

# KASE WEEKLY

20 – 25 August,  
2018

## KASE NEWS

- ▲ KASE has [extended](#) the duration of the Base period for market valuation of non-indexed GS with term of 180 days and more to maturity.
- ▲ USDKZT\_TOM instrument will be [used](#) for exchange rate formation on ForEx market of KASE as of September 10.
- ▲ Amendments to the Regulations of Trades and the Confirmation System Operation, the Methodology for Calculating Indicators of the Foreign Exchange Market and the Methodology of Bonds Yield Calculation and Amount of Deals in Bonds will [become](#) effective as of September 10, 2018.

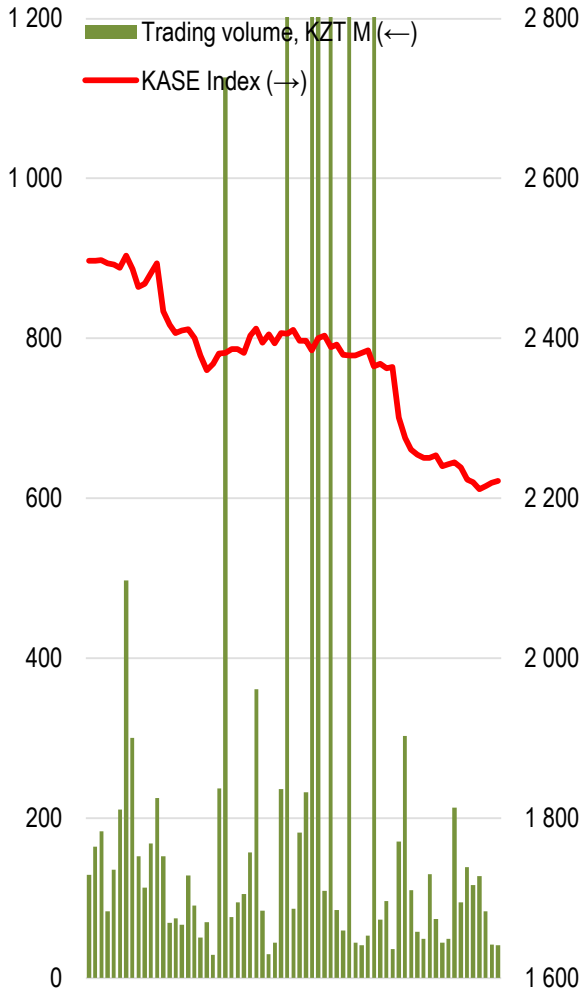
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance [raised](#) KZT41.1 bn by offering 14-year bonds at 8.45% APR. Three orders were executed as a result of trades. Current maturity is 13.7 years.
- ▲ Mortgage Organization "Kazakhstan Mortgage Company" [raised](#) KZT5.4 bn on KASE August 24 by offering 10-year bonds (KZIKb27) at 9.65% APR.
- ▲ Local administrations of [Atyrau](#), [Akmola](#), [Kostanay](#), [Karaganda](#), [Zhambyl](#) regions and of the city of [Astana](#) placed 2-year bonds under the governmental housing program. Total amount of funds raised came to KZT10.2 bn.
- ▲ Special trading session for [buyback](#) of 1,905,209 preferred shares (RDGZp) of KazMunaiGas Exploration Production will be held from September 3 to September 14 on KASE.
- ▲ Kcell [announced](#) payment of dividends on common shares (KCEL) for 2017 in the amount of KZT58.39 per share.
- ▲ The Eurasian Bank [reported](#) that Standard & Poor's had affirmed rating of the bank and its bonds and upgraded its national scale rating to "kzBB+", outlook Negative.
- ▲ ATFBank [reported](#) that Standard & Poor's had affirmed its ratings, outlook "Negative".
- ▲ Tengri Bank [reported](#) that Standard & Poor's had downgraded the bank's long-term rating and the national scale rating and raised the assessment of the bank's own creditworthiness.
- ▲ KAZ Minerals PLC (United Kingdom) [reported](#) operating results for the first half of 2018.



The KASE Index declined slightly by 0.1% and reached 2,221.7 points over the trading week. Four of seven share titles included in the index closed in the red.

**KASE Index shares**



25.08.2018

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	2 221,7	-0,1	-6,8
<b>First class of liquidity</b>	<b>Price, KZT</b>		
Bank of America	11 000,0	1,8	5,8
<b>CenterCredit Bank</b>	272,0	1,1	-2,5
<b>KEGOC</b>	1 471,0	0,7	2,3
KazMunayGas EP (pref.)	12 700,0	0,2	21,5
<b>Halyk Bank</b>	99,0	0,2	-3,2
<b>Kcell</b>	1 638,0	-0,1	1,0
<b>KazTransOil</b>	1 360,0	-0,1	-1,9
<b>Kazakhtelecom</b>	32 100,0	-0,3	-3,5
Kazakhtelecom (pref.)	13 150,0	-1,1	-4,0
Gazprom (Russia)	752,1	-1,8	-2,7
<b>KAZ Minerals</b>	2 338,0	-2,5	-38,8
BAST	46 250,0	-2,6	-10,9
Aeroflot (Russia)	568,3	-3,5	-16,0
Bank VTB (Russia)	0,2	-4,3	-15,4
Sberbank (Russia)	952,1	-6,7	-19,1

Note: Index stocks are highlighted in green

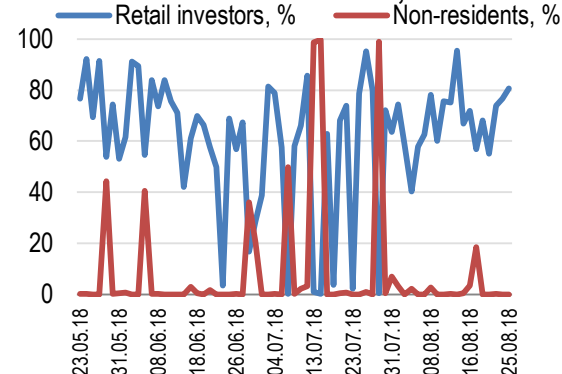
Once again, the greatest faller was equity instruments of KAZ Minerals that fell 2.5% to KZT2,338.00 per share. It seems that the shares still face pressure due to the downgrade of the company's rating by Credit Suisse analysts. We would like to remind that the downgrade was caused by the plans of KAZ Minerals to acquire Baimskaya copper project.

The shares of Bank CenterCredit that have increased by 1.1% and reached KZT272.00 per share have shown the greatest growth.

Kazakhtelecom has published a report for the first half of 2018. For instance, Kazakh telecom operator received net profit of KZT19.9 bln, which is by 22.7% more compared to 2017. The company's assets rose by 0.5% and reached KZT473.5 billion; liabilities increased by 1%, equity rose by 0.3%.

Umit Shayakhmetova, the head of the Halyk Bank, has said at the press-conference on 22 August that the bank is increasing the growth of the loan portfolio from 2.1% to 3.9%. Also, projected net profit was increased from KZT207 bn to over KZT214 bn.

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

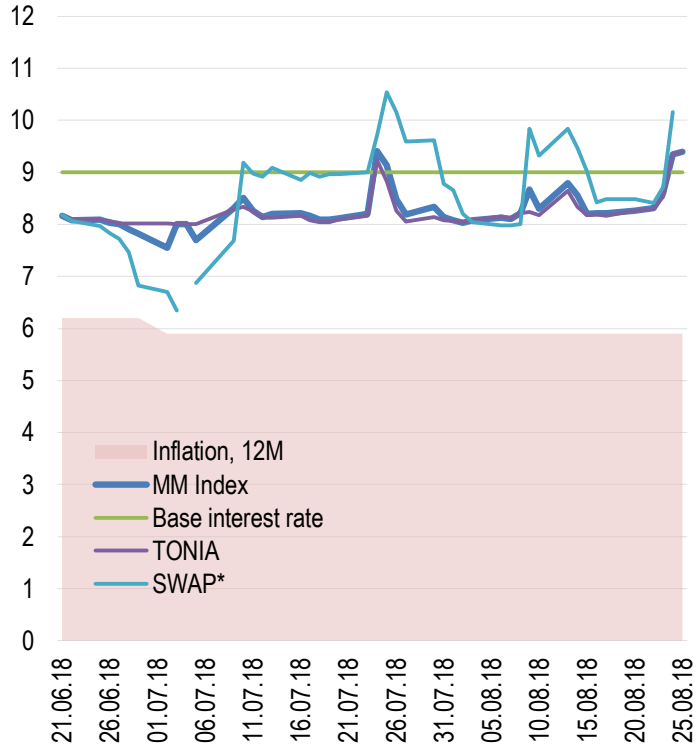




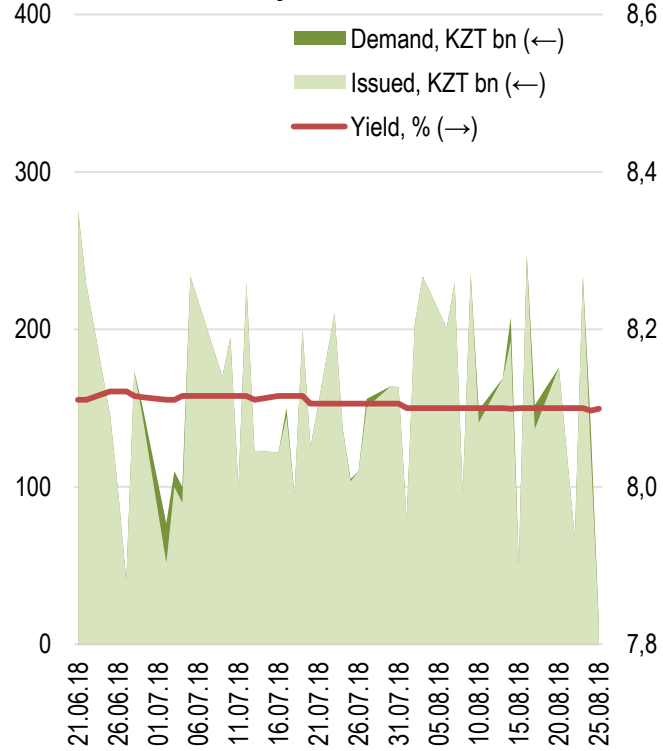
The yield on one-day currency swaps increased by 23 b.p. to 8.72% APR over the week. The yield on one-day repo transactions with government securities increased 1,23 % and fixed at 9.39% APR.

The National Bank has placed seven issues of notes with the total trading volume of KZT882.1 bn over-the-counter. The yield on five issues of 7-day notes with the total offering volume of KZT609.1 bn was at 8.10% APR. The yield on the 28-day notes reached 8.22% APR at the offering volume of KZT218.7 bn. The semi-annual notes were placed for the amount of KZT54.3 bn at the yield of 8.22%. The total demand for the notes exceeded the supply by 3% and reached KZT908.6 bn.

### Inflation and interest rates

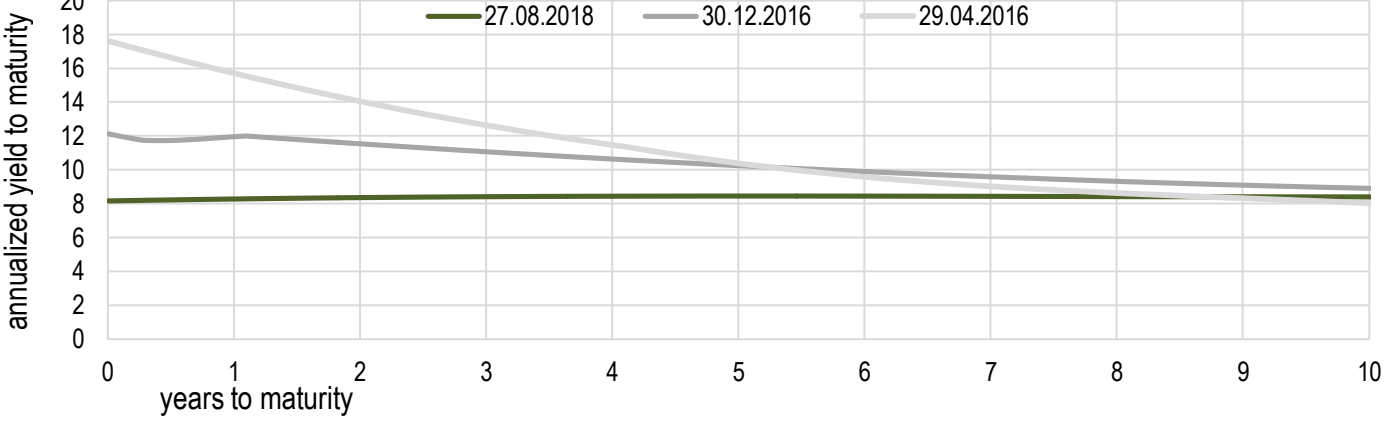


### Issuance of weekly NBK notes



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

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





Weighted average US dollar rate decreased by 48 tyn to KZT359.64 and the total trading volume amounted to USD719.1 mln having decreased by 32% compared to the last week.

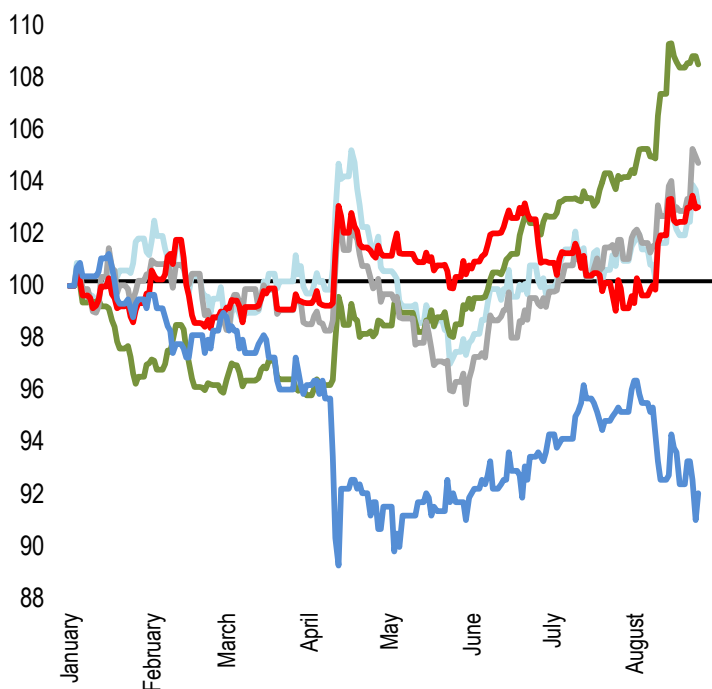
The tenge has been gradually strengthening amid tax period. The improving international situation has a favourable impact on the national currency. The ruble has regained most of its positions after the collapse following the announcement of the Central Bank of Russia's decision to suspend purchases of foreign currency for the Ministry of Finance of Russia. Meanwhile, Brent crude oil is traded above \$75 per barrel for the first time in the current month.

Russian currency fell by KZT0.0685 to KZT5.3165 over the week. The total trading volume for the week reached RUB187.5 mln.

The euro closed the week rising by KZT6.55 to KZT416.8 per unit of currency.

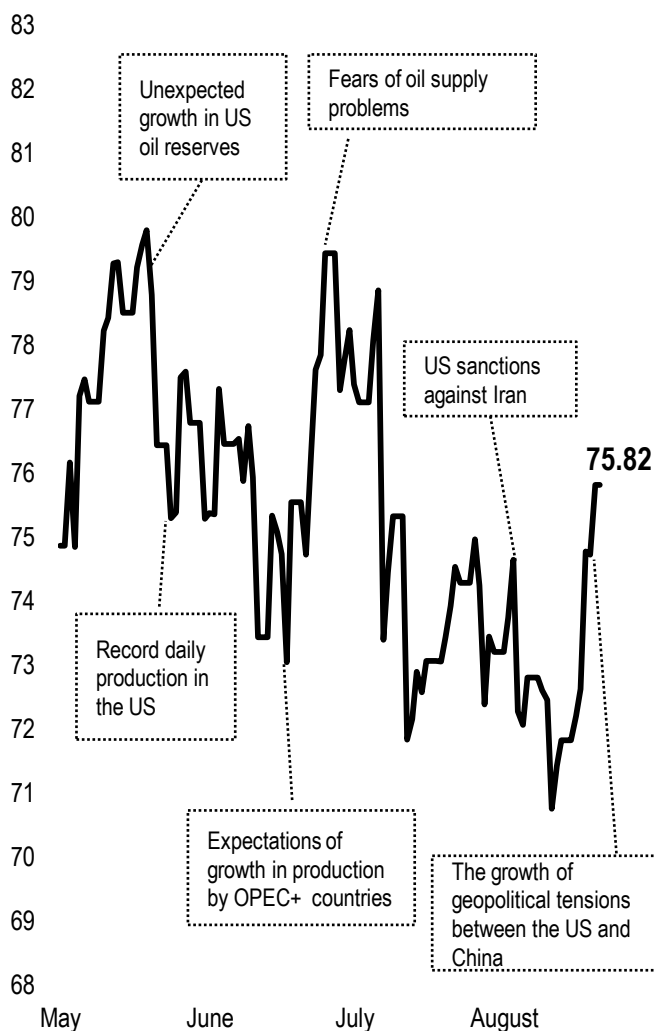
The exchange rate of yuan with settlements T+0 was up KZT0.0169 having fixed at KZT52.4200 at the trading volume of CNY6.05 mln over the week.

**FX rates**  
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	462,37	+1,1	+1,5	+3,1
— USDKZT	360,55	+0,1	+4,1	+8,5
— EURKZT	417,01	+1,8	+2,9	+4,7
— CNYKZT	52,63	+0,6	+2,8	+3,0
— RUBKZT	5,31	-0,4	-3,5	-8,0

**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	1m	1y	7d
 S&P 500	2 874,69	0,9	1,3	17,7	0,9
Dow Jones	25 790,35	0,5	1,0	18,2	0,5
 RTS	1 064,46	1,1	-7,3	0,4	0,9
MICEX	2 285,53	0,0	0,0	15,5	0,9
 Hang Seng	27 671,87	1,7	-3,9	-0,6	1,7
SS CSI 300	3 325,34	3,0	-6,0	-12,4	3,3
 Euro Stoxx 50	3 427,44	1,6	-2,3	-0,3	1,8
FTSEuroFirst	4 193,00	0,7	-2,3	1,5	0,6
 FTSE 100	7 577,49	0,3	-1,1	2,4	0,4
 KASE	2 221,67	-0,1	-6,8	13,0	

## Commodities market

25.08.2018

Name	Price	Trend %	
		7d	1m
Oil	75,82	5,6	1,7
	68,72	4,3	-1,3
Natural gas	2,92	-1,0	4,9
Copper	270,05	2,7	-3,7
Iron	493,50	-2,9	7,3
Gold	1 205,35	1,8	-1,4
Silver	14,79	1,1	-4,2
Wheat	514,75	-8,2	-4,1

## Economic calendar

		Currency	Forecast	Previous
28.08	CB Consumers Confidence (Aug)	USD	126.5	127.4
29.08	GDP (Q/Q) (Q2)	USD	4.0%	4.1%
29.08	Crude Oil Inventories	USD	-1.497M	-5.836M
30.08	Central Bank Reserves (USD)	RUB		452.2B
31.08	Manufacturing PMI (Aug)	CNY	51.0	51.2
31.08	CPI (YoY) (Aug)	EUR	2.1%	2.1%
31.08	Unemployment rate (July)	EUR	8.2%	8.3%

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	20 251,1	01.08.18	19 456,0

## Kazakhstan credit ratings

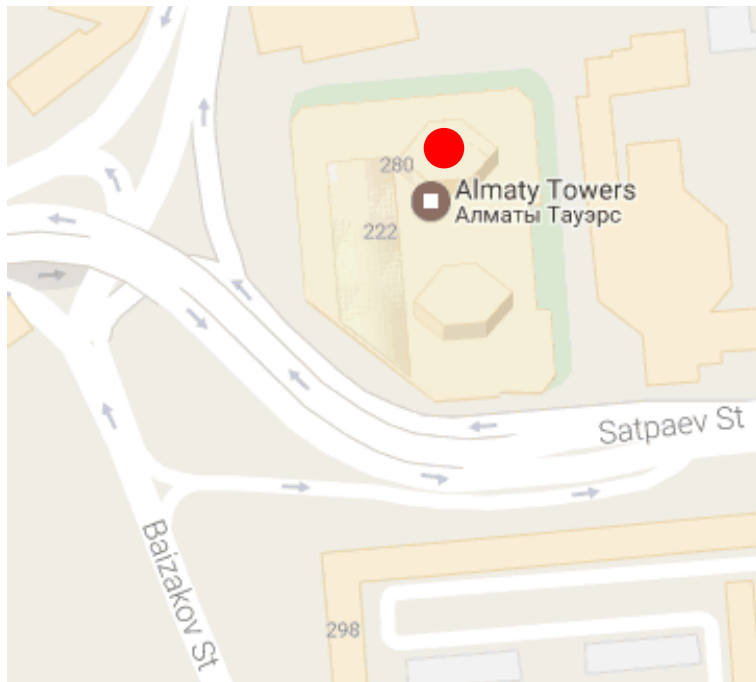
	Rating	Date	Previous
<b>S&amp;P Global</b>	BBB- stable	12.03.18	BBB- stable
<b>MOODY'S</b>	Baa3 stable	26.07.17	Baa3 negative
<b>FitchRatings</b>	BBB stable	17.04.18	BBB stable

# 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**

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