

KASE WEEKLY

27 - 30 November,
2017

KASE NEWS

- ▲ On December 13 KASE will [conduct](#) a training program "Stock market essentials" for employees of financial and legal units of businesses.
- ▲ On December 04, 2017 a new version of KASE trading system was [put](#) into operation, which features new formats of KASE's interaction with the Central Securities Depository.
- ▲ KASE [conducts](#) a competition among retail investors on the equity market from November 01 to December 08, 2017. The event is aimed at popularization of exchange-based trade in shares in Kazakhstan. Individuals who are clients of brokers operating at KASE stock market members 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.
- ▲ On November 28 KASE [composed](#) lists of shares of the first, second and third classes of liquidity for December 2017 and January 2018. According to the updated document, the list of the first class liquidity shares was supplemented by stocks of OJSC Bank VTB. Thus, the total number of the first class liquidity shares reached 20.

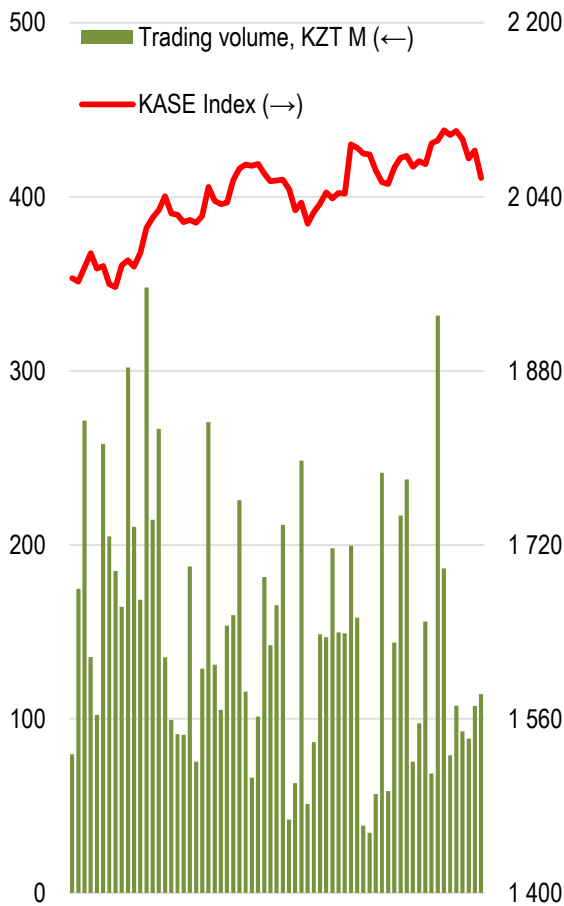
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ KazMunaiGas Exploration Production [announced](#) that Standard & Poor's downgraded the long-term credit rating of the company to "BB-", outlook "Stable".
- ▲ Bank RBK [raised](#) KZT30.0 bn on KASE on November 30, having sold 15-year subordinated bonds with YTM of 4.0079 % p.a. as part of the Program of improvement of the bank sector's financial stability implemented by the National Bank of Republic of Kazakhstan.
- ▲ Kcell [announced](#) its sole shareholder's decision on voluntary liquidation of subsidiary AP-Telecom LLP.
- ▲ Development Bank of Kazakhstan, a national development institute of the Republic of Kazakhstan, to 100% owned by the state, authorized Citi, Halyk Finance and J.P. Morgan as Joint Book-runners to [arrange](#) a series of meetings with investors in Kazakhstan and Europe, beginning from December 4, 2017. Depending on the market conditions, an issue of senior unsecured KZT-Eurobonds may follow, with all associated payments in US dollars, with an expected circulation term of 3 to 5 years, being offered in compliance with Regulation S.



KASE Index fell by more than 2.06% to 2,057.28 over the week. Thus, the index retreated from 9-year maximums, fully reversing the two-week growth. All stocks from the index universe showed a fall.

KASE Index shares



30.11.2017

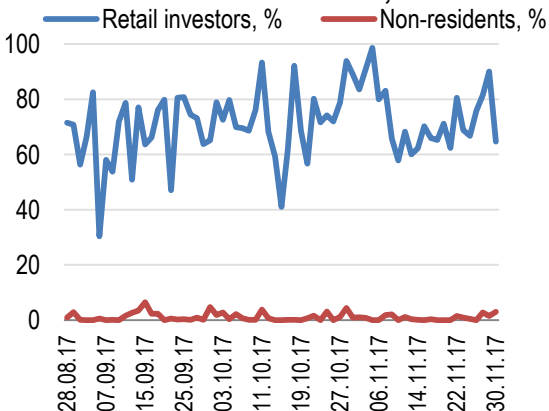
		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 057,3	-2,1	0,7
First class of liquidity	Price, KZT		
Bank of Astana	1 300,0	6,3	5,5
Bank of America	9 271,3	3,8	-1,4
Sberbank (Russia)	1 315,0	1,7	16,5
Kazakhtelecom (pref.)	8 755,0	0,6	6,8
BAST	56 358,0	0,1	-1,4
QAZKOM	140,0	0,0	-16,2
Aktobe Metalware Plant	12 220,7	-0,2	-0,8
Halyk Bank	81,6	-0,3	5,3
KEGOC	1 363,4	-0,8	-4,8
CenterCredit Bank	198,1	-0,9	21,9
KazTransOil	1 327,0	-1,0	0,5
Kazakhtelecom	20 300,0	-1,5	2,2
Aeroflot (Russia)	903,4	-1,7	-14,3
Gazprom (Russia)	747,0	-1,8	1,1
Kcell	1 721,8	-2,1	-5,2
KazMunayGas EP	22 470,0	-3,0	10,2
QAZKOM (pref.)	93,0	-4,1	-11,1
KAZ Minerals	3 430,0	-5,4	-4,8
KazMunayGas EP (pref.)	10 664,0	-10,4	42,2

Kaz Minerals stocks repeated copper prices' downward trend and turned out to be outsiders. The December copper futures' price went down by 3.5% to USD 6,737.5/ton in 3 days of this week, and the company's stocks decreased by 5.4% to KZT 3,430.00 over the past business days.

Stocks of KazMunaiGas Exploration Production were ignoring the news about the downgraded issuer creditworthiness rating from S&P the entire week, and only of Friday the stocks dropped significantly. Equities of the oil company lost 3.0% decreasing to KZT 22,470.00.

The Ministry of Finance raised KZT 25.3 bn on KASE this week, offering three bond issues at 8.9%.

Retail investors & non-residents, %

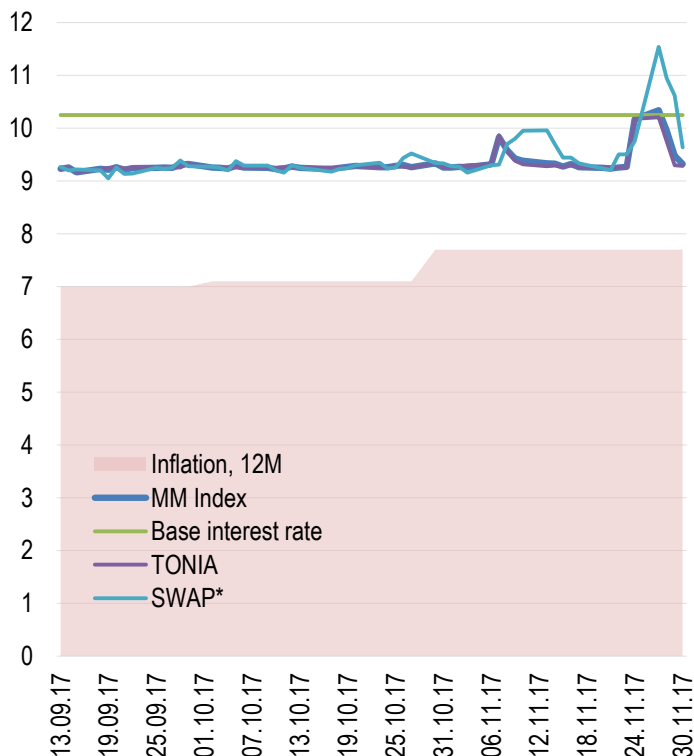




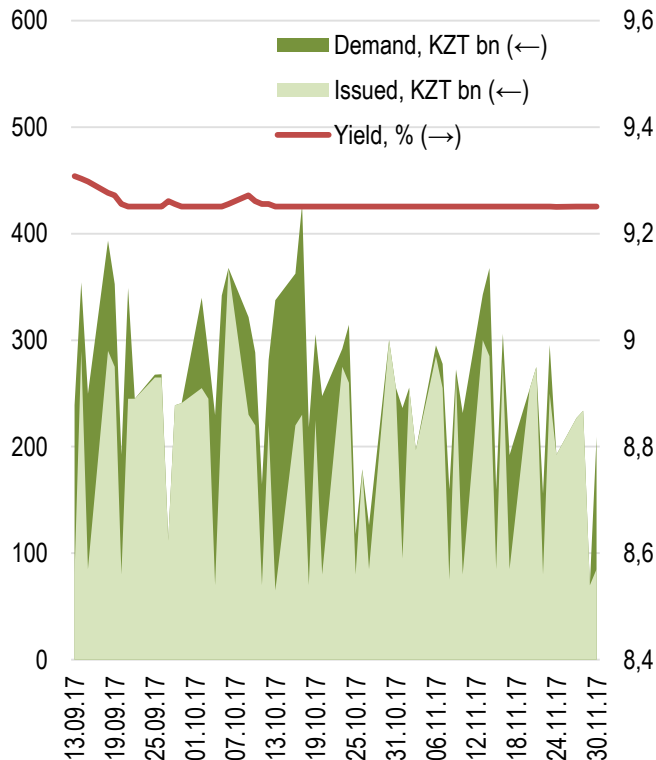
Over the week the yield on currency swaps went down by 59 b.p. to 9.58% p.a. In the repo segment the yield decreased by 89 b.p. to 9.29 % p.a.

The National Bank continued to withdraw the surplus liquidity off the market, having sold 7 notes issue with various maturities over-the-counter during the week. The yield on the 7-day notes remained at 9.25 % p.a. The offering volume reached KZT 615 bn. On 28-day notes the rate was as high as 9.41 % p.a. with the volume of KZT 128.5 bn. On half-year notes the yield reached 9.11 % p.a. The offering amounted to KZT 23 bn. On 12-month notes the rate was at 8.72 % p.a. with the offering volume of KZT 30.0 bn. The total demand exceeded the supply by 16%, whereas the week before this difference was 10%.

Inflation and interest rates

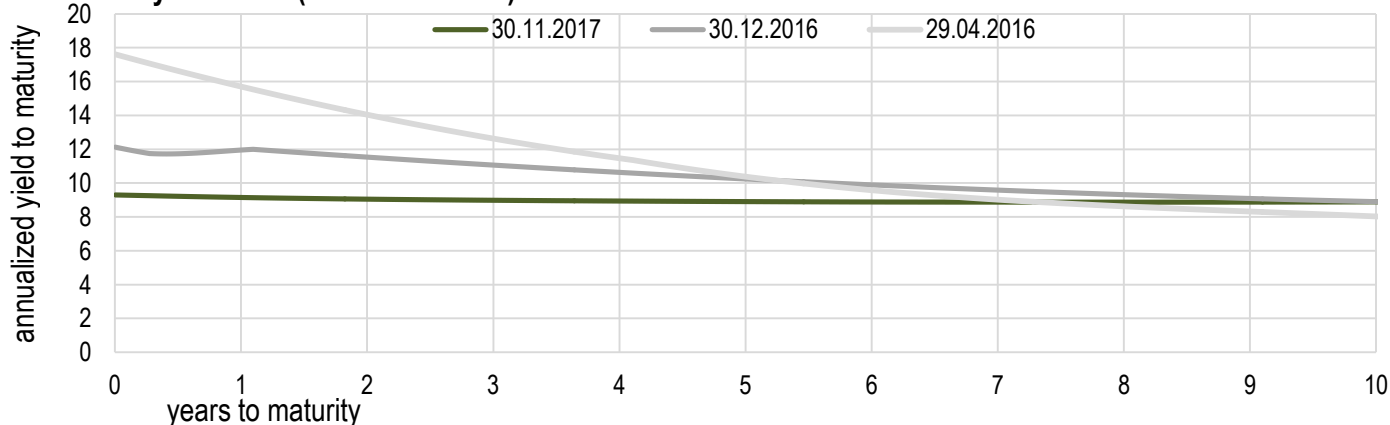


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





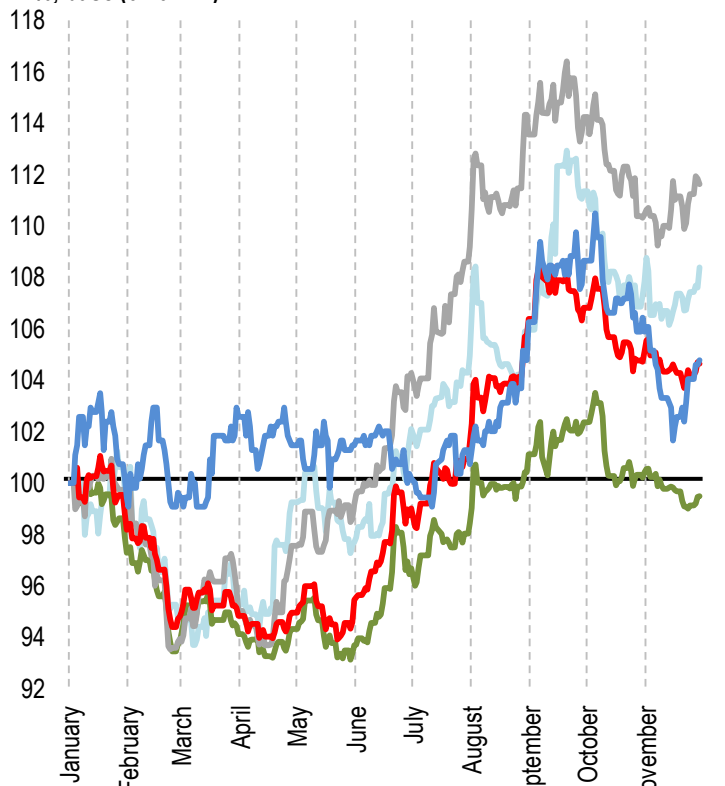
The dollar exchange rate went up over the week – for the first time after a long decline: it grew by 0.25%, or KZT 0.83 to KZT 331.22. The trading amounted to USD 697.7 mln in 4 days, which is 10% less than last week. The tenge weakened against the background of the elapsing tax week, and possible revision of the OPEC+ deal terms.

The ruble strengthened by 3 tiyn against the tenge over the week, however on Friday it declined, since the Russian currency weakened by KZT 0.0089 to KZT 5.6499 over the week. The trading volume decreased by 34% on last week, to RUR 162.6 mln. One of the key events on the market is still the issue of the tax reform in the US. Voting on the draft bill in the Senate is scheduled for November 30, and in case of its approval the dollar may strengthen, and risky assets – weaken.

The European currency increased by KZT 1.12 to KZT 393.20 over the week with the trade volume of EUR 0.5 mln. the yuan exchange rate stopped at KZT 50.08.

FX rates

Δ %, base (01.01.17)

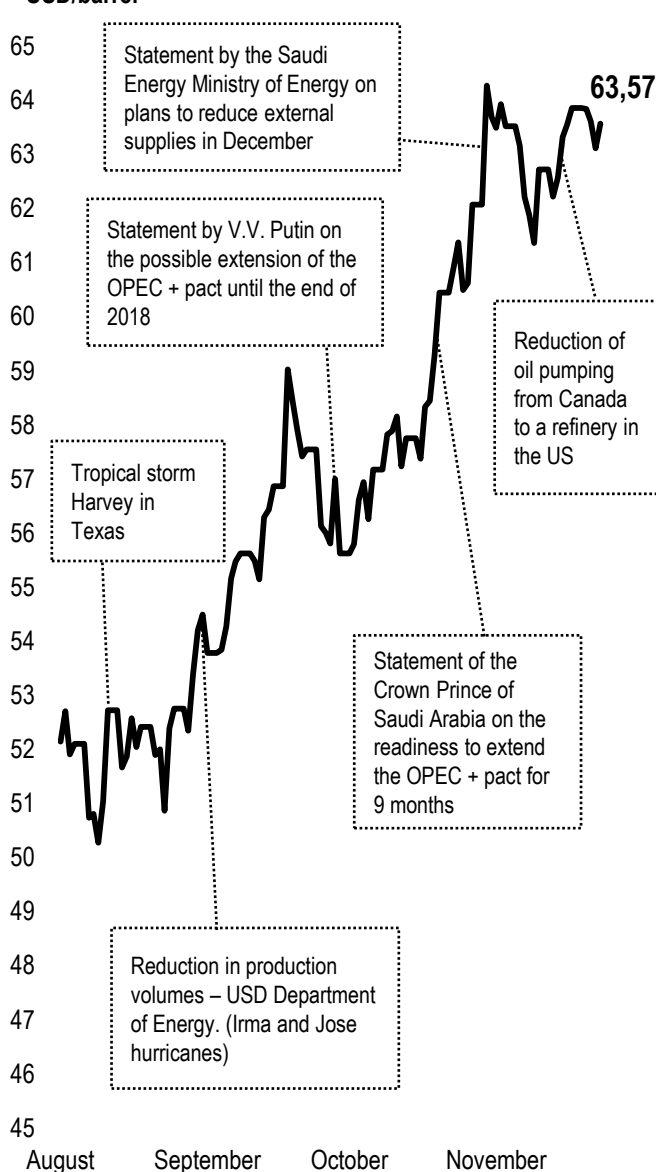


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	444,19	+1,6	+1,0	+8,4
— USDKZT	331,61	+0,4	-0,7	-0,5
— EURKZT	393,42	+1,4	+1,2	+11,6
— CNYKZT	50,25	+0,6	-0,1	+4,6
— RUBKZT	5,69	+1,6	-1,6	+4,8











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	2 647,58	1,7	2,8	20,4	2,1
 Dow Jones	24 272,35	3,0	3,8	26,9	3,4
 RTS	1 131,56	-3,0	1,6	10,0	-2,7
 MICEX	2 100,62	-2,8	1,8	-0,2	-2,7
 Hang Seng	29 177,35	-2,3	3,3	28,0	-1,7
 SS CSI 300	4 006,10	-2,4	0,0	13,2	-3,5
 Euro Stoxx 50	3 569,93	-0,3	-2,8	17,0	0,2
 FTSEuroFirst	4 292,00	0,1	-1,8	11,8	-0,2
 FTSE 100	7 326,67	-1,1	-2,2	8,0	-1,1
 KASE	2 057,28	-2,1	0,7	54,9	0,0

Commodities market

30.11.2017

Name	Price	Trend %	
		7d	1m
Oil	63,57	-0,5	3,6
	57,40	-2,6	5,6
Natural gas	3,03	7,5	4,5
Copper	303,70	-4,2	-2,1
Iron	521,00	4,7	18,0
Gold	1 275,01	-1,0	0,3
Silver	16,38	-3,6	-1,9
Wheat	409,25	-1,6	-2,2

Economic calendar

	Currency	Forecast	Previous
05.12 ISM Non-Manufacturing PMI (Nov)	USD	59,1	60,1
06.12 ADP Nonfarm Employment Change (Nov)	USD	190K	235K
06.12 Crude Oil Inventories	USD		-3,429M
07.12 ECB President Draghi Speaks	EUR		
08.12 Nonfarm Payrolls (Nov)	USD	200K	261K
08.12 Unemployment Rate (Nov)	USD	4,1%	4,1%
08.12 CFTC RUB speculative positions	RUB		

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	7,7 %	01.11.17	8,5 %
Gross international reserves of NBK, USD bn	31 844	01.11.17	29 530
Reserve money, KZT bn	5 690,8	01.11.17	5 162,2
Money supply, KZT bn	19 825,6	01.11.17	19 912,6

Kazakhstan credit ratings

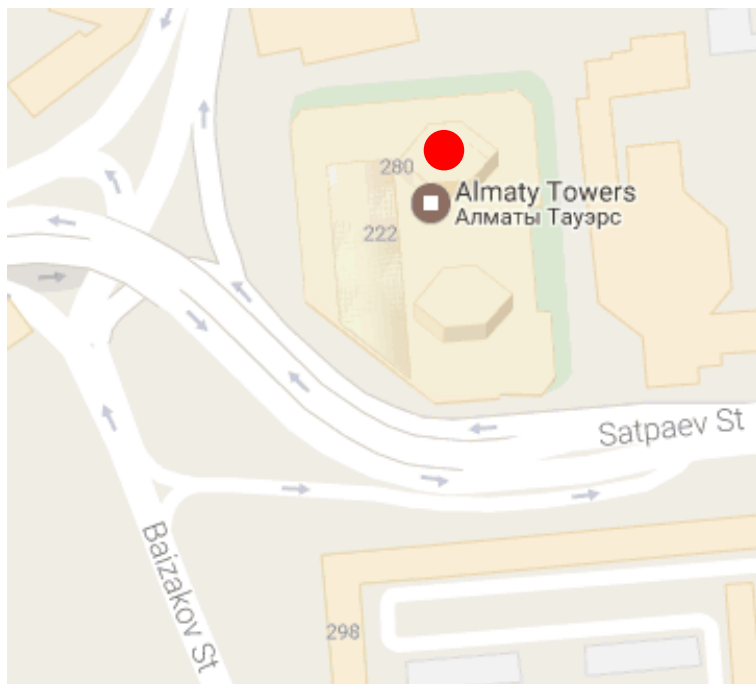
	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	BBB stable

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