

# KASE WEEKLY

05 – 09 February,  
2018

## KASE NEWS

- ▲ KASE [announced](#) opening US dollar correspondent account with JPMorgan Chase Bank N.A.
- ▲ On February 07, 2018, KASE [removed](#) bonds of Kaspi Bank from representative list for bond market indices of KASE\_BM\* series due to maturity.
- ▲ KASE [held](#) media briefing on performance of the exchange market in January 2018.
- ▲ Investment company Freedom Finance [granted](#) KASE foreign membership by stock market category.

## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ KazMunaiGas Exploration and Production [announced](#) that Standard & Poor's confirmed company's long-term credit rating at BB-; outlook stable.
- ▲ NOSTRUM OIL & GAS PLC announced that Standard & Poor's [confirmed](#) company's long-term credit rating at B; outlook negative and that Moody's Investors Service [confirmed](#) issuer rating at B2; outlook negative.
- ▲ Samruk-Kazyna National Welfare Fund [announced](#) changes in the Management Board.
- ▲ Housing Construction Savings Bank of Kazakhstan [announced](#) Board of Directors' decision to attract budget loan of KZT24.0 bn.
- ▲ Housing Construction Savings Bank of Kazakhstan [announced](#) appointing E. Birtanov member of Board of Directors.
- ▲ On February 05, Bank CenterCredit [raised](#) KZT4.4 bn on KASE selling 10-year bonds at 11.75 % APR.
- ▲ Bank RBK [announced](#) upcoming appointment of N. Akentieva as chairman of the Management Board of the bank.
- ▲ National Company KazMunayGas [announced](#) that Standard & Poor's confirmed ratings of the company and bonds, outlook stable.
- ▲ Zhaikmunai [announced](#) that Standard & Poor's confirmed ratings of bonds.
- ▲ Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance [waived](#) status of market-maker on KASE for ordinary shares of KazMunaiGas Exploration Production.
- ▲ Special trading session for buyback of 410,237 ordinary [shares](#) and 85 mln global depository [receipts](#) of KazMunaiGas Exploration Production will be held from February 20 to April 05 on KASE.
- ▲ Kazkommertsbank [announced](#) early redemption of subordinated international bonds worth USD100,000,000 in whole out of its own funds.



KASE Index closes the second consecutive week in the red dropping by 2.29 percent to 2,301.93 points. Seven out of eight share names in the Index showed a decline according to the week results.

International situation remains grim, strong correction is observed on world stock markets. According to Bloomberg estimates, global equity market capitalization dropped from the last peak (28 Jan.) by USD5.95 trillion from USD87 trillion to USD81 trillion.

09.02.2018

		Trends (%)	
<b>KASE Index</b>	2 301,9	<b>-2,3</b>	<b>1,6</b>
<b>First class of liquidity</b>	<b>Price, KZT</b>	<b>Δ 7d</b>	<b>Δ 1m</b>
QAZKOM	110,0	18,3	3,8
<b>Kazakhtelecom</b>	24 198,0	2,1	4,0
Kazakhtelecom (pref.)	10 050,0	1,0	16,1
KazMunayGas EP	26 985,0	-0,1	3,8
<b>KEGOC</b>	1 396,5	-0,2	0,8
Aeroflot (Russia)	808,0	-0,9	-7,6
<b>Halyk Bank</b>	103,9	-1,1	12,7
<b>KazTransOil</b>	1 467,1	-1,2	4,5
Aktobe Metalware Plant	11 644,9	-1,4	-2,3
<b>Bank of Astana</b>	1 218,0	-1,5	-2,7
BAST	54 892,0	-2,3	-2,3
<b>Kcell</b>	1 590,0	-4,2	-7,0
Sberbank (Russia)	1 419,8	-4,4	1,2
Gazprom (Russia)	782,0	-4,7	-5,4
Bank of America	9 857,8	-6,2	-2,1
KazMunayGas EP (pref.)	12 199,0	-6,9	6,1
Bank VTB (Russia)	0,3	-6,9	-10,0
<b>KAZ Minerals</b>	3 700,0	-7,4	-7,9
<b>CenterCredit Bank</b>	276,0	-8,0	40,1
QAZKOM (pref.)	102,0	-15,7	22,7

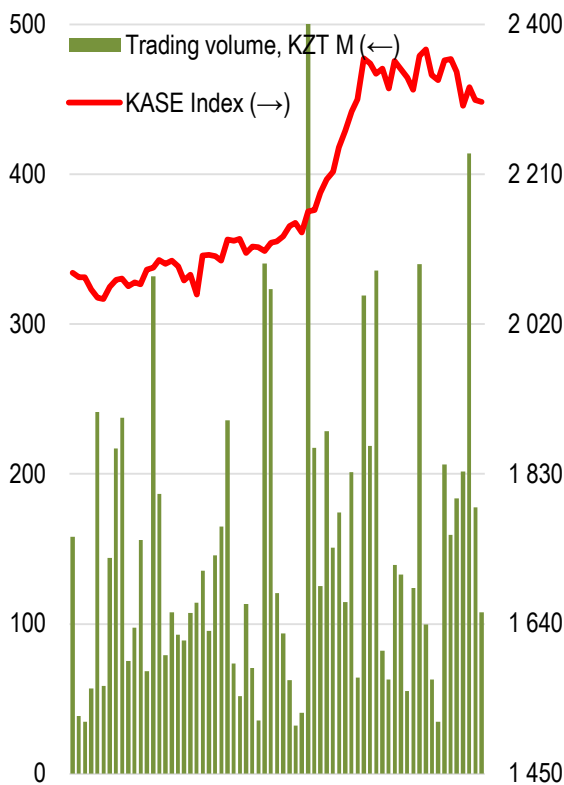
Note: Index stocks are highlighted in green

Dual-listed stocks are showing most significant decline. By the closing of trades on KASE on Friday, the British FTSE index loses almost 4% (3.73%). Shares of KAZ Minerals PLC and Kcell fell by 7.38% and 4.22%, respectively, by the end of the week.

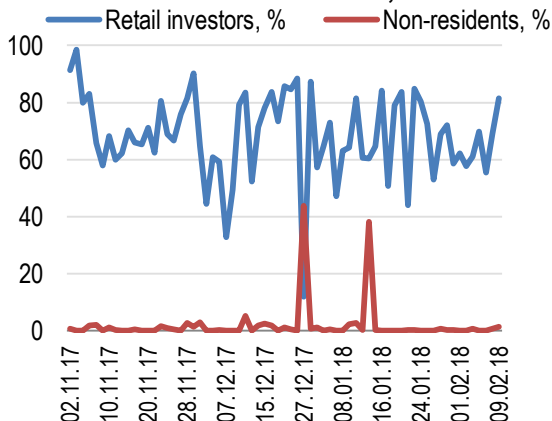
However, the greatest faller of this week were equity securities of Bank CentreCredit that fell by 7.95% to KZT275.96. Adjustment of securities prices is taking place after a significant growth that was not supported by fundamental factors. It should be noted that a week before the price of the bank's shares increased by 37%. On Monday, the bank raised KZT4,362 mln at 11.75% APR on KASE by placing 10-year bonds. Thus, Bank CenterCredit managed to place only 44% of the planned volume.

It seems that shares of Kazakhtelecom live their own life because they are the only shares of the eight stocks that not only did not lose in price but even showed growth. The company's shares rose by 2.09% over the week. At present, the market's attention is focused on the decision of the Antimonopoly Committee regarding possible purchase of 75% stake in Kcell by Kazakhtelecom.

**KASE Index shares**



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

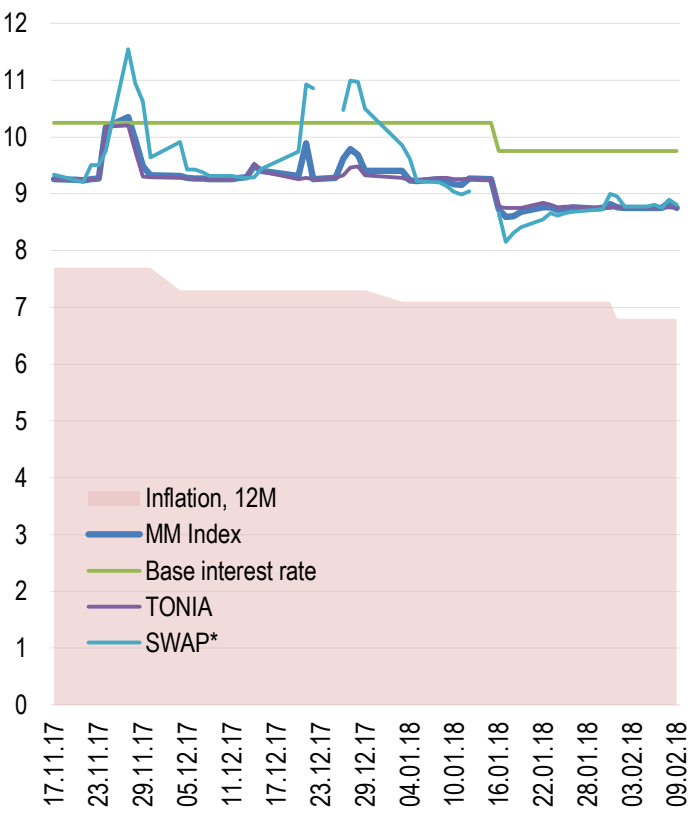




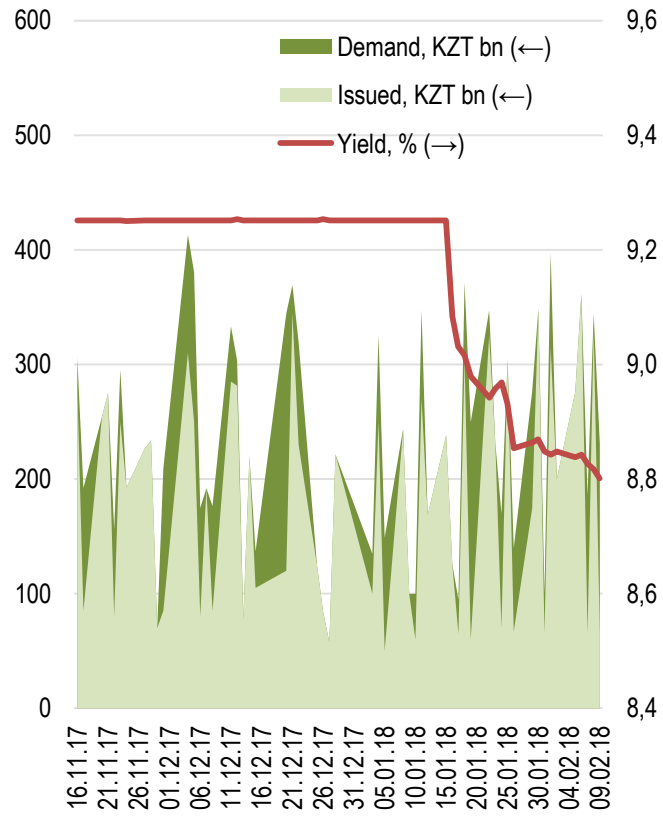
The yield of one-day swaps increased by 5 b.p. and amounted to 8.77% APR. The yield of one-day repo transactions with government securities has decreased by 1 b.p. to 8.75 per cent APR.

The National Bank has placed seven issues of notes with the total volume of KZT1,429.3 bn over-the-counter. The yield on five issues of the 7-day notes with offering volume of KZT1,096.0 bn was in the corridor of 8.80-8.84 per cent. On the 28-day and annual notes the yield was 9.02 per cent and 8.67 per cent per annum. The total demand for notes exceeded the supply by 23 per cent and reached KZT 1,757.9 bn.

### Inflation and interest rates

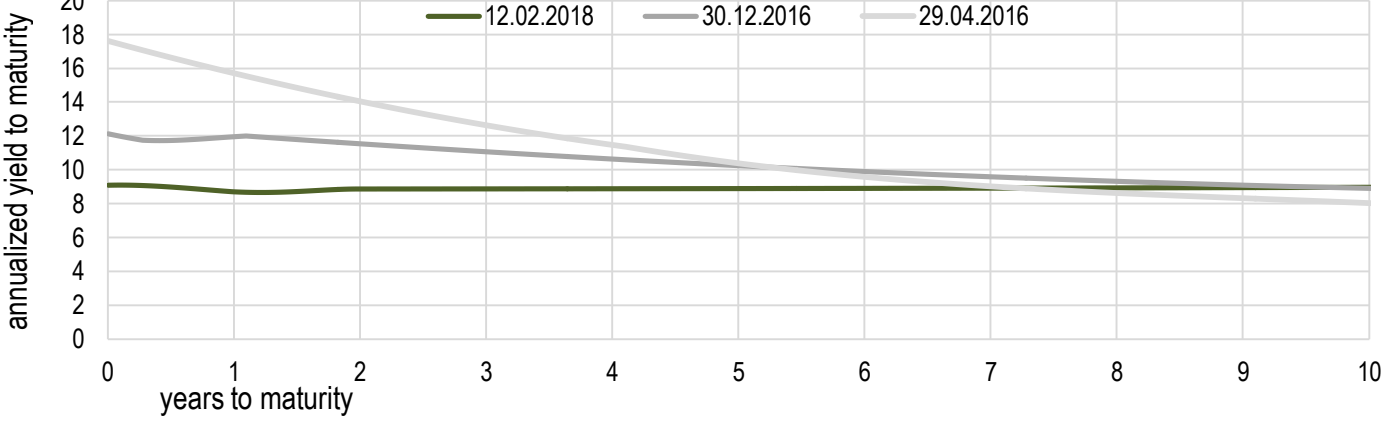


### Issuance of weekly NBK notes



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

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





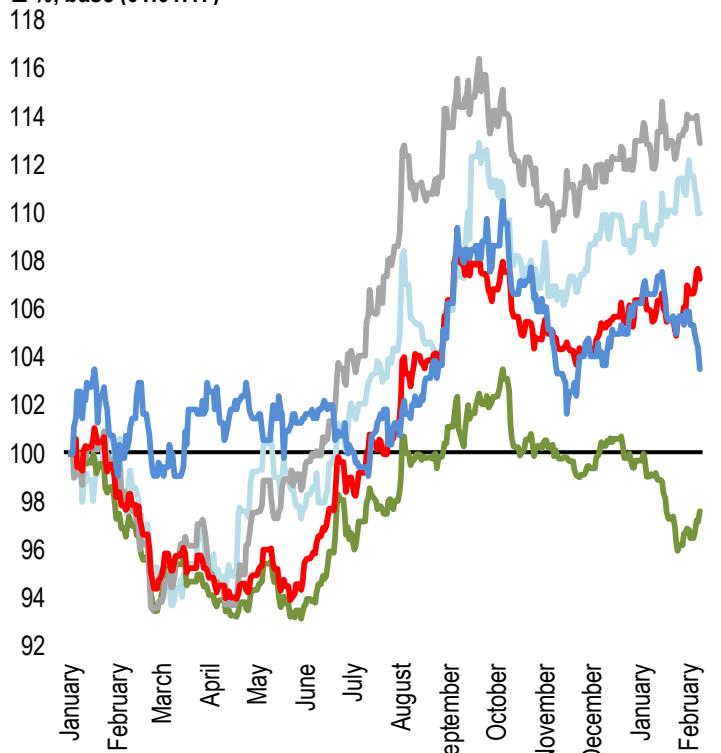
The dollar exchange rate grew by 1.8 per cent or by KZT5.70 to KZT327.32 over the week. The trading volume rose by 39% and reached USD755.3 mln over the week. The last week was the worst one for the national currency in the last six and a half months. Falling oil prices and weakening of the Russian ruble, intensified the pressure on the tenge. Since Monday and by the closing of the trading session at the currency section of KASE, Brent oil prices dropped by 6.0% and it was traded below 64.5 dollars per barrel. The decline comes amid fears of a sharp rise in global supply as well as the growth of the dollar against a basket of major world currencies.

The same factors affect the ruble, which has lost 2.5 per cent against the dollar over the week. The exchange rate of ruble decreased by KZT0.1127 to KZT5.6279 at the trading volume of RUR359.0 mln.

This week, euro was traded only on Tuesday at the exchange rate of KZT400.80 at the trading volume of EUR100 th.

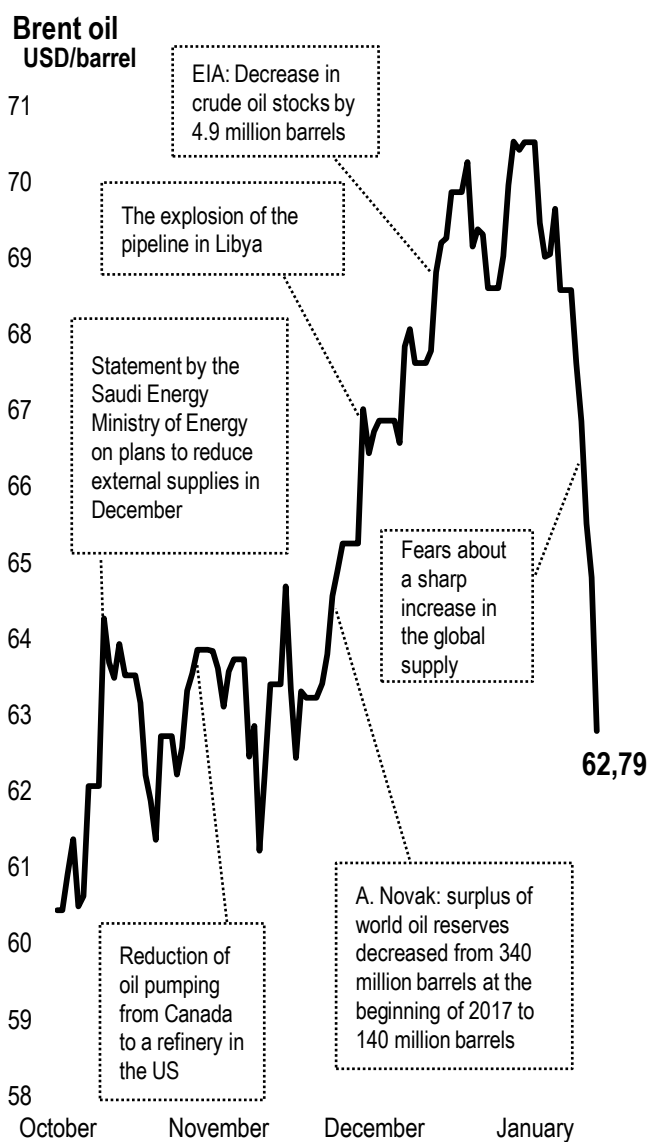
The exchange rate of yuan grew by KZT0.4243 to KZT51.5800 over the week. Its trading volume reached CNY1.0 mln.

**FX rates**  
Δ %, base (01.01.17)













	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	450,8	-2,0	+0,9	+10,0
— USDKZT	325,35	+0,8	-1,5	-2,4
— EURKZT	397,87	-0,9	+0,9	+12,9
— CNYKZT	51,51	+0,4	+1,7	+7,3
— RUBKZT	5,62	-2,3	-2,9	+3,5

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	2 619,55	-5,2	-4,7	13,5	-5,0
 Dow Jones	24 190,90	-5,2	-4,6	19,9	-5,0
 RTS	1 185,79	-6,8	-4,0	1,9	-6,3
 MICEX	2 197,12	-3,7	-1,6	1,1	-6,3
 Hang Seng	29 507,42	-9,5	-5,0	25,4	-9,8
 SS CSI 300	3 840,65	-10,1	-8,7	13,1	-11,8
 Euro Stoxx 50	3 325,99	-5,6	-7,9	1,5	-6,1
 FTSEuroFirst	4 048,00	-5,6	-8,4	-1,2	-5,2
 FTSE 100	7 092,43	-4,7	-8,5	-1,9	-5,0
 KASE	2 301,93	-2,3	1,6	46,3	

## Commodities market

09.02.2018

Name	Price	Trend %	
		7d	1m
Oil	62,79	-8,4	-9,3
	59,20	-9,5	-6,9
Natural gas	2,58	-9,2	-11,1
Copper	303,35	-4,8	-6,2
Iron	593,00	0,0	19,4
Gold	1 316,65	-1,3	0,0
Silver	16,14	-3,4	-5,3
Wheat	449,00	0,5	3,4

## Economic calendar

		Currency	Forecast	Previous
14.02	Core CPI (MoM) (Jan)	USD	0.2%	0.3%
14.02	Core Retail Sales (MoM) (Jan)	USD	0.2%	0.4%
14.02	Retail Sales (MoM) (Jan)	USD	0.5%	0.4%
14.02	Crude Oil Inventories	USD	3.189M	1.895M
15.02	PPI (MoM) (Jan)	USD	0.4%	-0.1%
16.02	Building Permits (Jan)	USD	1.310M	1.300M
16.02	U.S. Baker Hughes Oil Rig Count	USD		791



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 2017
Annual inflation	6,8 %	01.02.18	8,5 %
Gross international reserves of NBK, USD bn	31 724	01.02.18	29 530
Reserve money, KZT bn	5 208,7	01.02.18	5 162,2
Money supply, KZT bn	19 456,0	01.01.18	19 912,6

## Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	16.01.18	BBB- stable
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	BBB stable

# CONTACT INFORMATION



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