

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 1-5, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
29.07.11	1,526.16	146.14	0.22	0.23	1.6000
01.08.11	1,533.91	145.89	0.1334	0.26	0.2621
02.08.11	1,507.43	146.14	0.2653	0.28	0.2755
03.08.11	1,482.29	146.25	0.1550	0.25	0.2500
04.08.11	1,439.20	146.46	0.3459	0.27	0.2745
05.08.11	1,338.25	146.53	0.2028	0.26	0.2577
Trend	-187.91	0.39	-0.02	0.02	-1.34
%	-12.31	+0.27	-8.28	+9.75	-83.9

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

On August 1, 2011 Agency of Statistics of Republic of Kazakhstan reported that:

- **inflation** in Kazakhstan in July 2011 was 0.5%;
- **subsistence minimum** in July 2011 amounted to 16,610 KZT;
- **food prices** in Kazakhstan in July 2011 compared with July 2010 increased by 12.8%;
- **prices of manufacturers of industrial products** in July 2011 decreased by 0.9%.

August 2, 2011 the press service of the National Bank reported that:

- **in the segment of corporate lending in Kazakhstan in the second quarter of 2011 growth in demand for credits continued.** In the second quarter of 2011, 79% of banks showed an increase in demand and only 18% of respondents were always in demand for loans from non-financial institutions;
- **in the segment of retail lending in the second quarter of 2011, the trend of growth of demand from individuals survived.** Only 47% of banks reported an increase in demand for mortgage lending products and about 46% of banks reported that demand has remained stagnant. There is a significant increase in demand from the public on consumer loans, 90% of banks have reported about increasing demand;
- **in the second quarter of 2011 slow recovery of the loan portfolio of banks continues, while still high proportion of bad loans remains, which puts pressure on the loan portfolio as a whole.** About 35% of banks expect some improvement in the quality of loan portfolio, about 51% of respondents predict that quality will remain unchanged, and only 13% of banks believe that the quality of loan portfolio will slightly worsen.

August 3, 2011 results of trading on KASE by the totals of seven months have been published:

- **The volume of trading of shares on KASE** (excluding transactions in the market of repo operations) amounted to 119.9 billion tenge (equivalent to U.S. \$ 821.8 million) and increased relative to the corresponding period of 2010 by 2.7 times;
- **The volume of trading of corporate bonds on KASE** (excluding transactions in the market of repo operations) amounted to 194.3 billion tenge (equivalent to 1,332.1 million U.S. dollars) and rose comparing to the corresponding period in 2010 by 2.0 times;
- **GS trade volume on KASE** (excluding transactions in the market of repo operations) amounted to 607.4 billion tenge (equivalent to 4,165.3 million U.S. dollars) and decreased relative to the corresponding period of 2010 by 28.9% (28.2% in dollar terms);
- **The volume of trading on the repo market at KASE was 6,824.7 billion tenge** (equivalent to 46,768,100,000 U.S. dollars) and declined comparing to the same period last year by 9.5%

(8.7% in dollar terms);

- **The volume of trades with foreign currencies at KASE, including currency swaps,** amounted to KZT 8,901.6 billion (equivalent to 60,979,400,000 U.S. dollars) and rose comparing to the corresponding period in 2010 by 16.0% (17.1% in dollar terms);
- **The volume of trades at the KASE in all sectors** amounted to 16,648.0 billion tenge (equivalent to 114,066,700,000 U.S. dollars) and rose against the corresponding period in 2010 by 2.7% (3.6% in dollar terms).

August 4 international rating agency Fitch Ratings has affirmed and withdrawn the ratings of "Astana - Finance", including long-term issuer default rating in foreign currency "RD" (restricted default). The agency has left under the supervision of the list Rating Watch "Negative" issuer default ratings of JSC "Leasing Company "Astana-Finance" at the "C" and withdrew the ratings of the company. Due to the fact that both the issuer made the decision to stop participating in the rating process, the agency no longer has sufficient information to maintain ratings and accordingly does not conduct tests for these companies.

Stock exchange market

During the study period at KASE on the secondary market sale 255 deals were concluded

	current week	change for	
		1 week	2 weeks
Average daily volume. USD th.	849.9	-0.01%	2.6 times
Average daily volume. KZT m.	124.4	+0.35%	2.6 times
Stake of nego deals. number (%)	0.01	+0.01 pp	+0.01 pp
Stake of nego deals. volume (%)	0.0406	+0.04 pp	+0.04 pp
KASE members	29	+3.6%	+11.5%
Number of shares denominations*	17	-22.7%	+21.4%
Stake of pension funds. gross (%)	0	0	0
on purchase	12.9	+8.9 pp	+12.9 pp
on sale	0	0	0
Stake of individuals. gross (%)	32.3	+2.0 pp	-38.0 pp
on purchase	30.4	+14.1 pp	-29.4 pp
on sale	34.1	-10.18 pp	-46.6 pp
Stake of nonresidents. gross (%)	17.6	+11.8 pp	+17.6 pp
on purchase	15.8	+9.3 pp	+15.8 pp
on sale	19.4	+14.4 pp	+19.4 pp

**on which the deals on KASE have been conducted*

Over the past week KASE index dropped by 12.3% and ended the period at 1,338.3 points. Kazakhstan's stock market was unable to resist negative external background.

The wave swept over the world sell-banking sector. Decrease in quotations was due to write-off of bank debts of Greek. So, for example, Royal Bank of Scotland recorded a loss of 1.1 billion U.S. dollars. Additional downward pressure on foreign trading platforms has provided a high risk of recurrence of the Greek script with Italy and Spain. As a result, a decrease in quotations on the European market price of common shares affected the "Halyk Bank" JSC and "Kazkommertsbank", falling by 18.2% and 12% respectively. However, the shares of JSC "Bank CenterCredit" managed to grow last week by 1.3% due to the fact that they did not exist on European markets and were less susceptible to negative external background.

International commodity market was similarly under threat. Against the background of global economic weakness sellers moved to do more. The cost of oil and base metals continued to decline, despite decreasing U.S. dollar. According to the results of last week quotes of ENRC and Kazakhmys fell down by almost 20%, stock quotes of JSC "EP "KMG"- 6%.

Ordinary shares of JSC "Kazakhtelecom" also failed to overcome external negative, resulting in a decline in the share price by 9.3%.

More detailed information on share trades at KASE is given in the table below:

Results of share trades on KASE, including STF of RFCA within August 1-5, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	min		max		Last deal: price trend,%		Price, KZT per share: for last 365 days: min max		Volume of deals Th. USD	Num. of deals	Best for The period: Demand Supply,	
	BSUL	630	630	630	0	630	658.05	27.33			1	630
BTAS	1.85	2.2	2.2	0	1.8	540	44.68	20	2.2	1.85		
CCBN	472	496.16	496.16	+1.26	472	670	1,047.60	11	496.16	472		
CHFM	1150	1150	1150		1050	1560	0.79	1	1150	1150		
GB_ENRC	1519.4	1900	1540.8	-19.54	1519.4	2600	81.40	17	1900	1519.4		
GB_KZMS	2540	3210	2568	-19.75	2540	3800	275.24	31	3210	2530		
HSBK	255	325	256	-18.21	255	445	374.14	46	325	255		
KKGB	330	406.6	330	-12.00	330	616	309.24	29	406.6	330		
KZTK	18000	19501.01	18000	-9.32	13500	20850	424.12	19	19850	18000		
KZTKp	8800	9210	8800	-4.36	6300	9990	98.38	6	9210	8800		
MMGZp	7500	7500	7500		5000	10450	179.40	2	7500	7500		
RDGZ	15400	16400	15515	-5.97	15155.01	21000	237.47	9	16400	15400		
RDGZp	14800	16600	15000	-6.25	14500	20510	551.96	50	16600	14800		
SATC	71.07	71.08	71.08	0	71	72	101.51	7	71.08	71.07		
TKUDp	9.01	9.01	9.01		9	9.01	177.46	1	9.01	9.01		
ZERD	1.6	1.65	1.65	+3.12	0.8	2.49	8.18	2	1.7	1.6		
ZERDp	5.4	5.4	5.4	+3.65	4.6	5.72	138.12	1	5.4	5.4		
17								4,077.0	253			

Notes: Trends are given relative to the last deal of the previous 30 days period (July 4 – August 4, 2011). If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

In this sector of KASE during the analyzed period 49 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	3,213.2	-38.9%	-38.9%
Average daily volume. KZT m.	469.7	-38.8%	-38.7%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	20	+5.3%	-6.0 pp
Number of bonds denominations*	16	0	-23.8%
Stake of pension funds. gross (%)	0	0	0
on purchase	1	-19.2 pp	+1.3 pp
on sale	0	0	0
Stake of individuals. gross (%)	27.6	+25.2 pp	+9.8 pp
on purchase	38.8	+38.2 pp	+36.7 pp
on sale	16.3	+12.3 pp	-17.0 pp
Stake of nonresidents. gross (%)	2.4	-26.8 pp	-14.2 pp
on purchase	0.6	+0.5 pp	-21.5 pp
on sale	4.2	-54.1 pp	-6.8 pp

* on which deals were made at KASE

Following the period growth of average net prices on the open market characterized the bonds of 10 titles, falling - 2, prices of the two tools have not changed, one tool was trading for the first time. Yield to maturity on deals rose in the week for four bonds, declined - for 7. Positive change in bond yield to maturity was in the range from 1.50% (CSBNb6) to 434.78% (KONDb1), negative - from 0.01% (TSBNb5) to 3.70% (KZIKb2).

More detailed data on corporate bonds on KASE is shown in the table below:

Results of bond trades on KASE including STF of RFCA within August 1-5, 2011 (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:						Amount Of deaks, Th. USD	Number Of deals	best for the period:	
	on the last deal:		for last, 365 days,:						demand	supply,
BRKLB1	6.30	6.30	6.30	6.00	7.50	7.54	1	6.30	6.30	
CACMb1	12.00	12.00	12.00	-0.01	9.00	20.00	54.58	3	11.99	12.00
CBH_b1	23.00	25.00	25.00	20.00	25.00	41.62	2	23.00	25.00	

To be continued on the page 4

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**Results of bond trades on KASE including STF of RFCA within August 1-5, 2011
(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:						Amount		best for the	
	on the last deal:			for last, 365 days,:			Of deals, Th. USD	Number Of deals	period:	
	min.	max.	yield	min.	min,	max,			demand	supply,
CCBNb15	8.05	8.05	8.05		8.05	10.00	1,478.62	1	8.00	8.05
CSBNb6	11.50	11.50	11.50		10.00	15.95	13.76	1	11.50	11.50
EXBNb1	14.50	14.50	14.50		14.50	17.00	48.63	3	14.50	14.50
EXBNb2	12.50	14.50	12.50	-2.00	12.50	18.50	209.31	11	12.50	14.50
KONDb1	660.81	660.81	660.81		166.23	660.81	20.64	1	3,643.02	3 643.02
KZIKb12	8.15	14.00	8.15		8.15	14.00	3,763.08	4	8.15	14.00
NRBNb2	6.79	6.82	6.79		6.79	9.31	671.06	2	6.79	6.82
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	134.02	7	12.00	12.02
PRKRb4	6.00	8.00	6.05		6.00	8.50	7,854.05	8	6.00	8.00
RESCb1	9.70	9.70	9.70		8.00	12.00	205.84	1	8.00	9.70
TEBNb18	12.10	12.10	12.10		12.00	31.59	3.13	1	11.82	12.10
TSBNb10	8.00	8.00	8.00		8.00	8.00	1,306.93	1	8.00	8.00
ZERDb1	16.00	16.00	16.00	0	5.00	57.00	252.98	2	16.00	16.00
16							16,065.8	49		

Notes: Trends are given relative to the last deal of the previous 30 days period (July 4 – August 4, 2011). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

August 3 in the trade system of KASE specialized auction on placement of government treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-60 of 40 release (KZK2KY050401, MOM060_0040, 1000 KZT, 3.8.11, 8.3.16) was held, on which the Ministry of Finance planned to attract 10,000.0 mln. Subject of bargaining is the coupon rate. The auction was attended by 20 primary dealers, which are members of KASE of category "K". Through these subjects, investors filed 56 applications, of which the expiration time applications were active 43 orders. Total volume of active bids (demand volume) was 41,600.0 million tenge and exceeded the suggested volume by 4.2 times. Coupon in active bids varied from 3.00% to 6.00% per annum, in average terms, 4.0544% per annum. As a result of trade, the issuer granted the application for the purchase of 16.2 million of bonds worth 16,200,000,000.00 (162.0% of the planned volume of placement) at 3.25% per annum.

Secondary market sector)

During the study period, the total volume of 24 deals, concluded on KASE totaled 6,263.5 million tenge (\$ 42.8 million). In the previous period (August 1-5 2011) the figure was 4,735.1 million tenge (\$ 32.3 million), with 32 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period amounted to 100.0% (previous period - 91.2%).

Parameters of Exchange's transactions in GS within August 1-5, 2011

Days till maturity	Yield to maturity for a buyer. % APR.			Volume.		last deal
	min	max	last deal	min	max	
Coupon (KZT) MEOKAM, MEUKAM, MAUKAM	100% (100%) of purchase and sale sector's turnover					
Less than 730	2.25	2.25	2.25	2.25	98.33	1
731 - 1095	4.25	4.25	4.25	4.25 (2.90)	1,940.45	1
1461 - 1825	3.80	4.20	4.20	4.07 (3.78)	1,606.70	3
More than 2191	4.64	5.50	5.50	5.20 (4.67)	2,617.41	8
Less than 730	5.11	10.79	5.20	6.51	0.60	11
Total					6,263.5 (4,735.1)	24 (32)
TOTAL					6,263.5 (4,735.1)	24 (32)

WORLD MARKETS

Main news of the world markets

August 2 President Barack Obama signed the law on increase of the national debt ceiling, which allowed the country to avoid default. Senate by 74 votes "for" and 26 "against" approved a plan to reduce the budget deficit by \$ 2.4 trillion over 10 years and increasing national debt ceiling by \$ 2.1 trillion to \$ 16.4 trillion. Speaking at the White House, Obama said that thus made "an important first step" to resolve of the financial problems of the country, and vowed to continue fighting for higher taxes on wealthy Americans. At the same time, U.S. President stressed that the reduction of fiscal deficit may not be the sole focus of economic policy in Washington in an unstable post-crisis recovery.

August 2 Bureau of Economic Analysis of U.S. Department of Commerce reported that U.S. consumer spending in June fell by almost \$ 22 billion, or 0.2% compared with May, while incomes grew by \$ 18.7 billion, or 0.1%.

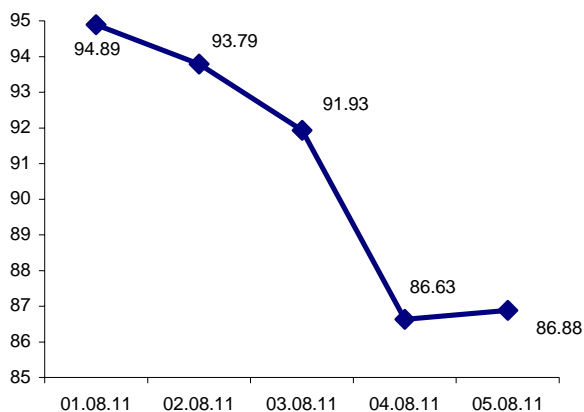
August 3 U.S. Department of Commerce reported that the volume of industrial orders in the U.S. in June 2011 decreased by 0.8% compared to the previous month. With the exception of orders to vehicles, factory orders in June 2011 increased by 0.1% from the previous month, except for defense orders, which increased by 0.7%.

August 5th international rating agency Standard & Poor's for the first time lowered its long-term credit rating of the United States from the highest of AAA to AA +. So now the U.S. government bonds yield government bonds in the reliability of the UK, Germany, France or Canada. Analysts Standard & Poor's rating outlook established the U.S. as "negative", which means the probability of a new downgrade in the next 1-1.5 years.

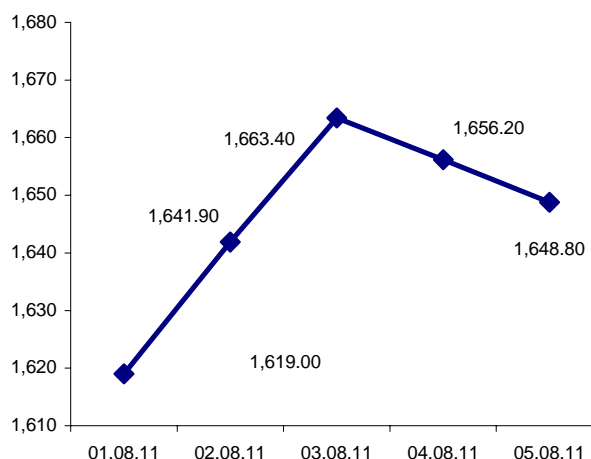
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NYMEX Light Sweet Crude Oil



**COMEX gold prices,
\$ per troy ounce**



**Copper (three months supplement)
on London Metal Exchange**

