

# KASE WEEKLY

04-08 September,  
2017

## KASE NEWS

- ▲ KASE continues developing new sections of the beta version of its website, available on [beta.kase.kz](http://beta.kase.kz). A broad range of new landing pages devoted to four target groups of KASE website users was launched on September 5: 1) companies-securities issuers; 2) investors – retail investors, foreign investors, institutional investors; 3) brokers and dealers – local and foreign brokers and dealers, including KASE members; 4) users of market data – vendors and end subscribers. All information is placed in blocks, each one with its own heading that will facilitate the search of necessary information. For convenience and easy surfing each landing page features useful links, relevant documents and application samples.

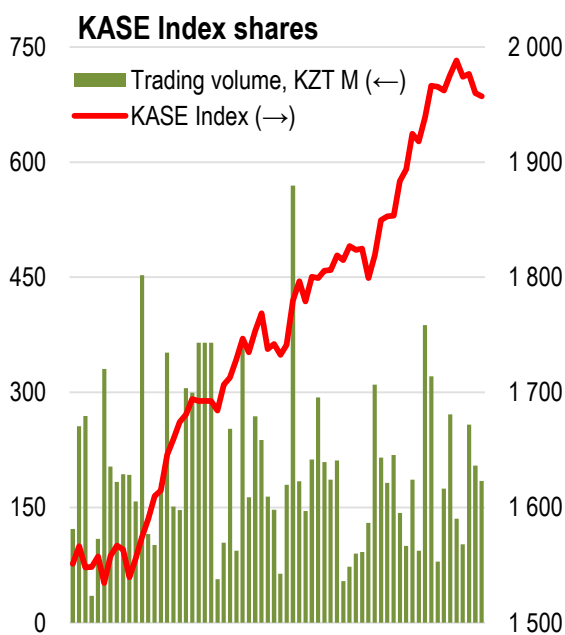
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ SB Sberbank JSC and National Company KAZAKH INVEST JSC have signed a framework investment cooperation agreement. Investment projects of KAZAKH INVEST will be considered by Sberbank in the form of potential directions for financing in the framework of this Agreement. In turn, KAZAKH INVEST undertakes an obligation to conduct a preliminary analysis of investment projects, assist the bank in obtaining the necessary information from government bodies, as well as inform the bank about possible forms of state support for investment activities.
- ▲ BAST reports achieving target ore processing figures. In July of this year BAST completed construction of additional infrastructure, extension of the plan building, installation of additional machinery and expansion of its mining equipment which allowed a two-fold increase in the production volumes, up to 400 thousand tons of ore processed in a year.
- ▲ KEGOC says Fitch Ratings affirmed ratings of company and its bonds, outlook Stable. Fitch rated KEGOC one level below the rating of Kazakhstan due to relatively strong relationship with the government in form of state guarantees for one part of the company's debts, the strategic importance of the company for the energy sector, as well as strong operational relationship between the company and government. The agency expects that timely support will be provided by the government in case of need.
- ▲ Tethys Petroleum Limited (Cayman Islands) continues listing of ordinary shares KYG876361091 (KY\_TPL\_) on Toronto Stock Exchange subject to eligibility review. The company has 120 days, beginning from August 24, 2017 to fulfill all requirements for listing continuation. The next meeting is supposed to be held on December 14, 2017 to consider the up-to-date situation.

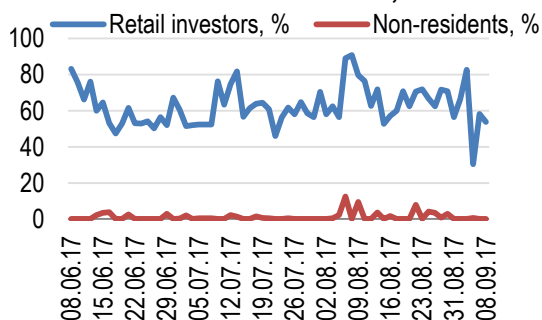
KASE Index decreased 0.9 % to 1,957.0 points, retreating from the 9-year maximum in the course of the short-term correction brought about by the increased volatility of the currency market.

KazMunaiGas EP shares were in the lead, having increased 2.3 % to KZT20,300. The shares managed to anchor above the psychological level of KZT20,000 and renewed their six-year maximum. Over the last three months the company's shares were showing a stable positive trend.

Shares of Halyk Savings Bank of Kazakhstan lost more than all the others, going down 5.1 % to KZT83.00. The corporate life of the bank was marked by a change in ratings of Kazkommertsbank and Halyk Bank of Kazakhstan supplied by Fitch Ratings.



### Retail investors & non-residents, %



08.09.2017

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	1 957,0	-0,9	7,3
<b>First class of liquidity</b>	<b>Price, KZT</b>		
QAZKOM (pref.)	92,2	18,6	26,3
Aktobe Metalware Plant	13 500,0	7,9	3,6
Aeroflot (Russia)	1 180,0	5,4	-0,1
<b>KazMunayGas EP</b>	20 300,0	2,3	5,2
<b>Kazakhtelecom</b>	19 998,0	2,0	24,8
Gazprom (Russia)	703,7	1,5	4,5
Sberbank (Russia)	1 082,1	1,2	12,6
Bank of Astana	1 160,0	0,7	-0,3
<b>KazTransOil</b>	1 218,0	0,2	0,7
QAZKOM	147,8	0,0	3,6
Estate Management Company (pref.)	84 975,0	0,0	0,0
KazMunayGas EP (pref.)	7 200,6	0,0	1,6
<b>Kcell</b>	1 473,1	-0,6	9,3
<b>KEGOC</b>	1 368,1	-0,8	-2,0
Kazakhtelecom (pref.)	7 107,0	-2,6	2,9
<b>CenterCredit Bank</b>	156,5	-2,7	-3,2
<b>KAZ Minerals</b>	3 560,0	-3,3	8,9
Bank of America	7 800,0	-4,7	-6,3
<b>Halyk Bank</b>	83,0	-5,1	6,4

Kazkommertsbank's rating was upgraded from CCC to BB- with a stable outlook. The default rating of Halyk Bank of Kazakhstan remained at BB, also with a stable outlook. These rating changes followed the merger of the two banks.

On September 4 a special trading session for offering of Shubarkol Premium's shares was held on KASE. The company's main activities involve exploration, production, selling and purchase of coal products, as well as operation of mines. Based on trading results, 33 thousand shares were sold at a price of KZT54,545.46. The actual total amount of orders executed made KZT1.8 bn.

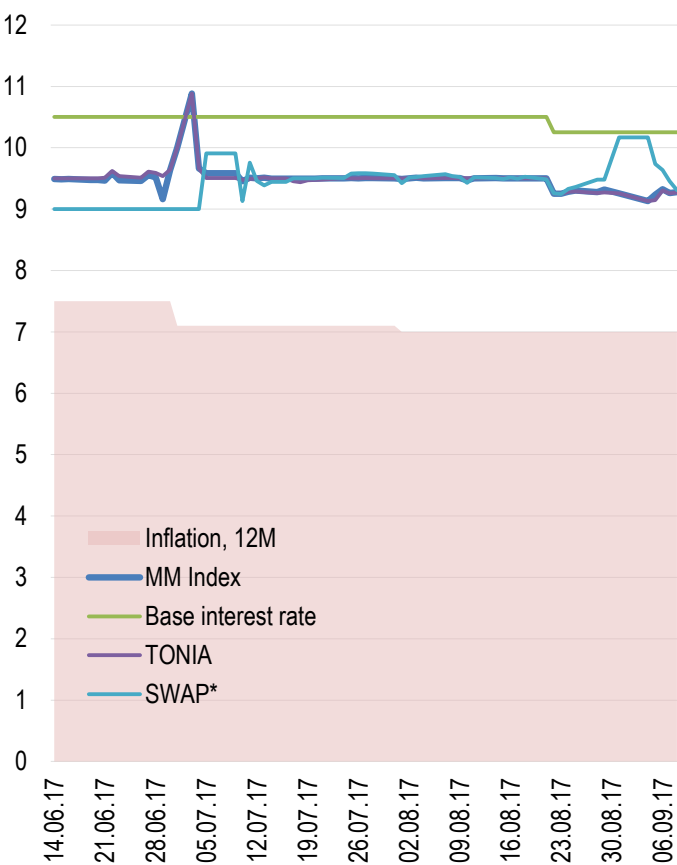
On September 7 Kazakhstan's Ministry of Finance raised KZT550 mln on KASE at the face value, with an interest rate of 8.40 % APR. The term to maturity is 1,736 days, or almost five years.

On the same day, trading in international bonds of RUR-denominated KTZ Finance bonds opened in KASE's secondary market sector. The current coupon rate on the instrument is 8.75 % APR. The bonds are guaranteed by National company Kazakhstan Temir Zholy.

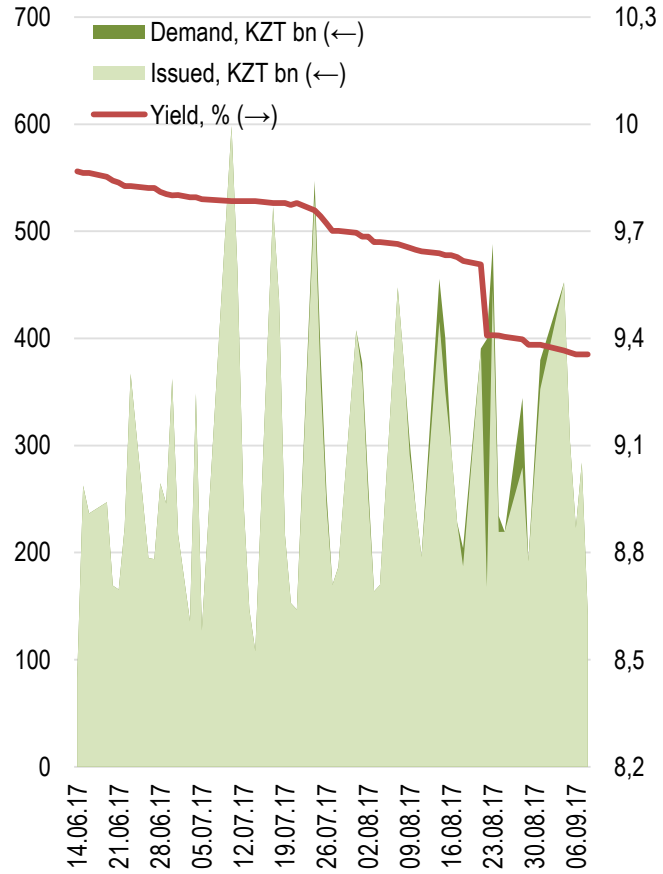


The money market's profitability decreased on the whole, due to a 87 b.p. decrease in rates on currency swap transactions, to 9.3 % APR. In the repo segment the yield didn't virtually change making 9.27 %. The parity of money market rates recovered in the light of the stabilization on the foreign currency market.

**Inflation and interest rates**

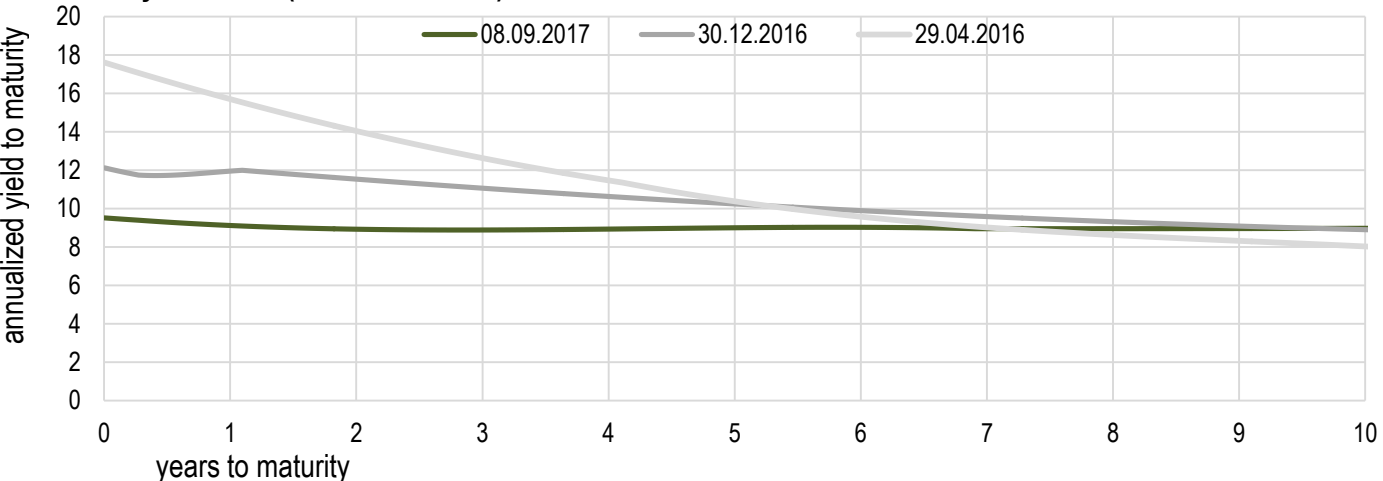


**Issuance of weekly NBK notes**



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

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



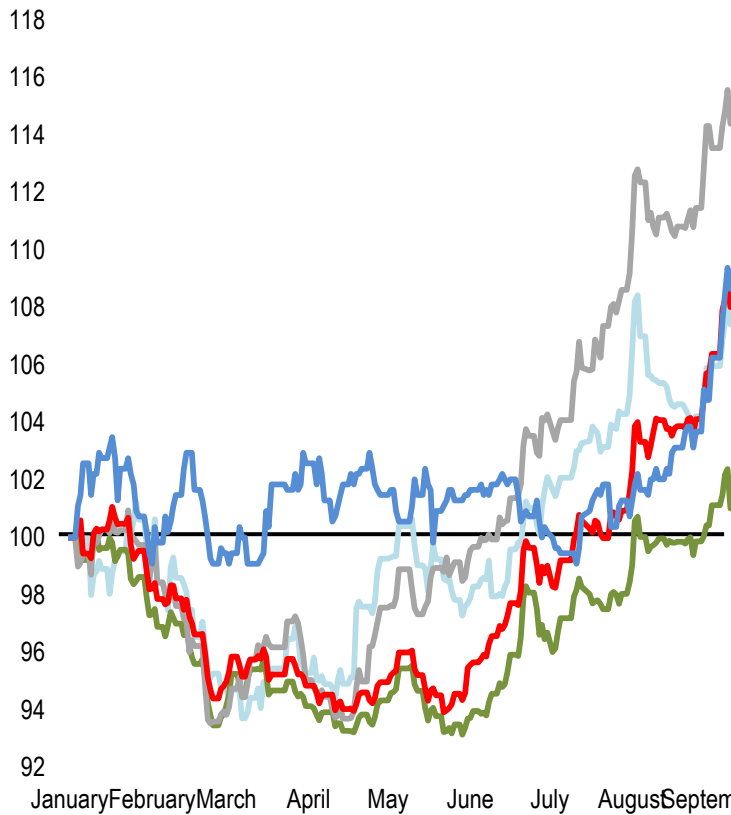


The dollar exchange rate decreased by 0.82 % over the week and made KZT334.29. The National Bank commented on the tenge fluctuations over the last two and a half weeks. The dollar exchange rate grew due to the surplus of the demand for foreign currency over the supply on the part of banks, businesses and public. With the tenge exchange rate floating freely and the National Bank's participation in currency trading kept at minimum, such situation led to an automatic weakening of the exchange rate. In August the volume of net interventions of the National Bank made USD70 mln. According to the National Bank, the KZT/USD exchange rate will remain at the current levels, if oil prices do not go below USD50/barrel, and the RUR exchange rate doesn't exceed RUR 59-60 per US dollar.

During the current week the RUR rate on KASE increased 1.7 % to 5.8713, updating its historical maximum at KZT5.95 on Wednesday.

**FX rates**

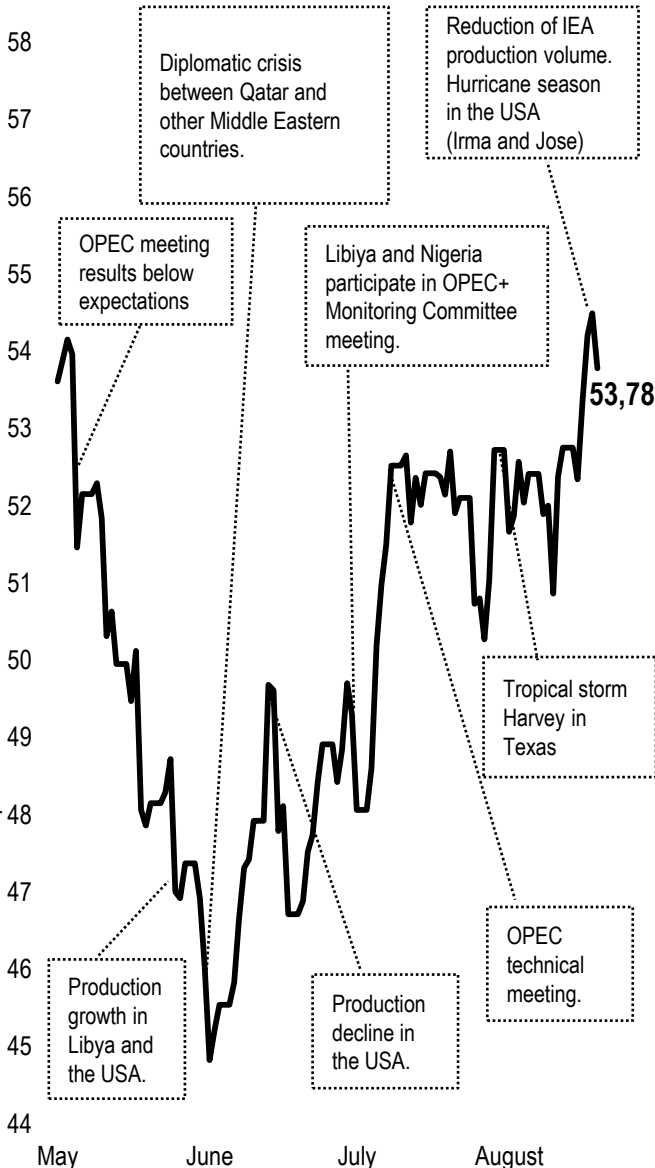
Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	440,15	+1,4	+1,7	+7,4
— USDKZT	336,66	-0,1	+1,3	+1,0
— EURKZT	403,18	+0,7	+2,8	+14,4
— CNYKZT	51,87	+1,5	+4,7	+8,0
— RUBKZT	5,90	+2,3	+6,5	+8,7







**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	2 461,43	-0,4	-0,5	12,8	-0,5
Dow Jones	21 797,79	-0,7	-1,1	18,0	-0,7
 RTS	1 119,61	2,2	8,2	10,5	1,5
MICEX	2 032,75	0,5	2,9	-0,9	1,5
 Hang Seng	27 668,47	-1,1	-0,3	15,7	-0,7
SS CSI 300	3 825,99	0,1	2,5	14,6	-0,4
 Euro Stoxx 50	3 447,69	0,8	-0,6	11,8	0,1
FTSEuroFirst	4 148,00	0,7	-1,5	7,3	-0,1
 FTSE 100	7 377,60	-0,7	-1,6	7,6	-0,9
 KASE	1 957,02	-0,9	7,3	73,3	0,0

## Commodities market

08.09.2017

Name	Price	Trend	
		7d	1m
Oil	53,78	2,7	2,0
	47,48	0,5	-4,2
Natural gas	2,89	-4,9	0,2
Copper	302,15	-1,9	3,2
Iron	584,00	-2,4	4,2
Gold	1 346,59	2,2	5,8
Silver	18,03	3,1	6,9
Wheat	413,75	0,9	-10,0

## Economic calendar

		Currency	Forecast	Previous
11.09	GDP (YoY)	RUB	2.5%	0.5%
12.09	OPEC Monthly Report	USD		
13.09	IEA Monthly Report	USD		
13.09	PPI (MoM) (Aug)	USD	0.3%	-0.1%
13.09	Industrial Production (YoY) (Aug)	CNY	6.6%	6.4%
15.09	Interest Rate Decision (Sep)	RUB	8.50%	9.00%
15.09	Retail Sales (MoM) (Aug)	USD	0.1%	0.6%


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	32 946	01.09.17	29 530
Reserve money, KZT bn	5 342,9	01.09.17	5 162,2
Money supply, KZT bn	19 509,3	01.08.17	19 912,6

## Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	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