

WEEK OF STOCK MARKET OF KAZAKHSTAN

January 31 - February 6

Money market rates as of February 6 and weekly changes

Term	Currency	Rate	Trend
“Overnight” on autorepo at KASE(TONIA)			
1 day	KZT	5.09	+0.98
Repo opening at KASE (WA, % APR)			
1 day	KZT	5.02	+0.93
2 days	KZT	5.25	-
5-7 days	KZT	5.94	+0.94
KIBOR (indicative, % APR)			
1 week	KZT	8.00	+0.20
2 weeks	KZT	8.75	+0.15
1 month	KZT	9.88	+0.18
2 months	KZT	10.75	+0.15
3 months	KZT	11.25	+0.05

Stock market indicators as of February 6 and their weekly change

Index	Value	Trend
Shares of “A” listing		
KASE_Shares	107.2072	+0.09%
Corporate bonds of “A” listing		
KASE_BP	119.57	+0.41%
KASE_BC	105.15	+0.30%
KASE_BY	10.38	-0.94%
Euronotes of Kazakhstan		
KASE_EP	136.17	+0.43%
KASE_EC	115.72	+0.43%
KASE_EY	5.43	-3.18%

US dollar = **151.60** tenge at official rate for the end of the period

US dollar = **152.04** tenge at weighted average rate of the

Exchange for the end of the period

Weekly rate of tenge devaluation at the Exchange's rate – **6.75% APR**

SPECIFICS OF THE PERIOD

- Further growth of the prices of corporate bonds, accompanied by a decline in their yields to buyer.
- Overheat of the market of euronotes of Kazakhstan, that led to three time decline in its turnover.

Investment attractiveness of stock exchange instruments from January 31 through February 6

Financial instrument	Currency of transaction	Yield, % / value	tr
Instruments denominated in national currency, tenge			
TXBNb1	KZT	14.80	-
MEOKAM, MEAKAM	KZT	8.99	+
MEKKAM, notes	KZT	*5.89	+
GS repo	KZT	*4.92	-
Instruments indexed to KZT/USD rate fluctuation			
SMGZb1	USD	13.01	+
ALKSb2	USD	11.98	
VTBNb1	USD	11.49	
RGBRb2	USD	11.23	+
BTASb1	USD	11.00	
KZASb1	USD	11.00	+
TEBNb2	USD	10.90	
ASFlb1	USD	10.12	-
TEBNb	USD	10.00	
KZTKb1	USD	10.00	
CSBNb1	USD	9.97	+
KARMB1	USD	9.21	-
CCBNb1	USD	8.94	-
TMJLb2	USD	8.80	
SYRb1	USD	8.50	
HSBKb	USD	8.48	-
ASU036.003	USD	8.40	-
KZTOb	USD	8.35	-
ARU060.003	USD	8.02	
VKU036.001	USD	6.76	
ARU024.002	USD	6.17	-
KZOLb	USD	3.22	-
ASU012.002	USD	3.14	-
Instruments, denominated in foreign currency			
BTASe1	USD	10.62	+
KKGBe2	USD	9.20	
KZTOe1	USD	8.57	-
ENU07.05	USD	6.16	+
ENU04.10	USD	4.49	-
Supranational bonds	DEM	2.99	+
Supranational bonds	USD	1.14	-

The yields at which the deals have been made (volume of deals is not zero) are calculated as average of the deals, for other corporate bonds – as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by an asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given).

THE CORPORATE SECURITIES SECTOR (CS)

In CS purchase-sale sector of KASE a total of 20 deals were concluded amounting to **\$8,216.2 th.** or KZT1,247.8m. Compared to previous week (23 deals, \$4,416.7 th., or KZT668.8m) the sector's turnover increased 1.9 times, which implies that the market become active after a January calmness. A total of 10 instruments were used to make the deals, including 5 bonds. Last week the brokers were focused on 12 securities, including 7 bonds.

The data presented below the table show that the expansion of CS market in this week was achieved mainly thanks to the deals made using the shares. The series of deals made on January 31 in securities of Bank TuranAlem OJSC (BTAS) and Bank CenterCredit OJSC (CCBN) for a total of \$6,221.0 th. was the main reason for the growth of the sector's volume. The IRBIS analysts tend to consider these deals a hidden repo deals, by taking into account that they have been made on the last day of previous month, as well as other circumstances. Based on these deals the value of BTAS increased by 21.7%, and CCBN fell by 3.2%. The deals made in preferred shares of AMB OJSC (ATFBp) seem to be more interesting, which were traded successfully at the Exchange on February 5 and 6, and their value increased by 12.3%. In general, the developments in this segment of the market do not indicate that there were significant

changes. On February 6 the capitalization of the companies, whose shares are traded within official list of KASE, reached **\$1,203.5m** (KZT183.0bn) and rose by \$34.3m during this period as a result of increase in prices of ATFBp, BTAS, KZCR.

In bonds trading sector the same trends that existed in January were observed. The debt is sold on secondary market at increasing prices, which is accompanied by the decline in their yields to the buyer or fixing them at current levels. The favorites of the market are the most traded bonds at KASE. By the results of the week the yield of BTASb1 and KZTKb1 almost unchanged, and BTASe1 fell from 11.61% to 10.62%, KZTOb – from 8.88% to 8.35%, VTBnb1 – from 11.49% to 11.35% APR. The prices of the bonds in the quotations of the market-makers keep growing which is duly reflected in the dynamics of KASE_B* series indexes. Thanks to the growth of prices the capitalization of this market segment is also rising, which is estimated at **\$587.7m** at the end of the week, or \$2.3m growth in 7 days.

In general, it should be noted that no restructuring of the portfolios by the investors due to expected new issues (bonds of Development Bank of Kazakhstan CJSC and euronotes of Kazakhoil Finance BV that received “BB” rating from Fitch) of corporate securities is observed yet.

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

Results of the trades in shares from January 31 through February 6

USD per share, unless otherwise specified

Issuer	Securities	Last price	Volume, #	Volume, USD th.	Best bid	Best offer
Almaty Kus OJSC	ALKS		0	0	0.1540	0.3080
Almaty Kus OJSC	ALKSp		0	0	0900	0.1700
Almaty Kus OJSC	ALKSp3		0	0	0680	0700
CNPC-Aktobemunaigas OJSC	AMGZp	*30.00	0	0	*3.00	
Astana-finance OJSC	ASFI	6.632	0	0	4.000	8.000
AMB OJSC	ATFBp	7.600	3,900	28.9	7.600	6.640
Bank TuranAlem OJSC	BTAS	90.00	61,600	5,544.0	90.00	90.00
Bank CenterCredit OJSC	CCBN	1.2774	530,000	677.0	1.2774	1.2774
Halyk Bank of Kazakhstan OJSC	HSBK	1.2200	0	0	0.6700	1.3400
KAZKOMMERTSBANK OJSC	KKGB	*0.4500	0	0	0.2500	0.5000
KAZKOMMERTSBANK OJSC	KKGBp		0	0	0.2900	0.5700
TNC Kazchrome OJSC	KZCR	*7.000	1,797	12.6	7.000	7.000
Kazakhoil-Emba OJSC	KZEMp	*4.0160	10,645	42.8	4.0160	4.0160
Corporation Kazakhmys OJSC	KZMS	*61.000	0	0	60.000	120.000
Corporation Kazakhmys OJSC	KZMSp	100.000	0	0	60.000	120.000
Kazakhtelecom	KZTK	17.030	0	0	13.000	26.000
Kazakhtelecom	KZTKp	*14.999	0	0	11.000	20.500
SHNOS JSC	SYRG	1.6300	0	0	1.9000	
Temirbank OJSC	TEBN	*1.095	0	0	3.290	6.570
Temirbank OJSC	TEBNp		0	0	3.290	6.570
ULBA JSC	ULBAp	*10.00	0	0		*7.92
UKTMK OJSC	UTMK	39.000	0	0	25.000	50.000
UKTMK OJSC	UTMKp	45.0000	0	0	23.0000	46.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.6617	0	0	1.4517	2.7714
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033	0	0	1.7156	3.0683
TOTAL	25		607,942	6,305.3		

Results of the trades in bonds from January 31 through February 6

(% APR, unless otherwise specified)

Issuer	Code	Last	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb2	12.0000	0	12.6990	11.9823
Astana-finance OJSC	ASFb1	10.4545	0	11.4951	10.3740
Bank TuranAlem OJSC	BTASb1	10.9981	522.0	10.9981	10.9981
TuranAlem Finance B.V.	BTASe1	10.6171	515.1	10.6171	10.6171
Bank CenterCredit OJSC	CCBNb1	11.0190	0	12.3211	9.1814
Bank Caspian OJSC	CSBNb1	*9.8960	0	11.0191	9.9664
Halyk Bank of Kazakhstan OJSC	HSBKb	11.0249	0	13.4952	8.4962
Karazhanbasmunai OJSC	KARMb1	10.9977	0	10.9845	9.7901
KAZKOMMERTSBANK OJSC	KKGBe2		0	11.2019	9.2038
DAGOK Kustanaiasbest OJSC	KZASb1	10.7305	0	11.9975	10.9999
NOC Kazakhoil CJSC	KZOLb	4.5994	0	7.3978	3.9965
Kazakhtelecom	KZTKb1	1000	465.7	9.9881	1000
NOTC KazTransOil CJSC	KZTOb	8.3529	44.5	8.3529	8.0389

Issuer	Code	Last Volume, th. USD	Best bid	Best offer
NOTC KazTransOil CJSC	KZTOe1	9.5816	0	9.3387 8.6351
RG Brands OJSC	RGBRb2	11.8677	0	11.9963 11.7062
SHAHARMUNAIGAS OJSC	SMGZb1	13.6192	0	19.0017 13.0314
SHNOS OJSC	SYRGb1	10.8001	0	11.9953 8.5047
Temirbank OJSC	TEBNb	10.4320	0	10.9966 1042
Temirbank OJSC	TEBNb2	10.9815	0	11.2009 10.8974
Kazakhstan Temir Joly NSE	TMJLb2	9.5000	0	10.9959 8.7987
TexaKaBank OJSC	TXBNb1		0	15.1429 15.0048
VALUT-TRANZIT BANK OJSC	VTBNb1	11.4901	363.8	11.3500 11.4901
TOTAL	22		1,911.1	

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 the repo sector of CS an only one deal was made amounting **\$465.9 th.** (KZT70.8m) regarding the closing of repo. Volume of deals in previous week was much greater – \$2,167.1 th. (KZT328.5m). As IRBIS mentioned before, the turnover of this market sector was negatively affected by the ban imposed on January 11 on making repo deals using the pension assets and any other way, except for the main trade method of KASE. At the same time admittance criteria of corporate securities in automatic repo sector are still being developed.

In all CS trade floors of KASE (purchase-sale and repo sectors) a total of 21 deals were concluded amounting to **\$8,682.1 th.** (KZT1,318.6m). Last week volume of 29 deals reached \$6,583.8 th. (KZT997.4m).

SECTOR OF GOVERNMENT SECURITIES (GS)

In GS purchase and sale sector of KASE (including euronotes of Kazakhstan) a total volume of 68 deals equaled **KZT2,845.9m** (\$18,713.4 th.). Corresponding figure of last week was much greater – KZT9,850.8m (\$64.973.5 th.). These figures, as well as the turnover structure shown in the table, indicate that considerable changes took place in this market sector.

The main reason for the GS secondary market to shrink was a sharp decline in liquidity of the market of euronotes of Kazakhstan, where were almost not traded at KASE. This circumstance deserves a close attention and is the most noticeable feature of this period. The offer prices kept growing with previous speed, but they were no longer appealing to the buyers. The employees of PAMC and pension funds polled by IRBIS, who are the investors maintaining the market of euronotes of Kazakhstan gave different comments on this occasion. Some say that now the market of euronotes is overheated because of active trades in January. The prices have reached a psychological maximum and further purchases of these bonds do not seem to be logical. It is especially important before the appearance of euronotes of **Kazakhoil Finance BV**, which are not considered by the dealers a long-awaited for (low coupon is expected) that would require the preparation of funds, but they still willing to buy them. The market participants note that the activation of the trades in euronotes of Kazakhstan in January might be caused by the expectation of initial offerings of Kazakhoil Finance BV bonds, which have led to the overheat.

The other assumption that deserves the attention is that the profitability figures of State Accumulative Pension Fund CJSC (SAPF) forced the PAMC to capitalize on euronotes in their portfolios in January as a result of tough competition among pension assets management companies last year, and which led to an increase in the turnover of these bonds and overheated the market. Now the investment limits on euronotes are closed and the market is “taking a rest”.

Notably, none of those polled by IRBIS considers that this calmness is preceding the collapse of the prices on euronotes. As the participants say Kazakhstani market is “condemned” for price growth in spite of the fact that the yields to the buyer of the second issue bonds have closely approached 3.0% APR.

Partially, some money of the investors was used to work with mid-term domestic bonds of the Ministry of Finance, whose turnover doubled (see the table). Favorable conditions have settled for this, since the shortest MEOKAM and MEAKAM were offered at greater volumes at a relatively low yields. For example, one of the banks was selling MEOKAM-36 of 22nd issue on February 6 at a face value which increased the yield of the bonds to the buyer to 16.84% APR. A half a billion supply of MEAKAM by one of the entities of the pension market at the prices that guarantee a yield of around 10.45% APR was also interesting. However, no unilateral movements of mid-term bonds of the Ministry of Finance were observed. It was more likely that the yields of these bonds were higher than on primary market. Besides, the issuer has conducted just one offering of MEOKAM in last week which could have a positive impact on their liquidity at secondary circulation.

Parameters of Exchange's transactions in GS from January 31 through February 6

(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 GS (KZT): notes					13.3% (8.1%) of purchase and sale sector's turnover	
29 - 36	5.31	5.36	5.36	5.34 (5.69)	75.9	3
57 - 63	5.63	5.63	5.63	5.63 (-)	99.1	1
64 - 91	5.73	6.20	5.88	5.96 (5.94)	202.5	3
Total					377.4 (801.1)	7 (13)
Coupon GS (KZT): MEOKAM-24, 36, MEAKAM					75.8% (9.9%) of purchase and sale sector's turnover	
less than 730	7.28	16.84	16.84	8.40 (8.09)	1,378.03	46
731 - 1,095	7.50	8.30	7.50	8.02 (8.52)	230.92	6
1,826 - 2,190	10.44	13.49	10.92	10.89 (-)	547.89	6
Total					2,156.8 (979.9)	58 (35)
Euronotes of Kazakhstan (USD)					11.0% (81.9%) of purchase and sale sector's turnover	
*974 - 978	4.35	4.49	4.49	4.49 (4.74)	311.1	2
**1,896	6.16	6.16	6.16	6.16 (6.09)	0.6	1
Total					311.7 (8,069.7)	3 (42)
GRANDTOTAL					2,845.9 (9,850.8)	68 (90)

Notes: for euronotes (* – third issue, ** – fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange, over domestic devaluation indexed bonds - official KZT/USD exchange rate.

In GS repo sector 330 deals for a total of KZT54,257.2m were made (including automatic repo sector) during the period. Of this number 162 deals (for KZT26,970.7m) were repo opening deals and 168 (KZT27,286.5m) were repo closing deals. Last period the turnover of this market sector equaled KZT48,395.9m. After closing of the trades on February 6 total amount of opened repo reached **KZT18,161.4m**. Parameters of automatic repo market are given in the table.

Major parameters of automatic repo market from January 31 through February 6

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	at first deal	MIN	MAX	at last deal			
Repo opening							
KZT_001	4.60	3.00	7.50	7.50	4.70 (4.19)	19,365.0	90 80.6
KZT_002	5.25	4.50	5.50	5.25	5.09 (5.03)	1,370.0	12 5.7
KZT_003	5.50	5.00	5.50	5.00	5.38 (5.55)	845.0	9 3.5
KZT_007	5.50	5.50	7.50	6.50	6.05 (5.65)	2,135.0	23 8.9
KZT_028	7.00	7.00	7.00	7.00	7.00 (6.57)	300.0	3 1.2
SUBTOTAL					24,015.0 (16,795.0)	137	100.0

Specifics of the week on automatic repo sector is a slight growth of the rates which, at first, is not illogical. There is much free money on the market. In the opinions of IRBIS specialists, this is due to the position of the National Bank on open market, which began to announce repo rates regularly beginning from last Monday. From this time the head bank was borrowing the shortest money at 5.0% APR, though current situation made it possible to borrow "overnight" at lower rates. During the last three days after the National Bank has ended its work on the trade floor of KASE (4:30PM) the TONIA index slid down by a few points, since banks were offering much lower rates. It seems as if the National Bank is actively cleaning up the market from excessive money. For example, two more auctions were added to previously announced two offerings of notes in this week. It affects the behaviors of the banks indirectly. Very low repo rates caused by excessive supply of tenge by the entities of the pension market can destabilize the situation in currency circulation sector, stimulating speculations and also draw the money of the banks from financing and investing into government and corporate bonds. The latter can decrease the demand for MEKAM and as a result, increase the servicing cost of the state debt, which is not beneficial for the Ministry of Finance, especially considering a high debt burden of the state budget this year. Thus, the National Bank is trying to balance the rates under a highly liquid market.

Total of 398 deals amounting to **KZT57,103.1m** were made in **GS on all trade floors of KASE** during the week (purchase-sale and repo sector). A week ago volume of 393 deals equaled KZT58,246.7m. This week **the proportion of the Exchange's turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations reached **97.9%**, for last week it was 93.8%.

INFORMATION ON ISSUERS

UKTMK OJSC (Oskemen; production and sale of non-ferrous metals (high quality titanium sponge, commodity magnesium)) provided the KASE with its **preliminary** financial statements for 2001: balance sheet and income statement.

Comparable figures of financial and economic activities of UKTMK OJSC in 2000 and 2001

(in th. KZT unless otherwise specified)

Ratio	As of Jan 1 '01	As of Jan 1 '02	Change, %
Authorized capital	21,582	21,582	0
Shareholders' equity	5,838,517	6,640,609	+13.7
Total assets	6,733,156	7,559,754	+12.3
Net working capital	1,648,496	2,357,231	+43.0
Accounts receivable	263,380	915,895	+247.7
Accounts payable	770,504	865,777	+12.4
Sales	5,538,777	9,662,774	+74.5
Cost of goods sold	4,567,581	7,677,114	+68.1
Net income	235,177	847,896	+260.5
Calculated by data of issuer:			
Return on sales (ROS), %	17.53	20.55	+17.2
Return on equity (ROE), %	4.03	12.77	+217.0
Return on assets (ROA), %	3.49	11.22	+221.1
Earnings per common share (EPS), KZT	238.20	873.05	–
Price earnings ratio (P/E)	–	5.86	–
Book value of a share, KZT	5,410.54	6,153.84	+13.7

Earnings per common share (EPS) and price earnings ratio (P/E) for 2001 are given without dividends to preferred shares, which have not been set yet.

Compared to similar period of 2000 **growth** took place in: **shareholders' equity** of the company – by KZT802.1m as a result of an increase in final amount of undistributed income; **assets** – by KZT824.6m, including: accounts receivable – by KZT652.5m, residual value of fixed assets – by KZT91.6m, cash – by KZT72.8m and other assets – by KZT9.8m; **liabilities** – by KZT24.5m, as a result of increase in accounts payable – by KZT95.3m, reserves for future payments – by KZT7.3m with a decrease in volume of attracted loans by KZT78.0m; **sales** – by KZT4.1bn; **cost of goods sold** – by KZT3.1bn; **expenses of the period** – by KZT186.4m or 35.7%. **Net income** of UKTMK OJSC, reflected in preliminary financial statements, equaled KZT847.9m in 2001, which is KZT612.7m or 3.6 times more than in last year.

Dynamics of some figures of UKTMK OJSC activities in 2001 on a quarterly and non-accumulating sum basis

(m KZT unless otherwise specified)

Ratio	I-2001	II-2001	Change, %	III-2001	Change, %	IV-2001	Change, %
Sales	2,331.3	2,436.1	+4.5	2,470.7	+1.4	1,914.1	-1.9
Net income	196.9	261.2	+32.7	272.8	+4.4	92.8	-57.1

Bank TuranAlem OJSC (Almaty) presented to Kazakhstan stock exchange (KASE) a copy from the protocol of General meeting of shareholders which took place on January 25,2002. In compliance with adopted day agenda of the meeting, shareholders of Bank TuranAlem OJSC made changes and additions to the Charter connected with an introduction of a procedure of correspondence voting of the Board of Directors and also approved: Statement on the Board of directors, a change of allocation of convertible privileged shares among investors, adopted at shareholders meeting on June 17,2001 and new priorities of operating and financing policies accepted in Agreement on Subscription.

Along with this, following decisions have been made during this meeting.

- To elect a new composition of the Board of directors accounting 9 people, which included: Sarkytbaev M.K., Tatishev E.N., Mazhibayev K., Aksambiev T., Ualiev S.N., Abzhanov D.K., Kononenko O.A., Arthur Ilev, Nick Tesseyman.
- To attract syndicated loans in the year 2002: **in II quarter** – for the amount of USD150m for the period up to two years from western financial institutions; **in III quarter** – for the amount of USD30-50m for the period up to two years from financial institutions of Persian gulf countries.

- To place in international financial markets commercial securities for the amount up to USD100m for the period up to one year in III-IV quarters of 2002.
- To realize an issue of inscribed subordinated bonds indexed at a change of exchange rate of tenge to dollar in the amount of 250,000 units with par value of 15,000 tenge for the amount of 3.75bn tenge with circulation term of 8 years and semiannual coupon at 9% APR.
- To realize issues of inscribed coupon eurobonds: in the amount of 250,000 units for USD25.0m with circulation term of 8 years and semiannual coupon of 9% APR; in the amount of 1,000,000 units for USD100.0m with circulation term of 5 years and semiannual coupon of 10% APR.

International rating agency Fitch granted rating “**BB**” to being planned eurobonds issue of **Kazakhoil Finance BV**, forecast of rating is stable, is said in the agency’s report. Bonds are issued as irrevocable and ultimate guarantees of Kazakhstan oil company Kazakhoil. This week the company starts a series of presentations of bonds for the investors during which exact parameters of the issue will be determined. Bank ABN Amro received a mandate for issue organization in May 2001. At that time Kazakhoil said that it wants to attract %50-60 million. Presentation of the issue will take place in London, Paris, Milan, Frankfurt and Vienna. Based on agency’s data, by results of year 2000 gain of Kazakhoil excluding transactions with independent producers totaled \$810 million, operating income accounted for \$311 million. Volume of company’s debt, according to Fitch calculations, is equal to \$147.7 million.

PR service of NOC KAZAKHOIL CJSC informed that on February 5 a credit agreement was signed between the company and Marubeni Corporation to finance 15% of the reconstruction of Atyrau NPZ amounting to **\$35,250 th.**, is said in the press-release of the NOC KAZAKHOIL. The loan is mid-term for 5 years and not supported by a state guarantee. The financing term is 5 years (favorable period – 3 years, for construction period), currency – U.S. dollar, interest rate – LIBOR + 4.5%. The lenders are Marubeni Europe PLC and BNP Paribas and HSBC Bank Kazakhstan. The contract for the reconstruction of Atyrau refinery was signed on December 4, 2001 by NOC KAZAKHOIL and Marubeni Corporation on a “turnkey” basis amounting to \$235m. This project is to be implemented by the loan granted through Japanese Bank of International Cooperation (JBIC, \$200m) and Marubeni Corporation (\$35m). A \$200m loan agreement with JBIC was signed on December 20, 2001. The Kazakhoil PR service informs that the construction of new facilities and modernization of current ones and introduction of new technologies will improve the refining of oil at Atyrau refinery to 85-92%, affecting the quality and expanding the range of final products. Special attention was given in this project to environmental issues in Atyrau region. Total cost of the facilities and environment protection measures will account for about 32% of the refinery reconstruction project.

KASE NEWS

By the decision of the Board of Kazakhstan Stock Exchange (KASE) **from March 1, 2002** one of the major normative documents of the Exchange – **Listing regulations**, which is a considerable revised version of current Regulations on the securities listing, will be enacted. The Regulations were coordinated with the National Bank of Kazakhstan on January 29, 2002 and approved at the meeting of Kazakhstan Stock Exchange (KASE) members holding “K”, “P” and “H” categories, dated February 6, 2002.

One of the clauses of the Listing regulations – the clause 1 of the article 13, was enacted by the decision of the Board of the Exchange **from February 7, 2002**. This clause describes permissible exceptions to the requirements of the official list of KASE securities of category “A”. Based on new wording, the bonds issued by banks and organizations conducting certain banking transactions which are owned by the government of Kazakhstan (also along with local executive bodies) and (or) the National Bank of Kazakhstan, can be admitted to the securities list under category “A” without taking into consideration the foundation time of such banks or organization. The list of such organizations is determined by the Exchange council upon the coordination with respective body (National Bank). The requirement on net income of the bank or the organization, as well as on auditing of these organizations is used taking into account their actual existence period.

Based on Listing regulations, in order the bonds to be admitted and present in the official list of the KASE securities under category “A” their issuer should be in existence (based on the initial registration date as a legal entity) not less than three years prior to the submission of the application on the admittance of the securities into the official list.

By the decision of the Board of Kazakhstan Stock Exchange (KASE) **from February 7, 2002** changes and amendments into the normative documents of the Exchange “**Schedule of settlements by the results of securities trades**” (Schedule) were enacted. The changes and amendments were coordinated with the

National Bank of Kazakhstan on January 29, 2002 and approved at the meeting of Kazakhstan Stock Exchange (KASE) members holding "K", "P" and "H" categories, dated February 6, 2002.

During the securities trades at the exchange there can be a situation when by the moment of making by the depository of settlements on the registered deal there is no money at correspondent account of securities buyer or at depo account of the seller there are no securities. Such a deal receives in Trade system a status of non-performed. For settlements making on a deal declared as non-performed a representative of KASE makes so called **repeated deal** based on terms of before made deal.

Introductions to the Schedule concern terms of **repeated deal** making.

New edition of the Schedule assumes that a refusal of the guilty side to make repeated deal **on a day of deal making** means the cancellation of the deal with obligation to pay fines. The refusal of the suffered side from repeated deal making **on a day of deal making** deprives it of the right to demand fine imposition.

Old version of the Schedule assumed that in case of impossibility of settlements performance on a repeated deal due to the guilty of a side suffered while settlements making both sides are deprived of a right to demand fine payment. In anew edition of the Schedule it is added that in case of impossibility of repeated deal making on the day of deal making both sides have a right to make another deal on the next working day. In case of refusal of one of the sides to make repeated deal on the next working day, a suffered side has a right to demand fine payment.

REFUTATION

In previous review of the stock market of Kazakhstan **an incorrect information** regarding the decrease in the number of paid common shares of Bank CenterCredit OJSC (Almaty) to **12,412,420** from 15,316,695 was used as one of the reasons for the change in capitalization of the companies, whose shares are traded within official list of KASE. Actually, there was no decrease and due to the absence of the information from the registrar the Exchange was using all registered volume of common shares when calculating the capitalization of the bank. After receiving the extract from the register as of Jan 1, 02 the number of shares used in calculation of the bank's capitalization was corrected to 12,412,420 shares, that is to actually floated amount.

Prepared by the agency IRBIS