

KASE WEEKLY

13 – 17 August,
2018

KASE NEWS

- ▲ From August 3, 2018, amendments were [made](#) to the Methodology for Calculating the Yield of Bonds and Amounts of Transactions with Bonds and the Instruction on the Procedure for Encoding Members of Kazakhstan Stock Exchange and their accounts, financial instruments and securities issuers.
- ▲ KASE [fixed](#) the values of limits and concentration rates for shares traded on the stock market under the T + 2 scheme and discount rates on the repo market for the period from August 15 to September 15, 2018.

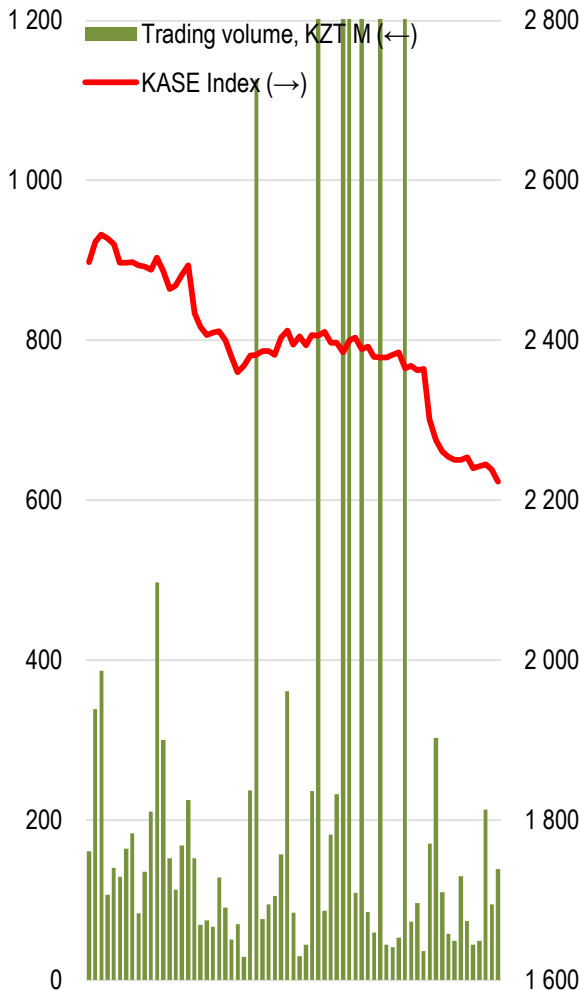
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ August 13, the Ministry of Finance [raised](#) KZT51.1 bn, selling 13 –year summer bonds at 8.44% per annum. As a result of the auction, 3 applications were approved. The tenor 12.7 years.
- ▲ Administrations of four regions of Kazakhstan, namely, [Aktobe](#), [Pavlodar](#), [West Kazakhstan](#) and [North Kazakhstan](#) regions, raised total of KZT4.3 bn on KASE. By the results of the week, successfully placing 2-year bonds in the part of the state program for construction of new housing.
- ▲ KazAgro National Management Holding [announced](#) buyout of international bonds (KZAGe2) for the amount of EUR420.4 mln.
- ▲ Bank CenterCredit [raised](#) KZT3.1 bn on KASE on August 14, placing seven-year bonds (CCBNb26) at 12.00%.
- ▲ Faeton Company [raised](#) KZT603.9 mln on KASE on August 15, placing seven-year bonds (FATNb2) at 11.00%.
- ▲ KazMunaiGas Exploration Production [announced](#) the program of redemption of its preferred shares (RDGZp) at KASE.
- ▲ Subsidiary organization Bank VTB (Kazakhstan) [informed](#) about decision of the Board of Directors on placement of 260,000 ordinary shares of the bank, taking into account the right of the pre-emptive purchase by the shareholder of the bank.
- ▲ Issuer for international bonds (BTASe16) of Kazkommertsbank has been [replaced](#) and trades have been resumed in the trading system and databases of KASE Since August 16, 2018.
- ▲ Kaspi Bank [announced](#) that Standard & Poor's upgraded the rating of the bank on the national scale from "kzA-" to "kzA", outlook was revised from "Negative" to "Stable".
- ▲ Additional agreements on international bonds (BTASe16) of Halyk Savings Bank of Kazakhstan have been [published](#) in English.
- ▲ KAZ Minerals PLC (United Kingdom) [provided](#) a production report for the first half of the year and the second quarter of 2018.



KASE Index on the basis of trading week decreased by 1.35% and reached the mark 2,223.37 points. Four out of the seven denominations of shares included in the index, closed in loss.

KASE Index shares



17.08.2018

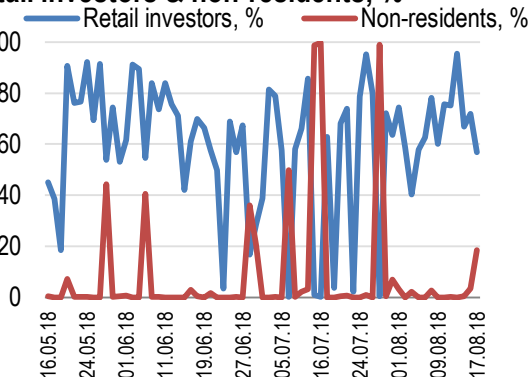
		Trends (%)	
KASE Index	2 223,4	-1,3	-6,9
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
KazMunayGas EP (pref.)	12 670,0	17,3	24,8
KEGOC	1 460,2	3,7	2,2
Kazakhtelecom	32 198,7	2,2	-3,9
Kcell	1 640,0	0,7	1,2
Aeroflot (Russia)	588,8	0,7	-12,1
Kazakhtelecom (pref.)	13 300,0	0,0	-5,1
KazTransOil	1 362,0	-0,1	-2,1
Gazprom (Russia)	766,2	-0,7	-0,5
CenterCredit Bank	269,0	-1,4	-4,7
Halyk Bank	98,8	-1,9	-3,5
Bank of America	10 807,5	-2,7	4,8
Sberbank (Russia)	1 020,0	-2,9	-15,8
Bank VTB (Russia)	0,2	-4,2	-14,8
BAST	47 501,1	-5,8	-8,5
KAZ Minerals	2 399,0	-16,2	-37,2

Note: Index stocks are highlighted in green

Leader of the fall were equity instruments KAZ Minerals, which fell by 16.21% to 2,399.00 per share. At the same time, the company suffered most of the losses on Friday after a downgrade of the company by Credit Suisse analysts. The reason for the downgrade was KAZ Minerals' plans to acquire the Baimskaya project. According to analysts, despite the possibility of increasing the long-term value of the company, the project has a number of risks, including political ones. In addition, high investment costs will be required in the next eight years, which will lead to negative free cash flows, increasing the company's net debt every year.

The greatest growth was demonstrated by shares of KEGOC. Equity instruments of the company for the week went up by 3.74% to KZT1,460.21 per share. This week, the company announced confirmation by the rating agency Moody's of the long-term issuer rating at Baa3 with a stable outlook. The company also provided an audit report on the consolidated financial statements for the first half of 2018, in which it reported a 45.6% increase in profits.

Retail investors & non-residents, %

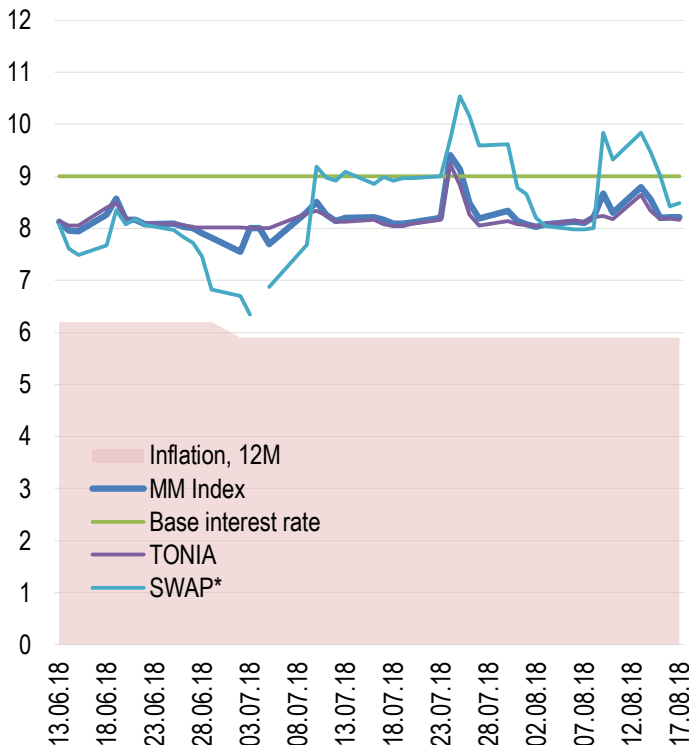




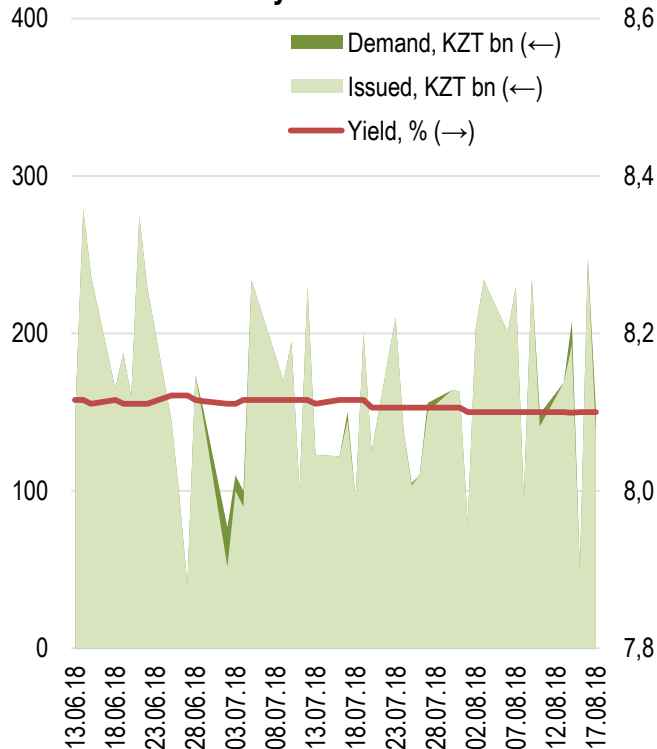
The yield on one-day currency swaps for the week fell by 95 b.p. up to 8.49% per annum. The yield of repo transactions with government securities for a period of one day decreased not so much, minus 1 b.p. and the closing of the week at 8.17% per annum.

The National Bank out of the counter placed seven issues of notes, the total volume of which reached KZT1,071.5 bn. For five issues of weekly notes, the total placement volume was KZT795.1 bn. The yield was at the level of 8.10% per annum. For 28-day notes, the yield reached 8.22% with the volume of placement of KZT196.4 bn. Three-month notes were placed for KZT80.0 bn. with a yield of 8.26% per annum. The aggregate demand for notes exceeded the offer by 3% and reached KZT1,106.5 bn.

Inflation and interest rates

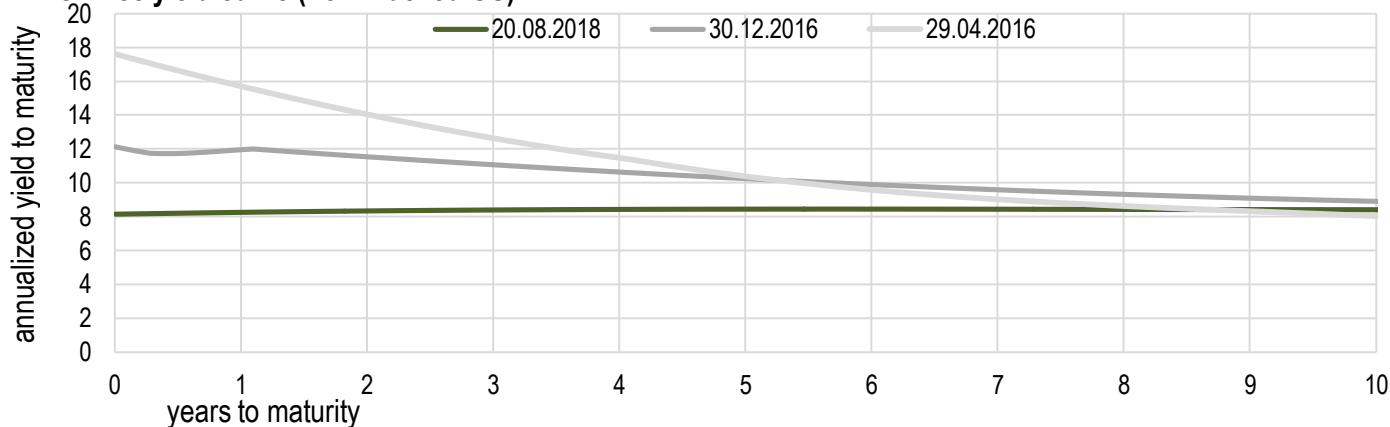


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





The weighted average dollar rate increased by 3 tenge 32 tiyn to KZT360.12, and the total trading volume amounted to USD1.1 bn, decreasing 16% compared to last week.

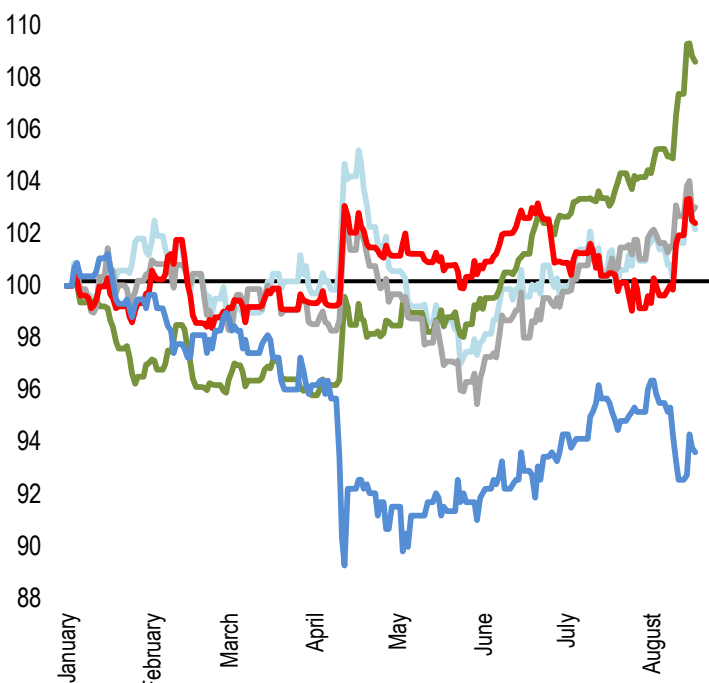
The negative effect of the introduction of new anti-Russian sanctions, announced last week, remained relevant at the beginning of this week. As a result, the rate of the pair dollar / tenge jumped up another by KZT6.42 on Monday. However, in the last three trading days, the tenge recovered a part of the losses. The reason for the descent to the previous levels was the overall positive dynamics of the currencies of developing countries against the background of the stabilization of the Turkish lira and the possibility of settling the disagreement between Washington and Beijing.

The Russian currency went up by KZT0.0411 to KZT5.3850. The total trading volume for the week reached RUB239.5 mln.

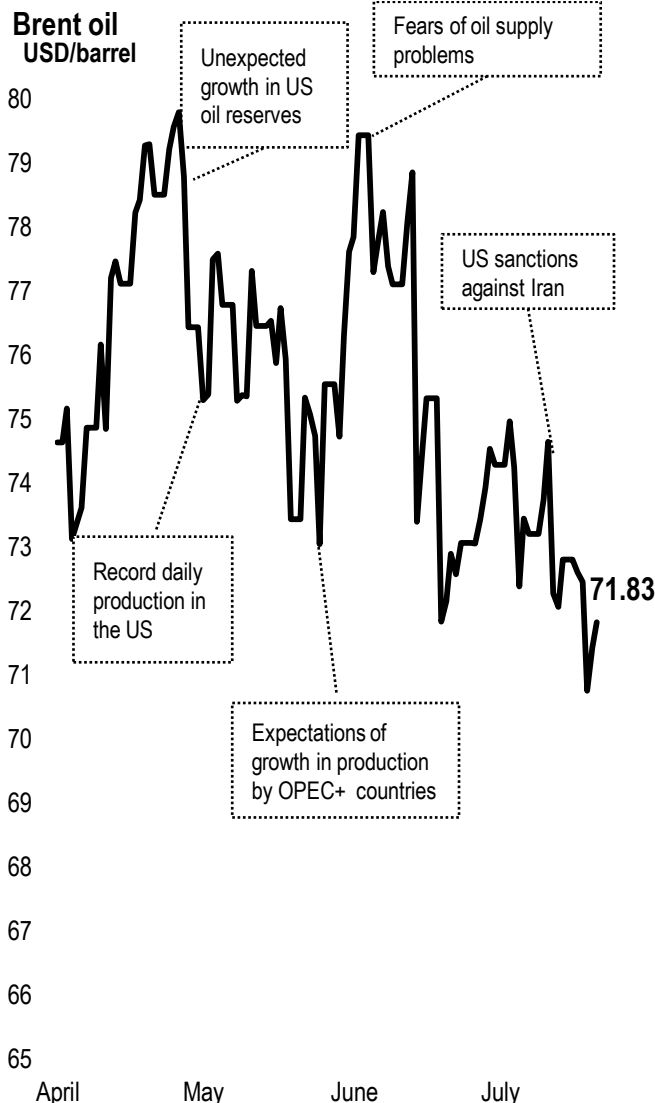
The euro finished the week with an increase of KZT1.40 to KZT410.25 per currency unit.

The yuan exchange rate with settlements today increased by KZT0.3431 by the end of the week, having stopped at the level of KZT52.4031 with the volume of deals of CNY9.25 mln.

FX rates
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	458,27	+0,4	+0,8	+2,2
— USDKZT	360,87	+1,9	+5,2	+8,6
— EURKZT	410,27	-0,1	+2,0	+3,0
— CNYKZT	52,31	+0,8	+1,9	+2,4
— RUBKZT	5,40	+0,4	-1,6	-6,4



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	2 850,13	0,6	1,2	17,3	0,5
Dow Jones	25 669,32	1,4	1,9	18,0	1,4
 RTS	1 052,74	-0,4	-8,0	1,8	-0,4
MICEX	2 285,53	0,0	0,0	17,7	-0,4
 Hang Seng	27 213,41	-4,1	-3,2	-0,5	-3,8
SS CSI 300	3 229,62	-5,2	-5,9	-13,2	-5,4
 Euro Stoxx 50	3 372,94	-1,6	-3,2	-2,6	-1,5
FTSEuroFirst	4 163,00	-1,5	-2,3	0,1	-1,7
 FTSE 100	7 558,59	-1,4	-1,5	2,3	-1,3
 KASE	2 223,37	-1,3	-6,9	20,0	

Commodities market

17.08.2018

Name	Price	Trend %	
		7d	1m
Oil	71,83	-1,3	-1,5
	65,91	-2,5	-4,1
Natural gas	2,95	0,1	8,3
Copper	262,90	-4,1	-4,5
Iron	508,00	1,1	10,0
Gold	1 184,25	-2,2	-3,5
Silver	14,63	-4,3	-5,6
Wheat	560,50	2,5	13,3

Economic calendar

	Currency	Forecast	Previous
22.08 Existing Home Sales (July)	USD	5.44M	5.38M
22.08 Crude Oil Inventories	USD	2.719M	6.805M
22.08 FOMC Minutes	USD		
23.08 ECB Publishes Account of Monetary Policy Meeting	EUR		
23.08 New Home Sales (July)	USD	651K	631K
24.08 Fed Chair Powell Speaks	USD		
24.08 U.S. Baker Hughes Oil Rig Count	USD		869

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	Beginning 2017
Annual inflation	5,9 %	01.08.18	7,1 %
Gross international reserves of NBK, USD bn	30 886	01.08.18	30 745
Reserve money, KZT bn	6 367,7	01.08.18	5 538,7
Money supply, KZT bn	19 908,2	01.07.18	19 456,0

Kazakhstan credit ratings

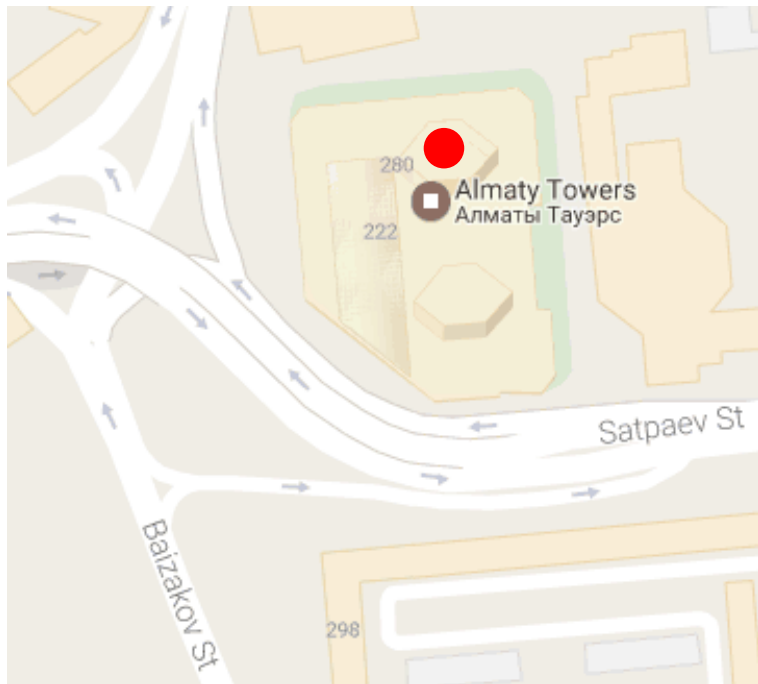
	Rating	Date	Previous
S&P Global	BBB- stable	12.03.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	17.04.18	BBB stable

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



Corporate Events Calendar of KASE listed Companies

The information contained therein was gathered by the employees of Kazakhstan Stock Exchange JSC (KASE). KASE does not guarantee the completeness and accuracy of the information contained in this report, as well as its reliability. Neither KASE, nor any of the employees are liable for any direct or indirect loss (damage) arising from the use of this report or information / analysis presented therein. KASE does not assume any responsibility to update this report on a regular basis or notify of all changes that have occurred.

KASE draws investors' attention to the following factors:

1. return on investment in financial instruments depends on a variety of market and non-market factors. In particular, the actual income of an investor may change depending on the fluctuations in interest rates, changes in taxation, FX movements, changes in quotations of securities, market indexes, changes in production and financial performance of companies, and other factors;
2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the entire invested amount back. For the investments in non-universally recognized markets, the investors may experience various difficulties, including selling them or obtaining the reliable information about their value or the risks involved;
3. report does not take into account the individual financial characteristics and aims of those receiving it.

KASE recommends that the investors independently evaluate the feasibility of certain investments and strategies and encourages the investors to use the services of financial consultants.

KASE reserves all rights for the report. This analytical material can be copied and/or distributed in full or in part upon written permission of KASE