

# KASE WEEKLY

30 July – 03 August,  
2018

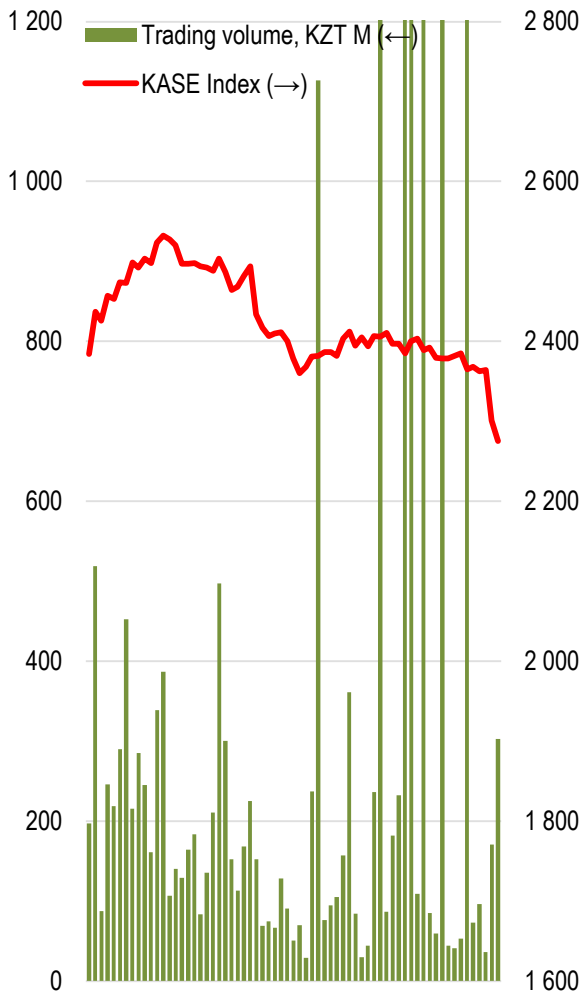
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Halyk Savings Bank of Kazakhstan [announced](#) completion of merger of Kazkommertsbank into Halyk Savings Bank of Kazakhstan.
- ▲ SAT & Company [announced](#) a change in the structure of shareholders with ten or more percent of the company's shares.
- ▲ Kcell [announced](#) election of M. Khamidov as the company's chief executive officer.
- ▲ Trading in common shares KKGB and international bonds BTASE16 of Kazkommertsbank [have been suspended](#) on KASE as of July 30.
- ▲ Halyk Savings Bank of Kazakhstan [informed](#) of changes in its Management Board.
- ▲ Kazakh Ministry of Finance [raised](#) KZT10.5 bn on KASE selling 18-year bonds at 8.48 % APR on July 30.
- ▲ KazTransGas Aimak [announced](#) that Fitch Ratings affirmed ratings of the company and its bonds; outlook stable.
- ▲ Samruk-Energy [announced](#) election of B.T. Zhulamanov as the chairman of the Management Board of the company.
- ▲ NOSTRUM OIL & GAS PLC [reported](#) operating results for the first half of 2018.
- ▲ The National Bank [suspended](#) the license of Qazaq Banki to accept deposits from individuals and to open bank accounts for individuals until September 28, 2018 inclusive.
- ▲ IFC [raised](#) KZT 8.6 bn on KASE by offering global amortized notes of unsecured debt at 8.3% APR.
- ▲ KAZ Minerals PLC [announced](#) signing an agreement on acquiring the Baimskaya copper project.
- ▲ The administration of Kostanay region raised KZT1.0 bn by [placing](#) two-year bonds at 0.35% APR on August 2.
- ▲ Kazakhtelecom [announced](#) a change in the structure of shareholders with ten or more percent of the company's shares.
- ▲ Kaspi.kz [bought back](#) 3,220,000 ordinary shares at the price of KZT4,445.00 per share on August 3.



KASE index started declining having changed global upward trend that began in 2016. The Index declined by 3.79% and reached 2,275.42 points over the trading week. Four of seven share titles included in the Index closed in the red.

**KASE Index shares**



03.08.2018

		Trends (%)	
		Δ 7d	Δ 1m
<b>KASE Index</b>	2 275,4	<b>-3,8</b>	<b>-5,0</b>
<b>First class of liquidity</b>	<b>Price, KZT</b>		
Bank of America	10 585,0	0,9	9,0
<b>Kcell</b>	1 620,0	0,7	0,6
<b>KazTransOil</b>	1 358,0	0,4	-2,6
<b>Kazakhtelecom</b>	32 898,0	0,3	-2,7
Bank of Astana	823,5	0,0	-1,9
QAZKOM	99,0	0,0	-13,9
Bank VTB (Russia)	0,3	0,0	-3,7
<b>Halyk Bank</b>	101,4	-0,1	-1,1
<b>KEGOC</b>	1 428,0	-0,3	-0,2
Aktobe Metalware Plant	10 319,3	-0,4	-1,7
Gazprom (Russia)	758,0	-0,9	-2,8
KazMunayGas EP (pref.)	10 000,1	-1,3	5,3
Sberbank (Russia)	1 145,0	-1,3	-3,2
BAST	51 102,0	-1,4	-2,8
Kazakhtelecom (pref.)	13 500,0	-1,5	-3,6
<b>CenterCredit Bank</b>	270,5	-2,3	-4,1
Aeroflot (Russia)	628,4	-7,6	-19,0
<b>KAZ Minerals</b>	2 905,2	-24,5	-24,1

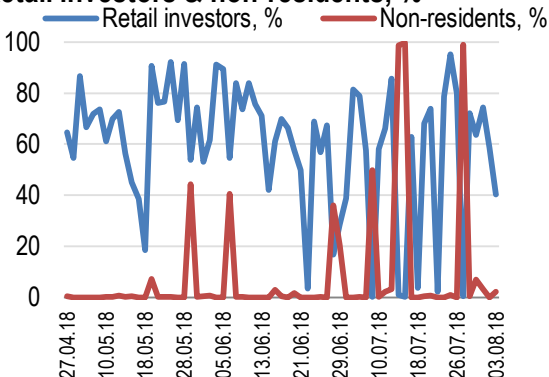
Note: Index stocks are highlighted in green

Five titles of stocks included in the Index have shown little volatility, while shares of Bank Centercredit fell by 2.35%.

The greatest faller was Kaz Minerals PLC, whose shares have plummeted by 24.53% to KZT 2,905.24 per share, which is the lowest price for 12 months. It is apparent that the market has reacted negatively to the news that the company is acquiring the Baimskaya copper-gold deposit for US \$900 mln for cash and company stock.

The purchase price is not that high compared to the capital investments associated with this project. The cost of development of this deposit is estimated at US \$5.5 bn. Investors may be concerned that the company might face adverse weather and navigation conditions in Chukotka while developing the deposit and that the company's profits will be used not to pay dividends but to develop the Baimskaya deposits. The Baimskaya deposit is regarded as a mineral resource block of federal importance and KAZ Minerals is a foreign investor. Therefore, the closure of this transaction requires the approval of the Foreign Investments Commission of the Russian Government.

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

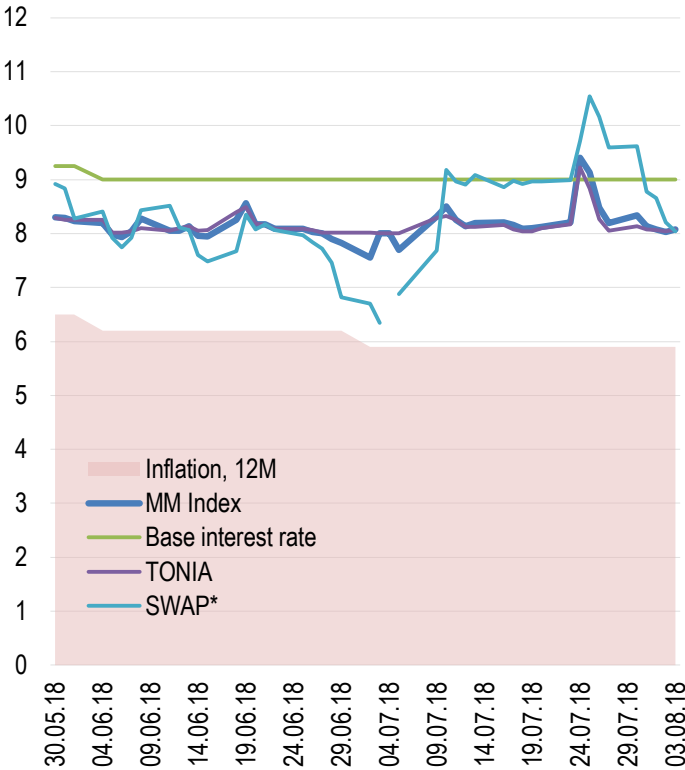




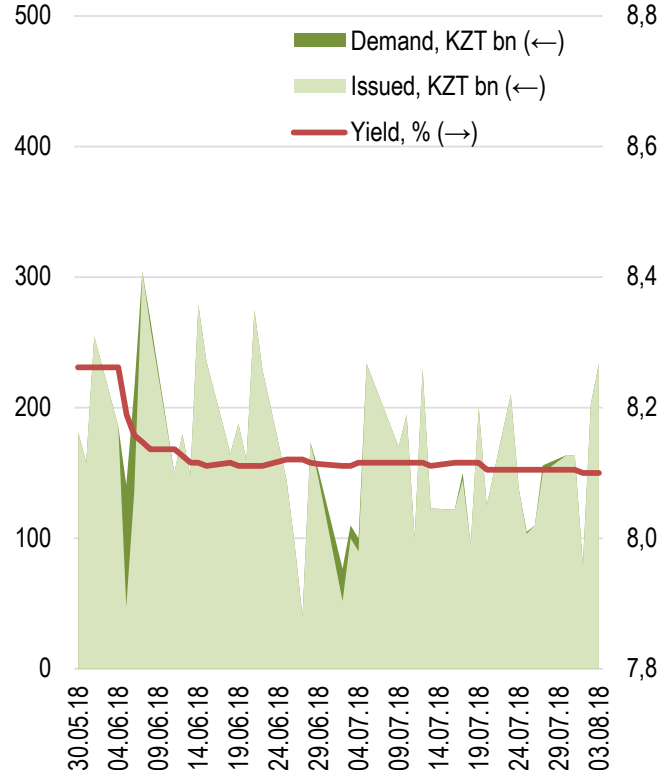
The yield on one-day currency swaps dropped by 116 b.p. to 8.00% APR. The yield on one-day repo transactions with government securities increased 3 b.p. and fixed at 8.08% APR

The National Bank has placed six issues of notes with the total trading volume of KZT1,017.3 bn over-the-counter during current week. The yield on five issues of 7-day notes with the total offering volume of KZT842.1 bn was within the range from 8.10% to 8.11% APR. The total demand for weekly notes was fully met. The yield on the 28-day notes reached 8.22% APR at the offering volume of KZT175.2 bn. The demand for the monthly instrument exceeded the supply by 6.5%.

**Inflation and interest rates**

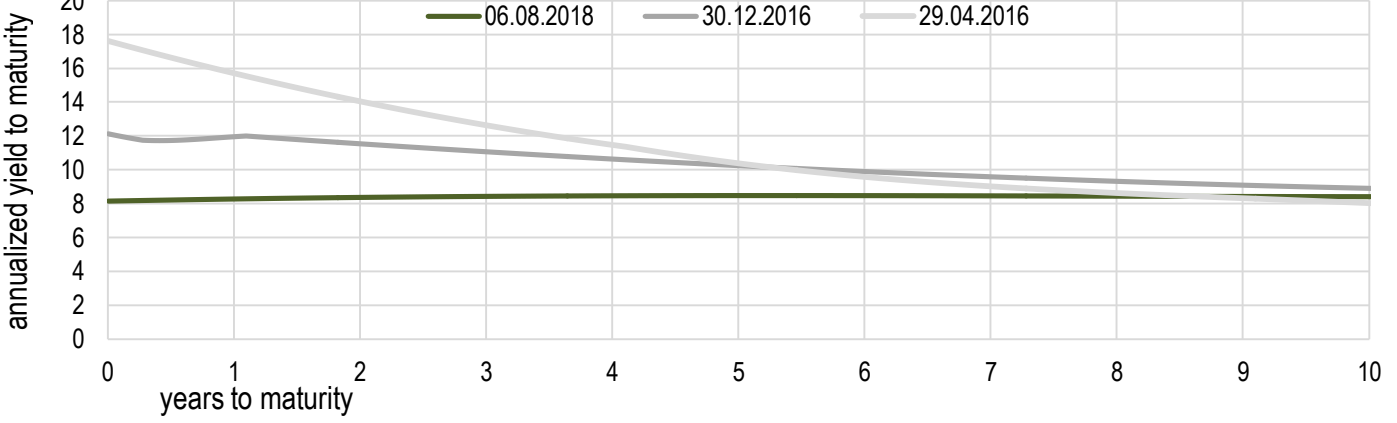


**Issuance of weekly NBK notes**



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

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





Weighted average US dollar rate rose by KZT3.61 to KZT349.76 over the week and the total trading volume amounted to US \$741.5 mln having increased by 14% compared to the last week.

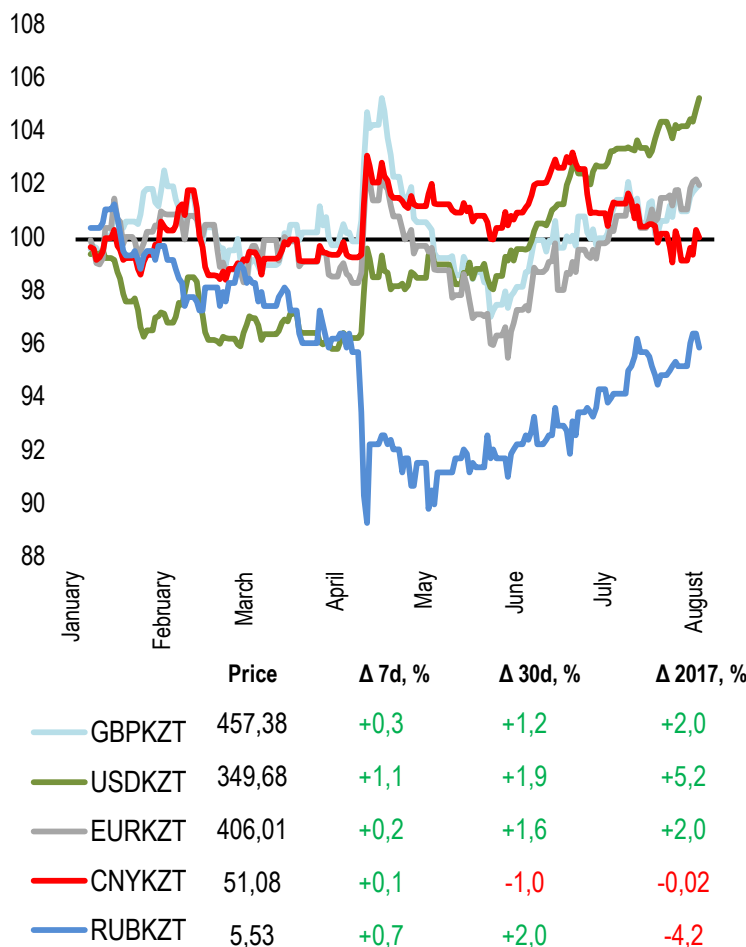
The exchange rate of the USD/KZT currency pair reached two-year highs this week. The tenge is depreciating following the ruble, which has also fell by about 1% on Friday since the beginning of the week by the closure of currency section on KASE. The currency of the neighbouring country was affected by the possible introduction of new US sanctions. I would like to note that a group of U.S. congressmen introduced a bill that envisages new sanctions against Russian energy and financial sectors. Another factor putting pressure on the ruble is the increased foreign currency purchases by the Russian Ministry of Finance made in August.

Russian currency grew KZT0.0180 to KZT5.5260 over the week. Total trading volume for the current week reached RUB216.0 mln.

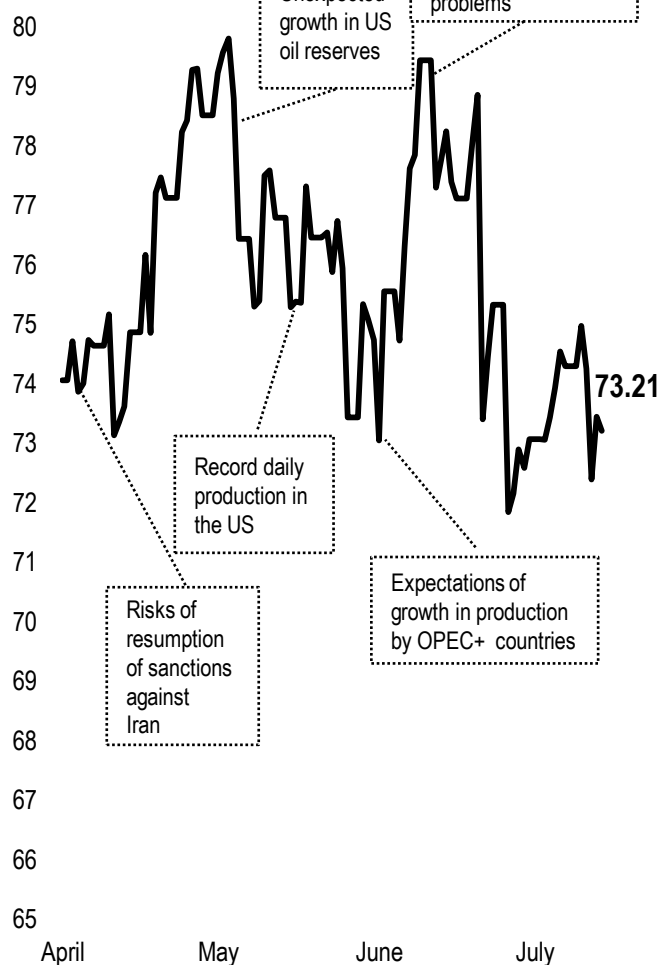
The exchange rate of euro rose by KZT1.50 to KZT407.30 at the total trading volume of EUR600,000.

The exchange rate of yuan fell KZT0.2068 having fixed at KZT50.7550 at the trading volume of CNY2.5 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	2 840,35	0,8	4,7	14,9	0,8
Dow Jones	25 462,58	0,0	5,3	15,6	0,0
 RTS	1 145,08	-0,6	-0,2	11,2	-0,6
MICEX	2 285,53	0,0	0,0	16,3	-0,6
 Hang Seng	27 676,32	-3,9	-2,0	0,5	-3,9
SS CSI 300	3 315,28	-5,8	-1,4	-11,1	-6,0
 Euro Stoxx 50	3 482,40	-1,3	2,1	0,5	-1,2
FTSEuroFirst	4 275,00	-0,9	1,9	1,7	-1,0
 FTSE 100	7 659,10	-0,5	1,1	2,5	-0,5
 KASE	2 275,42	-3,8	-5,0	26,0	

## Commodities market

03.08.2018

Name	Price	Trend %	
		7d	1m
Oil	73,21	-1,5	-6,4
	68,49	-0,3	-7,6
Natural gas	2,85	1,1	-0,6
Copper	276,35	-0,9	-4,9
Iron	502,50	6,5	14,3
Gold	1 214,90	-0,8	-3,2
Silver	15,46	0,2	-3,1
Wheat	556,25	4,9	13,2

## Economic calendar

		Currency	Forecast	Previous
07.08	The number of vacancies in the labour market JOLTS (June)	USD	6,646M	6,638M
08.08	Crude oil reserves	USD	-2,794M	3,803M
09.08	ECB monthly report	EUR		
09.08	Producer price index (PPI) (mom) (July)	USD	0,2%	0,3%
10.08	GDP (QoQ) (Q2)	GBP	0,4%	0,2%
10.08	Production volume in the manufacturing industry (MoM) (June)	GBP	0,3%	0,4%
10.08	Base consumer price index (CPI) (MoM) (July)	USD	0,2%	0,2%

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	30 096	01.08.18	30 745
Reserve money, KZT bn	5 734,2	01.07.18	5 538,7
Money supply, KZT bn	19 908,2	01.07.18	19 456,0

## Kazakhstan credit ratings

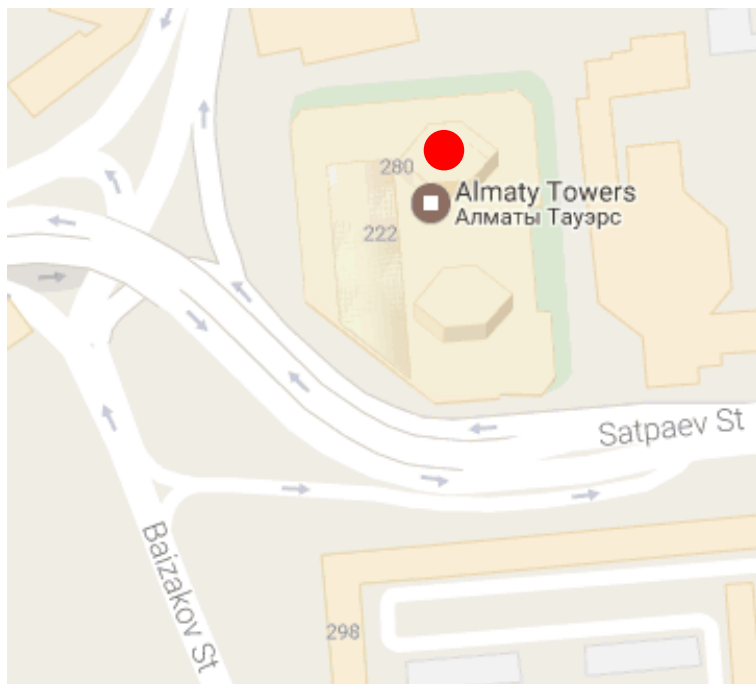
	Rating	Date	Previous
<b>S&amp;P Global</b>	BBB- stable	12.03.18	BBB- stable
<b>MOODY'S</b>	Baa3 stable	26.07.17	Baa3 negative
<b>FitchRatings</b>	BBB stable	17.04.18	BBB stable

# CONTACT INFORMATION



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**Corporate Events Calendar of KASE listed Companies**

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