

WEEK OF STOCK MARKET OF KAZAKHSTAN

February 3 - 9

1 US dollar = **139.65** tenge at official rate for the end of the period
 1 US dollar = **139.82** tenge at weighted average rate of the Exchange for the end of the period

Yield of stock exchange financial instruments

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted (thanks to the market-makers) at KASE from February 3 through February 9.

Investment attractiveness of stock exchange financial instruments from February 3, 00 through February 9, 00

Financial instrument	Currency	Yield, % APR.
KZT (repo SS)	KZT	*9.05 (10.75)
USD (repo SS)	USD	*4.04 (-)
AVMEKAM	USD	12.89 (12.51)
KKGBb	USD	13.28 (12.62)
BTAS	USD	12.41 (12.43)
MEKKAM, notes	KZT	*18.25 (15.54)
MEKAVM, MGU	USD	*8.60 (9.08)
Euronotes-3	USD	10.98 (11.22)

Yield of OJSC "Bank TuranAlem" shares (BTAS) was calculated for 6 days by purchasing quotations.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

Key moment of the period was steady growth in the exchange rate of the dollar. Average growth rate is assessed by a trend of **19.48% APR**. It caused the yields of non-indexed by devaluation SS to rise and the yields of currency bonds to fall. Last week dollar was falling at an average of 2.2% APR.

Trades in corporate securities

A decline in activity of private issue securities (PIS) sector was noticed on trade floors of Kazakhstan stock exchange (KASE) during observed period: in five trading days four deals were made amounting to **\$205.0 th**. Compared to previous period (\$3,816.9 th.) turnover decreased almost 19 times.

The biggest deal of the period (\$154.6 th. or 75.4% of all weekly volume of PIS), in monetary terms, was made in common shares of **OJSC "Bank TuranAlem"** (Almaty, official list of securities, category "A", **BTAS**). Relative to previous successful trades price of BTAS rose 1.7%.

The second place in monetary terms and the first place in terms of securities belongs to common shares of **OJSC "SHNOS"** (Shymkent, official list of securities, category "A", **SYRG**). In this case, share price dropped 3.9% relative to previous deal (Jan.26, 00).

Other two deals were made in common shares of **OJSC "GEOTEKS"** (Almaty, "Non-listing securities" sector, first admittance level, **GEOT**). Weighted average price of GEOT has settled at a minimum – \$0.13 per share. Decrease in market value of GEOT by the last deal of the period relative to previous deal (Jan.24, 00) equaled 23.5%.

Data on the deals, demand and supply are given in the table.

Results of the trades in private issue securities from February 3 - 9

USD per share, unless otherwise specified					
Company	Securities	Close	Volume	Offer	Bid
OJSC «Bank TuranAlem»	BTAS	73.64	2,100	75.55	73.50
OJSC «Halyk Bank of Kazakhstan»	HSBK	2.00	0	2.50	
OJSC «KAZKOMMERTSBANK»	KKGBb	98.20	0	100.00	98.00
«KAZAKHTELECOM»	KZTK	28.38	0	23.00	
OJSC «SHNOS»	SYRG	1.00	50,000	1.10	0.95
OJSC «Astana-finance»	ASFI	7.17	0	7.15	
OJSC «Mangistaumunaigas»	MMGZp	3.50	0	*3.40	
OJSC «GEOTEKS»	GEOT	0.13	3,024	*0.14	
JSC «Aktobemunaigas»	AMGZp	2.00	0	*4.00	
JSC «ANPZ»	ANPZ	42.08	0	*35.00	
JSC «Embamunaigas»	EMGZp	2.17	0	*2.30	
JSC «Kazakhstancaspishelf»	KKSHp	22.73	0	*20.00	
JSC «ULBA»	ULBAp		0	*10.00	

Notes: bid and offer prices are given for the period, for KKGBb – for last date of the period;
 if no deals were made during reporting period (volume =0), the last price of successful trades will be given;
 marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in usual trade mode.

Capitalization of the stock market for PIS

For February 9, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$2,224.8 mln** or KZT311.1 bln at tenge to dollar rate of the Exchange, effective on that date. Capitalization grew \$12.3 mln in seven days in terms of dollars caused by a growth in price of common shares of OJSC "Bank TuranAlem" (see above).

Trades in state securities

During the next period a considerable activation was observed in **purchase and sale sector** for SS of KASE. Increase in turnovers of the trades is estimated at KZT1,051.4 mln or 52.3%. In absolute monetary terms total volume of **74 deals** reached **KZT3,061.4 mln**. Comparable figure of last week – KZT2,009.9 mln for 64 deals. As it can be seen from the table, increase in volumes of deals was observed in all segments of the market.

Parameters of stock exchange transactions in SS from February 3 - 9

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
(in parentheses are comparable figures of the previous period)						
Discounted SS: MEKKAM-3, 6, 12, notes of the National Bank				65.7% (72.3%) of purchase and sale sector's turnover		
8 – 14	8.66	12.09	9.12	9.37 (–)	174.7	12
15 – 28	11.89	27.11	12.79	21.41 (13.12)	196.4	8
29 – 36	12.90	15.19	13.12	14.18 (14.91)	572.1	5
37 – 42	12.86	14.68	12.86	13.19 (13.89)	370.5	20
43 – 56	14.15	14.15	14.15	14.15 (13.88)	28.5	1
92 – 181	16.25	16.45	16.45	16.35 (16.26)	101.7	4
182 – 364	17.67	17.67	17.67	17.67 (–)	8.6	1
Total					1,452.5 (1,052.2)	51 (33)
Discounted indexed SS: MEKAVM-6				10.4% (12.6%) of purchase and sale sector's turnover		
92 – 181	8.30	9.20	9.20	8.36 (8.80)	317.9	2
Total					317.9 (253.4)	2 (4)
Indexed coupon SS: AVMEKAM				1.0% (0%) of purchase and sale sector's turnover		
1,520 - 1,525	12.88	12.90	12.90	12.89 (0)	30.5	3
Total					30.0 (0)	3 (0)
Euronotes of Kazakhstan, USD				22.9% (15.1%) of purchase and sale sector's turnover		
*1,689 - 1,694	10.7567	11.3565	10.7676	10.98 (11.15)	700.8	13
Total					700.8 (304.0)	13 (9)
SUBTOTAL					3,061.4 (2 009.9)	74 (64)

Notes: for euronotes (* – third issue) yield is given for a buyer in APR, calculated by an algorithm of KASE, taking into account weighted average USD/KZT rate of the Exchange; yields for indexed domestic SS are calculated considering official rate of USD/KZT.

Acceleration in devaluation of tenge had a specific impact on the yields of the most traded SS – MEKKAM and the National Bank notes. Only the shortest SS with 28 day circulation term had distinct growth in returns. More lengthy papers were traded, as a rule, at low yields than a week ago. Such pattern may indicate that professional participants of the market do not consider the current trend of firming U.S. dollar towards the tenge a long one. In general, it corresponds to real disposition on financial market of the country.

By the results of the week, a decline in the activity of the banks in attracting short money is being observed in **the repo sector**. There were no objective need for borrowed free funds, since the liquidity of the banks in tenge, based on "overnight" interbank tenge deposit rates, was close to an abundance. During the period 9 deals not exceeding **KZT453.4 mln** were registered in repo sector of KASE, including for 6 repo opening deals – KZT285.1 mln, for 3 repo closing deals – KZT150.3 mln. Last week total turnover of this sector was at KZT873.9 mln.

Parameters of repo opening deals in SS at KASE for February 3 - 9

Opening date	Term of repo, days	Currency	(in parentheses – comparable figures of previous period)		
			Amount raised, mln KZT	Weighted average yield, % APR	Number of deals
Feb.8.00	1	USD	50.0	3.96	1
Feb.8.00	10	KZT	101.6	7.50	2
Feb.9.00	1	KZT	40.9	7.41	1
Feb.9.00	12	KZT	92.7	10.50	2
TOTAL			285.1 (133.8)		9 (10)

After closing of trades on February 9 total amount of repos opened on the trade floor reached **KZT294.9 mln**. Current repo rates for February 9 (% APR):

- **1 day** (KZT40.9 mln) – **7.41%** APR;
- **10 days** (KZT101.6 mln) – **7.50%** APR;
- **12 days** (KZT92.7.0 mln) – **10.50%** APR;
- **27 days** (KZT33.7 mln) – **12.88%** APR;
- **30 days** (KZT27.0 mln) – **15.00%** APR.

It should be noted that the Exchange continues to increase trade services available to the participants. For the first time (from February 3), the members of the Exchange were able to work with indexed repo this week by quoting them not only in tenge, but also in U.S. dollars. Such approach of using currency SS as a repo object allows to finance at repo rates that reflect currency return of the deal. Since all settlements by the results of the deals are made in tenge at current exchange rate (official or currency exchange's rate depending on the type of the securities), the operation that was held in this manner is analogous to the deposit that is indexed by devaluation. Last week one of the trade participants already used this scheme when opening 1 day repo.

If the trade participant wishes he may always express the return in tenge notwithstanding the type of SS that is an object of the repo.

Total of 83 deals amounting to **KZT3,496.8 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 74 deals was KZT2,883.8 mln.

In this week **share of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled **67.7%**, for last week it was 59.6%.

Prepared by the agency «IRBIS»