

PRESS RELEASE

Almaty

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KASE presents results of the exchange market's operations in November 2020

Kazakhstan Stock Exchange (KASE, the Exchange) informs you about main results of operations in November 2020.

- The total volume of trades on KASE in November 2020 amounted to KZT10.2 trln increasing by 3.2%, or by KZT319.5 bn, compared with October.
- The value of KASE Index increased by 5.3%, or by 129.41 points, to 2,586.34 points.
- The equity market's capitalization increased by 2.7%, or KZT482.3 bn and amounted to KZT18.4 trln.
- 8 corporate securities issuers underwent listing, with securities of two companies included in the Exchange's official list for the first time.
- As of December 1, 2020, there were corporate securities of 460 names of 186 issuers in the KASE's trade lists.
- As of December 1, 2020, the Central Securities Depository maintained 129,267 personal accounts opened for individuals, which is by 1,948 more than a month earlier and by 11,572 more than at the beginning of 2020.

KEY PROJECTS AND EVENTS

During November 2020, KASE conducted the following events and projects:

- From November 30, 2020, the Exchange has put into operation the new trading and clearing system ASTS+ in the currency market. From that date, trading in all financial instruments of the currency market, including five currency pairs (USDKZT, RUBKZT, CNYKZT, EURKZT, EURUSD) with settlement terms T+0, T+1 and T+2, currency swap transactions with regard to the US dollar, Russian ruble, Chinese yuan, euro with settlements in tenge and deliverable futures for the exchange rate of the dollar against the tenge are carried out in the ASTS+.
- On November 30, 2020, KASE completed a competition for retail investors in the equity market, which is aimed at popularizing the exchange trading in shares in Kazakhstan. 634 investors took part in the competition, concluding a total of 3,561 deals in the amount of KZT150 mln. The winners of the competition were awarded valuable prizes.
- On November 18, 2020, the Exchange together with NGDEM Finance JSC held an online meeting with investors about securities of investment funds (ETF) traded on KASE.
- On November 16, 2020, training trading as part of the educational project "Exchange Simulator" started, organized for students of higher education institutions of Kazakhstan and other countries. The competition will end on December 15, 2020.
- On November 12, 2020, KASE, together with the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" and Entrepreneurship Development Fund "Damu" JSC, held an online round table on essentials of the stock market for employees of financial and legal departments of companies.

- On November 9, 2020, KASE held an online seminar on the subject of "Interaction with investors in new realities". The seminar presented the key aspects of information disclosure to increase investors' interestedness in the company and key channels of communication with investors.

EQUITY MARKET

According to results of November, capitalization of the equity market increased by 2.7 %, or by KZT482.3 bn, amounting to KZT18.4 trln (USD43.5 bn).

As of the end of November, shares of 141 names of 125 issuers were in KASE's trade lists, of which five issues were admitted to circulation in the sector of unlisted securities. In the reporting month, no new shares were included in the official list.

The volume of trading in shares in November compared with October 2020 increased 3 times, or by KZT27.4 bn to KZT42.6 bn. The average daily volume of trades amounted to KZT2 bn, the average daily number of transactions was 1,063, the average volume of one transaction was KZT1.9 mln.

Among the main categories of investors, individuals accounted for 38.1 % of the total volume of deals with shares. The share of brokers and dealers amounted to 19.6 %. Other institutional investors accounted for 3.3 %, other legal entities – for 39.1 %. Participation of non-residents is estimated at 15.6 %.

KASE INDEX

According to results of November, KASE index rose by 5.3 %, or by 129.41 points, to 2,586.34 points. The volume of deals in index shares in November (excluding special trading session) amounted to KZT21.8 bn, which is by 54.1 % more than in October.

Change in prices of stocks included in KASE Index universe

Issuer	Ticker	Price change		
		as of 01.11.2020	as of 01.12.2020	in November
KazTransOil	KZTO	800.00	900.10	+12.5%
Halyk Savings Bank of Kazakhstan	HSBK	109.17	122.00	+11.8%
KAZ Minerals PLC	GB_KZMS	3,271.00	3,515.00	+7.5%
Kazakhtelecom	KZTK	25,112.00	26,130.00	+4.1%
Kazatomprom	KZAP	6,050.00	6,273.00	+3.7%
KEGOC	KEGC	1,676.59	1,699.00	+1.3%
Kcell	KCEL	2,720.00	2,730.00	+0.4%
Bank CenterCredit	CCBN	218.00	217.90	-0.05%

According to the results of the reporting month, common shares of KazTransOil JSC became the growth leaders among the shares of KASE Index universe, rising in price by 12.5 % – to KZT900.1. A significant part of the growth in quotations of the oil company fell on the second half of November.

The affirmation by the rating agency Fitch of the long-term issuer default rating in foreign currency at "BBB-", with the "Stable" outlook, played in favor of KazTransOil stocks. The agency expects that the company will maintain a strong operating and financial profile. KazTransOil's business profile is supported by the company's dominant position as the national oil pipeline operator in Kazakhstan, as well as its strategic importance for the country's economy. The absence of debt burden reinforces the agency's expectations of strong creditworthiness indicators.

In addition, the company's quotes were supported by financial results for nine months of 2020. According to the company, the consolidated net income of KazTransOil in January–September 2020 amounted to KZT51.9 bn, which is up by 38% YoY. The consolidated revenue decreased by 2 % and amounted to KZT177 bn. Profit before taxation increased by 29.3 % to KZT63.7 bn, operating profit – by 36.6 %, to KZT54.3 bn.

High growth of 11.8 % was also shown by shares of Halyk Bank, which increased in price to KZT122.0 per share over the month.

On November 23, 2020, Fitch Ratings affirmed the Bank's long-term issuer default rating (IDR) at "BB+" and changed the outlook from "Negative" to "Stable". The rating agency also affirmed the rating on the Bank's senior unsecured debt obligations at "BB+" (ISIN: XS0867478124, XS0867573890, XS0583796973, US46627JAB08, KZ2C00003077, KZ2C00002855, KZ2C00003069).

CORPORATE BOND MARKET

The volume of outstanding corporate debt in November decreased by 2.6 %, or by KZT382.2 bn, to KZT14.4 trln (USD34.1 bn.).

As of the end of November, there were 271 corporate bond issues of 68 issuers in the official list of KASE. In the reporting month, twelve issues of corporate bonds of six issuers (two new) were included in KASE's official list: four issues of Kazakhstan Sustainability Fund JSC, three issues of National Management Holding "Baiterek" JSC, two issues of Mortgage Organization "Kazakhstan Mortgage Company" JSC and one issue of Sovereign Wealth Fund "Samruk-Kazyna" JSC, Industrial Development Fund JSC and PC SEC "DAMU AGRO".

In the reporting month, five corporate bond issues were excluded from the official list: two issues of international bonds of National Company "KazMunayGas" JSC and an issue of international bonds of ATFBank JSC due to their early redemption, an issue of ARLAN WAGONS LLP following the request of their issuer and an issue of AMF Group JSC due to the expiration of the circulation period.

The value of the yield index of corporate bonds KASE_BMY increased in November by 6 basis points to 10.99 % per annum.

The volume of trades in corporate bonds on KASE decreased relative to October by 60.8 %, or by KZT305.3 bn, to KZT196.7 bn. The average daily amount of trades reached KZT9.4 bn, the average daily number of deals – 16, the average amount of one deal – KZT585.3 mln.

Five bond issues of three issuers for a total amount of KZT157.3 bn were placed on the primary corporate bonds market:

- Kazakhstan Sustainability Fund JSC raised KZT57.3 bn by placing three bond issues with an average weighted yield to maturity of 10.87–11.09 % per annum;
- National Managing Holding "Baiterek" JSC raised KZT50 bn by placing ten-year bonds KZ2C00007052 (BTRKb4) at 11.3 % per annum;
- Industrial Development Fund JSC raised KZT50 bn by placing ten-year bonds KZ2C00007011 (IDFRb2) at 11.8 % per annum.

In terms of the main investor categories, in the primary corporate bond market, the share of STBs was 30 %, the share of brokers and dealers – 7.9 %. Other institutional investors accounted for 30.4 %, other legal entities – for 31.8 %.

On the secondary bond market in November, the trading volume decreased by 36.3 %, or KZT22.4 bn, to KZT39.3 bn in comparison with October.

In terms of the main investor categories in the secondary corporate bond market, the share of STBs was 11.1 %, that of brokers and dealers – 18.4%, that of other institutional investors – 41%, that of other legal entities – 27.7 %, the share of individuals was 1.8 %. The share of non-residents was 24.3%.

GOVERNMENT SECURITIES (GS) MARKET

The nominal value of the government debt traded on KASE according to the results of November increased by 1.9 %, or KZT308.1 bn, to KZT16.5 trln (USD39 bn).

In November, the volume of trades in the GS market decreased by 66.6 %, or KZT429.3 bn, to KZT215.7 bn. The average daily trading volume was at the level of KZT10.3 bn (in the secondary market – KZT2.3 bn), the average daily number of deals – 6 (in the secondary market – 2), the average amount of one deal – KZT1.8 bn (the average amount of one deal in the secondary market – KZT1.1 bn).

The volume of the primary market amounted to KZT167 bn, which is by 72.5 %, or KZT441.1 bn, less than October's result. Of these, KZT6.2 bn were raised by akimdiks of two regions in order to fund schemes provided for as part of the implementation of the state program "Employment Roadmap for 2020-2021". The Ministry of Finance raised KZT160.8 bn, which is by 60.4 % less than in October.

A total of 7 bond issues were placed in November with a weighted average yield of 10.07–10.50 % per annum (at 10.00–10.50 % per annum).

Second-tier banks acted as buyers in the primary government securities market, their share was 88.1 %, other institutional investors accounted for 0.7 %, and other legal entities – for 11.2 %. The participation of non-residents is estimated at 14.4 %.

The volume of trades in the secondary market in November increased by 31.8 %, or by KZT11.7 bn, to KZT48.7 bn. 80.7%, or KZT39.3 bn, of the total turnover of trades in the secondary market fell on deals with MEKAM, 7.6 %, or KZT3.7 bn – on notes of the National Bank. The rest of the volume, which is less than 11.7 % (KZT5.7 bn), fell on deals with Eurobonds of the Republic of Kazakhstan and government securities of foreign countries.

In the structure of investors in the secondary market, STBs accounted for 44 %, brokers and dealers – for 6.1 %, other institutional investors – for 38.2 %, other legal entities – for 11.6 %, participation of individuals did not exceed 1 %. The participation of non-residents is estimated at 1.1 %.

IFI BONDS

At the end of the reporting period, KASE's trading lists included 32 bond issues of four international financial institutions: Eurasian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation (IFC) and Asian Development Bank.

In November, the IFI bonds sector was extended by three bond issues: an international bond issue of European Bank for Reconstruction and Development and two "green" international bond issues of Asian Development Bank.

In November, the trading volume amounted to KZT95.1 bn against KZT2.6 bn a month earlier.

Three bond issues of two issuers for a total of KZT94 bn were placed on the IFI primary bond market:

- European Bank for Reconstruction and Development raised KZT80 bn through subscription by placing four-year international bonds XS2252216937 (EBRDe12) with a 1% margin to the six-month coupon;
- Asian Development Bank raised KZT14 bn through subscription by placing two-year "green" international bonds at 10.10 % and 10.12 % per annum.

In terms of the main investor categories in the primary IFI bond market, the share of STBs was 5.8 %, that of other institutional investors – 88.8 %, that of other legal entities – 5.4 %.

In the secondary market, the volume of trades amounted to KZT1.1 bn, which is by 59.1 %, or KZT1.5 bn, lower than a month earlier. Accounts of legal entities participated in the auction.

UNITS OF INVESTMENT FUNDS

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

In the reporting month, the trading volume amounted to KZT3.1 bn and increased by 12.3 %, or KZT340 mln, compared with October.

Instrument	Amount, mln KZT	Number of deals
RU_UKFFipo	2,115.9	668
CSECFe	757.6	15
IE_FXBF	103.3	68
CSECgm	98.3	9
US_SPY_	21.8	77
US_BIL_	6.7	3
FFIN_or	5.5	53
FHJlpc	2.2	2
FHJllq	2.2	2
	3,113.4	897

In the context of the main investor categories, 43.6 % are individuals, 32.1 % are brokers and dealers, 22.7 % are other legal entities, and 1.6 % are other institutional investors.

INDIVIDUAL ACCOUNTS ON THE SECURITIES MARKET

As of December 1, 2020, the Central Depository maintained 129,267 personal accounts, opened for individuals, which is by 1,948 accounts more than a month before, and by 11,572 accounts more than at the beginning of 2020.

FOREIGN CURRENCIES MARKET

In November 2020, 30 KASE members took part in trades in the foreign currency market on KASE. In the reporting month, two brokers, Freedom Finance JSC and CAIFC INVESTMENT GROUP JSC, operated in the market, with their share in the gross turnover making up 0.1 %.

The volume of trades in the foreign currency market in November reached KZT1.04 trln, which is by 1.7 %, or KZT 17.7 bn, lower than the previous month's figure. The average daily volume of trades amounted to KZT49.4 bn, the average daily number of deals – 366, the average amount of one deal – KZT135.1 mln.

The table below provides main characteristics of currency pairs traded on KASE (in the brackets: the change of the indicator on the previous month, the rate change reflects the nominal change of the weighted average market exchange rate of the foreign currency against the tenge).

Pair	Amount, mln currency units	Weight in the trading amount, %	Number of deals	Min. and max. rates, qnty. of the quoted currency per base currency unit	Rate at the end of period (chg.%)
USD/KZT	2,344.12 (-2.4 %)	96.7 % (-0.9 %)	7,364 (-349)	422.60 – 434.62	425.07 (-1.8 %)
RUB/KZT	5,054.95 (+45.6 %)	2.7 % (+0.9 %)	228 (+84)	5.4134 – 5.6330	5.5840 (+2.1 %)
CNY/KZT	65.72 (-19.0 %)	0.4 % (-0.1 %)	69 (+18)	64.3870 – 65.7131	64.7473 (-0.2 %)
EUR/KZT	2.68 (x3.3)	0.1 % (0.09 %)	21 (+9)	504.40 – 511.30	507.95 (+0.4 %)

MONEY MARKET

By the end of November, the indicator TONIA (the weighted average interest rate on repo opening deals for one business day) increased by 130 b.p. – from 8.6 % to 9.9 % per annum.

The indicator TWINA (weighted average interest rate on repo opening deals for seven working days) showed a decrease by 29 b.p. – from 9.32 % to 9.03 % per annum in November.

On November 30, 2020, the calculation of the KIBOR, KIBID and KIMEAN interbank deposit market indicators stopped.

The value of the one-day dollar swap SWAP-1D (USD) as at the end of November increased by 212 b.p. from 7.68 % to 9.8 % per annum. The yield on the two-day swap SWAP-2D (USD) increased by 249 b.p. from 7.51 % to 10 % per annum.

The MM_Index composite money market indicator, which is the average value of the yield of USD/KZT currency swaps and automatic repo transactions with GS, opened for one business day, weighted through the volume of deals, increased by 138 bp. from 8.52 % to 9.90 % per annum, the weighted average rate in November was 8.92 %.

REPO transactions market

The volume of trades in this segment amounted to KZT8.28 trln, which is by KZT941.3 bn, or 12.8 %, more than last month. The average daily volume of deals amounted to KZT394.5 bn, the average daily number of concluded deals – 358, the average amount of one deal – KZT1.1 bn.

The volume of auto repo transactions with GS amounted to 66 %, that of CS auto repo transactions – 33.9 %, that of CS nego repo transactions – 0.06%.

Currency swap transactions market

The volume of trades in the currency swap transaction market in November amounted to KZT346.8 bn, which is by KZT8.2 bn, or 2.4 %, more than in October. The amounts of currency swap transactions in October were carried out to 99.7% in the pair tenge–US dollar, to 0.03% - in EURKZT.

The average daily volume of transactions in November amounted to KZT16.5 bn, the average daily number of deals – 5, the average amount of one transaction - KZT3.7 billion.

In the instrumental structure, 65.5% of the total volume in the currency swap market fell on deals with the one-day currency swap (USDKZT_0_001), 28.9% of the total trading volume in the currency swap market fell on deals with the two-day currency swap (USDKZT_0_002), 5.6% of the total trading volume fell on deals with the one-month currency swap (USDKZT_01M), 0.03% of the total trading volume – on deals with the one-day currency swap (EURKZT_0_001).

Derivatives market

At the moment, futures are available for trading in this sector of the exchange market, the underlying assets of which are the US dollar, KASE Index and certain names of shares. By the beginning of December, there were no open positions of trading participants on the derivatives market, no transactions were carried out in November.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the sixth rank in terms of the equity market capitalization among the FEAS exchanges.

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

KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

KASE actively contributes to the economic growth of Kazakhstan by providing a transparent investment environment for local and foreign participants.

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