

KASE WEEKLY

18 – 22

September, 2017

KASE NEWS

- ▲ On September 19, 2017 KazTransGas successfully sold USD-denominated Eurobonds with a 10-year maturity and a total face value of \$750 mln, listed on the Irish Stock Exchange and Kazakhstan Stock Exchange (KASE). Investors showed great interest in this offering; the global order book exceeded the supply several times; the maximum amount of orders reached USD3.4 bn. Kazakh investors submitted orders for purchase of Eurobonds in the amount of over USD100 mln during trading on KASE. In the course of the transaction the YTM was reduced from the initial 4.7% to the historical minimum of 4.4%, which became the resulting offering rate. For comparison, in March of this year OJSC Gazprom sold 10-year USD-denominated Eurobonds, with a total face value of \$750 mln at a yield rate of 4.95%, which by 55 bps (basis points) exceeds the rate on KazTransGas's Eurobonds. This issue became the second successful Eurobonds offering from Kazakhstan in 2017. We remind you that earlier NC KazMunayGas carried out a successful offering in April of this year.

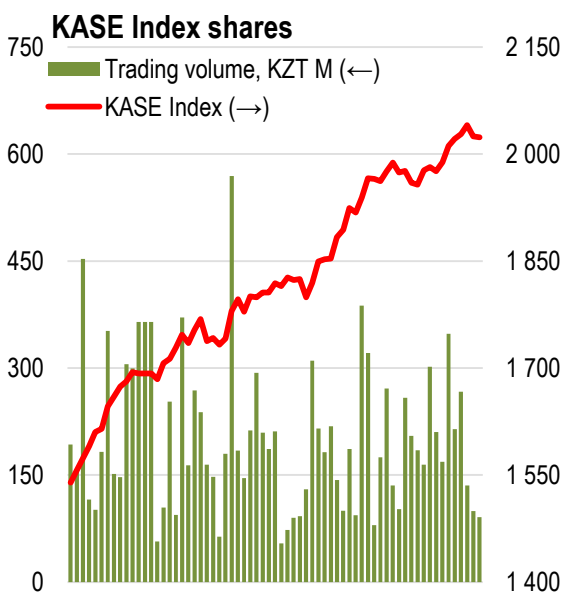
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ National company Kazakhstan Temir Zholy says Standard & Poor's affirmed the company's ratings and reviewed the outlook from "Negative" to "Stable". The review of rating outlooks followed the review of outlooks on sovereign credit ratings of the Republic of Kazakhstan on September 8 from "Negative" to "Stable". As a consequence, the rating agency reviewed the outlooks on ratings of four Kazakh companies and affirmed ratings of another five Kazakh companies, retaining "Negative" outlooks.
- ▲ Samuryk-Energy announced partial redemption of international bonds. On September 20 the company partially redeemed its international bonds in the amount of USD80 mln. Taking into account this payback the total amount of bonds redeemable on December 20, 2017, makes USD420 mln.

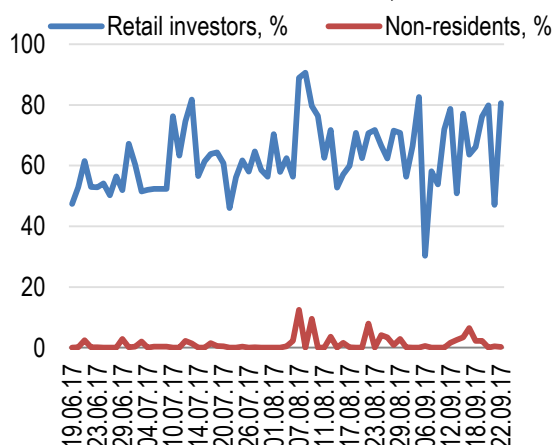
KASE Index continues to remain steady above 2,000 points. The equity market indicator rose by 0.6 % to 2,023.45 points.

Kcell shares were in the lead, growing by 8.6 % to KZT1,899.99. The shares are rising lately, against the background of investors' speculations on possible acquisition of the company by the Turkish telecommunications giant Turkcell from its current owner – TeliaSonera with HQ in Stockholm. Back in 2015 TeliaSonera announced its quitting the CIS market which means selling of subsidiaries in Kazakhstan, Uzbekistan, Azerbaijan, Georgia, Moldova and Tajikistan. As of July 1 TeliaSonera held 24 % of Kcell shares.

Kazakhtelecom's shares fell the most: by 3.0 % to KZT19,152.00.



Retail investors & non-residents, %



22.09.2017

		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 023,5	0,6	5,5
First class of liquidity	Price, KZT		
Kcell	1 900,0	8,6	28,8
Bank of America	8 507,2	3,7	7,2
CenterCredit Bank	157,0	1,3	-0,5
KazMunayGas EP	20 600,0	1,0	7,4
KEGOC	1 379,0	0,8	0,0
QAZKOM	156,8	0,0	8,1
Bank of Astana	1 155,0	-0,2	-0,4
Gazprom (Russia)	716,0	-0,3	8,8
Sberbank (Russia)	1 108,2	-0,4	13,2
BAST	56 137,0	-1,0	12,0
Aeroflot (Russia)	1 115,0	-1,2	-7,1
KAZ Minerals	3 339,0	-1,4	2,5
Aktobe Metalware Plant	12 778,5	-1,8	0,4
KazTransOil	1 270,0	-1,9	4,7
KazMunayGas EP (pref.)	7 400,0	-2,0	3,5
Halyk Bank	81,3	-2,0	-9,3
Kazakhtelecom	19 152,0	-3,0	3,6
QAZKOM (pref.)	90,0	-4,8	12,5
Kazakhtelecom (pref.)	7 301,0	-5,5	4,3

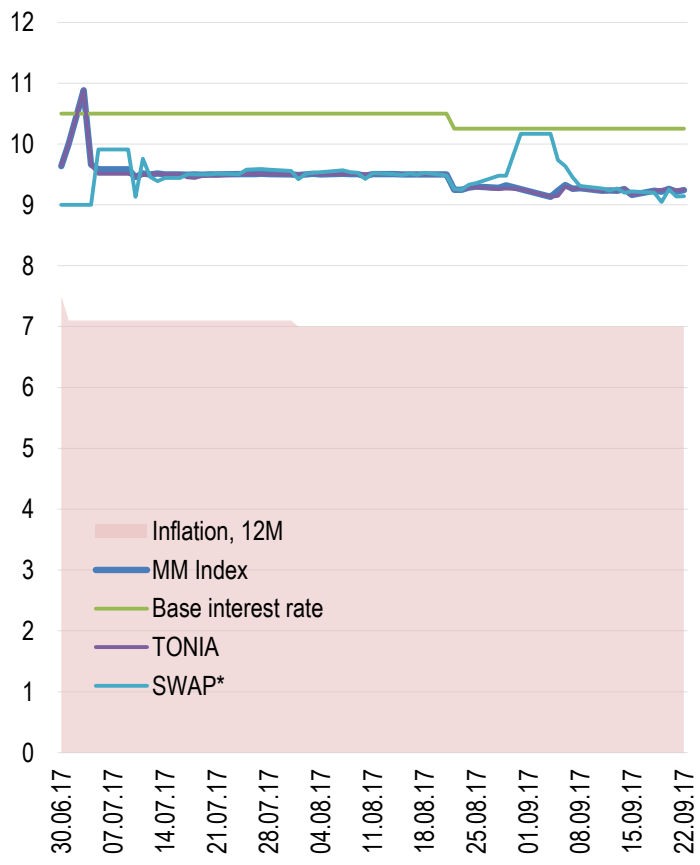
On September 18 Kazakhstan's Ministry of Finance raised KZT300 mln on KASE at the face value and interest rate of 8.50% per annum. The term to maturity is two years, or 720 days.

Ordinary shares KZ1C60520018 (KZ1C00001460, ALTV) of Alma Telecommunications Kazakhstan underwent listing on KASE by category "standard" of the main market. Said shares were assigned the abbreviation (ticker) ALTV. Main activities of Alma Telecommunications Kazakhstan: TV-and/or radio-broadcasting, education, implementation and provision of services in the field of communication, operation of existing and setting up new satellite, cable and other types of telecommunication.

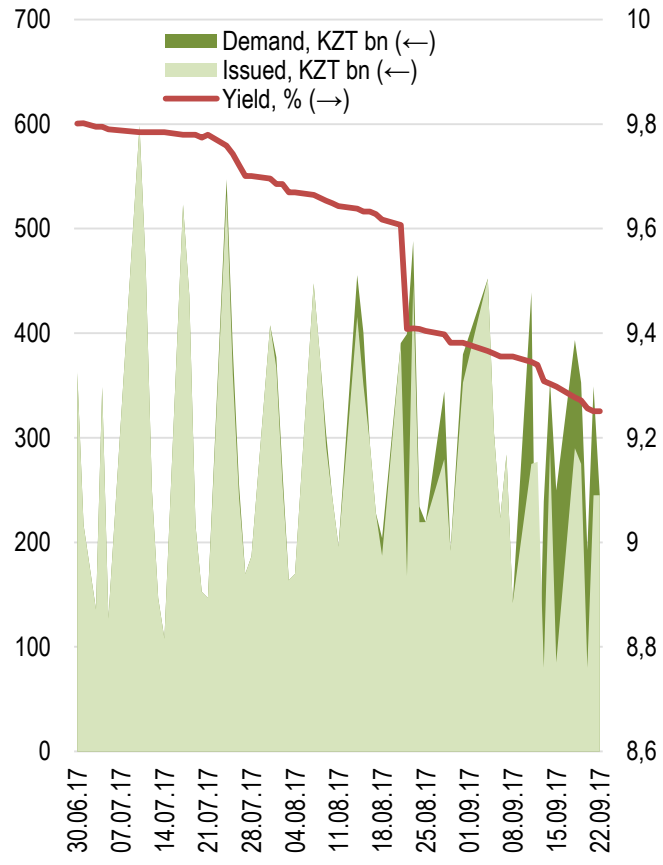
Bonds of three companies underwent listing on KASE: Subsidiary bank Home Credit and Finance Bank, BAST and Special financial company Capital Group, whose main activity is carrying out of securitization transactions. Opening of trading in said bonds on KASE will also be announced additionally.

The yield on the money market went down, on the whole, due to decreased rates on transactions in the currency swap by 13 b.p. to 9.05 % per annum. In the repo segment, the yield rose by 9 b.p. to 9.25 %. The parity of money market rates recovered against the background of the stabilizing foreign currency market. This dynamics of rates is favorable for the tenge, which currently appears undervalued.

Inflation and interest rates

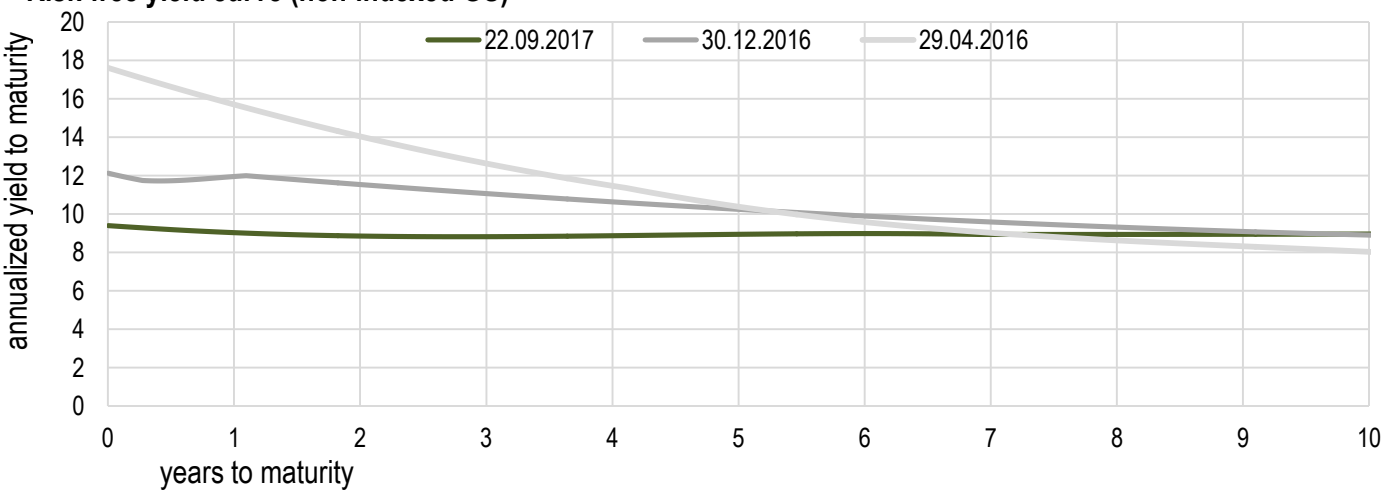


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)



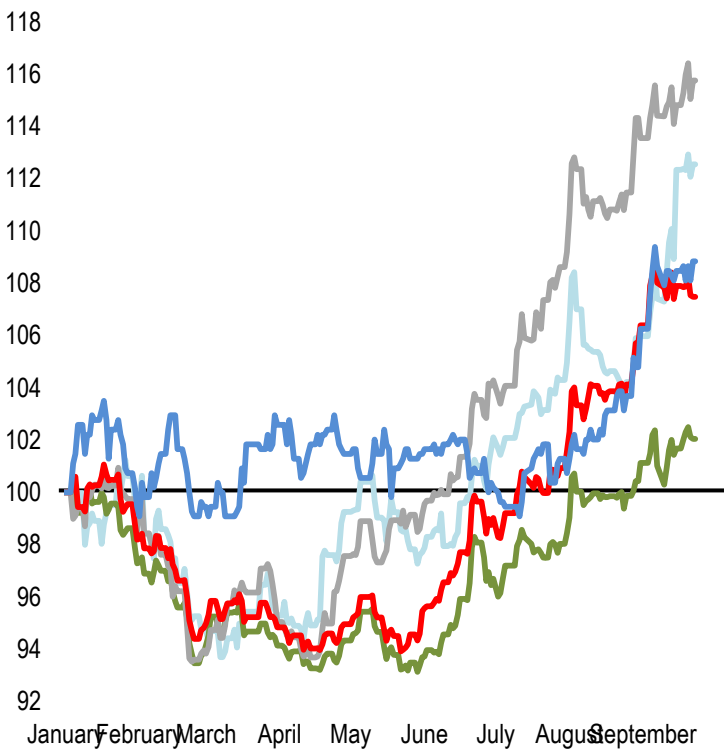


The dollar exchange rate rose over the week by 0.36 % to KZT 340.11. The tenge is stable on the whole against the background of the ruble which is traded with virtually no changes in anticipation of the Federal Reserve meeting results. The tenge is propped up by the tax period that already began. It is expected that the maximum of the tax period will fall on the next week.

Over this week the ruble exchange rate on KASE increased by 1.7 % to KZT5.8713, refreshing its historical maximum at KZT5.95 on Wednesday. The ruble was moderately weakening against the dollar in anticipation of the Federal Reserve meeting, as well as the day after the meeting, however it recovered after its week-long decrease by Friday. Just as it was expected, the Federal Reserve interest rate remained unchanged, however the Federal Reserve hinted at the possibility of another increase of the interest rate this year, despite low inflation forecasts for the next two years. The Federal Reserve also announced that from October it will begin a \$4.5 trln cut of its balance. The most part of assets on the Federal Reserve's balance sheet represents government securities and mortgaged securities bought under the quantitative easing.

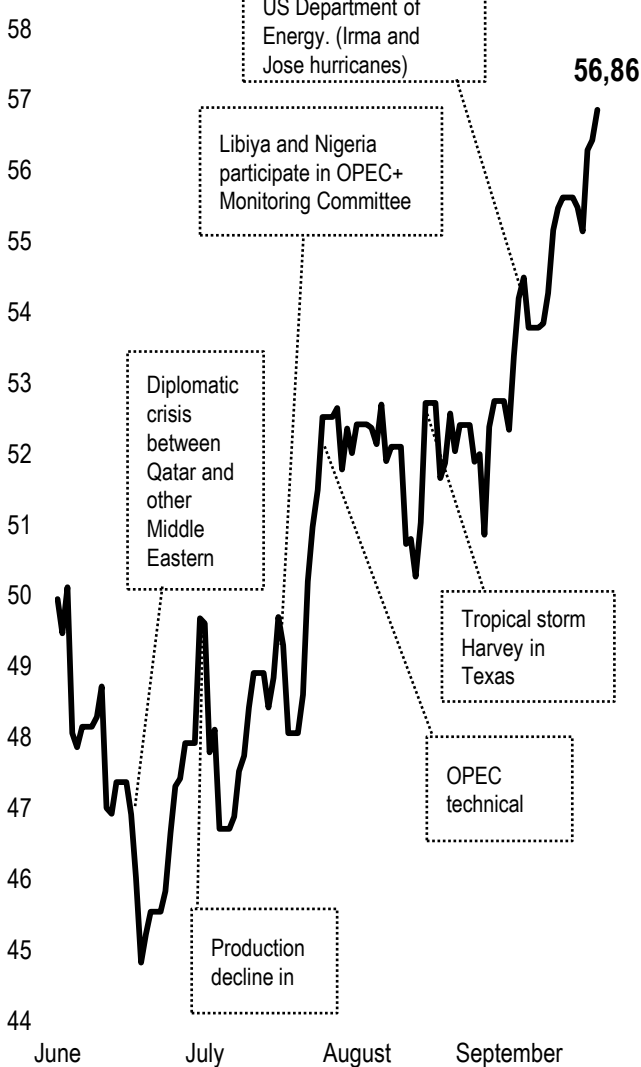
FX rates

Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	459,23	+2,9	+7,4	+12,1
— USDKZT	340,35	+0,7	+2,2	+2,1
— EURKZT	405,46	+0,8	+3,6	+15,1
— CNYKZT	51,64	+0,1	+3,3	+7,5
— RUBKZT	5,87	0,0	+4,1	+8,1

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	2 502,22	0,1	2,4	14,9	0,1
Dow Jones	22 349,59	0,4	2,5	21,5	0,4
 RTS	1 123,24	0,0	7,5	12,1	0,4
MICEX	2 051,63	-0,1	4,8	1,3	0,4
 Hang Seng	27 880,53	0,3	1,7	17,3	0,0
SS CSI 300	3 837,73	0,2	2,2	16,6	0,2
 Euro Stoxx 50	3 541,42	0,7	3,0	16,0	0,8
FTSEuroFirst	4 215,50	0,0	2,3	9,9	0,7
 FTSE 100	7 310,64	1,3	-1,0	5,8	1,3
 KASE	2 023,45	0,6	5,5	73,4	0,0

Commodities market

22.09.2017

Name	Price	Trend	
		7d	1m
Oil	56,86	2,2	8,2
	50,66	1,5	4,6
Natural gas	2,96	-2,1	1,1
Copper	292,45	-0,1	-1,9
Iron	522,00	4,6	-14,2
Gold	1 297,30	-1,7	0,5
Silver	16,90	-4,0	-0,8
Wheat	449,50	0,1	11,5

Economic calendar

		Currency	Forecast	Previous
25.09	ECB President Draghi Speaks	EUR		
26.09	CB Consumer Confidence (Sep)	USD	120.0	122.9
26.09	New Home Sales (Aug)	USD	588K	571K
26.09	Fed Chair Yellen Speaks	USD		
27.09	Crude Oil Inventories	USD		4.591M
29.09	Caixin Manufacturing PMI (Sep)	CNY	51.5	51.6
29.09	CFTC RUB speculative positions	RUB		10.5K

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
S&P Global	BBB- stable	08.09.17	BBB- negative
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	21.04.17	BBB stable

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