

# KAZAKHSTAN STOCK MARKET

July 29 – August 4, 2010

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## SUPPLEMENTAL INFORMATION

US dollar = 147.46 at official rate for the end of the period.

US dollar = 147.41 at weighted average rate of the Exchange for the end of the period

Speed of KZT devaluation to USD for the period at exchange's rate made 4.9% p.a.

### Money market indicators as of August 4 and change for the period

Indicator	Rate	Trend
TONIA	0.23	+0.01
Autorepo GCB 2 d.	0.24	+0.01
Autorepo GCB 7 d.	0.53	-0.7
Autorepo GCB 28 d.	1.30	+1.3
KazPrime-3M	2.00	0

### Stock securities' market indicators as of August 4 and change for the period

Index	Value	Trend
KASE	1,510.53	+2.8
KASE_BP	362.16	-0.39
KASE_BC	297.92	-0.6
KASE_BY	14.25	-0.0

## MAIN NEWS OF THE MARKET

**July 29** in Astana cellular operator **GSM Kazakhstan/Kcell** announced the installation of the first base station of the fourth generation mobile communication and presentation technology has Long Term Evolution (LTE) with the Ministry of Communications and Information of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan. During the event, the possibility of LTE technology was clearly demonstrated to the participants. Employees have made the data loading and speed measurements, showed a digital high-definition video, a videoconference, as well as made a connection with a video camera installed in Almaty, which transmit a signal in real time. The equipment, similar to the established in Astana for the demonstration has been successfully used since last year for commercial purposes in many cities in Finland, Sweden and Norway.

**29 July** it became known that **Tsesnabank** awarded the world's leading financial institutions, **Citigroup** and **Commerzbank AG**, for their cooperation in the field of correspondent relationships and quality payments. The award of this award demonstrates that when the payments TsesnaBank clearly comply with the order of execution of payment instructions, so that payments are automatic straight-through processing. This allows you to quickly carry out payments and avoid additional costs associated with their manual processing, which significantly reduces the cost of transactions.

**July 29** **Mr. Aibek Bekzhanov** Head of the Department of Islamic instruments in the Regional Financial Centre of Almaty City said that **Kazakhstan will place Islamic securities in the second half of the year** and will promote changes in legislation that would allow companies to non-public holdings and Islamic banks, to placement of Sukuk. He added that there are plans to raise funds abroad through Islamic finance as a means of developing international relations with countries in Asia and the Middle East. Ministry of Finance on July 20 reported that abandoned plans to place a \$ 750 million of international bonds this year. The Government will implement the guidelines for its new bonds on international standards of the Council of Islamic financial services, said Mr. Bekzhanov. As well as the Ministry of Finance to issue Islamic bonds may be the Development Bank of Kazakhstan, said Mr. Bekzhanov. Legislative changes are needed to expand the list of potential issuers," he said.

**July 29** Exchange Council approved the **KASE addition to the internal document KASE "Regulations on Membership** (Regulations). The situation with the norm, which requires members of KASE written notice of the violation of prudential standards and other rules and limits established by the State agencies involved in regulation and supervision of financial markets and financial institutions, within three working days from the date of the occurrence of such violations. The name addition is aimed at harmonizing the AFS.

**July 30** **Mr. Askar Zhumagaliyev** Minister of Communications and Information of Kazakhstan in his blog reported that **Kazakhstan plans to launch its own satellite TV in December this year**. In addition, the minister stressed that Kazakhstan is also expected to establish their own production of satellite TV antennas. He added that measures to mandatory certification of satellite equipment will be distributed exclusively on the newly imported equipment. According to him, the certification required in order to the country is not poor quality imported equipment, which by its characteristics

may interfere with other hardware and systems, as well as harm the environment and people.

**July 31 the Ministry of Agriculture of Kazakhstan reported that in West Kazakhstan and Aktobe regions because of drought killed more than 70% of the crop.** As the press-service, according to preliminary data, in 2010, the sown area of crops amounted to 21.5 million hectares, 123 thousand hectares, or 0.6% more than in 2009. The negative impact of drought and farmers feel the main grain-producing regions of the country: Kostanay, North Kazakhstan and Akmola regions.

**August 2 Agency of the Republic of Kazakhstan on Statistics reported that:**

- **Inflation in July 2010 amounted to 0.2%.** Non-food products for the past month, prices increased by 0.3%, paid services - by 0.2%. The price index for food products was 100%;
- **subsistence minimum in July 2010 amounted to KZT13,743.** Subsistence minimum in average per capita, calculated on the basis of minimum standards of consumption of basic foodstuffs, in July 2010 compared with the previous month decreased by 1.6% July 2009 - an increase of 6.1%;
- **food prices increased by 5.3% in July 2010 compared to July 2009;**
- **prices of enterprises-manufacturers of industrial products remained unchanged in July 2010.**

**August 2 it was announced that the Government of Kazakhstan has increased the authorized capital of JSC National Company "Kazakhstan Garysh Sapary" in 8.1 times.** The paper noted that the costs of the budget program 005 for 2010 - Increase in authorized capital of JSC" NC "Kazakhstan Garysh Sapary" to create a trust of space systems, technologies and construction of the assembly and test facility (Assembly and Testing), increased from 978,603 thousand to KZT7,955,603 thousand. These funds, according to the Strategic Plan of the National Space Agency for 2010-2014, will Assembly and Testing and the creation of high-precision navigation infrastructure on the ground.

**August 2 to spread the message of the National Bank of Kazakhstan stated that:**

- **Kazakhstan's banks is expected to maintain tight monetary policy and moderate the demand for credit resources on the part of borrowers;**
- **Mortgages are still risky financing,** so banks are more reluctant to lend to this segment. Mortgage loans, as a product with a long period of funding offered by banks in limited quantities at the same time, in addition, banks reduced the average period of credit;
- **At present, the real estate market in Kazakhstan is in a state "solution to the crisis."** Approximately 54% of banks believe that property prices have stabilized, 33% of respondents expect a slight increase in property prices in the third quarter of 2010.

**August 2 it became known that** the Agency of the Republic of Kazakhstan on regulation of activities of the Regional Financial Centre of Almaty (RFCA ARA) in cooperation with concerned ministries and departments (Ministry of Communications and Information, Ministry of Industry and new technologies, the Ministry of Finance, Ministry of Foreign Affairs, Ministry of Economic Development and Trade, the Agency for Regulation and Supervision of Financial Market and Financial Institutions and the Civil Service, the National Bank of Kazakhstan) **has developed and adopted a roadmap for the development of Islamic finance in the Republic of Kazakhstan for 2010-2012.** The purpose of the road map are: - coordination of the development and implementation of Islamic financial instruments with these government agencies, creating conditions to attract and opening of Islamic financial institutions, interaction with the international Islamic financial institutions, improving literacy on Islamic finance, as well as attracting investment.

**August 3 it became known that on Aug. 4, 2010 at KASE open bidding a new tool on the market with automatic repo securities,** where as the subject of repo transactions are used bonds KZ2P0Y05D650 (EKGSb1) LLP Ekibastuz-1 named Mr. Bulat Nurzhanov (Ekibastuz) with repo terms 1, 7, 14 and 30 days.

**On August 3, 2010 at KASE open bidding a new tool on the market with automatic repo securities,** which as a matter repo used common shares KZ1C33870011 (HSBK) Halyk Savings Bank of Kazakhstan (Almaty), with a term repo 28 days.

**August 3 it became known that President Nursultan Nazarbayev instructed the Government to ensure the stability of domestic prices of bread and flour, and avoid sudden jumps in the market.** In addition, the President instructed to review the financial condition of agricultural producers in the most drought-affected regions, to take steps to support, provide feed grain breeding farms, to control the delivery of fuel to work on fodder and to provide seed stock for the upcoming planting

season.

**August 4** it was announced that in accordance with the order of the President of AFS on July 16, 2010 # 183 Inc. "SB" RISK MANAGEMENT CONSULTING GROUP "granted a license by July 16, 2010 # 18 to operate an insurance broker.

**August 4** it was reported that **OJSC Gazprom Neft acquired a network of filling stations in Kazakhstan**. As indicated in the message, "Gazprom Neft" has completed a deal with Kazakhstan Company "ARNA Petroleum" to acquire a network of 20 petrol stations, and 9 lands located in Almaty, Taldykorgan, Taraz and Shymkent. Network stations in Kazakhstan will manage the LLP Gazprom Neft-Kazakhstan, a subsidiary of Gazprom Neft.

## SHARES MARKET

### Market news

**On August 3** common shares KZ1C57410017 (KARS) JSC Karpovsky North (Almaty) are included in KASE's official list of the third category.

**From August, 04** simple KZ1C07780014 (ROSA) and preferred KZ1P07780110 (ROSAp) shares of JSC "ROSA" (Pavlodar) admitted to trading on KASE in the sector "non-listing securities."

**August 4** it was announced that from August 17 JSC ASYL-INVEST exempt from the duties of the market-maker on KASE on simple KZ1C36110019 (EXBN) and preferred shares KZ1P36110115 (EXBNp) JSC Eximbank Kazakhstan (Almaty).

### Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Trades on placement of shares weren't made.

### Secondary market sector (purchase and sale)

A total of 560 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	12,192.7	+9.7,times	+4.5,times
Average daily volume. KZT m.	1,800.7	+9.7,times	+4.5,times
Stake of nego deals. number (%)	0	0	-0.8pp
Stake of nego deals. volume (%)	0	0	-22.4pp
KASE members	34	0	+3.0%
Number of shares denominations*	21	+31.3%	+16.7%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	-15.1pp	-11.8pp
on sale	0	0	0
Stake of individuals. gross (%)	33.8	-12.3pp	-21.1pp
on purchase	4.9	-34.9pp	-35.8pp
on sale	62.7	+10.4pp	-6.4pp
Stake of nonresidents. gross (%)	6.7	-21.4pp	-6.9pp
on purchase	0.9	-25.0pp	-10.4pp
on sale	12.4	-17.7pp	-3.4pp

\*on which deals were made at KASE

In the described period weighted average daily prices of 8 items of equity instruments involved in the transaction, the fall – 9, prices of 4 instruments did not changed. Positive change in shares prices in the range from 0.19% (ZERDp) to 18.18 (RAHT), negative - from 0.07% (SATC) to 21.57% (MMGZp).

More detailed data on share trades on KASE shown in table below.

**Results of share trades on KASE, including STF of RFCA within July 29 – August 4, 2010, only by data on deals made on the secondary market of KASE by the methods of opened trades)**

Share code on KASE	min. max.		on the last deal:		Price. KZT per share:		Volume Of deals th.USD	Num- Ber of deals	Best for the period:	
	price	trend. %	min.	max.	bid	offer				
BSUL	625	630	630	+1.61 ,	200	630 ,	77.33	14	630	625
BTAS	540	540	540	-1.64 ,	350.01	4250 ,	0.37	1	540	410
CCBN	530	560	545	-5.22 ,	374	955 ,	1,207.86	16	560	530
GB_ENRC	2175	2290	2290	+10.36 ,	1800	2800 ,	4.81	4	2290	2155
GB_KZMS	2750	3000	2900	+7.81 ,	2100	3652 ,	74.95	12	3000	2750
HSBK	301	313	301.5	-0.17 ,	183	400 ,	98.34	8	313	301

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**Results of share trades on KASE, including STF of RFCA within July 29 – August 4, 2010, only by data on deals made on the secondary market of KASE by the methods of opened trades)**

Share code on			Price. KZT per share:				Volume Of deals	Num- Ber of deals	Best for the period:	
	min.	max.	on the last deal:		for last 365 days:				bid	offer
KASE			price	trend. %	min.	max.	th.USD			
HSBKp	186	186	186	, ,	123.2	186	0.04	1	186	185.24
KKGB	372	410	410	+7.89 ,	325	740	88.77	20	410	372
KZPC	1270	1270	1270	0 ,	1200	1300	2.32	1	1270	1270
KZTC	2900	2900	2900	, ,	2300	6600	538.07	2	2900	2900
KZTK	14500	14999	14780	-0.13 ,	11800	23000	415.65	42	16200	14500
KZTKp	7425	7425	7425	0 ,	6000	9900	5.38	1	7425	7400
MMGZp	4000	4000	4000	, ,	3593.35	6000	0.24	1	4000	4000
MREK	1100	1100	1100	, ,	910	2100	26.56	1	1100	1100
RAHT	1300	1300	1300	, ,	1100	1300	8.63	1	1300	1300
RDGZ	17301	18610	17900	-3.22 ,	16010	24300	115.20	9	18610	17301
RDGZp	14500	17980.93	14605	-12.28 ,	10800	21988.89	57,829.55	413	17000	14500
SATC	71.05	71.1	71.05	-0.07 ,	70	75	39.83	4	71.1	71.05
TSBN	970.00	970.00	970.00	, ,	800.00	1,078.00	297.4	1	970.00	970.00
ZERD	0.80	0.88	0.80	-9.1 ,	0.67	7.20	78.2	7	0.89	0.80
ZERDp	5.22	5.22	5.22	+0.2 ,	4.01	5.70	54.2	1	5.22	5.22
21							60,963.7	560		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (June 28- July 28, 2010). If deals were not made in the previous month the trend is not calculated.

## MARKET OF CORPORATE BONDS

### News of corporate bonds market

**On August 3** in the sector of the secondary market opens KASE trades international bonds XS0510820011 (KZAPe1) JSC National Atomic Company Kazatomprom (Almaty).

**August 4** it was announced that from August 17 JSC ASYL-INVEST exempt from the duties of the market-maker on KASE on the following bonds Eximbank Kazakhstan (Almaty): KZPC1Y07C299 (EXBNb1), KZP02Y05C295 (EXBNb2) and KZP03Y07C299 (EXBNb3).

### Primary market sector

**On August 3** held special auctions on placing of coupon bonds KZP01Y06D707 (KKGBb9) JSC Kazkommertsbank (Almaty): August 3 - the issuer had planned to place 3 million bond (8.6% of the total registered bonds of this issue). The subject of the auction is the net price of the bonds. Participated in the trades, two members of KASE, who filed four applications, of which at the time of submission period has ended and left two active warrants to purchase 2,409,361 of bonds. As a result of trading the issuer has established cut-off price at 104.4756%, which corresponds to the yield to maturity for a buyer in the amount of 8,00% per annum, and granted at a given price per application, thereby placing 77.6% of the planned amount of bonds. The amount of involvement in this case amounted to 2.5 million in 1966

### Secondary market sector (purchase and sale)

A total of 68 deals were made in bonds during the analyzed period on KASE.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	4,869.2	+4.1 times	-56.0%
Average daily volume. KZT m.	718.9	+4.1 times	-55.7%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	24	+4.3%	0
Number of bonds denominations*	20	-13.0%	-28.6%pp
Stake of pension funds. gross (%)	32.0	+32.0pp	+2.4pp
on purchase	22.5	+22.5pp	+10.8pp
on sale	41.4	+41.3pp	-5.9pp
Stake of individuals. gross (%)	21.6	-35.3pp	+16.4pp
on purchase	21.2	-40.7pp	+18.8pp
on sale	21.9	-29.9pp	+14.0pp
Stake of nonresidents. gross (%)	1.1	-0.3pp	+1.1pp
on purchase	1.55	-1.16pp	+1.54pp
on sale	0.6	+0.62pp	+0.64pp

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 8 items, fall - 6. Yield to maturity for a buyer on deals rose during the week for 8 bonds have declined - in 6, benefits of 5 instruments did not changed. Positive change in bond yield to maturity in the range from 0.02% (BTAIb3) to 23.88% (BTAIb7), negative - from 0.75% (EUBNb3) up to 19.00% (ZERDb1).

More detailed data on corporate bonds on KASE shown in table.

**Results of bond trades on KASE including STF of RFCA within July 29 – August 4, 2010  
(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	Number of deals	Best for the period:	
	on the last deal:		for last 365 days:		bid	offer				
	min.	max.	yield	trend					min.	max.
BTAIb2	37.20	37.20	37.20		30.25	53.00	880.48	1	37.20	37.20
BTAIb3	31.92	31.92	31.92		9.40	104.84	33.48	1	31.92	44.58
BTAIb5	33.81	33.81	33.81	+6.37	27.40	51.00	325.01	4	33.81	33.81
BTAIb7	58.60	67.91	58.88		29.00	67.91	375.93	4	58.60	67.91
CACMb1	22.00	24.00	22.00	-2	14.00	36.00	47.38	3	22.00	24.00
CTECb1	15.00	15.90	15.90		12.50	20.00	1,400.24	2	15.00	15.90
EUBNb3	11.25	11.25	11.25		10.00	22.00	0.65	1	11.25	11.25
KIBNb3	10.25	10.25	10.25	0	10.00	13.99	14.87	1	10.25	10.25
KKGBb9	8.00	8.00	8.00		8.00	8.00	16,930.79	1	8.00	7.00
KRZHb1	69.08	69.08	69.08	+0.44	21.33	98.42	20.04	1	69.08	69.08
KZIKb17	14.50	15.50	14.50	0	7.50	15.90	326.71	3	14.50	15.50
NFBNb1	34.00	34.00	34.00	0	31.20	36.00	2.93	2	34.00	34.00
NRBNb2	13.00	16.00	16.00	+3	13.00	27.60	162.80	3	13.00	16.00
ORDKb2	14.00	16.00	14.00	0	14.00	16.00	191.60	13	14.00	16.00
PDENb1	10.00	10.00	10.00		10.00	16.40	0.62	1	0.00	9.00
RESCb1	12.00	12.00	12.00		8.00	14.39	281.94	1	8.00	12.00
SATCb1	9.95	9.95	9.95	0	4.05	10.00	32.74	1	9.95	9.95
TSBNb5	16.00	16.00	16.00	0	14.00	50.00	3,082.66	5	16.00	16.00
VITAb5	122.00	124.50	122.00	-2.5	22.82	134.00	10.25	5	122.00	124.50
ZERDb1	65.00	86.67	65.00	-19	10.00	119.00	224.93	15	65.00	88.33
20							24,346.1	68		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (June 28 – July 28, 2010). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**July 29 in the trade system of KASE, a specialized auction on placement of government long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUZHKAM-204 of the fourth edition (KZKAKY170041, MUJ204\_0004, KZT1000, 29.07.1910 - 29.07.1927, annual coupon, 30/360) on which the Ministry of Finance planned to attract KZT15,000.0 million. The subject of the auction is the fixed coupon rate. In the trade participated 9 primary dealers, which were members of KASE category "K". Through these subjects, investors filed 18 applications, of which the expiration time of the confirmation requests were 16 active warrants. Total volume of active bids (volume of demand) was KZT63,312.0 million and exceeded the suggested volume of 4.2 times. Fixed coupon rate of active bids ranged from 0.01 to 0.10% per annum, making in average terms, 0.0100% per annum. As a result of trade issuer granted an application for purchase of 15 million bonds worth KZT15,000,000,000.0 (100.0% of planned volume of placements) under 0.01% per annum.**

### Secondary market sector (purchase)

During the monitoring period, the total volume of 35 prisoners at KASE transactions amounted to KZT5,829.0 million (\$39.5 million). In the previous period (July 22 – 28, 2010), this figure was KZT7,437.5 million (\$50.4 million), with 35 transactions. The share exchange turnover in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 94.4% (in the previous period - 88.1%).

### Parameters of Exchange's transactions in GS within July 29- August 4, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discount (KZT): the notes of NB. MEKKAM</b>						
8 - 14	0.20	0.20	0.20	0.20	669.97	1.00
92 - 181	1.30	1.30	1.30	1.30 (1.19)	157.15	1.00
<b>Total</b>					<b>827.1 (1,198.3)</b>	<b>2 (6)</b>

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**Parameters of Exchange's transactions in GS within July 29- August 4, 2010**

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Coupon (KZT): MEOKAM. MEUKAM. MEUJKAM, MAOKAM</b>			<b>85.8% (64.8%) of purchase and sale sector's turnover</b>			
Less 730	2.00	3.80	2.50	2.48	1,288.17	7
731 - 1095	3.90	4.19	3.90	4.08,(7.21)	283.36	2
1096 - 1460	3.90	3.95	3.95	3.94	938.65	3
1461 - 1825	4.50	4.50	4.50	4.50	591.30	3
Over 2191	5.80	6.50	6.00	6.36,(6.20)	1,897.27	9
Less 730	6.80	6.80	6.80	6.80	3.09	9
Total					<b>5,001.8 (6,239.3)</b>	<b>33,(29)</b>
<b>TOTAL</b>					<b>5,829.0 (7,437.5)</b>	<b>35,(35)</b>

**KASE MEMBERS**

**July 30, JSC Investments Company CentreInvest (Almaty) expelled from the Stock Market KASE.** This means that "Investments Company CentreInvest is no longer a member of KASE and has no right to trade on the KASE any tools. This decision was made in accordance with subparagraph 3 of paragraph 37 of document KASE "Regulations on Membership" on the basis of the decision of the Board of the FSA on 15 July 2010 # 101 on the deprivation of JSC Investments Company CentreInvest "license to operate in the securities market.

*Prepared by IRBIS Information agency of financial markets*

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