

## WEEK OF STOCK MARKET OF KAZAKHSTAN

October 5 - 11

1 US dollar = **142.60** tenge at official rate for the end of the period  
1 US dollar = **142.61** tenge at weighted average rate of the Exchange for the end of the period

### YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during October 5 - 11. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

#### Investment attractiveness of stock exchange instruments from October 5 through 11

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
ALKSb	USD	14.63 (14.30)	0 (0)	0 (0)
KOMBb	USD	13.50 (13.50)	0 (0)	0 (0)
ATFBb	USD	11.26 (11.38)	0 (228.3)	0 (1,601.6)
KZOLb	USD	10.83 (11.20)	0 (0.1)	0 (1.0)
HSBKb	USD	10.50 (12.00)	0 (1.3)	0 (9.4)
TMJLb	USD	10.00 (10.00)	0 (0)	0 (0)
KKGBb	USD	9.96 (10.11)	0 (0)	0 (0)
Euronotes-4	USD	9.60 (9.67)	2,438.3 (1,097.6)	17,105.1 (7,701.0)
Euronotes-3	USD	9.23 (9.63)	626.9 (2,341.1)	4,397.7 (16,425.2)
Euronotes-2	USD	8.91 (8.79)	76.6 (32.6)	537.6 (229.0)
TEBNb	USD	8.70 (8.76)	0 (0)	0 (0)
MEKAVM	USD	*8.14 (8.34)	241.7 (78.8)	1,695.3 (553.0)
RENTb	USD	7.15 (7.80)	0 (0)	0 (0)
MEKKAM, notes	KZT	*9.43 (8.84)	1,092.8 (1,868.5)	7,666.3 (13,109.4)
GS repo	KZT	*3.15 (5.03)	1,881.0 (2,559.0)	13,195.2 (18,234.9)

**Notes:** yields of corporate bonds are calculated as average of bid quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **5.98% APR**.

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.

### INDICATORS OF INTERBANK DEPOSIT MARKET

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

#### Indicators of Kazakhstan interbank deposit market as of October 11, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	<b>6.50</b>	+0.07
2 weeks	KZT	<b>7.35</b>	+0.10
1 month	KZT	<b>8.20</b>	+0.20
2 months	KZT	<b>9.00</b>	-0.04
3 months	KZT	<b>9.95</b>	+0.02

During the week the cost of the money were changing bilaterally. At the very beginning of the period excessive liquidity of the second tier banks caused the rates for all borrowing terms to fall. However, later on the National Bank started active cleanup of excessive free funds from the correspondent accounts of BST through a sharp increase in the volume of notes issues. It resulted in a gradual increase in the borrowing rates, though no deficit of tenge was created on the market: indicators registers minimal changes during the week.

### THE SECURITIES SECTOR (SS)

#### Secondary market

During observed period 16 deals amounting to **\$792.3 th.** were made in **purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$1,694.6 th., 13 deals, excluding initial

offering of Almaty Merchant Bank CJSC bonds), and despite a great number of concluded deals, weekly turnover of the sector decreased 2.1 times.

In terms of deal volumes **common shares of Bank TuranAlem OJSC** (Almaty, official list of securities, category "A", BTAS) were the leaders, with their proportion in total turnover of securities reaching 55%. Then, common shares of Bank CenterCredit OJSC (Almaty, official list of securities, category "A", CCBN) - 19.4% of the market. Volume of deals made in other interments traded during the week were insignificant. Last week the market leaders were preferred shares of Kazakhtelecom (Almaty, official list of securities, category "A", KZTKp).

The price of CCBN grew by 9.2% relative to previous successful trades, CHPV - by 0.3%, CHPVp - by 0.3%, the value of KZEM fell by 15.8%, TEBN - by 85.2%. The value of BTAS did not change.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

#### Results of the trades in shares from October 5 - 11

USD per share, unless otherwise specified						
Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.15	0.31
Bank TuranAlem OJSC	BTAS	70.20	70.20	6 205	70.20	70.20
Bank CenterCredit OJSC	CCBN	1.53	1.53	100 704	1.53	1.15
SHYMKENTPIVO OJSC	CHPV	*3.51	3.51	10 264	*3.51	*3.51
SHYMKENTPIVO OJSC	CHPVp	*3.51	3.51	15 700	*3.51	*3.51
Halyk Bank of Kazakhstan OJSC	HSBK	*0.91		0	1.00	1.82
Jambylgips CJSC	JMGP	*4.61	4.61	2 063	4.61	4.61
KAZKOMMERTSBANK OJSC	KKGB	80.00		0	0.25	0.50
Kazakhoil-Emba OJSC	KZEM	*2.40	2.40	26 534	2.40	2.40
Kazakhtelecom	KZTK	15.00		0	15.00	18.00
Kazakhtelecom	KZTKp	11.75		0	8.00	11.95
Mangistaumunaigas OJSC	MMGZp	4.00	4.00	7 000	4.00	4.00
Rakhat JSC	RAHT			0	*0.42	
SHNOS OJSC	SYRG	1.63		0	1.30	
Temirbank OJSC	TEBN	*1.10	0.92	11 406	1.10	0.74
UKTMK OJSC	UTMK	*50.00		0	5.00	145.00
UKTMK OJSC	UTMKp	28.00		0	28.00	50.00

#### Results of the trades in bonds from October 5 - 11

yield for the buyer in % APR till maturity, unless otherwise specified							
Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb	USD	15.13		0.00	16.40	14.87
AMB CJSC	ATFBb	USD	11.38		0.00	11.38	11.29
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.00		0.00	12.61	10.50
KAZKOMMERTSBANK OJSC	KKGBb	USD	12.76		0.00	13.66	10.11
Komirbank OJSC	KOMBb	USD	14.50		0.00	16.50	13.50
NOC Kazakhoil CJSC	KZOLb	USD	11.20		0.00	11.35	10.91
RENATA LLP	RENTb	USD			0.00		*7.45
Temirbank OJSC	TEBNb	USD	11.28		0.00	12.09	8.73
Kazakhstan Temir Joly NSE	TMJLb	USD	10.82		0.00	10.50	10.00

**Notes:** bid and offer prices are given for 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 regular trade mode, or the price of direct deals.

**The KASE index** that reflects the changes in the bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers, **grew by 0.3473**, at **102.4592** at October 11 closing. The change in the index was due to the growth in bid quotations of common shares of Kazakhtelecom and UKTMK OJSC.

**In securities repo sector** no deals were made during analyzed week. At the end of analyzed period still **four** indexed securities repos were opened for a total of **\$1,540.7 th.** on the trade floor of the Exchange. Common shares of Bank CenterCredit OJSC were used as an object of repo.

#### Change in the lists of the securities

Based on the application of the trade member of the Kazakhstan Stock Exchange (KASE), **from October 10, 2000** common inscribed (KZ1C19170314, trade code - **ZHEN**) and preferred inscribed (KZ1P19170319, trade code - **ZHENp**) shares of **Jyluenergya OJSC** (Aktobe) are admitted on "Non-listed securities" sector with the second admittance level. Primary activities of the company - provision of heat to the population, housing and other consumers using its own thermal energy, and obtained from other centralized sources as a seller.

Common and preferred shares of Jyluenergya OJSC have been traded (from January 20 through July 3 of this year) on Non-listed securities trade floor of the KASE with the second admittance level. by the decision of the Board of the KASE, dated April 3, 2000 ZHEN and ZHENp have been removed from the trade lists of the Exchange because of an absence of deals and quotations.

Also, by the decision of the Board of the Kazakhstan Stock Exchange (KASE), **from October 10, 2000** the shares of following issuers are removed from the trade lists of the Exchange: common inscribed

(KZ1C17050724, trade code - ATMO) shares of Atyraumunaionimderi OJSC (Shirina community, Balykshy county, Atyrau region); common inscribed (KZ1C01540315, trade code - AKNS) shares of Aktyubneftsvyaz OJSC (Zarechnyi community, Aktobe); common inscribed (KZ1C06621519, trade code - BAIL) shares of Bailanys OJSC (Pavlodar); common inscribed (KZ1C11750717, trade code - KMUB) shares of Kaspil Munai Bailanys OJSC (Atyrau); common inscribed (KZ1C41310409, trade code - KZTG) shares of KazTransGas OJSC (Almaty); common inscribed (KZ1C22880420, trade code - MNBP) shares of Munaiaspap OJSC (Almaty); common inscribed (KZ1C21032122, trade code - ONGZ) shares of Ontustikmunaigas OJSC (Toguz station, Tole be county, South-Kazakhstan region).

The decision on the removal of these securities from the trade lists of the KASE was made on the following reasons:

- due to an absence of deals and quotations (bid and offer) of the securities, admitted to the trades in "Non-listed securities" sector, during the last three months (substantiation - the decision of the Board of the Exchange #45, dated April 9, 1999);
- market capitalization of the companies, whose securities are have no deals or quotations, are less than 1 mln U.S. dollars made on them (substantiation - the decision of the Board of the Exchange #27/0, dated April 3, 1999).

## Capitalization

On October 11, 2000 **total capitalization** of the companies, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,307.0 mln** or KZT186.4 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number increased by \$26.3 mln in terms of dollars was caused by an update of the data presented by the issuers as of July 1, 2000 regarding the number of paid outstanding shares. The most noticeable influence was made on the capitalization by the shares of SHNOS OJSC. The market value of the company fell from \$134.8 mln down to \$100.9 mln at once.

The capitalization of the exchange market of corporate bonds (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$101.0 mln** as of October 11 or **KZT14,398.4 mln**. During the week this value did not change.

## GOVERNMENT SECURITIES (GS)

### During this week

In **GS purchase and sale sector** of KASE total volume of **87 deals** equaled **KZT4,808.6 mln**. In previous week the turnover did not exceed KZT5,439.3 mln with 82 deals made. Based on the information presented in the table, it can be said that no principal changes are taking place in this segment of the market. Decrease in total volumes of deals was mainly caused by a decrease in the proportion of transactions made at the Exchange within a total volume of the secondary market turnover (see below). The most noticeable deformation in the turnover structure happened while the traders were working with the securities indexed by the devaluation of the tenge, as well as with MEOKAM. Slight increase in the turnover proportion of MEKAVM can be explained by a vivid firming of the dollar during the week. Thanks to it, the demand for this type of bonds grew and it resulted in the decrease of their yields and increase in the liquidity due to MEKKAM and notes. Growth in the volumes of the deals (and the proportion of the turnover) made in MEOKAM was due to, in the opinions of IRBIS analysts, constant growth in the volumes of these securities on the primary market thanks to the work done by the Ministry of Finance in this direction. Dealers are gradually getting used to working with MEOKAM, and it can be assumed with high probability that the turnover of these bonds will grow steadily.

### Parameters of stock exchange transactions in SS from October 5 - 11

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume,	
	min	max	last deal	weighted average	mln tenge discounted	Number of deals
<b>Discounted GS: MEKKAM-3, 6, 12, notes</b>						
	<b>22.7% (34.4%) of purchase and sale sector's turnover</b>					
less than 8	5.46	5.46	5.46	5.46 (7.12)	2.80	1
15 - 28	6.50	9.75	7.72	8.30 (7.77)	480.27	11
43 - 56	8.19	8.19	8.19	8.19 (7.34)	63.40	1
64 - 91	7.69	7.94	7.94	7.80 (9.48)	360.40	6
182 - 364	13.50	17.18	13.50	14.56 (11.26)	185.96	2
Total					1,092.8 (1,868.5)	21 (33)
<b>Discounted indexed GS: MEKAVM-12</b>						
	<b>5.0% (1.4%) of purchase and sale sector's turnover</b>					
92 - 181	7.00	8.12	8.12	7.96 (8.89)	241.67	5
Total					241.7 (78.8)	5 (11)
<b>Coupon GS: MEOKAM-24, 36</b>						
	<b>6.9% (0.4%) of purchase and sale sector's turnover</b>					
610 - 1,072	11.88	15.48	15.01	13.51 (18.26)	332.2	7
Total					332.2 (20.7)	7 (4)

To be continued on the page 4

Second part of the table

Parameters of stock exchange transactions in SS from October 5 - 11

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Euronotes of Kazakhstan, USD</b>						
<b>65.3% (63.8%) of purchase and sale sector's turnover</b>						
*712 - 716	8.61	8.93	8.93	8.91 (8.79)	76.6	4
**1,447 - 1,453	9.16	9.28	9.21	9.23 (9.63)	626.9	8
***2,370 - 2,376	9.52	9.77	9.61	9.60 (9.67)	2,438.3	42
Total					3,141.9 (3,471.3)	54 (34)
<b>SUBTOTAL</b>					<b>4,808.6 (5,439.3)</b>	<b>87 (82)</b>

Notes: for euronotes (\* - second issue, \*\* - third issue, \*\*\* - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic GS are calculated considering official rate of USD/KZT.

In GS repo sector 36 deals for a total of KZT4,377.5 mln were made during the period. Of this number 19 deals (for KZT1,881.0 mln) were repo opening deals and 17 (KZT2,496.5 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT7,190.7 mln.

After closing of the trades on October 11 total amount of opened repo equaled KZT4,538.6 mln. Current weighted average rates as of October 11 (% APR) equaled: for 1 day – 3.68; for 2 days – 4.50; for 3 days – 4.00; for 7 days – 6.00; for 14 days – 7.61; for 17 days – 7.00; for 21 days – 8.25; for 23 days – 8.20; for 28 days – 4.50; for 29 days – 9.50; for 30 days – 5.50; for 31 days – 5.50.

Total of 123 deals amounting to KZT9,186.1 mln were made in GS on trade floors of KASE during last period (purchase and sale and repo sector). Last week volume of 187 deals was KZT12,630.0 mln.

In this week proportion of the stock market turnover in total volume of deals on Kazakhstani secondary market for GS for comparable operations (including euronotes and repo operations) equaled 62.0%, for last week it was 85.8%.

## INFORMATION ON THE COMPANIES

According to the listing requirements, **NOC KAZAKHOIL CJSC** (Astana, Kazakhstan) presented to the KASE its auditing report made by "Ernst & Young" (Almaty, Kazakhstan) based on the company's consolidated financial statements for 1999. Based on data of the auditor, that finished its report on August 15, 2000, results of financial and economic activities as of December 31, 1998, 1999 are presented by following figures (please, the table).

### Comparable financial and economic ratio of NOC KAZAKHOL OJSC in the I half of 2000.

In th. KZT, unless otherwise specified

Ratio	1998	1999
Authorized capital (paid-up)	54,425	145,484
Shareholders' equity	1,853,579	1,766,155
Total assets	3,603,744	3,277,886
Net working capital	-109,949	61,586
Accounts receivable (net)	903,835	914,130
Long term accounts receivable	713,028	691,054
Short term accounts receivable (net)	190,807	223,076
Total liabilities	1,750,165	1,511,731
Loans received	974,640	945,176
Accounts payable	664,488	440,905
Sales (services offered)	664,878	927,645
Cost of sales (services offered)	475,705	484,327
Net income (loss)	373,729	93,889

### Following ratios were estimated based on the data of auditing report

Return on sales (ROS), %	28.45	47.79
Return on equity (ROE), %	20.16	5.32
Return on assets (ROA), %	10.37	2.86

NOC "KAZAKHOIL CJSC presented auditing reports, made by "Ernst & Young" (Almaty, Kazakhstan) in accordance with International accounting standards, based on consolidated financial statements of the company for the years 1998-1999. Statements were corrected to comply with International Accounting Standards. Corrections are mostly related to depreciation, cost of sites liquidation and reconstruction, decrease in value of tangible assets, deferred income tax payments and re-estimation of the exchange rate impact. Some entries of 1998 were reclassified to be in the frame of 1999 statements. These changes did not affect net income and net assets figures.

The presented statements for 1999 include the reports of head company and its branch establishments. Report of daughter companies with control stake are consolidated completely. Joint ventures are considered by the

method of proportional consolidation. Investments in companies with substantial KAZAKHOIL influence are accounted under the method of share holding.

The Appendix 7 includes auditor notes on long-term accounts receivable. It states that \$648,113 Th out of total sum of the long-term receivables as of the end of 1999 - sum of Tengizchevroil JV (TCHO) debt is to be repaid fully or partially at discretion of TCHO at any time.

The Appendix 16 (long term debt) includes information on long-term credits and other liabilities of the company. As of December 31, 1999 total sum of long-term credits (\$898,512 Th) consists of partner loans - \$861,864 Th, of which \$684 mln is the Kazakhoil share to other TCHO partners. This sum is subject to the repayment at discretion of TCHO.

Auditors also notes that existing total debt of Uzenmunaigas OJSC of \$6,051 th.(to the Oman Sultanate, due on January 1, 1997) in the form of principal and interest payments is classified as current part of the long-term debt.

There are no any other overdue debts (both over principal and interest rate) in the form of long-term debt obligations (World Bank, partner credits, the Kazakhstan government).

Long-term liabilities (the cost reflection) on liquidation and reconstruction of oil sites totaled (as of December 1999) \$122,050 Th (99,247 in 1998).

Decrease in net income in the presence of sales growth in comparison to 1998 has its own basis. The sum of OKIOC stake sale of \$481.5 mln in 1998 was fully reported. Out of this number, \$345.5 mln were retained by the government and reported in the form of "dividends distributed". This was also reflected in 1998 figures of shareholder equity flows. The earning totaled \$55.0 mln.

By the opinion of the Auditor consolidated financial statements is reliable in all aspects and truly reflects conditions of the Group (KAZAKHOIL and daughter companies) as of December 31, 1999.

At the same time, The Auditor avoids any judgements over comparative data for 1998 financial statements as those data contain some stipulations. These stipulations are produced from limitation of auditing procedures over opening balances, inadequate account entries for fixed assets, absence of renewed estimation of oil and gas reserves made by independent experts.

On May 19, 2000 coupon bonds of NOC KAZAKHOIL CJSC (KZ72LAG56A20, trade code KZOLb) were admitted into official list of KASE securities, category "A".

Main activities: oil operations including exploration, mining, production, refining, transportation, sales and marketing, import export operations.

**Prepared by the agency «IRBIS»**