

KASE WEEKLY

12–16 June, 2017

KASE NEWS

- ▲ Subscription for shares of Astana Bank JSC continues on KASE. The Bank has been operating since 2008. Shares of the bank were added to the official list of KASE on January 27, 2015. Within the frames of this IPO, the bank intends to attract KZT 2.5 bn. Shares are placed at a price of KZT 1 150. According to Freedom Finance JSC, the placement price carries a 20 % discount in relation to the equity price. Applications will be collected from 12 to 26 June 2017 on working days from 10:00 to 17:00 Almaty time. The security code for the subscription is ABBN. Freedom Finance JSC carries out the seller function during subscription.
- ▲ On June 20 KASE will present a training program on the topic "Basics of interaction with investors and stakeholders". This event is conducted by KASE in conjunction with leading professional consultants in the field of the equities market. Participation is free. Within the framework of this event, issues related to changing the structure of the Exchange's official list and the new edition of the Listing Rules will also be highlighted. Contact Issuers and Investors Department for more information about the event.
- ▲ From June 15 trades in common shares of JSC "Altyntau Kokshetau" have been opened on the secondary market sector of KASE. The main activity of the company is the extraction of gold-bearing ore and its further processing to produce alloy Dore.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Halyk Finance JSC has organized the first in the history of Kazakhstan issue of international ruble bonds of Kazakhstan Temir Zholy Finance JSC (Russia), issued under the guarantee of National Company "Kazakhstan Temir Zholy" JSC. According to the published results the demand from investors amounted to 27 billion rubles, exceeding the offer by 1.8 times. Upon collecting applications, the Issuer established the cut-off price at the level of 8.75%. The total issue volume amounted to 15 billion rubles. Kazakh investors did not participate.
- ▲ KazMunaiGas Exploration Production acquired 49% of Karpovskiy Severny LLP from MOL Hungarian Oil and Gas Plc, becoming the sole shareholder with 100% stake. All necessary regulatory approvals were received. Company used its priority right to purchase a stake in Karpovskiy Severny in accordance with the Shareholders Agreement.

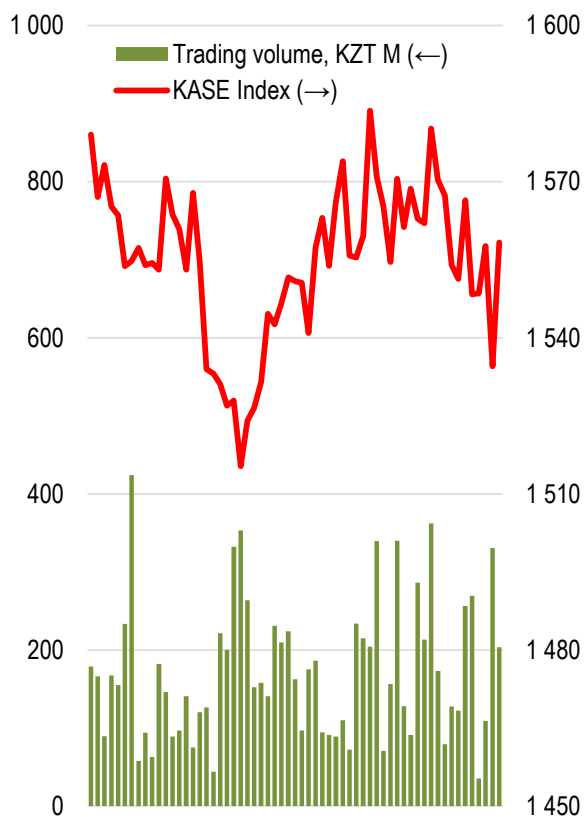
KASE Index decreased by 0.52 % to 1,558.32 points. More than half of the index's shares finished the red zone amid weakening national currency. KazTransOil shares declined most (15.50 %) – to KZT 1.194.00. This drop was primarily due to the ex-dividend date falling on a Monday.

16.06.2017

Trends (%)

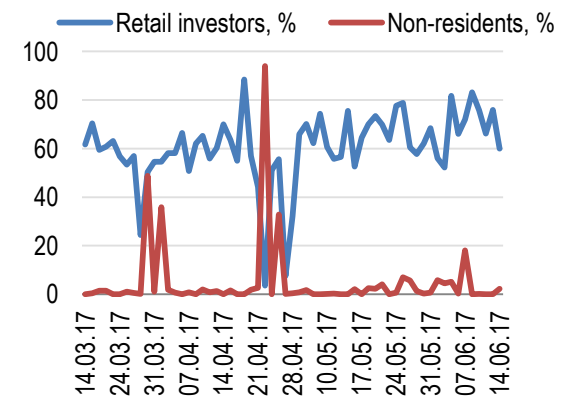
KASE Index	Price	Δ 7d	Δ 1m
1 558,3		-0,5	2,5
First class of liquidity			
Halyk Bank	67,2	12,2	9,4
Kcell	1 180,0	10,18	6,4
Bank of America	7 566,4	4,1	0,4
KazMunayGas EP	17 527,7	1,3	-2,6
Bank of Astana	10 000,0	0,0	0,0
Estate Management Company (pref.)	84 975,0	0,0	0,0
Kazakhtelecom (pref.)	6 380,0	0,00	-7,5
CenterCredit Bank	156,0	-0,6	-2,9
Kazakhtelecom	15 400,0	-1,0	-3,8
Aeroflot (Russia)	1 026,6	-2,3	0,7
Gazprom (Russia)	660,1	-2,8	-9,6
Aktobe Metalware Plant	14 500,0	-3,0	18,7
KEGOC	1 294,0	-5,1	2,1
KAZ Minerals	1 995,0	-5,9	2,3
KazMunayGas EP (pref.)	7 000,0	-6,7	-4,1
Sberbank (Russia)	776,9	-8,9	-17,8
QAZKOM (pref.)	60,7	-10,7	-19,7
KazTransOil	1 194,0	-15,5	-12,6
QAZKOM	64,8	-20,7	-55,6

KASE Index shares



Halyk Bank shares led the gainers rising by 12.16 % in value to KZT67.22. A nearly 12-percent increase in the bank's shares was recorded on Friday after an announcement about successful signing of agreements on purchase & sale of 96.81 % of Kazkommertsbank shares. 19 June is the date of the teleconference, devoted to that event.

Retail investors & non-residents, %

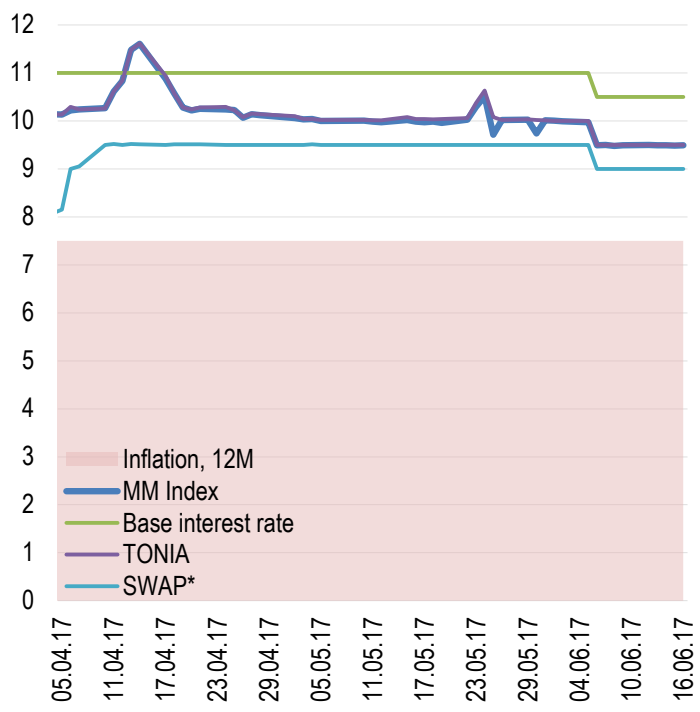




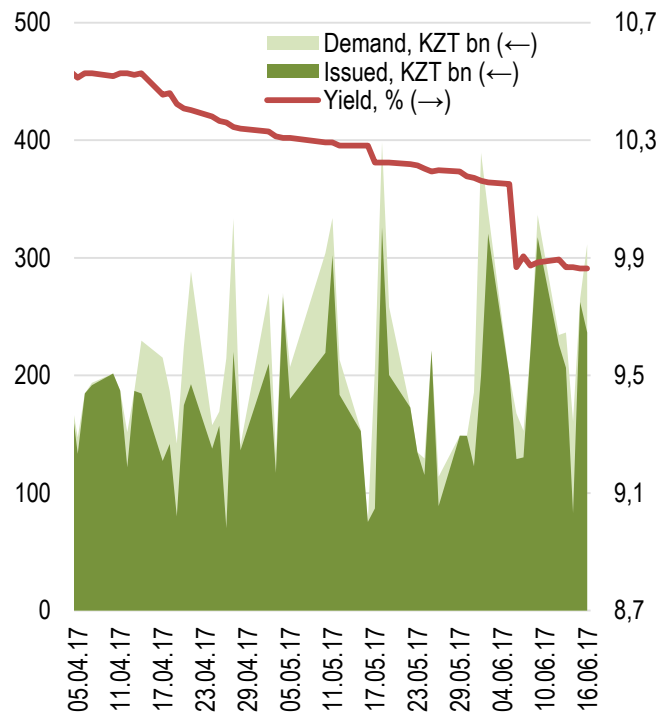
Money market yields didn't change. Overnight repo operations rate TONIA amounted to 9.5 %, while the rate on currency swaps of same length equated 9.0 % per annum.

The public's inflation expectations in may didn't change significantly. According to an information statement from the National Bank, released on Tuesday, a survey on assessment of inflation processes conducted in May confirms the stabilization of inflation expectations. The share of those estimating the price increase at more than 10% over the past year keeps falling, and the number of respondents thinking of an inflation as less than 10% is growing. Hence, the perceived inflation, meaning people's subjective opinion as to how they perceive the price increase, continues to fall. The quantitative estimation of the inflation for the year to come was 6.1 %, which falls into the range of the target inflation.

Inflation and interest rates

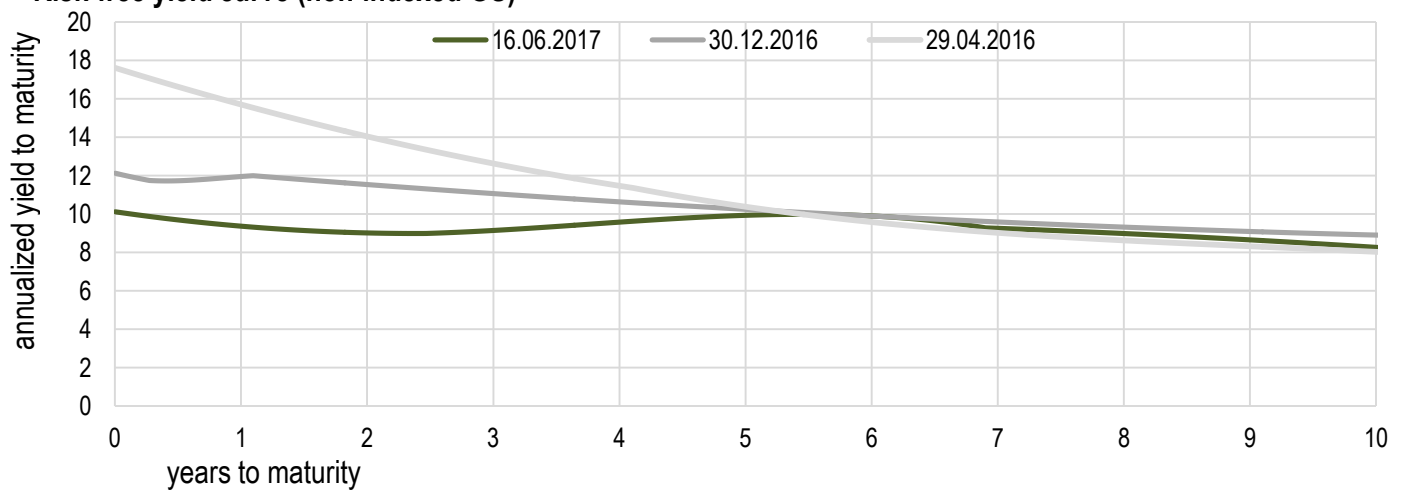


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)



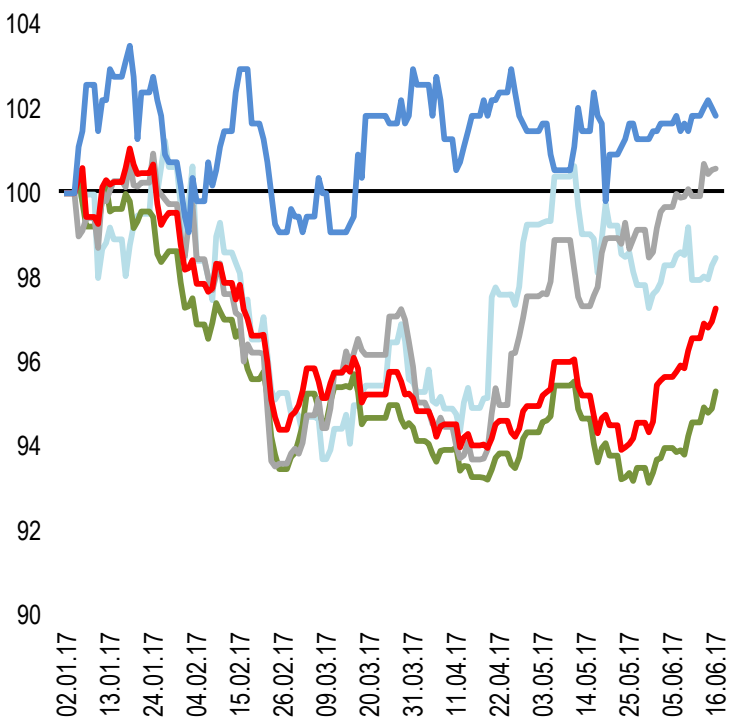


The dollar exchange rate grew by 1.4 % to KZT319.70 over the past week. The tenge is under pressure from several factors at a time, represented by poor chances of oil prices growing, a high Federal Funds Rate, as well as increased risks of weakening of the ruble. Oil prices keep falling on the back of data on increasing deposits. It is worth noting that deposits are growing not only in the US. According to the International Energy Agency, OPEC production rose in May, despite an extension of agreements. Libya and Nigeria, exempt from the Global oil Pact, contributed to the increased production. The US Federal Reserve, in its turn, raised the target corridor for the interest rate by 25 basis points on the level of 1-1.25 %, following the meetings on June 13-14. The majority of members of the Federal Open Market Committee forecast one more rate increase for this year – by 12.5 basis points on average.

The ruble exchange rate decreased by 3 basis points to KZT5.5399 on KASE. The pressure on the ruble was growing amid extended Russia sanctions approved by majority of votes in the US Senate.

FX rates

Δ %, base (01.01.17)

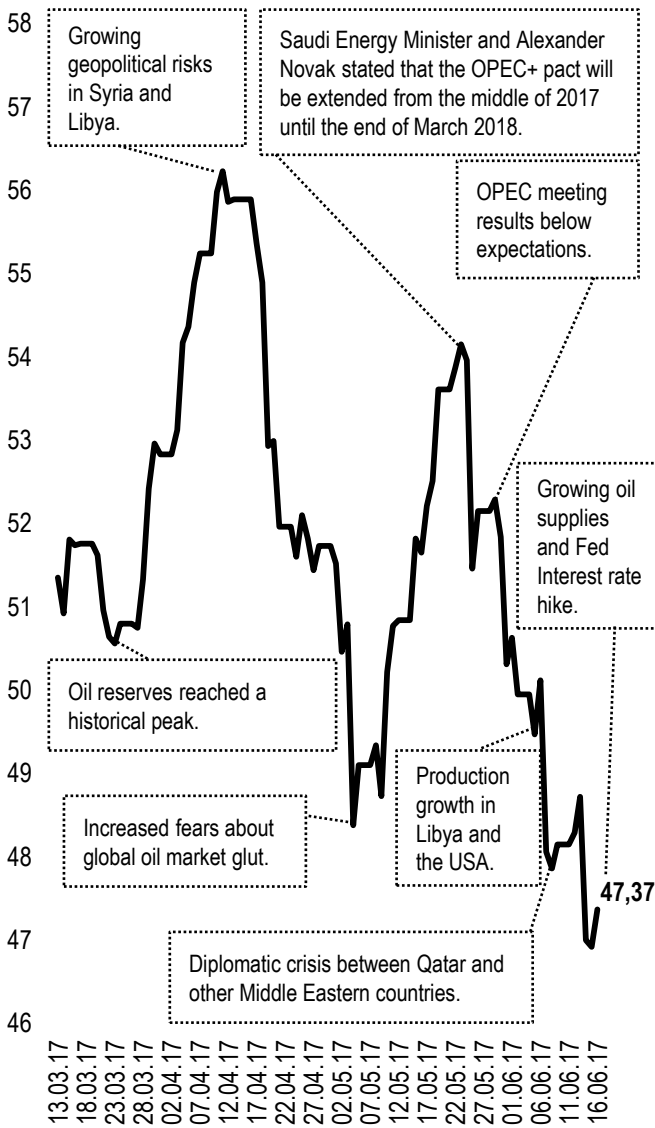


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	403.51	-0.7	+0.4	-1.5
— USDKZT	317.65	+1.1	+1.8	-4.7
— EURKZT	354.50	+0.5	+2.9	+0.6
— CNYKZT	46.71	+1.0	+3.1	-2.7
— RUBKZT	5.53	+0.4	0.0	+1.8

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	1m	1y	7d
S&P 500	2 433,15	0,1	3,2	17,1	0,1
Dow Jones	21 384,28	0,5	3,8	20,6	0,6
RTS	994,38	-4,5	-10,0	11,1	-4,1
MICEX	1 822,91	-3,2	-8,6	-2,5	-4,1
Hang Seng	25 626,49	-1,6	1,3	27,9	-1,5
SS CSI 300	3 518,76	-1,6	3,2	13,7	-1,5
Euro Stoxx 50	3 543,88	-1,2	-1,1	25,7	-1,1
FTSEuroFirst	4 300,70	-0,8	-1,5	21,4	-0,9
FTSE 100	7 463,54	-0,8	-0,5	25,4	-0,9
KASE	1 558,32	-0,5	0,2	57,2	

Commodities market

16.06.2017

Name	Price	Trend		
		7d	1m	
Oil	Brent	47,37	-1,6	-9,3
	WTI	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

		Country	Forecast	Previous
20.06	Current Account (Q1)	USA	-124.0 B	-112.4 B
	Retail Sales (YoY)	Russia	0.50 %	0.00 %
21.06	Existing Home Sales (May)	USA	5.55 M	5.57 M
22.06	ECB Economic Bulletin	Eurozone		
23.06	Manufacturing PMI (Jun)	Eurozone	56.80	57.00
	New Home Sales (May)	USA	5.50 %	-11.40 %

Note: The calendar contains the economic events of the upcoming week, deemed by KASE as most significant

Legend B – billions
M – millions

Kazakhstan statistics

	Value	As of	Beginning year
Annual inflation	7,5 %	01.06.17	8,5 %
Gross international reserves of NBK, USD bn	30 441	01.06.17	29 530
Reserve money, KZT bn	5 536,2	01.06.17	5 162,2
Money supply, KZT bn	19 468,9	01.05.17	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
	BBB negative	10.03.17	BBB negative
	Baa3 negative	11.05.17	Baa3 negative
	BBB stable	21.04.17	BBB stable

Kazakhstan Stock Exchange JSC

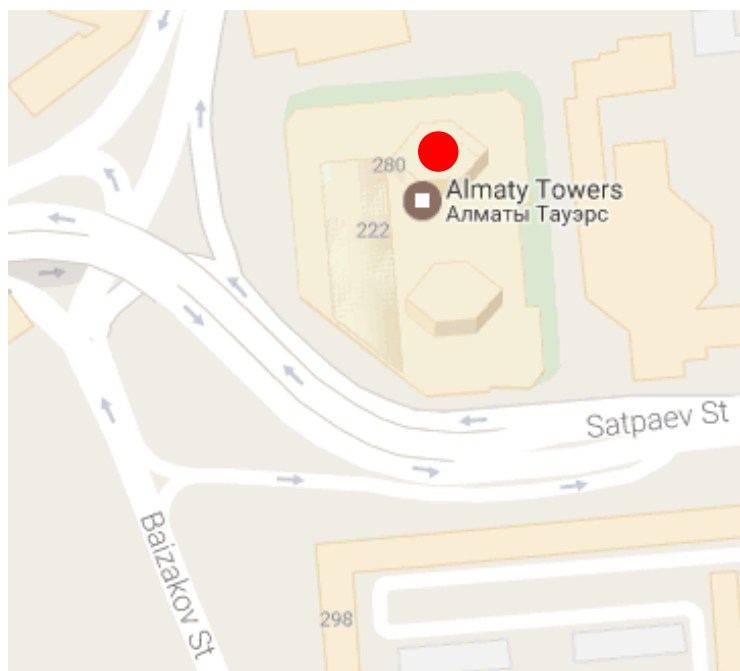


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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the 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;
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.

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