

# KASE WEEKLY

28 – 31 August,  
2017

## KASE NEWS

- ▲ Starting from September 14, 101,460 ordinary shares KZ1C56200013 (RFCA) of the Regional financial center of Almaty will be offered in KASE "Unlisted Securities" sector .

## ISSUER NEWS AND ANNOUNCEMENTS

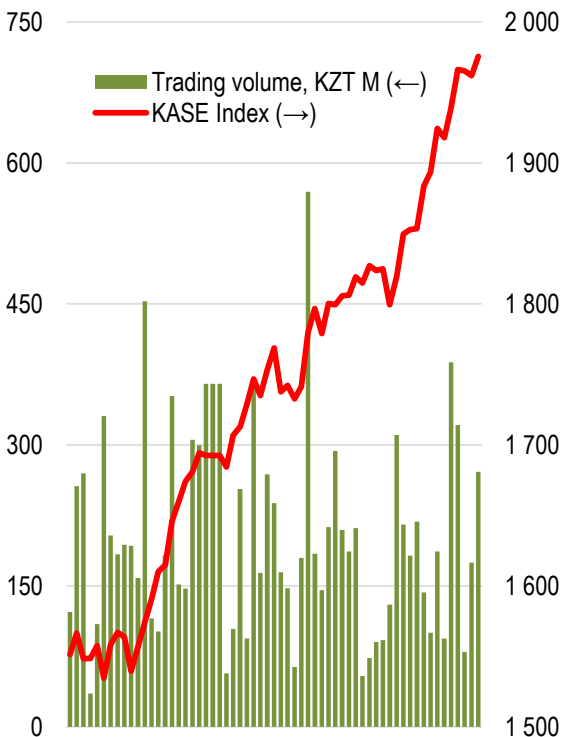
- ▲ BAST JSC announced release of a JORC compliant report on mineral resources on the field Maksut. The first vice-president of BAST JSC Rustem Ospanov said that "The independent Competent person acknowledged that field Maksut contained 43.5 mln tons of ore resources, of which 26.6 mln tons are in category "Indicated resources". That significantly exceeded our expectations. This amount of resources unambiguously points out the expediency of further expansion of processing capacities of the enterprise in order to fully implement its economic potential".
- ▲ Halyk Savings Bank of Kazakhstan hands Maraldy Sai resort over to Almaty region's administration. The market value of Maralsai is KZT684 mln, according to independent appraisers. Also, some movable items (fixed assets) worth KZT8.6 are handed over for maintaining the resort. Halyk Group's management decided to hand the Maralsai resort over to Almaty region administration for charity needs, having refused to sell the resort below the market price. According to representative of Almaty region administration, the administration plans to open an all-year-round children recreational centre on the premises. Currently, necessary accounting procedures are underway to accomplish the handover of the resort to the local executive body.
- ▲ KoZhaN intends to invest more than KZT200 mln in development of the field Morskoye. The company concluded two sub-contracts: one with the Designing Institute OPTIMUM which will develop a KZT109.8 mln project, the other – with Sapaenergo Service which will build an over-ground 6 kW power line costing KZT106.4 mln in the field.
- ▲ Tethys Petroleum Limited (TPL) says TethysAralGas (TAG) filed an application for rehabilitation procedure. The Rehabilitation court will consider and approve the application; meanwhile TAG will continue operating as before. The main condition of further operation is that TAG's creditors will refrain from any hostile actions against TAG whilst the application is being considered. TPL's stocks are listed on the Toronto Stock Exchange (TSX) which notified the company about conducting an expedited review of listing eligibility for TPL's common stocks in the light of the above-mentioned events.



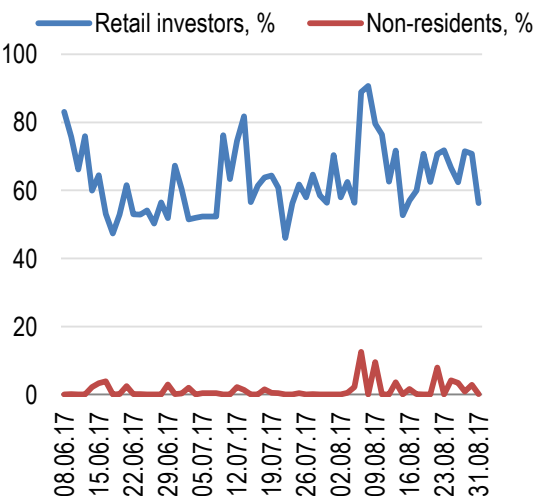
KASE index grew 0.5 % to 1,975.64 points over the week, refreshing its nine-year maximum once again.

KAZ Minerals PLC stocks were in the lead, having risen 6.6 % to KZT3,681.50. KAZ Minerals stocks keep reaching new maximums amid growing copper prices after a short-lived correction, as well as investors' sweeping optimism.

**KASE Index shares**



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



31.08.2017

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	1 975,6	0,5	9,8
<b>First class of liquidity</b>	<b>Price, KZT</b>		
Sberbank (Russia)	1 069,0	6,8	17,5
<b>KAZ Minerals</b>	3 681,5	6,1	21,4
Gazprom (Russia)	693,0	4,4	6,5
Bank of America	8 180,9	2,6	2,1
<b>CenterCredit Bank</b>	160,8	2,4	-0,9
QAZKOM	147,8	1,9	6,3
<b>KEGOC</b>	1 378,9	0,5	-1,5
KazMunayGas EP (pref.)	7 201,0	0,4	1,4
<b>KazTransOil</b>	1 215,0	0,2	2,0
Estate Management Company (pref.)	84 975,0	0,0	0,0
<b>Kazakhtelecom</b>	19 600,0	0,0	19,9
QAZKOM (pref.)	77,7	0,0	7,8
Bank of Astana	1 152,0	-0,3	-1,0
<b>KazMunayGas EP</b>	19 850,0	-0,6	2,8
Aktobe Metalware Plant	12 512,6	-0,9	-4,5
<b>Kcell</b>	1 482,0	-1,5	10,2
<b>Halyk Bank</b>	87,5	-1,7	13,7
Kazakhtelecom (pref.)	7 300,0	-3,9	5,7
Aeroflot (Russia)	1 119,5	-5,9	-1,7

The most fall was seen on the part of Halyk Bank's stocks, with their price decreasing 1.7 % to KZT87.50.

On August 28 Kazakhstan's Ministry of Finance raised three billion tenge at the interest rate of 8.90 % per annum. Term to maturity is six years.

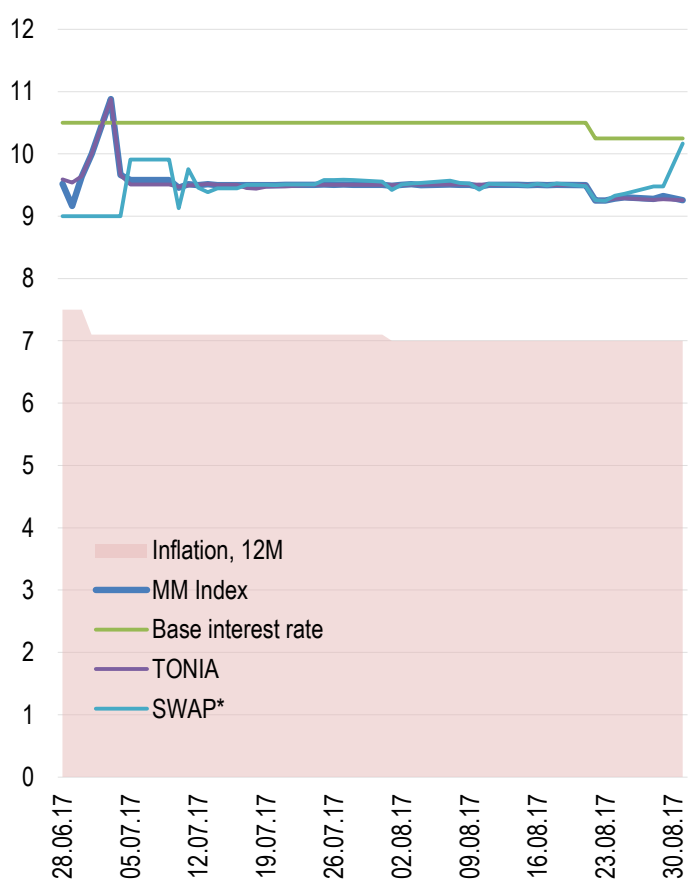
The next day KEGOC bonds with a total face value of KZT36.3 bn were offered on KASE. The bonds' term to maturity is 15 years, with an interest rate of 11.5 % per annum.

A special trading session for offering of shares of Shubarkol Premium JSC will be held on KASE on September 4. The company's main activities include exploration, production, selling and purchase of coal products, as well as operation of mines. 33 thousand ordinary shares of the company will be offered, in 20 lots, 1,650 shares each.

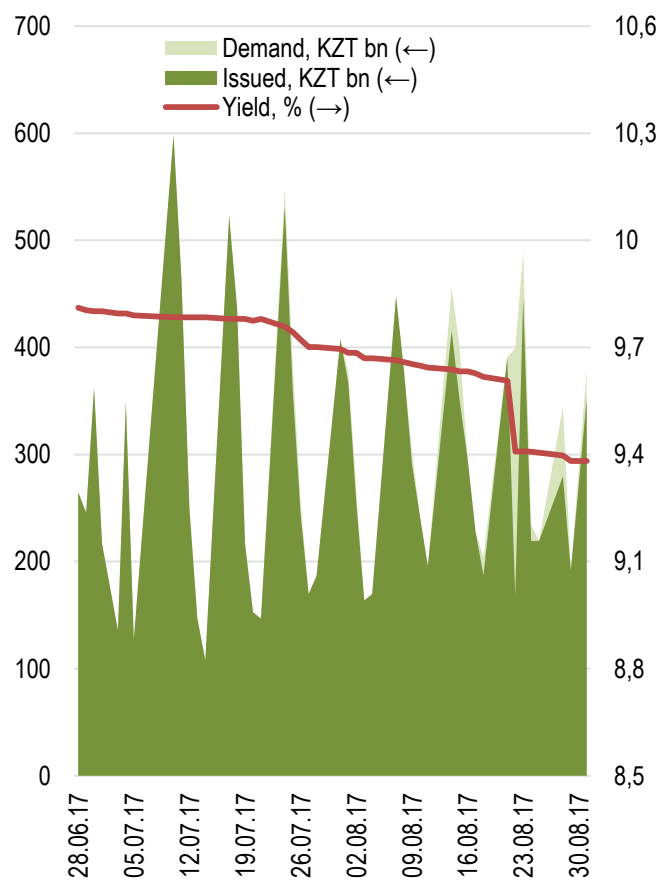


The money market's yield rose in the currency swap segment, where the rates went above 10 % p.a. over the week, at the background of the strengthening dollar. Rates in the repo segment showed a reverse dynamics going down 3 b.p. to 9.26 % p.a..

**Inflation and interest rates**

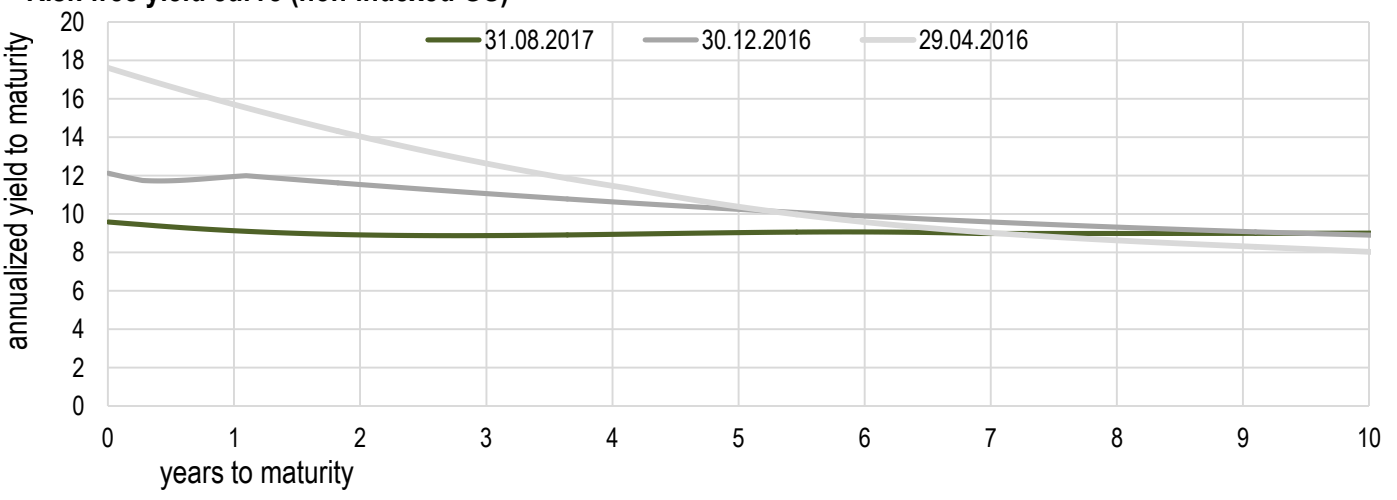


**Issuance of weekly NBK notes**



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

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

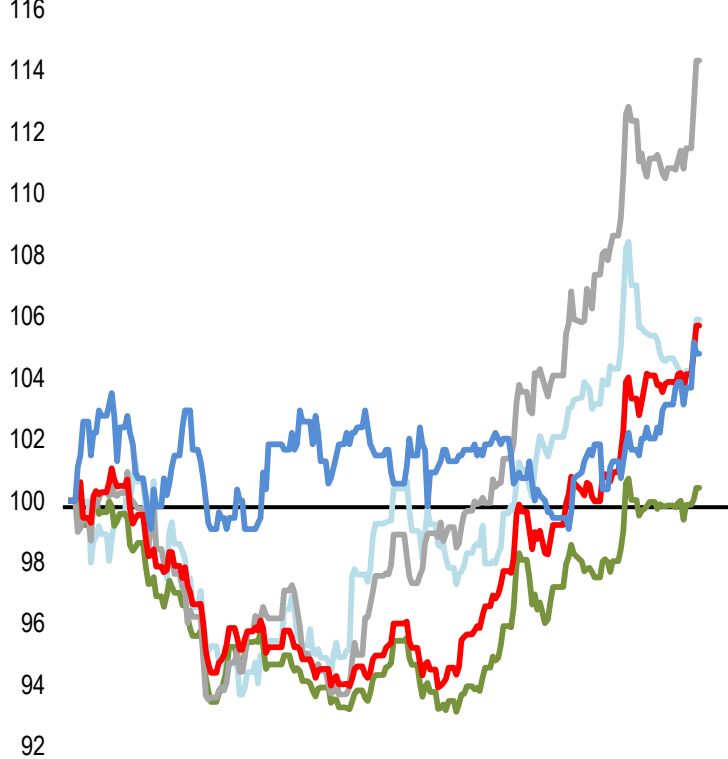




The dollar exchange rate grew 1.3 % over the week, reaching KZT337.04. The tenge continues to ignore the dynamics of the Russian ruble that had been appreciating against the dollar over the last month. Kazakhstan's Ministry of Finance, in its turn, forecasted the exchange rate of the dollar at KZT340 in the budget assumptions for 2018-2020. It should be noted that this rate was assumed exclusively for budgeting purposes and it is not an indicator for making investment decisions, as the Ministry of National Economy declared.

Over the last week the ruble rate grew 2.5 % to KZT5.7743 on KASE, reaching a new historical maximum. The ruble continued to strengthen propped up by residual selling of export revenues directed to tax payments, representing the completion of the tax week in Russia this month. The ruble also appreciates against the dollar, having reached a 10-week peak on Wednesday against the background of a milder foreign policy, as well as on the back of the increasing demand for Russia's high-yield assets.

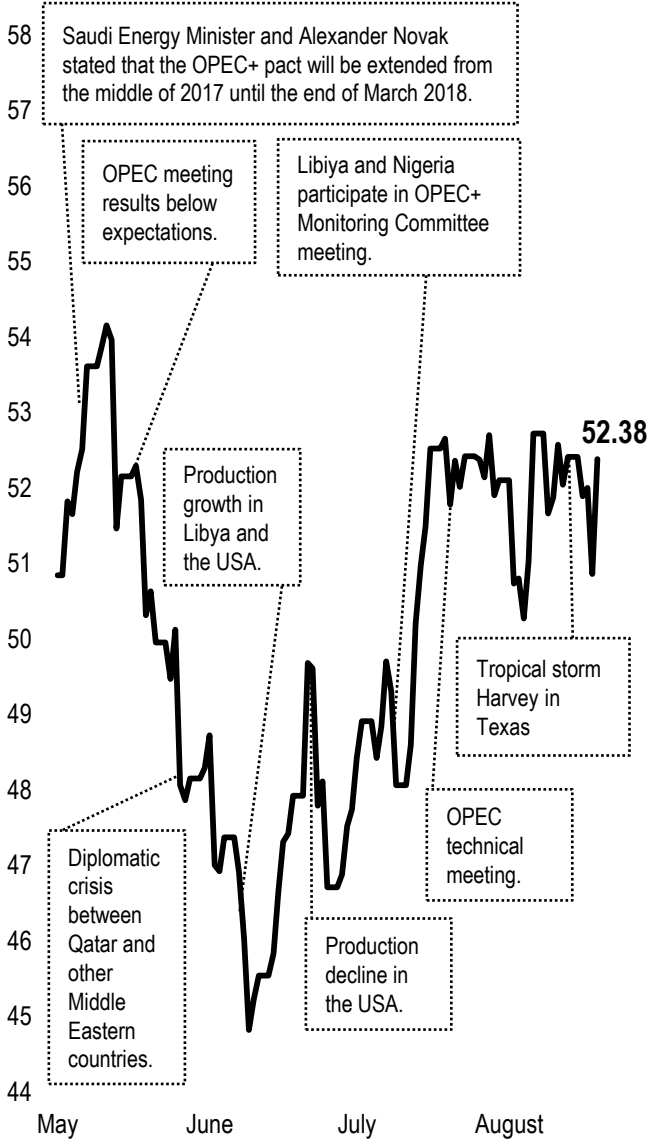
**FX rates**  
 Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	433,97	+1,7	+0,9	+5,9
— USDKZT	334,70	+0,4	+2,0	+0,4
— EURKZT	402,91	+2,6	+4,7	+14,3
— CNYKZT	50,76	+1,5	+4,1	+5,7
— RUBKZT	5,69	+0,9	+4,0	+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



Saudi Energy Minister and Alexander Novak stated that the OPEC+ pact will be extended from the middle of 2017 until the end of March 2018.

OPEC meeting results below expectations.

Libiya and Nigeria participate in OPEC+ Monitoring Committee meeting.

Production growth in Libya and the USA.

Tropical storm Harvey in Texas

OPEC technical meeting.

Production decline in the USA.

Diplomatic crisis between Qatar and other Middle Eastern countries.

52.38



## Global indices

Name	Value	Trend			Futures 7d
		7d	1m	1y	
S&P 500	2 471,65	1,2	-0,2	13,9	1,2
Dow Jones	21 948,10	0,6	-0,1	19,3	0,8
RTS	1 095,84	3,3	8,0	15,3	4,6
MICEX	2 022,22	2,2	4,2	2,6	4,6
Hang Seng	27 970,30	0,4	1,6	21,7	2,1
SS CSI 300	3 822,09	0,7	1,4	14,9	2,8
Euro Stoxx 50	3 421,47	-0,5	-1,6	13,2	-0,6
FTSEuroFirst	4 121,00	-0,2	-2,0	8,5	-0,3
FTSE 100	7 430,62	0,4	0,1	9,6	0,2
KASE	1 975,64	0,5	9,8	77,7	0,0

## Commodities market

31.08.2017

Name	Price	Trend	
		7d	1m
Oil	47,37	-1,6	-9,3
	44,74	-2,4	-8,8
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
04.09	Caixin Services PMI (Aug)	CNY	51,8	51,5
05.09	CPI (YoY)	RUB	3,5%	3,9%
06.09	ISM Non-Manufacturing PMI (Aug)	USD	55,4	53,9
07.09	GDP (YoY) (Q2)	EUR	2,2%	2,2%
07.09	ECB Interest Rate Decision (Sep)	EUR	0,0%	0,0%
07.09	ECB Press Conference	EUR		
08.09	Trade Balance (USD) (Aug)	CNY	48,60B	46,73B

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	7,0 %	01.09.17	8,5 %
Gross international reserves of NBK, USD bn	32 913	01.08.17	29 530
Reserve money, KZT bn	5 459,6	01.08.17	5 162,2
Money supply, KZT bn	19 509,3	01.08.17	19 912,6

## Kazakhstan credit ratings

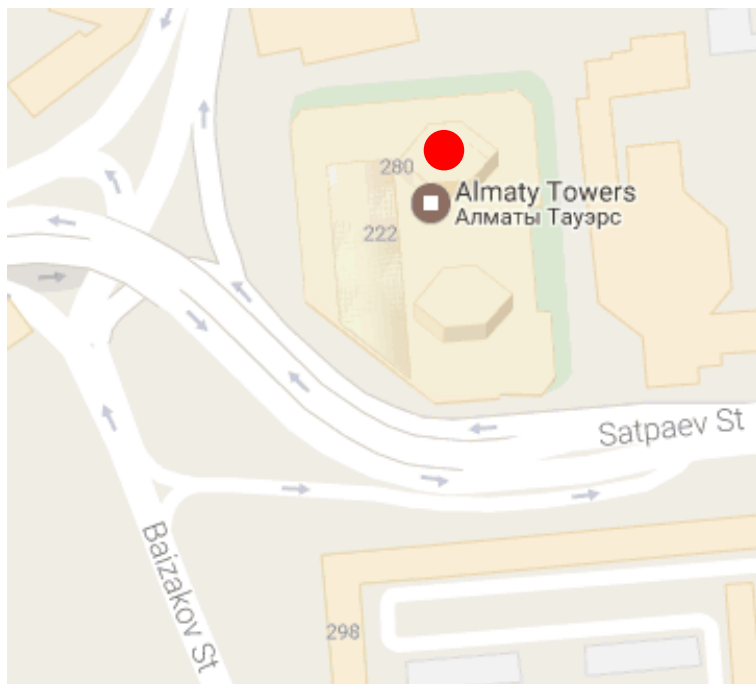
	Rating	Date	Previous
<b>S&amp;P Global</b>	BBB- negative	10.03.17	BBB- negative
<b>MOODY'S</b>	Baa3 negative	11.05.17	Baa3 negative
<b>FitchRatings</b>	BBB stable	21.04.17	BBB stable

# 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