

KASE WEEKLY

15 – 19 July,
2019

KASE NEWS

- ▲ KASE [determined](#) representative list for KASE Index calculation as of August 1, 2019.
- ▲ KASE [set](#) limits and rates of concentration on shares traded according to T+2 scheme and discount rates for repo market for the period from July 15 to August 14, 2019.
- ▲ KASE [reduced](#) duration of the Base period for market valuation of non-indexed GS with term to maturity of 1,080 days.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Kazakhstan's Ministry of Finance [raised](#) KZT63.7 bn on KASE selling 15-year bonds at 8.46 % APR on July 15. Period to maturity is 10.6 years.
- ▲ The European Bank for Reconstruction and Development [raised](#) KZT60.0 bn through subscription on KASE by placing eight-year Eurobonds (EBRDK180727) at 0.5% APR margin to half-year coupon.
- ▲ Development Bank of Kazakhstan [raised](#) KZT41.0 bn on KASE selling five-year bonds (BRKZb16) at 10.27 % APR on July 16.
- ▲ Baspana Mortgage Organization [raised](#) KZT11.1 bn on KASE on July 16 selling bonds (BASPb3) at weighted average yield of 10.3045 % APR.
- ▲ Mortgage Organization Kazakhstan Mortgage Company [raised](#) KZT10.8 bn on KASE on July 18 by offering bonds (KZIKb27) at 10.27 % APR.
- ▲ Housing Construction Savings Bank of Kazakhstan [raised](#) KZT20.0 bn on KASE on July 17 by offering seven-year bonds (JSBNb1) at 10.27 % APR.
- ▲ Wholesale and Retail Trade Venture [raised](#) KZT900 mln on KASE on July 18 by offering seven-year bonds (ORPTb1) at KZT10.50 % APR.
- ▲ ForteBank [reported](#) upgrade of its ratings from B3 to B1 by Moody's Investors Service; outlook Stable.
- ▲ KazTransOil [reported](#) operating results for the first half of 2019.
- ▲ Kazakhtelecom [reported](#) initiation of court proceedings on a corporate dispute case.



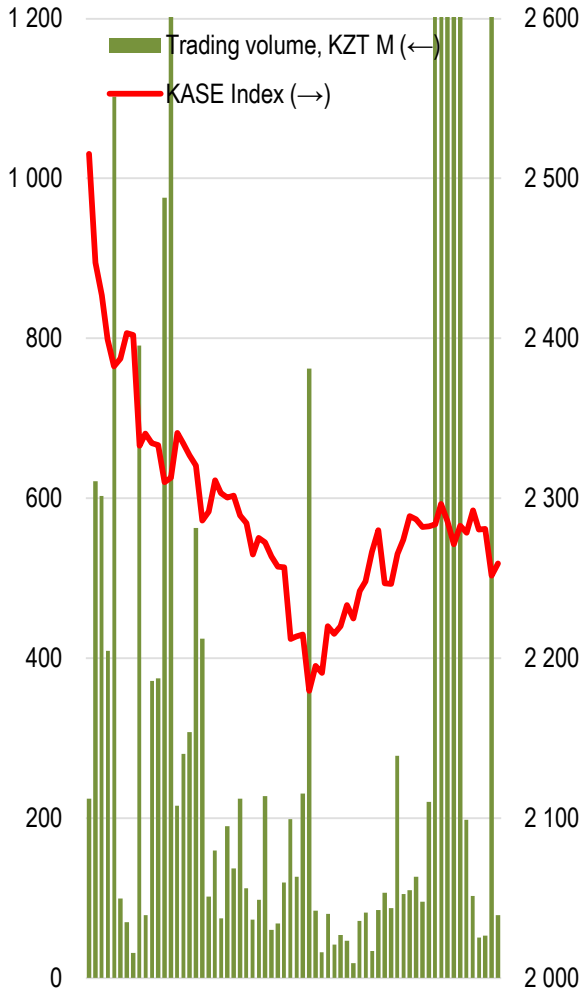
KASE Index has declined a second week by 0.8 % to 2,259.23 points. Five shares of the representative list closed in the red zone, two of which fell by more than 3%.

19.07.2019

Trends (%)

KASE Index	2 259,23	-0,8	0,5
First class of liquidity	Price	Δ 7d	Δ 1m
NOSTRUM OIL & GAS PLC	265,0	7,7	-14,0
KAZ Minerals	2 808,3	2,3	-3,2
Kazakhtelecom (pref.)	13 000,0	1,6	1,6
NAC Kazatomprom JSC	5 678,9	1,1	1,1
Freedom Holding Corp.	4 198,9	1,0	1,2
Halyk Bank	126,5	0,8	15,7
Bank of America	11 280,0	0,1	3,9
Sberbank (Russia)	1 455,0	-0,0	4,4
Kazakhtelecom	24 312,0	-0,4	-0,8
CenterCredit Bank	242,0	-0,4	2,1
Aeroflot (Russia)	659,0	-0,7	3,7
KEGOC	1 576,0	-0,9	-2,1
Kcell	1 926,6	-3,2	-2,6
KazTransOil	1 012,0	-4,3	-5,4
Gazprom (Russia)	1 381,2	-8,8	-0,5

KASE Index shares

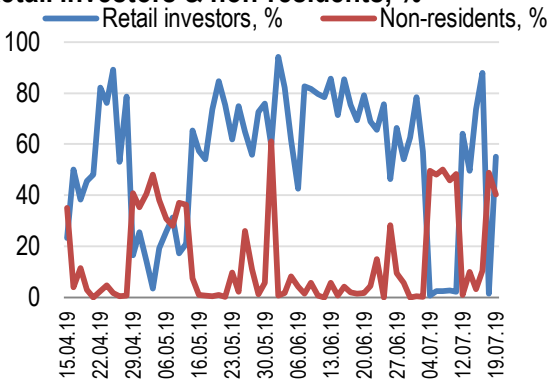


Note: Index stocks are highlighted in green

Ordinary shares of KAZ Minerals that rose by 2.3% to KZT2,808.3 grew most of all. Commodity prices are rising amid expectations of market participants, who started saying that it is highly likely that the federal funds rate might be reduced after the speech of the U.S. Fed officials. Lower interest rates tend to push commodity prices up as the cost of financing the reserves decreases. Also, the likelihood of rate reduction increases the appetite for risk-generating assets. Copper prices on the London Metal Exchange rose by 2% to their two-month highs at the end of the week.

The largest price slump was seen on shares of KazTransOil, which have decreased by 4.3 % to KZT1,012. On June 17, the company reported production results for the first half of this year. According to the company's press release, the volume of transportation and transshipment of oil separately through the system of main oil pipelines of KazTransOil amounted to 22.198 bn tonnes (by 229 thous. tonnes less than for the same period of 2018). Consolidated oil turnover amounted to 22.898 bn tonnes-kilometers, which is by 55 mln tonnes-kilometers more than in the first half of 2018.

Retail investors & non-residents, %

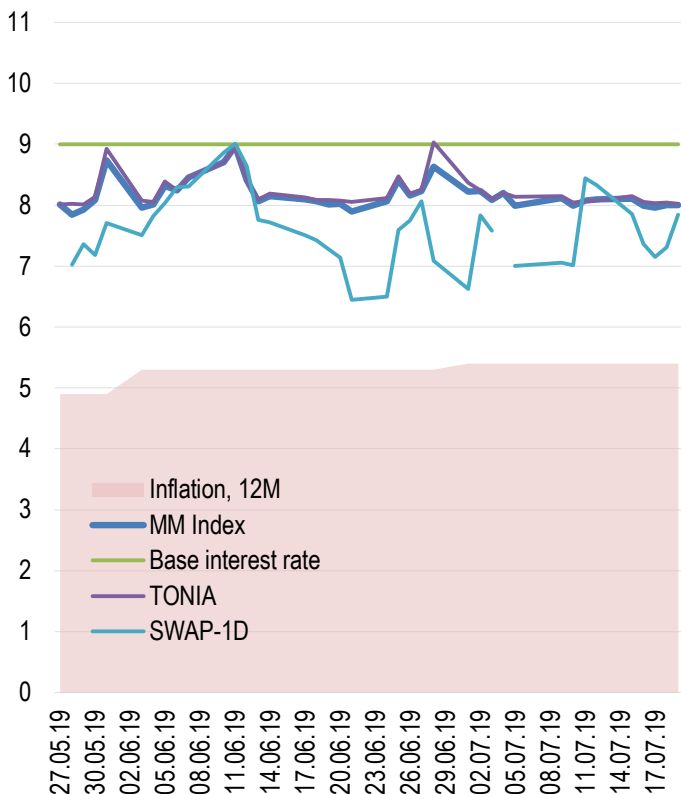




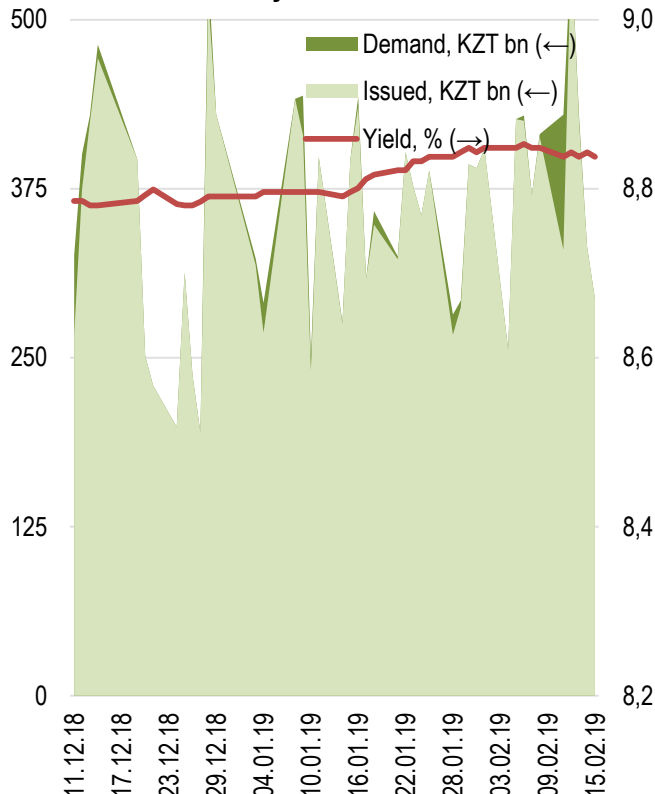
Short-term borrowing rates on the money market have declined. The yield of one-day currency swaps dropped by 48 b.p. to 7.85% APR over the week. The yield of one-day repo transactions with government securities dropped by 6 b.p. to 8.02% APR.

The National Bank placed two issues of short-term notes for the total amount of KZT160.0 bn during the week. 28-day notes were placed at 9.07% while the yield of three-month notes reached 9.56% APR. The total demand for the notes exceeded the supply by 33%.

Inflation and interest rates

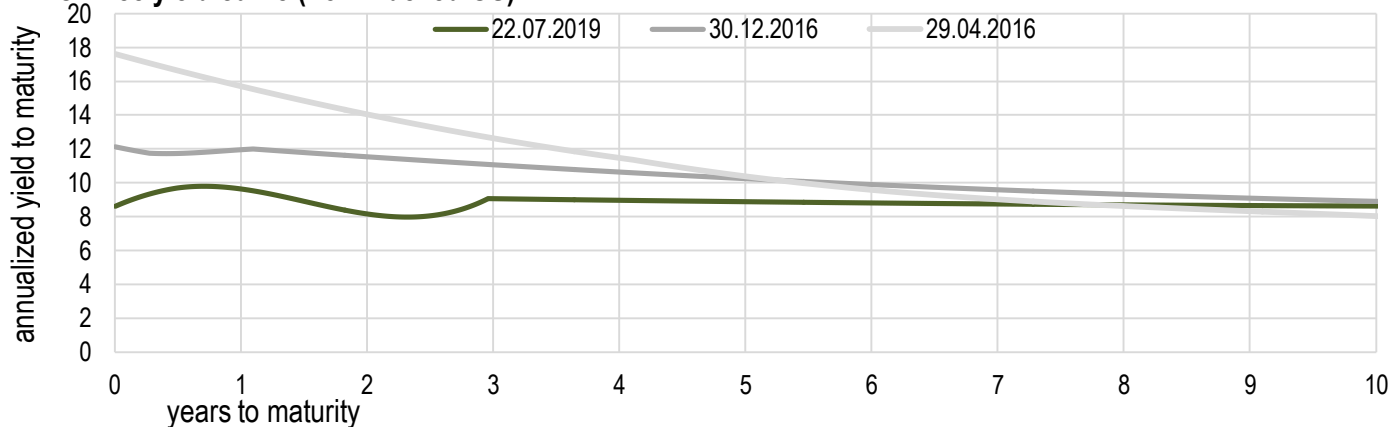


Issuance of weekly NBK notes



* From February 18, NBK has stopped the auctions of weekly notes

Risk-free yield curve (non-indexed GS)





Weighted average dollar rate grew by KZT1.59 to KZT384.89 at the trading volume of US \$483.8 mln.

The weekly drop in Brent crude oil prices by more than 6% had relevant impact on the currencies of the oil-exporting countries. Market participants remain concerned about the adequacy of global oil demand amid trade conflict between the world's two largest economies. The drop in the rate was also caused by the publication of statistics on reserves in the U.S., which showed an increase of 3.57 million barrels, while experts expected a fall of 3 million barrels.

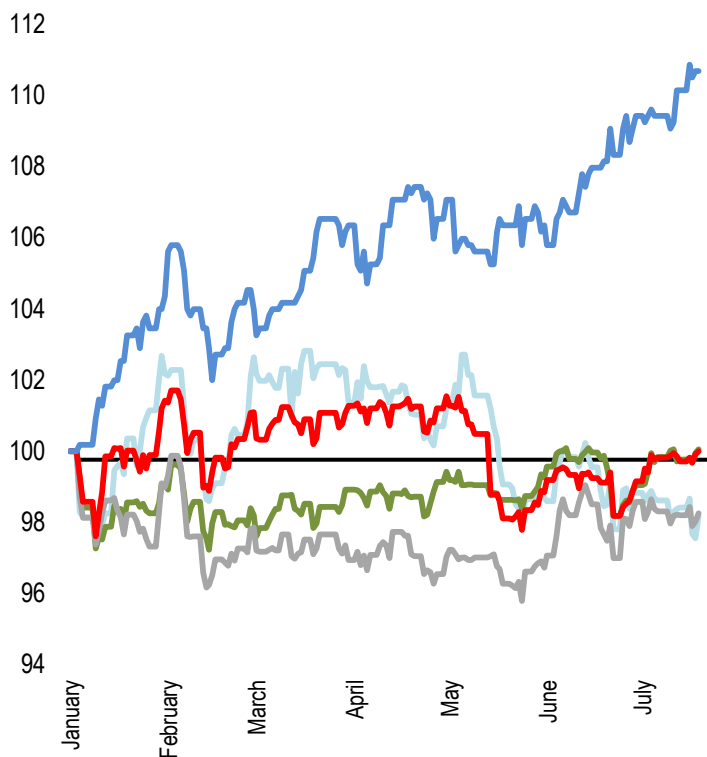
The exchange rate of the ruble rose by KZT0.0172 to KZT6.1125 at the trading volume of RUB50.0 mln.

The exchange rate of yuan with settlements T+0 rose by KZT0.2474 to KZT55.9800.

The price of one euro on KASE decreased by KZT1.70 to KZT430.70 per unit of currency.

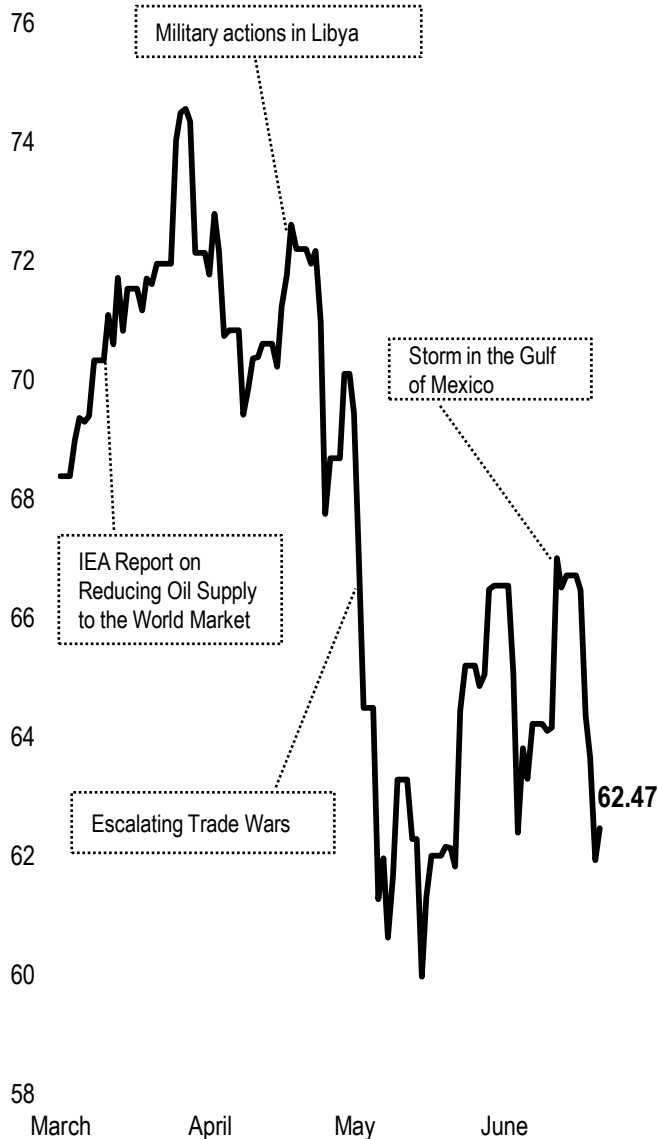
FX rates

Δ %, base (01.01.19)









	Price	Δ 7d, %	Δ 30d, %	Δ 2019, %
— GBPKZT	479,14	-0,2	-0,3	-1,8
— USDKZT	384,39	+0,3	+0,2	+0,0
— EURKZT	431,71	+0,0	+0,6	-1,7
— CNYKZT	55,88	+0,1	+0,9	0,0
— RUBKZT	6,11	+0,5	+2,3	+10,7

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	2 976,61	-1,2	1,7	6,1	-1,3
Dow Jones	27 154,20	-0,7	2,5	8,3	-0,7
 RTS	1 350,69	-2,7	-0,8	20,1	-1,2
MICEX	2 285,53	0,0	0,0	0,0	-1,2
 Hang Seng	28 765,40	1,0	2,0	2,7	1,0
SS CSI 300	3 807,95	0,0	2,5	11,1	-0,2
 Euro Stoxx 50	3 480,18	-0,5	0,7	0,2	-0,5
FTSEuroFirst	4 186,50	-0,3	-0,3	-1,6	-0,4
 FTSE 100	7 508,70	0,0	1,4	-2,3	0,0
 KASE	2 259,23	-0,8	0,5	-5,5	

Commodities market

19.07.2019

Name	Price	Trend %	
		7d	1m
Oil	62,47	-6,4	1,1
	55,63	-7,6	3,5
Natural gas	2,25	-8,2	-1,1
Copper	274,45	2,0	2,4
Iron	945,50	-1,9	8,1
Gold	1 425,37	0,7	4,8
Silver	16,12	6,3	7,7
Wheat	502,50	-6,3	-3,8

Economic calendar

		Currency	Forecast	Previous
23.07	Existing Home Sales (Jun)	USD	5.34M	5.34M
24.07	New Home Sales (Jun)	USD	659K	626K
24.07	Crude Oil Inventories	USD		-3.116M
25.07	ECB Interest Rate Decision (Jul)	EUR	0.00%	0.00%
25.07	ECB Monetary Policy Statement	EUR		
26.07	Interest Rate Decision (Jul)	RUB	7.50%	7.50%
26.07	GDP (QoQ) (Q2)	USD	1.8%	3.1%

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 2018
Annual inflation	5,4 %	01.07.19	7,1 %
Gross international reserves of NBK, USD bn	28 185	01.07.19	30 745
Reserve money, KZT bn	6 346,1	01.07.19	5 538,7
Money supply, KZT bn	19 737,4	01.06.19	19 456,0

Kazakhstan credit ratings

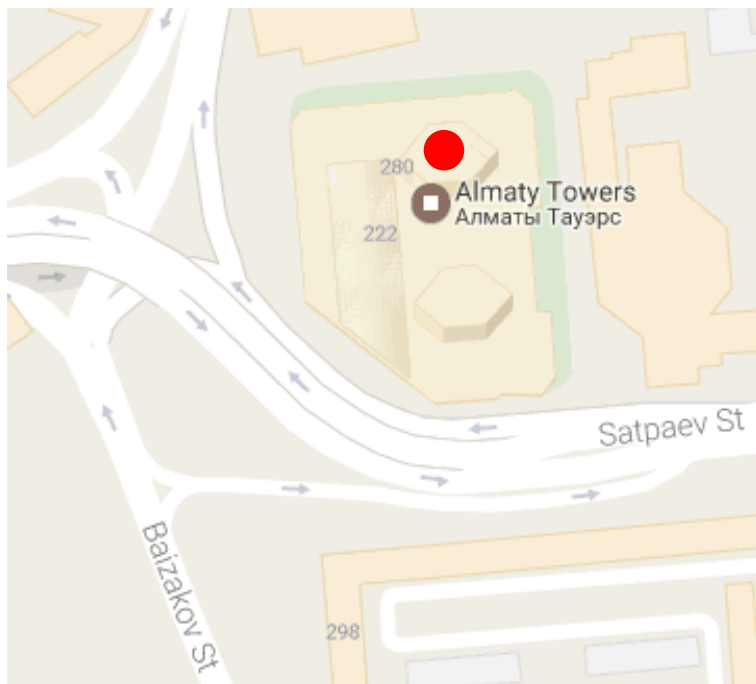
	Rating	Date	Previous
S&P Global	BBB- stable	08.03.19	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 stable
FitchRatings	BBB stable	25.03.19	BBB stable

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Corporate Events Calendar of KASE listed Companies

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