

KASE WEEKLY

29 July –
02 August, 2019

KASE NEWS

- ▲ Announcement: KASE to [hold](#) a competition among retail investors at the equity market from September 1 to October 1, 2019.
- ▲ KASE has [changed](#) parameters of shares included in the KASE Index universe as of August 1, 2019.
- ▲ Amendment to Regulations on Trades and Confirmation System Operation to be put into [effect](#) as of August 1, 2019.
- ▲ Amendments to Rules on Activities of Market-Makers to be put into [effect](#) as of August 1, 2019.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kazakhstan's Ministry of Finance [raised](#) KZT86.6 bn on KASE selling its 14-year bonds at 8.51 % APR on July 29. Current maturity is 12 years and eight months.
- ▲ Trading in ordinary shares (US_INTC) of Intel Corporation, (US_PFE_) of Pfizer Inc. and A class ordinary shares (NL_YNDX) of Yandex N.V. [opens](#) in KASE secondary market sector as of August 5
- ▲ KEGOC has [completed](#) the implementation of the project "Pavlodar Electricity Transmission Reinforcement Project".
- ▲ KazTransOil [held](#) a public hearing of the report on the implementation of approved tariff estimates approved in the investment program, on the compliance with quality and reliability indicators of regulated services and on the achievement of performance indicators based on the results of the first half of 2019.
- ▲ National Bank [registers](#) issue of units KZPF00000488 of closed unit investment fund of risky investing "Real investments" created by Halyk Finance.
- ▲ Kcell has [signed](#) revolving credit line agreement with Bank of China Kazakhstan worth KZT9.5 bn.
- ▲ Shareholders of Ust-Kamenogorsk Titanium Magnesium Plant [approved](#) annual financial statements and the procedure for distribution of net income for 2018.
- ▲ Shareholders of Tin One Mining [approved](#) annual financial statements and decided not to pay dividends on ordinary shares for 2018.
- ▲ Fincraft Resources [ceased](#) to be a holder of 100% stake in FINCRAFT HOLDINGS LTD.

The negative trend of world stock indices, which have adjusted this week due to the strengthening of the dollar, has also affected KASE Index. The blue-chip index of Kazakhstan declined by 0.8% and reached 2,247.25 points over the trading week. Four of seven share titles included in the Index closed in the red.

02.08.2019

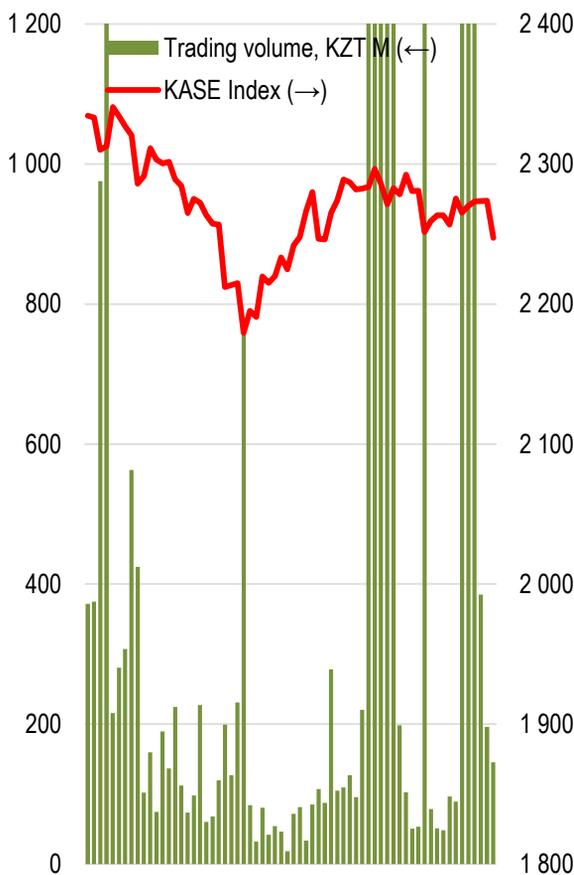
| | | Trends (%) | |
|---------------------------------|--------------|------------|-------|
| | | Δ 7d | Δ 1m |
| KASE Index | 2 247,25 | -0,8 | -1,5 |
| First class of liquidity | Price | | |
| KazTransOil | 1 032,8 | 2,2 | -3,2 |
| Gazprom (Russia) | 1 430,0 | 2,1 | -6,9 |
| Kazakhtelecom | 25 005,1 | 2,1 | 4,6 |
| Halyk Bank | 132,4 | 1,8 | 10,3 |
| NAC Kazatomprom JSC | 5 628,0 | 1,0 | 1,0 |
| Freedom Holding Corp. | 4 102,0 | 1,0 | 1,0 |
| Aeroflot (Russia) | 642,0 | -1,2 | 5,2 |
| KEGOC | 1 560,0 | -1,3 | -2,6 |
| Kcell | 1 890,0 | -2,1 | -7,4 |
| CenterCredit Bank | 224,6 | -2,8 | -6,8 |
| Kazakhtelecom (pref.) | 12 650,0 | -2,9 | -1,2 |
| Bank of America | 11 370,0 | -3,7 | 2,5 |
| Sberbank (Russia) | 1 363,7 | -5,2 | -6,2 |
| NOSTRUM OIL & GAS PLC | 245,0 | -5,8 | -10,9 |
| KAZ Minerals | 2 650,0 | -6,1 | -8,6 |

Note: Index stocks are highlighted in green

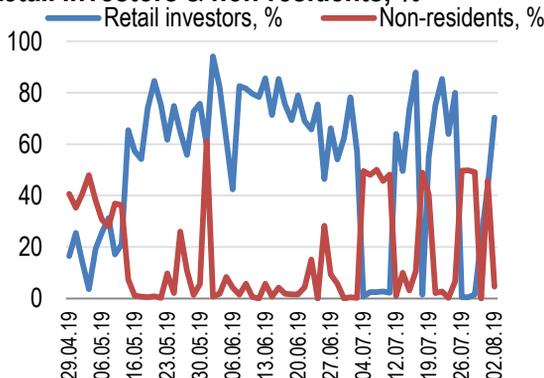
KASE Index decline was driven by KAZ Minerals's ordinary shares. Prices of the copper producer's stocks fell by 6.1% to KZT2,650 over the week. The most fall occurred on the last trading day of the week. The company's stock prices were falling amid declining copper prices on the London Metal Exchange. Market participants tend to associate negative market dynamics with comments of Jerome Powell, the Federal Reserve's chairman. At a press conference following the FOMC meeting, Mr. Powell made it clear to investors that the decision to cut the interest rate on federal funds by 25 bps was not a reversal of the monetary policy towards its easing.

Equity instruments of Kaztransoil, Kazakhtelecom and Halyk Bank were in the green zone. At the end of the week, prices of ordinary shares of the three companies rose by 2%.

KASE Index shares



Retail investors & non-residents, %

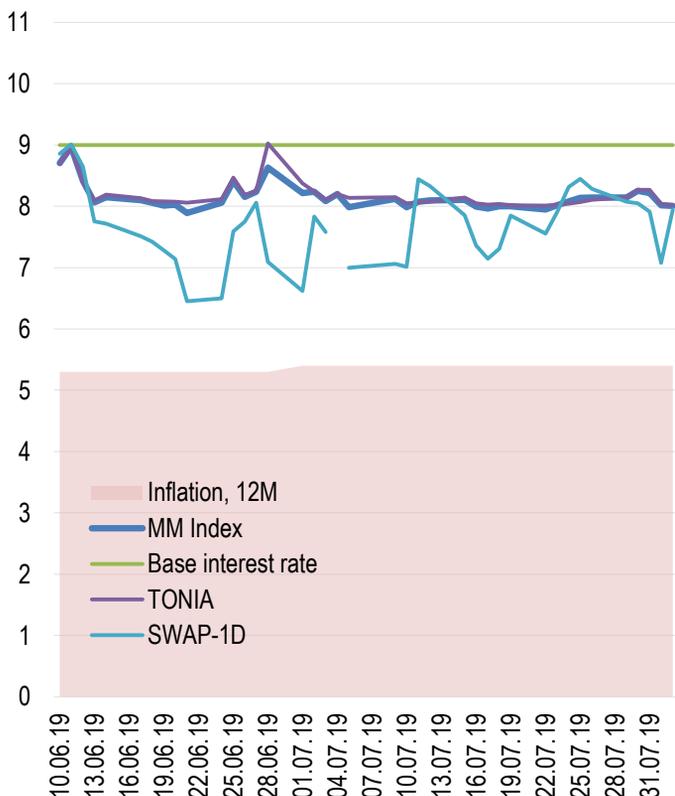




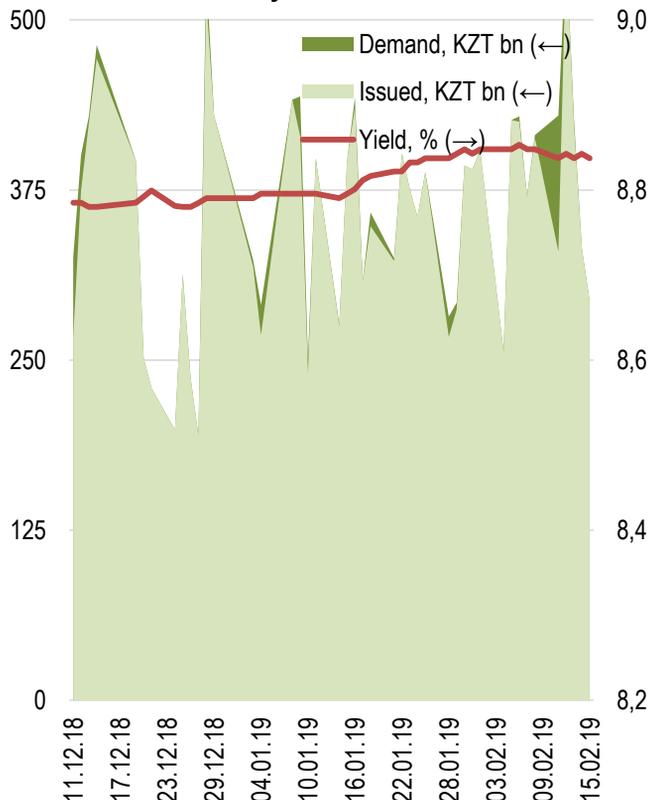
The yield of one-day currency swaps dropped by 34 bps to 7.95% APR over the week. The yield on one-day repo transactions with government securities fell by 9 bps and fixed at 8.01% APR.

The National Bank placed two issues of short-term notes for the total amount of KZT144 bn during the week. 28-day notes were placed at 9.10% while the yield of three-month notes reached 9.62% APR. The total demand for the notes exceeded the supply by more than twofold.

Inflation and interest rates

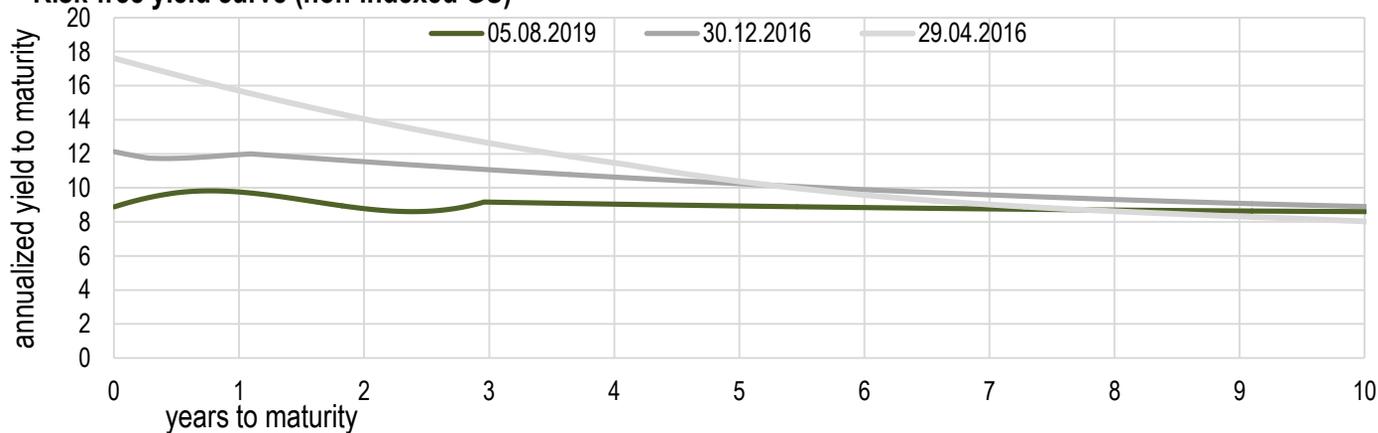


Issuance of weekly NBK notes



* From February 18, NBK has stopped the auctions of weekly notes

Risk-free yield curve (non-indexed GS)





Official US dollar exchange rate rose by KZT0.84 to KZT385.76 and the total trading volume amounted to US \$818.3 mln.

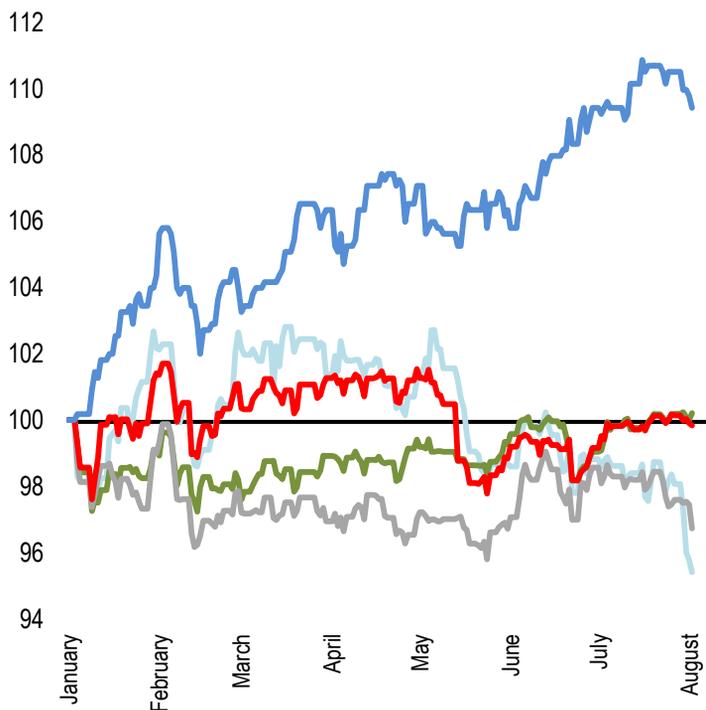
During Friday's trading, the price of one dollar reached KZT386.98, which is the maximum since February 2016. On Thursday, the dollar index rose to its two-year high causing a reverse change in the rates of emerging countries' currencies. The U.S. Fed announced a cut of the interest rate on federal funds by 25 bps. The regulator's decision coincided with the forecasts of analysts, but the comments of the head of the Federal Reserve during the press conference have sent global stock markets and FX markets plunging. According to him, the interest rate cut was a mid-cycle adjustment to the policy. This comment does not imply any further rate slashing.

The Russian currency fell by KZT0.12 to KZT5.99 over the week. Total trading volume reached RUB57 mln over the week.

For the euro the week closed with the weakening by KZT1.20 to KZT427.50 per unit of currency.

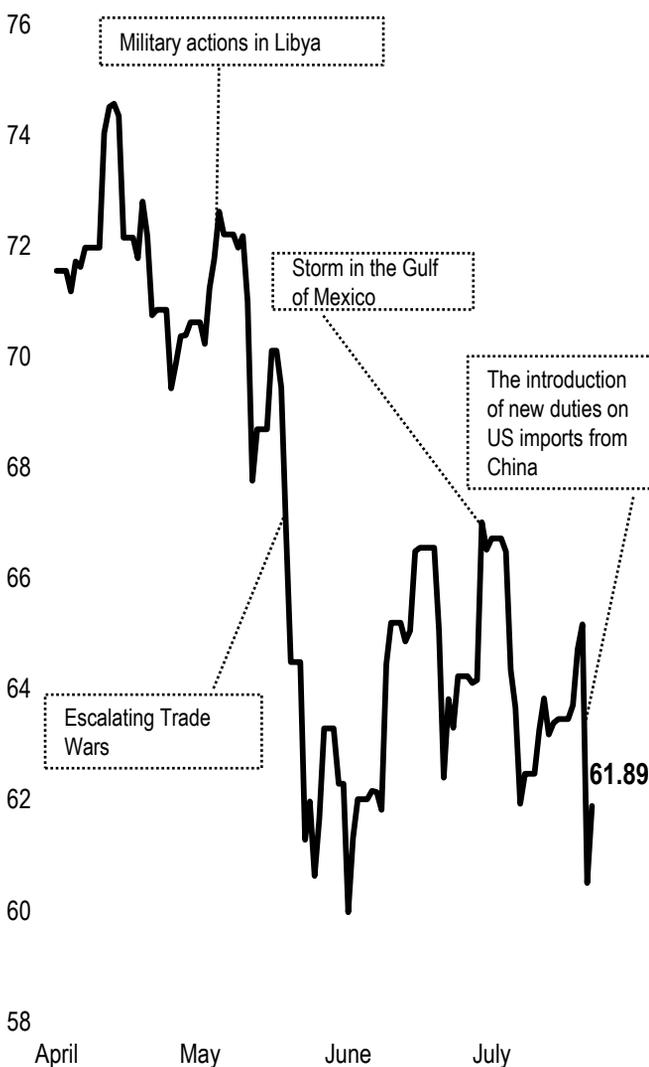
The exchange rate of yuan with settlements T+0 was down KZT0.53 having fixed at KZT55.41.

FX rates
Δ %, base (01.01.19)



| | Price | Δ 7d, % | Δ 30d, % | Δ 2019, % |
|----------|--------|---------|----------|-----------|
| — GBPKZT | 465,72 | -3,0 | -3,4 | -4,6 |
| — USDKZT | 384,99 | +0,0 | +0,8 | +0,2 |
| — EURKZT | 424,99 | -0,7 | -1,6 | -3,3 |
| — CNYKZT | 55,79 | -0,3 | +0,4 | -0,2 |
| — RUBKZT | 6,04 | -1,0 | 0,0 | +9,4 |

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 | 2 932,05 | -3,1 | -2,1 | 3,7 | -3,0 |
| Dow Jones | 26 485,01 | -2,6 | -1,8 | 4,6 | -2,6 |
|  RTS | 1 293,19 | -4,1 | -7,7 | 13,3 | -4,5 |
| MICEX | 2 285,53 | 0,0 | 0,0 | 0,0 | -4,5 |
|  Hang Seng | 26 918,58 | -5,2 | -6,7 | -2,9 | -5,5 |
| SS CSI 300 | 3 747,44 | -2,9 | -3,8 | 11,2 | -2,9 |
|  Euro Stoxx 50 | 3 376,12 | -4,2 | -4,6 | -2,7 | -4,1 |
| FTSEuroFirst | 4 062,50 | -4,0 | -4,5 | -4,1 | -4,0 |
|  FTSE 100 | 7 407,06 | -1,9 | -2,7 | -2,2 | -2,0 |
|  KASE | 2 247,25 | -0,8 | -1,5 | -2,3 | |

Commodities market

02.08.2019

| Name | Price | Trend % | |
|-------------|----------|---------|------|
| | | 7d | 1m |
| Oil | 61,89 | -2,5 | -3,0 |
| | 55,66 | -1,0 | -2,9 |
| Natural gas | 2,12 | -2,2 | -7,4 |
| Copper | 257,15 | -3,9 | -4,0 |
| Iron | 933,00 | -2,4 | -5,6 |
| Gold | 1 440,83 | 1,5 | 1,6 |
| Silver | 16,27 | -0,3 | 6,7 |
| Wheat | 490,75 | -1,1 | -5,3 |

Economic calendar

| | | Currency | Forecast | Previous |
|-------|----------------------------------|----------|----------|----------|
| 05.08 | ISM Non-Manufacturing PMI (July) | USD | 55.5 | 55.1 |
| 06.08 | JOLTS Job Openings (June) | USD | 7.268M | 7.323M |
| 07.08 | Crude Oil Inventories | USD | | -8.496M |
| 08.08 | Trade Balance (USD) | CNY | | 50.98B |
| 08.08 | ECB Economic Bulletin | EUR | | |
| 09.08 | PPI (MoM) (Jul) | USD | 0.2% | 0.1% |
| 09.08 | GDP Quarterly (YoY) | RUB | | 0.5% |

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 2018 |
|---|----------|----------|----------------|
| Annual inflation | 5,4 % | 01.08.19 | 7,1 % |
| Gross international reserves of NBK, USD bn | 28 185 | 01.07.19 | 30 745 |
| Reserve money, KZT bn | 6 346,1 | 01.07.19 | 5 538,7 |
| Money supply, KZT bn | 19 537,4 | 01.07.19 | 19 456,0 |

Kazakhstan credit ratings

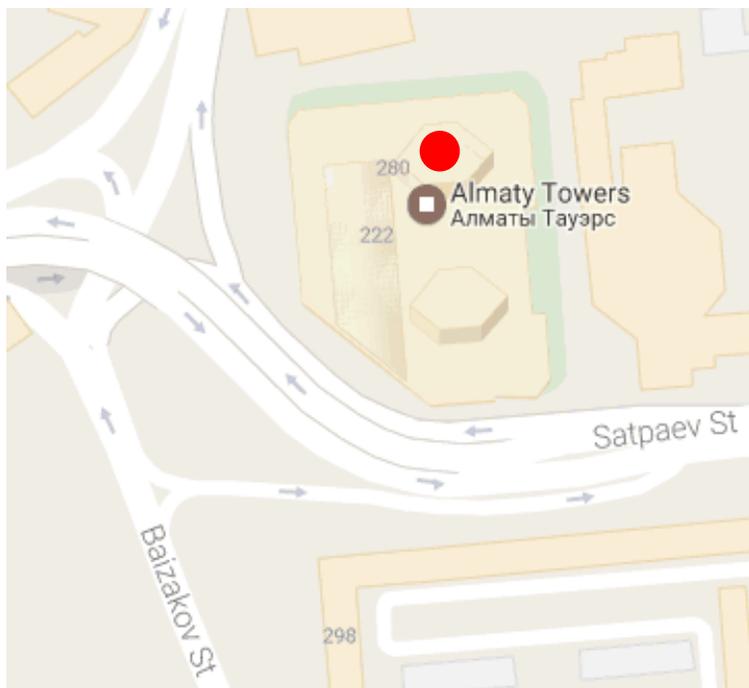
| | Rating | Date | Previous |
|-----------------------|-------------|----------|-------------|
| S&P Global | BBB- stable | 08.03.19 | BBB- stable |
| MOODY'S | Baa3 stable | 26.07.17 | Baa3 stable |
| FitchRatings | BBB stable | 25.03.19 | BBB stable |

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Corporate Events Calendar of KASE listed Companies

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