

KASE WEEKLY

06 - 10 November,
2017

KASE NEWS

- ▲ From November 01 to December 08, 2017 KASE [conducts](#) a competition among retail investors on the equity market. Applications will be collected from October 02 to November 20, 2017. The event is aimed at popularization of exchange-based trade in shares in Kazakhstan. Individuals who are clients of KASE stock market members (brokers) are admitted to the competition.
- ▲ On November 08, 2017 KASE conducted a training program "Stock Market Essentials" for employees of financial and legal units of businesses.

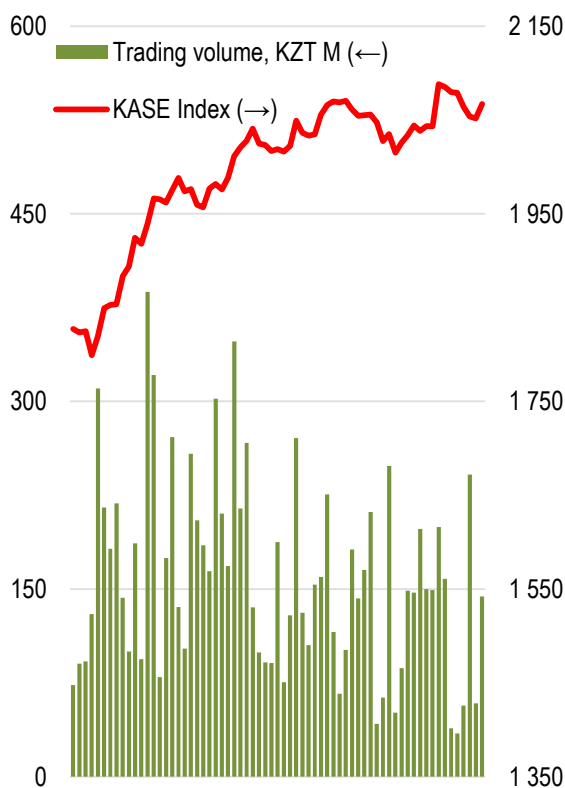
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Development Bank of Kazakhstan [announced](#) a proposed issue of Eurobonds worth up to KZT 100.0 bn as part of "Development Bank of Kazakhstan Program" on issue of mid-term securities in the amount of USD 2,000,000,000".
- ▲ Halyk Finance, subsidiary organization of Halyk Bank of Kazakhstan, [assigned](#) the status of a market-maker on KASE for Eurobonds of KTZ Finance PLC, issued under a guarantee (surety) from National Company "Kazakhstan Temir Zholy" (Astana), as of November 09.
- ▲ On November 07 Bank RBK [announced](#) signing a framework agreement between the government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and Kazakhmys group of companies stipulating a series of comprehensive measures for improving the bank's financial position.
- ▲ On November 07 Bank RBK [announced](#) its participation in the Program of strengthening the financial stability of the banking sector in the Republic of Kazakhstan and appointment of the new Chairman of the bank's Board of Directors.
- ▲ On November 08 Development Bank of Kazakhstan [announced](#) an affirmation by agency Moody's Investors Service of ratings of the bank and its bonds at "Baa3", outlook Stable.
- ▲ On November 08 ForteBank [announced](#) that Standard & Poor's upgraded the bank's ratings; outlook changed from "Stable" to "Positive".
- ▲ On November 08 Bank RBK's Board of Directors took a [decision](#) on offering of 700 mln ordinary shares of the Bank over-the-counter.
- ▲ On November 9, 2017 Zhaikmunai LLP [announced](#) signing Supplementary to the Contract with RoK Ministry of Energy for additional exploration, production and hydrocarbons sharing (production sharing) at Chinarovsky Oil and Gas Condensate Field.
- ▲ On November 10 Bank RBK at the meeting of the Board of Directors took a [decision](#) on offering of bearer coupon subordinated bonds convertible into ordinary shares in the amount of KZT 244 bn

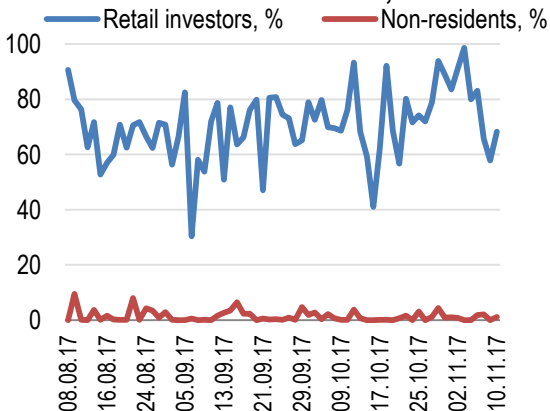
KASE went down by 0.60% to 2,067.18 over the week. On Tuesday the equity market's KZT-capitalization refreshed its historic maximum increasing to KZT 16,856 bn.

Kcell shares fell more than others: by 4.00% to KZT 1,756 per share. Securities of the mobile provider closed at their lowest values since 15 September 2017, and while selling volumes in the first days of the week were insignificant, on Friday they rose to KZT 92 mln, or to the maximum figure over the last 14 trading sessions.

KASE Index shares



Retail investors & non-residents, %



10.11.2017

		Trends (%)	
KASE Index	2 067,2	-0,6	-0,2
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
Sberbank (Russia)	1 235,0	10,4	9,2
CenterCredit Bank	196,2	3,3	21,4
KazMunayGas EP	21 400,0	2,6	6,4
Kazakhtelecom	21 630,0	2,5	6,6
Gazprom (Russia)	749,5	1,8	1,4
KazMunayGas EP (pref.)	8 201,0	1,2	10,7
Bank of Astana	1 236,0	1,1	6,7
KazTransOil	1 331,0	0,0	-0,8
QAZKOM	166,9	-0,1	11,2
Aktobe Metalware Plant	12 229,4	-0,5	-0,4
KEGOC	1 380,0	-0,9	-2,2
Halyk Bank	78,5	-1,5	-1,5
BAST	56 450,0	-1,7	0,2
Aeroflot (Russia)	934,3	-1,8	-13,2
Kazakhtelecom (pref.)	8 390,0	-2,9	11,9
KAZ Minerals	3 540,0	-3,0	-5,0
Kcell	1 756,0	-4,0	-4,6
Bank of America	8 870,0	-6,1	0,0
QAZKOM (pref.)	90,0	-13,9	-23,7

Securities of the quasi-public sector looked more convincingly, except for KEGOC shares, on which the Company earlier paid dividends for H1 2017. Stocks of KazMunaiGas Exploration Production delivered the highest growth over the week – by 2.6% to KZT 21,400 – on the back of increasing oil prices.

04 bond issues were sold on KASE over the week. The Ministry of Finance raised KZT 16.1 bn on KASE selling two bond issues. The first one worth KZT 9.3 bn, maturity – 2,090 days (5.8 years) at 8.89% APR. The second one in the amount of KZT 6.8 bn, maturity – 1,319 days (3.7 years) at 8.85% p.a.

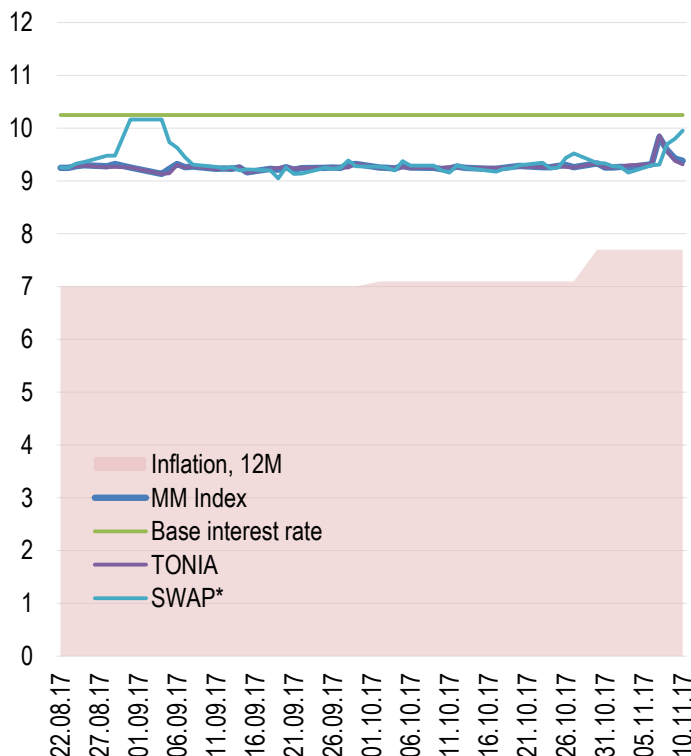
Administrations of Atyrau and Mangystau regions conducted offerings on KASE over the week, with the purpose of funding housing construction under government programs, and raised KZT 3.1 bn and KZT 1.3 bn, respectively. The bonds' maturity is 2 years with a yield of 0.35% p.a.



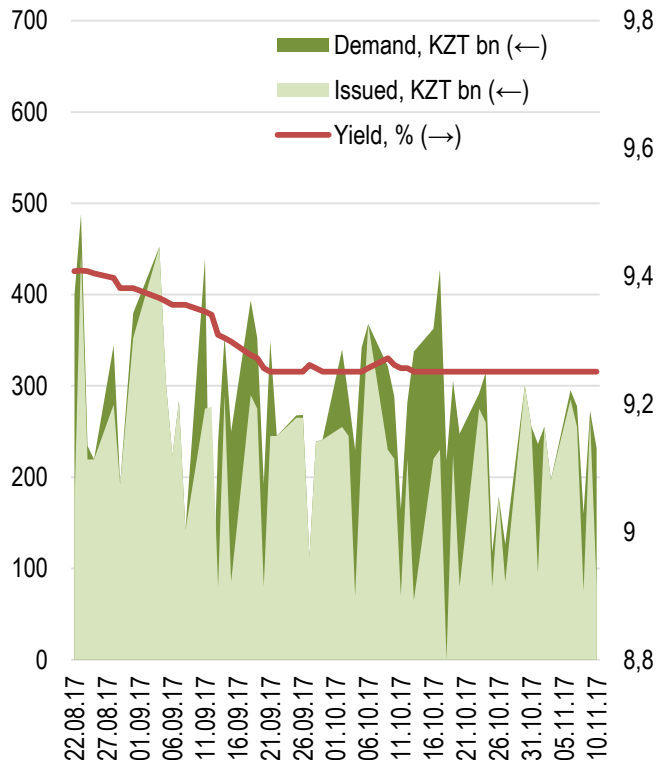
Over the week the yield on currency swaps grew in spite of the strengthening tenge: by 102 b.p. to 9.91% p.a. In the repo segment the yield rose by 2 b.p. to 9.32 % p.a.

The National Bank continued to drain the surplus liquidity off the market, having sold 07 notes issue with various maturities over-the-counter. The yield on the 7-day notes didn't change from 9.25 % p.a. the offering volume was KZT 960 bn. On 28-day notes the rate was as high as 9.39 % p.a. The offering amounted to KZT 136 bn. On 12-month notes the rate was at 8.99 % p.a. with the offering volume of KZT 21.5 bn. The total demand exceeded the supply by 26%, whereas week before this difference was 12%.

Inflation and interest rates

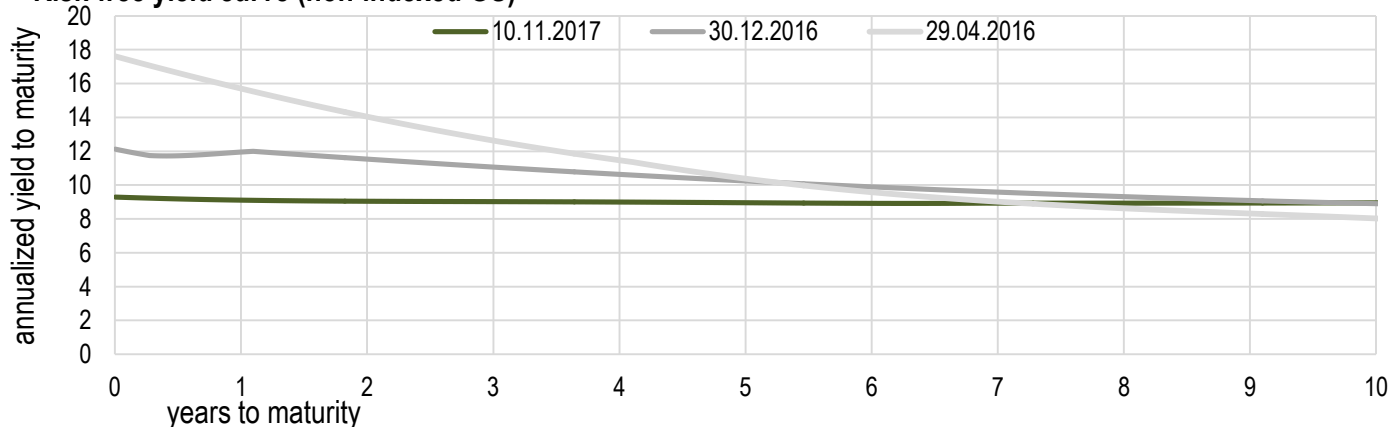


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





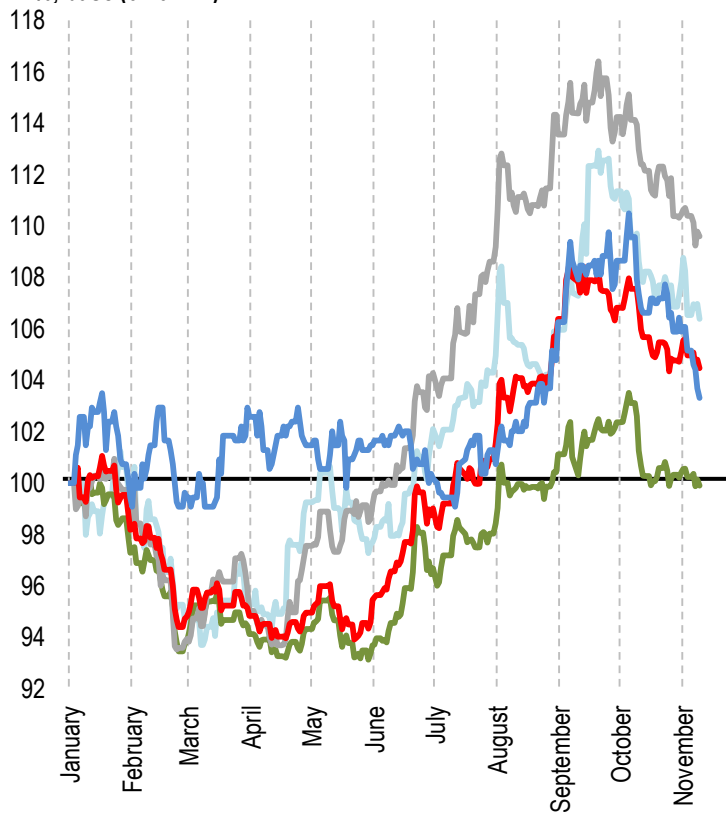
The dollar exchange rate went down by 0.5%, or KZT 1.53, to KZT 332.57 over the week. The trading turnover in 05 days reached USD 457 mln, 10% less than last week. The tenge continued to appreciate for a third week in a row, fully recovering from the fall 03 weeks ago. The national currency is getting stronger on the back of high oil prices trading at 2-year maximum.

The ruble weakened over the week, to the minimum since 24 August 2017, losing 2%, or KZT 0.1174 to KZT 5.6105. the trade volume amounted to RUR 258.6 mln.

The yuan exchange rate went down by 46 tiyn to KZT 50.075.

FX rates

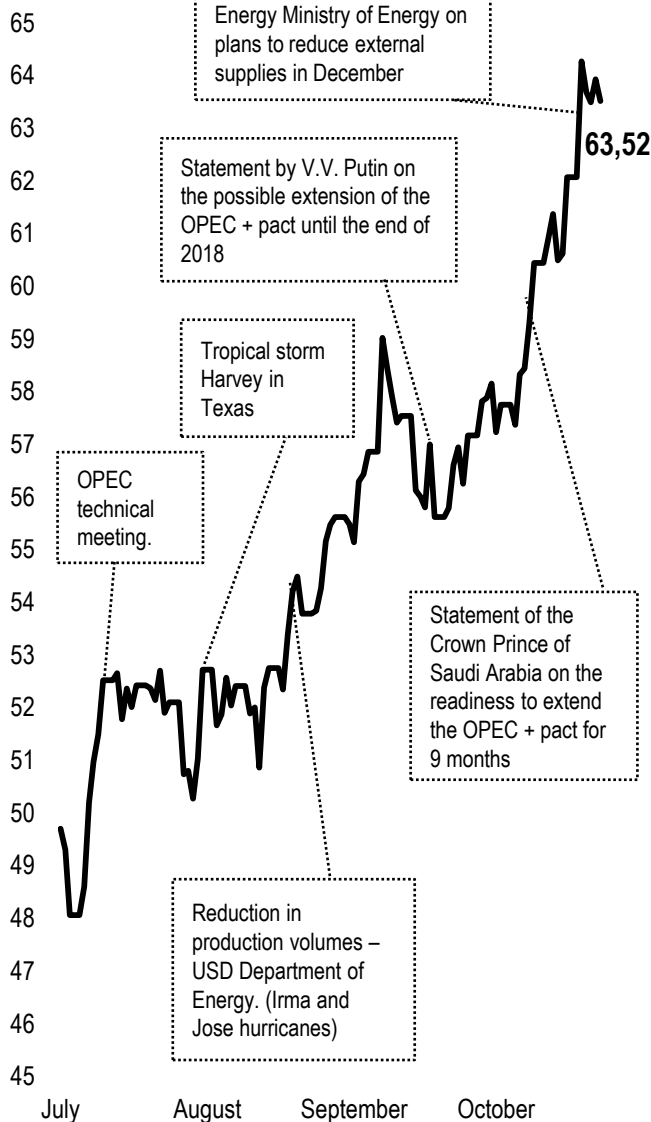
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	435,95	-1,7	-2,1	+6,4
— USDKZT	332,99	-0,6	-1,3	-0,1
— EURKZT	386,27	-1,0	-3,0	+9,6
— CNYKZT	50,17	-1,1	-2,3	+4,5
— RUBKZT	5,61	-2,6	-3,8	+3,3

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	2 582,30	-0,2	1,1	19,1	-0,1
Dow Jones	23 422,21	-0,5	2,4	24,5	-0,3
 RTS	1 156,74	4,3	1,2	16,4	4,2
MICEX	2 169,26	4,2	3,2	6,1	4,2
 Hang Seng	29 120,92	1,8	2,6	27,5	1,8
SS CSI 300	4 111,91	3,0	5,4	21,3	3,9
 Euro Stoxx 50	3 593,76	-2,6	-0,4	18,0	-2,6
FTSEuroFirst	4 320,50	-1,4	0,6	13,3	-1,8
 FTSE 100	7 432,99	-1,7	-1,3	8,9	-1,5
 KASE	2 067,18	-0,6	-0,2	53,8	0,0

Commodities market

10.11.2017

Name	Price	Trend %	
		7d	1m
Oil	63,52	2,3	11,6
	56,74	2,0	10,6
Natural gas	3,21	7,7	11,2
Copper	307,60	-1,3	-0,6
Iron	460,50	0,1	-2,8
Gold	1 275,07	0,4	-1,3
Silver	16,87	0,2	-1,5
Wheat	431,50	1,4	-0,4

Economic calendar

		Currency	Forecast	Previous
14.11	Industrial Production (YoY) (Oct)	CNY	6,3%	6,6%
14.11	Fed Chair Yellen Speaks	USD		
14.11	ECB President Draghi Speaks	EUR		
14.11	PPI (MoM) (Oct)	USD	0,1%	0,4%
15.11	Core CPI (MoM) (Oct)	USD	0,2%	0,1%
16.11	CPI (YoY) (Oct)	EUR	1,4%	1,4%
17.11	ECB President Draghi Speaks	EUR		

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	7,7 %	01.11.17	8,5 %
Gross international reserves of NBK, USD bn	31 844	01.11.17	29 530
Reserve money, KZT bn	5 690,8	01.11.17	5 162,2
Money supply, KZT bn	20 508,5	01.10.17	19 912,6

Kazakhstan credit ratings

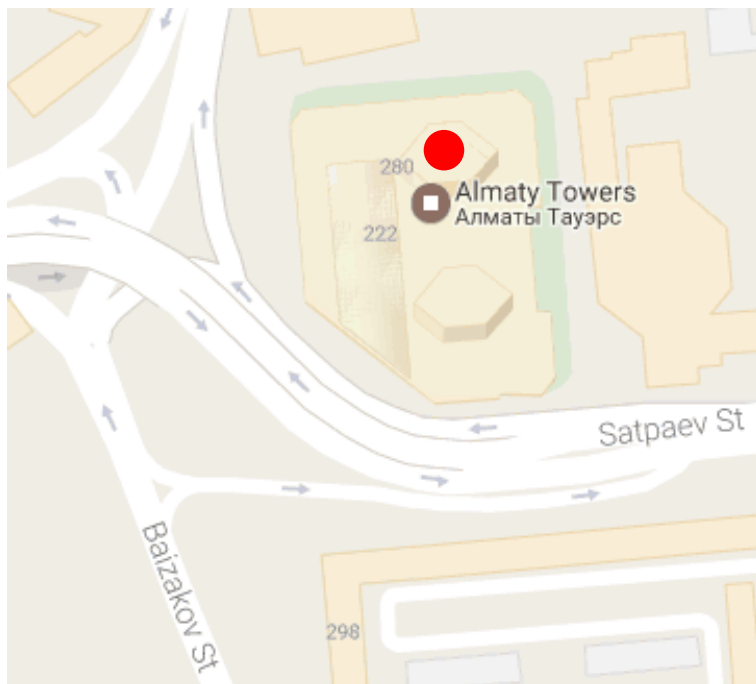
	Rating	Date	Previous
S&P Global	BBB- stable	08.09.17	BBB- negative
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	20.10.17	BBB stable

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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;
3. report does not take into account the individual financial characteristics and aims of those receiving it.

KASE recommends that the investors independently evaluate the feasibility of certain investments and strategies and encourages the investors to use the services of financial consultants.

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