

KASE WEEKLY

May 24–28, 2021

KASE NEWS

- ▲ KASE official list was supplemented with shares [US4642882249](#) (US_ICLN) of iShares Global Clean Energy ETF, common shares [GB00BMH19X50](#) (GB_ALTIN) of AltynGold PLC, common shares [KZ1C00009562](#) (CSEC) of Centras Securities JSC and [units](#) KZPF00000538 (HFINhl) of IUIT "Halyk – Liquid", KZPF00000520 (HFINhs) of IUIT "Halyk – balanced" and KZPF00000546 (HFINhp) of IUIT "Halyk – Prospective investments".
- ▲ Trades in shares [US4642882249](#) (US_ICLN) of iShares Global Clean Energy ETF and [bonds](#) XS2337670421, US25159XAC74 (BRKZe11) and XS2337670694, US25159XAD57 (BRKZe12) of Development Bank of Kazakhstan JSC were opened on KASE.
- ▲ Freedom Finance JSC [has been assigned](#) the status of a market-maker on KASE for shares [US4642882249](#) (US_ICLN) of iShares Global Clean Energy ETF shares.
- ▲ KASE's Board of Directors approved amendments to the [Regulations](#) on methods of conducting trades in the ASTS+ trading and clearing system and a change to the [Rules](#) for providing access to the Exchange's trading systems.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT35.3 bn on KASE by placing MEUKAM-120 of issue 19 ([KZKD00001129](#), MUM120_0019), MEUKAM-180 of the first issue ([KZKD00000105](#), MUM180_0001) and MEUKAM-120 of issue 16 ([KZKD00000865](#), MUM120_0016).
- ▲ Agrarian Credit Corporation JSC [raised](#) KZT9.4 bn on KASE by placing bonds KZ2C00006120 (AGKKb11) at 11.50 % per annum.
- ▲ Subsidiary VTB Bank JSC (Kazakhstan) [raised](#) KZT4.6 bn on KASE by placing bonds KZ2D00006517 (BVTBb6) with an average weighted yield to maturity of 10.99 % per annum.
- ▲ KEGOC JSC [paid](#) dividends on common shares KZ1C00000959 (KEGC) for 2020.
- ▲ National company "KazMunayGaz" JSC and KazMunayGaz Finance B.V. [announce](#) a consent solicitation to holders of bonds of five issues.
- ▲ The name of Rakhat JSC [was changed](#).
- ▲ Tethys Petroleum Limited [provided](#) an update on its operations.
- ▲ Kcell JSC [announced](#) a reduction in the interest rate under an additional agreement with the Eurasian Development Bank.
- ▲ KazTransOil JSC [reported](#) on financial results for the first quarter of 2021.
- ▲ KazTransOil JSC [intends](#) to pay dividends on common shares KZ1C00000744 (KZTO) for 2020.
- ▲ RG Brands JSC [intends](#) to pay dividends on common shares KZ1C00000496 (RGBR) for 2020.



28.05.2021		Trends (%)	
KASE Index	3 373,00	0,3	4,1
First class of liquidity	Price	Δ 7d	Δ 1m
Halyk Savings Bank of Kazakhstan	168,9	7,6	14,1
VTB Bank	0,3	3,7	-6,7
Freedom Holding Corp.	20 464,5	3,5	-9,5
Kazakhtelecom, preferred shares	17 450,0	2,6	8,9
Sberbank Russia	1 810,0	2,6	5,8
Gazprom	1 550,0	2,2	14,3
Bank of America Corporation	18 400,0	1,3	8,3
NAC Kazatomprom	13 120,0	0,5	7,5
Aeroflot	419,0	0,5	-2,6
KazTransOil	1 215,0	0,1	8,0
Bank CenterCredit	250,0	-0,5	8,2
KEGOC	1 766,9	-1,0	2,7
Kcell	2 553,3	-1,8	0,5
Kazakhtelecom	28 010,0	-3,1	-7,6

KASE index grew by 4.1 % – to 3,373.00 points. The largest number of deals among index shares was made with ordinary shares of Halyk Bank – 2,488 deals (51.9 % of the total share). The largest trading volume also fell on the securities of Halyk Bank – KZT370.9 mln (47.2 % of the total share).

The most significant growth in the reporting week was demonstrated by the shares of Halyk Bank, the price of which jumped by 7.6 %. For the first time since the beginning of the pandemic, securities of the country's largest commercial bank are trading above the pre-pandemic level. Probably, the bank's shares continued to win back a positive background caused by the publication of financial statements for the first quarter of 2021, according to which Halyk Bank's net income according to IFRS increased by 19.4 % compared with the same period in 2020.

In addition, the growth driver could be the affirmation of the long-term and short-term credit ratings of the bank at BB/B by the rating agency S&P Global Ratings, the outlook is "stable". The bank's national scale rating was also affirmed at "kzA+". The international rating agency notes that Halyk Bank has shown steady progress in reducing the number of bad loans over the past few years. In 2020, the financial institute managed to reduce the portfolio of bad assets in both absolute and relative terms.

Shares of KazTransOil rose (0.1 %) on the announcement of the upcoming payment of dividends for 2020. Shareholders of KazTransOil JSC at the annual general meeting decided to distribute a total of KZT50.8 bn on dividends, which is more than 90 % of the company's net income for 2020. The amount of payments per ordinary share will be KZT132. Start date of dividend payments – June 18, 2021. The company's net income according to IFRS in 2020 increased by 24 % compared with the same indicator for 2019.

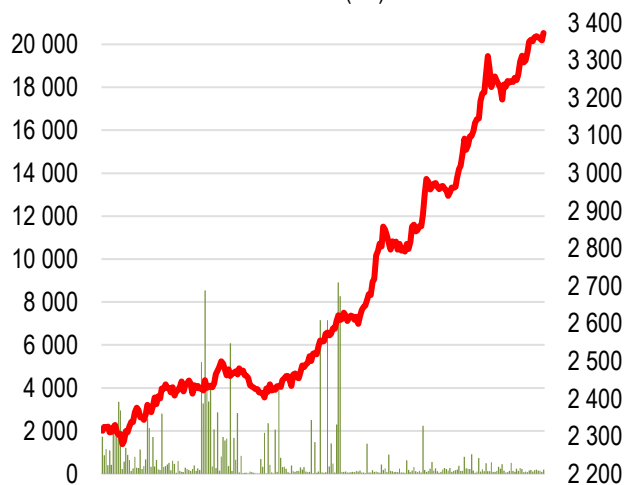
Meanwhile, shares of the mobile operator Kcell declined by 1.8 % despite the almost two-fold increase in dividend payments for 2020 compared with payments for 2019. Kcell's shareholders decided to use KZT17.6 bn to pay dividends for 2020, which is 100 % of the company's consolidated net income. KZT87.89 falls per common share or global depository receipt (GDR).

In addition, Kcell said on Wednesday that it has agreed with the Eurasian Development Bank (EDB) to get a reduction in the interest rate from 11.5 % per annum to 11.19 % per annum with the loan availability period until December 31, 2021. In December 2016, the EDB signed an agreement with Kcell to open a line of credit in the amount of KZT26 bn for a period of 18 months (with a possible subsequent prolongation for the same period) with disbursement of funds under the terms of the above agreement. The interest rate on loans under the line of credit was 13 % per annum. Since then, the mobile operator has extended its loan agreement with the EDB three times, increasing the credit line limit and lowering the interest rate.

Note: Index stocks are highlighted in green

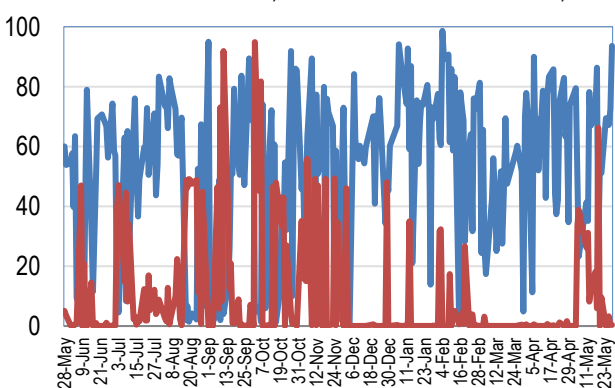
KASE Index shares

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



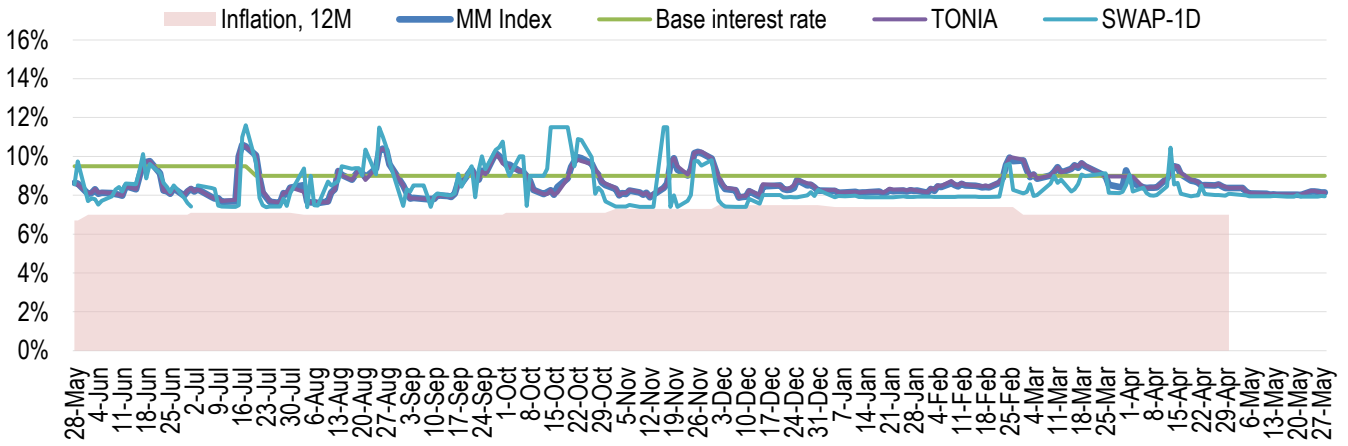
Retail investors & non-residents, %

Retail investors, % Non-residents, %

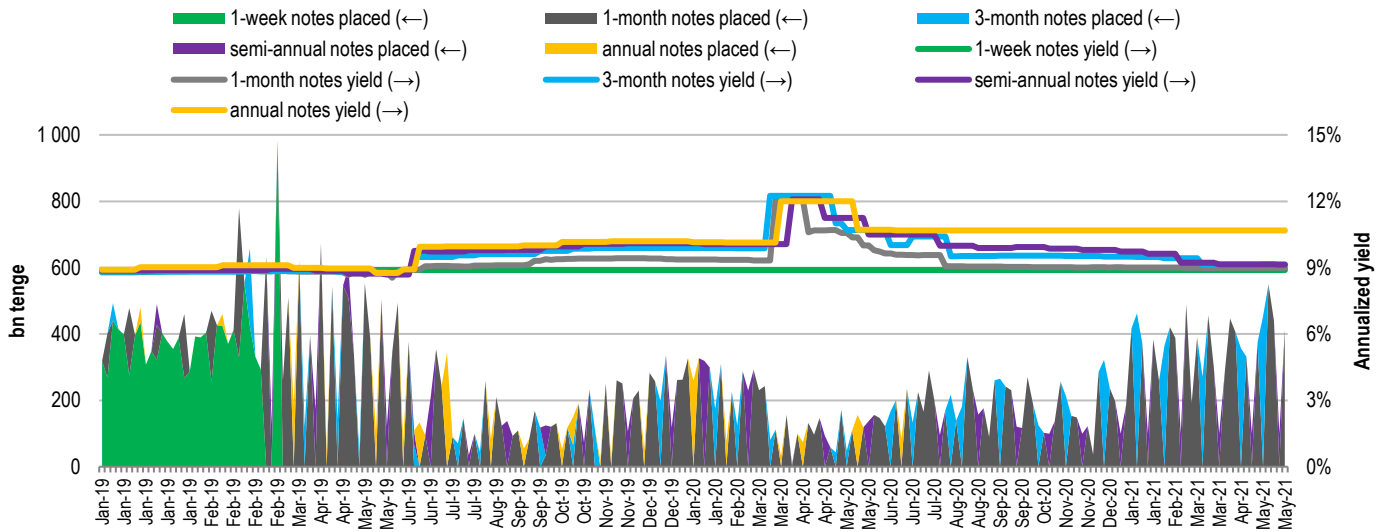


The yield on one-day repo transactions with government securities increased by 11 b.p. – to the level of 8.14 % per annum. The rate of borrowing the tenge secured by US dollars did not change and made up 7.94 % per annum. The average volume of borrowing the tenge liquidity for one day amounted to KZT338.84 bn (-27.7 % on the same indicator of the previous week) over the reporting period.

Inflation and interest rates

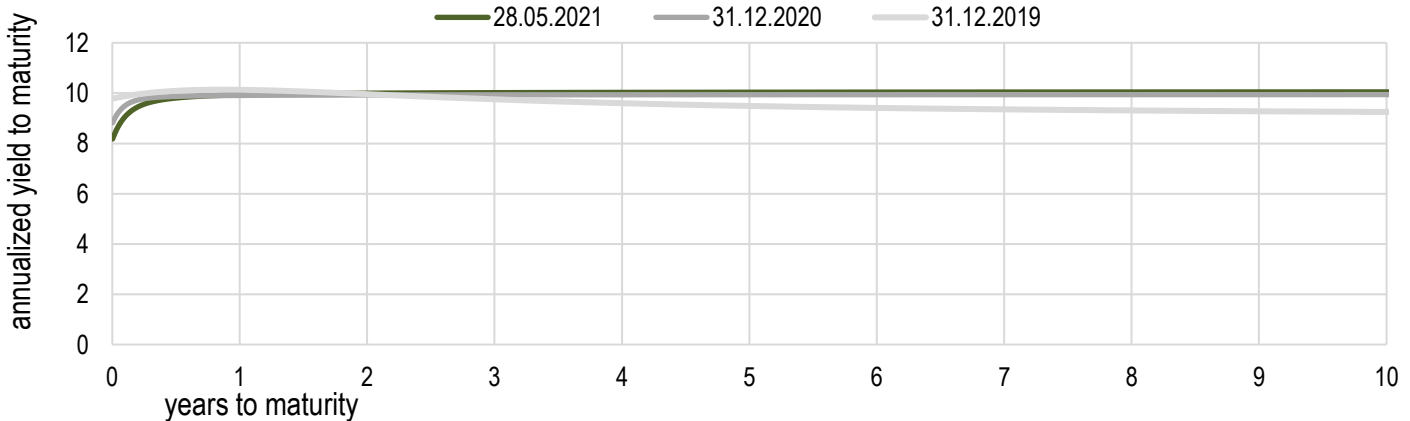


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)



The exchange rate of the US dollar against the tenge decreased by KZT0.96 (0.2 %) – to KZT427.90. The average trading volume over the week amounted to \$141.34 million (+16.1% over the same period of the previous week). The total number of deals for purchase and sale of the US dollar amounted to 2,088 (+497 on the same indicator of the previous week). The maximum price made KZT428.95 per US dollar, the minimum was KZT426.19.

The tenge strengthened its position against the US dollar. The national currency was supported by the growth of oil quotations, which in turn were growing amid optimism about the Goldman Sachs's forecast. Goldman expects oil prices to rise to \$80 per barrel in the 4th quarter of 2021. According to the bank's analysts, the recovery in demand in developed countries will offset the recent drop in consumption in South Asia and Latin America amid the spread of the coronavirus. In addition, the bank also believes that OPEC+ will compensate for any increase in oil production in Iran, if the United States and Iran return to the Joint Comprehensive Plan of Action (JCPOA) on the Iranian nuclear program.

In addition, the tenge was supported by the strengthening of the Russian ruble against the background of residual sales of export earnings against payment of mineral extraction taxes (MET). In addition, the latest statistics from the US, where data on the US labor market showed a more significant than expected reduction in the number of applications for unemployment benefits in the country. Meanwhile, the estimate by the US Department of Commerce of US's GDP growth in the first quarter was kept at 6.4 % in annual percentage terms.

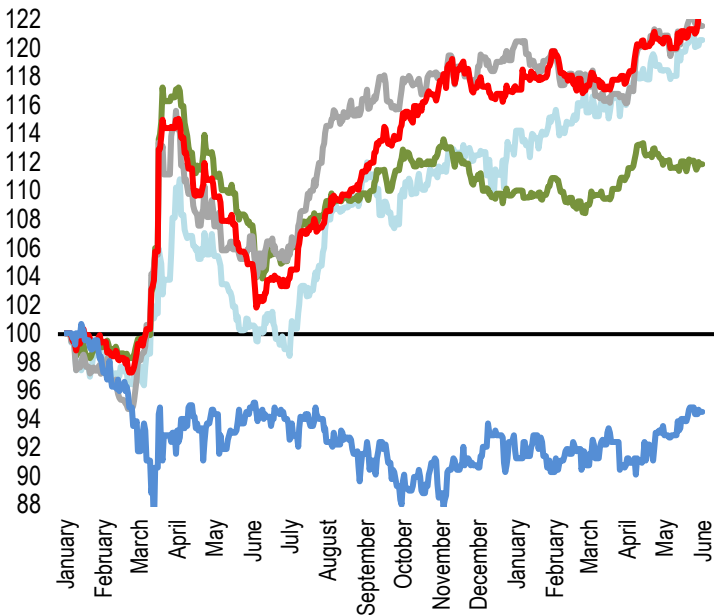
At the same time, the market was under pressure from fears about a possible resumption of oil supplies from Iran, which could lead to an oversupply in the markets. Meanwhile, according to the American Petroleum Institute (API), stocks of raw materials in the United States on the eve of the opening of the auto season decreased. Oil reserves for the week ended May 21 fell by 439 million barrels.

The price of July Brent oil futures on the London ICE Futures exchange on Friday closed at \$69.63 per barrel (4.8 %). The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange amounted to 73.1646 rubles (-0.6%).

The value of the Russian ruble decreased by KZT0.0071 (0.1 %) – to KZT5.8220. The Chinese yuan rose in price by KZT0.5457 (0.8 %) – to KZT67.2500. The euro increased in price by KZT2.84 (0.5 %) – to KZT521.60.

FX rates

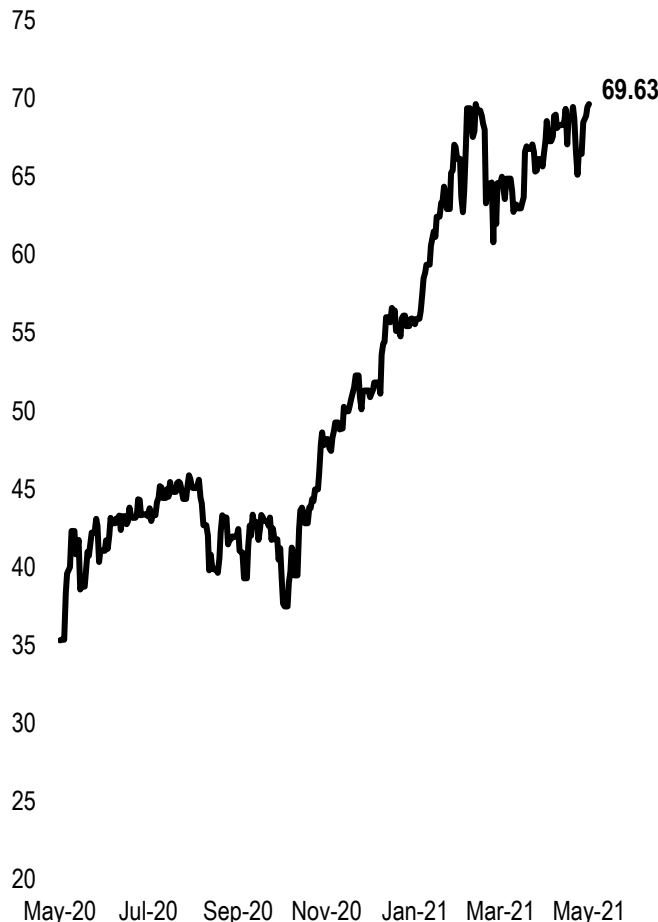
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	604,97	-0,2	1,5	5,9
— USDKZT	428,48	-0,2	-0,2	1,8
— EURKZT	522,45	-0,1	0,8	1,2
— CNYKZT	67,19	0,8	1,5	4,2
— RUBKZT	5,83	0,0	1,7	3,2

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

28.05.2021

Name	Value	Trend %			Futures	Name	Price	Trend %		
		7d	1m	1y	7d			7d	1m	1y
S&P 500	4 204,11	1,2	0,5	38,8	1,2	Oil (Brent)	69,63	4,8	3,5	97,3
Dow Jones	34 529,45	0,9	2,1	35,9	1,1	Oil (WTI)	66,32	4,3	3,9	96,7
RTS	1 603,79	2,2	6,3	29,2	2,5	Natural gas	2,99	2,8	2,1	63,4
MICEX	2 285,53	0,0	0,0	0,0	2,5	Copper	467,75	4,0	4,0	93,8
Hang Seng	29 124,41	2,3	0,2	25,9	2,3	Iron	1 155,00	-4,6	-8,2	51,7
SS CSI 300	5 321,09	3,6	3,9	38,0	3,7	Gold	1 903,77	1,2	6,9	10,7
Euro Stoxx 50	4 070,56	1,1	1,4	31,5	1,2	Silver	28,01	2,0	7,4	55,9
FTSEuroFirst	4 485,00	0,6	2,1	25,2	0,6	Wheat	663,50	-1,6	-8,5	29,0
FTSE 100	7 022,61	0,1	0,8	12,9	0,2					
KASE	3 373,00	0,3	4,1	45,7						

Economic calendar

Currency

Forecast

Previous

06/02	Manufacturing PMI from ISM (May)	USD	60.7	60.7
06/03	Number of initial claims for unemployment benefits	USD	395K	406K
06/03	Crude oil reserves	USD		-1,662M
06/04	Speech by head of Federal Reserve Powell	USD		
06/04	ECB President Lagarde will speak	EUR		
06/04	Unemployment level (May)	USD	5.9 %	6.1 %

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 2020

Annual inflation	7.0%	05/01/21	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

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

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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.

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