

## WEEK OF STOCK MARKET OF KAZAKHSTAN

December 28 – January 10

Money market indicators as of January 10 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo with GS (TONIA)</b>			
1 day	KZT	0.57	-0.65
<b>Autorepo opening with GS (WA, % APR)</b>			
1 day	KZT	0.57	-0.64
5 days	KZT	5.00	–
7 days	KZT	3.18	-2.77
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	5.55	-0.45
2 weeks	KZT	5.77	-0.73
1 month	KZT	6.25	-0.83
2 months	KZT	6.92	-0.83
3 months	KZT	7.50	-0.67

Stock market indicators as of January 10 and change for the period

Index	Value	Trend
KASE_Shares	2,335.16	+0.03
KASE_BP	201.25	+0.12
KASE_BC	129.59	-0.12
KASE_BY	7.41	+0.29

US dollar = **125.45** at official rate for the end of the period.  
US dollar = **125.20** at weighted average rate of the Exchange for the end of the period.

Speed of strengthening of tenge to dollar for the period at exchange's rate totaled **48.9% APR**.

### MAIN NEWS

By the Agency of Republic of Kazakhstan of regulating the activities of regional financial center of Almaty (ARA RFCA) was confirmed the order “**About determination of joint stock company Kazakhstan stock exchange as the special trade platform of regional financial center of Almaty**” #74 dated December 15, 2006. In other words, the participants of market of securities, registered in agency of Republic of Kazakhstan of regulating the activities of regional financial center of Almaty will participate in trades of financial instruments on the special platform of RFCA, which will function on the basis of Kazakhstan stock exchange JSC. The order is put into action **since January 7, 2007**.

By the decision of the Kazakhstan stock exchange's (KASE) Council dated December 28, 2006 confirmed the new internal document of KASE “**Rules of organizing and functioning of the special trading floor of the regional financial center of Almaty**” (Rules). Rules determine general terms and order of organizing and functioning the special trading floor of the regional financial center of Almaty, which is operated (managed and services) by KASE. Rules were sent coordination in the Agency of the regulation and supervision of the financial market and financial organizations (AFS) and the Agency of the Republic of Kazakhstan for regulation activity of the regional financial center of Almaty and will be given effect beginning from the first working day, following after their coordination with the named Agencies (depending on which of them coordinates afterwards). Rules will be published after putting into action. ARA RFCA had coordinated the rules on **January 5, 2007**.

**Since January 3 2007 Kazakhstan stock exchange (KASE) on its web-site ([www.kase.kz](http://www.kase.kz)) had changed the format of providing data about totals of trades in non-governmental securities (CS).** Changes had concerned the publication of data on the page of trades' results (<http://www.kase.kz/portals/sec/>), and also on pages dedicated to instruments traded on KASE, which are available on the links of symbols of these instruments from the page of section “Issuers” (for example, <http://www.kase.kz/emitters/btas1c.asp>). If earlier on the pointed pages the price parameters of shares and corporate were given considering all deals made on KASE, **then now on them are publishing only data of the open market, in which the parameters of nego deals are not considered.** It should be noted that changes are concerning not only new data, publishing on the site, but the archived information, too. Due to that the schedules of shares' prices, prices and yields of corporate bonds henceforth reflect the price of securities only **in average weighted prices of the open market.** The basis for the pointed changes became the claims of investors, which in majority do not have the opportunity to make deals on the prices of the nego market.

The described innovation had found the reflection in activity of daughter organization of KASE – Information agency of financial market IRBIS (Almaty). Since January 3, 2007 – after consultations with its main founder and selective survey of its clients the agency had changed the format of provision of data about exchange market of CS in some information products, refusing to popularize the market of nego deals. **The given review of the agency did not become the exclusion, the price information in which now is publishing only on deals made on KASE by one of methods of opened trades.** More detailed information on this matter is published in news of IRBIS for January 4. There is also noted the list of products of IRBIS, in which the data on nego deals are still available as supplemental information.

**From January 3, 2007 KASE has changed methods of calculation of its share and corporate bond markets capitalization indicators, having abandoned using price parameters of nego (direct) deals in their calculation.** The innovation had lead to insignificant change of indicators of capitalization. After trades closing on KASE on January 3, 2007 the indicator of capitalization of the shares market made \$58,286.0 m. and increased relatively to the previous day by \$1,674.6 m. or 2.96%. The indicator of corporate bonds market

capitalization made \$12,927.7m. and increased relatively to the previous day by \$35.0 m. or 0.27%. More detailed information about it is published in the news of KASE for January 9.

**On January 9, 2007 Kazkommertsbank JSC** (Almaty, further in this block – the Bank) had spread the press-release **about finishing of offering 103,500,000 common shares at price \$9.25 per share in tenge equivalent among the acting shareholders.** By Bank's information The completion of the Rights Offer brings to a close the second stage of the Bank's IPO. In the first stage of the IPO in November 2006 the three major shareholders of the Bank (JSC "Central Asian Investment Company", Mr. Nurzhan Subkhanberdin and the European Bank for Reconstruction and Development) sold 91,429,412 shares in the form of Depositary Receipts (DRs) on the London Stock Exchange; the Selling shareholders were committed to use the proceeds from the IPO to subscribe for new shares offered domestically to the existing shareholders of the Bank.. The shares were sold at the highest point of the price range (\$18.50 per 1 DR representing 2 common shares) and total proceeds to the selling shareholders exceeded \$845 million.

The Post-IPO shareholder structure of the Bank is as follows: 32.12% is held by JSC Central Asian Investment Company, 12.62% is directly held by Mr Subkhanberdin; 8.45% is held by the European Bank for Reconstruction and Development, and more than 45% of common shares of the Bank are held by diverse group of investors and traded on the world's leading stock exchanges in form of DRs issued by the Bank of New York. The rest of the shares are held by domestic and foreign minority shareholders. Currently the Bank is preparing a report on results of the placement of shares for further submission to the Financial Markets Supervision Agency.

Applying to the published information the Bank notes that stakes of all shareholders are calculated in percentage relation of common shares, being in direct owing of shareholder to the total amount of offered common shares of the Bank, which makes 574,993,395. also it is noted that in accordance with point 4 article 1 of law of Republic of Kazakhstan "about joint stock companies", shares being in the nominal holding and belonging to the owner, data about whom is absent in the register system of depositary, is not voting and their holders do not have the right of voice on the general meeting of Bank's shareholders. For purchasing of the right of voice the holders of such shares of Bank through The Bank of New York have to open the information about themselves to central depositary.

## SHARE MARKET

### *Changes in trade lists*

By the decision of KASE's Council **beginning from December 29, 2006 the following securities of Valyut-Transit-Bank JSC (Karaganda) are to be excluded from KASE's official "B" listing category:** KZ1C33290012 (VTBN) common shares; KZ1P33290118 (VTBNp) preferred shares; secured KZ2CKY05B380 bonds, indexed on devaluation rate of tenge against US dollar, (VTBNb2; KZT1, KZT1.4 bn.; December 22, 04 – December 22, 09, semi-annual coupon, indexed on inflation rate, 10.00% APR for current period); KZPC1Y05B618 bonds (VTBNb3; KZT1,000, KZT4.6 bn.; June 7, 05 – June 7, 10, semi-annual coupon, indexed on inflation rate, 9.00% APR for current period); KZPC2Y07B612 bonds (VTBNb4; KZT1, KZT1.4 bn.; June 7, 05 – June 7, 12, semi-annual coupon, indexed on inflation rate, 9.50% APR for current period). The Exchange Council of KASE adopted the given decision after consideration of conclusion of the Listing committee about possibility of de-listing of shares and bonds of Valyut-Transit-Bank JSC. In the named conclusion all possible reasons of de-listing of bank's securities are stated (due to a considerable volume of text they are not published in the present piece of news). The text of this document is available on KASE's web site at [http://www.kase.kz/emitters/scan/vtbn/vtbn\\_delist.pdf](http://www.kase.kz/emitters/scan/vtbn/vtbn_delist.pdf)

By decision of the Exchange's Council of KASE dated December 28, 2006 to the **KASE's category "B" official list were included:**

- Since December 29, 2006 under MERK symbol – common shares **KZ1C54900010** of Merkuriy JSC (Almaty). The issue of announced shares of the company was registered by AFS on December 20, 2006 in amount of 100,000 common shares. The issue was included to the State register of securities under A5490 number. As of December 22, 206 100,000 shares were offered, total volume of offering made KZT51,500,000. Register system of shareholders of the company is maintained by REGISTER JSC (Almaty). Halyk savings bank of Kazakhstan JSC (Almaty) acted as the financial consultant of the issuer while bringing its shares to the organized market. Primary activity types of the company – trade and purchase and intermediary, sale of combustive-lubricating materials, construction activity, transport-shipping services, foreign-economic activity, including export-import services and operations, project works, giving lodgment for rent, retail and wholesale trade and other.
- Since January 4, 2007 under AMIN symbol – **KZ1C43050018 common shares of Insurance company AMANAT INSURANCE JSC** (Almaty). Information about opening of trades with shares on KASE will be given later. On October 16, 2000 by the National commission of securities of Republic of Kazakhstan was registered the first issue of common shares of the company in amount of 27,100 copies with total face

value KZT27.1 m., on March 13, 2001 – second issue of common shares of the company in amount 72,900 copies with total face value KZT72.9 m., August 21, 2002 – third issue of common shares of company in amount 110,000 copies with total face value KZT110.0 m. On December 12, 2005 in connection with re-naming of the company by the Agency of Republic of Kazakhstan of regulating and supervision over financial market and organizations (AFS) was made the change of certificate about state registration of the shares' issue of Insurance company AMANAT INSURANCE JSC, according to which the issue of its announced shares (including all previous issues) totals 210.000 common securities. As of October 1, 2006 all shares were offered. The total volume of offering totaled KZT210.0 m. Company Registrar JSC (Almaty) maintains the register system of shareholders of Insurance company AMANAT INSURANCE JSC. Daughter organization of the joint stock company Bank TuranAlem TuranAlem Securities JSC (Almaty) acts as financial consultant of the issuer while introducing its shares on the organized market.

### ***New market-makers***

By the decision of KASE's Board since **January 3, 2007** Almaty Financial Center JSC on the basis of its application was assigned market maker status on **common shares KZ1C43150016 of Kazcat JSC** (Almaty) (KASE's official "B" listing category, ZERD). Minimal volume of obligatory quotation for market maker is fixed in the amount of 1,000 monthly payment indicators.

By the decision of KASE's Board **since January 9 2007** Halyk Finance JSC (Almaty) on the basis of its application assigned the status of market maker on **common shares KZ1C39450016** (KASE's official "A" listing category, KZIS) **of the Company for foreign insurance Kazakhinstrakh JSC** (Almaty). The minimal volume of obligator quotation for a market maker is set in the size of 1,000 month calculation indicators.

### ***Primary market sector***

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

### ***Secondary market sector (purchase and sale)***

A total of 430 deals amounting to \$125,920.1 th. or KZT19,957.7 m. were made in shares during the analyzed period on KASE. In comparison with the previous period (December 14-27, 645 deals, \$469,859.6 th. or KZT60,102.9 m.), which included the same amount of trading days, turnover of the sector has decreased 3.7 times. At that, 23.5% of deals in quantitative expression and 82.7% in volumetric expression were nego. In the previous period these indicators were 41.9% and 89.7% correspondingly.

During the analyzed period deals were made by KASE's 31 members on 38 instruments. At that:

- shares of seven titles served as the objects of only nego deals and are not considered in the further description of the given market sector;
- 1.3% of gross-turnover of the market (0.3% on purchasing transactions and 2.3% - on sales transactions) were controlled by "pensions";
- through the depot accounts, registered on physical persons for the week had passed 12.1% of exchange's turnover of shares (12.6% - on purchasing transactions and 11.5% - on sales transactions).

During the previous period KASE's 35 members of "P" and "H" categories were interested in 39 shares. Stake of pension assets was 1.2% of gross-turnover (including 0.5% on purchasing transactions, and 1.9% - on sale transactions), to the stake of physical persons – 16.0% (including 16.8% on purchase operations and 15.3% - on sales operations).

The given data shows that the majority volume of deals during the analyzed period was made by banks and broker-dealer companies form their name and by their accounts.

In the analyzed week weighted average daily prices of 52% of names of shares involved into **deals, made on KASE by methods of opened trades**, grew, prices of 39% – fell, prices of 6% – remained unchanged. Price of ASND (Astana-Nedvizhimost JSC) was nothing to compare with. Corresponding indicators of the previous period: 63%, 30% and 4%. In the described period shares prices changed positively in the range from 1.0% (ATFBp8) to 166.7% (ZERD), negative change – from 0.1% (KKGB) to 29.4% (UTMK).

As a whole the period according to conjuncture is clearly dividing on two – before January 1 and after.

Trades of the last days of the past year were characterized by the greatest growth of prices of favorites of market, due to which the KASE\_Shares index after session closing on December 29 had entered to its historical maximum – 2,418.08, repeating the behavior of Russian stock indexes. The record high rate for the previous 365 on the opened market of KASE had noted: CCBN (Bank CenterCredit JSC), CSBN and CSBNp (BANK CASPIAN JSC), HSBK (Halyk savings bank of Kazakhstan), KZTC (KazTransCom JSC), RDGZ (Exploration Production KazMunayGas JSC), TEBN (Temirbank JSC), TSNB (Tsesnabank JSC), ZERD (Kazcat JSC). At that the speed of changes of KASE\_Shares for the previous 30 days had reached 274.6% APR, and in year 2006 – 274.1% APR.

However after New year the situation had changed. It seems that market in year 2006 had worked all positive news and there is nothing to grow on further. Understanding that, many investors had passed to fixation of income at the long positions. In new year had significantly rolled down RDGZ, ASBN (Alliance Bank JSC), ATFB (ATFBank JSC), and also many of instruments, pointed in the previous paragraph. So, entering of KASE\_Shares to the historical maximum as a gift to new year comes our market not easily.

By opinion of specialists of IRBIS, till appearing of results of activities of main listing companies, and first of all banks by the totals of year 2006 the potential of the further growth of prices of shares looks insignificant. Most likely, investors will go to sales, and it hardly worth to wait for positive till the spring. Had left behind the explosive effect of very successful IPO of Exploration Production KazMunayGas JSC, very good offerings of Kazkommertsbank JSC and Halyk savings bank of Kazakhstan JSC, successfully selling of state stake of Kazakhtelecom JSC to public. Now is the time of thoughts and expectations. In relation to big Kazakhstan banks everything is clear enough. Here market had worked the whole positive, and no surprises by the totals of activities in year 2006 are not expected. And with the real sector the situation looks less determined. Market (and first of all London) can be sufficiently support by good new from exploration Production KazMunayGas JSC, in the consolidated report of which by the totals of year the participants of market hope to see Kazgermunay JSC. Also are looking forward the totals of activities of Kazakhtelecom JSC. The attention will be absorbed to the shares of KAZZINC JSC, Aluminum of Kazakhstan JSC, TNC Kazchrome JSC. What will happen to them the time will show. But now is hard to imagine the information, which will manage to influence as effectively as the news of the last autumn.

Detailed results of trades in shares on KASE in the analyzed period are given in the table. It at first time is compiled by IRBIS agency only by deals made on KASE by the methods of opened trades

**Results of share trades on KASE within December 28-January 10 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)**

Share code on KASE	Price, KZT per share:		on the last deal: price	trend, %	for last 365 days:		Volume of deals th. USD	Number of deals	Best for the period:	
	min.	max.			min.	max.			bid	offer
ALKZ	2,000.00	2,000.00	2,000.00		1,956.80	2,600.00	16.6	1	2,000.00	2,000.00
AMGZ	85,000.00	92,040.25	92,040.25	-11.5	37,500.00	130,000.00	650.9	3	100,000.00	85,000.00
ASBN	40,000.00	48,000.00	40,000.00	-11.1	11,000.00	48,000.00	47.6	5	48,000.00	40,000.00
ASBNp1	12,650.00	13,200.00	13,200.00	+5.3	10,000.00	16,900.00	640.7	2	13,200.00	12,650.00
ASND	3,850.00	3,850.00	3,850.00		3,850.00	3,850.00	151.6	1	3,850.02	3,850.00
ATFB	10,000.00	11,032.38	10,900.00	+11.2	4,700.00	15,710.00	1,371.7	18	11,142.70	10,000.00
ATFBp8	1,550.00	1,596.50	1,596.50	+3.0	1,233.00	4,150.00	616.8	9	1,596.50	1,550.00
BTAS	120,000.00	124,700.00	124,000.00	+4.2	66,000.00	190,000.00	1,018.9	8	124,700.00	120,000.00
CCBN	1,600.00	2,000.00	1,600.00	+3.2	350.01	2,000.00	267.1	18	15,000.01	1,600.00
CHFM	600.00	900.00	900.00	-10.0	600.00	1,650.00	19.4	3	900.00	600.00
CSBN	4,500.00	5,150.00	4,950.00	+12.5	701.00	5,150.00	126.3	9	5,150.00	4,500.00
CSBNp	1,000.00	1,000.00	1,000.00	+11.1	260.00	1,000.00	12.1	2	1,000.00	1,000.00
HSBK	590.00	640.00	599.99	+2.6	135.00	640.00	548.6	18	640.00	590.00
HSBKp1	260.00	266.00	260.00	-10.3	169.00	300.00	217.9	5	266.00	260.00
KKGB	1,350.00	1,450.00	1,375.00	-0.4	250.00	1,800.00	2,009.4	19	1,450.00	1,350.00
KKGBp	350.00	405.00	350.00	+32.1	100.00	600.00	1,903.9	11	405.00	350.00
KZIS	26,000.01	26,000.01	26,000.01		15,750.00	82,500.00	18.7	2	26,000.01	26,000.01
KZTC	14,999.99	20,000.00	19,500.00	+75.7	2,175.00	20,000.00	1,493.7	17	25,000.00	154.50
KZTCp	1,600.00	1,600.00	1,600.00		1,600.00	9,000.00	7.5	1	1,600.00	1,600.00
KZTK	38,500.00	42,005.00	42,005.00	+10.8	22,500.00	50,000.00	216.4	18	1,000,000.00	25,100.00
KZTKp	11,000.00	12,150.00	12,150.00	+10.5	8,950.00	21,000.00	174.6	16	12,150.00	11,000.00
KZZN	7,000.00	8,000.00	7,995.00	+14.2	4,000.01	18,300.00	188.4	12	8,001.00	7,500.00
NRBN	53,000.00	53,000.00	53,000.00	-3.6	25,650.00	62,160.00	75.9	2	53,000.00	53,000.00
NRBNp6	39,000.00	39,000.00	39,000.00	+2.6	22,000.00	40,000.00	17.2	2	39,000.00	36,000.00
PDES	843.03	1,000.00	1,000.00	-4.8	655.00	14,325.00	2,744.7	2	1,000.00	843.03
RDGZ	15,950.00	18,399.99	15,965.00	-5.0	11,260.00	18,399.99	2,074.1	86	18,399.99	15,950.00
TEBN	4,999.99	5,000.00	4,999.99	0	1,000.00	5,000.00	1.7	2	5,000.00	4,999.99
TEBNp	1,150.00	1,299.99	1,250.00	-7.4	1,001.00	1,390.00	1,162.0	6	1,330.00	1,150.00
TSBN	2,050.00	2,600.00	2,400.00	+26.3	1,040.00	2,600.00	1,782.9	23	2,600.01	2,000.00
UTMK	25,000.00	27,000.00	27,000.00		5,250.00	38,250.00	41.8	5	28,000.00	25,000.00
ZERD	3.80	4.49	4.00	+166.7	0.80	4.49	2,123.1	3	4.49	2.25
<b>31</b>							<b>21,742.3</b>	<b>329</b>		

**Notes:** Trends are given relative to the last deal of the previous month (November 27 – December 27, 2006). If deals were not made in the previous month the trend is not calculated. Full list of issuers' symbols is available at [http://www.kase.kz/instruments/nzb\\_code.htm](http://www.kase.kz/instruments/nzb_code.htm)

## CORPORATE BOND MARKET

### Changes in trade lists

**Since January 3, 2007 KZPC1Y03C348 bonds (KZT1,000; KZT1.0 bn.; January 3, 07 – January 3, 10; semi-annual coupon indexed on inflation rate, 8.90% APR for the first coupon period; 30/360) of AZIA-AUTO JSC (Ust-Kamenogorsk) have been included into KASE's official "A" listing category under ASAVb1 symbol.**

Information about opening of trades with these bonds on KASE will be given later. This is the first bond issue made within the first bond program of AZIA-AUTO JSC, registered by Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations on November 23, 2006 for a total of KZT3.0 bn. Kazkommerts Securities JSC (subsidiary of Kazkommertsbank JSC) (Almaty) acted as the issuer's financial consultant to bring its bonds to the organized market.

By decision of Exchange Council of KASE dated December 28, 2006 the following bonds **have been included to KASE's category "B" official list:**

- **since December 29, 2006 - KZ2C0Y03C312 bonds of Credit partnership ORDA credit LLP** (Shymkent) (ORDKb1KZT1,000, KZT500.0 m., October 24, 06 – October 24, 09, quarterly coupon, 12.0% APR, 30/360). Trades in given securities have been opened in the secondary market sector of KASE **since January 5, 2007**. Quotation accuracy – till four decimal figure of net price. Managing company ORDA Capital JSC (Shymkent) acts as the financial consultant of the issuer while introducing its bonds on the organized market. The main types of activities of Credit association ORDA credit LLP – transfer operations (fulfilling of orders of payments and transfer of money), loan operations (providing of credits for participants of the company, acceptance of payment documents for collection (excluding promissory notes), participants of the company, opening and confirmation of letters of credits and execution of liabilities on them), safe operations, maintenance of leasing activities, opening and maintenance of bank accounts of the participants of the company, giving of guarantees, bails and other liabilities, factoring operations (purchasing of rights of demanding the payment from participant of the company, buyer of goods (works, services) with acceptance of risk of nonpayment), cash operations.
- Since January 10, 2007 - **KZ2C0Y03C064 bonds** (BIGRb1, KZT1; KZT3.0 bn.; June 28, 06 – June 28, 09; semi-annual coupon, 9.00% APR; 30/360) **of BUILD INVESTMENTS GROUP JSC**. Information about opening of trades with these bonds on KASE will be given later. DERBES SECURITIES JSC (Astana) acted as the issuer's financial consultant to bring its bonds to the organized market. Primary activities of BUILD INVESTMENT GROUP JSC – investment in construction; execution of building, repairing, assembly works; sale of apartments; building materials; rendering of consumer services to the population; marketing; and engineering.

By decision of KASE's Board **since January 8, 2007 KZ2CUIY05A441 bonds of ATFBank JSC** (Almaty) (KASE's official "A" category list, ATFBb2, \$100; \$10.0 m.; January 4, 02 – January 4, 07, semiannual coupon, 9.00% APR) **have been excluded from KASE's official "A" listing category in connection with expiration of the circulation term.**

### **Primary market sector**

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

### **Secondary market sector (purchase and sale)**

A total of 122 deals amounting to \$121,649.2 th. or KZT15,321.0 m. were made in bonds during the analyzed period on KASE. In comparison with the previous period (December 14-27, 171 deals, \$131,729.1 th. or KZT17,236.8 m.), turnover of the sector has decreased by 9.7%. At that 6.6% of operations in the quantitative expression or 24.8% in volumetric were nego. In the previous period these indicators totaled 2.4% and 4.3%.

During the analyzed period deals were made by KASE's 28 members on 47 instruments. At that, 9.8% of gross-turnover (17.6% on purchasing transactions, and 1.9% - on sale transactions) went through the accounts of pension market's subjects. Through the accounts of depot, registered on physical persons, for the week had left 7.5% of the exchange's gross-turnover of corporate bonds (0.1% - on purchase operations and 14.0% - on sale operations). During the previous period KASE's 27 members of "P" and "H" categories were interested in 56 instruments. Stake of pension assets was 19.4% of gross-turnover, including 23.1% on purchasing transactions, and 15.7% - on sale transactions, to the stake of physical persons – 28.8% (20.4% - purchase, 37.1% - sell).

By the totals of the period weighted average daily net prices of 15 bonds grew **on the opened market**, prices of 24 bonds – fell, prices of 5 remained unchanged, price of ORDKb1 was nothing to compare with (bonds of two titles were traded only by nego deals, in connection to which their price characteristics are not considered here). Re-bought on the opened market seemed TXBNb3 with increase of net price by 7.0% correspondingly, while KKGBb2, KZNHb2 and BTAlb5 seemed re-sold with decrease of prices by 5.9%, 5.5% and 5.0% correspondingly. Yield to maturity for buyer on made deals decreased during the week of 23 bonds, increased of 23, too.

Dynamics of indexes of KASE\_B\* series, providing in the below-given table of main indicators of the market, hardly looks demonstrative, due to imperfection of indexes calculation methodology. On this dynamics very strong impact have the quotations of international bonds, deals on which are absent on KASE, and unbalanced influence of quotations' values and prices of separate bonds of large issues. By the pointed reason the amplitude of technical fluctuations of for example of index KASE\_BY in December had exceeded several times the real trend meaning. As a result the change of index by the totals of the period reflects more the amplitude of

fluctuations of technical (caused by particularities of calculation), but not conjuncture. As a whole KASE\_BY in December, as in November work the horizontal channel axes of which lies little upper then 7.20% APR.

Detailed data on corporate bond market is given in trades results table. It at first time is compiled by IRBIS agency only by deals, made on KASE by methods of opened trades.

**Results of bond trades on KASE within December 28 – January 10  
(only on data of deals , made on secondary market of KASE by the methods of opened deals)**

Bond code on KASE	Yield to maturity for a buyer, % APR:						Volume of deals th. USD	Num- ber of deals	Best for the	
			on the last deal:		for last 365 days:				period:	
	min.	max.	yield	trend	min.	max.			bid	offer
ASF1b5	11.00	11.50	11.50	+0.48	8.73	11.50	1,079.2	5	11.00	11.50
ASF1b7	9.05	10.14	10.00	-0.30	9.00	10.95	404.4	4	9.01	10.14
ASNDb1	11.00	11.00	11.00	0	9.00	11.00	1,737.4	1	11.00	11.00
BTA1b1	10.00	10.00	10.00	+0.75	8.50	10.00	29.8	1	10.00	10.00
BTA1b4	8.76	8.76	8.76	-0.01	8.20	10.00	59.7	1	8.76	8.76
BTA1b5	8.78	8.78	8.78		8.45	8.90	44.6	1	8.70	8.78
BTA1b6	10.00	10.00	10.00		9.00	10.09	112.0	1	10.00	10.00
BTA1b8	9.50	9.50	9.50		8.20	9.50	15.7	1	9.20	9.50
BTASb1	9.00	9.00	9.00	-0.60	6.50	11.50	1,921.7	1	9.00	10.00
BTASb2	8.50	9.50	9.50	+1.00	7.90	11.20	2,859.2	3	8.50	9.50
BTASb3	10.90	10.90	10.90	0	7.50	10.90	1,037.4	9	10.90	10.90
BTASb4	9.92	9.92	9.92	-0.21	7.00	10.13	1,541.4	14	9.64	9.92
BTASb5	8.00	8.00	8.00	0	7.40	8.50	562.6	3	8.00	8.00
BTASb7	7.00	7.00	7.00	0	6.85	7.00	28,661.9	5	7.00	7.00
CACMb1	9.76	9.76	9.76	0	9.75	9.80	395.3	1	9.76	9.76
CCBNb10	7.89	7.89	7.89	-0.01	7.89	8.25	1,834.6	2	7.89	7.89
CHFb1	4.50	8.00	4.50	-3.55	4.50	10.00	159.3	6	0.00	8.00
EUBNb3	8.20	8.20	8.20	0	8.00	8.20	3,416.8	1	8.20	8.20
GLOTb1	9.00	10.00	9.00	-0.85	9.00	10.00	1,522.9	3	9.00	10.00
HSBKb10	7.49	7.49	7.49	0	6.10	8.46	4,250.2	2	7.11	7.49
HSBKb2	8.00	8.00	8.00	-1.10	7.00	10.50	1,553.3	3	8.00	8.00
KASSb1	9.47	9.47	9.47	-0.03	8.80	9.50	1,180.0	2	9.47	9.47
KASTb2	8.40	10.18	8.40	-0.49	8.40	10.20	516.3	3	8.40	10.18
KATrb1	12.00	12.00	12.00	0	10.00	13.00	2.1	1	12.00	12.00
KKAGb3	9.25	9.25	9.25	+0.05	9.20	9.25	6,398.2	1	9.20	9.25
KKGBb2	9.92	9.92	9.92	+2.42	6.25	9.92	9,397.4	1	9.92	9.92
KZASb2	8.70	8.70	8.70	0	8.00	8.90	526.6	2	8.70	8.70
KZIKb14	3.50	3.50	3.50	-2.00	3.00	5.50	32.0	2	3.50	3.50
KZNHb2	12.00	12.00	12.00	+2.15	9.50	13.50	819.6	4	0.00	12.00
MREKb1	8.50	8.50	8.50	0	8.50	8.75	59.7	4	8.50	8.50
NRBNb2	8.20	9.00	9.00		7.99	9.60	3,659.4	2	8.20	9.00
NRBNb4	8.35	8.35	8.35	0	7.80	8.38	61.0	3	8.35	8.35
NRBNb5	8.30	8.40	8.40	+0.10	8.30	8.50	31.4	2	8.30	8.40
ORDBb2	11.50	12.50	11.50	0	10.00	12.50	3,358.8	2	0.00	12.50
ORDKB1	12.00	12.00	12.00		12.00	12.00	71.5	1	12.00	12.00
ORNBb1	10.00	10.00	10.00	-1.00	9.80	12.00	416.0	1	10.00	10.00
PRKRb2	8.00	8.00	8.00		7.10	8.50	1,181.1	1	8.00	8.00
RGBRb3	8.10	8.10	8.10		8.00	8.10	13.6	1	8.10	8.10
ROSAb1	10.00	12.00	12.00		10.00	12.00	29.3	2	10.00	12.00
TEBNb9	8.97	9.00	9.00	+0.03	8.80	9.05	4,947.1	2	8.97	9.00
TSBNb1	9.50	9.50	9.50	0	9.20	10.50	328.9	1	9.50	9.50
TSBNb4	9.02	10.20	10.20	+0.21	9.02	10.20	3,866.0	2	8.50	10.20
TXBNb3	8.70	8.70	8.70	-1.84	8.50	10.54	538.2	3	8.70	8.70
UKPFb1	12.00	12.00	12.00		9.99	12.50	22.6	1	12.00	12.00
VITAb4	10.00	10.44	10.44	+1.24	8.80	11.80	868.2	2	10.00	10.44
45							91,524.6	114		

**Notes:** Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (November 27 – December 27, 2006). If deals were not made in the previous month the trend is not calculated. Full list of issuers symbols is available at [http://www.kase.kz/instruments/nzb\\_code.htm](http://www.kase.kz/instruments/nzb_code.htm)

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

### Secondary market sector (purchase - sale)

In the analyzed period total volume of 74 deals made on KASE did not exceed KZT88,611.2 m. (\$698.5 m..). In the last period, which was the same as analyzing according to amount of trading days (December 14 – December 27), the volume of trades in this sector had reached KZT126,134.7 m. or USD985.9 m. with 114 deals.

Stake of exchange's turnover in the total volume of Kazakhstan secondary market of GS on comparable operations of purchase and sale was equaled to 47.2% (on the previous – 55.9%).

The given data shows that market of GS in the describing period was very active. However the activity was observed only till the end of past year. As last period, it became the cause of offerings of National Bank of the large volume of notes. In December the given regulator had made 7 auctions (instead of usual 4) to the sum of attraction KZT656.0 bn. (\$5 134,8 млн) at maximal for year 2006 yield, demonstrating its extreme interest in sterilization of the market. Having opened the month with selling of notes under 4.321% APR he had closed the year by the auction on which bonds' yield to maturity for buyer had reached 4.84% APR. This circumstance had played the main role in forming of secondary GS market in December 2006, leading its exchange's turnover to the record high rate.

Receiving the access on the primary market to the more profitable bonds of National Bank, its primary agents began to through to the secondary market the earlier issued less profitable securities, and also bonds bought on the auctions of December. The last was made with the positive price difference for seller, providing the high yield of deals for the primary agents of National bank. However the price of offering had satisfied enough the buyers, promising them the more high relative to market yield to maturity of notes. The described scheme was the main reason, due to which the secondary market of GS on KASE in the analyzing and previous period had looked such liquid.

Alack, the action of the factor described above had the short-term character. Since January 3 the exchange's secondary market of GS had returned to its usual activity.

More detailed data about exchange's trades are given in the table.

#### Parameters of Exchange's transactions in GS within December 28 – January 10

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted (KZT): National Bank's notes</b>				<b>97.6% (97.3%) of purchase and sale sector's turnover</b>		
less 8	2.19	4.00	2.19	2.46 (3.78)	3592.4	5
15 - 28	4.40	4.84	4.70	4.83 (4.53)	82912.9	46
Total					<b>86,505.3</b>	<b>51 (85)</b>
					<b>(122,786.9)</b>	
<b>Coupon (KZT): MEOKAM-36, 48, 60, 72, 84; MEUKAM- 120</b>				<b>2.4% (2.6%) of purchase and sale sector's turnover</b>		
less 730	5.75	6.10	5.77	5.93 (5.93)	991.4	12
731 - 1095	5.90	5.90	5.90	5.90 (6.08)	201.2	1
1096 - 1460	5.40	6.40	6.40	6.04 (6.28)	476.2	4
1461 - 1825	5.67	5.67	5.67	5.67 (5.56)	125.7	1
more 2191	5.50	5.50	5.50	5.50 (5.50)	307.3	3
Total					<b>2,101.8 (3,335.4)</b>	<b>21 (25)</b>
<b>Euronotes of Kazakhstan (USD)</b>				<b>0.003% (0.01) of purchase and sale sector's turnover</b>		
less 730	6.40	6.40	6.40	6.40 (5.37)	2.72	1
Total					<b>2.7 (7.9)</b>	<b>1 (1)</b>
<b>Coupon (USD): bonds of Atyrau region</b>				<b>0.002% (0.004%) of purchase and sale sector's turnover</b>		
less 730	7.50	7.50	7.50	7.50 (6.83)	1.45	1
Total					<b>1.4 (4.4)</b>	<b>1 (3)</b>
<b>GRANDTOTAL</b>					<b>88,611.2</b>	<b>74 (114)</b>
					<b>(126,134.7)</b>	

## NORMATIVE BASE

By decision of Exchange's Council of KASE dated December 28, 2006 were confirmed the amends to the following internal documents of KASE:

- Rules of admittance of foreign state securities to circulation;
- Rules of admittance of securities to circulation in the sector of "Non-listing securities";
- Rules of admittance of securities of international financial organizations to circulation.

By the pointed amends it is noted that the circulation of securities on KASE, coming under action of the named documents is finishing due to lapse of their circulation (in the former edition – due to maturity). Amends are coordinated with AFS on December 21 and put into action since December 29, 2006. The renewed texts of documents are published on web-site of KASE at <http://www.kase.kz/geninfo/normbase/>

By Decision of Exchange's Council of KASE dated December 28, 2006 were confirmed two blocks of amend to the Listing rules of KASE, first of which was supplemented by the article "Characteristics of opening information at subsequent listing of securities at other stock exchanges", by which requirements were established to open information in cases, when after inclusion of securities in KASE's official list given securities are admitted to circulation at another stock exchange, whose requirements on opening of information differ from established rules and the agreement about listing. These amends were coordinated with AFS on December 21, 2006 and put into action since January 1, 2007.

The second block, have been worked out in compliance with the resolution of AFS's Board "About inclusion of additions and a change in the resolution of the Board of the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations dated March 15, 2004 # 63 "About requirements for issuers and their securities, being admitted (admitted) to circulation on the stock exchange, as well as to stock exchange's individual listing categories"" dated October 27, 2006 # 224, was directed to coordination to AFS and **put into action on January 1, 2007** and includes the following:

The amendments say:

- text of the Rules has been expanded with the notion "real estate fund", and with article 11–1 with the list of listing requirements concerning shares of real estate funds, following which is necessary for listing of real estate funds' shares on KASE;
- containing the list of acceptable exclusions from listing requirements of "A" category for bonds and their issuers, has been removed from the text of the Rules;
- text of the Rules has been expanded with article, which sets listing requirements regarding bonds, issued within bond programs.

Besides, Enclosure 2 to Listing rules has been changed by means of exclusion of the direct mentioning of auditing organizations from the text. Audit of financial reports of the listing companies (or pretending to the role of such) must be conducted by the audit organization, corresponding to requirements of Kazakhstan legislation and qualification requirements set by order of Ministry of finance of Republic of Kazakhstan dated November 3, 2006 #434.

## **MEMBERS OF KASE**

By the decision of KASE's Council beginning from **December 29, 2006 Valyut-Transit-Bank JSC** is to be excluded from members of KASE according to "B", "K" and "P" categories. It means that Valyut-Transit-Bank JSC is no longer a member of KASE and does not have a right to trade in any instruments at KASE. We'll remind that on December 27 on KASE were stopped the trades in securities of Valut-Transit-Bank JSC, being in KASE's category "B" official list preferred share KZ1P33290118 (VTBNp), bonds KZ2CKY05B380 (VTBNb2), bonds KZPC1Y05B618 (VTBNb3); bonds KZPC2Y07B612 (VTBNb4). The mentioned decision is accepted on the basis of resolution of Board of Agency of Republic of Kazakhstan of regulating and supervision over financial market and organizations "About recall of license on conduction of banking or other operations, made by banks in national and foreign currency, given to Joint stock company Valyut-Transit-Bank" dated December 26, 2006 #315.

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