

KASE WEEKLY

22–26 June, 2020

KASE NEWS

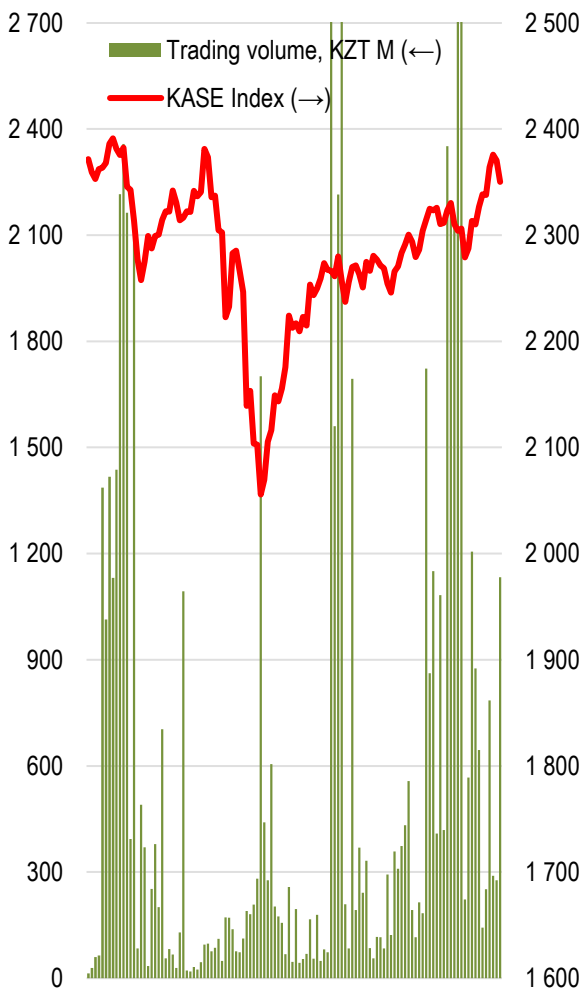
- ▲ Amendments to [Regulations](#) on Committee of Board of Directors of Kazakhstan Stock Exchange on auditing of issuers put into effect.
- ▲ Trading in new instruments [opened](#) in KASE CS automatic repo market.
- ▲ 17 bond issuances of local executive bodies [included](#) in sector "Government securities" of KASE Official List.
- ▲ The decision was made to [include](#) bonds KZ2C00006849 (AGKKb13) of Agrarian Credit Corporation in KASE Official List by category "commercial bonds" of main market.
- ▲ Trading in bonds KZ2C00006781 (KAFIb10) of KazAgroFinance [opened](#) in KASE secondary market sector.
- ▲ Trading in bonds KZ2C00003135 (ATFBb15) ATFBank has [resumed](#).

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ BAST [placed](#) on KASE 12,920 ordinary shares KZ1C00001015 (BAST) for the amount of KZT161.5 mln.
- ▲ Local administrations of 14 regions, cities of Nur-Sultan, Almaty and Shymkent [raised](#) KZT200.0 bn on KASE.
- ▲ Baiterek Development [raised](#) KZT200.0 bn on KASE by placing ten-year bonds KZ2C00006807 (BTDVb4) with YTM of 6.02 % APR.
- ▲ Kazakhstan Sustainability Fund raised KZT8.6 bn on KASE by placing bonds [KZ2C00006476](#) (BASPb7) with weighted average yield of 11.2950 % APR and bonds [KZ2C00006484](#) (BASPb8) with weighted average yield of 11.2533 % APR.
- ▲ Kazakhstan's Ministry of Finance [raised](#) KZT72.8 bn on KASE by placing the first issue of MEUKAM-144 (KZKD00000261) with weighted average yield to maturity of 10.8330 % APR.
- ▲ KazAgroFinance [raised](#) KZT3,1 bn on KASE by placing bonds KZ2C00006781 (KAFIb10).
- ▲ ForteBank [said](#) that Standard & Poor's affirmed ratings of the bank, outlook "Stable".
- ▲ Freedom Holding Corp. [says](#) agency Standard & Poor's affirmed ratings of Freedom Finance and Investment company "Freedom Finance", outlook "Stable".
- ▲ Kazakhtelecom [said](#) that agency Fitch Ratings has upgraded credit rating of the company to BBB-, outlook "Stable".
- ▲ Kcell [announced](#) that Fitch Ratings upgraded company's ratings to BB+, outlook Stable.
- ▲ KazTransOil [paid](#) dividends on ordinary shares KZ1C00000744 (KZTO) for 2019.
- ▲ Kazakhstan Sustainability Fund paid dividends on ordinary shares for 2019.

Against the background of the strengthening of the tenge and world stock indices, the local stock market indicator strengthened by 0.5% over the week to a mark of 2,350.17 points. This week, Kazakhstan's stock market indicator managed to break through the resistance level of 2,300 points and gain a foothold at higher levels.

KASE Index shares



26.06.2020

KASE Index	2 350.17	Trends (%)	
		0.5	2.0
First class of liquidity	Price	Δ 7d	Δ 1m
Halyk Savings Bank of Kazakhstan	131.8	6.1	36.6
KAZ Minerals	2 251.2	1.8	-0.2
Gazprom	1 173.0	1.6	-0.9
Freedom Holding Corp.	7 999.0	1.3	14.3
KazTransOil	806.5	0.3	-8.4
Kcell	2 540.0	0.0	-1.6
Kazakhtelecom, preferred shares	12 330.1	0.0	-6.6
VTB Bank	0.2	0.0	5.0
NAC Kazatomprom	5 648.6	-0.4	-3.5
Sberbank Russia	1 205.0	-1.0	4.7
KEGOC	1 710.0	-1.8	0.6
Bank CenterCredit	231.0	-1.9	-2.9
Kazakhtelecom	25 500.0	-2.7	-5.2
Bank of America Corporation	10 000.0	-2.9	3.9
Aeroflot	468.0	-6.3	9.6

Note: Index stocks are highlighted in green

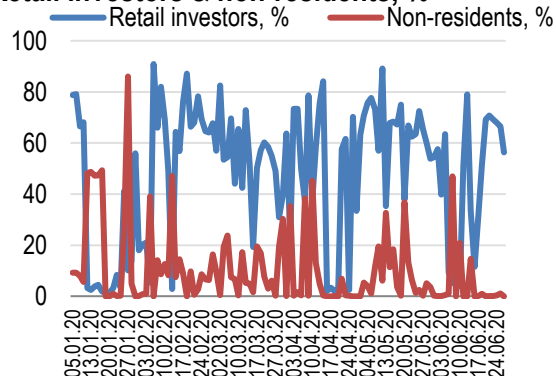
The largest number of transactions over the week was made with common shares of KazTransOil – 1,188 transactions. The largest trading volume was attributed to securities of Halyk Bank – KZT767.4 million.

The main driver of index growth this week was the ordinary share of Halyk Bank, which rose by 6.12% to KZT131.80 apiece. This week it became known that an extraordinary general meeting of shareholders of the bank will be held on July 23 through absentee voting. One of the issues on the agenda will be devoted to the payment of dividends for 2019. The bank's Board of Directors recommended that the AGM pay dividends for 2019 in the amount of KZT17.08 per share, which corresponds to approximately 13% of the current dividend yield and 60% of the dividend payment ratio. We remind you that earlier the bank's Board of Directors recommended not to pay dividends in 2019 until the economic situation improves under the conditions of COVID-19 in Kazakhstan and worldwide.

Recovery of economic activity in the country, good asset quality, strong capital position, stable financial indicators in the 1st quarter of 2020, most likely, convinced the bank's Board of Directors to reconsider its decision on the payment of dividends, as was emphasized by the bank's management during the last conference call with investors. Meanwhile, the GDR of the bank on the London Stock Exchange by 17:30 o'clock, Almaty time, is trading at \$13.05, which, if calculated per share, corresponds to KZT132 per share at the official rate of the National Bank as of June 26.

Of the important corporate news of the issuers, we note that Kazakhtelecom JSC reported that Fitch Ratings upgraded the company's credit rating to BBB-, the outlook is "Stable". Kcell JSC reported that Fitch Ratings upgraded the company's long-term rating to BB+, with a "Stable" outlook.

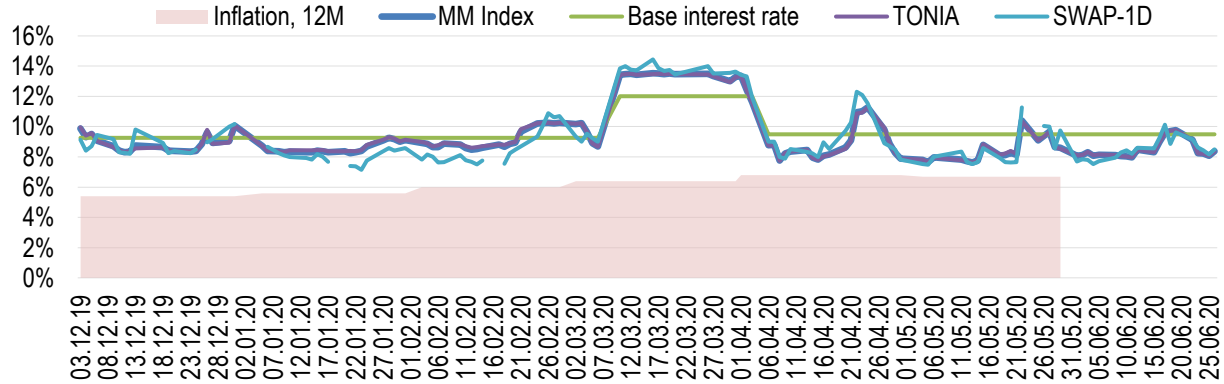
Retail investors & non-residents, %



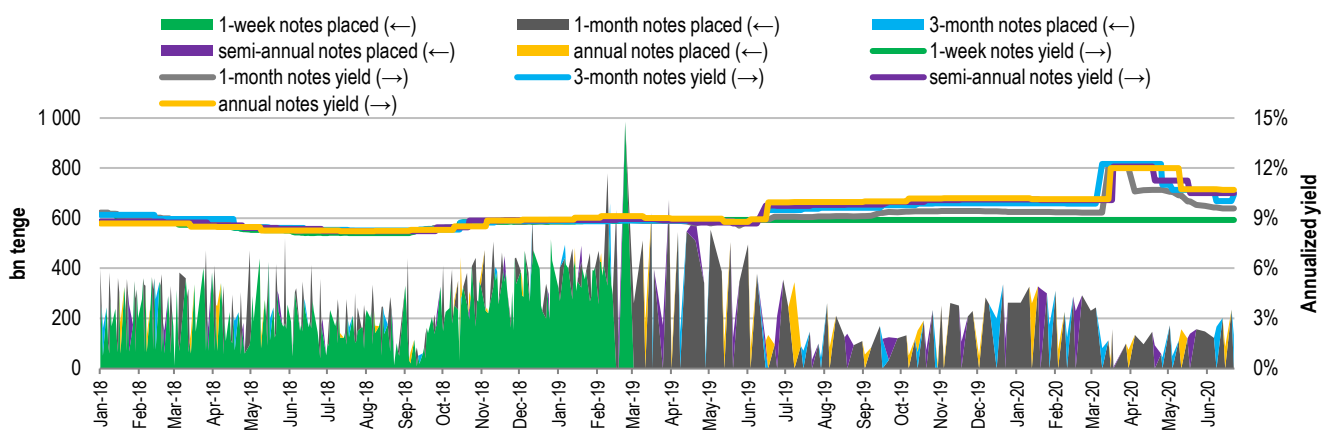


Money market rates decreased by results of the week amid low demand for tenge liquidity. The yield on one-day repo transactions with government securities decreased by 141 basis points to 8.36% per annum. The rate of borrowing the tenge secured by US dollars decreased by 111 basis points to 8.51% per annum. The average volume of raised tenge liquidity this week amounted to KZT283 billion, which is 1.4% more than last week.

Inflation and interest rates

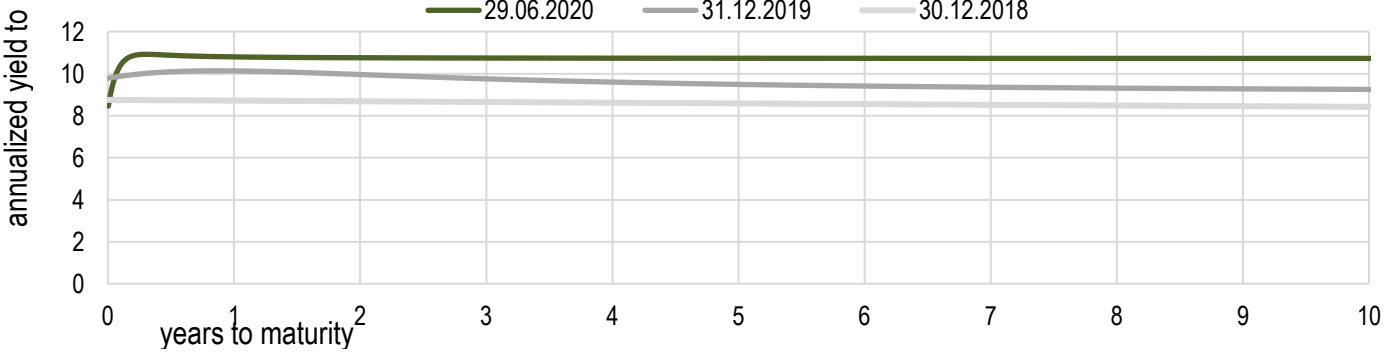


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





USDKZT – based on results of the week, strengthened against the US dollar by KZT1.92 to KZT401.87.

The average rate of the tenge against the US dollar by 17:00 o'clock, Nur-Sultan time, formed at the level of KZT401.87. The total trading volume for the week amounted to \$462 million, which is 4% less than the total figure of last week.

The tenge completes the trading week with strengthening against the US dollar, Chinese yuan and the euro by 0.5%, 0.4% and 0.2%, respectively. At the same time, it loses its position against the Russian ruble by 0.3%. On Friday, the August Brent crude futures rose 0.2%, as at 15:30 o'clock, Moscow time, to \$41.60 per barrel. However, at the end of the week, there was a decrease in the price of the reference brand of oil by 1.4%. Investor concerns throughout the week were influenced by news of an increase in cases of infected COVID-19 and a possible second wave of the coronavirus pandemic, which could lead to tougher quarantine measures. In addition, the weekly negative dynamics of oil quotes was influenced by IMF forecasts regarding the restoration of world GDP. According to a new forecast from the IMF, the world economy faces a deeper recession and a slower pace of recovery than previously expected. According to the IMF's June report, the projected economic growth of Kazakhstan in 2020 was reduced from -2.5% to -2.7%, and in 2021 from +3.9% to +3%.

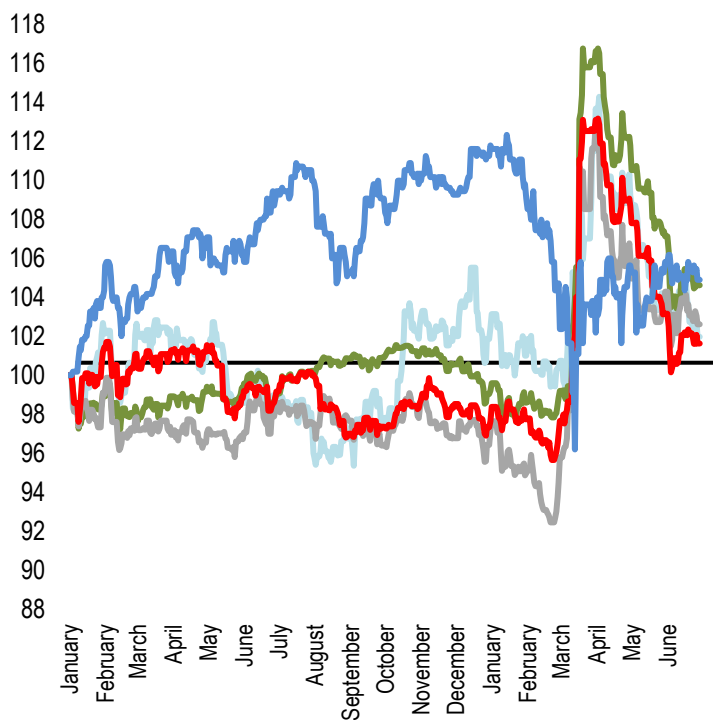
RUBKZT – the tenge weakened against the Russian ruble by KZT0.02 to KZT5.82.

EURKZT – the euro depreciated by KZT1.02 to KZT452.15.

CNYKZT – the Chinese yuan lost KZT0.24 to KZT56.85.

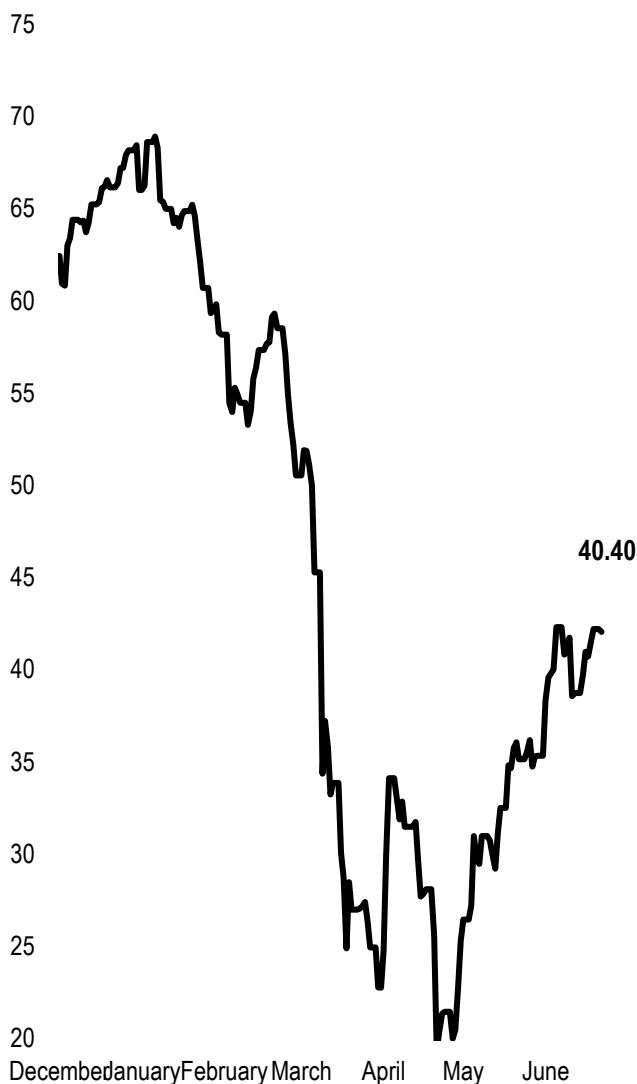
FX rates

Δ %, base (01.01.19)



	Price	Δ 7d, %	Δ 30d, %	Δ 2019, %
— GBPKZT	501,57	-0,8	-1,4	0,3
— USDKZT	403,58	-0,3	-2,3	5,9
— EURKZT	452,66	-0,6	-0,04	6,0
— CNYKZT	57,03	-0,3	-1,5	4,5
— RUBKZT	5,82	-0,3	0	-5,7

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						Commodities market					26.06.2020	
Name	Value	Trend %			Futures 7d	Name	Price	Trend %				
		7d	1m	1y				7d	1m	1y		
S&P 500	3 009.05	-2.9	-0.9	2.9	-1.7	Oil	41.02	-2.8	18.1	-38.4		
Dow Jones	25 015.55	-3.3	-2.1	-5.7	-2.3		38.49	-3.2	17.3	-35.2		
RTS	1 246.74	-0.2	2.8	-10.2	-0.1	Natural gas	1.50	-10.4	-13.2	-35.7		
MICEX	2 285.53	0.0	0.0	0.0	-0.1	Copper	265.90	1.8	10.7	-2.0		
Hang Seng	24 549.99	-0.4	5.4	-14.2	-1.1	Iron	806.00	0.0	6.3	-13.0		
SS CSI 300	4 138.99	1.0	7.6	7.9	1.0	Gold	1 771.29	1.6	3.7	25.6		
Euro Stoxx 50	3 204.17	-2.0	5.0	-6.9	-2.0	Silver	18.04	1.1	2.0	18.6		
FTSEuroFirst	3 624.50	-1.5	2.8	-12.5	-2.2	Wheat	474.00	-1.5	-6.0	-13.4		
FTSE 100	6 159.30	-2.1	0.2	-16.8	-1.8							
KASE	2 350.17	0.5	2.0	3.4								

Economic calendar		Currency	Forecast	Previous
29.06	Speech by the governor of the Bank of England Bailey	GBP		
30.06	Consumer Price Index (CPI) (y/y) (June)	EUR	0,1%	0,1%
30.06	Speech by Mr. Powell, the Chair of the Federal Reserve	USD		
01.07	ISM Services index (PMI) of Germany (June)	EUR	44,6	36,6
01.07	ISM Services index (PMI) (June)	GBP	50,1	40,7
02.07	International reserves of the Central Bank (USD)	RUB		567,8B
03.07	Composite index PMI (June)	GBP	47,6	30,0

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	Beginning 2019
Annual inflation	6,7%	01.06.20	5,3 %
Gross international reserves of NBK, USD bn	30 557	01.05.20	30 927
Reserve money, KZT bn	8 284,2	01.05.20	5 995,7
Money supply, KZT bn	22 222,6	01.05.20	20 813,4

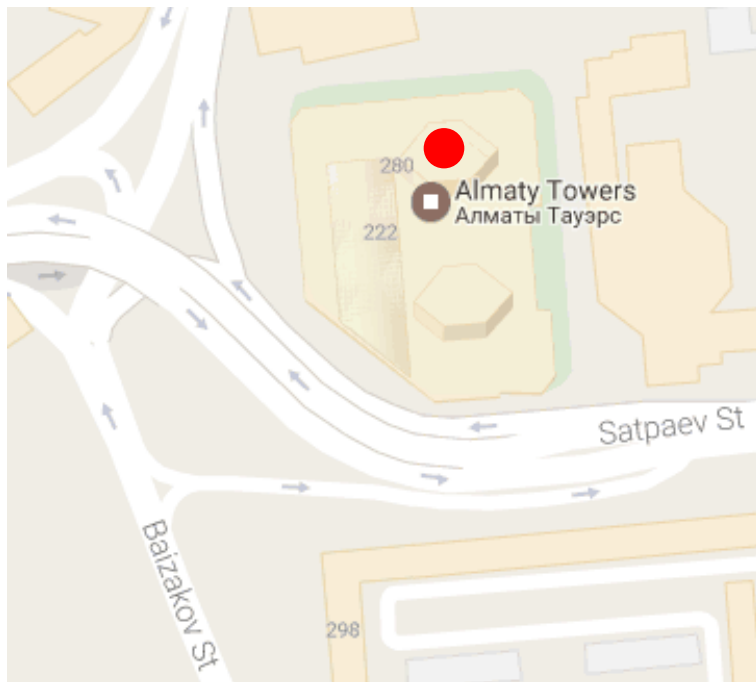
Kazakhstan credit ratings	Rating	Date	Previous
	BBB- stable	10.09.18	BBB- stable
	Baa3 stable	26.07.17	Baa3 stable
	BBB stable	28.09.18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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