

KASE WEEKLY

21 – 25 August,
2017

KASE NEWS

- ▲ Ordinary shares of Shubarkol Premium (SHUP) were included in KASE main market's sector "shares" from August 21. Main activities of the company include exploration, production, selling and purchase of coal products, as well as operation of mines.
- ▲ Ordinary shares of Mega Center Management (MEGA) were included in KASE main market's category "standard" from August 21. Main activities of the company include construction of trading centers; purchase-sale, lease of trade facilities; trust management of real estate.
- ▲ Bonds of Development Bank of Kazakhstan (BRKZb10, BRKZb11, BRKZb12) and Samyruk-Energy (SNRGb2, SNRGb3) were included in KASE main market's category "bonds" from August 21.
- ▲ As of August 24, 2017 trading in new instruments of auto repo market was opened on KASE. The repo transactions' underlying assets are ordinary shares of OJSC Sberbank (RU_SBER) with transaction terms of 3, 7, 14 and 28 days.

ISSUER NEWS AND ANNOUNCEMENTS

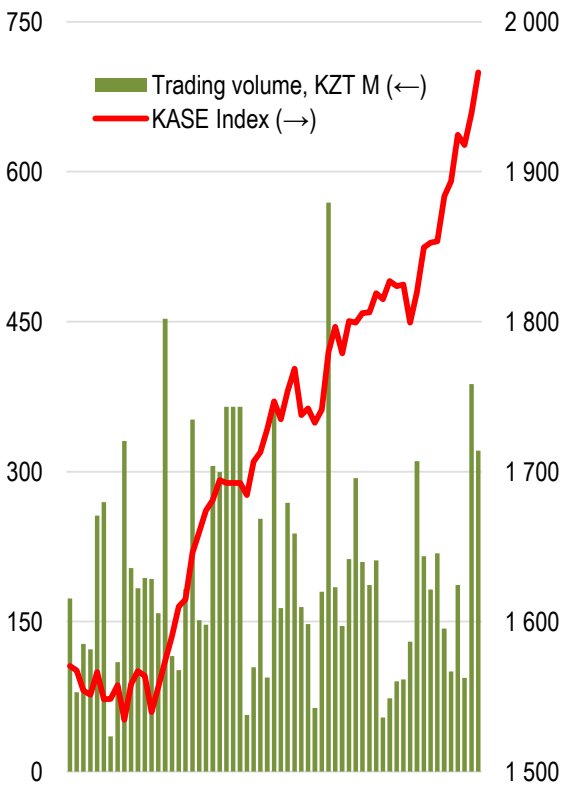
- ▲ Kcell announced appointment of Andis Locmelis as the financial director of the company. Appointment of Mr. Locmelis followed the current Finance director Trond Moe's decision to quit the company upon expiration of his labor contract. Before joining the company Andis Locmelis occupied the position of Finance director of Group "MegaFon" (Russia), Finance director of Lattelecom (Latvia), and Finance Director and Director of Supplies in Mobilink, Pakistan.
- ▲ Agrarian Credit Corporation and Tsesnabank announced the signing of agreement on partnership and cooperation. Export-oriented enterprises in the agriculture can now apply for funding on favorable conditions. Funding is possible for those investing in setting up, extension and modernization of dairy plants, meat plants, poultry plants, combined feed plants, pig farms, fruit and vegetable storage facilities, greenhouses, fish processing plants, setting up intensive gardens and other lines with good export prospects.
- ▲ Halyk Bank of Kazakhstan announced the completion of final settlements under the tender for purchase of global depository receipts with Kazkommertsbank's ordinary and preferred shares as underlying asset, as was indicated in a message as of August 10, 2017.



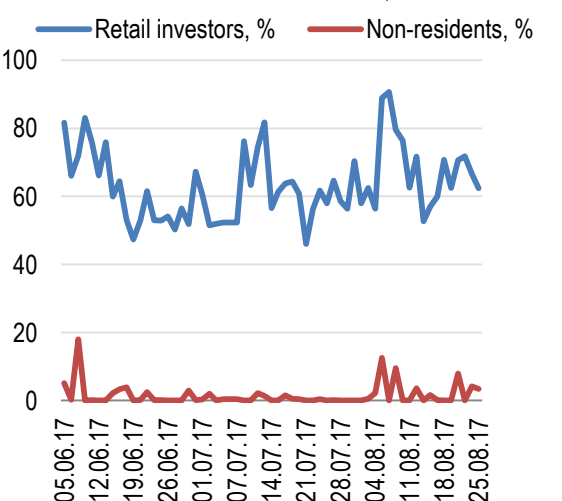
Over the last week KASE Index climbed 4.4 % to 1,966.3 points, reaching its maximum since 29 August 2008.

Kazakhtelecom shares rose the most – by 16.7 % to KZT 19,600. The quotations increased drastically amid the release of financial statements of the company for the 6 months of this year.

KASE Index shares



Retail investors & non-residents, %



25.08.2017

		Trends (%)	
KASE Index	1 966,3	4,4	10,5
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
Kazakhtelecom	19 600,0	16,7	19,9
KAZ Minerals	3 470,0	10,5	21,8
Kazakhtelecom (pref.)	7 600,0	10,1	10,0
QAZKOM (pref.)	77,7	4,4	8,7
Sberbank (Russia)	1 001,0	3,7	14,5
KazMunayGas EP	19 975,0	3,5	5,1
Halyk Bank	89,1	1,7	12,0
Kcell	1 505,0	1,3	12,1
Aeroflot (Russia)	1 189,5	0,8	3,7
Gazprom (Russia)	664,1	0,4	0,8
KazMunayGas EP (pref.)	7 170,0	0,3	1,8
Estate Management Company (pref.)	84 975,0	0,0	0,0
Bank of Astana	1 155,1	-0,1	0,1
QAZKOM	145,0	-0,2	1,8
CenterCredit Bank	157,0	-0,5	-0,7
Bank of America	7 974,2	-0,6	-0,8
KazTransOil	1 213,0	-0,7	-0,6
KEGOC	1 372,4	-0,8	3,1
Aktobe Metalware Plant	12 631,4	-1,5	-9,6

According to reports, Kazakhtelecom's net income went up 9.6 %, not accounting for the income from the transaction with Tele2 last year, when Kazakhtelecom exchanged its 100 % stake in Altel for 51 % of shareholder capital and 49.48 % of voting shares in Khan Tengri Holding.

KEGOC shares were among poor performers, depreciating by 0.8 % to 1,372.41.

On August 21 Kazakhstan's Ministry of Finance raised KZT 4 billion at face value on KASE with the interest rate of 8.85 % APR. Current maturity is 1.7 years (603 days).

Special trading sessions for selling of bonds of Kazakhstan's Ministry of Finance were held on KASE daily from August 21 to 24. The current maturity amounted to 16.7 years for all issues. Amount of funds raised ranged from KZT500 mln to KZT1 bn, whereas the initial yield reached 9.3 % APR, however after the decrease of the interest rate it went down to 9.15 % APR.

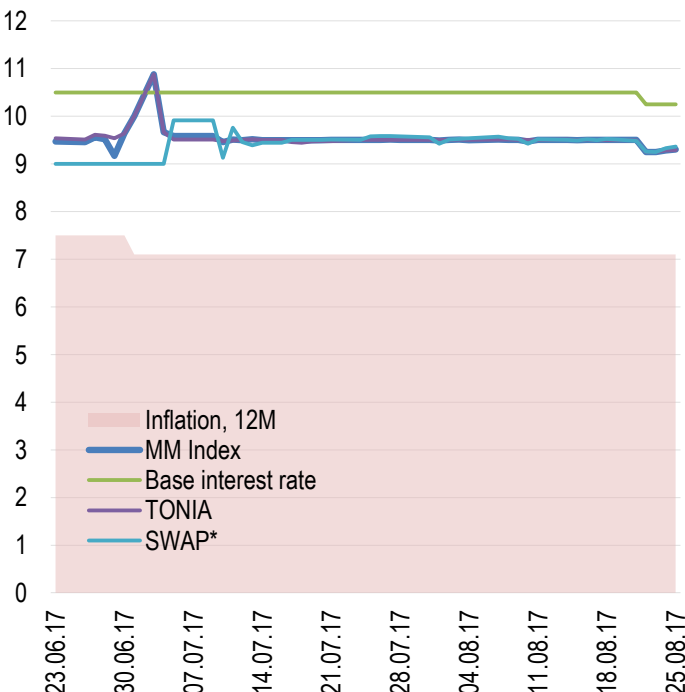
Development Bank of Kazakhstan also carried out the bond placement on KASE last week. Special trading sessions were held daily from August 22 to 24. Offering amounts reached KZT8.836 bn under each offering. The bonds' maturity ranged from 11 to 15 years at the yield of 11 to 11.25 % APR.



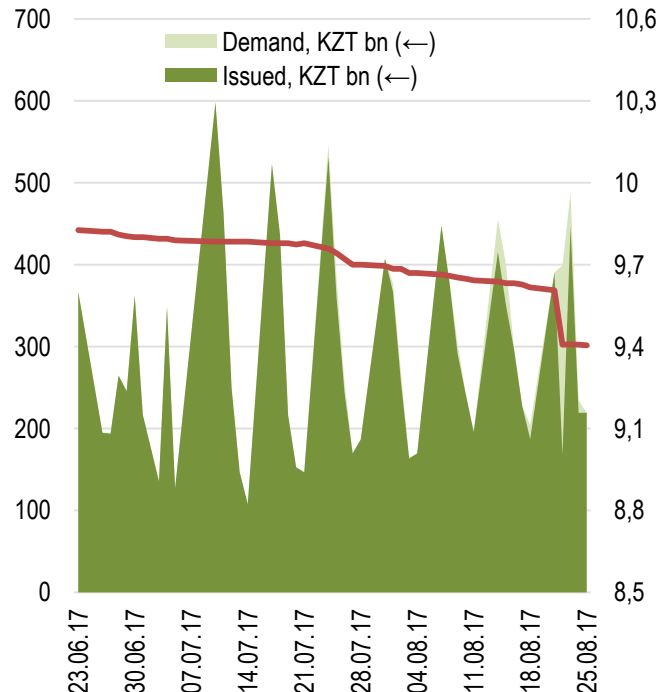
The money market's yield decreased: in the repo segment – by 21 b.p. to 9.29 % APR, in the currency swap segment – by 11 b.p. to 9.39 %.

The money market's yield declined amid the National Bank's decision to reduce the interest rate by 25 basis points on August 21, to 10.25 % APR, retaining the fluctuations corridor at +/- 1 of the percentage point. According to the National Bank's press release, easier monetary conditions were based on the stable level of inflation expectations, and the more stable situation in commodity markets, as well as on forecasts of further decrease of the inflation rate in the medium term. Therefore, the National Bank, taking into account the current uncertainty and volatility of the environment, revised its assessment of outlooks of further decrease of the basis rate in the short run. Next interest rate decision of the National Bank is scheduled for October 9, 2017.

Inflation and interest rates

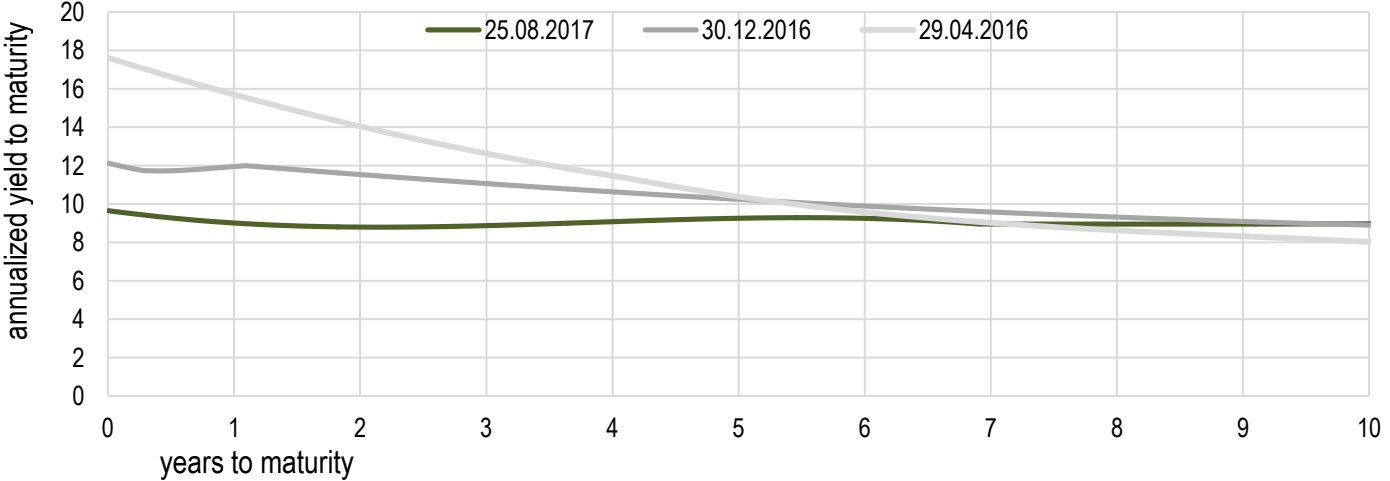


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)



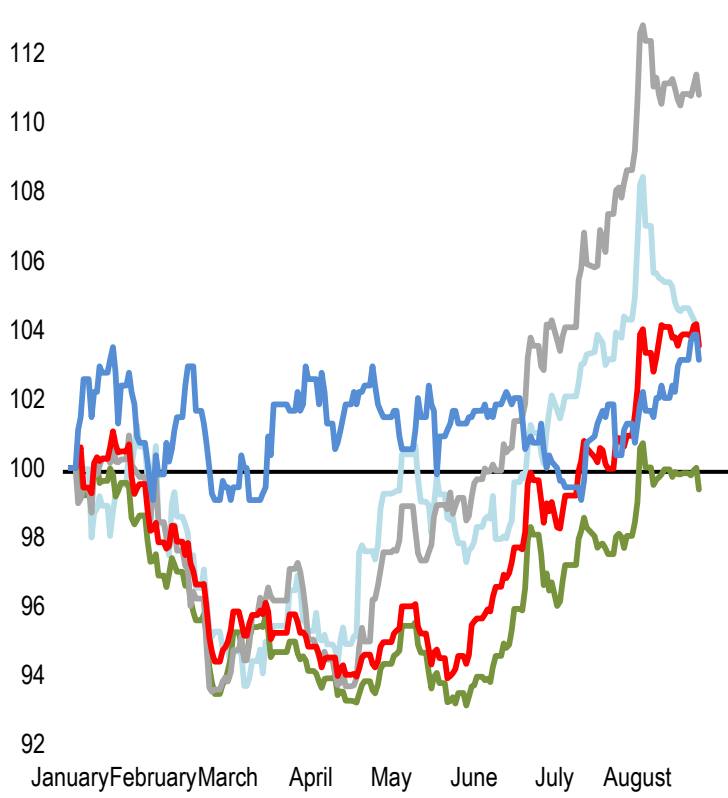


The dollar exchange rate increased insignificantly (up 0.02 %) reaching KZT332.85. Tenge was stable against the background of the elapsing corporate tax payments week, return of oil prices to USD52 per barrel, as well as strengthening of the ruble. The opposing factor of the last week week was the strengthening dollar. The dollar index went up slightly last week on the eve of the speech of Janet Yellen, the chair of the Federal Reserve System. Janet Yellen's presentation was scheduled for Friday when investors will have a close look at the FRS rhetoric in a bid to calculate the likelihood of one more increase of the rate this year.

Over the week the ruble exchange rate on KASE rose 0.3 % to KZT5.6332, refreshing its historical maximum. The new historic maximum of the ruble was recorded at KZT5.6455 last Wednesday. The ruble strengthened on the eve of tax payments in Russia which is due August 25 and is going to end with income tax payments on August 28.

FX rates

Δ %, base (01.01.17)
114

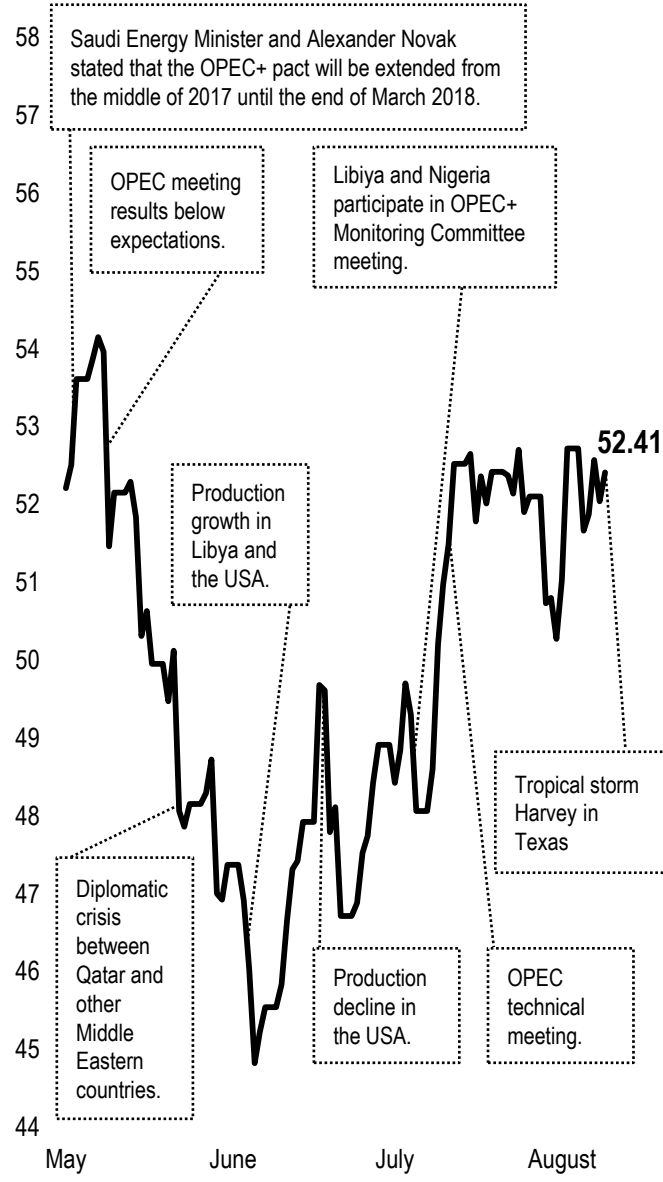


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	424,46	-0,9	-0,2	+3,6
— USDKZT	331,22	-0,4	+1,3	-0,6
— EURKZT	390,48	+0,3	+2,5	+10,8
— CNYKZT	49,72	-0,3	+2,6	+3,6
— RUBKZT	5,60	0,0	+2,8	+3,1

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





Global indices

Name	Value	Trend			Futures 7d
		7d	1m	1y	
S&P 500	2 443,05	0,7	-1,4	12,5	0,6
Dow Jones	21 813,67	0,6	0,5	18,2	0,6
RTS	1 060,49	3,2	3,9	9,7	3,2
MICEX	1 979,14	2,5	2,4	-0,3	3,2
Hang Seng	27 848,16	3,0	3,4	22,1	3,3
SS CSI 300	3 795,75	1,9	2,4	14,7	2,4
Euro Stoxx 50	3 438,55	-0,2	-1,5	15,1	-0,2
FTSEuroFirst	4 130,50	0,1	-2,2	9,6	0,0
FTSE 100	7 401,46	1,1	-0,7	8,6	1,2
KASE	1 966,30	4,4	10,5	78,2	0,0

Commodities market

25.08.2017

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
28.08	Goods Trade Balance (Jul)	USD	-64,50B	-64,01B
29.08	CB Consumer Confidence (Aug)	USD	120,3	121,1
30.08	GDP (QoQ) (Q2)	USD	2,7%	2,6%
30.08	Crude Oil Inventories	USD		-3,327M
31.08	Caixin Manufacturing PMI (Aug)	CNY	51,3	51,4
31.08	CPI (YoY) (Aug)	EUR	1,4%	1,3%
01.09	Markit Manufacturing PMI (Aug)	RUB		52,7

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	7,1 %	01.08.17	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

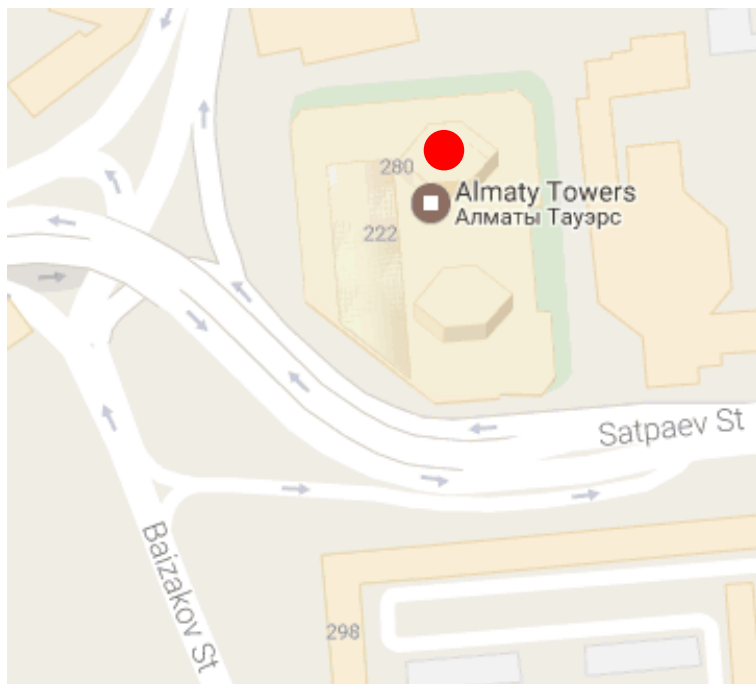
	Rating	Date	Previous
S&P Global	BBB- negative	10.03.17	BBB- negative
MOODY'S	Baa3 negative	11.05.17	Baa3 negative
FitchRatings	BBB stable	21.04.17	BBB stable

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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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