

KASE WEEKLY

29 January –
02 February, 2018

KASE NEWS

- ▲ KASE has [changed](#) duration of the Base period for market valuation of non-indexed GS.
- ▲ Shares of KazMunayGaz EP were [removed](#) from the KASE representative list as of February 01.
- ▲ KASE has [changed](#) parameters of shares included in the updated KASE Index representative list as of February 01.
- ▲ KASE has [published](#) member activity rankings for January 2018 on its website.

ISSUER NEWS AND ANNOUNCEMENTS

- ▲ Ordinary shares of Investment house Fincraft were [included](#) in KASE official list alternative market's "shares" sector as of January 29.
- ▲ Ordinary shares of Joint Resources were [included](#) in KASE official list alternative market's "shares" sector as of January 30.
- ▲ Preferred shares of ASYL-INVEST were [excluded](#) from the the KASE official list due to their exchange for common shares (ASYL) as of January 31, 2018.
- ▲ NMH KazAgro [announces](#) results of financing agribusiness industry of Aktobe Region for 2017.
- ▲ Halyk - Kazakhinstrakh subsidiary insurance company of Halyk Bank of Kazakhstan [announced](#) payout of dividends on ordinary shares (KZIS).
- ▲ KazMunaiGas EP [provided](#) electronic version of the report on estimates of reserves, contingent and prospective resources at the company's deposits as at December 31, 2017.
- ▲ Bank of Astana [announced](#) changes in its Board of Directors.
- ▲ Kcell [reported](#) receiving notice from Sonera Holding B.V. on the unilateral termination of the memorandum of understanding.
- ▲ BAST has [published](#) its January-December 2017 financial statements.
- ▲ Zhaikmunai [reported](#) the 2017 operating results.
- ▲ NOSTRUM OIL & GAS PLC (United Kingdom) [provided](#) updated operating results for 2017.
- ▲ Bank RBK has [reported](#) ratings assigned to the bank by Standard & Poor's.



A five-week period of growth of KASE Index was interrupted; last week, the Kazakhstan blue-chip Index closed at a 0.19-per-cent decline to 2 355.89 points.

On Thursday, two share names representing the banking sector - shares of the Bank of Astana and Bank CenterCredit - were added to the KASE Index basket. KazMunayGas EP securities were excluded from the KASE Index due to their buyback to be held on KASE from 02 to 19 February.

02.02.2018

		Trends (%)	
		Δ 7d	Δ 1m
KASE Index	2 355,9	-0,2	8,8
First class of liquidity	Price, KZT		
CenterCredit Bank	299,8	36,7	52,2
QAZKOM (pref.)	121,0	15,2	54,1
QAZKOM	93,0	14,7	-8,3
Sberbank (Russia)	1 485,9	4,0	11,5
KazTransOil	1 485,0	3,5	10,9
KazMunayGas EP	27 000,0	3,0	5,8
Bank of Astana	1 237,0	2,2	-2,2
Bank of America	10 508,0	1,4	5,1
KAZ Minerals	3 994,9	0,9	3,0
Bank VTB (Russia)	0,3	0,0	3,6
Kcell	1 660,0	-0,6	-4,1
BAST	56 212,0	-0,8	-1,5
Aktobe Metalware Plant	11 815,4	-1,0	-0,1
KEGOC	1 400,0	-1,4	1,4
Halyk Bank	105,0	-1,5	24,0
Gazprom (Russia)	820,2	-2,4	8,6
Aeroflot (Russia)	815,0	-3,0	-1,3
Kazakhtelecom (pref.)	9 950,0	-3,4	17,1
KazMunayGas EP (pref.)	13 100,0	-4,4	4,0
Kazakhtelecom	23 702,0	-7,4	15,3

Note: Index stocks are highlighted in green

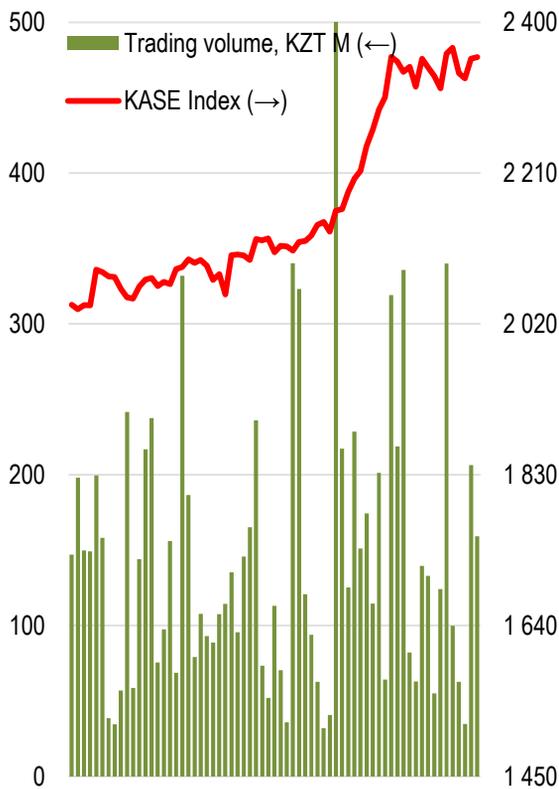
Shares of Bank CenterCredit showed the most growth reaching KZT299.80 or 36.71%. According to the securities market professionals interviewed by KASE, there were no fundamental reasons for this significant increase.

Firm growth in the price of KazTransOil shares is observed. This week, the price of the company's shares has increased by 3.48%. These shares' rally started in the beginning of the year, while the adjustment lasted for 8 trading sessions and the growth has resumed this week. The stocks have updated historical maximum and closed at KZT1,485.00.

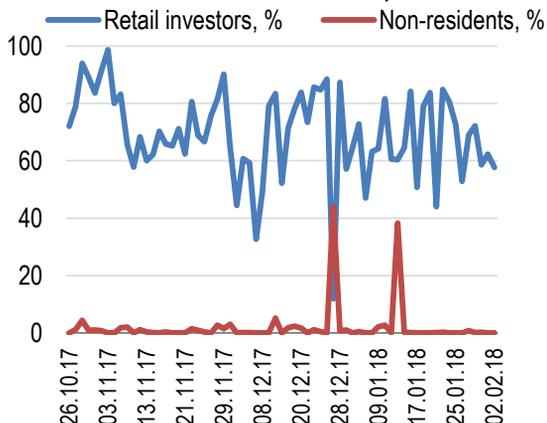
The greatest faller was Kazakhtelecom, whose shares have fallen by 7.41% to KZT23,702 per share. The reduction of prices of shares of the telecommunication company has totally outweighed the growth observed since January 26 amid reports about Kazakhtelecom's application to the antimonopoly committee of Kazakhstan on purchasing a 75-per-cent stake in Kcell.

Kazakhstan's Ministry of Finance [held](#) an offering, the first this year, having placed bonds for the period of 4.1 years at 8.55% APR for the amount of KZT5.4 bn.

KASE Index shares



Retail investors & non-residents, %

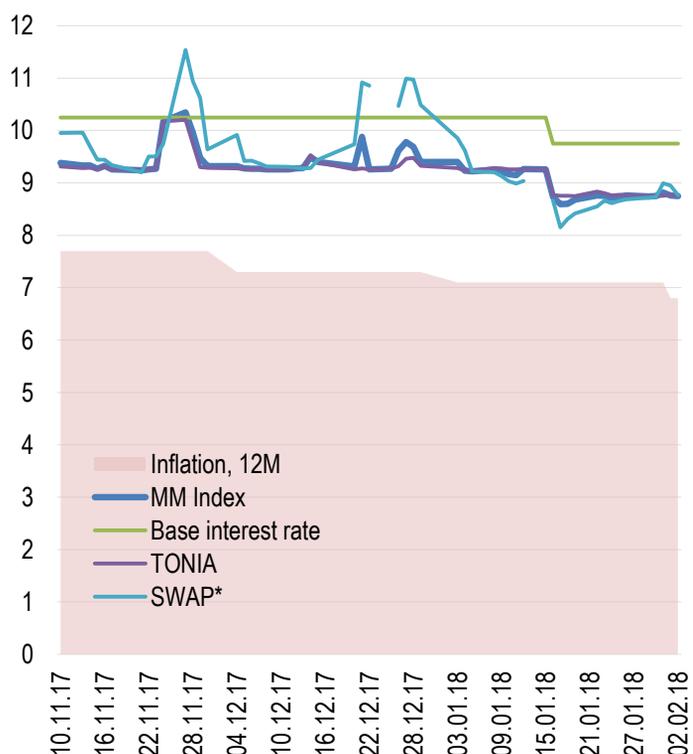




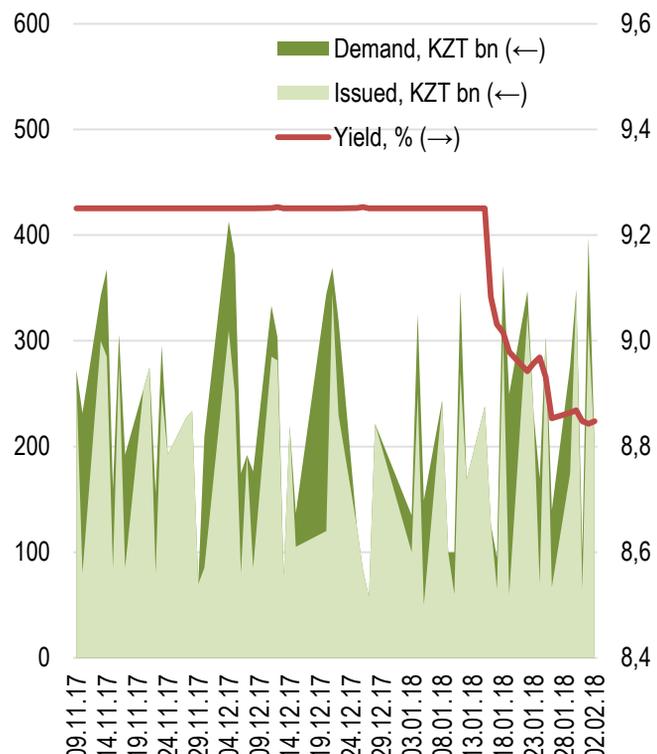
The yield of money market has slightly declined this week. The yield on one-day swaps has not changed and remained at 8.72 per cent per annum. The yield of one-day repo transactions with government securities has decreased by 1 b.p. to 8.76% per annum over the week.

The National Bank has placed six issues of notes with the total volume of KZT1,317.1 bn over the week. The yield on five issues of seven-day notes with the total offering volume of KZT1,102.8 bn. was within the corridor of 8.84-8.87 per cent. The yield on the 28-day notes was 9.07 per cent per annum. The total demand for the notes exceeded the supply by 20 per cent and reached KZT 1,539.4 bn.

Inflation and interest rates

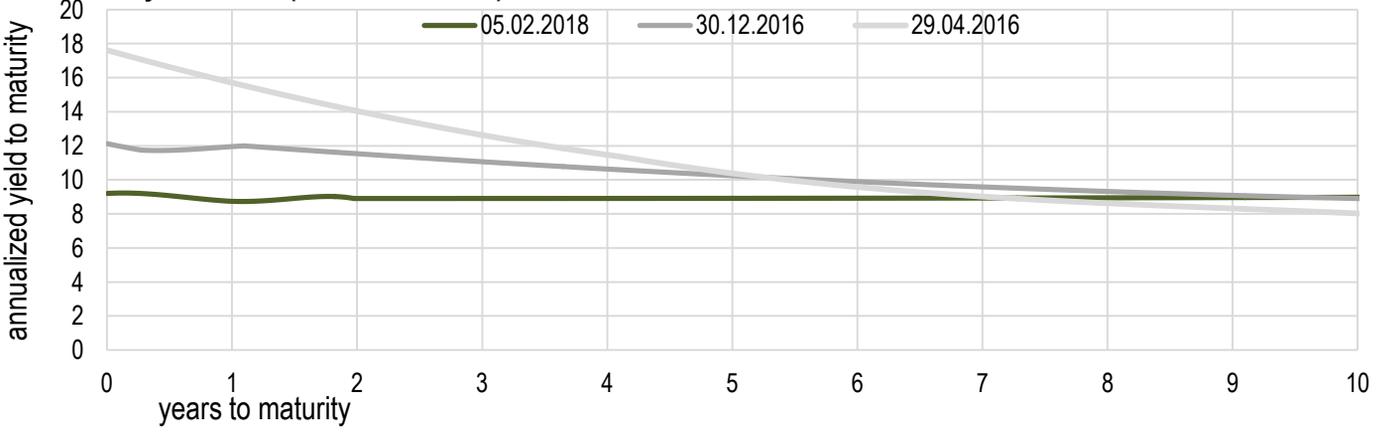


Issuance of weekly NBK notes



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

Risk-free yield curve (non-indexed GS)





The dollar exchange rate increased by 0.3 per cent or by KZT0.96 to KZT321.62 over the week. The trading volume fell by almost half and reached USD542.8 mln over the week.

A six-week period of decline in the exchange rate of the USD/KZT currency pair has been interrupted. However, the recovery of the U.S. currency took place amid some activities as evidenced by the trading volumes. Strengthening of tenge in the near future will be supported by forthcoming tax period. It should be noted that last year, maximum revaluation dynamics was observed during the period from February 15 to February 24.

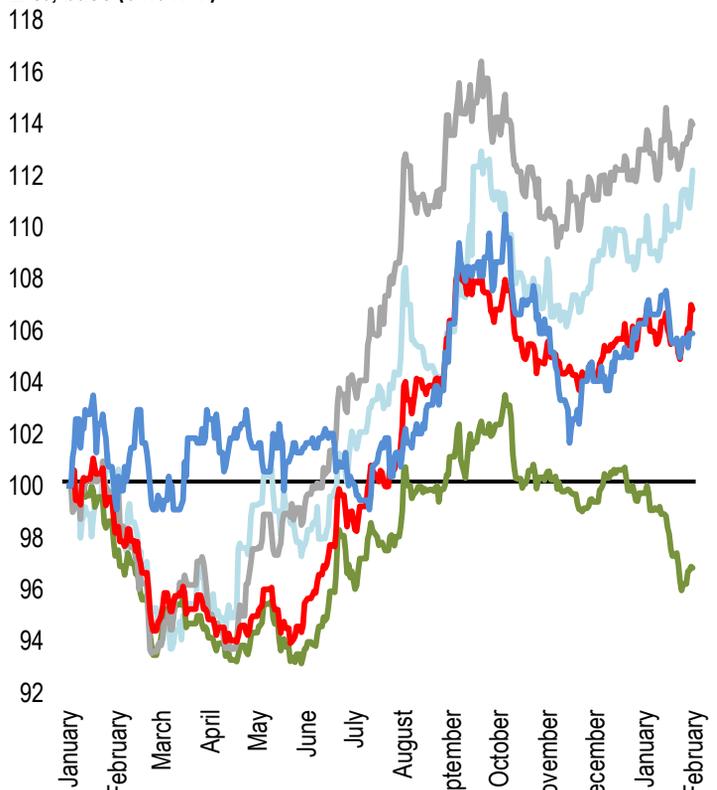
The exchange rate of the Russian ruble has increased by KZT0.0056 to KZT5.7406 at the trading volume of RUR208.2 mln.

The euro strengthened by KZT6.85 to KZT402.35 at the trading volume of EUR900 th.

The yuan exchange rate increased by KZT0.60 to KZT51.1557. Its trading volume reached CHY2.7 mln.

FX rates

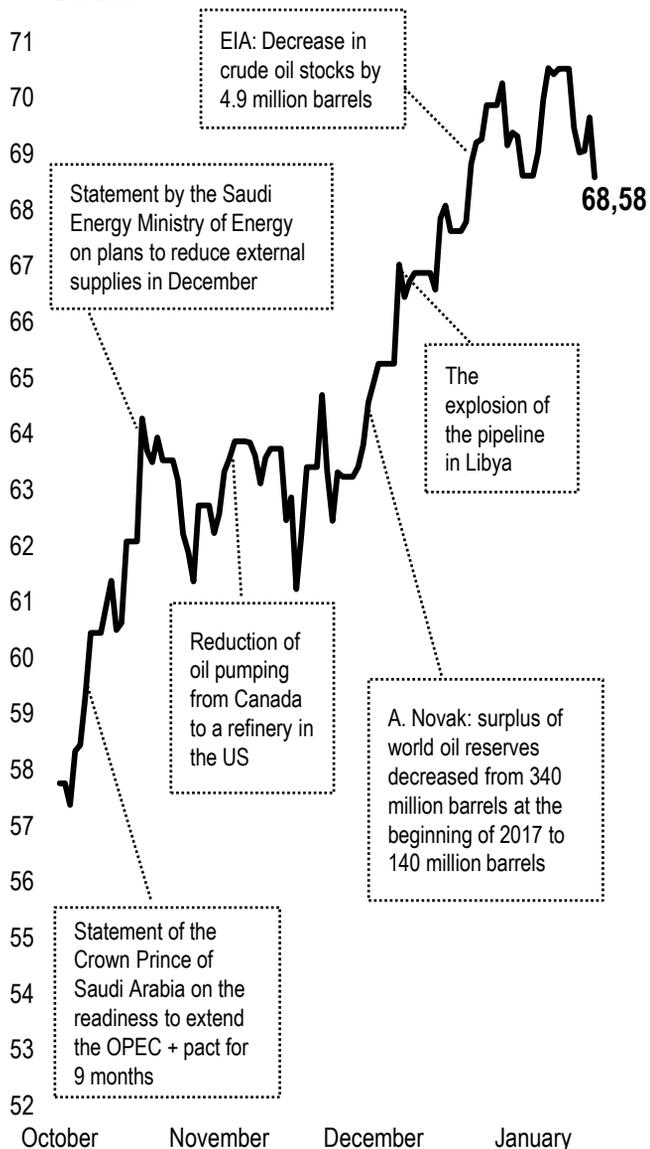
Δ %, base (01.01.17)



	Price	Δ 7d, %	Δ 30d, %	Δ 2017, %
— GBPKZT	459,79	+0,8	+2,5	+12,2
— USDKZT	322,73	+0,9	-2,9	-3,2
— EURKZT	401,67	+1,1	+0,9	+14,0
— CNYKZT	51,29	+1,3	+0,4	+6,8
— RUBKZT	5,75	+0,3	-0,3	+5,9

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	2 762,13	-3,9	1,8	21,1	-4,1
 Dow Jones	25 520,96	-4,1	2,4	28,3	-4,4
 RTS	1 272,76	-1,1	7,6	8,7	-1,3
 MICEX	2 281,84	-0,6	6,0	2,9	-1,3
 Hang Seng	32 601,78	-1,7	6,7	40,6	-1,9
 SS CSI 300	4 271,23	-2,5	3,9	26,1	-3,1
 Euro Stoxx 50	3 523,28	-3,4	0,4	8,3	-3,2
 FTSEuroFirst	4 286,00	-3,3	-0,6	6,0	-3,3
 FTSE 100	7 443,43	-2,9	-3,0	4,2	-3,0
 KASE	2 355,89	-0,2	8,8	52,0	

Commodities market

02.02.2018

Name	Price	Trend %	
		7d	1m
Oil	68,58	-2,8	1,1
	65,45	-1,0	6,2
Natural gas	2,85	-18,8	-5,4
Copper	318,75	-0,4	-2,1
Iron	593,00	2,9	19,9
Gold	1 333,39	-1,2	1,5
Silver	16,71	-4,2	-3,2
Wheat	446,75	1,3	2,5

Economic calendar

		Currency	Forecast	Previous
05.02	ISM Non-Manufacturing PMI (Jan)	USD	56.5	56.0
05.02	ECB President Draghi Speaks	EUR		
06.02	JOLTs Job Openings (Dec)	USD	5.950M	5,879M
07.02	Crude Oil Inventories	USD		6.776M
08.02	ECB Economic Bulletin	EUR		
08.02	Exports (YoY) (Jan)	CNY	9.5%	10.9%
09.02	Interest Rate Decision (Feb)	RUB	7.50%	7.75%

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	6,8 %	01.02.18	8,5 %
Gross international reserves of NBK, USD bn	30 745	01.01.18	29 530
Reserve money, KZT bn	5 538,7	01.01.18	5 162,2
Money supply, KZT bn	19 456,0	01.01.18	19 912,6

Kazakhstan credit ratings

	Rating	Date	Previous
S&P Global	BBB- stable	16.01.18	BBB- stable
MOODY'S	Baa3 stable	26.07.17	Baa3 negative
FitchRatings	BBB stable	20.10.17	BBB stable

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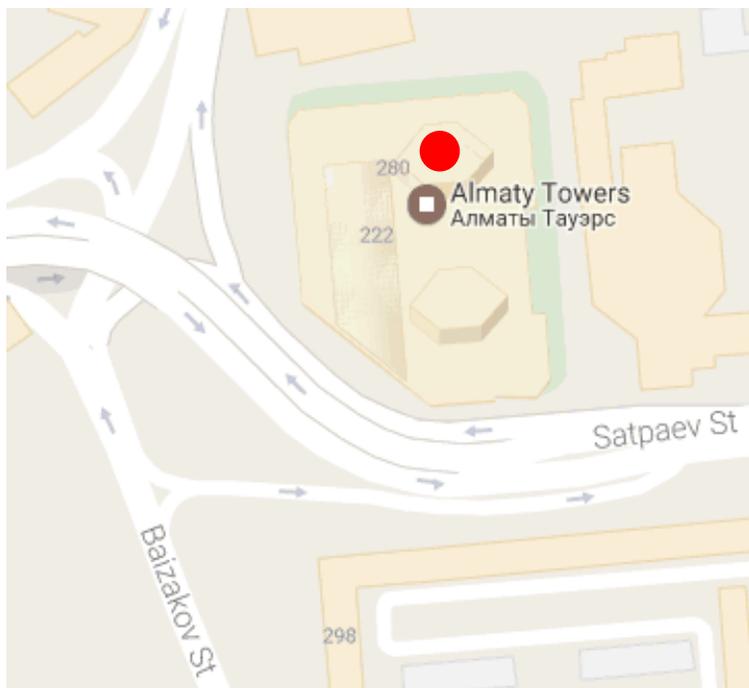
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2. previous results do not necessarily affect the future results with the future estimations based on the assumptions that may not materialize. The value of any investment or income may go down and up, as a result the investors might not receive the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