

KASE WEEKLY

April 19–23, 2021

KASE NEWS

- ▲ Trades in common shares [KZ000A1CTGM4](#) (KZTC) of KazTransCom JSC and bonds [KZ2C00006641](#) (BTDVb3) of Kazakhstan Housing Company JSC have resumed on KASE.
- ▲ Trades in common shares KZ1C00012020 (MNZH) of Marganez Zhairrema JSC were [opened](#) on KASE.
- ▲ KASE has [set](#) new values of the initial margin rate and concentration rate for common shares KZ1C00001619 (KZAP) of National Atomic Company Kazatomprom JSC and GDR US63253R2013 (KZAPd).
- ▲ KASE [imposed](#) a ban on the use of common shares GB00B0HZPV38 (GB_KZMS) of KAZ Minerals PLC as subjects of repo transactions carried out by the "direct" method.
- ▲ Bonds KZMJ00000941 (ATK024_094) of the local executive body of Almaty region are [included](#) in the "Government securities" sector of KASE official list of.

ISSUER NEWS AND ANNOUNCEMENTS

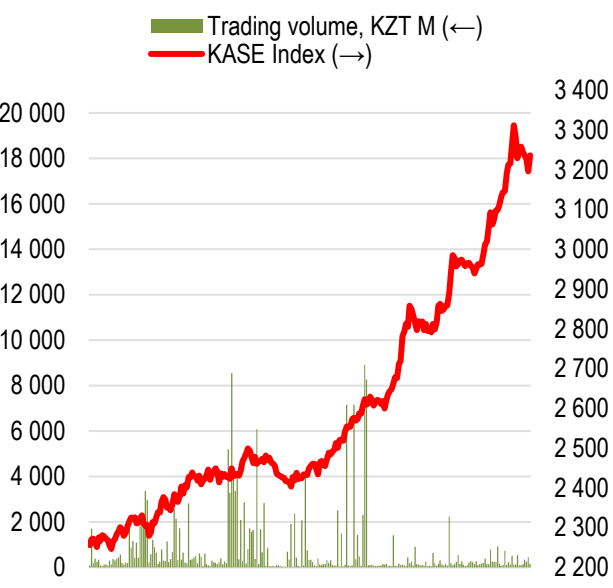
- ▲ The Ministry of Finance of Kazakhstan raised KZT38.6 bn on KASE by placing MEUKAM-156 of the seventh issue ([KZKD00001103](#), MUM156_0007), MEUKAM-120 of issue 17 ([KZKD00000899](#), MUM120_0017) and MEUKAM-084 of issue 17 ([KZKD00000881](#), MUM084_0017).
- ▲ Leasing Group JSC [raised](#) KZT350.0 mln on KASE by placing bonds KZ2C00006369 (LZGRb1) at 13.50 % APR.
- ▲ TechnoLeasing LLP [raised](#) KZT452.8 mln on KASE by placing bonds KZ2P00007362 (THLZb4) at 17.00 % per annum.
- ▲ Fincraft Group LLP [raised](#) KZT15.0 bn on KASE by placing bonds KZ2P00006190 (NCOMb2) at 13.50 % per annum.
- ▲ Akimdik of Almaty region [raised](#) KZT3.7 bn on KASE by placing two-year bonds KZMJ00000941 (ATK024_094).
- ▲ Tethys Petroleum Limited has [completed](#) its previously announced offering with Pope Investments II LLC.
- ▲ Subsidiary Bank Alfa-Bank JSC [paid](#) dividends on ordinary shares for 2020.
- ▲ NOSTRUM OIL & GAS PLC [announced](#) the extension of the forbearance agreement.
- ▲ KAZ Minerals PLC has [provided](#) information in English regarding the acceptance of the final increased offer from NOVA RESOURCES B.V. by shareholders of 49.80 % of the company's shares and the planned delisting of common shares GB00B0HZPV38 (GB_KZMS) on LSE and KASE.
- ▲ Moody's Investors Service [affirmed](#) the ratings of Industrial Development Fund JSC.
- ▲ KazTransOil JSC [reported](#) on the results of operating activities for the first quarter of 2021.
- ▲ KazTransOil JSC [announced](#) the proposals of the Board of Directors to the general meeting of shareholders on the procedure for distributing the company's net income for 2020 and the amount of dividend on ordinary shares for 2020.
- ▲ KazTransGas JSC [announced](#) the results of the meeting of holders of international bonds XS1682544157, US48668NAA90 (KZTGe1).
- ▲ Freedom Finance JSC [announced](#) the payment of dividends to the holders of shares KZPF00000082 (FFIN_or) of the IUIT "Fixed Income" for the first quarter of 2021.
- ▲ Fincraft Group LLP [announced](#) the buyback of 3.9 million bonds KZ2D00005949 (NCOMb1).



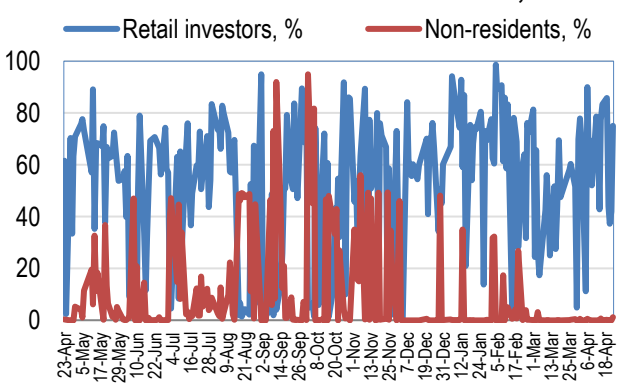
23.04.2021		Trends (%)	
KASE Index	3 235,74	-0,7	4,6
First class of liquidity	Price	Δ 7d	Δ 1m
Kazakhtelecom, preferred shares	15 605,0	9,0	17,8
Kazakhtelecom	30 797,0	6,8	13,6
VTB Bank	0,3	3,7	27,3
Kcell	2 535,0	2,3	7,0
Sberbank Russia	1 655,3	1,6	1,6
Bank CenterCredit	234,5	0,2	4,2
Aeroflot	429,8	0,2	-2,3
KEGOC	1 720,0	-0,0	3,5
KazTransOil	1 120,0	-0,6	-0,4
Gazprom	1 318,0	-0,7	2,1
Bank of America Corporation	16 727,5	-0,8	1,4
KAZ Minerals	4 325,0	-1,5	-9,4
NAC Kazatomprom	12 499,0	-2,7	16,8
Freedom Holding Corp.	20 858,9	-5,6	-5,1
Halyk Savings Bank of Kazakhstan	146,8	-7,1	-2,8

Note: Index stocks are highlighted in green

KASE Index shares



Retail investors & non-residents, %



KASE index fell by 0.7 % – to 3,235.74 points. The largest number of deals among index shares was made with ordinary shares of Halyk Bank – 2,950 deals (46.5 % of the total share). The largest volume of trades also fell on securities of Halyk Bank – KZT422.5 mln (32.4% of the total share).

The local stock market indicator has been declining throughout the week, and only by the results of Friday trading, the index managed to partially offset the losses of the previous sessions.

Following the results of the second week in a row, Kazakhtelecom shares were among the growth leaders, adding 6.8% in price. The telecom stocks began an active rally in early April following the release of an auditor's report on the company's 2020 consolidated financial statements. Strong financial performance in the form of an 8.3 % increase in net income for 2020, as well as plans to pay dividends by the end of 2020, 2.2 times more than at the end of 2019, served as serious drivers for the growth of the company's market value. In addition, Kazakhtelecom occupies a dominant position in the country in the markets of fixed and wireless communications, cable TV, as well as 18% of the cloud computing market.

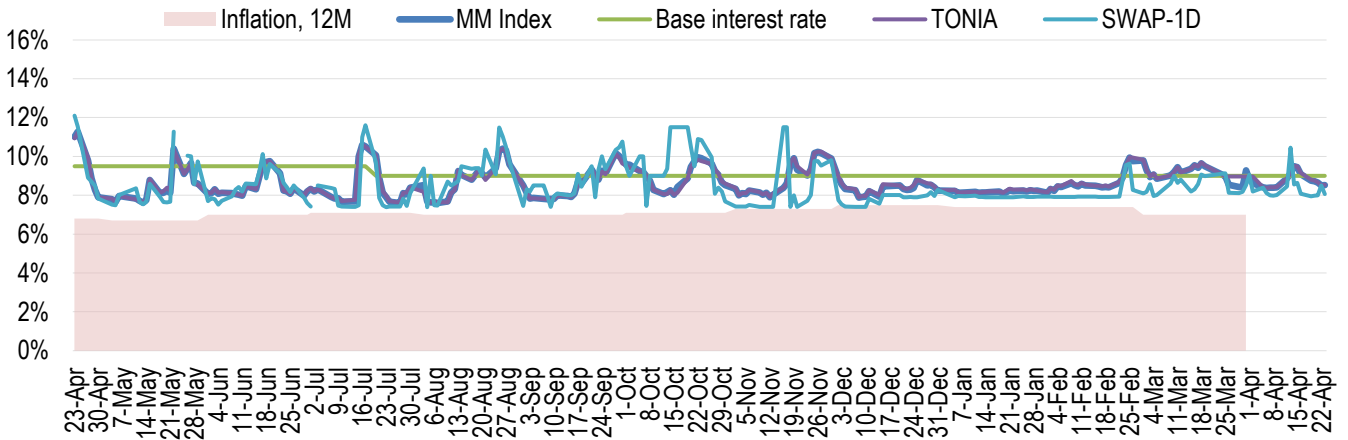
Meanwhile, the international rating agency Fitch Ratings has improved the outlook for the banking system of Kazakhstan from "negative" to "stable". The agency's review of the macroeconomic situation and the banking sector in Kazakhstan says that the slowdown in the GDP's growth and the economic impact of the pandemic did not significantly affect the growth of loan impairment costs (LIC) in 2020. Most banks have accumulated large capital buffers in recent years due to moderate loan growth and stable profit retention, and Fitch expects capital adequacy ratios to remain strong. In Fitch's view, most of the credit risks is associated with portfolios of concentrated and dollarized corporate loans and long-term project finance. However, corporate lending accounts for only 24% of the sector's assets, while other assets have lower credit risk. Against this background, bank shares showed a multidirectional movement: Bank CenterCredit's securities rose 0.2%, while Halyk Bank shares fell 7.1%.

KAZ Minerals shares continued to decline ahead of delisting from the London Stock Exchange (LSE). The company itself, after delisting, plans to re-register as a private limited liability company. The company's GDRs have already been excluded from the FTSE 250 Index, which represents shares of issuers ranked 101st to 350th by market capitalization on the LSE. Meanwhile, it became known that the Baimskaya project owned by KAZ Minerals in Chukotka may receive state support in the Russian Federation in the 4th quarter of 2021 as part of the action plan for the implementation of the Arctic development strategy. Baimskaya is expected to begin production by the end of 2027, with an annual ore processing capacity of 70 million tons. The estimated capital budget for the construction is about \$8 billion. It should be reminded that the majority shareholders linked the buyout offer of KAZ Minerals shares with the decision to implement a capital-intensive strategy focused on long-term growth (in particular, the Baimskaya project), which may cause disagreement among some investors.

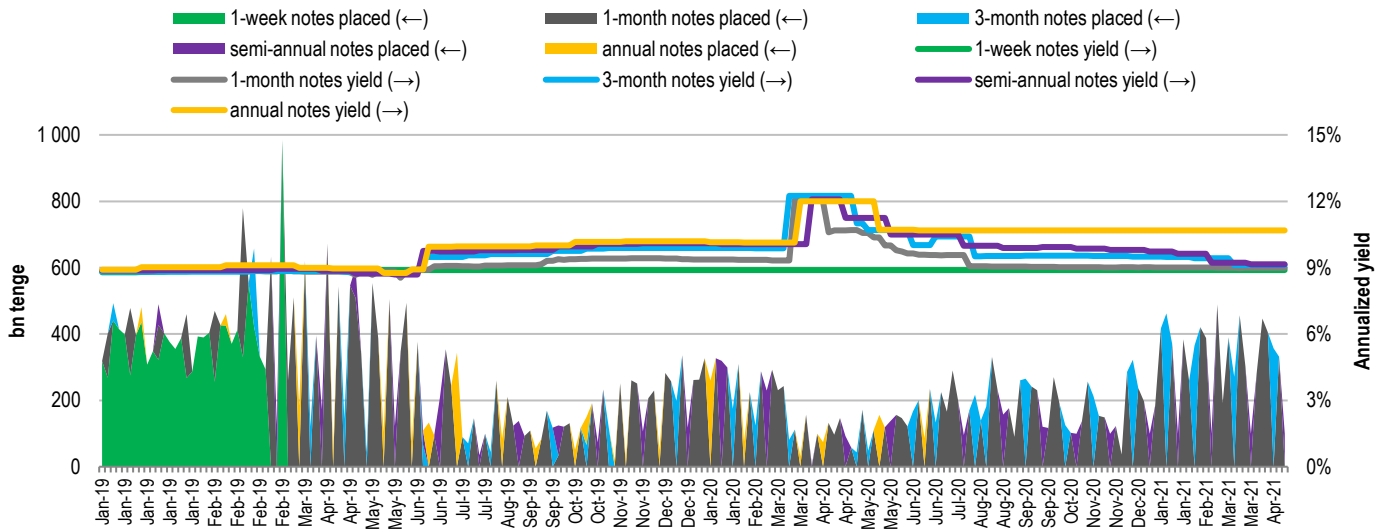
Meanwhile, KazTransOil reported on the results of operating activities for the first quarter of 2021. The company reported that the volume of oil transportation separately through KazTransOil JSC amounted to 10.2 million tons, which is down 2.6 % YoY. Oil cargo turnover separately through the system of main oil pipelines of KazTransOil JSC amounted to 8.7 billion ton-kilometers, which is down 3.6 % YoY. Consolidated oil cargo turnover amounted to 10.7 billion ton-kilometers, down 0.7 %. Against this background, the company's shares fell 0.6 %.

The yield on one-day repo transactions with government securities decreased by 60 b.p. – to the level of 8.54% per annum. The rate of borrowing the tenge secured by US dollars decreased by 2 b.p. and amounted to 8.06 % per annum. The average borrowing volume of the tenge liquidity for one day amounted to KZT273.8 bn (16% on the same indicator of the previous week) over the reporting period.

Inflation and interest rates

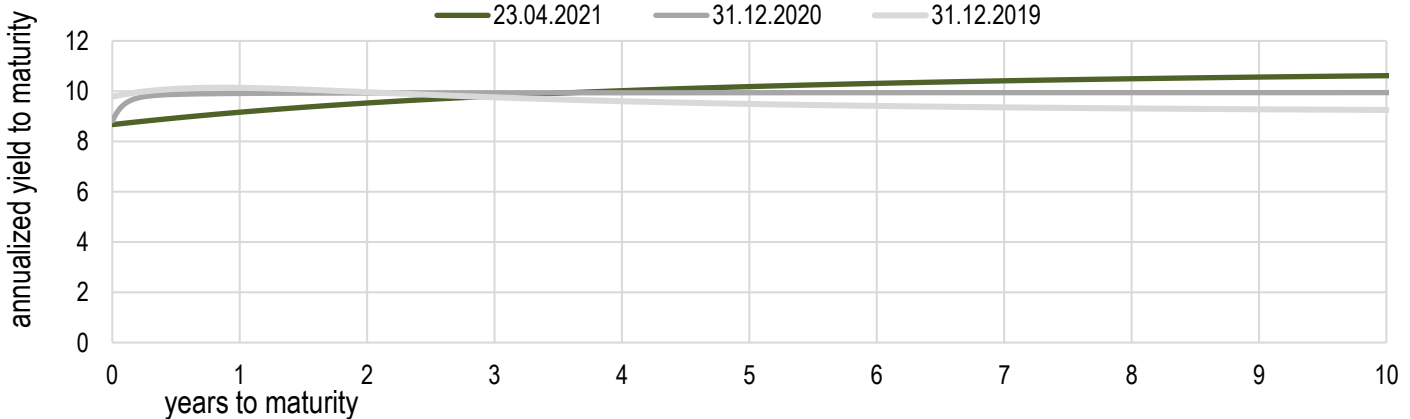


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)



The US dollar rate against the tenge increased by KZT0.34 (0.1%) – to KZT430.73. The total trading volume amounted to \$ 484 million (-32.6% to the same indicator of the previous week). The total number of deals for purchase and sale of the US dollar amounted to 1,234 (-766 on the same indicator of the previous week). The maximum price was KZT432.60 per US dollar, the minimum – KZT429.50.

The dollar rose against the tenge following the results of the reporting week amid falling oil prices. However, in the second half of the week, the tenge managed to recover slightly due to the strengthening of the Russian ruble. Oil quotes declined amid investor fears about lower demand due to an increase in cases of coronavirus infection in India and Japan. The Indian authorities, where more than 200 thousand new infections per day were recorded during the week, announced new quarantine measures in a number of cities, while an emergency regime was introduced in some Japanese prefectures due to an increase in the number of infections. Additional pressure on the market was exerted by an unexpected increase in US oil reserves. According to a weekly report from the US Department of Energy, the country's commercial oil reserves increased for the first time in four weeks in the week ending April 18. At the same time, the suspension of Libyan oil exports through one of the Mediterranean ports played in favor of the oil market. Libyan oil company National Oil Corp announced force majeure on shipments from Hariga port on Monday and said it could extend the measures to other facilities due to disagreements with the country's central bank.

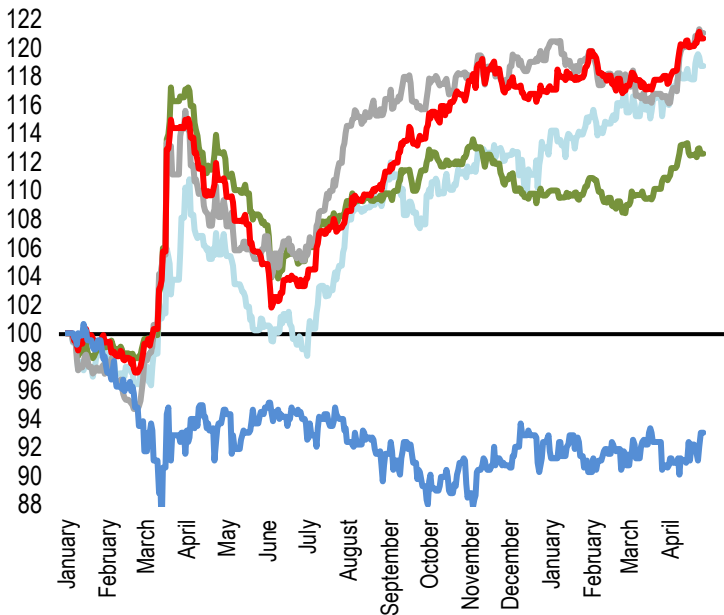
Meanwhile, the US dollar strengthened against the ruble after Russia's Defense Minister Sergei Shoigu announced that Russia was starting to withdraw military units from the Southern and Western military districts to their permanent deployment points on April 23 in connection with the completion of an inspection of troops. Earlier, Kiev accused Moscow of concentrating troops on the border with Ukraine. Meanwhile, the Central Bank of Russia decided to raise the key rate by 0.5 percentage points to 5%. According to Bloomberg consensus, most analysts were expecting a 0.25 p.p. increase.

The price of June Brent oil futures on the London ICE Futures exchange on Friday closed at \$66.11 per barrel (-1%). The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange amounted to 74.9806 rubles (-1.1%).

The value of the Russian ruble increased by KZT0.0617 (1.1%) – to KZT5.7173. The Chinese yuan rose in price by KZT0.4104 (0.6%) – to KZT66.4046.

FX rates

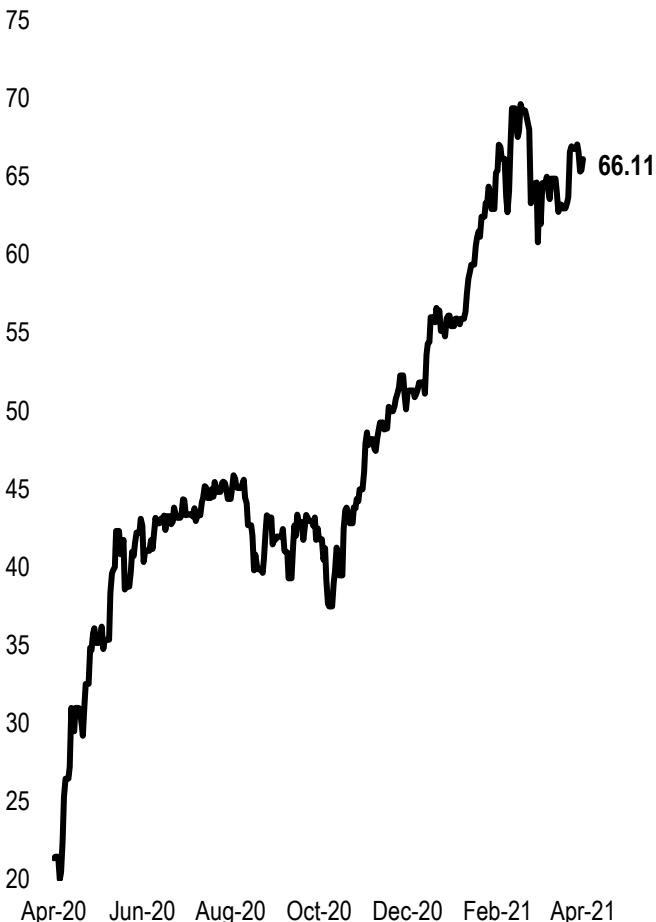
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	600.90	1.3	2.5	5.2
— USDKZT	432.21	0.5	2.6	2.7
— EURKZT	520.38	1.0	3.9	0.8
— CNYKZT	66.59	0.9	2.9	3.3
— RUBKZT	5.67	1.1	-0.4	0.4

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

23.04.2021

Name	Value	Trend %			Futures	Name	Price	Trend %		
		7d	1m	1y	7d			7d	1m	1y
S&P 500	4 180,17	-0,1	7,5	49,4	-0,1	Oil (Brent)	66,11	-1,0	2,6	209,9
Dow Jones	34 043,49	-0,5	5,0	44,8	-0,4	Oil (WTI)	62,14	-1,6	1,6	276,6
RTS	1 511,85	1,0	5,2	37,5	0,9	Natural gas	2,73	1,9	8,4	50,4
MICEX	2 285,53	0,0	0,0	0,0	0,9	Copper	433,60	4,0	6,5	87,5
Hang Seng	29 078,75	0,4	4,2	21,3	0,2	Iron	1 222,50	4,0	6,3	80,7
SS CSI 300	5 135,45	3,4	4,2	34,1	3,4	Gold	1 777,20	0,0	2,5	2,7
Euro Stoxx 50	4 013,34	-0,5	4,7	40,7	-0,4	Silver	26,08	-0,1	3,5	69,8
FTSEuroFirst	4 369,50	-0,9	3,5	29,7	-0,9	Wheat	710,25	8,9	13,7	29,8
FTSE 100	6 938,56	-1,2	3,4	19,1	-1,1					
KASE	3 235,74	-0,7	4,6	43,4						

Economic calendar

Currency

Forecast

Previous

04/28	Decision on Fed's interest rate	USD		
04/29	GDP (qt./qt.) (1 qt.)	USD	6.5%	4.3%
04/29	Number of initial claims for unemployment benefits	USD	560K	547K
04/30	Manufacturing PMI (Apr)	CNY	51.7	51.9
04/30	Germany's GDP (qt./qt.) (1 qt.)	EUR	-1.5%	0.3%
04/30	Consumer Price Index (CPI) (y/y) (Apr)	EUR	1.6%	1.3%

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 2020

Annual inflation	7.0%	04/01/21	5.6%
Gross international reserves of NBK, USD bn	34,674	02/01/21	35,638
Reserve money, KZT bn	9,173.8	01/01/21	8,652.5
Money supply, KZT bn	25,392	01/01/21	20,875.8

Кредитные рейтинги Казахстана

Rating

Date

Previous

	BBB-/A-3- stable	03/06/21	BBB- stable
	Baa3 positive	02/17/21	Baa3 positive
	BBB stable	02/20/21	BBB stable

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Corporate Events Calendar of KASE listed Companies

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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the entire invested amount back. For the investments in non-universally recognized markets, the investors may experience various difficulties, including selling them or obtaining the reliable information about their value or the risks involved;
3. report does not take into account the individual financial characteristics and aims of those receiving it.

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