KASE WEEKLY

22 – 26 October, 2018

KASE NEWS

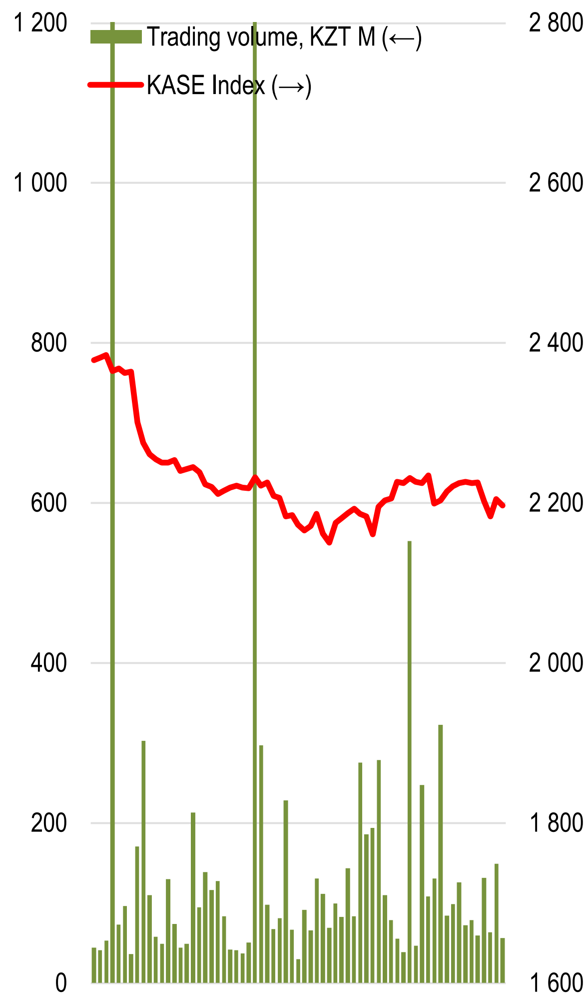
- Announcement: KASE to hold a competition among retail investors of the stock market from November 1 to December 14, 2018.
- Online project "KASE: History in Persons": interviews with Alexey Kuprin and Saduakas Mameshtegi have been published.
- KASE to hold Kazakhstan Exchange Forum on November 16. Kazakhstan Exchange Forum will become the central discussion platform for the stock market and the Central Asian region, where the issues of financing the economy using stock market instruments, stock infrastructure development and promotion of the exchange-traded instruments would be discussed.

ISSUER NEWS AND ANNOUNCEMENTS

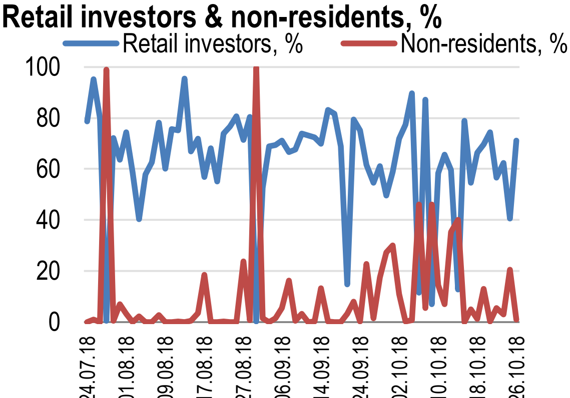
- Kaspi Bank raised KZT4.0 bn on KASE on October 24 and 25 in aggregate selling bonds (CSBNb17) at 11.50 % APR.
- Kaspi.kz bought back 1 mln ordinary shares (KSPI) at the price of KZT4,750.00 per share on KASE on October 24.
- Kaspi Bank said that Moody's Investors Service had upgraded its rating; outlook "Stable" .
- Kazakhtelecom said that Standard & Poor's affirmed ratings of the company at "BB+" and upgraded its national scale rating to "kzAA", outlook "Stable".
- Review report on the consolidated financial statements of Bank CenterCredit for January-June 2018 has been published.
- Financial statements of Aktobe Oil Equipment Plant for January-September 2018 have been published.
- Financial statements of Freedom Finance for January-September 2018 have been published.

KASE Index closed the week in the red zone dropping 1.26 % to 2,196.93 points. Five of seven share titles included in the Index closed in the red.

KASE Index shares



Retail investors & non-residents, %



26.10.2018		Trends (%)	
KASE Index	2 196,9	-1,3	0,6
First class of liquidity	Price, KZT	Δ 7d	Δ 1m
Kazakhtelecom	29 300,0	1,0	-3,6
KazMunayGas EP (pref.)	12 650,0	0,4	-0,3
KEGOC	1 547,2	0,2	5,1
BAST	39 340,4	-0,4	-7,9
Kazakhtelecom (pref.)	12 500,0	-0,8	-2,7
Gazprom (Russia)	872,7	-1,1	7,0
KazTransOil	1 315,6	-1,2	0,5
CenterCredit Bank	246,1	-1,6	-5,6
Sberbank (Russia)	1 033,3	-1,7	-2,8
Halyk Bank	105,0	-1,9	12,9
Kcell	1 651,0	-2,2	0,6
Bank of America	9 985,5	-3,4	-10,4
KAZ Minerals	2 300,0	-4,0	-11,2
Aeroflot (Russia)	507,9	-6,1	-11,8
Bank VTB (Russia)	0,2	-9,1	-9,1

Note: Index stocks are highlighted in green

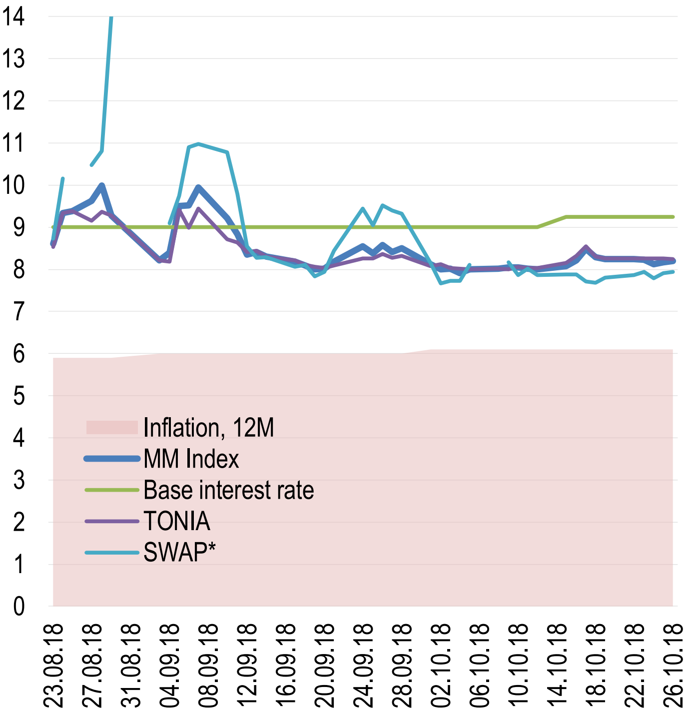
The greatest faller was KAZ Minerals stocks that have fallen by 3.97% to KZT2,300.00. The company's shares have been volatile all week: on Tuesday and on Wednesday the stocks price was falling. After the publication of a pretty neutral operating performance reporting on Thursday, stocks recovered by 5% but the correction continued on Friday. Let us remind that during the first nine months the Company produced 217 thous. tonnes of copper, which is by 12% more than for the similar period of 2017. KAZ Minerals reported that it is heading towards achieving the forecasted range previously scheduled for 2018 i.e. 270-300 thous. tonnes of copper.

A noticeable correction is observed on shares of Kcell and Halyk Bank, the price of which has dropped by 2.2% and 1.9%, respectively. The shares of Kazakhtelecom rose by 1% and KEGOC equity instruments increased by 0.2%.

The yield of one-day repo transactions with government securities dropped by 1 b.p. to 8.25% APR. The yield on one-day currency swaps increased by 5 b.p. to 7.90% APR.

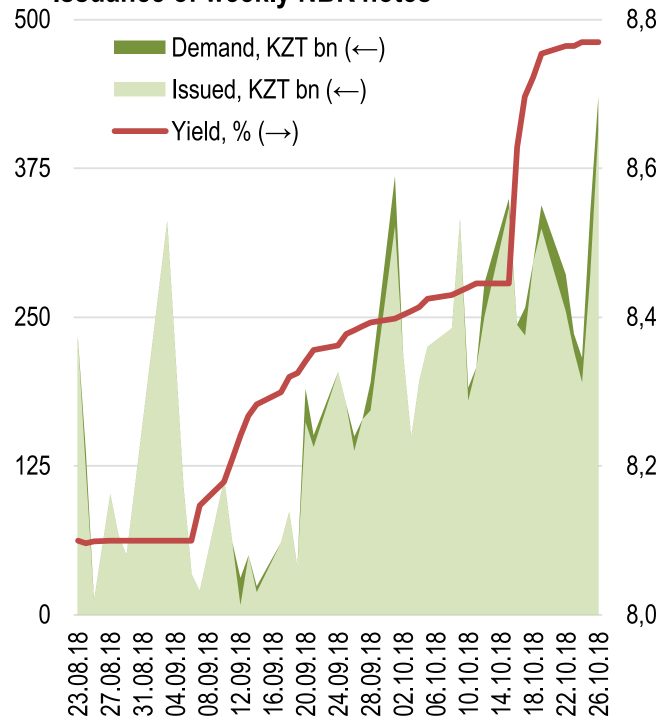
There has been an increase in demand for short-term instruments of the National Bank on the market after the base rate's increase. For instance, open position of the National Bank of Kazakhstan on notes has risen to KZT3.9 trillion on Thursday, which has been the maximum value since June 27, 2018. The regulator has placed eight issues of notes for the amount of KZT1,601.7 bn over the week. The total demand for the notes exceeded the supply by 10%. Weekly notes were placed within the range from 8.76 to 8.77%, monthly instruments were offered at 8.74%. Semi-annual instruments were offered at the highest rate of 8.85% and the annual notes were placed at 8.50%.

Inflation and interest rates

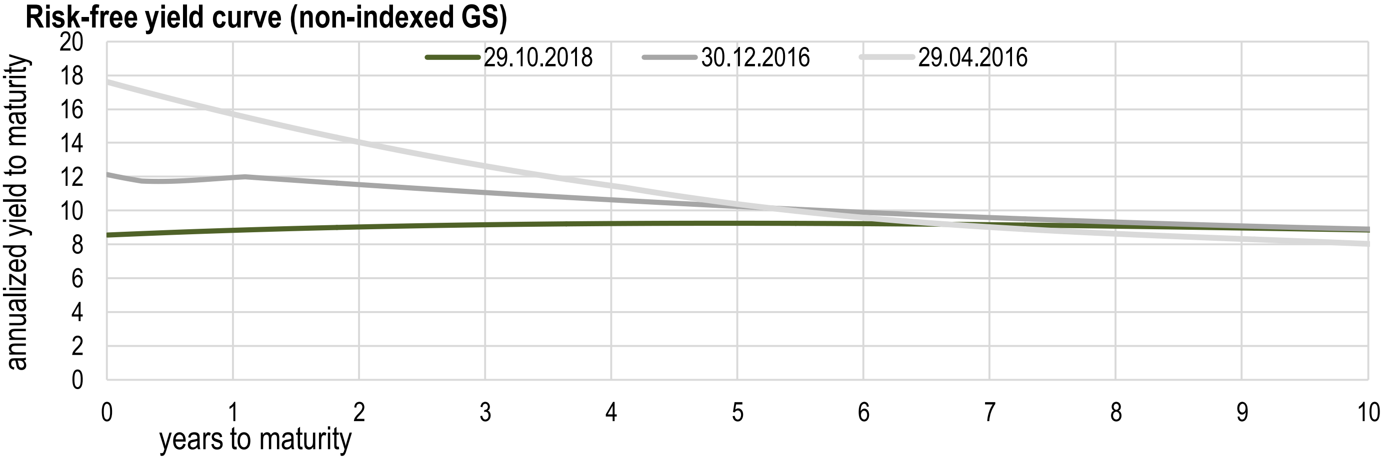


** Weighted average yield on all currency swap transactions with the US dollar.*

Issuance of weekly NBK notes



Risk-free yield curve (non-indexed GS)



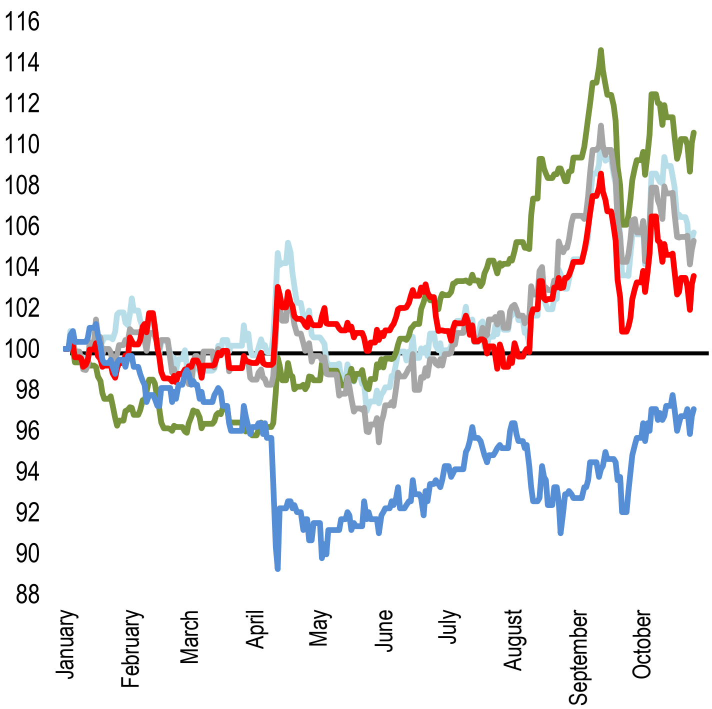
Weighted average US dollar rate increased by KZT2.11 to KZT368.54 and the total trading volume amounted to USD804.0 mln. The exchange rate of the USD/KZT currency pair closed with a growth although the national currency has demonstrated strengthening earlier this week. On Tuesday, trading volumes rose to USD315 mln. Increased supply of dollars allowed the tenge to strengthen to KZT360.30 at that time. The situation has changed in the evening of the same day when oil prices have declined by US $3.5 amid fears of production growth in Saudi Arabia. The US dollar itself, which rose against other currencies by 1% thus reaching its highs since this mid-August, has exerted pressure on the tenge.

The Russian currency rate showed more sustainable dynamics against the dollar amid tax payments. The ruble rose KZT0.04 to KZT5.62 on KASE over the week. Total trading volume reached RUB131.1 mln over the week.

For the euro closed the week with weakening by KZT0.82 to KZT419.68.

The exchange rate of yuan with settlements T+1 was down KZT0.01 having fixed at KZT52.87 at the total trading volume of transactions of CNY2.0 mln over the week.

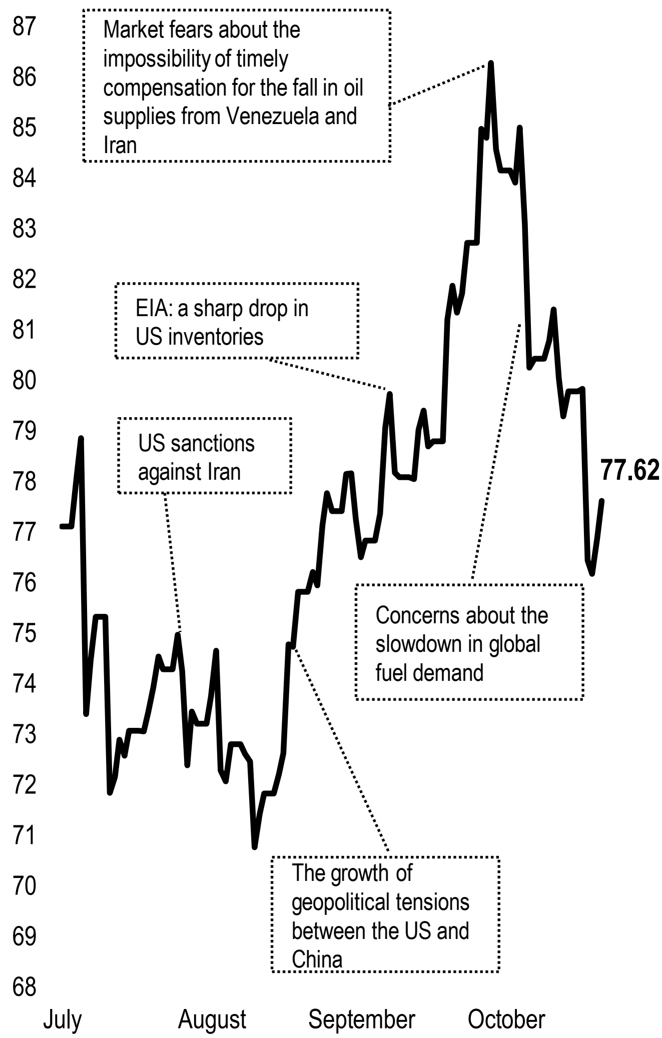
FX rates
Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
GBPKZT	474,14	-0,8	+1,1	+5,7
USDKZT	367,49	+0,9	+3,1	+10,6
EURKZT	419,27	-0,2	-0,0	+5,3
CNYKZT	52,92	+0,8	+2,0	+3,6
RUBKZT	5,60	+0,7	+3,3	-2,9

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 % 7d	Trend % 1m	Trend % 1y	Futures 7d
S&P 500	2 658,69	-3,9	-8,5	3,8	-3,5
Dow Jones	24 688,31	-3,0	-6,4	5,5	-2,7
RTS	1 098,31	-2,5	-5,4	-1,8	-2,6
MICEX	2 285,53	0,0	0,0	11,7	-2,6
Hang Seng	24 717,63	-3,3	-11,1	-12,4	-3,1
SS CSI 300	3 173,64	1,2	-7,1	-20,5	0,7
Euro Stoxx 50	3 134,89	-2,4	-8,7	-13,8	-2,9
FTSEuroFirst	3 849,50	-2,9	-8,5	-11,0	-2,4
FTSE 100	6 939,56	-1,6	-7,6	-7,3	-2,1
KASE	2 196,93	-1,3	0,6	7,5	

Commodities market 26.10.2018

Name	Price	Trend % 7d	Trend % 1m
Oil	77,62	-2,7	-4,6
	67,59	-2,2	-5,6
Natural gas	3,19	-2,0	5,4
Copper	274,10	-1,3	-2,4
Iron	548,50	4,5	8,7
Gold	1 233,53	0,6	3,3
Silver	14,70	0,3	2,8
Wheat	505,25	-1,8	-2,4

Economic calendar

	Economic calendar	Currency	Forecast	Previous
30.10	CB Consumers Confidence (October)	USD	136.0	138.4
31.10	Manufacturing PMI (October)	CNY	50.6	50.8
31.10	CPI (YoY) (October)	EUR	2.1%	2.1%
31.10	Crude Oil Inventories	USD		6.346M
01.11	ISM Manufacturing PMI (October)	USD	59.0	59.8
02.11	Unemployment Rate (October)	USD	3.8%	3.7%
02.11	Baker Hughes Oil Rig Count	USD		875

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

Kazakhstan statistics	Value	As of	Beginning 2017
Annual inflation	6,1 %	01.10.18	7,1 %
Gross international reserves of NBK, USD bn	30 028	01.10.18	30 745
Reserve money, KZT bn	6 183,7	01.10.18	5 538,7
Money supply, KZT bn	19 780,0	01.09.18	19 456,0

Kazakhstan credit ratings

Kazakhstan credit ratings	Rating	Date	Previous
S&P Global	BBB- stable	10.09.18	BBB- stable
Moody's	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	28.09.18	BBB stable

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Corporate Events Calendar of KASE listed Companies