

# The Conway Bulletin.

Sept. 15 2017

Established in 2010

Issue no. 343

Kyrgyzstan's opposition coalition collapses one month before election - P.3

Azerbaijan' and BP sign an extension to the 'Contract of the Century' - P.5

Comment: Kazakhstan's banking changes won't count for anything - P.2

## Centerra Gold and Kyrgyzstan end dispute over Kumtor ownership

>> Kumtor if the biggest industrial project in Kyrgyzstan, making up 10% of its GDP

BISHKEK -- Kyrgyzstan and Toronto-listed Centerra Gold said they had agreed a deal to end their dispute over ownership of the Kumtor gold mine in the east of the country (Sept. 12)

The news propelled Centerra Gold's shares to a 4-1/2 year high on the Toronto stock exchange. It will also give Kyrgyzstan's ruling Social Democratic party a boost ahead of next month's presidential election.

Under the deal, Centerra Gold will retain its 100% ownership of Kumtor in exchange for a one-off \$50m payment to a new environmental protection agency. It will also pay the agency \$3m every year and make another one-off payment of \$10m to a cancer centre. Centerra Gold will also pay \$6m a year into Kumtor's reclamation fund, up to a total of \$69m.

The Kyrgyz state owns 26.6% of Centerra Gold.

After signing the deal, Kyrgyz PM Sapar Isakov said: "This will be the basis for restarting our relations based on mutual trust and joint



### Uzbekistan breaks record for biggest plov

In Tashkent, 50 chefs cooked up a traditional plov that weighed 7.3 tonnes, setting a new world record for the biggest plov ever cooked (Sept. 13). The previous record was 4 tonnes. (Pic: YouTube)

efforts to further effectively implement the project in the interests of the people of Kyrgyzstan and all the shareholders of Centerra Gold."

Kumtor is Centerra Gold's most important asset and also the biggest industrial site in Kyrgyzstan. It produces 10% of Kyrgyzstan's total GDP.

As well as suppressing Centerra Gold's share price, the row has

damaged Kyrgyzstan's reputation as a place to do business.

Western analysts have accused Kyrgyz officials of trying to make life difficult for Centerra Gold by denying key workers permits, launching claims for environmental damage and chasing back tax payments.

Centerra Gold retaliated last year by taking the dispute to an international arbitration court.

(GE) POLITICS

## Saakashvili barges his way into Ukraine

Defying his former ally-turned-foe Ukrainian Pres. Petro Poroshenko, former Georgian Pres. Mikheil Saakashvili forced his way into Ukraine two months after his Ukrainian citizenship was revoked (Sept. 10).

Mr Saakashvili has called politicians in Ukraine corrupt. After crossing the border from Poland into Ukraine, he headed by Lviv in west Ukraine. Since quitting as Georgia's president in 2013, Mr Saakashvili has

promoted himself as the scourge of official corruption. Mr Poroshenko made him governor of Odessa region in 2015 but Saakashvili quit in 2016. Georgia wants Mr Saakashvili extradited to face various criminal charges.

Comment

# Banking regulation in Kazakhstan is futile

>>Kazakh Central Bank remedies are unlikely to tackle fundamental supervision problems in Kazakhstan's banking sector. Political influence will still trump formal oversight, writes Camilla Hagelund.

After bailing out Kazakhstan's biggest lender, Kazkommertsbank (KKB), the National Bank of Kazakhstan (NBK) is now attempting to "reset" the country's financial sector through a new financial support package and by boosting its own regulatory powers.

The measures introduced by the NBK are designed to improve reporting on and auditing of banks. They will also strengthen the NBK's ability to act on its own accord. Political interference and past tendencies to bury bad news mean dramatic changes are unlikely to materialise though.

Kazakhstan's banking troubles began with a build-up of toxic debt during the 2007-2009 crisis. These remain a burden for many Kazakh banks.

The NBK now readily admits that official statistics do not reflect the full scale of the problem. The NBK estimates that the share of non-performing loans could be as high as 25%, contrasting dramatically with the official figure of 12.8%. One of the limitations the regulator seeks to address with further regulatory powers is its current reliance on bank-reported data.

But because of the political connections of major bank shareholders, further regulatory powers are unlikely to improve the effectiveness of supervision. The biggest, KKB and Halyk Bank, are now controlled by President Nursultan Nazarbayev's immediate family, while Tsesna Bank, the country's third largest, is owned by the head of the Presidential Administration, Adilbek Zhaksybekov.

KKB provides an apt illustration of the restrictions on the regulator and auditors alike. According to our sources, the NBK unofficially acknowledged that KKB was bankrupt at the end of 2015 but, despite knowledge of this, the auditor approved the bank's accounts.

Auditors likely fear that too much honesty will hurt their lucrative contracts with the government, and though the NBK may not have felt empowered to initiate a restructuring of KKB, its total lack of action indicates that political influence was exerted over the regulator.

As control over important banks remains in the hands of elite insiders, it is implausible that additional regulatory powers will overcome the ineffective oversight and moral hazards characterising the banking sector. It appears the country's institutions unfortunately remain subject to the informal rules of the game in Kazakhstan.

>>Camilla Hagelund, Principal Central Asia Analyst at risk consultancy Verisk Maplecroft

**The Conway Bulletin** – Independence, integrity, brevity

Editor – James Kilner

Reporting coverage in Central Asia and the South Caucasus: The Bulletin has correspondents on retainers in Almaty, Bishkek, Dushanbe and Tbilisi and part-time correspondent in Yerevan. For Azerbaijan, Uzbekistan and Turkmenistan, The Bulletin employs local reporters now based outside their home country to help with coverage. Cross Fell Ltd owns The Conway Bulletin. It is registered in England and Wales as company no. 0755115. Our ISSN is 2397-6624.

Brainteaser no. 21

This is, possibly, the world's only quiz dedicated to Central Asia and the South Caucasus. Win a highly-coveted Bulletin branded Parker jotter pen by answering these questions:

A) Which town am I in?

– For most of the Soviet Union, this city was named after Lenin.

– This is one of the oldest cities in the region and is connected to Alexander the Great.

– Before the opening of a new tunnel, this city would often be cut off from the capital in the winter.

B) Where is this building in the Central Asia/South Caucasus region?



(All answers for Brainteaser no. 22 to editor@theconwaybulletin.com)

The answers to Brainteaser no. 21 are: A) Gyumri in Armenia. The city has a population of about 125,000 people and is home to a garrison of Russian military troops. Tsar Nicholas I visited Gyumri in 1837 and renamed the city Alexandropol. B) The tower is the Kalyan minaret in Bukhara. It achieved notoriety as the "Tower of Death". The ruling Khans of Bukhara executed people by throwing them off the top floor of the tower.

## SECURITY

**GE:** Suicide bomber injures three soldiers in Afghanistan  
A suicide bomb attack at the Bagram airbase in Afghanistan wounded three Georgian soldiers, media reported quoting the defence ministry (Sept. 7). One of the soldiers, a lieutenant, was in a critical condition. In August a suicide bomber killed one Georgian soldier. Georgia is supporting US operations in Afghanistan.

**KZ:** Fighter jets bought from Russia

Kazakhstan signed a contract with Russia to buy 12 Sukhoi Su-30SM fighter jets, giving its air force a major boost and underlining its close military cooperation with Russia (Sept. 12). Kazakh Pres. Nursultan Nazarbayev has said that he wants to strengthen Kazakhstan's military. A Russian official said the order would be met within three years.

**KZ:** Court imprisons former security chief

A military court near Almaty sentenced Nartay Dutbayev, the former head of Kazakhstan's National Security Council, to 7-1/2 years in prison for stealing state secrets (Sept. 11). Dutbayev had been head of the National Security Council from December 2001 until February 2006. The case was held behind closed doors and no other details of Dutbayev's offences have been released. Reports said he had been stripped of his rank and medals.

**AZ:** Turkey military arrives for exercises

Turkish military and fighter jets arrived in Azerbaijan ahead of a 12-day military exercise with their Azerbaijani counterparts set to run from Sept. 18 (Sept. 15). Azerbaijan and Turkey are close allies and regularly hold military exercises although this series, dubbed TuAz Eagle 2017 is one of the biggest held.

KG

## POLITICS

# Opposition alliance in Kyrgyzstan breaks up

>> Alliance of southern leaders lasts barely a month



>>Campaigning has started in Kyrgyzstan ahead of its Oct. 14 presidential election

>>The Bulletin

BISHKEK -- An opposition alliance in Kyrgyzstan collapsed just as official campaigning began for a presidential election set for Oct. 14 (Sept. 13).

The alliance, called Kaira Zharaluu (Kyrgyz for Revival), included Bakyt Torobayev of the Onuguu Progress party, Adakhan Madumarov of Butun Kyrgyzstan, and Kamchibek Tashiyev and Akhmatbek Keldibekov, joint leaders of Ata-Jurt. It lasted barely a month in Kyrgyzstan's highly personalised political spectrum.

They were all southerners and their alliance had sparked some hope among their supporters that they could defeat their northern rivals.

It's collapse now heavily damages the chances of an opposition figure defeating Sooronbai Jeenebekov, the preferred candidate of outgoing President Almazbek Atambayev. Mr Atambayev is not allowed to stand under rules that limit a person to a single six-year term.

Asel Davletova, a Bishkek-based analyst, said that the fracturing of the main opposition group further improved Mr Jeenebekov's chance of winning the election.

"Political leaders splitting and forming new coalitions right before a presidential race demonstrates their inability to put aside their egos, ambitions and personal interests," she said. "From the start, it was a bad idea to form a coalition under four different leaders with different agendas and different political background, for that reason society was sceptical."

Mr Jeenebekov, who had been PM before stepping down last month ahead of the campaign, also received the surprise backing of Mr Tashiyev who has spent time in prison for leading mass demonstrations in 2013.

There are few policy differences between the candidates with all the leading figures supporting relations with the region's two key power brokers -- Russia and China. The West's influence has been on the decline since NATO's withdrawal from Afghanistan in 2013 and the closure of the US airbase outside Bishkek.

Western observers are watching the election closely, though, for evidence that Kyrgyzstan's fledgling democracy, considered the only one in Central Asia, is functioning.

## ECONOMY

### AZ: GDP still shrinking

The IMF said Azerbaijan's GDP will fall by another 1% this year but rise by 2% in 2018, more analysis than an economic downturn that has smashed into the region is being hard felt in Azerbaijan (Sept. 13). The root cause of the downturn was a fall in oil prices that triggered a recession in Russia. Azerbaijan's economy is dependent on oil. Last year its economy shrank by 3.8%. The IMF also said that inflation in Azerbaijan would remain above 10%.

### GE: FDI falls in H1

Foreign direct investments into Georgia, a vital part of its economy, fell by 5.5% in the first half of 2017, compared to the same period in 2016, data showed (Sept. 11). FDI between January and June measured \$751m, down from \$794.4m. This was the lowest H1 result since 2014. Construction is the biggest driver of FDI and this fell by nearly a third from 2016 to \$272m.

## MEDIA & HUMAN RIGHTS

### AZ: Journalist released

The authorities in Azerbaijan released Mehman Aliyev, head of the Turan news agency which is described as the country's only remaining independent media outlet, from pre-trial detention but said an investigation into alleged tax avoidance was ongoing (Sept. 11). Mr Aliyev's detention last month has enraged human rights groups and Western governments who have said the allegations are fabricated. Azerbaijan has been accused of cracking down on free media.

### TM: Games criticism

On the eve of the opening of the Asian Indoor and Martial Arts Games in Ashgabat, Human Rights Watch criticised the various Asian Olympic committees for ignoring abuses in Turkmenistan (Sept. 13). Turkmen President Kurbanguly Berdymukhamedov is intent on

using the Games as a propaganda tool but rights activists say Turkmenistan has one of the world's worst human rights records.

### AZ: Travel blogger freed

Azerbaijani President Ilham Aliyev pardoned Israeli/Russian travel blogger Alexander Lapshin who was imprisoned in July for three years for illegally entering the disputed region of Nagorno-Karabakh (Sept. 11). After he was released, Mr Lapshin was immediately flown to Israel for hospital treatment. Azerbaijan sees Russia and Israel as two of its closest allies. It fought Armenia in a war for control of Nagorno-Karabakh in the 1990s.

### AZ: RFE/RL complain to ECHR

The US-funded Radio Free Europe/Radio Liberty said it had filed a complaint to the European Court of Human Rights in Strasbourg against Azerbaijan for deliberately hampering its reporting (Sept. 13). RFE/RL was evicted from its office in Baku in December 2014 after the Azerbaijani authorities accused it of various tax related offences. RFE/RL has complained that the Azerbaijani authorities are dragging out their investigation to hamper attempts by RFE/RL to clear its name in court.

## POLITICS

### AM: Pro-Western MPs want to break from Russia

A group of pro-Western MPs in Armenia submitted a proposal in parliament to leave the Russia-led Eurasian Economic Union (EEU) (Sept. 8). Armenia's government is staunchly pro-Russia and has no intention of leaving the EEU but the proposal is a reminder that a more pro-Western strand exists in the Armenian political spectrum. Yelk, which holds nine seats in the 105 member chamber, said that Armenia's economy has suffered in the three years it has been part of the EEU.

### TJ: IRPT are labelled terrorists

The Russia-led Collective Security Treaty Organisation (CSTO), a post-Soviet grouping of most militaries in Central Asia, the South Caucasus, Belarus and Russia, decreed at its meeting in June that the Islamic Renaissance Party of Tajikistan (IRPT) was a terrorist organisation, media reported (Sept. 7). Tajik officials have arrested or forced into exile all the main members of the IRPT since 2015 after President Emomali Rakhmon accused the group of a coup attempt. Until then, the IRPT, whose top members have sought sanctuary in Europe, had been the official opposition group.

## INT. RELATIONS

### AZ: China Pres. wants to visit

Chinese President Xi Jinping intends to visit Azerbaijan for the first time later this year, a source at the Chinese embassy in Baku told the Trend news agency (Sept. 14). The visit is a sign of the increased importance that China is putting on relations with Azerbaijan, a stage post on its 'Belt and Road' trade plan. Azerbaijani President Ilham Aliyev visited China in 2015.

### KG/UZ: Border point reopens

Kyrgyzstan and Uzbekistan officially reopened the Dostuk (Friendship) border crossing point that has been closed since ethnic fighting in Osh, Kyrgyzstan, in 2010 (Sept. 6). The Dostuk checkpoint is one of the most important in the Ferghana Valley and its reopening is considered a major indicator of improved relations between Kyrgyzstan and Uzbekistan.

## SOCIETY

### KZ: A new alphabet

Kazakh MPs approved a draft Latin alphabet for Kazakh (Sept. 12). The 25-letter alphabet, it loses the 'x', is just the first phase in an eight-year consultative process that will culminate in 2025 when Kazakh ditches Cyrillic.

Investors snap up Tajikistan's sovereign bond auction - P.7

Kazakhstan want better deal for Karachaganak dispute - P.7

Kazakh tenge continues to slide but Naz denies plan to devalue - P.8

## BP and Azerbaijan extend 'Contract of the Century'

>> The deal extends the BP-led consortium's operation of the ACG oil fields until 2050

A consortium lead by BP signed a deal to extend its operation of the Azeri-Chirag-Guneshli (ACG) fields in the Azerbaijani section of the Caspian Sea, an agreement originally dubbed the "Contract of the Century" in 1994 (Sept. 14).

Under the new deal, BP and its partners will run ACG, Azerbaijan's biggest producing oil fields, until 2050. The original contract was due to expire in 2024.

Negotiations for a renewed deal had been ongoing all year and despite each side's frustrations with the other, an agreement had always been likely.

At the signing ceremony in Baku, Bob Dudley, the BP CEO, said: "Over the past 23 years the 'Contract of the Century' has truly transformed Azerbaijan, energy supplies to Europe and all of us who have worked so hard to make it a success. Today's contract is perhaps an even more important milestone in the history of Azerbaijan."

SOCAR chairman Rovnag Abdullayev was equally exuberant.

"Today is a significant day for Azerbaijan," he said. "Since the signing of the first PSA in 1994, ACG has benefited from \$33bn of investment, producing around 440 million tonnes of oil, and delivering directly more than \$125bn of net profit to our country."



>> Part of the Azeri-Chirag-Guneshli complex in the Caspian Sea

>>BP

For Azerbaijan, this second operating agreement for ACG is much improved from the original. SOCAR, the Azerbaijan state oil and gas company, increased its stake in the project to 25% from 11.65%. The Azerbaijani government, strapped for cash in the midst of an economic downturn, will also receive a one-off \$3.6b payment.

partners, other than SOCAR, have also had to agree to an equity cut to secure a new deal on ACG.

Chevron now owns a 9.57% stake, Inpex 9.31%, Statoil 7.2%, ExxonMobil 6.79%, TPAO 5.73%, Itochu has 3.65% and ONGC Videsh holds 2.31%.

Relations between Azerbaijan and the BP-led coalition have become increasingly fraught over the past few years.

Azerbaijan has been frustrated that BP hasn't been able to stem a drop in production at the site and BP executives have become increasingly exasperated at the negative headlines surrounding Azerbaijan, which has been accused by the West of clamping down on the media and of various corrupt practices.

*"Relations between Azerbaijan and BP have become fraught."*

For BP, securing an extension to the agreement was vital. ACG forms a major part of its reserves and income. Its share in the project has been cut to 30.37% from 35.8%. Its

>> Central Asia Metals suspends share trading - p.6 >> Uzbekistan cuts import duties - p.6 >>

## CHEMICALS

### AM: UN investigates fire

UN investigators have flown to Armenia to help local teams look into the causes of a fire that engulfed part of the Nairit chemical plant in August, Armenian media reported (Sept. 11). The fire was one of the biggest at an Armenian industrial site in recent years and burnt for two days. The UN, under its OCHA unit, is particularly concerned about chemical leaks and spills.

## OIL+GAS

### AZ: Absheron investment decision by year-end

Azerbaijani state oil and gas company SOCAR expects a decision on whether to develop the offshore Absheron gas field to be made by the end of the year, a source at the company told Reuters (Sept. 14). Absheron is seen as an important field that should boost Azerbaijan's reputation as a major gas exporter. It was discovered in 2011 by a consortium lead by France's Total.

**KZ: Separate OPEC deal wanted**  
Kazakh officials are in talks with OPEC to try and arrange a separate output deal that would allow it more flexibility to ramp up output from its Kashagan field, media quoted officials as saying (Sept. 7). OPEC has been looking to restrain global oil production to increase prices, a plan that Kazakhstan, which is not an OPEC member, has gone along with. It, though, has said that it needs to extract oil from its giant Kashagan field, which started operations last year, to repay shareholders.

## AVIATION

### AZ: Buta plans expansion

Buta, the new low-cost airline of Azerbaijan's state-owned AZAL, said that it intends to extend its flight routes to Russia, Turkey, Iran and Georgia (Sept. 13). Buta made its inaugural flight to Tbilisi at the start

of the month. It is based out of Baku Heydar Aliyev airport and mainly flies Embraer planes. Buta is an ornamental pattern used to decorate carpets, textiles and buildings.

## CARS

### AZ: Car plant to open in 2018

The construction of a car-making joint-venture factory between Iran and Azerbaijan will be finished shortly, media quoted deputy Azerbaijani economy minister Sahil Babayev as saying (Sept. 13). He said that the first cars of the JV between Azerbaijan's AzEuroCar and Iran's Khorodo would roll off the plant next year. It will have a capacity of 10,000 units. Azerbaijan has been looking at ways to boost its non-oil industrial output.

## AGRICULTURE

### UZ: Cotton being reduced

Farmers in Uzbekistan are being given subsidies to diversify their crops away from cotton, Eurasianet reported by quoting local officials and farmers (Sept. 12). Uzbek President Shavkat Mirziyoyev wants to stabilise fruit and vegetable price and this means encouraging farmers to ditch cotton. This year, Eurasianet reported, 400sqkm of cotton fields are being taken out of harvest and another 1,000sqkm next year. Uzbekistan currently has 13,000sqkm of cotton fields and is one of the world's biggest producers.

## TAX

### UZ: Excise duty cut

In line with a general liberalisation policy, the Uzbek authorities said that they were scrapping excise duties on several imported products (Sept. 10). These included natural resin, wire of non-alloy steel, non-woven fabric, drops and solutions for contact lenses, video recording equipment and other products, Azerbaijan's Trend news agency reported.

## METALS

### KZ: CAM in take-over talks

Central Asia Metals (CAM), the Kazakhstan and Chile focused copper producer, suspended its share trading on London's AIM after it said that it was in advanced talks over a potential "reverse takeover" (Sept. 9). CAM didn't specify which company it may be talking with over a deal. Its main asset is the Kounrad copper dump in Kazakhstan.

## BUSINESS

### KZ: Turkish business signs

#### \$590m deals

On a visit to Astana lead by Turkish President Recep Tayyip Erdogan, Turkish businesses signed deals worth \$590m, Kazakh officials said according to local media (Sept. 9). Turkish media said that investments by Turkish business in Kazakhstan now topped \$2.1b. These investments are mainly in the construction sector.

## CONSTRUCTION

### KZ: Turkish company wins Almaty ring road tender

A consortium led by Turkey's Alsim Alarko, a unit of Alarko Holding, has won a tender to build a new ring road around Almaty, Kazakhstan's largest city (Sept. 11). Media didn't give the size of the tender, which was awarded by Kazakhstan's investment and development ministry and held in May 2016. The announcement came a couple of days after a visit by Turkish Pres. Recep Tayyip Erdogan to Astana.

### KZ: 61 migrant workers expelled

Kazakhstan expelled 61 Indian workers after a fight at a construction site in Astana (Sept. 8). The fight, with Kazakh security guards, highlights the often strained relations between migrant workers in Kazakhstan and locals. Kazakhstan's economy now attracts labourers from across the region, including from China and India.

TJ

SOVEREIGN DEBT

# Investors snap up Tajikistan's first sovereign bond issue

>>Kazakhstan is the only other Central Asian state to have previously issued sovereign debt

Investors snapped up Tajikistan's first sovereign bond issue, surprising Central Asia analysts who said the auction came with huge risk (Sept. 7).

The \$500m Eurobond issue came with a coupon of 7.125%, which analysts said was around 200 basis points more than the price paid by other frontier economies for debt. It is set to mature in 2027.

Tajikistan, considered the poorest of the Central Asian countries with an economy reliant on remittances, has said it wants to raise the cash to pay for construction of the giant Rogun Dam.

Lutz Roehmeyer, director at Landesbank Berlin Investment, invested in some of the debt.

"They don't want to splash out the money on any nonsense, they want to build a dam and produce electricity which would be a massive boost for the local economy," he was quoted by Reuters as saying. The



>>Dushanbe is not known as an investment centre

>>Wikipedia

Rogun dam is part of a wider project to supply electricity generated by hydroelectric power to Afghanistan and Pakistan.

Tajikistan has a reputation for corruption and analysts warned that investing in Tajikistan was a gamble. Last year, the government bailed out its commercial banks.

Max Lambertson of the EIU said yields on investment grade debt around the world were currently so poor that investors were looking at far riskier options to find profit.

"Investors typically show little interest in Tajikistan, which has a poor record with foreign investors and multilaterals," he said.

KZ

OIL+GAS

# Kazakhstan wants improved offer to end \$1.6b row with Karachaganak partners

ALMATY -- Kazakh officials want an improved offer from Shell and ENI to end a long-running dispute over a \$1.6b profit sharing claim at the oil and gas Karachaganak project in the north of the country (Sept. 15).

They told the Reuters news agency that the Shell-led consortium operating the plant, Kazakhstan's biggest gas producer, had offered to build a gas processing plant in exchange for dropping the profit sharing claim.

Kazakh Energy Minister Kanat Bozumbayev declined to confirm this but did say that the offer fell short of his expectations.

"We have calculated the value of the offer to Kazakhstan and it does not meet our demands and we have already told that to consortium members," he said told Reuters.

"We have asked the consortium to offer something in addition."

Kazakhstan has said that it is owed an additional \$1.6b from a profit

sharing scheme. The tax authorities have also investigated Karachaganak and some Western commentators have said that they are simply looking to squeeze extra cash out of their partners.

The consortium operating Karachaganak has not commented.

Shell and Italy's Eni are the field's operators and largest shareholders with a 29.25% stake each. Chevron (18%), Lukoil (13.5%) and state-owned Kazmunaigas (10%) own the rest.

# MARKET NEWS

>> Central Asia Metals suspends share trading after saying a “transaction” is possible >>

## CURRENCIES

Armenian dram	478.4/\$1	—
Azerbaijani manat	1,6992/\$1	—
Georgian lari	2.46/\$1	—
Kazakh tenge	338.7/\$1	↓ 0.2%
Kyrgyz som	68.65/\$1	↓ 0.1%
Tajik somoni	8.81/\$1	—
Turkmen manat	3.5/\$1	—
Uzbek soum	8,092/\$1	↑ 0.1%

## STOCKS

Centerra Gold	C\$9.06	↑ 21%
Central Asia Metals	254.5P	↑ 0.1%
KAZ Minerals	739P	↓ 15.5%
Tethys Petroleum	Delisted	—
Nostrum Oil & Gas	375P	↓ 1.3%
Caspian Sunrise	6.250P	↓ 12.2%
Bank of Georgia	3,303P	↓ 3.7%
Georgia Healthcare	310P	↓ 10%
TBC Bank	1,621P	↑ 1%

## COMMODITIES

Oil (Brent)	\$55.27/b	↑ 6%
Gold (spot)	1,330.1P	↓ 0.4%
Copper	\$296.15lb	↓ 6.4%
Cotton	\$68.69/lb	↑ 3.85%

Editor's note: These tables normally measure the weekly change in the price of stocks, commodities and currencies. In this instance, the data measures the change in the week ending Sept. 14 2017.

## Kazakh tenge continues to fall; Nazarbayev denies devaluation rumours

The Kazakh tenge hit its lowest level against the US dollar since November 2016 at the end of last week as speculation mounted that the Central Bank was manipulating the currency.

By the end of the day on Sept. 14, the tenge had recovered slightly to 338.92/\$1 from a low of 341.43/\$1 on Sept. 9.

This still represents a fall of 9% since the end of May. A Conway Bulletin correspondent in Almaty said that people were still nervous about the strength of the tenge

after a double devaluation in 2015 wiped 50% off its value.

And speculation has become so intense that the Central Bank is manipulating the currency through a gentle devaluation, that President Nursultan Nazarbayev was even forced to comment. At a press conference on Sept. 14, he denied that there was any official policy to pressure the currency down.

After a series of devaluations in 2015, the tenge was valued at around 380/\$1 in January 2016. It started 2017 valued at 331.5/\$1.



>>Kazakh tenge vs the US dollar

>>Bulletin Data

## Centerra Gold hits 4-1/2 year high after Kumtor deal; CAM suspends trading

Shares in Toronto listed Centerra Gold jumped by 21% this week to a 4-1/2 year high after it announced that it had come to an agreement with the Kyrgyz government over ownership of the Kumtor gold mine.

The ownership row has been rumbling on for years. Kumtor is Centerra's most valuable asset and worries about its control had suppressed its shares. By Sept. 14, a couple of days after the deal was announced, Centerra's shares were

trading at C\$9.06 – its highest level since January 2013.

Most other shares in the region's listed companies fell. The biggest losers were copper producer KAZ Minerals, oil producer Caspian Sunrise and Georgia Healthcare.

Trading in shares in Central Asia Metals was suspended on the London Stock Exchange after it said that it was in talks with an unnamed party over a potential “transaction”.