

WEEK OF STOCK MARKET OF KAZAKHSTAN

June 15 - 21

1 US dollar = **142.50** tenge at official rate for the end of the period
1 US dollar = **142.48** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during June 15 through 21. In parentheses – figures of previous period. Instruments are given in descending order, based on their attractiveness.

Investment attractiveness of financial instruments at KASE from June 15 through 21

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
MEKKAM	KZT	*12.48 (10.84)	502.8 (354.3)	3,528.4 (2,484.2)
ALKSb	USD	15.34 (15.36)	0 (0)	0 (0)
KOMBb	USD	14.00 (14.20)	0 (5.6)	0 (39.2)
KKGBb	USD	12.32 (12.41)	0 (0)	0 (0)
KZT (SS repo)	KZT	*7.35 (6.44)	2,257.4 (3,745.9)	15,841.0 (26,262.7)
Euronotes-4	USD	10.72 (–)	1,413.3 (0)	9,917.7 (0)
Euronotes-3	USD	10.55 (10.89)	132.8 (137.7)	932.3 (965.3)
Euronotes-2	USD	9.71 (9.89)	184.4 (197.9)	1,293.8 (1,387.3)
MEKAVM, MGU	USD	*7.83 (7.75)	2,194.9 (912.0)	15,402.7 (6,394.4)

Notes: yield of ALKSb, KKGBb, KOMBb calculated as average for offer quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **negative 3.74% APR** (tenge revalued against the dollar)

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

SECTOR OF PRIVATE ISSUE SECURITIES (PIS)

Primary market

On June 23, 2000 an auction for initial additional offering of CJSC “NOC “KAZAKHOIL” coupon bonds (KZ72LAG56A20, official list of KASE securities, category “A”, trade code KZOLb) will be held in trade system of the Exchange.

The additional offering at KASE on June 23 is to be held on following terms. Volume of the additional offering at face value is **one million U.S. dollars**. The bids are made by the investors in the trade system of the KASE from 11:30AM till 12:00PM Almaty time. The bids will be made at “clean” price in percents of the bond face value, excluding accumulated interest for the moment when the auction is held. Accumulated interest on the offering date is 0.45%. In the bids the number of bonds should be indicated as **a face value of the debt being acquired** (product of the number of bonds and face value of one bond). At the auction the volume of the deal is determined as a sum of “clean” price and accumulated interest multiplied by face value of the bonds being purchased, and further divided by 100%. The securities purchased at the auction should be paid **till 5:00PM Almaty time on June 23, 2000**.

Existing KASE members of category “P” (with the right to participate in the trades in private issue securities that were entered into official list of the Exchange) **are allowed to take part in the auction**. Complete list of the members with their contact information is kept up-to-date on the web site of the KASE (<http://www.kase.kz/KASE/Members/>). The Exchange is emphasizing on the fact that coupon bonds of CJSC “NOC “KAZAKHOIL” can be purchased **using the assets of accumulative pension funds**, since they have been entered into official list of KASE securities of category “A”.

Coupon bonds of CJSC “NOC “KAZAKHOIL” were entered into official list of the Exchange under category “A” by the decision of the Board of KASE, dated May 25, 2000. The securities will be traded at the KASE within official list, beginning from the date the additional offering is to be held, that is **from June 23, 2000**. At KASE the market-maker of CJSC “NOC “KAZAKHOIL” bonds is OJSC “Kazkommerts Securities” (Almaty). Minimum volume of mandatory quotations is 30 bonds.

The bonds are denominated in U.S. dollars. Face value – \$100.00. Total issue volume at face value – \$25 mln. Payments for the bonds are to be made in tenge at weighted average rate of the KASE, effective on the payment date.

Coupon is semiannual at 9% APR. Payment dates are December 5, 2000, June 5, 2001, December 5, 2001 and June 5, 2002. Coupons are paid in the Kazakhstani tenges at weighted average rate of the KASE, effective on payment date. According to the rules of the issuer, coupons are calculated using 360/30 time basis. Individuals, who purchased the bonds not later than 30 days before the payment date, are entitled to receive a coupon. If coupon payment date happens to be a week end, then coupon is to be paid on the first business day after the week end.

Maturity date of the bonds is June 5, 2002. The bonds are repaid at face value at weighted average rate of the KASE, effective on maturity date, by transferring the money to the accounts of the bond owners, who were registered 10 days prior to the maturity day.

No lotteries are stipulated by the issue terms of the bonds. The funds, raised by the issue of the bonds, are to be used for general corporate goals of CJSC "NOC "KAZAKHOIL" in accordance with its charter.

Previously, the agency "IRBIS" informed, with the reference to official letter received by the Exchange, that the lead managers of "NOC "KAZAKHOIL" bond issue on domestic market was the consortium of banks, including OJSC "Kazkommerts Securities" (Almaty), OJSC "Halyk Bank of Kazakhstan" (Almaty), CJSC "SJSB ABN-AMRO Bank Kazakhstan" (Almaty) and CJSC "Citibank Kazakhstan" (Almaty). As the representative of CJSC "Citibank Kazakhstan" informed the agency after the publication, **the bank had not participated and was not participating in "KAZAKHOIL" bond offering project at this time.**

Secondary market

During observed period 8 deals amounting to **\$104.3 th.** were made in **purchase and sale sector** of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE). Relative to previous period (\$282.3 th. 16 deals) weekly turnover of PIS decreased 2.7 times.

Results of the trades in shares from June 15 - 21

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
OJSC «Almaty Kus»	ALKS			0	0.15	0.31
OJSC «Aliuminii Kazakhstana»	ALKZ	1.00	1.00	196	1.00	1.00
OJSC «Bank TuranAlem»	BTAS	77.39		0	75.88	78.16
OJSC «Bank CenterCredit»	CCBN	1.26	1.25	2,143	1.26	0.98
OJSC «Halyk Bank of Kazakhstan»	HSBK	2.00		0	0.91	1.82
OJSC «KAZKOMMERTSBANK»	KKGB	0.70		0	0.25	0.50
OJSC «Corporation Kazakhmys»	KZMS	20.96	20.70	785	20.96	7.00
OJSC «Corporation Kazakhmys»	KZMSp	10.00	10.00	7	10.00	10.00
«Kazakhtelecom»	KZTKp	3.00	3.00	300	5.50	3.00
OJSC «SHNOS»	SYRG	1.63		0		*2.00
OJSC «Temirbank»	TEBN	7.39		0	0.70	7.00
OJSC «VALUT-TRANZIT BANK»	VTBNp	1.87	1.87	45,000	1.87	1.87

Results of the trades in bonds from June 15 - 21

yield for the buyer in % APR till maturity, unless otherwise specified

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
OJSC «Almaty Kus»	ALKSb	USD	14.96	–	0	16.64	15.35
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.66	–	0	14.28	12.34
OJSC «Komirbank»	KOMBb	USD	14.17	–	0	32.74	14.45

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

In terms of volumes of the deals **preferred shares of OJSC "VALUT-TRANZIT BANK"** (Karagandy, official list of securities, category "B", **VTBNp**) were the leaders, with their proportion in weekly volume of PIS turnover reaching 80.7% (\$84.2 th. 1 deal). Last week common shares of OJSC "Bank TuranAlem" (Almaty, official list of securities, category "A", BTAS) were noticeable by the turnover.

Compared to previous successful trading day the value of **KZMS** (by the last deal of the period) increased 31.0%, **KZMSp** – 77.5%, whereas that of other the securities traded during this period decreased: **KZTKp** – by 66.2%, **VTBNp** – by 11.09% and **CCBN** (by the last deal of the period) – by 0.3%.

The deal made in common shares of OJSC "Aliuminii Kazakhstana" at the KASE after a long break (May 14, 98) draws the attention. Based on the calculation method of the Exchange the value of **ALKZ** fell 3.45 times in terms of dollars (previously the shares were quoted in tenges) as a result of the deal. It should be taken into account that the deal made on June 15, 00 was direct, that is it was not a market deal, and the volume was only 196 shares. Therefore, such a significant decrease in the value of **ALKZ** should not be tied to the results of the issuer's activities anyway.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

In PIS repo sector no deals were made during analyzed period. At the end of analyzed period **seven** indexed PIS repos were opened for a total of **\$1,455.9 th.** on the trade floor of the Exchange. The following shares were used as an object of repo: OJSC “Bank CenterCredit”, OJSC “UKTMK”, JSC “Kazakhstancaspishelf” and OJSC “Halyk Bank of Kazakhstan”. The repo rates vary from 12.55% to 16.00% APR for 29-260 days. The biggest amount – \$1,028.9 th. or 70.7% of all attracted money in this sector – was attracted by using the shares of OJSC “Bank CenterCredit”.

PIS lists

On June 19, 2000, by the decision of the Board of Kazakhstan stock exchange (KASE) and based on the decision of Exchange council, dated June 16, 2000, common (KZ1C06011919, trade code URPP) and preferred (KZ1C06011919, trade code URPPp) shares of **OJSC “Ural-Poliplast”** (Uralsk, West Kazakhstan region) underwent delisting procedure. These shares were in official list of KASE securities under category “B”.

The decision was made due to the fact that the issuer did not meet KASE requirements. In particular, the issuer has not paid the listing fee (there are arrears for November - December 1999, and for January - June 2000) yet, neither it has presented its financial statement for the 1 quarter of the year 2000, as well as other information in accordance with the securities listing regulations of the KASE. The Exchange has significant remarks on 1999 financial statements.

The shares of OJSC “Ural-Poliplast” were entered into official list of KASE securities on July 16, 1999. The trades in these securities were opened from August 2, 1999. From that time not a single deal was made in these securities, bid and offer were completely absent either.

Capitalization

For June 21, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,574.9 mln** or KZT224.4 bln at tenge to dollar rate of the Exchange, effective on that date. \$111.7 mln decrease in capitalization in terms of dollars relative to the last day of previous period was caused by a resulting change in the prices of the shares being traded. Sharp decline in the value of OJSC “Aluminiumi Kazakhstana” common shares had the most impact on the capitalization (see above).

Market-makers

On June 19, 2000, by the decision of the Board of Kazakhstan stock exchange (KASE), and based on the decision of the Exchange council, dated June 16, 2000, at KASE the list of private issue securities (PIS), whose quotations are regularly put out by the market-makers, is significantly expanded.

In particularly, **OJSC “Kazkommerts Securities”** (Almaty) was granted a market-maker status of:

- OJSC “KAZKOMMERTSBANK” common inscribed shares; minimum mandatory quotation volume – 20,000 shares, fulfillment of obligations – from June 21, 2000);
- OJSC “SHNOS” common inscribed and preferred inscribed shares; minimum mandatory quotation volume – 1,500 shares, fulfillment of obligations – from June 26, 2000);
- “Kazakhtelecom” common inscribed and preferred inscribed shares; minimum mandatory quotation volume – 100 shares, fulfillment of obligations – from June 26, 2000);
- OJSC “UKTMK” common inscribed and preferred inscribed shares; minimum mandatory quotation volume – 50 shares, fulfillment of obligations – from June 26, 2000).

CJSC “Fondovyi Servis” (Almaty) was granted a market-maker status of OJSC “Halyk Bank of Kazakhstan” common inscribed shares (1,200 shares, from June 17, 2000).

LLP “KBS SECURITIES” (Almaty) was granted a market-maker status of OJSC “TEMIRBANK” common inscribed and preferred inscribed shares (350 shares, from June 17, 2000).

Due to an absence of criteria to determine market value of OJSC “SHNOS”, “Kazakhtelecom” and OJSC “UKTMK” shares, the market-maker will work **without any limitations on the spreads between mandatory quotations** of these companies’ shares. The requirements are to be introduced in early December 2000.

Considering the changes, mentioned above, beginning from June 26 **seven market-makers of 17 securities** will work in PIS sector of the KASE.

Normative base

By the resolution #321 of the Directorate of National securities commission of Kazakhstan “On approval of the rules of the Exchange trades”, dated June 8, 2000, a new edition of internal normative document of the KASE “**Settlement regulations by the results of the securities trades**” (Regulations) was approved. The new

edition is completely revised version of the document, where the most principal changes, to be mentioned below, were made.

For the first time at the KASE a legal base, that will make it possible to settle accounts on the deals made in the securities by the resulting net-positions of the trade participant (so called netting), was implemented in the Regulations. Such settlement system is used at the Exchange now for the foreign currency trades. After the system is put into operation, the trade participant will make the settlements only based on resulting balance of the deals during the trading day. It is also said that the list of the securities for conducting netting is to be determined by the Board of the KASE.

A legal base for shortening the settlement term for PIS traded at the KASE was set in new edition of the Regulations. It concerns the securities to be settled using "T+3" time base. New edition provides for making settlements using "T+2", "T+1", and "T+0" time bases for these securities.

SECTOR OF STATE SECURITIES (SS)

In purchase and sale sector for SS of KASE total volume of **66 deals** reached **KZT4,428.2 mln**. In previous period the volume did not exceed KZT1,601.9 mln with 56 deals made.

As it can be seen from the table below, increase in the trade volume was observed in all segments of the market, but it was the most noticeable at the trades in currency SS indexed by the devaluation. In the opinions of the agency "IRBIS" analysts, it was caused by a sharp increase in the supply of these securities, first of all, of the euronotes of the fourth issue. The latter, as the results of the analysis show, was due to a local factor, since in most cases the euronotes were sold by one operator. Increase in supply of the bonds could not help affecting their yields, which increased noticeably on the last day of the period.

Growth in supply of MEKAVM is more likely to be caused by a quite apparent firming of the tenge against the dollar during the week. It made the owners of MEKAVM to restructure their portfolios (the shortest bonds account for most of the volumes of the deals). As in the case with the euronotes, increase in supply made the rates of indexed SS to grow.

Parameters of stock exchange transactions in SS from June 15 - 21

(in parentheses are comparable figures of the previous period)							
Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals	
	min	max	last deal	weighted average			
Discounted SS: MEKKAM-3, 6				11.4% (22.1%) of purchase and sale sector's turnover			
8 - 14	9.12	9.12	9.12	9.12 (-)	0.8	1	
29 - 36	10.40	10.45	10.40	10.41 (10.43)	88.1	6	
37 - 42	11.43	12.00	11.43	11.75 (-)	36.8	2	
43 - 56	10.90	12.11	11.65	11.49 (10.64)	198.3	8	
64 - 91	11.43	13.04	11.43	12.30 (12.50)	67.8	5	
92 - 181	13.01	13.21	13.05	13.10 (13.09)	25.4	4	
182 - 364	14.00	14.85	14.83	14.46 (-)	85.7	6	
Total					502.8 (354.3)	32 (15)	
Discounted indexed SS: MEKAVM-6, 9, 12, MGU				49.6% (56.9%) of purchase and sale sector's turnover			
less than 8	8.86	9.38	8.86	9.30 (-)	773.5	2	
37 - 42	5.82	5.98	5.98	5.94 (-)	1,130.5	3	
43 - 56	9.30	9.30	9.30	9.30 (9.20)	8.9	1	
92 - 181	9.02	9.02	9.02	9.02 (9.02)	32.8	3	
182 - 364	9.20	9.76	9.20	9.53 (9.41)	249.2	5	
Total					2,194.9 (912.0)	14 (25)	
Euronotes of Kazakhstan, USD				39.1% (21.0%) of purchase and sale sector's turnover			
*835 - 840	9.68	9.83	9.68	9.71 (9.89)	184.4	3	
**1,571 - 1,577	10.48	10.70	10.48	10.55 (10.89)	132.8	12	
***2,500	10.65	10.77	10.77	10.72 (-)	1 413.3	5	
Total					1 730.5 (335.6)	20 (16)	
SUBTOTAL					4 428.2 (1 601.9)	66 (56)	

Notes: for euronotes (* - second issue, ** - third issue, *** - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic SS are calculated considering official rate of USD/KZT.

In SS repo sector **90 deals for a total of KZT5,935.4 mln was made during the period**. Of this number 44 deals (for KZT2,274.8 mln) were repo opening deals and 46 (KZT3,660.6 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT6,608.9 mln. No principal changes took place in this sector during the week.

Parameters of repo opening deals in SS at KASE from June 15 - 21

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
June 15.00	1	KZT	1,060.1	6.09	15
June 15.00	7	KZT	155.8	6.00	3
June 15.00	14	KZT	100.0	7.00	2
June 16.00	3	KZT	414.5	9.03	4
June 16.00	4	KZT	75.0	6.00	1
June 19.00	1	KZT	20.0	8.00	2
June 19.00	2	KZT	15.2	8.01	1
June 19.00	10	KZT	140.0	8.00	1
June 20.00	1	KZT	82.4	10.12	6
June 20.00	9	KZT	36.7	8.00	1
June 21.00	1	KZT	107.6	6.24	6
June 21.00	5	KZT	50.0	10.00	1
TOTAL			2,257.3 (3,745.9)		43 (61)

After closing of the trades on June 21 total amount of opened repo equaled **KZT1,851.8 mln**. Current weighted average rates as of June 21 (% APR) equaled: for **1** day (KZT107.6 mln) – **6.24**; for **5** days (KZT50.0 mln) – **10.00**; for **7** days (KZT155.8 mln) – **6.00**; for **9** days (KZT36.7 mln) – **8.00**; for **10** days (KZT140.0 mln) – **8.00**; for **14** days (KZT945.9 mln) – **7.76**; for **29** days (KZT25.0 mln) – **12.00**; for **30** days (KZT26.2 mln) – **10.99**; for **42** days (KZT364.7 mln) – **11.73**.

Total of 156 deals amounting to **KZT10,363.4 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 190 deals was KZT8,210.8 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled 71.3%, for last week it was 72.8%.

Prepared by the agency «IRBIS»