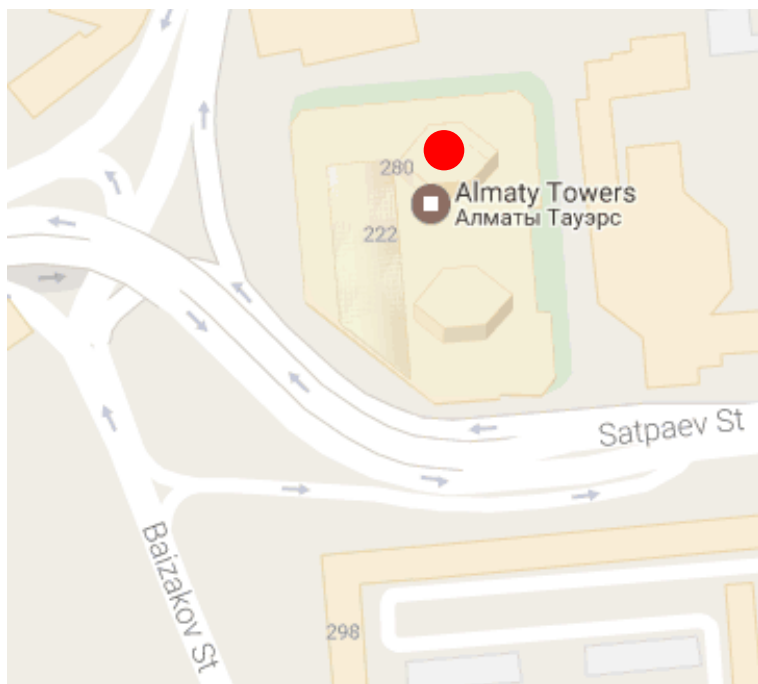
Kazakhstan credit ratings	Rating	Date	Previous
S&P Global	BBB- stable	10.09.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 stable
FitchRatings	BBB stable	28.09.18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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