

KASE WEEKLY

14 – 18 August,
2017

KASE NEWS

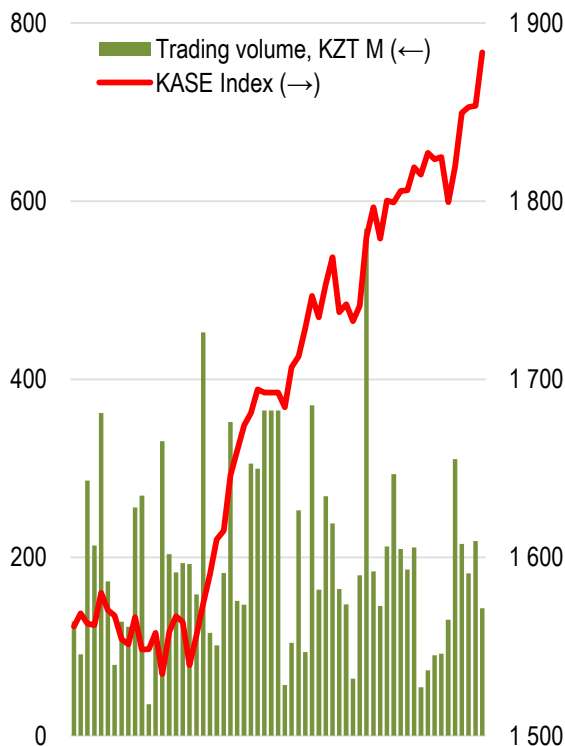
- ▲ On August 14, within the framework of specialized tenders for placement of government mid-term bonds, the Ministry of Finance of Kazakhstan attracted four billion tenge at KASE at the nominal value. The interest rate amounted to 8.99% per annum.
- ▲ Specialized auctions for long-term bonds of the Ministry of Finance of the Republic of Kazakhstan were held this week on 14, 15, 16 and 18 August by the National Bank of Kazakhstan. The maturity period based on the results of specialized trades ranged from 15 to 16.7 years with a volume of one billion tenge at face value at all auctions. Yield to maturity on these instruments for the buyer ranged from 9.1% to 9.2% per annum.
- ▲ On August 17 KASE conducted training on the program "Fundamentals of the stock market." The purpose of this training is to increase the level of awareness of the workers of listed companies about the domestic stock market. The training program is aimed at transferring to students practical knowledge of the fundamentals of the stock market and the use of financial instruments in managing the company's financial flows.

ISSUER NEWS AND ANNOUNCEMENTS

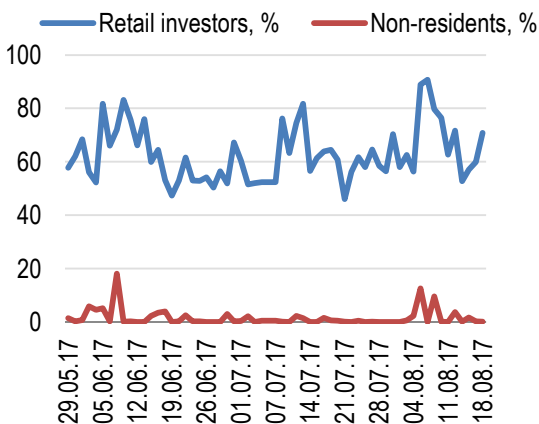
- ▲ On August 22 at 19:00 hours Almaty time Halyk Bank will hold a teleconference with top management for analysts and investors. The bank will announce unaudited consolidated financial results for the first half of the year and the second quarter of this year. The official publication of these materials is scheduled for August 21.
- ▲ JSC Kazkommertsbank reported on the completion of receipt of applications from existing shareholders of the bank on the basis of pre-emptive purchase. From the shareholders of the Bank, 6 applications were accepted (5 applications from holders of common shares and 1 application from the Trustee for the GDR of the Bank - The Bank of New York Mellon) for a total of 1,299,256,368 ordinary shares. Ordinary shares will be placed at a price of KZT 142.67 per 1 (one) common share and KZT 285.34 per 1 (one) GDR, the basic asset of which are common shares of the Bank (1 GDR = 2 common shares). The actual transfer of shares to shareholders will be carried out by the Bank after full payment of the value of shares, which applicants are required to effect within 30 calendar days from the date of filing an application for the acquisition of the Bank's securities by the right of primary purchase.
- ▲ Starting from August 21, trades with KZP02Y05E986 (KZ2C00003929, EXBNb5) corporate bonds of Eximbank Kazakhstan JSC open in the secondary market sector of KASE. Time to maturity is almost 5 years. The current coupon rate is set at 12.5% per annum.

KASE Index lost 1.1 % over last week, declining to 1,799.39 points. KAZ Minerals shares fell the most, having depreciated 6.6 % after a period of explosive growth. Investors take profits after a period of explosive growth in the background of falling copper prices. Bank CenterCredit stocks rose most. The stocks' price went up 2.6 % to KZT162.30 over the last week.

KASE Index shares



Retail investors & non-residents, %



18.08.2017

KASE Index	1 883,6	Trends (%)	
		4,7	6,5
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
Kcell	1 485,4	10,8	12,1
Halyk Bank	87,6	9,2	9,4
Kazakhtelecom	16 800,0	6,1	0,0
KAZ Minerals	3 139,9	6,0	15,3
QAZKOM	145,2	3,0	4,8
Sberbank (Russia)	965,2	2,7	8,2
KazTransOil	1 222,0	0,9	2,3
KazMunayGas EP (pref.)	7 150,0	0,8	0,7
Bank of America	8 019,8	0,8	1,9
QAZKOM (pref.)	74,4	0,3	4,0
Bank of Astana	1 156,5	0,1	-1,1
Gazprom (Russia)	661,2	0,1	3,3
Estate Management Company (pref.)	84 975,0	0,0	0,0
Aeroflot (Russia)	1 180,0	-0,1	1,7
KEGOC	1 383,1	-0,2	3,4
KazMunayGas EP	19 301,0	-0,3	0,8
Kazakhtelecom (pref.)	6 900,0	-0,7	0,0
Aktobe Metalware Plant	12 825,6	-1,1	-9,8
CenterCredit Bank	157,8	-2,4	-3,2

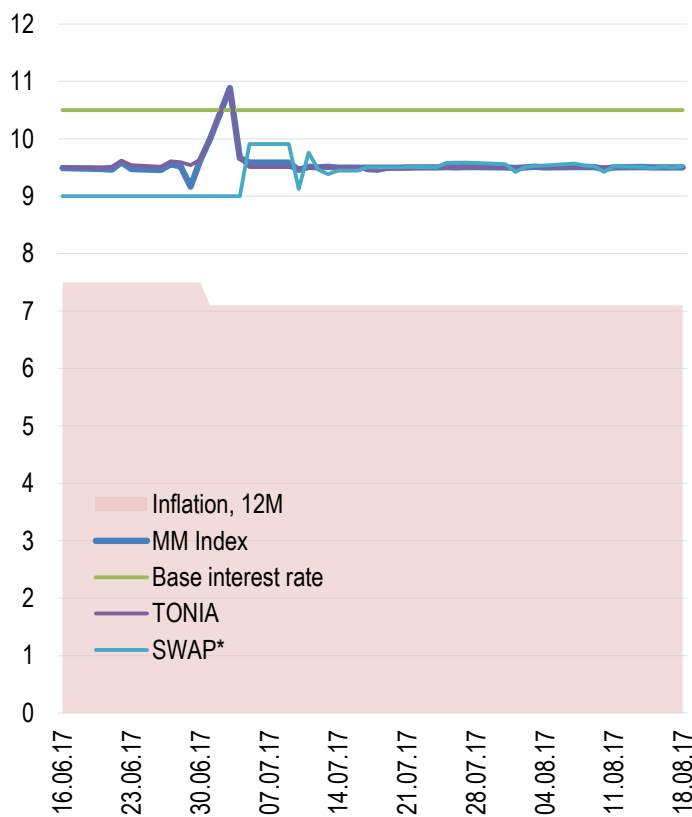
KEGOC bonds were included in the official list of "bonds" of KASE main market as of August 8. The company plans to raise KZT36.3 bn by way of offering 15-year bonds. Holders will be paid a semi-annual coupon, whose rate will be determined based upon first successful auctions. Opening of trading in said bonds on KASE will be announced additionally.

Ferro-Alloy Resources Limited in association with Tengri Capital MB, carried out an offering of 10,314 shares among private investors tied to scientific-education center "Aspandau". The shares price was fixed within the previously announced price range of the IPO (KZT32,000-KZT37,000 per share) on KASE. The company continues to conduct negotiations with prospective strategic and financial investors with regard to fundraising for modern production of vanadium and field Bala-Sauskandyk in accordance with the strategy announced during the IPO on KASE. Also plans on listing of the Company's shares on the London Stock Exchange are developed.

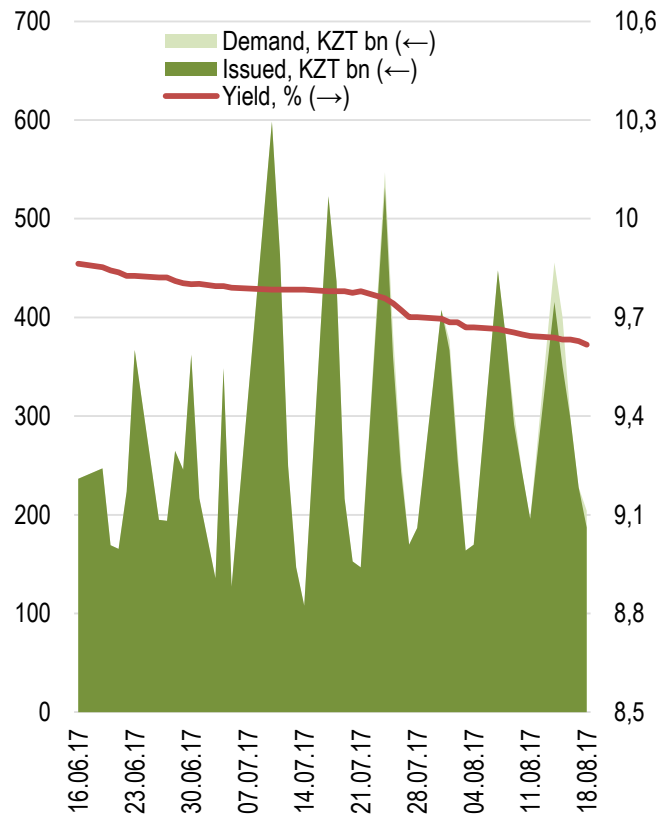


Money market rates remain at the lower limit of the reference rate's percentage corridor without significant changes. The yield in the repo and currency swap segment remains at 9.5 % APR. Trading in new instruments on the auto repo market is opened on KASE from August 14 based on a request submitted by a member of KASE. Kazkommertsbank's preferred shares will be allowed to be used as underlying assets of repo transactions, with repo transaction terms of 1 day to one month.

Inflation and interest rates

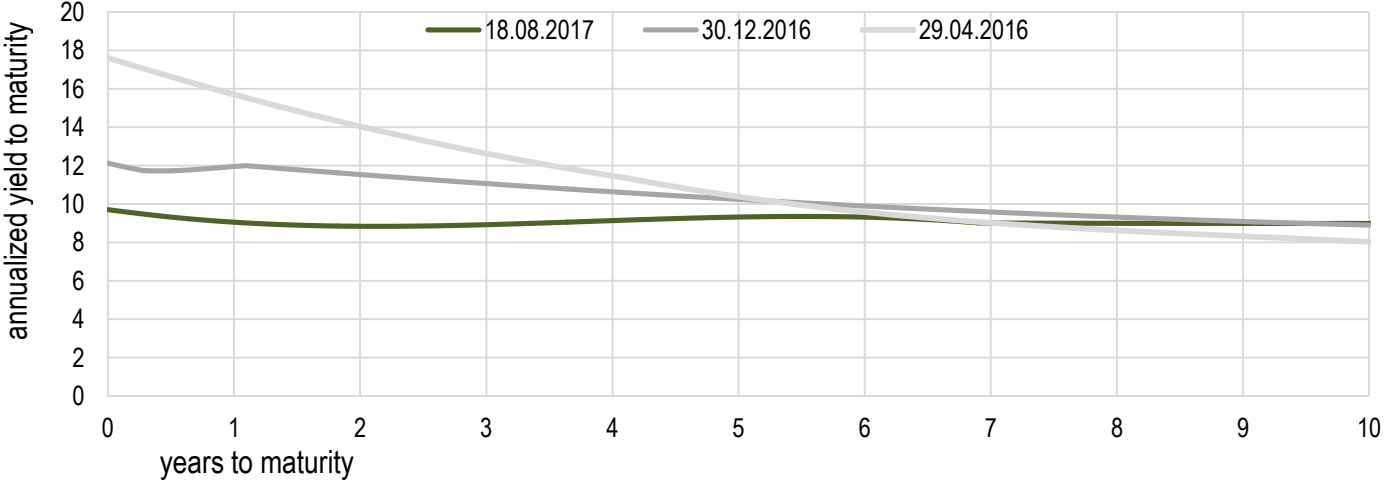


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)

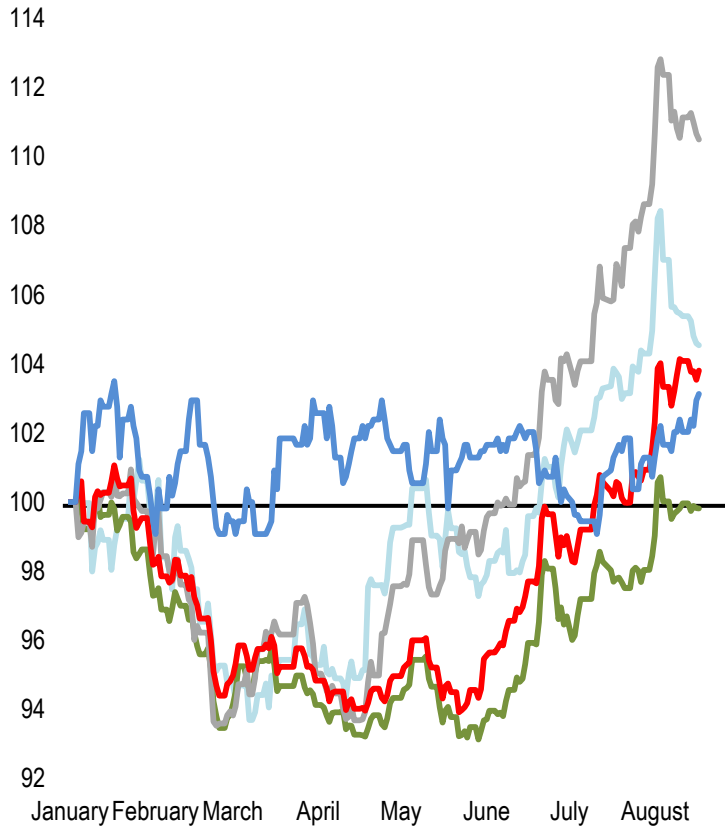




The dollar exchange rate went down by 0.1 % to KZT333.17 over last week. The tenge was rather stable for the most part of the week against the background of the strengthening ruble and oil prices increasing to their 2.5-month high. The black gold prices increased in the light of another reduction in inventories and increased optimism after the OPEC's technical meeting. The meeting's agenda included issues regarding regulation of the Libyan and Nigerian oil production, as well as reasons for incompliance of some countries with the obligation to cut production. Another bit of a boost came in form of the news of Saudi Arabia's readiness to cut oil exports; however on Thursday the black gold price began to decline under the pressure of fresh worries about oil oversupply. These worries emerged after the release of the OPEC monthly report with estimates of the global demand and supply. The ruble exchange rate on KASE went up 0.3 % to KZT5.5421.

FX rates

Δ %, base (01.01.17)

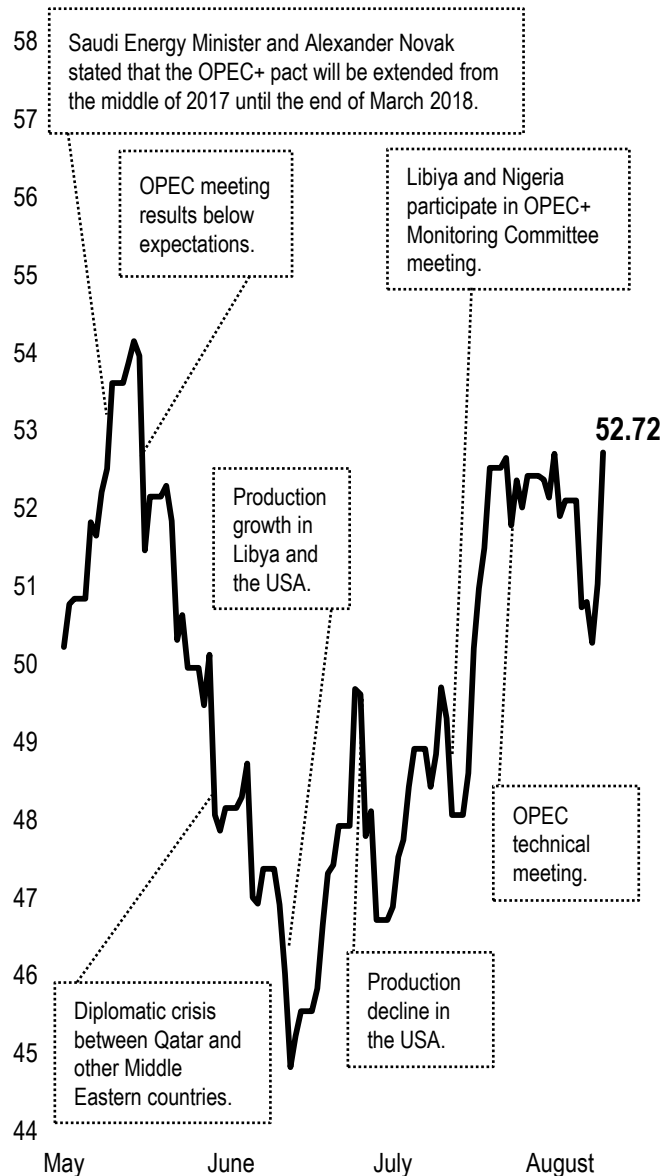


	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	428,39	-0,9	+0,8	+4,5
— USDKZT	332,68	-0,0	+2,1	-0,2
— EURKZT	389,40	-0,3	+3,2	+3,8
— CNYKZT	49,85	-0,3	+3,2	+3,8
— RUBKZT	5,60	+0,7	+1,6	+3,1

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
		7d	1m	1y	
S&P 500	2 425,55	-0,6	-2,0	10,9	-0,5
Dow Jones	21 674,51	-0,8	0,2	16,5	-0,8
RTS	1 027,85	0,5	-1,5	5,4	0,1
MICEX	1 930,71	-0,7	-1,1	-2,0	0,1
Hang Seng	27 047,57	0,6	1,4	17,5	0,7
SS CSI 300	3 724,68	2,1	-0,1	10,7	2,2
Euro Stoxx 50	3 446,03	1,2	-1,5	15,0	1,4
FTSEuroFirst	4 127,50	0,6	-2,5	9,4	0,5
FTSE 100	7 323,98	0,2	-1,4	6,6	0,4
KASE	1 883,61	4,7	6,5	72,9	0,0

Commodities market

18.08.2017

Name	Price	Trend	
		7d	1m
Oil	47,37	-1,6	-9,3
Natural gas	3,04	-0,1	-4,9
Copper	256,40	-3,2	0,8
Iron	426,00	-3,7	-9,9
Gold	1 253,73	-1,0	-0,2
Silver	16,66	-3,3	-1,1
Wheat	1 253,73	-1,0	-0,2

Economic calendar

	Currency	Forecast	Previous
22.08 ZEW Economic Sentiment	EUR	34,2	35,6
23.08 ECB President Draghi Speaks	EUR		
23.08 New Home Sales (Jul)	USD	612K	610K
23.08 Crude Oil Inventories	USD		-8,945M
24.08 Existing Home Sales (Jul)	USD	5,57M	5,52M
24.08 Central Bank reserves (USD)	RUB		419,9B
25.08 Fed Chair Yellen Speaks	USD		

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	7,1 %	01.08.17	8,5 %
Gross international reserves of NBK, USD bn	32 913	01.08.17	29 530
Reserve money, KZT bn	5 459,6	01.08.17	5 162,2
Money supply, KZT bn	19 690,7	01.07.17	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
S&P Global	BBB- negative	10.03.17	BBB- negative
MOODY'S	Baa3 negative	11.05.17	Baa3 negative
FitchRatings	BBB stable	21.04.17	BBB stable

Kazakhstan Stock Exchange JSC

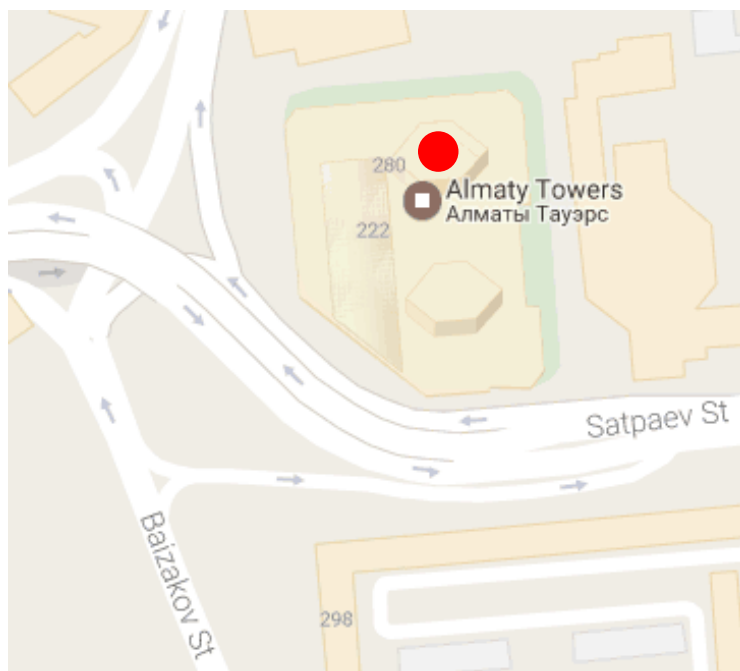


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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the 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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