

KASE WEEKLY

24–28 July, 2017

KASE NEWS

- ▲ A special trading session for the selling of Caspi neft shares was conducted on July 26 on KASE. 10 thousand ordinary shares were sold, with a total volume of KZT110.8 bn. KASE lists of shares were extended by two new instruments: ordinary shares of the Rating Agency of the Regional Financial Center of Almaty, as well as ordinary shares of Life Insurance Company "Standard Life".
- ▲ Units of IUIT "CenterCredit - Valyutniy" managed by BCC Invest were in KASE mixed market's sector "Securities of investment funds" as of July 24. Opening of trading in those units on KASE will be announced later. The custodian of IUIT "CenterCredit - Valyutniy" is Subsidiary Bank Sberbank of Russia (Almaty).

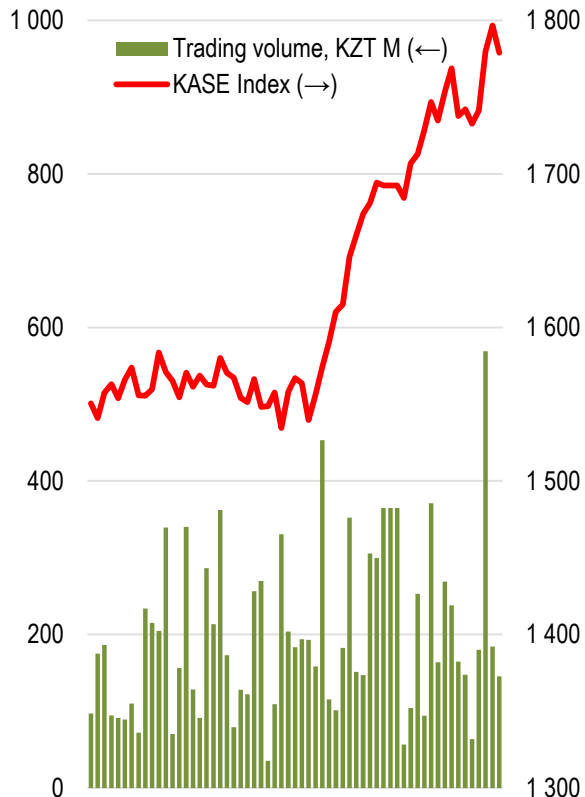
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ BAST announced a two-fold increase in capacities. The copper-nickel field Maksut saw the launch of a renewed enrichment plant. The company also announced Q2 performance indicators. Despite the net loss in the first half-year, investors welcomed the news on the new enrichment facility, with the share's value growing 8.7 % to KZT49,670 over the week.
- ▲ The subscription to ordinary shares of Ferro-Alloy Resources Limited failed. The volume and distributing of orders turned out to be insufficient to ensure due liquidity in the secondary market. Due to this fact, the Issuer decided not to execute the orders collected. The issuer will continue discussions with prospective strategic / financial investors with regard to raising funds for its investment program, also it proposes a listing of its shares on the London Stock Exchange (LSE) by the end of this year. A parallel offering of shares will be conducted both on KASE and LSE in accordance with Kazakhstan's laws, and such double listing is supposed to ensure far more liquidity for the Issuer's shares.
- ▲ A special trading session for offering of bonds of Astana's local executive body is scheduled for August 2 on KASE. The current maturity of the bonds is around 680 days, or 1.9 years. Their coupon rate is 9.2 % p.a., with coupons to be paid twice a year – on December 23 and June 23. A special trading session for offering of the 89th issue MEOKAM-36 is scheduled for August 7 on KASE. The bonds started circulating on 10.04.17, maturity – around 2.7 years (963 days). Coupon rate – 9.1 % p.a. coupon are paid twice e year. Currently, there are 10.2 mln bonds outstanding.

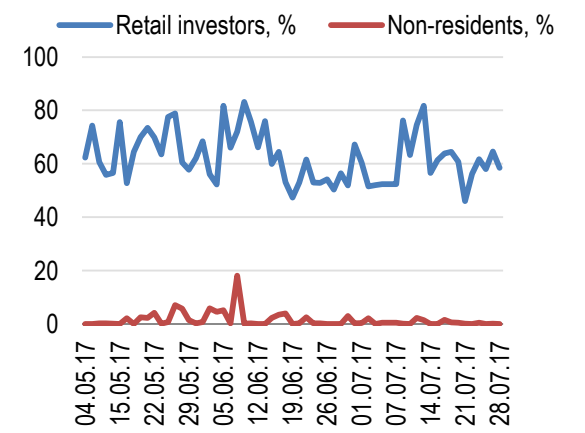
KASE Index grew 2.1 % reaching 1,778.9 points over the week.

KAZ Minerals shares grew most, getting notably closer to their 6-year maximum. This week's maximum was recorded at KZT 2,935, whereas the 6-year high is KZT 3,200.

KASE Index shares



Retail investors & non-residents, %



28.07.2017

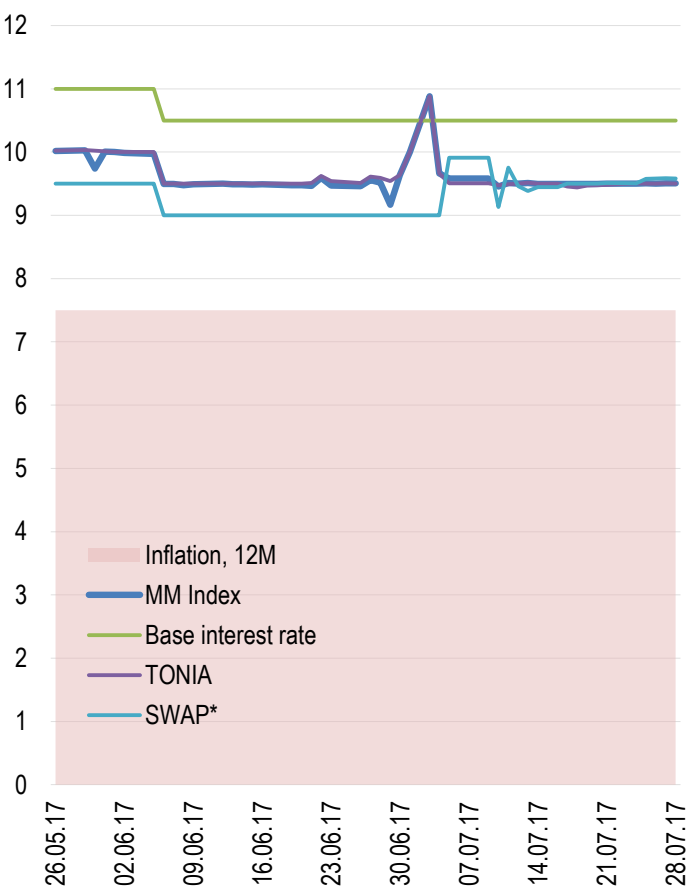
		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	1 778,9	2,1	10,2
First class of liquidity	Price, KZT		
KAZ Minerals	2 901,0	10,0	45,8
QAZKOM (pref.)	72,1	3,8	20,2
Kcell	1 320,0	1,9	4,8
KazTransOil	1 205,2	1,7	4,5
KEGOC	1 347,0	1,0	1,7
Bank of America	7 923,0	0,9	4,5
KazMunayGas EP	19 150,0	0,8	5,8
KazMunayGas EP (pref.)	7 130,0	0,4	5,2
Kazakhtelecom (pref.)	6 906,2	0,0	8,8
Halyk Bank	78,5	0,0	7,6
Estate Management Company (pref.)	84 975,0	0,0	0,0
QAZKOM	138,5	0,0	184,4
Sberbank (Russia)	899,2	-0,1	12,7
Bank of Astana	1 163,0	-0,2	-88,4
CenterCredit Bank	160,0	-1,6	1,9
Aktobe Metalware Plant	13 878,7	-1,9	-0,6
Kazakhtelecom	16 351,1	-2,7	-0,8
Aeroflot (Russia)	1 139,7	-3,0	8,5
Gazprom (Russia)	652,0	-3,7	-0,9

The company's shares rose more than 40 % over the last month against the background of a fairly sustainable positive trend of copper prices, investors' optimism, as well as release of strong performance indicators. The production volume increased more than twice to 118 thousand tons of copper on the back of increased production volumes at fields Bozshakol and Aktogai. The CEO of KAZ Minerals Group said that the growing performance positive influenced the production costs which was undoubtedly a positive factor. Based on the week's results the share price rose 10.0% to KZT2,901.

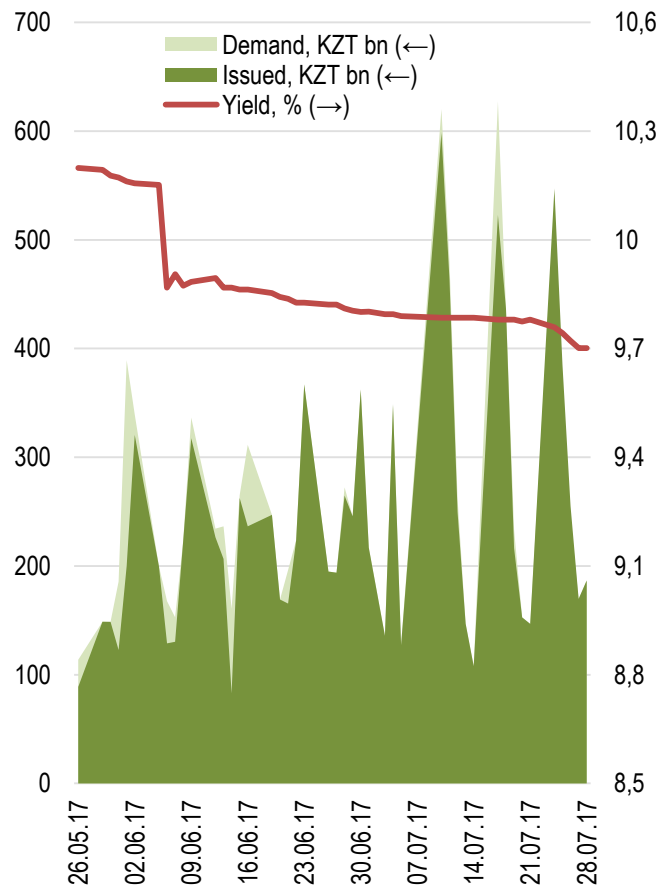
Kazakhtelecom's ordinary shares underperformed last week, with their price decreasing 2.7 % to KZT16.351. Meanwhile, on July 28 the company announced an extraordinary general meeting of shareholders scheduled for September 22 this year. The sole issue on the meeting agenda is approval of Threshold and target values of financial stability ratios for the company on the consolidated basis for 2017-2019.

Over the week the money market rates were close to the lower limit of the interest rate's percentage corridor. The yield in the repo segment remained almost unchanged at 9.50% p.a., in the currency swap segment – 9.57 % p.a.

Inflation and interest rates

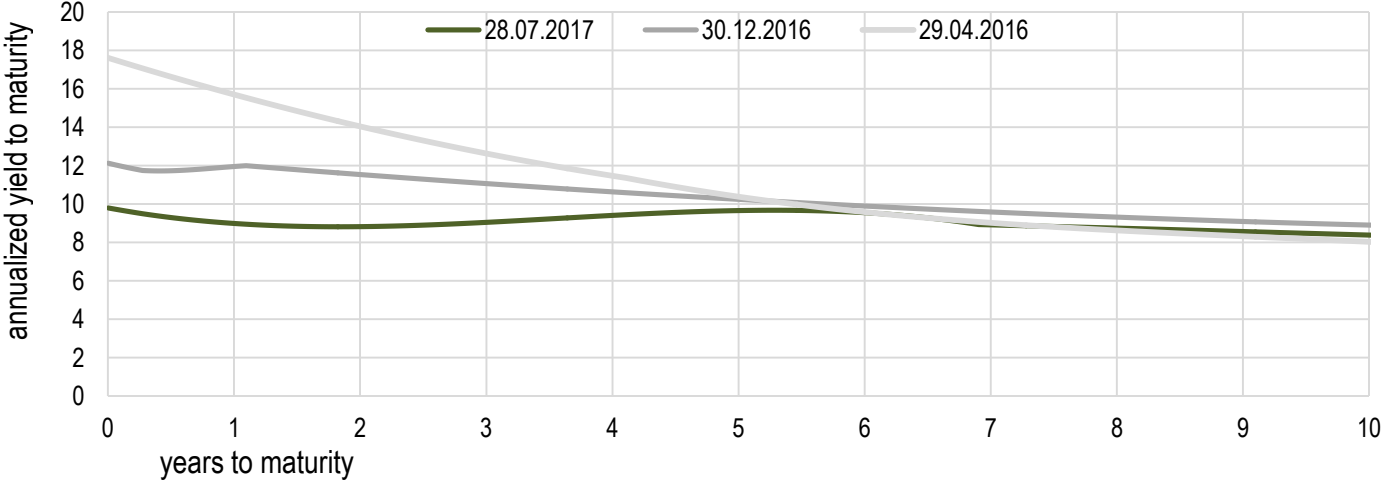


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)



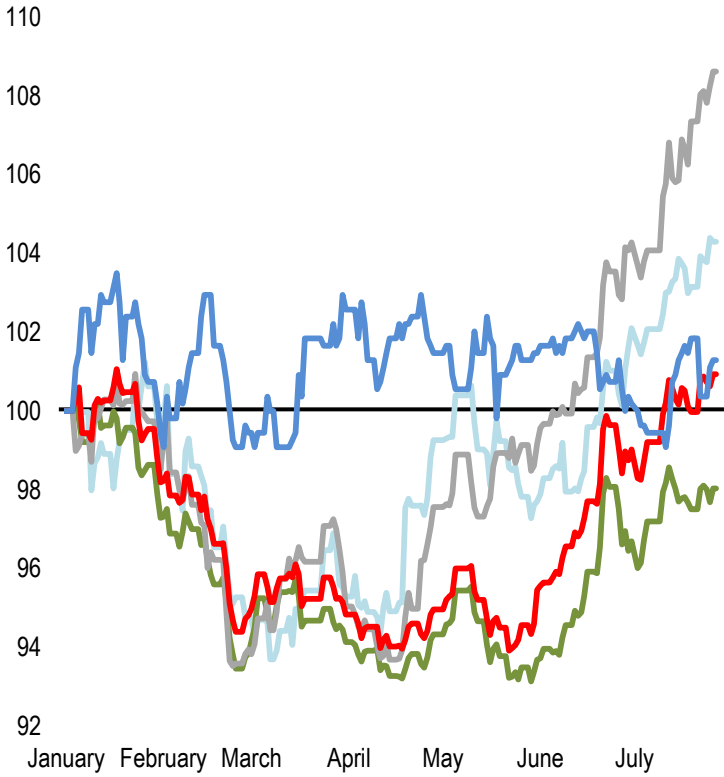


The dollar exchange rate strengthened 0.5 % to KZT326.74 over the week. The tenge weakens following the ruble, in spite of the support from growing oil prices and the expiring tax week. Oil prices showed a strong growth during the entire week – at the beginning of the week in the light of the meeting of the monitoring committee of OPEC+, where they contemplated possible inclusion of Libya and Syria in the agreement. In the mid of the week investors were closely watching the American Petroleum Institute that reported a 10.2 mln barrel-decrease in oil deposits against 3 mln expected. Investors are now eagerly looking for the Reuters report on OPEC July production volumes which is due at the beginning of next week.

The ruble exchange rate went down 0.5 % to KZT5.4987 on KASE over the last week. The ruble was under pressure following extending U.S. sanctions. Russia's Central Bank logically kept the interest rate at 9 % p.a. due to the accelerating inflation in Russia.

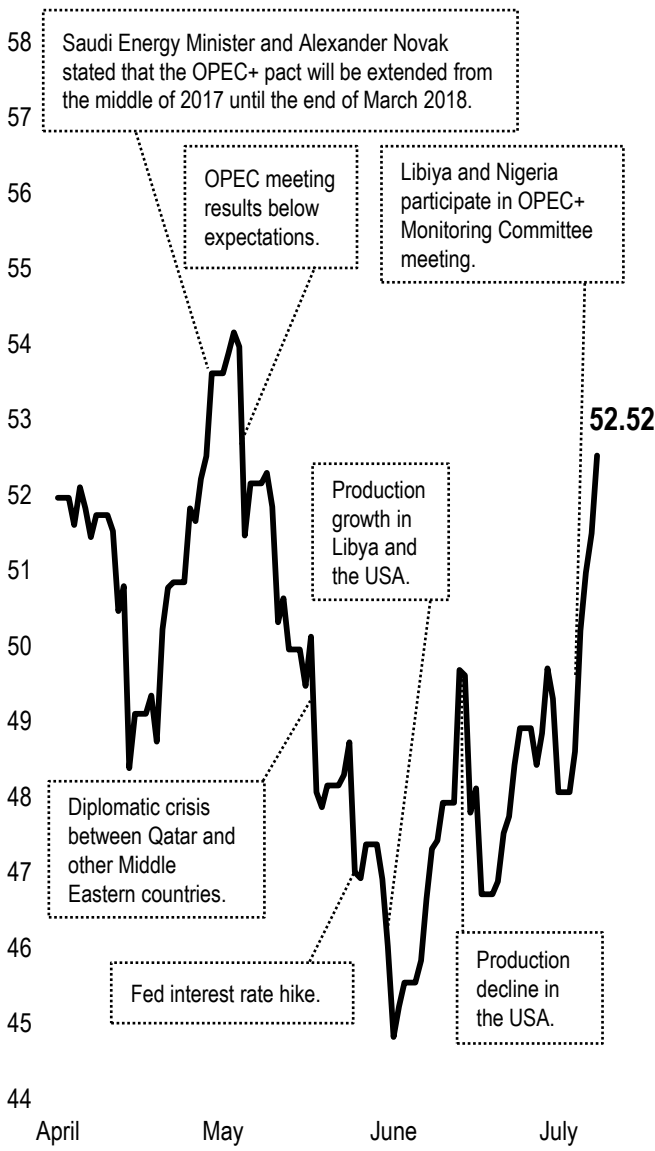
FX rates

Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	422.02	-0.3	+3.3	+3.0
— USDKZT	325.56	-0.6	+1.2	-2.3
— EURKZT	374.46	+0.3	+4.3	+6.3
— CNYKZT	48.08	-0.5	+2.0	+0.1
— RUBKZT	5.51	+0.7	+0.9	+1.5

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
		7d	1m	1y	
S&P 500	2 472,10	0,0	1,3	13,9	0,0
Dow Jones	21 830,31	1,2	1,8	18,3	1,2
RTS	1 014,44	-1,0	1,2	9,9	-1,0
MICEX	1 916,75	-0,4	1,3	-1,9	-1,0
Hang Seng	26 979,39	1,0	5,0	21,7	0,9
SS CSI 300	3 721,89	-0,2	2,1	15,5	-0,3
Euro Stoxx 50	3 467,73	0,5	-1,9	16,9	0,3
FTSEuroFirst	4 173,50	-0,2	-1,9	11,4	-0,1
FTSE 100	7 368,37	-1,1	-0,3	9,6	-1,2
KASE	1 778,93	2,1	10,2	69,4	0,0

Commodities market

28.07.2017

Name	Price	Trend	
		7d	1m
Oil	47,37	-1,6	-9,3
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
31.07	CPI (YoY) (Jul)	EUR	1.3%	1.3%
31.07	Caixin Manufacturing PMI (Jul)	CNY	50.4	50.4
01.08	Manufacturing PMI (Jul)	GBP	54.4	54.3
02.08	Crude Oil Inventories	USD		-7,2M
03.08	BoE Interest Rate Decision (Jul)	GBP	0.25%	0.25%
03.08	BoE MPC Meeting Minutes	GBP		
04.08	CPI (YoY)	USD		4.4%

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	7.5 %	01.07.17	8.5 %
Gross international reserves of NBK, USD bn	30 302	01.07.17	29 530
Reserve money, KZT bn	5 173.9	01.07.17	5 162.2
Money supply, KZT bn	19 690.7	01.07.17	19 912.6

Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- negative	10.03.17	BBB- negative
	Baa3 negative	11.05.17	Baa3 negative
	BBB stable	21.04.17	BBB stable

Kazakhstan Stock Exchange JSC

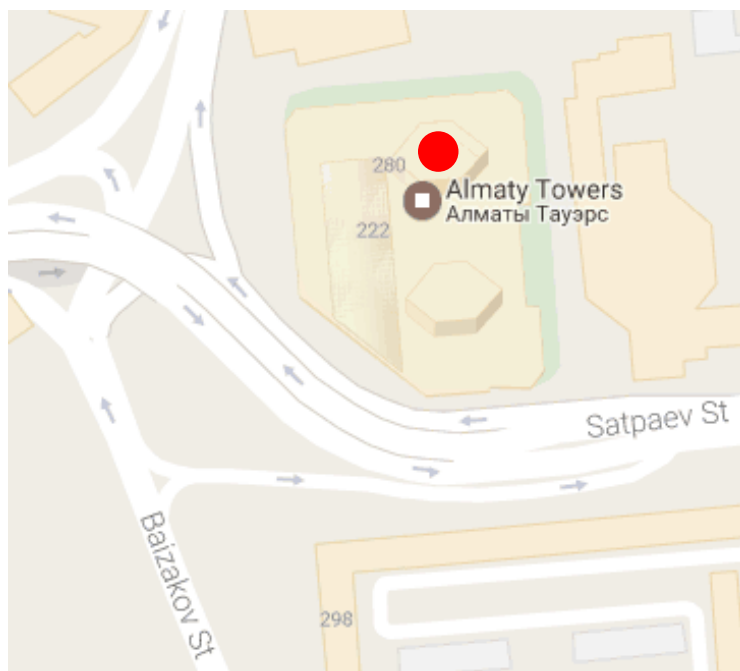


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