

KASE WEEKLY

February 14 –
February 18
2022

KASE NEWS

- ▲ Amendments to the [Rules](#) for market-makers' activities were put into effect.
- ▲ KASE [held](#) an online press briefing dedicated to the results of the exchange market for January 2022.
- ▲ KASE's Management Board [has given](#) its consent for inclusion of Asian Development Bank's proposed international social bonds XS2444205756 in the "Securities of International Financial Organizations" sector of KASE official list.
- ▲ Information on the maturity of bonds [KZ2P00003254](#) (EKAlb1) of SFC EKA-Invest LLP was changed in KASE's trading system and databases and trades in them were resumed.
- ▲ Trades in bonds [KZ2C00007714](#) (CCBNb33) of Bank CenterCredit JSC were resumed at KASE.
- ▲ Bonds [KZ2P00007941](#) (MFAFb2) of Microfinance Organization aFinance LLP were switched to trading mode in "clean" prices.
- ▲ Halyk Global Markets JSC [relinquishes](#) the status of a market-maker on KASE for common shares of three titles.
- ▲ BCC Invest JSC was [assigned](#) the status of a market-maker on KASE for securities of five titles.
- ▲ Two securities are [included](#) in the T+ Collateral List.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Ministry of Finance of Kazakhstan placed on KASE 33.5 mln MEUKAM-120 of issue 19 ([KZKD00001129](#), MUM120_0019) and 22.3 million MEUKAM-180 of the second issue ([KZKD00000139](#), MUM180_0002).
- ▲ Ministry of Finance of Kazakhstan raised KZT57.3 bn by placing on KASE MEUKAM-120 of issue 19 ([KZKD00001129](#), MUM120_0019) and MEUKAM-180 of the second issue ([KZKD00000139](#), MUM180_0002).
- ▲ Subsidiary Bank "Home Credit and Finance Bank" JSC [raised](#) KZT4.8 bn on KASE by placing two-year bonds KZ2D00008349 (HCBN7) with yield to maturity of 12.80 % APR.
- ▲ Microfinance Organization "OnlineKazFinance" LLP [raised](#) KZT1.5 bn on KASE by placing bonds KZ2P00008162 (MFOkb2) with a yield to maturity of 17.50 % APR.
- ▲ Subsidiary Bank "Home Credit and Finance Bank" JSC [raised](#) KZT1.4 bn on KASE by placing three-year bonds KZ2D00008356 (HCBN8).
- ▲ Halyk Finance JSC was [recognized](#) as the best investment bank in Kazakhstan according to the international magazine "Global Finance".
- ▲ AMF Group JSC [intends](#) to pay dividends on its preferred shares for 2021.



18.02.2022

		Trends (%)	
KASE Index	3 548,30	-0,6	2,5
First class of liquidity	Price	Δ 7D	Δ 1M
Yandex N.V.	25 800	5,3	- 22,3
АО "Казакхтелеком"	35 398	2,2	3,6
ПАО "Аэрофлот - российские авиал"	390	1,3	0,3
АО "Кселл"	1 730	0,6	9,1
Ford Motor Company	19	0,3	- 23,5
АО "Банк ЦентрКредит"	398	0,1	0,1
Банк ВТБ (ПАО)	0	-	- 7,7
VTB Bank	0	-	- 7,7
ПАО "Ростелеком"	510	- 0,3	- 1,0
АО "КазТрансОйл"	1 108	- 0,4	4,3
АО "КЕГОС"	1 853	- 0,4	- 0,1
ПАО "Газпром"	2 000	- 0,5	- 7,9
Apple Inc.	170	- 0,7	- 1,6
АО Kaspi.kz	39 000	- 1,3	- 26,3
AT&T Inc.	24	- 1,8	- 12,7
Intel Corporation	48	- 2,0	- 13,7
АО "Национальная атомная компани"	14 733	- 2,8	- 6,0
АО "Народный сберегательный бан"	155	- 2,8	1,6
Pfizer Inc.	49	- 3,4	- 11,1
АО "KM GOLD"	1 050	- 3,5	- 11,8
ПАО "Сбербанк"	1 550	- 3,7	- 1,2
Freedom Holding Corp.	63	- 3,9	- 6,8
ПАО "Новолипецкий металлургичес"	1 410	- 7,2	- 1,4

After turbulent January trading sessions, February brought a horizontal trend to the Kazakh stock market in anticipation of annual reports and the pre-dividend season. The value of KASE Index since the beginning of the month slightly corrected down by less than 0.1%. In general, the price of shares of companies in the index basket developed within the price corridors fixed at the end of January.

While dividend paying companies are in the process of reporting, all attention of investors has shifted to one of the most anticipated events of the local stock market – the IPO of subsidiaries of the Sovereign Wealth Fund "Samruk-Kazyna". Last week Yernar Zhanadil, member of the Management Board of "Samruk-Kazyna", spoke live on KASE Talks about the stage of preparation for the IPO.

In particular, it was announced that the State Commission for Modernization of the Economy approved the IPO of two companies – Air Astana and KazMunayGas – for 2022, and the IPO of KazakhGas for 2023. The exact dates and parameters of the IPO have not yet been fixed and will be finally determined by the government and the parent company. At the moment, a classic IPO/SPO is planned on two local sites – KASE and AIX, as well as on international sites with a corresponding listing on them. At the same time, Mr. Zhanadil does not exclude the placement of new shares of companies with the issuers raising funds, and not only a sale of shares already issued by the fund "Samruk-Kazyna".

No discount on the value of the companies, which will be determined by financial consultants in agreement with Samruk-Kazyna and the government, will be applied during the placement. The absence of a discount, in the opinion of the Fund, will contribute to the formation of a fair price and increase the liquidity of shares, and will also allow observing the interests of existing shareholders.

Kazakhstan's retail investors will be offered to purchase through the regulated stock market at least 20% of the total number of shares being offered, but the Fund intends to make every effort to increase this portion. In order to enable the maximum number of citizens of the country possible to participate in these offerings, the Fund plans to conduct a large-scale PR campaign and explanatory work among the public using modern technologies and full geographical coverage.

According to the speaker, the privatization plan includes 25 assets of the Samruk-Kazyna group, of which 8 are large and 17 are medium-sized assets. Some of them will be considered for placement in the format of a full-fledged people's IPO, but this will be determined later.

Kazakhstan Stock Exchange considers the IPO of Air Astana and KazMunayGas as a strategically important project for itself for the current year and hopes that soon the shares of the companies will replenish the lists of first-class liquidity shares on the Exchange and will be included in the representative list of KASE Index.

By the way, in the lists of the first class of KASE liquidity as of February there are 36 instruments. Of these, 13 are shares of Kazakh issuers, 14 are shares of foreign companies and 9 are securities of investment funds. According to the Exchange's rules, in order for a stock to be included in the list of the first class of liquidity, it must meet the criteria for the number, frequency and volume of deals made, as well as the number members of the Exchange who made deals with it. As of February last year, this list consisted of 28 instruments. Over the year, it has significantly expanded due to the growth of investors' interest in mutual funds and foreign securities, which, obviously, was facilitated by the expansion of the list of securities on the KASE Global platform.

On KASE's debt market of, two offerings were made by Home Credit Bank last week, within which it raised 6.2 billion tenge at 12.8 % per annum for 2 years. 1.5 billion tenge at 18% per annum also for 2 years were raised by Microfinance Organization "OnlineKazFinance". As part of two issues, the Ministry of Finance of the Republic of Kazakhstan additionally raised 57.3 billion tenge at 7.7 and 10.3 % per annum for a period of 2 and 9 years, respectively.

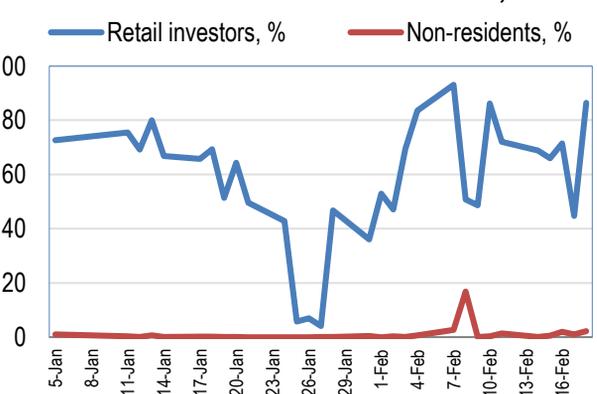
Note: Index stocks are highlighted in green

KASE Index shares

Trading volume, KZT M (←)

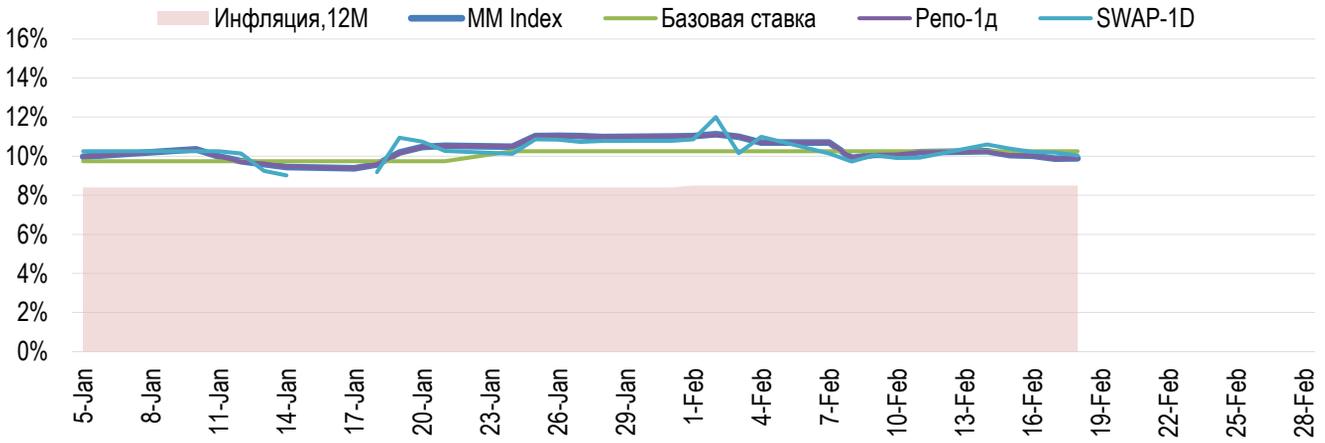


Retail investors & non-residents, %

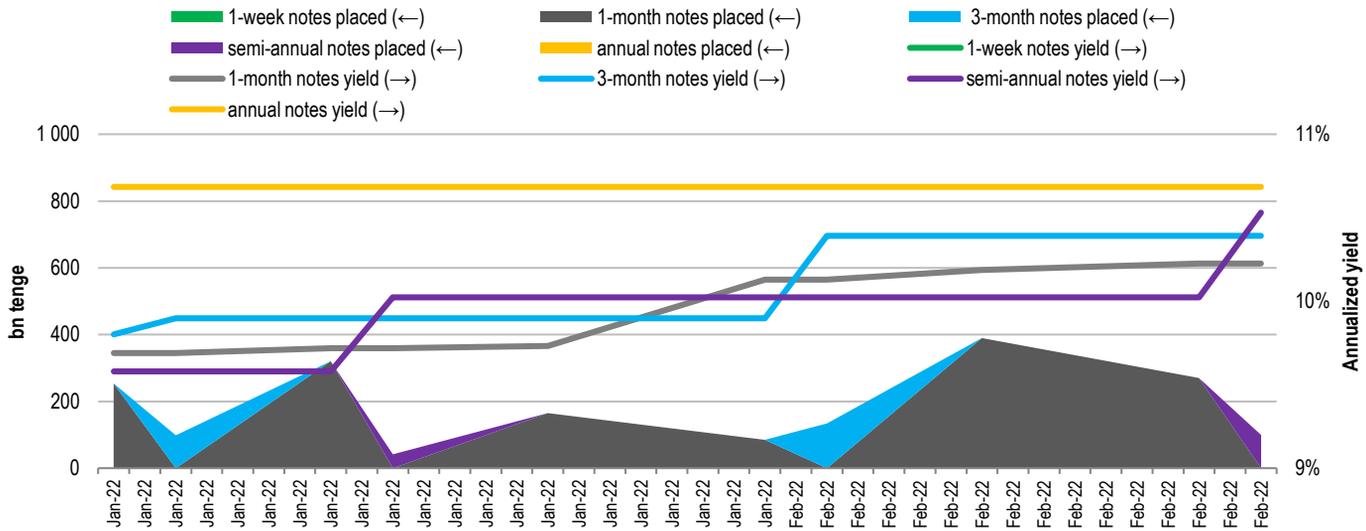


The yield on one day REPO transactions with government securities (GS) (TONIA) from February 14 to February 18 decreased from 10.24 % to 9.88 % per annum, going below the average value of the base rate corridor. The rate of borrowing the tenge secured by US dollars for a period of one day (SWAP-1D) over the past week decreased from 10.59 % to 10.04 % per annum. The average trading volume in overnight money market instruments amounted to 412 billion tenge.

Inflation and interest rates

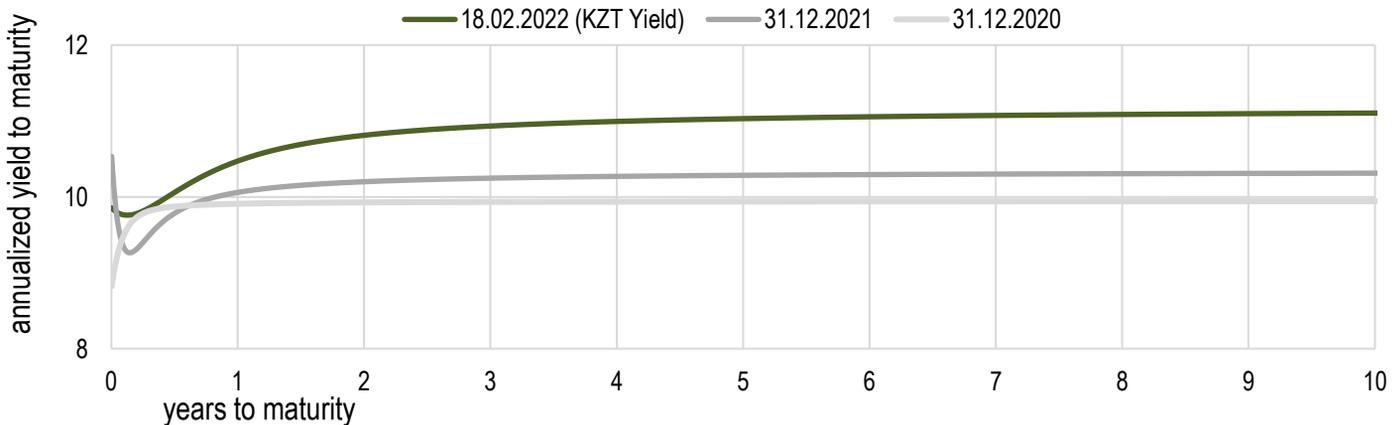


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





By the end of the current week, the USDKZT pair stopped its revaluation dynamics, showing a slight corrective decline to 428.32 tenge per dollar (-0.18 tenge). Recent changes in the tenge are formed under the influence of the external background, which remains extremely unpredictable. At the same time, the tax factor has not yet fully reflected in the exchange rate formation – trading volumes remain close to average values (on Thursday - \$147.1 million).

On the news about the escalation of tension in the east of Ukraine and the growth in the number of applications for unemployment benefits, US stock indices fell by the end of the week by 1.6-1.9 %. Market players are concerned that shelling in eastern Ukraine with the unrecognized republics of the L/DNR could serve as a trigger for a full-scale Russian invasion of Ukraine. At the same time, the White House and the EU questioned the withdrawal of Russian troops from the border with Ukraine, arguing that the Russian Federation is only increasing its military contingent. In this respect, we note the statement by US President Joe Biden about a potential Russian invasion of Ukraine in the next few days.

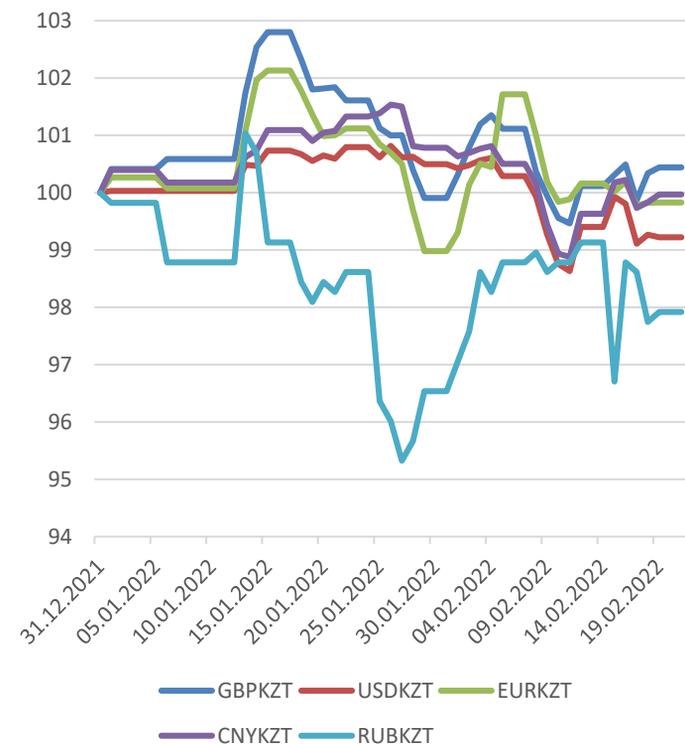
The number of initial claims for unemployment benefits in the US over the past week unexpectedly increased to 248 thousand (+23 thousand). Against this background, there is a weakening of expectations for an aggressive increase in interest rates by the Fed.

Brent oil prices closed on Friday with a decline to \$93.06 per barrel. The pressure on the market is exerted by expectations of the return of the US and Iran to the nuclear deal, which, in turn, will seriously increase the supply of raw materials. Iran is already preparing the ground in Asia for an official return to the oil market, according to Bloomberg. Thus, representatives of the state company National Iranian Oil Co. held a meeting with South Korean oil refineries to discuss possible supplies. In addition, it became known that Washington sent two high-ranking officials to Saudi Arabia to persuade the kingdom to increase production in the event of a full-scale war in Ukraine.

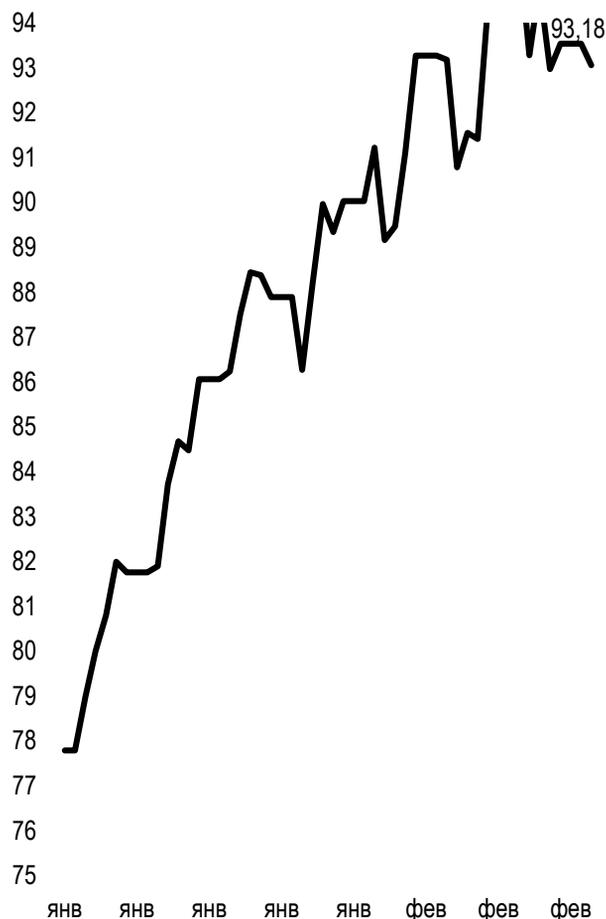
Against the background of the negative dynamics of oil prices and a significant increase in geopolitical tensions, the ruble showed a decline on Thursday.

FX rates

Δ %, base (01.01.22)



Brent oil USD/barrel



	Price	Δ 7d, %	Δ 30d, %	Δ 2021, %
— GBPKZT	583,46	0,33	-1,44	0,34
— USDKZT	428,32	-0,18	-1,28	-0,73
— EURKZT	486,96	-0,33	-1,52	-0,18
— CNYKZT	67,71	0,34	-1,05	-0,16
— RUBKZT	5,65	-1,22	-0,35	-2,25



Global indices

Name	Value	Trend %			Futures
S&P 500	4 348,87	-1,6	-4,1	11,1	-1,5
Dow Jones	34 079,18	-1,9	-2,7	8,2	-1,8
RTS	1 391,31	-5,4	-1,7	-3,8	-5,2
MICEX	2 285,53	0,0	0,0	0,0	-5,2
Hang Seng	24 327,71	-2,3	0,8	-20,5	-2,2
SS CSI 300	4 651,24	1,1	-2,7	-19,4	0,8
Euro Stoxx 50	4 074,28	-1,9	-4,5	10,7	-1,9
FTSEuroFirst	4 739,00	-1,7	-2,1	15,7	-1,7
FTSE 100	7 513,62	-1,9	-1,0	13,5	-1,8
KASE	3 548,30	-0,6	2,5	19,2	

Commodities market

February 18, 2022

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	93,54	-1,0	5,8	46,3
Oil (WTI)	91,07	-2,2	4,7	50,5
Natural gas	4,43	12,4	9,9	43,8
Copper	451,95	0,3	1,1	15,9
Iron	808,00	-4,1	8,2	-30,0
Gold	1 898,43	2,1	3,2	6,9
Silver	23,99	2,7	-1,0	-11,4
Wheat	797,00	-0,1	0,1	20,3

Economic calendar

Currency

Forecast

Previous

21.02	NBK base rate	CNY		3.7%
23.02	Interest rate decision	NZD	1.00%	0.75%
23.02	Consumer price index (CPI) (y/y) (Jan)	EUR	5.1%	5.0%
24.02	GDP (qtr./qtr.) (4 qtr.)	USD	7.0%	6.9%
24.02	Number of initial applications for unemployment benefits	USD	235K	248K
25.02	Germany's GDP (qtr./qtr.) (4 qtr.)	EUR	-0.7%	-0.7%

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

December 2021

Annual inflation	8.5%	01.02.22	8.4%
Gross international reserves of NBK, USD bn	33,4	01.02.22	34,4
Reserve money, KZT bn	10 683,9	01.02.22	10 957,7
Money supply, KZT bn	29 800,2	01.02.22	30 099,3

Kazakhstan credit ratings

Rating

Date

Previous

S&P Global

BBB-/A-3- stable

09/08/21

BBB- stable

MOODY'S

Baa2 stable

08/11/21

Baa3 positive

FitchRatings

BBB stable

02/04/22

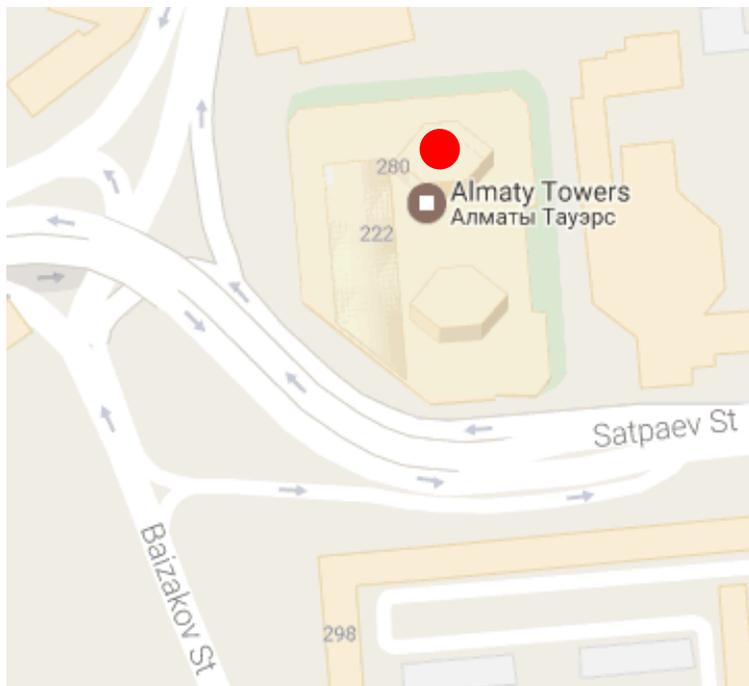
BBB stable

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Corporate Events Calendar of KASE listed Companies

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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;
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