

KASE WEEKLY

23 – 27 July,
2018

KASE NEWS

- ▲ KASE has formed lists of shares of the first, second and third classes of liquidity for August-September 2018. From the list of first class, common shares of the Aktyubinsk Metalworking Plant (AKZM) and common shares of the Bank of Astana (ABBN) were [dropped](#).

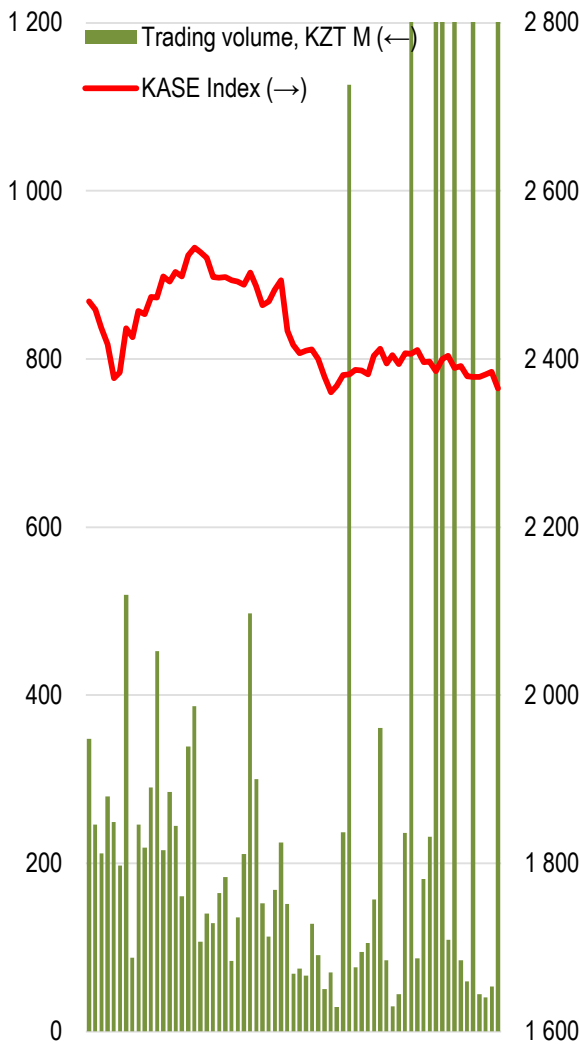
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of the RK [raised](#) KZT43.9 bn on KASE on July 23, selling 14-year bonds at 8.45% APR with a maturity of 13.7 years.
- ▲ Administration of Zhambyl region [raised](#) on KASE on July 27 KZT446.2 mln., selling two-year bonds at 0.35% APR.
- ▲ Faeton Company [placed](#) seven-year debt instruments in the amount of KZT406.0 mln. at 11.00% APR.
- ▲ Kaspi.kz [bought](#) back on KASE on July 27 4,100,000 common shares (KSPI) at the price of KZT 4,445.00 per share.
- ▲ Mortgage organization Kazakhstan Mortgage Company [announced](#) payment of dividends on ordinary shares (KZIK) for 2017.
- ▲ SevKazEnergo [announced](#) that Fitch Ratings affirmed rating of the company and its bonds (SKENb1), outlook "Stable".
- ▲ KazMunaiGas [announced](#) that Standard & Poor's upgrades ratings of the company at "kzA-" to "kzA".
- ▲ Samruk-Energy [announced](#) that Standard & Poor's upgrades ratings of the company at "kzBBB" to "kzBBB+".
- ▲ KAZ Minerals PLC (United Kingdom) [reported](#) production results for the first half of 2018.
- ▲ Kcell [reported](#) the appointment of Rainer Rathgeber to the position of chief executive officer of the company.
- ▲ Kcell [announced](#) receiving tranche in the amount of KZT10.0 bn., in Halyk Savings Bank of Kazakhstan
- ▲ KEGOC [announced](#) reduction of tariff levels from August 1 to December 31, 2018 for some services of company.



KASE Index declined slightly by 0.60% and reached 2,364.95 points over the trading week. Based on results of the trading week, five of seven denominations of shares in the index, showed a decline in prices.

KASE Index shares



27.07.2018

		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 365,0	-0,6	-0,7
First class of liquidity	Price, KZT		
KAZ Minerals	3 849,6	4,0	-0,7
Bank of America	10 495,0	2,9	5,9
Aeroflot (Russia)	680,0	1,5	-11,1
Kazakhtelecom (pref.)	13 700,0	0,7	0,7
KEGOC	1 432,0	0,5	1,3
Gazprom (Russia)	765,0	0,3	1,7
BAST	51 850,0	0,3	-2,2
Bank VTB (Russia)	0,3	0,0	4,0
Sberbank (Russia)	1 160,0	-0,1	5,9
Halyk Bank	101,5	-0,3	-0,4
Aktobe Metalware Plant	10 363,1	-0,5	-1,1
Bank of Astana	823,5	-0,7	-2,8
QAZKOM	99,0	-1,0	-1,0
CenterCredit Bank	277,0	-1,2	-1,4
Kcell	1 608,0	-1,3	3,2
KazTransOil	1 352,0	-2,2	-4,1
Kazakhtelecom	32 800,1	-3,2	-2,8
KazMunayGas EP (pref.)	10 130,0	-3,5	12,6

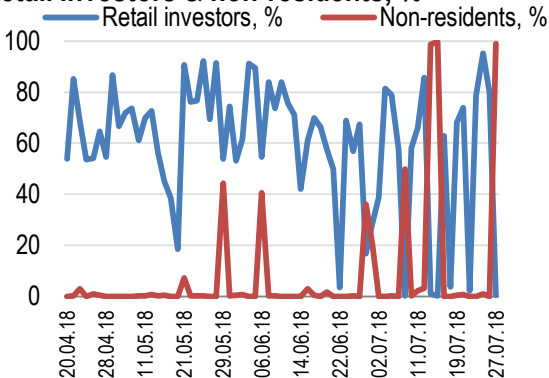
Note: Index stocks are highlighted in green

The largest decline was demonstrated by shares of Kazakhtelecom, which fell in price by 3.22% to KZT32,800.06. Correction of quotation shares of the telecommunications company, which reached their almost ten-year high last week, passes on high volumes.

The leaders of growth this week were shares of KAZ Minerals, which increased in price by 4.04% to KZT3,849.59.

Among the main news of the week is worth noting the publication of production results of KAZ Minerals in the first half of this year. In the first six months of 2018, the company produced 139.6 thousand tonnes of copper, 18% increase over the same period last year. According to the company, the main driver of growth was the higher capacity of the concentrator for processing sulfide ore at Aktogay, compared to the previous year - in the second quarter the enterprise reached its estimated capacity. I recall that copper production by the company is expected in the range of 270-300 thousand tons.

Retail investors & non-residents, %

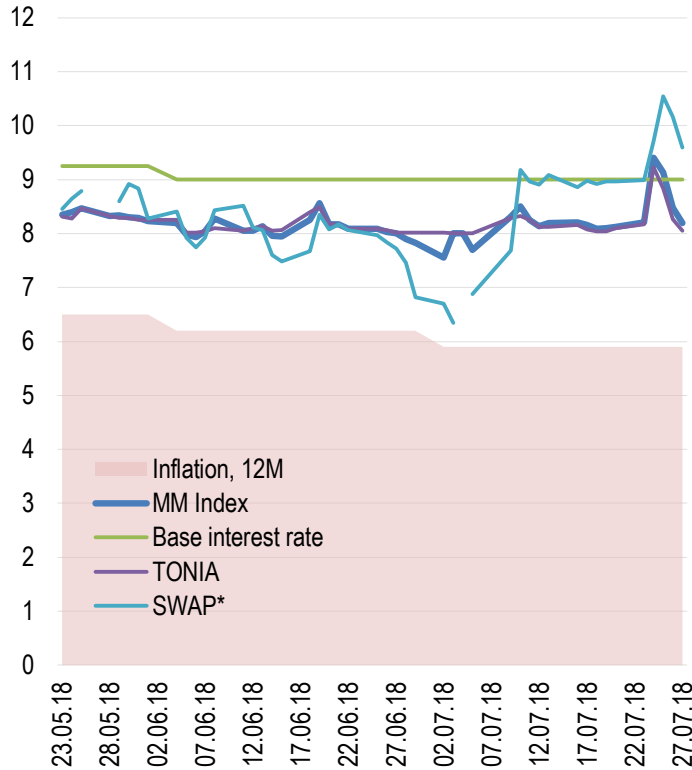




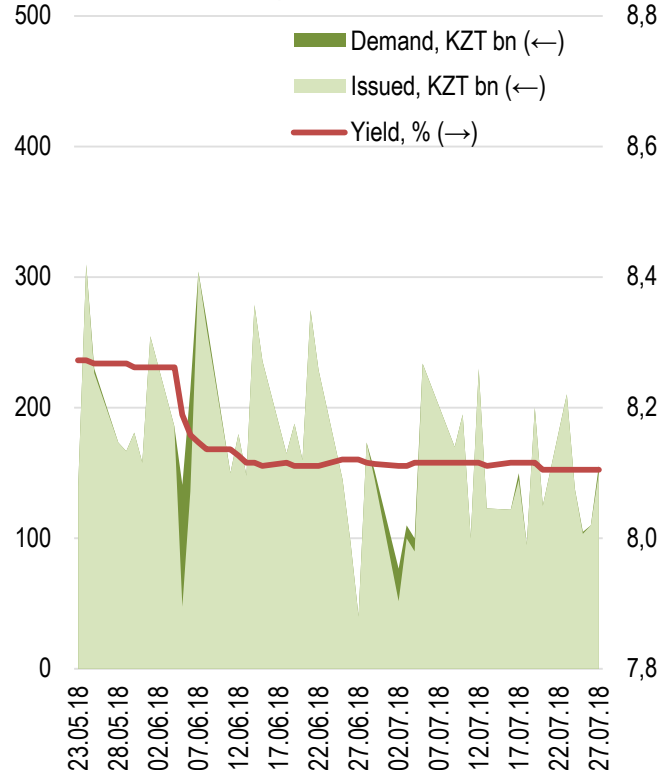
The yield on one-day currency swaps increased 18 b.p. to 9.16% APR. The yield on one-day repo transactions with government securities fell 5 b.p. and remained at 8.05 % APR.

The National Bank has placed seven issues of notes with the total trading volume of KZT1,001.7 bn. For five issues of 7-day notes, total offering volume was KZT711.4 bn. The yield level was at 8.11% APR. For 28-day notes, the yield reached 8.22% at the offering volume of KZT197.6 bn. Semiannual notes were placed for a total of KZT92.6 bn., The yield on them was 8.23%. The total demand for the notes exceeded the supply by 1% and reached KZT1,008.6 bn.

Inflation and interest rates

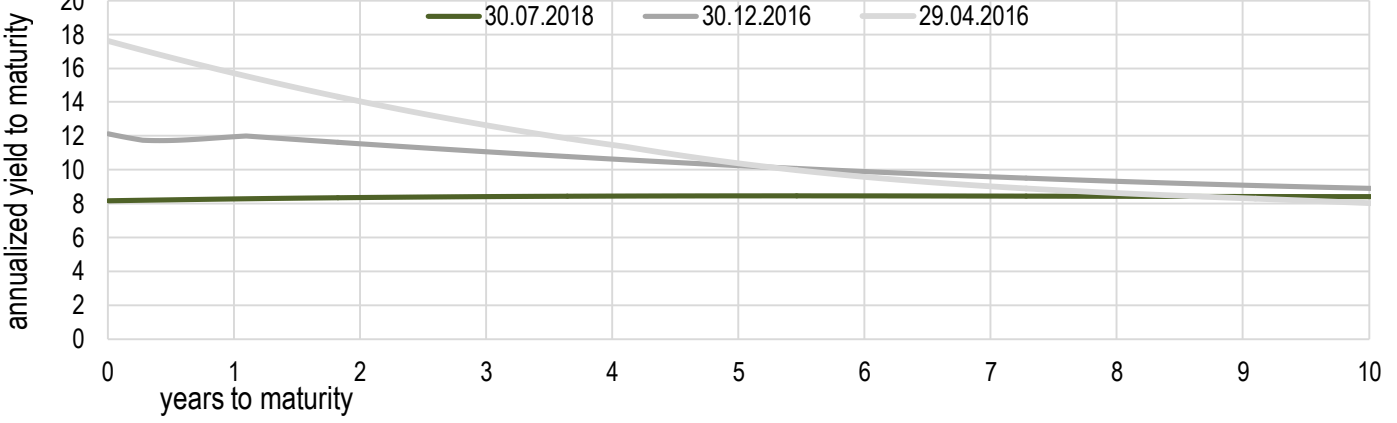


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





Weighted average US dollar rate decreased by KZT0,53 to KZT346.15 and the total trading volume amounted to US \$650.4 mln having decreased by 14% compared to the last week.

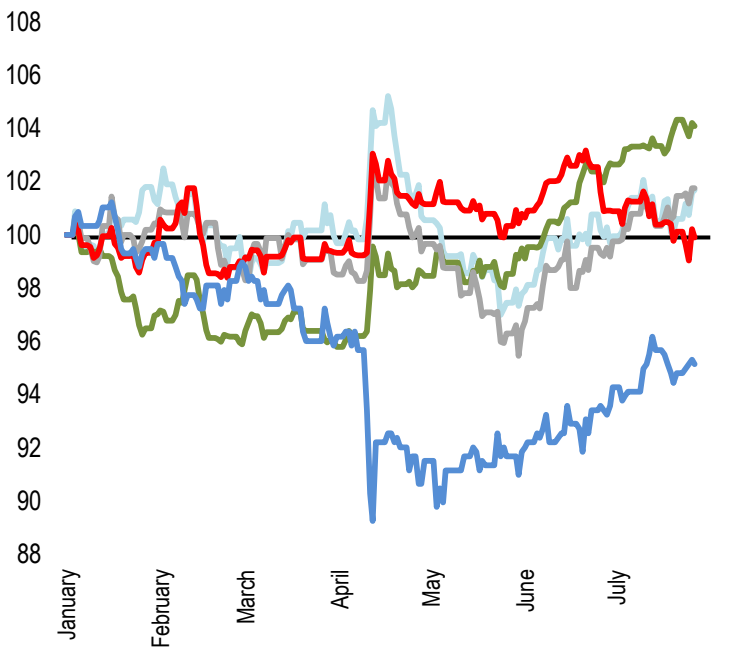
The strengthening of the tenge took place against a background of a number of fundamental factors. First, it is the retreat of the dollar index from its more than one-year high after US President Donald Trump criticized the tightening of monetary policy by the feds. The tenge was also supported by the return of oil quotations to the level of 74.5 US dollars per barrel, which rebounded from its annual minimum by almost 4%. Finally, strengthening the currency of Kazakhstan's main trading partner, Russia, also played a role.

The Russian currency went up by KZT0.0409 to KZT5.5080 by the end of the week. The total trading volume for the week reached RUB254.5 mln.

The euro exchange rate reached KZT405.80 (+4.60) per currency unit, with a total trading volume of EUR 2.25 mln

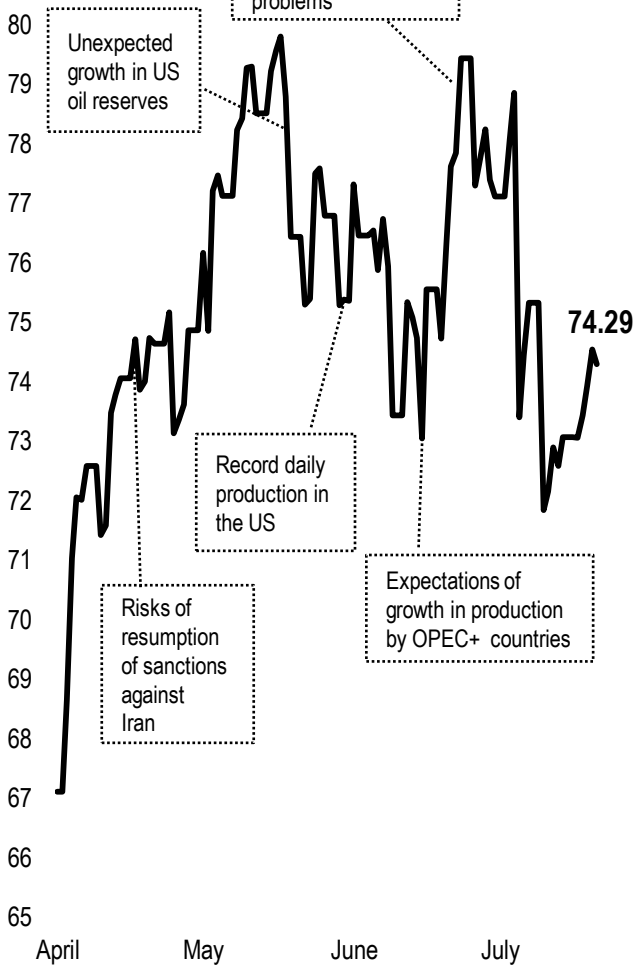
The yuan exchange rate for the week increased by KZT0.1090, having stopped at the level of KZT50.9618 with the volume of transactions of CNY5.75 mln.

FX rates
Δ % . base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	456,15	+1,6	+1,8	+1,7
— USDKZT	345,91	+0,1	+2,1	+4,1
— EURKZT	405,20	+1,0	+2,6	+1,8
— CNYKZT	51,04	+0,1	-1,0	-0,1
— RUBKZT	5,49	+0,7	+1,9	-4,9

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	2 818,82	0,6	4,4	13,9	0,6
Dow Jones	25 451,06	1,6	5,5	16,8	1,5
 RTS	1 151,74	3,3	2,4	11,7	2,6
MICEX	2 285,53	0,0	0,0	17,5	2,6
 Hang Seng	28 804,28	2,1	1,6	6,2	1,8
SS CSI 300	3 521,23	0,8	1,8	-5,1	1,1
 Euro Stoxx 50	3 527,18	1,9	3,8	1,0	1,9
FTSEuroFirst	4 312,50	1,5	3,0	2,2	1,6
 FTSE 100	7 701,31	0,3	1,0	3,5	0,4
 KASE	2 364,95	-0,6	-0,7	31,6	

Commodities market

27.07.2018

Name	Price	Trend %	
		7d	1m
Oil	74,29	1,7	-4,3
	68,69	-2,5	-5,6
Natural gas	2,82	2,4	-5,8
Copper	278,75	1,5	-6,6
Iron	472,00	2,2	9,6
Gold	1 224,22	-0,4	-2,2
Silver	15,44	-0,3	-4,4
Wheat	530,50	2,8	10,6

Economic calendar

		Currency	Forecast	Previous
31.01	Manufacturing PMI (July)	CNY	51.4	51.5
31.01	CPI (YoY) (July)	EUR	2.0%	2.0%
31.01	CB Consumer Confidence (July)	USD	126.5	126.4
01.08	ISM Manufacturing PMI (July)	USD	59.4	60.2
01.08	Crude Oil Inventories	USD	-0.189M	-6.147M
01.08	FOMC Statement			
01.08	Fed Interest Rate Decision	USD	2.00%	2.00%

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	5,9 %	01.07.18	7,1 %
Gross international reserves of NBK, USD bn	30 563	01.07.18	30 745
Reserve money, KZT bn	5 734,2	01.07.18	5 538,7
Money supply, KZT bn	19 908,2	01.07.18	19 456,0

Kazakhstan credit ratings

	Rating	Date	Previous
S&P Global	BBB- stable	12.03.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	17.04.18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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