

KASE WEEKLY

03 - 05 January,
2018

KASE NEWS

- ▲ Let us remind you that the Expert Committee of Kazakhstan Stock Exchange (KASE) [revised](#) parameters of non-indexed government securities (GS) subgroups used by KASE for their market valuation on December 13, 2017 according to the schedule.

ISSUER NEWS AND ANNOUNCEMENTS

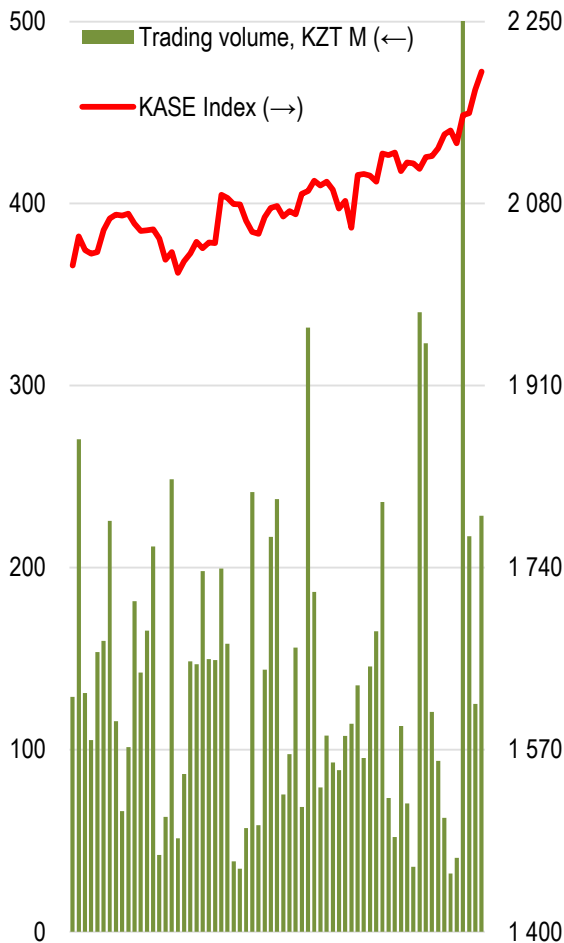
- ▲ On 04 January, KazAgroFinance [reported](#) its sole shareholder's decision on choosing Ernst & Young as an audit firm for conducting the audit of the company's financial statements for 2017.
- ▲ On 04 January, KazAgro National Management Holding [informed](#) of the project financed by the Kazakh-Hungarian private equity fund in Akmola region.
- ▲ On 04 January, Subsidiary Organization VTB Bank (Kazakhstan) [announced](#) appointment of Yuriy Mironov as deputy chairman of the bank's Management Board.
- ▲ On 04 January, KazTransOil [announced](#) establishment of Main Waterline LLP with 100% participation of KazTransOil in the authorized capital of the venture.
- ▲ On 05 January, National Company KazMunayGaz [announced](#) transfer of 50% of subsoil use rights of the Isatay bloc.
- ▲ On 05 January, National Company KazMunayGaz [announced](#) upcoming partial buyback of 8 mln bonds.
- ▲ Kcell bonds were [included](#) in the KASE official list by category "bonds" of main market as of January 05. Special trading session to offer these bonds for the total amount of KZT 30.0 bn with 3-year circulation term and semi-annual coupon of 11.50 % APR will be held on January 16, 2018.
- ▲ On January 05, KazMunaiGas Exploration Production [reported](#) on the ISS and Glass Lewis voting recommendations at extraordinary general meeting of shareholders scheduled for January 22, 2018.
- ▲ Changes to the charter of ForteBank were [published](#) on January 05.
- ▲ On 05 January, Amangeldy Gas [reported](#) a change in the existing subsoil use contracts.
- ▲ KASE to host [meeting](#) with Kcell management as part of the Issue Day event on January 09. The event is timed to the planned placement of the first offering of Kcell bonds, whose underwriter is Tengri Capital MB. Kcell's operational and financial activity results and its current projects will be discussed during the meeting.

KASE Index closes above 2,200 for the first time since August 8, 2008. The blue-chip index rose by 1.87 percent to 2,203.2 points over the week. Equity market capitalization is kept at the historical maximum of KZT17 trillion reaching KZT17.144 trillion.

05.01.2018

		Trends (%)	
KASE Index	2 203,2	1,9	4,6
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
QAZKOM (pref.)	89,3	13,8	-10,7
Bank VTB (Russia)	0,3	11,1	0,0
Sberbank (Russia)	1 392,4	7,4	10,1
Kazakhtelecom	21 835,0	6,5	6,5
Aeroflot (Russia)	870,5	5,6	3,4
Halyk Bank	87,0	5,3	6,5
Gazprom (Russia)	780,0	4,4	3,7
KazTransOil	1 385,0	3,6	3,7
Bank of America	10 076,0	2,6	6,0
KAZ Minerals	3 887,0	2,3	16,9
KazMunayGas EP	25 840,0	0,2	-1,4
Kazakhtelecom (pref.)	8 499,0	0,0	-3,5
Aktobe Metalware Plant	11 840,0	-0,2	-2,7
KEGOC	1 381,0	-0,6	1,2
Bank of Astana	1 261,0	-0,7	-2,5
BAST	56 925,0	-1,0	1,5
CenterCredit Bank	194,0	-1,6	-2,5
Kcell	1 700,0	-4,7	0,0
KazMunayGas EP (pref.)	10 500,0	-12,5	-16,0
QAZKOM	101,4	-24,3	-27,6

KASE Index shares

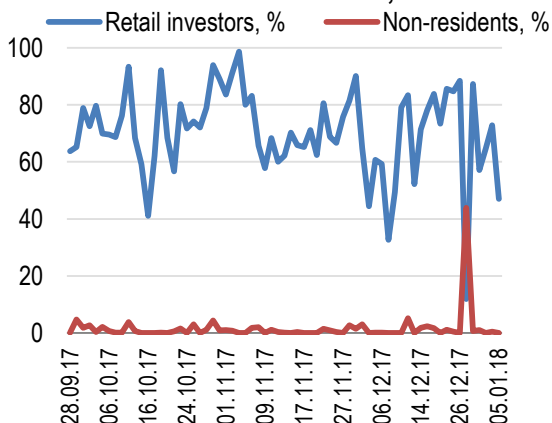


The stocks of Kazakhtelecom, which grew by 6.49% to KZT 21,835.00, have shown maximum growth over the week. However, it is worth noting that the volume of transactions on these stocks was small. The total volume of transactions over the first three trading days of the new year reached about KZT 4 mln.

The price of stocks of Halyk Bank of Kazakhstan increased by 5.32% to KZT 86.98, which is its maximum value since September 01, 2017. The closest significant resistance level and, therefore, the next level for stocks growth will be KZT 90.

The most fall was seen on Kcell shares, which decreased by 4.71% to KZT 1,700.00. The adjustment of securities takes place after a significant growth last week when trading volume on these securities was the maximum for all times of trades on KASE. Due to the increased demand, the company's shares price increased by 6.5% on December 29 .

Retail investors & non-residents, %

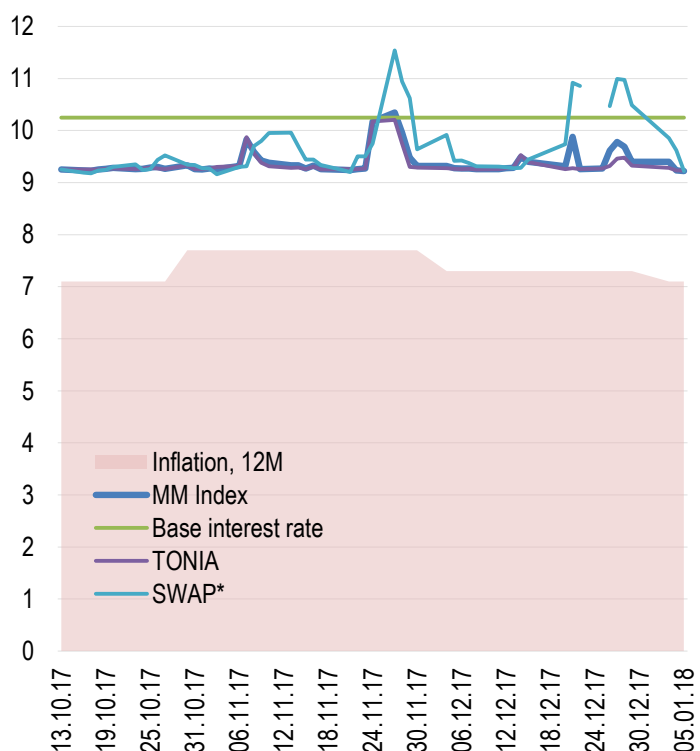




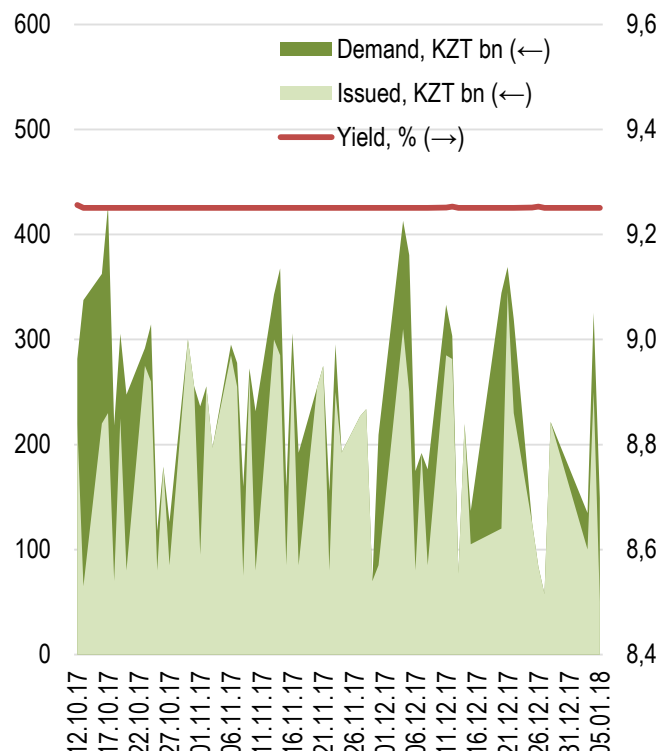
The yield of money market continued to decline this week and approached the lower level of the base rate's corridor. Over the week the yield on one-day currency swap transactions went down by 82 b.p. to 9.07% APR amid tenge appreciation. In the repo segment the yield drop by 10 b.p. to 9.23 % APR over the week. The volume of trading reached KZT 1,187 bn.

To sterilize the excess tenge liquidity, the National Bank has placed five issues of notes with the total trading volume of KZT 808.4 bn over-the-counter during the week. The yield on the 7-day notes remained at 9.25 % APR. On the 28-day notes the rate reached 9.34% APR. On the 91-day notes the rate was a little lower - 9.19 % APR. The total demand for notes exceeded the supply by 30% and reached KZT 1,047 trillion.

Inflation and interest rates

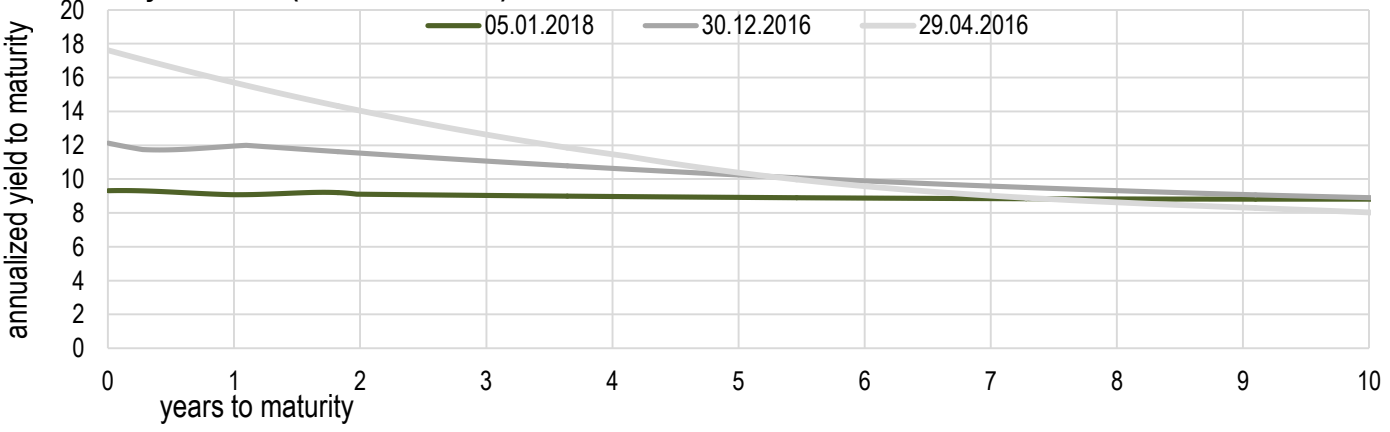


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





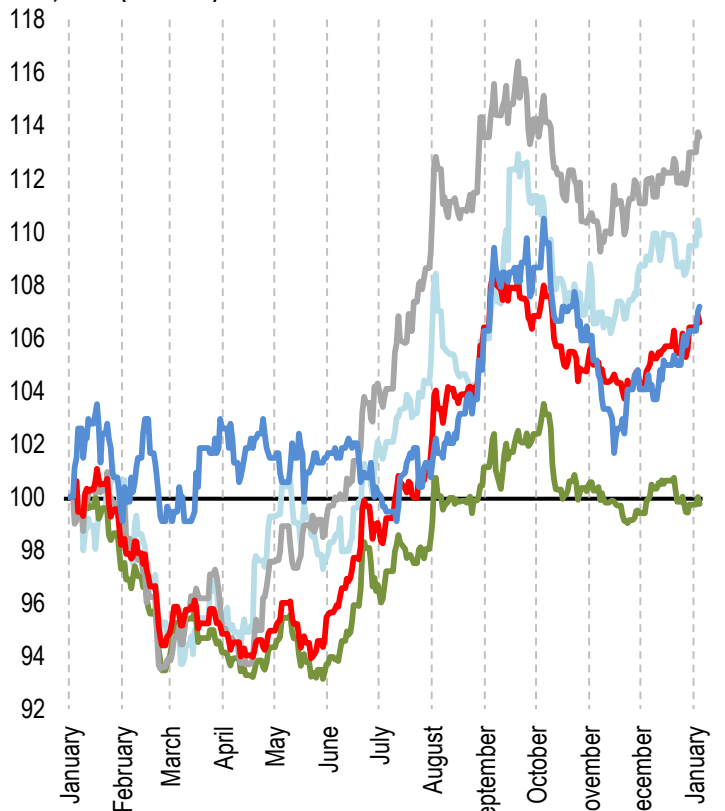
The dollar exchange rate went down by 0.7 percent or by KZT 2.20 to KZT 330.13 over the week. The trading volume reached USD 504.2 mln in three trading days, which is by 62% lower compared to the previous week. On Friday, at the day session, the USD/KZT currency pair closed below KZT 330 at KZT 329.48 for the first time since July 31, 2017. Tenge is supported by the ruble appreciation to its maximum values since the beginning of last June and rising oil prices to maximum values over the past three years.

The euro exchange rate in three days increased by 0.5 % or KZT 2.11 to KZT 398.56.

The yuan exchange rate grew by 9.12 tiyn to KZT 51.0112 over the week.

FX rates

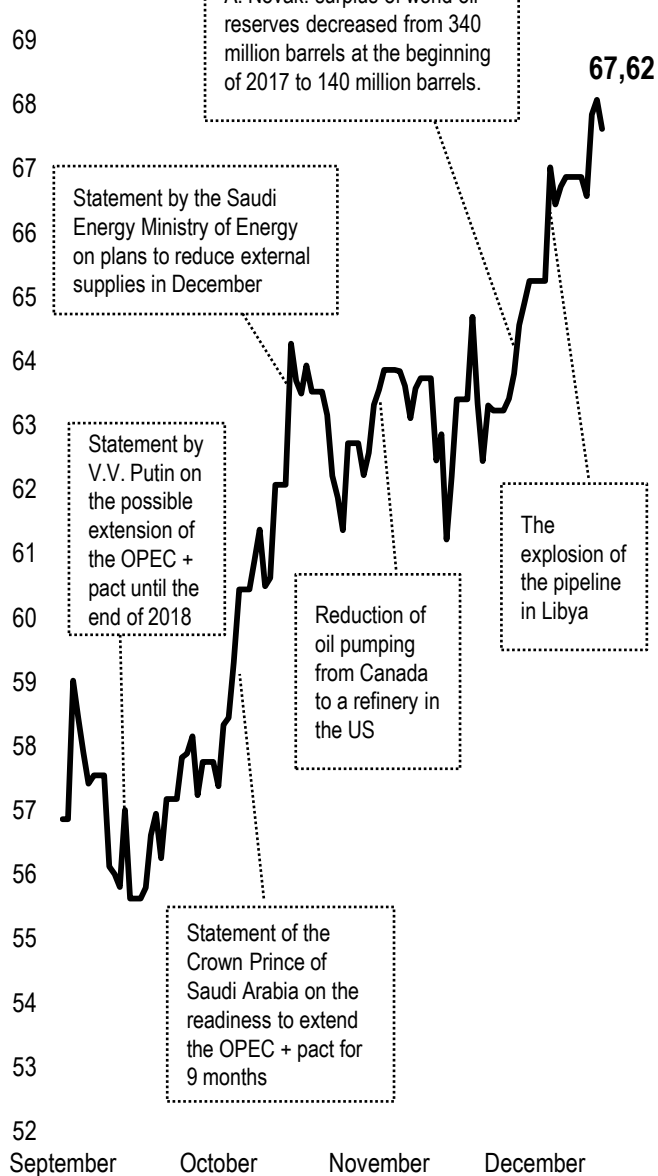
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	450,16	+1,1	+0,7	+9,9
— USDKZT	332,42	+0,3	-0,2	-0,3
— EURKZT	400,27	+1,3	+1,4	+13,6
— CNYKZT	51,18	+0,9	+1,6	+6,6
— RUBKZT	5,82	+1,0	+2,5	+7,2

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	2 743,15	2,6	4,3	20,9	2,5
Dow Jones	25 295,87	2,3	4,8	27,1	2,2
 RTS	1 219,89	5,7	7,8	3,4	5,3
MICEX	2 207,41	4,6	3,9	-0,6	5,3
 Hang Seng	30 814,64	3,0	9,2	37,2	2,7
SS CSI 300	4 138,75	2,7	3,1	22,9	2,7
 Euro Stoxx 50	3 607,63	3,0	1,3	8,8	2,9
FTSEuroFirst	4 393,50	1,8	2,4	7,2	2,0
 FTSE 100	7 724,22	0,5	5,1	7,4	0,2
 KASE	2 203,23	1,9	4,6	61,2	

Commodities market

05.01.2018

Name	Price	Trend %	
		7d	1m
Oil	67,62	1,1	10,5
	61,44	1,7	9,8
Natural gas	2,80	-5,4	-4,3
Copper	322,95	-2,2	10,0
Iron	486,50	-0,3	-6,6
Gold	1 319,59	1,3	4,5
Silver	17,29	0,8	8,9
Wheat	430,75	0,9	8,1

Economic calendar

		Currency	Forecast	Previous
09.01	JOLTs Job Openings (Nov)	USD	6.050M	5.996M
10.01	Crude Oil Inventories	USD		-7.419M
11.01	ECB Publishes Account of Monetary Policy Meeting	EUR		
11.01	PPI (MoM) (Dec)	USD	0.2%	0.4%
12.01	Core CPI (MoM) (Dec)	USD	0.2%	0.1%
12.01	Core Retail Sales (MoM) (Dec)	USD	0.4%	1.0%
12.01	Retail Sales (MoM) (Dec)	USD	0.5%	0.8%

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	7,1 %	01.01.18	8,5 %
Gross international reserves of NBK, USD bn	31 073	01.12.17	29 530
Reserve money, KZT bn	5 782,4	01.12.17	5 162,2
Money supply, KZT bn	19 375,6	01.12.17	19 912,6

Kazakhstan credit ratings

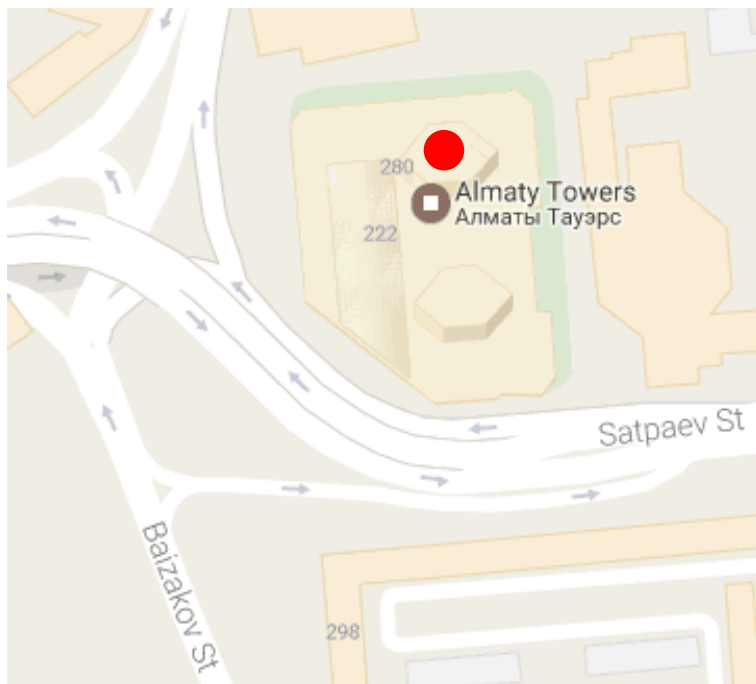
	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	BBB stable

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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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