

# KASE WEEKLY

July 26 – 30, 2021

## KASE NEWS

- ▲ KASE FORMED LISTS OF SECURITIES OF THE FIRST, SECOND AND THIRD CLASSES OF LIQUIDITY FOR AUGUST 2021.
- ▲ FROM AUGUST 4, 2021, KASE WILL CHANGE PARAMETERS OF SHARES INCLUDED IN THE REPRESENTATIVE LIST OF KASE INDEX.
- ▲ KASE's Board of Directors approves the additions related to "sustainable development" bonds to the KASE's internal documents.
- ▲ Bonds KZ2C00007763 (FIVEb2) of FIVE BROKERS' CAPITAL JSC are included in the "commercial bonds" category of KASE official list's alternative market.
- ▲ Bonds KZ2C00007714 (CCBNb33) of Bank CenterCredit JSC have been included in the category "bonds" of KASE official list's main market.
- ▲ Bonds KZ2C00007466 (KFUSb13), KZ2C00007474 (KFUSb14) and KZ2C00007581 (KFUSb25) of Kazakhstan Sustainability Fund JSC are included in the T+ List.

## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT203 bn at KASE by placing MEUKAM-132 of the seventh issue (KZKD00001152, MUM132\_0007), MEUKAM-120 of issue 16 (KZKD00000865, MUM120\_0016), MEUKAM-096 of issue 12 (KZKD00001160, MUM096\_0012), of the first issue KZKD00000105, MUM180\_0001), MEUKAM-084 of issue 18 (KZKD00001137, MUM084\_0018) and MEUKAM-168 of the fifth issue (KZKD00001111, MUM168\_0005).
- ▲ Akimdik of Zhambyl region raised KZT4.3 bn by placing two-year bonds KZMJ00001006 (DZK024\_100).
- ▲ Dosjan temir joly JSC redeemed 2,000,000 of its bonds KZ2C00000701 (DTJLb1) for KZT2.1 bn.
- ▲ Almatytemir JSC redeemed 46,249,996 of its bonds KZ2C00001493 (ALTMb1) for the amount of KZT60.7 mln.
- ▲ Bank CenterCredit JSC says the bank's ratings were affirmed by S&P Global Ratings, the outlook is Stable.
- ▲ National Atomic Company Kazatomprom JSC announced payment of dividends on common shares KZ1C00001619 (KZAP) for 2020.
- ▲ Kaspi Bank JSC announced that Moody's Investors Service has upgraded the bank's ratings, the outlook is Stable.
- ▲ Kcell JSC reported financial results for January–June 2021.
- ▲ R. Mukhoryapov was elected a member of the Board of Directors of "Otbasy bank" house construction savings bank JSC.



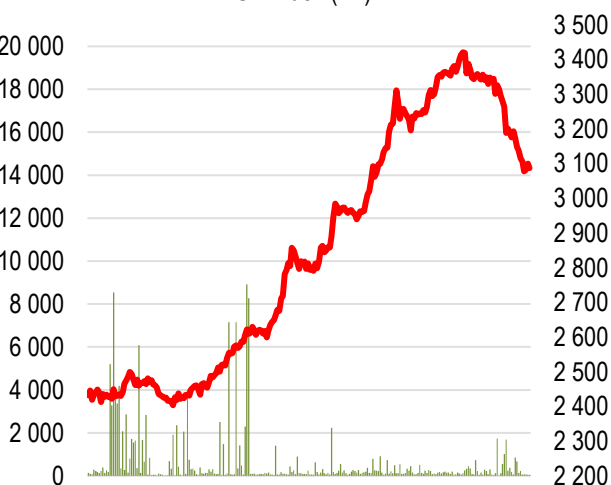
July 30, 2021

		Trends (%)	
<b>KASE Index</b>	3 086,66	-0,9	-7,7
<b>First class of liquidity</b>	<b>Price</b>	<b>Δ 7D</b>	<b>Δ 1M</b>
<b>KAZ Minerals</b>	0,0		
Kazakhtelecom, preferred shares	19 364,0	4,1	5,6
<b>KEGOC</b>	1 758,0	0,5	0,4
Bank of America Corporation	16 830,0	0,2	-5,9
Sberbank Russia	1 765,5	-0,3	-5,1
Freedom Holding Corp.	27 226,0	-0,3	7,1
<b>KazTransOil</b>	1 096,0	-0,4	0,2
Aeroflot	420,0	-0,7	-3,9
<b>Halyk Savings Bank of Kazakhstan</b>	163,0	-0,8	-4,6
<b>Bank CenterCredit</b>	249,0	-1,2	-0,8
<b>Kazakhtelecom</b>	30 590,0	-1,3	6,2
<b>NAC Kazatomprom</b>	12 415,0	-2,2	-8,0
Gazprom	1 640,0	-3,4	-1,1
VTB Bank	0,3	-3,6	-10,0
<b>Kcell</b>	1 940,0	-10,8	-23,0

Note: Index stocks are highlighted in green

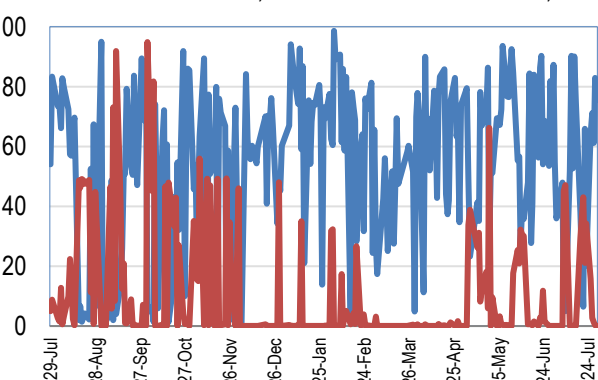
**KASE Index shares**

Trading volume, KZT M (←→)  
KASE Index (→)



**Retail investors & non-residents, %**

Retail investors, %      Non-residents, %



KASE index is closing in the red zone for the second month in a row. In July, the main downward pressure on the index was exerted by common shares of Kcell JSC, the price of which fell by 31.1 % over the month. Within the framework of the "Issuer Day" held on KASE on July 30, the management of this company noted that the price decline was a temporary phenomenon, formed against the background of the post-dividend period and delisting of global depository receipts. It was suggested that some of the GDR holders did not want to trade Kcell shares on local exchanges. By converting the receipts into shares, these investors closed their positions on KASE, thereby creating an excessive supply, despite the positive results of the company in the first half of the year and good prospects for the future.

Based on results of July, growth among the companies on KASE Index universe was shown only by common shares of KEGOC JSC. Over the month, they rose in price by 2.2 % and almost completely recovered after the decline caused by fixing the register for receiving dividends in May this year.

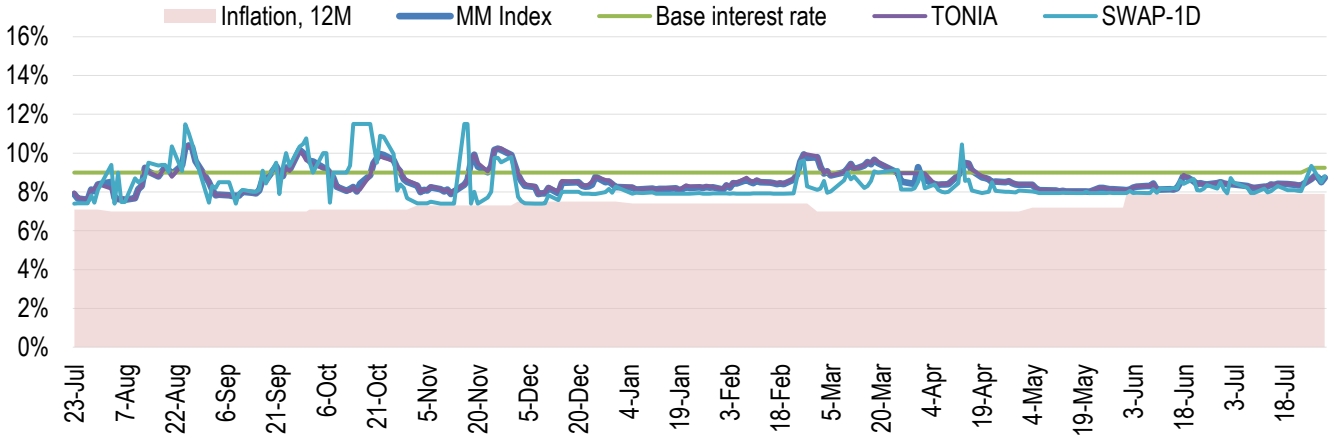
Shares of KazTransOil JSC found their equilibrium price. After a strong decline in early June, stocks traded in a horizontal trend throughout the month. Price dynamics of shares of Bank CenterCredit JSC in July was also insignificant.

In conditions of almost complete informational lull, the price of common shares of Halyk Savings Bank of Kazakhstan JSC and Kazakhtelecom JSC continued to decline. In the past month, they decreased by 3.7 % and 4.6 %, respectively.

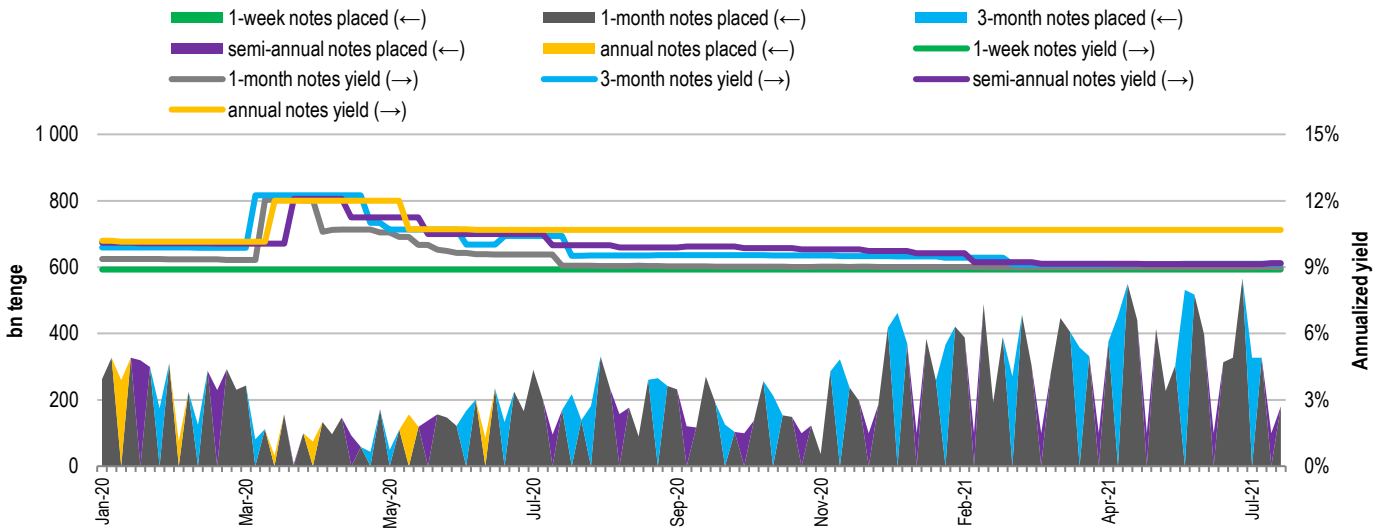
Despite the fact that uranium prices remain close to the maximums over the past 5 years, common shares of NAC Kazatomprom JSC fell by 12.6 % in July. KASE analysts associate the price decrease with the post-dividend adjustment, since on July 26 the company paid dividends on common shares for 2020 in the total amount of KZT150.1 bn, or KZT578.67 in terms of one share. Meanwhile, in July, the company announced long-term production plans, confirming that it will keep its uranium production in 2023 at the level of 2022.

The yield on one-day REPO transactions with government securities (GS) for (TONIA) from July 26 to 30 increased from 8.35 % to 8.74 % per annum, while at the end of the week the rate reached its minimum yield for the week. The rate of borrowing tenge secured by US dollars for a period of one day (SWAP-1D (USD)) also increased over the past week from 8.05 % to 8.80 % per annum. The average trading volume in one-day money market instruments amounted to KZT483 bn.

**Inflation and interest rates**

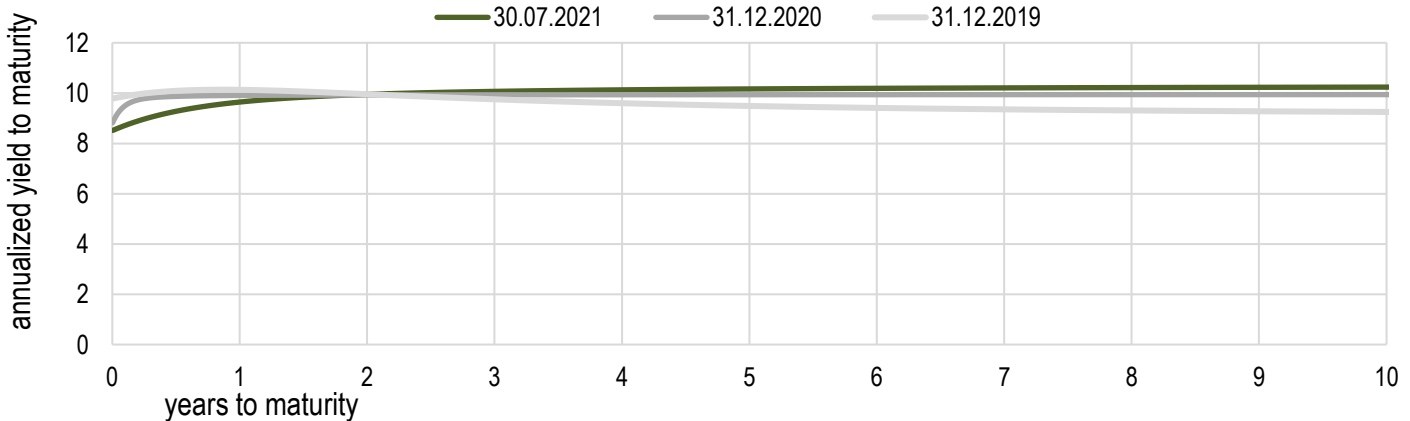


**Main Features of National Bank Notes Placements**



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

**Risk-free yield curve (non-indexed GS)**



In response to the growth of pro-inflationary pressure, the National Bank of the Republic of Kazakhstan on July 26 raised the base rate to 9.25 %. According to the comments of the regulator's representatives, in the foreign exchange market the rate increase will slightly change the balance between risks and profitability in favor of the tenge and will be reflected in the money market rates. On the horizon of last week in the foreign exchange market, the weighted average rate of the US dollar against the tenge with a settlement term "tomorrow" on the basis of the results from 26 to 30 July strengthened from KZT424.68 to KZT424.51.

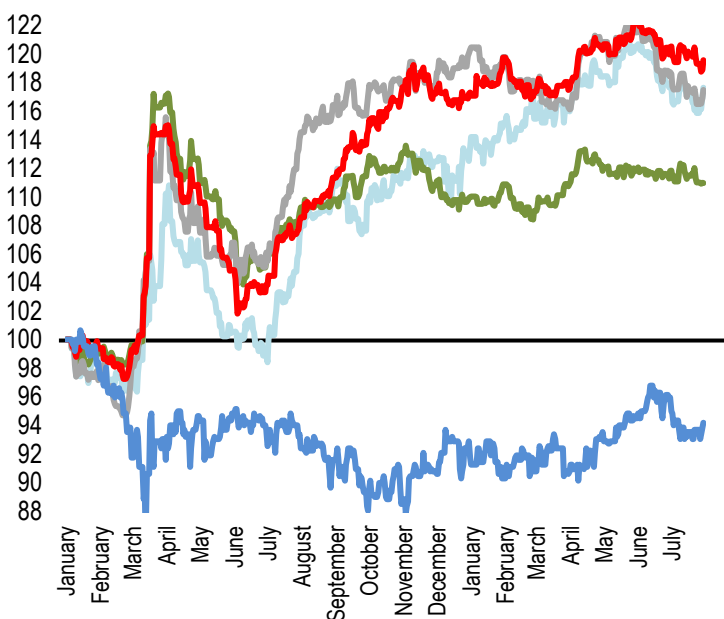
The increase in the base rate is the first change since July last year and, above all, is justified by the acceleration of inflation. In June, the annual consumer price index in Kazakhstan increased by 0.7 %, to 7.9 %, which is the highest value since January 2017.

The increase in the base rate contributes to the balance of the local foreign exchange market by increasing the attractiveness of tenge and tenge assets. In my previous interviews, I noted some imbalance in the foreign exchange market and insufficient strengthening of the tenge due to the growth of imports of goods against the background of recovery in business activity and the implementation of deferred demand. The higher tenge rate will stimulate the growth of foreign currency supply on the part of non-residents, as well as support the internal trend of de-dollarization of deposits.

Also, given the increase in rates on the global market, a more attractive tenge rate maintains a positive rate differential in relation to other currencies. So, for example, the differential of the rates of the National Bank and the Bank of Russia is 2.75 %, and with the federal funds rate of the US Federal Reserve – 9.00 %.

**FX rates**

Δ %, base (01.01.20)

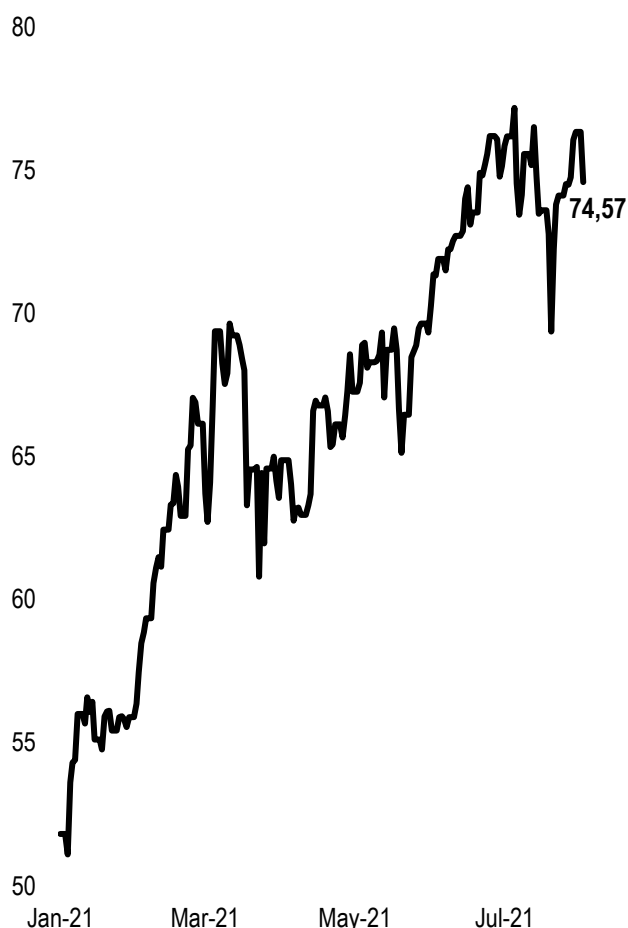


	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	592,23	1,19	-0,08	3,69
— USDKZT	424,51	-0,28	-0,77	0,90
— EURKZT	504,06	0,39	-1,04	-2,34
— CNYKZT	65,73	-0,15	-0,77	1,92
— RUBKZT	5,80	0,52	-1,86	2,65

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

**Brent oil**

USD/barrel





## Global indices

Name	Value	Trend %			Futures
		7D	1M	1Y	7D
S&P 500	4 395,26	-0,4	2,3	35,4	-0,3
Dow Jones	34 935,47	-0,4	1,3	32,8	-0,3
RTS	1 625,76	1,9	-1,7	31,9	2,1
MICEX	2 285,53	0,0	0,0	0,0	2,1
Hang Seng	25 961,03	-5,0	-9,9	5,1	-5,0
SS CSI 300	4 811,17	-5,5	-7,9	3,3	-5,9
Euro Stoxx 50	4 089,30	-0,5	0,6	27,5	-0,4
FTSEuroFirst	4 478,00	0,1	0,6	25,5	0,0
FTSE 100	7 032,30	0,1	-0,1	17,4	0,1
KASE	3 086,66	-0,9	-7,7	26,2	

## Commodities market

July 30, 2021

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	76,33	3,0	1,6	77,8
Oil (WTI)	73,95	2,6	0,7	85,2
Natural gas	3,91	-3,6	7,2	114,0
Copper	448,25	1,7	4,3	53,8
Iron	1 031,50	-13,7	-25,3	17,9
Gold	1 814,19	0,7	2,5	-6,9
Silver	25,55	1,3	-2,4	9,4
Wheat	703,75	2,9	4,8	32,9

## Economic calendar

Currency Forecast Previous

02.08	<u>Manufacturing PMI of Germany (July)</u>	EUR	65.6	65.6
02.08	<u>Manufacturing PMI from ISM (July)</u>	USD	60.9	60.6
04.08	Composite PMI (July)	GBP	57.7	57.7
05.08	<u>Inflation report of Bank of England.</u>	GBP	0.10%	0.10%
05.08	<u>Interest rate decision (Aug)</u>			
05.08	<u>Number of initial applications for unemployment benefits</u>	USD	380K	400K
06.08	Unemployment level (July)	USD	5.7%	5.9%

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 2020

Annual inflation	7.9%	01.07.21	5.6%
Gross international reserves of NBK, USD bn	35 058	01.06.21	35,638
Reserve money, KZT bn	10 317,2	01.06.21	8,652.5
Money supply, KZT bn	27 446,6	01.06.21	20,875.8

## Kazakhstan credit ratings

Rating Date Previous

S&amp;P Global

BBB-/A-3- stable 03/06/21 BBB- stable

MOODY'S

Baa3 positive 02/17/21 Baa3 positive

FitchRatings

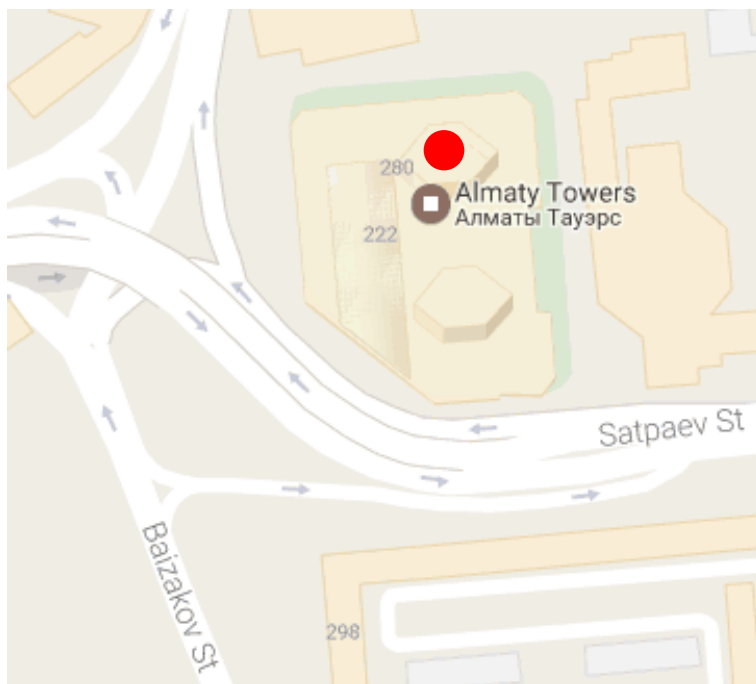
BBB stable 02/20/21 BBB stable

# CONTACT INFORMATION



**Address:** Republic of Kazakhstan, 050040, Almaty, Baizakov St., 280, Business Center "Almaty Towers"

**Tel.:** +7 (727) 237 53 00



**Corporate website**



**Contact us**



**Corporate Events Calendar of KASE listed Companies**

The information contained therein was gathered by the employees of Kazakhstan Stock Exchange JSC (KASE). KASE does not guarantee the completeness and accuracy of the information contained in this report, as well as its reliability. Neither KASE, nor any of the employees are liable for any direct or indirect loss (damage) arising from the use of this report or information / analysis presented therein. KASE does not assume any responsibility to update this report on a regular basis or notify of all changes that have occurred.

KASE draws investors' attention to the following factors:

1. return on investment in financial instruments depends on a variety of market and non-market factors. In particular, the actual income of an investor may change depending on the fluctuations in interest rates, changes in taxation, FX movements, changes in quotations of securities, market indexes, changes in production and financial performance of companies, and other factors;
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.

KASE recommends that the investors independently evaluate the feasibility of certain investments and strategies and encourages the investors to use the services of financial consultants.

KASE reserves all rights for the report. This analytical material can be copied and/or distributed in full or in part upon written permission of KASE