

# KAZAKHSTAN STOCK MARKET

November 25 – December 1, 2010

---

## SUPPLEMENTAL INFORMATION

US dollar = 147.63 at official rate for the end of the period.

US dollar = 147.68 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 10.7 p.a.

### Money market indicators as of December 1 and change for the period

Indicator	Rate	Trend
TONIA	0.16	-0.09
Autorepo GCB 2 d.	0.17	-0.08
Autorepo GCB 7 d.	1.08	-4.1
Autorepo GCB 28 d.	0.00	-4.4
KazPrime-3M	1.98	0

### Stock securities' market indicators as of December 1 and change for the period

Index	Value	Trend
KASE	1,607.79	-1.6
KASE_BP	373.14	+0.0
KASE_BC	312.51	-0.0
KASE_BY	14.23	-0.0

## MAIN NEWS OF THE MARKET

**November 25, Prime Minister of Kazakhstan Mr. Karim Masimov said in an interview with RIA Novosti that:**

- **Kazakhstan, reviewing previously entered into with the investors sharing agreements (PSAs), expects to reach an equitable balance of interests.** As indicated at the end of January 2010, Kazakh President Nursultan Nazarbayev proposed to all subsoil users to switch to taxation under the current tax code and revise the existing PSAs, saying that it is necessary to consider the interests of the country. After that, the tax committee of the Ministry of Finance of the Republic declared the audit concluded earlier PSA. According to the results of the inspection head tax committee Mr. Daulet Yergozhin said that he doubted the legality of certain contracts on subsoil use and noted that the legislative framework for breaking contracts in Kazakhstan there. Results of audits of tax committee submitted to the ministry of oil and gas classified as DSP (restricted).
- **The Government of Kazakhstan is considering selling shares of JSC "BTA Bank" is not only foreign but also domestic investors.** As indicated, the head of the Kazakh government said in the discussion to join of Sberbank with the BTA is continues."

**Nov. 25 members of the Senate of the Republic of Kazakhstan at the plenary session adopted the Law "On Amendments to the Law of the Republic of Kazakhstan" On pension provision in the Republic of Kazakhstan.** "The bill is designed to fulfill the requests of President of Kazakhstan, the data in Address to the Nation. The Letter provided by 2012 to increase the average size of pensions, compared with 2007 by 2.5 times. In this regard, in 2009, pensions were increased by 25% in 2010 - at 25%, and from January 1 next year should be increased by 30%. The bill would increase the maximum limit of income, accounted for the calculation of pension payments, with a 32-fold to 39 times the monthly calculation index, and the maximum pension for length of service retirees from the army with a 86-fold to 104 times the monthly index.

**November 25 meeting of the Council of Heads of Governments of the Shanghai Cooperation Organization (SCO) have signed a package of documents:** on the financial report on the execution of SCO budget for 2009, the SCO budget for 2011, the redistribution cost estimates of the SCO Secretariat, the executive committee of the Committee of the SCO Regional Anti-Terrorist for 2010, a joint communique following a meeting of the Council of heads of government of SCO member states, as well as on the report of the SCO Secretariat on the implementation of the Program for multilateral trade and economic cooperation of SCO member states.

**November 25, Prime Minister Mr. Karim Massimov proposed to accelerate the launch of a special account fund development of the Shanghai Cooperation Organization (SCO).** As indicated, the head of the Kazakh government also believes that the SCO member states should focus on the negotiation and adoption in the near future of such important documents as the agreement on creation of favorable conditions for international road transport, the situation on the

order form and principles of functioning of the special account of the SCO Development Fund The agreement on combating illegal migration, counter-narcotics strategy in the years 2011-2016 and an agreement on cooperation in health.

**November 25 The World Bank has signed a loan agreement to support the modernization of technical and vocational education in Kazakhstan.** A loan of \$ 29.2 million will be provided by the World Bank in support of increased productivity in key sectors of the economy and strengthen the capacity of training institutions for technical and vocational education to meet the needs of key industries and small and medium-sized enterprises in Kazakhstan. The project, worth 33.23 million U.S. dollars, including co-financing from the national budget - \$ 4 million, will be implemented from 2010 to 2013, the Ministry of Education and Science of Kazakhstan. The World Bank provides loans at a rate equivalent to 6-month LIBOR with a term of full repayment in 15 years, including a grace period of up to 4 years.

**November 26 Fitch Ratings, in its report, "Data on the banking systems in emerging markets: the various crises, different recovery" reported that in 2011 banks in different regions of the emerging markets to solve various problems.** In Central and Eastern Europe/CIS, asset quality remains very weak in Kazakhstan, Ukraine, Latvia and Lithuania, as well as causing considerable concern in Hungary, Romania, Bulgaria, Russia and Estonia. A result before impairment charges on loans to some of these markets were also under pressure as weak indicators of assets and reduce leverage has led to a decrease in revenue. Relationship "loans/GDP" and "loans/deposits, and foreign currency lending rates remain high in some markets. Recapitalization of the Ukrainian banking sector continued in 2010, and in Kazakhstan pay system supported debt restructuring of three major banks.

**November 26 Minister of Finance of the Republic of Kazakhstan, Mr. Bolat Zhamishev said that the preferential import duties on cars manufactured outside the Customs Union, individuals will be valid only until July 1, 2011.** He pointed out that since the beginning of the preferential duties in Kazakhstan was imported 29 thousand cars in operation for 3-10 years. On July 1, 2010 for individuals were introduced preferential customs duties on import of used cars from countries outside the CU. The action of the corresponding resolution expires on July 1, 2011.

**November 29 it became known that in the Atyrau region revealed a large oil field.** As indicated, the volume of oil flows from the fountain, found in Atyrau in drilling exploratory wells at more than 20 tons per day. The region is the largest since the early 90's promising for the discovery of hydrocarbon oil-bearing structure on the land. At the same time as it is reported that drilling deeper wells may lead to the discovery of deposits that are comparable from the Tengiz field. Oil obtained with a relatively shallow depth of 1,300 meters, but it's not the whole amount of hydrocarbons, which may make one well.

**Nov. 29 Director TeliaSonera Mr. Lars Nyberg said that the GSM Kazakhstan/Kcell officially launches 3G network in the cities of Astana and Almaty.** GSM Kazakhstan/Kcell becomes the official mobile operators with two events - the OSCE Summit and the 7 th Asian Winter Games. As an official partner of the company will provide foreign visitors, domestic participants and visitors of these activities, high quality communication for the third generation. At the initial stage of the network will consist of 90 base stations in the short term, their number will be increased. The volume of investments planned for the launch of 3G, \$ 150 million.

**November 29, were 23 Council meeting of heads of central (national) banks of EurAsEC member states. This session was chaired by National Bank of Kazakhstan.** As stated in the meeting exchanged information on the results of the expert groups to study the possibilities of using the national currencies of CIS member states as a settlement currency for the service trade among them, the recommendations on the harmonization of legislation with regard to ensuring equal access of professional securities market participants EurAsEC Member States on national securities markets of EurAsEC member states, as well as on the implementation of the Action Plan (national) banks of EurAsEC member states on implementation of Phase II-Concept of cooperation of EurAsEC member states in the monetary sphere for 2008-2010, and the proposal for a plan of activities for the next period. As a result of discussions on the progress of the draft Agreement on harmonization of principles and mechanisms of the Member States of the Eurasian Economic Community, the monetary and currency policy, the Parties agreed to endorse the draft agreement and recommend to the Secretariat of EurAsEC Integration Committee to the draft Agreement on consideration of the Community in the prescribed manner. The meeting approved the following documents: vocational training program personnel of the central (national) banks - members of the EEC in 2011; Action Plan (national) banks of EurAsEC member states to implement Phase III of the Concept of cooperation of EurAsEC member states in the monetary sphere (2011-2012 years) program of the Council of heads of central (national) banks of EurAsEC member states for 2011-2012.

**November 30 President of the Republic of Kazakhstan has signed the Law "On guaranteed**

**transfer from the National Fund of the Republic of Kazakhstan for 2011-2013**". Specified by law approved by the annual amount of the guaranteed transfer in the amount of KZT1.2 billion from the National Fund of Kazakhstan in 2011-2013, which goes to financing the expenditures of the budget programs. Said document was adopted by the Parliament of the Republic of Kazakhstan on Nov. 12, 2010.

**Dec. 1, it became known that the decision of KASE Council of November 30, 2010:**

- **approved a new internal document KASE "Schedule of the settlement of the securities trading scheme T +0, with full" (Schedule).** Regulations will be forwarded to the JSC "Central Securities Depository JSC (Almaty), after consultation with whom the document should go through the approval procedure with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Markets and Financial Institutions. Presentation of the draft settlement scheme T +0, with full published on KASE's web site at [http://www.kase.kz/files/mix/10\\_11\\_02\\_project.pdf](http://www.kase.kz/files/mix/10_11_02_project.pdf) in order to familiarize them with the bidders on the KASE.

approved amendments # 1 (amendment) to the internal document KASE "**Rules of market-makers**" in the new edition (the Rules). These amendments will be forwarded to the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (AFS). Currently, the KASE website is available: the current version of Regulation - at [http://www.kase.kz/files/normative\\_base/m\\_maker.pdf](http://www.kase.kz/files/normative_base/m_maker.pdf), a new edition of the Rules - at [http://www.kase.kz/files/normative\\_base/m\\_maker\\_new.pdf](http://www.kase.kz/files/normative_base/m_maker_new.pdf).

## MARKET SHARES

### Market news

**From November 29 simple KZ1C33970019 (UKPF) and preferred KZ1P33970115 (UKPFp) shares of JSC Ust-Kamenogorsk Poultry Farm (East Kazakhstan region).** Transferred from the second to the third category of KASE official list on the initiative of the issuer.

**From November 29 common shares KZ1C46310013 (RGBR) JSC "RG Brands" (Almaty), translated from the second to the third category of KASE official list on the initiative of the issuer.**

**From November 29 common shares KZ1C51950018 (IFDR) JSC Finance & Investment House "RESMI" (Almaty), translated from the second to the third category of KASE official list on the initiative of the issuer.**

### 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 567 deals were made in shares during the analyzed period.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	9,612.6	5.6 times	3.6 times
Average daily volume. KZT m.	1,418.6	5.6 times	3.6 times
Stake of nego deals. number (%)	0	-0.002 pp	-0.8 pp
Stake of nego deals. volume (%)	0	-0.02 pp	-22.4 pp
KASE members	32	-3.0%	-3.0%
Number of shares denominations*	19	+35.7%	+5.6%
Stake of pension funds. gross (%)	0	0	0
on purchase	0.3	+0.3 pp	-11.6 pp
on sale	0.0	-18.6 pp	0
Stake of individuals. gross (%)	31.7	-35.9 pp	-23.1 pp
on purchase	5.0	-48.9 pp	-35.7 pp
on sale	58.5	-22.9 pp	-10.6 pp
Stake of nonresidents. gross (%)	13.8	-9.4 pp	+0.2 pp
on purchase	4.2	-40.41 pp	-7.1 pp
on sale	23.3	+21.7 pp	+7.6 pp

\*on which deals were made at KASE

In the described period weighted average daily prices of 11 items of equity instruments involved in the transaction, 4 instruments have showed a growth, prices of 3 instruments did not changed. Negative change in shares prices in the range from 0.01% (KZTKp) to 36.67% (KASE), positive – from 0.10% (G\_ENRC) to 3.65 (ZERDp).

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

**Results of share trades on KASE, including STF of RFCA within November 25 - December 1, 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 th.USD	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	1100	1100	1100		1100	1100	1.42	2	1100	1100
AZNOp	630	630	630	0	200	630	13.52	2	630	630
BSUL	6.97	7.5	7.01	-6.03	5	2300	77.00	48	7.5	6.97
BTAS	572	590	580	-1.69	515	930	228.04	34	590	572
CCBN	2100	2206.9	2130	+0.47	1800	2800	65.41	9	2206.9	2100
GB_ENRC	3180	3250	3200	-1.54	2155	3652	46.63	6	3290	3180
GB_KZMS	341	360	350	-1.96	250	400	105.14	13	360	341
HSBK	3750	3800.01	3800.01		3750	6000	187.96	3	3900	3750
KASE	370	370	370		212	390	0.09	1	370	370
KAZIp	437	445	445	+0.68	356	710	4.42	4	445	437
KKGB	210	215	210		195	310	0.46	2	215	210
KKGBp	17150	17300	17200	0	11800	19800	542.56	28	17300	17150
KZTK	8000	8250	8000	0	6000	8910	48.73	5	8250	8000
KZTKp	16800	17500	17050	-4.16	15155.01	24300	210.10	8	17500	16800
RDGZ	16200	17350	16300	-4.68	10800	21988.89	3,581.13	111	17350	16200
RDGZp	71.07	71.08	71.07	-0.03	70	75	68.66	7	71.08	71.07
SATC	865	865	865		865	980	5.87	1	865	865
TSBN	1.6	1.75	1.6	0	0.67	7.01	5.96	3	1.75	1.6
ZERD	5.4	5.4	5.4	+3.65	5	5.7	0.10	3	5.4	5.4
ZERDp										
19							5,193.2	290		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (October 24 – November 24, 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 26 it became known that from November 10 international bonds XS0556885753 (KMGZe5) National company KazMunaiGas (Astana) on the official list of KASE category "Debt Securities with ratings.**

**On November 29, 2010 bond KZP04Y03C593 (HSBKb15) and KZP05Y03C590 (HSBKb16) JSC Halyk Savings Bank of Kazakhstan (Almaty) were excluded from the official list of KASE on the initiative of the issuer.**

**On November 29, 2010 bond KZ2C0Y35D528 (KMGZb1) JSC National company KazMunaiGas (Astana) are excluded from the official list of KASE on the initiative of the issuer.**

**From November 30 bonds KZ2C0Y01D629 (NRBNb8) JSC Nurbank (Almaty) is excluded from the official list of KASE in connection with the expiration of the treatment.**

**From November 29 bonds KZP06Y10C593 (HSBKb17) JSC Halyk Savings Bank of Kazakhstan (Almaty), translated from the first second subcategory of debt securities without rating KASE official list on the initiative of the issuer.**

**On December 1 JSC Subsidiary of joint stock company BTA Bank Securities granted the status of a market-maker on bonds on KASE KZAEKY050024 (ALK060\_002) local executive body of the city of Almaty.**

**Dec. 1, it became known that JSC Eurasian Capital granted the status of a market-maker on bonds on KASE KZ2C0Y04D904 (BVTBb1) Subsidiary of JSC Bank VTB (Kazakhstan) (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 61 deals were made in bonds during the analyzed period on KASE.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	5,378.7	+14.4%	-51.4%
Average daily volume. KZT m.	793.6	+14.5%	-51.1%
Stake of nego deals. number (%)	0	+0.03 pp	+0.03 pp
Stake of nego deals. volume (%)	0	+0.38 pp	+0.38 pp
KASE members	26	-7.1%	+8.3%
Number of bonds denominations*	24	+9.1%	-14.3%
Stake of pension funds. gross (%)	4.2	-30.0 pp	-25.3 pp
on purchase	2.5	-23.9 pp	-9.2 pp
on sale	5.9	-36.1 pp	-41.4 pp
Stake of individuals. gross (%)	22.6	+13.0 pp	+17.5 pp
on purchase	2.6	-6.5 pp	+0.2 pp
on sale	42.7	+32.5 pp	+34.7 pp
Stake of nonresidents. gross (%)	27.7	+27.72 pp	+27.72 pp
on purchase	38.16	+38.16 pp	+38.15 pp
on sale	17.3	-3.04 pp	+17.29 pp

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 12 items, fall – 4, prices of the 7 tools have not changed. Yield to maturity for a buyer on deals rose during the week for 7 bonds, have declined - in 11, benefits of 4 instruments did not changed. Positive change in bond yield to maturity in the range from 0.23% (KZIKb6) to 1.19% (ORDKb2), negative - from 0.20 (CCBNb4) up to 2.50% (TMLZb1).

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

### Results of bond trades on KASE including STF of RFCA within November 25 - December 1, 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.
ABDIb1	34.00	34.00	34.00		34.00	36.00	3.46	1	34.00	34.00
APKIb3							101.75	7	12.13	19.24
BTAIb11	22.33	22.33	22.33		21.80	39.73	1.99	1	0.00	23.61
BTAIb3	27.67	27.67	27.67		9.40	103.53	11.16	2	0.00	27.62
BTAIb9	6.80	6.80	6.80	0	6.80	33.00	102.39	5	6.80	6.80
CCBNb4	7.80	7.80	7.80	-0.20	6.50	11.00	697.16	1	7.80	7.80
CCBNb6	9.00	9.00	9.00		9.00	12.00	438.25	2	9.00	9.00
CSBNb7	14.00	14.00	14.00		12.00	14.00	5.73	1	14.00	14.26
EKGSb1	8.00	8.00	8.00	-0.90	8.00	11.60	2,815.72	2	8.00	8.00
EUBNb3	9.50	9.50	9.50	-1.00	8.00	14.50	11.41	1	9.50	9.50
EUBNb4	10.11	10.11	10.11	-0.39	9.00	13.01	1,611.48	3	10.11	10.10
HSBKe4	5.37	5.37	5.37		5.11	7.57	3,340.69	1	5.37	5.37
KKGBb4	11.50	11.50	11.50		10.00	15.50	212.44	1	11.50	11.50
KKGBb4	8.75	9.20	8.75		8.75	16.00	1,535.20	2	8.75	9.20
KZIKb6	8.23	8.23	8.23	+0.23	8.00	14.00	682.86	1	8.23	8.08
KZIKb7	11.00	11.00	11.00	-1.00	10.95	13.50	17.23	1	7.00	11.00
LOGCb2	26.00	26.00	26.00	0	7.87	26.00	18.46	3	26.00	26.00
ORDKb2	12.00	14.00	12.00	0	12.00	16.00	289.32	9	12.00	14.00
PRKRb4	8.50	8.50	8.50	0	8.40	8.50	139.35	1	8.50	8.50
SKKZb23	4.50	4.50	4.50	0	4.50	6.50	114.91	5	4.50	4.50
TEBNb18	18.21	18.21	18.21		17.49	31.59	85.32	4	18.93	18.32
TMLZb1	19.50	19.50	19.50		19.50	49.00	4.12	1	19.50	19.50
TXBNb4	6.40	6.50	6.40		6.40	6.50	3,940.99	3	5.00	6.50
ZERDb1	18.42	18.42	18.42	+0.03	10.00	119.00	454.58	1	0.00	18.42
24							16,636.0	59		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (October 24 – November 24, 2010). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

November 29 in the trade system of KASE held repeated specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-

**192 release of third** (KZKAKY160034, MUJ192\_0003; KZT1,000, 28/05/1910 - 05/28/1926, semi-annual coupon, 30/360) which the Ministry of Finance planned to attract 8.0 billion. Subject of bargaining was "dirty" price of bonds. In the auction was attended by 14 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 31 applications, of which the expiration time applications were 29 active warrants. Total volume of active bids (demand volume) amounted to KZT75,065.7 million and exceeded the proposed level of accommodation in 9,4 times. "Dirty" price for limit orders ranged from 102.7000% to 110.0000% per annum, amounting in average terms 104.0493% per annum. "Dirty" money to satisfied bids amounted to 109.0000%. As a result of trade, the issuer granted the application for purchase of 5 million bond in the amount of KZT5,450,000,000.00, the forecast yield to maturity was 6.9800% per annum.

### Secondary market sector (purchase)

During the monitoring period, the total volume of 43 transactions at KASE amounted to KZT12,268.0 million (\$83.2 million). In the previous period (December 18-24, 2010), this figure was KZT6,304.9 million (\$42.8 million), with 29 transactions. The share exchange in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 96.1% (in the previous period - 100.0%).

#### Parameters of Exchange's transactions in GS within November25 - December 1, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discount (KZT): the notes of NB, MEKKAM.</b>				<b>25.65% (2.91%) of purchase and sale sector's turDecer</b>		
Less 8	0.05	0.05	0.05	0.05	790.00	1.00
64 - 91	0.75	0.75	0.75	0.75 (0.78)	6.99	1.00
92 - 181	1.50	1.50	1.50	1.50	1,001.20	1.00
182 - 364	1.86	1.86	1.86	1.86	1,348.02	1.00
Total					<b>3,146.2 (183.8)</b>	<b>4 (3)</b>
<b>Coupon (KZT): MEOKAM, MEUKAM, MEUJKAM, MAOKAM</b>				<b>74.35% (97.09%) of purchase and sale sector's turDecer</b>		
1461 - 1825	5.65	5.65	5.65	5.65 (5.64)	582.82	1
1826 - 2190	5.00	5.90	5.00	5.08 (5.30)	3,926.88	11
Over 2191	5.00	5.90	5.00	5.59 (5.54)	3,464.60	23
Over 1096	4.80	5.05	4.95	5.03 (5.00)	1,147.45	4
Total					<b>9,121.8(6,121.1)</b>	<b>39 (26)</b>
<b>TOTAL</b>					<b>12,268.0 (6,304.9)</b>	<b>43 (29)</b>

### KASE MEMBERS

**Dec. 1, it became known that JSC Kazkommerts Securities (subsidiary of Kazkommertsbank) (Almaty), JSC "Kaspi Bank" (Almaty), Centras Securities (Almaty), JSC Bank CenterCredit (Almaty) and JSC ASYL-INVEST (Almaty) admitted into the Derivatives Market KASE.**

Membership in this category entitles you to participate in trades in derivative financial instruments admitted to trading (trading) on the KASE.

**Dec. 1, it became known that a member of KASE first was the organization that is not a resident of the Republic of Kazakhstan - JSC "PSB" (Russia) made a member of the foreign exchange market.** Membership in this category entitles you to participate in trades in foreign currencies at KASE. JSC "PSB is a member of the Section currency market Moscow Interbank Currency Exchange, which is part of the World Federation of Exchanges.

Prepared by IRBIS Information agency of financial markets

85. MauleDec st.. office 93. 83; Almaty. Kazakhstan; igor@kase.kz. dm@kase.kz. info@kase.kz.

Tel.: +7 (727) 250 88 21. 250 88 14. fax: +7 (727) 237 53 39.

*IRBIS agency gives notice that material given above is not an offer or recommendation to sell or buy shares on KASE. Using it by anyone. while taking investment decisions does not make IRBIS agency responsible for possible losses resulting from such the decisions.*