

KASE WEEKLY

May 31–June 04, 2021

KASE NEWS

- ▲ Information on [decisions](#) of the annual general meeting of KASE shareholders held by absentee voting.
- ▲ ANNOUNCEMENT: On June 10, KASE [will hold](#) an online meeting with the management of Bank CenterCredit JSC as part of the Issuer Day project.
- ▲ KASE [has generated](#) lists of securities of the first, second and third classes of liquidity for June 2021.
- ▲ Bonds KZ2C00004257 (FFINb3) of Freedom Finance JSC [were excluded](#) from KASE official list due to expiration of the circulation period.
- ▲ Bonds of Kazakhstan Sustainability Fund JSC of 18 issues [were included](#) in KASE official list.
- ▲ Bonds of 11 titles [were included](#) in the representative list of indices of KASE_BM* series.
- ▲ Halyk Finance JSC was assigned the status of a market-maker on KASE for international bonds [RU000A102BF7](#) (PRKRe1) of National company Food contract corporation, JSC" BCC Invest – on [bonds](#) XS2337670421, US25159XAC74 (BRKZe11) and XS2337670694, US25159XAD57 (BRKZe12) of Development Bank of Kazakhstan.
- ▲ Trades in bonds KZ2P00006190 (NCOMb2) of Fincraft Group LLP [have been suspended](#) on KASE.
- ▲ Trades in common shares GB00BMH19X50 (GB_ALTN) of AltynGold plc [are opened](#) on KASE.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT27.8 bn on KASE by placing MEUKAM-180 of issue 12 ([KZKD00000840](#), MUM180_0012), MEUKAM-180 of issue 13 ([KZKD00000931](#), MUM180_0013) and MEUKAM-120 of issue 16 ([KZKD00000865](#), MUM120_0016).
- ▲ Akimdik of Shymkent [raised](#) KZT6.9 bn on KASE by placing bonds KZSE00000023 (SHK060_002) at 10.80 % per annum.
- ▲ Capital Leasing Group LLP [raised](#) KZT370.6 mln on KASE by placing bonds KZ2P00007222 (CLSGb1) at 18.00 % per annum.
- ▲ Kazakhstan Sustainability Fund JSC [raised](#) KZT10.0 bn on KASE by placing bonds KZ2C00007458 (KFUSb12) with an average weighted yield to maturity of 9.79 % per annum.
- ▲ First Heartland Jusan Bank JSC [paid](#) dividends on common shares KZ000A0Q5HK5 (TSBN) and preferred shares KZ000A0RM3V6 (TSBNp) for 2020.
- ▲ Kazakhstan Housing Company JSC [paid](#) dividends on common shares KZ1C00000637 (KZIK) for 2020.
- ▲ Kcell JSC [paid](#) dividends for 2020.
- ▲ First Heartland Securities JSC [paid](#) dividends on common shares KZ1C00008077 (FHSE) for 2020.
- ▲ Halyk Savings Bank of Kazakhstan JSC [paid](#) dividends on common shares KZ000A0LE0S4 (HSBK) for 2020.
- ▲ S&P Global Ratings [has affirmed](#) the ratings of Halyk Savings Bank of Kazakhstan JSC, outlook is Stable.
- ▲ Kazakhtelecom JSC [announced](#) a mutually acceptable settlement of arbitration proceedings.



04.06.2021		Trends (%)	
KASE Index	3 413,23	1,2	5,1
First class of liquidity	Price	Δ 7d	Δ 1m
Freedom Holding Corp.	22 251,0	8,7	4,3
KazTransOil	1 272,0	4,7	11,6
Gazprom	1 610,5	3,9	19,3
Aeroflot	434,5	3,7	-0,1
VTB Bank	0,3	3,6	-3,3
Kazakhtelecom, preferred shares	18 025,0	3,3	15,6
Kazakhtelecom	28 603,0	2,1	-2,7
Bank of America Corporation	18 690,0	1,6	6,8
NAC Kazatomprom	13 298,0	1,4	6,5
Halyk Savings Bank of Kazakhstan	170,9	1,2	11,3
Sberbank Russia	1 825,0	0,8	4,7
Bank CenterCredit	250,0	0,0	8,4
Kcell	2 544,9	-0,3	-0,1
KEGOC	1 753,0	-0,8	0,6

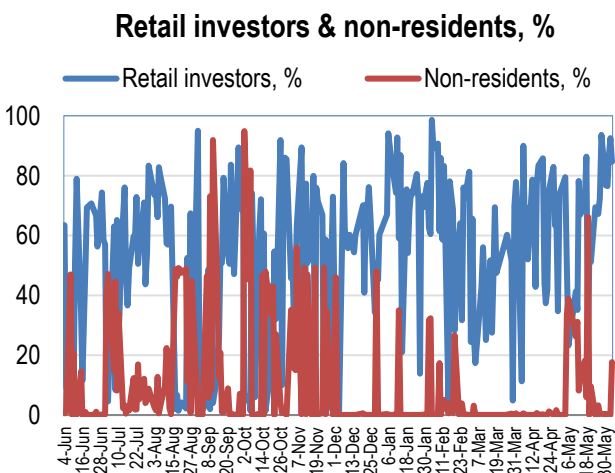
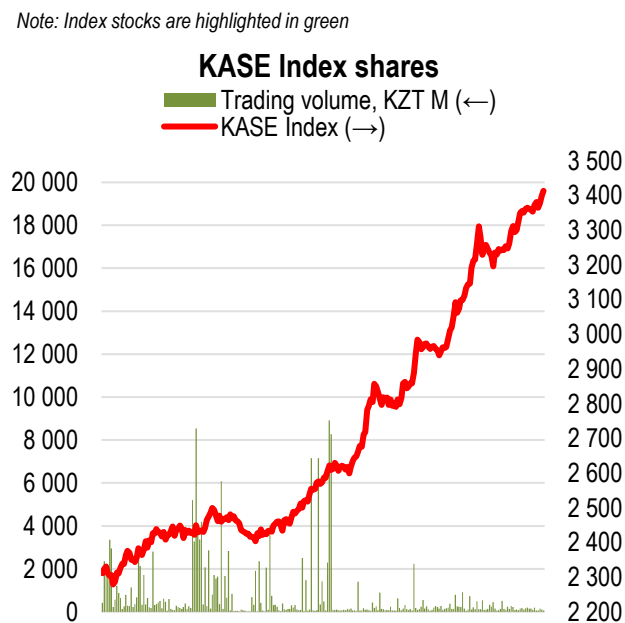
KASE index grew by 1.2 % – to 3,413.23 points. The largest number of deals among index shares was made with ordinary shares of Halyk Bank – 2,287 deals (47.0 % of the total share). The largest trading volume also fell on securities of Halyk Bank – KZT121.8 mln (28.8 % of the total share).

The local stock market indicator has once again renewed its all-time high this year. Since the beginning of the year, KASE Index has grown by more than 26 %. Among shares of the index basket, stocks of KazTransOil, Kazakhtelecom, Kazatomprom and Halyk Bank closed in the "green zone":

On June 1, Kazakhtelecom announced that it received compensation of \$22 mln as a result of proceedings in the London International Arbitration Court on claims related to the purchase of Kcell. Following the acquisition of Kcell in December 2018, in September 2019 Kazakhtelecom initiated arbitration for claims related to certain guarantees contained in the stock purchase agreement. In May 2021, the parties to the arbitration reached an amicable agreement on settlement of all claims filed by Kazakhtelecom, as a result of which, at the end of May 2021, Kazakhtelecom received compensation in the amount of \$22 million, with the proceedings to be terminated.

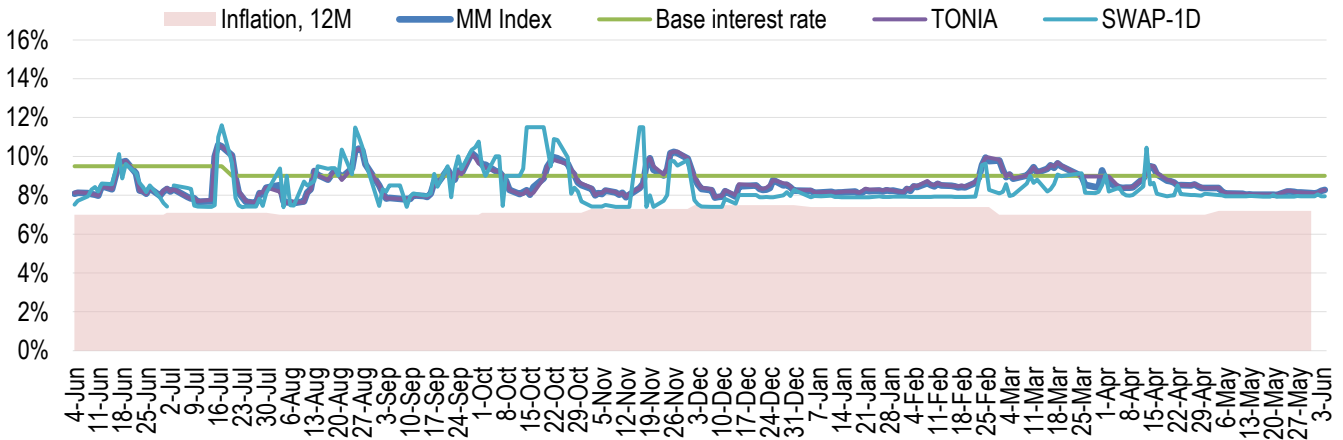
Kcell shares, meanwhile, declined 0.3 % over the week, despite the fact that the mobile operator's shares started to grow in the second half of the week amid news of an increase in the amount of the line of credit at Bank of China in Kazakhstan. The amount of the line of credit increased from KZT11 bn to KZT13 bn, with an interest rate of 10.3 % per annum, the term and period of availability until June 1, 2024. In addition, the company notified that on May 31 it paid dividends for 2020 in the amount of KZT17,578 mln, or KZT87.89 per ordinary share (one ordinary share corresponds to one GDR). On May 4, at the Annual General Meeting of Shareholders (AGM), it was decided to use 100 % of the consolidated net income for 2020 to pay dividends.

Meanwhile, shares of the atomic company Kazatomprom rose on the back of higher uranium quotes. As of May 28, uranium futures were trading on New York Mercantile Exchange (NYMEX) at \$31.3 per pound for the first time since August 2020, amid declining stock levels and rising demand. The nuclear fuel market continues to gain momentum due to the inclusion of nuclear power in clean energy programs in the US and PRC. The supply, meanwhile, has been steadily declining in recent years. According to data of the consulting company UxC, which was previously cited in its quarterly report by the Canadian uranium mining company Uranium One Inc., at the end of March and the first quarter of 2021, the spot price for uranium was \$30.65 per pound, having increased by \$0.60 since the beginning of the year. Despite all the recent positive background around nuclear power, uranium prices are far from their record levels, which were observed before the accident at the Japanese nuclear power plant "Fukushima". The maximum was reached in 2007 when uranium exceeded \$137 a pound.

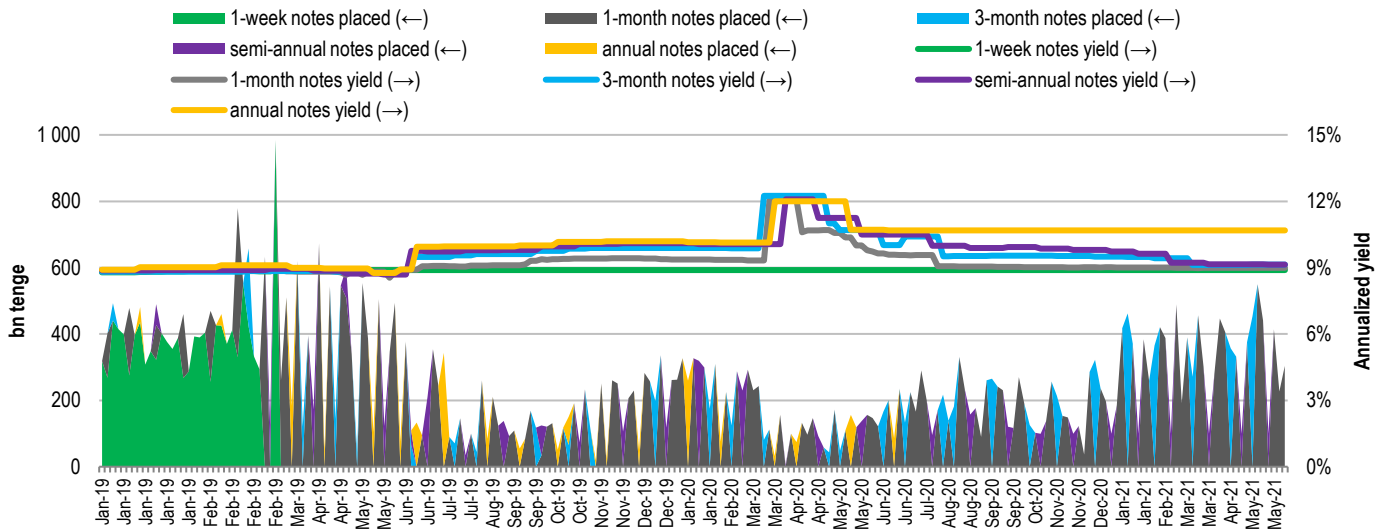


The yield on one-day repo transactions with government securities increased by 14 b.p. – to the level of 8.28 % per annum. The rate of borrowing the tenge secured by US dollars increased by 1 b. p. amounting to 7.95 % per annum. The average volume of borrowing the tenge liquidity for one day during the reporting period amounted to KZT351.1 bn (+ 3.6 % on the same indicator of the previous week).

Inflation and interest rates

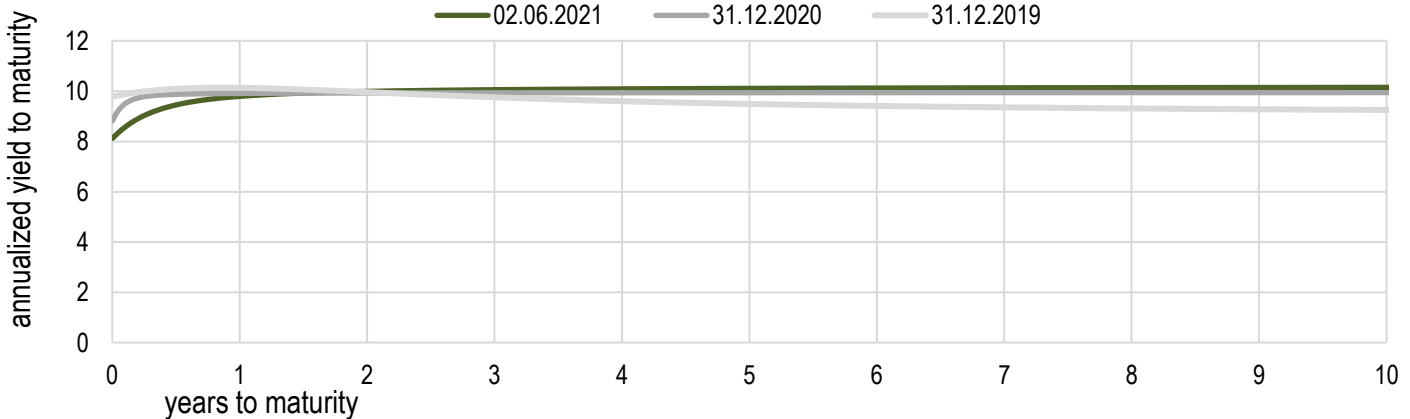


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





The exchange rate of the US dollar against the tenge increased by KZT0.25 (0.1%) – to KZT428.15. The average trading volume during the week amounted to \$125.1 million (-11.5% on the same indicator of the previous week). The average number of deals for purchase and sale of the US dollar was 336. The maximum price was KZT428.45 per US dollar, the minimum – KZT426.80.

The tenge weakened slightly against the US dollar despite the rise in oil prices. The pressure on the national currency could have been exerted by the retreat of the Russian ruble at the beginning of the week from multi-week highs after rising the day before. Earlier, the ruble was supported by the residual sales of export earnings against corporate income tax, as well as the closing of the surplus of long speculative currency positions in dollars and euros, which were accumulated for currency demand to convert Sberbank's ruble dividends.

Oil prices rose on the back of improved business activity in China's manufacturing sector. In addition, the market was supported by the improved outlook for fuel demand due to the summer auto season in the United States. According to industry portal GasBuddy, gasoline demand in the US jumped 9.6 % on Sunday, compared with the average of the previous four Sundays. The last time such demand was observed in the summer of 2019.

In addition, the OPEC+ Ministers, following the results of their meeting on Tuesday, decided not to change anything in their plans to increase production so far, considering that an increase in vaccination rates, despite persisting lockdowns in some regions, gives hope for a quick recovery in demand, and the prospects for Iranian oil are not yet clear. According to the latest OPEC+ estimates, by the end of 2021, oil demand will reach 99.8 million barrels per day, and the supply will amount to 97.5 million barrels per day.

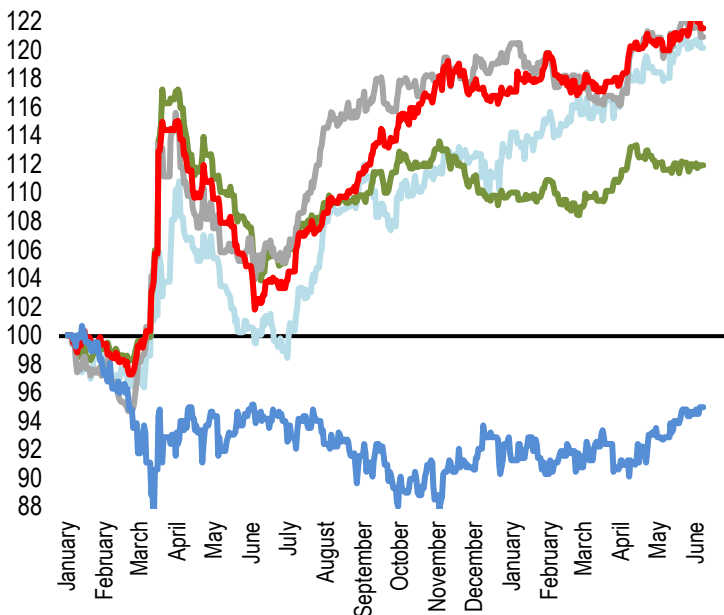
Meanwhile, in March 2021, the United States imported oil – 1 million barrels – from Iran for the first time in history. US oil sanctions against Tehran were introduced in November 2018. Within six months, the United States allowed 8 countries to import Iranian oil.

The price of July Brent oil futures on the London ICE Futures exchange on Friday closed at \$71.89 per barrel (3.2%). The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange amounted to 72.7878 rubles (-0.5%).

The value of the Russian ruble increased by KZT0.0236 (0.4%) – to KZT5.8456. The Chinese yuan fell by KZT0.4000 (0.6 %) – to KZT66.8500. The euro increased in price by KZT1.40 (0.3%) – to KZT523.00.

FX rates

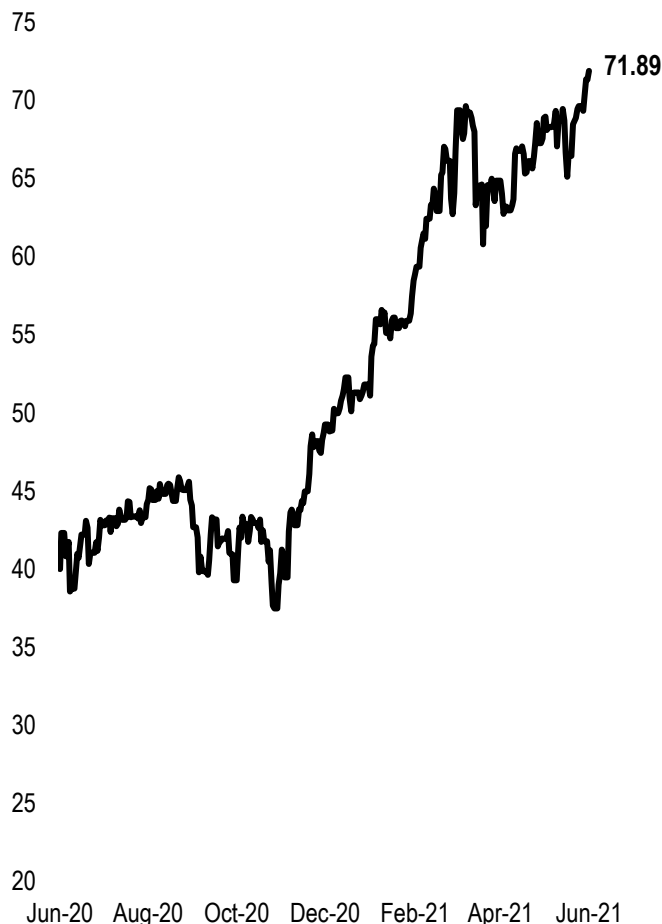
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	607,15	0,4	2,0	6,3
— USDKZT	427,99	-0,1	-0,2	1,7
— EURKZT	521,81	-0,1	1,3	1,1
— CNYKZT	67,01	-0,3	1,1	3,9
— RUBKZT	5,85	0,3	2,5	3,5

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

04.06.2021

Name	Value	Trend %			Futures	Name	Price	Trend %		
		7d	1m	1y	7d			7d	1m	1y
S&P 500	4 229,89	0,6	1,5	35,9	0,6	Oil (Brent)	71,89	3,2	4,2	79,8
Dow Jones	34 756,39	0,7	1,5	32,2	0,7	Oil (WTI)	69,62	5,0	6,1	86,1
RTS	1 647,06	2,7	7,3	31,0	3,1	Natural gas	3,10	3,7	5,4	70,0
MICEX	2 285,53	0,0	0,0	0,0	3,1	Copper	452,90	-3,2	-0,2	81,9
Hang Seng	28 918,10	-0,7	1,8	18,7	-0,6	Iron	1 279,50	10,8	3,6	61,5
SS CSI 300	5 282,28	-0,7	3,1	32,6	-0,7	Gold	1 891,59	-0,6	5,9	10,4
Euro Stoxx 50	4 089,38	0,5	2,2	25,4	0,6	Silver	27,90	-0,4	5,3	54,5
FTSEuroFirst	4 515,00	0,7	2,0	21,3	0,7	Wheat	687,75	3,7	-9,0	31,3
FTSE 100	7 069,04	0,7	0,4	11,5	0,6					
KASE	3 413,23	1,2	5,1	47,7						

Economic calendar

Currency

Forecast

Previous

06/08	JOLTS vacant jobs (Apr)	USD	8.300M	8.123M
06/09	Crude oil reserves	USD		-5.080M
06/10	Interest Rate Decision (June)	EUR		
06/10	Consumer Price Index (CPI) (m/m) (May)	USD	0.4%	0.9%
06/10	Number of initial applications for unemployment benefits	USD	370K	385K
06/11	Interest rate decision (June)	RUB	5.25%	5.00%

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

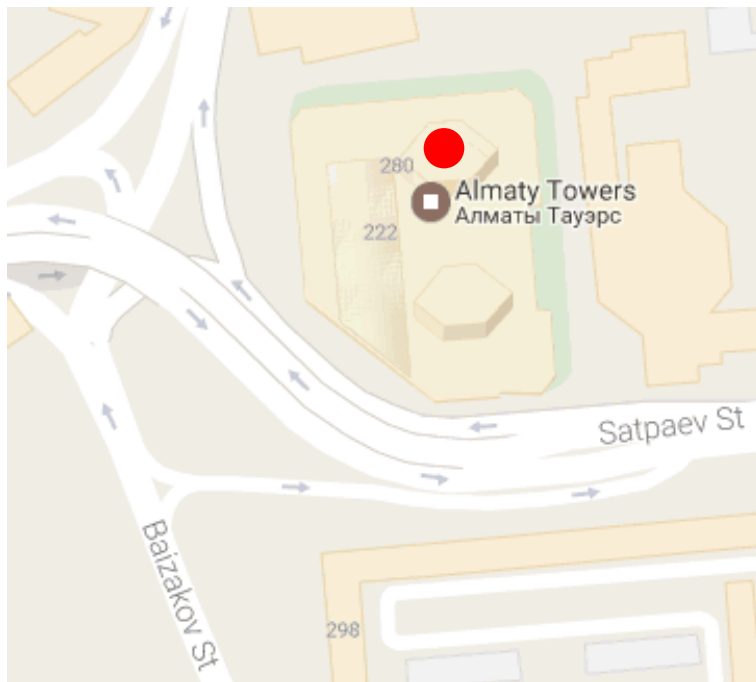
	BBB-/A-3- stable	03/06/21	BBB- stable
	Baa3 positive	02/17/21	Baa3 positive
	BBB stable	02/20/21	BBB stable

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

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