

# KASE WEEKLY

09-13 October,  
2017

## KASE NEWS

- ▲ KASE signed a memorandum of mutual cooperation with Entrepreneurship Development Fund Damu. KASE and Fund "Damu" plan conducting a set of measures aimed at stimulating local companies to go public. Also, measures are planned to encourage companies to use stock market instruments in cash flows management.
- ▲ We remind you KASE will conduct a competition among retail investors on the equity market from November 1 to December 8, 2017. The event is aimed at popularization of exchange-based trade in shares in Kazakhstan. Individuals who are clients of brokers operating on KASE are admitted to the competition. Winners of the competition will be three participants who will earn the maximum yield based on results of transactions in shares during the period of the competition. The winners will be awarded with valuable prizes. Details of the competition are available on KASE website

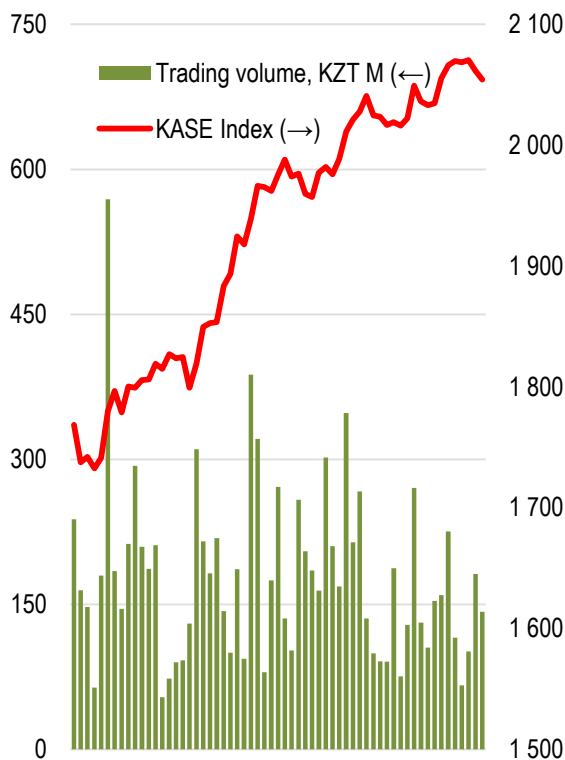
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Ferro-Alloy Resources Limited [reported](#) on the decision of the Board of Directors of October 3 to issue 4 592 ordinary shares at a price of \$ 0.01.
- ▲ Bank CenterCredit JSC [announced](#) the closure of its representative office in Ukraine.
- ▲ On October 9, JSC "Qazaq Banki" [informed](#) about taking a decision on the bank's participation in the Program of increasing the financial stability of the banking sector of the Republic of Kazakhstan.
- ▲ On October 10, the Eurasian Development Bank [attracted](#) KZT20.0 bn, placing three-year bonds with a yield to maturity of 9.40% per annum and a maturity of 3 years.
- ▲ JSC "Fund for Financial Support of Agriculture" [reported](#) on the issuance of more than 10 thousand loans for 39 billion tenge within the microcredit of rural entrepreneurship for 9 months of this year.
- ▲ On October 11, Eurasian Bank JSC [announced](#) the approval of the National Bank of the Bank's participation in the Program for Enhancing the Financial Strength of the Banking Sector of the Republic of Kazakhstan.
- ▲ On October 12, Bank RBK JSC [informed](#) of the refusal of the transaction to merge with JSC Qazaq Banki.
- ▲ On October 13, JSC Nurbank [informed](#) about the decision to participate in the program of increasing the financial stability of the banking sector of the Republic of Kazakhstan.

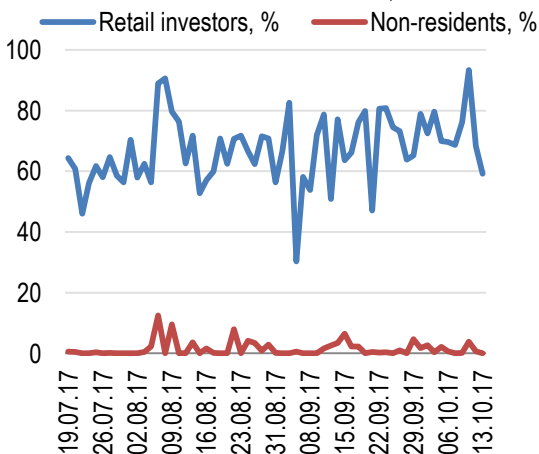
KASE fell 0.57 % to 2,054.38 points over last week.

Kcell shares fell the most over last week: by 4,8 % to KZT1,818. The stocks have been decreasing after the September rally brought about by rumors about possible acquisition of the company by the Turkish telecommunications giant Turkcell from the current owner – TeliaSonera. On October 19, 2017 the company is expected to release a report on 9M 2017 performance.

### KASE Index shares



### Retail investors & non-residents, %



13.10.2017

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	2 054,4	-0,6	4,0
<b>First class of liquidity</b>	<b>Price, KZT</b>		
<b>Kazakhtelecom</b>	19 800,0	6,5	2,3
Kazakhtelecom (pref.)	7 500,0	2,7	2,6
KazMunayGas EP (pref.)	7 503,0	2,0	1,6
<b>Halyk Bank</b>	79,9	1,6	-4,0
<b>KazTransOil</b>	1 332,0	1,5	7,9
BAST	56 800,0	1,1	-0,5
Sberbank (Russia)	1 152,8	0,5	3,7
<b>CenterCredit Bank</b>	157,8	0,1	1,8
Bank of Astana	1 157,0	-0,3	0,5
Gazprom (Russia)	730,0	-0,4	0,4
<b>KazMunayGas EP</b>	20 200,0	-0,5	-1,9
<b>KEGOC</b>	1 402,0	-0,9	2,9
Aktobe Metalware Plant	12 238,6	-1,0	-6,5
QAZKOM (pref.)	113,3	-1,5	22,2
QAZKOM	150,0	-3,8	-1,5
<b>KAZ Minerals</b>	3 704,0	-4,3	5,2
Aeroflot (Russia)	1 051,0	-4,6	-10,9
<b>Kcell</b>	1 818,0	-4,8	14,3
Bank of America	8 445,0	-5,1	4,4

Kazakhtelecom stocks were in the lead last week, with their value growing by 6.5% to KZT19,800.01 per share. On October 12, 2017 Kazakhtelecom prematurely bought back 12 mln of its USD-indexed bonds to a total amount of KZT30 bn. The 10-year bonds were issued in 2009. With the face value of KZT1,000 the bonds were bought back at a dirty price of KZT2,482.3656 per bond.

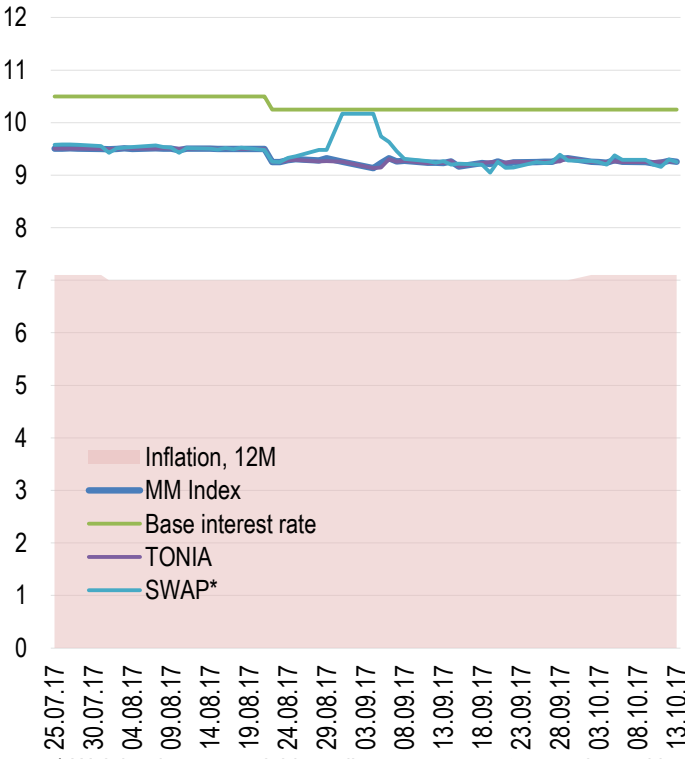
On October 13 a repeated special trading session was held on KASE, with government mid-term treasury bonds on offer, whereas Kazakhstan's Ministry of Finance raised KZT37.5 bn at face value with a yield to maturity of 8.99% per annum. The current maturity is 1,440 days (4 years).



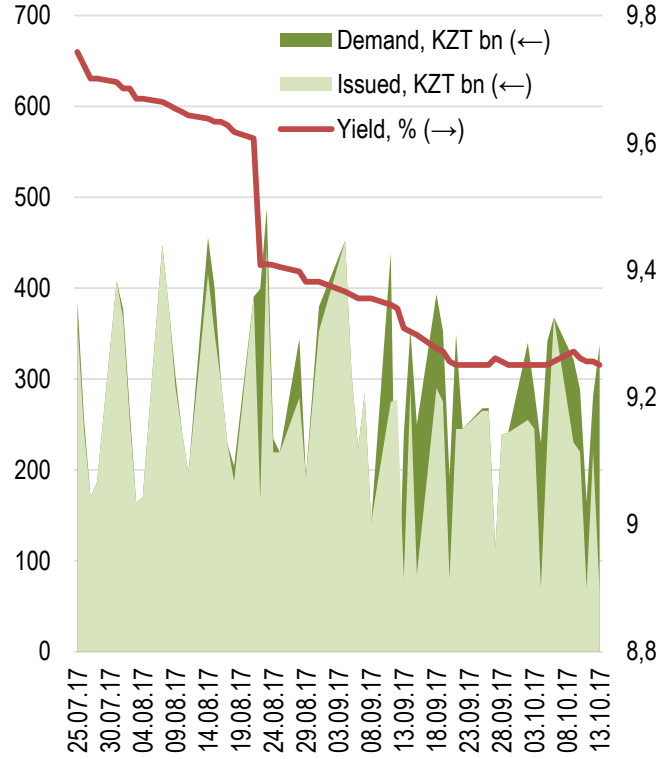
The money market yield decreased on the whole, due to rates on currency swap transactions lowering by 11 b.p. to 9.27 % APR, which seems logical after a strengthening of the tenge. The yield in the repo segment didn't change from 9.25 %. Thus, the spread of the costs of raising liquidity under the US dollar and securities decreased to 2 b.p.

The National Bank continued to drain the surplus liquidity from the market having sold 7-day, 28-day and 364-day notes. The weighted average yield on 7-day notes made up 9.26 % per annum. The offering volume amounted to KZT805.0 bn. On 28-day notes the rate reached 9.29 % per annum. The offering volume amounted to KZT142.4 bn. The rate on 364-day notes was 8.89 % per annum with an offering volume totaling KZT33.8 bn.

**Inflation and interest rates**

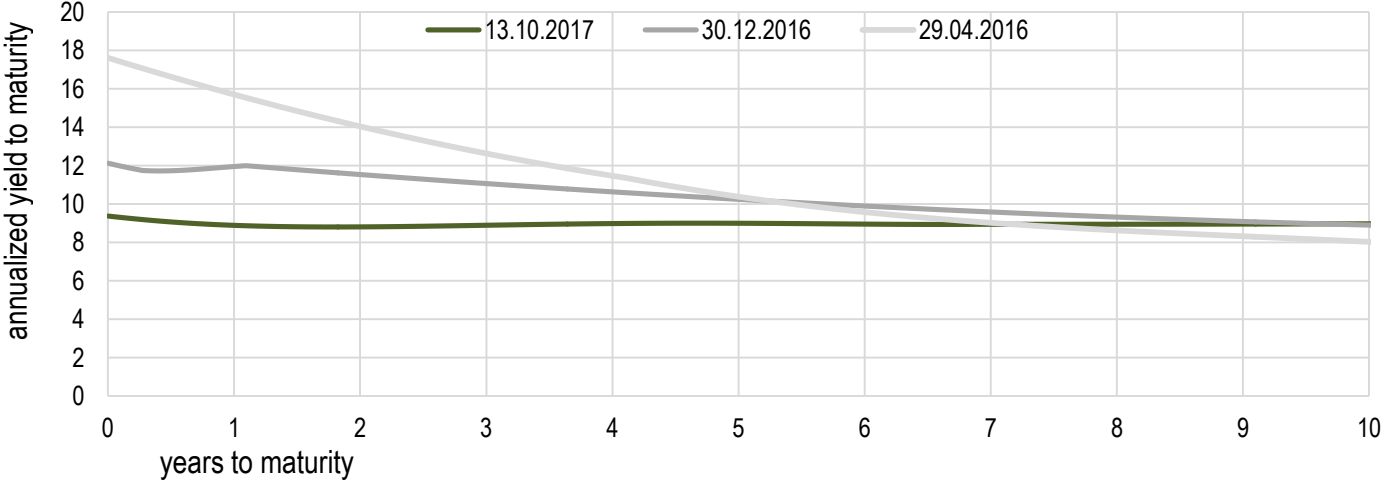


**Issuance of weekly NBK notes**



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

**Risk-free yield curve (non-indexed GS)**

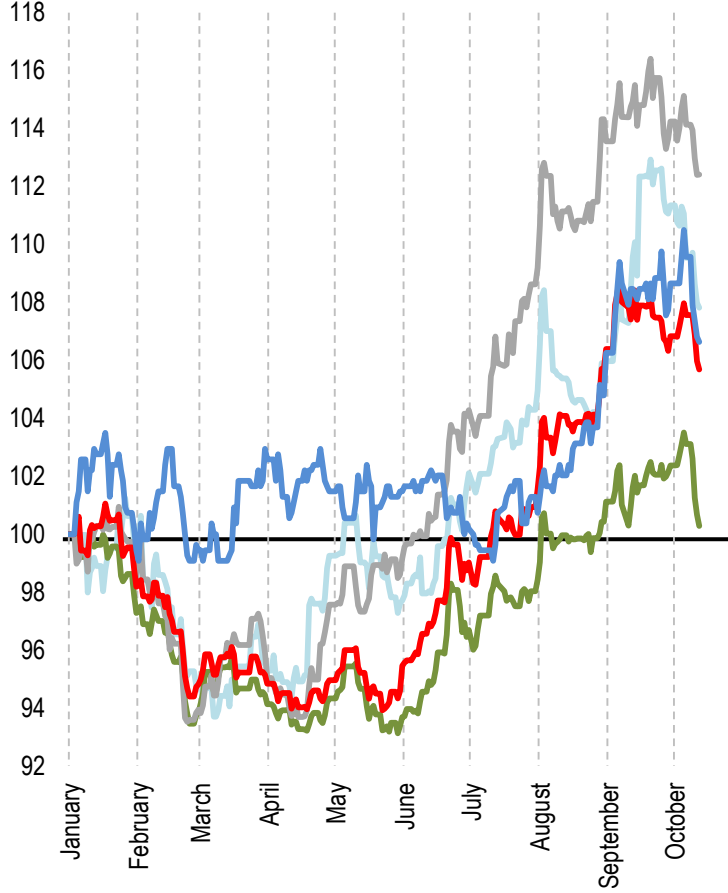




The dollar exchange rate decreased by 2,83 %, or KZT9.45, to KZT334.21 over last week. The ruble exchange rate fell 2.74%, or KZT0.1588 to KZT5.8014. The tenge maintained verbal interventions of the National Bank which last Tuesday announced possible conversion of KZT1bn from the National Fund on the open market, as well the fixing of the Single Accumulative Pension Fund's profit from arbitrage which is caused by reaching the target figure regarding the share of foreign assets in the Fund's portfolio.

**FX rates**

Δ %, base (01.01.17)

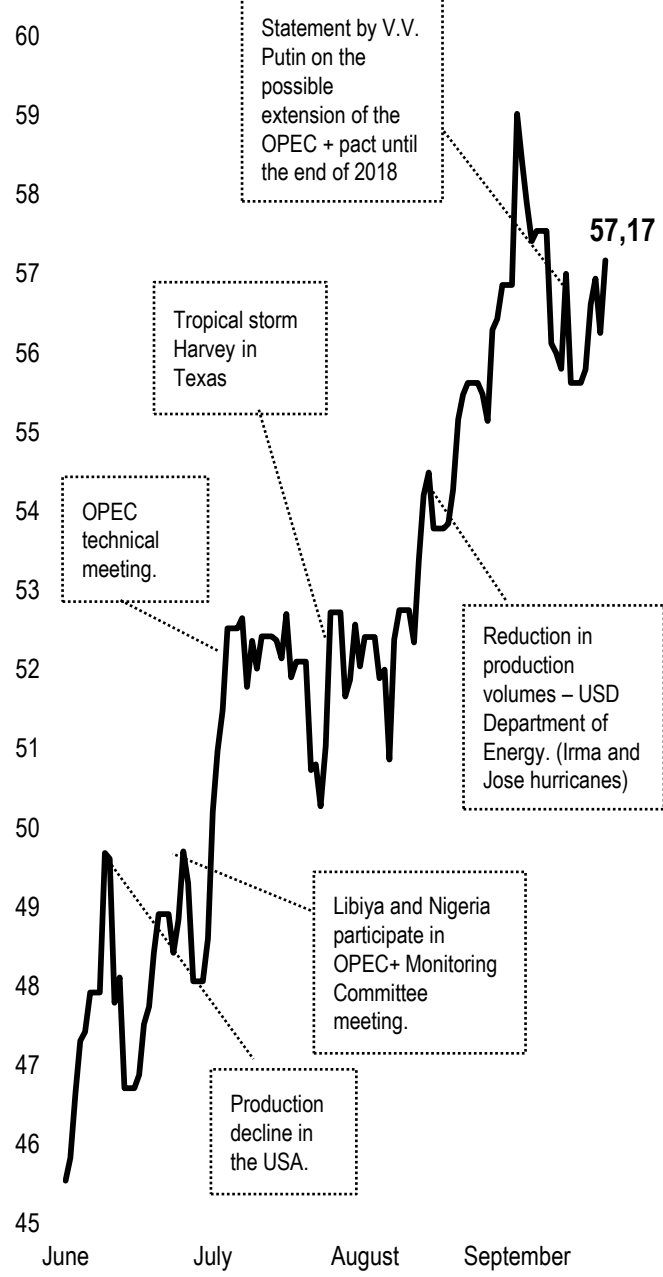


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	441,81	-2,9	-1,6	+7,8
— USDKZT	334,25	-3,1	-1,3	+0,3
— EURKZT	396,15	-2,4	-2,2	+12,4
— CNYKZT	50,75	-2,1	-2,1	+5,7
— RUBKZT	5,79	-3,5	-1,7	+6,6







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	2 553,17	0,2	2,2	19,7	0,3
Dow Jones	22 871,72	0,4	3,2	26,4	0,6
 RTS	1 156,64	2,0	3,4	17,1	1,9
MICEX	2 098,77	0,2	2,2	6,2	1,9
 Hang Seng	28 476,43	0,1	2,1	23,6	0,1
SS CSI 300	3 921,00	2,2	2,0	18,7	2,2
 Euro Stoxx 50	3 604,55	0,0	2,3	21,2	0,2
FTSEuroFirst	4 318,00	0,8	2,3	15,6	0,5
 FTSE 100	7 535,44	0,2	2,1	8,0	0,5
 KASE	2 054,38	-0,6	4,0	67,8	0,0

## Commodities market

13.10.2017

Name	Price	Trend	
		7d	1m
Oil	57,17	2,8	3,6
	51,45	4,4	4,4
Natural gas	3,00	4,8	-1,9
Copper	313,35	3,4	5,8
Iron	465,00	-1,9	-19,4
Gold	1 303,82	2,1	-1,4
Silver	17,41	3,7	-2,0
Wheat	439,50	-0,9	4,5

## Economic calendar

		Currency	Forecast	Previous
17.10	CPI (YoY) (Sep)	EUR	1,5%	1,5%
18.10	ECB President Draghi Speaks	EUR		
18.10	Building Permits (Sep)	USD	1,250M	1,272M
18.10	Crude Oil Inventories	USD	-1,991M	-2,747M
19.10	GDP (YoY) (Q3)	CNY	6,8%	6,9%
19.10	Industrial Production (YoY) (Sep)	CNY	6,2%	6,0%
20.10	Existing Home Sales (Sep)	USD	5,30M	5,35M

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	32 548	01.10.17	29 530
Reserve money, KZT bn	6 068,0	01.10.17	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

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