

# KASE WEEKLY

10 – 14 September,  
2018

## KASE NEWS

- ▲ KASE [held](#) a media briefing on the exchange market's performance in August 2018.
- ▲ KASE to [conduct](#) training trading from September 17, 2018 until October 17, 2018 as part of educational project "Exchange Simulator".
- ▲ On October 1, the Exchange [starts](#) acting as the central counteragent on the foreign exchange market.
- ▲ KASE has [reduced](#) the duration of the Base period for market valuation of non-indexed GS with term of 4,100 days left to maturity.
- ▲ KASE and Bloomberg [held](#) roundtable "Bloomberg Day on KASE".
- ▲ Separate KASE trading system to be [put](#) into operation on September 17, 2018
- ▲ KASE [reports](#) that it had received new license for conducting banking transactions in national and foreign currency and that its previous license for conducting banking transactions in national and foreign currency had lost its power.

## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ S&P [affirmed](#) ratings of the Republic of Kazakhstan, outlook "Stable".
- ▲ The Ministry of Finance [raised](#) KZT59.5 bn by offering 15-year bonds at 8.43% APR. Three orders were executed as a result of trades. Current maturity of the securities is 11.4 years.
- ▲ Faeton Company [placed](#) seven-year bonds worth KZT603.5 mln at 11% APR. Current maturity of bonds is 6.9 years.
- ▲ ForteBank [raised](#) KZT44.0 bn on KASE through subscription. On Thursday and Friday the Bank raised KZT22 bn at 4.0 % APR for a period of 6.3 years.
- ▲ KazMunaiGas Exploration and Production has [completed](#) the second stage of the buyback of preferred shares that was held from September 3 to September 14. As a result of the second stage, the company bought back 109,140 preferred shares at the price of KZT12,800.00. In total, 403,842 preferred shares have been bought back in two stages, which makes 21.2% from the announced buyback volume.
- ▲ Kazakhtelecom [provided](#) extract from its shareholder registers as of September 5, 2018 to KASE.
- ▲ Tethys Petroleum Limited (Cayman Islands) [announced](#) revocation of Cease Trade Order by Alberta Securities Commission.



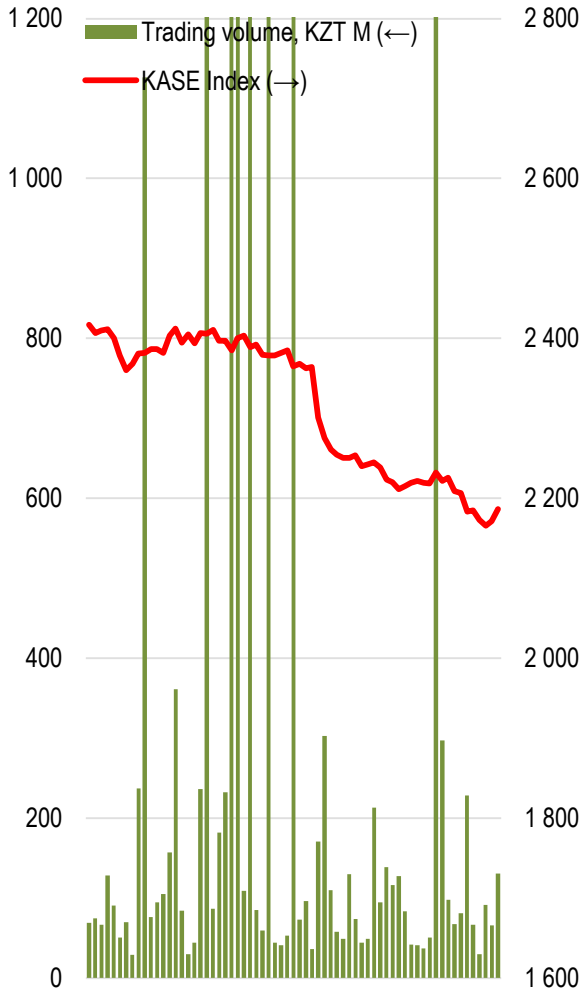
KASE Index rose by 0.11% to 2,186.13 points over the week. Index components closed mixed, i.e. with oppositely directed.

14.09.2018

Trends (%)

KASE Index	2 186,1	0,1	-2,6
<b>First class of liquidity</b>	<b>Price, KZT</b>	<b>Δ 7d</b>	<b>Δ 1m</b>
<b>KAZ Minerals</b>	2 427,2	10,3	-12,0
Bank VTB (Russia)	0,2	4,8	-8,3
Gazprom (Russia)	818,0	2,9	5,4
Sberbank (Russia)	976,3	1,9	-5,4
<b>Kazakhtelecom</b>	30 890,0	1,7	-0,4
<b>Kcell</b>	1 643,0	0,3	0,3
KazMunayGas EP (pref.)	12 690,0	0,1	0,3
<b>CenterCredit Bank</b>	259,0	-0,4	-4,8
<b>KEGOC</b>	1 484,2	-0,6	2,1
<b>KazTransOil</b>	1 327,9	-2,2	-2,4
Aeroflot (Russia)	577,0	-2,4	-3,4
Bank of America	11 156,0	-2,7	1,8
Kazakhtelecom (pref.)	12 850,0	-3,6	-3,4
<b>Halyk Bank</b>	94,6	-4,2	-4,4
BAST	39 374,0	-7,3	-20,4

**KASE Index shares**

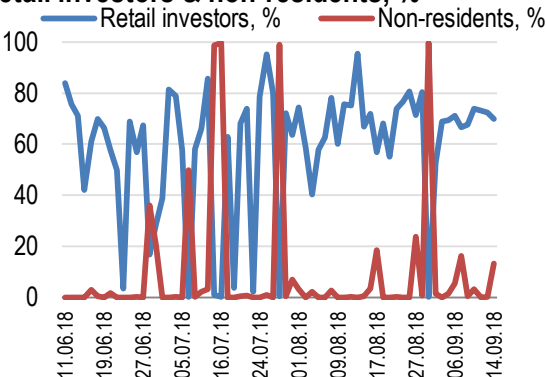


Note: Index stocks are highlighted in green

The Index was in the green area thanks to KAZ Minerals stocks, which rose by 10.33% to KZT2,427.24. The securities of Kaz Minerals PLC are growing amid rising copper prices, which, in their turn, are increasing due to the diminishing concerns over further escalation of U.S.-China trade war. The markets reacted favorably to the news that the U.S. have sent an invitation to China suggesting another round of bilateral trade talks.

Shares of Halyk Bank have shown the most decline. This week they have reduced to their minimum values since January 10, 2018. The prices fell by 4.16% to KZT94.57. The decline could be related to the reports on missing money from bank cards of Halyk Bank.

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

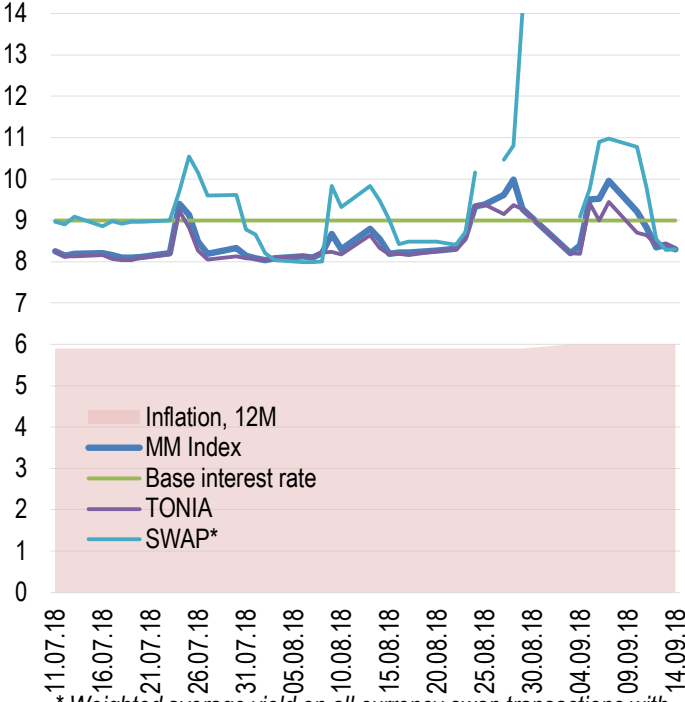




The yield of one-day currency swaps decreased 269 b.p. to 8.27 % amid strengthening tenge over the week. The yield of one-day repo transactions with government securities dropped 113 b.p. to 8.31 % APR.

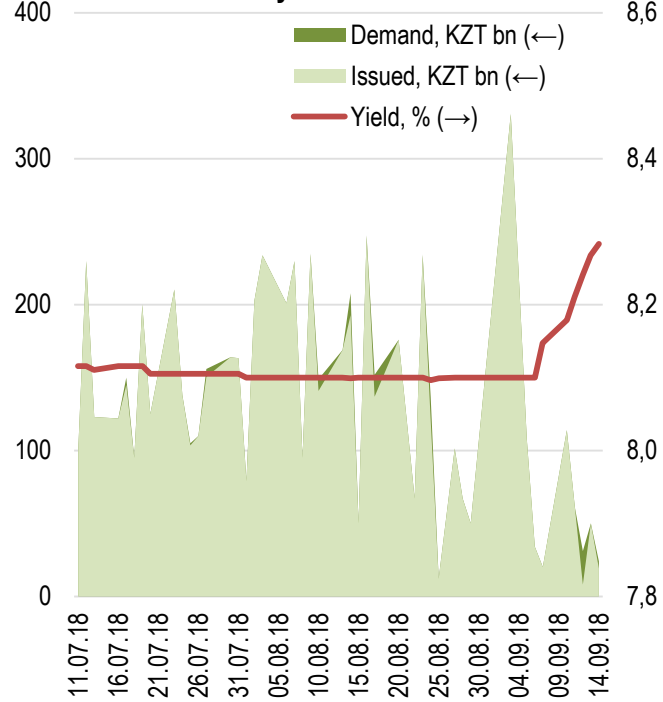
The volume of the National Bank's open position in notes has fallen below three trillion tenge for the first time since the end of last year. The regulator tries to withdraw excess liquidity even amid rising rates, however, the demand for the notes has significantly decreased. The National Bank has placed seven issues of notes with the total trading volume of KZT361.6 bn over-the-counter. This is three times less than a week earlier. Total offering volume of five issues of 7-day notes amounted to KZT251.6 bn. Rates for seven-day instruments grew every day: if on Monday the regulator offered its papers at 8.18%, on Friday the rate reached 8.28%. Meanwhile, the yield on 28-day notes reached 8.25% APR at the offering volume of KZT75.7 bn. The volume of placement of three-month instruments had reached KZT34.6 bn, the rate was 8.32%. The total weekly demand exceeded the supply only by 1%.

**Inflation and interest rates**

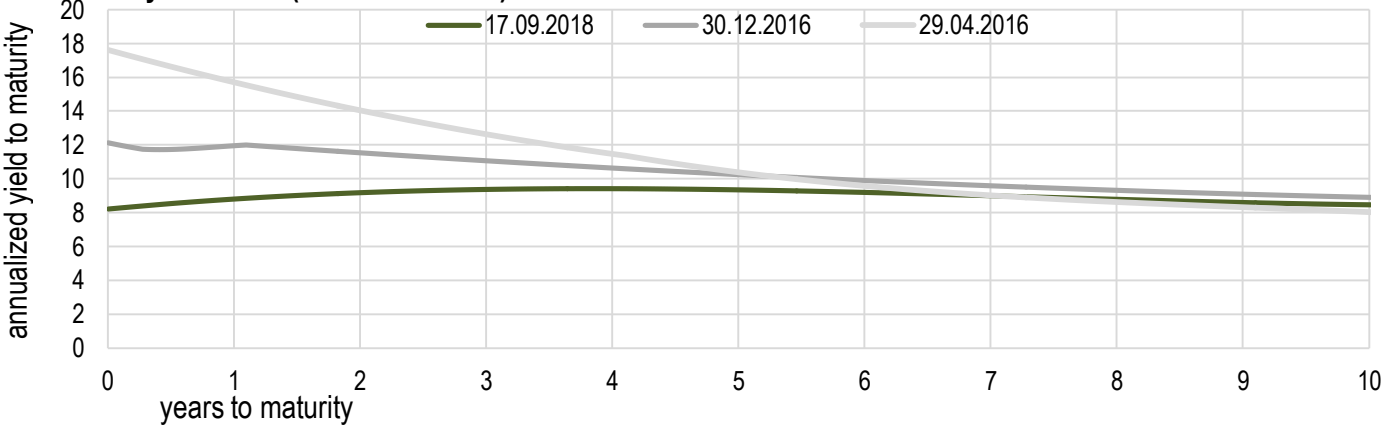


\* Weighted average yield on all currency swap transactions with the US dollar.

**Issuance of weekly NBK notes**



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





Weighted average US dollar rate grew by 4 tenge 45 tiyn to KZT373.65 and the total trading volume dropped two times having reached USD742.7 mln compared to the last week.

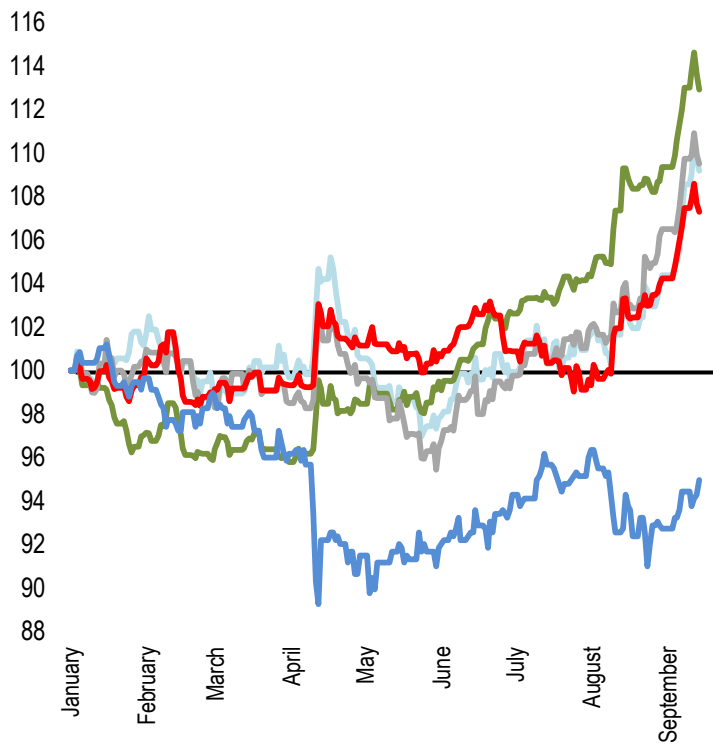
The exchange rate of the national currency has strengthened after a long decline. The growth takes place amid small trading volumes, which indicates that market participants are in no hurry to sell foreign currency. The dollar is depreciating against other currencies. The decline was associated with a reduction of the demand for protective assets. The dollar index has declined by 1% since the beginning of the week. The tenge has strengthened following the Russian ruble, which has succeeded a little more in this respect.

The ruble grew KZT0.0402 to KZT5.4701 over the week. Total trading volume reached RUB166 mln.

Euro closed the week by a decrease of KZT1.45 to KZT436.00. Trading volume reached EUR800 th.

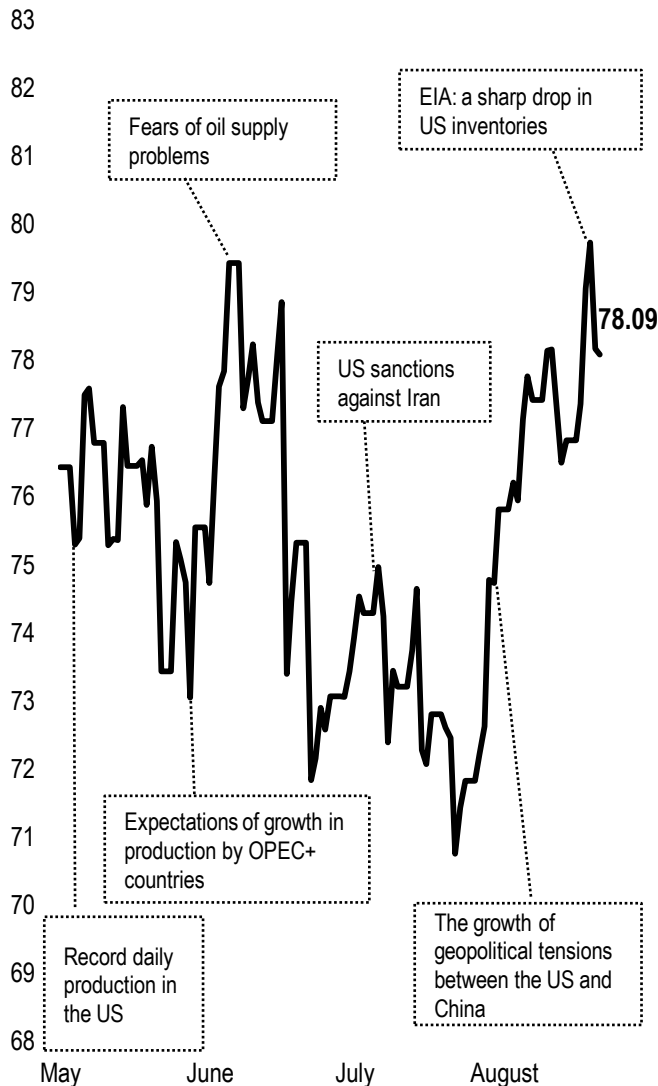
The exchange rate of yuan fell KZT0.3482 having fixed at KZT54.5588. Volume of transactions with yuan exceeded 1.35 mln.

**FX rates**  
Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	489,85	+1,8	+5,5	+9,2
— USDKZT	375,31	+0,8	+3,3	+12,9
— EURKZT	436,07	+0,8	+5,3	+9,5
— CNYKZT	54,82	+0,6	+3,8	+7,3
— RUBKZT	5,48	+0,6	+0,7	-5,0

**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	2 904,98	1,2	3,1	16,4	1,3
Dow Jones	26 154,67	0,9	3,9	17,8	0,9
 RTS	1 094,73	4,2	3,7	-2,8	3,9
MICEX	2 285,53	0,0	0,0	11,4	3,9
 Hang Seng	27 286,41	1,2	-0,1	-1,8	1,6
SS CSI 300	3 242,09	-1,1	-1,5	-15,3	-0,7
 Euro Stoxx 50	3 344,63	1,6	-0,4	-5,2	1,7
FTSEuroFirst	4 093,00	1,3	-1,1	-3,3	1,2
 FTSE 100	7 304,04	0,4	-2,6	0,1	0,4
 KASE	2 186,13	0,1	-2,6	9,9	

## Commodities market

14.09.2018

Name	Price	Trend %	
		7d	1m
Oil	78,09	1,6	10,4
	68,99	1,8	6,1
Natural gas	2,77	-0,3	-5,9
Copper	262,75	0,9	2,6
Iron	488,50	-0,6	-4,3
Gold	1 194,85	-0,2	1,5
Silver	14,04	-0,2	-2,9
Wheat	480,00	-1,3	-9,8

## Economic calendar

		Currency	Forecast	Previous
17.09	CPI (YoY) (Aug)	EUR	2.0%	2.0%
18.09	ECB President Draghi Speaks	EUR		
19.09	Building Permits (Aug)	USD	1.310M	1.311M
19.09	Unemployment Rate (Aug)	RUB	4.7%	4.7%
19.09	Crude Oil Inventories	USD	-0.805M	-5.296M
20.09	Existing Home Sales (Aug)	USD	5.39M	5.34M
21.09	U.S. Baker Hughes Oil Rig Count	USD		867

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	6,0 %	01.09.18	7,1 %
Gross international reserves of NBK, USD bn	30 842	01.08.18	30 745
Reserve money, KZT bn	6 118,7	01.09.18	5 538,7
Money supply, KZT bn	20 251,1	01.08.18	19 456,0

## Kazakhstan credit ratings

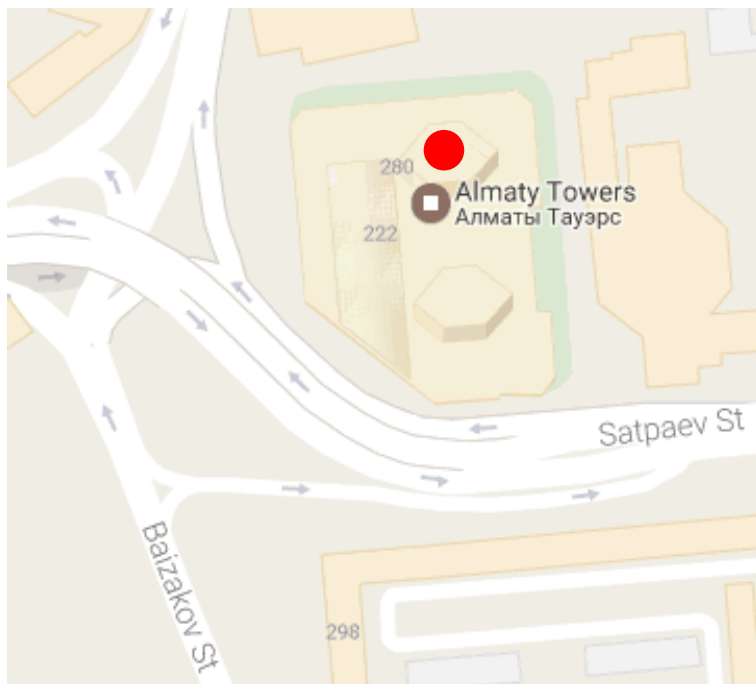
	Rating	Date	Previous
<b>S&amp;P Global</b>	BBB- stable	10.09.18	BBB- stable
<b>MOODY'S</b>	Baa3 stable	26.07.17	Baa3 negative
<b>FitchRatings</b>	BBB stable	17.04.18	BBB stable

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**Corporate website**



**Contact us**



**Corporate Events Calendar of KASE listed Companies**

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