

KASE WEEKLY

10 – 14 December,
2018

KASE NEWS

- ▲ KASE has [composed](#) lists of shares of investment funds of first, second and third classes of liquidity for December 2018 - January 2019.
- ▲ KASE [removed](#) bonds (PRKRb5) of National Company Food Contract Corporation from representative list for bond market indices of KASE_BM* series due to their maturity.
- ▲ Central Securities Depository [informs](#) of its restructuring by takeover of Integrated Securities Registrar.
- ▲ As of December 11 revised KASE internal document "Procedure of Inclusion of Financial Instruments in List of Stock Market Financial Instruments, Transactions in which are Cleared by the Exchange" [put](#) in effect.
- ▲ KASE [held](#) media briefing on the exchange market's performance in November 2018.
- ▲ As of December 14 trading in shares (IE_FXBF) of segregated sub-fund FinEx FFIN Kazakhstan Equity ETF [opens](#) in KASE secondary market sector.

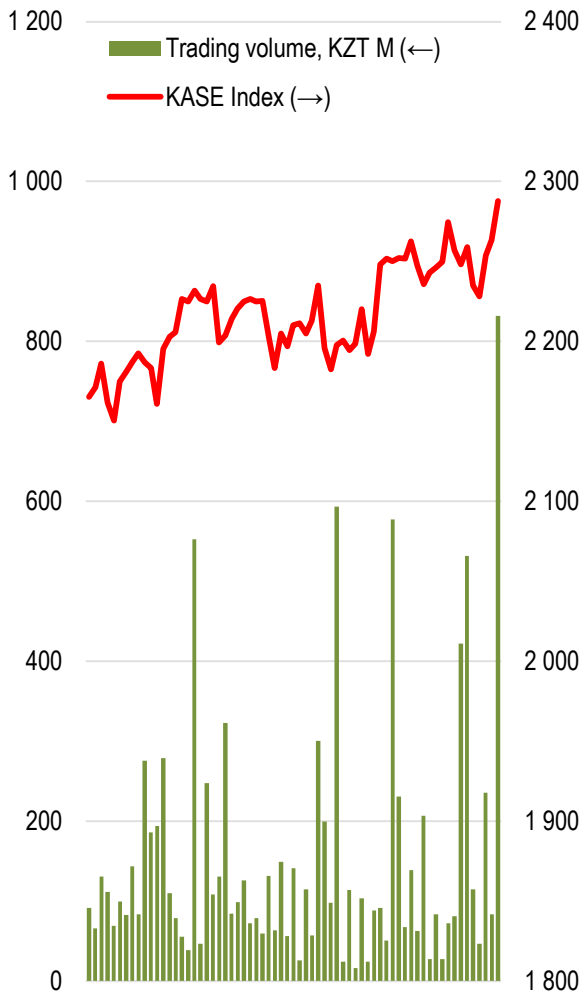
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kaspi Bank [raised](#) KZT6.0 bn on KASE on December 11 selling bonds (CSBNb17) at 11.50% APR.
- ▲ Subsidiary Bank "Home Credit and Finance Bank" [raised](#) KZT4.8 bn on KASE on December 12 by selling four-year bonds (HCBN5) at 13.00% APR.
- ▲ AstanaGas KMG [raised](#) KZT85.0 bn on KASE on December 13 by selling 15-year (AKMGb1) at 10.00% APR.
- ▲ National Company Kazakhstan Temir Zholy [reports](#) that its bonds worth CHF170.0 mln issued on SIX Swiss Exchange and Astana International Exchange.
- ▲ As of December 11 trading in common shares (KZAP) of National Atomic Company KazAtomProm [opens](#) in KASE secondary market sector.
- ▲ Halyk Savings Bank of Kazakhstan [reported](#) that Fitch Ratings had affirmed ratings of the bank and its bonds, outlook "Positive".
- ▲ Bank CenterCredit [reported](#) that Fitch Ratings had affirmed its ratings, outlook "Stable".



KASE Index closed the week with growth having increased by 1.29% to 2,287.86 points, which is the maximum value since August 2, 2018 amid the news that Kazakhtelecom bought 75% shares of Kcell.

KASE Index shares



14.12.2018

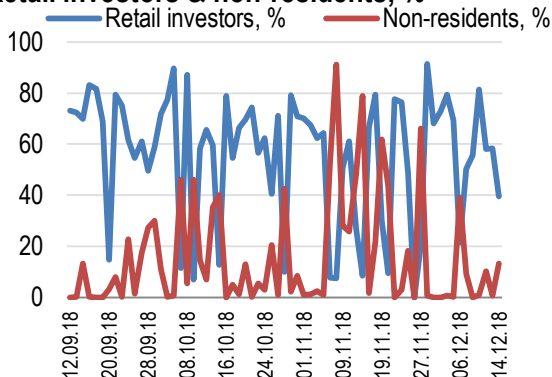
		Trends (%)	
		1,3	4,4
KASE Index	2 287,9		
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
Kazakhtelecom	35 199,0	15,4	19,9
Kazakhtelecom (pref.)	13 490,9	11,5	14,3
Bank VTB (Russia)	0,2	5,0	0,0
Kcell	1 678,0	0,8	-0,3
KazTransOil	1 307,0	0,5	1,2
KAZ Minerals	2 535,0	-0,6	-0,6
CenterCredit Bank	244,7	-1,4	0,3
BAST	36 350,5	-1,8	-2,8
Bank of America	9 890,0	-2,1	-4,5
Halyk Bank	101,5	-3,4	-2,4
KEGOC	1 565,6	-3,5	2,4
Sberbank (Russia)	1 044,8	-3,7	-3,8
Gazprom (Russia)	860,0	-4,4	3,3
KazMunayGas EP (pref.)	12 200,0	-4,7	-2,4
Aeroflot (Russia)	568,3	-7,0	4,7

Note: Index stocks are highlighted in green

Kazakhtelecom's stocks, which have increased by 15.41% to KZT35,198.99 during trades on Friday, rose most of all. The growth is due to news that Kazakhtelecom completed the deal on the acquisition of 75% shares of Kcell. The agreed upon price of shares amounted to US \$446 mln, i.e. about KZT1,100 per share. Kcell stocks closed with an increase of 0.81% to KZT1,678.00 over the week.

The most fall was seen on KEGOC stocks, which fell by 3.49% to KZT1,565.59 amid finalized payout of dividends. At some point, the value of the company's securities has reduced, however, shares have recovered on Friday by almost 2.5%.

Retail investors & non-residents, %

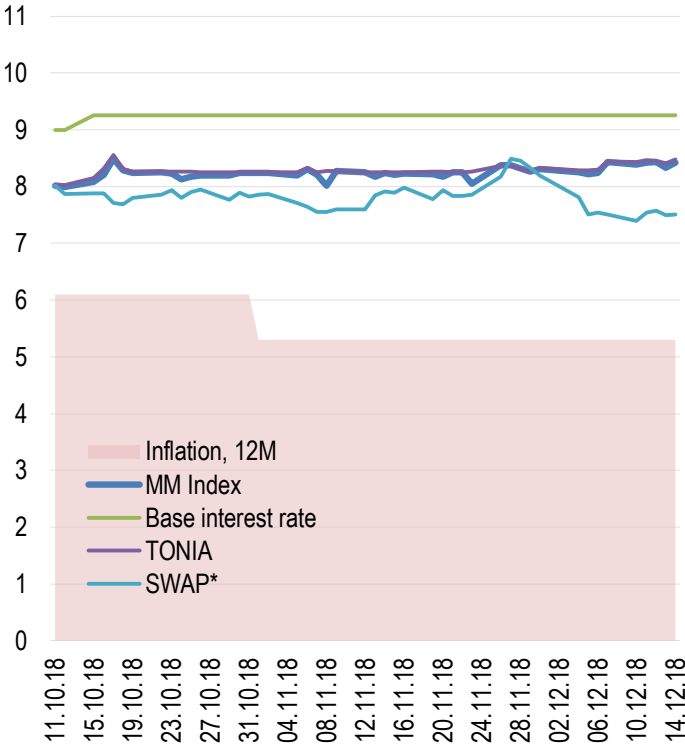




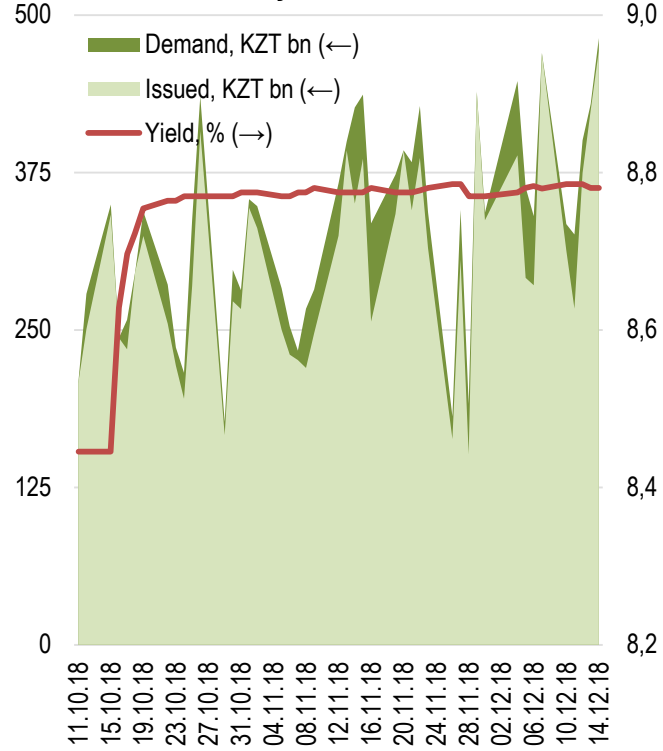
Money market rates have shown oppositely directed change. The yield of one-day repo transactions with government securities rose by 2 b.p. and amounted to 8.47% APR. The yield of one-day dollar swaps fell by 11 b.p. to 7.59% APR.

The National Bank's open position on notes slightly recovered after falling last week and it reached KZT3.6 trillion by Thursday. The increase was due to the increased number of auctions. For instance, last week there were five issues of notes published whereas this week, the regulator made eight placements for the total amount of KZT2,150.9 bn. The total demand for the short-term notes exceeded the supply by 11%. Weekly notes placed with the yield from 8.78% to 8.79%; the yield of monthly instruments varied within the ranged from 8.81% to 8.79%. Three-month instruments were placed for the amount of KZT59.7 bn. at 8.83% APR.

Inflation and interest rates

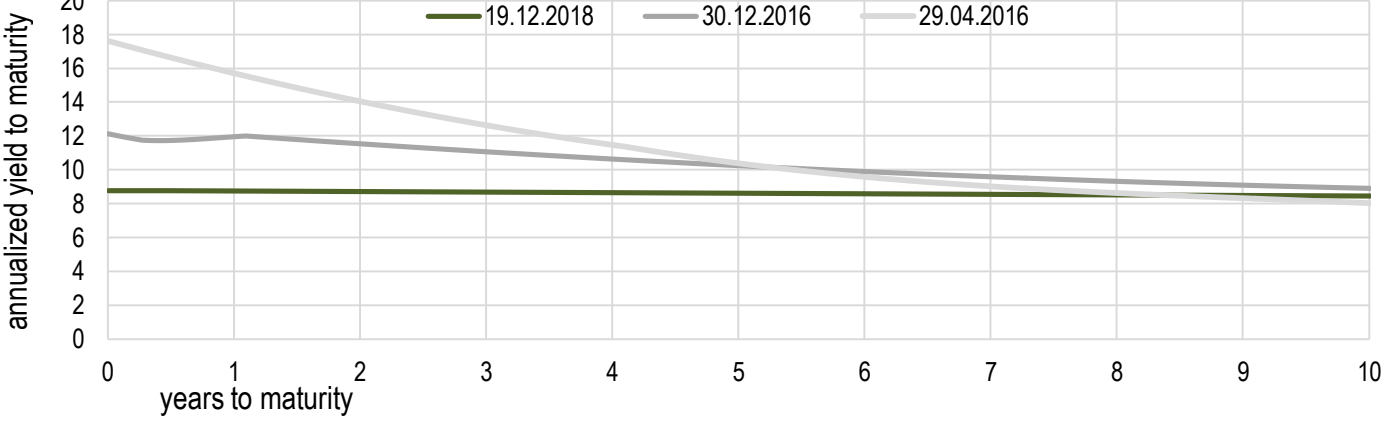


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





Weighted average dollar rate grew by 0.82 to KZT371.31 over the week. Total volume of trading in dollars amounted to \$767.6 mln.

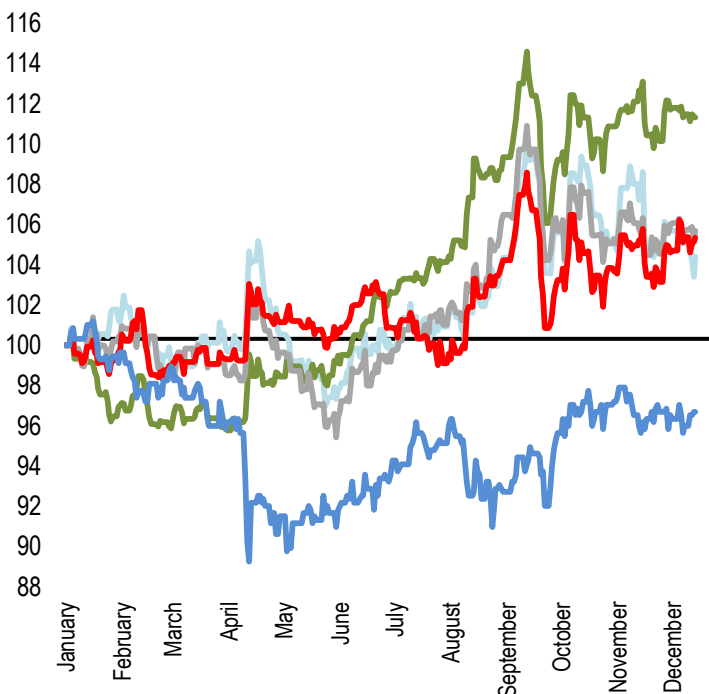
The week was rather calm for the USD/KZT currency pair; volatility was below average values, which was contributed by calm external situation. Kazakhstan's currency held its ground quite well against the US dollar while the latter was updating its local peaks. However, it must be admitted that the ruble looked even better ahead of a meeting of Russia's Central Bank, which has made a decision to raise the base rates by 25 b.p. to 7.75% on Friday. The first reaction of the market was the strengthening of the ruble against the dollar, but later the situation was not so clear-cut.

The ruble rose by KZT0.0412 to KZT5.6022 on KASE over the week. Total trading volume reached RUB135.5 mln over the week.

The euro closed the week down by KZT1.10; the exchange rate of the European currency fixed at KZT419.90. Weekly trading volume in the euro reached EUR900 thous.

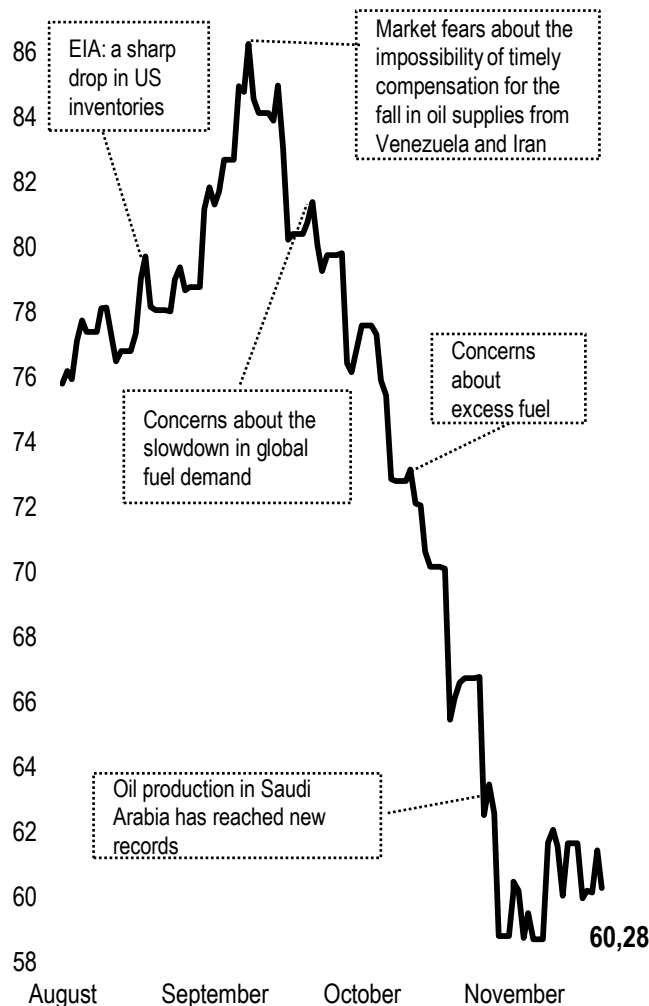
The exchange rate of yuan fell by KZT0.0383 over the week having fixed at KZT53.9217 at the total trading volume of CNY7.2 mln.

FX rates
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	468,51	-0,6	-2,9	+4,4
— USDKZT	370,04	+0,0	-1,1	+11,3
— EURKZT	420,99	+0,4	+0,2	+5,7
— CNYKZT	53,82	+0,2	+0,1	+5,3
— RUBKZT	5,58	+1,1	+1,1	-3,3

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	2 599,95	-1,3	-3,8	-2,0	-1,2
Dow Jones	24 100,51	-1,2	-3,9	-1,7	-1,2
 RTS	1 116,50	-3,6	-0,1	-3,2	-3,9
MICEX	2 285,53	0,0	0,0	6,2	-3,9
 Hang Seng	26 094,79	0,1	1,7	-10,5	-0,1
SS CSI 300	3 165,91	-0,5	-1,2	-21,4	-0,3
 Euro Stoxx 50	3 092,60	1,1	-3,5	-13,0	0,8
FTSEuroFirst	3 815,00	0,5	-4,0	-11,9	0,9
 FTSE 100	6 845,17	1,0	-2,7	-8,1	0,6
 KASE	2 287,86	1,3	4,4	8,0	

Commodities market

14.12.2018

Name	Price	Trend %	
		7d	1m
Oil	60,28	-2,3	-8,8
	51,20	-2,7	-9,0
Natural gas	3,83	-14,7	-20,9
Copper	276,05	0,1	1,9
Iron	497,50	-0,4	-11,3
Gold	1 239,02	-0,8	2,3
Silver	14,51	-0,4	3,1
Wheat	527,75	1,6	4,9

Economic calendar

		Currency	Forecast	Previous
19.12	Unemployment Rate (November)	RUB	4.8%	4.7%
19.12	Existing Home Sales (November)	USD	5.20M	5.22M
19.12	Crude Oil Inventories	USD	-2.437M	-1.208M
19.12	FOMC Economic Projections	USD		
19.12	FED Interest Rate Decision	USD	2.50%	2.25%
21.12	Fed Chair Powell Testifies	USD		
21.12	GDP (QoQ) (Q3)	USD	3.5%	3.5%

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	5,3 %	01.12.18	7,1 %
Gross international reserves of NBK, USD bn	30 158	01.12.18	30 745
Reserve money, KZT bn	5 988,4	01.12.18	5 538,7
Money supply, KZT bn	19 715,1	01.10.18	19 456,0

Kazakhstan credit ratings

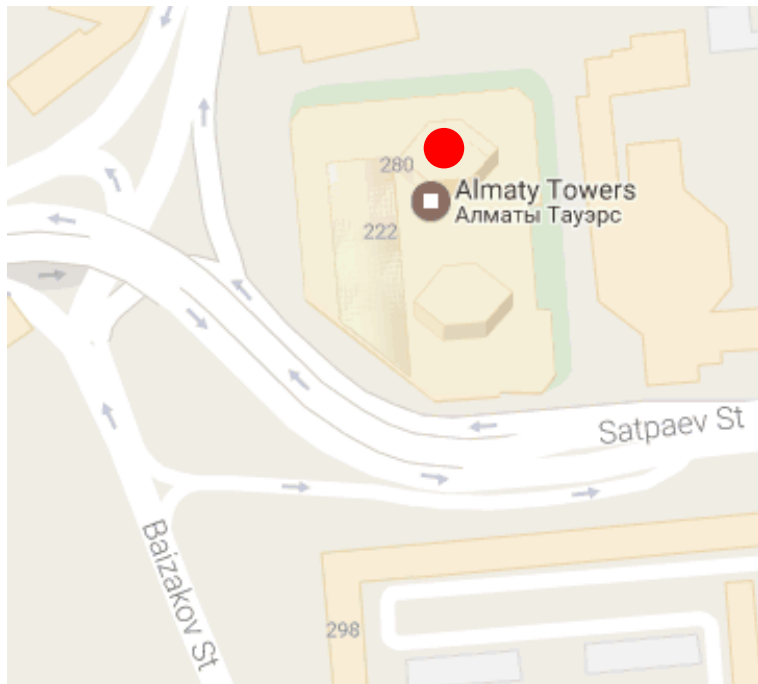
	Rating	Date	Previous
S&P Global	BBB- stable	10.09.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 stable
FitchRatings	BBB stable	28.09.18	BBB stable

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