

KASE WEEKLY

June 06-10
2022

KASE NEWS

- ▲ KASE [informs](#) about the decisions of the Annual General Meeting of Shareholders held on May 30, 2022
- ▲ KASE [has formed](#) lists of securities of the first, second and third classes of liquidity for June 2022
- ▲ Since June 01, the representative list of KASE_BM series indices* [includes](#) bonds of 63 names
- ▲ _JSC "UD Capital" was [accepted](#) as a member of KASE in the categories "stock" and "derivatives" and [admitted](#) to participate in securities trading
- ▲ UD Capital JSC has been [awarded](#) the status of a clearing participant in the stock market
- ▲ Halyk Finance JSC has been [awarded](#) the status of a market maker on KASE for KZ1C00000876 (KCELL) common shares of Kcell JSC.
- ▲ KASE suspended trading in common shares of [US6516391066](#) (NUR_KZ) Newmont Corp., [US0605051046](#) (BANK_KZ) Bank of America Corporation and [US6541061031](#) (NIKE_KZ) NIKE, Inc.
- ▲ The official list of KASE includes bonds [KZ2P00008568](#) (MFRFb3) of Microfinance Organization RFinance LLP.
- ▲ The bonds [KZ2C00003903](#) (BRKZb9) of Development Bank of Kazakhstan JSC and [KZ2C00000057](#) (TEBNb8) of ForteBank JSC were excluded from the official list of KASE due to the expiration of the circulation period

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan has placed on KASE 25.0 million MEUKAM-180 of the first issue ([KZKD00000105](#), MUM180_0001), 22.1 million MEUKAM-144 of the third issue ([KZKD00000378](#), MUM144_0003) and 30.6 million MEUKAM-72 of issue 13 ([KZKD00001145](#), MUM072_0013)
- ▲ Akimats of Pavlodar, Aktobe, Atyrau and East Kazakhstan regions [raised](#) 13.5 billion tenge on KASE
- ▲ JSC "National Company "Food Contract Corporation" [attracted](#) 7.0 billion tenge on KASE by placing bonds KZ2C00008506 (PRKRb8) with a yield to maturity of 16.90% per annum
- ▲ Kazakhstan Sustainability Fund JSC [raised](#) KZT 9.5 billion on KASE by placing KZ2C00008001 (KFUSb35) bonds with a weighted average yield to maturity of 14.80% per annum
- ▲ JSC "National Atomic Company "Kazatomprom" [reported](#) financial results for the first quarter of 2022
- ▲ Freedom Holding Corp. [reported](#) financial results for the fiscal year 2022 ended March 31, 2022
- ▲ MFO KMF (KMF) LLP [announced](#) the confirmation by Fitch Ratings of the company's long-term rating at the "B+" level.
- ▲ Freedom Finance Life JSC [announced](#) the confirmation by S&P Global Ratings agency of the company's ratings
- ▲ Halyk Savings Bank of Kazakhstan JSC [announced](#) the confirmation by S&P Global Ratings agency of the bank's ratings
- ▲ The name of Exploration Production ALMEX JSC has been [changed](#)



27.05.2022

Trends (%)

KASE Index	2 669,25	-1,7	-12,3
First class of liquidity	Price	Δ 7D	Δ 1M
ПАО "Сбербанк"	-	-	-
Банк ВТБ (ПАО)	-	-	-
VTB Bank	-	-	-
Apple Inc.	144,4	3,2	- 11,8
AT&T Inc.	21,3	3,1	8,6
Intel Corporation	42,9	2,2	- 8,8
Pfizer Inc.	54,0	1,4	9,5
АО "Казактелеком"	29 900,0	0,7	- 6,3
Ford Motor Company	14,4	0,4	- 10,3
Freedom Holding Corp.	40,5	0,1	- 18,3
АО Kaspi.kz	26 865,0	0,1	- 11,9
ПАО "Газпром"	1 672,0	-	-
ПАО "Новолипецкий металлургичес"	1 381,0	-	-
ПАО "Ростелеком"	495,0	-	-
ПАО "Аэрофлот - российские авиал"	313,0	-	-
АО "KEGOC"	1 641,3	- 1,4	- 1,8
АО "Народный сберегательный бан"	107,4	- 1,5	- 8,3
Yandex N.V.	11 300,0	- 1,7	- 13,1
АО "КазТрансОйл"	735,0	- 2,1	- 13,0
АО "Банк ЦентрКредит"	375,0	- 3,1	- 2,1
АО "Национальная атомная компани"	11 880,0	- 3,4	- 17,1
АО "KM GOLD"	288,0	- 4,0	6,7
АО "Кселл"	965,1	- 4,3	- 31,6

Note: Index stocks are highlighted in green

The value of the KASE index in May decreased by 12.2% and amounted to 2,661.53 points by the end of the month. The first days of June on the local stock market also closed in the negative.

Kazakh investors were affected by the decisions of the general meetings of shareholders of Kazakhstan's blue chips. Shareholders of BCBC, Halyk Bank and Kaspi.kz refused to pay dividends. Kcell and Kazakhtelecom postponed the deadline for making a decision on the amount of dividends. Kaztransoil approved a record low dividend of 26 tenge per share, which corresponds to a dividend yield of 2.4% per annum. KEGOK's approved dividends are slightly lower than last year's – 50.85 tenge per share. Taking into account the fact that the company pays dividends twice a year, the dividend yield was 7.2% per annum. Kazatomprom shareholders, on the contrary, decided to pay record dividends - 876.74 tenge per share, which corresponds to a dividend yield of 5.2% per annum.

Last week, index companies continued to publish reports for the first quarter. The net profit of Halyk Bank increased by 28% to 124 billion tenge for Q1 2022 compared to 97 billion tenge for Q1 2021, mainly due to significant growth in the lending business and net profit on foreign currency transactions. The net profit of Kazakhtelecom at the end of the 1st quarter amounted to 29 billion tenge, showing an increase of 17% compared to the same period last year. But Kaztransoil at the end of the 1st quarter received a net profit of 10 billion tenge, which is 39% less than the result of the 1st quarter of 2021. For companies related to foreign economic activity, the strengthening of the national currency had an additional impact on the share price. At the end of May, the tenge exchange rate strengthened by 6.8% to 415.16 tenge per dollar.

In May, 25.5 billion tenge was placed on the corporate debt market, this is the largest monthly volume of placements this year. The bonds were issued by the Kazakhstan Development Fund, Swiss Capital microfinance organization and Food Corporation, the latter held another issue in June. Placements were carried out for short periods of 1-3 years with a yield to maturity of about 17%.

Last week, the spring season of publishing annual reports, making decisions on dividend payments, as well as publishing results for the first quarter ended on all global platforms. Decisions on base rates will be announced in the next two weeks. On June 6, the decision on the base rate will be announced by the National Bank of Kazakhstan, on June 9 – the European Central Bank, on June 10 – the Central Bank of the Russian Federation. On June 15-16, meetings on the interest rate of the US Federal Reserve System and the Bank of England will be held.

In the Eurozone, consumer inflation rose from 7.4% to 8.1% in May against the backdrop of rising energy prices, and this is probably not the limit, since Brent oil quotes exceeded \$124 per barrel this week after the EU approved the sixth package of sanctions on Monday, under which a partial embargo on Russian oil was imposed. The restriction of supply in the energy market is accompanied by a recovery in demand from China as the covid restrictions are lifted and business activity is restored. It was expected that the price tension in the oil market would decrease after the OPEC+ meeting held on Thursday, however, the decision to increase quotas from 400 to 648 thousand barrels per day is not able to compensate for the shortage in the market.

Despite record high inflation, the PMI business activity index in the Eurozone remained at the level of 48-49 points. In America, business activity for the month slowed from 57.1 to 56.4 points, the consumer confidence index decreased from 108.6 to 106.4 points. Also, since June 1, the US Federal Reserve has begun to reduce the balance sheet by selling US government securities at \$ 47.5 billion monthly.

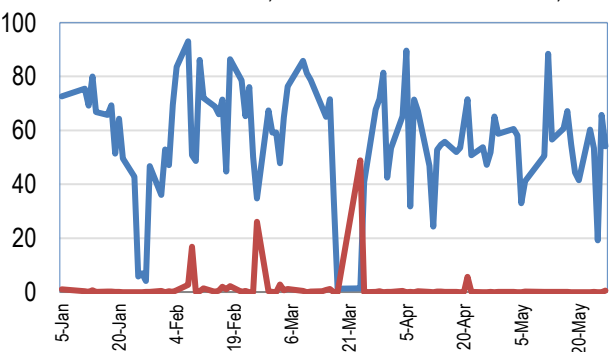
KASE Index shares

Trading volume, KZT M (←)



Retail investors & non-residents, %

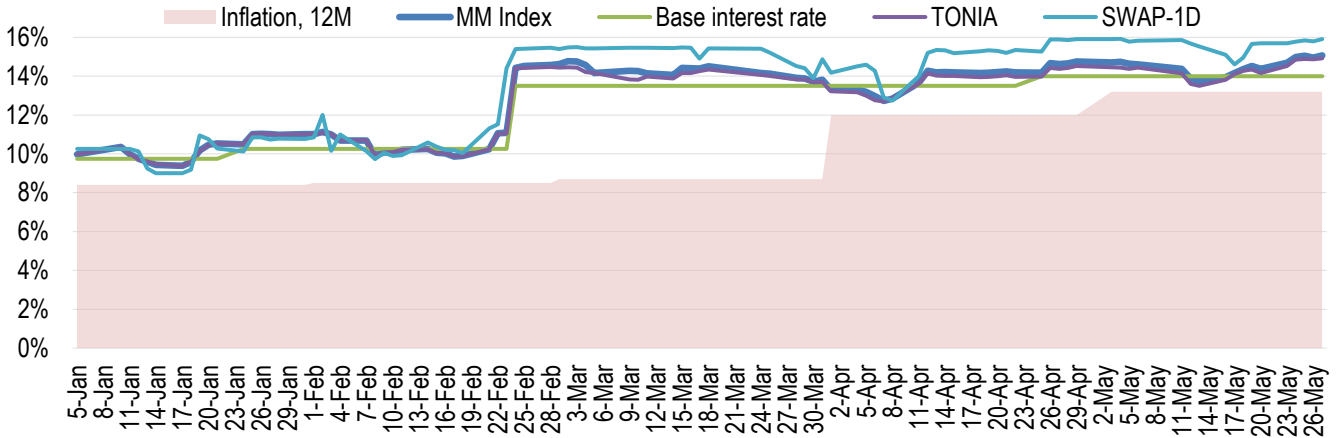
Retail investors, % Non-residents, %



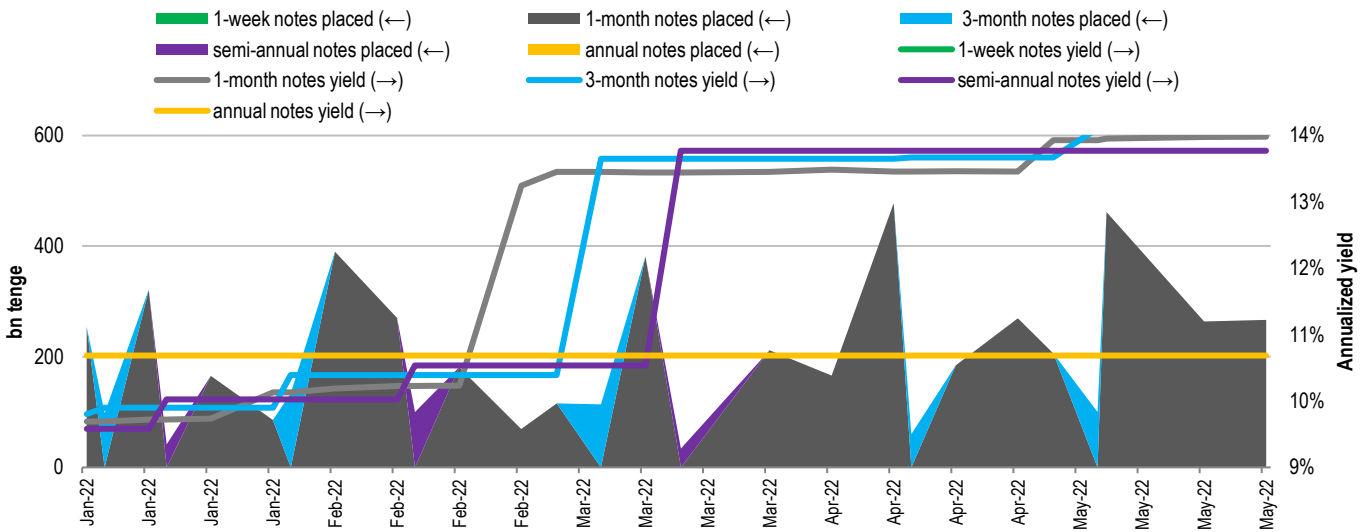


The yield of REPO operations with government securities (GS) for a period of one day (TONIA) from May 30 to June 3 decreased from 14.92% to 14.58% per annum. The rate of borrowing tenge secured by US dollars for a period of one day (SWAP-1D) for the period under review decreased by 1% from 15.91% to 14.91% per annum.

Inflation and interest rates

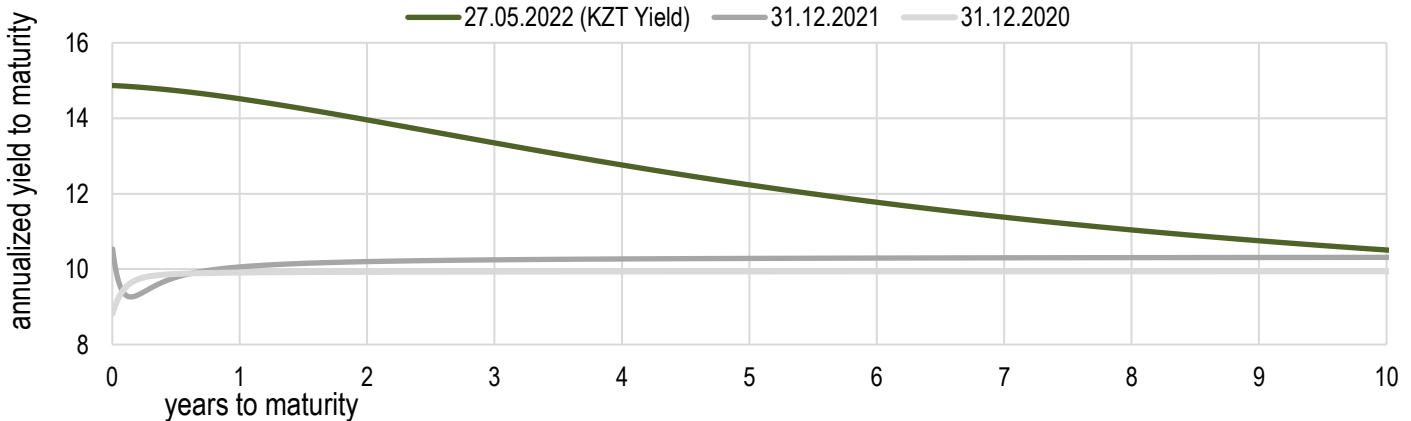


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)



By the end of May, the tenge exchange rate strengthened to 415.16 tenge per dollar, or by 6.8%, despite the ongoing uncertainty and volatility in global financial markets. The average daily trading volume on the Kazakhstan Stock Exchange amounted to \$ 115 million, with a total trading volume of \$ 2.2 billion.

The strengthening of the national currency is due to a number of factors, including: consistently high energy prices and the period of tax payments by exporters, a change in the sentiment of market participants due to a decrease in demand for foreign currency from individuals, the strengthening of the exchange rate of both the Russian ruble and the currencies of developing countries in general.

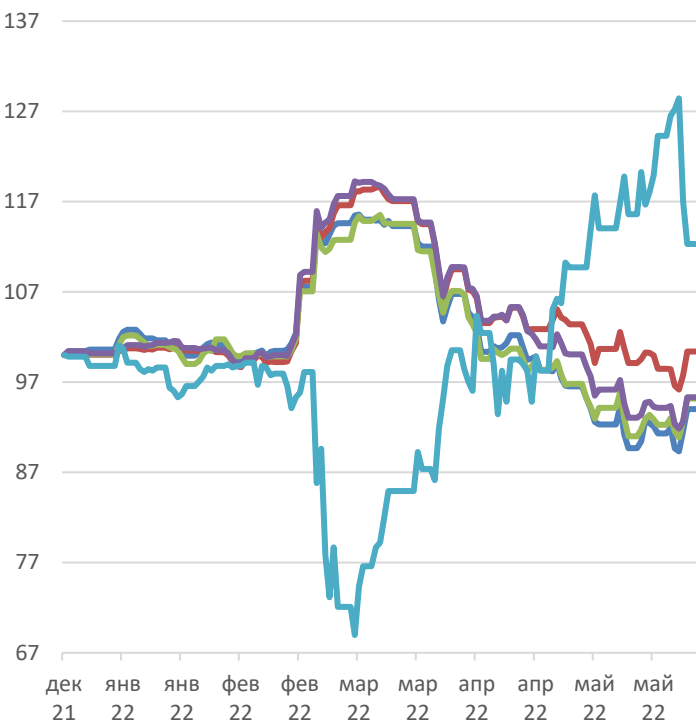
The supply on the foreign exchange market was also supported by the sale of foreign exchange earnings by quasi-public sector entities, the volume of which in May amounted to about 598 million US dollars.

Against the background of a period of large tax payments to the budget and the corresponding need to sell foreign currency, the supply of foreign currency significantly exceeded demand. In order to maintain liquidity and level the existing imbalance between the supply and demand of foreign currency during the tax week, the National Bank purchased an excess supply of foreign currency in the amount of USD 110.5 million.

In order to allocate transfers from the National Fund to the republican budget, \$4 million were sold at the beginning of the month. In the future, currency conversion of the National Fund was not required due to the fact that transfers were provided at the expense of receipts to the National Fund.

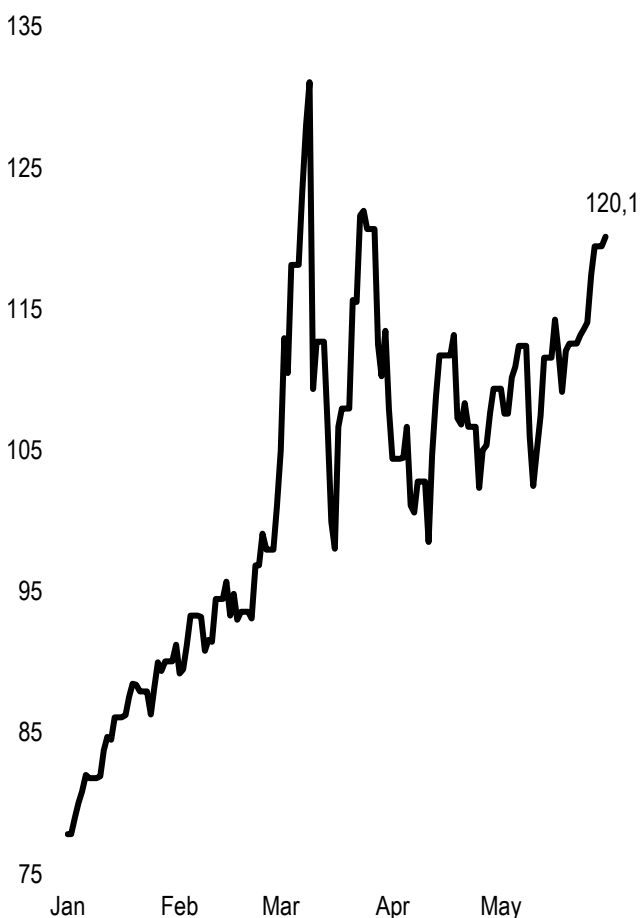
In order to maintain the foreign exchange share of pension assets at the level of at least 30%, in order to diversify the investment portfolio in May, US\$ 74.5 million was purchased for pension assets of the UAPF on the foreign exchange market.

FX rates



	Price	Δ 7d, %	Δ 30d, %	Δ 2021, %
GBPKZT	546,04	2,97	-7,68	-8,40
USDKZT	433,30	1,95	-6,95	-2,24
EURKZT	464,19	3,13	-6,70	-7,32
CNYKZT	64,56	1,27	-9,48	-7,40
RUBKZT	6,48	-9,62	10,11	16,98

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

Name	Value	Trend %			Futures
S&P 500	4 158,24	6,6	-0,6	-1,0	6,6
Dow Jones	33 212,96	6,2	-0,3	-3,6	6,2
RTS	1 133,94	-8,5	8,1	-29,3	-7,6
MICEX	2 285,53	0,0	0,0	0,0	-7,6
Hang Seng	20 697,36	1,3	3,8	-28,9	0,7
SS CSI 300	4 001,30	-0,7	2,7	-25,0	-1,8
Euro Stoxx 50	3 808,86	4,2	2,0	-5,7	4,5
FTSEuroFirst	4 572,00	3,3	2,1	2,5	3,3
FTSE 100	7 585,46	2,6	2,2	8,1	2,8
KASE	2 669,25	-1,7	-12,3	-20,4	

Commodities market

May 27, 2022

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	119,43	5,6	13,4	71,9
Oil (WTI)	115,07	4,0	12,8	72,1
Natural gas	8,73	8,0	20,1	195,0
Copper	430,65	0,6	-3,4	-7,6
Iron	960,50	-1,8	8,2	-15,3
Gold	1 853,72	0,0	-1,7	-2,3
Silver	22,10	1,2	-5,8	-20,9
Wheat	1 157,50	-1,6	7,2	71,2

Economic calendar

		Currency	Forecast	Previous
07.06	Composite PMI Index (May)	GBP	51.8	58,2
08.06	GDP (QoQ) (Q1)	JPY	-0.3%	-0,2%
08.06	Crude oil reserves	USD	-1.800M	-5,068M
09.06	Interest rate decision (June)	EUR	0.00%	0,00%
09.06	Number of initial applications for unemployment benefits	USD	210K	200K
09.06	ECB Press Conference	EUR		

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	April 2022
Annual inflation	13.2%	01.05.22	12.0%
Gross international reserves of NBK, USD bn	33,5	01.05.22	33,2
Reserve money, KZT bn	9 968,0	01.05.22	10 791,8
Money supply, KZT bn	28 984,2	01.05.22	30 711,8

Kazakhstan credit ratings

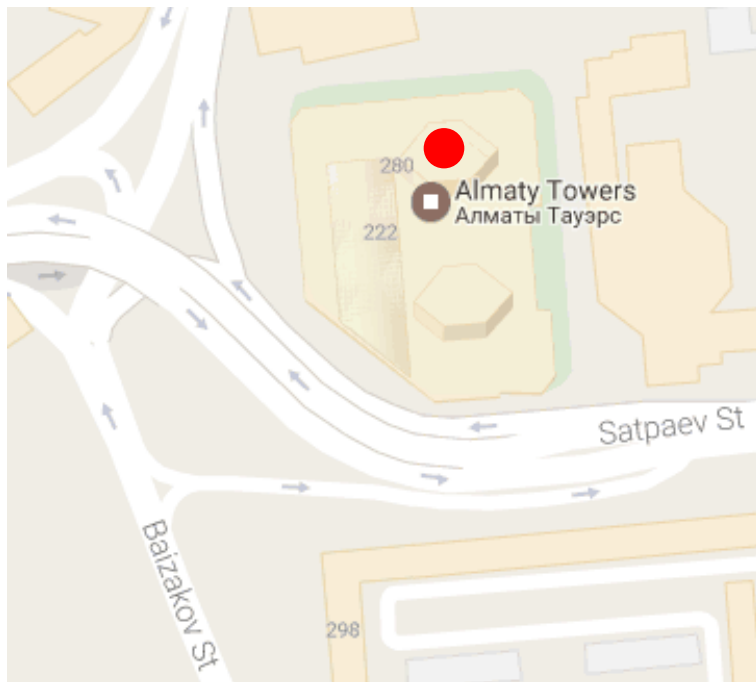
	Rating	Date	Previous
S&P Global	BBB-/A-3 стабильный	05.03.22	BBB- stable
MOODY'S	Baa2/стабильный	11.08.21	Baa3 positive
FitchRatings	BBB/стабильный	04.02.22	BBB stable

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Corporate Events Calendar of KASE listed Companies

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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;
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