

KASE WEEKLY

02-06 October,
2017

KASE NEWS

- ▲ Since October 2 KASE has been releasing new indicators of the corporate bond market: 1) indicators of the main market – clean prices index KASE_BMC and yield indicator KASE_BMY; 2) indicators of the alternative market – clean prices index KASE_BAC and yield indicator KASE_BAY.
- ▲ On October 3, 2017 KASE signed a memorandum of mutual understanding with leading Kazakh business incubators to work on establishing a platform for start-ups wishing to raise funds. Parties of the memorandum intend to conduct joint work on developing procedures and terms of admission of start-ups and business angels to this platform, on implementation of the best international experience in the field of funding start-ups.
- ▲ On October 5, 2017 KASE jointly with IFC Kazakhstan, Governance & Management Consulting LLP, Entrepreneurship development fund "Damu" JSC, the National entrepreneurs chamber "Atameken" conducted a training in "Essentials of corporate governance". The speakers were represented by leading experts from IFC Kazakhstan, Governance & Management Consulting LLP, as well as KASE employees.

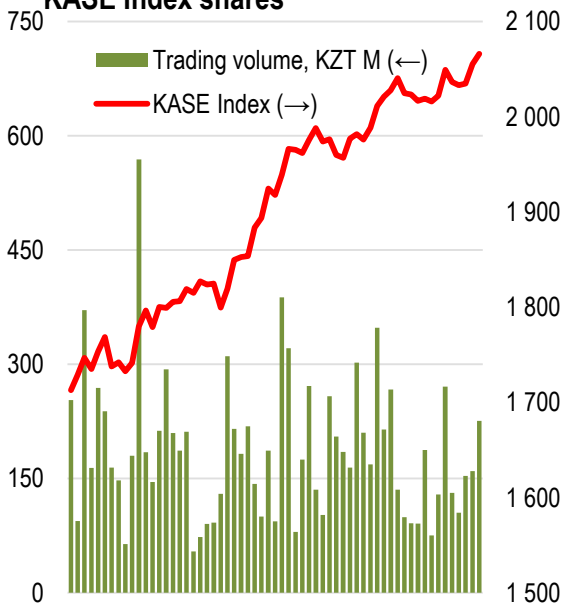
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ On September 28, 2017, the international agency Fitch lowered the long-term issuer default ratings in foreign and national currency of Eximbank Kazakhstan JSC and the first bond issue rating within the second bond program from B- to CCC, short-term default rating of the issuer in foreign currency was downgraded from "B" to "C", and the national long-term rating was downgraded from "B + (kaz)" to "B (kaz)". Ratings are excluded from Rating Watch Negative (RWN). At the same time, the Bank notifies that on September 28, 2017 the Bank sent a letter to the international agency Fitch about the revocation of the established ratings
- ▲ September 28, 2017 at the extraordinary general meeting of shareholders of Bank CenterCredit JSC approved the decision on the Bank's participation in the Program for Enhancing the Financial Strength of the Banking Sector of the Republic of Kazakhstan, increase in the number of announced shares of the Bank, as well as other decisions, the full text of which can be found on the website KASE in the news section.

KASE Index rose 0.8%, increasing to its maximum for more than 9 years – 2,066.19 points. Last time the Index reached that level was in August 2008.

KAZ Minerals PLC stocks were in the lead, increasing by 11.2% to KZT3,870.00. The shares rise on the eve of the expected release on October 26 of the Q3 report in which the operating income of Aktogai sulphide plant will be taken into account. A bit of encouragement are also copper prices that tended to grow over last week. Shares of Halyk Savings Bank of Kazakhstan fell more than others: by 3.1% to KZT78.59. The shares keep appreciating, probably, in anticipation of financial statements that will contain Kazkommertsbank's losses.

KASE Index shares



06.10.2017

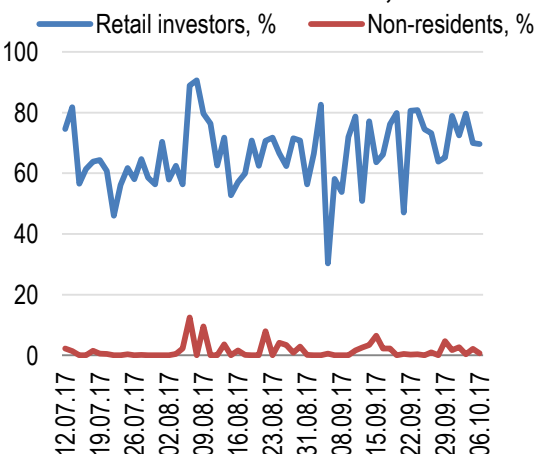
		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 066,2	0,8	4,5
First class of liquidity	Price, KZT		
QAZKOM (pref.)	115,0	22,3	32,9
KAZ Minerals	3 870,0	11,2	1,8
Bank of America	8 900,0	3,4	11,2
KEGOC	1 415,0	2,5	3,1
BAST	56 192,2	1,7	7,5
Sberbank (Russia)	1 146,6	0,9	6,0
Aeroflot (Russia)	1 101,8	0,9	-8,2
Gazprom (Russia)	733,0	0,8	4,6
Bank of Astana	1 160,0	0,7	0,8
QAZKOM	156,0	0,0	8,3
Kazakhtelecom (pref.)	7 300,1	0,0	2,0
Kcell	1 910,0	-0,5	30,7
CenterCredit Bank	157,6	-0,6	0,4
KazMunayGas EP	20 300,0	-0,9	-1,0
KazTransOil	1 312,9	-0,9	8,4
Aktobe Metalware Plant	12 362,0	-1,8	-0,6
KazMunayGas EP (pref.)	7 355,0	-1,9	0,4
Kazakhtelecom	18 600,0	-2,6	-4,1
Halyk Bank	78,6	-3,1	-7,4

On October 2, 2017, the Ministry of Finance of Kazakhstan attracted KASE 3.0 billion tenge at par with a coupon rate of 8.50% per annum and a maturity of 720 days.

On October 6, repeated auctions were held on placement of state mid-term treasury obligations, during which the Ministry of Finance of Kazakhstan attracted to KASE 23.1 billion tenge at par value at the interest rate at 8.99% per annum. The maturity period is 1,440 days.

Since October 3, 2017 convertible bonds of Eurasian Bank (KZT150 bn) and ATFBank (KZT100 bn) are quoted in KASE official list as bonds of the main market. Maturities and annual coupons are identical: 15 years and 4% per annum, respectively. Opening of trading in said bonds on KASE will be announced later on.

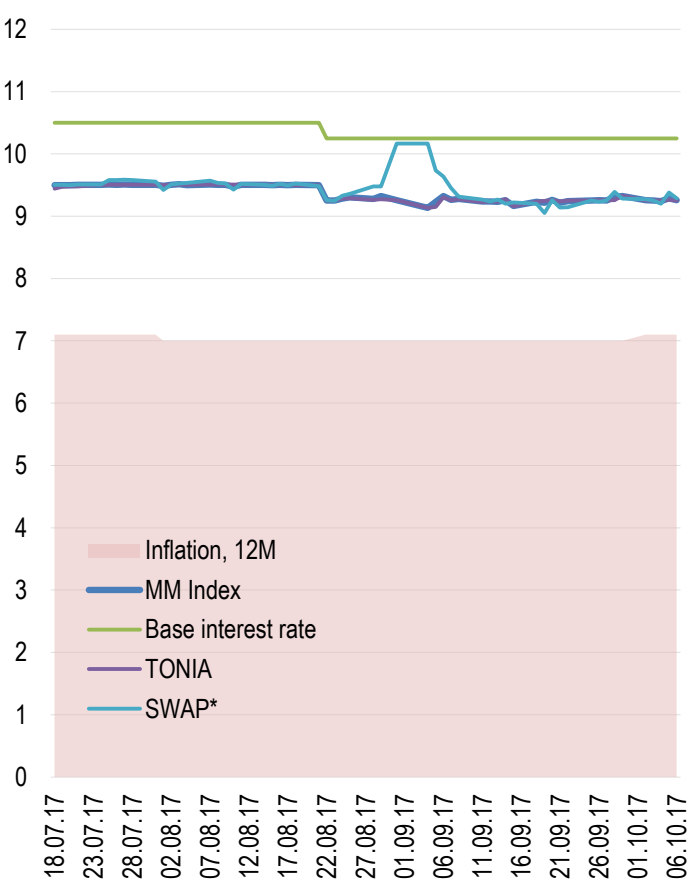
Retail investors & non-residents, %



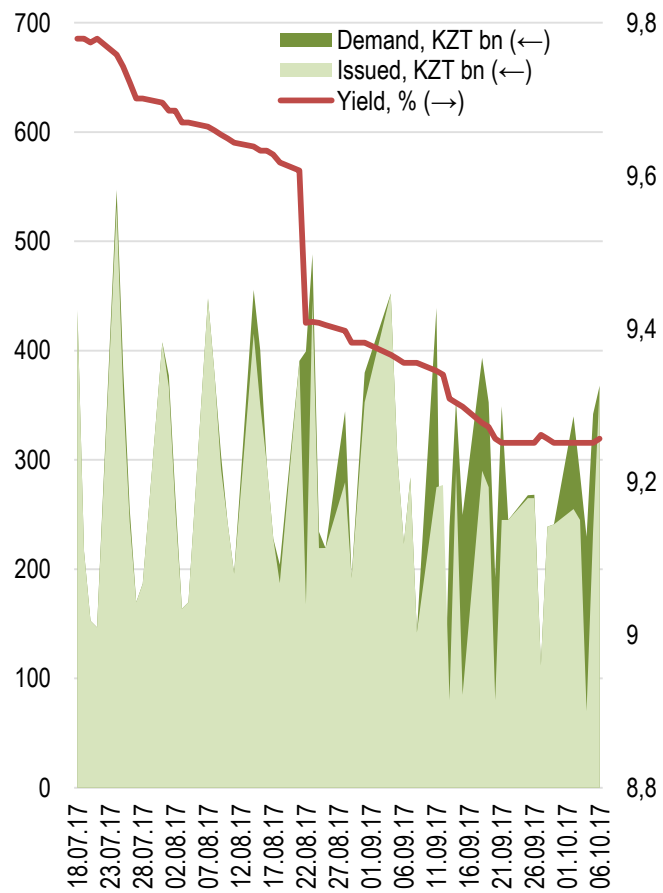


The money market's yield shrank 0.07% to 9.25% per annum. In the currency swap segment rates went down 27 b.p. to 9.38% per annum. In the repo segment the yield didn't change and remained at 9.26%.

Inflation and interest rates

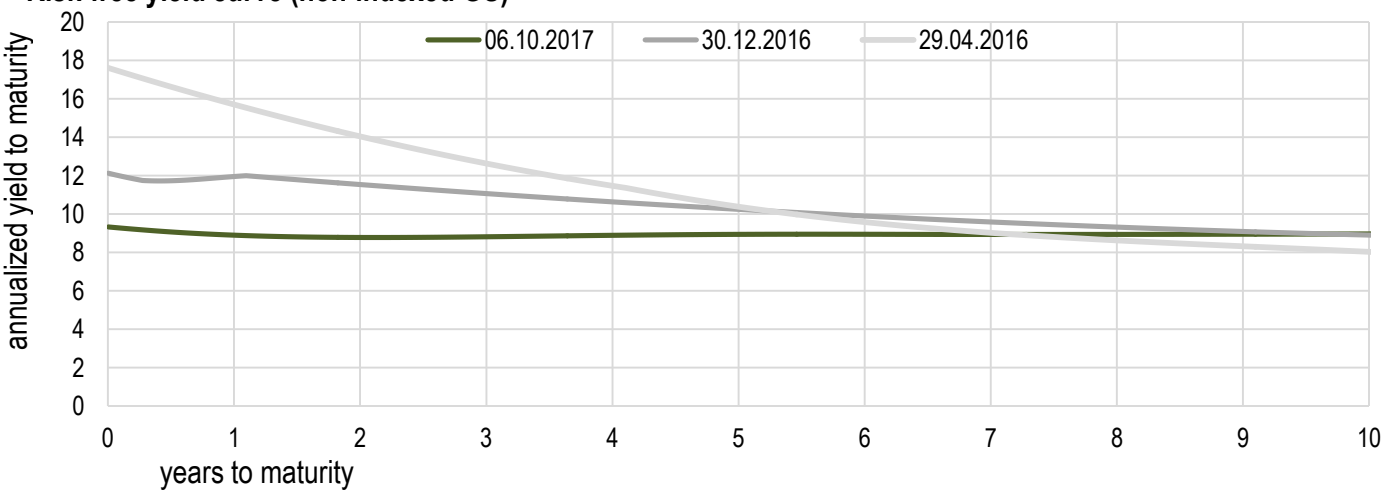


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)



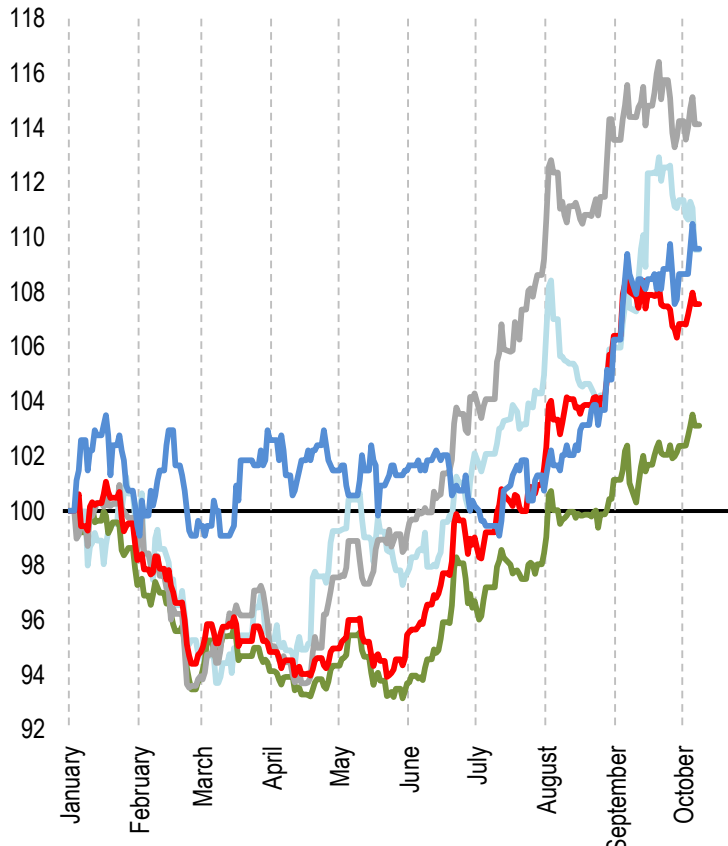


The dollar exchange rate grew 0.72% to KZT343.66 over the week. The dollar index rose to its 7-week maximum after recent statements of the US Federal Reserve regarding further development of the interest rate along with recovering hopes for a tax reform by Trump's administration. Optimistic US industrial figures propped up the dollar, too. The PMI index reached its 13-year maximum in September this year.

The ruble exchange rate rose 1.3% to KZT5.9602. That was caused by the attractive yield of ruble-denominated instruments against the background of the lowest ever inflation in Russia. The annual inflation in Russia dropped to as low as 3% as at the end of September. At the same time, Russia's Ministry of Economic Development forecasts an inflation of 3.2% by the end of this year

FX rates

Δ %, base (01.01.17)

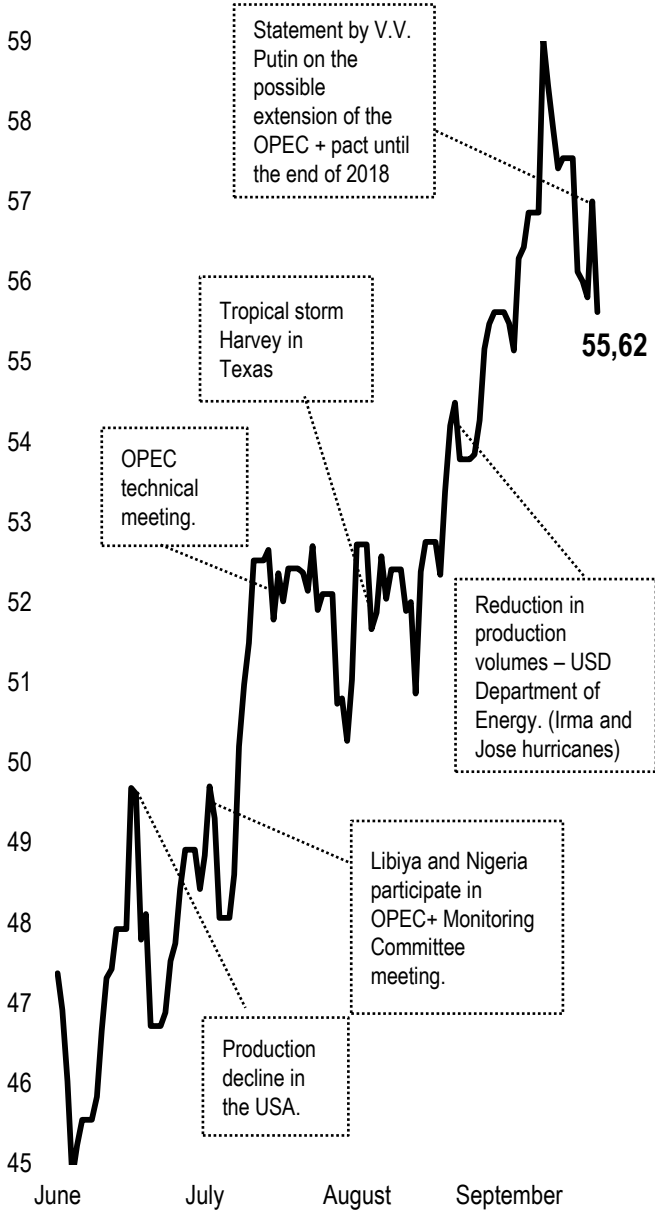


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	455,12	0,0	+3,3	+11,1
— USDKZT	345,00	+1,3	+1,3	+3,5
— EURKZT	405,75	+1,3	-0,3	+15,1
— CNYKZT	51,85	+1,5	-0,3	+8,0
— RUBKZT	6,00	+2,6	+1,9	+10,05







Note: The chart and the table are based on the official market rates of the NBK. NBK rates may differ from KASE rates.

Brent oil

USD/barrel



Global indices

Name	Value	Trend			Futures
		7d	1m	1y	7d
 S&P 500	2 549,33	1,2	3,4	18,0	1,2
Dow Jones	22 773,67	1,6	4,4	24,7	1,6
 RTS	1 134,30	-0,2	2,5	12,9	0,0
MICEX	2 093,86	0,8	3,9	5,5	0,0
 Hang Seng	28 458,04	3,3	3,1	18,8	3,3
SS CSI 300	3 836,50	0,0	-0,3	17,9	0,0
 Euro Stoxx 50	3 603,32	0,2	4,9	19,3	0,4
FTSEuroFirst	4 285,50	0,4	3,8	12,3	0,2
 FTSE 100	7 522,87	2,0	2,3	7,5	2,1
 KASE	2 066,19	0,8	4,5	71,4	0,0

Commodities market

06.10.2017

Name	Price	Trend	
		7d	1m
Oil	47,37	-1,6	-9,3
	44,74	-2,4	-8,8
Natural gas	3,04	-0,1	-4,9
Copper	256,40	-3,2	0,8
Iron	426,00	-3,7	-9,9
Gold	1 253,73	-1,0	-0,2
Silver	16,66	-3,3	-1,1
Wheat	1 253,73	-1,0	-0,2

Economic calendar

		Currency	Forecast	Previous
10.10	New Loans	CNY	1,230.0B	1,090.0B
11.10	JOLTs Job Openings (Aug)	USD	6,138M	6,170M
11.10	FOMC Meeting Minutes	USD		
12.10	PPI (MoM) (Sep)	USD	0,4%	0,2%
12.10	ECB President Draghi Speaks	EUR		
12.10	Crude Oil Inventories	USD		-6,023M
13.10	Core CPI (MoM) (Sep)	USD	0,2%	0,2%

Note: The calendar contains the economic events of the upcoming week, deemed by KASE as most significant

B – billions
M – millions
K – thousands

Kazakhstan statistics

	Value	As of	Beginning year
Annual inflation	7,1 %	01.10.17	8,5 %
Gross international reserves of NBK, USD bn	32 946	01.09.17	29 530
Reserve money, KZT bn	5 342,9	01.09.17	5 162,2
Money supply, KZT bn	19 471,9	01.09.17	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	21.04.17	BBB stable

CONTACT INFORMATION



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

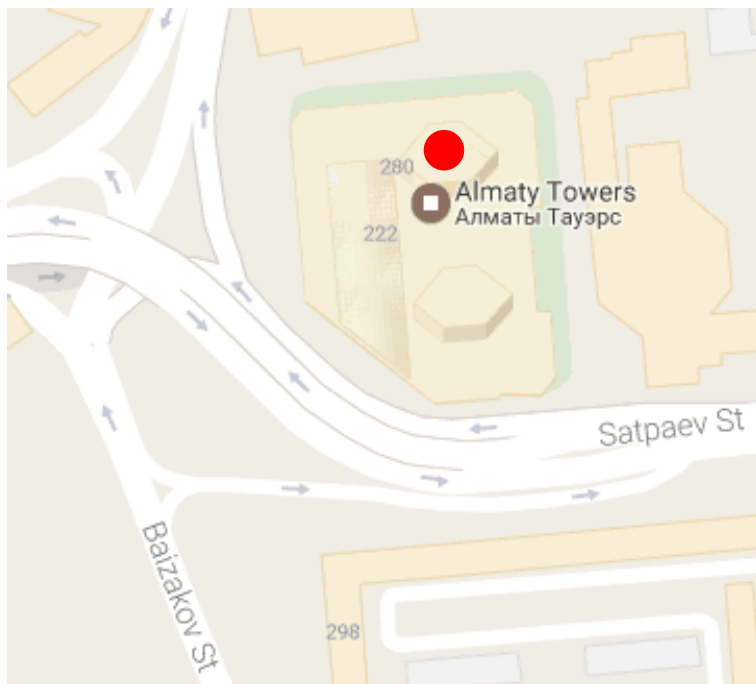
Tel.: 8 (727) 237 53 00



Corporate website



Contact us



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