

KASE WEEKLY

February 22–26,
2021

KASE NEWS

- ▲ The powers of the Deputy Chairman of KASE's Management Board A. Mukhamejanov were terminated ahead of schedule, due to moving to another job.
- ▲ An amendment to the Rules for Market-Makers' Activities has been introduced.
- ▲ Halyk Global Markets JSC was assigned the status of a market-maker for bonds KZ2C00002426 (CAEPb1) of Central Asian Electric Power Corporation JSC, Centras Securities JSC – for units KZPF00000025 (CSECfe) of IUIT "Eurobonds Fund".
- ▲ AsiaCredit Bank JSC was excluded from members of KASE.
- ▲ Trades in bonds KZ2C00007177 (AGKKb15) and KZ2C00007268 (AGKKb16) of Agrarian Credit Corporation JSC and international bonds XS2294363689 (ASDBe7) of Asian Development Bank were opened on KASE.
- ▲ Trades in international bonds XS0867478124, XS0867573890 (BTASe16) of Halyk Savings Bank of Kazakhstan JSC have been suspended on KASE.

ISSUER NEWS AND ANNOUNCEMENTS

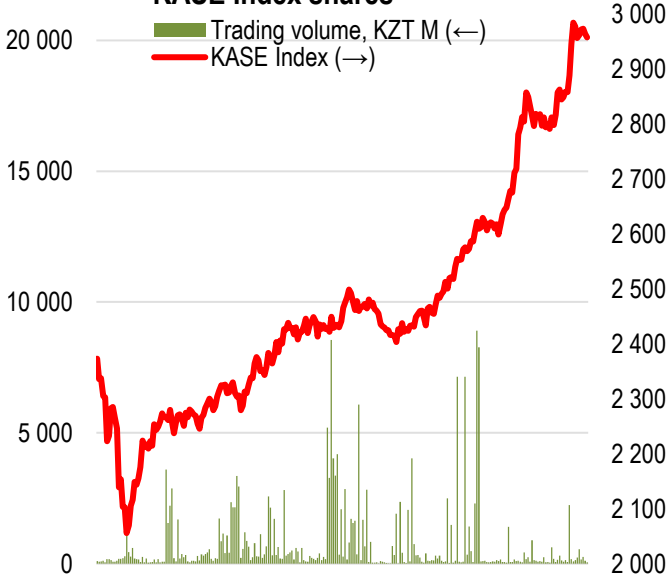
- ▲ The Ministry of Finance of Kazakhstan raised KZT55.0 bn on KASE by placing MEUKAM-180 of issue 13 (KZKD00000931, MUM180_0013), MEUKAM-180 of issue 12 (KZKD00000840, MUM180_0012), MEUKAM-084 of issue 17 (KZKD00000881, MUM084_0017), the second issue of MEUKAM-156 (KZ000A1A1S55, MUM156_0002), MEUKAM-120 of issue 16 (KZKD00000865, MUM120_0016) and MEKKAM-12 of issue 149 (KZK100000258, MKM012_0149).
- ▲ The Asian Development Bank raised KZT9.0 bn on KASE through subscription by placing international bonds XS2294363689 (ASDBe7) with a yield to maturity of 9.95 % per annum.
- ▲ Kazakhstan Housing Company JSC raised KZT14.3 bn on KASE by placing 5-year bonds KZ2C00006393 (KZIKb30) with yield to maturity of 11.00 % per annum.
- ▲ Agrarian Credit Corporation JSC raised KZT4.6 bn on KASE by placing bonds KZ2C00007177 (AGKKb15) with an average weighted yield of 10.23% per annum.
- ▲ KEGOC announces the affirmation of the company's ratings by Fitch Ratings, the outlook is Stable.
- ▲ KAZ Minerals PLC has released its 2020 production report and announced an increase in the offer to shareholders of the company from NOVA RESOURCES B.V.



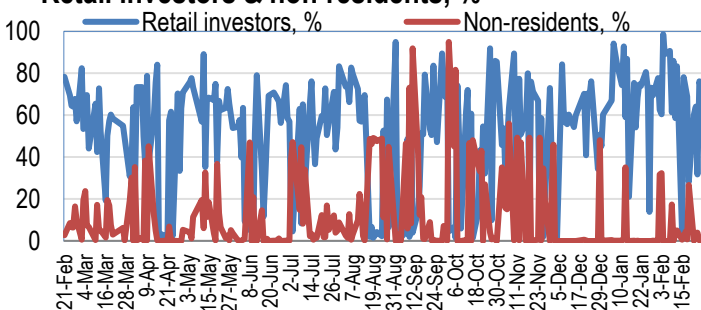
26.02.2021	Trends (%)		
KASE Index	2 957,76	0,0	5,2
First class of liquidity	Price	Δ 7d	Δ 1m
Bank of America Corporation	14 941,1	4,4	12,7
Aeroflot	425,0	2,4	6,3
Bank CenterCredit	214,0	1,3	2,4
KAZ Minerals	4 800,0	1,1	17,1
NAC Kazatomprom	9 289,0	1,0	22,9
Sberbank Russia	1 516,3	1,0	0,9
KazTransOil	1 024,0	0,7	2,4
Kazakhtelecom	26 999,0	0,4	4,9
VTB Bank	0,2	0,0	0,0
KEGOC	1 680,0	-0,3	-0,8
Kazakhtelecom, preferred shares	12 900,0	-0,8	0,8
Kcell	2 456,0	-1,7	-12,8
Gazprom	1 250,0	-1,9	2,5
Halyk Savings Bank of Kazakhstan	138,0	-2,4	3,5
Freedom Holding Corp.	22 800,0	-4,3	6,1

Note: Index stocks are highlighted in green

KASE Index shares



Retail investors & non-residents, %



KASE Index grew by 0.04% to 2,957.76 points. The largest number of deals among index shares was made with ordinary shares of Halyk Bank – 1,212 deals (34.4% of the total share). The largest trading volume fell on securities of KazTransOil – KZT475.3 million (42.1% of the total share).

The leaders of growth among the shares of the index basket were equities of Bank CenterCredit, which added 1.3% in price. Let us remind you that on February 23 it became known that the Board of Directors of Bank CenterCredit JSC made a decision to offer 12.5 million common shares of CCBN at a price of KZT300 per share, taking into account the exercise by shareholders of the right to preemptive purchase of shares.

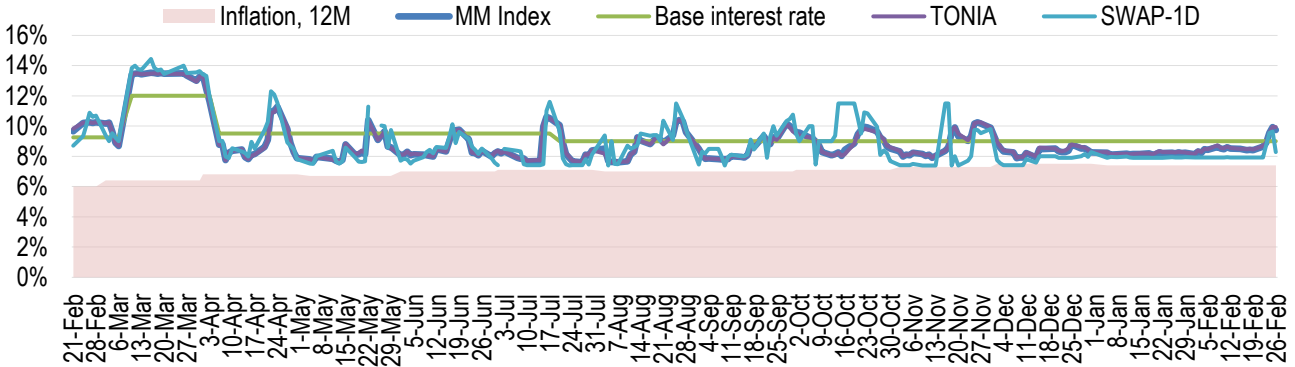
Equity securities of KAZ Minerals increased by 1.1%. The copper mining company provided its production report for twelve months and the fourth quarter of 2020, according to which copper production was 2% more than the target range – 305.7 thousand tons for the reporting year. At the same time, the production volume is 1.8% less than in 2019. Copper sales volume is 300.4 thousand tons (2019: 316.9 thousand tons), slightly less than production volume due to delays in shipment at the Kazakh-Chinese border at the end of the year, the company notes. KAZ Minerals also provided unaudited results for 2020, according to which the company during the reporting year increased EBITDA by 5.6% to \$1.431 billion. In addition, the group's net debt decreased by 5.7% to \$2.601 billion due to strong cash flow from operating activity in the second half and a lower-than-expected level of capital expenditures for the full year of \$584 million. The company also noted that some projects planned for implementation in 2020 have been postponed until 2021 due to COVID-19.

Meanwhile, the price of copper – the company's main product – on the London Metal Exchange (LME) for the first time since August 2011 exceeded \$4.3 per pound. Copper supply shortages due to restrictions imposed by the pandemic, as well as stimulus measures from governments and central banks, are supporting non-ferrous metal prices. According to the latest data from the International Copper Study Group, the copper deficit in the world in January-October 2020 was about 480 thousand tons, while production increased by 1.5% and consumption – by 2% YoY.

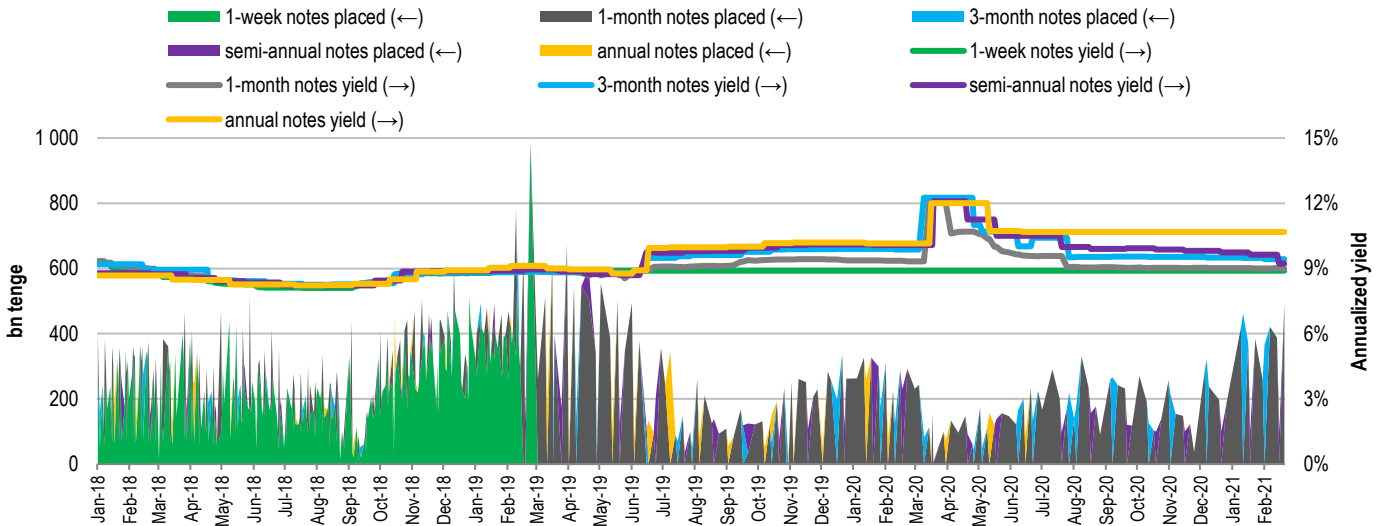
Kcell on February 24 announced an extraordinary general meeting of shareholders scheduled for April 9, where the company's shareholders are going to approve plans to delist their GDRs from the London Stock Exchange and AIX. Shares of the mobile operator will still be listed on Kazakhstan Stock Exchange. The Board of Directors believes that fewer markets in which the company's securities are traded and the concentration of the shares on KASE will lead to an improvement in the level of liquidity and trading trends in the movement of the corresponding instruments. The report also notes that the company's expenses and management efforts required to maintain the status of the company, whose instruments are listed on the LSE and AIX, as well as the content of the GDR program, are not justified, given the low liquidity of GDR trading on both exchanges, and thus exceed their benefit. Kcell shares fell against this background by 1.7%.

The yield on one-day repo transactions with government securities increased by 150 b.p. to the level of 8.44% per annum. The rate of borrowing the tenge secured by US dollars increased by 37 b.p. to 8.28% per annum. The total volume of borrowing the tenge liquidity for one day amounted to KZT2.3 trln over the week (+ 9.5% on the same indicator of the previous week).

Inflation and interest rates

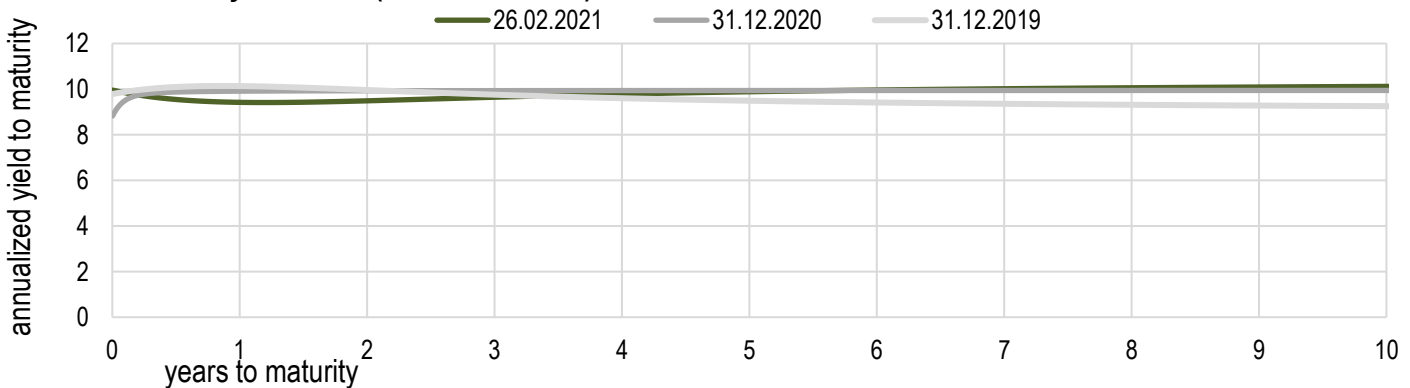


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





The exchange rate of the US dollar against the tenge decreased by KZT0.95 (0.2%) to KZT417.02. The total trading volume amounted to \$673.6 million (+ 19.2% on the same indicator of the previous week). The total number of deals for purchase and sale of the US dollar amounted to 1,960 (+276 on the same indicator of the previous week). The maximum price was KZT417.79 per US dollar, the minimum was KZT414.10.

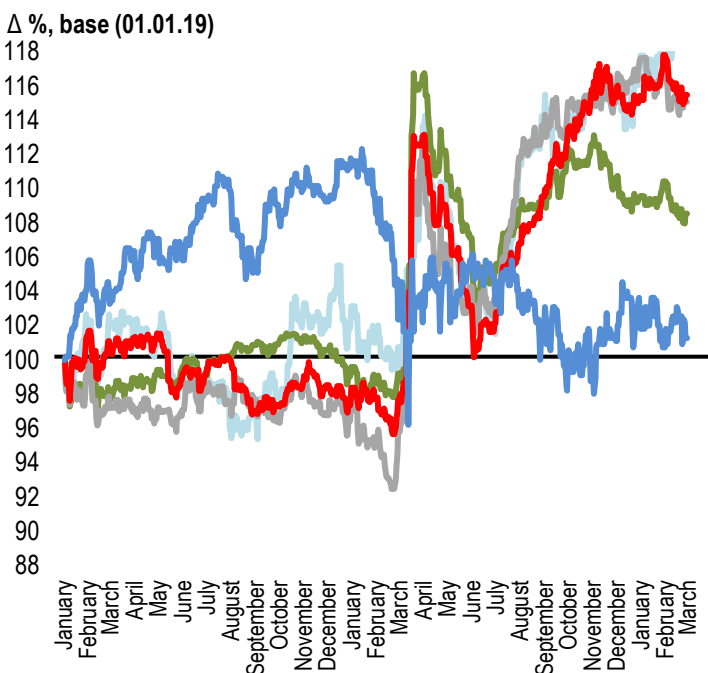
The tenge strengthened against the US dollar on the back of higher trading volumes and oil prices. Oil quotes are rising amid uncertainty over the recovery in US production. Severe frosts in Texas and several other states last week led to a drop in oil production by more than 4 million barrels per day. Meanwhile, investors await the next OPEC+ meeting, scheduled for March 4, at which the cartel is expected to discuss April oil production quotas. Reuters sources in the cartel said the oil-producing organization and its allies were likely to decide to ease restrictions on oil production at a meeting in April due to the price recovery. At the same time, any increase in production will be moderate, as producers fear new failures in the fight against the pandemic.

The latest data from the United States Department of Energy showed an increase in oil reserves in the country last week by 1.28 million barrels, while experts interviewed by Bloomberg were expecting a decline in oil reserves by 6.5 million barrels. However, the market decided to ignore this data and continued to move upward on expectations of a rapid increase in fuel demand due to the growing availability of vaccines, which, in turn, should lead to an ease in restrictions.

The price of May Brent oil futures on the London ICE Futures exchange on Friday closed at \$66.13 per barrel (+ 5.1%). The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange amounted to 74.6196 rubles (+ 0.7%).

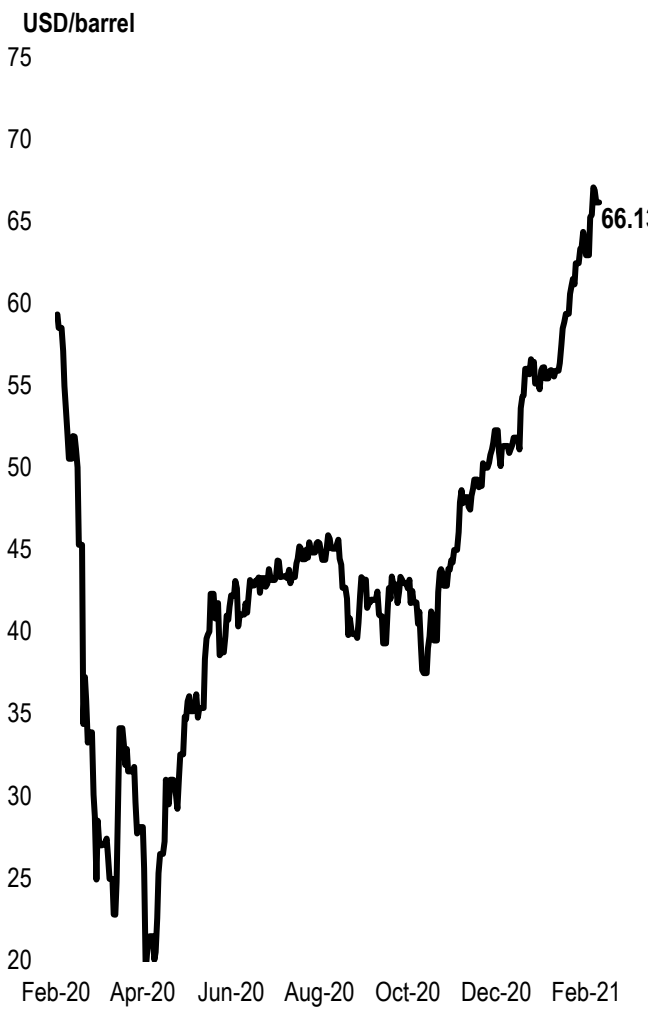
The value of the Russian ruble decreased by KZT0.0459 (0.8%) to KZT5.6039. The euro decreased in price by KZT5.60 (1.1%) to KZT504.70. The Chinese yuan fell in price by KZT0.4433 (0.7%) to KZT64.3038.

FX rates









	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	587,85	1,5	2,0	2,9
— USDKZT	414,77	-0,3	-1,7	-1,4
— EURKZT	506,81	0,9	-0,9	-1,8
— CNYKZT	64,32	0,0	-1,3	-0,3
— RUBKZT	5,64	-0,2	0,9	-0,2

Brent oil



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	3 811,15	-2,4	1,6	27,9	-2,4
Dow Jones	30 932,37	-1,8	2,1	20,0	-1,7
 RTS	1 411,93	-4,1	1,4	1,9	-4,4
MICEX	2 285,53	0,0	0,0	0,0	-4,4
 Hang Seng	28 980,21	-5,4	-1,1	8,2	-4,9
SS CSI 300	5 336,76	-7,6	-3,5	30,6	-7,1
 Euro Stoxx 50	3 636,44	-2,1	2,8	5,2	-2,3
FTSEuroFirst	4 035,50	-2,4	1,8	-0,6	-2,0
 FTSE 100	6 483,43	-2,1	-1,3	-4,6	-2,5
 KASE	2 957,76	0,0	5,2	28,4	

Commodities market

26.02.2021

Name	Price	Trend %		
		7d	1m	1y
Oil (Brent)	66,13	5,1	18,5	26,7
Oil (WTI)	61,50	3,8	16,4	30,6
Natural gas	2,77	-9,7	0,4	58,2
Copper	409,45	0,5	15,1	59,2
Iron	1 251,50	7,9	5,3	78,0
Gold	1 734,04	-2,8	-6,0	5,4
Silver	26,40	-3,1	4,0	49,5
Wheat	655,00	0,7	-0,5	23,8

Economic calendar

		Currency	Forecast	Previous
01.03	Manufacturing PMI from Caixin (Feb)	CNY	51.5	51.5
01.03	Manufacturing PMI Germany (Feb)	EUR	60.6	57.1
03.03	Crude oil reserves	USD	-0.928M	1.285M
04.03	Number of initial claims for unemployment benefits	USD	750K	730K
05.03	Unemployment level (Feb)	USD	6.3%	6.3%
05.03	US Federal budget	USD		-430.0B



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	7.1%	08/01/20	5.3%
Gross international reserves of NBK, USD bn	31,561	06/01/20	30,927
Reserve money, KZT bn	8,428.3	06/01/20	5,995.7
Money supply, KZT bn	22,438.2	06/01/20	20,813.4

Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	09/10/18	BBB- stable
	Baa3 stable	07/26/17	Baa3 stable
	BBB stable	09/28/18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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