

KASE WEEKLY

09 – 13 April,
2018

KASE NEWS

- ▲ KASE Startup platform is [launched](#) on KASE on 09 April.
- ▲ KASE and Moscow Exchange [signed](#) strategic cooperation agreement.
- ▲ New internal document of KASE "Methodology for calculation of the weighted average yield rate of non-marketable debt securities and for determining their fair value" [became](#) effective as of April 12, 2018.
- ▲ KASE [determined](#) representative list for KASE Index calculation as of May 01, 2018.

ISSUER NEWS AND ANNOUNCEMENTS

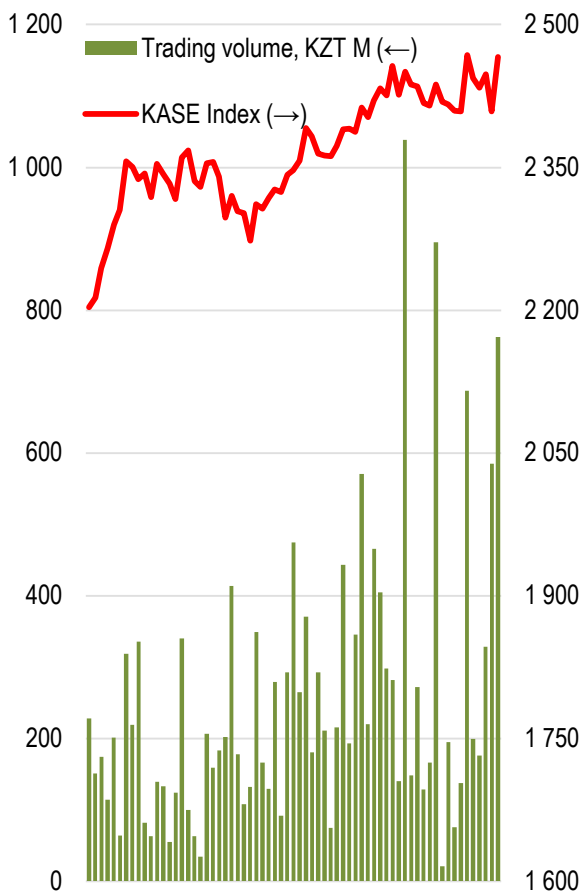
- ▲ Bank RBK [announced](#) Board of Directors' decision on the buyback of 748.1 million subordinated bonds (INBNb2) at face value with account of accumulated interest.
- ▲ Development Bank of Kazakhstan [announced](#) Board of Directors' decision to issue bonds for the amount of KZT 43.5 bn.
- ▲ KazAzot [announced](#) obtaining permit for primary issue of securities.
- ▲ AK Altynalmas [announced](#) payout of dividends on preferred shares for Q1, 2018.
- ▲ Schedule of Kazakhstan's Ministry of Finance securities issues in 2018 is [released](#).
- ▲ Kazkommerts Securities [held](#) roadshow on April 10, 2018 for potential Kazakhstani investors as part of possible issue of tenge-denominated Eurobonds of the Eurasian Development Bank.
- ▲ Bank of Astana [announced](#) that Fitch Ratings had downgraded and withdrawn the bank's ratings; outlook "Stable".
- ▲ Altyn Bank (Subsidiary Bank of Halyk Savings Bank of Kazakhstan) [announced](#) that China CITIC Bank Corporation Limited gave consent for acquiring bank holding status and for acquisition of the bank's subsidiary.
- ▲ KazMunaiGas Exploration Production [announced](#) proposed delisting of global depositary receipts (RDGZd) and common shares (RDGZ) from KASE official list and cancellation of admission of GDR to trading on London Stock Exchange.
- ▲ KazAzot [announced](#) the results of public hearings on the EIA section to the project "Modernization of CFP (compound fertilizers production) shop with the construction of individual units".



KASE Index dropped 0.07% to 2,466.18 points over the week.

Whole week stocks in the index were mainly declining. The turning point like last week occurred on Friday. Most trading volume was done exactly on Friday with the trading volume of KZT 762 mln on index securities, which is the third highest result since the beginning of this year.

KASE Index shares



13.04.2018

		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 466,2	-0,1	1,3
First class of liquidity	Price, KZT		
KAZ Minerals	4 121,0	5,7	0,7
Bank of America	10 200,0	4,2	-2,5
Kazakhtelecom (pref.)	11 550,0	1,9	17,6
Kazakhtelecom	28 500,0	1,7	11,8
BAST	54 005,5	0,8	-2,0
Kcell	1 670,0	0,2	1,4
KEGOC	1 452,6	0,2	3,8
KazMunayGas EP	26 869,9	0,1	-0,5
Aktobe Metalware Plant	11 210,4	0,0	3,8
KazTransOil	1 575,0	-0,1	-0,1
QAZKOM	113,0	-0,9	3,7
Bank of Astana	1 185,0	-3,6	-0,2
Gazprom (Russia)	752,0	-4,4	-7,2
Halyk Bank	108,0	-4,6	-4,0
CenterCredit Bank	273,3	-5,8	-12,7
Aeroflot (Russia)	830,0	-5,8	-9,4
Bank VTB (Russia)	0,3	-10,0	-12,9
Sberbank (Russia)	1 170,0	-20,6	-25,4
KazMunayGas EP (pref.)	8 707,0	-25,6	-30,8

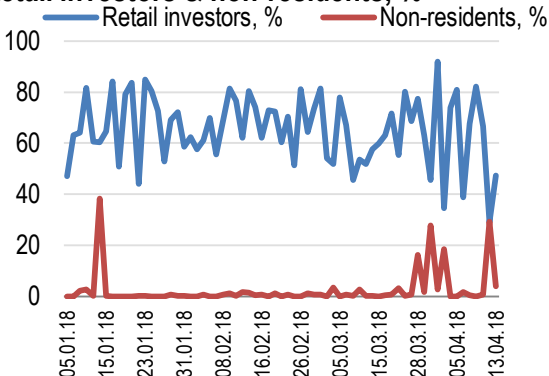
Note: Index stocks are highlighted in green

Shares of KAZ Minerals showed the most growth having increased 5.73% to KZT 4,121.00. The reason for the growth was the recovery of copper prices and weakening of the national currency. I would like to add that the company is export-oriented, i.e. it receives profits in foreign currency and spends mostly in tenge. Therefore, depreciation of tenge has a positive effect on the copper company's stock prices.

The banking sector stocks have shown the worst dynamics. Bank CenterCredit's equity instruments dropped 5.76%, Halyk Bank shares fell 4.56%, stocks of Bank of Astana were down 3.58%.

KazTransOil's Board of Directors recommended to the General Meeting of shareholders to use all net profit of KZT 50.1 bn for 2017 for payout of dividends. Also, the Board of Directors recommended using KZT11.4 bn from retained earnings of previous years for paying dividends. Thus, the total recommended amount of dividends comes to KZT61.54 bn. The dividend will amount to KZT 160 per one common share of KazTransOil.

Retail investors & non-residents, %

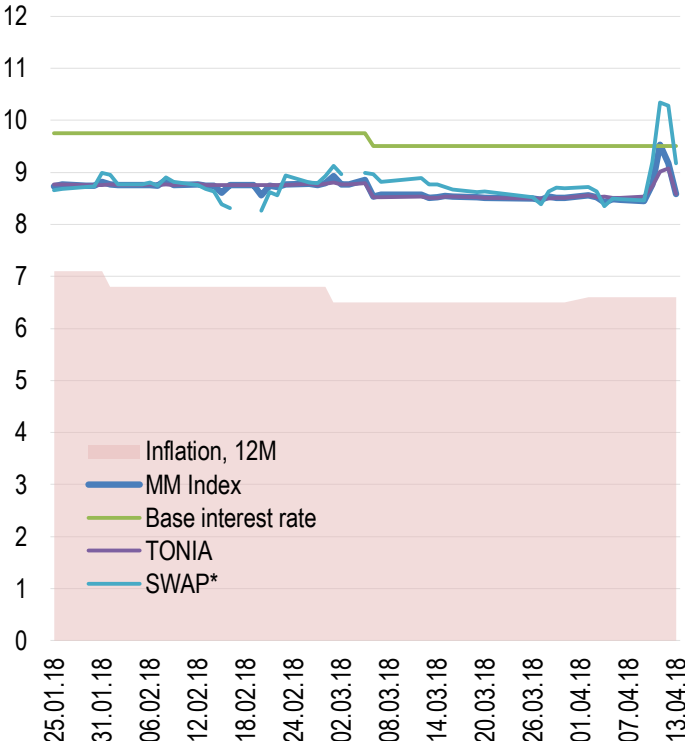




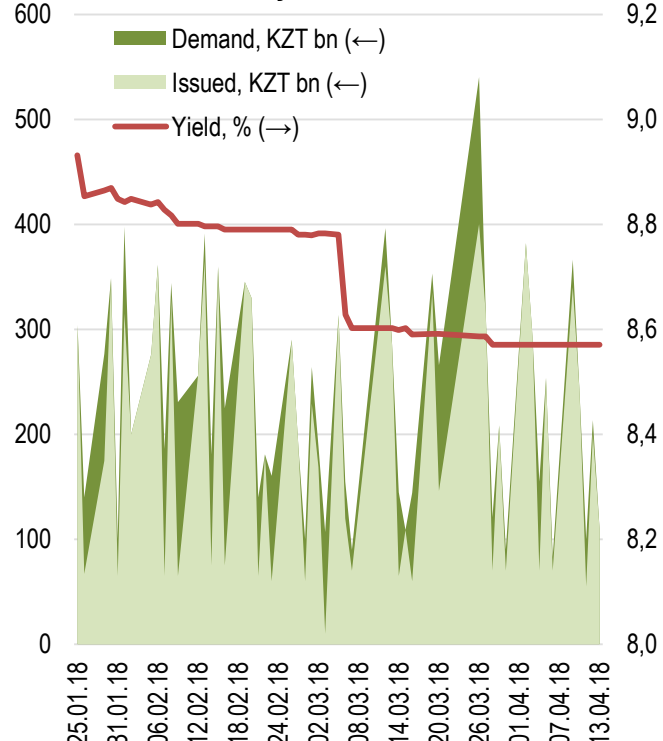
Amid sharp fluctuations on the foreign exchange market, we have seen increased volatility in interest rates on swaps, which added 54 basis points to reach 8.56% compared to the previous week. I would like to note that the maximum values of the yield of swaps reached 11.5% APR i.e. the level at which the National Bank provides liquidity. Despite sharp rise in profitability, volumes of swaps were close to their average values. The yield of one-day repo transactions with government securities added 8 basis points to reach 8.58%.

The National Bank has placed six issues of notes with the total volume of KZT 1,222.0 bn over-the-counter. The yield on five issues of 7-day notes with the total offering volume of KZT946.3 bn was 8.57% APR. The yield on the 29-day notes was 8.64% APR. The total demand for notes exceeded supply by 9% and came to KZT 1,801.3 bn.

Inflation and interest rates

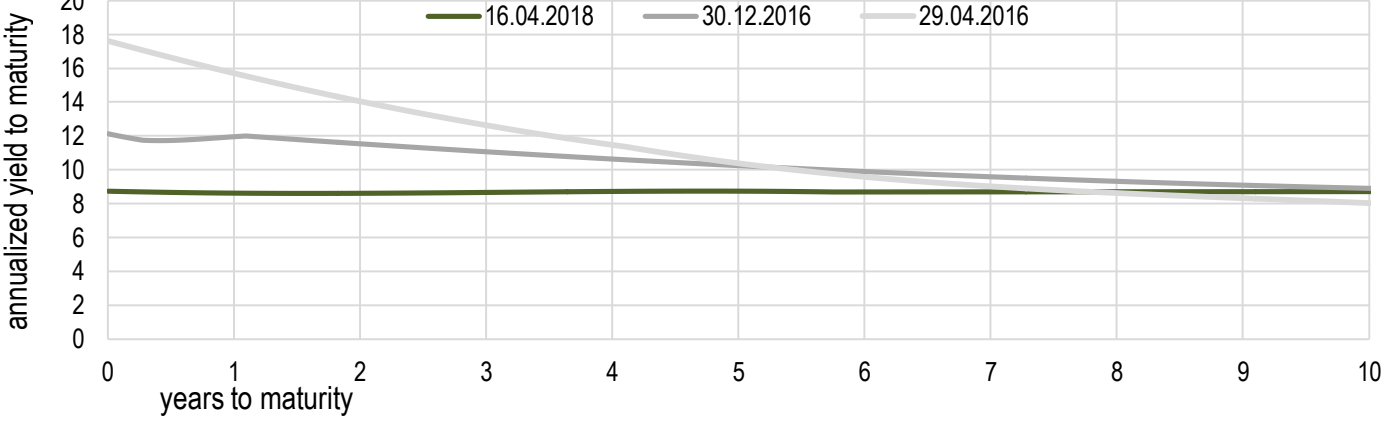


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





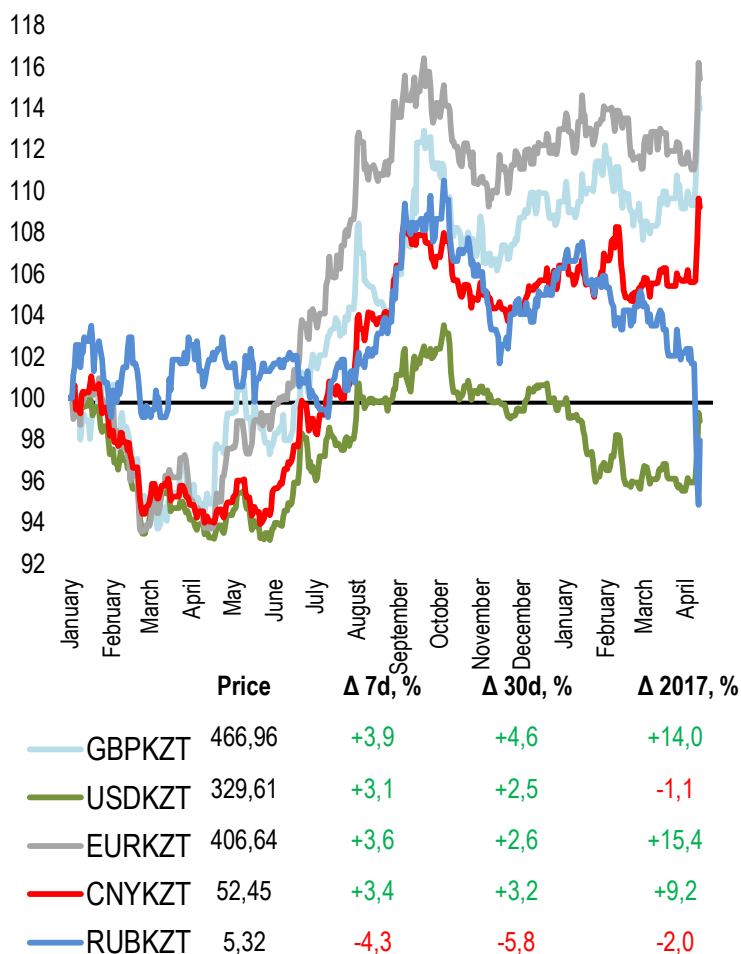
Weighted average US dollar exchange rate increased 2.4% or KZT 7.63 to KZT 327.29 over the week. Trading volume reached USD 2,046.5 mln. FX market activity was the greatest since late October 2016. Increased trading volume was accompanied by the depreciation of the national currency, which, in its turn, was spurred by the weakening Russian ruble. Devaluation of ruble was caused by the new US sanctions. On Wednesday, Russian currency fell from RUB 58 to RUB 65 per dollar at the peak. By the closing of trades on KASE on Friday the exchange rate was RUB 61.5 per dollar. Yet, rising oil prices to three-year highs were not envisaged by the FX participants as the sanctions were the most topical issue. It should be noted that the rise of oil prices above 72 dollars per barrel was caused by heightened geopolitical tensions around the situation in the Middle East. Market players have fears about sufficient supply of crude hydrocarbons due to military actions.

Russian currency looked quite weaker than tenge as the exchange of ruble fell by KZT 0.2407 to KZT 5.3058 over the week at the total trading volume of RUB 400.4 mln.

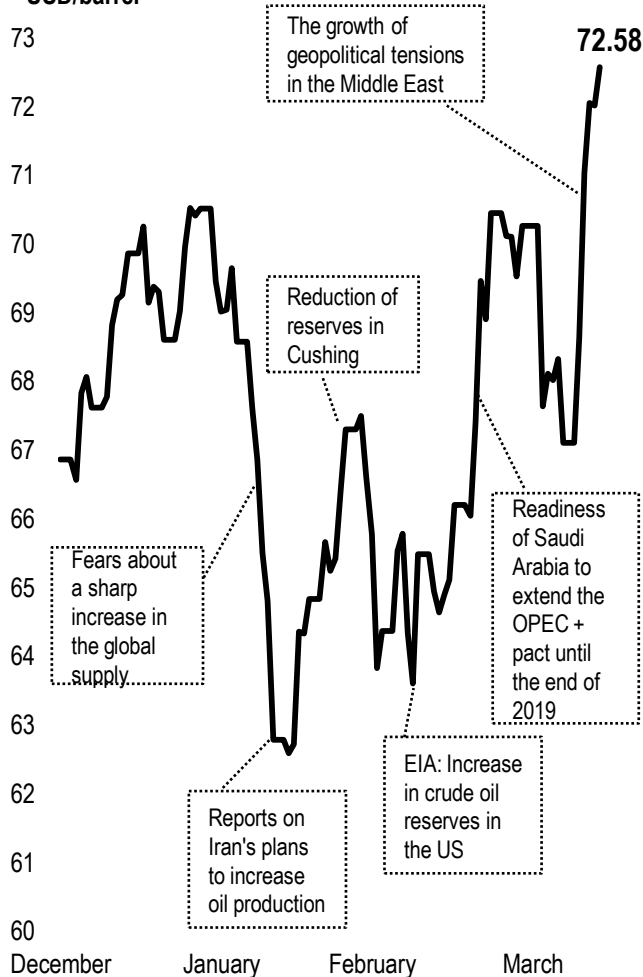
Trades with the euro were conducted only three working days, following which the European currency rate increased by KZT11.31 and stopped at KZT403.70 with a trading volume of EUR1.05 million.

The renminbi rate increased by 1,069 tenge, having stopped at the level of 52.1000 tenge with the volume of transactions of 5.0 million yuan

FX rates
Δ %, base (01.01.17)









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	2 656,30	2,0	-3,4	14,1	2,0
Dow Jones	24 360,14	1,8	-1,6	19,1	1,7
 RTS	1 104,51	-10,7	-11,7	1,4	-10,3
MICEX	2 285,53	0,0	0,5	17,5	-10,3
 Hang Seng	30 808,38	3,2	-2,0	27,0	3,5
SS CSI 300	3 871,14	0,4	-5,0	10,1	0,5
 Euro Stoxx 50	3 448,00	1,2	1,7	0,0	1,4
FTSEuroFirst	4 148,50	1,7	1,0	-0,6	1,4
 FTSE 100	7 264,56	1,1	1,8	-0,9	1,4
 KASE	2 466,18	-0,1	1,3	60,8	

Commodities market

13.04.2018

Name	Price	Trend %	
		7d	1m
Oil	72,58	8,2	11,9
	67,39	8,6	10,5
Natural gas	2,74	1,3	0,1
Copper	307,10	0,4	-2,2
Iron	487,00	0,0	-7,9
Gold	1 346,20	1,0	1,6
Silver	16,66	1,8	1,2
Wheat	472,50	0,1	-4,7

Economic calendar

		Currency	Forecast	Previous
16.04	Retail Sales (MoM) (Mar)	USD	0.4%	-0.1%
17.04	GDP (YoY) (Q1)	CNY	6.8%	6.8%
17.04	Building Permits (Mar)	USD	1.330M	1.321M
18.04	CPI (YoY) (Mar)	EUR	1.4%	1.4%
18.04	Crude Oil Inventories	USD	-0.189M	3.306M
19.04	EU Finance Ministers Meeting	EUR		
19.04	Central Bank reserves (USD)	RUB		458.9B

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	6,6 %	01.04.18	8,5 %
Gross international reserves of NBK, USD bn	31 080	01.04.18	29 530
Reserve money, KZT bn	4 565,7	01.04.18	5 162,2
Money supply, KZT bn	18 692,8	01.03.18	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
	BBB- stable	12.03.18	BBB- stable
	Baa3 stable	26.07.17	Baa3 negative
	BBB stable	20.10.17	BBB stable

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Corporate Events Calendar of KASE listed Companies

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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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