

# KASE WEEKLY

October 26–30,  
2020

## KASE NEWS

- ▲ KASE's Board of Directors [made a decision](#) to offer 119,000 common shares KZ1C00001213 (KASE) taking into account the exercise by the Exchange's shareholders of the preemptive purchase right.
- ▲ ForteFinance JSC [was admitted](#) to KASE members in the "stock" and "derivatives" categories.
- ▲ [Amendments](#) to the Listing Rules and the Rules for determining the amounts, terms and procedure for payment of listing fees, [amendments](#) to the Rules for cash settlements on deals with the central counterparty in the stock market, [amendments](#) to the Rules for execution of exchange activities and the [Policy](#) of sustainable development of Kazakhstan Stock Exchange JSC were put into effect.
- ▲ Bonds KZ2D00006913 (SBERb12) of SB Sberbank of Russia JSC [were included](#) in KASE official list under the category "bonds" of the main market.
- ▲ Halyk Finance JSC [waived](#) the status of a market-maker on KASE for international bonds XS0274618247 (ATFBb7) of ATFBank JSC.
- ▲ Trades in bonds [KZ2C00006906](#) (KFUSb1) of Kazakhstan Sustainability Fund JSC, [KZ2C00006823](#) (BTDVb6) and KZ2C00006831 (BTDVb7) of Mortgage Organization "Kazakhstan Mortgage Company" JSC were opened on KASE.
- ▲ Bonds KZ2C00006906 (KFUSb1) of Kazakhstan Sustainability Fund JSC are included in the [List T+ and Collateral List T+](#), in the [GS basket without the CCP](#), in the [GS basket with the CCP and in the NBRK basket with the CCP](#).
- ▲ Common shares KZ1C00000629 (CAHO) of CHINATOWN JSC [were admitted](#) to the "Non-listing securities" sector.
- ▲ Trades in international bonds XS0925015074, US46639UAA34 (KMGZe6) and XS1595713279, US48667QAM78 (KMGZe10) of National Company "KazMunayGas" JSC [have been suspended](#).

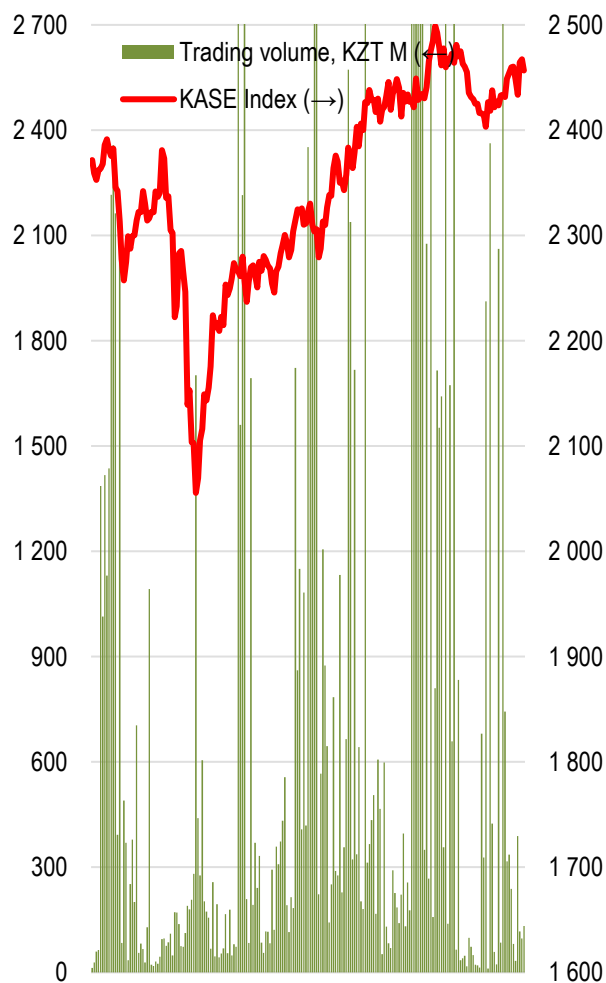
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT183.6 bn on KASE by placing MEUKAM-216 of the first issue ([KZKD00000972](#)), MEUKAM-120 of issue 17 ([KZKD00000899](#)), MEUKAM-144 of the first issue ([KZKD00000261](#)), MEUKAM-096 of issue 11 ([KZKD00001095](#)), MEUKAM -108 of issue 11 ([KZKD00000816](#)), MEUKAM-216 of the second issue ([KZKD00001079](#)), MEUKAM-084 of issue 17 ([KZKD00000881](#)), MEUKAM-108 of issue 13 ([KZKD00001087](#)).
- ▲ Wholesale and retail trade venture JSC raised KZT3.4 bn on KASE by placing bonds [KZ2C00004539](#) (ORPTb1) with a yield of 10.4900 % per annum and [KZ2C00006187](#) (ORPTb2) with a yield of 10.5000 % per annum.
- ▲ Kazakhstan Sustainability Fund JSC raised KZT9.7 bn on KASE by placing bonds KZ2C00006948 (KFUSb2) with a yield to maturity of 10.8800 % per annum.
- ▲ KazTransOil JSC [reported](#) on the results of production activities for nine months of 2020.
- ▲ Tethys Petroleum Limited [provided](#) results of operations for nine months of 2020.
- ▲ KAZ Minerals PLC [provided](#) recommendations to shareholders on the acquisition of shares by NOVA RESOURCES B.V.
- ▲ NC KazMunayGas JSC [announced](#) the results of meetings and tender offers in respect of bonds XS0925015074, US46639UAA34 (KMGZe6) and XS1595713279, US48667QAM78 (KMGZe10).

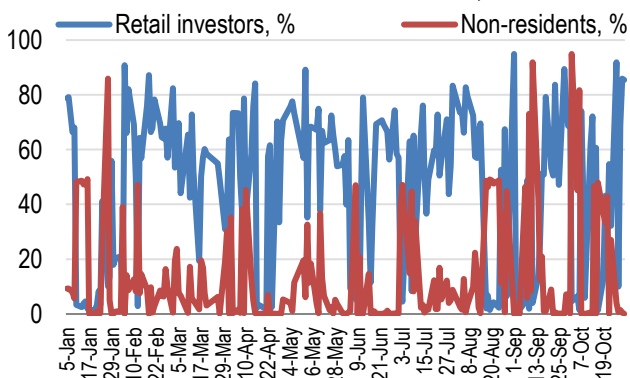


According to the results of the week, KASE index went down by 0.1 % to 2,456.92 points. The largest number of deals among index stocks during the week was made with common shares of KAZ Minerals – 455 deals. The largest volume of trades fell on securities of Kcell – KZT305.0 mln. (39.8 % of the total volume over the week).

## KASE Index shares



## Retail investors &amp; non-residents, %



30.10.2020

		Trends (%)	
KASE Index	2 456,93	0,4	1,3
First class of liquidity	Price	Δ 7d	Δ 1m
<b>KAZ Minerals</b>	3 271,0	6,3	14,0
<b>Kcell</b>	2 720,0	0,9	5,4
<b>Bank CenterCredit</b>	218,0	0,9	-2,9
Kazakhtelecom, preferred shares	12 350,0	0,0	2,5
<b>Halyk Savings Bank of Kazakhstan</b>	109,2	-0,1	-6,7
<b>KazTransOil</b>	800,0	-0,3	-0,1
Sberbank Russia	1 200,0	-1,0	-4,0
<b>Kazakhtelecom</b>	25 112,0	-1,3	0,5
Aeroflot	364,9	-1,4	-12,3
<b>NAC Kazatomprom</b>	6 050,0	-1,6	-1,6
<b>KEGOC</b>	1 676,6	-2,8	-2,2
Bank of America Corporation	10 282,2	-3,5	-1,3
Freedom Holding Corp.	12 013,0	-4,2	15,6
Gazprom	890,2	-4,3	-14,4
VTB Bank	0,2	-5,0	0,0

Note: Index stocks are highlighted in green

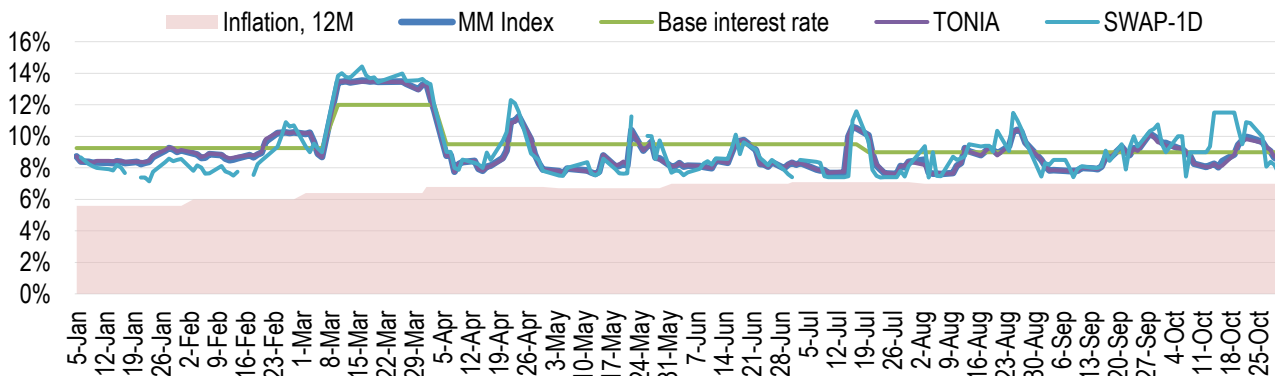
Under pressure from external factors, such as the introduction of new quarantine measures to curb the growth rate of COVID-19 infection and lower prices of risky assets, KASE Index closed in the "red zone". Only two companies managed to demonstrate growth. The growth leaders were stocks of KAZ Minerals, which gained 5.5 % on the background of the news about the desire of two largest co-owners of the company, Vladimir Kim and Oleg Novachuk, who together own 39.4% of KAZ Minerals, to buy out shares of minority shareholders. The offer was made to minority shareholders through Nova Resources B.V., which offers €6.4 per share of KAZ Minerals, which corresponds to a capitalization of the entire company of £3 billion and represents a 12.1 % premium to the closing price on October 27. In the company making the offer, Kim and Novachuk own 63.5% and 36.5 %, respectively. To fund the buyout, Nova Resources is securing a loan from VTB Bank. The company's quotations increased by 5.5 % - up to KZT3,271.00. Meanwhile, shares of KAZ Minerals on the London Stock Exchange (LSE) at the close of trading on KASE traded at a price of GBP6.28 (KZT3,530.87 at the exchange rate of the National Bank as of October 30). At the official exchange rate of the British pound to the tenge on Friday, the quotes of KAZ Minerals shares on KASE showed an 8 % growth potential to the level equivalent to 628 pence.

Also, this week, KAZ Minerals provided production results for nine months of 2020. According to the company, copper production in January-September 2020 decreased by 0.2% and amounted to 230 thousand tons. On the contrary, gold and silver production increased by 9.7 % and 5.8 %, respectively. As the company notes, in the third quarter, COVID-19 did not have a significant impact on the activities and sales of the group, but in the fourth quarter the risk of new restrictions remains. Total copper sales decreased by 1.8% to 228.3 thousand tons. The company explains that the decline was caused by shipment times – deliveries to customers continued with minor delays due to COVID-19 restrictions on the Chinese-Kazakh border. Gold sales also decreased by 5.6 % to 159.3 thousand ounces.

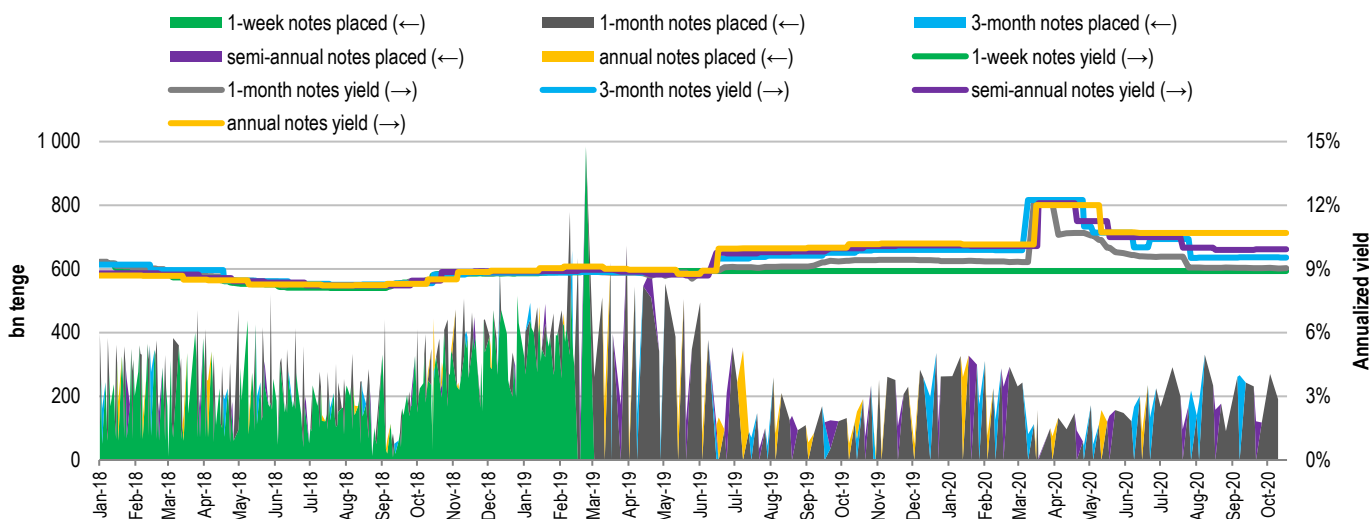


The yield on one-day repo transactions with government securities decreased by 116 b.p. over the week, to the level of 8.6% per annum. The rate of borrowing the tenge secured by US dollars decreased by 316 bp. to the level of 7.68% per annum. The average volume of borrowing the tenge liquidity for one day amounted to KZT263.5 billion (+3.6% on the same indicator of the previous week) during the week).

**Inflation and interest rates**

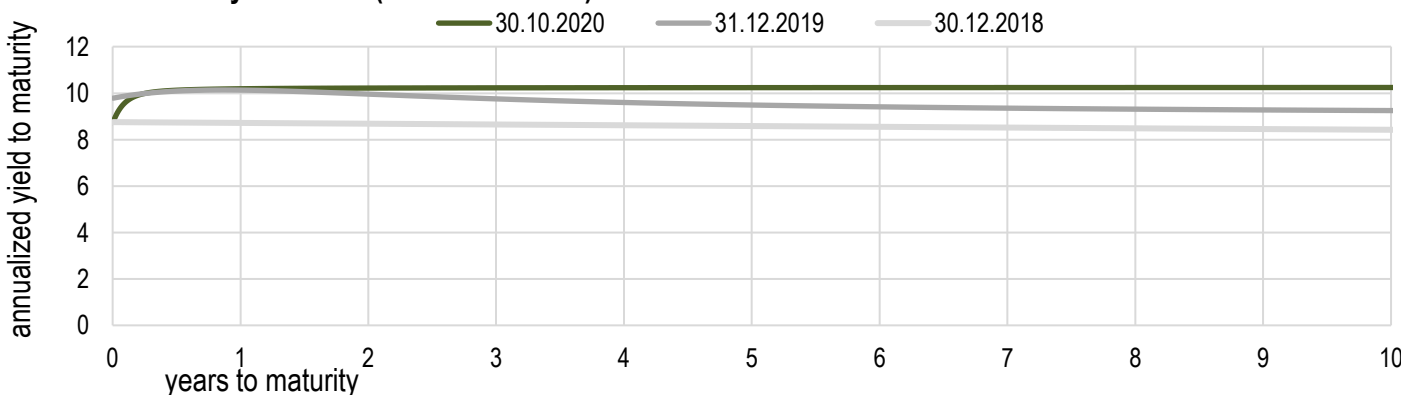


**Main Features of National Bank Notes Placements**



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

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





According to the results of the week, the US dollar exchange rate against the tenge increased by KZT4.73 (+ 1.1%) to KZT432.64. The total trading volume over the week amounted to USD974.85 mln (+149.0% on the same indicator of last week). The total number of US dollar purchase and sale deals amounted to 1,966 (+796 on the previous week). The maximum price was KZT433.00 per US dollar, the minimum – KZT428.50.

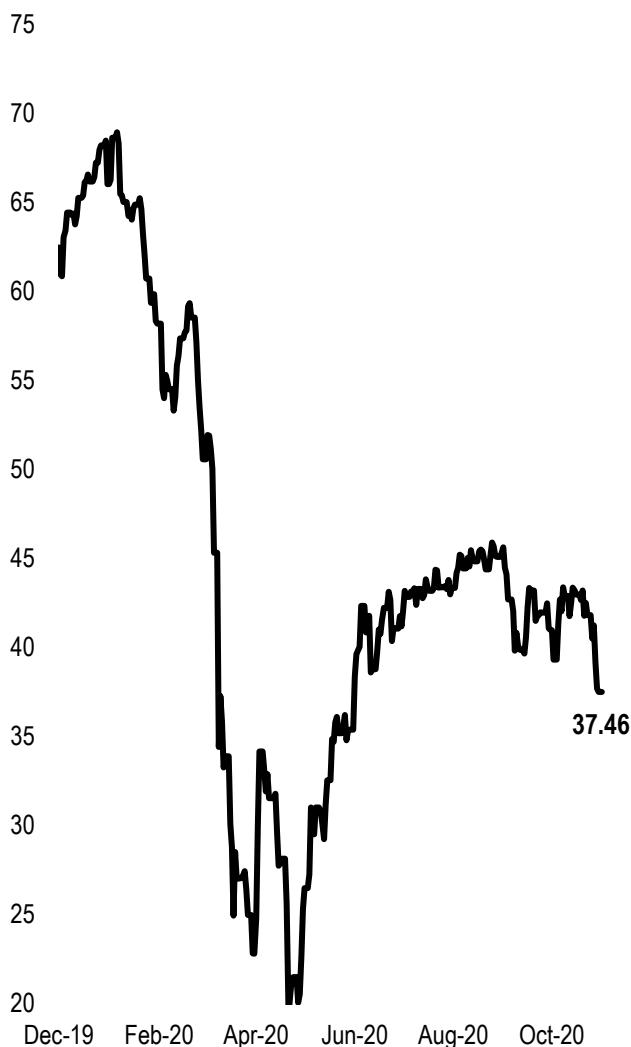
The tenge depreciated against the US dollar over the week against the background of investors getting rid of risky assets and falling oil prices. Oil ends October with the highest decline since May and the second consecutive month-long decline. Investor concerns about the energy demand are on the rise due to the spreading of COVID-19 infections, which negatively affects oil prices. Market pressure is also coming from the steady increase in oil production in Libya. The state oil company of Libya, the National Oil Corp. (NOC), plans to increase production to over 1 million barrels a day within four weeks. Currently, NOC production is 560 thousand bpd. In addition, the market is under pressure from uncertainty about the results of the US presidential elections, which will be held next week. Meanwhile, data from the US Department of Energy released on Wednesday showed an increase in oil reserves in the country over the week ended October 23, by 4.3 million barrels. In France, meanwhile, a partial lockdown will be introduced from Friday, which will last at least until December.

The cost of January Brent futures on the London stock exchange ICE Futures by 15:30 o'clock, Nur-Sultan time, on Friday increased by 0.5% – to USD38.46 per barrel. The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange had grown by 0.03 % by that time – to RUB78.8928.

The value of the Russian ruble decreased by KZT0.1408 (-2.5%) to KZT5.4688. The euro rose in price by KZT4.30 (+ 0.9%) to KZT506.00. The Chinese yuan appreciated KZT0.5926 (+ 0.9%) to KZT64.7473.

**FX rates**

Δ %, base (01.01.20)

**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

30.10.2020

Name	Value	Trend %			Futures 7d	Name	Price	Trend %		
		7d	1m	1y				7d	1m	1y
S&P 500	3 269,96	-3,9	-2,8	7,7	-5,4	Oil (Brent)	37,46	-7,4	-8,5	-37,8
Dow Jones	26 501,60	-4,3	-4,6	-2,0	-6,4	Oil (WTI)	35,79	-7,2	-11,0	-33,9
RTS	1 066,60	-7,4	-9,5	-25,0	-8,3	Natural gas	3,35	10,9	32,7	27,4
MICEX	2 285,53	0,0	0,0	0,0	-8,3	Copper	304,75	-1,4	0,5	15,5
Hang Seng	24 107,42	-3,3	2,8	-10,4	-3,1	Iron	859,00	-0,1	-10,6	27,4
SS CSI 300	4 695,33	0,1	2,4	20,8	-0,9	Gold	1 878,81	-1,2	-0,4	24,2
Euro Stoxx 50	2 958,21	-4,7	-7,4	-17,9	-7,1	Silver	23,65	-3,2	0,6	30,9
FTSEuroFirst	3 303,00	-4,0	-6,3	-22,9	-6,3	Wheat	598,50	-3,5	3,5	17,6
FTSE 100	5 577,27	-3,7	-4,9	-23,1	-4,5					
KASE	2 456,93	0,4	1,3	9,2						

## Economic calendar

## Currency

## Forecast

## Previous

11/03	US presidential elections	USD		
11/04	US: crude oil reserves	USD		4,320M
11/05	Russia	RUB		53,7
11/05	Great Britain: decision on the interest rate	GBP	0,10%	0,10%
11/05	US: Number of initial claims for unemployment benefits	USD	733K	751K
11/05	Fed Interest Rate Decision	USD		0,25%
11/06	US: unemployment level (Oct)	USD	7,6%	7,9%

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	7.1%	08/01/20	5.3%
Gross international reserves of NBK, USD bn	31,561	06/01/20	30,927
Reserve money, KZT bn	8,428.3	06/01/20	5,995.7
Money supply, KZT bn	22,438.2	06/01/20	20,813.4

## Kazakhstan credit ratings

## Rating

## Date

## Previous

	BBB- stable	09/10/18	BBB- stable
	Baa3 stable	07/26/17	Baa3 stable
	BBB stable	09/28/18	BBB stable

# CONTACT INFORMATION



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**Corporate Events Calendar of KASE listed Companies**

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