

## WEEK OF STOCK MARKET OF KAZAKHSTAN

August 8-12, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
05.08.11	1,338.25	146.53	0.2028	0.26	0.2577
08.08.11	1,322.50	146.65	0.5120	0.28	1.6300
09.08.11	1,205.23	146.84	2.3671	0.88	1.8200
10.08.11	1,284.00	147.04	4.6874	1.65	1.7500
11.08.11	1,249.21	147.07	2.7034	2.04	1.7300
12.08.11	1,262.78	147.18	0.7217	0.72	1.8100
Trend	-75.47	0.65	0.52	0.46	1.55
%	-5.64	+0.44	+255.87	+179.86	+602.4

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

**August 8 corporate governance rating service Standard & Poor's announced the confirmation of the rating "Analysis and evaluation of the effectiveness of corporate governance, accountability and management," assigned to the JSC "Development Bank of Kazakhstan" (DBK) at the level of "GAMMA 5 +" and its subsequent withdrawal.** Grading of assessment GAMMA is from 1 to 10, with 1 - minimum 10 - maximum rating value. As indicated, the rating withdrawal at the initiative of Standard & Poor is in connection with the decision to stop providing services to evaluate corporate governance on the methodology of GAMMA. However, Standard & Poor's will continue to evaluate corporate governance in credit analysis. Rating GAMMA, assigned to the DBK is the result of four component analysis, with gradations of marks from 1 to 10: the influence of shareholders -5, the rights of shareholders - 5, transparency, auditing and risk management - 5 +, the effectiveness of the Board of Directors, the strategic process motivation - 5 +.

### August 8 Republic of Kazakhstan agency of statistics reported that:

- on the housing market in July 2011 there was an increase in prices;
- In July 2011, prices in some segments of the economy have changed;
- In June 2011 the average nominal wage per employee was 88,296 tenge, increasing compared with the corresponding month last year by 8.7%, in real terms by 0.2%;
- The index of physical volume of industrial output in January-July 2011 amounted to 104.8%;
- "Consumer perceptions index" in July 2011 compared to the previous month increased by 4 percentage points and amounted to (18)%;
- business activity of the surveyed trade and industry enterprises in July 2011 has not changed;
- in the national economy in July 2011 (estimated) were employed 8.2 million people;
- according to the operational data on large and medium-sized businesses and organizations in July 2011 made 73.8 thousand people, left for various reasons - 70.8 thousand people;
- per capita nominal income of the population in June 2011, according to preliminary data, amounted to 44,625 tenge, an increase over the corresponding period of 2010 by 9.4%;
- the number of transactions in housing in the January-July 2011 amounted to 83,127;
- in June 2011 rise in exports was marked, and reduction - on import revenues;
- The volume of retail trade in January-July 2011 increased compared with the corresponding period the previous year by 12.4% and reached KZT 1,928.8 billion.

**August 11th international rating agency Fitch Ratings has assigned JSC "Insurance company" Nomad Insurance" ("NOMAD") financial strength rating on the international scale" B-"and the financial strength rating on a national scale "BB-(kaz)".** Outlooks on both ratings is "Stable." ratings reflect the difficulties associated with the rapid growth of the company in a competitive insurance sector in Kazakhstan, increased concentrations of the insurer on a form of insurance - obligatory insurance of civil liability of vehicle owners (CLVO), heavy reliance on government regulation and attenuation-adjusted the risk of market capitalization. Also, the ratings take into account the history of a stable, albeit moderately declining, profitability, insurance, good quality investment portfolio and compliance by local regulatory capital requirements. Fitch is concerned about the aggressive growth of the company, which reduces capital adequacy NOMAD despite profit from insurance activities. Average total growth rate of net premiums collected from the company amounted to 65% in 2006-2010, and growth accelerated especially in 2010 and in the 1st half of

2011. The main source for the expansion of NOMAD is the CLVO, as well as property insurance and liability for some large corporate customers. According to the internal assessment of Fitch, the current capitalization of the NOMAD, adjusted to risk may be insufficient to sustain rapid growth of the insurer in the medium term if growth rates remain the same. Fitch notes that the NOMAD may require external injection of capital or growth retardation to prevent further reduction in the risk-adjusted capitalization. At the same time, the agency notes that the shareholder-owned NOMAD private person and therefore difficult to assess an insurer's financial flexibility.

#### August 12 the National Bank of Kazakhstan reported that:

- on preliminary assessment Kazakhstan's balance of payments current account surplus for H1 2011 amounted to U.S. \$ 7.2 billion, an increase of 53.4% compared to the same period in the 1st half of 2010. As indicated, a significant improvement in the current account is provided by capacity value of commodity exports, associated with the favorable situation in world energy prices. On average, one half of 2011 the world price for Brent crude was 111.0 U.S. dollars per barrel, or 42.9% above its average level in the 1st half of 2010 (77.67 U.S. dollars per barrel). At the same time in the 2nd quarter of 2011 average world oil price reached U.S. \$ 117.1 per barrel, or 11.6% above its level in the 1st quarter of 2011. As a result, exports of goods increased by 37.0% compared to 1H 2010 and amounted to 41.0 billion U.S. dollars. In this case, the official export of goods totaled 40.5 billion U.S. dollars. The volume of imports of goods also increased significantly (by 36.0%), reaching 18.3 billion U.S. dollars (13.4 billion USD in H1 2010), of which the official has to import 16.2 billion U.S. dollars (13.0 billion USD in H1 2010). Overall trade balance during the reporting period on the evaluation of the National Bank was formed with a surplus of 22.8 billion U.S. dollars, an increase compared to H1 2010 to 37.9% (16.5 billion U.S. dollars in the 1st half 2010);
- the net international reserves of National Bank in July 2011 rose by 6.9% to 36.4 billion U.S. dollars (from the beginning of the year - an increase of 31.4%). Gross international reserves of National Bank increased by 6.8% to 37.0 billion U.S. dollars (from the beginning of the year - an increase of 30.8%). Foreign currency trading in the domestic market, external debt service of the Government, the completion of the National Fund assets from the accounts of foreign exchange reserves were offset by the receipt of currency on accounts of the Government in the National Bank and the increase in balances on correspondent accounts in foreign currencies at the National Bank. As a result, net foreign currency assets (hard currency) in July 2011 rose by 7.5%. Gold assets increased by 2.3% due to transactions undertaken during the growth of its price in world markets.

#### Stock exchange market

During the study period at KASE on the secondary market sale 379 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,107.8	1.3 times	3.4 times
Average daily volume. KZT m.	162.8	1.3 times	3.4 times
Stake of nego deals. number (%)	0.01	+0.01 pp	+0.01 pp
Stake of nego deals. volume (%)	0.1	+0.04 pp	+0.08 pp
KASE members	31	+6.9%	+19.2%
Number of shares denominations*	19	+11.8%	+35.7%
Stake of pension funds. gross (%)	3	+3.4 pp	+3.4 pp
on purchase	5.7	-7.1 pp	+5.7 pp
on sale	1	+1.1 pp	+1.1 pp
Stake of individuals. gross (%)	43.5	+11.3 pp	-26.7 pp
on purchase	54.3	+23.9 pp	-5.5 pp
on sale	32.8	-1.34 pp	-47.9 pp
Stake of nonresidents. gross (%)	4.5	-13.2 pp	+4.5 pp
on purchase	2.7	-13.2 pp	+2.7 pp
on sale	6.3	-13.2 pp	+6.3 pp

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

In the described period drop in average daily prices was detected for 16 equities, growth showed 3 tools involved in the transaction, the price of one instrument has not changed. Adverse change in shares prices was in the range of 0.01% (SATC) to 26.67% (MMGZp), positive - from 0.51% (TEMA) to 30.43% (CHFM).

In the past week, KASE index was unable to stop the rapid downward trend, despite the fact that the panic among investors on the foreign sites are gradually dissipating. At the end of the week indicator of the market shares lost 5.6%.

Almost all securities held in the index basket KASE, finished the week at the "red zone", with the exception of shares in ENRC, quotations of which have grown by 3.8% (these securities are first reacted to the changing trends in international markets).

The largest decline over the past period occurred to common shares of JSC "Kazkommertsbank". Active sales by the participants of the stock market crashed quotes listed securities by almost 21% (maybe it was the market reaction to news that the National Bank of Kazakhstan started to check on the legality of certain actions of the bank).

By 13.3% have sagged quotations of securities of JSC "Bank CenterCredit" (these shares were more or less like safe "haven" during the collapse of the market, and when the situation stabilized it, investors are likely to decide to stock up on cash to buy other papers on attractive price.)

Oil prices on the international commodities market are gradually recovering, but despite this, some market participants continued to throw securities of JSC "EP "KMG", which led to a decrease in quotations of these securities by 3.3%.

Following current trends in the market, quotations of common shares of "Halyk Bank of Kazakhstan", Kazakhmys and JSC "Kazakhtelecom" fell by 0.8%, 5% and 2.8% respectively.

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 8-12, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):**

Share code on KASE	Price, KZT per share:		Last deal:		for last 365 days:		Volume of deals Th. USD	Num. of deals	Best for The period:	
	min	max	price	trend,%	min	max			Demand	Supply,
BSUL	630	630	630	0	630	658.05	26.60	2	630	630
BTAS	1.8	2.35	1.8	-18.18	1.8	410	83.04	19	2.35	1.8
CCBN	423	473	430	-13.33	423	670	436.81	25	473	423
EXBNp	1100	1100	1100		1100	1300	1.28	1	1100	1100
GB_ENRC	1425	1605.01	1600	+3.84	1425	2600	143.03	28	1605.01	1425
GB_KZMS	2226	2600.1	2439	-5.02	2226	3800	409.97	65	2600.1	4
HSBK	200	260	253.99	-0.79	200	445	387.30	68	260	200
KKGB	246.1	331.7	262.15	-20.56	246.1	616	466.48	58	395	246.1
KZTK	17001	18000	17500	-2.78	13500	20850	235.43	18	19500	17000
KZTKp	7490	9000	7800	-11.36	6300	9990	312.02	18	9200	7490
MMGZp	5500	5500	5500	-26.67	5000	10450	7.04	3	6050	5500
RDGZ	14350	15836	15000	-3.32	14350	21000	172.69	12	15836	14350
RDGZp	14000.01	15200	14300	-4.67	14000.01	20510	557.41	39	15200	14000
SATC	71.07	71.07	71.07	-0.01	71	72	81.68	1	71.07	71.07
TEBNp	660	660	660		200	900	239.64	1	660	660
TEMA	973.98	973.98	973.98		969	973.98	1,324.78	1	973.98	973.98
TSBN	865	865	865		813.16	951	29.60	1	865	865
ZERD	1.18	1.4	1.4	-15.15	0.9	2.49	78.55	4	1.5	1.01
ZERDp	5.4	5.4	5.4	0	4.6	5.72	115.19	10	5.4	5.4
<b>19</b>							<b>5,108,6</b>	<b>374</b>		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (July 11 – August 11, 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.	9 570.3	3.0 times	1.8 times
Average daily volume. KZT m.	1 406.9	3.0 times	1.8 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	28	+40.0%	+2.0 pp
Number of bonds denominations*	27	+68.8%	+28.6%
Stake of pension funds. gross (%)	0	0	0
on purchase	2	+0.8 pp	+2.1 pp
on sale	0	0	0
Stake of individuals. gross (%)	10.5	-17.1 pp	-7.2 pp
on purchase	0.4	-38.5 pp	-1.8 pp
on sale	20.7	+4.3 pp	-12.7 pp
Stake of nonresidents. gross (%)	6.9	+4.5 pp	-9.7 pp
on purchase	0	-0.6 pp	-22.1 pp
on sale	13.8	+9.6 pp	+2.8 pp

\* on which deals were made at KASE

Following the period of growth of average net prices on the open market characterized bonds of 14 items, fall - 6, the price of four tools has not changed, one instrument was trading for the first time. Yield to maturity on deals rose in the week for 7 bonds, declined - for 11, 5 instruments yield has not changed. Positive change in bond yield to maturity was in the range from 1.11% (HSBKb12) to 11.80% (CBH\_b1), negative - from 0.01% (KZIKb12) to 2.00% (MREKb3).

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 8-12, 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 deals, Th. USD	Number Of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
APKlb4	9.99	9.99	9.99		9.99	9.99	34.74	1	10.00	9.99
APKlb5	10.00	10.00	10.00		10.00	10.00	20,432.84	4	10.00	10.00
ATFBb5	7.23	7.23	7.23		4.70	8.00	33.35	1	7.23	7.23
ATFBb6	7.40	7.40	7.40		6.70	10.12	364.51	1	7.40	7.40
BTAIb9	13.00	13.00	13.00		6.80	21.92	47.76	1	13.00	13.00
BTASe15							12.63	1		
BTASe7	16.00	16.00	16.00		9.67	16.00	19.91	1		
CBH_b1	35.62	35.79	35.79	+10.79	20.00	35.79	35.26	6	23.00	35.79
ERKAb1	9.00	9.00	9.00		8.85	9.00	1,155.43	1	9.00	9.00
EUBNb3	9.91	9.91	9.91		8.00	13.00	69.30	1	9.91	9.91
EUBNb9	8.00	8.00	8.00		8.00	11.00	8,279.15	2	8.00	8.00
EXBNb2	11.50	11.50	11.50	-1.00	11.50	18.50	38.90	2	11.50	12.50
HSBKb12	10.30	10.30	10.30		8.00	10.36	71.47	1	10.30	10.30
HSBKb2	4.52	4.54	4.54		4.34	5.13	4,825.50	2	4.52	4.54
KIBNb1	10.70	10.70	10.70		10.50	12.00	691.23	1	10.70	10.70
KONDb1	669.34	669.34	669.34	+8.53	166.23	669.34	16.23	1	3 564.81	3 951.59
KZAPe1	4.60	4.60	4.60		4.36	4.69	1,070.56	1	4.60	4.60
KZIKb12	8.14	8.14	8.14	-0.01	8.14	14.00	25.12	1	8.14	8.28
MREKb3	7.00	7.00	7.00		7.00	9.00	67.55	1	7.00	7.00
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	31.06	6	12.00	12.05
PRKRb4	5.00	5.00	5.00	-1.05	5.00	8.50	24.05	1	5.00	5.00
RESCb1	8.00	8.00	8.00	-1.70	8.00	12.00	340.43	1	8.00	8.00
RGBRb6	11.80	15.00	15.00		10.00	16.00	684.81	2	11.80	15.00
SKKZb22	5.25	5.25	5.25		5.25	5.89	2,151.70	1	5.25	5.25
TSBNb10	8.00	8.00	8.00	0	8.00	8.00	7,203.38	7	8.00	8.00
TSBNb5	9.75	9.75	9.75		9.75	14.00	95.47	3	9.75	9.75
ZERDb1	16.00	16.00	16.00	0	5.00	55.00	29.39	1	16.00	16.00
16							47,851,7	52		

Notes: Trends are given relative to the last deal of the previous 30 days period (July 11 – August 11, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**August 10 in the trade system of KASE specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-84 of 10<sup>th</sup> issue (KZKDKY070107, MUM084\_0010, 1000 KZT, 10.8.11, 10.8.18) was held, in which the Ministry of Finance planned to involve 12,000.0 mln.** Subject of bargaining is the coupon rate. In the auction was attended by 14 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 51 applications, of which the expiration time applications were active 40 orders. Total volume of active bids (demand volume) amounted to 46,604.2 million tenge and exceeded the suggested volume of 3.9 times. Coupon in active bids varied from 3.70% to 7.00% per annum, in average terms, 4.3195% per annum. As a result of trade, the issuer granted the application to purchase 12 million of bonds worth 12,000,000,000.00 (100.0% of planned volume of placement) at 3.85% per annum.

### Secondary market sector

During the study period, the total volume of 13 deals, concluded on KASE totaled 4,219.7 million tenge (\$ 28.7 million). In the previous period (01 - 05 August 2011) the figure was 6,263.5 million tenge (\$ 42.8 million), with 24 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 91.8% (previous period - 100.0%).

Parameters of Exchange's transactions in GS within August 8-12, 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			
1096 - 1460	3.08	3.08	3.08	3.08	349.96	1
1461 - 1825	4.18	4.18	4.18	4.1 (4.07)	533.53	1
1826 - 2190	4.10	4.10	4.10	4.10	110.76	1
60nee 2191	4.25	4.85	4.25	4.47 (5.20)	3,225.46	10
Total					4,219.7 (6,263.5)	13 (24)
<b>TOTAL</b>					<b>4,219.7 (6,263.5)</b>	<b>13 (24)</b>

**WORLD MARKETS**

**Main news of the world markets**

**August 9th U.S. Federal Reserve announced that it intended to retain key interest rates in the range close to zero, until mid-2013.** Fed officials have once again decided to keep key interest rates in the range of 0-0.25% per annum, which was predicted by most analysts.

**August 10 U.S. Department of Commerce reported that the amount of inventory at wholesalers in June 2011 increased by 0.6% compared with May and amounted to \$ 458.7 billion.** The value was lower than analysts' forecasts, expecting growth rate at 1%.

**August 10 on European markets, anecdotal evidence emerged that France after the U.S. may lose its highest credit rating of AAA.**

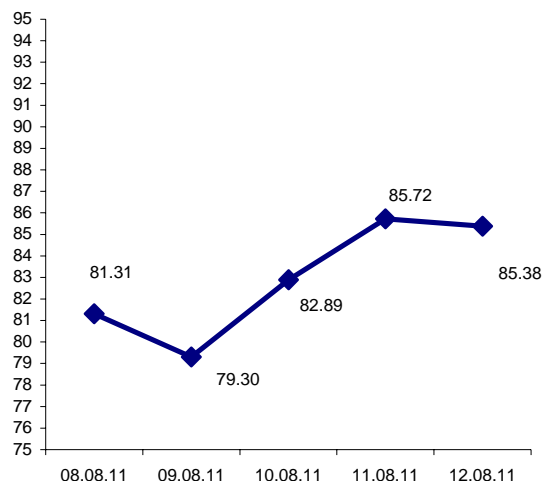
These messages, however, not having been confirmed by official information, was the catalyst for the active sales of shares of French banks. In particular, the stocks of Societe Generale fell by 14.7%, Credit Agricole - by 11.8%, BNP Paribas - by 9.5%. And although later international agencies Standard & Poor's and Moody's confirmed the rating of France saved by AAA with a favorable prognosis (formerly Fitch has also affirmed France), negative investor sentiment still won.

**August 11 the head of the French central bank Christian Noyen reported that the reliability of the French banks did not suffer from a collapse in world markets,** noting that "the level of capital is adequate, and medium and long-term refinancing program is designed to perfectly acceptable terms".

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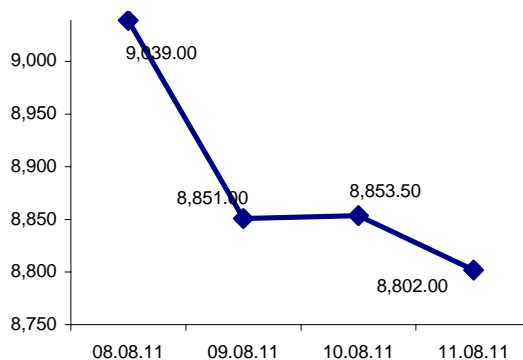
**NYMEX Light Sweet Crude Oil**



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



**Copper (three months' settlement) on London Metal Exchange**



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