

# WEEK OF STOCK MARKET OF KAZAKHSTAN

February 8 - 14

Money market indicators as of February 14 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo with GS (TONIA)</b>			
1 day	KZT	0.88	-1.21
<b>Autorepo opening with GS (WA, % APR)</b>			
1 day	KZT	0.88	-1.22
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	5.00	0
2 weeks	KZT	5.75	0
1 month	KZT	6.50	0
2 months	KZT	7.25	0
3 months	KZT	8.00	0

Stock market indicators as of February 14 and change for the period

Index	Value	Trend
KASE_Shares	2,597	-0.25
KASE_BP	202.77	+1.35
KASE_BC	129.67	+1.27
KASE_BY	7.48	-4.79

US dollar = **124.18** at official rate for the end of the period.  
US dollar = **123.95** 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 **79.0% APR**.

## SHARE MARKET

### News of share market

**Halyk savings bank of Kazakhstan JSC** (Almaty, further in this block – the Bank), securities of which are traded in Kazakhstan stock exchange's (KASE) category “A” official list had spread the press-release on February 9 in which it is informed about an ending of the realization term of the pre-emption right for acquisition of shares of the new issue. The issue was divided into 1,129,016,660 common shares KZ1C33870011 (trades symbol on KASE – HSBK), 24,742,000 preferred shares KZ1P33870117 and 80,225,222 preferred shares KZ1P33870216 (HSBKp1), convertible in common shares.

By the same press-release the Bank **had informed about starting of offering of shares by signing among unlimited circle of investors. 9,316,034** common shares KZ1C33870011 are subjected to offering at the price **KZT511.92** per one share. Payment at purchase of shares is made in tenge, in the cashless form, physical entities can pay for shares in cash as well. Time of bids subscription: three working days (until 18:00 daily), following after the day of the announcement appearance in mass media (February 9, 2007).

Prospect of shares' issue and other information about securities and their issuer is available on KASE's web-site at <http://www.kase.kz/emitters/hsbk.asp>.

### 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 338 deals amounting to \$64,214.4 th. or KZT8,016.5 m. were made in shares during the analyzed period. In comparison with the previous period (February 1 - 7, 391 deals, \$55,784.0 th. or KZT7,015.3 m.), turnover of the sector has increased by 15.1%. At that, 7.4% of deals in quantitative expression and 20.5% in volumetric expression were nego. In the previous period these indicators were 5.9% and 52.3% correspondingly.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 30 (34) members on 23 (26) instruments. At that: 12.1% (0.5%) of gross-turnover of the market – 13.7% (4.6%) on purchasing transactions and 10.5% (0.7%) - on sales transactions were controlled by “pensions”; through the depot accounts, registered on physical persons for the week had passed 43.2% (24.9%) of exchange's turnover of shares – 31.8% (29.3%) - on purchasing transactions and 54.5% (20.4%) - on sales transactions.

The given data are interesting because they illustrate the energization of shares market due to participation in it of physical persons.

In the analyzed week weighted average daily prices of 43% (46%) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 35% (42%) – fell, prices of 22% (12%) – remained unchanged. In the described period shares prices changed positively in the range from 1.9% (KZTK) to 48.2% (KZCR), negative change – from 0.01% (ATFB) to 62.5% (DNBN). For the last 365 days by the maximal rates on the floor were noted ASBN (Alliance Bank JSC), HSBK (Halyk savings bank of Kazakhstan JSC), KZTK and KZTKp (Kazakhtelecom JSC), minimal – DNBN (DANABANK JSC) and TMLZ (Temirleasing JSC).

KASE\_Shares index by the totals of the period had decreased a little, though on February 12 it had being on the historically maximal rate 2.808. Though index remains in the channel of increased trend, formed in the beginning of November. However to the end of week it had tested the lower limit of this channel.

As a whole on the analyzing week the share market seemed less positive then on previous. To the change of well-expressed growth of favorites had come the various directed prices. Market had sufficiently support the growth of average weighted day prices of ASBN (+29.9%), BTAS (Bank TuranAlem JSC, +22.9%), AMGZ (CNPC – Aktobemunaygas JSC, +12.5%), CSBN (BANK CASPIAN JSC, +8.7%), CCBN (Bank CenterCredit, +8.4%), HSBK (+4.6%) and KZTK (+1.9%). At the same time the market was prevented from growth by RDGZ (Exploration Production KazMunayGas JSC, -2.6%), KKGB (Kazkommertsbank JSC, -3.3%) and KZZN (KAZZINC JSC, -6.7%). The most curious on the week seemed the stable growth of HSBK on the background of significantly more lower price of signing for new shares (see above), and also impressive climbing of ASBN to the historical maximums, but confirmed by single deal on the week.

By the totals of week to analysts of IRBIS seemed that market of shares is ready if not to correction but to stabilization and KASE\_Shares index is able at the nearest time to break the level of support of the increasing channel. This impression is supporting by the fact that in the current year the main reason of growth of KASE is not the increase of shares' prices but the significant growth of authorized capital of the largest banks. Strictly speaking, the given index in accordance with methods of its calculation reflects not the dynamics of prices, but the change of market capitalization of listing companies, shares of which are included to KASE's representative list. If rates of shares will stay unchangeable and amount of offering securities – grow, KASE\_Shares index will also go upward.

Detailed results of trades in shares on KASE are given in the table.

**Results of share trades on KASE within February 8 – 14  
(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	2,050.00	2,050.00	2,050.00	0	1,956.80	2,600.00	0.3	1	2,050.00	2,050.00
AMGZ	89,999.00	89,999.00	89,999.00	+12.5	43,500.00	130,000.00	72.2	1	89,999.00	89,999.00
ASBN	67,500.00	67,500.00	67,500.00	+29.8	11,000.00	67,500.00	9.2	1	67,500.00	67,500.00
ASBNp1	12,500.00	12,500.00	12,500.00	0	10,000.00	16,900.00	500.0	4	12,500.00	12,400.00
ATFB	12,300.00	13,000.00	12,400.00	0	5,300.00	15,710.00	1,578.2	32	13,000.00	12,300.00
BTAS	118,700.00	150,000.00	149,999.00	+29.6	83,990.00	190,000.00	5,276.9	21	165,000.00	117,000.00
CCBN	1,500.00	1,830.00	1,800.00	+10.4	510.02	2,000.00	20,960.0	40	7,000.00	1,500.00
CSBN	5,000.00	5,000.00	5,000.00	+8.7	1,500.00	5,150.00	58.6	3	5,000.00	5,000.00
DNBN	1,500.00	3,000.00	1,500.00	-62.5	1,500.00	4,000.00	17.7	2	3,000.00	1,500.00
EXBN	2,250.00	2,400.00	2,250.00	0	2,000.00	2,750.00	47.9	8	2,400.00	2,250.00
HSBK	710.00	765.00	750.00	+4.2	260.00	765.00	3,295.4	45	765.00	710.00
KKGB	1,420.00	1,519.00	1,450.00	-3.3	250.00	1,800.00	45.5	6	1,520.00	1,420.00
KZCR	29,650.00	29,650.00	29,650.00		1.00	30,000.00	47.8	3	29,650.00	29,650.00
KZTC	14,999.99	18,099.99	16,000.00	-11.6	9,000.00	20,000.00	150.9	11	18,099.99	14,999.99
KZTK	49,000.00	54,000.00	50,100.00	+4.1	23,502.00	54,000.00	4,675.4	56	54,000.00	49,000.00
KZTKp	16,999.99	26,000.00	25,000.00	+46.6	8,950.00	26,000.00	1,417.3	44	26,000.00	16,999.99
KZZN	7,000.00	7,500.00	7,000.00	-6.7	4,510.00	18,300.00	13.8	3	7,500.00	7,000.00
ORDBp	2,100.00	2,100.00	2,100.00	0	2,100.00	2,125.00	14.1	1	2,100.00	2,100.00
RDGZ	15,500.00	16,000.00	15,500.00	-2.8	11,260.00	18,399.99	647.3	21	16,000.00	15,450.00
TEBN	5,000.00	5,000.00	5,000.00	0	1,031.00	5,000.00	12.1	2	5,000.00	152.00
TMLZ	5,058.02	5,779.50	5,779.50		5,058.02	5,779.50	12,102.9	3	5,779.50	5,058.02
TSBN	4,050.00	4,500.00	4,500.00	+30.4	1,350.00	4,500.00	26.2	3	4,500.00	4,050.00
TSBNp	1,988.00	2,100.00	1,988.00	-5.3	1,000.00	2,200.00	77.2	2	2,100.00	1,988.00
<b>23</b>							<b>51,047.0</b>	<b>313</b>		

**Notes:** Trends are given relative to the last deal of the previous month (January 7 – February 30, 2007). 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

### News of corporate bond market

By the decision of KASE's Board **since February 9, 2007 KZ2C0Y05C168 bonds** (ALMXb1, KZT1; KZT8.0 bn.; August 22, 06 – August 22, 11, annual coupon, 8.0% APR) **of Holding group ALMEX JSC (Almaty) have been excluded from KASE's official "A" listing category due to preliminary paying-off.** According to the message of the issuer the prescheduled maturity was made with payment of bonds' face value and coupon payment for the period from august 22, 2006 till February 9, 2007 in amount of KZT7,726,477,777.78. At that register of bonds' holders was fixed as of February 8, 2007.

By decision of KASE's Board **since February 9** from the representative list of KASE\_BC, KASE\_BP and KASE\_BY indexes were excluded following securities:

- **KZ2CKY05A556** issue subordinate bonds indexed on devaluation rate of tenge to US dollar (HSBKb2; KZT1,000, KZT2,042.0 m.; May 21, 02 – May 21, 07, semi-annual coupon, 8.00% APR, 30/360) of **Halyk savings bank of Kazakhstan JSC** (Almaty) – due to the fact that KASE turned down to calculate profitability on these bonds because of uncertainty, reasoned from conditions of their maturity;
- **KZ2CKY05B091** issue bonds (KASE's official "A" listing category, PRKRb1; KZT10,000, KZT3.0 bn.; May 17, 04 – May 17, 09, annual coupon, 8.00% APR, actual/actual) of **Food contract corporation JSC** (Astana) – in connection with the fact that there is absent the market maker and also regarding the running purchase of bonds by their issuer on the secondary market;
- **KZ2C0Y05C168** issue bonds (KASE's official "A" listing category, ALMXb1; KZT1, KZT8.0 bn.; August 22, 06 – August 22, 11, annual coupon, 8.00% APR, 30/360) of **Holding group ALMEX JSC** (Almaty) – in connection with the preliminary paying-off of securities on February 9, 2007.

After the accepted decision from 182 corporate bonds presently included into KASE's category "A" official listing in the representative list for calculation of KASE\_B\* indexes there are **158 copies**.

#### **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)**

**On February 8 2007 the specialized trades to purchase bonds KZ2CKY05B091 of Food contract corporation JSC** (Astana) (the official list of KASE under "A" category, PRKRb1, KZT10,000; KZT3.0 bn.; May 17, 04 – May 17, 09; the annual coupon 8.00% APR; actual/actual) **were continued in the trade system of Kazakhstan stock exchange (KASE)** by their issuer, who planned to purchase from investors 107,688 bonds which were not redeemed on the specialized trades on February 5. The subject of trades is net price of bonds. Only limited bids were allowed for trades. The bids satisfaction method is based on cut-off price. Settlements were made by the scheme T+0. One member of KASE had participated in trade, which had given the bid for selling of 1,850 bonds at the price 100.0000% from bond's face value (7.96% APR to maturity for buyer). The bid was given from the name of one of pension funds of Kazakhstan. By results of trades the issuer had satisfied this bid in the total volume.

On February 13 the trades of redeeming were continued. One member of KASE had participated in trades, giving the bid on selling of 950 bonds at net price 100.7239% (7.60% APR). Bid was given by one of broker-dealer companies, working on trades from their own names. According to official notification of the issuer, Food contract corporation JSC considered the pointed price of offering as unacceptable. Due to this the trades are considered as frustrated.

Thus, on two resulted trades the issuer managed to redeem only 64.7% from registered volume of bonds' issue, though to the plans of Food contract corporation had entered the redeeming of all 300 th. of securities.

A total of 66 deals amounting to \$82,404.4 th. or KZT10,236.2 m. (considering the described above redeeming) were made in bonds during the analyzed period on KASE. In comparison with the previous period (February 1 - 7, 35 deals, \$88,788.7 th. or KZT11,150.1 m.), turnover of the sector has decreased by 7.2%. At that 4.6% of deals in quantitative expression and 0.0002% in volumetric expression were nego. On the previous week no nego deals were made during the analyzed period.

During the analyzed period deals were made by KASE's 22 (34) members on 31 (14) instruments. At that, 18.8% (10.9%) of gross-turnover – 30.7% (18.4%) on purchasing transactions, and 6.8% (3.3%) - 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 34.7% (12.9%) of the exchange's gross-turnover of corporate bonds – 31.1% (4.3%) - on purchase operations and 38.3% (21.4%) - on sale operations.

The most actively investors had worked with liabilities Temirbank JSC (TEBNb10) and Kazkommertsbank JSC (KKGBb4).

By the totals of the period weighted average daily net prices of 12 bonds grew on the opened market, prices of only 18 bonds – fell. Re-bought seemed BTASb7 with growth of net price by 6.3% as the result of significant volume of the pointed securities had lead to sudden decrease of KASE\_BY index (see the table in the beginning of the review). Re-sold seemed BTASb4 (-12.2%), HSBK (-9.8%) and ASBNb3 (-7.0%).

Yield to maturity for buyer on deals' made decreased of 12 bonds, increased – of 18.

Detailed data on corporate bond market is given in trades results table.

**Results of bond trades on KASE within February 8 - 14  
(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
ASBNb1	10.00	10.00	10.00		9.00	10.50	44.4	1	10.00	10.00
ASBNb3	9.80	11.80	11.80	+2.00	7.50	11.80	50.1	2	9.80	11.80
ASBNb4	10.37	10.37	10.37		8.00	11.50	2.5	1	10.37	10.37
ASBNb8	9.70	9.70	9.70	0	9.61	9.70	18,654.1	2	9.70	9.70
ASFb5	11.00	11.00	11.00	-0.50	8.73	11.50	32.4	1	11.00	11.00
ASFb7	9.00	9.78	9.00	+0.50	8.50	11.00	1,538.0	2	9.00	9.78
ATFBb5	8.50	8.50	8.50	0	7.55	9.28	352.9	2	8.50	8.50
BTAIb4	8.30	8.30	8.30	-0.50	8.20	10.00	218.3	1	8.30	8.30
BTAIb9	7.90	7.90	7.90	+0.40	7.50	8.51	17.7	1	7.50	7.90
BTASb2	10.40	10.40	10.40	+0.40	7.90	11.20	96.7	2	10.40	10.40
BTASb4	10.00	11.00	10.00	+2.50	7.00	11.00	40.5	2	10.00	11.00
BTASb5	7.50	8.00	8.00		7.40	8.50	2,438.5	2	7.50	8.00
BTASb7	7.00	7.00	7.00	-0.50	6.85	7.50	3,227.2	1	7.00	7.60
CCBNb12	7.60	7.60	7.60	+0.60	7.00	7.93	1,690.8	1	7.60	7.60
CCBNb14	8.50	8.50	8.50	0	8.50	8.50	2,098.8	3	8.50	8.50
CSBNb6	9.00	9.00	9.00	-0.60	8.50	9.60	23.8	3	9.00	9.00
HSBkb7	8.75	8.75	8.75		7.00	8.75	2.0	1	8.75	8.75
HSBkb8	7.70	7.70	7.70		6.60	9.09	357.4	1	7.70	7.70
KATrb1	11.48	11.75	11.75	-0.13	10.00	13.00	1,645.0	3	11.48	11.75
KAZIb1	11.00	11.00	11.00	0	10.70	11.00	237.3	1	11.00	11.00
KKAGb1	12.06	12.06	12.06	+0.06	9.50	12.30	165.6	1	12.00	12.06
KKGBb4	7.50	8.20	7.60	+0.10	6.00	8.20	15,407.8	12	7.50	8.20
KRZhb1	8.80	9.00	9.00		7.88	12.00	585.5	2	8.80	9.00
KZASb2	8.00	8.00	8.00	-0.70	8.00	8.90	129.3	1	8.00	8.00
KZTCb1	8.68	8.68	8.68		7.50	8.68	245.6	1	8.68	8.68
NRBNb2	9.50	9.50	9.50	-0.12	7.99	9.62	10.7	1	9.50	9.50
ORDBb2	12.50	13.00	12.50	-0.03	10.00	13.00	7,780.4	2	12.00	13.00
PRKRb1	7.96	7.96	7.96	0	7.96	8.08	155.9	1		7.96
TEBNb10	8.00	8.50	8.50	+0.50	8.00	8.50	20,241.6	5	8.00	8.50
TXBNb2	9.50	9.50	9.50		8.70	11.00	24.0	1	9.50	9.50
UKPFb1	12.00	12.00	12.00	-0.08	9.99	13.00	31.9	1	12.00	12.00
31							77,547.0	61		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (January 7 – February 7, 2007). 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

On February 14 the auction on offering of government long-term treasury obligations of the Ministry of finance of Kazakhstan was held in KASE's trade system by method of specialized trades **MEOKAM-48 of the thirty five issue** (KZK2KY040352, MOM048\_0035; KZT1,000, February 14, 07 – February 14, 11, semi-annual coupon, 30/360), on which Ministry of finance was planned to attract **KZT16.5 bn.** The subject of trades was coupon rate. Applications for participation in trades were given by the close method with limitation of noncompetitive orders in size of 10% from the satisfied volume. Settlements scheme – T+0.

15 primary dealers had participated in trades, which were KASE members of “K” category. Through these market subjects investors gave 67 applications (63 limited and 4 market), from which for the time of confirmation expires 60 orders had left active, including 57 limited and 3 market. Total volume of active applications (volume of demand) had reached KZT55,000.0 including KZT50,950.0 m. on competitive and KZT4,050.0 m. – on non-competitive (market) bids. Demand had exceeded the offered volume of bonds 3.3 times. Rate of fixed coupon on limited and active as of expiration time applications varied from 6.25% APR to 8.50% APR and in average weighed expression was equal to 7.5981% APR In total volume of active applications to the stake of pension market came 14.1%, Kazakhstan banks – 84.4%, their clients – 0.6%, clients of broker-dealer companies – 0.9%.

By the totals of trades issuer made cut-off by the value of the fixed coupon **6.25% APR** and satisfied applications for purchasing of **277,777 bonds**, which made 1.68% from the planned volume of attraction. By results of specialized trades 100% bonds were redeemed by Kazakhstan banks. All deals to the moment of finishing of settlements by results of trades were executed. Actual volume of pointed issue made 277,777 bonds with face value KZT277,777,000.00.

Totals of the offering did not confirm the intentions of Ministry of finance to increase the yield of offered bonds. Such intention was sounded by Natalya korzhova in January. It is not excluded that enough tough in price view demand on the auction, including from the side of pension funds, was conditioned by corresponding expectations of the market. But these expectations were not realized.

## Secondary market sector (purchase - sale)

In the analyzed period total volume of 47 deals made on KASE made KZT22,696.2 m. (\$120.6 m.). In the last period the turnover of the given sector did not exceed KZT15,147.9 m. or \$120.6 m. with 21 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 100%, as on the previous week.

Based upon the data provided in the table the slight energization of market was observed while trades in MEOKAM, at that with the shortest of them. The increased demand for those securities from the side of two banks had caused the growth of their prices and decrease of yield to buyer. By the rest bonds on the exchange were made the solitary deals. Market as itself was not here.

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

### Parameters of Exchange's transactions in GS within February 8 - 14

(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>58.97% (94.4%) of purchase and sale sector's turnover</b>						
less 8	3.10	3.70	3.20	3.17 (3.03)	9,196.5	6
8 - 14	4.00	6.09	6.09	5.05 (5.10)	199.7	2
15 - 28	4.71	4.71	4.71	4.71 (4.53)	3,987.1	4
Total					<b>13,383.4</b>	<b>12 (15)</b>
<b>(14,296.4)</b>						
<b>Coupon (KZT): MEOKAM-36, 48, 60, 72, 84</b>						
<b>41.0% (5.6%) of purchase and sale sector's turnover</b>						
Less 730	0.00	8.47	5.80	5.90 (6.50)	4,836.7	18
731 - 1095	5.99	6.85	6.00	6.08 (6.27)	3,727.7	12
1096 - 1460	6.28	6.45	6.45	6.32 ( -)	514.7	3
1461 - 1825	5.50	5.50	5.50	5.50 ( -)	225.9	1
Total					<b>9,305.1 (851.5)</b>	<b>34 (6)</b>
<b>Euronotes of Kazakhstan (USD)</b>						
<b>0.03% (0%) of purchase and sale sector's turnover</b>						
Less 730	5.40	5.40	5.40	5.40 ( -)	7.76	1
Total					<b>7.8 (0)</b>	<b>1 (0)</b>
<b>GRANDTOTAL</b>					<b>22,696.2</b>	<b>47 (21)</b>
					<b>(15,147.9)</b>	

## KASE MEMBERS

By decision of Exchange's Council of KASE dated February 9, 2007 **Kazkommerts Invest RFCA LLP** (Almaty), being the participant of regional financial center of Almaty, **was accepted to KASE's members of "A" category**. Membership of this category gives the right of participation in trades in all financial instruments, circulating on the special trade floor of regional financial center of Almaty. The pointed company had become the second member of KASE of "A" category.

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