

WEEK OF STOCK MARKET OF KAZAKHSTAN

March 22 - 28

1 US dollar = **145.45** tenge at official rate for the end of the period
 1 US dollar = **145.44** 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 March 22 - 28. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Investment attractiveness of stock exchange instruments from March 22 through 28				
Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
RENTb	USD	15.00 (15.00)	0 (0)	0 (0)
VITAb2	USD	14.61 (13.52)	1.2 (0)	8.0 (0)
Securities repo	USD	*14.40 (15.29)	524.9 (311.9)	3,608.8 (2,143.2)
SMGZb1	USD	13.00 (13.00)	0 (0)	0 (0)
KZASb1	USD	12.00 (12.00)	14.7 (159.2)	101.2 (1,093.7)
RGBRb2	USD	12.00 (12.00)	0.5 (0.5)	3.1 (3.1)
BTASb1	USD	11.50 (11.30)	26.6 (0)	182.7 (0)
KARMB1	USD	10.70 (10.90)	0 (0)	0 (0)
CCBNb1	USD	10.62 (10.62)	0 (0)	0 (0)
ATFBb	USD	10.20 (9.76)	0 (0)	0 (0)
HSBKb	USD	10.00 (10.50)	0 (0)	0 (0)
KZTOb	USD	10.00 (10.15)	174.7 (113.3)	1,200.8 (778.1)
TEBNb	USD	9.82 (7.84)	0 (0)	0 (0)
KZOLb	USD	9.60 (10.10)	14.9 (7.4)	102.1 (50.6)
KKGBe2	USD	9.50 (9.50)	0 (0)	0 (0)
MEKKAM, notes	KZT	*5.47 (6.23)	134.8 (1,910.1)	926.8 (13,123.0)
SYRGb1	USD	8.50 (-)	0 (0)	0 (0)
GB repo	KZT	*4.34 (5.29)	0.1 (5,406.5)	1.0 (37,145.1)
TMJLb	USD	8.06 (8.25)	0 (0)	0 (0)
Euronotes-4	USD	7.65 (7.96)	198.8 (380.9)	1,366.6 (2,616.9)
Euronotes -3	USD	7.13 (7.58)	264.1 (1,169.4)	1,815.7 (8,034.3)
Euronotes -2	USD	6.43 (6.71)	545.4 (177.9)	3,750.0 (1,222.0)
Securities repo	KZT	*2.00 (2.02)	51.4 (34.9)	353.6 (239.6)
ALKSb	USD	5.72 (8.21)	0 (0)	0 (0)
KKGBb	USD	5.50 (5.49)	0 (0)	0 (0)

Notes: yields of BTASb1, KZASb1, KZOLb, KZTOb and VITAb2 are calculated as average of the deals, yields of other corporate bonds are calculated as average of offer bids.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **negative 3.92% APR** (tenge revalued against the dollar).

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 March 27, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	6.88	-0.62
2 weeks	KZT	7.75	-0.42
1 month	KZT	8.88	-0.12
2 months	KZT	9.88	+0.21
3 months	KZT	10.50	+0.17

During this period indicative offering rates of the shortest deposits were closely reacting to the increase in the market liquidity in tenge. Big volumes of sales of the dollars by the companies at the KASE on the threshold of the end of March caused the inflow of tenge into correspondent accounts of the second tier banks, which has a reflection in the dynamics of the rates. However, the longest deposits become expensive this week. Such a pattern is typical at the end of the month, and even more, the quarter. In general, offering rates behave themselves very quietly in March and fluctuate at about the same level that corresponds to the rates of the last day of the period being analyzed.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 28 deals amounting to **\$3,229.4 th.** (KZT469.7 mln) were made **in purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$3,756.3 th., KZT546.7 mln, 34 deals) weekly turnover of the sector decreased by 14%. It should be noted that the volume of the securities trades was high at the KASE recently. For example, during this period the volume of deals exceeded \$1 mln on two days, and the other two days were a little less than a million. Thanks to the activation of the brokers now March is already taking a record high rank in terms of the volumes of deals among other months of this year.

However, IRBIS analysts are not tend to consider this turnover growth in this sector a result of an objective expansion of the securities market. It is more like the activation that resulted by the end of the quarter. This pattern is clearly traced from early 2000: the biggest volumes of the deals were observed in the first month of each calendar quarter. Such a seasonal pattern is explained by a narrowness of the Kazakhstani securities market, which is used mostly by affiliated companies (broker-dealer firms, banks, PAMC) to redistribute the money. In other words, the securities market reminds the money market rather than a segment of the stock market. From this angle of view it becomes clear why the turnover growth of the securities market at the KASE usually matches the periods when the cost of the money is the lowest and the liquidity of the market in tenge is the highest. It is these periods that the deficit of financial instruments becomes acute, and causes the money turnover to become active among affiliated structures.

The most traded, based on the volumes of the deals, were **coupon bonds of NOTC KazTransOil OJSC** (37.2% of sector's turnover). Then, there were common shares of Bank TuranAlem OJSC (26.9%) and common shares of VALUT-TRANZIT BANK OJSC (23.7%). Last week coupon bonds of DAGOK Kustanaiasbest OJSC were the leaders.

By the last deals of the period the price of BTAS decreased by 0.1% relative to the previous successful trades. The value of KZOLb rose by 0.1%. The yields of KZOLb fell from 10.10% to 9.70%, KZTOb grew from 10.2056% to 9.4998% APR. The yields of VITAb2 grew from 14.5000% to 14.6142% APR. The yields of BTASb1, KZASb1 did not change at 11.50% and 12.00% APR, respectively.

The KASE_Shares index that reflects the changes in the ask bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers, fell by 0.0030 during the week, at **101.8558** at March 28 closing. The values of the indexes of corporate bonds market (changes during the week are in parentheses) are: **KASE_BY – 17.70 (-4.17%)**, KASE_BP – 110.69 (+0.83%), KASE_BC – 103.48 (+0.71%). It is interesting to note that the yields of corporate bonds were declining quickly during the week, and based on the KASE_BY index, which surpassed the comparable parameters of the sovereign euronotes of the country (KASE_EY index fell only 1.42%). This was caused, to a certain degree, by a beginning of the quotations of SHNOS OJSC bonds (SYRGb1) at the KASE. With its big proportion of the market capitalization (9.5%), the market-maker began to quote the SYRGb1 320 base points lower the average index value.

On March 28, 2001 **the capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,403.2 mln** or KZT204.1 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number decreased **by \$0.3 mln** in terms of dollars is explained by a change in weighted average rate of tenge to dollar and partially by a symbolic decline in the value of BTAS.

The capitalization of corporate bonds market of the Exchange by their best ask prices, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$259.7 mln** as of March 28, or KZT37,772.7 mln. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$261.8 mln** as of this check date, or KZT38,073.7 mln.

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

Results of the trades in shares from March 22 - 28

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.1540	0.3080
Aktobemunaigas JSC	AMGZp	*8.35		0		*15.00
Bank TuranAlem OJSC	BTAS	70.12	71.32	12 166	73.59	70.01
Bank CenterCredit OJSC	CCBN	1.3393		0	1.3408	1.3746
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	0.9000	1.8000
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0.2500	0.5000
Kazakhtelecom	KZTK	14.500		0	12.000	16.500
Kazakhtelecom	KZTKp	*8.000		0	8.000	12.000
Rakhat JSC	RAHT			0	*0.42	*1.30
SAUR OJSC	SAYR			0		*0.3400
SHNOS OJSC	SYRG			0	1.3000	
ULBA JSC	ULBAp	*10.00		0		*10.31
UKTMK OJSC	UTMK	*50.000		0	5.000	80.000

To be continued on the page 3

Results of the trades in shares from March 22 - 28

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
UKTMK OJSC	UTMKp	*4.3100		0	5.0000	50.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5062	2.5058	306 000	2.5062	2.5053
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	1.3751	2.3024

Results of the trades in bonds from March 22 - 28

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	15.8542		0	23.3293	7.9414
AMB CJSC	ATFBb	USD	10.5979		0	10.4343	10.2845
Bank TuranAlem OJSC	BTASb1	USD	11.5000	11.5000	182.72	11.5000	11.5000
Bank CenterCredit OJSC	CCBNb1	USD	11.6998		0	11.9877	10.6165
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.2702		0	13.5000	10.5001
Karazhanbasmunai OJSC	KARMB1	USD			0	11.0274	10.8978
KAZKOMMERTSBANK OJSC	KKGBb	USD	7.00		0	10.51	5.51
DAGOK Kustanaiasbest OJSC	KZASb1	USD	12.0000	12.0000	101.24	12.0000	12.0000
NOC Kazakhoil CJSC	KZOLb	USD	9.7000	9.6000	102.12	9.5000	9.7000
NOTC KazTransOil CJSC	KZTOb	USD	9.4998	9.9908	1 200.85	9.2008	10.2853
RENATA LLP	RENTb	USD			0		*15.00
RG BRANDS LLP	RGBRb2	USD	12.0000		0	12.7000	12.0000
SHAHARMUNAIGAS OJSC	SMGZb1	USD			0	19.0000	13.0000
SHNOS OJSC	SYRGb1	USD			0	12.0017	8.4985
Temirbank OJSC	TEBNb	USD	6.6943		0	17.6454	9.8357
Kazakhstan Temir Joly NSE	TMJLb	USD	9.6501		0	8.4992	8.2499
VITA LLP	VITAb2	USD	*14.6142	14.6142	8.02	14.4759	14.6142

Notes: bid and ask 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.

In the securities repo sector 5 deals were made during the week for a total of \$449.9 mln (KZT65.4 mln). Of this number 4 deals (\$283.3 th.) were repo opening deals and 1 (\$166.6 th.) repo closing deal. At the end of the period 21 securities repos in dollars and tenge were opened on the trade floor of the Exchange for a total of **\$3,962.4 th.** Common and preferred shares of VALUT-TRANZIT BANK OJSC, preferred shares of Kazakhtelecom, bonds of VITA LLP, SHAHARMUNAIGAS OJSC, NOC KAZAKHOIL CJSC, NOTC KazTransOil CJSC, NSE Kazakhstan Temir Joly, Bank TuranAlem OJSC were used as the object of repo deals. The terms vary from 5 to 17 days, and at 2.00% APR. It should be noted that during the period the participants were changing the parameters of open repos (early closing or extension) often. As a result, the data presented here may not match those published by IRBIS in previous reviews.

Total of 33 deals amounting to **\$3,679.3 mln (KZT535.2 mln)** were made in securities on trade floors of KASE during last week (purchase and sale and repo sector). A week ago volume of 53 deals was \$7,313.9 mln.

Changes in trade lists

Based on the application of the trade member of the Kazakhstan Stock Exchange (KASE), **from March 27, 2001 common inscribed** (KZ1C29140414, trade code – RAUS) and **preferred inscribed** (KZ1P29140419, trade code – RAUSp) shares of **RAUSHAN OJSC** (Almaty) are admitted to the trades in “Non-listed securities” sector under the second admittance level. Announced and paid authorized capital of the company is KZT6,699,100.00 and consists of 66,991 shares at KZT100 each, including 60,292 common inscribed and 6,699 preferred inscribed shares. Primary activities of the company are cargo transportation services.

SECTOR OF GOVERNMENT BONDS (GB)

Secondary market

In GB purchase and sale sector of KASE total volume of 53 deals equaled **KZT1,538.5 mln.** Last week the turnover equaled KZT3,894.9 mln with 54 deals made. Based on these figures, it becomes clear that the sector is having not the best times, though there is enough free money on the market. The underlying reason is upcoming end of the month, when banks “create correspondent accounts” in order to meet the National Bank requirements on the liquidity, as well as the fast decreasing returns of almost all the bonds (see the table). This trend is prevailing on the primary market of GB, where great and soft in terms of prices, demand allows the issuers to lower the returns. On the secondary market it is better for the sellers to fix the profit, as the current returns greatly exceed those existed when the bonds were purchased recently. However, there is no deficit of tenge and it is senseless to sell GB, there is no where to invest free money. It is partially used on primary market. During this period the Ministry of Finance and the National Bank offered GB for a total of **KZT5.3 bln**, and total demand reached KZT7.5 bln. “Excessive” demand is strictly cut off by the Ministry of Finance.

A noticeable decline in the proportion of the deals made at the Exchange (see below) played a certain role in the decrease of the GB turnover at the Exchange. The results of an analysis of the interbank deals did not allow the IRBIS analysts to find the reasons of the interbank component growth.

The turnover structure deformed during the week towards the shrinking of the market of MEKKAM and the notes, which are getting less and less in the circulation. On the contrary, MEOKAM is gradually conquering the market. It should be mentioned that there is some commotion in the segment where euronotes circulate. Approaching coupon payment on the bonds of the second issue made the investors to restructure their portfolios, which affected the proportions and the turnover volumes of these bonds.

By the results of the week the dynamics of the KASE indexes that indicate the condition of the market of Kazakhstani sovereign debt at the Exchange is as follows (in parentheses - weekly changes): **KASE_EY**, index of euronotes returns – equaled **7.22 (-0.10%)**; **KASE_EP**, index of “dirty” prices, – 126.34 (+0.40%); **KASE_EC**, index of “clean” prices – 114.70 (+0.26%).

Parameters of stock exchange transactions in GB from March 22 - 28

(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		
Discounted GB: MEKKAM-6, 12, notes				8.8% (49.0%) of purchase and sale sector's turnover		
less than 8	3.50	3.50	3.50	3.50 (4.71)	20.0	2
8 – 14	6.54	6.54	6.54	6.54 (4.16)	0.1	1
15 – 28	4.20	5.50	4.50	4.59 (–)	40.7	4
29 – 36	5.40	5.40	5.40	5.40 (6.20)	8.0	1
43 – 56	5.28	6.17	6.17	5.94 (6.45)	19.3	3
64 – 91	5.41	5.41	5.41	5.41 (5.91)	15.9	3
92 – 181	7.15	7.15	7.15	7.15 (7.45)	30.8	1
Total					134.8 (1,910.1)	15 (17)
Coupon GB: MEOKAM-36, MEOKAM-24				25.7% (6.0%) of purchase and sale sector's turnover		
569 – 680	10.01	12.30	10.85	11.48 (13.05)	341.0	3
968 – 1,079	10.20	15.08	10.20	11.45 (23.14)	54.4	8
Total					395.4 (234.1)	11 (4)
Euronotes of Kazakhstan, USD				65.5% (44.4%) of purchase and sale sector's turnover		
544 – 547	6.24	6.97	6.61	6.43 (6.71)	545.4	13
1,280 – 1,283	6.88	7.31	7.16	7.13 (7.44)	264.1	6
2,204– 2,206	7.56	7.72	7.69	7.65 (7.96)	198.8	8
Total					1,008.3 (1,728.1)	27 (30)
SUBTOTAL					1,538.5 (3,894.9)	53 (54)

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 GB repo sector 28 deals for a total of KZT1,781.1 mln were made during the period. Of this number 16 deals (for KZT1,023.6 mln) were repo opening deals and 12 (KZT757.5 mln) were repo closing deals. Last period the turnover of this sector of the market was registered at KZT12,731.3 mln. Continuing growth of the market liquidity in tenge accompanied by the decline in the repo rates contributed to the decrease in turnover of this sector. After closing of the trades on March 28 total amount of opened repo equaled **KZT3,223.9 mln**. Current weighted average rates as of March 28 (% APR) equaled: for 1 day – 2.63; for 18 days – 8.00; for 20 days – 6.60; for 21 days – 8.00; for 22 days – 7.00; for 29 days – 8.00; for 30 days – 7.51; for 31 days – 8.05.

Total of 81 deals amounting to **KZT3,319.6 mln** were made in GB **on trade floors of KASE** during last week (purchase and sale and repo sector). A week ago volume of 161 deals was KZT16,626.2 mln. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GB for comparable operations (including euronotes and repo operations) equaled **58.1%**, for last week it was 73.1%.

INFORMATION ON COMPANIES

Due to an activation of the trades at the Kazakhstan Stock Exchange (KASE) upon putting out the quotations of MEIKAM, GB of the Ministry of Finance indexed towards the inflation, the Exchange on the basis of the Board's decision of March 26, 2001, made changes and amendments to the internal document “**Calculation of the deal amount and yields of the bonds**”. “General definitions” section now contains the definition of MEIKAM as indexed state treasury bills. Moreover, it was specified that MEIKAM, both as NSB (national savings bonds), are quoted at the KASE in “**dirty**” prices (including accumulated interest), and yields to maturity of MEIKAM and NSB are not calculated in the trade system of the KASE. The need to put out the quotations of NSB and MEIKAM in “dirty” prices is explained by a floating coupons of these bonds. As the experience shows, no unified calculation method of the yields of these bonds has settled on the Kazakhstani market. Each participant is tend to predict the factors that affect the yields his own way. Therefore, the Exchange can not assume a responsibility to calculate accumulated interest for the deals made on secondary market based on the method that it considers justified, and leaves the participants with the right to determine this parameter of the deal by themselves.

INFORMATION ON COMPANIES

On **March 27, 2001** trades in first issue **inscribed coupon bonds of SHNOS OJSC** (KZ2CUY03A339, official list of the KASE securities under category "A", trade code **SYRGb1**; \$100; \$25 mln; Feb 26, 01 - Feb 26, 04; semiannual coupon at 10.0% APR) will begin at the Kazakhstan Stock Exchange (KASE). The quotation accuracy of the bonds in the trade system of the KASE is set at four decimal places. Market-maker of the SHNOS OJSC bonds at the KASE is **KAZKOMMERTSBANK OJSC** (Almaty), which will start putting out mandatory quotations of SYRGb1 from indicated date. Minimum volume of mandatory quotations is set at **30 securities**. First issue inscribed coupon bonds of SHNOS OJSC were entered into the KASE list of securities on March 5, 2001.

Kazkommerts Securities OJSC (Almaty) - financial consultant of Karazhanbasmunai OJSC (Aktau) on entering the company bonds onto the stock market - sent official notification to the Kazakhstan Stock Exchange (KASE) that the placement of **the first issue of inscribed coupon bonds of Karazhanbasmunai OJSC** (KZ73BAQLBA36, official list of the KASE securities under category "A", trade code KARMb1; \$100; \$20 mln; Dec 20, 00 - Dec 20, 03; semiannual coupon at 11.0% APR) **has finished**. Based on Kazkommerts Securities OJSC data, **48.93%** of the issue volume was purchased by commercial banks, **51.00%** - private accumulative pension funds, and **0.07%** by other investors. The bonds were offered at face value. The first issue Karazhanbasmunai OJSC bonds passed the KASE listing under category "A" on December 8, 2000. Based on issue terms, floatation term of the issue is 3 years. The trades opened at the Exchange on January 5, 2001. No deals have been made in these bonds at the KASE since then. The market-maker of the bonds at the Exchange is Kazkommerts Securities OJSC. Current return of the bonds based on the bids is (% APR) **10.7900 / 11.0274**.

TEMIRBANK OJSC (Almaty) sent official notification to the KASE of the results of the contest on selection of a market-maker for his shares and bonds at the KASE, which are in official list of the Exchange under category "A". The winner of the contest is **TuranAlem Securities OJSC (Almaty)**, which will start working as a market-maker of common inscribed (KZ1C00260413, trade code - TEBN) shares of TEMIRBANK OJSC **from April 2, 2001**. Due to small issue volume of the preferred shares owned by a limited number of persons, who are not going to sell them, TuranAlem Securities OJSC was freed from putting out mandatory quotations of these securities at the KASE.

Previously, the market-maker status of first issue coupon bonds (KZ75KAMJ8A57, trade code - TEBNb) of TEMIRBANK OJSC at the KASE belonged to KBS Securities LLP (Almaty). However, this company made a decision to voluntarily resign the market-maker status from March 26, 01. From February 1, 2001 Bank TuranAlem OJSC was granted a specialist status of the bank bonds. From March 21, 01, by the decision of the Board of KASE, KBS Securities LLP was barred from the securities trades at the Exchange due to the resolution of the National Securities Commission of Kazakhstan, dated March 19, 01 on suspension of the partnership's license on conducting brokerage and dealing activities on the stock market. Thus, TEMIRBANK OJSC had no market-maker at all, which contradicts with the listing requirements of the official list of the KASE securities under category "A". Now the incompliance was eliminated and the mandatory quotations of the shares will resume.

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