

KASE WEEKLY

20 - 24 November,
2017

KASE NEWS

- ▲ As of November 20, 2017 revised [Methodology](#) of Kazakhstan Stock Exchange Members Activity Indicators Calculation and [Methodology](#) of Securities Liquidity Indicators Defining were put into effect.
- ▲ On November 22 Kazakhstan Stock Exchange [added](#) to KASE's channel in Telegram – @KASEInfoBot – information on values of exchange market indicators, namely indicators of the shares market, corporate bond market, GS market and money market.

ISSUER NEWS AND ANNOUNCEMENTS

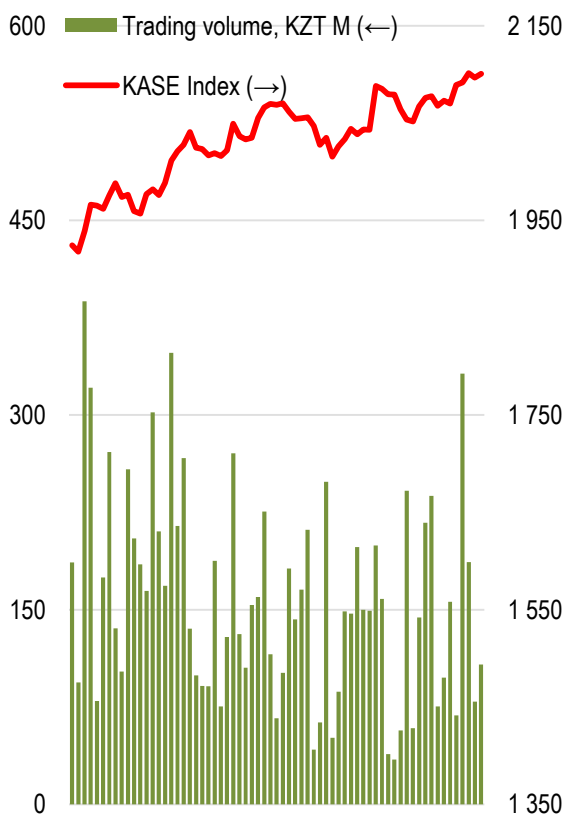
- ▲ On November 20 Halyk Finance" [announced](#) offering 10-year Eurobonds of National Company Kazakhstan Temir Zholy in the amount of \$780 mln with yield to maturity of 4.80% APR.
- ▲ KazTransOil [announced](#) starting pumping Russian oil through Kazakhstan towards Uzbekistan.
- ▲ On November 21 Mega Center Management [provided](#) minutes of an extraordinary general meeting of shareholders dated November 14, 2017, according to which Halyk Savings Bank of Kazakhstan opened a credit facility in the total amount of KZT 9,780 mln.
- ▲ On November 22 ForteBank [announced](#) cancellation of the permit issued to Alliance Bank for setting up a subsidiary, Alliance Finance LLC (Russian Federation) based on a resolution of Management Board of Kazakhstan's National Bank.
- ▲ On November 22 Kcell [announced](#) a decision of the Board of Directors on extending the KZT 42 bn credit facility from Halyk Savings Bank of Kazakhstan until December 02, 2022. The interest rate was reduced from 14.5% to 12.5%.
- ▲ Bank RBK [raised](#) KZT 120.0 bn on November 22 on KASE, having sold 15-year subordinated bonds with yield to maturity of 4.00 % APR.
- ▲ On November 23 Mortgage Organization Kazakhstan Mortgage Company [announced](#) that Fitch Ratings affirmed ratings of the company and its bonds, outlook "Stable".
- ▲ National Managing Holding KazAgro [announced](#) concluding a memorandum on cooperation with the Ministry of National Economy of Republic of Kazakhstan and National Chamber of Entrepreneurs Atameken.

KASE Index rose by 1.5% to 2,100.58 points over the week, nearing the 9-year maximum.

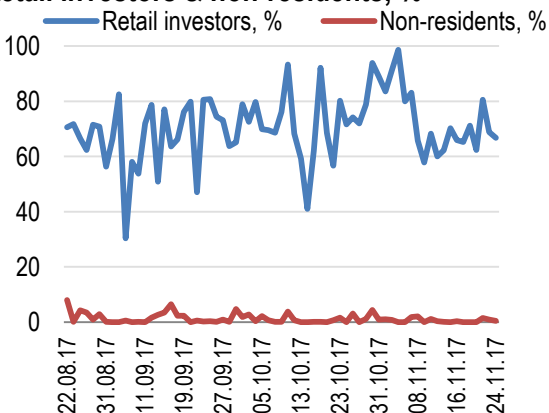
KAZ Minerals stocks were in the lead, appreciating 6.5% to KZT 3,624.70 against the background of oil prices rising by 3% over the week. Positive financial statements propped up Halyk Bank's securities which left the consolidation zone and reached KZT 81.82.

Kcell stocks fell the most: by 2.8% over the week.

KASE Index shares



Retail investors & non-residents, %



24.11.2017

		Trends (%)	
		1,5	3,3
KASE Index	2 100,6		
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
KazMunayGas EP (pref.)	11 900,0	29,5	48,8
KAZ Minerals	3 624,7	6,5	-2,7
Sberbank (Russia)	1 292,7	3,4	14,5
KazMunayGas EP	23 155,3	3,4	18,1
Gazprom (Russia)	761,0	3,1	2,5
Halyk Bank	81,8	2,3	5,3
KazTransOil	1 339,9	0,8	0,6
BAST	56 319,3	0,7	0,0
CenterCredit Bank	200,0	0,2	26,4
Kazakhtelecom	20 600,0	0,0	7,9
KEGOC	1 374,0	-0,4	-3,6
Aktobe Metalware Plant	12 239,3	-0,7	-0,3
Bank of America	8 931,2	-0,8	-4,0
Bank of Astana	1 222,9	-1,4	-0,9
Kazakhtelecom (pref.)	8 700,0	-1,8	16,0
Kcell	1 759,5	-2,8	-3,0
Aeroflot (Russia)	919,2	-6,3	-14,9
QAZKOM (pref.)	97,0	-7,6	-1,6
QAZKOM	140,0	-10,0	-15,6

Among the most significant news items that were released before the market closure on Friday was the review by rating agency S&P of the outlook on KEGOC ratings from "stable" to "positive" following improved financial ratios.

The agency downgraded ratings of KazMunayGas and its subsidiary KazMunaiGas Exploration Production from "BB" to "BB-". The ratings downgrading reflects expectations of S&P analysts regarding the decreased probability of National Company KazMunayGas's receiving support from the government.

The Ministry of Finance raised KZT 32.0 bn on KASE this week, selling three bond issues at 8.9%.

South Kazakhstan regional administration raised KZT 2.3 bn on KASE by issuing 2-year bonds for purposes of financing housing construction under government programs.

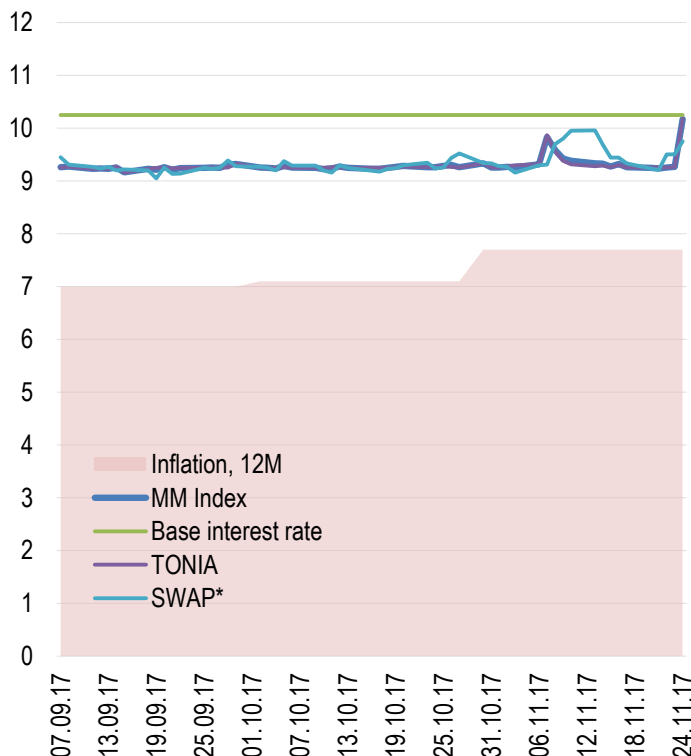
The most interesting offering for business is Faeton Company that sold bonds in the amount of KZT 500 mln at 13.5% for a term of 6.5 years. A non-financial legal entity bought the entire volume of bonds.



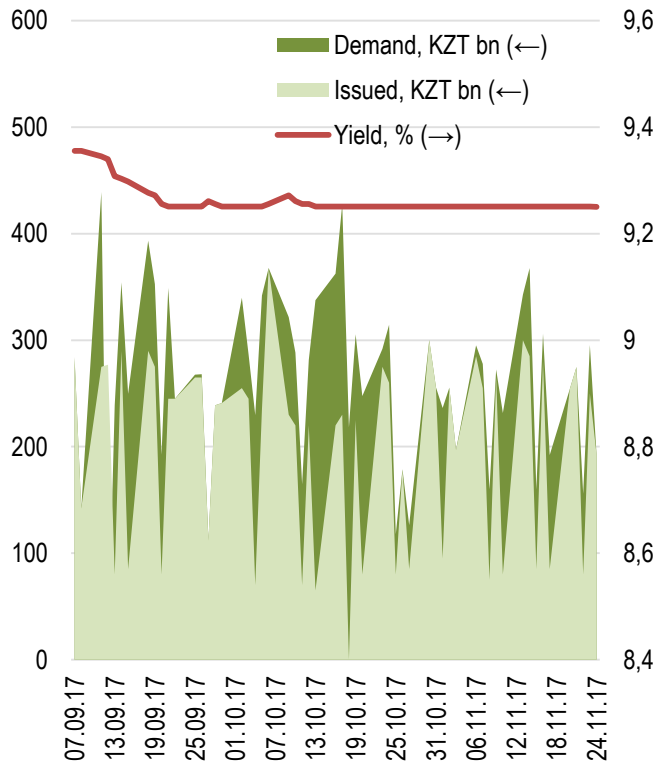
Over the week the yield on currency swaps went up by 88 b.p. to 9.29% p.a. in spite of the strengthening tenge: In the repo segment the yield increased by 92 b.p. to 10.18 % p.a.

The National Bank continued to drain the surplus liquidity off the market, having sold 7 notes issue with various maturities over-the-counter during the week. The yield on the 7-day notes remained at 9.25 % p.a. The offering volume was KZT 858 bn. On 10-day notes the yield remained at 9.25 % with the offering volume of KZT 192 bn. On 28-day notes the rate was as high as 9.39 % p.a. The offering amounted to KZT 209 bn. On 12-month notes the rate was at 8.72 % p.a. with the offering volume of KZT 120.0 bn. The total demand exceeded the supply by 10%, whereas the week before this difference was 29%.

Inflation and interest rates

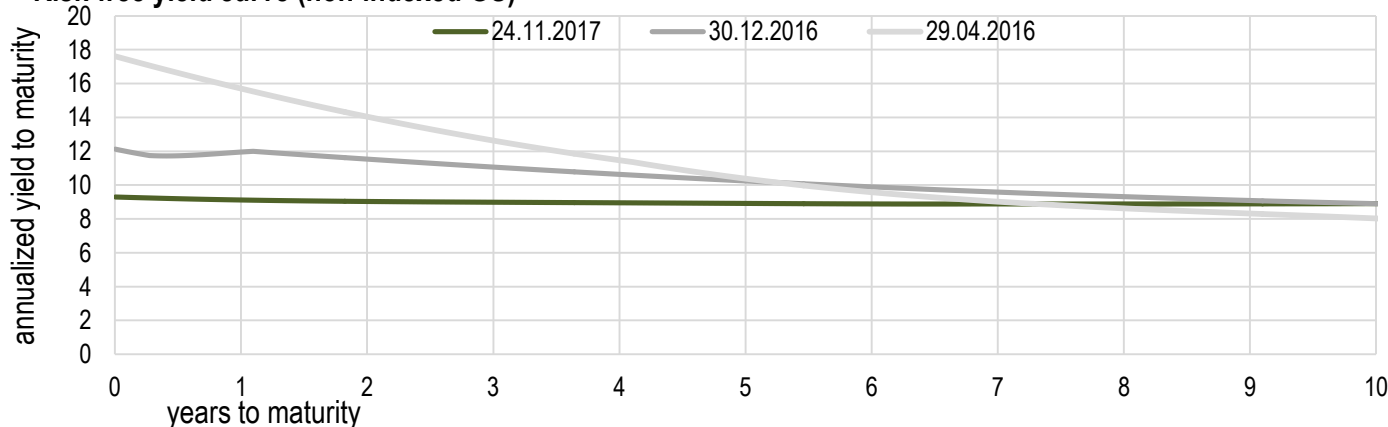


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





The dollar exchange rate went up by 0.6 %, or KZT 1.82, to KZT 330.39 over the week. The trading turnover in 5 days reached USD 775.45 mln, 4% more than the week before. The tenge continued to appreciate for a seventh week in a row against the background of high oil prices and the tax period.

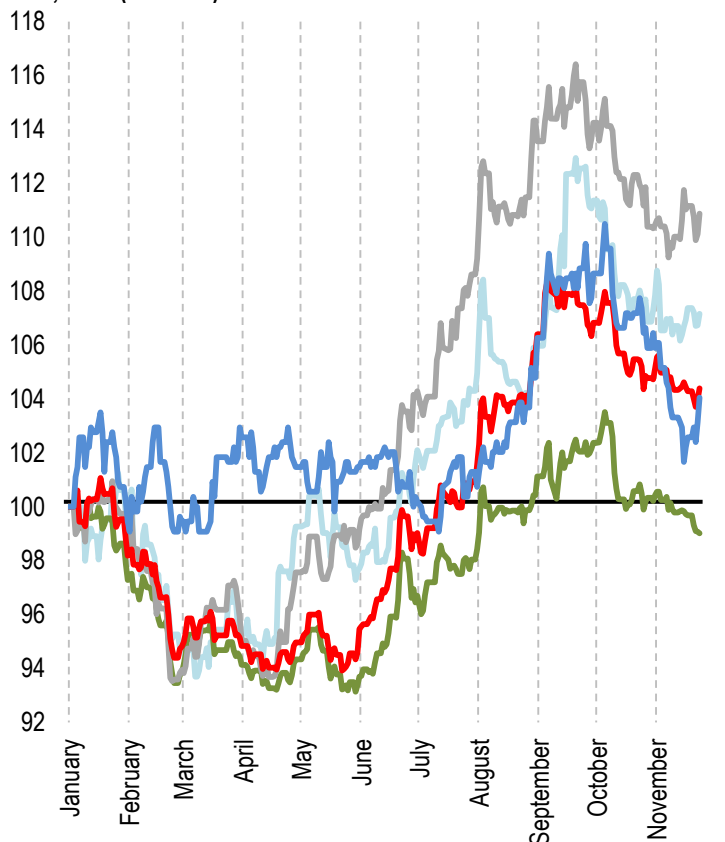
The ruble strengthened by 1.4%, or KZT 0.0807 to KZT 5.6588 over the week. The trade volume amounted to RUR 245.7 mln. The Russian currency is supported by the same factors as the tenge: increasing oil prices and the "tax period" factor.

The European currency decreased by KZT 0.67 to KZT 392.13 over the week with the trade volume of EUR 4.35 mln.

The yuan exchange rate stopped at KZT 50.18.

FX rates

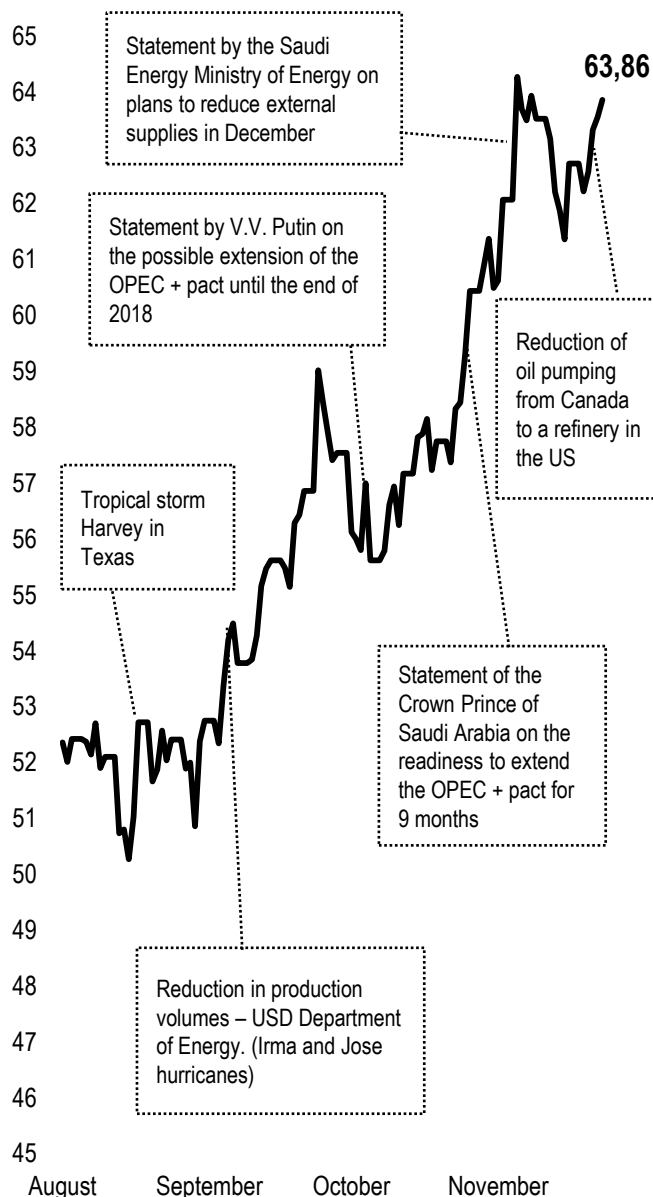
Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	439,13	+0,2	-0,5	+7,2
— USDKZT	330,00	-0,7	-1,5	-1,0
— EURKZT	390,72	-0,1	-0,8	+10,9
— CNYKZT	50,13	-0,0	-0,8	+4,4
— RUBKZT	5,65	+1,8	-3,1	+4,1







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	2 602,42	0,9	1,8	18,0	1,0
Dow Jones	23 557,99	0,9	1,0	23,4	0,9
 RTS	1 166,09	3,0	4,3	13,3	2,5
MICEX	2 161,17	1,4	5,4	2,8	2,5
 Hang Seng	29 866,32	2,3	5,5	32,1	2,5
SS CSI 300	4 104,20	-0,4	3,2	17,6	-0,1
 Euro Stoxx 50	3 581,23	1,0	-0,3	17,8	1,0
FTSEuroFirst	4 286,00	0,8	0,2	11,6	0,8
 FTSE 100	7 409,64	0,4	-0,5	8,5	0,5
 KASE	2 100,58	1,5	3,3	55,4	0,0

Commodities market

24.11.2017

Name	Price	Trend %	
		7d	1m
Oil	63,86	1,8	9,3
	58,95	4,2	13,0
Natural gas	2,81	-9,2	-3,6
Copper	316,90	3,3	-0,4
Iron	497,50	4,6	3,2
Gold	1 288,37	-0,3	0,8
Silver	16,99	-2,2	0,4
Wheat	415,75	-2,7	-4,5

Economic calendar

		Currency	Forecast	Previous
27.11	New Home Sales (Oct)	USD	625K	667K
28.11	CB Consumer Confidence (Nov)	USD	124,0	125,9
29.11	GDP (QoQ) (Q3)	USD	3,2%	3,0%
29.11	Fed Chair Yellen Testifies	USD		
29.11	Crude Oil Inventories	USD	-1,545M	-1,855M
30.11	Manufacturing PMI (Nov)	CNY	51,5	51,6
30.11	CPI (YoY) (Nov)	EUR	1,6%	1,4%

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	7,7 %	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	19 825,6	01.11.17	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;
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