

# WEEK OF STOCK MARKET OF KAZAKHSTAN

December 4 – December 10

Money market indicators as of December 10 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo at KASE(TONIA)</b>			
1 day	KZT	1.60	+1.01
<b>Repo opening at KASE (WA, % APR)</b>			
1 day	KZT	1.59	+0.94
8 days	KZT	7.00	+2.57
14 days	KZT	4.70	+0.70
26-28 days	KZT	5.63	+0.90
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	5.67	-0.83
2 weeks	KZT	6.50	-0.75
1 month	KZT	7.33	-0.17
2 months	KZT	8.25	0
3 months	KZT	9.00	0

Stock market indicators as of December 10 and their change for the period

Index	Value	Trend
<b>Shares of “A” listing</b>		
KASE_Shares	141.61	-3.61%
<b>Corporate bonds of “A” listing</b>		
KASE_BP	153.97	+0.76%
KASE_BC	123.44	+0.66%
KASE_BY	7.63	-2.14%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	149.69	-0.02%
KASE_EC	108.68	-0.25%
KASE_EY	4.20	+1.79%

US dollar = **145.32** tenge at official rate for the end of the period.  
 US dollar = **145.09** tenge at weighted average rate of the Exchange for the end of the period.  
 Rate of tenge devaluation for the period at the Exchange’s rate – **negative 19.2% APR.**

## THE CORPORATE SECURITIES MARKET (CS)

### Primary floatation sector

On December 4 in Kazakhstan stock exchange’s (KASE) trade system there were held specialized trades on primary floatation of **indexed on inflation level mortgage bonds of Kazakhstan Mortgage Company CJSC** (Almaty) of the third issue (KZ2CKY10A986; KZIKb3, KZT1, KZT5 bn.; December 1, 03 – April 1, 14, semi-annual floating coupon, 30/360). The issuer offered to market participants bonds of total face value KZT500.0 m., what corresponds to 10.0% of registered issue volume. The subject of trades was the value of the fixed margin, which participants specified in their bids as the price. This parameter, on one hand, determines the amount of a coupon rate of bonds, which on these trades was to be determined based on the first deal concluded (coupon rate for the first half a year of circulation is calculated using the amount of a fixed margin and inflation rate in annual expression for the period from November 2002 – November 2003 – 7.3%), on the other hand – it is a price parameter, as the issuer used it to calculate the price of each bid on a certain value of a coupon rate. Limited (competitive in GS market’s

Investment attractiveness of stock exchange financial instruments since December 4 till December 10

Financial instrument	Currency of transaction	Yield, % APR	trend
<b>Non-indexed instruments</b>			
UKPFb1	KZT	14.00	-1.50
ARNAb1	KZT	12.50	+0.50
TXBNb1	KZT	12.33	+0.60
TXBNb2	KZT	11.00	0
HSBKb3	KZT	9.50	-0.01
EUBNb1	KZT	8.00	–
CS repo*	KZT	8.47	+1.15
UKTCb1	KZT	8.00	–
INCAb1	KZT	7.34	–
MEOKAM, MEAKAM	KZT	5.77	-0.12
MEKKAM, notes*	KZT	4.89	+0.33
GS repo*	KZT	1.94	-0.44
<b>Instruments indexed on inflation</b>			
KZIKb3	KZT	8.21	–
CCBNb3	KZT	8.17	-0.33
BTASb3	KZT	7.90	-0.10
KZIKb2	KZT	7.37	-0.10
KZIKb1	KZT	5.74	+1.03
<b>Instruments indexed on devaluation</b>			
VITAb3	USD	11.46	-0.13
ORDBb1	USD	11.00	0
RGBRb3	USD	10.21	-0.29
ALKSb2	USD	10.10	+0.05
CSBNb2	USD	9.50	-0.25
ASFIb2	USD	9.50	-0.95
KZTCb1	USD	9.41	+1.27
VTBNb1	USD	9.39	-0.43
TEBNb3	USD	9.00	0
BTASb2	USD	8.89	-0.71
ASBNb1	USD	8.52	0
ASBNb2	USD	8.50	–
CSBNb1	USD	8.20	0
TEBNb2	USD	8.00	0
HSBKb	USD	8.00	0
CCBNb1	USD	8.00	0
ASFIb3	USD	8.00	–
BTASb1	USD	8.00	-0.50
CCBNb2	USD	8.00	-2.80
LARIb1	USD	7.75	0
TEBNb	USD	7.51	-0.02
SYRGB1	USD	7.50	-0.50
KZTKb1	USD	7.50	+2.00
ARU060.003	USD	7.00	+1.40
ALBNb1	USD	7.00	0
HSBKb2	USD	7.00	-0.30
KKGBb2	USD	7.00	0
KZASb1	USD	7.00	-5.00
ART060.004	USD	6.50	0
NRBNb2	USD	6.16	-0.05
NRBNb1	USD	6.02	-0.01
ATFBB2	USD	6.00	0
BRKZb1	USD	6.00	0
KZAPb1	USD	5.84	+0.16
KZPSb1	USD	5.83	+0.03
AST048.005	USD	5.78	+0.53
TMJLb2	USD	5.55	+0.20
AST036.004	USD	5.52	+0.53
AST048.006	USD	5.44	+0.07
VKU036.002	USD	5.00	0
KARMB1	USD	5.00	0
ASU036.003	USD	4.81	+0.28
VKU036.001	USD	4.00	0

terminology) and market (uncompetitive) bids were admitted to the trades. Stake of market bids satisfaction was 70%. A total of 6 KASE's members took part in the trades, having submitted 29 limited bids on behalf of themselves and their clients. By the moment of ending of the time for bids presenting there were 18 orders to purchase 1,092,280,000 bonds in the trade system for the total amount of 1,320,000,000 bonds (KZT1,320.0 mn). Thus, total demand exceeded supply 2.6 times. 11.4% in total volume of demand were controlled by bids of Kazakhstan pension funds, 60.6% – by bids of second-tier banks, 28.0% - by clients of brokers. Margin in these bids varied between 0.50% (corresponding to 7.80%APR coupon rate) to 3.00%APR (10.00%APR). Weighted-average margin on demand amounted to 1.41%, what corresponds to 8.71%APR coupon rate. The issuer used value of **1.00%** as a cut-off margin, as a result of which the coupon rate on bonds during the first year of circulation was determined at **8.30%** level.

According to results of the trade the issuer has satisfied 7 bids submitted by KASE's two members on behalf of two investors for purchasing of **500,000,000 bonds** having thereby floated the whole planned volume. Non-cut-off bids were satisfied for the amount of **KZT506,789,858.94**. Clean prices in rejected bids varied from 100.0160% (margin – 1.00%; yield-to-maturity for investor – 8.3000% APR) to 103.5156% (0.5%; 7.8000%APR). Weighted average price amounted to 101.2781%, which corresponds to expected yield-to-maturity for investor, calculated based on parameters of the first coupon period, in amount of **8.12%**. Therefore, bonds were floated at premium. According to results of the trade second-tier banks purchased the 60% of bonds and clients of broker companies bought 40.0%.

**On December 4** in trade system of Kazakhstan Stock Exchange (KASE) specialized trades on primary floatation of **discount bonds of Intergas Central Asia CJSC** (Almaty) of the first issue (KZ2CKY01A951; INCAb1; KZT100.0, KZT4,963,725.0 ths, December 1, 03 – December 1, 04, act/act) were held. Trades, at which the issuer planned to float all registered bonds (49,637,250 pieces), were conducted by open trade method, in the course of which exchange's members submitted 51 bids to purchase bonds. Having analyzed the parameters of the demand the issuer and fits financial consultant recognized floatation as failed "on the reasons of unsatisfactory low yield and volume of bids offered by investors". As a result, bids for bonds sale were not submitted during trades. In connection with this KASE has received official request from Fondoviy Service JSC (Almaty) to hold an additional specialized trades on December 5 of 2003 at following conditions.

**On December 5 of 2003** specialized trades were conducted from 11.30 a.m. to 1.00 p.m. of Almaty time. A total of 13 bids for bonds purchase were submitted. Prices in bids varied from 93.1371% (7.4500% APR) to 93.26600% (7.3000% APR). According to results of the trade the issuer satisfied by counter bids demand of 10 investors for purchasing of **49,637,250 bonds** for a total of **KZT4,627,654,907.03**, having floated by it the whole registered volume of the issue. Prices in the satisfied bids varied from 93.2229% (7.3501% APR) to 93.2660% (7.3000% APR). Weighted average price of deals was **93.2295%**, that corresponded to yield to maturity for purchaser at the rate of **7.3425% APR** while weighing through the volume of conducted deals. According to results of the trade 88.7% of bonds have been purchased at the expense of pension assets of accumulative pension funds, 10.7% - by Kazakhstan banks, 0.5% - by broker-dealer companies' clients.

**On December 10** in KASE's trade system Kazakhstan Mortgage Company CJSC again offered to investors its bonds of the third issue in the volume of 500 units. The trades were held on quotations in dirty prices with bid satisfaction at cut-off price and following T+1 settlement scheme. Stake of market bids satisfaction – 70%. Total of 5 KASE's member took part in the trades, by having submitted 15 limited bids on their own behalf and behalf of their clients. By the moment when deadline for submitting bids passed, there were 9 orders left for the purchase of 926,300,000 bonds for total amount KZT926,095,668.10. Thus, aggregated demand exceeded supply 1.9 times. Prices submitted with bids varied between 99.5636% (forecasted yield-to-maturity of 8.40%APR for the buyer) and 100.3186% (8.29%APR). Weighted average demand price totaled to 99.9790%, what corresponds to 8.34%APR yield. Figures were weighted according to tenge amount of bids. In total volume of 21.6% were controlled by bids of accumulative pension funds, 43.2% - by second-tier banks, 2.7% - by broker-dealer companies, 32.5% - by their clients. According to results of the trades the issuer satisfied 4 bids, submitted by four KASE members, for the purchase of **451,300,000 bonds** for **KZT452,340,246.50**, having

Financial instrument	Currency of transaction	Yield, % APR	
		value	trend
<b>Instruments denominated in foreign currency</b>			
KKGBe4	USD	7.72	-0.17
BTASe3	USD	7.46	-0.01
BRKZe2	USD	7.37	+0.59
BTASe2	USD	7.07	-0.42
KKGBe2	USD	7.00	0
KZTOe1	USD	5.82	+0.05
KKGBe3	USD	5.81	-0.52
BRKZe1	USD	5.66	-0.15
IFO bonds	USD	4.26	+0.06
BTASe1	USD	3.58	-0.37
ENU07.05	USD	2.99	-0.05
ENU04.10	USD	2.63	-
IFO bonds	EUR	2.59	+0.14

The yields of bonds at which the deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations. Trends are given relative to previous week. Securities marked by asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

thereby floated 90.3% of planned volume. All bids were satisfied at gross price of **100.2305%**, what corresponds to forecasted yield to maturity of **8.3020%APR** on compounded semiannually. By trades results, 11.1% of bonds were purchased at the expense of pension funds assets, 22.2% - by second-tier banks and 66.7% - by clients of brokerage firms.

### **Purchase-sale sector**

Here a total of 65 deals amounting to \$35,355.9 th. or KZT5,157.0 m. were made during the analyzed period at Kazakhstan stock exchange (KASE). In comparison with the previous period (84 deals, \$90,462.7 th. or KZT13,250.2 m.) volume of the sector decreased 2.6 times. During the analyzed period deals were made by KASE's 15 members on 28 instruments 21 of which were bonds. At that, 20.3% of gross-turnover (20.8% on purchasing transactions, and 19.7% - on sale transactions) were made at the expense of pension market's subjects. During the last week KASE's 18 members of "P" and "H" categories were interested in 32 securities, 23 of which were bonds. Stake of pension assets was 12.1% of gross-turnover, including 16.1% on purchasing transactions and 8.1% on sale transactions. It's obvious that the significant decrease of transactions volume in the sector was caused by outflow of investors' money to primary floatation sector.

At corporate bonds market yield of following securities rose during the week:

- ALKSb2 – from 10.05% to 10.10% APR;
- ARNAb1 – from 12.00% to 12.50% APR;
- BTASb3 – from 7.70% to 7.90% APR;
- KZTKb1 – from 6.75% to 7.50% APR;
- KZTOe1 – from 5.77% to 5.92% APR;
- TXBNb1 – from 11.73% to 11.79% APR;

Yield of following securities fell during the week:

- BRKZe1 – from 5.81% to 5.66% APR;
- BTASb2 – from 9.74% to 8.89% APR;
- BTASe1 – from 5.07% to 3.58% APR;
- BTASe2 – from 7.49% to 7.07% APR;
- CSBNb2 – from 9.75% to 9.50% APR;
- HSBKb3 – from 9.51% to 9.50% APR;
- KZIKb2 – 7.45% to 7.37% APR;
- KZTCb1 – from 9.50% to 8.00% APR;
- RGBRb3 – from 10.50% to 10.20% APR;
- SYRGb1 – from 8.00% to 7.50% APR.

Predominant falling of yield in presence of growth of bonds' prices was also reflected in behavior of indexes of the series KASE\_B\* (table in the beginning of the review). Peculiarity of the week was growing offer of international bonds from outside of pension market's subjects. On one hand, it was caused by the necessity to sell bonds SVP by pension market's subjects by the National Bank's instructions, on the other hand – by falling of dollar's rate in Kazakhstan as well as in the whole world. This time favorites of bonds market were BTASb3, which had recently appeared at the market. Capitalization of stock exchange's corporate bonds market rose within 7 days by \$43.7 m. and by December 10 it reached \$2,434.3 m. Main reason of this indicator's growth was including of bonds of VALUT-TANZIT TECHNOLOGY OJSC of the first issue and insubordinate bonds of ATFBank JSC of the third issue (see below) in KASE's trade lists.

At shares market KZMS still attract brokers' attention. Volume of three direct deals, which were made during the week at prices close to market prices reached \$12,755.5 th. As the result of these transactions share's price fell by 12.9% to KZT4,199.00, however deals of the biggest volume were made at KZT4,821.40 per security. Rate of CCBN also fell (by 2.4%) and ZERD (by 25% exceptionally on direct deals). Price of VTBNp rose by 0.4%. Cost of other shares remain on previous level (see table below). The described price dynamics was the reason of decrease of capitalization of stock exchange's shares market by \$88.6 m. to \$2,388.1 m.

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

**Results of the trades in bonds within December 4 – December 10 (% APR, unless otherwise specified)**

<b>Issuer</b>	<b>Bond code</b>	<b>On the last deal</b>	<b>Volume, th, USD</b>	<b>Pur-chase</b>	<b>Sale</b>
DB Alfa-Bank OJSC	ALBNb1	8.9999	0	10.0000	7.0000
Almaty Kus OJSC	ALKSb2	10.1000	6.9	10.1000	10.1000
ARNA OJSC	ARNAb1	*12.5000	7.2	12.0000	*12.5000
Alliance-Bank OJSC	ASBNb1	11.5000	0	11.5000	8.5200
Alliance-Bank OJSC	ASBNb2		0	9.5020	8.5018
Astana-finance OJSC	ASFib2	*10.4500	0	10.5000	9.5000
Astana-finance OJSC	ASFib3		0	9.0000	8.0000
ATFBank JSC	ATFBb2	8.9938	0	9.0000	6.0000
Development Bank of Kazakhstan JSC	BRKZb1	6.2715	0	9.0000	6.0000
Development Bank of Kazakhstan JSC	BRKZe1	5.6575	10.6	5.6527	5.6575
Development Bank of Kazakhstan JSC	BRKZe2	7.3739	160.8	7.0793	7.3739
Bank TuranAlem JSC	BTASb1	*8.5000	0	9.5000	8.0000
Bank TuranAlem JSC	BTASb2	8.8903	954.2	8.8903	8.8903
Bank TuranAlem JSC	BTASb3	7.9000	3,578.5	7.9032	7.9032
TuranAlem Finance B.V.	BTASe1	3.5765	623.5	3.5765	4.1368
TuranAlem Finance B.V.	BTASe2	7.0692	1,146.6	6.7239	7.1186
TuranAlem Finance B.V.	BTASe3		0	8.0756	7.4804
Bank CenterCredit OJSC	CCBNb1	12.2713	0	10.6500	8.0000
Bank CenterCredit OJSC	CCBNb2	10.8000	0	10.8000	8.0000
Bank CenterCredit OJSC	CCBNb3	10.2052	0	10.5000	8.5000
BANK CASPIAN JSC	CSBNb1	9.2992	0	10.4999	8.2000
BANK CASPIAN JSC	CSBNb2	9.4995	2,078.5	9.4995	9.5000
Halyk Bank of Kazakhstan JSC	HSBKb	8.4509	0	10.8000	8.0000
Halyk Bank of Kazakhstan JSC	HSBKb2	*9.3049	0	9.7296	7.0000
Halyk Bank of Kazakhstan JSC	HSBKb3	9.5000	34.3	9.5000	9.5000
INTERGAS CENTRAL ASIA CJSC	INCAb1	7.3500	25.7	7.3500	7.3500
Karazhanbasmunai OJSC	KARMB1	6.4989	0	7.9991	5.0010
KAZKOMMERTSBANK OJSC	KKGBb2	7.4588	0	8.5000	7.0000
KAZKOMMERTSBANK OJSC	KKGBe2	7.0658	0	10.0000	7.0000
Kazkommerts International B.V.	KKGBe3	6.4215	0	7.1141	5.8792
Kazkommerts International B.V.	KKGBe4	8.7780	0	8.1874	7.7374
NAC Kazatomprom	KZAPb1	8.0237	0	8.8000	5.8500
DAGOK Kustanaiasbest JSC	KZASb1	*12.0001	0	9.9998	7.0002
Kazakhstan Mortgage Company CJSC	KZIKb1	7.9999	0	7.7020	6.0000
Kazakhstan Mortgage Company CJSC	KZIKb2	7.3701	954.5	7.3672	7.3701
Kazakhstan Mortgage Company CJSC	KZIKb3		0	7.8000	7.8948
Kazpost OJSC	KZPSb1	8.5048	0	8.7000	5.9500
KazTransCom OJSC	KZTCb1	8.0000	23.6	8.0000	9.5000
Kazakhtelecom	KZTKb1	7.5002	28.8	7.4998	7.5002
KazTransOil CJSC	KZTOe1	5.9201	2,592.0	5.7287	5.9201
JB LARIBA-BANK OJSC	LARib1		0	10.7500	7.7500
Nurbank OJSC	NRBNb1	8.5000	0	9.0000	6.0300
Nurbank OJSC	NRBNb2		0	9.1000	6.2100
Corporation "Ordabasy" OJSC	ORDBb1	*11.0000	496.3	*11.0000	*11.0000
RG BRANDS OJSC	RGBRb3	*10.2000	2,152.7	10.2028	10.5703
PetroKazakhstan Oil Products JSC	SYRGB1	7.5001	106.4	7.5001	7.5001
TEMIRBANK OJSC	TEBNb	10.4996	0	9.0284	7.5285
TEMIRBANK OJSC	TEBNb2	10.9983	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3	8.9992	1,490.1	8.9992	9.0000
NC KTZh CJSC	TMJLb2	7.4122	0	8.4999	5.5500
TEXAKABANK OJSC	TXBNb1	11.7931	102.0	11.7713	14.0000
TEXAKABANK OJSC	TXBNb2	11.0000	1,087.2	11.0000	11.0000
UKBF CJSC	UKPFb1	*15.5000	0	15.5000	14.0000
AES Ust-Kamenogorsk HS OJSC	UKTCb1		0	10.0000	8.0000
VITA OJSC	VITAb3	17.9999	0	49.9999	12.0000
VALUT-TRANZIT BANK OJSC	VTBNb1	10.2427	0	10.6179	9.3906
<b>TOTAL</b>	<b>56</b>		<b>17,660.3</b>		

**Results of the trades in shares during December 4 – December 10**

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	10.50	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp	10.00	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
CNPC – Aktobemunaigas OJSC	AMGZ	*5,161.45	0	0	6,100.00	9,100.00
Astana-finance OJSC	ASFI	1,014.96	0	0	700.00	1,050.00
ATFBank JSC	ATFB	*1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp	999.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp8		0	0	1,000.00	1,500.00
Bank TuranAlem JSC	BTAS	*14,548.00	0	0	13,102.20	19,587.14
Bank CenterCredit OJSC	CCBN	*200.00	1,368,424	1,962.7	215.00	*200.00
BANK CASPIAN JSC	CSBN	171.00	0	0	171.00	256.50
BANK CASPIAN JSC	CSBNp	171.00	0	0	175.00	256.50
CHARALTYN JSC	HRLT		0	0	3.50	3.60
Halyk Bank of Kazakhstan JSC	HSBK	*120.00	15	0.01	160.00	*120.00
Halyk Bank of Kazakhstan JSC	HSBKp	167.20	0	0	160.00	180.00
Halyk Bank of Kazakhstan JSC	HSBKp7	180.00	0	0	160.00	180.00
KAZKOMMERTSBANK OJSC	KKGB	96.80	0	0	80.07	119.70
KAZKOMMERTSBANK OJSC	KKGBp	103.49	0	0	96.00	108.82
Corporation Kazakhmys JSC	KZMS	*4,199.00	385,319	12,755.5	4,821.40	*4,199.00
Kazakhtelecom	KZTK	3,566.88	0	0	4,000.00	4,352.70
Kazakhtelecom	KZTKp	1,472.11	0	0	1,455.80	2,176.35
TEMIRBANK OJSC	TEBN	1,000.00	5	0.03	1,000.00	1,000.00
TEMIRBANK OJSC	TEBNp		0	0	680.00	1,015.00
Tsesnabank OJSC	TSBN		0	0	700.00	1,050.00
TEXAKABANK OJSC	TXBN		0	0	18,000.00	20,000.00
UKTMC OJSC	UTMK	*6,145.00	0	0	4,076.24	6,093.78
UKTMC OJSC	UTMKp	3,000.00	0	0	2,500.00	3,750.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	1,547	3.7	*350.00	*350.00
VALUT-TRANZIT BANK OJSC	VTBNp	*451.71	960,363	2,950.7	454.71	375.00
Zerde OJSC	ZERD	*1.50	2,720,000	23.4	*1.50	1.00
<b>TOTAL</b>	<b>32</b>		<b>5,435,673</b>	<b>17,696.1</b>		

**Notes:** bid and offer prices for the period are given; if no deals were made during reporting period (volume =0), the last price of successful trades is given; marked by the star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals and indicators received with its using.

### Repo-transactions sector of CS

Here 53 deals were made in the total amount of **\$11,401.6 th.** (KZT1,657.1 m.) during the described period. 30 deals of them (in the amount of \$6,061.4 th.) were repo opening and 23 deals (in the amount of \$5,340.2 th.) – repo closing. During the previous week volume of deals in this sector amounted to \$18,492.7 th. (KZT2,709.9 m).

**In all at CS trade floors of KASE** a total of 141 deals amounting to **\$85,149.1 th.** (KZT12,400.9 m) were concluded within the analyzed period (including primary floatation sector and repo sector). During the previous period this indicator was \$113,864.2 th. (KZT16,680.2 m).

### Changes in KASE's trade lists

By the decision of KASE's Council dated December 3 of 2003 **bonds of VALUT-TRANZIT SECURITY LLP** (Karaganda) of the first issue (KZ2PKY08A904, VTSKb1; KZT1, KZT1.0 bn.; October 30, 03 – October 30, 11; annual coupon 10.0%APR) have been included in KASE's official "B" listing category. Date when the decision of the Exchange Council mentioned above comes in force will be announced later after the issuer pays the entrance and the first annual listing fees for these securities. Date of trades opening in the bonds at KASE will also be announced later. Financial consultant of the issue is Alliance Investment Management JSC (Almaty).

By the decision of KASE's Council dated December 3 of 2003 **bonds of VALUT-TRANZIT ZOLOTO OJSC** (Karaganda) of the first issue (KZ1CKY10A895, VTZLb1; KZT1, KZT2.5 bn.; October 29, 03 – October 29, 13; annual coupon 10.0%APR) have been included in KASE's official "B" listing category. The date when the decision of the Exchange Council mentioned above comes in force and date of trades opening in the bonds at KASE will be announced later. Financial consultant of the issue is Alliance Investment Management JSC (Almaty).

By the decision of KASE's Council dated December 3 of 2003 **bonds of VALUT-TRANZIT TECHNOLOGY OJSC** (Karaganda) of the first issue (KZ2CKY09A947, VTTHb1; KZT1, KZT1.0 bn.; November 6, 03 –

November 6, 12; annual coupon 10.0%APR) have been included in KASE's official "B" listing category. This decision took effect **since December 10**. Date of trades opening in the bonds at KASE will be announced later. Financial consultant of the issue is Alliance Investment Management JSC (Almaty).

By the decision of KASE's Council dated December 3 of 2003 **common shares of Bukhtarma cement company OJSC** (EKO, Zhyranovskiy region) of the first issue (KZ1C03832010, BHCK; KZT1,000.00, KZT314,780.0 th.) have been included in KASE's official "B" listing category. This decision took effect **since December 9**. Date of trades opening in the bonds at KASE will be announced later.

As was informed in the previous review, by the decision of KASE's Council dated December 3 of 2003 **insubordinate bonds of ATFBank JSC** (Almaty) of the third issue (KZ2CKY05A978; ATFBb3; KZT1, KZT4.5 bn, December 1, 03 – December 1, 08; semiannual coupon 8.5%APR) have been included into KASE's official "A" listing category. This decision took effect **since December 5**. Date of trades opening in the bonds at KASE will be announced later.

Detailed information about the issuers and their securities has been placed in KASE's web-site at <http://www.kase.kz/emitters/>.

## SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE total volume of 76 deals reached **KZT22,409.1 m.** (\$154,085.5 th.) during the analyzed period. Corresponding figure of the previous period – KZT15,776.1 m. (\$107,785.3 th.). Despite active participation of investors at the primary market of the corporate debt, the renewed work of the Ministry of finance concerned with its securities floatation at auctions and falling of the stake of stock exchange's GS turnover (see below), this sector of KASE's market goes on demonstrating growth of the deals volume almost on all types of securities. This growth, on one hand, was caused by the very high liquidity of the market on tenge, on the other hand – by the significant restructuring of investors' portfolios in favor of corporate bonds, which in a number of cases let protect revenues from growing inflation, and their yield is higher. During the analyzed period MEKAM and notes were sold mainly at falling prices that resulted in growth of their yield for purchaser and it had been caused by exceeding of offer over demand. Results of the conducted analysis give evidence about the fact that mainly banks sell mid-term GS. It's not excluded that the most mobile and qualified institutionally investor of the republic reacts for the grown inflation expectations in this way. There is still crisis in the sector of sovereign international bonds trading. Quick strengthening of tenge relative to dollar makes work with these instruments unprofitable.

### Parameters of Exchange's transactions in GS within December 4– December 10

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.		last deal	weighted average	Volume, mln tenge discounted	Number of deals
	min	max				
<b>Discounted (KZT): MEKAM, National Bank's notes</b>						
<b>20.0% (21.5%) of purchase and sale sector's turnover</b>						
less than 8	4.00	4.00	4.00	4.00 (2.43)	683.5	1
15 - 28	4.76	4.76	4.76	4.76 (3.50)	56.9	1
64 - 91	3.99	4.39	3.99	4.31 (4.70)	49.6	2
92 - 181	0.99	37.23	4.52	4.99 (4.47)	1,123.5	12
182 - 364	4.01	5.09	4.88	5.00 (4.59)	2,572.5	15
Total					4,485.9 (3,388.1)	31 (35)
<b>Coupon (KZT): MEOKAM-24, 36, 48, 60, 72, MEAKAM</b>						
<b>79.6% (78.5%) of purchase and sale sector's turnover</b>						
less than 730	4.58	5.75	4.58	4.87 (5.71)	3,780.0	14
731 - 1095	8.00	8.00	8.00	8.00 (5.38)	1.1	1
1096 - 1460	5.79	5.79	5.79	5.79 ( -)	249.3	2
1461 - 1825	5.80	6.40	6.09	5.90 (5.87)	13,711.1	20
1826 - 2190	6.40	6.40	6.40	6.40 ( -)	99.1	2
Total					17,840.6 (12,382.3)	39 (52)
<b>Coupon (USD): bonds of Atyrau oblast</b>						
<b>0.1% ( -) of purchase and sale sector's turnover</b>						
731 - 1095	7.00	7.00	7.00	7.00 ( -)	15.6	1
Total					15.6 ( -)	1 ( -)
<b>Euronotes of Kazakhstan (USD)</b>						
<b>0.3% (0.04) of purchase and sale sector's turnover</b>						
*310 - 313	2.63	2.64	2.64	2.63 ( -)	3.2	2
**1232 - 1236	2.98	3.03	2.98	2.99 (3.04)	63.8	3
Total					67.0 (5.8)	5 (1)
<b>TOTAL</b>					<b>22,409.1 (15,776.1)</b>	<b>76 (88)</b>

**Notes:** for euronotes (\* – third issue, \*\* – fourth issue) volume of the deals has been calculated at weighted average USD/KZT rate of the Exchange.

**In GS repo-transactions sector** 465 deals were made for a total of **KZT66,116.9 m** (including automatic repo sector) during the period. Of this number 245 deals (for KZT33,603.0 m.) were repo opening deals and 220 (KZT32,514.0 m.) – repo closing deals. During the previous period volume of transactions of this type was equal to KZT66,746.8 m. After closing of the trades on December 10 total amount of opened at KASE repo reached KZT16,012.6 m.

**Major parameters of automatic repo market on opening deals within December 4 – December 10**

(in parentheses – comparable figures of previous period)

Instrument (currency, term of repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	3.00	0.20	3.20	0.50	1.61 (2.07)	28,476.0	183 87.8 (87.1)
KZT_002	3.90	3.90	3.90	3.90	3.90 (2.06)	30.0	1 0.1 (0.8)
KZT_003	2.90	2.90	2.90	2.90	2.90 (3.00)	350.0	2 1.1 (1.4)
KZT_007	4.00	3.50	4.00	3.50	3.93 (4.76)	335.0	6 1.0 (3.8)
KZT_014	4.50	3.50	4.70	4.70	4.42 (4.00)	682.0	7 2.1 (2.1)
KZT_028	4.00	4.00	5.50	5.50	4.53 (4.85)	2,555.0	24 7.9 (4.8)
<b>TOTAL</b>						<b>32,428.0 (29,141.0)</b>	<b>223 (196) 100.0</b>

**Total of 541 deals were made at trade floors of KASE in GS** amounting to **KZT88,526.1 m** during the analyzed period. During the previous period volume of 569 deals reached KZT82,522.6 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **67.4%**, last week - 95.2%.

## PROMISSORY NOTES MARKET

On December 9 in KASE's trade system in "Promissory notes" sector KAZKOMMERTSBANK OJSC (Almaty) set indicative quotations for purchase of common six-months promissory notes of four premium quality issuers: NC KTZh CJSC (Astana, note's code N\_TMJL), NAC Kazatomprom (Almaty, N\_KATP), Kazakhtelecom OJSC (Astana, N\_KZTK) and KEGOK OJSC (Astana, N\_KEGC). Quotations were set with yield-to-maturity of 11.64%APR on stated rate with the volume of KZT100.0 mn of face value of promissory notes on each trade code.

As Yerlan Koishibayev, an employee of Treasury Department of Kazkommertsbank OJSC, stated, such quoting "has rather declarative nature and serves as an invitation to expand one's activity in this sector". In the opinion of traders of KAZKOMMERTSBANK OJSC the market of promissory notes of premium quality issuers has enormous perspectives, currently showing trend of Kazakhstan enterprises' increasing interest in short-term financing instrument, which would be liquid at secondary market like promissory note. According to Mr. Koishibayev KAZKOMMERTSBANK OJSC provides full range of services on promissory notes operations and serves Promissory note programs of major Kazakhstan companies.

We're reminding that trades in promissory notes at KASE were opened by the decision of Management Board of the exchange from March 4, 2002. At present, trades are held from 11.30 a.m. to 5.30 p.m. of Almaty time on working days **by direct deals making method**. That is, we are speaking about actual registration of deals at KASE and execution of settlements through the Exchange, rather trades itself. I.e. actually this is the matter of registration of deals at KASE and making settlements through the stock exchange, but not the matter of the trade. Since that time, only two deals on promissory notes were concluded at KASE. The first were made on March 13, 2002. The participants dealt with N\_KATP. The volume of two concluded deals with 8 promissory notes amounted to KZT3,570,999.98. Another part of transactions was made on February 26, 2003 with promissory notes of Almaty Kus OJSC (Chapayevo settlement, Almaty oblast). The volume of a deal equaled to KZT14,635,999.99.

On the basis of internal document of KASE "Rules of conclusion of promissory notes deals", approved by the decision of the Exchange's Council dated February 8, 2002, The List of payers on promissory notes currently includes Kazakhtelecom OJSC; NAC Kazatomprom; NC KTZh CJSC; KEGOK OJSC; SSOMPA OJSC (Rudny, Kostanai oblast, code - N\_SSGP); Almaty Kus OJSC (code - N\_ALKS). Banks, which are exchange's members of "B" category (the right to participate in trades in foreign currencies) and/or "K" (the right to participate in trades in GS), as well as non-banking organizations, which are exchange's member's of "P" category (the right to participate in trades in corporate securities). Conditions of traders admittance to participate in trades is regulated by internal documents of KASE.

## KASE'S NEWS

By the decisions of KASE's Board, during the described period **trades in following securities were opened** at the stock exchange in secondary market sector:

- since December 8 – in indexed on inflation rate mortgage bonds of Kazakhstan Mortgage Company CJSC (Almaty) of the third issue (market-maker is KIB ASSET MANAGEMENT JSC, minimal volume of compulsory quotation is 1,700,000 bonds);
- since December 8 – in indexed on tenge devaluation level bonds of Alliance Bank OJSC (Almaty) of the second issue (KZ2CKY03A924; KASE's official "A" listing category, ASBNb2; KZT1, KZT2.0 bn.; October 31, 03 – October 31, 05, semi-annual coupon 8.5% APR, market-maker is Alliance Investment Management JSC, minimal volume of compulsory quotation is 1,700,000 bonds);
- since December 9 – in common shares (KZ1C37561510; KASE's official "B" listing category, DNBN, KZT1,000.0; KZT1.0 bn.) of DANABANK OJSC (Pavlodar);
- since December 9 – in secured bonds of AES Ust - Kamenogorsk HS OJSC (Ust-Kamenogorsk) of the first issue (KZ2CKY03A874; KASE's official "A" listing category, UKTCb1, KZT1.0; KZT612.78 m., October 21, 03 – October 21, 06; semi-annual coupon 9.0% APR, market-maker is Alliance Investment Management JSC, minimal volume of compulsory quotation is 1,700,000 bonds).
- since December 10 – in discount bonds of Intergas Central Asia CJSC of the first issue (market-maker is Fondoviy service JSC, minimal volume of compulsory quotation is 17,000 bonds).

**Since December 11 of 2003 till January 27 of 2004** in KASE's trade system every working days there will be held specialized trades on primary additional floatation of privileged shares of VALUT-TRANZIT BANK OJSC (Karaganda). Total volume of issued shares is 9,125,000 units 6,250,000 of which the issuer intends to offer (other shares have been floated already). Price of shares floatation has been announced by VALUT-TRANZIT BANK OJSC on the level of KZT270 per share. The specialized trades will be held in KASE's trade system by open trades method by the scheme T+0 since December 11 till December 13 of 2003; since December 18 till December 19 of 2003; since December 22 till December 26 of 2003; since December 29 till December 30 of 2003; since January 5 till January 9 of 2004; since January 12 till January 16 of 2004; since January 19 till January 23 of 2004; since January 26 till January 27 of 2004. KG Securities LLP (Karaganda) will have exclusive right to submit bids for shares sale. Bids for purchasing shares will be accepted in KASE's trade system from 11:30 a.m. till 1:00 p.m. of Almaty time every mentioned day. Method of satisfying bids for purchase is by the rules set for open trades method (similar to the trades at the secondary market). On the reason trades in VTBNp at the secondary market have been open for long time already, these securities will be traded at the specialized trades under the code VTBNpA.

### **Prepared by Information agency of financial markets "IRBIS"**

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