

KASE WEEKLY

13–17 July, 2020

KASE NEWS

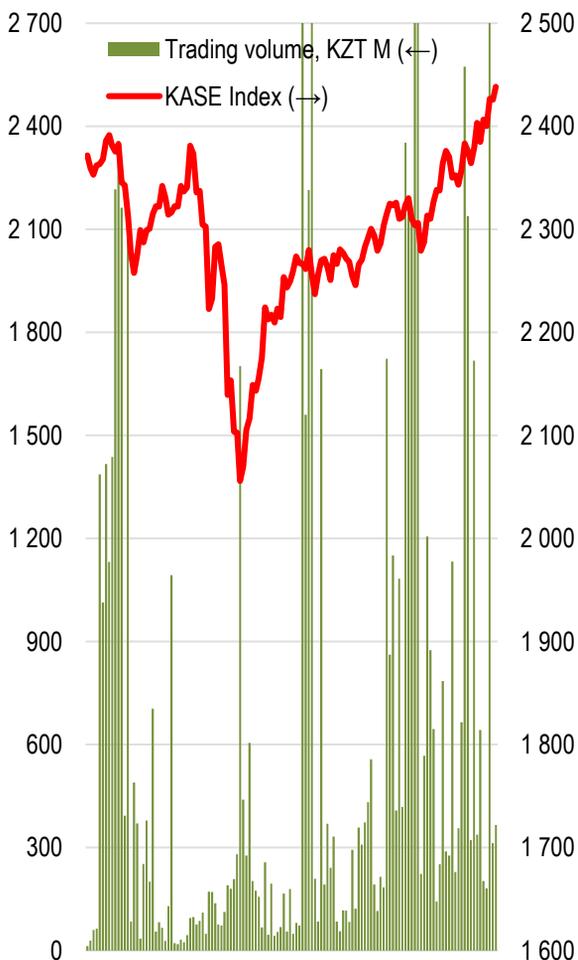
- ▲ KASE [held](#) online press conference on results of the first half of 2020.
- ▲ KASE [held](#) online meeting with Kazakhtelecom's management as part of the Issuer Day.
- ▲ KASE Management Board [approved](#) amendments to the Procedure for Including Financial Instruments to the List T+ and Collateral List T+.
- ▲ KASE Management Board [approved](#) revised Methodology for Calculation of Bond Yield and Amounts of Bond Transactions.
- ▲ KASE Management Board [approved](#) Methodology for Defining Risk Parameters of Financial Instruments.
- ▲ KASE Management Board [approved](#) amendments to Rules on Activities of Market-Makers.
- ▲ KASE Management Board [fixed](#) Q3 2020 weighted average yield rates for calculation of fair value of illiquid debt securities of organizations – residents of the Republic of Kazakhstan.
- ▲ KASE [set](#) values of limits and concentration rates for shares traded according to T+2 scheme and rates of discounts on repo market for period from July 15 to August 15.
- ▲ Bonds KZ2C00006781 (KAFIb10) of the KazAgroFinance [included](#) in the list of securities in the BSP basket.
- ▲ International discount bonds [US912796XF18](#) (US_02_2008) of United States Department of the Treasury included in "Government Securities" sector of KASE Official List.
- ▲ GDR [US46627J3023](#) (HSBKd) with ordinary shares KZ000A0LE0S4 (HSBK) of Halyk Savings Bank of Kazakhstan as underlying asset included in "derivative securities" sector of KASE Official List, in List T+ and Collateral List T+.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kazakhstan's Ministry of Finance raised KZT59.6 bn on KASE by placing the 18th issue of MEUKAM-120 ([KZKD00000907](#)) with weighted average yield to maturity of 10.6693 % APR, the fifth issue of MEUKAM-132 ([KZKD00000568](#)) with weighted average yield of 10.7958 % APR and the 148th issue of MEKKAM-12 ([KZK100000241](#)) with weighted average yield to maturity of 10.7888 % APR.
- ▲ BAST placed [25,001](#) pieces of ordinary shares KZ1C00001015 (BAST) for the amount of KZT300.0 mln and [25,100](#) pieces of ordinary shares KZ1C00001015 (BAST) for the amount of KZT301.2 mln in the KASE trading system.
- ▲ Wholesale and Retail Trade Venture [raised](#) KZT322.0 mln on KASE by placing bonds KZ2C00004539 (ORPTb1) at YTM of 10.4993 % APR.
- ▲ KazAgroFinance raised KZT2.6 bn on KASE by [placing](#) bonds KZ2C00006781 (KAFIb10).
- ▲ ATFBank [bought back](#) 550,000 bonds KZ2C00003135 (ATFBb15) in the amount of KZT570.1 mln on KASE.
- ▲ Agrarian Credit Corporation [raised](#) KZT5.0 bn on KASE placing bonds KZ2C00006849 (AGKkb13) with YTM of 9.7500 % APR.

Local stock market indicator rose by 2.2% to 2,438.37 points at the end of the week, thus reaching a new high since April 2019. The largest number of transactions – 787 – was made with Halyk Bank’s shares. The largest volume of trading was also recorded with Halyk Bank’s securities – KZT1.4 bn – which is 75% of the total volume of trading of index shares this week.

KASE Index shares



17.07.2020

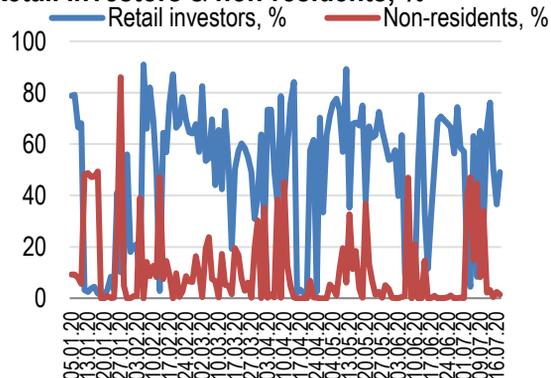
	Price	Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 438.37	2.2	5.6
First class of liquidity			
Kazakhtelecom	27 390.0	8.3	3.6
KAZ Minerals	2 731.1	5.0	25.8
Bank of America Corporation	10 200.0	3.8	0.1
Sberbank Russia	1 259.5	2.8	1.9
NAC Kazatomprom	5 640.0	1.9	-2.5
Aeroflot	485.2	1.5	-5.4
Halyk Savings Bank of Kazakhstan	129.1	0.7	9.5
Freedom Holding Corp.	8 219.0	0.4	5.8
Kcell	2 510.0	0.1	-1.0
Bank CenterCredit	230.6	0.0	-2.1
Kazakhtelecom, preferred shares	12 250.0	0.0	-0.6
KEGOC	1 700.2	-0.3	-2.4
KazTransOil	825.0	-1.4	6.7
VTB Bank	0.2	-4.8	-4.8
Gazprom	1 186.0	-5.4	1.0

Note: Index stocks are highlighted in green

Six of the eight representatives of the index basket closed in the green zone. The main driver of the index’s growth was ordinary shares of Kazakhtelecom that rose by 8.3% over the week to KZT27,389.99. Price bounced from the annual minimum by 30%. The growth of the telecom company’s stocks is most likely due to positive financial indicators for the first quarter of 2020. For instance, according to the unaudited financial statements under IFRS, the company’s net profit in the first quarter of 2020 amounted to KZT21.2 bn, which is 2.3 times higher compared to the same period in 2019. In addition, at the Thursday briefing on KAS, Chief Financial Officer Askhat Uzbekov said that Kazakhtelecom expects revenues of KZT480-500 bn in 2020, thus the company’s revenues should increase by 2.3% to 6.6% compared to 2019.

Last week, two bond placements were conducted by the Ministry of Finance of the Republic of Kazakhstan. On July 13, this financial institution raised KZT10.2 bn by placing issue 18 of MEUKAM-120 with weighted average yield to maturity of 10.6693 % APR for seven years. On July 15, the Ministry raised KZT25.4 bn by placing issue 5 of MEUKAM-132 with weighted average yield to maturity of 10.7958 % APR for 2.8 years.

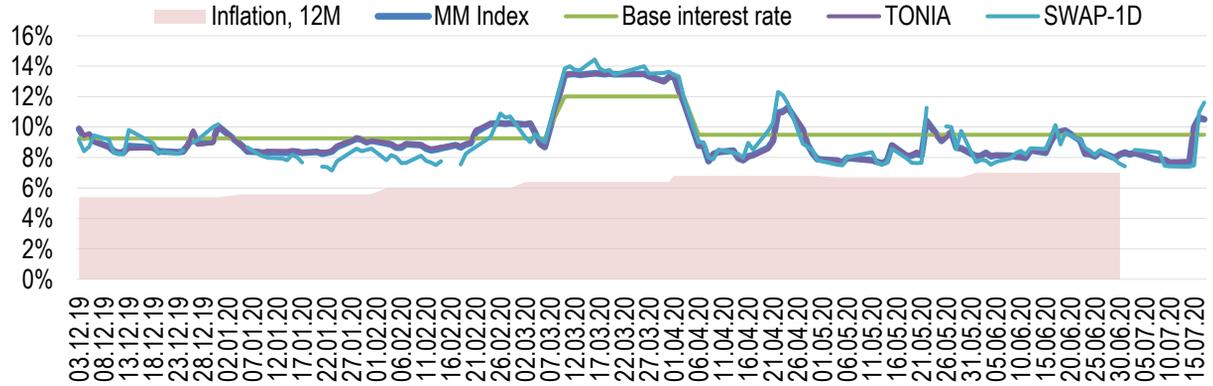
Retail investors & non-residents, %



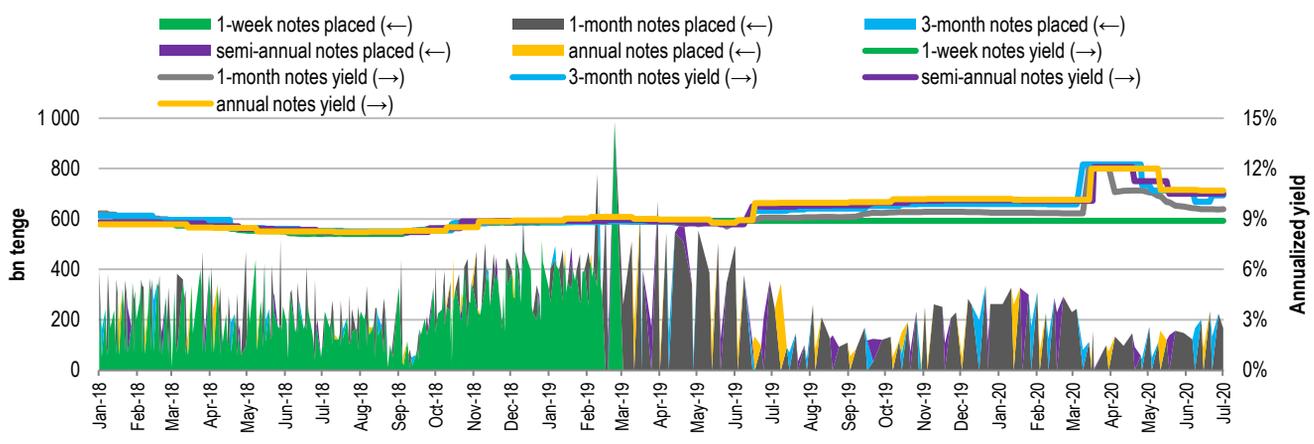


The yield of one-day repo transactions with government securities rose by 280 bps to 10.5% APR over the week. SWAP 1D USD rate was up 419 bps to 11.6% APR. We attribute temporary volatility of money market rates to a greater extent to the reduction of supply in the money market due to the increase in borrowing in the primary public debt market. The average amount of tenge liquidity raised for one day this week was KZT259 bn, which is 20% less than last week.

Inflation and interest rates

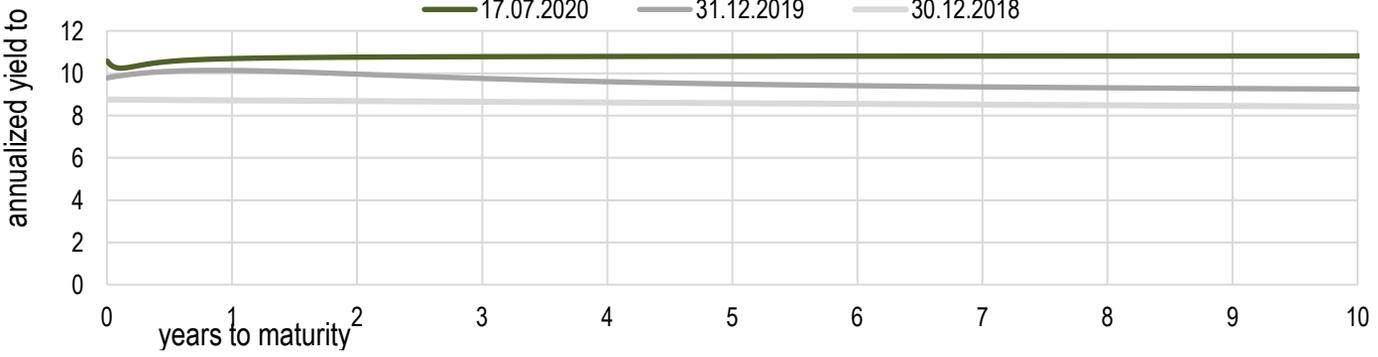


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





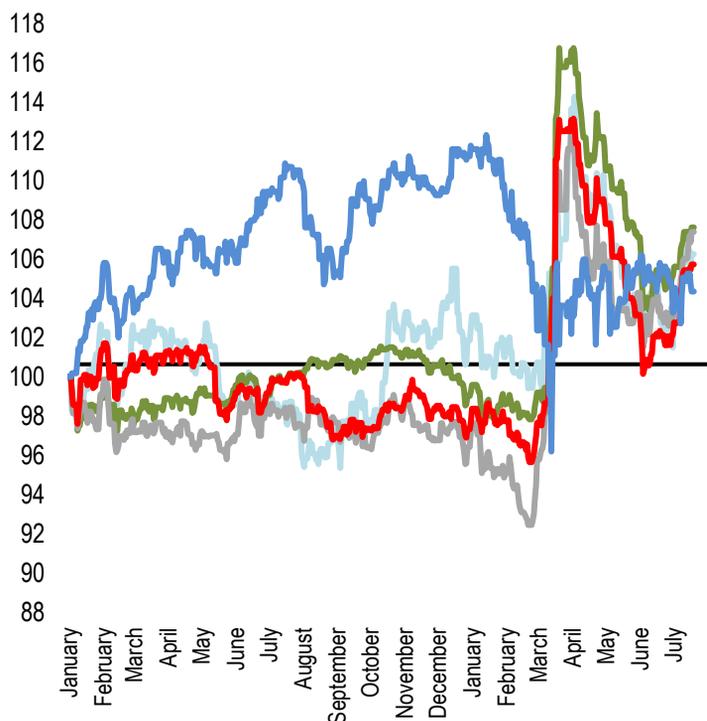
The tenge weakened against the US dollar by KZT0.90 to KZT413.45 by the end of the week. Total trading volume amounted to US \$464 mln over the week against US \$414 mln last week.

The tenge weakens by 0.2%, 1.6% and 0.3% against the US dollar, euro and Chinese yuan, respectively, at the end of the week. Meanwhile, the Russian ruble on the contrary is weakening against the tenge by 0.7%. The tenge is weakening against foreign currencies amid declining oil prices and investor fears about the increasing number of cases of COVID-19 infection. By 15:00 Nur-Sultan time, the September Brent crude futures were trading at \$42.97 per barrel, which is by 0.6% lower than the closing price of Friday's session last week. This week, the agenda of the meeting of the Ministerial Monitoring Committee of OPEC+, where OPEC+ member-states agreed on the transition to the next stage of the deal to reduce oil production. It implies an increase in oil production quotas by 2 million barrels per day from August this year. Meanwhile, a record daily increase in cases of coronavirus infections – 77,000 people – was recorded the U.S. on Thursday. Also this week, lockdown measures were tightened in a number of countries as the situation with the spread of COVID-19 has worsened.

The exchange rate of the Russian ruble dropped by KZT0.04 to KZT5.79. The euro rose by KZT7.50 to KZT473.00 against the tenge. The Chinese yuan rate against the tenge rose by KZT0.19 to KZT59.8.

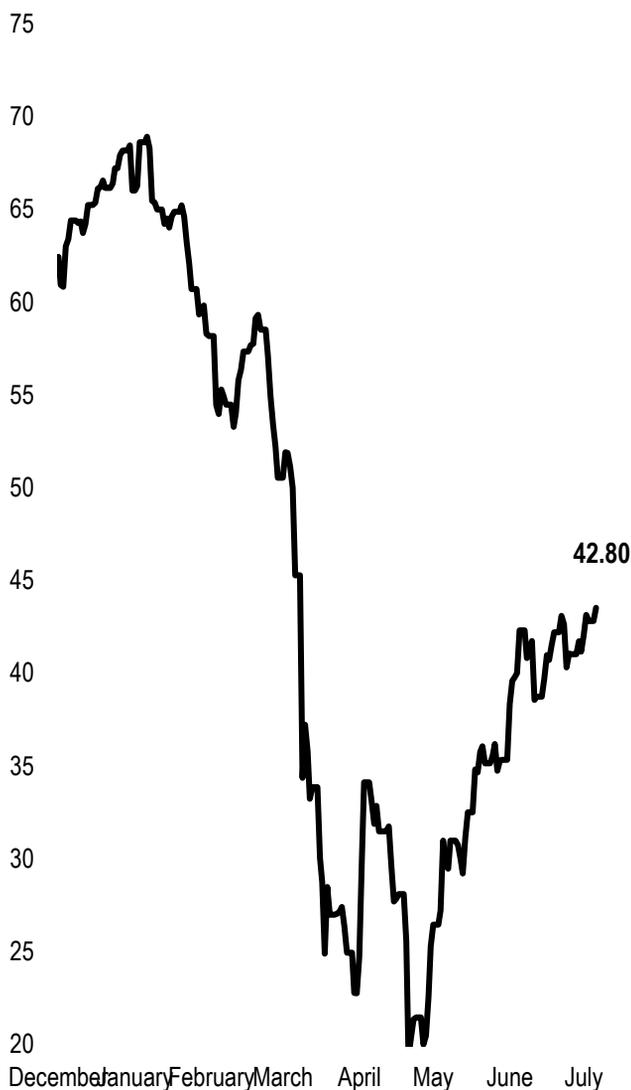
FX rates

Δ %, base (01.01.19)



	Price	Δ 7d, %	Δ 30d, %	Δ 2019, %
— GBPKZT	516,65	-0,6	1,1	3,3
— USDKZT	412,4	0,4	2,2	8,2
— EURKZT	469,48	0,9	2,6	10
— CNYKZT	58,93	0,2	3,3	8
— RUBKZT	5,78	-0,3	-0,2	-6,3

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

Name	Value	Trend %			Futures
		7d	1m	1y	7d
S&P 500	3 130.01	4.0	0.2	4.5	4.1
Dow Jones	25 827.36	3.2	-1.7	-4.2	3.2
RTS	1 235.18	-0.9	-5.1	-12.5	-0.5
MICEX	2 285.53	0.0	0.0	0.0	-0.5
Hang Seng	25 373.12	3.4	4.3	-11.9	3.9
SS CSI 300	4 419.60	6.8	10.9	14.1	6.9
Euro Stoxx 50	3 294.38	2.8	0.8	-7.0	2.8
FTSEuroFirst	3 682.50	1.6	-1.7	-13.5	1.9
FTSE 100	6 157.30	0.0	-3.5	-19.0	-0.5
KASE	2 376.04	1.1	2.8	4.0	

Commodities market

03.07.2020

Name	Price	Trend %		
		7d	1m	1y
Oil	42.80	4.3	7.6	-32.4
	40.65	5.6	9.0	-29.1
Natural gas	1.73	16.0	-4.8	-24.3
Copper	273.35	2.8	9.9	2.0
Iron	799.50	-0.8	0.8	-18.0
Gold	1 772.05	0.0	4.3	25.1
Silver	18.24	1.2	1.6	19.6
Wheat	490.00	3.4	-4.3	-5.4

Economic calendar

		Currency	Forecast	Previous
20.07	Base lending rate of NBK	CNY	3,85%	3,85
22.07	Crude oil reserves	USD	-2,098M	-7,493M
24.07	Retail sales (m/m) (June)	GBP	8,5%	12,0%
24.07	ISM Services Index (Manufacturing PMI) in Germany (July)	EUR	48,0	45,2
24.07	Composite PMI index	GBP		47,7
24.07	Interest rate decision (July)	RUB	4,25%	4,50%
24.07	Manufacturing PMI	GBP		50,1

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

S&P Global

MOODY'S

FitchRatings

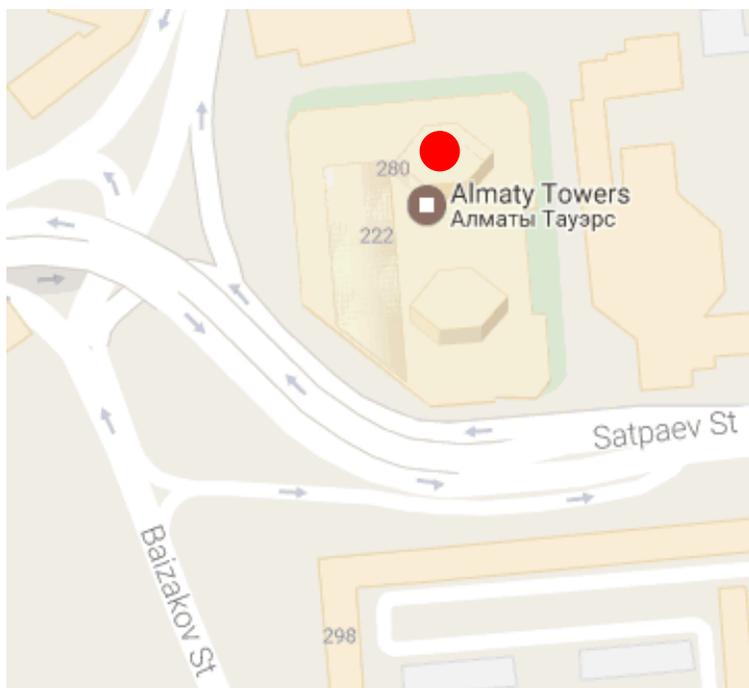
Rating	Date	Previous
BBB- stable	10.09.18	BBB- stable
Baa3 stable	26.07.17	Baa3 stable
BBB stable	28.09.18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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