

## PRESS RELEASE

city of Almaty

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### KASE presents the performance of the exchange market for August 2023

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) informs about the main results of its activities for August 2023:

- The total volume of trading on KASE in August 2023 amounted to 40.5 trln tenge having increased relative to July by 5.2 %, or 2.0 trln tenge.
- Based on August results, the value of KASE Index increased by 4.3 % and amounted to 3,866.13 points.
- The equity market capitalization increased by 5.7 % to 25.3 trln tenge, the volume of traded corporate debt increased by 1.6 % to 203.7 bn tenge.
- As of September 1, 2023, KASE's trading lists included 614 names of corporate securities of 226 issuers.
- As of September 1, 2023, there were 683.3 thousand personal accounts of individuals in the Central Depository. Based on August results, individuals registered 1,312 new personal accounts.

### EVENTS

In August, a number of events were held with the participation of KASE:

- As part of the Issuer Day project, the following meetings were held at KASE:
  - National Company "KazMunayGas" JSC with investors and professional market participants, dedicated to operating and financial results for the first half of 2023;
  - KazTransOil JSC with investors, professional securities market participants and media representatives, dedicated to the main results of activities for the first half of 2023, production and financial results, capital investments, tariff policy, implementation of investment projects;
  - KEGOC JSC with investors, professional securities market participants and media representatives, dedicated to financial and operating results for the first half of 2023. The company's management shared forecasts for production and financial indicators for the current year, as well as information on the implementation of investment projects.
- At KASE, a meeting was held with representatives of the government department of the Special Administrative Region of Hong Kong, responsible for attracting investments, Invest Hong Kong, to introduce them to activities of the Exchange.
- KASE hosted the ceremony of opening of trading in the debut issue of 5-year bonds of BRBAPK LLP with subsidizing of the coupon rate by "Damu" Entrepreneurship Development Fund JSC as part of the implementation of a national project to support SMEs in Kazakhstan.
- For the purposes of improving the financial literacy of investors, KASE held an online webinar on the topic "Possibilities of repo operations for investors."

## EQUITY MARKET

Based on August 2023 results, the equity market capitalization amounted to 25.3 trln tenge (54.8 bn USD), which is higher by 1.4 trln tenge, or 5.7 %, than the same figure for the previous month. The bulk of the growth came from index companies due to adjustments in their share prices.

As of the end of August, there were 99 shares of 85 issuers on KASE's trading lists, of which 96 shares of 82 issuers were on the official list.

In the reporting month, common shares of Fincraft Investment House JSC were excluded from the official list of the Exchange at the initiative of their issuer.

The volume of trading in shares in August amounted to 31.9 bn tenge, having increased relative to July by 94.1 %, or 15.5 bn tenge. At the same time, the number of transactions decreased by 12.8 % to 60,068. The average daily trading volume was 1,451.3 mln tenge, the average daily number of transactions was 2,730, the average volume of one transaction was 531.6 thousand tenge. Trading in the stock market took place exclusively on the secondary market.

Among the main categories of investors, the share of individuals accounted for 39.4 % of the total volume of transactions in shares. The share of banks accounted for 5.0 %, the share of broker-dealer organizations – for 9.1 %, share of other institutional investors – for 10.3 %, the share of other legal entities – for 36.1 %. The share of non-residents was 27.4 %.

## KASE INDEX

KASE Index value in August increased by 4.3 % and by the end of the month amounted to 3,866.13 points. Thus, KASE Index finally recovered the losses of last year and ended the summer season at new historical highs. Since the beginning of the year, the local market has closed seven out of eight months in the green zone and gained a total of 18.9 %.

The volume of transactions with index shares in August 2023 amounted to 23.8 bn tenge, which is by 60.4 %, or 9.0 bn tenge, higher than in July 2023. The largest trading volume fell on common shares of NC KazMunayGas JSC – 18,456.4 mln tenge (77.5 % of the total trading volume with index shares).

### Changes in prices of shares included in KASE representative list

Issuer	Ticker	Price, tenge per share			Trading volume, mln tenge		
		as of 01.09.23	as of 01.08.23	Δ, %	August	July	Δ
Kaspi.kz JSC	KSPI	47,350.41	42,016.00	+12.7	721.2	366.6	+354.6
NAC Kazatomprom JSC	KZAP	13,760.00	12,257.32	+12.3	686.5	801.2	-114.7
Kcell JSC	KCEL	1,980.00	1,899.97	+4.2	52.2	335.0	-282.8
NC "KazMunayGas" JSC	KMGZ	11,100.00	10,935.90	+1.5	18,456.4	11,134.0	+7,322.4
Bank CenterCredit JSC	CCBN	693.00	686.98	+0.9	73.6	44.5	+29.1
KEGOC JSC	KEGC	1,573.00	1,568.55	+0.3	75.7	62.2	+13.5
KazTransOil JSC	KZTO	818.99	824.96	-0.7	1,090.4	782.1	+308.3
Kazakhtelecom JSC	KZTK	33,098.00	33,600.00	-1.5	1,039.7	399.6	+640.1
Halyk Bank of Kazakhstan JSC	HSBK	161.73	164.80	-1.9	1,625.1	929.1	+696.0

The highest growth rates over the month were shown by common shares of Kaspi.kz JSC, which increased in price by 12.7 %. The extraordinary general meeting of shareholders of Kaspi.kz JSC, held on August 23, approved the payment of recommended dividends in the amount of 750 tenge per share.

Common shares of NAC Kazatomprom JSC finished the month in second place with a result of 12.3 %. On August 1, the uranium company reported production results for the first half of the year, according to which uranium production increased by 2 % to 10.2 thousand tons, sales at the same time increased by 6 % to 9.5 thousand tons. On August 25, financial results were provided, according to which net profit for the first half of 2023 amounted to 222.3 bn tenge, which is 33 % higher YoY.

The top three are closed by common shares of Kcell JSC, which increased in price by 4.2 % to 1,980 tenge per share.

Shares of NC KazMunayGas JSC ended the month at the highest price since the IPO date – 11,100 tenge per share. On August 1, the company reported production results for the first half of the year, according to which during said period the company increased oil production by 10.1 % to 11.9 mln tons, gas production – by 16.5 % to 4.8 mln m<sup>3</sup>, oil transportation – by 5.8 % to 39.3 mln tons, oil refining – by 4.0 % to 10.1 mln tons. On August 22, the company published report for the first half of 2023, according to which the company's net profit fell by 36.6 % to 492 bn tenge.

Shares of KazTransOil JSC decreased over the month by 0.7 % to 818.99 tenge. On August 18, the company reported an increase in net profit for the first half of 2023 by 28.4 % YoY – to 20.3 bn tenge. Based on the results of 2023, KazTransOil intends to allocate over 15 bn tenge for the payment of dividends, no less than the amount paid for 2022.

Shares of Kazakhtelecom JSC decreased in price by 1.5 % to 33,098 tenge per share. On August 23, the company announced that it had become the owner of a 50 % stake in CASPINET B.V., created jointly with AzerTelecom for the construction and operation of the Trans-Caspian fiber-optic communication line.

The largest decline over the month among index companies was recorded for common shares of Halyk Bank of Kazakhstan JSC, which decreased by 1.9 % to 161.73 tenge per share. On August 16, the Bank reported an increase in net profit for the first half of 2023 by 27 % YoY – to 365.1 bn tenge.

### "KASE GLOBAL" SECTOR

As of the end of August 2023, the KASE Global sector featured 59 securities of 53 foreign issuers, including 45 shares and 14 ETFs of foreign issuers. In the reporting month, Occidental Petroleum Corporation's shares were included in the KASE Global sector.

The volume of trading in the KASE Global sector in August amounted to 7.6 bn tenge having decreased relative to July by 27.4 %, or 2.9 bn tenge. At the same time, the number of transactions increased by 2.2 % up to 5,277. The average daily trading volume was 346.4 mln tenge, the average daily number of transactions was 240, the average volume of one transaction was 1.4 mln tenge.

Over the month, the largest volume of transactions fell on the following shares:

- Apple Inc. – 529 transactions for a total amount of 4,749.7 mln tenge;
- Microsoft Corporation – 90 transactions for a total amount of 1,231.3 mln tenge.
- Advanced Micro Devices, Inc. – 378 transactions for a total amount of 200.9 mln tenge.

Among the main categories of investors, brokerage-dealer organizations accounted for 46.8 %, other legal entities – for 38.8 %, and individuals – for 14.4 % of the total volume of transactions. Non-resident participation was 0.01 %

### CORPORATE BONDS

The volume of outstanding corporate debt in August 2023 increased by 1.6 %, or 203.7 bn tenge, to 13.2 trln tenge (28.7 bn USD).

As of the end of August 2023, KASE official list included corporate bonds of 371 issues of 92 issuers. In August 2023, five issues of corporate bonds of five issuers (three new) were included in KASE official list: one issue of MFO "Swiss Capital (Swiss Capital)" LLP, "Capital Leasing Group" LLP, BRBAPK LLP, Altyn Sapa ALM LLP and EI Orda Arnau LLP.

In August 2023, two issues of corporate bonds of two issuers were excluded from KASE official list: one issue each of Kazakhstan Sustainability Fund JSC and FIVE BROKERS' CAPITAL JSC due to maturity.

The value of KASE\_BMY corporate bond yield index in August 2023 decreased by 3 basis points to 14.05 % per annum.

The volume of trading in corporate bonds on KASE increased relative to July by 54.4 %, or 50.0 bn tenge, to 141.7 bn tenge. The average daily trading volume amounted to 6.4 bn tenge (in the secondary market – 2.4 bn tenge), the average daily number of transactions – 179 (in the secondary market – 172 transactions), the average volume of one transaction – 35.9 mln tenge (in the secondary market – 14.2 mln tenge).

In August 2023, the volume of the primary corporate bond market amounted to 88.3 bn tenge, which is 2.3 times higher than in July 2023, or 50.5 bn tenge:

- Kazakhstan Sustainability Fund JSC raised 39.4 bn tenge by placing four issues of bonds with a weighted average yield to maturity of 14.97–15.11 % per annum and a maturity of one to two years;
- Home Credit Bank JSC raised 16.7 bn tenge by placing three issues of bonds with a yield to maturity of 17.30-18.00 % per annum and a maturity of two to five years;
- KazAgroFinance JSC raised 12.3 bn tenge by placing seven-year bonds at 18.65 % per annum;
- RG Brands Kazakhstan LLP raised 11.0 bn tenge by placing ten-year bonds with a yield to maturity of 30.00 % per annum;
- MFO Toyota Financial Services Kazakhstan LLP raised 5.0 bn tenge by placing bonds at 17.00 % per annum and with a maturity of one year;
- MFO Swiss Capital LLP raised 5.0 mln US dollars (equivalent to 2.2 bn tenge) by placing two-year bonds at 10.50 % per annum;
- Bereke Bank JSC raised 894.7 mln tenge by placing bonds at 14.00 % per annum and a maturity of 9.3 years;
- BRBAPK LLP raised 492.5 mln tenge by placing five-year bonds with a yield to maturity of 21.00 % per annum;
- Capital LLP Leasing Group raised 20.0 mln tenge by placing two-year bonds at 22.00 % per annum.

In terms of the main categories of investors in the primary corporate bond market, the share of banks was 36.1 %, that of broker-dealer organizations – 4.3 %, that of other institutional investors – 28.4 %, that of other legal entities – 28.1 %, that of individuals - 3.0 %. The share of non-residents in the primary corporate bond market was 13.2 %.

The volume of trading on the secondary bond market relative to July 2023 decreased by 0.9 % or 0.5 bn tenge to 53.5 bn tenge.

In terms of the main categories of investors in the secondary market for corporate bonds, the share of banks was 12.9 %, that of broker-dealer organizations – 10.6 %, that of other institutional investors – 11.5 %, that of other legal entities – 47.2 %, that of individuals – 17.9 %. The share of non-residents was 24.1 %.

## GOVERNMENT SECURITIES (GS)

The amount of government debt at par traded on KASE amounted to 25.3 trln tenge (54.7 bn USD), having decreased by 0.5 %, or 134.2 bn tenge, in August.

The total volume of trading in government securities on KASE amounted to 451.1 bn tenge having decreased relative to July by 54.2 %, or 534.1 bn tenge. Based on August 2023 results, the average daily trading volume amounted to 20.5 bn tenge (in the secondary market – 9.4 bn tenge), the average daily number of transactions – 21 (in the secondary market – 17), the average volume of one transaction – 993.7 mln tenge (on the secondary market – 565.4 mln tenge).

The volume of trading on the primary government securities market decreased by 62.0 %, or by 397.9 bn tenge, to 243.6 bn tenge. Of these, 6.6 bn tenge were raised by the akimdiks of the Kostanay region and the city of Almaty (in order to finance activities provided for in the framework of the implementation of state programs). The Ministry of Finance raised 237.0 bn tenge by placing bonds at 11.70-14.70 % per annum and with a maturity period of 0.6 to 12.9 years.

In terms of the main categories of investors in the primary market, the share of banks accounted for 43.7 %, that of broker-dealer organizations – for 0.4 %, that of other institutional investors – for 33.9 %, that of other legal entities – for 22.0 %. Non-residents did not take part in trading on the primary government securities market.

The volume of trading on the secondary market decreased by 39.6 %, or 136.2 bn tenge, and amounted to 207.5 bn tenge. The share of trading in National Bank notes on the secondary market amounted to 49.8 %, or 103.3 bn tenge, of the total trading volume, the share of MEKAM was 46.2 %, or 95.8 bn

tenge, the share of Eurobonds of the Republic of Kazakhstan was 1.2 %, or 2.4 bn tenge. The remaining volume, amounting to 2.9 %, or 5.9 bn tenge, came from transactions with government securities of foreign countries (bonds of the US Department of the Treasury, the Sultanate of Oman, the Republic of Turkey and the Republic of Austria).

In terms of the main categories of investors in the secondary market, the share of banks accounted for 53.7 %, that of broker-dealer organizations – for 3.9 %, that of other institutional investors – for 10.2 %, that of other legal entities – for 29.0 %, that of individuals – for 3.2 %. Non-resident participation is estimated at 3.0 %.

### **BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS (IFOs)**

As of the end of August, the trading lists of KASE included bonds of 56 issues of five international financial organizations: 11 issues of the Asian Development Bank, 27 issues of the Eurasian Development Bank, 15 issues of the European Bank for Reconstruction and Development, two issues of the International Finance Corporation and one issue of the Islamic Corporation for the Development of the Private Sector.

For August 2023, the official list was supplemented by two bond issues of two international financial organizations: one bond issue each of the Eurasian Development Bank and the European Bank for Reconstruction and Development.

In August 2023, the trading volume amounted to 30.7 bn tenge, or 25.3 bn tenge, higher than the result of July 2023.

One issue of the Eurasian Development Bank was placed on the primary market of the bond sector of international financial organizations for a total amount of 25.0 bn tenge at 15.50 %. In August 2023, the entire trading volume in the primary MFO market was accounted for by banks. Non-residents did not participate in trading on the primary MFO market.

On the secondary market, the trading volume amounted to 5.7 bn tenge, which is by 4.9 %, or 0.3 bn tenge higher than in July 2023.

In terms of the main categories of investors in the secondary market for August 2023, the share of banks accounted for 6.9 %, the share of other institutional investors – for 41.1 %, the share of other legal entities – for 52.0 %, the share of individuals – for less than 0.1 %. The participation of non-residents is estimated at 0.3 %.

### **UNITS OF INVESTMENT FUNDS**

As of September 1, 2023, the "Investment Fund Securities" sector included 18 mutual fund instruments managed by five management companies and six ETFs.

In the reporting month, the trading volume amounted to 662.4 mln tenge and increased relative to July 2023 by 2.1 times, or by 349.7 mln tenge. In terms of the main categories of investors, 33.9 % were accounted for by individuals, 10.8 % were accounted for by broker-dealer organizations, and 55.2 % were accounted for by other legal entities. The share of non-residents was 0.2 %.

### **DERIVATIVE SECURITIES**

As of September 1, 2023, KASE official list included global depositary receipts (GDRs) of five issues, the underlying assets of which are common shares of National Atomic Company "Kazatomprom" JSC, Halyk Bank of Kazakhstan JSC, Kaspi.kz JSC, JSC Kazakhtelecom and ForteBank JSC.

The volume of trading in August 2023 amounted to 154.5 mln tenge having increased relative to July 2023 by 4.1 times, or 117.2 mln tenge. In terms main categories of investors, individuals accounted 63.3 %, broker-dealer organizations – for 33.8 % and other legal entities – for 2.9 %. The share of non-residents was 0.5 %.

### **ACCOUNTS OF INDIVIDUALS ON THE SECURITIES MARKET**

As of September 1, 2023, there were 683.3 thousand personal accounts of individuals in the Central Depository. At the end of August, individuals registered 1,312 new personal accounts.

## FOREIGN CURRENCY MARKET

In August of this year, 32 KASE members took part in trading on the foreign currency market on KASE.

The trading volume on the foreign currency market increased compared to July by 21.8 % to 3.7 trln tenge. The average daily trading volume was 166.6 bn tenge, the average daily number of transactions was 823, the average volume of one transaction was 202.4 mln tenge.

The table below shows the main characteristics of currency pairs traded on KASE (in parentheses the change in the indicator compared to the previous month is indicated, the change in the rate reflects the nominal change in the weighted average exchange rate of foreign currency to the tenge).

Pair	Volume, mln currency units	Share in trading volume, %	Number of transactions	Min. and max. rates, quantity of quoted currency per unit of base currency	Exchange rate as of the end of August (change %)
USD/KZT	3,737.3 (+17.1 %)	46.2 % (-1.0 %)	13,259 (+3 055)	442.50-466.93	459.39 (+3.0 %)
RUB/KZT	31,558.0 (+40.6 %)	4.1 % (+ 0.4 %)	3,587 (+993)	4.4256-4.9852	4.7623 (-2.1 %)
CNY/KZT	617.6 (-15.8 %)	1.0 % (- 0.5 %)	255 (+98)	61.3000-63.8800	63.2033 (+1.4 %)
EUR/KZT	103.8 (+0.1 %)	1.4 % (-0.3 %)	456 (-19)	485.98-505.02	499.15 (+1.6 %)
EUR/USD	2,935.8 (+18.6 %)	39.5 % (-1.0 %)	414 (+146)	1.0773-1.1025	1.0898 (-1.1 %)
USD/CNY	624.1 (+69.1 %)	7.7 % (+2.3 %)	137 (-9)	7.1740-7.3425	7.3003 (+2.1 %)

## MONEY MARKET

The total volume of trading on the money market in August amounted to 36.1 trln tenge having increased relative to July by 5.2 %, or 1.8 trln tenge.

On August 25, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan decided to reduce the key rate by 25 points to the level of 16.50 % per annum with an interest rate corridor of +/- 1.00 percentage points. Accordingly, the rate on constant access operations to provide liquidity was 17.50 %, and on constant access operations to withdraw liquidity – 15.50 %.

The composite money market indicator MM\_Index, which is the average value of the yield on USD/KZT currency swap transactions and automatic repo transactions with GS opened for one business day, weighted through the volume of transactions, decreased by 7 b.p. from 16.96 % to 16.89 % per annum.

## REPO OPERATIONS MARKET

The total volume of repo transactions in August amounted to 29.6 trln tenge, which is lower than the volume in July by 1.1 trln tenge, or 3.7 %. In average daily terms, the volume of transactions amounted to 1,346.0 bn tenge, the average transaction volume was 929.1 tenge, the average daily number of transactions was 1,449.

The volume of auto repo transactions with government securities amounted to 24,434.6 bn tenge, or 82.5 %, auto repo with government securities – 5,167.3 bn tenge, or 17.5 %, nego repo with government securities – 8.6 bn tenge, or 0.03 %, nego repo with government securities – 1.0 bn tenge, or less than 0.01 %.

By the end of August, the TONIA indicator (weighted average interest rate on repo opening deals for a period of one business day, concluded on the Exchange in the sector of auto repo with securities of the GS Basket) rose by 20 b.p.: from 17.00 % to 17.20 % per annum.

The TRION indicator (weighted average interest rate on repo opening deals for a period of one business day, concluded on the Exchange during the day in the sector of auto repo with securities of the GS Basket, for which the Exchange carries out clearing activities using services of the Central Counterparty) increased by 19 b.p.: from 17.01 % to 17.20 % per annum.

The TWINA indicator (weighted average interest rate on repo opening deals for a period of seven working days, concluded on the Exchange in the sector of auto repo with securities of the GS Basket, for which the Exchange carries out clearing activities using services of the Central Counterparty) increased by 6 b.p.: from 16.71 % to 16.77 % per annum.

## CURRENCY SWAP OPERATIONS

The total volume of currency swap transactions in August amounted to 6.5 trln tenge, which is higher than the volume in July by 2.9 trln tenge, or 81.1 %. The average daily volume of transactions amounted to 296.9 bn tenge, the average daily number of daily transactions concluded was 27, the average volume of one transaction was 11.0 bn tenge.

In the instrumental structure, 6,481.0 bn tenge or 99.2 %, almost the entire swap trading volume, fell on swaps USDKZT, 49.7 bn tenge, or 0.8 %, – on RUBKZT, 99.0 mln tenge, or less than 0.1 % – on EURKZT.

In the USDKZT pair, 49.0 % of the total swap trading volume (KZT3.2 trln, or USD7,086.9 mln) fell on transactions with the one-day currency swap (USDKZT\_0\_001), 48.7 % of the total swap trading volume (3,179.7 bn tenge, or 7,013.7 mln USD) – on transactions with the two-day currency swap (USDKZT\_0\_002), 0.9 % of the total trading volume of swaps (58.0 bn tenge or 130.0 mln USD) fell on transactions with the one-week currency swap (USDKZT\_0\_01W), 0.3 % of the total swap trading volume (22.3 bn tenge, or 50.0 mln USD) fell on transactions with the one-month currency swap (USDKZT\_0\_01M), 0.4 % of the total swap trading volume (23.1 bn tenge, or 50.0 mln USD) fell on transactions with the three-month currency swap (USDKZT\_0\_03M).

In the RUBKZT pair, the entire volume (49.7 bn tenge, or 10,500.0 mln RUB) came from transactions with the two-day currency swap (RUB KZT\_0\_002).

In the EURKZT pair, the entire volume (99.0 mln tenge, or 200.0 thousand EUR) came from transactions with the one-day currency swap (EUR KZT\_0\_001).

The yield of the one-day dollar swap SWAP-1D (USD) as of the end of August amounted to 12.08 % per annum and decreased by 247 b.p. over the month. The yield on the two-day currency swap SWAP-2D (USD) decreased by 181 b.p. over the month to 13.09 % per annum.

## DERIVATIVES MARKET

Currently, non-deliverable futures for the US dollar against the tenge, the Russian ruble against the tenge, KASE Index, common shares of Halyk Savings Bank of Kazakhstan JSC and NAC Kazatomprom JSC are available for trading in this sector of the exchange market.

With regard to futures on KASE Index, NGDEM Finance JSC acts as the market-maker on KASE. For futures on common shares of Halyk Savings Bank of Kazakhstan JSC, the duties of a market-maker are performed by Halyk Finance JSC.

In August, three transactions were concluded on the derivatives market with futures on the Russian ruble/tenge exchange rate in the amount of 2.5 bn tenge. As of September 1, open positions of trading participants in the derivatives market amounted to 500 thousand futures.

### 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 fourth place 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 organizations, 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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