

KAZAKHSTAN STOCK MARKET

December 9 - 14, 2010

SUPPLEMENTAL INFORMATION

US dollar = 147.31 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 3.5 p.a.

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

Indicator	Rate	Trend
TONIA	0.33	+0.13
Autorepo GCB 2 d.	0.33	+0.12
Autorepo GCB 7 d.	0.49	-0.5
Autorepo GCB 28 d.	0	-9.1
KazPrime-3M	1.98	0

Stock securities' market indicators as of December 14 and change for the period

Index	Value	Trend
KASE	1,689.09	+0.6
KASE_BP	384.24	+1.6
KASE_BC	339.99	+3.8
KASE_BY	13.96	-0.8

MAIN NEWS OF THE MARKET

December 9 Ratings Services Standard & Poor's affirmed its long-and short-term counterparty credit ratings on Kazakhstan Tsesnabank at 'B-/ C '. As indicated, at the same time the agency has revised its outlook on the bank to "Negative" from "Stable" and raised the national scale rating to "kzB +" to "kzBV-". As noted, ratings are based on an evaluation of Standard & Poor's own creditworthiness and do not include additional steps for the possibility of external support in an emergency by the owners or the state, which analysts Standard & Poor's considered uncertain. Tsesnabank occupies 12 th place in Kazakhstan in terms of assets (KZT209 billion, or 1.4 billion US dollars as of September 30, 2010). According to Standard & Poor's, the bank has a good market position in Central and Northern Kazakhstan, where its market share is 5% by volume of term deposits and 11% by volume of loans, with total market share in terms of assets - 2%.

Dec. 9 Decision of the Government of the Republic of Kazakhstan "On making amendments and additions to the Decree of the Government of the Republic of Kazakhstan dated 15 October 2005 # 1036" dated December 07, 2010 # 1317 **approved new rates of customs duties (ETP) on petroleum products.** According to the decree, the rates of customs duties on exports of light oil at the rate set at 98.13 dollars per ton, black oil - 65.42 dollars per ton. ETP crude oil stored at 20 dollars per tone.

December 9 Vice-Chairman of the Board of "Business Development Fund" Damu Mrs. Lyazzat Ibragimova said that in the second direction of the state program **"Road Map of Business 2020" on the financial health of business approved 54 projects**, more than 300 applications are pending in the commercial banks. The second direction of the state program "Road Map Business 2020" by subsidizing the standard, doubtful (all categories), and bad loans. Moreover, as explained Mrs. L. Ibragimova, we are talking about those "enterprises that are in financial crisis can not handle the debt load, but the bank is generally interested in the borrower and I am sure that the entrepreneur will repay the loan taken."

December 9 Director of Strategic Planning National company KazMunaiGas Mr. Almaz Masalin Seminar on "Review of Oil and Gas Industry: Key trends in Astana, said **the company wants to take the role of the single operator of the gas market in Kazakhstan.** He said the company profitable to supply gas to large markets, i.e. in those regions where the population is concentrated, industry, energy capacity, not wasting resources on a small scale. Mr. Masalin A. In this case, noted that the gas market in Kazakhstan is a discrete, very much torn on certain areas that are linked to sources of supply, "while some ambitions of certain regions of the gasification, unfortunately, can not be supported by a resource base."

December 10 presidents of Kazakhstan, Belarus and Russia signed the Declaration on the Common Economic Space of Belarus, Kazakhstan and the Russian Federation. As indicated, Mr. Nazarbayev noted that Kazakhstan was generally satisfied with the results of the Customs Union. He pointed out that the most important outcome of the meetings was the adoption of a number of agreements, the legal framework of the Common Economic Space, worked out an agreement on the

regulation of natural monopolies, oil and gas, agriculture, competition, services trade, industrial subsidies and intellectual property. Thus, the Heads of State found that the single economic space will be operational from January 1, 2012, and is open to accession by other States.

Agency of the Republic of Kazakhstan on Statistics reported that:

- **Industrial production increased by 10.5%;**
- **In November 2010 the prices** in some segments of the economy has changed;
- **In October 2010 the average nominal wage per employee was KZT77,785** increased compared with the corresponding month last year to 15.8% in real terms by 7.9%;
- **In November 2010 the level of hidden unemployment reached 0.5%** of the economically active population;
- **In November 2010, 26% of Kazakhstan** noted the improved economic situation in the country over the past 12 months;
- **In November 2010 business activity of enterprises surveyed** industry has increased compared to the previous month;
- **Short-term economic indicators** in Kazakhstan in January-November 2010 **amounted to 107.2%;**
- **The volume of industrial production in Kazakhstan in January-November 2010 increased by 10.5%;**
- **per capita nominal income of the population in October 2010, according to preliminary data, amounted to KZT38,361**, an increase compared with the corresponding period of 2009 to 11.6%. While real incomes grew by 4.0%;
- **in October 2010 was an increase in prices for products of foreign trade in Kazakhstan.** As stated, the prices of exported goods in October compared to September rose by 1%, imports - by 3.2%;
- **The volume of retail trade in January-November 2010 increased** compared with the corresponding period last year to 12.4% and reached KZT2,665.7 billion.

December 13 Fitch Ratings upgraded the ratings of BTA Bank (Kazakhstan) (BTA) and its subsidiary BTA Bank (Belarus), which owns a majority share of BTA. Long-term Issuer Default ratings (IDR) in foreign currency both banks upgraded to "B-". The outlook on the ratings - "Stable". These rating actions follow the completion of the restructuring of liabilities of BTA in September 2010. As stated, the ratings reflect the BTA substantial uncertainty in terms of value of its assets and concerns about the reliability of its business model, taking into account the structural weaknesses of the balance sheet and reduce market position since 2008. At the same time, the ratings take into account long-term nature of the current structure of funding and support for the bank from its majority shareholder, the National Welfare Fund SK. A key factor of concern in terms of ratings BTA is the value of its assets. Fitch recognizes the significant potential release of reserves for some significantly impaired loans, but also sees a risk of further redundancy for active loans in the portfolio. This means that the capitalization of the BTA is likely to be subject to significant fluctuations in the coming months, as the bank will continue to resolve their problems with asset quality.

December 13 report from the Republic of Kazakhstan Agency on Statistics of "Socio-economic development of the Republic of Kazakhstan in January-November 2010 has learned that:

- **gross domestic product, according to operative data for January-September 2010 amounted at current prices KZT14,250.6 billion.** As indicated, the gross domestic product, according to operative data for January-September 2010 amounted at current prices 14 250.6 billion KZT. Compared to the same period in 2009, real GDP grew by 7.5%. In the GDP share of manufacturing goods was 43.1%, services - 54%. Investment in fixed assets in January-November 2010 amounted to KZT4,077.8 billion, or 0.9% less than the same period last year.
- On November 1, 2010 **state budget deficit** of Kazakhstan amounted to **KZT505.3 billion.** As stated, the income of state budget on Nov. 1, 2010 amounted to 3 328.9 billion, expenditures - KZT3,834.2 billion, the budget deficit - KZT505.3 bln. Compared with the corresponding period of 2009 revenues increased by 15%, the cost of 22.9%.

December 14 service credit rating Standard & Poor's upgraded long-term counterparty credit ratings and financial stability of Kazakhstan JSC "Insurance Company" Eurasia (" Eurasia ") from " BB-"to" BB ". The outlook - Stable. Simultaneously rating Eurasia on the national scale increased with kZA-"to" kZA ". As stated, the ratings of Kazakhstan's insurance company" Eurasia

"still reflect the economic and industry risks in the domestic market of Kazakhstan." Eurasia "is still subject to high, although slowing, credit risk, especially risk associated with the Kazakh banking sector (including large amounts of deposits in these banks). In addition, the forecast reflects the opinion of Standard & Poor's that "Eurasia" will retain its position as a leading commercial insurance company in Kazakhstan, are good indicators of the operating activity, high levels of capitalization, moderate growth business and a minimum quality of the existing investment portfolio.

December 14, it became known that the Government of the Republic of Kazakhstan at the meeting approved the program of development of mineral resources sector in the country for 2010 - 2014. As explained by representing the document Vice Minister of Industry and Trade of Kazakhstan, Albert Rau, the program aims to ensure sustainable and integrated use and reproduction of mineral resources for the active development of all industries. He pointed out that funding for the program for 2010 - 2014 years to KZT48,211 million from the national budget.

MARKET SHARES

Market news

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

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 323 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,212.5	+33.4%	-55.1%
Average daily volume. KZT m.	178.7	+33.2%	-55.0%
Stake of nego deals. number (%)	0	+0.02 pp	-0.8 pp
Stake of nego deals. volume (%)	0	-0.02 pp	-22.4 pp
KASE members	31	-3.1%	-6.1%
Number of shares denominations*	17	+21.4%	-5.6%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	-11.8 pp
on sale	0	-0.5 pp	0
Stake of individuals. gross (%)	61.1	+4.2 pp	+6.3 pp
on purchase	32.0	-7.9 pp	-8.7 pp
on sale	90.2	+16.2 pp	+21.2 pp
Stake of nonresidents. gross (%)	23.1	+6.2 pp	+9.5 pp
on purchase	34.2	+2.13 pp	+22.9 pp
on sale	11.9	+10.3 pp	-3.8 pp

*on which deals were made at KASE

In the described period weighted average daily prices of 2 items of equity instruments involved in the transaction, 12 instruments have showed a growth, prices of 2 instruments did not changed. Negative change in shares prices in the range from 0.04% (CCBN) to 6.49% (BTAS), positive – from 0.03% (SATC) to 10.10% (KZTK).

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

Results of share trades on KASE, including STF of RFCA within December 9 - 14, 2010, only by data on deals made on the secondary market of KASE by the methods of opened trades)

Share code on	on the last deal:				Price. KZT per share:		Volume Of deals	Num- Ber of deals	Best for the period:	
	min.	max.	price	trend. %	min.	max.			th.USD	bid
KASE										
BSUL	630	630	630	0	200	630	23.24	3	630	630
BTAS	6.2	6.9	6.49		5	2300	14.98	13	6.9	6.2
CCBN	577	587.99	585		515	817	625.68	39	587.99	576
GB_ENRC	2210	2250	2239.5	+1.80	1800	2800	24.57	7	2250	2210
GB_KZMS	3550	3650	3625		2155	3652	389.65	24	3650	3500
HSBK	359.01	380	365		250	400	125.33	23	380	359.01
KAZIp	370	370	370		212	390	0.28	3	370	370
KKGB	430	445	439.4	+4.62	356	707	27.26	9	445	430
KZTK	17380	18300	18300		11800	19800	358.45	40	18300	17380
KZTKp	8500	8800	8500		6000	8910	190.72	13	8800	8250
RDGZ	17500	17850	17720		15155.01	24300	63.96	4	17850	17500
RDGZp	16780	17000	16900		10800	21988.89	2,258.64	68	18875	16780
SATC	71.07	71.07	71.07		70	75	35.93	4	71.07	71.07
SHUK	30000	30000	30000		30000	30000	61.06	1	35000	30000
TSBN	908	908	908		865	980	161.00	1	908	908
ZERD	1.6	1.69	1.69		0.67	7.01	362.42	7	1.69	1.6
ZERDp	5.21	5.5	5.5		5	5.7	0.38	9	5.5	5.21
17							4,723.6	268		

Notes: Trends are given relative to the last deal of the previous 30 days period (November 8 - December 8, 2010). If deals were not made in the previous month the trend is not calculated.

MARKET OF CORPORATE BONDS

News of corporate bonds market

From December 10 on the secondary market opens KASE trades in bonds KZ2C0Y07D899 (KMGZb4) **JSC National company KazMunaiGas (Astana).**

December 13 JSC Karaganda plant asbestos "(Karaganda region,) reported a delay of payment:

- **Eighth coupon on its bonds KZPC2Y05B806 (KAZIb2),** According to the prospectus of issue of these bonds Karaganda plant asbestos "is to pay this fee in the period from 06 to 21 December 2010;
- **the third coupon on its bonds KZP03Y05B808 (KAZIb3),** According to the prospectus of issue of these bonds Karaganda plant asbestos was supposed to pay this fee in the period from November 29 to December 10, 2010.

On December 14 in the secondary market opens KASE trades in international bonds XS0556885753 (KMGZe5) **JSC National company KazMunaiGas (Astana).**

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 80 deals were made in bonds during the analyzed period on KASE.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	4,460.1	-34.4%	-59.7%
Average daily volume. KZT m.	657.3	-34.5%	-59.5%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	31	0	+29.2%
Number of bonds denominations*	28	+3.7%	0
Stake of pension funds. gross (%)	27.6	+27.6 pp	-2.0 pp
on purchase	17.2	+17.2 pp	+5.5 pp
on sale	37.9	+24.7 pp	-9.4 pp
Stake of individuals. gross (%)	5.8	+3.6 pp	+0.6 pp
on purchase	3.6	+0.3 pp	+1.2 pp
on sale	8.0	+6.8 pp	-0.04 pp
Stake of nonresidents. gross (%)	4.5	-12.74 pp	+4.50 pp
on purchase	0.12	+0.11 pp	+0.11 pp
on sale	8.9	-25.60 pp	+8.88 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 16 items, fall – 8, prices of the 3 tools have not changed. Yield to maturity for a buyer on deals rose during the week for 9 bonds, have declined - in 13, benefits of 4 instruments did not changed. Positive change in bond yield to maturity in the range from 0.01% (KAFIb1) to 19.01% (KRZHb1), negative - from 0.03 (CBH_b1) up to 24.02% (KONDb1).

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

**Results of bond trades on KASE including STF of RFCA within December 9 - 14, 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.				
ALBNb2	5.00	5.00	5.00		5.00	10.50	104.07	1	5.00	5.00
APKlb3							0.68	1	0.00	12.84
BRKZe4	7.33	7.33	7.33	+0.29	6.85	7.50	151.75	1	7.33	7.33
BTAIb9	6.80	6.80	6.80		6.80	30.30	82.45	4	6.80	6.80
CBH_b1	22.38	22.38	22.38		22.38	24.11	8.02	1	22.38	22.37
CCBNb17	8.00	8.00	8.00		8.00	10.00	137.35	1	8.00	8.00
CCBNb4	8.00	8.00	8.00		6.50	11.00	349.08	2	8.00	8.00
CCBNe3							712.92	3	0.00	11.18
CCBNe5	6.50	6.50	6.50		6.50	10.00	593.59	3	6.50	6.50
EUBNb3	10.00	10.00	10.00		8.00	14.50	51.95	1	10.00	10.00
EUBNb9	8.00	9.50	8.00		8.00	11.00	3,388.15	5	7.94	9.50
HSBKe3	7.10	7.10	7.10		6.94	7.50	457.09	1	7.10	7.10
KAFIb1	8.50	8.50	8.50	0	6.50	13.00	412.10	2	8.50	8.50
KKGBb5	11.00	11.00	11.00		7.50	11.50	3,117.84	1	11.00	10.50
KKGBb15	9.35	9.35	9.35		9.35	9.35	3,216.80	1	9.35	9.35
KKGBb16	9.68	9.68	9.68		9.68	14.54	1,012.26	1	9.68	9.68
KKGBb4	9.46	9.81	9.81		8.75	16.00	690.05	3	9.46	9.81
KKGBb8	9.01	9.01	9.01	-0.19	9.01	11.02	1,356.49	1	9.01	9.01
KONDb1	174.65	220.83	174.65		102.78	259.62	3.54	2	0.00	5 631.56
KRZHb1	42.01	55.47	55.47	+19.01	16.26	111.29	82.68	3	42.01	55.47
LOGCb2	12.00	16.00	12.00	-8.00	7.87	26.00	45.22	5	12.00	16.00
NFBNb1	18.95	18.95	18.95		18.95	36.00	5.89	1	0.00	
ORDKb2	12.00	14.00	12.00		12.00	16.00	101.44	9	12.00	14.00
PRKRb4	7.15	8.25	7.15		7.15	8.50	4,956.79	6	7.15	8.25
SKKZb23	4.50	4.51	4.51		4.50	6.50	92.16	4	4.50	4.51
TEBNb18	17.23	17.23	17.23		17.23	31.59	24.75	1	17.34	13.93
TXBNb5	5.20	6.50	5.21		5.20	6.50	38.25	3	5.20	6.50
ZERDb1	18.00	18.00	18.00	0	10.00	119.00	384.81	2	0.00	18.00
28							21,578.2	69		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (November 8 - December 8, 2010). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Bidding on government securities was made.

Secondary market sector (purchase)

During the monitoring period, the total volume of 26 transactions at KASE amounted to KZT34,449.9 million (\$233.7 million). In the previous period (December 2-8, 2010), this figure was KZT10,345.9 million (\$70.1 million), with 28 transactions. The share exchange in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 92.8% (in the previous period - 72.9%).

Parameters of Exchange's transactions in GS within December 9 - 14, 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.						
86.6% (0%) of purchase and sale sector's turnover						
Less 8	1.50	1.50	1.50	1.50	99.38	1.00
64 - 91	0.05	0.05	0.05	0.05	790.00	1.00
92 - 181	0.75	0.75	0.75	0.75 (0.78)	6.99	1.00
182 - 364	1.50	1.50	1.50	1.50	1,001.20	1.00
Total	1.86	1.86	1.86	1.86	1,348.02	1.00

To be continued on the page 6

Continued of table

Parameters of Exchange's transactions in GS within December 9 - 14, 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			13.4% (100.0%) of purchase and sale sector's turnover			
Less 730	2.10	2.10	2.10	2.10 (2.30)	0.80	1
731-1095	2.60	2.60	2.60	2.60 (5.49)	624.19	1
1826 - 2190	5.00	5.00	5.00	5.00	545.63	3
Over 2191	5.10	5.51	5.50	5.36 (5.74)	2 928.04	5
Over 1096	5.05	5.05	5.05	5.05	531.42	1
Total					4,630.1(10,345.9)	11 (28)
TOTAL					34,449.9 (10,345.9)	26 (28)

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