

KASE WEEKLY

16 – 20 July,
2018

KASE NEWS

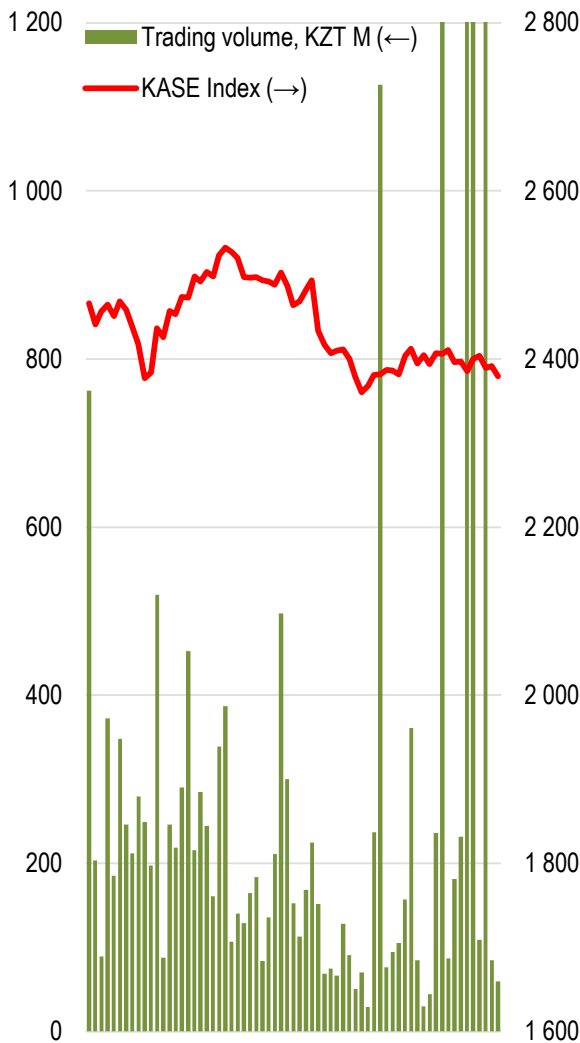
- ▲ KASE has [reduced](#) the duration of the Base period for market valuation of non-indexed GS with term of 4,100 days left to maturity.
- ▲ KASE Board of Directors [approved](#) new internal document "Regulations on the Structure of the List of Financial Instruments Permitted to Trading in the Trading System of Kazakhstan Stock Exchange".
- ▲ KASE Board of Directors [approved](#) amendments to Rules for Executing Exchange Activities.
- ▲ KASE [held](#) press conference on the results of the first half of 2018.
- ▲ Freedom Finance [announced](#) extension of the Stock Market Race competition until September 20, 2018.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kazakhstan's Ministry of Finance [raised](#) KZT51.1 bn on July 16 on KASE selling 13-year bonds at 8.44 % APR with the maturity of 12.8 years. A total of 4 applications were filed, which were fully executed.
- ▲ Development Bank of Kazakhstan [bought](#) back its 30.0 mln bonds on KASE for the total amount of KZT30 bn on July 20.
- ▲ Halyk Finance (Almaty) [announced](#) payout of dividends on preferred shares for 2017 for the total amount of KZT2 bn.
- ▲ Trading in bonds (SNRGb3) of Samruk-Energo will be [suspended](#) as of July 27 on KASE.
- ▲ Tethys Petroleum Limited (Cayman Islands) [reported](#) on signing agreements with Jaka Partners FZC and Gemini IT Consultants DMCC on acquiring ordinary shares (KY_TPL_) of the company.
- ▲ KazTransGas [announced](#) that Fitch Ratings affirmed long-term ratings of the company and its bonds (KZTGe1), outlook stable.
- ▲ ATFBank [announced](#) that Standard & Poor's has upgraded the bank's national scale rating to "kzBB+".
- ▲ Bank CenterCredit [announced](#) that Moody's Investors Service affirmed long-term ratings of the bank and its bonds (CCBNe3), outlook stable.
- ▲ Samruk-Kazyna [announced](#) that Standard & Poor's has upgraded the fund's national scale long-term rating to "kzAA+".

The KASE Index declined slightly by 0.26% and reached 2,379.18 points over the trading week. Four of seven share titles included in the Index closed in the red.

KASE Index shares



20.07.2018

		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 379,2	-0,3	0,5
First class of liquidity	Price, KZT		
KazMunayGas EP (pref.)	10 500,0	5,0	28,0
Bank of America	10 203,0	2,8	2,2
Kazakhtelecom	33 890,0	1,8	3,6
Aktobe Metalware Plant	10 415,1	0,6	-0,9
KAZ Minerals	3 700,0	0,2	-10,1
Halyk Bank	101,8	0,1	-0,4
Bank of Astana	829,5	0,0	-2,1
QAZKOM	100,0	0,0	-9,1
BAST	51 704,0	-0,6	-1,9
Kcell	1 628,5	-0,7	5,6
KazTransOil	1 383,0	-0,9	3,8
KEGOC	1 425,4	-1,1	2,1
CenterCredit Bank	280,3	-2,0	-1,1
Kazakhtelecom (pref.)	13 600,0	-2,5	-2,9
Bank VTB (Russia)	0,3	-3,7	4,0
Gazprom (Russia)	762,8	-4,7	4,2
Sberbank (Russia)	1 160,9	-6,2	2,4
Aeroflot (Russia)	670,1	-7,6	-12,1

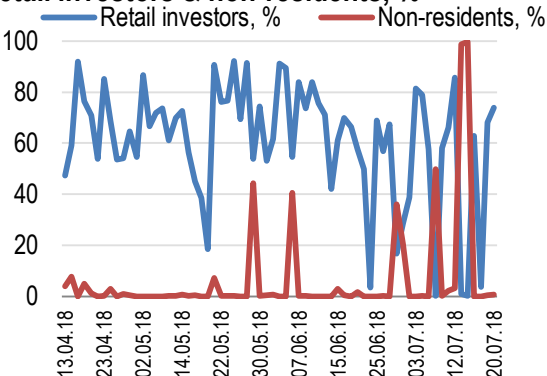
Note: Index stocks are highlighted in green

The greatest faller was equity instruments of Bank CenterCredit that fell 2.04% to KZT280.26 per share. I would like to note that the decline in the bank's shares was accompanied by low trading volumes.

Kazakhtelecom stocks grew the most reacting to the news on approval of the purchase of a controlling stake in Kcell by the antimonopoly committee. Equity instruments of the national telecom company rose by 1.77% to KZT33,890 per share over the week.

Kcell published its unaudited financial results for the first half of 2018 and held a teleconference for analysts on Friday. According to the published review, the company's net profit in the first half of the year grew by 38.1% compared to the same period of the last year. Among the significant events the company during the reporting period was that the appellate court upheld the demand notice of the tax authorities for payment of taxes and fines for the total amount of KZT9.0 bn. The management reminded that this decision may be appealed at the Supreme Court.

Retail investors & non-residents, %

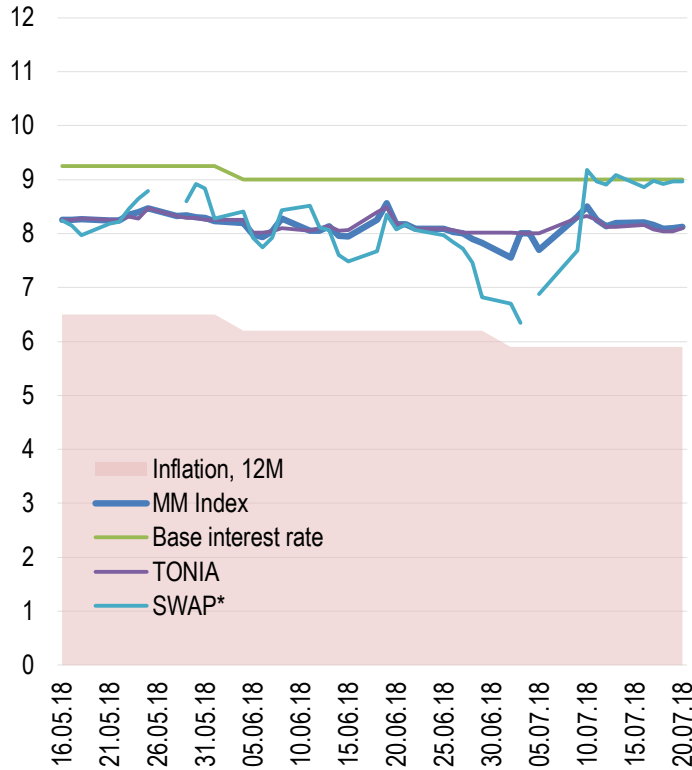




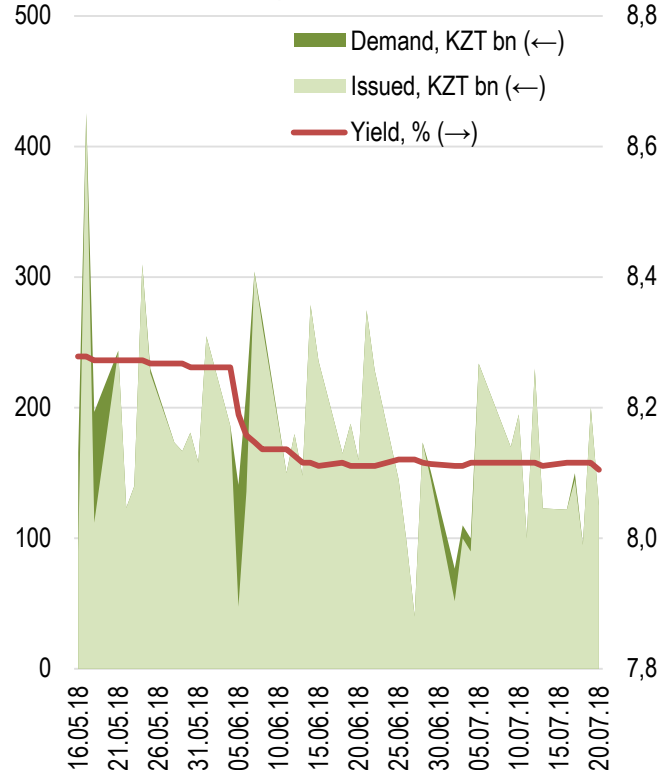
The yield on one-day currency swaps dropped 17 b.p. to 8.99% APR. The yield on one-day repo transactions with government securities fell 2 b.p. and remained at 8.10% APR.

The National Bank has placed seven issues of notes with the total trading volume of KZT906.3 bn over-the-counter during the week. The yield on five issues of 7-day notes with the total offering volume of KZT686.0 bn was within the range from 8.11% to 8.12% APR. The yield on the 28-day instruments reached 8.24% APR at the offering volume of KZT181.1 bn. The yield on three-month notes with the total offering volume of KZT39.2 bn amounted to 8.26%. The total demand for the notes exceeded the supply by 3% and reached KZT931.2 bn.

Inflation and interest rates

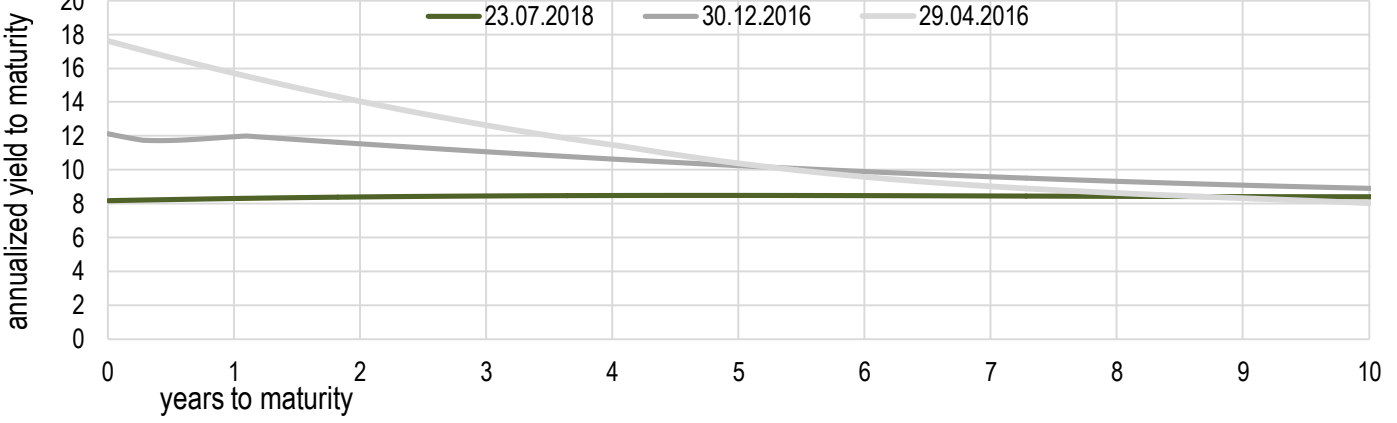


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





US dollar exchange rate grew gradually throughout the week. As a result, weighted average US dollar rate rose by KZT3.23 to KZT346.68 and the total trading volume amounted to US \$754.4 mln having increased by 9% compared to the last week.

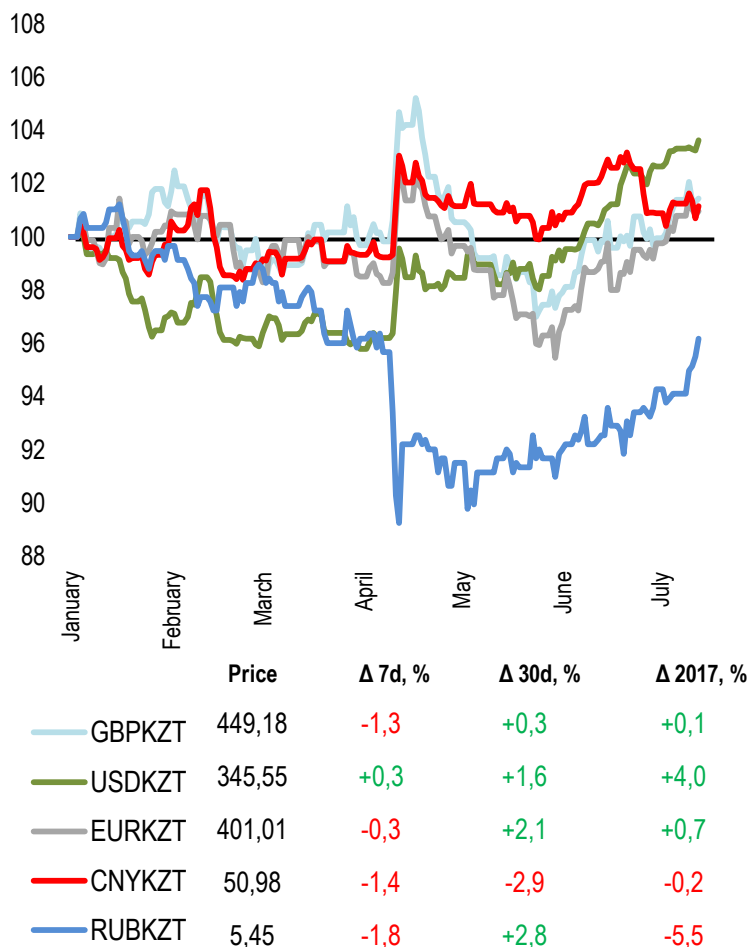
Two negative external factors have shaped the movement of currencies in emerging markets, including the tence. First of all, it was the rise in the US dollar index, which almost exceeded its annual maximum amid increasing confidence of market players related to the continuation of the cycle of increase in the Fed's base rate. The second factor is falling oil quotations for the Brent crude by nearly 4% over the week. By the way, oil quotations reached US \$71 on Wednesday. However, by the end of the week, after Saudi Arabia's statement on the reduction of exports in August, oil prices partially recovered after the fall and rose above US \$73 per barrel by the closing of the foreign currency trading on KASE.

Russian currency fell by KZT0.0603 to KZT5.4671 over the week. Total trading volume reached RUB202.0 mln for the current week.

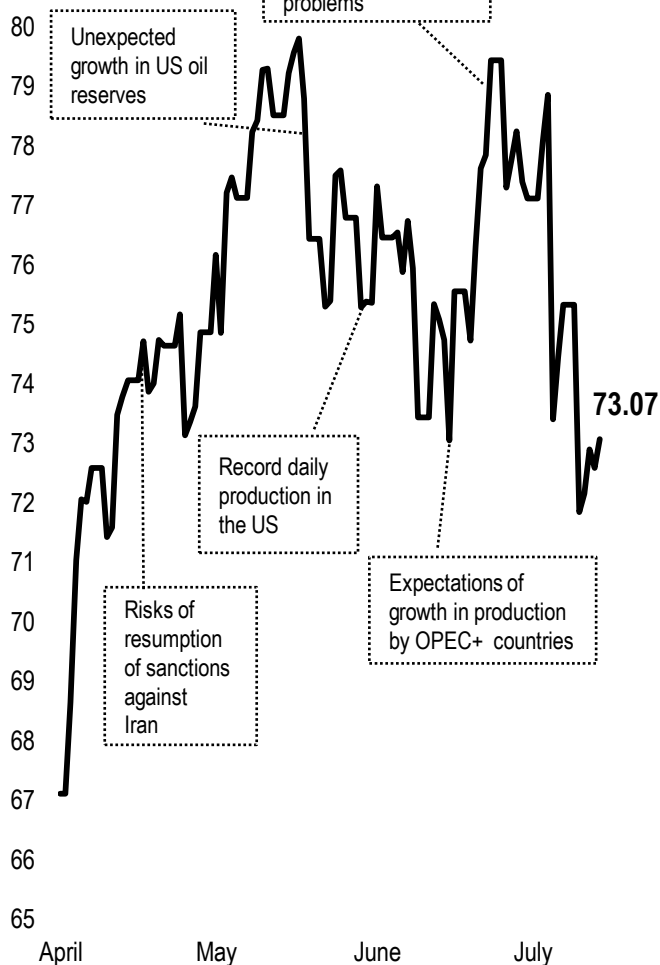
For the euro the only effective trading day closed by a fall of KZT1.80 to KZT401.2 per unit of currency.

The exchange rate of yuan fell KZT0.6335 having fixed at KZT50.8528 at the trading volume of CNY8.35 mln over the week.

FX rates Δ % . base (01.01.17)









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	2 801,83	0,0	1,2	13,3	-0,1
Dow Jones	25 058,12	0,2	1,6	15,9	0,1
 RTS	1 114,59	-6,3	-0,4	7,3	-5,0
MICEX	2 285,53	0,0	0,0	17,4	-5,0
 Hang Seng	28 224,48	-1,1	-5,0	5,6	-1,2
SS CSI 300	3 492,89	0,0	-3,9	-6,8	0,0
 Euro Stoxx 50	3 460,03	0,2	0,6	-1,1	0,3
FTSEuroFirst	4 247,50	-0,2	0,3	0,4	-0,3
 FTSE 100	7 678,79	0,2	0,7	2,5	0,2
 KASE	2 379,18	-0,3	0,5	36,9	

Commodities market

20.07.2018

Name	Price	Trend %	
		7d	1m
Oil	73,07	-3,0	-2,2
	70,46	-0,8	6,4
Natural gas	2,76	0,2	-7,0
Copper	274,60	-0,9	-9,7
Iron	462,00	7,1	9,3
Gold	1 229,53	-1,2	-3,4
Silver	15,49	-1,6	-5,0
Wheat	516,00	7,2	5,7

Economic calendar

		Currency	Forecast	Previous
23.07	Existing Home Sales (Jun)	USD	5.46M	5.43M
25.07	Crude oil inventories	USD	-3.401M	5.836M
26.07	Deposit Facility Rate	EUR	-0.40%	-0.40%
26.07	ECB Interest Rate Decision (Jul)	EUR	0.00%	0.00%
26.07	Core Durable Goods Orders (MoM) (Jun)	USD	0.5%	0.0%
26.07	ECB Press Conference	EUR		
27.07	Interest Rate Decision (Jul)	RUB	7.25%	7.25%

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	5,9 %	01.07.18	7,1 %
Gross international reserves of NBK, USD bn	30 563	01.07.18	30 745
Reserve money, KZT bn	5 734,2	01.07.18	5 538,7
Money supply, KZT bn	18 836,9	01.06.18	19 456,0

Kazakhstan credit ratings

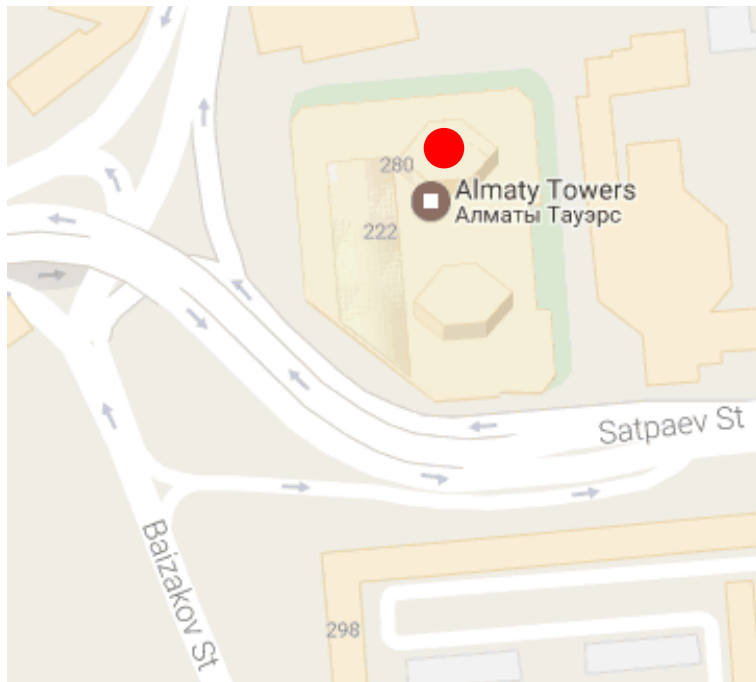
	Rating	Date	Previous
S&P Global	BBB- stable	12.03.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	17.04.18	BBB stable

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Corporate Events Calendar of KASE listed Companies

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