

KASE WEEKLY

22 - 26 January,
2018

KASE NEWS

- ▲ KASE [added](#) information on dividends to its channel in Telegram.
- ▲ KASE [extended](#) duration of the Base period for market valuation of non-indexed GS with a term of 360 and more days to maturity.
- ▲ Amendments to Rules of Annual Recognition of Kazakhstan Stock Exchange members were [put](#) into effect since January 23, 2018.
- ▲ As of January 24, 2018, trading in new instruments [opens](#) in auto repo market, where ordinary shares of Bank CenterCredit are permitted to be used as the underlying asset of repo transactions.
- ▲ KASE [composed](#) lists shares of first, second and third classes of liquidity for February-March 2018.
- ▲ KASE [suspended](#) calculation of KASE_BA* series due to the absence of representative selection.

ISSUER NEWS AND ANNOUNCEMENTS

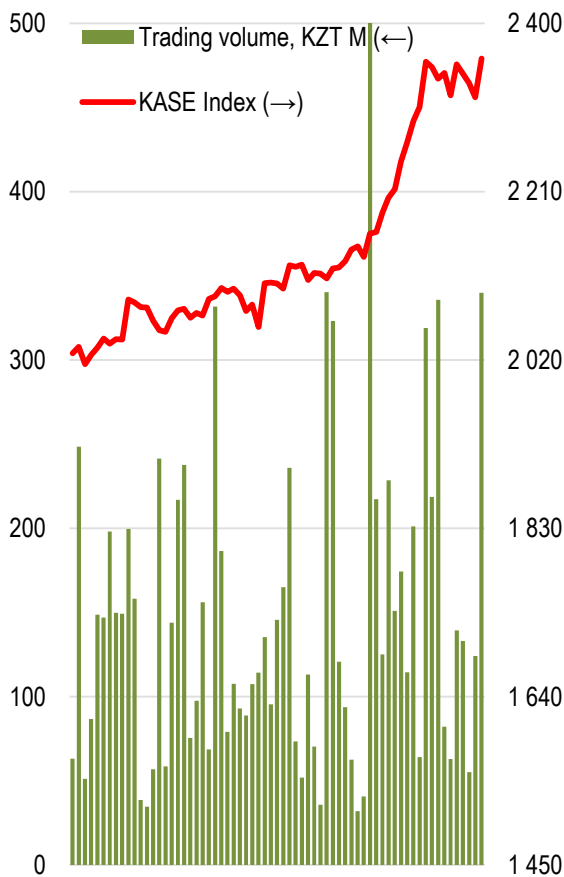
- ▲ Subsidiary organization Bank VTB (Kazakhstan) [announced](#) launch of funding for private building contractors as part of Nurly Zher program.
- ▲ National Company KazMunayGaz [announced](#) the 12th partial buyback of 8 mln indexed coupon bonds.
- ▲ Development Bank of Kazakhstan [announced](#) funding of the construction of the first launch facility of wind power plant.
- ▲ Special trading sessions for buyback of 85.0 mln global depository [receipts](#) and 410,237 common [shares](#) of KazMunaiGas Exploration Production will be held from February 02 to February 19 on KASE.
- ▲ Tethys Petroleum Limited (Cayman Islands) [announced](#) receiving proposals from two investors to acquire ordinary shares of the company.
- ▲ The National Management Holding KazAgro [commented](#) on information on buyback of the company's bonds in the amount of KZT 60.0 bn on account of funds from State Social Insurance Fund.
- ▲ Halyk - Kazakhinstrakh subsidiary insurance company of Halyk Bank of Kazakhstan [announced](#) sole shareholder's decision on the company's voluntary reorganization by takeover of Insurance Company Kazkommerts-Policy.
- ▲ The National Company KazMunayGaz [announced](#) extension of term of option agreement to buy back 50 % stake in PCLL KMG Kashagan B.V.
- ▲ KAZ Minerals PLC (United Kingdom) [reported](#) approval of the Aktogay mining and concentrating complex expansion project.

KASE index closes the fifth consecutive week in the black; the index rose by 1.79 % to 2,360.46 points. Stocks in the Index have been adjusting the whole week as profits are locked in after rally. The trend has changed only on Friday after significant growth of shares of the telecommunications sector.

26.01.2018

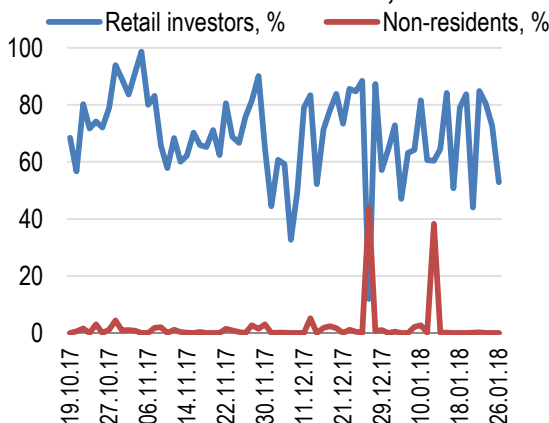
KASE Index	2 360,5	Trends (%)	
Price, KZT		Δ 7d	Δ 1m
First class of liquidity			
KazMunayGas EP (pref.)	13 706,1	23,4	17,1
CenterCredit Bank	219,3	8,0	13,6
Halyk Bank	106,6	5,4	26,9
KazMunayGas EP	26 216,0	4,3	0,4
Kazakhtelecom	25 600,0	4,0	22,5
Sberbank (Russia)	1 429,2	2,5	10,6
KEGOC	1 420,0	1,7	5,0
Kcell	1 670,0	1,2	-1,8
Bank of America	10 358,4	0,9	4,4
BAST	56 650,0	0,6	0,6
QAZKOM (pref.)	105,0	0,0	33,8
Bank VTB (Russia)	0,3	0,0	3,6
Bank of Astana	1 210,0	-0,1	-4,0
Aktobe Metalware Plant	11 932,4	-0,2	-0,3
Gazprom (Russia)	840,0	-1,4	12,3
KazTransOil	1 435,0	-1,7	7,4
Aeroflot (Russia)	840,0	-2,3	-0,2
KAZ Minerals	3 960,0	-3,5	7,6
Kazakhtelecom (pref.)	10 300,0	-4,4	23,8
QAZKOM	81,1	-22,0	-22,7

KASE Index shares



Shares of Halyk Bank of Kazakhstan, which have renewed their historical maximum, showed the most growth. The Bank's shares have increased by 5.42 percent to KZT 106.57. It seems that after a small adjustment, rally in respect of these securities continues. Let us remind that the significant growth of shares followed after Sberbank CIB analysts had lifted their target price for Halyk Bank GDR to USD 16, which approximates to KZT 128 per share. Later, Freedom Finance analysts also increased target price for the share to KZT 115.

Retail investors & non-residents, %



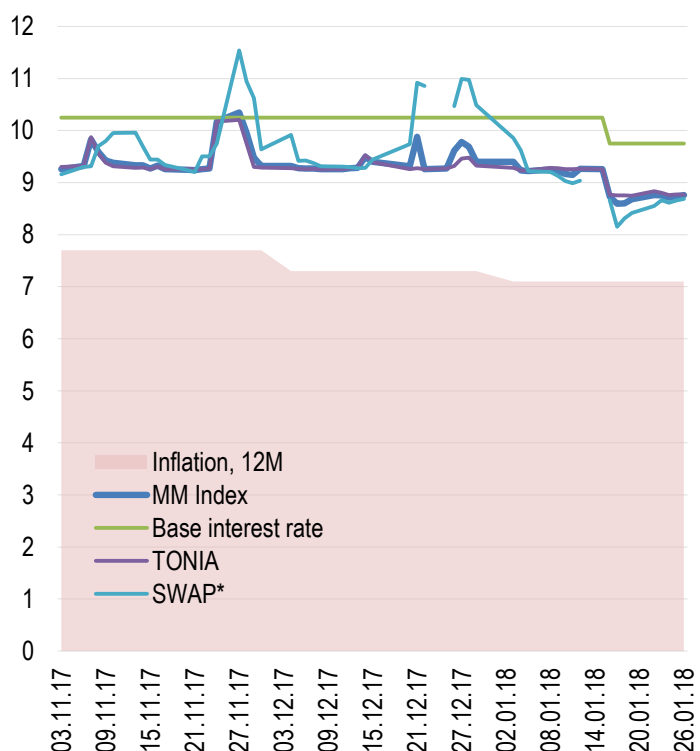
The price of KMG EP shares went up by 4.3 % to KZT 26,216.00. In Tuesday, it became known that the company's Board of Directors approved the launch of the proposal to buyback all common shares of the company issued or to be issued on KASE at the price of USD84 per one common share. The buyback will be made in tenge, which means that the price of these shares will be primarily affected by the change in the US dollar exchange rate. By the way, the company has submitted its production report on Friday. According to the report, oil production in 2017 was 11,867 thousand tonnes of crude oil, a 2-per-cent decrease against 2016.



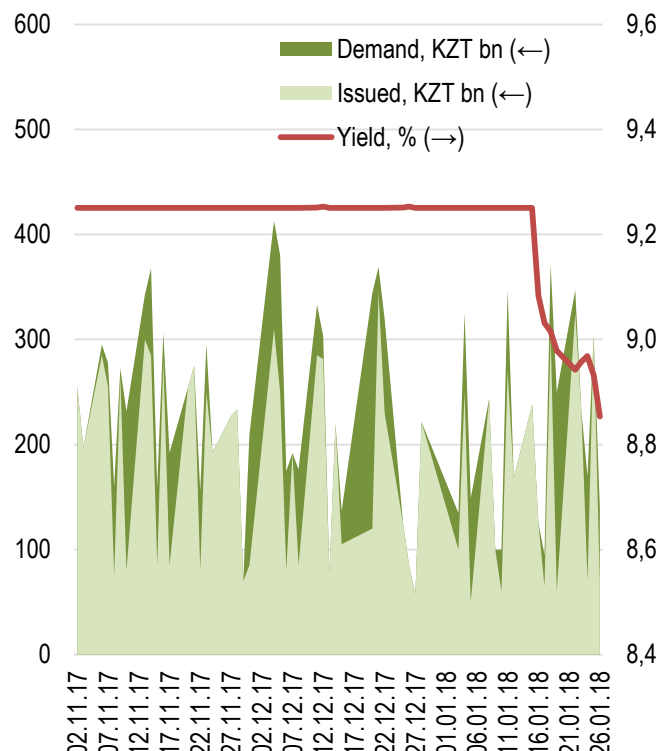
The yield of money market over the week has increased. The yield on one-day swaps went up by 45 b.p. to 8.72 per cent. The yield of one-day repo transactions with government securities increased by 2 b.p. to 8.77 per cent APR over the week.

The National Bank has placed seven issues of notes with the total volume of KZT 1,471.2 bn over-the-counter during the week. The yield on five issues of the 7-day notes with offering volume of KZT 997.2 bn was in the corridor of 8.85-8.96 per cent. On the 28-day notes, the rate was 9.12 per cent per annum; on semi-annual notes it was 8.79 per annum. The total demand for notes exceeded the supply by 22 per cent and reached KZT 1,801.5 bn.

Inflation and interest rates

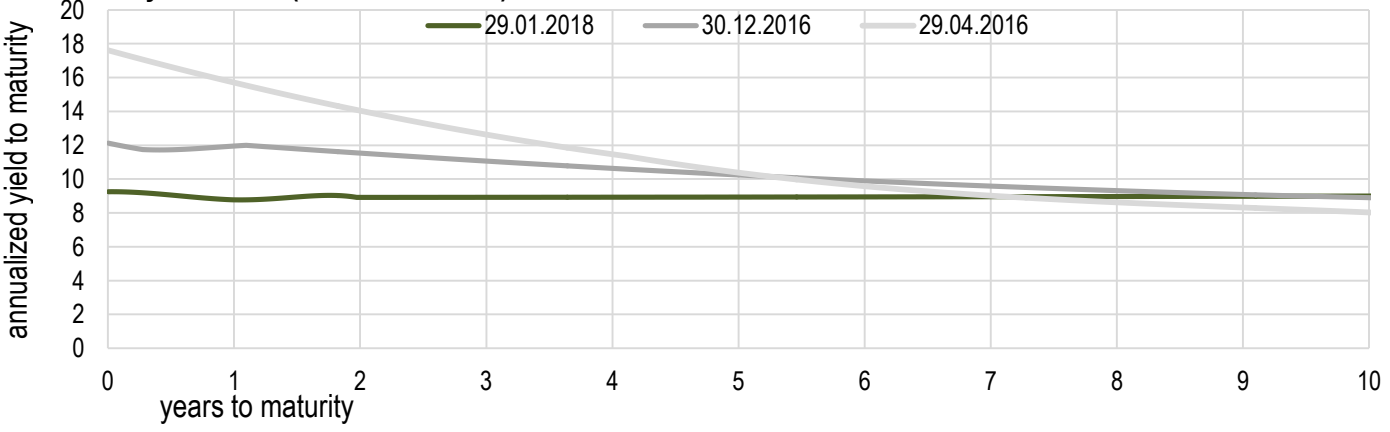


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





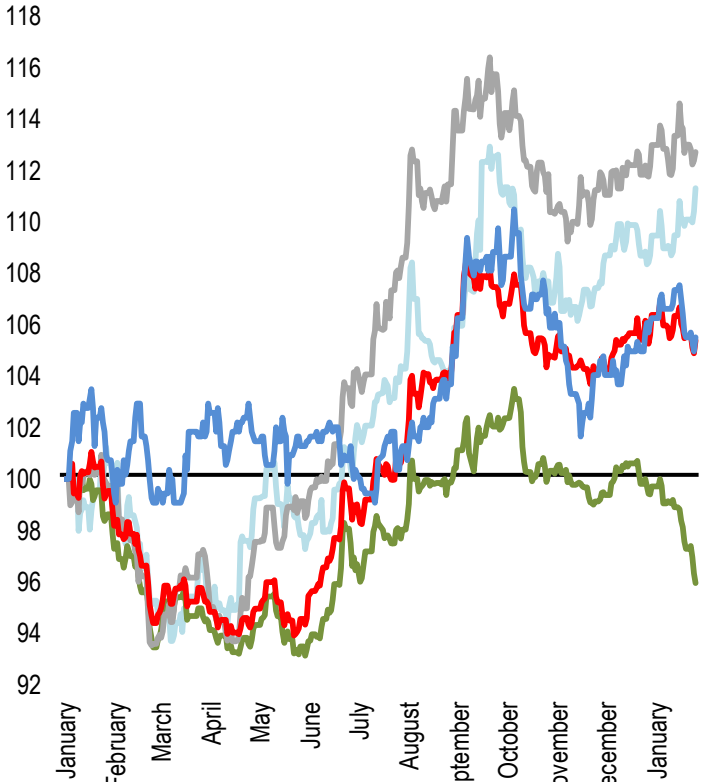
The dollar exchange rate decreased by 1.1 per cent or by KZT 3.61 to KZT 320.66 over the week. The trading volume reached USD 1,025.4 mln over the week, which is 11 per cent less than last week. The exchange rate of the USD/KZT currency pair is declining for the sixth consecutive week. Revaluation dynamics of the national currency reminds the last year trend when the dollar has declined from KZT 334 to KZT 311 in the first two months. However, it should be noted that trading volumes in January this year exceed the volume of the year 2017 by several times.

Tenge and rouble were supported this week by rising oil prices, tax payments and the weak dollar. On Thursday, the Brent crude oil price has reached the level of USD 71 for the first time since December 2014 amid declining weekly oil reserves in USA. However, it failed to gain a foothold above this level.

The Russian rouble is traded against the US dollar at maximum values since April 25, 2017. On Friday, its exchange rate decreased by KZT 0.0092 to KZT 5.7350 at the trading volume of RUR 139 mln on KASE.

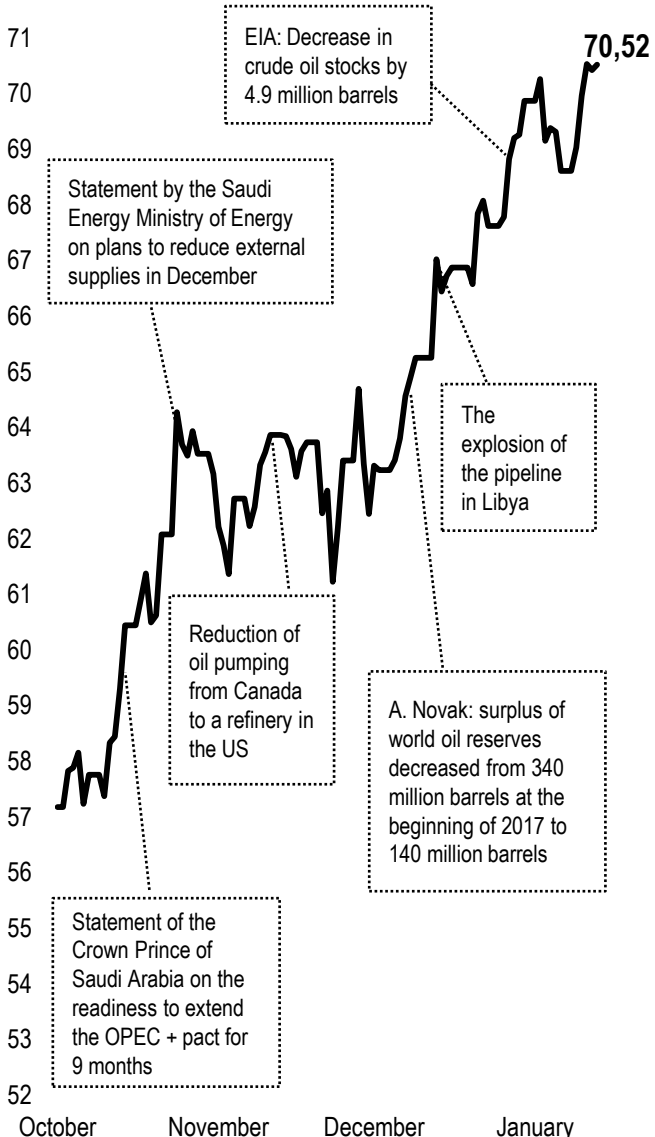
FX rates

Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	456,17	+1,3	+2,7	+11,3
— USDKZT	319,83	-1,7	-3,8	-4,0
— EURKZT	397,29	0,0	+0,8	+12,7
— CNYKZT	50,61	-0,1	-0,3	+5,4
— RUBKZT	5,73	-0,2	-0,5	+5,5

**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	2 872,87	2,2	7,1	25,1	2,3
Dow Jones	26 616,71	2,1	7,4	32,4	2,1
 RTS	1 286,70	1,2	12,0	10,6	0,8
MICEX	2 295,26	0,4	9,0	3,0	0,8
 Hang Seng	33 154,12	2,8	12,0	41,8	2,9
SS CSI 300	4 381,30	2,2	9,8	29,3	2,4
 Euro Stoxx 50	3 647,41	0,0	2,7	9,9	0,0
FTSEuroFirst	4 433,50	-0,2	2,3	7,8	-0,2
 FTSE 100	7 665,54	-0,8	0,6	7,0	-0,8
 KASE	2 360,46	1,8	9,9	58,5	

Commodities market

26.01.2018

Name	Price	Trend %	
		7d	1m
Oil	70,52	2,8	6,1
	66,14	4,4	10,9
Natural gas	3,51	10,0	28,0
Copper	319,90	0,4	-1,8
Iron	576,50	10,4	17,9
Gold	1 349,12	1,3	4,8
Silver	17,44	2,4	4,9
Wheat	441,00	4,3	3,0

Economic calendar

		Currency	Forecast	Previous
30.01	CB Consumer Confidence (Jan)	USD	123.0	122.1
31.01	Manufacturing PMI (Jan)	CNY	51.5	51.6
31.01	U.S. President Trump Speaks	USD		
31.01	CPI (YoY) (Jan)	EUR	1.3%	1.4%
31.01	Crude Oil Inventories	USD	-1.600M	-1.071M
31.01	Fed Interest Rate Decision	USD	1.50%	1.50%
02.02	Unemployment Rate (Jan)	USD	4.1%	4.1%

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	19 456,0	01.01.18	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
S&P Global	BBB- stable	16.01.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	20.10.17	BBB stable

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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;
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