

# KASE WEEKLY

30 October-  
03 November, 2017

## KASE NEWS

- ▲ As of November 01, 2017 Bank CenterCredit was [removed](#) from KASE index universe. The decision was taken by the Committee on Indexes and Securities Valuation of Kazakhstan Stock Exchange JSC (KASE) dated October 31, 2017 due to incompliance of Bank CenterCredit's shares with liquidity requirements and it doesn't reflect the bank's financial standing.
- ▲ On November 08, 2017 KASE will [conduct](#) a training program on "Stock Market Essentials" for employees of financial and legal units of businesses.

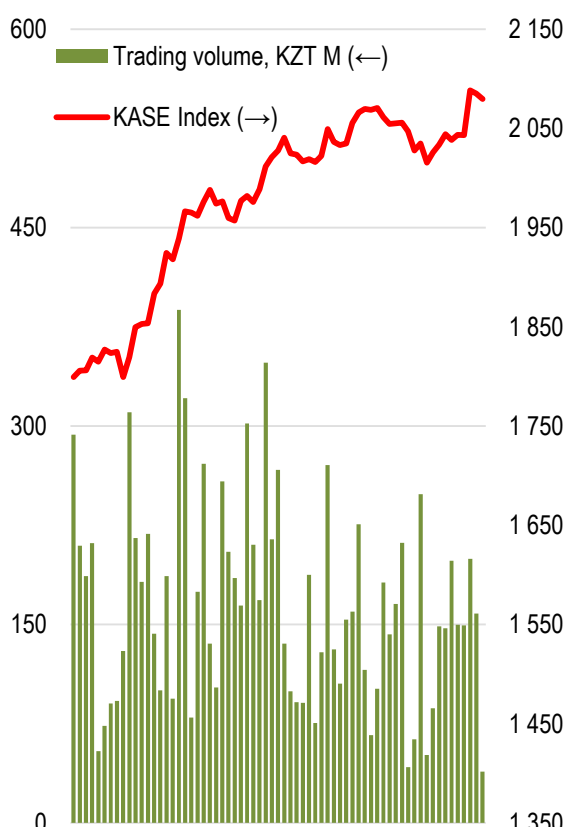
## ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Caspiy Neft [announces](#) concluding a major deal involving sale of 18,000 tons of crude oil in the amount of KZT 756.1 mln to Petroleum Operating LLP.
- ▲ Kazakhtelecom [announces](#) that Standard & Poor's upgraded the company's credit rating to "BB+", outlook "Stable".
- ▲ FTSE Russell [assigned](#) the Frontier market status to Kazakhstan according to FTSE country classification.
- ▲ LOGYCOM following a [decision](#) of its Board of Directors provided full solidary guarantee on obligations of VS Trade LLP towards SB Sberbank.
- ▲ Halyk Finance [announces](#) a decision of its sole shareholder on conclusion of an agreement on cooperation on the securities market with Altyn Bank, a subsidiary of Halyk Bank of Kazakhstan.
- ▲ On November 01 Halyk Finance [announced](#) conducting a presentation on November 06 for prospective Kazakh investors as part of possible issue of Eurobonds by NC Kazakhstan Temir Zholy.
- ▲ On November 01 Kaspi Bank [announced](#) that Moody's Investors Service affirmed the bank's long-term rating at "B1", review of the outlook from "Negative" to "Positive" and upgrading of the rating on the national scale to "Baa2.kz".
- ▲ On November 02 Kcell [announced](#) that Fitch Ratings assigned to the company a long-term issuer default rating at "BB" and national long-term rating at "A(kaz)", outlook "Stable".
- ▲ On November 03, 2017 in accordance with a resolution of the Management Board of the National Bank of Republic of Kazakhstan, Delta Bank was [stripped off](#) the license banking and other transactions and activities on the securities market.
- ▲ On November 03 Bank CenterCredit [raised](#) KZT 60.0 bn on KASE, selling 15-year subordinated bonds with YTM of 4.00 % p.a. under the Program of strengthening the banking sector's financial stability

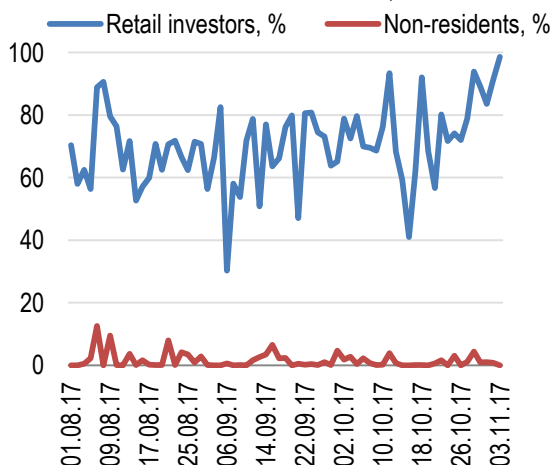
KASE Index grew by 1.87% to 2,079.62 points over the week.

Kazakhtelecom were in the lead, rising by 10.18% to KZT 21,100.44 following an upgrade from Standard & Poor's. The upgrading was caused by strong financial results of the company: growth of revenues and profitability over nine months of 2017 exceeds expectations of the agency analysts.

### KASE Index shares



### Retail investors & non-residents, %



03.11.2017

		Trends (%)	
		2,0	2,2
<b>KASE Index</b>	2 079,6		
<b>First class of liquidity</b>	<b>Price, KZT</b>	<b>Δ 7d</b>	<b>Δ 1m</b>
CenterCredit Bank	190,0	19,8	17,5
Kazakhtelecom (pref.)	8 641,7	13,7	17,6
<b>Kazakhtelecom</b>	21 100,4	10,2	13,4
<b>KazMunayGas EP</b>	20 850,0	5,6	1,7
QAZKOM	167,0	3,1	7,1
QAZKOM (pref.)	104,6	3,0	-3,9
<b>Halyk Bank</b>	79,7	2,4	3,6
BAST	57 399,0	2,1	4,4
Bank of America	9 447,0	1,2	4,0
Gazprom (Russia)	736,0	1,0	3,8
<b>KazTransOil</b>	1 330,9	0,4	0,7
Aktobe Metalware Plant	12 289,8	0,3	-1,3
Bank of Astana	1 222,1	0,1	5,0
KazMunayGas EP (pref.)	8 100,0	0,0	10,1
<b>Kcell</b>	1 830,0	-0,8	-1,9
Sberbank (Russia)	1 118,2	-0,9	-1,8
<b>KAZ Minerals</b>	3 650,0	-1,1	0,1
<b>KEGOC</b>	1 392,0	-2,3	-0,7
Aeroflot (Russia)	951,1	-10,5	-13,5

KazMunaiGas Exploration Production contributed significantly to the index growth, appreciating 5.57% to KZT 20,850 over the week. The shares recovered after the decrease that began in early September, however the security is increasing on insignificant volumes.

KEGOC stocks fell the most: by 2.32% to KZT 1,392 per share. The price decrease occurred ahead of the record date (November 06, 2017). KEGOC shareholders will receive dividends for H1 2017 in the amount of KZT 12.6 bn, or KZT 48.4 per ordinary share.

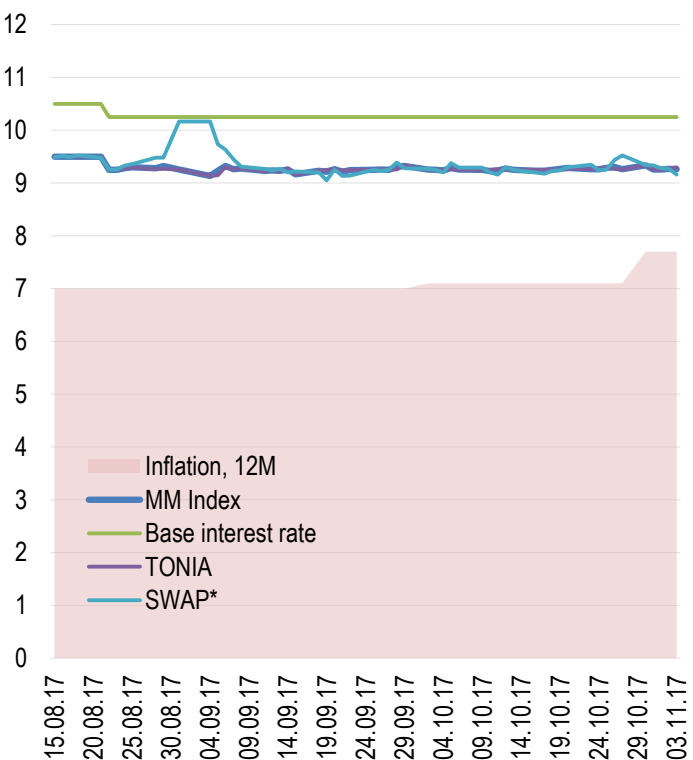
On October 30, 2017 Kazakhstan's Ministry of Finance [raised](#) KZT 6.6 bn on KASE, having sold MEUKAM-180 of the fourth issue with YTM of 8.90% p.a. The current maturity is 8.8 years (3,168 days).



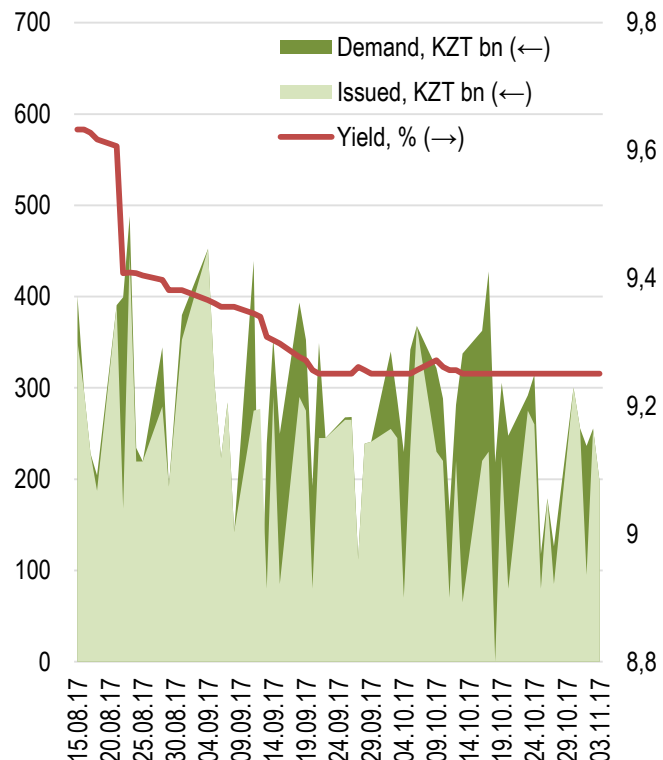
The yield on currency swap transactions went down by 54 b.p. to 8.89% p.a. In the repo segment the yield rose by 4 b.p. to 9.30 % p.a.

The National Bank continued draining the surplus liquidity from the market, selling 7 note issuances with various maturities over-the-counter. On 7-day notes the yield was 9.25 % p.a. with the offering volume of KZT 1,103.0 bn. On 28-day notes the yield made 9.36 % p.a. with the offering volume of KZT 162 bn. On 12-month notes the rate was at 8.72 % p.a. with the offering volume of KZT 60 bn. The total bid exceeded the ask by only 12%, whereas the excess was 13% last week.

**Inflation and interest rates**

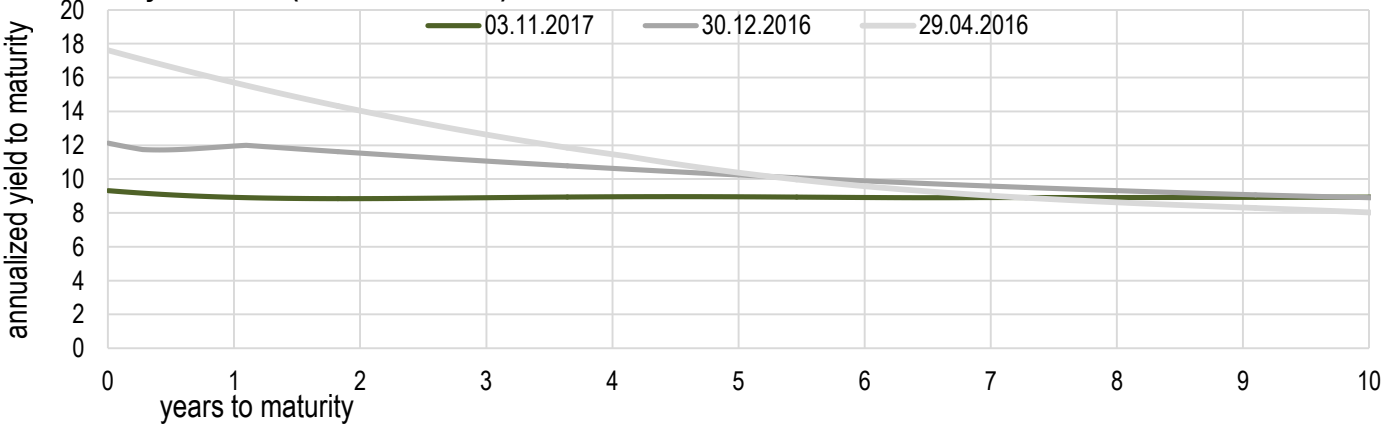


**Issuance of weekly NBK notes**



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

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





The dollar exchange rate decreased by KZT 0.30 to KZT 334.10 over the week. High oil prices were positive factor for the tenge exchange rate, with barrel trading above 60 dollars the whole week. Players came up with expectations that at the OPEC+ meeting late in November the oil producers will extend the production freeze treaty until the end of next year.

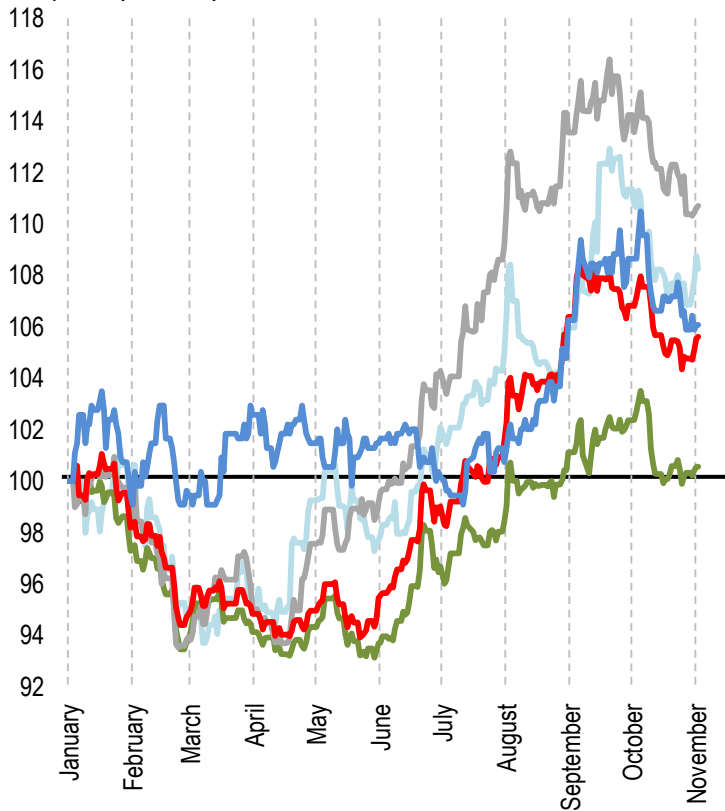
The ruble weakened against the tenge by 5 tiyin to KZT 5.7279 over the week. Last Friday Russia's Central Bank, as expected, reduced the key rate from 8.5% to 8.25% p.a., and that reduction became a fifth one since the beginning of the year.

The euro exchange rate rose by KZT 0.9 to KZT390.0 over the week. The European currency's exchange rate slightly recovered since the ECB meeting last week.

The yuan exchange went up 26 tiyin to KZT 50.53 over the week.

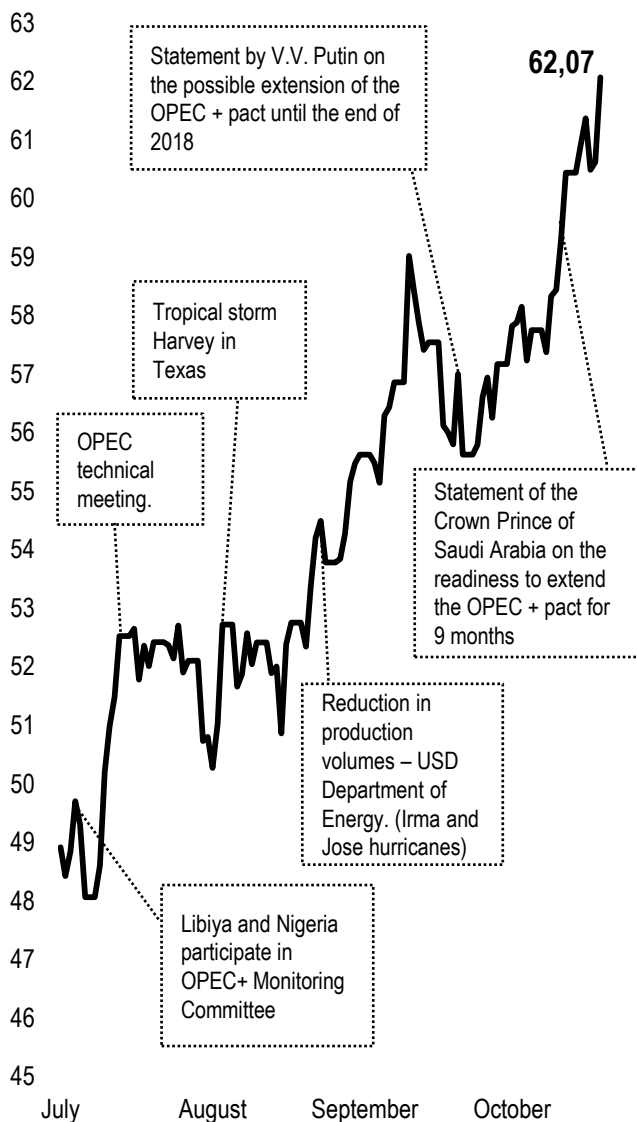
**FX rates**

Δ %, base (01.01.17)









	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	443,6	+0,5	-2,2	+8,3
— USDKZT	335,15	+0,4	-2,1	+0,6
— EURKZT	390,15	-1,0	-2,9	+10,7
— CNYKZT	50,72	+0,7	-1,4	+5,6
— RUBKZT	5,76	-0,5	-2,4	+6,1

**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	2 587,84	0,3	2,0	23,9	0,2
Dow Jones	23 539,19	0,4	3,9	31,3	0,3
 RTS	1 109,38	-0,8	-2,4	14,2	-1,0
MICEX	2 081,15	0,6	0,2	6,0	-1,0
 Hang Seng	28 603,61	0,6	0,8	26,1	0,5
SS CSI 300	3 992,70	-0,7	4,1	18,7	-1,3
 Euro Stoxx 50	3 689,96	1,0	2,6	24,1	1,0
FTSEuroFirst	4 383,50	0,7	2,2	18,0	0,8
 FTSE 100	7 560,35	0,7	1,2	11,3	0,7
 KASE	2 079,62	2,0	2,2	61,7	0,0

## Commodities market

03.11.2017

Name	Price	Trend %	
		7d	1m
Oil	62,07	2,7	11,2
	55,64	3,2	11,3
Natural gas	2,98	8,4	1,5
Copper	311,75	0,5	5,4
Iron	460,00	-1,4	-3,0
Gold	1 269,91	-0,3	-0,4
Silver	16,83	0,5	1,3
Wheat	425,75	-0,4	-3,7

## Economic calendar

		Currency	Forecast	Previous
07.11	ECB President Draghi Speaks	EUR		
07.11	JOLTs Job Openings (Sep)	USD	5,980M	6,082M
07.11	Fed Chair Yellen Speaks	USD		
07.11	CPI (YoY)	RUB	2,8%	3,0%
08.11	Crude Oil Inventories	USD		-2,435M
09.11	Central Bank reserves (USD)	RUB		425,5B
09.11	CPI (YoY) (Oct)	CNY	1,8%	1,6%

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	32 548	01.10.17	29 530
Reserve money, KZT bn	6 068,0	01.10.17	5 162,2
Money supply, KZT bn	20 508,5	01.10.17	19 912,6

## Kazakhstan credit ratings

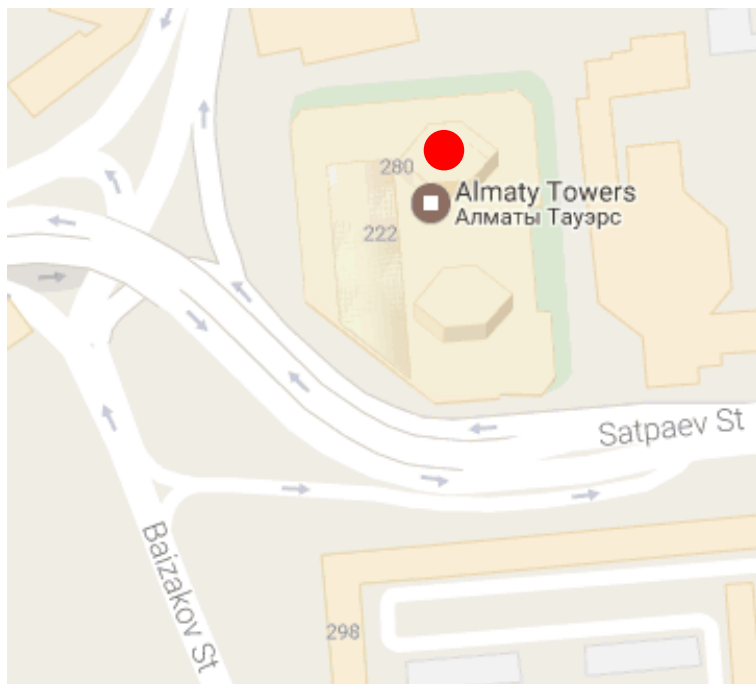
	Rating	Date	Previous
	BBB- stable	08.09.17	BBB- negative
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	BBB stable

# CONTACT INFORMATION



**Address:** Republic of Kazakhstan, 050040, Almaty, Baizakov St., 280, Business Center "Almaty Towers"

**Tel.:** 8 (727) 237 53 00



**Corporate website**



**Contact us**

The information contained therein was gathered by the employees of Kazakhstan Stock Exchange JSC (KASE). KASE does not guarantee the completeness and accuracy of the information contained in this report, as well as its reliability. Neither KASE, nor any of the employees are liable for any direct or indirect loss (damage) arising from the use of this report or information / analysis presented therein. KASE does not assume any responsibility to update this report on a regular basis or notify of all changes that have occurred.

KASE draws investors' attention to the following factors:

1. return on investment in financial instruments depends on a variety of market and non-market factors. In particular, the actual income of an investor may change depending on the fluctuations in interest rates, changes in taxation, FX movements, changes in quotations of securities, market indexes, changes in production and financial performance of companies, and other factors;
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.

KASE reserves all rights for the report. This analytical material can be copied and/or distributed in full or in part upon written permission of KASE