

# KASE WEEKLY

23 – 28 April,  
2018

## KASE NEWS

- ▲ KASE has [changed](#) duration of base period for market valuation of non-indexed GS.
- ▲ Trades in new instrument [opened](#) in KASE CS automatic repo market as of April 25, 2018.
- ▲ Shares (ABBN) of the Bank of Astana are [excluded](#) from KASE Index representative list as of May 1.
- ▲ B2B Kazakhstan is [included](#) in the list of the second-level auditing firms recognized by KASE.

## ISSUER NEWS AND ANNOUNCEMENTS

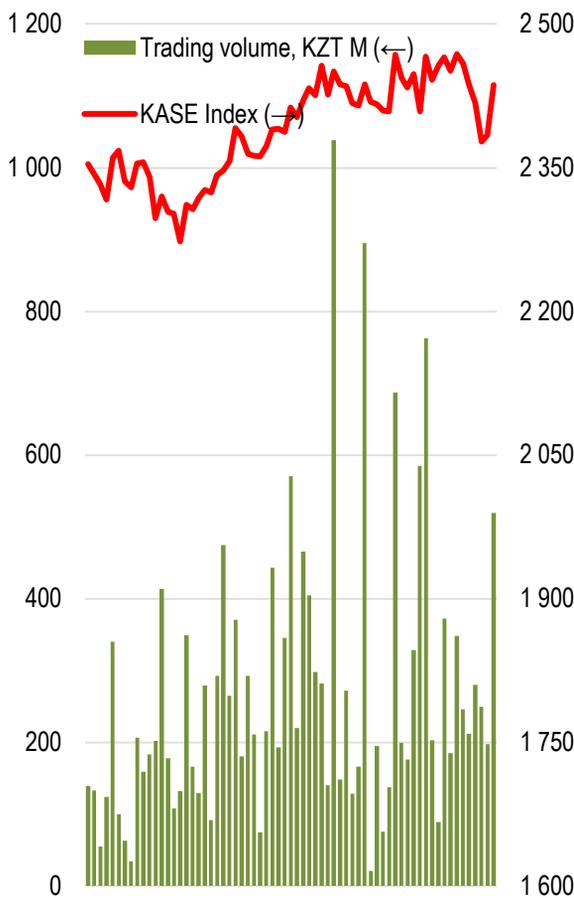
- ▲ The Ministry of Finance of Kazakhstan [raised](#) KZT12.0 bn on KASE selling 15-year bonds at 8.46 % APR on April 23.
- ▲ Development Bank of Kazakhstan [announced](#) that Fitch Ratings affirmed ratings of the bank, outlook "Stable".
- ▲ KazTransOil [reported](#) that Standard & Poor's had affirmed long-term ratings of the company at "BB-", outlook Stable.
- ▲ Development Bank of Kazakhstan [announced](#) that Fitch Ratings affirmed ratings of the bank's international bonds at "BBB-".
- ▲ KazTransOil [announced](#) operational results for the 1st quarter of 2018.
- ▲ KAZ Minerals PLC (United Kingdom) [announced](#) Q1 2018 operating results.
- ▲ Auditor's report on the 2017 consolidated financial statements of Bank CenterCredit is [published](#).
- ▲ Altyn Bank (Subsidiary Bank of Halyk Savings Bank of Kazakhstan) [announced](#) completion of the deal to sell 60% shares of the bank owned by Halyk Savings Bank of Kazakhstan.
- ▲ Halyk Savings Bank of Kazakhstan and Kazkommertsbank [announced](#) decisions of the joint meeting of their shareholders held on April 20, 2018 on voluntary restructuring of the banks by consolidation of Kazkommertsbank with Halyk Savings Bank of Kazakhstan.
- ▲ Halyk Savings Bank of Kazakhstan [announced](#) the decision of the Annual General Meeting of its shareholders held on April 20, 2018 on the payment of dividends on common shares (HSBK) for 2017.



KASE Index closed the week in the red having dropped 1.3% to 2,436.66 points. Four out of eight share were in the red.

The most fall was seen on shares of the Bank of Astana that dropped 22% and closed the week at KZT 910.2. The Bank of Astana has reached lowest limit on Thursday when the price has fallen below KZT 726 per share.

**KASE Index shares**



28.04.2018

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	2 436,7	-1,3	0,9
<b>First class of liquidity</b>	<b>Price, KZT</b>		
<b>Kazakhtelecom</b>	29 300,0	2,8	11,2
<b>KEGOC</b>	1 482,0	2,1	7,0
<b>Kcell</b>	1 699,0	1,1	3,6
<b>KazTransOil</b>	1 565,0	0,4	0,2
<b>BAST</b>	53 850,0	0,3	0,8
<b>KazMunayGas EP</b>	26 869,9	0,0	7,5
<b>KAZ Minerals</b>	4 110,0	-0,7	5,9
<b>Aktobe Metalware Plant</b>	11 153,8	-0,7	-1,6
<b>Bank of America</b>	9 850,1	-1,0	0,0
<b>CenterCredit Bank</b>	286,9	-1,4	-3,1
<b>Sberbank (Russia)</b>	1 165,0	-1,7	-17,1
<b>KazMunayGas EP (pref.)</b>	9 350,0	-2,7	-23,4
<b>Gazprom (Russia)</b>	756,0	-2,8	-5,5
<b>Bank VTB (Russia)</b>	0,3	-3,4	-3,4
<b>Aeroflot (Russia)</b>	777,4	-4,6	-9,1
<b>Halyk Bank</b>	102,1	-5,0	-10,4
<b>QAZKOM</b>	109,0	-5,2	-0,9
<b>Kazakhtelecom (pref.)</b>	10 700,0	-7,0	3,4
<b>Bank of Astana</b>	910,2	-22,0	-22,2

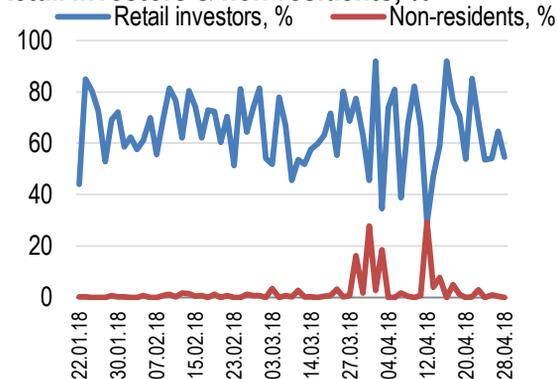
Note: Index stocks are highlighted in green

S&P Global Ratings revised its recent decision to affirm the Bank's rating at "B-/B" and downgraded it to "CCC/C". Earlier this month, Fitch has downgraded the Bank's rating to the similar level. The aforementioned developments were taken into consideration by the Committee on Indices and Securities Valuation of the Kazakhstan Stock Exchange, which has decided to exclude shares of the Bank of Astana from the KASE Index representative list as of May 1, 2018.

Shares of Kazakhtelecom showed the most growth having reached KZT 29,300 per share having thus renewed almost six-year maximum. These shares grew 2.8% over the week.

Another important event of the week worth noting is the fact that Fitch has affirmed KazTransOil's long-term rating at 'BB-', outlook "Stable". Also, Halyk Finance investment bank has raised the 12-month target price for KEGOC shares to KZT 1,547 with the hold recommendation, which is 8% higher than current market price.

**Retail investors & non-residents, %**

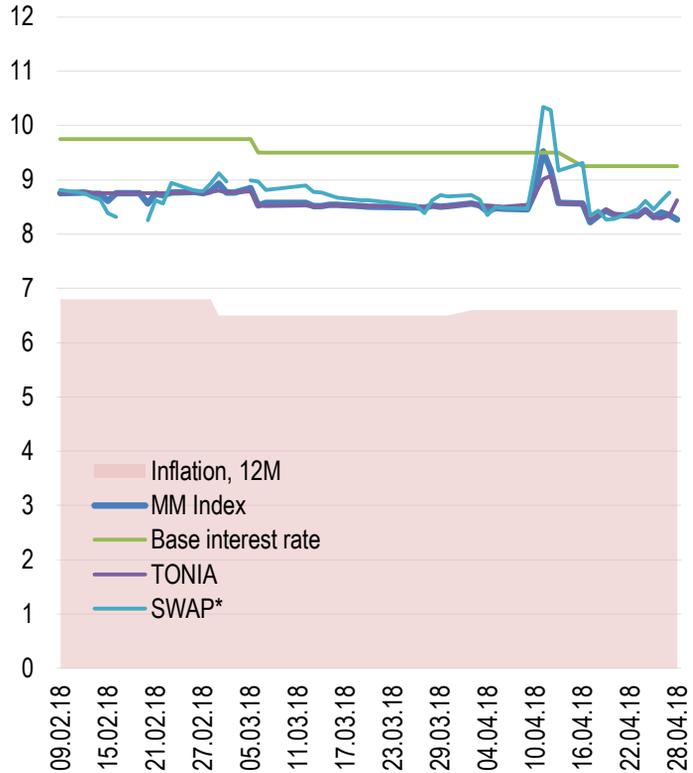




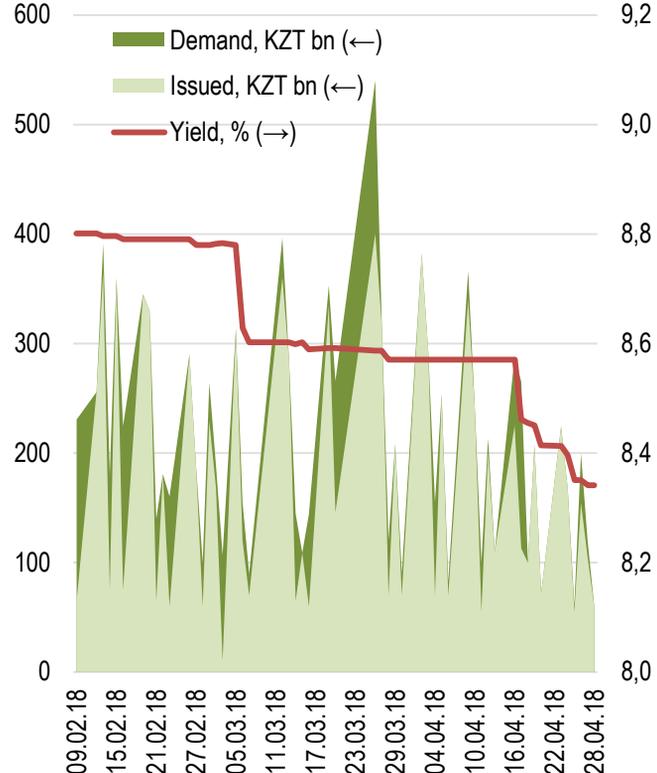
The yield of one-day currency swaps increased 39 b.p. to 8.62% APR over the week. On the contrary, repo segment yield declined 11 b.p. to 8.26% APR.

The National Bank continued to withdraw the surplus liquidity off the market, having sold eight note issues with various maturities over-the-counter during the week. The yield on the one-week notes dropped from 8.41% on Monday to 8.34% by the end of the week. The offering volume reached KZT 765.8 bn. The rate on the 28-day notes has reached 8.47% APR at the offering volume of KZT 249.4 bn. The rate on semi-annual notes was as high as 8.41% APR at the offering volume of KZT 77.4 bn. The total demand exceeded the supply by 12%.

**Inflation and interest rates**

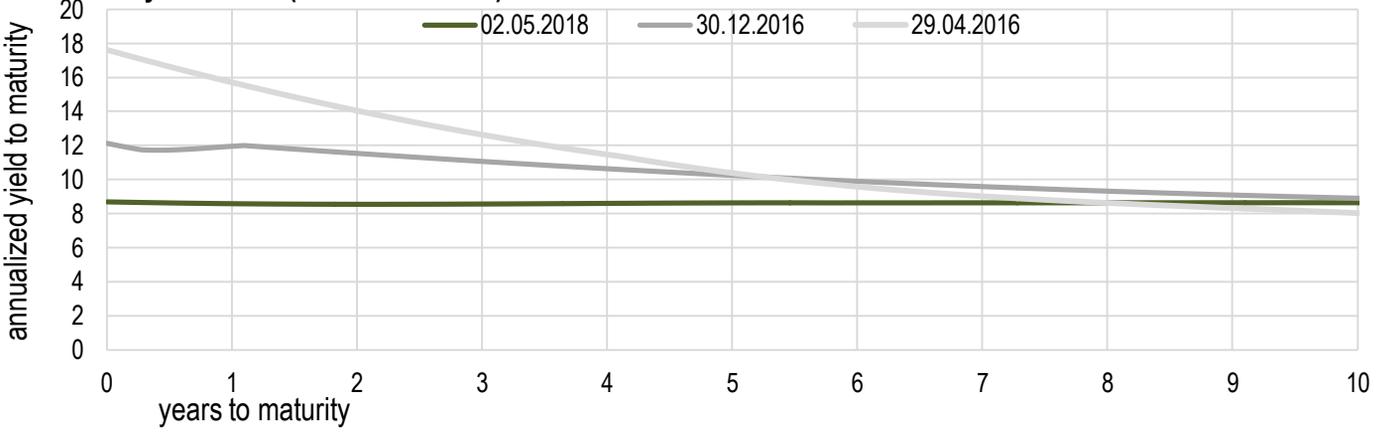


**Issuance of weekly NBK notes**



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

**Risk-free yield curve (non-indexed GS)**





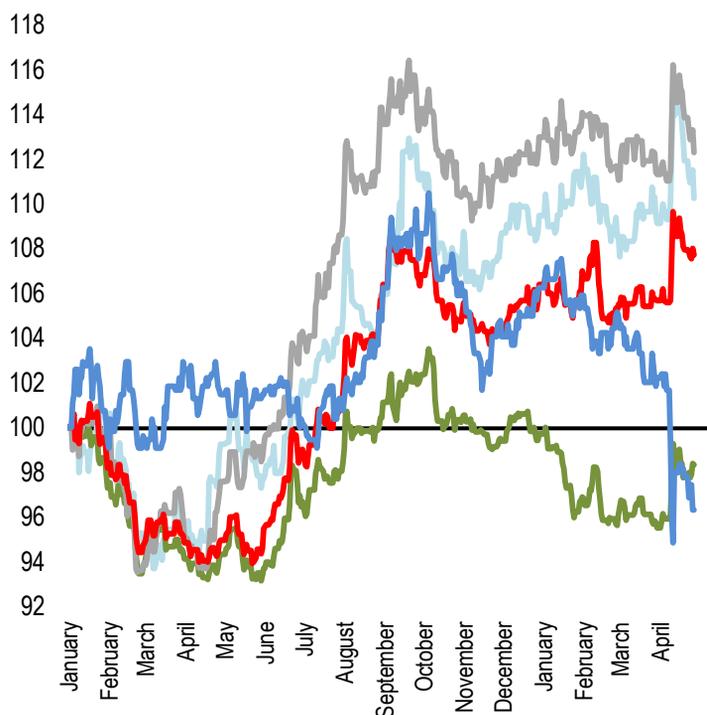
The US dollar exchange rate grew 0.3% or KZT1.08 to KZT327.25 over the week. Trading volume has reached USD 928.5 mln over six days, an increase of 4.6% compared to the previous week.

This week's important event was the increased yield of ten-year U.S. government bonds to the maximum since 2014 amid rising consumer confidence index and new housing sales in the U.S. above analysts' forecasts. Growing return on risk-free assets in the U.S. formally plays against currencies of the developing countries, which added some turbulence to the USD/KZT exchange rate. However, Brent crude oil benchmark was confidently traded around USD 74 per barrel for the whole week and it continued to support the tenge.

Weighted average exchange rate of the Russian ruble dropped 6 tiyin to KZT 5.2850. Trading volume reached RUB 375.7 mln, which is 12% lower than the last week.

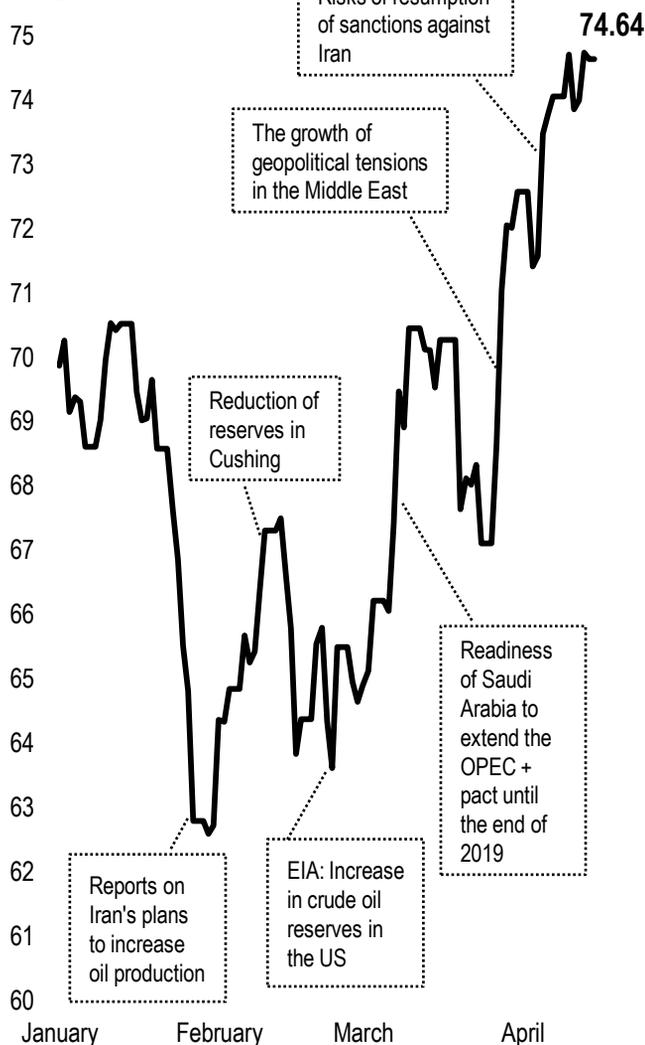
The exchange rate of yuan dropped 32 tiyin to KZT 51.6667. The total trading volume came to CNY 5.7 mln. The euro exchange rate fixed at KZT 398.12 at the trading volume of EUR 4.1 mln.

**FX rates**  
Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	451,76	-1,5	-0,0	+10,2
— USDKZT	327,72	+0,5	+2,6	-1,7
— EURKZT	395,75	-1,4	+0,0	+12,3
— CNYKZT	51,72	-0,2	+1,9	+7,7
— RUBKZT	5,23	-1,5	-5,8	-3,7

**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	2 669,91	0,0	1,1	12,0	0,0
Dow Jones	24 311,19	-0,6	0,9	16,1	-0,6
 RTS	1 164,09	1,6	-6,6	4,5	1,8
MICEX	2 285,53	0,0	0,0	13,3	1,8
 Hang Seng	30 280,67	-0,5	0,6	23,0	-1,0
SS CSI 300	3 756,88	-0,1	-3,5	9,2	0,5
 Euro Stoxx 50	3 518,78	0,7	4,7	-1,1	1,1
FTSEuroFirst	4 223,00	1,1	5,5	-0,5	1,0
 FTSE 100	7 502,21	1,8	6,3	4,1	2,0
 KASE	2 436,66	-1,3	0,9	57,6	

## Commodities market

28.04.2018

Name	Price	Trend %	
		7d	1m
Oil	74,64	0,8	6,2
	68,10	-0,4	4,9
Natural gas	2,77	1,2	1,4
Copper	304,60	-2,8	0,7
Iron	464,00	2,0	0,5
Gold	1 324,00	-0,9	0,1
Silver	16,41	-4,4	0,8
Wheat	495,50	7,0	9,9

## Economic calendar

		Currency	Forecast	Previous
02.05	Caixin Manufacturing PMI (Apr)	CNY	50.9	51.0
02.05	Crude Oil Inventories	USD	0.739M	2.170M
02.05	FOMC Statement	USD		
02.05	Fed Interest Rate Decision	USD	1.75%	1.75%
03.05	CPI (YoY) (Apr)	EUR	1.3%	1.3%
03.05	ISM Non-Manufacturing PMI (Apr)	USD	58.1	58.8
04.05	Unemployment Rate (Apr)	USD	4.0%	4.1%

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	01.04.18	29 530
Reserve money, KZT bn	4 565,7	01.04.18	5 162,2
Money supply, KZT bn	18 631,0	01.04.18	19 912,6

## Kazakhstan credit ratings

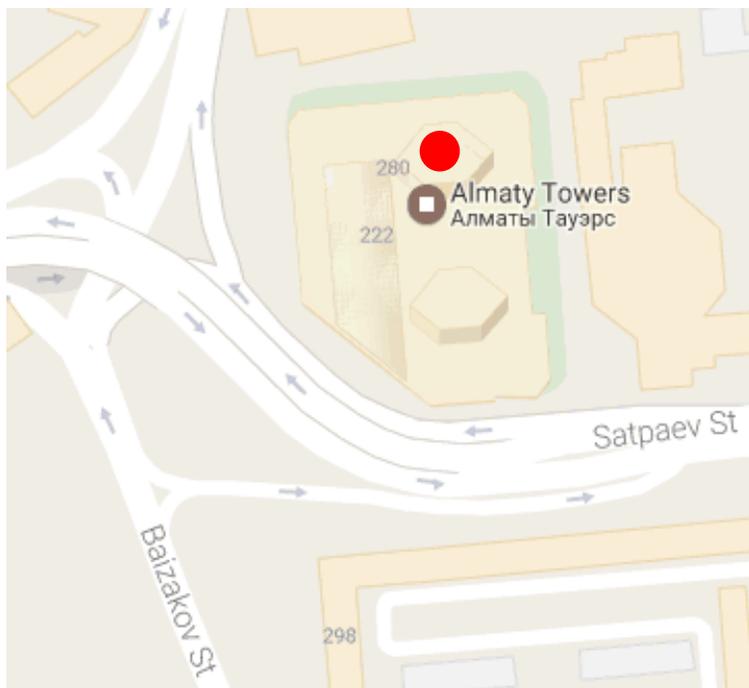
	Rating	Date	Previous
	BBB- stable	12.03.18	BBB- stable
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	17.04.18	BBB stable

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**Corporate Events Calendar of KASE listed Companies**

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