

# KASE WEEKLY

15 - 19 January,  
2018

## KASE NEWS

- ▲ As of February 01, 2018 KASE to [include](#) stocks of Bank CenterCredit and Bank of Astana into KASE Index representative list.
- ▲ On January 16 KASE [added](#) information on dividends to its channel in Telegram.
- ▲ On January 17 KASE's Board of Directors [defined](#) discount rates for the first quarter of 2018 for calculation the fair value of illiquid debt securities of organizations – residents of the Republic of Kazakhstan.
- ▲ On January 19 KASE [conducted](#) a press conference to summarize 2017 operating results.

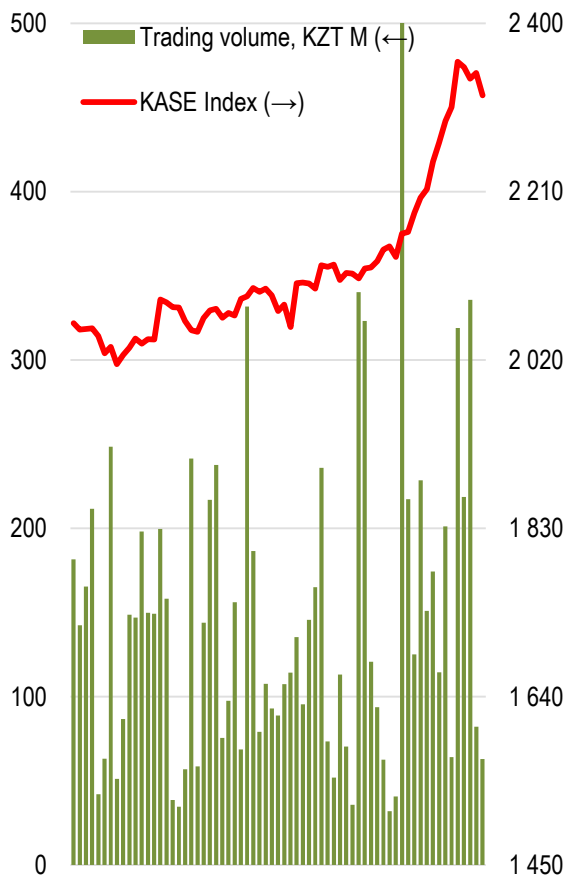
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ On 15 January Tethys Petroleum Limited (Cayman Islands) [presented](#) an update on construction of gas wells.
- ▲ On 15 January Sovereign "Samuryk-Kazyna" [said](#) 773.5 mln ordinary shares of KMG Kashagan B.V. were frozen as response of a court of arbitration to a statement of claim submitted by Stati against Kazakhstan.
- ▲ On 15 January Subsidiary Bank Sberbank of Russia [announced](#) a large-scale modernization in the Sberbank Online.
- ▲ On 16 January Qazaq Banki [announced](#) a change of location of its HQ, branches in Almaty and Karagandy.
- ▲ On 16 January Bank of Astana's January–December 2017 financial statements were [released](#).
- ▲ As of January 16 ordinary shares of Kazakhmys Copper are [included](#) in KASE official list's alternative market's sector "shares".
- ▲ On 16 January Kcell [raised](#) KZT 4.95 bn on KASE, selling three-year bonds at 11.50 % APR.
- ▲ On 17 January KazTransOil [announced](#) liquidating an oil spill at an oil pumping facility in Atyrau region.
- ▲ On 17 January Qazaq Banki [announced](#) setting up a distressed assets management company.
- ▲ On 18 January KazTransOil [announced](#) setting up a subsidiary – Main Waterline LLP.
- ▲ On 19 January S&P [affirmed](#) Kazakhstan's ratings, outlook "Stable".
- ▲ As of January 19 ordinary shares of Crystal Management are [included](#) in KASE official list's alternative market's sector "shares".
- ▲ On 26 January, 2018 Kcell [will hold](#) a conference call on January–December 2017 financial results.



KASE Index closes positively for the fourth week in a row. Over the week the Index rose by 0.59% to 2,318.88 points. On Monday the Index increased by more than 2%, however during the week many shares from the Index representative list were subject to adjustments, as a result of taking profit, leading to KASE Index sliding from earlier peaks.

**KASE Index shares**



**19.01.2018**

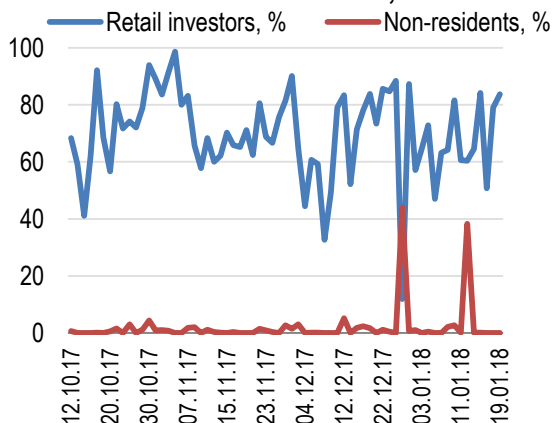
		Trends (%)	
	Price, KZT	Δ 7d	Δ 1m
<b>KASE Index</b>	2 318,9	0,6	9,8
<b>First class of liquidity</b>			
Kazakhtelecom (pref.)	10 776,7	13,7	29,8
<b>Kazakhtelecom</b>	24 610,0	5,8	20,7
CenterCredit Bank	203,0	5,2	3,5
<b>KazTransOil</b>	1 460,0	3,4	9,8
QAZKOM (pref.)	105,0	1,9	5,1
Gazprom (Russia)	852,0	1,3	10,8
<b>Halyk Bank</b>	101,1	0,9	23,1
<b>KEGOC</b>	1 396,0	0,7	3,3
BAST	56 300,0	0,1	0,6
Bank VTB (Russia)	0,3	0,0	0,0
<b>KAZ Minerals</b>	4 102,0	0,0	16,6
Bank of America	10 263,5	-0,4	3,5
Sberbank (Russia)	1 395,0	-0,5	7,7
KazMunayGas EP (pref.)	11 111,0	-1,2	11,1
QAZKOM	104,0	-1,9	-23,0
Aeroflot (Russia)	860,0	-2,3	3,4
Aktobe Metalware Plant	11 962,1	-3,1	-1,5
<b>Kcell</b>	1 650,5	-3,2	-2,0
<b>KazMunayGas EP</b>	25 142,7	-3,3	-2,9
Bank of Astana	1 211,0	-3,5	-4,6

Kazakhtelecom stocks showed the most growth, having refreshed the maximum since mid-May 2012. Over the week the company's securities rose by 5.76 % to KZT 24,610.00.

Stocks of KazMunaiGas Exploration Production and Kcell fell the most: by more than 3%. Let us remind you that Kcell failed to sell the entire volume of bonds, since the demand was merely 16.5%. Hence, the company instead of KZT 30 bn, sold three-year bonds on KASE in the amount of KZT 4.95 at 11.5% APR.

On Friday International rating agency S&P affirmed Kazakhstan's short- and long-term ratings in foreign and national currencies at BBB-, outlook - stable. Analysts expect that the economic growth will make 3% on average in 2017-2020 against the background of government infrastructure programs and increased production at Kashagan field.

**Retail investors & non-residents, %**

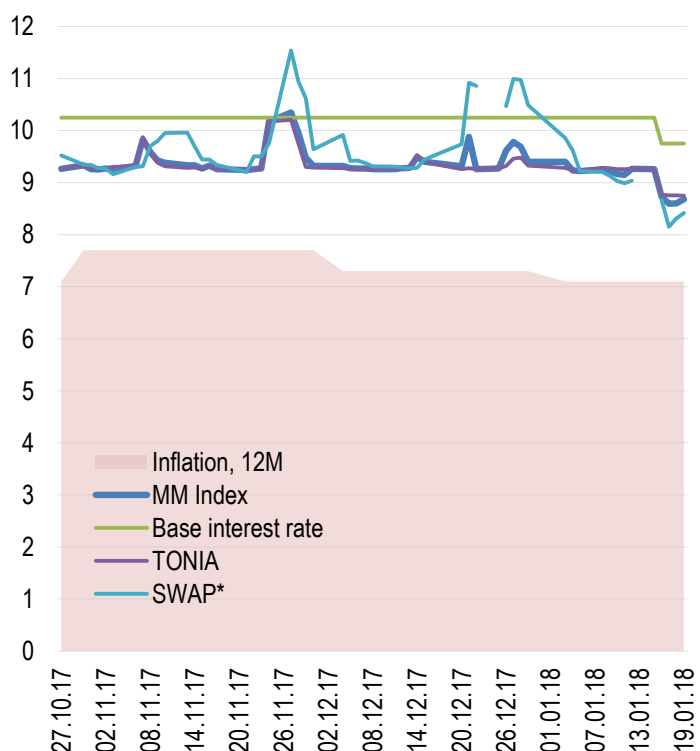




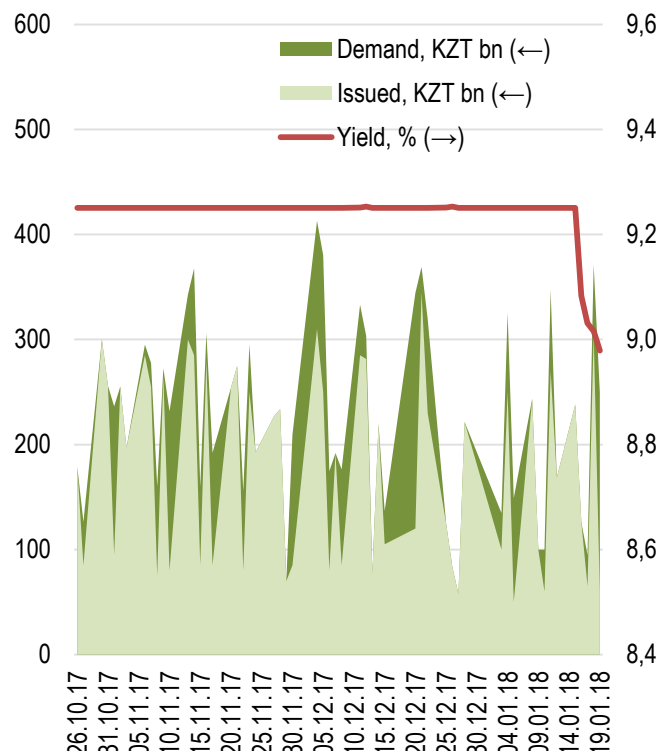
The main event of the week on the money market was the unexpected decrease of the base rate by the National Bank by 50 b.p. at a time – to 9.75% with a corridor of +/-1%. This decision shaped the trend on the money market. The yield on the one-day swaps decreased by 72 b.p., to 8.27% APR. Repo transactions' yield went down by 52 b.p. to 8.75 % APR over the week.

In order to sterilize the surplus tenge liquidity the National Bank placed over the week seven note issues over-the-counter, to a total of KZT 1,214.2 bn. On the seven-day notes the yield gradually decreased. If on Monday the yield was at 9.25 %, on Friday it decreased by 27 b.p. to 8.98% APR. On 28-day notes the yield made 9.28%, on one-year notes – 8.68% APR. The total demand for notes exceeded the supply by 37% reaching KZT 1,660.0 bn.

### Inflation and interest rates

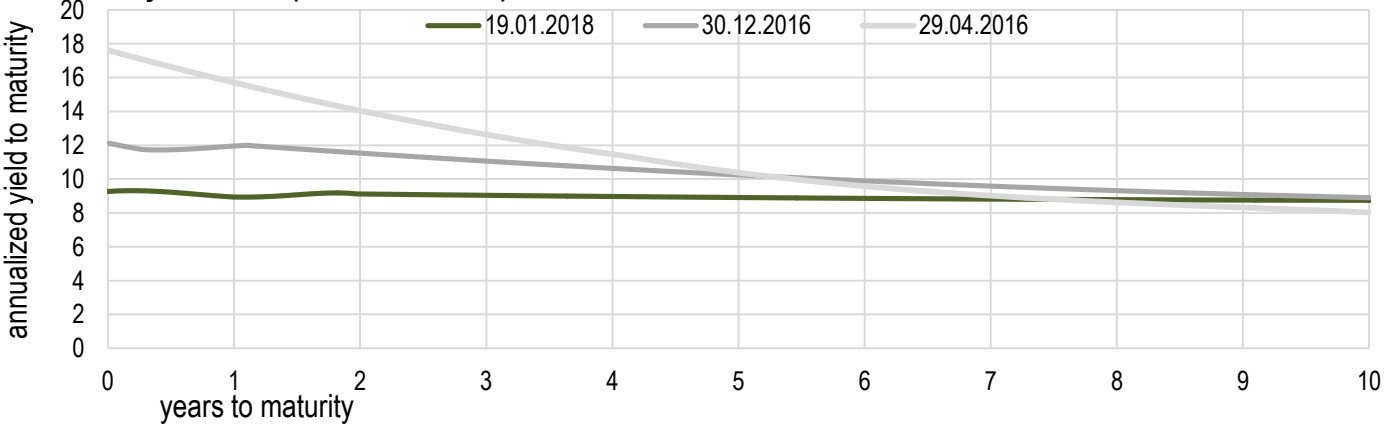


### Issuance of weekly NBK notes



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

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



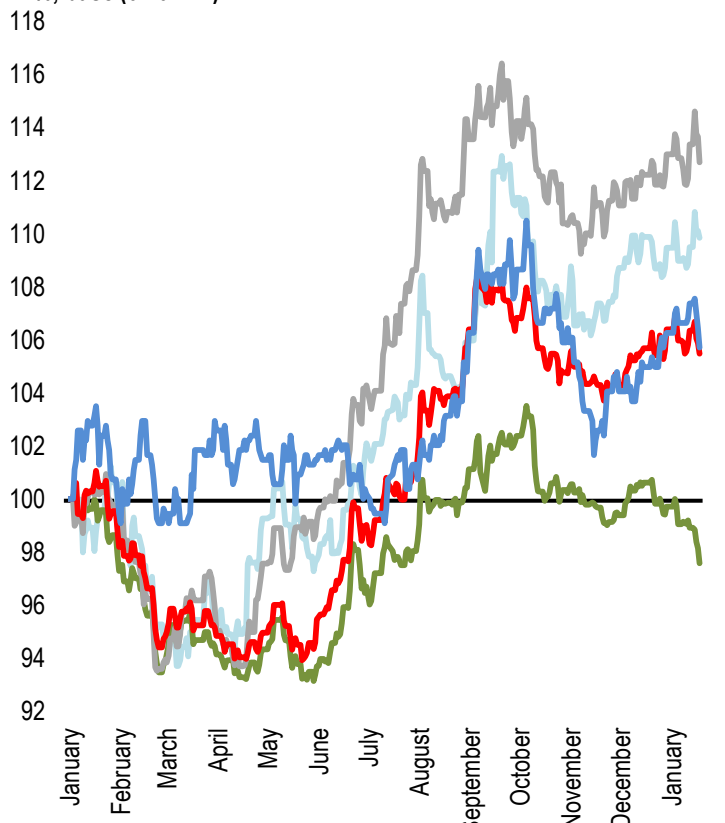


The dollar exchange rate decreased by 1.6%, or KZT 5.40, over the week – to KZT 324.27. The trading amount reached KZT 1,136.1 mln over the week, which is 60% more than last week. The weighted average USD/KZT exchange rate closed by the lowest figures since July 2017. Last week, against the background of the high demand for the national currency, the tenge managed to anchor stronger than the ruble. Our currency is propped up by the fairly high price of oil that closed above 70 dollars on Monday, however it failed to last at that level.

The ruble exchange rate decreased by KZT 0.1024 to KZT 5.7442 at the trades volume of RUR 179.3 mln. The euro was traded only on Tuesday last week at a rate of KZT 402.1 per euro, trading volume EUR 200 th. The yuan exchange rate rose by KZT 0.07 to KZT 50.7600 per yuan over the week.

**FX rates**

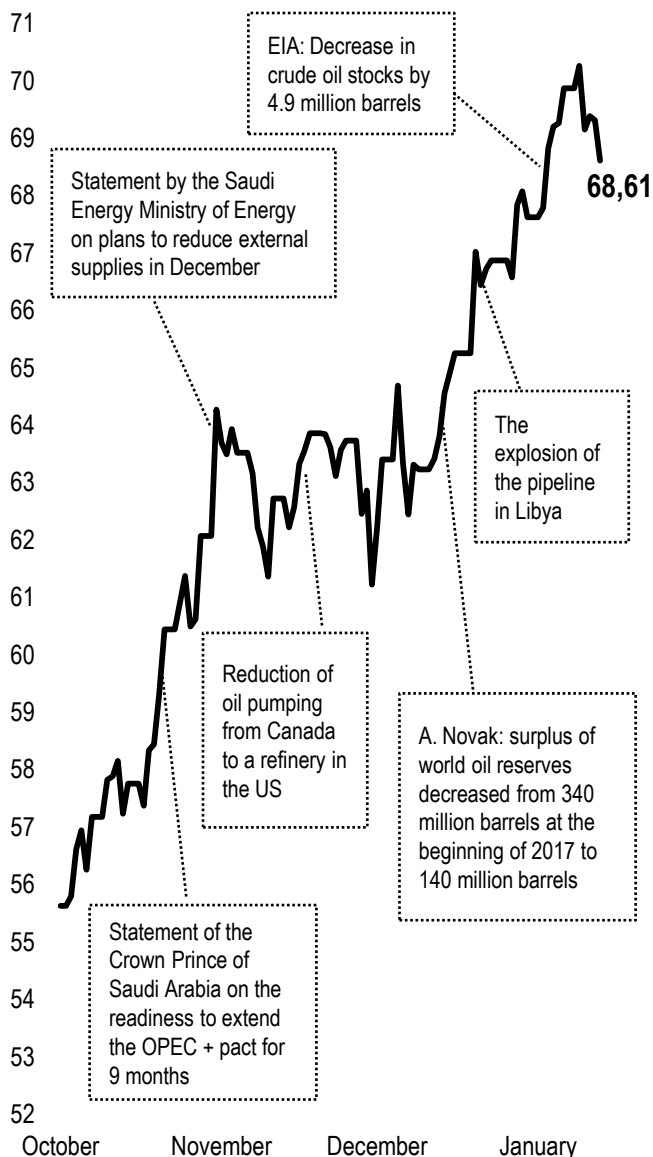
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	450,14	+0,9	0,0	+9,8
— USDKZT	325,20	-1,6	-3,0	-2,4
— EURKZT	397,13	+0,5	+0,4	+12,7
— CNYKZT	50,65	-0,3	-0,2	+5,5
— RUBKZT	5,74	-1,0	+0,7	+5,7

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	2 810,30	0,9	4,9	24,1	0,8
Dow Jones	26 071,72	1,0	5,4	32,1	0,9
 RTS	1 270,92	0,8	12,5	11,8	1,3
MICEX	2 286,33	1,1	8,7	5,7	1,3
 Hang Seng	32 254,89	2,7	10,3	39,9	2,6
SS CSI 300	4 285,40	1,4	6,3	28,7	1,9
 Euro Stoxx 50	3 649,07	1,0	2,7	10,9	1,1
FTSEuroFirst	4 442,00	0,5	3,0	9,2	0,4
 FTSE 100	7 730,79	-0,6	2,7	7,2	-0,6
 KASE	2 318,88	0,6	9,8	59,5	

## Commodities market

19.01.2018

Name	Price	Trend %	
		7d	1m
Oil	68,61	-1,8	6,3
	63,37	-1,4	9,1
Natural gas	3,19	-0,5	20,8
Copper	318,75	-1,0	0,5
Iron	522,00	5,5	2,2
Gold	1 331,84	-0,4	5,2
Silver	17,04	-0,6	5,2
Wheat	422,75	0,5	-0,2

## Economic calendar

		Currency	Forecast	Previous
24.01	Existing Home Sales (Dec)	USD	5.70M	5.81M
24.01	Crude Oil Inventories	USD	-3.536M	-6.861M
25.01	Deposit Facility Rate	EUR	-0.40%	-0.40%
25.01	ECB Interest Rate Decision (Jan)	EUR	0.00%	0.00%
25.01	ECB Press Conference	EUR		
25.01	New Home Sales (Dec)	USD	679K	733K
26.01	GDP (QoQ) (Q4)	USD	3.0%	3.2%

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 2017
Annual inflation	7,1 %	01.01.18	8,5 %
Gross international reserves of NBK, USD bn	31 115	01.01.18	29 530
Reserve money, KZT bn	5 538,7	01.01.18	5 162,2
Money supply, KZT bn	19 375,6	01.12.17	19 912,6

## Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	16.01.18	BBB- stable
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	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**

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