

KASE WEEKLY

08 – 12 October,
2018

KASE NEWS

- ▲ KASE and Moscow Exchange have [signed](#) a strategic cooperation agreement.
- ▲ KASE Management Board [fixed](#) weighted average yield rates for calculation of fair value of non-marketable debt securities of organizations-residents of the Republic of Kazakhstan for Q4 2018.
- ▲ KASE [determined](#) representative list for calculation of KASE Index as of November 1, 2018.
- ▲ KASE has [set](#) limits and rates of concentration on shares traded according to T+2 scheme and discount rates for repo market for the period from October 15 to November 15, 2018.
- ▲ Online project "KASE: History in Persons": interviews with Azat Nukushev and Alexander Gavriilyuk were [published](#).

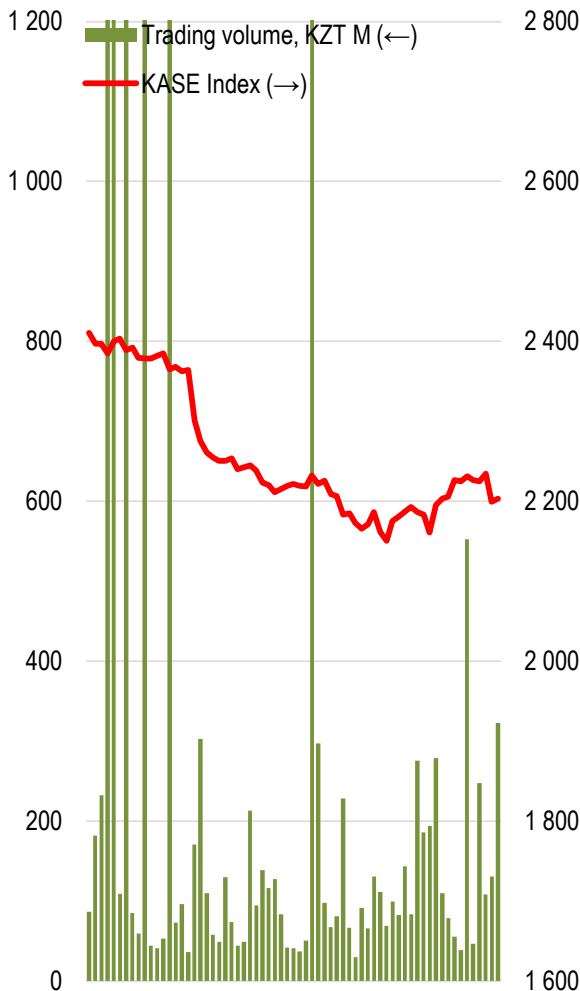
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Eurasian Development Bank [raised](#) KZT20.0 bn on October 11 on KASE by placing five-year bonds (EABRK111023) with a yield to maturity of 9.50% APR.
- ▲ Kaspi.kz [paid](#) dividends on preferred shares (KSPIp) for Q3 2018.
- ▲ Kaspi Bank [paid](#) dividends on common (CSBN) and preferred shares (CSBNp) shares for the year 2017.
- ▲ BCC Invest – subsidiary of Bank CenterCredit (Almaty) [reported](#) payment of dividends to holders of units (BCCI_cc) of IUIT CenterCredit – Valyutniy for the period from July to September 2018.
- ▲ Mortgage Organization Kazakhstan Mortgage Company [reported](#) that Fitch Ratings affirmed ratings of the company and its bonds; outlook "Stable".
- ▲ Board of Directors of TNC Kazchrome [took](#) decision on offering company's shares taking into account shareholders' preemptive purchase right.



Negative trend of world stock indexes, which have been subject to strong correction due to the redistribution of funds from risky assets to risk-free US government securities also affected KASE Index.

KASE Index shares



12.10.2018

| | | Trends (%) | |
|---------------------------------|-------------------|------------|------|
| | | Δ 7d | Δ 1m |
| KASE Index | 2 203,6 | -1,3 | 1,8 |
| First class of liquidity | Price, KZT | | |
| Halyk Bank | 102,4 | 2,4 | 7,5 |
| Gazprom (Russia) | 934,5 | 2,4 | 15,3 |
| Kcell | 1 688,7 | 1,2 | 3,4 |
| KazMunayGas EP (pref.) | 12 800,0 | 0,9 | 0,2 |
| KEGOC | 1 485,0 | 0,1 | -0,4 |
| Aeroflot (Russia) | 576,7 | -0,6 | 2,7 |
| CenterCredit Bank | 255,0 | -0,7 | -1,2 |
| Sberbank (Russia) | 1 021,0 | -1,8 | 10,4 |
| BAST | 40 918,6 | -2,1 | 2,3 |
| Kazakhtelecom (pref.) | 12 501,0 | -2,9 | -2,7 |
| KazTransOil | 1 310,1 | -3,0 | -0,5 |
| KAZ Minerals | 2 512,0 | -3,8 | 10,1 |
| Bank VTB (Russia) | 0,2 | -4,5 | 0,0 |
| Bank of America | 10 748,4 | -5,5 | -7,9 |
| Kazakhtelecom | 29 000,2 | -6,1 | -4,6 |

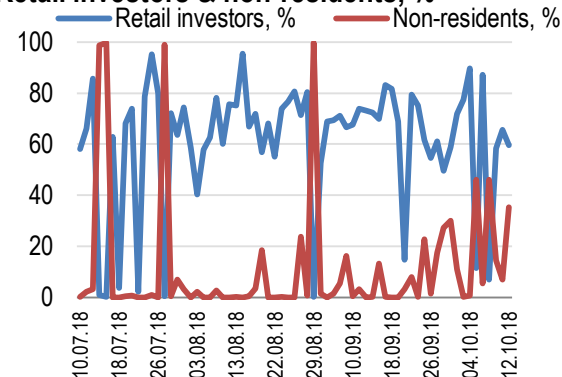
Note: Index stocks are highlighted in green

The blue-chip index of Kazakhstan declined 1.26% and reached 2,203.55 points over the week. Four of seven share titles included in the Index closed in the red. The price of dually listed shares - securities of Kazakhtelecom (-6.11%) and KAZ Minerals (3.79%), have declined the most.

Equity instruments of Halyk Bank have outperformed the market; their price increased by 2.43% over the week. The bank's shares went up having reached the psychological level of KZT100.

KASE and Moscow Exchange signed strategic cooperation agreement on Wednesday, October 10. Daniyar Akishev, the chairman of the National Bank, Alina Aldambergen, the chairman of the Management Board of Kazakhstan Stock Exchange and Alexander Afanasiev, the chairman of the Executive Board of the Moscow Exchange attended the official signing ceremony. The agreement envisages the acquisition of up to 20% of the equity stake in KASE by the Moscow Exchange in two stages until the end of 2019.

Retail investors & non-residents, %

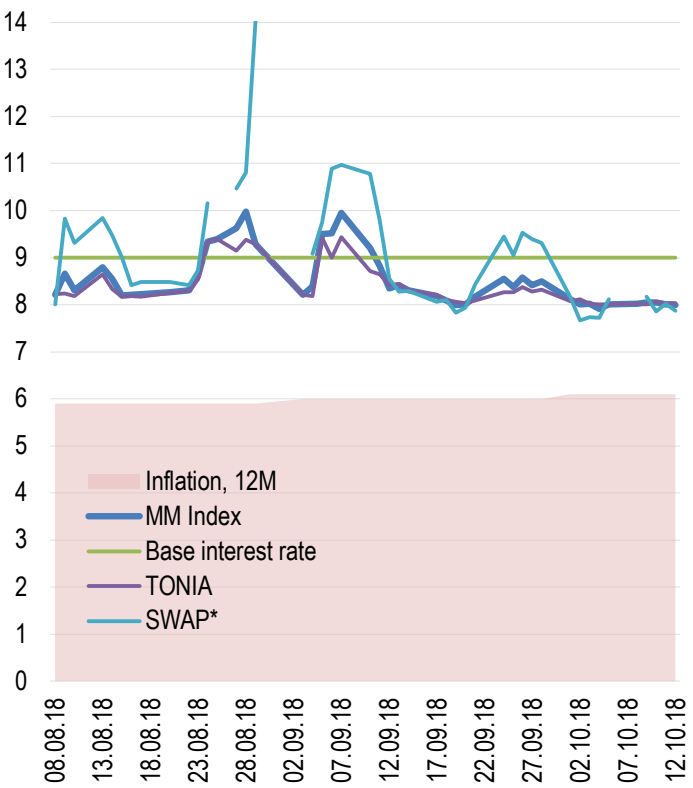




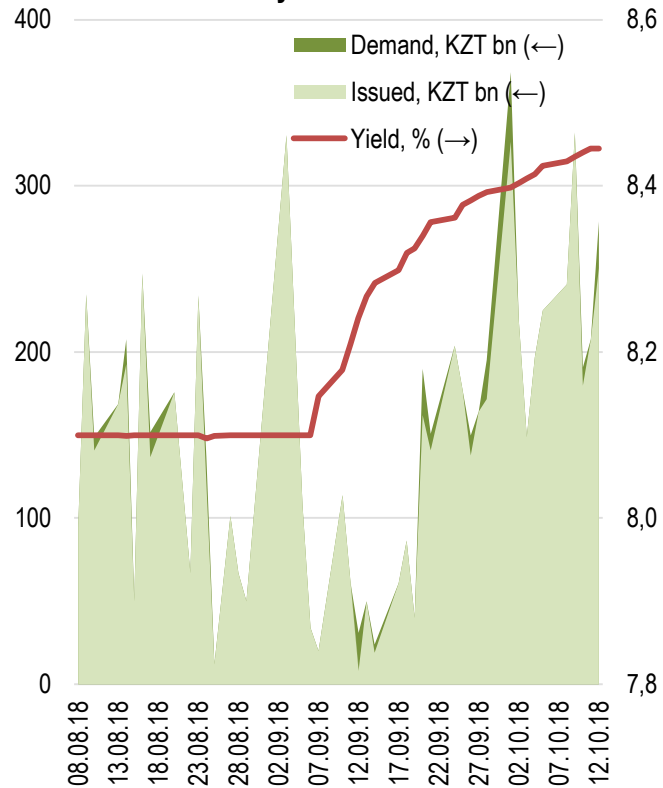
The yield on one-day currency swaps dropped by 1 b.p. to 7.71% APR. The yield on one-day repo transactions with government securities increased 3 b.p. and fixed at 8.03% APR.

The National Bank has placed seven issues of notes with the total trading volume of KZT1,448 bn over-the-counter. The yield on five issues of 7-day notes with the total offering volume of KZT1,210.5 bn was within the range from 8.42% to 8.45% APR. The yield on the 28-day notes reached 8.44% APR at the offering volume of KZT215.0 bn. The offering volume of annual notes amounted to KZT22.5 bn with a yield of 8.50% APR. The total demand for the notes exceeded the supply by 3% and reached KZT1,489.8 bn.

Inflation and interest rates

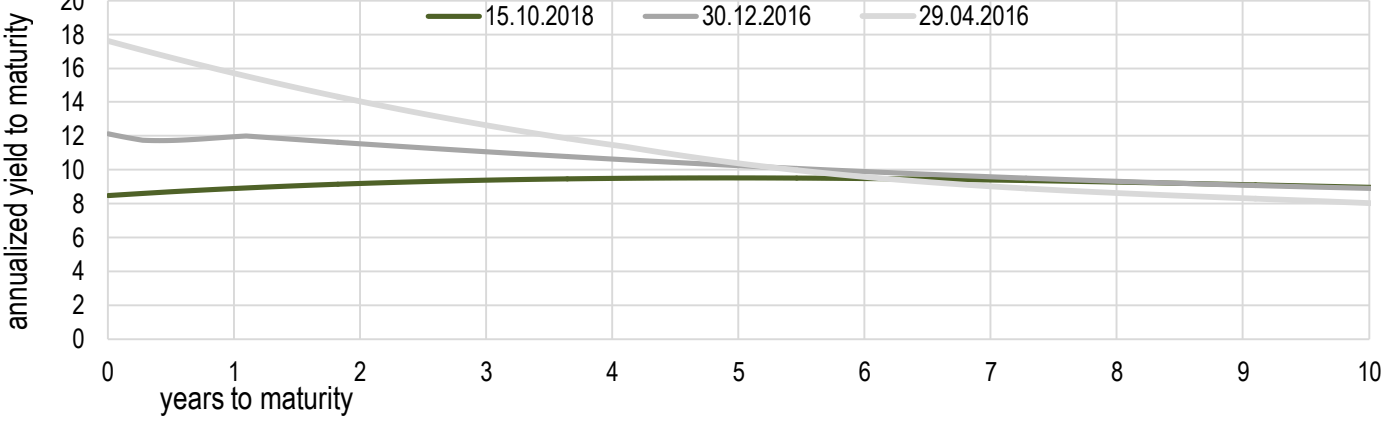


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





Weighted average US dollar rate with settlements T+1 decreased by KZT3.68 to KZT370.03 and the total trading volume amounted to USD458.3 mln.

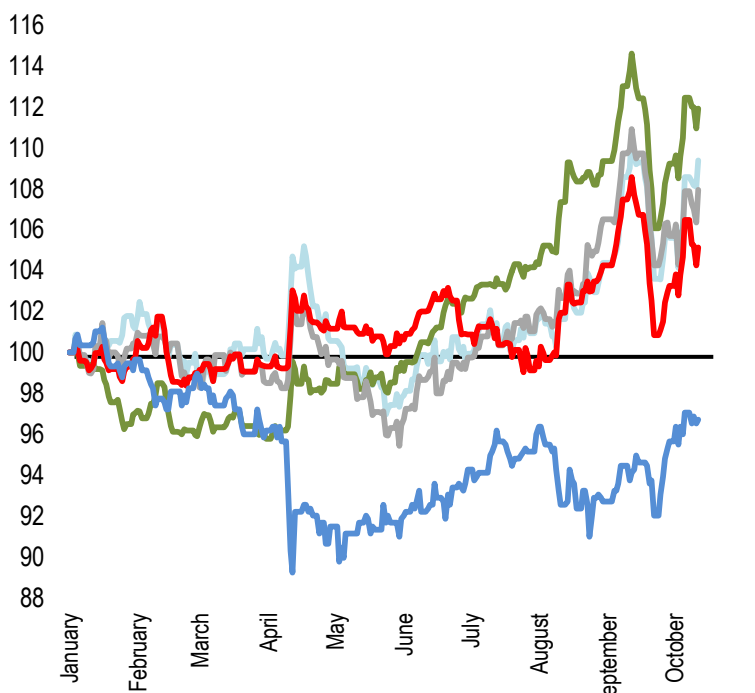
The performance of ForEx market participants was restrained in the run-up to the next regular meeting of the National Bank, where the decision on the base rate would be made. According to the monthly survey of professional participants of the financial market, which is conducted by the Association of Financiers of Kazakhstan, almost half of experts surveyed expects the increase of the base rate. In general, the dynamics of the tenge exchange rate repeated the dynamics of the USD/RUB currency pair. Falling oil quotations for the Brent crude by more than four dollars a week did not prevent tenge to strengthen against the dollar.

Russian currency slightly increased by KZT0.0066 to KZT5.6089 over the week. Total trading volume reached RUB257.7 mln.

The euro closed the week with an increase of KZT8.02 to KZT429.35 per currency unit.

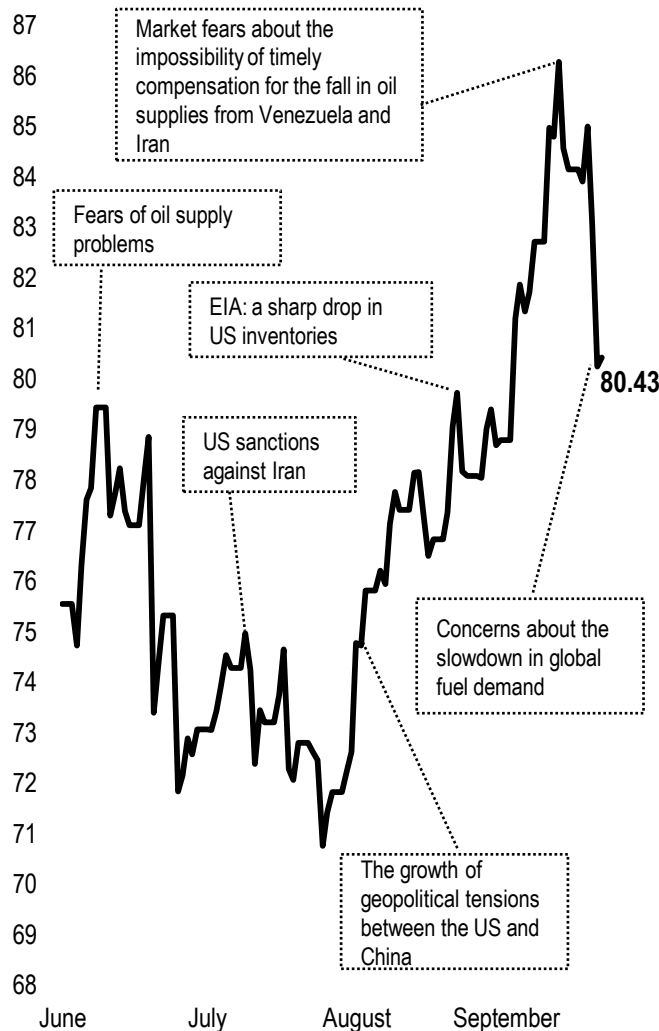
The exchange rate of yuan increased by KZT0.9261 and fixed at KZT53.5784 at the trading volume of CNY10.15 mln over the week.

FX rates
Δ %, base (01.01.17)









| | Price | Δ 7d, % | Δ 30d, % | Δ 2017, % |
|----------|--------|---------|----------|-----------|
| — GBPKZT | 490,78 | +3,0 | -1,2 | +9,4 |
| — USDKZT | 372,00 | +1,3 | -2,3 | +11,9 |
| — EURKZT | 429,92 | +1,8 | -2,7 | +8,0 |
| — CNYKZT | 53,71 | +0,4 | -3,2 | +5,1 |
| — RUBKZT | 5,58 | +0,7 | +2,8 | -3,3 |

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 | 2 767,13 | -4,1 | -4,2 | 8,5 | -4,3 |
| Dow Jones | 25 339,99 | -4,2 | -2,5 | 10,9 | -4,4 |
|  RTS | 1 141,35 | -1,6 | 6,5 | -0,2 | -0,8 |
| MICEX | 2 285,53 | 0,0 | 0,0 | 9,1 | -0,8 |
|  Hang Seng | 25 801,49 | -2,9 | -2,1 | -9,3 | -2,9 |
| SS CSI 300 | 3 170,73 | -7,8 | -1,0 | -19,0 | -7,8 |
|  Euro Stoxx 50 | 3 194,41 | -4,5 | -4,0 | -11,4 | -4,4 |
| FTSEuroFirst | 3 933,00 | -4,3 | -3,5 | -8,5 | -4,3 |
|  FTSE 100 | 6 995,91 | -4,4 | -4,3 | -7,4 | -4,4 |
|  KASE | 2 203,55 | -1,3 | 1,8 | 6,9 | |

Commodities market

12.10.2018

| Name | Price | Trend % | |
|-------------|----------|---------|------|
| | | 7d | 1m |
| Oil | 80,43 | -4,4 | 0,9 |
| | 71,34 | -4,0 | 1,4 |
| Natural gas | 3,16 | 0,6 | 11,7 |
| Copper | 280,05 | 1,4 | 5,3 |
| Iron | 525,00 | 3,9 | 7,1 |
| Gold | 1 217,05 | 1,1 | 0,9 |
| Silver | 14,64 | -0,1 | 3,1 |
| Wheat | 517,25 | -0,7 | 7,4 |

Economic calendar

| | | Currency | Forecast | Previous |
|-------|-----------------------------------|----------|----------|----------|
| 15.10 | Core Retail Sales (MoM) (Sep) | USD | 0.4% | 0.3% |
| 16.10 | CPI (YoY) (Sep) | CNY | 2.5% | 2.3% |
| 17.10 | CPI (YoY) (Sep) | EUR | 2.1% | 2.1% |
| 17.10 | Building Permits (Sep) | USD | 1.280M | 1.249M |
| 18.10 | Crude Oil Inventories | USD | 2.620M | 5.987M |
| 18.10 | FOMC Meeting Minutes | USD | | |
| 19.10 | Industrial Production (YoY) (Sep) | CNY | 6.0% | 6.1% |

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 2017 |
|---|----------|----------|----------------|
| Annual inflation | 6,1 % | 01.10.18 | 7,1 % |
| Gross international reserves of NBK, USD bn | 30 028 | 01.10.18 | 30 745 |
| Reserve money, KZT bn | 6 183,7 | 01.10.18 | 5 538,7 |
| Money supply, KZT bn | 19 780,0 | 01.09.18 | 19 456,0 |

Kazakhstan credit ratings

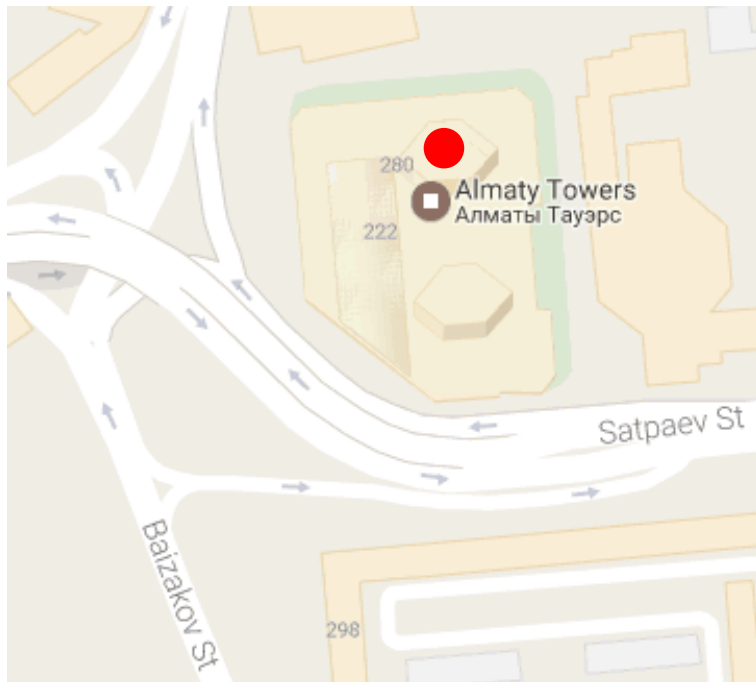
| | Rating | Date | Previous |
|--|-------------|----------|---------------|
|  | BBB- stable | 10.09.18 | BBB- stable |
|  | Baa3 stable | 26.07.17 | Baa3 negative |
|  | BBB stable | 28.09.18 | BBB stable |

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Corporate Events Calendar of KASE listed Companies

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