

KASE WEEKLY

02 – 06 April,
2018

KASE NEWS

- ▲ KASE has [reduced](#) duration of base period for market valuation of non-indexed GS with term of 180 or more days left to maturity.
- ▲ Rules for Admittance on KASE Startup Platform and Regulation on the Procedure for Concluding Transactions and Settlements on KASE Startup Platform were [put](#) into effect as of April 02, 2018
- ▲ KASE Startup platform is [launched](#) on KASE as of 09 April.
- ▲ New version of the Next trading system is [put](#) into operation on April 09, 2018
- ▲ Trading in new instruments [opened](#) on KASE currency swap and foreign exchange markets on April 09.
- ▲ KASE has [published](#) the Exchange member activity rankings on its website for March 2018.

ISSUER NEWS AND ANNOUNCEMENTS

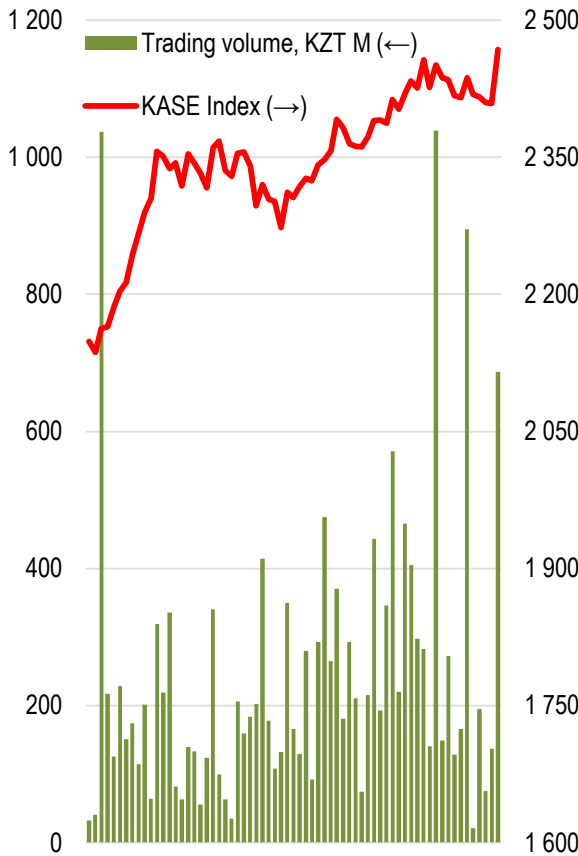
- ▲ Progress report of Doszhan Temir Zholy on the implementation of action plan on removal of basis for transfer of bonds (DTJLb1) to buffer category as of February 01, 2018 [published](#).
- ▲ NC KazMunaiGaz announced tender [offer](#) and concurrent consent solicitation with respect to its four outstanding Eurobonds issues and forthcoming [meetings](#) with prospective investors in Kazakhstan, Europe and the U.S. within a possible Eurobond issue.
- ▲ Halyk Finance [held](#) roadshow meeting with prospective Kazakh investors within a possible eurobond issue by National Company KazMunayGas on April 06, 2018.
- ▲ KazMunaiGaz bought back 15,896 of its common shares ([RDGZ](#)) on KASE at USD 84.00 per share and 722 485 of its global depository receipts ([RDGZd](#)) at USD 14.00 per receipt.
- ▲ KazTransOil [announced](#) that Fitch Ratings affirmed its long-term foreign currency issuer default ratings at "BBB-"; outlook "Stable".
- ▲ Bank of Astana says Standard & Poor's [assigned](#) its ratings to the bank; outlook "Negative".
- ▲ The Ministry of Finance has [raised](#) KZT 7.5 bn on KASE selling 15-year bonds at 8.66 % APR.
- ▲ Administration of North Kazakhstan Region [raised](#) KZT1.1 bn on KASE selling two-year bonds at 0.35 % APR on April 06



After two weeks of declining KASE Index closes the week in the black, having increased by 1.27 % to 2,467.94 points.

The shares included in the index showed moderate decline during the whole week. The turning point, as last week, was Friday. Major trading volumes were traded on Friday. Trading volume on index securities amounted to KZT 687 mln, which is the third highest result since the beginning of this year.

KASE Index shares



06.04.2018

		Trends (%)	
		1,3	2,3
KASE Index	2 467,9		
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
KazMunayGas EP	26 852,3	7,4	-0,5
Kazakhtelecom (pref.)	11 330,0	6,2	15,2
Bank of Astana	1 229,0	5,0	2,4
Sberbank (Russia)	1 474,1	4,5	-4,7
Kazakhtelecom	28 016,0	4,1	11,0
Bank VTB (Russia)	0,3	3,4	3,4
KEGOC	1 450,0	2,5	3,1
QAZKOM	114,0	1,8	11,8
KazTransOil	1 577,0	1,6	-0,2
BAST	53 568,7	0,5	-2,6
Bank of America	9 793,0	0,3	-4,6
Halyk Bank	113,1	0,0	2,8
KAZ Minerals	3 897,5	-0,1	2,0
Kcell	1 667,0	-0,4	-2,8
Aeroflot (Russia)	881,5	-0,7	1,0
Gazprom (Russia)	786,5	-1,3	-2,7
Aktobe Metalware Plant	11 212,8	-1,4	2,4
CenterCredit Bank	290,0	-4,6	-5,3
KazMunayGas EP (pref.)	11 703,0	-6,4	-12,7

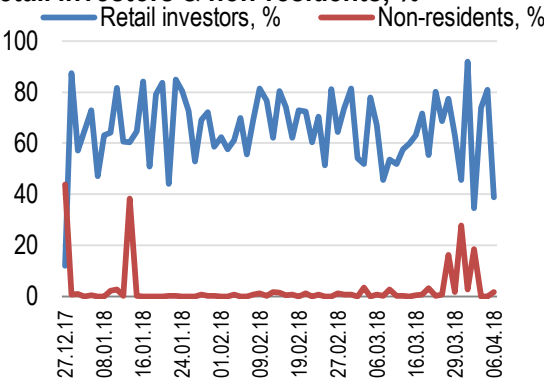
Note: Index stocks are highlighted in green

Shares of Bank of Astana showed the most growth having increased by 4.95 % to KZT 1,229.00. The growth takes place at relatively high volumes despite reports on downgrading credit rating of the issuer. The downgrade of ratings reflects constantly growing volume of toxic assets and the associated risks. Fitch believes that an external support is likely to be required to address these risks as profitability remains weak and capital reserves are rather modest relative to the risks.

Shares of Kazakhtelecom went up by 4.15 % to KZT28,016.00. Today was the last day of trades before April 08 when it would become known whether the Antimonopoly Committee gave permit to Kazakhtelecom to purchase 75% of Kcell shares.

The most fall was seen on Bank CenterCredit shares, which reduced by 4.55% to KZT290.01. The Bank's shares closed at the lowest price since March 02, 2018. If the price of the bank's shares will further lower, these shares are likely to close with an up-gap, which was formed on March 05.

Retail investors & non-residents, %



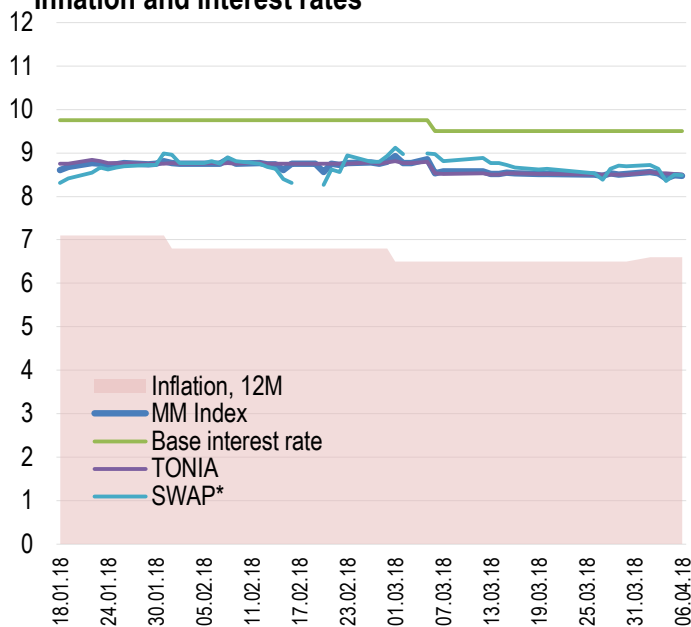


The National Bank Monday announced its decision to start one-day currency swap transactions on KASE both to provide and to withdraw liquidity. The liquidity in the national currency will be provided through currency swap at the base rate plus 2%; currently it comes to 11.5% APR. Liquidity in the national currency through swaps will be withdrawn at the interest rate calculated according to the formula with the account of differential of rates of the United States and Kazakhstan. Currently, it comes to about 6.7% APR.

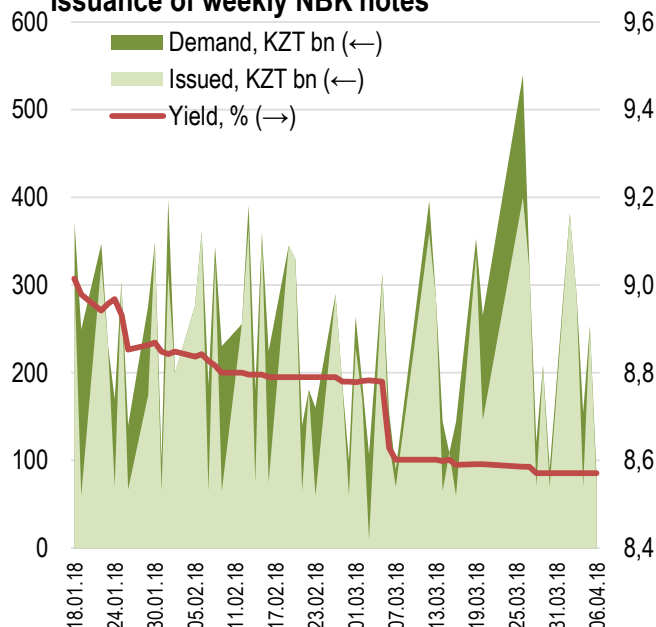
Amid this news, we have seen some volatility in interest rates on swaps, which reduced by 58 b.p. to 8.02% APR compared to the last week. The yield of one-day repo transactions with government securities increased by 2 b.p. and remained at 8.53% APR.

The National Bank has placed seven issues of notes with the total trading volume of KZT1,586.4 bn over-the-counter. The yield on five issues of the 7-day notes with offering volume of KZT1,066.5 bn was at 8.57 % APR. The yield on 28-day notes was 8.65% APR. The yield on one-year instruments was 8.47% APR. The total demand for notes exceeded the supply by 14% and reached KZT 1,801.3 bn.

Inflation and interest rates

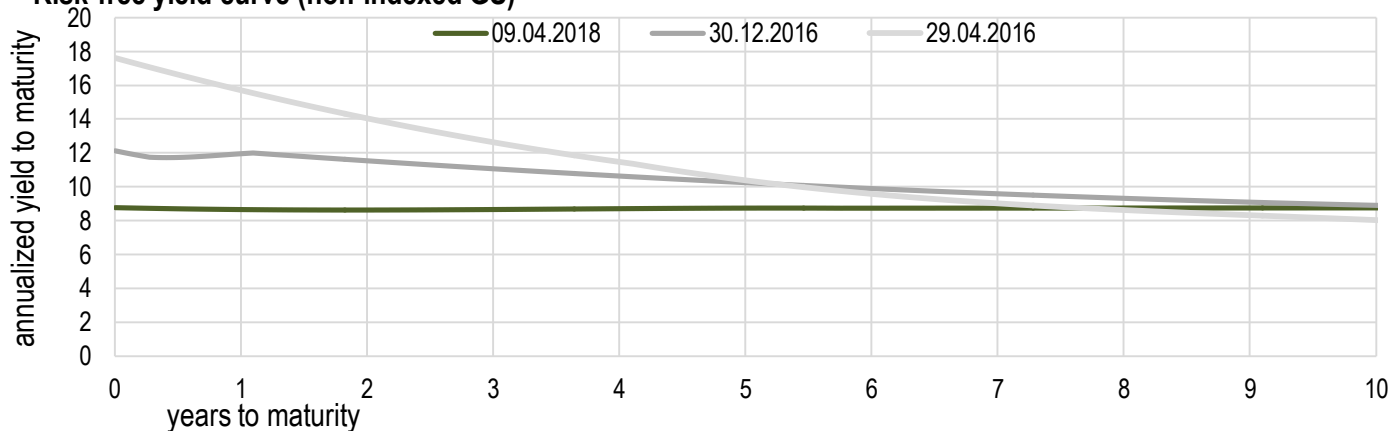


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





Weighted average US dollar exchange rate has increased by 0.4% or by KZT 1.35 to KZT 319.66. The exchange rate of the national currency has weakened slightly this week. In Monday and Tuesday we saw that tenge lost its positions against the dollar. All of this was happening amid falling oil prices. Brent June futures fell nearly by 2.5 % on Monday. Experts attributed this collapse to trade warfare between the USA and China. The turning point was Wednesday, when tenge has unexpectedly appreciated contrary to the ruble and falling oil prices. Thus, it partially won back positions lost during the first two days of the week.

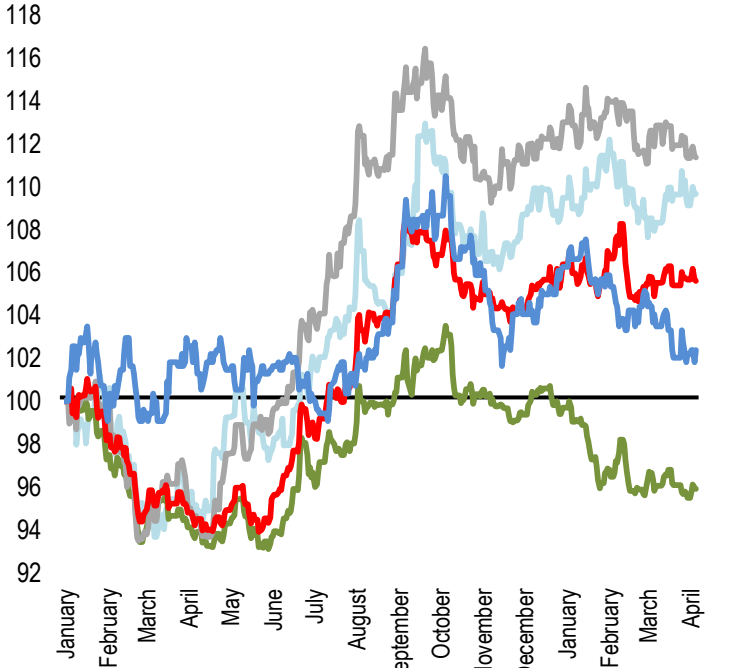
Although trading volumes of the USD/KZT currency pair remain moderate, one can observe moderate demand for tenge, which helped the national currency to stay at the lower limit of the consolidation.

The Russian currency looked quite weaker than tenge as the exchange of ruble fell by KZT0.0196 to KZT5.5465 at the total trading volume of RUB 309.5 mln.

Trading in euro was held only during first three business days. As a result of these trades, the exchange rate of the European currency fixed at KZT 392.39 at the trading volume of EUR 1.95 mln.

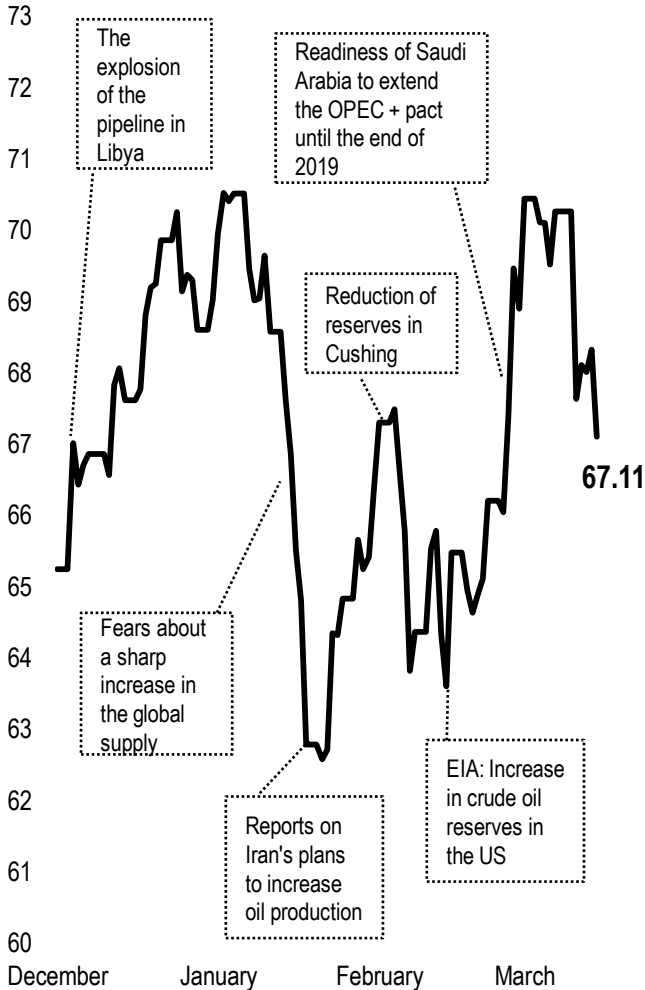
This week, trading in Chinese currency was held only once. As a result, the exchange rate of yuan was up by 24 tiyin having fixed at KZT 51.031 at the trading volume of CNY 0.6 mln.

FX rates
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	449,41	+0,2	+1,6	+9,7
— USDKZT	319,68	+0,2	+0,1	-4,1
— EURKZT	392,41	-0,1	-0,5	+11,3
— CNYKZT	50,71	-0,1	+0,7	+5,6
— RUBKZT	5,56	+0,5	-1,6	+2,4

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	2 604,47	-1,4	-4,5	10,5	-1,4
Dow Jones	23 932,76	-0,7	-3,5	15,8	-0,9
 RTS	1 236,48	-1,0	-2,7	7,6	-1,6
MICEX	2 285,53	0,0	-0,2	11,2	-1,6
 Hang Seng	29 844,94	-0,8	-1,2	23,0	-1,5
SS CSI 300	3 854,86	-1,1	-4,5	9,7	-1,0
 Euro Stoxx 50	3 408,10	1,4	0,9	-2,3	1,2
FTSEuroFirst	4 079,50	1,9	-0,3	-2,6	2,0
 FTSE 100	7 183,64	1,8	0,4	-1,6	1,5
 KASE	2 467,94	1,3	2,3	57,8	

Commodities market

06.04.2018

Name	Price	Trend %	
		7d	1m
Oil	67,11	-4,5	4,3
	62,06	-4,4	1,5
Natural gas	2,70	-1,2	-2,7
Copper	305,85	1,1	-1,8
Iron	487,00	0,0	-5,1
Gold	1 333,03	0,6	0,6
Silver	16,36	0,6	-0,4
Wheat	472,25	4,7	-4,2

Economic calendar

		Currency	Forecast	Previous
10.04	PPI (MoM) (Mar)	USD	0.1%	0.2%
11.04	ECB President Draghi Speaks	EUR		
11.04	Core CPI (MoM) (Mar)	USD	0.2%	0.2%
11.04	Crude Oil Inventories	USD	0.246M	-4.617M
11.04	FOMC Meeting Minutes	USD		
12.04	ECB Publishes Account of Monetary Policy Meeting	EUR		
13.04	JOLTs Job Openings (Feb)	USD	6.220M	6.312M

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 2017
Annual inflation	6,6 %	01.04.18	8,5 %
Gross international reserves of NBK, USD bn	31 080	01.03.18	29 530
Reserve money, KZT bn	4 565,7	01.04.18	5 162,2
Money supply, KZT bn	18 692,8	01.03.18	19 912,6

Kazakhstan credit ratings

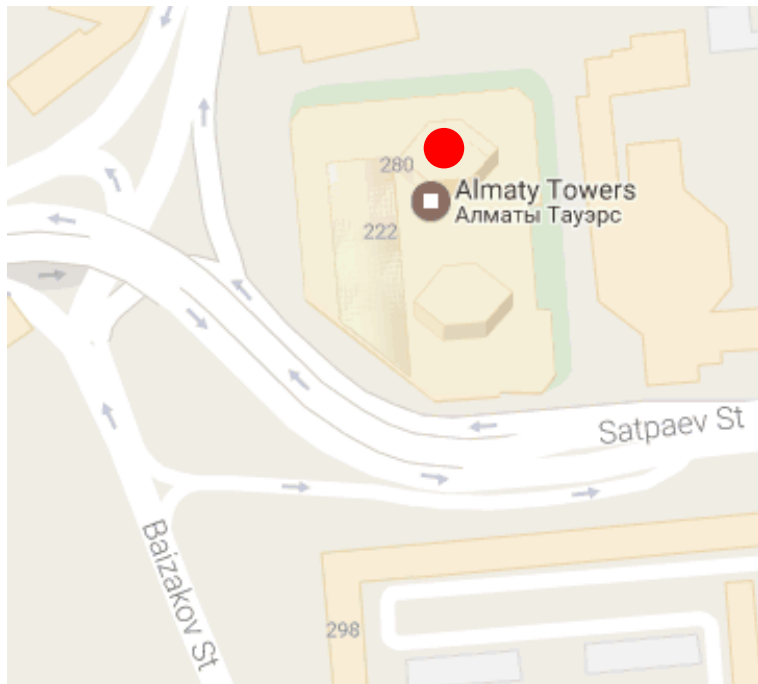
	Rating	Date	Previous
S&P Global	BBB- stable	12.03.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	20.10.17	BBB stable

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Corporate Events Calendar of KASE listed Companies

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