

WEEK OF STOCK MARKET OF KAZAKHSTAN

February 10 - 16

1 US dollar = **139.85** tenge at official rate for the end of the period
 1 US dollar = **139.83** 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 10 through 16.

Investment attractiveness of stock exchange financial instruments from February 10 through 16, 2000

Financial instrument	Currency	Yield, % APR.
AVMEKAM	USD	12.74 (12.89)
KKGBb	USD	13.00 (13.01)
BTAS	USD	12.38 (12.41)
MEKKAM, notes	KZT	*15.53 (18.25)
MGU	USD	*14.48 (8.60)
Euronotes-2	USD	9.89 (-)
Euronotes-3	USD	10.60 (10.98)

Notes: Yield of OJSC "Bank TuranAlem" shares (BTAS) was calculated for 6 days by bid quotations; yield of KKGBb – average for bid quotations; MGU – bonds of Mangistau region.

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 a stability of tenge towards the dollar and growing inclination of the national currency towards increase. During the period, based on weighted average of the Exchange, tenge revalued against the dollar at an average of **1.37% APR**. However, the exchange rate of the dollar grew at the beginning of the week and was falling at the end of it. Variability of the trend caused the yields of practically all instruments to fall, irrespective of the currency they were denominated in.

Trades in corporate securities

A decline in activity of private issue securities (PIS) sector continued on trade floors of Kazakhstan stock exchange (KASE) during observed period: in five trading days two deals were made amounting to **\$49.15 th.**, which is four times less than in similar previous period (\$205.0 th.).

The deals of the first and the last days of the period were made in common shares of **OJSC "SHNOS"** (Shymkent, official list of securities, category "A", **SYRG**) and common shares of OJSC "Astana-finance" (Astana, official list of securities, category "B", **ASFI**).

Results of the trades in private issue securities from February 10 - 16

Emitter	Securities	Close	USD per share, unless otherwise specified		
			Volume	Offer	Bid
OJSC «Bank TuranAlem»	BTAS	73.64	0	75.73	73.67
OJSC «Halyk Bank of Kazakhstan»	HSBK	2.00	0	2.40	
OJSC «KAZKOMMERTSBANK»	KKGBb	98.20	0	101.44	99.44
«KAZAKHTELECOM»	KZTK	28.38	0	24.00	
«KAZAKHTELECOM»	KZTKp	6.00	0		5.00
OJSC «SHNOS»	SYRG	1.05	40 000		1.00
OJSC «Astana-finance»	ASFI	7.15	1 000	7.15	
OJSC «Mangistaumunaigas»	MMGZp	3.50	0		3.00
OJSC «GEOTEKS»	GEOT	0.13	0	*0.11	
JSC «Aktobemunaigas»	AMGZp	2.00	0	*3.00	
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.

Value of SYRG rose 5.0% relative to last deal (Feb.7,00), while that of ASFI fell 0.4% relative to previous successful trades (Jan.31,0).

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

On February 18, 2000 an auction for additional placement of coupon bonds of OJSC "Komirbank" (Ekibastuz, KZ2CCA EQCA00, KASE official list of securities, category "A", trade code KOMBb) will be held in trade system of the Exchange.

The bonds are denominated in U.S. dollars. Face value is \$10. Total issue volume calculated at face value is \$2 mln. Payments for the bonds are made in tenges at the exchange rate of the National Bank of Kazakhstan, effective on the payment date.

Coupon in semiannual. Coupon rate is 12% APR. Coupon payment dates are June 26, 2000 and December 26, 2000. Coupons are paid in Kazakhstani tenges at the exchange rate of the National Bank of Kazakhstan, effective on the payment date. According to the rules of the issuer coupons are charged using 364/31 time basis. However, when securities are circulated on the secondary market of the **Exchange** accumulated interest and yield are calculated using 30/360 time basis.

Maturity date of the bonds is December 26, 2000. Bonds are repaid at face value in tenges at the exchange rate of the National Bank of Kazakhstan, effective on the maturity date, by transferring the funds to the accounts of the bond owners that are registered in the register by December 21, 2000.

No lotteries are planned by the issue rules. Funds, raised by issuing the bonds, will be used for general corporate goals of OJSC "Komirbank" in accordance with the Charter of the bank.

On February 18 additional placement will be held at KASE on following terms:

Additional placement volume, calculated at face value, equals **580 th. U.S. dollars**. Bids are made by the investors in the trade system of KASE from 10:00AM till 11:30AM Almaty time. Since the price will be an object of the trade, bids should contain a "**dirty**" price in percents of the face value including accumulated interest by the time the auction is held. In bids the number of bonds should be indicated as a **nominal cost of the debt being purchased** (product of the number of bonds and face value of one bond). At the auction the amount of the deal will be determined as the product of a "dirty" price and face value of purchased bonds, divided by 100%. Securities purchased at the auction should be paid by **4:00PM Almaty time on February 18, 2000**.

Following members of KASE of the category "P" (with the right to participate in trades in private issue securities that are entered into official list of the Exchange) **are allowed to participate in the auction**: OJSC "Demir Kazakhstan Bank", OJSC "KAZKOMMERTSBANK", OJSC "TexaKaBank", CJSC "Affiliated bank "ABN AMRO Bank Kazakhstan", LLP "KBS Securities", OJSC "DB SECURITIES (KAZAKHSTAN)", OJSC "Kazkommerts Securities", CJSC "Company CAIFC", OJSC "Kazakhstan financial company", OJSC "FINANCIAL COMPANY GREENWICH CAPITAL MANAGEMENT", LLP "ATERA capital", LLP "INVESTMENT MANAGEMENT GROUP", LLP "Securities house EASTBROKERS", LLP "PETROKAZ CAPITAL", CJSC "GLOBAL SECURITIES (KAZAKHSTAN)", LLP "KIB ASSET MANAGEMENT Ltd.", LLP "Company R.G. Securities", CJSC "Fondovyi service", CJSC "Kompanya po upravleniu pensionnymi aktivami "Ak niet", LLP "TuranAlem Securities", CJSC "Kompanya Halyk Banka Kazakhstana po upravleniu pensionnymi aktivami", CJSC "Kompanya po upravleniu pensionnymi aktivami "JETYSU", OJSC "Kazpochta". Investors can submit applications to participate in the auction through these members.

We draw your attention to the fact that coupon bonds of OJSC "Komirbank" can be purchased **for the assets of accumulative pension funds**, since the bonds are entered into KASE official list of securities under the category "A".

The securities can be traded at KASE within official list beginning from February 19, 2000.

Capitalization of the stock market for PIS

For February 16, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$2,218.2 mln** or KZT310.2 bln at tenge to dollar rate of the Exchange, effective on that date. Capitalization fell \$6.6 mln in seven days in terms of dollars caused by a removal of OJSC "Embamunaigas" (see below).

Trades in state securities

Slight decrease in the activity of the traders was observed in **purchase and sale sector** for SS of KASE during the period being analyzed. Total volume of **81 deals** reached **KZT2,608.0 mln**. Comparable figure of last week – KZT3,061.4 mln for 74 deals. Despite the growth in the number of deals relative to last week volumes of the trades fell KZT453.4 mln or 14.8%.

Parameters of stock exchange transactions in SS from February 10 - 16

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge	
	min	max	last deal	weighted average	discounted	Number of deals
Discounted SS: MEKKAM-3, 6, notes of the National Bank						
65.0% (65.7%) of purchase and sale sector's turnover						
less than 8	8.51	9.38	8.51	9.37 (10.11)	226.4	6
8 – 14	9.32	10.95	9.32	9.91 (11.59)	282.0	6
15 – 28	10.37	29.34	23.91	19.19 (22.85)	549.9	20
29 – 36	12.59	13.32	12.59	13.16 (12.82)	266.9	6
37 – 42	12.29	13.20	12.29	12.50 (–)	113.8	3
43 – 56	13.15	15.30	14.14	14.90 (13.64)	147.5	3
92 – 181	16.97	17.14	17.14	17.05 (16.25)	109.5	2
Total					1,696.0 (2,012.2)	46 (56)
Discounted indexed SS: MGU						
1.5% (10.4%) of purchase and sale sector's turnover						
92 – 181	13.99	14.09	14.09	13.99 (8.36)	39.1	2
Total					39.1 (317.9)	2 (2)
Indexed coupon SS: AVMEKAM						
2.8% (1.0%) of purchase and sale sector's turnover						
1,492 - 1,498	12.51	12.93	12.51	12.74 (12.89)	72.5	8
Total					72.5 (30.0)	8 (3)
Euronotes of Kazakhstan, USD						
30.7% (22.9%) of purchase and sale sector's turnover						
*946 - 951	9.4569	10.1910	9.8208	9.89 (–)	419.2	6
**1,683 - 1,688	10.4290	10.7249	10.4290	10.60 (10.98)	381.2	19
Total					800.4 (700.8)	25 (13)
SUBTOTAL					2,608.0 (3,061.4)	81 (74)

Notes: for euronotes (* – second issue, ** – third issue) and AVMEKAM yields are calculated at weighted average USD/KZT. Yields for indexed domestic SS are calculated considering official rate of USD/KZT. From February 14 the data on the deals made in all coupon SS that are traded at KASE are processed using 30/360 time basis. Previously, for AVMEKAM they were processed using actual time basis.

Decline in activity of the secondary market was caused by a change in the conjuncture of the primary market for SS. Last week at the auctions the emitters of SS were offering only securities denominated in tenge when the dollar exchange rate was growing. In this period the dollar exchange rate growth turned into its decrease, and the Ministry of finance was mainly offering lengthy MEKAVM. As a result, last week participants of the primary market paid KZT2,916.1 mln at the auctions, and this week they paid KZT5,026.9 mln, since it was more beneficial to buy only supershort SS denominated in tenge or lengthy MEKAVM indexed by devaluation. In other words, during this period traders were using their money on the primary market, and they preferred to buy SS with a little maturity term due to their absence at the auctions. The dynamics of the rates stems from here (please, see the table). The shortest MEKKAM and notes, due to a high demand for them, were traded at KASE at more lower yields than they were last week. And the yields of more lengthy SS, due to an excessive supply, slightly rose.

It is interesting to note that no deals were made in MEKAVM at KASE. Publication of the regulations on monetary-credit policy of the National Bank for this year has an impact on the behaviors of the dealers. Its intention to “tie” the devaluation to inflation, announcement of planned growth in consumer price index and reduction of forecasted average annual exchange rate of the dollar made long securities that were indexed by devaluation quite attractive instrument. It made the demand for MEKAVM high, which lets to hedge against currency risks and also created their shortage on the secondary market.

The repo sector was quiet. At KASE one single deal was made regarding closing of repo for KZT40.9 mln. Last week total turnover of this sector was **KZT435.4 mln**. There is no deficit of tenge on the market. As the results of the analysis of the trades in U.S. dollars show, last three days banks were inclined to support their short term liquidity by selling dollars, and not by borrowing tenge by opening repo. Such tactics was caused by inclination of tenge towards firming after some excessive purchases of USD in trades of the last week.

After closing of trades on February 16 total amount of repos opened on the trade floor reached **KZT294.9 mln**. Current repo rates for February 16 (% 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.

Total of 82 deals amounting to **KZT2,648.9 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 83 deals was KZT3,469.8 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 **50.8%**, for last week it was 67.7%.

Changes in trade lists

From February 11, 2000 by the decision of the Exchange council of KASE, coupon bonds of **Open Joint Stock Company “Komirbank”** (Ekibastuz, KZ2CCAQCA00, trade code **KOMBb**) were entered into official list of the securities of the Exchange under the category “A”, which were entered into trades in “Non-listing securities” sector with the second level of admittance from January 25 of this year. No deals were made in them.

OJSC “Komirbank” started in 1992 as Joint stock commercial bank “Ugol’bank”, which was transformed and reregistered into OJSC “Komirbank” in August of 1996. In August of 1999 at extraordinary general meeting of the bank shareholders a decision was made to voluntarily reorganization of the bank by merging with OJSC “Latur Alliance Bank” (Almaty). The merger took place in November of 1999 and was finished by December 1, 1999 as it is said in financial statements of OJSC “Komirbank”.

By the classification of the National Bank of Kazakhstan OJSC “Komirbank” was placed among the first group of the banks in achieving international standards. It has the license of the National Bank #77 to conduct banking operations in tenges and foreign currencies, dated September 20, 1999.

By late 1999 the bank had 5 branches in Almaty, Pavlodar, Shymkent, Petropavlovsk and in Shiderty community in Pavlodar region. Another branch is planned in Astana.

The bank has opened correspondent accounts in Kazakhstani OJSC “Demir Kazakhstan Bank” and OJSC “Temirbank”, in Russian “Flora-Moscow”, “Uraltransbank”, “Moscow-Center”, “Mashbank”, in Kyrgyz “Kyrgyzenergobank”, also in “Bank of New York” (USA), “Deutsche Bank” (Great Britain), “International Niderlander Bank” (Holland).

At the beginning of current year (data presented based on financial statements submitted in accordance with the National Bank of Kazakhstan requirements) authorized paid capital of OJSC “Komirbank” is KZT1.5 bln, shareholders’ equity – KZT1,559.5 mln. The bank assets are estimated at KZT7,118.0 mln, liquid assets – KZT956.2 mln. Loan portfolio is KZT2,094.5 mln. Loans and deposits – KZT1,813.0 mln. Income from operating activities reached KZT698.8 mln in 1999, net income – KZT26.2 mln.

Based on auditing report made by “Arthur Andersen”, financial statements of OJSC “Komirbank” give true and objective picture of the bank’s financial situation as of December 31, 1998 and December 31, 1997 in all essential aspects, and also of income statements and cash flow statements as of indicated dates in accordance with IAS standards.

From February 16, 2000 by the decision of the Board of Kazakhstan stock exchange (KASE), common inscribed (EMGZ) and preferred inscribed (EMGZp) shares of **OJSC “Embamunaigas”** (Atyrau, “Non-listing securities” sector, second admittance level) were removed from trade lists of the Exchange.

The decision was made on the basis of the information of the National securities commission of Kazakhstan about canceling the first issue of OJSC “Embamunaigas” shares on November 13, 1999 because of the merger with OJSC “Kazakhoil-Emba”.

Based on reorganization agreement of OJSC “Embamunaigas” (and OJSC “Tengizmunaigas”) by merging with OJSC “Kazakhoil-Emba”, dated May 14, 1999, all shares of OJSC “Embamunaigas” are converted into the shares of newly founded OJSC “Kazakhoil-Emba” in proportion of 1:1. The first issue of a new company shares was registered on November 23, 1999 (common inscribed shares – KZ1C40070715, preferred shares – KZ1C40070710).

Information about the companies

According to the listing requirements, **OJSC “Bayan-Sulu”** (Kostanai, official list of securities, category “B”) provided KASE with its financial statements for 1999: balance sheet, income statement and statement of cash flows.

Following are the results of the emitter in 1999 (in th. KZT):

Indicator	As of Jan.1, 99	As of Jan.1, 00	Increase / decrease., %
Authorized announced capital	1,000,000	1,000,000	0
Authorized paid-up capital	508,172	553,172	+8.9
Shareholders’ equity	569,836	539,559	-5.3
Total assets	764,988	757,306	-1.0
Net working capital	242,207	207,256	-14.4
Accounts receivable	210,759	254,312	+20.7

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Indicator	As of	As of	Increase / decrease., %
	Jan.1, 99	Jan.1, 00	
Accounts payable	128,029	173,106	+35.2
Sales (services offered)	1,136,613	918,438	-19.2
Cost of goods sold (services offered)	911,886	797,889	-12.5
Net income (loss) of the period	46,351	(30,076)	-164.9

The company's authorized paid-up capital increased by KZT45.0 mln or by 8.9%. Decrease in the shareholders equity by KZT30.28 mln (5.3%) was stipulated by a decrease in retained earnings by KZT74.64 mln.

As a result the book value per share decreased by KZT21.89 (13.0%) down to KZT146.31 per share.

Total assets decreased by KZT7.28 mln (1.0%) due to a decrease in current assets by KZT12.36 mln and was partially compensated by KZT4.67 mln increase in long term assets.

Total liabilities increased by KZT22.60 mln (11.6%) as a result of an increase in short-term accounts payable by KZT45.08 mln and partially compensated by a repayment of short-term credits - by KZT22.48 mln.

Volume of sales decreased by KZT218.18 mln (19.2%). As a result the loss of OJSC "Bayan- Sulu" equaled KZT30.08 mln compared to KZT46.36 mln income of 1998.

Following table contains the dynamics of the company's sales and income in 1999 in each quarter on accruing basis (in th. KZT):

Index	Change,			Change,		Change,	
	I-99	II-99	%	III-99	%	IV-99	%
Sales	131,270	180,278	+37.3	233,077	+29.3	373,813	+60.4
Net income	-9,980	-50,081	-401.8	-2,173	+95.7	32,158	+1 579.6

Primary activities of OJSC "Bayan-Sulu" is production and sale of confectionery. Date of entering into KASE trade lists – August 12, 1998.

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