

KASE WEEKLY

25 - 29 December,
2017

KASE NEWS

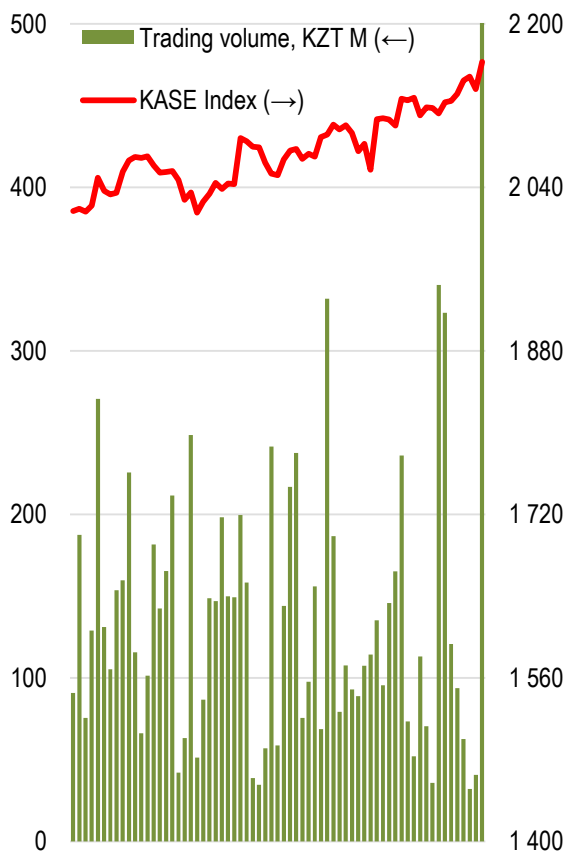
- ▲ As of 25 December, all [requests](#) related to technical support of information systems of KASE are received, registered and processed by the Service Desk service.
- ▲ As of December 27, trades in new instruments [opened](#) in KASE corporate securities (CS) automatic repo market.
- ▲ KASE [launches](#) new version of its official website on January 03, 2018.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ On 25 December, Bank CenterCredit [announced](#) the Board of Directors' decision on the buyback of 39,249,255 preferred shares convertible into ordinary shares at the bank's initiative.
- ▲ On 25 December, Bank RBK [reported](#) that Standard & Poor's has upgraded ratings and placed them on CreditWatch with developing implications.
- ▲ On 25 December Qazaq Banki [reported](#) an increase in equity to KZT 8.0 bn.
- ▲ On 25 December, Samruk-Energy [reported](#) that Standard Poor's affirmed ratings of the company and bonds and revised its outlook from "Stable" to "Positive".
- ▲ On 25 December, Kazakhtelecom [reported](#) that Fitch Ratings affirmed ratings of the company and its bonds; outlook "Stable".
- ▲ On 26 December, Kcell [reported](#) that Fitch Ratings rated proposed issue of the company's domestic bonds at "BB(EXP)".
- ▲ On December 27, Halyk Savings Bank of Kazakhstan [reported](#) that Standard Poor's affirmed the company's ratings and its international bonds; outlook "Negative".
- ▲ On 28 December, Nurbank [reported](#) payment of dividends on preferred shares for 2016.
- ▲ On 29 December, Bank RBK [reported](#) completion of the transaction on transfer of KZT 603.0 bn worth bad asset.
- ▲ On December 29, Bank RBK [raised](#) KZT 60.0 bn on KASE selling 15-year subordinated bonds with yield to maturity of 4.04 % APR.
- ▲ On 29 December, Development Bank of Kazakhstan [reported](#) sole shareholder's decision to choose Audit Business Group LLP as auditing firm that conducts special audit of quasi-public sector for the bank's 2016 financials.

KASE Index has renewed its nine-year maximum three times over this week and reached 2,162.69 points by the end of the week. On December 29, the volume of trades in Index shares totalled KZT 1,036 mln, which is the maximum since February 07, 2017. Shares of KAZ Minerals (+6.0%), Kcell (+4.3%) and KEGOC (+2.5%) have shown maximum growth.

KASE Index shares



29.12.2017

		Trends (%)	
KASE Index	2 162,7	1,8	3,8
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
QAZKOM	134,0	27,6	-4,3
KazMunayGas EP (pref.)	12 000,0	26,3	9,1
KAZ Minerals	3 800,0	6,0	8,7
Kcell	1 784,0	4,3	3,5
KEGOC	1 389,0	2,5	2,1
Kazakhtelecom (pref.)	8 499,9	2,4	-2,9
BAST	57 500,0	2,3	2,3
Aeroflot (Russia)	824,7	1,8	-11,0
Bank of Astana	1 270,0	1,1	3,5
Kazakhtelecom	20 505,0	1,0	0,5
Sberbank (Russia)	1 297,0	0,6	-1,4
CenterCredit Bank	197,2	0,1	-3,0
Halyk Bank	82,6	0,1	0,9
Bank VTB (Russia)	0,3	0,0	-10,0
KazTransOil	1 337,0	-0,1	0,2
KazMunayGas EP	25 800,0	-0,2	9,8
Gazprom (Russia)	747,0	-0,4	-0,6
Bank of America	9 820,0	-1,3	6,7
Aktobe Metalware Plant	11 860,1	-1,7	-2,7
QAZKOM (pref.)	78,5	-21,5	-19,1

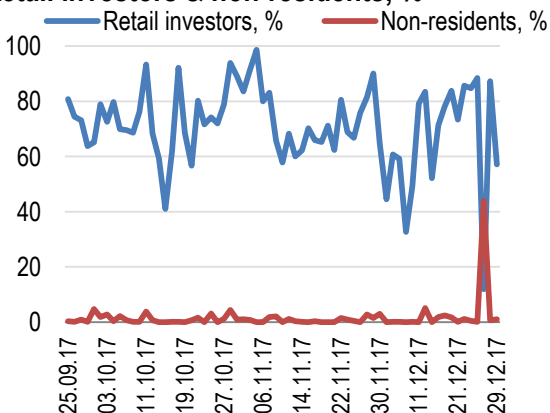
KAZ Minerals shares grew most of all over the week following quotes of shares listed on the London Stock Exchange and copper price.

There was a reduction on KazMunayGaz EP and Kaztransoil shares at 0.2% and 0.1%, respectively, that can be considered as simple fluctuations within the average daily deviations.

On December 26, 2017, guaranteed dividend (KZT 300 per one share) was [paid](#) on Kazakhtelecom's preferred shares for 2017. Dividends payable amounted to KZT 96.2 mln, dividends paid out amounted to KZT 74.9 mln based on available bank details of shareholders according to the List of shareholders.

On December 25, Kazakhstan's Ministry of Finance [raised](#) KZT 14.5 bn on KASE selling 15th issue of MEUKAM-84 with yield to maturity of 8.85 % APR.

Retail investors & non-residents, %

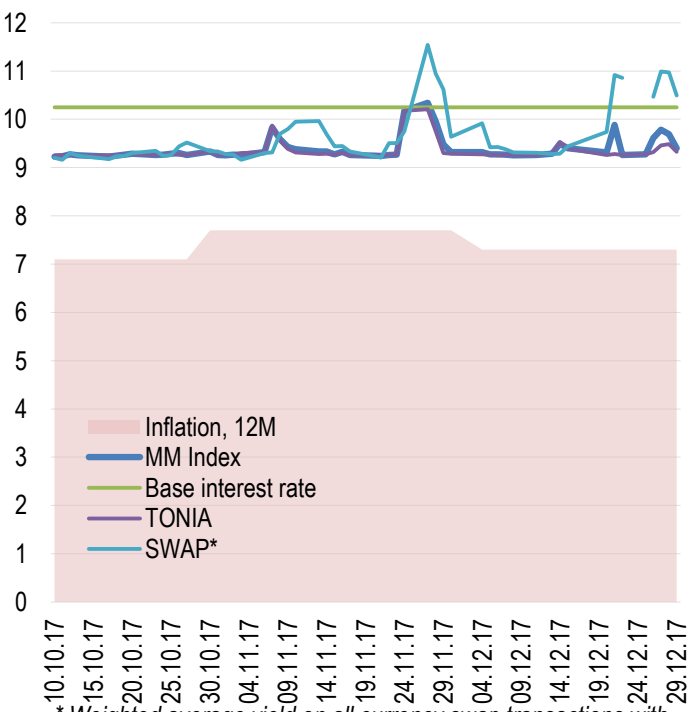




The value of the composite indicator of the money market (MM Index) has increased from 14 b.p. to 9.40% over the week. Funding rate in repo segment increased by 7 b.p. to 9.33%, whereas weighted average swap rate has decreased by 37 b.p. to 10.49%.

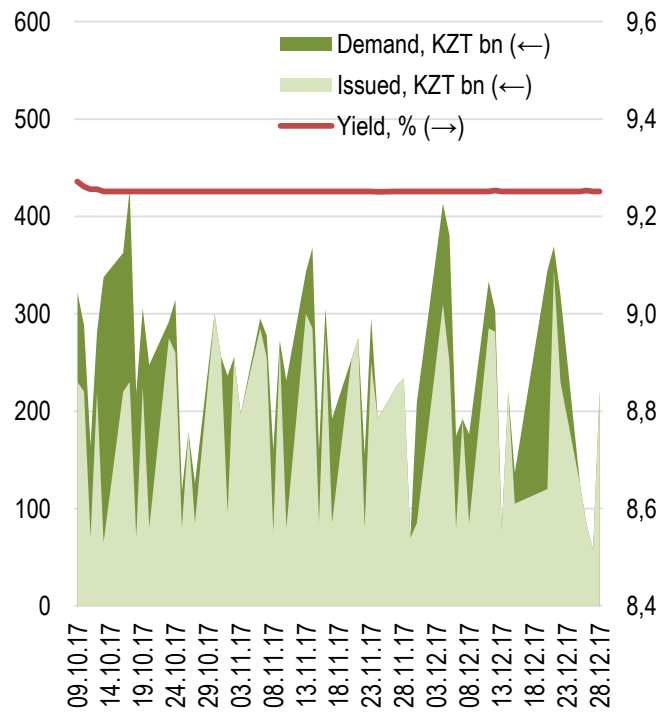
The National Bank continued to withdraw the surplus liquidity off the market, having sold 7 notes issue with various maturities over-the-counter during the week. The yield on the 7-day notes remained at 9.25% p.a. The offering volume is equal to the bid and reached KZT 487.4 bn, which is less than last week offering volume by 30%. On 28-day notes, the rate was as high as 9.36% p.a. The offering volume was also equal to bid and amounted to KZT 335.5 bn. The yield of semi-annual notes made up 8.9093% APR. The offering volume amounted to KZT 176.2 bn., which is by 0.5% lower than the declared bid. The yield of annual notes reached 8.72% APR. The offering volume was identical to the bid and amounted to KZT 60 bn.

Inflation and interest rates

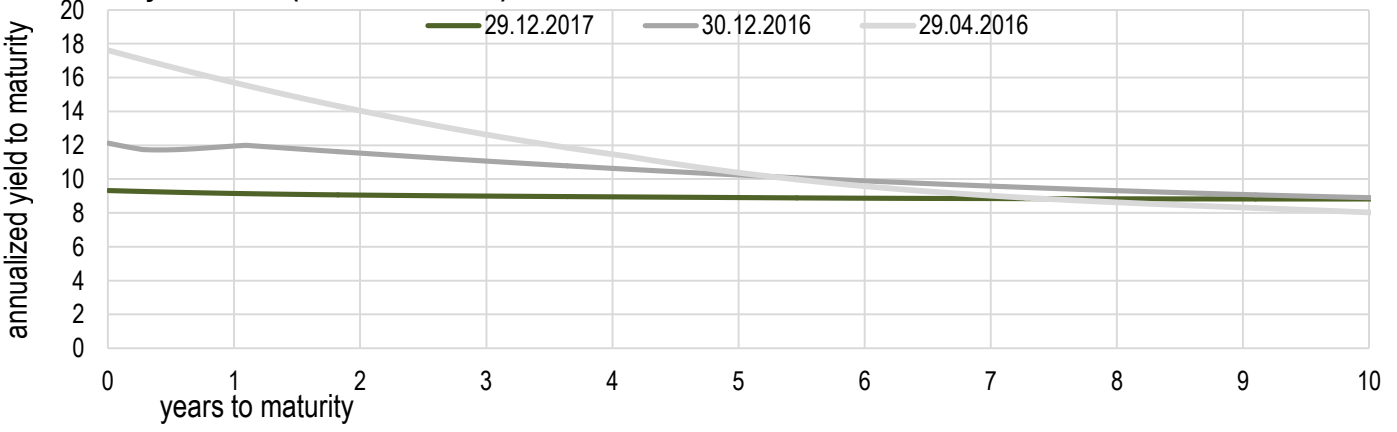


* Weighted average yield on all currency swap transactions with the US dollar.

Issuance of weekly NBK notes



Risk-free yield curve (non-indexed GS)





The US dollar exchange rate practically did not change over the week; its weighted average rate reached KZT 332.69, which is higher than of the last Friday indicator only by 1 tiyn. The strengthening of tenge against the US dollar was noted over the week following the rise in oil prices that was reaching 67 dollars per barrel. An important factor supporting the tenge was a tax period, which has increased the demand for tenge.

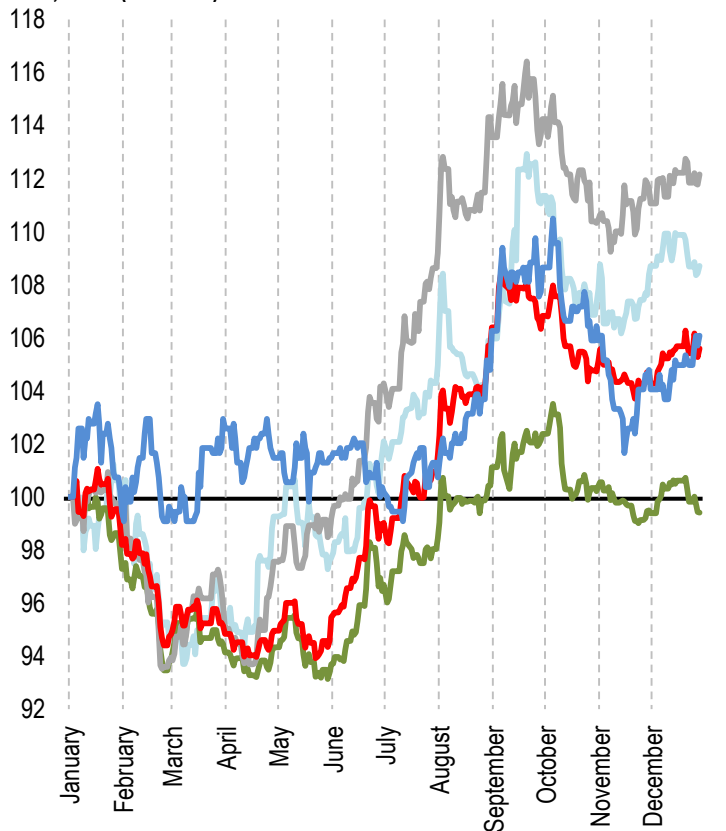
The ruble exchange rate grew by almost 8 tiyn to KZT 5.7862. The strengthening of ruble as other commodity currencies was taking place amid rising oil prices.

The yuan exchange rate grew by 0.205 and reached KZT 50.92.

The euro exchange rate made up KZT 396.5.

FX rates

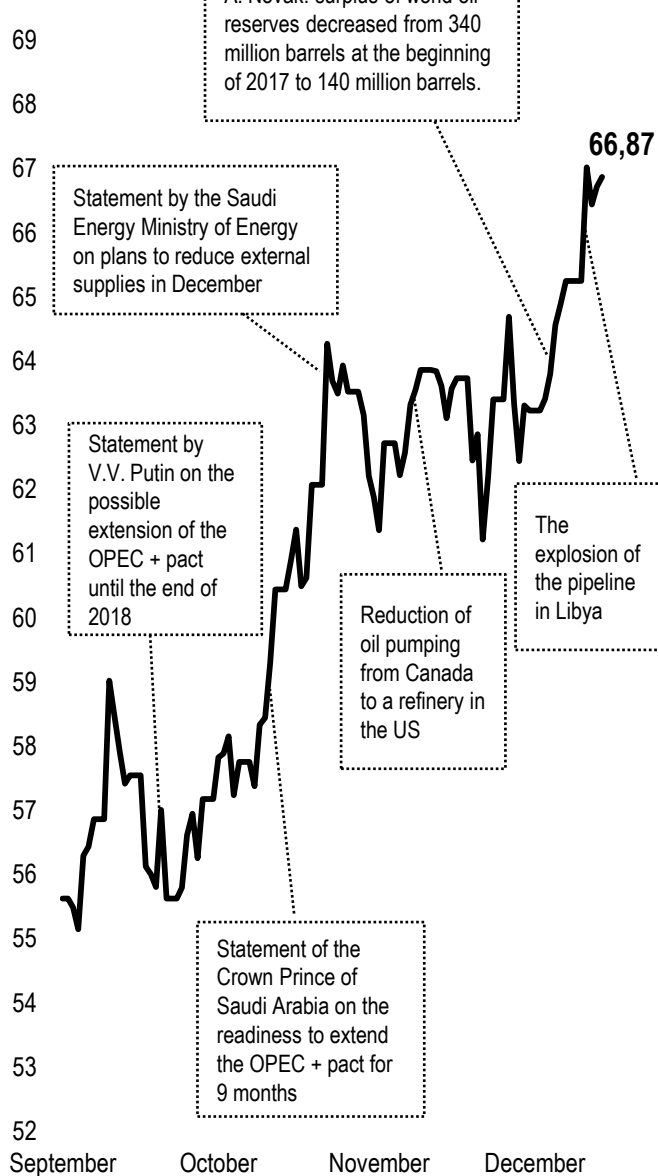
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	445,45	-0,4	+1,0	+8,7
— USDKZT	331,31	-0,8	-0,1	-0,6
— EURKZT	395,29	-0,4	+0,3	+12,2
— CNYKZT	50,71	-0,1	+0,9	+5,6
— RUBKZT	5,76	+0,9	+1,4	+6,1

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	2 673,61	-0,4	1,8	18,9	-0,4
Dow Jones	24 719,22	-0,1	3,3	24,7	-0,1
 RTS	1 154,43	1,6	0,9	0,9	1,8
MICEX	2 109,74	0,3	-0,7	-4,4	1,8
 Hang Seng	29 919,15	1,2	1,0	37,3	1,2
SS CSI 300	4 030,86	-0,6	-0,6	22,2	-0,8
 Euro Stoxx 50	3 503,96	-1,4	-2,4	7,1	-1,4
FTSEuroFirst	4 315,00	-0,4	0,0	6,8	-0,4
 FTSE 100	7 687,77	1,3	4,0	8,0	1,4
 KASE	2 162,69	1,8	3,8	61,9	

Commodities market

29.12.2017

Name	Price	Trend %	
		7d	1m
Oil	66,87	2,5	6,0
	60,42	3,3	5,4
Natural gas	2,95	10,7	-7,1
Copper	330,05	2,7	8,6
Iron	488,00	-5,5	-2,4
Gold	1 302,80	2,2	1,5
Silver	17,15	4,8	4,2
Wheat	427,00	0,5	2,5

Economic calendar

		Currency	Forecast	Previous
03.01	ISM Manufacturing PMI (Dec)	USD	58.1	58.2
03.01	FOMC Meeting Minutes	USD		
04.01	ADP Nonfarm Employment Change (Dec)	USD	191K	185K
04.01	Crude Oil Inventories	USD	-5.148M	-4.609M
05.01	CPI (YoY) (Dec)	EUR	1.4%	1.5%
05.01	Unemployment Rate (Dec)	USD	4.1%	4.1%
05.01	ISM Non-Manufacturing PMI (Dec)	USD	57.8	57.4

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	7,3 %	01.12.17	8,5 %
Gross international reserves of NBK, USD bn	31 428	01.12.17	29 530
Reserve money, KZT bn	5 782,4	01.12.17	5 162,2
Money supply, KZT bn	19 431,4	01.12.17	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	20.10.17	BBB stable

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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the entire invested amount back. For the investments in non-universally recognized markets, the investors may experience various difficulties, including selling them or obtaining the reliable information about their value or the risks involved;
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