

WEEK OF STOCK MARKET OF KAZAKHSTAN

May 8 –14

SUPPLEMENTAL INFORMATION

US dollar = **120.61** at official rate for the end of the period.

US dollar = **120.57** at weighted average rate of the Exchange for the end of the period.

Speed of tenge appreciation to dollar for the period at exchange's rate made **0.5% APR**

Money market indicators as of May 14 and change for the period

Indicator	Rate	Trend
TONIA	0.35	+0.003
Autorepo GS 7 days	4.04	+0.27
KazPrime-3M	8.97	+0.07

Stock securities' market indicators as of May 14 and change for the period

Index	Value	Trend
KASE	2,686.37	+2.44
KASE_BP	252.29	+0.89
KASE_BC	151.62	+0.96
KASE_BY	9.96	+0.29

MAIN NEWS OF THE MARKET

May 8 it was announced that **Moody's Investors Service downgraded the long-term bank deposit and unsecured debt ratings of Temirbank to Ba3 from Ba2**. The E+ bank financial strength rating ("BFSR") and Not Prime short-term ratings were affirmed. The outlook on all of the bank's ratings is now stable. The indicated rating activity of the agency was conditioned by the plans of BTA Bank to sell controlling stake of Temirbank JSC.

The event about merging of KAZAKHMYS PLC with EURASIAN NATURAL RESOURCES CORPORATION PLC came to its logic end on the current week:

- **May 12 Company KAZAKHMYS PLC informed on rejection of oriented and having optional character offer of EURASIAN NATURAL RESOURCES CORPORATION PLC (ENRC)**. This offer was sent to the company the day before, under the terms of it, Kazakhmys shareholders would receive for each share held 1,022 pence in cash and a dividend in specie of 0.413 ENRC shares. The proposal values each Kazakhmys share at approximately 1,550 pence, which is well below the current share price, in KAZAKHMYS PLC opinion.
- In response **May 13 ENRC declared that after a detailed evaluation of the potential combination, the Board of ENRC has decided not to make an offer for Kazakhmys at the current time**. Given ENRC's scale and diversity the Board continues evaluation of a number of opportunities to create further value for its shareholders, involving both investments in the existing businesses as well as mergers and acquisitions.

May 14 ATFBank JSC (Almaty) was assigned the status or the member of the Agreement on construction of Kazakhstan inter-bank deposits indicator KazPrime dated March 27, 2007 (the Agreement). The relevant statement submitted to KASE by the bank was considered by the participants of the Agreement, and each of them approved the initiative of ATFBank JSC on becoming a member of the Agreement. By the decision of the KASE Board of May 13, 2008, May 19, 2008 was set as the date of the beginning of quotes announcement for ATFBank JSC.

May 14 The National Bank of the Republic of Kazakhstan in its press release informed that Technical Committee on monetary-credit policy of the National Bank of Kazakhstan republic took the decision about extension of the list of assets, recognized as suitable to be accepted as underlying ones for refinancing operations of the NBRK. Thus, **while conducting inverse REPO operations, in the list of pawn security are included debt bonds of several banks, which being offered and being in circulation on condition of May 1, 2008 and agent debt securities of Kazakhstan Mortgage Company JSC**

SHARES MARKET

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 280 deals were made in shares during the analyzed period. Average daily volume made \$19,062.2 th. or KZT2,298.5 m. and increased compared to previous period (previous week weighted average volume made \$3,823.8 th. or KZT460.6 m.) by 5 times. At the same time 1.4% of operations in quantitative expression and 5.4% in volumetric were nego. In the previous period these indexes made 8.2% and 8.3% correspondingly.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 39 (36) members. In deals 20 (23) denominations of shares were included. At that: 3.1% (5.8%) of gross-turnover of the market – 1.7% (6.6%) on purchasing transactions and 4.6% (4.9%) - on sale transactions were controlled by pension market subjects; 43.4% (25.3%) of gross-turnover of shares – 45.0% (35.3%) - on purchasing transactions and 41.7% (15.3%) - on sales transactions went through the depo accounts, registered on physical persons during the week. At that 19.6% (25.5%) of gross-turnover – 38.7% (48.6%) on purchase and 0.4% (2.4%) on sales transactions went through accounts of non-residents.

In the described period weighted average daily prices of 50% (35%) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 30% (39%) – fell, prices of 15% (26%) remained unchanged. In the described period shares prices changed positively in the range from 0.31% (HSBKp1) to 28.95% (AMGZp), negative change – from 0.13% (GB_KZMS) to 12.00% (KKGBp).

Last week went on positive note for Kazakhstan market of shares. Optimism, conditioned by speculatively high prices on energy resources (oil price exceeded \$120 per barrel) developed into the growth of KASE index by 2.44% to local maximum 2,686.37 points. this point is higher than suggested by IRBIS analysts resistance on the level of 2,660 points. If index remain on this point during nearest days, then from the point of view of technical analysis, we can confidently tell about it fixing within new horizontal range.

No wonder, that accelerating agent of growth in this situation served common shares of oil producing Exploration production KazMunayGas JSC (RDGZ), which added 8.12% (KZT23,300.00) for a week. Let us remind that absolute maximum on this share was registered in January of current year on the point of KZT24,595.00 per share. Positive mood of traders on these shares were supported by publishing of positive results for 1-st quarter 2008. According to them, the volume of extraction increased by 26% in the 1-st quarter and net income – by 2.6 times.

The conjuncture of following week will be totally depend on situation on the world market of energy resources . In case oil will continue appreciation, KASE index, ruled by shares of extraction sector, will continue its buoyancy.

Detailed results of trades in shares on KASE are given in the table.

Results of share trades on KASE, including STF of RFCA within May 8 –14 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	Price, KZT per share:				Volume of deals th. USD	Num-ber of deals	Best for the period:			
	on the last deal:		for last 365 days:				bid	offer		
	min.	max.	price	trend, %						
aKZIK	10,050.00	10,050.00	10,050.00		10,050.00	10,050.00	56.68	2	10,050.00	10,050.00
AMGZp	49,000.00	49,000.00	49,000.00		29,978.20	75,000.00	140.21	1	49,000.00	49,000.00
aUTMK	25,000.00	26,000.00	25,000.00	-7.4	20,105.00	27,000.00	58.35	2	26,000.00	25,000.00
BTAS	65,850.00	71,000.00	71,000.00	+7.6	850.01	157,275.00	424.50	20	71,000.00	65,850.00
CCBN	1,410.00	1,470.00	1,410.00	-4.1	1,000.00	2,050.00	253.60	7	1,470.00	1,149.50
CHFM	990.00	990.00	990.00	0	900.00	1,400.70	2.46	1	990.00	990.00
CSBN	5,272.50	5,272.51	5,272.51	0	5,150.00	8,000.00	52.48	2	5,272.51	5,272.50
GB_ENRC	3,100.00	3,520.00	3,520.00	+17.3	2,600.00	3,520.00	135.85	8	3,520.00	3,100.00
GB_KZMS	4,000.00	4,010.00	4,010.00	+0.3	2,640.00	4,105.00	162.22	4	4,050.00	4,000.00
HSBK	500.00	510.00	500.00	-0.2	402.00	720.00	164.30	9	510.00	500.00
HSBKp1	295.45	322.00	321.99	+0.3	290.00	353.00	206.12	6	322.00	295.45
KIBN	330.00	330.00	330.00		110.00	665.00	29.70	3	340.00	330.00
KKGB	965.00	995.00	985.00	+3.6	600.00	1,400.00	132.67	8	995.00	965.00
KKGBp	320.00	340.00	320.00	-13.5	255.00	499.00	99.61	3	350.00	320.00
KZIS	55,000.00	55,000.00	55,000.00	-3.5	55,000.00	68,000.01	0.91	1	55,000.00	55,000.00
KZTK	32,011.00	32,400.00	32,011.00	+0.7	31,500.00	50,500.00	114.87	9	32,400.00	32,011.00
KZTKp	15,001.00	19,900.00	17,360.00	+15.7	14,500.00	24,750.00	651.91	32	19,900.00	15,001.00
RAHT	2,700.00	2,950.00	2,950.00		1,000.00	4,200.00	2.73	2	2,950.00	2,700.00
RDGZ	21,450.00	23,700.00	23,300.00	+8.1	13,000.00	24,595.00	68,065.76	150	23,700.00	21,450.00
TEBNp	2,700.00	2,700.00	2,700.00		2,000.00	3,300.00	12.72	1	2,700.00	2,700.00
UTMK	25,000.00	26,000.00	25,000.00	-7.4	25,000.00	28,750.00	116.71	4	26,000.00	25,000.00
21							70,884.37	275		

Notes: Trends are given relative to the last deal of the previous month (April 7 – May 7, 2008). If deals were not made in the previous month the trend is not calculated. Full list of issuers' symbols is available at http://www.kase.kz/instruments/nzb_code.htm

CORPORATE BOND MARKET

News of corporate bond market

Beginning May 13 bonds KZ2CKY05A739 (KZPSb1; KZT1,000; KZT1,413.0 m.; 13.05.03 - 13.05.08; semiannual coupon 8.00 % APR) of **Kazpost JSC** (Almaty) **were excluded from the KASE official list of category "A" due to circulation term expiry**. These bonds were included in the KASE official list on May 13, 2003; trades in the bonds were opened May 16, 2003. During the securities circulation on KASE in the purchase and sale sector bonds yield to maturity for the buyer on the deals, concluded by open trades method, varied from 6.50 % to 73.00 % APR. The last deal was executed March 20, 2008 with the yield of 8.00% APR. According to issuer, the sum of coupon payment made KZT56,520,000.00. Summary payments is minus tax from the source of payment made KZT55,720,842.00. The sum of payment of main debt made KZT1,413,000,000.00.

May 13 by the decision of Risk Committee of KASE indicated **bonds of Kazpost were excluded from the representative list** for calculation of indices KASE_BY, KASE_BP and KASE_BC. Besides, according to decision of the Risk Committee beginning May 13, 2008 when calculating KASE_BP index the exchange will apply **adjustment coefficient (K)**, equal to 1.0013683, at calculation of KASE_BC – 1.0018523, KASE_BY – 0.9668299. Before the indicated date, K for KASE_BP index was equal to 1.0010697, for KASE_BC – 1.0015004 and 0.9668823 for KASE_BY correspondingly.

Beginning May 14 bonds KZP01Y15D013 (KZT100, KZT30.0 bn.; 15 years, the semi-annual coupon indexed on the inflation rate, 12.0% APR for the first two years of circulation; 30/360) of **Astana-finance JSC** (Astana) **are recognized included into the KASE category "A" official list** in compliance with the simplified listing procedure, established by article 19-1 of Listing Rules. The bonds were assigned the KASE code **ASF1b16**. The date of coming into effect of the mentioned decision will be announced additionally after payment by the issuer of the listing fee on these securities. The opening of trades in bonds on KASE also will be announced additionally. The mentioned bonds issue is the first under the seventh bonds program of Astana-finance JSC, registered by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Markets and Financial Organizations on April 11, 2008, to the total amount of KZT100.0 bn., and the sixteenth issue of the company's bonds listed on KASE. More detailed information on securities will be published on KASE website after coming into effect of the mentioned Board decision.

Beginning May 19, AIM Capital JSC (Almaty) is released from fulfillment of the market-maker obligations on the Special Trading Floor of the Regional Financial center of Almaty (STF RFCA) on the following bonds of **ARFBank JSC** (Almaty), included into the STF RFCA category "C" official list:

- **KZ2CKY05A978** (aATFBb3; KZT1, KZT4.5 bn; 01.12.03 - 01.12.08, semi-annual coupon 8.50 % APR);
- **KZ2CKY10B406** (aATFBb4; KZT100, KZT4.5 bn.; 23.11.04 - 23.11.14, semi-annual coupon 8.50 % APR);
- **KZPC1Y07B598** (aATFBb5; KZT100; KZT13.0 bn.; 23.05.05 - 23.05.12; semi-annual coupon indexed on the inflation rate, 9.80 % APR for the current period);
- **KZPC2Y07B596** (aATFBb6; KZT100; KZT13.0 bn.; 26.02.07 - 26.02.14; semi-annual coupon indexed on the inflation rate, 10.00 % APR for the current period);
- **XS0205381717** (aATFBe2; \$200.0 m., 09.11.04 - 09.11.09, semi-annual coupon 8.875 % APR);
- **XS0233829463** (aATFBe4; \$200.0 m.; 28.10.05 - 28.10.10; semi-annual coupon, 8.125 % APR);
- **XS0253723281** (aATFBe5; \$350.0 m.; 11.05.06 - 11.05.16; semi-annual coupon, 9.00 % APR).

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 45 deals were made in bonds during the analyzed period on KASE. The weighted average volume made \$4,341.4 th. or KZT523.4 m. and increased in comparison with the previous period (\$2,711.3 th. or KZT326.5 m. correspondingly) by 1.6 times. In the analyzed period as in previous no nego deals were made.

During the analyzed period deals were made by KASE's 23 (20) members on 25 (30) instruments. At that 57.1% (33.0%) of gross-turnover passed through accounts of pension market subjects 80.6% (64.0%) on purchasing transactions and 33.6% (2.0%) on sales operations. 6.3% (36.3%) of exchange's gross-turnover of corporate bonds – 0.4% (7.9%) on purchasing transactions and 12.3% (64.6%) on sale transactions, passed through depo accounts registered on physical persons. 35.7%(8.3%) of exchange's sale transactions turnover came to stake of non-residents.

By results of period 17 names of bonds were characterized by growth of average weighted net price on the opened market, 8 – of decrease. TEBNb16 (-8.7 %) and TSSMb1 (-7.3 %) seemed re-sold, while bonds ASFIb11 (+40.8 %) and VITAb5 (+25.3 %) seemed re-purchased. Yield to maturity for buyers on deals made decreased during the week for 8 bonds, increased for 16.

Detailed data on corporate bond market is given in trades results table.

**Results of bond trades on KASE, including STF of RFCA within May 8 –14, 08
(only on data of deals , made on secondary market of KASE by the methods of opened deals)**

Bond code on KASE	Yield to maturity for a buyer, % APR:				Volume of deals th. USD	Number of deals	Best for the period:			
	on the last deal:		for last 365 days:				bid	offer		
	min.	max.	yield	trend						
aATFBb4	13.00	13.00	13.00	0	10.00	13.00	15.44	1	13.00	13.00
ASBNb3	22.00	22.00	22.00		8.03	22.00	23.66	1	22.00	22.00
ASFIb11	9.50	16.00	9.50		9.50	16.00	7,774.18	5	9.50	16.00
ASFIb5	12.11	12.11	12.11	-2.2	9.79	15.50	346.83	1	12.11	12.50
ATFBb3	11.50	11.50	11.50	0	6.70	13.50	491.87	3	11.50	11.50
ATFBb4	14.50	14.50	14.50	0	7.00	15.00	28.91	2	12.50	14.50
BTAIb8	15.01	15.01	15.01		10.50	15.01	7,282.87	1	15.00	15.01
BTASb1	13.50	16.25	13.50	-2.6	9.00	27.33	2,154.49	3	13.50	16.25
BTASb4	16.90	17.00	17.00		9.10	17.00	47.47	2	16.90	17.00
CACMb1	13.48	13.48	13.48		9.75	13.50	120.65	2	13.48	13.48
CSBNb4	10.50	10.50	10.50		9.80	11.00	56.02	1	10.50	10.50
EKTNb1	11.50	11.50	11.50	0	11.50	13.82	65.47	1	11.50	11.50
KAFIb1	12.00	12.00	12.00		6.75	12.00	43.55	1	12.00	12.00
KASTb2	10.00	10.00	10.00		9.99	12.00	18.24	1	10.00	10.00
KATrb1	16.00	16.00	16.00		10.83	16.00	58.12	2	16.00	16.00
KZIKb5	12.00	12.00	12.00	-2.0	11.40	15.65	38.32	2	12.00	12.00
ORDKb1	12.13	12.13	12.13	-2.9	11.99	15.00	29.15	1	12.13	12.13
TEBNb16	10.00	10.00	10.00		7.99	12.00	137.31	1	8.50	10.00
TEBNb2	13.00	13.00	13.00		6.00	17.00	2.02	1	13.00	13.00
TSBNb2	16.00	16.00	16.00		10.74	16.00	1.89	1	16.00	16.00
TSBNb3	12.50	12.50	12.50		9.00	12.50	82.10	1	12.50	12.50
TSBNb5	14.00	14.00	14.00		10.00	14.00	18.16	1	14.00	14.00
TSSMb1	16.50	16.50	16.50		10.50	16.50	2,480.30	1	12.50	16.50
VITAb4	26.00	28.00	26.00	-3.0	10.00	29.00	94.15	2	26.00	28.00
VITAb5	18.21	26.00	23.00	-6.0	9.50	29.00	275.55	7	18.21	28.00
25							21,706.87	45		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (April 7 –May 7, 2008). If deals were not made in the previous month the trend is not calculated. Full list of issuers symbols is available at http://www.kase.kz/instruments/nzb_code.htm.

In the **Debt certificates sector on STF RFCA** 1 deal with 352 certificates for BMG749471212 (aBM_REChE1) shares of Renaissance Capital Holdings Limited (Hamilton, Bermuda Islands) for total amount \$1,225.8 th. or KZT147.8 were made. In the previous period (April 30 - May7) no deals were made.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

May 14, 2008 the special trades for offering of **government mid-term treasury instruments of Ministry of finance of Kazakhstan republic MEOKAM-24 of 71-st issue** (KZK2KY020719, MOM024_0071; KZT1,000, 14.05.08 – 14.05.10, semi annual coupon), were held in KASE's trade system, on which MF planned to borrow KZY10.0 bn. The subject of trades was **coupon rate**.

From the entire volume of active bids, 33.5% of them fell at the subjects of pension market, 42.2% - at the stake of second tier banks (STB), 17.2% - at the clients of STB, 7.1% - at the brokerage and dealership companies, their clients – less than 0.1%.

According to data of Central depository of securities JSC (Almaty) all deals on offering of MEOKAM-24 of the 71st issue by the moment of completion of settlements according to the results of trades have been **executed**. Of the entire volume of floated bonds 15.0% of them were purchased by the subjects of pension market, 10.3% - by second tier banks (STB), 61.7% - by the clients of STB, 12.9% - by the brokerage and dealership companies, 0.1% - by their clients

Secondary market sector (purchase - sale)

In the analyzed period total volume of 21 deals made on KASE made KZT2,479.8 m. (\$20.6 m.). In the previous period (April 30 – May 7, 2008) the given indicator was equal to KZT31,438.8 m. or \$261.2 th. with 61 deals. Stake of exchange's turnover in total volume of Kazakhstan GS secondary market on comparative operations of purchase and sale in the analyzed period made 100.0%.

More detailed data about trades with GS on KASE are given in the table.

Parameters of Exchange's transactions in GS within May 8 –14, 2008

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): notes of National Bank				0.1% (84.6%) of purchase and sale sector's turnover		
15 - 28	6.46	6.46	6.46	6.46	1.9	1
Total					1.9,(26,586.8)	1 (23)
Coupon (KZT):MEOKAM-48, MUIKAM 84 GTL-72				99.9% (15.4%) of purchase and sale sector's turnover		
less than 730	8.20	8.61	8.20	8.24 (8.20)	1,628.0	11
More than 2191	17.21	17.22	17.22	17.22 (18.09)	850.0	9
Total					2,478.0,(4,852.0)	20 (38)
GRANDTOTAL					2,479.8,(31,438.8)	21 (61)

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