

KASE WEEKLY

March 06 – 10
2023

KASE NEWS

- KASE [launched](#) trades in new instruments on the foreign currency market.
- KASE together with International Finance Corporation [held](#) the annual trading opening ceremony Ring the Bell for Gender Equality and the DigitALL: Women in FinTech discussion.
- Bonds [KZ2C00009538](#) (MFOk9) of MFO OnlineKazFinance JSC included in KASE official list.
- Bonds [KZ2P00008790](#) (MFOk6) of MFO OnlineKazFinance JSC and bonds [KZ2D00008257](#) (EABRb26) of Eurasian Development Bank were excluded from KASE official list due to the expiration of the circulation period.
- Trading in common shares [US0028241000](#) (ABT_KZ) of Abbott Lab., [US57636Q1040](#) (MA_KZ) of Mastercard, Inc., [US20825C1045](#) (COP_KZ) of ConocoPhillips and [US92343V1044](#) (VZ_KZ) of Verizon Communications Inc. suspended on KASE.
- Trades in common shares [US7475251036](#) (QCOM_KZ) of QUALCOMM Inc. were resumed at KASE.
- Halyk Global Markets JSC [relinquished](#) the status of market-maker on KASE for bonds [KZ2C00003333](#) (KZIKb27) and [KZ2C00006393](#) (KZIKb30) of Kazakhstan Housing Company JSC.
- Halyk Finance JSC was [assigned](#) the status of market-maker on KASE for bonds [KZ2C00003333](#) (KZIKb27) and [KZ2C00006393](#) (KZIKb30) of Kazakhstan Housing Company JSC.
- Bonds [KZ2C00009421](#) (MFOk8) of MFO OnlineKazFinance JSC were transferred to trading mode in "clean" prices.

ISSUER NEWS AND ANNOUNCEMENTS

- The Ministry of Finance of Kazakhstan placed on KASE 31.6 mln MEUKAM-144 of the ninth issue ([KZKD00001178](#), MUM144_0009) and 460.0 million MEKKAM-12 of issue 154 ([KZK100000290](#), MKM012_0154).
- The Asian Development Bank [raised](#) KZT18.0 bn on KASE through subscription by placing international bonds XS2590132242 (ASDBe14) with a yield to maturity of 15.88 % APR.
- Kazakhstan Sustainability Fund JSC [raised](#) KZT3.1 bn on KASE by placing bonds [KZ2C00008944](#) (KFUSb48) with weighted average yield to maturity of 18.60 % APR.
- ANNOUNCEMENT: On March 29 NOSTRUM OIL & GAS PLC will [host](#) Capital Markets Day.
- S&P Global Ratings [affirms](#) Kazakhstan's ratings at BBB-/A-3 with a Stable outlook.
- Freedom Holding Corp. [says](#) S&P Global Ratings upgraded ratings of subsidiaries; outlook "Stable".
- Freedom Finance [says](#) S&P Global Ratings upgraded ratings of the company; outlook "Stable".
- ForteBank [says](#) S&P Global Ratings affirmed ratings of the bank; outlook "Stable".
- Development Bank of Kazakhstan [says](#) agency S&P Global Ratings affirmed ratings of the bank; outlook "Stable".
- KazTransOil JSC [announces](#) financial results for 2022.
- KazTransOil [announces](#) start of construction and installation works as part of modernization of main water pipeline "Astrakhan-Mangyshlak".



10.03.2023

KASE Index	3 298,53	Trends (%)	
First class of liquidity	Price	Δ 7D	Δ 1M
Meta Platforms, Inc.	182,05	4,9	- 2,9
Advanced Micro Devices, Inc.	83,61	4,3	- 0,8
АО "Мангистаумунайгаз"	6 333,00	3,6	0,6
Apple Inc.	151,11	3,3	- 0,1
АО "Кселл"	1 820,00	1,8	1,7
NVIDIA Corp.	234,13	1,6	9,7
Microsoft Corporation	252,79	1,6	- 2,2
АО "Банк ЦентрКредит"	640,09	1,6	1,2
АО "Банк ЦентрКредит"	461,77	1,5	4,3
АО Kaspi.kz	34 230,00	0,5	1,0
АО "Казакхтелеком"	29 202,98	0,2	0,0
АО "KEGOC"	1 617,00	- 0,1	- 0,4
АО "Народный банк Казахстана"	125,21	- 0,2	- 2,2
Intel Corporation	26,62	- 0,5	- 8,2
Yandex N.V.	5 643,07	- 1,0	- 46,3
АО "БАСТ"	9 000,00	- 1,1	- 10,0
Freedom Holding Corp.	68,81	- 1,7	6,8
АО "ForteBank"	4,03	- 1,7	- 6,3
АО "НК "КазМунайГаз"	9 389,85	- 1,8	- 0,5
АО "НАК "Казатомпром"	13 180,00	- 2,7	- 7,2
АО "КазТрансОйл"	690,01	- 3,1	- 4,4
АО "KM GOLD"	145,00	- 7,6	- 14,1
Tesla, Inc.	184,96	- 9,8	- 8,8

Note: Index stocks are highlighted in green

On March 3, S&P Global Ratings affirmed the rating of the Republic of Kazakhstan at "BBB-", while changing the outlook on the rating from "negative" to "stable". This has a positive effect on the investment attractiveness of Kazakhstan. The stable outlook reflects the agency's view that the country's government and external balance sheets will remain strong. S&P expects annual GDP growth in Kazakhstan at 4 % over the next three years.

Following the improvement in the outlook for the sovereign rating of Kazakhstan, S&P Global Ratings also revised the outlook on the ratings of the Development Bank of Kazakhstan and ForteBank from "negative" to "stable". The Development Bank of Kazakhstan has been affirmed at "BBB-" and ForteBank at "BB-". In addition, S&P upgraded the ratings of Bank Freedom Finance Kazakhstan, Freedom Finance, Freedom Finance Global PLC and Freedom Finance Europe Ltd from "B-" to "B" with a stable outlook.

Based on results of February, the capitalization of the stock market increased by 0.8 % compared to January and amounted to 21.9 trillion tenge, or \$48.7 bn. The main share of the growth came from the capitalization of Kaspi.kz, KazMunayGas and Halyk Bank due to the increase in their share prices.

Last week, the value of KASE Index fell by 0.3 % below the level of 3,300 points. Quotes of common shares of the financial sector closed in the green zone: Bank CenterCredit went up by 1.6 %, Kaspi.kz went up by 0.5 %. Also growth was shown by common shares of Kcell by 1.8 % and Kazakhtelecom by 0.2 %.

Quotations of National company "KazMunayGas" decreased by 1.8 % over the week. Despite this, since the company's IPO held at the end of 2022, the share price of KazMunayGas has increased by almost 12 %.

KazTransOil announced its financial results for the last year: the company's consolidated revenue amounted to 255.6 bn tenge, which is 7.3 % higher than the same indicator in 2021, consolidated net profit in 2022 amounted to 19.8 bn tenge, which is 60.9 % less than the result of 2021. Price of KazTransOil shares decreased by 3.1 % last week.

On the debt capital market, last week Asian Development Bank raised KZT18 bn on KASE through a subscription by placing two-year international bonds with a yield to maturity of 15.88 % per annum.

Kazakhstan Sustainability Fund placed one issue of bonds in the amount of 3.1 bn tenge with a yield to maturity of 18.6 % per annum and a maturity of 7 years.

Since the beginning of March, Kazakhstan Sustainability Fund, Kazakhstan Temir Zholy, Eurasian Bank, Home Credit Bank and other issuers have paid coupon on their bonds.

On March 13, eight issues of bonds of the Eurasian Development Bank were included in the "Securities of international financial organizations" sector of KASE official list. The maturity of each issue is one month.

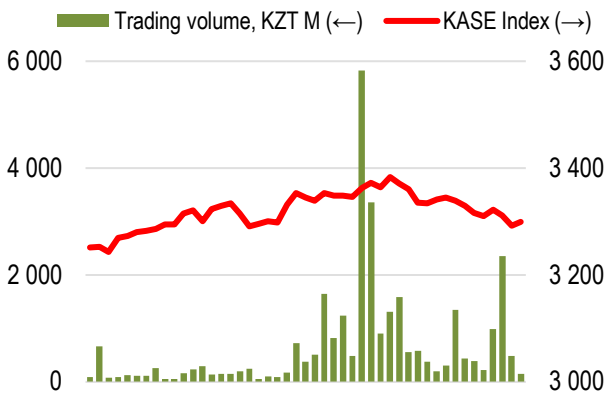
Besides, three issues of international bonds of the US Treasury are included in the "Government securities" sector of KASE official list.

On the government securities market last week, the Ministry of Finance of Kazakhstan placed on KASE two issues of treasury bills for a total of KZT69.2 bn with a circulation period of 1 year and 12 years, and with a yield to maturity of 15.55 % and 13 % per annum.

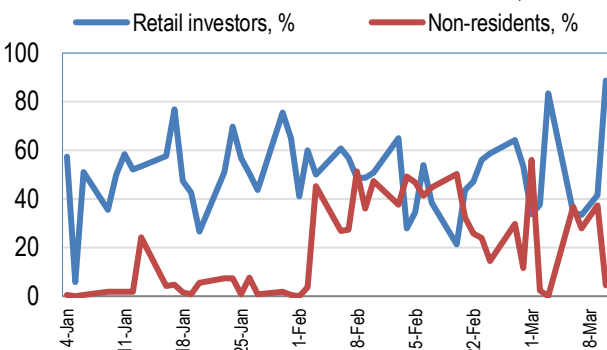
To international events. On March 7 and 8, Fed Chairman Jerome Powell, during his speeches in the US Senate, announced his readiness to accelerate the pace of raising the base rate if necessary. Powell also suggested that due to strong data on the US economy, the maximum value of the key rate this year is likely to exceed the forecast. As a result, global investors are adjusting their expectations for the future path of the Fed rate, which has led to negative risk sentiment and downward adjustment of the leading US indices. The sell-off of US banks by investors due to identified problems with Silicon Valley Bank, whose business is mainly related to Silicon Valley projects, added to the local negative to the markets.

Next week, special attention of market participants will be riveted to the Fed meeting. The decision of the regulator, along with the comments of the members of the Fed, will depend on the further situation in the financial markets. If economic data continue to indicate the stability of the US economy, the Fed may revise its interest rate forecasts, which will prompt investors to reconsider expectations regarding the completion of the rate hike cycle.

KASE Index shares

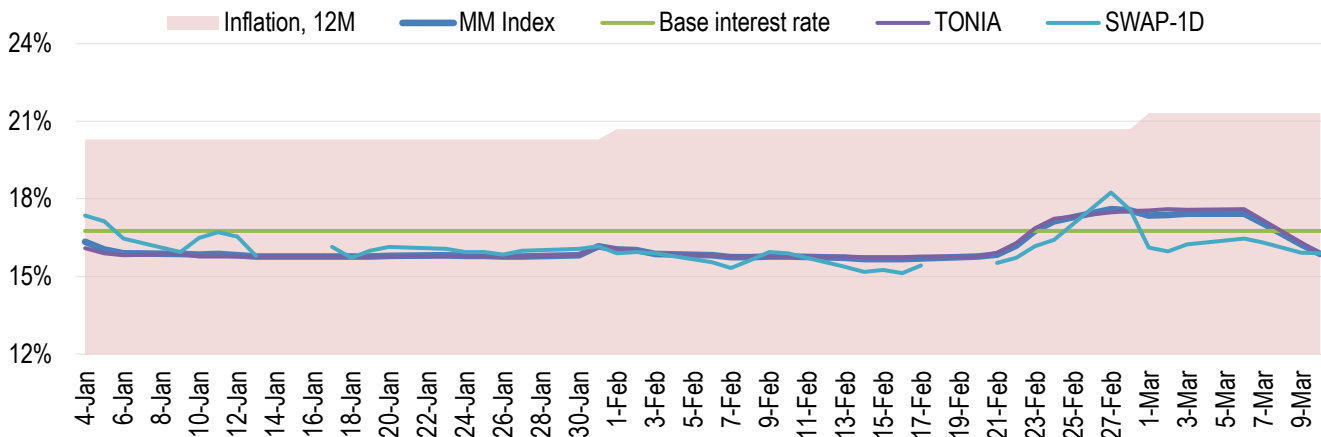


Retail investors & non-residents, %

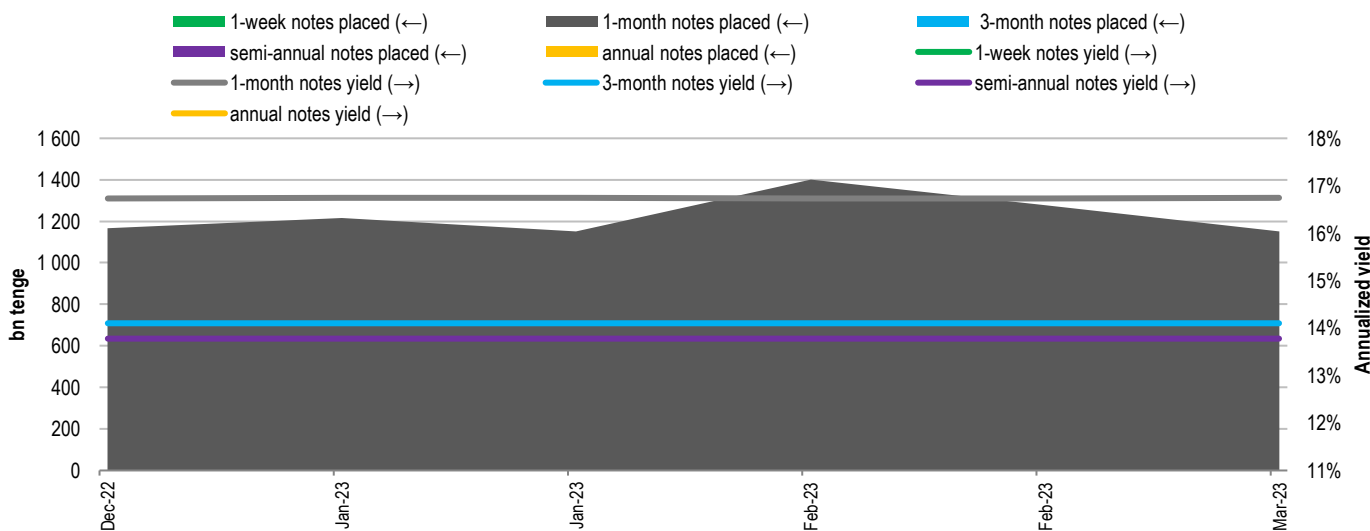


In the money market, the overnight repo attraction rate TONIA expectedly corrected after the growth at the end of February, having decreased over the week from 17.6 % to 15.88 % per annum. The profitability of one-day currency swap operations in US dollars decreased from 16.25 % to 15.9 % per annum.

Inflation and interest rates

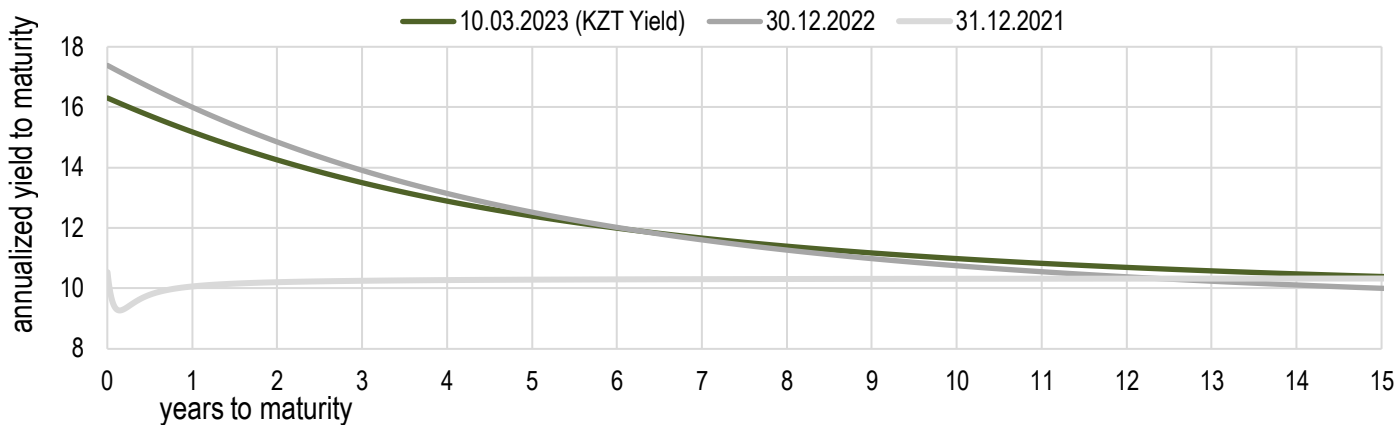


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)





As a result of trades on March 10, the market rate of the tenge settled at the level of 445.98 tenge per US dollar, depreciating over the week by 3.5 % (from 431.08). A number of significant events took place on the foreign exchange market from March 3 to March 10, 2023. Thus, the number of jobs in the economy in February increased by 311 thousand, unemployment increased by 3.6 %, the growth rate of hourly wages amounted to 0.2 %, which is the minimum figure for the year. Risky assets show negative dynamics against the background of falling shares of financial companies due to the prerequisites for the negative consequences of rising interest rates in the US. These factors led to a predominantly negative trend in emerging market currencies.

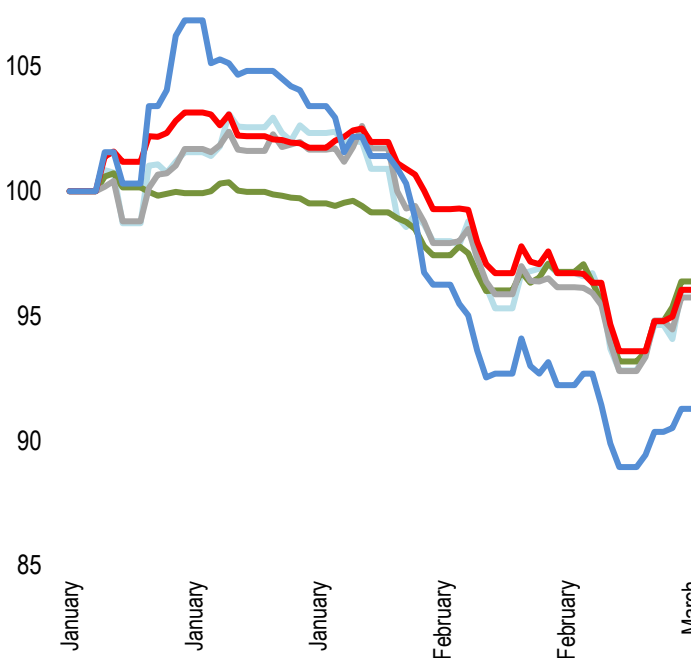
The dynamics of the exchange rates of developing countries against the US dollar was as follows:

- the Indian rupee weakened by 0.1 % (from 81.97 to 82.05) against the background of importers' demand for foreign currency;
- the Brazilian real weakened by 0.2 % (from 5.2 to 5.21) amid rising expectations for an early reduction in the base rate due to the risks of a slowdown in economic activity;
- the Russian ruble weakened by 0.6 % (from 75.63 to 76.1) amid a global decline in investor interest in risk;
- the Turkish lira weakened by 0.9 % (from 18.8 to 18.97) as the opposition bloc announced its presidential candidate in the upcoming elections in May 2023;
- the Indonesian rupiah weakened by 0.9 % (from 15,311 to 15,450) amid fears about the bankruptcy of one of the largest banks in the US. The Central Bank carried out foreign exchange interventions in the spot and forward markets to ensure an adequate supply of foreign currency;
- the South African rand weakened by 1 % (from 18.14 to 18.32) amid a global decline in investor risk sentiment and S&P downgrading the outlook on South Africa's sovereign rating from "positive" to "stable";
- the Mexican peso weakened by 3 % (from 17.96 to 18.5) amid the release of data on the slowdown in inflation (from 7.91 % to 7.62 % in February). Given the risks of further tightening by the US Federal Reserve, this lowers expectations for the attractiveness of the Mexican-US rate differential.

FX rates

Δ %, base (01.01.23)

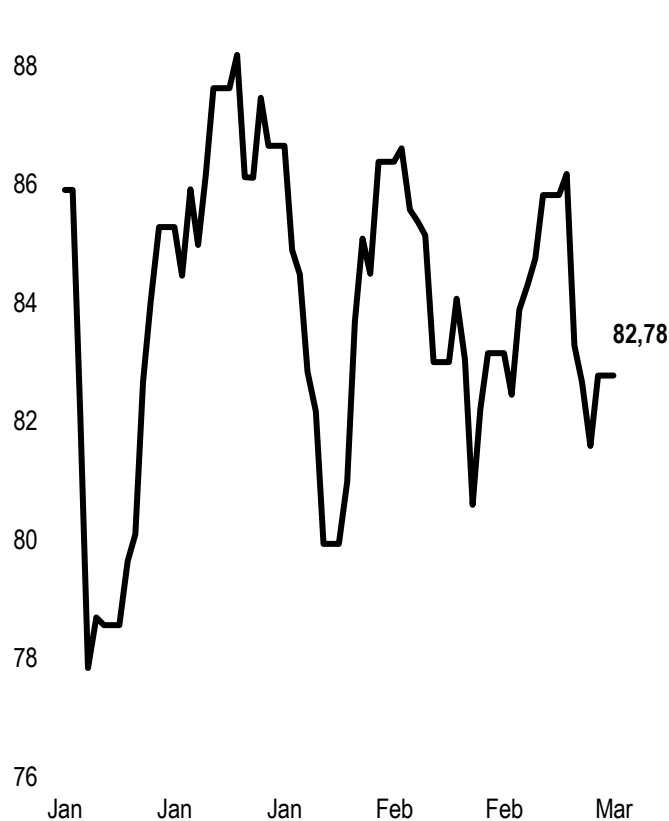
110



Brent oil

USD/barrel

90









Price Δ 7d, % Δ 30d, % Δ 2023, %

— GBPKZT	534,46	3,45	-4,56	-5,93
— USDKZT	445,98	3,46	-3,47	-4,65
— EURKZT	471,85	3,18	-4,87	-5,53
— CNYKZT	64,09	2,63	-5,87	-5,02
— RUBKZT	5,87	2,62	-9,77	-9,49

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	3 861,59	-4,5	-6,2	-9,3	-3,8
Dow Jones	31 909,64	-4,4	-6,0	-3,8	-3,7
 RTS	942,75	-0,3	-4,0	0,6	-1,0
MICEX	2 285,53	0,0	0,0	0,0	-1,0
 Hang Seng	19 319,92	-6,1	-9,2	-7,5	-6,2
SS CSI 300	3 967,14	-4,0	-2,7	-7,6	-4,0
 Euro Stoxx 50	4 229,53	-1,5	0,5	15,8	-1,9
FTSEuroFirst	4 813,50	-2,2	-0,7	11,5	-1,9
 FTSE 100	7 748,35	-2,5	-1,7	9,1	-2,7
 KASE	3 298,53	-0,3	-1,6	-2,8	

Commodities market

March 10, 2023

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	82,78	-3,6	-2,7	-24,3
Oil (WTI)	76,68	-3,8	-2,3	-27,7
Natural gas	2,43	-19,2	1,4	-47,5
Copper	404,55	-0,8	0,2	-12,9
Iron	958,00	0,4	8,2	16,5
Gold	1 868,26	0,6	-0,4	-6,4
Silver	20,38	-3,4	-9,1	-22,2
Wheat	666,75	-4,2	-12,8	-37,9

Calendar of economic events

Currency

Forecast

Previous

13.03	<u>Unscheduled Fed meeting</u>	USD		
14.03	<u>Consumer Price Index (CPI) (YoY) (Feb)</u>	USD	6.0 %	6.4 %
15.03	<u>Industrial Production (YoY) (Feb)</u>	CNY	2.6 %	1.3 %
15.03	<u>Core Retail Sales (MoM) (Feb)</u>	USD	-0.1 %	2.3 %
16.03	<u>Interest Rate Decision (Mar)</u>	EUR	3.5 %	3.0 %
17.03	<u>Consumer Price Index (CPI) (YoY) (Feb)</u>	EUR	8.5 %	8.5 %
17.03	<u>Interest Rate Decision (Mar)</u>	RUB	7.5 %	7.5 %

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

Previous month

Annual inflation	21,3%	01.03.23	20,7%
Gross international reserves of NBK, USD bn	34,6	01.03.23	36,7
Reserve money, KZT bn	11 135,1	01.03.23	11 707,1
Money supply, KZT bn	32 983,0	01.03.23	33 834,4

Kazakhstan credit ratings

Rating

Date

Previous

S&P Global

BBB-/A-3 stable

03.03.23

BBB-/A-3 negative

MOODY'S

Baa2/stable

11.08.21

Baa3/positive

FitchRatings

BBB/stable

02.12.22

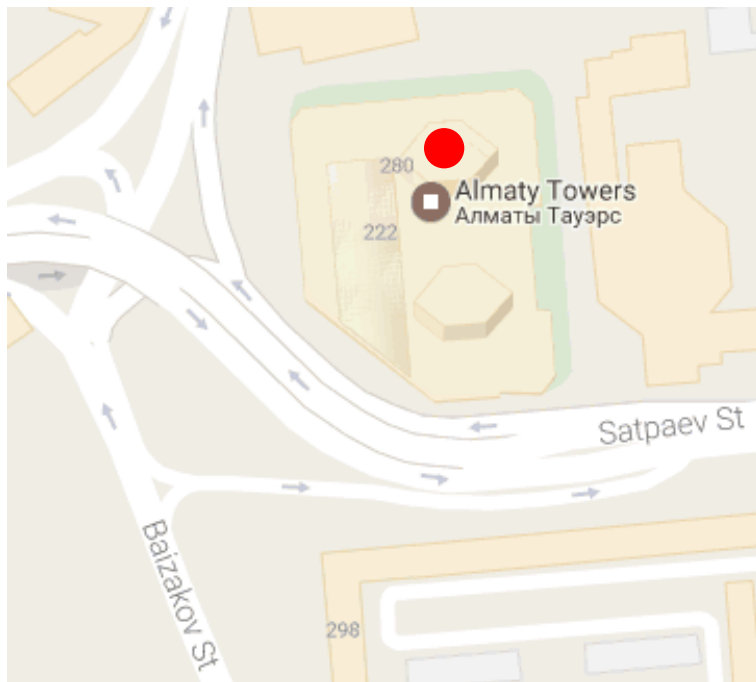
BBB/stable

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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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