

## PRESS-RELEASE

city of Almaty

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

Kazakhstan Stock Exchange JSC (KASE, the Exchange) informs about main results of operations for October 2020.

- In 2020, the total volume of trades on KASE reached KZT151.9 trillion and increased by 2.4% compared to 32,4 or KZT57.0 trillion.
- KASE Index rose by 1,3% or by 31.77 points to 2,456.93.
- Equity market capitalization increased by 1.7% or KZT294.5 bn and made up KZT18.0 trillion.
- The volume of outstanding corporate debt grew by 3.3% or KZT475.3 bn having reached KZT14.8 trillion.
- As at November 1, 2020, there were non-government securities of 450 names of 185 issuers in the KASE trading lists.
- As at November 1, 2020, there were 127,319 personal accounts opened by individuals at the Central Securities Depository, which is by 1,548 accounts more than a month earlier and by 9,624 accounts more than at the beginning of 2020.

### **KEY PROJECTS AND ACTIVITIES**

KASE held the following events and projects during October 2020:

- The Sustainable Development Policy of the Exchange, which is developed in accordance with the legislation of the Republic of Kazakhstan, the internal documents of KASE, the terms of the UN Global Compact and the Principles of Responsible Investment of the UN, has been put into effect since October 28. The main objective of the Policy is to define the fundamental norms, principles, rules and approaches to be followed by the Exchange when building a management system for sustainable development.
- On October 26, 2020, KASE together with Tau-Ken Samruk held an online meeting with representatives of mining companies on raising capital on the Exchange.
- On October 20, 2020, within the framework of KASE Startup development, the Exchange together with QazTech Ventures held an online meeting on obtaining support for Kazakh startup projects from the Singapore Fund for all interested people.
- KASE will hold a competition among retail investors on equity market, which is aimed at promoting stock trading in Kazakhstan, from October 20 until November 30, 2020. Registration for the competition continues until November 15, 2020. The winners of the competition will be three participants with the maximum yield on the results of transactions.
- The program "KASE Stock Exchange News" has been launched on the Business FM radio since October 5. The program contains up-to-date information on the dynamics of KASE stock markets, its projects and trends.

### **EQUITY MARKET**

Equity market capitalization increased by 1.7% or KZT294.5 bn and made up KZT18.0 trillion by the end of October.

There were 141 share titles of 125 issuers as at the end of October in the KASE trading lists; five issues of these securities were admitted to trading in non-listed securities sector.

In October, the shares of three names were admitted to trading on KASE in the "Non-listed securities" sector: CHINATOWN JSC, Қазақстан Мәтасы JSC and National Company Food Contract Corporation JSC.

Stock trading volume in October dropped by 52.2% or KZT16.7 bn to KZT15.3 bn compared to September 2020. The average daily trading volume amounted to KZT694.1 bn, average number of transactions was 721, average volume of one transaction was KZT962.1 thousand.

Individuals were the most active investors among main investor categories: their share has reached 48.2% of the total volume of transactions with shares. The share of broker-dealers amounted to 15.9%, the share of other institutional investors was 5.6%, the share of other legal entities reached 24.7%. Second-tier banks (STBs) accounted for 5.6%. The share of non-residents amounted to 9.6%.

## KASE INDEX

KASE Index has risen by 1.3% or 31.77 points to 2,456.93 points by the end of October. The volume of transactions with index shares in October amounted to KZT 14.1 bn, which is 1.2% higher than in September.

### Changes in prices of shares included in the KASE representative list

Issuer	Trade code	Price change, %		
		as at October 1, 2020	as at November 1, 2020	in October
KAZ Minerals PLC	GB_KZMS	2,921.09	3,271.00	+12.0%
Kcell	KCEL	2,590.00	2,720.00	+5.0%
Kazakhtelecom	KZTK	24,980.98	25,112.00	+0.5%
KazTransOil	KZTO	801.50	800.00	-0.2%
Bank CenterCredit	CCBN	219.01	218.00	-0.5%
KEGOC	KEGC	1,710.00	1,676.59	-2.0%
Kazatomprom	KZAP	6,185.00	6,050.00	-2.2%
Halyk Savings Bank of Kazakhstan	HSBK	114.60	109.17	-4.7%

KAZ Minerals PLC's ordinary shares that rose by 12% to KZT3,271 over the reporting month became main KASE Index growth driver. On October 29, shares of the copper mining company once again managed to renew the maximum price value for 2020, thus showing a 24.4% growth since the beginning of the year, while the growth from the minimum mark of 2020 (March 16) was 113.8% (x 2.1 times). The value of the issuer's share on the London Stock Exchange (LSE) for the reporting period rose by 20.2% to 630 British pences.

Ordinary shares of Halyk Savings Bank of Kazakhstan have dropped most of all among index shares. Their price fell by 4.7% to KZT109.17 during the month, which is nevertheless 20% above the annual minimum. Ordinary shares of Halyk Savings Bank of Kazakhstan ranked first by the number of transactions among all shares traded in the reporting month.

## CORPORATE BOND MARKET

The volume of outstanding corporate debt grew by 3.3% or KZT475.3 bn having reached KZT14.8 trillion (US \$33.4 bn) in October.

There were 264 bond issues of 68 issuers in the KASE Official List at the end of October. Four issues of corporate bonds: the issue of the Development Bank of Kazakhstan, National Company KazMunayGas, Subsidiary Bank Sberbank of Russia and TechnoLeasing were included in the KASE Official List in the reporting month.

One issue of the Eurasian Bank's corporate bonds was excluded from the Official List due to maturity in the reporting month.

KASE\_BMY corporate bond yield index grew by one basis points to 10.93% APR in October.

The volume of trading in corporate bonds on KASE grew 7 times or by KZT429.9 bn to KZT502 bn compared to September. The average daily trading volume amounted to KZT22.8 bn, average number of transactions was 17, average volume of one transaction was KZT1.4 bn.

Nine bond issues of five issuers for the total amount of KZT440.2 bn were placed in the primary corporate bond market.

- Kazakhstan Sustainability Fund raised KZT234.8 bn on KASE placing three bond issues with weighted average yield to maturity from 10.89 to 11.97 % APR.
- Mortgage Organization Kazakhstan Mortgage Company raised KZT200 bn offering 12-year bonds with yield to maturity at 6.02% APR.
- Microfinance Organization Online KazFinance raised KZT1.4 bn on KASE by placing two-year bonds KZ2P00006877 (MFOk1) at 19 % APR.
- Wholesale and Retail Trade Company raised KZT3.5 bn by placing two bond issues with yield to maturity of 10.49 % and 10.50 % APR with the maturity of 5.7 and 7 years, respectively.
- TechnoLeasing raised KZT 500 mln to KASE by placing bonds with yield to maturity of 16.5% APR and maturity of one year.

Main categories of investors on the primary corporate bonds market were as follows: the share of STDs accounted for 4%, broker-dealers – 7.1%. The share of other institutional investors accounted for 38%, the share of other legal entities was 50.6%, individuals – 0.3 %. The share of non-residents is estimated at 4.4%.

Trading volume in the secondary bond market rose 3.4 times or by KZT43.5 bn to KZT61.7 bn compared to September.

Main categories of investors on the secondary corporate bonds market were as follows: the share of STDs accounted for 5.9%, broker-dealers – 31.6%, other institutional investors – 15.9%, other legal entities – 44.8%, individuals – 1.8%. The share of non-residents amounted to 36.2%.

## **GOVERNMENT SECURITIES MARKET (GS)**

The nominal value of sovereign debt traded on KASE increased by 1.5% or by KZT237.8 bn to KZT16.2 trillion (US\$37.6 bn) in October.

International bonds of the US Department of the Treasury and 35 issues of local executive bonds were included in the GS sector in the reporting month.

In October, the volume of trading on the government securities market grew 2.4 times or KZT 379.2 bn to KZT645 bn, due to significant growth of trading volume on the primary market by 2.6 times. The average daily trading volume was KZT29.3 bn (on the secondary market - KZT1.7 bn), the average daily number of transactions is 8 (on the secondary market - 2), the average volume of one transaction is KZT3.5 bn (average volume of one transaction on the secondary market is KZT802.6 mln).

The volume of the primary market was KZT608.1 bn, which is 2.6 times or KZT377 bn more than in September. Of these, KZT201.8 bn were raised by local administrations of 14 regions, cities of Almaty and Nur-Sultan and Shymkent in order to finance the activities envisaged under the state program "Roadmap for Employment in 2020-2021". The Ministry of Finance raised KZT406.3 bn, which is 83.2% more than in September. In October, a total of 13 bond issues were placed with an average weighted yield of 9.83-10.52% APR (at 9.74-10.52% APR). The buyers were STBs, their share was 18.1%, brokers-dealers with less than 1% share, other institutional investors with 48.2%, other legal entities with 33.3%.

Trading volume in the secondary market rose by 6.4% or by KZT2.2 bn to KZT36.9 bn by the end of October. Transactions with MEKAM accounted for 86.5% or KZT31.9 bn of the total trading volume of secondary market, 13.2% or KZT4.9 bn of the National Bank's notes. The rest of the volume, which is less than 1% (KZT116.1 mln), accounted for transactions with Eurobonds of the Republic of Kazakhstan and with the government securities of foreign countries.

The structure of investors on the secondary market were as follows: the share of STDs accounted for 12.2%, broker-dealers – 16.8%, other institutional investors – 6.7%, other legal entities – 64.2%, individuals – 1%. The share of non-residents amounted to 57.8%.

## IFI BONDS

There were 29 bond issues of four international financial institutions in KASE trading lists as at the end of the reporting period: the Eurasian Development Bank, the European Bank for Reconstruction and Development, the International Finance Corporation and the Asian Development Bank.

During October three trades for the amount of KZT2.6 bn were concluded at the secondary market, which is KZT2.5 bn more than a month earlier. In terms of investors, the share of STDs was 38.9%, the rest – 61.1% – accounted for other legal entities.

## UNITS OF INVESTMENTS FUNDS

As at November 1, there were 13 instruments managed by ten companies in the sector "Securities of Investment Funds".

Trading volume amounted to KZT2.8 bn and dropped by 64.2% or by KZT5bn compared to September during the reporting month.

Instrument	Volume, KZT mln	Number of deals
RU_UKFFipo	2,707.0	654
US_BIL_	26.2	7
CSECgm	20.2	3
US_SPY_	16.2	71
FFIN_or	3.3	10
IE_FXBF	0.4	55
	<b>2,773.4</b>	<b>800</b>

Main categories of investors were as follows: 57.2% accounted for by individuals, 36.8% by broker-dealer firms, 6% other legal entities.

Freedom Finance, the management company of the Fixed Income interval mutual fund, has notified on October 10, 2020, of the payment of dividends to unit holders KZPF00000082 (FFIN\_or) for the third quarter of 2020. According to the information provided, the payout amounted to US\$15,106,917.11. The list of holders of units was fixed as of September 30, 2020 for payout of dividends.

## ACCOUNTS OF INDIVIDUALS ON THE SECURITIES MARKET

As at November 1, 2020, there were 127,319 personal accounts opened by individuals at the Central Securities Depository, which is by 1,548 accounts more than a month earlier and by 9,624 accounts more than at the beginning of 2020.

## FOREIGN EXCHANGE MARKET

In October, 2020, 28 KASE members participated in the trading in the foreign exchange market of KASE. Two brokers - Freedom Finance and CAIFC INVESTMENT GROUPEC - were active in the market, their share in gross turnover was 0.7% in the reporting month.

The trading volume on foreign exchange market was KZT1.05 trillion, which is by 7.2 % or KZT81.8 bn lower than in the previous month. The average daily trading volume amounted to KZT48 bn, average number of transactions was 360, average volume of one transaction was KZT133.3 mln.

The following table shows main characteristics of currency pairs traded on KASE (parentheses indicate the change of an indicator to the previous month, the change in the exchange rate reflects nominal change in weighted average exchange rate of a foreign currency to tenge).

Currency pair	Volume, mln units of currency	Share in trading volume, %	Number of transactions	Min. and max. exchange rates, number of quoted currency for the unit of base currency	Exchange rate at the end of the month (%)
USD/KZT	2,400.81 (-9.3 %)	97.7 % (-1.1 %)	7,713 (-2,714)	427.28 – 432.66	432.66 (+0.8 %)

RUB/KZT	3,471.40 (x9.3)	1.8 % (+1.6 %)	144 (+45)	5.4688 – 5.6289	5.4688 (-1.4 %)
CNY/KZT	81.12 (-48.0%)	0.5 % (-0.4 %)	51 (-28)	63.6100 – 64.7473	64.7473 (+1.5 %)
EUR/KZT	0.82 (-81.1 %)	0.1 % (-0.2%)	12 (-17)	501.7 – 508.7	506 (+0.4 %)

## MONEY MARKET

By the end of October, TONIA indicator (weighted average interest rate on one business days repo opening deals) dropped by 103 bps from 9.63% APR to 8.60 % APR.

TWINA indicator (weighted average interest rate on seven business days repo opening deals) rose by 3 bps from 9.29% APR to 9.32 % APR.

The yield of one-day dollar swap SWAP-1D (USD) at the end of October dropped by 308 bps from 10.76 % to 7.68 % APR. The yield of two-day swap SWAP-2D (USD) was down 231 bps from 9.82% to 7.51% APR.

MM\_Index, a composite indicator of the money market representing the average value of average weighted interest rates (yield) on USD/KZT currency swap transactions and one-business day autorepo transactions in government securities weighted by the transactions amount, has decreased by 133 bps from 9.85% APR to 8.52 % APR for October. Weighted average rate in October was 9.02% APR.

## Repo transactions market

Trading volume in this segment amounted to KZT 7.3 trillion, which is more than last month (in September the volume of repo transactions amounted to KZT 5.4 trillion) by KZT 1.9 trillion or 35.3%. The average daily trading volume amounted to KZT333.8 bn, average daily number of transactions was 374, average volume of one transaction was KZT893 mln.

## Currency swap market

The volume of trading in the currency swap market in October was KZT 338.6 bn, down by KZT200.8 bn or 37.2% in September (from KZT539.5 bn in September to KZT338.6 bn in October).

The average daily trading volume amounted to KZT15.4 bn, average daily number of transactions was 5, average volume of one transaction was KZT3.3 bn.

In the instrumental structure, 77.3% of the total volume on the currency swap market was accounted for one-day currency swap deals (USDKZT\_0\_001), 20.2% of the total trading volume on the currency swap market accounted for two-day currency swap deals (USDKZT\_0\_002), 2.5% of the total trading volume on one-month currency swap deals (USDKZT\_0\_01M).

## Derivatives market

The futures, the underlying assets of which are represented by the US dollar, KASE Index and particular stocks, are available in this sector of the exchange market. There were no open positions held by participants of the derivatives market by the beginning of November. No transactions were made in October.

## For reference

Kazakhstan Stock Exchange (KASE) is the leading stock exchange KASE ranks second among the CIS exchanges on the volume of trading in securities, and it also ranks sixth on equity market capitalization among FEAS stock exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, money market operations - repo and swap, as well as derivatives, has modern technologies and provides full range of trading and post-trade services in accordance with accepted international standards.

KASE is the member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations. It also participates in the UN Sustainable Stock Exchanges Initiative.

KASE actively promotes Kazakhstan's economic growth by providing a transparent investment environment for local and foreign participants.

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