

PRESS RELEASE

Almaty

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KASE presents results of the exchange market operation for February 2021

Kazakhstan Stock Exchange JSC (KASE, the Exchange) informs you about the main results of its operations in February 2021:

- The total volume of trades on KASE in February 2021 amounted to KZT12.9 trln increasing by 14.4 %, or KZT 1.6 trln, on January.
- The value of KASE Index increased by 5.6 % to 2,957.76 points.
- The equity market capitalization increased by 5.2%, or KZT1 trln, to KZT20.8 trln.
- One new issuer has undergone the listing procedure.
- As of March 1, 2021, there were 470 corporate securities of 186 issuers in KASE's trading lists.
- As of March 1, 2021, the Central Securities Depository maintained 140,664 personal accounts opened for individuals, which is by 3,979 accounts more than a month earlier and by 7,803 accounts more than at the beginning of 2021.

KEY PROJECTS AND EVENTS

On February 17, 2021, KASE held an annual awarding ceremony based on 2020 results for: members of the Exchange who demonstrated the best results, listed companies – for striving for transparency, as well as for representatives of the media – for active coverage of the stock market in print media and Internet resources.

In February, as part of the Issuer Day project, KASE held meetings of the akimdik of Shymkent, executives of Asian Development Bank JSC and 1Fit LLP with investors, professional participants of the securities market and media representatives, dedicated to the issue of securities.

EQUITY MARKET

Based on results of February, capitalization of the equity market increased by 5.2%, or by KZT1 trln, amounting to KZT20.8 trln (USD50.2 bn).

As of the end of February, there were shares of 139 titles of 123 issuers in KASE's trading lists, of which shares of three titles were admitted to circulation in the "unlisted securities" sector.

In the month under review, common shares of the new issuer Zhaltyrbulak JSC were included in KASE's official list. Common shares of Fincraft Capital JSC (JSCP) were excluded from the Exchange's official list at the initiative of their issuer.

The volume of trades in shares in February relative to January decreased by 34.9%, or by KZT7.1 bn to KZT13.3 bn. The average daily volume of trades amounted to KZT666.3 mln, the average daily number of deals – 1,316, the average amount of one deal – KZT506.2 th.

Among the main categories of investors, individuals accounted for 42.5% of the total volume of deals with shares. The share of broker-dealers was 24.1 %, other institutional investors accounted for 4.9 %, other legal entities – for 28.5 %. The participation of non-residents is estimated at 3.9 %.

KASE INDEX

Based on results of February, KASE index grew by 5.6 %, or 157.84 points, to 2,957.76 points. In February, KASE Index for the first time since mid-2007 renewed its historical maximum and during the month reached the value of 3,000.45.

The volume of deals in index shares in February amounted to KZT5.8 bn. The largest volume of trades fell on common shares of Kazakhtelecom JSC – KZT2.4 bn (41.7% of the total volume of trades in index shares).

Change in prices of shares included in KASE index universe

Issuer	Ticker	Price change		
		as of 01.02.2021	as of 01.03.2021	in February
Kazatomprom JSC	KZAP	7,499.99	9,289.00	+23.9 %
KAZ Minerals PLC	GB_KZMS	4,100.00	4,800.00	+17.1 %
Kazakhtelecom JSC	KZTK	26,015.07	26,999.00	+3.8 %
Halyk Savings Bank of Kazakhstan JSC	HSBK	134.00	138.00	+3.0 %
KazTransOil JSC	KZTO	996.00	1,023.97	+2.8 %
Bank CenterCredit JSC	CCBN	210.00	214.00	+1.9 %
KEGOC JSC	KEGC	1,690.00	1,679.99	-0.6 %
Kcell JSC	KCEL	2,839.90	2,456.00	-13.5 %

The growth leaders were common shares of Kazatomprom JSC: their price increased by 23.9 % to KZT9,289 per share. The main factor supporting the dynamics of growth were the market's expectations for a decrease in the global supply of uranium, caused, on the one hand, by the announcement of the Canadian mining company Cameco of suspending for an indefinite period the re-commissioning of Cigar Lake, the world's largest uranium mine, and on the other hand, the closure of one of the world's oldest uranium mines – the Ranger – in Australia. At the same time, the market was regaining the expectation of an increase in global demand for uranium ore due to the connection to the network of new nuclear facilities in China, Russia and Belarus.

The company's GDRs, traded on the London Stock Exchange (LSE), increased by 26.2 % to \$21.70 over the reporting period, which is equivalent to KZT9,000.51 per share at the official exchange rate of the National Bank as of February 26. Meanwhile, amid concerns of a possible oversupply of uranium, NYMEX uranium futures prices are trending negatively and trading at \$29 per pound, below the four-year high of \$34 per pound in May 2020.

The price of stocks of another representative of the mining sector, the copper holding KAZ Minerals PLC, rose by 17.1 % to KZT4,800 per share during the reporting month, continuing the stable upward trend observed since March 2020. The main driver of growth was the increase in the price of copper on the London Metal Exchange (LME), which for the first time since August 2011 exceeded \$4.3 per pound. In turn, support for prices on non-ferrous metals was the shortage of copper supplies due to restrictions imposed due to the pandemic, as well as stimulus measures from governments and central banks. According to the latest data from the International Copper Study Group, in January-October 2020, the copper deficit in the world was about 480 thousand tons, while production increased by 1.5% and consumption – by 2 % compared with the same period a year earlier. In addition, production forecasts from the 25 largest copper producers indicate that the market could experience significant deficits this year, Trading Economics reports.

At the end of February, the company provided a production report for the fourth quarter of 2020, according to which copper production in 2020 exceeded the target range of 305.7 th. tons by 2 %. At the same time, compared with 2019, there is a simultaneous decrease in production by 1.8 % and a decrease in sales by 5.5 % due to delays in shipment at the Kazakh-Chinese border at the end of the year. Along with the production report, KAZ Minerals provided unaudited results for 2020, according to which EBITDA for the reporting period increased by 5.6 % to \$1.431 bn. In addition, the group's net debt decreased by 5.7% to \$2.601 bn due to high cash flow from operating activities in the second half

of the year and a lower-than-expected level of capital expenditures of \$584 million for the full year. The company also pointed out that some projects planned for implementation in 2020 have been postponed until 2021 due to COVID 19.

The largest decline in prices was demonstrated by ordinary shares of Kcell JSC, which lost 13.4 % in price in the first week of February, despite the release of optimistic financial statements for 2020, according to which the net profit in 2020 1.8 times exceeded that of 2019. Net sales increased by 11.5 % to KZT174.7 bn, while the number of subscribers decreased by 2.7 % to 8.055 million. Mobile phone sales grew by 81.4% in 2020 compared with 2019, with an increase of 75.5 % in the fourth quarter. The company notes that the release of the iPhone 12 was an additional stimulus for growth in mobile phone sales in Q4, which led to an increase in Kcell's overall share of the mobile phone market. Revenue from services increased by 1.8% to KZT140.1 bn.

On February 24, Kcell announced an extraordinary general meeting of shareholders, scheduled for April 9, within the framework of which it is planned to approve plans to delist the company's securities from the London Stock Exchange and AIX. In case of a positive decision, the shares of the mobile operator will remain only on Kazakhstan Stock Exchange. The company said in a statement that a decrease in the number of markets in which securities are traded will lead to an improvement in the level of liquidity and trading trends of the movement of the relevant instruments.

CORPORATE BOND MARKET

The volume of corporate debt in circulation in February fell by 0.8%, or bn, to KZT14.4 trln.

As of the end of February, there were 275 issues of corporate bonds of 70 issuers in KASE's official list. Four issues of corporate bonds were excluded from KASE's official list: two issues of Kazakhstan Housing Company JSC and an issue of Amangeldy Gas LLP – due to their cancellation, the issue of international bonds of Eastcomtrans LLP – due to their early redemption. In the reporting month, new bond issues were not included in the Exchange's official list.

The value of the yield index of corporate bonds KASE_BMY decreased by 7 basis points to 10.77 % per annum.

The volume of trades in corporate bonds on KASE decreased relative to January by 31.8 %, or KZT74.7 bn, to KZT160.1 bn. The average daily trading volume amounted to KZT8 bn (in the secondary market – KZT3.9 bn), the average daily number of deals – 16 deals (in the secondary market – 14 deals), the average volume of one deal – KZT 505 mln (in the secondary market – KZT278.3 mln).

In February, six bond issues of four issuers were placed on the primary market in the sector of corporate bonds for a total amount of KZT82.2 bn, which is by 16.7 %, or KZT11.7 bn, more than in January:

- Kazakhstan Sustainability Fund JSC raised KZT62.9 bn by placing three bond issues (KFUSb8, KFUSb9, KFUSb10) with a yield to maturity of 10.00–10.60 % per annum (the weighted average yield on issues varied in the range of 10.12–10.57 % per annum);
- Kazakhstan Housing Company JSC raised 14.3 billion tenge by placing five-year bonds with a yield to maturity of 11 % per annum;
- Agrarian Credit Corporation JSC raised KZT4.6 bn by placing bonds with a weighted average yield of 10.23 % per annum and current maturity of 295 days;
- Microfinance Organization "R-Finance" LLP raised KZT400.7 mln on KASE by placing three-year bonds with a yield to maturity of 20 % per annum.

In the context of the main categories of investors in the primary corporate bond market, the share of STBs was 44.9 %, that of brokerage and dealing organizations – 6.9 %, that of other institutional investors – 10.8 %, the share of other legal entities – 36.9 %, that of individuals – 0.5 %.

The volume of trades in the secondary bond market decreased by 52.6 %, or KZT86.5 bn, to KZT77.9 bn.

In terms of the main categories of investors in the secondary corporate bond market, the share of STBs was 7.7 %, that of brokerage and dealing organizations – 1 %, that of other institutional investors – 86.3%, that of other legal entities – 3.9 %, the share of individuals – 1.2 %. The share of non-residents was 2.1 %.

GOVERNMENT SECURITIES (GS) MARKET

The face value of the government debt traded on KASE in February increased by 3.1 %, or KZT541.6 bn, to KZT17.9 trln (USD43.1 bn).

In February, the volume of trades in the government securities market decreased by 12.7 %, or KZT43.4 bn to KZT299 bn. The average daily trading volume amounted to KZT14.9 bn (in the secondary market – KZT3 bn), the average daily number of deals – 11 (in the secondary market – 5 deals), the average volume of one deal – KZT1.4 bn (in the secondary market – KZT587 mln).

On the primary government securities market, the volume of trades amounted to KZT238.5 bn, which is by 13 %, or KZT35.8 bn, lower than in January. The entire volume fell on the offering of treasury bonds of the Ministry of Finance of the Republic of Kazakhstan. In total, eleven offerings were carried out at 8.99–10.12 % per annum (weighted average yield – 9.11–10.12 % per annum).

In the structure of investors in the primary government securities market, STBs accounted for 73.8 %, brokers and dealers – for less than 0.1 %, other institutional investors – for 10.4 %, the share of other legal entities was 15.8 %. The participation of non-residents is estimated at 5.1 %.

The volume of trades in the secondary market decreased by 11.2 %, or KZT7.6 bn, to KZT60.5 bn. 55.9%, or KZT33.8 bn, of the total turnover of trades in the secondary market fell on deals with notes of the National Bank, 40.3 %, or KZT24.4 bn, – on deals with MEKAM. The rest of the volume, amounting to 3.8% (KZT2.3 bn), fell on transactions with Eurobonds of the Republic of Kazakhstan and government securities of foreign states.

In the structure of investors in the secondary market, STBs accounted for 49.4 %, brokerage and dealing organizations – for 3.2 %, other institutional investors – for 33.3%, the share of other legal entities amounted to 13.7 %, the share of individuals persons – to 0.3 %. The participation of non-residents is estimated at 0.5 %.

BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS

As of the end of the reporting period, KASE's trading lists included 35 bond issues of four international financial organizations: the Eurasian Development Bank, the European Bank for Reconstruction and Development, the International Finance Corporation (IFC) and the Asian Development Bank.

In February, two issues of bonds of the Asian Development Bank were included in the "Securities of International Financial Institutions" sector of KASE's official list, the purpose of which is to invest in projects aimed at reducing gender inequality and promoting the empowerment of women and girls.

During February, the issue of bonds of the International Finance Corporation was excluded from KASE's official list due to the expiration of the circulation period.

The volume of trades in the "Securities of International Financial Institutions" sector amounted to KZT17.4 bn. The entire volume fell on the offerings of the Asian Development Bank, which, under the subscription, placed two issues of its bonds at 9.95 % and 10.15 % per annum with current maturities of 5.1 years and 9.8 years, respectively.

In the context of the main categories of investors in the primary bond market of international financial organizations, the share of STBs was 13 %, that of other institutional investors – 50.3 %, that of other legal entities – 36.7 %.

UNITS OF INVESTMENT TRUSTS

As of March 1, there were 17 instruments under the management of ten companies in the "Securities of Investment Funds" sector.

In the reporting month, the trading volume amounted to KZT7.6 bn and increased by 39.8 %, or KZT2.2 bn, on January.

Instrument	Volume, mln KZT	Number of deals
RU_UKFFipo	7,164.3	1,465
BCClrb	109.8	2
CSECfe	83.6	5
CSECgm	69.0	7

FFIN_or	49.7	68
FHJlag	46.9	6
US_SPY_	20.2	78
US_BIL_	18.2	4
FHJlpc	9.5	4
IE_FXBF	3.4	203
FHJlds	0.7	31
FHJlhm	0.5	18
	7,575.7	1,891

In terms of the main investor categories, 50.4 % falls on individuals, 44.2 % – on brokers and dealers and 5.5 % – on other legal entities.

ACCOUNTS OF INDIVIDUALS ON THE SECURITIES MARKET

As of March 1, 2021, the Central Securities Depository maintained 140,664 personal accounts opened for individuals, which is by 3,979 accounts more than a month earlier and by 7,803 accounts more than at the beginning of 2021.

FOREIGN CURRENCY MARKET

In February 2021, 29 members of KASE took part in trades on KASE's foreign currency market. In the reporting month, three brokers – Kazpost JSC, Freedom Finance JSC and CAIFC INVESTMENT GROUP JSC – took part in the market, their share in the gross turnover of trades was 0.2 %.

The volume of trades in the foreign currency market reached KZT990.8 bn, which is by 3.8 %, or KZT36.7 bn, higher than the figure for January. The average daily trading volume in February was KZT49.5 bn, the average daily number of deals – 360, the average amount of one deal – KZT137.7 mln.

The following table shows the main characteristics of the currency pairs traded on KASE (the change in the indicator against the previous month is indicated in brackets, the change in the rate reflects the nominal change in the weighted average 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 month (chg.%)
USD/KZT	2,319.1 (+4.2 %)	97.9 (-0.1 %)	6,815, (-181)	414.81 – 424.32	417.09 (-1.7 %)
RUB/KZT	1,006.8 (-32.9 %)	0.6 (-0.3 %)	210 (+48)	5.5685 – 5.6819	5.6039 (+0.1%)
CNY/KZT	104.6 (+1.2 %)	0.7 (-0.02 %)	140 (+62)	64.2531 – 65.6606	64.3038 (-1.9 %)
EUR/KZT	16.3 (x 2.4)	0.8 (+0.5 %)	28 (+7)	504.15 – 514.10	504.70 (-1.3 %)

MONEY MARKET

The total volume of trades in the money market amounted to KZT11.5 trln, having increased by 17.4 %, or KZT1.7 trln, compared with the last month.

The composite indicator of the money market MM Index, representing the average yield weighted through the volume of deals, on currency swap transactions and automatic repo transactions with government securities, opened for one business day, increased by 151 b.p. from 8.24 % to 9.75 % per annum.

REPO transactions market

The trading volume in this segment in February 2021 amounted to KZT10.2 trln, which is by KZT1.7 trln, or 19.5 %, more than the volume of the previous month. The average daily volume of transactions amounted to KZT508.9 bn, the average daily number of deals – 424, the average volume of one deal – KZT1.2 bn.

The volume of auto repo transactions with GS amounted to KZT6.3 trln, or 61.8 % of the total volume of repo transactions, auto repo with CS – KZT3.9 trln, or 38.1%, direct repo with CS – KZT 6.6 bn, or 0.07%, nego repo with government securities – KZT6 mln.

By the end of February, the indicator TONIA (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange in the automatic repo sector with securities of the GS Basket) increased by 169 b.p. from 8.25 % to 9.94 % per annum.

The indicator TRION (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange during the day in the automatic repo sector with securities of the GS Basket, for which the Exchange carries out clearing activities using the services of the Central Counterparty) increased by 168 b.p. from 8.26 % to 9.94 % per annum.

The indicator TWINA (the weighted average interest rate on repo opening deals for seven business days, concluded on the Exchange in the automatic repo sector with securities of the GS Basket, for which the Exchange carries out clearing activities using the services of the Central Counterparty) increased by 105 b.p. from 8.35 % to 9.40 % per annum in February.

The volatility of the indicators of repo transactions TONIA, TRION and TWINA in February dynamically fluctuated within the base rate corridor of the National Bank of the Republic of Kazakhstan, further increased with the beginning of the tax week with a downward trend towards the end of the month.

Currency swap transactions market

The trading volume in February 2021 in the currency swap transactions market amounted to KZT1.3 trln, which is by KZT41.2 bn, or 3.3 %, higher of the trading volume in January.

The average daily volume of transactions in February amounted to KZT63.6 bn, the average daily number of deals – 12, the average volume of one deal – KZT5.5 bn.

In the instrumental structure, 54.9 % of the total volume in the currency swap market fell on transactions with the one-day currency swap (USDKZT_0_001), 42.2 % of the total trading volume in the currency swap market fell on transactions with the two-day currency swap (USDKZT_0_002), 3% of the total trading volume – on deals with the one-month currency swap (USDKZT_0_01M).

The one-day dollar swap indicator SWAP-1D (USD) increased by 35 b.p. by the end of February: from 7.93 % to 8.28 % per annum. The yield on the two-day currency swap SWAP-2D (USD) increased by 78 b.p. from 7.95 % to 8.73 % per annum.

Derivatives market

In this sector of the exchange market, futures are available, the underlying assets of which are the US dollar, KASE index and particular titles of shares. By the beginning of March, there were no open positions of trading participants on the derivatives market, and no transactions were made in February.

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. 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.

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