



PRESS-RELEASE

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KASE presents stock exchange market performance results in May 2018

Kazakhstan Stock Exchange JSC (KASE) informs about main results of activities in May 2018.

- Trading on KASE in May 2018 totaled KZT10,934.8 bn. with growth by 10 % or KZT994.1 bn. compared to previous month. The markets with positive dynamics were securities market (3.9 times) and money market (+13.3 %). The foreign currencies market dropped (-28 %).
- KASE Index grew by 2.7 % in May up to 2,503.22 points, having set a new 10-year high.
- Three bonds of Eurasian Development Bank were listed in "International financial institutions securities" sector.
- The primary market of state securities went up 2.2 times to KZT97.7 bn. Regional municipalities made placements for a total of KZT7.7 bn., and the Ministry of Finance borrowed in May KZT89.9 bn. at 8.44–8.47 % APR.

EQUITY MARKET

By the end of the month 126 shares of 111 companies were in the Exchange's list, including five shares of five companies in the unlisted securities sector.

KASE share market capitalization went down in May by 7.6 % or KZT1,401.3 bn. to KZT17 trln. Delisting of Exploration Production KazMunaiGas shares was the main reason of capitalization fall. The company's capitalization as at delisting date was KZT1,534.63 bn.

After insignificant correction in April KASE Index continued growth in May. In the reported month KASE Index went up by 2.7 % to 2,503.22 points. On May 18 the Blue Chips Index renewed almost 10-year high, having reached 2,532.67 points. The main events influencing the market were companies' financial statements for Q1, 2018 as well as dividends after annual shareholders meetings.

Change of the KASE Index constituents

Issuer	Trade code	Price per share, KZT		Price change, % in April
		as at May 01, 2018	as at June 01, 2018	
Kazakhtelecom JSC	KZTK	29,300.0	33,800.0	+15.4 %
KAZ Minerals PLC	GB_KZMS	4,110.0	4,362.1	+6.1 %
Bank CenterCredit JSC	CCBN	286.9	294.3	+2.6 %
Halyk Bank JSC	HSBK	102.1	104.0	+1.8 %
KazTransOil JSC	KZTO	1,565.0	1,538.0	-1.7 %
KEGOC JSC	KEGC	1,482.0	1,449.0	-2.2 %
Kcell JSC	KCEL	1,699.0	1,650.0	-2.9 %

Shares of Kazakhtelecom JSC made the main impact on the KASE Index growth, having grown in price by 15.4 % to KZT33,800. The company's shares have been growing for eighth month at a run with a more significant growth in May, while volume of trades reduced more than two times.

KAZ Minerals PLC went up by 6.1 %, by the end of the month the price reached KZT4,362.1. In late April the company announced its operating outcome for Q1, 2018 exceeding results of Q1, 2017. Aktogai sulfide plant demonstrated significant copper production growth, its carrying capacity reached 76 % in March.

Shares of Kcell JSC fell down most of all by 2.9 % to KZT1,650. Company's statements for Q1, 2018 make negative impact upon its shares due to worse results compared to similar period of 2017.

Shares of KEGOC JSC also went down (-2.2 %) to KZT1,449.0. The company's shares entirely negated the growth that had been achieved after the annual shareholders meeting. By the end of the month due to rating improvement the company's securities moved up by 2 %. S&P Global Ratings upgraded the long-term credit rating of KEGOC from "BB" to "BB+" due to better financial performance. Rating outlook – "Stable".

The shares trading volume is up 2.2 times (+115 %) or by KZT12.4 bn. to KZT23.1 bn. compared to previous month. Average daily trading volume reached KZT1,157 m. having grown 2.3 times relative to previous month. All trades were made on the secondary market. No placements were made in May.

In the context of investors categories individuals were most active with the share of 64.9 % in the total turnover. Commercial banks did not trade, the share of brokers-dealer companies made 23.2 %, other institutional investors – 0.4 %, other legal entities – 11.5 %. Share of non-residents was 11.1 %.

CORPORATE BOND MARKET

By the end of May 253 bonds of 66 issuers were in KASE official list. In the reported month bonds of Development Bank of Kazakhstan (BRKZe9) and Freedom Finance (FFINb3) were listed on KASE. Bonds of Kazkommertsbank (KKGBe23) and Nurbank (NRBNb11) were delisted due to maturity. Four issuances of international bonds of National company KazMunaiGas delisted due to early repayment.

As the result of the mentioned changes the volume of corporate debt on KASE decreased by 12.1 % or KZT1,102.6 bn. in May to KZT8.0 trln at par value.

KASE_BMY the corporate bonds yield index went up in May by 11 basis points to 10.30 % APR. The index yield raised above the upper border of the National Bank's base rate effective by the end of the month (9.25 ± 1.0 % APR).

Trading corporate bonds on KASE totaled KZT195.1 bn. with 18 times growth compared to April. Average daily volume amounted to KZT9,753.5 m. which is 19 times higher than in April.

One placement was held on KASE in May: Faeton Company LLP borrowed KZT536.4 m. for seven years at 13.49 % APR.

Main trading volume was fixed on the secondary market. Trading volume increased by KZT183.7 bn. or 18 times to KZT194.5 bn.

Among investors on the corporate debt market the share of commercial banks reached 26.2 %, broker-dealer companies – 1.4 %, other institutional investors – 3.7 %, other legal entities – 68.6 %, the share of individuals was less than 0.1 %. Share of non-residents was 0.01 %.

GOVERNMENT SECURITIES MARKET (GS)

Total face value of the state debt amounted to KZT10.8 trln which is less than in April by 1.3 % or KZT148 bn.

In May the trading volume went up 2.2 times (+120.8 %) to KZT162.3 bn. Average daily volume made KZT8,114.2 m. (2.3 times up compared to April).

The volume of the primary market grew 2.2 times (+124.3 %) or by KZT54.1 bn. to KZT97.7 bn. 92 % of total placements volume represent five issuances by the Ministry of Finance, who raised KZT89.9 bn. at 8.44–8.47 %.

In the reported month within the state programs six regional municipalities placed two-year bonds at 0.35 % APR and raised KZT7.7 bn.

Investors structure was represented by legal entities by 7.9 %, institutional investors – by 92.1 %.

Secondary market volume increased 2.2 times (+115.7 %) to KZT64.6 bn. On the secondary market the share of commercial banks reached 62.9 %, broker-dealer companies – 1.7 %, other institutional investors – 14.8 %, other legal entities – 20.6 %, individuals – less than 0.1 %. Share of non-residents was also below 0.1 %.

UNITS OF INVESTMENT FUNDS (UIF)

By the end of the reported period "Investment funds securities" sector comprised six instruments issued by five companies. Trading volume totaled KZT39.8 m. which is higher by 13.1 % compared to April. Main investors were individuals with the share of 59 %, broker-dealer companies – 23.3 %, other legal entities – 17.7 %.

Accounts of individuals in the securities market

By the end of May the number of individuals accounts in Central Securities Depository was 110,974, which is more by 427 accounts compared to previous month and more by 1,729 compared to year beginning.

FOREIGN EXCHANGE MARKET

31 member of KASE traded on the foreign currencies market in May.

Trading totaled KZT1,040.1 bn., which is less by 28.1 % or KZT407.4 bn. compared to previous month.

The anti-Russia sanctions still made negative effect in May – tenge and ruble remained on the same levels they were in April. The tax period, during which made budget payments for the first quarter, gave a temporary relief. Meantime Brent was traded above USD75 per barrel, and in the middle of the month came close to USD80.

The table below provides main description of the currency pairs traded on KASE (change to previous month are given in brackets, rate change reflects nominal change of average weighted exchange rate relative to tenge).

Currency pair	Volume, mln units of currency	Share in trades volume, %	Number of transactions	Min. and Max. exchange rates, KZT per unit of currency	Rate as at the end of the month (var. %)
USD/KZT	3,124.1 (-28.5 %)	76.2 % (+2.8 %)	6,330 (-1 358)	325.75 – 330.72	329.35 (+0.6 %)
RUB/KZT	943.1 (-38.7 %)	23.0 % (-2.9 %)	145 (-25)	5.2013 – 5.3311	5.3077 (+0.4 %)
CNY/KZT	9.1 (-39.7 %)	0.2 % (-0.03 %)	25 (-7)	50.9790 – 51.9800	51.5300 (-0.3 %)
EUR/KZT	10.2 (+31.6 %)	0.2 % (+0.1 %)	23 (+2)	381.64 – 396.55	386.12 (-3.0 %)
EUR/USD	15.0 (-42.3 %)	0.4 % (-0.1 %)	3 (-3)	1.1868	1.1868 (-1.7 %)

MONEY MARKET

TONIA indicator remained unchanged at 8.26 % APR. Meanwhile TWINA (weighted average rate of repo opening with seven business days tenor) decreased by 33 b.p. to 8.29 % APR.

Yield of one-day dollar swap SWAP-1D (USD) by the end of May was 9.06 % APR having grown during the month by 44 b.p. Yield of two-days dollar swap SWAP-2D (USD) raised by 6 b.p. to 8.82 % APR. Minimum value of SWAP-1D (USD) was 6.44 % APR – lower level of the rate which is used by the National Bank to withdraw liquidity in the national currency using currency swap.

KazPrime-3M (KZT) remained at 10.25 % APR for the whole month.

MM_Index the money market composite indicator representing average weighted through trades volume yield of USD/KZT swap operations as well as one-day automatic repo with state securities grew up by 3 b.p. to 8.29 % APR by the end of May.

Repo transactions market

Trading volume in this sector reached KZT7.1 trln, which is higher by 29.6 % or KZT1.6 trln compared to previous month. Average daily volume in May totaled KZT354.7 bn. (+36 % compared to April 2018).

97.2 % in total repo opening deals represented autorepo with state securities. one-day repo remains most popular instrument, the share of this instrument trading in total trading volume was 87.2 %.

46 member firms were trading on the repo market in May. The share of commercial banks totaled more than 87 % in total turnover of this segment. Share of non-residents in the reported month was 0.1 %.

Currency swap market

Trading the currency swaps decreased by 17.1 % to KZT2.4 trln. Average daily volume of operations amounted to KZT121.0 bn. which is less by 13 % compared to April. In the context of instrumental structure over 76 % in total volume (KZT1.9 trln or USD5.6 bn.) on the currency swap market were represented by two-days swap operations (USDKZT_0_002).

DERIVATIVES MARKET

Futures with US dollar, KASE Index and individual shares as the underlying are currently available for trading in this sector. No trades with futures were registered in May. By the beginning of June open positions were absent.

For reference

Kazakhstan Stock Exchange (KASE) is the leading stock exchange in the Central Asian region and the only exchange in Kazakhstan carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is the member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations. In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE ranks second among the CIS exchanges on the volume of trading in securities, and it also ranks sixth on equity market capitalization among FEAS stock exchanges.

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