

KASE WEEKLY

July 12 – 16, 2021

KASE NEWS

- ▲ KASE conducted an online press conference on results of the first half of 2021.
- ▲ In KASE's trading system and databases, information on the maturity of bonds KZ2C00006641 (BTDVb3) of Kazakhstan Housing Company JSC and KZ2P00006190 (NCOMb2) of Fincraft Group LLP has been changed and trading in them has been resumed.
- ▲ Bonds KZ2P00007743 (MFCCb1) of Microfinance Organization "CCLoan.kz" LLP are included in the "bonds" category of KASE official list's alternative market.
- ▲ Trades in bonds KZ2D00005824 (EABRb13) of Eurasian Development Bank and KZ2P00007727 (RGBKb1) of RG Brands Kazakhstan LLP were opened on KASE.
- ▲ Bonds KZ2D00005824 (EABRb13) of Eurasian Development Bank are included in the List T+ and Collateral List T+.
- ▲ Bonds KZ2C00007516 (KFUSb18) and KZ2C00007573 (KFUSb24) of Kazakhstan Sustainability Fund JSC are included in the List T+.
- ▲ Bonds KZ2D00005824 (EABRb13) of the Eurasian Development Bank are included in the GS basket with CCP, GS basket without CCP and NBRK basket with CCP.
- ▲ KASE's Management Board has determined the weighted average yield rates for the third quarter of 2021 to calculate the fair value of illiquid debt securities of organizations – residents of the Republic of Kazakhstan.
- ▲ Freedom Finance JSC was assigned the market-maker status on KASE for common shares KZ1C00001536 (KSPI) of Kaspi.kz JSC.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance raised KZT31.0 bn on KASE by placing MEUKAM-156 of the seventh issue (KZKD00001103, MUM156_0007), MEUKAM-072 of issue 13 (KZKD00001145, MUM072_0013) and MEUKAM-180 of issue 13 (KZKD00000931, MUM180_0013).
- ▲ RG Brands Kazakhstan LLP raised KZT8.5 bn on KASE by placing bonds KZ2P00007727 (RGBKb1).
- ▲ Kazakhstan Sustainability Fund JSC raised KZT12.5 bn on KASE by placing bonds KZ2C00007474 (KFUSb14) and KZ2C00007482 (KFUSb15).
- ▲ KazTransOil JSC announced results of production activities for the first half of 2021.
- ▲ Freedom Finance JSC announced that S&P Global Ratings upgraded the company's ratings, the outlook was Stable.
- ▲ IC Sinoasia B&R JSC paid dividends on common shares KZ1C00005388 (SABR) for 2020.
- ▲ Tethys Petroleum Limited provided information on ongoing drilling operations.



July 16, 2021

Trends (%)

KASE Index	3 193,04	-2,2	-4,8
First class of liquidity	Price	Δ 7D	Δ 1M
KAZ Minerals	0,0		
Kazakhtelecom, preferred shares	19 364,0	4,1	5,6
KEGOC	1 758,0	0,5	0,4
Bank of America Corporation	16 830,0	0,2	-5,9
Sberbank Russia	1 765,5	-0,3	-5,1
Freedom Holding Corp.	27 226,0	-0,3	7,1
KazTransOil	1 096,0	-0,4	0,2
Aeroflot	420,0	-0,7	-3,9
Halyk Savings Bank of Kazakhstan	163,0	-0,8	-4,6
Bank CenterCredit	249,0	-1,2	-0,8
Kazakhtelecom	30 590,0	-1,3	6,2
NAC Kazatomprom	12 415,0	-2,2	-8,0
Gazprom	1 640,0	-3,4	-1,1
VTB Bank	0,3	-3,6	-10,0
Kcell	1 940,0	-10,8	-23,0

The first half of 2021 for the local stock market ended with one of the most impressive increases. KASE Index has appreciated 25% since the beginning of the year. Trading volume on the stock market increased by 18% YoY.

Following the end of the season of positive annual reports and high dividend payments, share prices at the beginning of the second half of the year moved to a correction with one degree of intensity or another. Thus, common shares of Halyk Bank have returned to the price of 160 tenge for the third time over the past two years. Securities of Bank CenterCredit and KEGOC began the half-year in a horizontal trend, while shares of Kazatomprom and KazTransOil declined by 7.2 % and 2.1 %, respectively, with a pronounced increase in the first half of the year.

The seasonal lull in the equity market gives investors a reason to pay attention to the debt securities market, where in the first half of July RG Brands Kazakhstan raised KZT8.5 bn after placing 10-year bonds at 20 % per annum and Baspana – KZT30 bn by selling bonds with maturity of 1 to 3 years at 9.5 % per annum. Trading in dollar bonds of the Microfinance Organization "Credit Time" was opened, placed at 6 % per annum with a maturity of two years, and 5-year tenge bonds of the Agrarian Credit Corporation – at 11% per annum.

No less interesting in terms of high yield are the dollar bonds of the company called 5A OIL, which were included in KASE official list on July 1. The bonds offer a coupon yield of 8 % per annum for 3 years, which is very attractive for debt securities issued in US dollars.

CCLoan.kz has been added to the lists of microfinance organizations whose bonds are registered on KASE. Debt securities from this economic sector offer above-market yields of 19-20 % per annum, which makes them very attractive for investment. CCLoan.kz became the sixth microfinance organization to raise debt financing in the stock market.

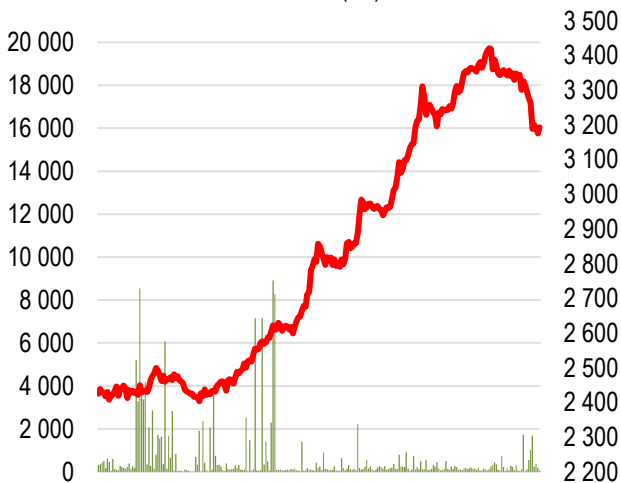
Representatives of the banking sector (Forte Bank, Bank Center Credit, Eurasian Bank, Kaspi), agriculture (Agrarian Credit Corporation, Kazagrofinance, the Fund for Financial Support of Agriculture), the oil and gas industry (AstanaGas KMG, Kazakhstan Temir Zholy) as well as Kazakhstan Housing Company, NMH Baiterek, Microfinance Organization "R-finance", Fincraft Resources and Transtelecom paid coupon interest on the current bond issuances.

An additional offering of four issues of bonds of the Ministry of Finance with a coupon yield of 7.2 % – 10.4 % per annum with maturity of 4-13 years took place on the government securities market.

Note: Index stocks are highlighted in green

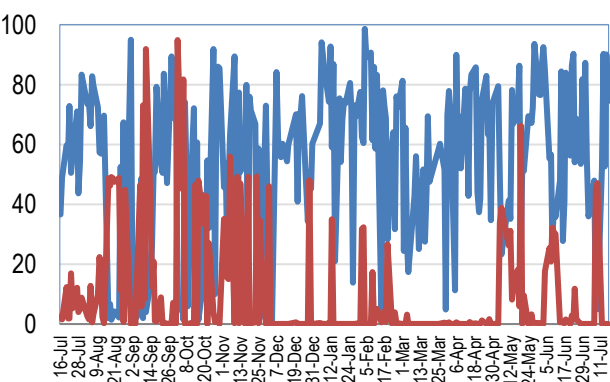
KASE Index shares

Trading volume, KZT M (←) KASE Index (→)



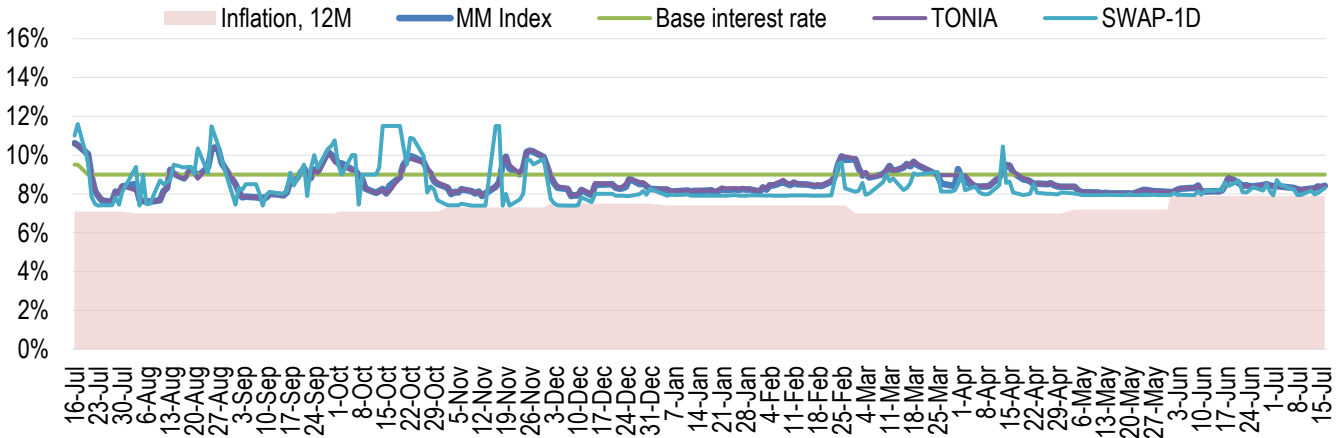
Retail investors & non-residents, %

Retail investors, % Non-residents, %

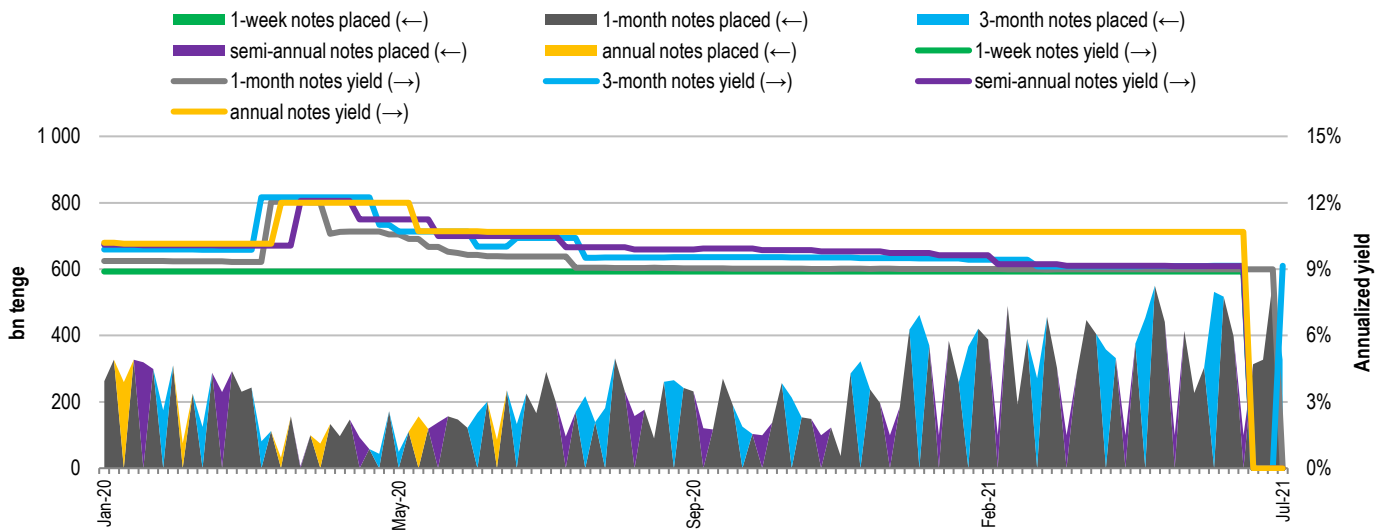


The yield on one-day REPO transactions with government securities (GS) (TONIA) from July 12 to July 16 increased from 8.28 % to 8.43 % per annum, while at the end of the week the rate reached its maximum for the week. The rate of borrowing tenge secured by US dollars for a period of one day (SWAP-1D (USD)) increased by 0.14 b.p.: from 8.17 % to 8.31 % per annum over the past week. Average trading volume in one-day money market instruments amounted to KZT324.2 bn

Inflation and interest rates

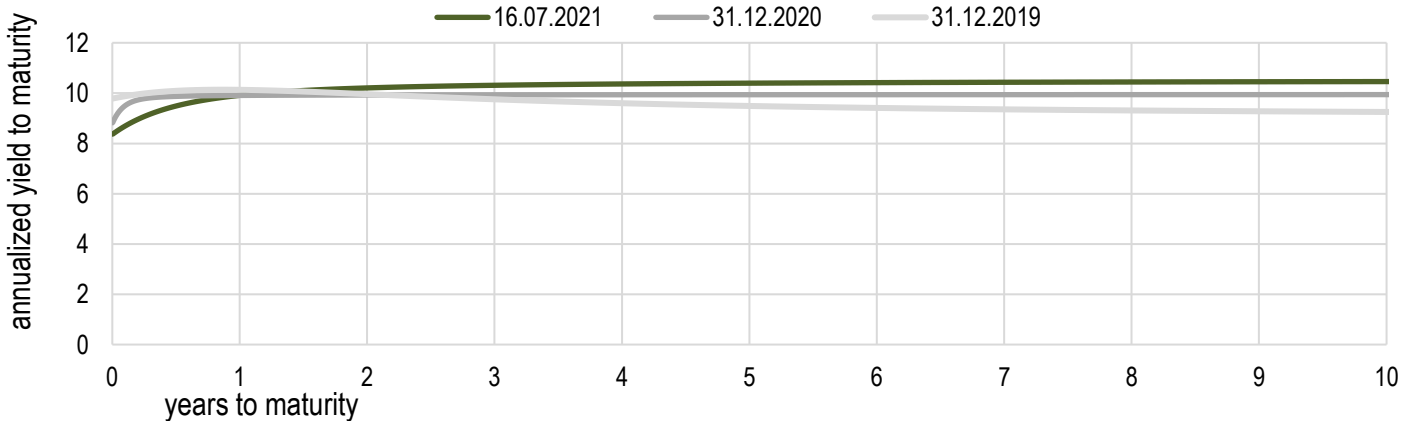


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





The weighted average rate of the US dollar against the tenge with the settlement term "tomorrow" from July 12 to July 16 increased from KZT429.34 to KZT426.47.

According to comments of the Deputy Chairperson of the NBRK Aliya Moldabekova, in June the tenge appreciated moderately (by 0.9 %) upon closing on June 30 – to KZT424.95 per US dollar, while the price of oil rose by 8.4 % over the month. Oil continues to be the main factor influencing the formation of the national currency's exchange rate. The insufficient reaction of the tenge to the positive dynamics of oil is explained by the fact that the tenge's exchange rate was influenced by a combination of negative factors, including both external and internal ones.

If we talk about internal factors that put pressure on the tenge in June, then, first of all, we should note the growth of imports of goods against the background of the recovery of business activity and the realization of deferred demand. We have already noted that in January – April 2021, imports increased by 11.5% to \$11.4 bn YoY, due to an increase in imports of consumer non-food products and capital goods.

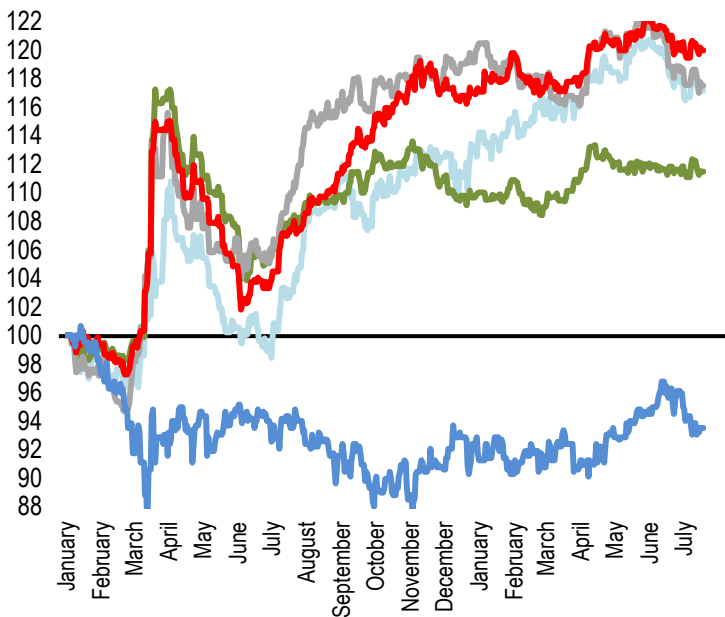
The increase in demand for foreign exchange can be clearly seen in the increase in trading volume. The exchange-based volume of trades in the tenge-dollar pair in June increased to \$3.16 bn, while the average monthly trading volume over the first five months of 2021 is \$2.45 bn.

The increase in demand for foreign exchange is also caused by seasonal factors such as dividend payments to foreign investors. Last year, against the background of the crisis, dividend payments were severely limited, and this year this factor is significant in terms of demand on the foreign exchange market in May and June.

All of the above factors limited the further strengthening of the national currency.

FX rates

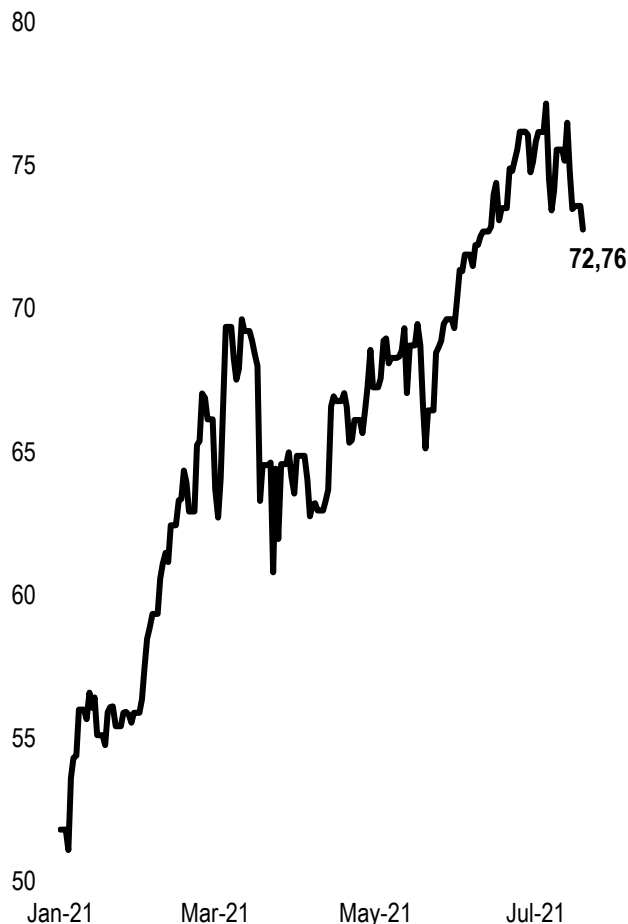
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	589,64	-0,00	-0,01	3,68
— USDKZT	426,47	-0,01	0,00	2,16
— EURKZT	504,04	-0,01	-0,01	-1,46
— CNYKZT	65,95	-0,00	-0,01	2,82
— RUBKZT	5,76	-0,00	-0,03	1,42







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

Name	Value	Trend %			Futures
		7D	1M	1Y	7D
 S&P 500	4 327,16	-1,0	2,4	34,6	-0,9
Dow Jones	34 687,85	-0,5	1,9	29,7	-0,5
 RTS	1 603,10	-2,0	-4,5	31,4	-1,5
MICEX	2 285,53	0,0	0,0	0,0	-1,5
 Hang Seng	28 004,68	2,4	-1,5	12,2	2,8
SS CSI 300	5 094,77	0,5	0,3	12,8	0,1
 Euro Stoxx 50	4 035,77	-0,8	-2,8	19,9	-0,8
FTSEuroFirst	4 426,50	-0,8	-3,5	17,6	-0,9
 FTSE 100	7 008,09	-1,6	-2,5	12,1	-1,6
 KASE	3 193,04	-2,2	-4,8	31,6	

Commodities market

July 16, 2021

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	73,59	-2,6	-1,1	69,7
Oil (WTI)	71,81	-3,7	-0,5	76,2
Natural gas	3,67	0,0	13,0	113,2
Copper	433,25	-0,5	-1,2	50,1
Iron	1 307,50	-2,9	1,9	50,6
Gold	1 812,05	0,2	0,0	0,8
Silver	25,78	-1,7	-7,3	32,2
Wheat	692,50	13,8	4,5	29,4

Economic calendar

		Currency	Forecast	Previous
20.07	<u>NBK base credit rate</u>	CNY		3.85%
20.07	<u>Number of construction permits issued (June)</u>	USD	1,700M	1,683M
21.07	<u>Crude oil reserves</u>	USD	-4,359M	-7,897M
22.07	<u>ECB monetary policy statement, Interest rate decision (July)</u>	EUR	0.00%	0.00%
23.07	<u>Interest rate decision (July)</u>	RUB	6.0%	5.5%
23.07	<u>Retail sales (m/m) (June)</u>	GBP	0.5%	-1.4%

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 2020
Annual inflation	7,5%	01.07.21	5.6%
Gross international reserves of NBK, USD bn	33 510	01.04.21	35,638
Reserve money, KZT bn	10 317,2	01.06.21	8,652.5
Money supply, KZT bn	27 446,6	01.06.21	20,875.8

Kazakhstan credit ratings

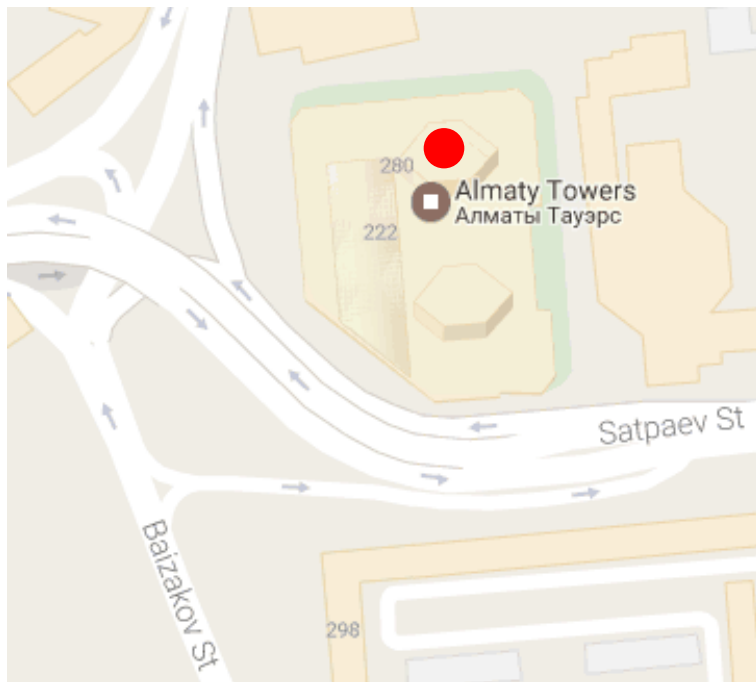
	Rating	Date	Previous
S&P Global	BBB-/A-3- stable	03/06/21	BBB- stable
MOODY'S	Baa3 positive	02/17/21	Baa3 positive
FitchRatings	BBB stable	02/20/21	BBB stable

CONTACT INFORMATION



Address: Republic of Kazakhstan, 050040, Almaty, Baizakov St., 280, Business Center "Almaty Towers"

Tel.: +7 (727) 237 53 00



Corporate website



Contact us



Corporate Events Calendar of KASE listed Companies

The information contained therein was gathered by the employees of Kazakhstan Stock Exchange JSC (KASE). KASE does not guarantee the completeness and accuracy of the information contained in this report, as well as its reliability. Neither KASE, nor any of the employees are liable for any direct or indirect loss (damage) arising from the use of this report or information / analysis presented therein. KASE does not assume any responsibility to update this report on a regular basis or notify of all changes that have occurred.

KASE draws investors' attention to the following factors:

1. return on investment in financial instruments depends on a variety of market and non-market factors. In particular, the actual income of an investor may change depending on the fluctuations in interest rates, changes in taxation, FX movements, changes in quotations of securities, market indexes, changes in production and financial performance of companies, and other factors;
2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the entire invested amount back. For the investments in non-universally recognized markets, the investors may experience various difficulties, including selling them or obtaining the reliable information about their value or the risks involved;
3. report does not take into account the individual financial characteristics and aims of those receiving it.

KASE recommends that the investors independently evaluate the feasibility of certain investments and strategies and encourages the investors to use the services of financial consultants.

KASE reserves all rights for the report. This analytical material can be copied and/or distributed in full or in part upon written permission of KASE