

KAZAKHSTAN STOCK MARKET

November 11 - 17, 2010

SUPPLEMENTAL INFORMATION

US dollar = 147.52 at official rate for the end of the period.

US dollar = 147.42 at weighted average rate of the Exchange for the end of the period

Speed of KZT to USD for the period at exchange's rate made 0.4 p.a.

Money market indicators as of November 17 and change for the period

Indicator	Rate	Trend
TONIA	0.16	0
Autorepo GCB 2 d.	0.16	-0.01
Autorepo GCB 7 d.	1.41	+0.3
Autorepo GCB 28 d.	9.96	+0.6
KazPrime-3M	1.98	-0.02

Stock securities' market indicators as of November 17 and change for the period

Index	Value	Trend
KASE	1,625.89	-2.8
KASE_BP	373.41	-0.1
KASE_BC	313.06	+0.1
KASE_BY	14.23	-0.1

MAIN NEWS OF THE MARKET

November 11 it became known that the decision of KASE Council of October 28, 2010 approved the tariffs for the provision of stock information on the auctions in real time to its redistributors. Specified tariff provides for the reduction of license fee KASE, while the fees for end-users of information submitted at the same level. Reducing the size of the license fee be introduced from April 1, 2011, as the terms of agreements concluded KASE notice of tariff changes should be sent to vendors at least 90 days before the planned date to impose tariffs in place. The text of the Regulations on the conditions of the commercial provision of stock information on the auctions in real time is available on the KASE website at http://www.kase.kz/files/normative_base/rtrpricepolicy.pdf.

November 11 Republic of Kazakhstan Agency for Statistics reported that:

- "index of perceptions of consumers in October 2010 amounted to (+12);" index of economic climate has decreased by 1 percentage point and amounted to (+15), "index of willingness to buy" compared to the previous month decreased by 1 percentage point and amounted to (+10);
- In **October 2010 the index of business confidence rose by 1 percentage point** and amounted to (+15);
- **large and medium-sized businesses and organizations in Kazakhstan in October 2010 made 75.2 thousand people** dropped out for various reasons - 75.2 thousand people;
- **per capita nominal income of the population of Kazakhstan in September 2010, according to preliminary data, amounted to KZT39,035**, an increase compared with the corresponding period of 2009 to 14.9%. Real incomes grew by 7.6%;
- **In October 2010 the prices in some segments of the economy has changed** in October of this year compared with the previous month, prices of consumer goods and services rose by 0.9%, agriculture – 10.9%, industry - by 3.5%, wholesale trade - on 0.6%, construction – 0.2%. Tariffs on goods transport and communication services for businesses remained without change;
- **The index of physical volume (IPV), gross domestic product (GDP) for January-September 2010 compared to the corresponding period of previous year amounted to 107.5%**. In the GDP share of manufacturing goods is 43.1%, services - 54.0%;
- **The economies of the republic in October 2010 (estimated) were employed 8.2 million people**. In the same period last year their number increased by 235.6 thousand persons or 3.0%. Number of employees in the period amounted to 5.5 million people (66.7% of total employment);
- **Short-term economic indicators in January-October 2010 to January-October 2009 was 107.1%**;
- **In September 2010 the average nominal wage per employee was KZT78,805** increased compared with the corresponding month last year to 17.0%;

- **The number of transactions in housing sales** in January-October 2010 compared with the period January-October 2009 **increased by 16,6%**;
- **prices of exported goods in September 2010** compared to August rose **by 2.6% for imported** - fell by 1.5%.

November 11 President of the National Bank of Kazakhstan Mr. Grigory Marchenko said that:

- **Currently Stress Assets Fund does not perform those functions, which were originally assumed to be at its creation.** The reasons that the fund did not work as expected, became, on the one hand, inadequate capitalization of the Fund, on the other - a number of outstanding issues with the taxation of transactions on the transfer of distressed assets and recovery provisions, and also difficult to determine the price of distressed assets;
- **"optimization" system of financial supervision may reduce the effectiveness of supervision in general.** On the other hand, the merging of the FSA and the National Bank will result in a conflict of interest arising during oversight activities.
- **expect massive write-offs of problem loans by the end of the year is not necessary,** since before the beginning of recovery of the loan portfolio, accompanied by a massive write-offs of low-quality loans, must be solved a number of problems. First, it should be resolved the issues of taxation of income from the recovery provisions. Secondly, it is necessary to understand what to do with collateral, which will move the balance of the banks after the cancellation. Thirdly, it is necessary to take measures to encourage market development of low-quality assets in Kazakhstan;
- **at the initiative of the National Bank of Kazakhstan amends the Tax Code** on the part of VAT exemption "investment" gold. In the Republic of Kazakhstan to implement full-fledged trading in gold, there are certain barriers that prevent fully develop the gold market. Also worth noting is that in Kazakhstan there is no legal framework regulating the activities of professional participants in the gold market;
- **profitability in managing the assets of the National Fund of the Republic of Kazakhstan in the first three quarters of 2010 amounted to 2.82%.** He noted that, according to preliminary data, the total market value of the portfolio of the National Foundation on September 30, 2010 amounted to 31.7 billion U.S. dollars, including foreign exchange portfolio - 29.7 billion U.S. dollars;
- National Bank of Kazakhstan does **not planned to raise the refinancing rate above 7% in the near future**;
- **Bill, who regulates the registration and use of "electronic money"** in Kazakhstan, will probably be adopted in **early 2011**. He noted that the bill establishing the legal status of "electronic money" and order their release and use of the territory of Kazakhstan National Bank has already developed and submitted to the Parliament of the Republic of Kazakhstan, which continues to discuss and agree on some of its rules and regulations.

November 11 decision of the KASE Board on November 10, 2010 adopted new internal documents KASE **"Specification of the futures on the U.S. dollar against the tenge," and "Specification of the futures index KASE"**. Text Specifications futures on the U.S. dollar against the tenge published on KASE's web site at http://www.kase.kz/files/normative_base/specification_currency.pdf. Text Specifications futures on KASE Index are published on KASE's web site at http://www.kase.kz/files/normative_base/specification_index.pdf.

November 12 became known that the KASE Board decision of **November 9, 2010:**

- approved changes and additions # 12 (amendment) to an internal document KASE **"Instruction on the encoding members of the Kazakhstan Stock Exchange, financial instruments and issuers of securities"**, which were introduced with effect from **10 November 2010**. The updated text of the Regulations on the procedure of encoding members of KASE, financial instruments and issuers of securities to be issued on the KASE website at http://www.kase.kz/files/normative_base/code_fins.pdf shortly.
- approved changes and additions # 32 (amendment) to an internal document KASE **"Regulation of trades and system verification"**, which entered into force on **November 10, 2010**. The updated text of the Rules of trading and system verification will be published on KASE's web site at http://www.kase.kz/files/normative_base/reglament_trade.pdf shortly. The text of the rules of exchange trade futures contracts published on the KASE website at http://www.kase.kz/files/normative_base/trading_rules.pdf. The text of the Rules of Clearing on the futures market has been published on the KASE website at http://www.kase.kz/files/normative_base/clearing_rules.pdf

November 12, it became known that the Senate of the Parliament of the Republic of Kazakhstan reviewed and returned to the Majilis the draft law "On republican budget for 2011-2013." As noted after the meeting the Minister of Finance of Kazakhstan, in general parameters of the budget in the Senate, significant adjustments have not received, the indicators of income, expenditure and deficit units have not been reviewed. He explained that the Senate further proposed to reallocate funds in the amount of KZT37 billion on education, health, water supply, gasification of rural settlements, road building.

November 12th the Senate of the Parliament of the Republic of Kazakhstan at the plenary session approved a draft law on ratification of the supplementary agreement to the Memorandum of Understanding between the Government of the Republic of Kazakhstan and the U.S. government on the Kazakh-American program of economic development on May 5, 2006. The objectives of the Memorandum are to assist the diversification of Kazakhstan economy, raising competitiveness of the economy, including businesses and achieving sustained economic growth. The agreement provides for the extension of the Memorandum for 3 years and sets the estimated share of funding by the Government of the Republic of Kazakhstan and the U.S. Agency for International Development, for each subsequent academic year, i.e. for the period 2010-2012.

November 17 became known that the Majilis Parliament of Kazakhstan approved the first reading of draft law "On introducing amendments and addenda to some legislative acts of the Republic of Kazakhstan on combating improper seizure of business and property (raiding). The bill was developed in the performance of presidential decree of 17 August this year on measures to improve law enforcement and judicial system in Kazakhstan. " Under current law the action of the Raiders qualified as fraud, extortion, use of forged documents, arbitrariness, and their punishment is not disproportionate to the gravity of the offense.

MARKET SHARES

Market news

November 17 it became known that from November 18 common shares KZ1C49790013 (TMLZ) JSC Temirleasing (Almaty) are transferred from the second to the third category of the official list of KASE.

November 12 has learned that on November 24 Kazkommerts Securities (subsidiary of Kazkommertsbank) (Almaty), waived the status of market-maker on KASE on common shares KZ1C32600013 (ARAL) JSC "Almaty International Airport" (Almaty).

On November 17 in the secondary market of KASE trades in common shares KZ1C39560012 (ALSA) JSC "Almaty Sugar" (Almaty region).

Primary market sector

In this sector of KASE during the analyzed period deals were concluded. Bidding on the placement of the bonds was not conducted.

Secondary market sector (purchase and sale)

A total of 394 deals were made in shares during the analyzed period.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	2,250.6	1.2 times	-16.7%
Average daily volume. KZT m.	332.0	1.2 times	-16.4%
Stake of nego deals. number (%)	0	-0.005 pp	-0.8 pp
Stake of nego deals. volume (%)	0	-0.01 pp	-22.4 pp
KASE members	31	-13.9%	-6.1%
Number of shares denominations*	16	-5.9%	-11.1%
Stake of pension funds. gross (%)	0.0	0	0
on purchase	0.0	0	-11.8 pp
on sale	2.4	-34.0 pp	+2.4 pp
Stake of individuals. gross (%)	56.2	+22.1 pp	+1.4 pp
on purchase	31.5	+13.7 pp	-9.1 pp
on sale	80.9	+30.5 pp	+11.8 pp
Stake of nonresidents. gross (%)	24.5	-4.4 pp	+10.9 pp
on purchase	47.8	-8.94 pp	+36.5 pp
on sale	1.1	+0.2 pp	-14.7 pp

*on which deals were made at KASE

In the described period weighted average daily prices of 5 items of equity instruments involved in the transaction, 8 instruments have showed a growth, prices of 3 instruments did not changed. Negative

change in shares prices in the range from 0.04% (ZNGRp) to 6.39% (GB_ENRC), positive – from 0.01% (SATC) to 3.83 (RDGZ).

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

Results of share trades on KASE, including STF of RFCA within November 11 - 17, 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:			
	on the last deal:		for last 365 days:				bid	offer		
	min.	max.	price	trend. %	min.	max.				
KASE										
BSUL	630	630	630	0	200	630	23.74	3	630	630
BTAS	7.25	8.1	7.25	-5.35	5	2300	296.60	58	8.1	7.25
CCBN	572.01	598	580	-1.69	515	955	326.52	12	598	572.01
GB_ENRC	2070	2261	2170	-4.02	1800	2800	59.18	13	2300	2070
GB_KZMS	3400	3650	3400	-4.76	2155	3652	735.50	25	3650	3390
HSBK	350	370	355	-2.20	250	400	207.10	19	370	350
KKGB	435	460	450	+1.12	356	740	32.61	15	460	435
KZTK	17000	17500	17200	+1.18	11800	19800	354.07	30	17500	16205
KZTKp	7601.01	7601.01	7601.01	+1.33	6000	8910	2.01	1	7800	7601.01
RDGZ	15501	16800	16585	+3.66	15155.01	24300	357.75	26	16800	15500
RDGZp	15550	16300	16011	+2.62	10800	21988.89	3,555.57	108	16300	15550
SATC	71.07	71.08	71.08	+0.01	70	75	30.11	3	71.08	71.07
TSBN	940	940	940	0	865	1034	127.37	2	940	940
ZERD	1.64	1.64	1.64	+2.50	0.67	7.2	6.14	2	1.68	1.6
ZERDp	5.21	5.21	5.21	0	5	5.7	325.36	1	5.21	5.21
ZNGRp	298	298	298		298	1250000	0.05	1	299	298
16							6,439.7	319		

Notes: Trends are given relative to the last deal of the previous 30 days period (October 10 – November 10, 2010). If deals were not made in the previous month the trend is not calculated.

MARKET OF CORPORATE BONDS

News of corporate bonds market

November 11 it became known that from November 18 bond KZ2C0Y05D638 (VMZVb1) JSC Vostokmashzavod (Ust-Kamenogorsk) excluded from the official list of KASE.

November 11 it became known that from November 18 bond KZ2C0Y03C932 (KIBNb4) JSC Kazinvestbank (Almaty) was excluded from the official list of KASE on the initiative of the issuer.

On November 11 in the secondary market of KASE trades in bonds KZP01Y07D747 (IMSKb3) Imstalcon JSC (Almaty).

November 15 has learned that on November 24 daughter company of ATF - ATF Finance "(Almaty) refused the status of market-maker on bonds on KASE KZ2P0Y05D031 (SVMHb1) LLP Svyazmontazh Holding (Almaty).

Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Offerings were not made.

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.	3,807.5	-69.2%	-65.6%
Average daily volume. KZT m.	561.7	-69.2%	-65.4%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	29	0	+20.8%
Number of bonds denominations*	19	-20.8%	-32.1%
Stake of pension funds. gross (%)	0.0	-28.6 pp	-29.5 pp
on purchase	19.6	-37.7 pp	+7.9 pp
on sale	0.0	0	-47.4 pp
Stake of individuals. gross (%)	20.5	+13.2 pp	+15.3 pp
on purchase	11.6	+8.7 pp	+9.2 pp
on sale	29.5	+17.6 pp	+21.5 pp
Stake of nonresidents. gross (%)	0	0	0
on purchase	29.05	+20.13 pp	+29.04 pp
on sale	0	0	0

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 13 items, fall – 2, prices of the 4 tools have not changed. Yield to maturity for a buyer on deals rose during the week for 8 bonds, have declined - in 4, benefits of 7 instruments did not changed. Positive change in bond yield to maturity in the range from 0.01% (REALb1) to 15.73% (KONDb1), negative - from 3.09% (BTAIb1) up to 12.44% (KAZIb2).

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

**Results of bond trades on KASE including STF of RFCA within November 11 - 17, 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.				
BTAIb11	21.80	21.80	21.80		21.80	39.73	4.02	1	21.79	22.92
BTAIb3	27.00	27.00	27.00		9.40	104.84	1,063.67	2	27.00	27.00
BTAIb9	6.80	6.80	6.80	0	6.80	33.00	60.08	2	6.80	6.80
EUBNb3	10.00	10.00	10.00	0	8.00	15.00	0.66	1	10.00	10.00
KAZIb2	26.50	26.50	26.50		12.00	39.56	2.08	1	26.50	26.50
KKGBe4	9.44	9.44	9.44	+0.59	8.85	16.00	0.59	1	9.43	9.44
KONDb1	198.67	198.67	198.67		102.78	259.62	2.02	1	675.32	765.51
KRZHb1	34.11	34.11	34.11	+3.43	16.26	111.29	390.41	1	34.11	35.36
KZAPe1	4.44	4.44	4.44	+0.02	4.42	4.47	4,290.00	1	4.44	4.44
LOGCb2	11.00	11.00	11.00		7.87	15.00	66.03	4	11.00	11.00
NRBNb5	12.00	12.00	12.00	0	12.00	19.00	0.58	1	12.00	12.00
ORDKb2	12.00	14.00	12.00	0	12.00	16.00	54.96	6	12.00	14.00
PRKRb4	8.50	8.50	8.50	0	8.40	8.50	7,796.78	14	0.00	8.50
REALb1	9.99	9.99	9.99		9.98	50.00	35.60	1	9.99	9.99
SKKZb23	4.50	4.50	4.50	0	4.50	6.50	97.26	4	4.50	5.50
TEBNb18	20.03	20.03	20.03	+2.54	17.49	31.59	22.41	1	20.15	20.15
TEBNb6	23.09	23.10	23.10		23.07	47.49	189.44	8	23.09	23.08
TEBNb7	17.64	17.64	17.64		17.64	17.64	70.31	1	17.43	17.43
ZERDb1	18.16	24.97	18.16	-6.84	10.00	119.00	1,279.64	10	0.00	24.97
19							15,426.5	61		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (October 10 – November 10, 2010). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

November 17 in the KASE trading system specialized trades on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 one hundred and eleventh issue (KZK1KY011115, MKM012_0111, KZT100, 11/17/1910 - 11/17/1911), on which the Ministry of Finance planned to attract KZT10,000.0 million. The subject of the auction is the price of bonds. In the auction was attended by 11 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 25 applications, of which the expiration time applications were 22 active warrants. Total volume of active bids (demand volume) amounted to KZT29,703.2 million and exceeded the proposed level of accommodation in 3.0 times. Price of bonds in active bids ranged from 97.0874% to 98.3284% of the cost, amounting in average terms, 97.8690% of the value of the bond. **As a result of trade, the issuer granted the application for purchase 100 million of bonds in the amount of KZT9,817,459,449.99 (100.0% of planned volume offering) at 1.86**

Secondary market sector (purchase)

During the monitoring period, the total volume of 19 transactions at KASE amounted to KZT7,169.9 million (\$48.6 million). In the previous period (November 4-10, 2010), this figure was KZT8,912.3 million (\$60.4 million), with 32 transactions. The share exchange turnover in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 100.0% (in the previous period - 100.0%).

Parameters of Exchange's transactions in GS within November 11 - 17, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): the notes of NB, MEKKAM.						
					6.04% (6.9%) of purchase and sale sector's turnover	
64 - 91	0.75	0.75	0.75	0.75	13.97	1.00
92 - 181	0.75	0.75	0.75	0.75	419.21	2.00
Total					433.2 (616.0)	3 (2)

To be continued on the page 6

Continued of table

Parameters of Exchange's transactions in GS within November 11 - 17, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
Coupon (KZT): MEOKAM, MEUKAM, MEUJKAM, MAOKAM				94.0% (93.1%) of purchase and sale sector's turnover		
1096 - 1460	3.70	3.70	3.70	3.70 (4.04)	1,943.52	3
1461 - 1825	7.25	7.25	7.25	7.25 (5.85)	1,261.54	3
1826 - 2190	5.30	5.30	5.30	5.30 (5.23)	199.91	1
Over 2191	5.50	5.70	5.50	5.63 (5.38)	3,060.18	6
Less 730	7.30	7.30	7.30	7.30	0.76	1
Over 1096	4.80	5.20	5.20	5.00 (5.05)	270.83	2
Total					6,736.7 (8,296.3)	16 (30)
TOTAL					7,169.9 (8,912.3)	19 (32)

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