

KASE WEEKLY

December 19 – 23
2022

KASE NEWS

- Changes to the [Regulations](#) on trading and operation of the control and collateral system put into effect.
- International bonds [XS1555164299](#) (EBRDe17) of the European Bank for Reconstruction and Development, bonds [KZ2C00009249](#) (LZGRb5) of Leasing Group JSC and bonds [KZ2P00009178](#) (NCOMb3) of Fincraft Group LLP are included in KASE official list.
- Bonds [KZ2C00003283](#) (AGKKb5) of Agrarian credit corporation JSC were excluded from KASE official list due to circulation term expiration.
- Common shares [KZ000A1CTMQ3](#) (KZIS) of "Halyk" Insurance Company" "Subsidiary of Halyk Bank of Kazakhstan JSC were excluded from KASE official list upon an initiative of their issuer.
- Common shares [KZ1C00004977](#) (EFCO) of Eurasian Financial Company JSC were excluded from KASE official list.
- Trading in common shares [US20825C1045](#) (COP_KZ) of ConocoPhillips, common shares [US46625H1005](#) (JPM_KZ) of JPMorgan Chase & Co. and common shares [US5951121038](#) (MU_KZ) of Micron Technology, Inc. suspended on KASE.
- Trades in common shares [US55616P1049](#) (M_KZ) of Macy's were resumed at KASE.
- Replacement of the management company of IUIT "Halyk Global" was made and trading in units [KZPF00000165](#) (HKGMhg) was resumed in the trading system and databases of KASE.

ISSUER NEWS AND ANNOUNCEMENTS

- The Ministry of Finance of Kazakhstan raised KZT35.2 bn on KASE by placing METIKAM-36 of the first issue ([KZKT00000016](#), MTM036_0001), METIKAM-48 of the first issue ([KZKT00000024](#), MTM048_0001), METIKAM-60 of the first issue ([KZKT00000032](#), MTM060_0001) and METIKAM-72 of the first issue ([KZKT00000040](#), MTM072_0001).
- The Ministry of Finance of Kazakhstan [placed](#) on KASE 82.6 mln MEUKAM-84 of issue 18 (KZKD00001137, MUM084_0018) with a yield to maturity of 16.00% APR.
- KEGOC [raised](#) KZT16.1 bn on KASE by placing "green" bonds KZ2C00007797 (KEGCb4) with a margin of 3.00 %.
- NAC Kazatomprom JSC [raised](#) \$50.0 mln on KASE via subscription by placing bonds KZ2C00009199 (KZAPb3) with yield to maturity of 4.60 % APR.
- Bank RBK JSC [says](#) Moody's Investors Service affirmed the bank's ratings, outlook "Positive".
- First Heartland Jusan Bank JSC [says](#) Moody's investors Service affirmed ratings of the bank; outlook "Positive".
- Fincraft Group LLP [says](#) S&P Global Ratings downgraded the company's ratings, with a "Negative" outlook.
- Kazyna Capital Management JSC [says](#) Fitch Ratings affirmed the company's ratings; outlook is "Stable".
- Bank CenterCredit JSC [says](#) Moody's Investors Service affirmed the bank's ratings, outlook is "Positive".
- Fitch Ratings [confirms](#) its forecast for Kazakhtelecom JSC's revenue increase.
- KazTransOil JSC [informs](#) about the project of reconstruction and expansion of the main water pipeline "Astrakhan-Mangyshlak".
- Halyk Savings Bank of Kazakhstan JSC announces sale of 100 % shares of CB Moskommertsbank.



23.12.2022

KASE Index	3 235,20	Trends (%)	
		1,0	6,3
First class of liquidity	Price	Δ 7D	Δ 1M
VANECK ETF TRUST	24,36	24,9	34,6
AO "КазТрансОйл"	735,00	19,4	31,2
AO "Казакхтелеком"	23 000,00	5,3	14,1
AO "Казакхтелеком"	28 499,00	1,8	8,5
AO "Кселл"	1 686,00	1,0	7,7
AO "KEGOC"	1 599,99	0,9	1,5
AO "Банк ЦентрКредит"	625,00	0,6	1,7
AO "ForteBank"	3,59	-	0,3
AO "Банк ЦентрКредит"	349,12	- 0,0	0,1
AO "Баян Сулу"	298,00	- 0,2	- 0,2
AO "НАК "Казатомпром""	12 750,00	- 0,7	4,5
AO Kaspi.kz	33 348,88	- 1,1	2,6
AT&T Inc.	18,35	- 1,7	- 3,1
AO "Народный сберегательный банк Казак"	128,50	- 1,9	7,9
Meta Platforms, Inc.	117,49	- 2,1	6,7
AO "KM GOLD"	175,00	- 2,2	2,3
PayPal Holdings Inc.	69,03	- 3,1	- 15,1
Advanced Micro Devices, Inc.	64,74	- 4,9	- 10,9
Freedom Holding Corp.	58,00	- 6,3	0,0
Yandex N.V.	12 501,00	- 10,0	- 14,5

Note: Index stocks are highlighted in green

As a result of last week, the value of KASE Index increased by 1% and exceeded the level of 3,230 points. The main driver of growth was the shares of KazTransOil, which grew by 19.4 % over the week. Shares of Kazakhtelecom helped the index a little with an increase of 1.8 % and shares of Kcell – with a price increase of 1 %. Growth of KazTransOil shares by such a large amount became the main event of the week. It took place against the background of information about a potential increase in oil transportation volumes next year. According to some estimates, the volume of transportation through the KTO oil pipelines may increase by 6 million barrels.

According to Kazakhtelecom's press release provided to KASE, after affirming the company's credit rating at "BBB-" with a stable outlook, Fitch Ratings published a report on it. In the report, the agency confirmed its forecast for the increase in revenue and maintaining the financial stability of the telecom operator. Apparently, this was the reason for the gradual increase in the value of the communications operator's shares.

Moody's Investors Service affirmed the ratings and raised the outlook from "stable" to "positive" for three Kazakh banks at once: Bank CenterCredit, Jusan Bank and Bank RBK. Bank CenterCredit's long-term rating has been affirmed at "B1". The agency expects the bank to maintain good profitability over the next 12-18 months, despite potential pressure from loan costs amid high interest rates. The bank's share price rose 0.6 % last week.

Shareholders of Kaspi Bank decided to pay dividends on ordinary and preferred shares of the bank for 2021 in the amount of 2,150 tenge per share from December 20. However, this did not have a positive effect on the quotes of Kaspi.kz, which fell by 1.1 % over the past week.

The second important event of the week is the dynamics of the price of shares of the national company KazMunayGas, which has recently conducted an IPO, and the volume of trading in them. The shares are not yet included in KASE Index, but their liquidity is high. Relative to the IPO price, the growth was 10.7 %. The volume of trading in shares of KazMunayGas last week exceeded KZT5 bn.

On the debt capital market last week International six-year bonds of the European Bank for Reconstruction and Development were included in the "Securities of international financial organizations" sector of KASE official list. We will inform you additionally about the opening of trades in these bonds on KASE.

On previously listed bonds, Kazatomprom raised \$50 mln by placing bonds on KASE at 4.6 % per annum, and KEGOC raised KZT16.1 bn by placing fifteen-year "green" debt with a floating coupon rate equal to the indicator TONIA Compounded plus 3% per annum.

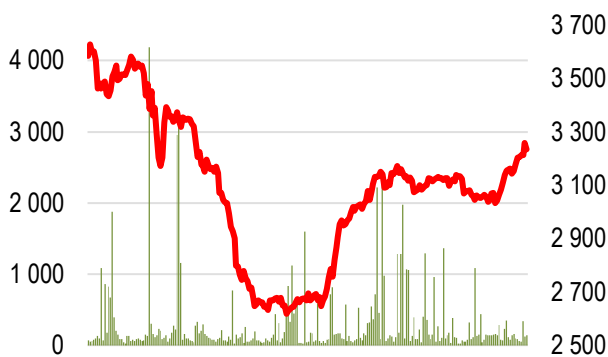
In the government securities market, the Ministry of Finance placed five issues of treasury bills for a total of KZT107.9 bn with a term of 2.5 to 6 years and a yield of 16-16.2 % per annum within a week.

Coupon interest on their bonds last week was paid by fund Samruk-Kazyna, holding Baiterek, Development Bank of Kazakhstan, KazAgroFinance, Agrarian Credit Corporation, ForteBank and others.

From world news. American and European stock indices last week showed a neutral trend. In the middle of the week, stock markets were rising against the background of positive data on the index of consumer confidence in the US, the value of which was 108 against the forecast of 101. On Thursday, strong data on the labor market and US GDP were released, GDP growth in the third quarter was unexpectedly revised from 2.9 to 3.2 % per annum. Against this background, fears of further tightening of the Fed's policy due to ongoing inflationary pressure intensified, and the markets corrected downward.

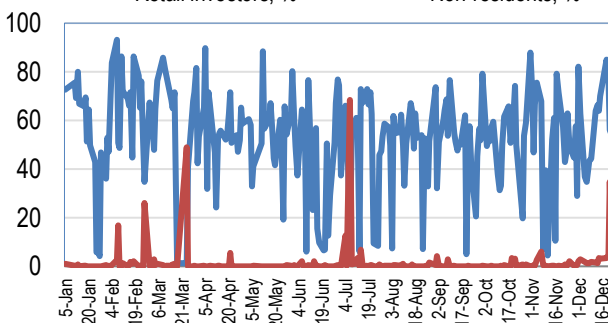
KASE Index shares

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



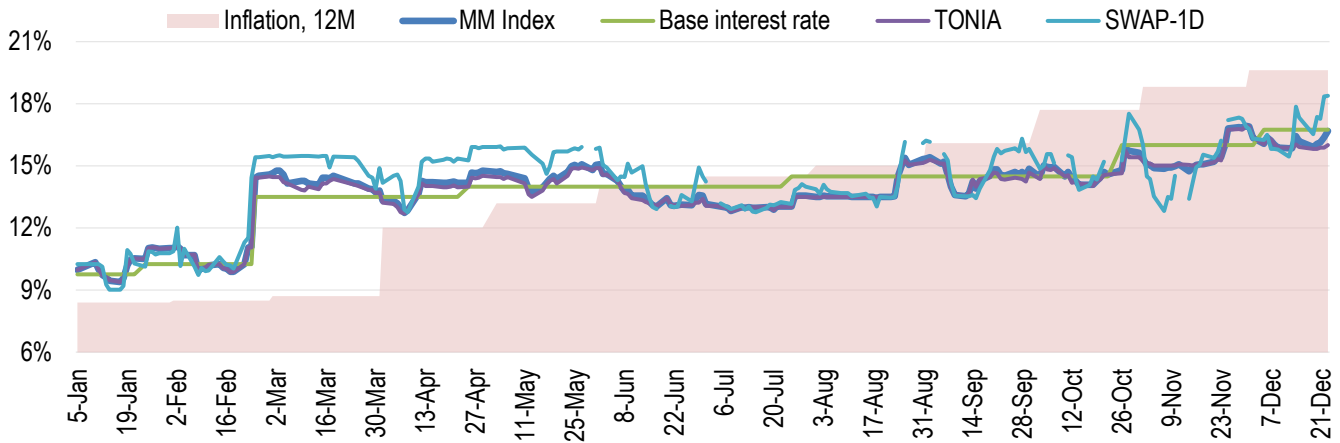
Retail investors & non-residents, %

Retail investors, % Non-residents, %

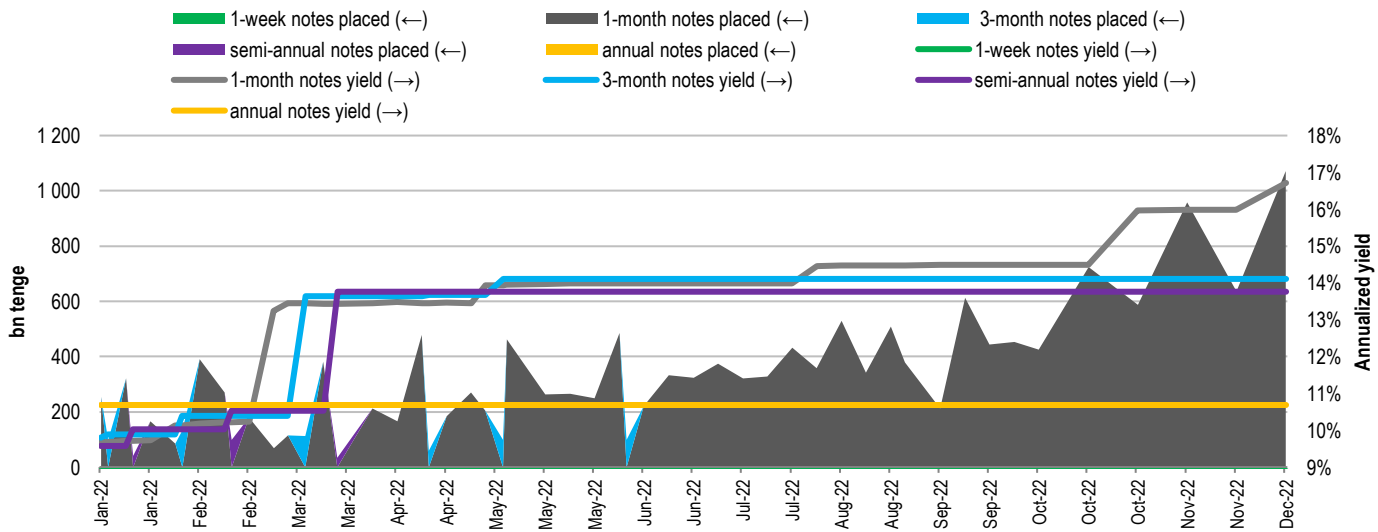


The yield on one-day REPO transactions with government securities (GS) (TONIA) from December 15 to 23 was in a narrow corridor of 15.8-16 % per annum. The rate of borrowing the tenge secured by US dollars for a period of one day (SWAP-1D (USD)) for the period under review increased from 17.33 % to 18.39 % per annum due to a decrease in short-term tenge liquidity during the tax period. For comparison, from December 1 to December 13, the yield on one-day currency swap operations in US dollars did not exceed 16.8 % per annum.

Inflation and interest rates

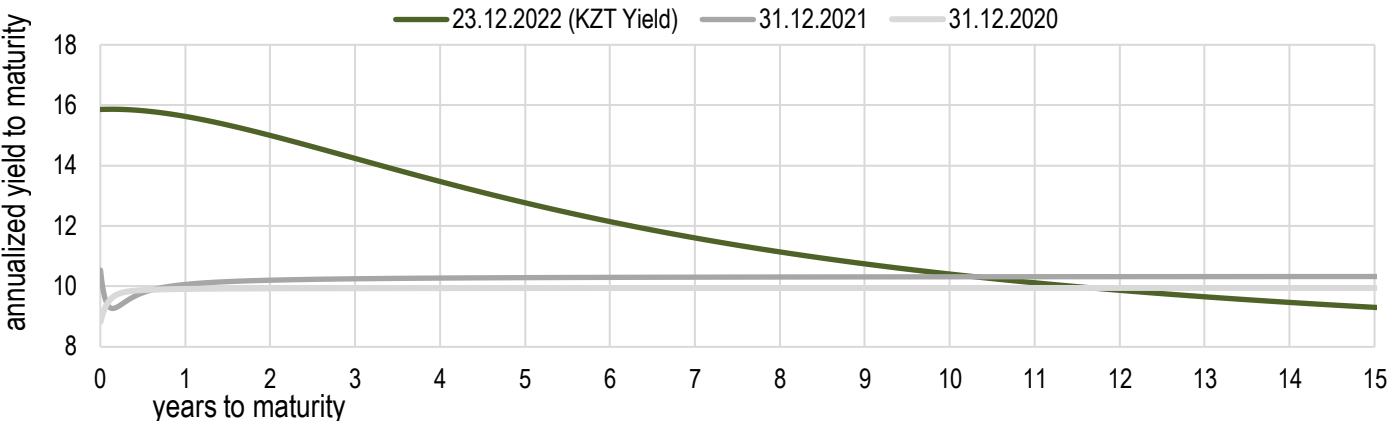


Main Features of National Bank Notes Placements



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

Risk-free yield curve (non-indexed GS)



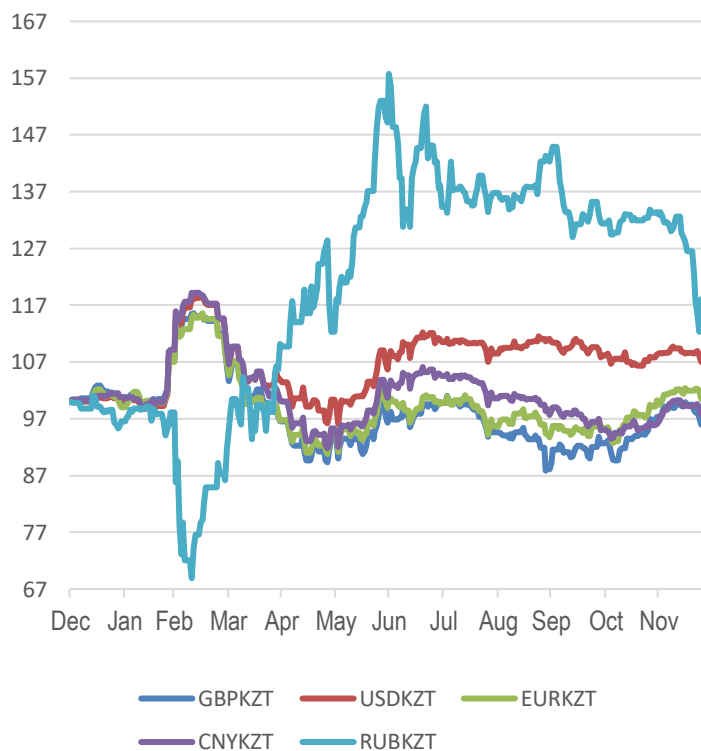
As a result of trades on December 23, the market exchange rate of the tenge formed at the level of 461.97 tenge per US dollar, having strengthened by 1.4 % over the week (from 468.56).

A number of significant events took place on the foreign exchange market from December 16 to December 23, 2022. Thus, the US dollar was under pressure in the middle of the week due to fears that further rate increases by the US Federal Reserve could lead to a recession. On December 22, the U.S. Senate approved a \$1.7 trln federal budget proposal for fiscal year 2023, of which \$45 bn will go to aid Ukraine and Washington's NATO allies. These factors led to a predominantly positive trend in emerging market currencies.

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

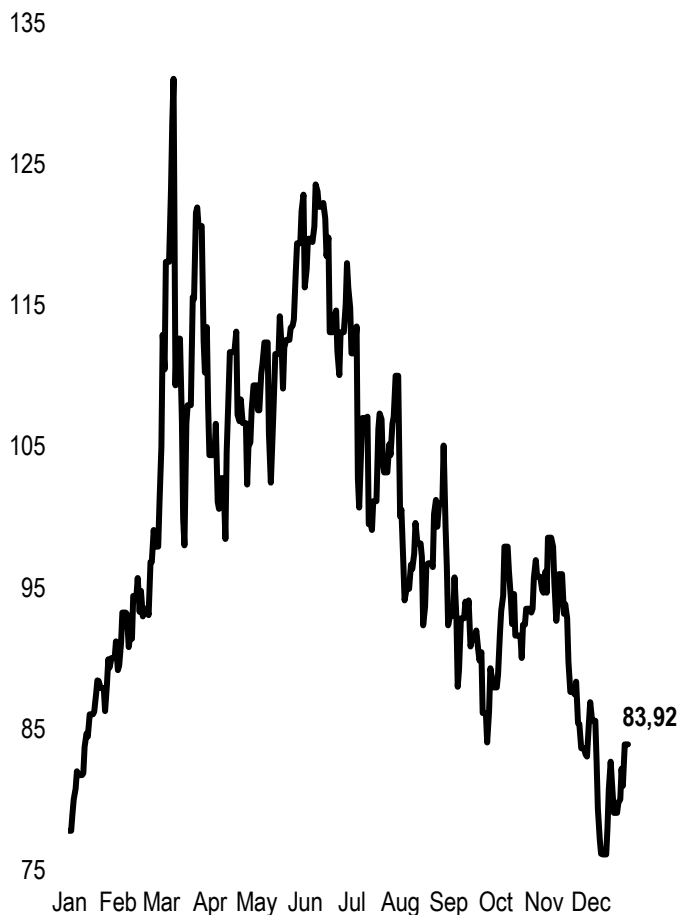
- the South African rand appreciated by 3.7 % (from 17.68 to 17.02) amid the re-election of President Cyril Ramaphosa as the leader of the ruling African National Congress;
- the Brazilian real appreciated by 2.8 % (from 5.31 to 5.16). On Thursday, Brazil's Congress approved a spending bill aimed at changing the country's fiscal rules. The budget spending limit next year will be increased by 145 bn reals;
- the Mexican peso appreciated by 2.1 % (from 19.78 to 19.37) amid a recovery in global risk sentiment;
- the Turkish lira appreciated by 0.2 % (from 18.69 to 18.66). On Thursday, the Monetary Policy Committee kept the key rate at 9 % in line with the forecast;
- the Indonesian rupiah remained virtually unchanged, strengthening from 15,598 to 15,593. The Bank of Indonesia said it expects headline inflation to slow to 5.4 % by the end of 2022, which in turn will slow down the pace of monetary tightening;
- the Indian rupee has not changed over the week (from 82.87 to 82.87). The head of the Reserve Bank of India said that a premature pause in the monetary policy actions would be a costly mistake. Another rate hike is likely to happen in February;
- the Russian ruble weakened by 8.6 % (from 64.65 to 70.2) amid a decrease in physical volumes of oil supplies due to EU sanctions. At the same time, Russia's balance of payments remains positive.

FX rates



	Price	Δ 7d, %	Δ 30d, %	Δ 2022, %
— GBPKZT	557,41	-3,57	2,96	-2,75
— USDKZT	461,97	-1,41	0,91	8,18
— EURKZT	490,10	-1,50	4,63	1,92
— CNYKZT	66,15	-1,53	3,18	-1,18
— RUBKZT	6,81	-6,71	-15,18	12,31

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	3 844,82	-1,3	-4,5	-18,6	-0,2
Dow Jones	33 203,93	0,0	-2,9	-7,6	0,7
RTS	963,51	-7,5	-16,0	-39,3	-2,3
MICEX	2 285,53	0,0	0,0	0,0	-2,3
Hang Seng	19 593,06	1,2	11,8	-15,5	0,9
SS CSI 300	3 828,22	-3,1	1,4	-22,6	-3,1
Euro Stoxx 50	3 817,01	-0,5	-3,3	-10,5	0,3
FTSEuroFirst	4 512,00	0,3	-2,1	-4,7	0,8
FTSE 100	7 473,01	0,6	0,1	1,4	1,9
KASE	3 235,20	1,0	6,3	-11,5	

Commodities market

December 23, 2022

Name	Price	Trend %		
		7D	1M	1Y
Oil (Brent)	83,92	3,3	-1,7	9,2
Oil (WTI)	79,56	4,5	2,1	7,8
Natural gas	5,08	-27,1	-30,5	36,1
Copper	380,30	1,1	5,1	-13,3
Iron	833,00	-1,0	12,6	22,1
Gold	1 798,20	1,2	2,8	-0,6
Silver	23,76	2,7	11,2	3,6
Wheat	776,00	2,5	-2,2	-4,8

Calendar of economic events

Currency

Forecast

Previous

28.12	<u>Real Estate Pending Sales Index (MoM) (Nov)</u>	USD	-1.0 %	-4.6 %
29.12	<u>Number of Initial Claims for Unemployment Benefits</u>	USD	225K	216K
29.12	<u>Crude oil reserves</u>	USD	-1.657M	-5,894M
30.12	<u>Chicago PMI (Dec)</u>	USD	40.0	37.2
31.12	<u>China Composite PMI (Dec)</u>	CNY		47.1
31.12	<u>Manufacturing PMI (Dec)</u>	CNY	48.2	48.0
31.12	<u>Non-manufacturing business activity index (PMI) (Dec)</u>	CNY		46.7

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

Previous month

Annual inflation	19,6%	01.12.22	18,8%
Gross international reserves of NBK, USD bn	33,9	01.12.22	33,0
Reserve money, KZT bn	11 719,9	01.12.22	12 374,4
Money supply, KZT bn	32 768,4	01.12.22	33 311,6

Kazakhstan credit ratings

Rating

Date

Previous

S&P Global

BBB-/A-3 negative

02.09.22

BBB-/A-3 stable

MOODY'S

Baa2/stable

11.08.21

Baa3/positive

FitchRatings

BBB/stable

02.12.22

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

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