

# KASE WEEKLY

25 – 29 September,  
2017

## KASE NEWS

- ▲ Kazakhstan Stock Exchange (KASE) conducts a competition among retail investors on the equity market from November 1 to December 8, 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. Winners of the competition will be three participants who will earn the maximum yield based on results of transactions in shares during the period of the competition. The winners will be awarded with valuable prizes. Details of the competition are available on KASE website.
- ▲ From September 18 to 22, 2017 Kazakhstan Stock Exchange (KASE, Exchange) conducted a training course for representatives of exchanges-members of the Federation of Euro-Asian Stock Exchanges (FEAS). The training was aimed at facilitating an exchange of experience in arranging cooperation of exchange professionals on stock markets. During the training KASE employees conducted a general presentation of Kazakhstan's stock market and told the audience in detail about the Exchange's operations. Representatives of the National Bank of Republic of Kazakhstan spoke about regulation of the financial market's participants and outlooks of its development. Also, the training course participants met with representatives of Kazakhstan's Central Securities Depository who disclosed particulars of their operations.

## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ As of September 26 trading in ordinary shares of Ferro-Alloy Resources Limited opened in KASE secondary market sector. We remind you that at the beginning of August Ferro-Alloy Resources Limited carried out a private offering of shares among investors, related to the scientific-education fund "Aspandau". The company then announced that it continued negotiations with prospective strategic and financial investors to raise funds for development of the high-tech production of vanadium and field Bala Sauyskandyk in accordance with the strategy announced during the IPO on KASE.
- ▲ As of September 27 trading in bonds of BAST will be opened in KASE secondary market sector. These bonds are tenge-devaluation indexed, the indexation currency is the US dollar. Bonds also yield a semi-annual coupon of 14% per year. These bonds mature in three years.
- ▲ Subsidiary Bank Sberbank of Russia announced opening KZT415.0 mln credit facility for StekloGran. Sberbank opened a credit line to StekloGran LLP for the acquisition and renewal of the production base. Financing has allowed to make major repairs, launch production shops, open a store of finished products and create new workplaces. The project was implemented with the support of Entrepreneurship Development Fund DAMU JSC.



KASE Index rose by 1.3% to 2,049.24 points.

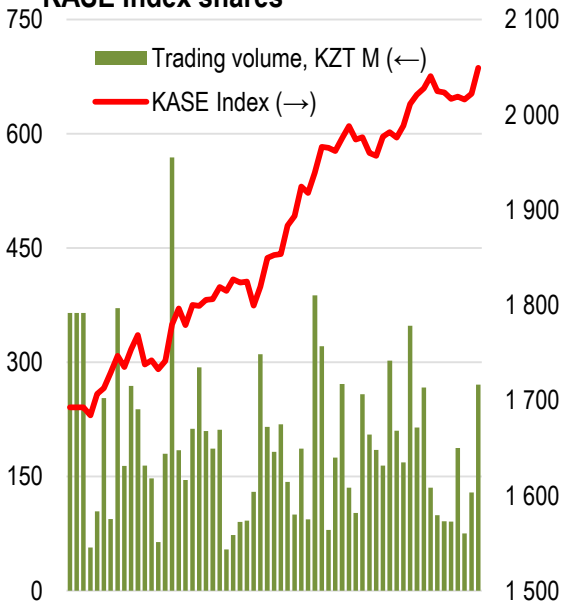
Shares of KAZ Minerals PLC and KazTransOil were in the lead, growing in value by 4.3% to KZT 3,481.00 and KZT1,325.00, respectively. In case of KAZ Minerals there is a possible turn of the downward trend being observed throughout September against the background of falling copper prices. Currently, the copper prices demonstrate a strengthening trend, however they need a momentum for developing the upward trend. China's production statistics due to be released Friday might become one of such momentums.

KazMunaiGas dropped the most: by 0.6% to KZT20,480.00.

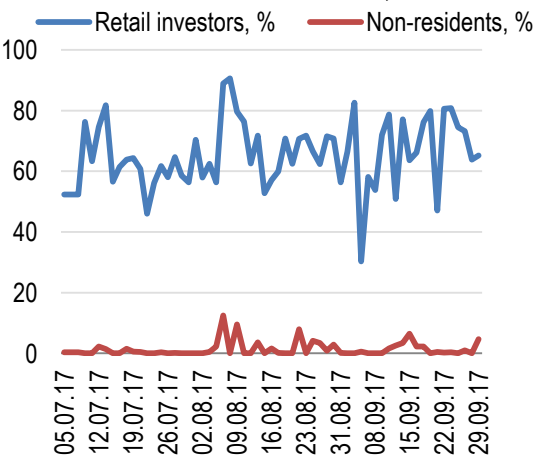
29.09.2017

		Trends (%)	
<b>KASE Index</b>	2 049,2	1,3	4,4
<b>First class of liquidity</b>	<b>Price, KZT</b>	<b>Δ 7d</b>	<b>Δ 1m</b>
QAZKOM (pref.)	94,0	4,4	21,0
<b>KazTransOil</b>	1 325,0	4,3	8,6
<b>KAZ Minerals</b>	3 481,0	4,3	0,8
Sberbank (Russia)	1 136,3	2,5	9,3
Gazprom (Russia)	727,0	1,5	7,1
KazMunayGas EP (pref.)	7 498,0	1,3	3,4
Bank of America	8 605,7	1,2	8,8
<b>Kcell</b>	1 920,0	1,1	26,7
<b>CenterCredit Bank</b>	158,5	1,0	0,9
<b>KEGOC</b>	1 380,0	0,1	0,6
Kazakhtelecom (pref.)	7 301,0	0,0	-2,7
<b>Kazakhtelecom</b>	19 100,0	-0,3	-3,0
<b>Halyk Bank</b>	81,1	-0,3	-7,0
Bank of Astana	1 151,5	-0,3	0,0
QAZKOM	156,0	-0,5	5,6
<b>KazMunayGas EP</b>	20 480,0	-0,6	2,9
Aktobe Metalware Plant	12 585,4	-1,5	0,3
BAST	55 248,0	-1,6	12,7
Aeroflot (Russia)	1 092,0	-2,1	-7,3

**KASE Index shares**



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

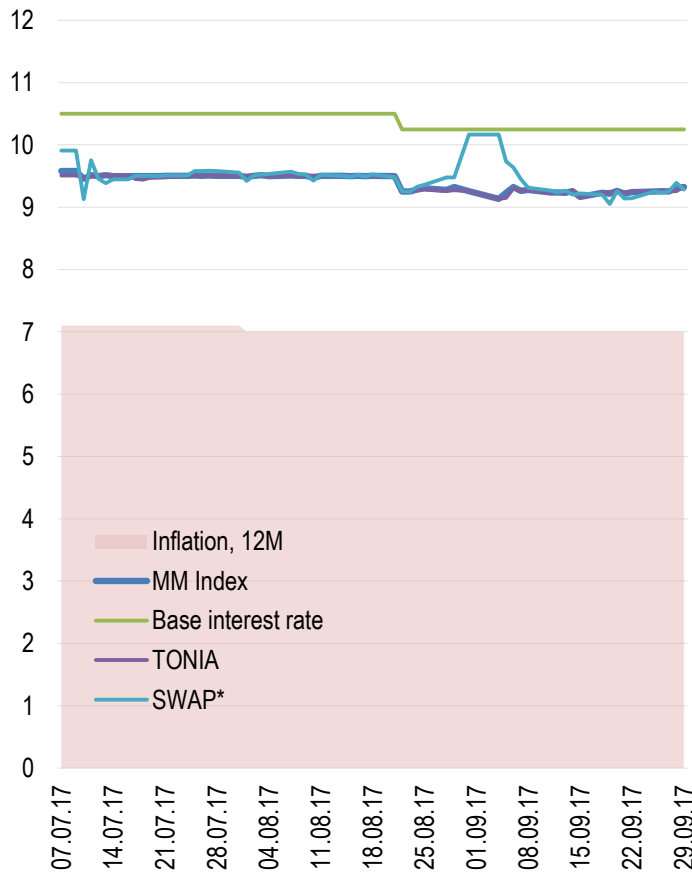


SkyBridge Invest released results of the initial offering of KazTransGas's 10-year Eurobonds on KASE. The total issue amount is USD 750 mln, the offering was carried out under laws of a foreign state. Investors who submitted their orders through KASE's trading system were provided with bonds of a total face value of USD78 mln (or 10.4% of the total issue volume). In this volume of orders 13.46% came from brokerage firms, 9.62% were distributed amongst insurance companies. Eurasian Development Bank featured as a major local investor, whose share was 76.92% of all executed orders on offering of KazTransGas's bonds on KASE. Orders submitted through KASE, in which the yield to maturity announced by investors didn't exceed 4.40% APR, were executed by the Issuer in full. We remind you that the total amount of investors' orders submitted through KASE, was over USD 100 mln. these bonds were included in KASE official list as of September 26. Opening of trading in these bonds will be announced later

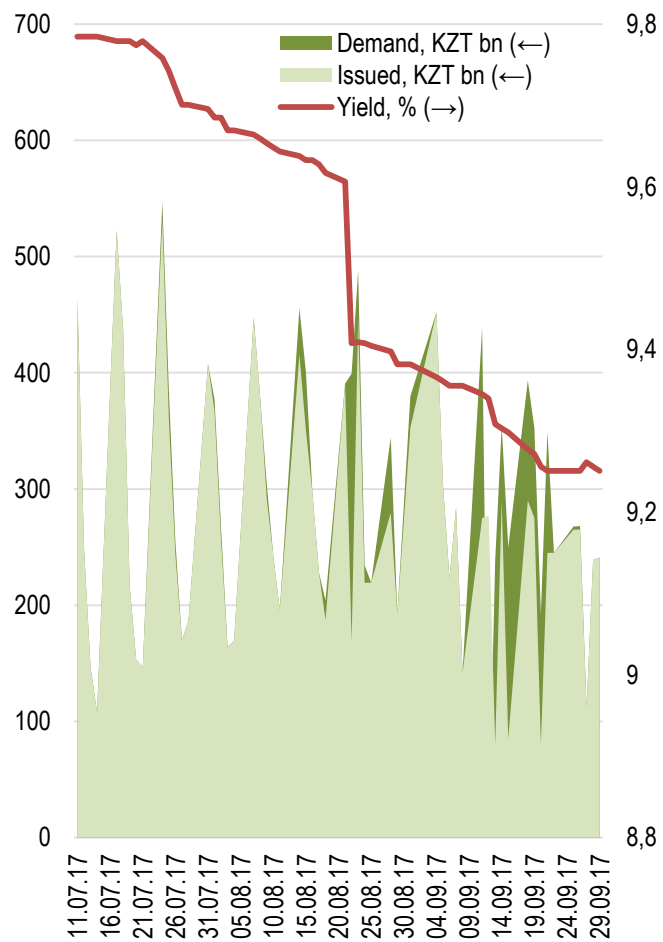


The money market's yield rose by 0,08% to 9,32% . Rates in the currency swap transactions grew by 22 b.p. to 9,27% APR. In repo segment yield grew by 8 b.p. to 9,33% APR.

**Inflation and interest rates**

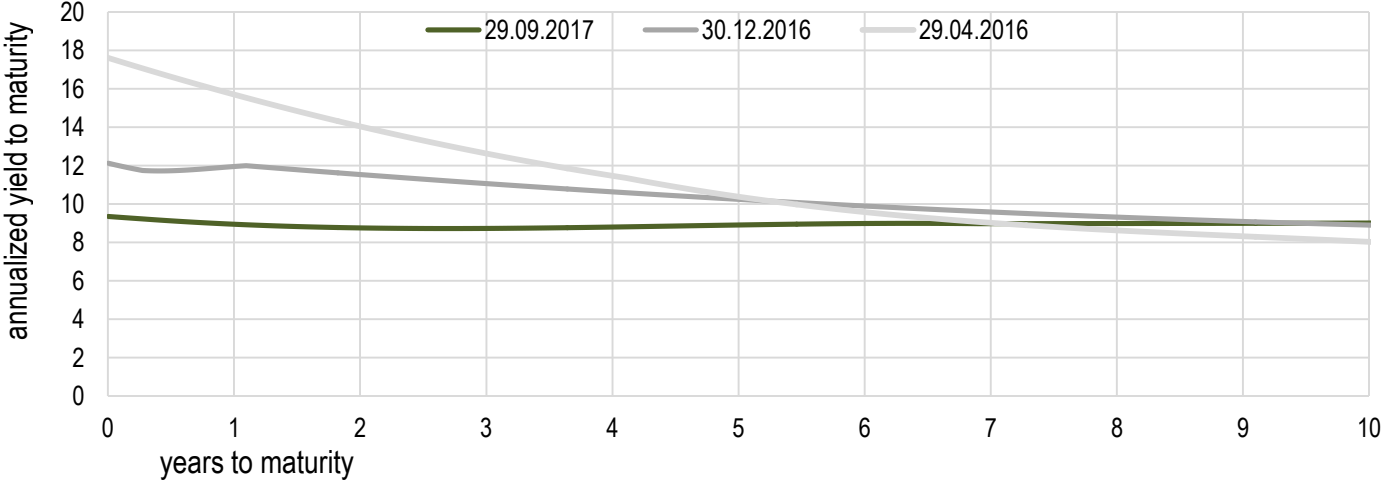


**Issuance of weekly NBK notes**



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

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



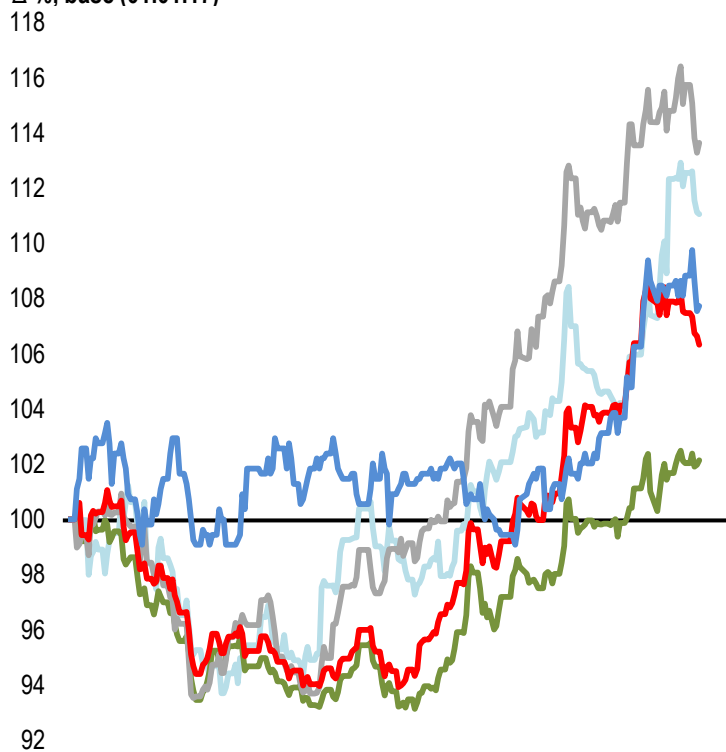


The dollar exchange rate rose 0.32 % over the week and made KZT341.19. The dollar continued to gain weight against other foreign currencies. The dollar is propped up by the Federal Reserve plans to gradually increase the key rate, as well as the political uncertainty in the EU. The dollar index grew 1 % over the week, refreshing its one-month maximum after Trump's administration announced proposed tax reforms.

The ruble exchange rate on KASE decreased 0.5 % to KZT5.8842. The ruble showed weakness against the dollar comparable to the dollar's growth index. Good news from Russia is the recent upgrading of Russia's ratings from Fitch. The international rating agency affirmed Russia's long-term default ratings on investment level BBB-, upgrading the outlook from "stable" to "positive". Fitch praised Russia's progress in strengthening its economic policy based on a more flexible exchange rate, as well as its commitment to the inflation targeting and reasonable budget strategy. A decrease of the inflation rate from 7.1 % in 2016 to 4.1 % in 2017 which is an evidence of Russia's efficient monetary policy is worth noting, too.

**FX rates**

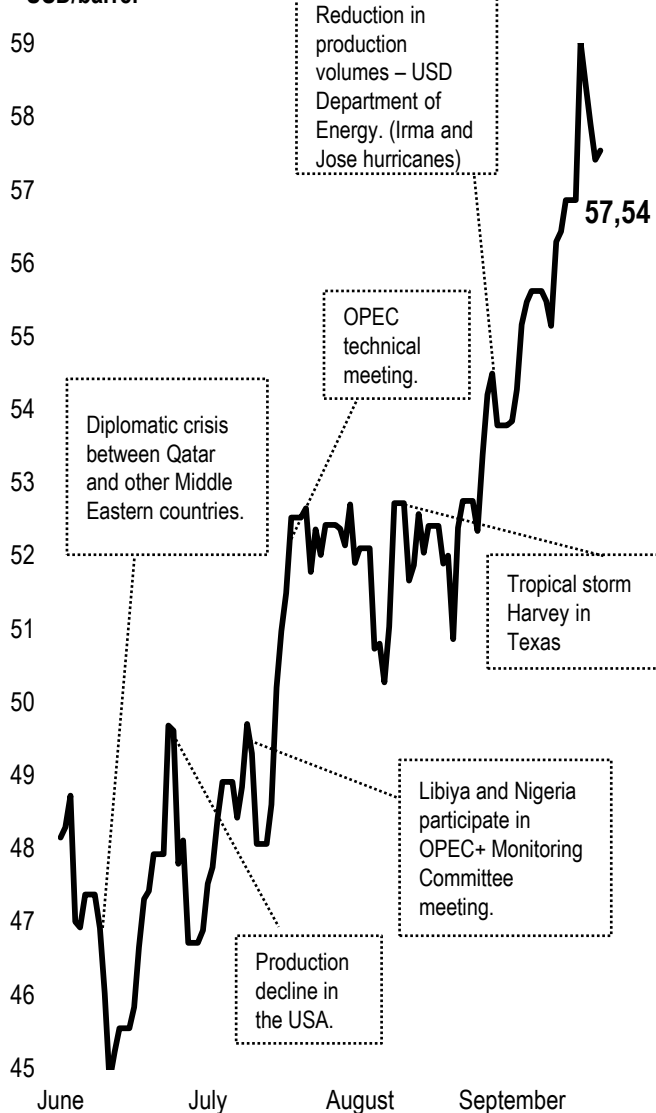
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	455,12	-0,9	+4,9	+11,1
— USDKZT	340,43	0,0	+1,7	+2,1
— EURKZT	400,52	-1,2	-0,6	+13,6
— CNYKZT	51,06	-1,1	+0,6	+6,3
— RUBKZT	5,85	-0,3	+2,8	+7,7

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	2 519,36	0,7	2,5	17,1	0,7
Dow Jones	22 405,09	0,2	2,3	23,5	0,2
 RTS	1 136,75	1,2	4,8	13,9	1,4
MICEX	2 077,19	1,2	3,4	4,1	1,4
 Hang Seng	27 554,30	-1,2	-1,9	16,1	-1,0
SS CSI 300	3 836,50	0,0	0,1	18,3	0,4
 Euro Stoxx 50	3 594,85	1,5	5,6	20,2	1,4
FTSEuroFirst	4 270,00	1,3	4,3	12,6	1,4
 FTSE 100	7 372,76	0,8	0,1	6,6	0,9
 KASE	2 049,24	1,3	4,4	73,7	0,0

## Commodities market

29.09.2017

Name	Price	Trend	
		7d	1m
Oil	57,54	1,2	13,1
	51,67	2,0	12,4
Natural gas	3,01	1,6	2,3
Copper	295,50	1,0	-3,6
Iron	474,00	-9,2	-19,3
Gold	1 279,75	-1,4	-2,2
Silver	16,68	-1,3	-4,2
Wheat	448,25	-0,3	11,1

## Economic calendar

		Currency	Forecast	Previous
02.10	ISM Manufacturing PMI (Sep)	USD	58,0	58,8
04.10	ISM Non-Manufacturing PMI (Sep)	USD	55,5	55,3
04.10	Crude Oil Inventories	USD	3,422M	-1,846M
04.10	ECB President Draghi Speaks	EUR		
04.10	Fed Chair Yellen Speaks	USD		
05.10	ECB Account of Monetary Policy Meeting	EUR		
06.10	Unemployment Rate (Sep)	USD	4,4%	4,4%


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	7,0 %	01.09.17	8,5 %
Gross international reserves of NBK, USD bn	32 946	01.09.17	29 530
Reserve money, KZT bn	5 342,6	01.09.17	5 162,2
Money supply, KZT bn	19 471,9	01.09.17	19 912,6

## Kazakhstan credit ratings

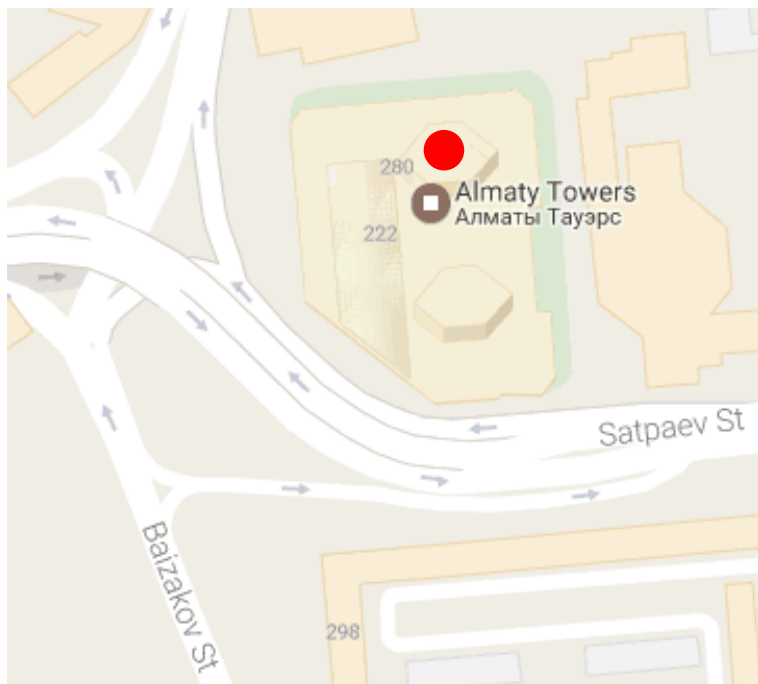
	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	21.04.17	BBB stable

# CONTACT INFORMATION



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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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