

# WEEK OF STOCK MARKET OF KAZAKHSTAN

July 31 – August 6

Money market indicators as of August 6 and change for the period

| Term  | Currency | Rate  | Trend |
|---|----------|-------|-------|
| <b>“Overnight” on autorepo at KASE(TONIA)</b> |          |       |       |
| 1 day   | KZT      | 2.81  | -1.02 |
| <b>Repo opening at KASE (WA, % APR)</b>       |          |       |       |
| 1 days  | KZT      | 2.72  | -1.12 |
| 7 days  | KZT      | 3.80  | -     |
| <b>KIBOR (indicative, % APR)</b>              |          |       |       |
| 1 week  | KZT      | 6.50  | -0.50 |
| 2 weeks                                       | KZT      | 7.50  | -0.25 |
| 1 month                                       | KZT      | 8.50  | 0     |
| 2 months                                      | KZT      | 9.25  | 0     |
| 3 months                                      | KZT      | 10.00 | 0     |

Stock market indicators as of August 6 and their change for the period

| Index                                 | Value  | Trend   |
|---------------------------------------|--------|---------|
| <b>Shares of “A” listing</b>          |        |         |
| KASE_Shares                           | 120.03 | -8.25%  |
| <b>Corporate bonds of “A” listing</b> |        |         |
| KASE_BP                               | 144.18 | +0.39%  |
| KASE_BC                               | 120.16 | +0.27%  |
| KASE_BY                               | 7.86   | -1.01%  |
| <b>Euronotes of Kazakhstan</b>        |        |         |
| KASE_EP                               | 149.07 | -0.55%  |
| KASE_EC                               | 111.85 | -1.00%  |
| KASE_EY                               | 3.77   | +11.96% |

US dollar = 147.05 tenge at official rate for the end of the period.

US dollar = 147.14 tenge at weighted average rate of the Exchange for the end of the period.

Rate of tenge devaluation for the period at the Exchange’s rate – positive 15.8% APR.

## THE CORPORATE SECURITIES MARKET (CS)

In CS purchase-sale sector a total of 64 deals amounting to \$11,259.1 th or KZT1,654.2 m were made during the analyzed period. In comparison with the previous period (37 deals, \$3,399.7 th. or KZT498.4 m) volume of the sector increased 3.3 times. As will be said below, such the significant expansion of the market was achieved due to active trading in shares.

During the analyzed period deals were made by 13 KASE’s members on 25 instruments 14 of which were bonds. At that, 11.2% of gross turnover (18.4% on purchasing transactions and 3.9% - on sale) were made at the expense of assets of pension market’s subjects. During the previous period KASE’s 12 members of “P” and “H” categories were interested in 22 securities, 14 of which were bonds. Stake of pension assets was 15.9% of gross turnover, including 25.7% on purchasing transactions, 6.1% – on sale.

At corporate bonds market trade activity abruptly decreased. Volume of transactions decreased by one third relative to previous week. Market’s participants worked mainly with currency bonds and indexed on tenge devaluation level bonds, prices of which on the made deals were mainly falling because of strengthening of dollar’s positions in Kazakhstan. And on the reason growth of USD’s rate is not considered as a long-term tendency, most traders preferred to keep from active actions that caused compression of

Investment attractiveness of stock exchange financial instruments since July 31 till August 6

| Financial instrument                  | Currency of transaction | Yield, % APR Value | trend |
|---------------------------------------|-------------------------|--------------------|-------|
| <b>Instruments denominated in KZT</b> |                         |                    |       |
| UKPFb1                                | KZT                     | 14.00              | 0     |
| ARNAb1                                | KZT                     | 12.96              | +0.46 |
| TXBNb1                                | KZT                     | 12.00              | 0     |
| TXBNb2                                | KZT                     | 11.00              | -     |
| CCBNb3                                | KZT                     | 10.01              | +0.51 |
| HSBKb3                                | KZT                     | 9.00               | 0     |
| CS repo*                              | KZT                     | 8.34               | +0.38 |
| MEOKAM,MEAKAM                         | KZT                     | 6.14               | -0.37 |
| KZIKb1                                | KZT                     | 6.00               | -2.40 |
| MEKKAM, notes*                        | KZT                     | 5.21               | -0.10 |
| GS repo*                              | KZT                     | 3.06               | -0.99 |

**Instruments indexed on devaluation**

|            |     |       |       |
|------------|-----|-------|-------|
| VITAb3     | USD | 14.00 | +3.46 |
| CCBNb2     | USD | 10.87 | +2.87 |
| VTBNb1     | USD | 10.61 | +0.17 |
| RGBRb3     | USD | 10.50 | +0.30 |
| ASFib2     | USD | 10.25 | +1.25 |
| KZASb1     | USD | 10.10 | 0     |
| ALKSb2     | USD | 10.05 | 0     |
| ORDBb1     | USD | 10.00 | 0     |
| CSBNb1     | USD | 9.30  | +1.10 |
| BTASb2     | USD | 9.00  | 0     |
| ASBNb1     | USD | 8.52  | 0     |
| TEBNb3     | USD | 8.50  | 0     |
| BTASb1     | USD | 8.50  | 0     |
| TEBNb      | USD | 8.25  | -0.31 |
| HSBKb      | USD | 8.00  | -0.45 |
| TEBNb2     | USD | 8.00  | 0     |
| CCBNb1     | USD | 8.00  | 0     |
| LARib1     | USD | 7.75  | 0     |
| KKGBb2     | USD | 7.60  | -0.14 |
| HSBKb2     | USD | 7.53  | -0.01 |
| KZPSb1     | USD | 7.15  | -0.05 |
| NRBNb1     | USD | 7.10  | -0.10 |
| KZAPb1     | USD | 7.00  | 0     |
| ALBNb1     | USD | 7.00  | 0     |
| BRKZb1     | USD | 6.74  | 0     |
| AST048.006 | USD | 6.59  | +0.28 |
| ART060.004 | USD | 6.50  | 0     |
| KZTOb      | USD | 6.48  | +0.18 |
| AST048.005 | USD | 6.38  | +0.23 |
| ATFBb2     | USD | 6.04  | -1.94 |
| SYRGb1     | USD | 6.00  | -0.95 |
| KARMB1     | USD | 6.00  | 0     |
| AST036.004 | USD | 5.74  | +0.03 |
| KZTKb1     | USD | 5.73  | -0.02 |
| ARU060.003 | USD | 5.59  | 0     |
| TMJLb2     | USD | 5.50  | -0.30 |
| ASU036.003 | USD | 5.34  | -0.14 |
| VKU036.002 | USD | 5.00  | 0     |
| VKU036.001 | USD | 4.00  | 0     |
| ARU024.002 | USD | 3.00  | 0     |

**Instruments denominated in foreign currency**

|           |     |      |       |
|-----------|-----|------|-------|
| BTASe2    | USD | 7.72 | -0.52 |
| KKGBe2    | USD | 7.00 | 0     |
| KKGBe3    | USD | 6.98 | -0.30 |
| BTASe1    | USD | 6.35 | +0.30 |
| KZTOe1    | USD | 6.23 | +0.06 |
| BRKZe1    | USD | 4.94 | -0.96 |
| ENU07.05  | USD | 3.55 | +0.05 |
| ENU04.10  | USD | 1.94 | -0.56 |
| Ifo bonds | EUR | 1.43 | -0.26 |

The yields of bonds at which the deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations.

Trends are given relative to previous week. Securities marked by asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

the market. Decrease of number of "revaluation deals", which were made on bids of PAMC and APF, worked in the same direction. First, potential of bonds market in this aspect has significantly decreased. Second, this assumption is confirmed by the negative dynamics of the stake of pension assets, which participate in deals making (see above).

Falling of bonds' prices in deals caused to predominant growing of securities' yield for purchaser during the week. Yield of ARNAb1 rose from 12.50% to 12.98% APR, ASFib2 – from 10.50% to 10.60% APR, BTASe1 – from 6.05% to 6.75% APR, CCBNb2 – from 8.87% to 10.87% APR, CSBNb1 – from 9.10% to 9.30% APR, KZTOb – from 6.30% to 6.48% APR, KZTOe1 – from 6.16% to 6.23% APR, RGBRb3 – from 10.20% to 10.50% APR, VITAb3 – from 13.97% to 14.00% APR. Only yield of CCBNb3 (from 10.01% to 10.00% APR, TXBNb1 (from 14.57% to 12.00% APR) and VTBNb1 (from 11.22% to 10.61% APR) fell. Yield of ALKSb2 and HSBKb3 has not changed – 10.05% and 9.00% APR correspondingly.

Capitalization of exchange's corporate bonds market rose within the week by \$226.6 m. to \$1,628.0 m. Major reason of this indicator's growth was including of mid-term notes of senior unsecured debt of TuranAlem Finance B.V. (Rotterdam, Kingdom of Netherlands) of the third issue into KASE's official "A" listing category.

Shares market unlike previous week was very active. Volume of conducted here deals rose almost 10 times. At that, main stake of the turnover (60.2% of total volume of shares market) fell to the stake of deals in VTBN, and overwhelming majority of transactions (31 out of 40) were direct. One more peculiarity of the past week is decreasing of index of KASE\_Shares (table in the beginning of the review), which is explained by negative changing of demand quotations of KZMS. As a whole shares' rate tended to grow: ALKS rose by 49.0%, ALKSp – by 0.5%, CCBN – By 0.5%, KZTKp – by 0.2% and VTBNp – 1.9 times. Prices of following securities fell: TEBN (by 4.8%) and UTMKp (by 32.5%). Rate of other traded securities has not changed (see the table). Capitalization of exchange's shares market increased within the week by \$12.5 m. to \$2,204.6 m. as the result of price growth of ALKS, ALKSp, CCBN, KZTKp and VTBNp.

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

**Results of the trades in bonds within July 31 – August 6** (% APR, unless otherwise specified)

| Issuer                              | Bond code | On the last deal | Volume, th, USD | Purchase | Sale     |
|-------------------------------------|-----------|------------------|-----------------|----------|----------|
| DB Alfa-Bank OJSC                   | ALBNb1    |                  | 0               | 10.0030  | 7.0040   |
| Almaty Kus OJSC                     | ALKSb2    | *10.0500         | 30.1            | *10.0500 | *10.0500 |
| ARNA OJSC                           | ARNAb1    | *12.9831         | 186.5           | 12.5000  | *12.9831 |
| Alliance-Bank OJSC                  | ASBNb1    | 8.5819           | 0               | 11.5000  | 8.5200   |
| Astana-finance OJSC                 | ASFib2    | *10.5968         | 2,008.5         | 10.0099  | *10.5968 |
| ATFBank OJSC                        | ATFBb2    | 7.9804           | 0               | 9.0019   | 6.0506   |
| Development Bank of Kazakhstan OJSC | BRKZb1    | 7.2519           | 0               | 9.6933   | 6.8129   |
| Development Bank of Kazakhstan OJSC | BRKZe1    | 5.8985           | 0               | 6.2937   | 4.9850   |
| Bank TuranAlem OJSC                 | BTASb1    | 9.0985           | 0               | 9.9990   | 8.5009   |
| Bank TuranAlem OJSC                 | BTASb2    | 10.2693          | 0               | 10.4994  | 9.0000   |
| TuranAlem Finance B.V.              | BTASe1    | 6.7540           | 72.4            | 6.0489   | 6.7681   |
| TuranAlem Finance B.V.              | BTASe2    | 8.2395           | 0               | 8.3115   | 7.7250   |
| Bank CenterCredit OJSC              | CCBNb1    | 12.2713          | 0               | 10.6147  | 8.0042   |
| Bank CenterCredit OJSC              | CCBNb2    | 10.8691          | 132.4           | 10.8691  | 10.8691  |
| Bank CenterCredit OJSC              | CCBNb3    | 10.0000          | 3,522.1         | 9.6023   | 10.0200  |
| BANK CASPIAN OJSC                   | CSBNb1    | 9.2992           | 65.4            | 9.8025   | 9.2992   |
| BANK CASPIAN OJSC                   | CSBNb2    |                  | 0               | -0.0784  | 9.1500   |
| Halyk Bank of Kazakhstan OJSC       | HSBKb     | 8.4509           | 0               | 10.8216  | 8.0104   |
| Halyk Bank of Kazakhstan OJSC       | HSBKb2    | *9.3049          | 0               | 9.5911   | 7.5342   |
| Halyk Bank of Kazakhstan OJSC       | HSBKb3    | 8.9961           | 179.7           | 8.9961   | 8.9961   |
| Karazhanbasmunai OJSC               | KARMB1    | *9.0028          | 0               | 8.9973   | 6.0035   |
| KAZKOMMERTSBANK OJSC                | KKGBb2    | 7.7435           | 0               | 8.5149   | 7.8944   |
| KAZKOMMERTSBANK OJSC                | KKGBe2    | 7.0658           | 0               | 9.9955   | 7.0026   |
| Kazkommerts International B.V.      | KKGBe3    | 7.2721           | 0               | 8.0762   | 7.1977   |
| NAC Kazatomprom                     | KZAPb1    | 8.0194           | 0               | 8.9013   | 7.0008   |
| DAGOK Kustanaiasbest JSC            | KZASb1    | *7.0116          | 0               | 13.0980  | 10.1018  |
| Kazakhstan Mortgage Company CJSC    | KZIKb1    | 6.9000           | 0               | 8.9966   | 6.0036   |
| Kazpost OJSC                        | KZPSb1    | 8.4991           | 0               | 8.7002   | 7.1501   |
| Kazakhtelecom                       | KZTKb1    | 6.0440           | 0               | 7.4999   | 6.0001   |
| KazTransOil CJSC                    | KZTOb     | 6.4790           | 69.0            | 6.4790   | 6.4790   |
| KazTransOil CJSC                    | KZTOe1    | 6.2276           | 47.5            | 6.2276   | 6.2276   |
| JB LARIBA-BANK OJSC                 | LARib1    |                  | 0               | 10.7455  | 7.7519   |
| Nurbank OJSC                        | NRBNb1    | 6.9091           | 0               | 8.6459   | 7.0996   |
| Corporation "Ordabasy" OJSC         | ORDBb1    | 9.9960           | 0               | 10.9961  | 10.0033  |
| RG BRANDS OJSC                      | RGBRb3    | 10.4948          | 141.2           | 10.4974  | 10.5000  |
| PetroKazakhstan Oil Products JSC    | SYRGb1    | 7.2038           | 0               | 8.9967   | 6.0075   |
| TEMIRBANK OJSC                      | TEBNb     | 10.4876          | 0               | 9.6948   | 8.2870   |
| TEMIRBANK OJSC                      | TEBNb2    | 10.6945          | 0               | 10.9999  | 8.0000   |
| TEMIRBANK OJSC                      | TEBNb3    |                  | 0               | 9.0000   | 8.5000   |

| Issuer                  | Bond code | On the last deal | Volume, th, USD | Purchase | Sale    |
|-------------------------|-----------|------------------|-----------------|----------|---------|
| NC KTZh CJSC            | TMJLb2    | 7.2092           | 0               | 8.5008   | 5.4981  |
| TEXAKABANK OJSC         | TXBNb1    | 12.0000          | 12.4            | 12.0000  | 12.0000 |
| TEXAKABANK OJSC         | TXBNb2    |                  | 0               | 14.0000  | 11.0000 |
| UKBF CJSC               | UKPFb1    |                  | 0               | 15.5000  | 14.0000 |
| VITA OJSC               | VITAb3    | 14.0042          | 136.3           | 14.0042  | 14.0042 |
| VALUT-TRANZIT BANK OJSC | VTBNb1    | *10.6064         | 205.6           | *10.6064 | 10.6065 |
| <b>TOTAL</b>            | <b>45</b> |                  | <b>6,809.1</b>  |          |         |

#### Results of the trades in shares during July 31 – August 6

(KZT per share, unless otherwise specified)

| Issuer                        | Security code | Last price | Volume, shares    | Volume, th USD | Purchase  | Sale      |
|-------------------------------|---------------|------------|-------------------|----------------|-----------|-----------|
| Almaty Kus OJSC               | ALKS          | *14.90     | 300,000           | 30.5           | *14.90    | *14.90    |
| Almaty Kus OJSC               | ALKSp         | *15.00     | 802,612           | 68.2           | *15.00    | 10.00     |
| Almaty Kus OJSC               | ALKSp3        | 10.00      | 0                 | 0              | 10.00     | 15.00     |
| CNPC – Aktobemunaigaz OJSC    | AMGZ          | 9,100.00   | 0                 | 0              | 6,100.00  | 9,100.00  |
| Astana-Finance OJSC           | ASFI          | 1,014.96   | 0                 | 0              | 700.00    | 1,050.00  |
| ATFBank OJSC                  | ATFB          | 1,500.00   | 100               | 1.0            | 1,550.00  | 1,500.00  |
| ATFBank OJSC                  | ATFBp         | 999.00     | 0                 | 0              | 1,000.00  | 1,500.00  |
| ATFBank OJSC                  | ATFBp8        |            | 0                 | 0              | 1,000.00  | 1,500.00  |
| Bank TuranAlem OJSC           | BTAS          | 16,500.00  | 0                 | 0              | 13,242.60 | 19,805.85 |
| Bank CenterCredit OJSC        | CCBN          | *200.00    | 477,507           | 650.2          | *200.00   | *200.00   |
| BANK CASPIAN OJSC             | CSBN          | 171.00     | 0                 | 0              | 171.00    | 256.50    |
| BANK CASPIAN OJSC             | CSBNp         | 171.00     | 0                 | 0              | 171.00    | 256.50    |
| Halyk Bank of Kazakhstan OJSC | HSBK          | *120.00    | 42                | 0.03           | 150.00    | *120.00   |
| Halyk Bank of Kazakhstan OJSC | HSBKp         | 150.00     | 0                 | 0              | 150.00    | 180.00    |
| Halyk Bank of Kazakhstan OJSC | HSBKp7        | 150.00     | 0                 | 0              | 150.00    | 180.00    |
| KAZKOMMERTSBANK OJSC          | KKGB          | 120.00     | 0                 | 0              | 73.57     | 110.03    |
| KAZKOMMERTSBANK OJSC          | KKGBp         | 44.38      | 0                 | 0              | 69.00     | 103.50    |
| Corporation Kazakhmys OJSC    | KZMS          | 3,500.00   | 0                 | 0              | 2,800.00  | 6,000.00  |
| Kazakhtelecom`                | KZTK          | 3,566.88   | 0                 | 0              | 2,354.23  | 3,521.04  |
| Kazakhtelecom                 | KZTKp         | 1,760.52   | 22                | 0.3            | 1,765.68  | 1,760.52  |
| TEMIRBANK OJSC                | TEBN          | 1,000.00   | 16,828            | 78.4           | 1,000.00  | 675.00    |
| TEMIRBANK OJSC                | TEBNp         |            | 0                 | 0              | 680.00    | 1,015.00  |
| TEXAKABANK OJSC               | TXBN          |            | 0                 | 0              | 9,086.00  | 13,629.00 |
| UKTMC OJSC                    | UTMK          | *6,147.00  | 0                 | 0              | 4,119.92  | 6,161.82  |
| UKTMC OJSC                    | UTMKp         | *3,400.00  | 85                | 2.0            | *3,400.00 | *3,400.00 |
| VALUT-TRANZIT BANK OJSC       | VTBN          | 350.00     | 1,158,460         | 2,680.6        | 350.00    | 300.00    |
| VALUT-TRANZIT BANK OJSC       | VTBNp         | 450.00     | 10,416            | 27.9           | 450.00    | 320.00    |
| Zerde OJSC                    | ZERD          | *1.00      | 96,431,120        | 910.8          | 2.00      | *1.00     |
| <b>TOTAL</b>                  | <b>28</b>     |            | <b>99,197,192</b> | <b>4,450.0</b> |           |           |

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

**In the repo sector of CS** 37 deals were made in the total amount of **\$7,318.4 th.** (KZT1,074.2 m) during the described period. 16 deals of them (in the amount of \$3,042.5 th.) were repo opening and 21 deals (in the amount of \$4,275.9 th.) – repo closing. Last period volume of deals in this sector amounted to \$4,534.1 th. (KZT665.2 m).

**In all CS trade floors of KASE** a total of 101 deals amounting to **\$18,577.5 th.** (KZT2,728.4 m) were concluded within the analyzed period. Last period volume of 71 deals equaled to \$7,933.8 th. (KZT1,163.6 m).

#### Changes in KASE's trade lists

By the decision of KASE's Board dated July 30 of 2003 **mid-term notes of senior unsecured debt of TuranAlem Finance B.V.** (Rotterdam, Kingdom of Netherlands) of the third issue (XS0168848801, \$225 m., June 2, 03 – June 2, 10, semi-annual coupon 7.875% APR, 30/360), which were issued on full security of Bank TuranAlem OJSC (Almaty), have been included into KASE's official "A" listing category. The decision has been made in accordance with the simplified listing procedure, which was set by the article 19-1 of Listing rules, and took effect since **July 31 of 2003**. At KASE the securities have been assigned trade code **BTASe3**. Quotation accuracy in the stock exchange's trade system is four decimal figures of bond's clean price, which is expressed as percentage of debt's face value. Date of trades opening in the bonds at KASE will be announced later. Status of specialist of BTASe3 at KASE, on the basis of submitted application, has been given to TuranAlem Securities JSC (Almaty). Minimal volume of compulsory quotation is USD60,000 in nominal expression of the debt.

## SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE a total volume of 73 deals reached **KZT10,843.5 m** (\$73,847.0 th.) during the analyzed period. Corresponding figure of the previous period – KZT5,007.2 m (\$34,160.6 th.). Result of the analysis, which was made by specialists of IRBIS, let say that interests of "revaluators" of pension portfolios move from CS sector (potential of which has come to end) to GS market. This is precisely the circumstance by which the significant growth of the volume of stock exchange's deals in government bonds can be explained. August's jump to market estimation of portfolio of the country's largest fund – SAPF, should be noted in this aspect. This participant's behavior made the determining or at least big influence upon exchange's market of the week. It should be noted that various subjects of GS market differently estimate the current conjuncture and it predetermines different tactics of behavior. Some participants prefer to invest all free money into Kazakhstan domestic bonds shortening their currency positions. Others, on the contrary, have to capitalize on notes, creating the significant volume of their offer. Interests of third persons are in the currency market. For them GS is just an instrument for supporting necessary level of short-term liquidity. In presence of the high volatility of dollar's rate the described variety of tactics resulted during the week in the significant activation of the secondary circulation of government securities the week, notable tendency of their prices growth and expansion of the range of traded bonds. It concerned MEKAM and notes. The market of euronotes of sovereign debt has compressed to the minimum, and their prices go on falling.

### Parameters of Exchange's transactions in GS within July 31 – August 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  |                              |                 |
| <b>Discounted (KZT): National Bank's notes</b> |                                       |      |           | <b>79.5% (92.7%) of purchase and sale sector's turnover</b> |                              |                 |
| less than 8                                    | 2.80                                  | 4.50 | 2.80      | 3.98 (4.65)   | 161.1                        | 4               |
| 8 - 14   | 4.37                                  | 4.54 | 4.54      | 4.50 (5.03)   | 65.9                         | 2               |
| 15 - 28  | 3.80                                  | 4.74 | 4.30      | 4.19 (4.19)   | 642.3                        | 7               |
| 29 - 36  | 4.33                                  | 5.17 | 4.60      | 4.73 (4.96)   | 210.0                        | 5               |
| 57 - 63  | 4.97                                  | 4.97 | 4.97      | 4.97 (5.21)   | 31.1                         | 1               |
| 64 - 91  | 5.00                                  | 5.42 | 5.00      | 5.01 (5.22)   | 534.5                        | 6               |
| 92 - 181                                       | 3.07                                  | 7.24 | 5.21      | 5.28 (5.26)   | 6,831.8                      | 31              |
| 182 - 364                                      | 1.74                                  | 5.22 | 1.74      | 4.04 (5.38)   | 145.8                        | 2               |
| Total  |                                       |      |           |   | 8,622.6 (4,639.7)            | 58 (40)         |
| <b>Coupon (KZT): MEOKAM-24, 36, 48, MEAKAM</b> |                                       |      |           | <b>19.9% (1.7%) of purchase and sale sector's turnover</b>  |                              |                 |
| less than 730                                  | 3.13                                  | 5.94 | 5.70      | 5.77 (5.98)   | 233.7                        | 7               |
| 731 - 1095                                     | 6.00                                  | 6.00 | 6.00      | 6.00 ( -)   | 1,000.2                      | 4               |
| 1096 - 1460                                    | 6.00                                  | 6.00 | 6.00      | 6.00 ( -)   | 40.9                         | 1               |
| 1461 - 1825                                    | 6.19                                  | 6.19 | 6.19      | 6.19 (6.44)   | 879.1                        | 2               |
| Total  |                                       |      |           |   | 2,153.9 (85.4)               | 14 (3)          |
| <b>Euronotes of Kazakhstan (USD)</b>           |                                       |      |           | <b>0.6% (5.6%) of purchase and sale sector's turnover</b>   |                              |                 |
| **1355   | 3.55                                  | 3.55 | 3.55      | 3.55 (3.50)   | 67.0                         | 1               |
| Total  |                                       |      |           |   | 67.0 (282.1)                 | 1 (4)           |
| <b>GRANDTOTAL</b>                              |                                       |      |           | <b>10,843.5 (5,007.2)</b>                                   |                              | <b>73 (47)</b>  |

Notes: for euronotes (\* – third issue, \*\* – fourth issue) volume of the deals has been calculated at weighted average USD/KZT rate of the Exchange.

In **GS repo-transactions sector** 491 deals were made for a total of **KZT70,112.8 m** (including automatic repo sector) during the period. Of this number 241 deals (for KZT35,103.6 m) were repo opening deals and 250 (KZT35,009.3 m) were repo closing deals. Last period transactions volume of this type did not exceed KZT72,023.7 m. After closing of the trades on August 6 total amount of opened at KASE repo reached KZT16,445.4 m.

### Major parameters of automatic repo market on opening deals within July 31 – August 6

(in parentheses – comparable figures of previous period)

| Instrument (currency, term or repo) | Yield, % APR  |      |      |              |                  | Volume, m KZT              | Number of deals  | Portion, %   |
|-------------------------------------|---------------|------|------|--------------|------------------|----------------------------|------------------|--------------|
|                                     | on first deal | min  | max  | at last deal | weighted average |                            |                  |              |
| KZT_001                             | 4.00          | 0.50 | 4.00 | 1.75         | 2.78 (3.91)      | 26,507.0                   | 171              | 89.5 (86.9)  |
| KZT_002                             | 2.51          | 2.41 | 2.51 | 2.50         | 2.49 (3.81)      | 323.0                      | 3                | 1.1 (1.3)    |
| KZT_003                             | 4.20          | 4.00 | 4.20 | 4.00         | 4.13 ( -)        | 150.0                      | 2                | 0.5 ( -)     |
| KZT_007                             | 4.80          | 3.80 | 4.80 | 3.80         | 4.05 (5.12)      | 494.0                      | 8                | 1.7 (1.5)    |
| KZT_014                             | 4.80          | 4.20 | 4.80 | 4.20         | 4.47 (5.19)      | 650.0                      | 6                | 2.2 (4.7)    |
| KZT_028                             | 5.00          | 4.10 | 5.40 | 4.10         | 4.53 (5.45)      | 1,488.0                    | 23               | 5.0 (5.6)    |
| <b>TOTAL</b>                        |               |      |      |              |                  | <b>30,446.0 (30,446.0)</b> | <b>241 (241)</b> | <b>100.0</b> |

**Total of 564 deals were made at trade floors of KASE** amounting to **KZT80,956.3 m** in GS on trade floors of KASE during the analyzed period. During the previous period volume of 598 deals reached KZT77,030.9 m.

**The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **82.7%**, last week it did not exceed 93.7%.

## KASE'S NORMATIVE BASE

By the decision of KASE's Council there has been confirmed and is set in operation since August 7 of 2003 the new internal document of KASE "**Rules of foreign government securities admittance to circulation**" (Rules). The rules have been published in KASE's site at <http://www.kase.kz/geninfo/normbase/new/fss.pdf>.

## KASE'S NEWS

By the decision of KASE's Board, on the basis of application of RG Securities LLP (Almaty), **since August 4 of 2003** there have been opened trades in inscribed coupon subordinate bonds of TEXAKABANK OJSC of the second issue (KZ2CKY07A792; KASE's official "A" listing category; KZT3,000.0 m.; KZT1; July 4, 03 – July 4, 10; semi-annual coupon 11.0% APR). Functions of the market-maker of TXBNb2 at KASE will be fulfilled by RG Securities LLP. Minimal volume of compulsory quotation for the market-maker is 1,700,000 bonds.

By the decision of KASE's Board on August 6 the order of conducting of trades in indexed on tenge devaluation level **subordinate bonds of BANK CASPIAN OJSC (Almaty) of the second issue** (KZ2CKY07A743; KASE's official "A" listing category, CSBNb2; 3 KZT100.0 m.; KZT20 000; May 28, 03 – May 28, 10; semi-annual coupon 9.5% APR) was changed. Trades in CSBNb2 were opened at the stock exchange on July 23 of 2003. Henceforth the mentioned bonds will be quoted at KASE in "dirty" prices (taking into account accumulated interest), expressed as percentage of security's face value with the accuracy of four decimal figures, and yield of bonds to maturity for purchaser will not be calculated by KASE's trade system. Changing of the order of trades conducting is connected with peculiarity of indexation of the mentioned bonds, which at present do not let the software tools of KASE's trade system calculate their yield to maturity.

Financial consultant of Astana-finance OJSC (Astana) – TuranAlem Securities JSC (Almaty) has informed Kazakhstan stock exchange (KASE) with the official letter about the fact that on **July 30 of 2003** National Bank of Kazakhstan made the state registration of addition to the Terms of issue of indexed on devaluation of tenge to dollar **bonds of Astana-finance OJSC of the second issue** (KZ2CKY03A510; KASE's official "A" listing category, ASFIb2; KZT100, KZT4,500 m.; April 1, 02 – April 1, 05; semi-annual coupon 9.0% APR). The mentioned addition takes into account interests of investors concerning falling of US dollar's rate relative to Kazakhstan tenge and **sets lower limit of the coefficient revaluation rate of tenge for these bonds as equal to one**.

Within the first seven months of 2003 total volume of transactions made in all sectors of the Kazakhstan Stock Exchange (KASE) reached equivalent of **\$17,398.6 m, or KZT2,626.7 bn**. Compared to similar period of 2002, volume of transactions **increased 1.5 times** measured in dollars and in tenge. Relative to previous four-month period (June-December of 2002) stock exchange's turnover increased by 3.5% measured in dollars and 1.1% measured in tenge.

Following is the comparative table of volumes of deals made at KASE within the mentioned periods, as well as dynamics of the turnover structure of the Exchange's market (m. USD, unless otherwise specified). The calculation was made in terms of dollars.

| Market's sector of KASE       | Jan- July 2003           | Rel. to corr. month of 2002: |                 | Relative to previous period: |                         |               |                 |
|-------------------------------|--------------------------|------------------------------|-----------------|------------------------------|-------------------------|---------------|-----------------|
|                               |                          | Jan-July 2002                | trend in:       | June-Dec 2002                | trend in:               | m USD         | %               |
| <b>Foreign currencies</b>     | <b>3,056.9</b><br>17.6%  | 1,333.4<br>11.6%             | <b>+1,723.5</b> | <b>+129.3</b>                | 2,110.5<br>12.6%        | <b>+946.4</b> | <b>+44.8</b>    |
| <b>Futures contracts</b>      | <b>1,052.03</b><br>6.05% | 406.6<br>3.5%                | <b>+645.5</b>   | <b>+158.8</b>                | 552.3<br>3.3%           | <b>+499.7</b> | <b>+90.5</b>    |
| <b>GS</b>                     | <b>1,087.7</b><br>6.3%   | 781.7<br>6.8%                | <b>+306.0</b>   | <b>+39.2</b>                 | 1,333.0<br>7.9%         | <b>-245.3</b> | <b>-18.4</b>    |
| <b>CS</b>                     | <b>515.0</b><br>3.0%     | 200.8<br>1.7%                | <b>+314.2</b>   | <b>+156.5</b>                | 447.3<br>2.7%           | <b>+67.7</b>  | <b>+15.1</b>    |
| <b>Repo (CS and GS) total</b> | <b>11,686.8</b><br>67.2% | 8,765.2<br>76.3%             | <b>+2,921.7</b> | <b>+33.3</b>                 | 12,363.6<br>73.6%       | <b>-676.8</b> | <b>-5.5</b>     |
| inc. repo on GS, direct       | 1,530.1<br>8.8%          | 1,200.8<br>10.5%             | <b>+329.3</b>   | <b>+27.4</b>                 | 1,912.6<br>11.4%        | <b>-382.5</b> | <b>-20.0</b>    |
| inc. auto-repo on GS          | 9,899.7<br>56.9%         | 7,515.1<br>65.4%             | <b>+2,384.7</b> | <b>+31.7</b>                 | 10,326.6<br>61.4%       | <b>-426.9</b> | <b>-4.1</b>     |
| inc. repo on CS, direct       | 196.7<br>1.13%           | 49.3<br>0.4%                 | <b>+147.4</b>   | <b>+298.8</b>                | 120.7<br>0.7%           | <b>+76.1</b>  | <b>+63.0</b>    |
| inc. auto-repo on CS          | 60.3<br>0.35%            | 0<br>0%                      | <b>+60.3</b>    | X                            | 3.7<br>0.02%            | <b>+56.6</b>  | <b>+1,515.7</b> |
| <b>Promissory notes</b>       | <b>0.096</b><br>0.001%   | 0<br>0%                      | <b>+0.073</b>   | X                            | 0<br>0%                 | <b>+0.096</b> | X               |
| <b>TOTAL</b>                  | <b>17,398.6</b><br>100%  | <b>11,487.6</b><br>100%      | <b>+5,911.0</b> | <b>+51.5</b>                 | <b>16,806.8</b><br>100% | <b>+591.8</b> | <b>+3.5</b>     |

Following is the table with the dynamics of the turnover of the Exchange in last 7 months, which is grouped by

months and market sectors (both in KZT and USD).

| Market sector                | Indicator | I-2003         | II-2003        | III-2003       | IV-2003        | V-2003         | VI-2003        | VII-2003       |
|------------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>In million US dollars</b> |           |                |                |                |                |                |                |                |
| Foreign                      | volume    | 306.6          | 607.6          | 356.6          | 398.6          | 393.0          | 567.5          | 426.9          |
| Currency                     | %         | 14.4           | 26.5           | 18.9           | 16.5           | 17.5           | 16.1           | 14.7           |
| Futures                      | volume    | 0              | 0.500          | 1.505          | 0.005          | 0              | 1,050.0        | 0              |
|                              | %         | 0              | 0.022          | 0.080          | 0.0002         | 0              | 29.8           | 0              |
| GS                           | volume    | 218.5          | 200.9          | 160.8          | 87.8           | 137.0          | 108.7          | 174.0          |
|                              | %         | 10.2           | 8.8            | 8.5            | 3.6            | 6.1            | 3.1            | 6.0            |
| CS                           | volume    | 78.5           | 27.9           | 41.6           | 82.7           | 198.2          | 45.9           | 40.2           |
|                              | %         | 3.7            | 1.2            | 2.2            | 3.4            | 8.8            | 1.3            | 1.4            |
| REPO                         | volume    | 1,528.9        | 1,456.5        | 1,323.9        | 1,846.6        | 1,518.3        | 1,756.6        | 2,255.7        |
|                              | %         | 71.7           | 63.5           | 70.3           | 76.4           | 67.6           | 49.8           | 77.9           |
| Promis. notes                | volume    | 0              | 0.096          | 0              | 0              | 0              | 0              | 0              |
|                              | %         | 0              | 0.004          | 0              | 0              | 0              | 0              | 0              |
| <b>TOTAL</b>                 |           | <b>2,132.4</b> | <b>2,293.5</b> | <b>1,884.5</b> | <b>2,415.7</b> | <b>2,246.5</b> | <b>3,528.7</b> | <b>2,896.9</b> |
| <b>In billion tenge</b>      |           |                |                |                |                |                |                |                |
| Foreign                      | volume    | 47.6           | 93.2           | 54.0           | 60.6           | 59.3           | 84.5           | 62.7           |
| Currency                     | %         | 14.4           | 26.5           | 18.9           | 16.5           | 17.5           | 16.1           | 14.7           |
| Futures                      | volume    | 0              | 0.076          | 0.229          | 0.001          | 0              | 157.2          | 0              |
|                              | %         | 0              | 0.022          | 0.080          | 0.0002         | 0              | 29.9           | 0              |
| GS                           | volume    | 33.9           | 30.8           | 24.4           | 13.3           | 20.7           | 16.2           | 25.6           |
|                              | %         | 10.2           | 8.8            | 8.5            | 3.6            | 6.1            | 3.1            | 6.0            |
| CS                           | volume    | 12.2           | 4.3            | 6.3            | 12.6           | 29.9           | 6.8            | 5.9            |
|                              | %         | 3.7            | 1.2            | 2.2            | 3.4            | 8.8            | 1.3            | 1.4            |
| REPO                         | volume    | 237.6          | 223.3          | 200.5          | 280.7          | 229.2          | 261.5          | 331.4          |
|                              | %         | 71.7           | 63.5           | 70.2           | 76.4           | 67.6           | 49.7           | 77.9           |
| Promis. notes                | volume    | 0              | 0.015          | 0              | 0              | 0              | 0              | 0              |
|                              | %         | 0              | 0.004          | 0              | 0              | 0              | 0              | 0              |
| <b>TOTAL</b>                 |           | <b>331.4</b>   | <b>351.7</b>   | <b>285.5</b>   | <b>367.2</b>   | <b>339.1</b>   | <b>526.2</b>   | <b>425.6</b>   |

**Notes:** in GS sector only deals of the primary market and purchase and sale in the secondary market are considered; in CS sector only deals of the primary market and purchase and sale in the secondary market (including SBS) are considered; in REPO sector repo transactions with GS and CS are considered, including auto repo.

As is seen in the table, major reason of decrease of exchange's turnover in July is absence of deals at futures contracts market. Besides, volume of currency transactions has significantly decreased that was forecasted by IRBIS because of absence of sales of big state blocks of shares. Corporate securities (CS) market was not interesting either. Primary floatations of CS were not held at KASE in July despite the significant number of nre shares and bonds, which were included into exchange's official list during this month (a total of 8 issues have passed listing procedure), and shares market compressed again to the minimum after making of pension portfolios' revaluation at the current market cost.

On the credit side of KASE there is significant growth of government securities (GS) purchase and sale transactions in July, which was achieved mainly due to increase of issue activity of the Ministry of finance, and unexpectedly high volume of repo transactions. The latter thing, as IRBIS published already, was caused by the effect of three factors: higher repo rates, which were caused by decrease of banks' short-term liquidity in accordance with tax payments by the results of the quarter; grown volumes of short money borrowings for working at the currency market; growth of the stake of exchange's turnover in the turnover of the whole Kazakhstan repo market.

Analysts of IRBIS do not expect high activity of exchange's market in August. Already now it's possible to forecast further decrease of currency market's volume and approximately the same turnover at the repo market. Activity of trades in GS will depend on the volume of new issues, and CS market in presence of any changes, because of little stake, will hardly significantly influence upon changing of the whole volume of trades at KASE.

**Prepared by Information agency of financial markets "IRBIS"**

67, Aiteke bi str., Almaty, Kazakhstan; info@kase.kz; tel.: 720117, fax: 720670