

WEEK OF STOCK MARKET OF KAZAKHSTAN

May 23-27, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
20.05.11	1,610.75	145.22	0.1506	0.3062	1.6300
23.05.11	1,558.91	145.23	0.3549	0.3089	1.6300
24.05.11	1,559.06	145.38	0.5412	0.5534	1.6300
25.05.11	1,570.44	145.27	1.5571	0.5879	1.6300
26.05.11	1,597.57	145.17	1.7537	1.8795	1.7700
27.05.11	1,621.64	145.30	1.7756	1.4890	1.6800
Trend	10.9	0.08	1.63	1.18	0
%	+0.7	+0.06	+1079.0	+386.3	+3.1

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

On May 23 The National Bank of Kazakhstan reported that the money supply in Kazakhstan in April 2011 increased by 1.0% to 9,016.130 billion, from the beginning, the growth rate amounted to 5.5%.

On May 24, 2011 the international rating agency Moody's Investors Service upgraded the long-term deposit ratings of JSC "BTA Bank" in local and foreign currencies to B3 from Caa3. Bank financial strength rating (BFSR) E, which corresponds to the long-term rating on a global scale at Caa2, was confirmed. Simultaneously, the senior unsecured and subordinated notes of the bank's foreign currency issued during the restructuring, have been assigned to long-term debt ratings of Caa2 and Caa3, respectively. The outlook on the financial strength rating is "stable." The outlook on the bank's long-term debt and deposit ratings is "developing". Increased debt ratings of the bank was due to the completion of restructuring of BTA Bank, which contributed to recapitalize the bank more than \$ 11 billion that will allow him to (I) to account for equity in the \$ 2.36 billion (in accordance with local accounting standards) at the end of 2010, and (II) meet the minimum requirements of the regulatory capital adequacy. At the same time, the BTA continues to operate with a deficit in Equity in the amount of \$ 708 million at the end of 2010 and its income from core banking operations are currently not fully cover operating expenditures. As stated in a message of agency, this rating action completes the review of ratings of BTA Bank, Moody's launched on Sept. 30, 2010.

On May 25 the government of Kazakhstan has approved a bill on currency regulation, said the Prime Minister of Kazakhstan Karim Massimov on his page on Facebook. "At a government session was approved draft law on amendments and additions to the country's legislation on currency regulation and currency control. With the adoption of the bill is expected to reduce administrative barriers for the implementation of foreign economic activity (FEA), including by eliminating the transaction passport, previously required for foreign trade participants at the customs clearance of goods, "- he says.

On May 25 press-service of JSC "KazMunaiGas" reported that the National Company KMG JSC and EP KazMunaiGas signed a memorandum on the possible involvement in offshore blocks in the Caspian Sea. NC KazMunayGas JSC and Exploration and Production KMG to announce the signing of the Memorandum of mutual understanding provides for the provision of KMG access to detailed geological, geophysical and economic and financial data on a number of oil and gas projects, including those located in the Kazakh sector of the Caspian Sea. The list of projects includes, inter alia, marine components - Zhambyl ", "Ust-Urt", "Zhenis", "Godin", "C-1" and "C-2" - as well as Urikhtau. Portfolio of oil and gas projects can be extended by agreement of the parties ", - stated in a press release. It is noted that, based on data provided by the Company will conduct a feasibility and commercial evaluation of investment attractiveness of the above projects in order to consider their participation in their implementation, after which the NC KMG and KMG EP will hold a consultation. If the outcome of KMG EP will take part in these projects on the same commercial terms as other companies. "Mobilizing resources and expertise KMG for joint development of Caspian Sea shelf together with large international oil companies - is an important step for the group of companies KazMunaiGas. Self-realization of these projects, the strategic interests of the country's oil and gas industry - said the Chairman of the Board of KMG Kaigeldy Kabyldin. "Signing of the Memorandum is an important step in implementing our strategy, which involves the development of the Caspian Sea in order to increase the resource base and increasing production of hydrocarbons. KMG EP has the necessary technical and financial resources to carry out oil operations at sea, "- said General Director of KMG Askar Balzhanov, whose words are reported.

KASE on May 27 reported that the decision of the Board of Kazakhstan Stock Exchange (KASE) since June 1, 2011 OJSC "PromSvyazBank" (Moscow) was allowed to participate in

the auction of foreign currencies on KASE on advance payment and delivery of sold to buy foreign currency. This decision was made in connection with the performance of Promsvyazbank terms of paragraph 23 of the internal document KASE "Regulations on Membership."

Stock exchange market

During the study period at KASE on the secondary market sale 192 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	580.1	-0.3%	10.5 times
Average daily volume. KZT m.	84.3	-0.6%	10.5 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	30	+11.1%	+7.1%
Number of shares denominations*	17	+6.3%	+13.3%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	-3.7 pp	-2.6 pp
on sale	0	0	0
Stake of individuals. gross (%)	68.0	+6.1 pp	-9.5 pp
on purchase	56.9	+8.1 pp	+5.4 pp
on sale	79.1	+4.1 pp	-24.3 pp
Stake of nonresidents. gross (%)	5.6	-7.3 pp	+3.8 pp
on purchase	10.4	-9.2 pp	+9.1 pp
on sale	0.9	-5.3 pp	-1.6 pp

*on which the deals on KASE have been conducted

In the described period of falling average daily prices was detected for 9 items of equity, growth showed 6 instruments involved in the transaction, prices of the two tools have not changed. Adverse change in shares prices was in the range of 0.10% (RDGZ) to 22.25% (BTAS), positive - from 0.01% (SATC) to 3.62% (KZTKp).

Over the past week KASE index remained virtually unchanged. The growth of the indicator values was not more than 10.9 basis points (0.7%).

The situation on the Kazakh stock market was influenced by the mixed external background. Quotes of the securities of domestic issuers have demonstrated for the most part mixed multidirectional dynamics. The world stock markets are still under strong negative pressure exerted investors' concerns about the debt problems of Greece. Contrary to the situation in Europe, the U.S. dollar lost its position relative to the euro, which is mainly due to the negative dynamics of some economic indicators for the U.S.

The weakening U.S. dollar pushed the oil price in international commodity markets. Additional support to the oil market at the end of the week had a final summit declaration of G8, according to which summit participants are ready to make more efforts for sustainable development of world economy. As a result, at the end of the week quotes considered common shares of EP Kazmunaigaz increased by 3.7%.

Under the influence of negative external background that emerged early in the week, the price of ordinary shares of ENRC slipped by 2.5%.

As a result of weeks the securities of Bank CenterCredit JSC and the Halyk Savings Bank of Kazakhstan grew by 1.8% and 2.1% respectively, while the quotations of ordinary shares of Kazkommertsbank decreased by 1.3%.

More detailed information on share trades at KASE is given in the table below:

Results of share trades on KASE, including STF of RFCA within May 23 - 27, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	Last deal:		Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Best for The period: Demand	Best for The period: Supply		
	min,	max,	price	trend,%					min,	max,
BSUL	630	630	630	0 .	620	658.05	17.15	2	630	630
BTAS	3.11	3.9	3.11	-22.25 .	3.11	900	5.49	6	3.9	3.11
CCBN	500	524.3	524.3	+1.81 .	490	670	592.15	13	524.3	500
GB_ENRC	2001	2050	2043.7	-2.54 .	1800	2600	18.54	3	2043.7	2001
GB_KZMS	2985.3	3050	3050	+0.01 .	2241	3800	23.47	7	3060	2940
HSBK	320	337.8	337.8	+2.05 .	270	445	294.05	23	338.12	320
KAZlp	335	335	335	0 .	300	390	0.06	2	335	335
KKGB	442	457.96	457.96	-1.30 .	356	616	56.01	8	457.96	442

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Results of share trades on KASE, including STF of RFCA within May 23 - 27, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	min, max,		Last deal: price trend,%		Price, KZT per share: for last 365 days: min, max,		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	min,	max,	price	trend,%	min,	max,				
KZTC	2600	2600	2600	.	2510	2900	304.53	2	2600	2600
KZTK	19300	19401	19401	+1.05 .	11800	20850	49.45	7	19405	19000
KZTKp	9050	9500	9500	+4.96 .	6000	9990	19.26	5	9500	9050
RDGZ	17000	18725	18725	+3.74 .	15155.01	21000	122.06	11	18725	17000
RDGZp	16600	17750	17699	-0.04 .	10800	20510	1 242.70	86	17750	16600
SATC	71.06	71.06	71.06	+0.01 .	70	72	42.89	6	71.06	71.06
TEBN	399	399	399	.	399	500	17.15	2	400	397
ZERD	1.2	1.2	1.2	.	0.67	2.49	27.15	1	1.38	1.2
ZERDp	5.21	5.5	5.21	.	4.6	5.72	68.39	8	5.5	5.21
17							2,900.5	192		

Notes: Trends are given relative to the last deal of the previous 30 days period (March 21 – April 21, 2011). If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

In this sector of KASE during the analyzed period 34 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	4,048.2	-8.5%	2.3.times
Average daily volume. KZT m.	588.1	-8.7%	2.3.times
Stake of nego deals. number (%)	0	+0.04.pp	+0.01.pp
Stake of nego deals. volume (%)	0	0	-0.1.pp
KASE members	22	+15.8%	+46.7%
Number of bonds denominations*	16	+6.7%	-11.1%
Stake of pension funds. gross (%)	0	0	0
on purchase	24	+23.6.pp	+23.6.pp
on sale	0	0	-12.5.pp
Stake of individuals. gross (%)	36.2	+9.9.pp	+30.3.pp
on purchase	33.2	+4.2.pp	+26.4.pp
on sale	39.2	+15.6.pp	+34.2.pp
Stake of nonresidents. gross (%)	0	-27.9.pp	-5.4.pp
on purchase	0	-25.4.pp	-5.3.pp
on sale	0	-30.4.pp	-5.5.pp

* on which deals were made at KASE

Following the period of growth of average net prices on the open market was characterized by bonds of 9 items, fall - 4, the price of three tools has not changed. Yield to maturity for a buyer of deals rose in the week for five bonds declined - in 6, the yield of the four instruments has not changed. Positive change in the yield to maturity was in the range from 0.46% (HSBKb10) to 2.48% (BTAIb3), negative - from 0.24% (KKGBe4) to 3.67% (ZERDb1).

More detailed data on corporate bonds on KASE shown in the table below:

Results of bond trades on KASE including STF of RFCA within May 23 - 27, 2011 (only on data of deals . made on secondary market of KASE by the methods of opened deals):

Bond code on KASE	min. max,		Yield to maturity for a buyer. % APR: on the last deal: for last, 365 days,:			Amount Of deals, Th. USD	Number Of deals	best for the period: demand supply,	
	min.	max,	yield	min.	min, max,			demand	supply,
ABDIb1	29.00	29.00	29.00		27.00 36.00	0.60	1	29.00	29.00
BTAIb3	12.13	12.13	12.13		9.00 92.34	16.39	1	19.67	12.13
BTRRb1	9.52	9.52	9.52		8.64 9.52	1,325.71	1	9.52	9.52
CCBNe3	12.22	12.22	12.22	+0.01	11.21 12.22	289.55	1	12.22	12.22
CTECb1	14.00	14.00	14.00		14.00 16.00	12.77	1	14.00	14.00
EUBNb3	8.90	8.90	8.90		8.00 13.00	664.91	1	8.90	8.90
HSBKb10	9.50	10.46	10.46	+0.46	9.00 11.60	48.14	2	9.50	10.60
KKGBe4	7.14	7.34	7.34	-0.24	7.14 11.92	115.34	2	7.14	7.34
KZIKb21	8.00	8.00	8.00		8.00 8.00	3,554.30	2	8.00	8.01
KZIKb3	8.20	8.20	8.20	-3.50	8.20 13.50	1,913.84	2	8.20	8.47
ORDKb2	12.00	12.00	12.00		12.00 16.02	15.43	2	12.00	12.31
RGBRb6	13.02	13.02	13.02		10.00 16.00	3.72	1	13.02	13.32
SKKZb23	5.70	6.40	5.70		4.50 6.50	11,349.55	4	5.70	6.40
TEBNe1	-1.51	-1.51	-1.51		-1.51 -1.51	8.41	1	10.82	10.82
TXBNb3	6.40	7.00	7.00		5.00 9.00	1,269.56	2	6.40	7.00
ZERDb1	12.00	16.00	12.00		5.00 119.00	44.05	3	12.00	19.28
16						20,632.3	27		

Notes: Trends are given relative to the last deal of the previous 30 days period (March 21 – April 21, 2011). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

On May 23 the KASE trading system held specialized trades on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-108 of the sixth issue (KZKDKY090063, MUM108_0006; 1,000 tenge, 23/05/1911, 23/05/1920, the annual coupon, 30/360), at which the Ministry of Finance planned to borrow 15.0 bln. Negotiable coupon rate. The auction was attended by 18 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 57 applications, of which the expiration time applications were 54 active warrants. Total volume of active bids (demand volume) was 34,885.0 million tenge and exceeded the proposed level of accommodation in 2.3 times. Coupon in active bids ranged from 4.50% to 6.00% per annum, amounting in average terms 5.2067% per annum. As a result of trade, the issuer granted the application to purchase 14,635,000 of bonds in the amount of 14,635,000,000.0 tenge (97.6% of planned volume offering) at 5.00% per annum.

Secondary market sector

During the study period, the total volume of 20 deals concluded on KASE trades amounted to 5,366.5 million tenge (\$ 36.9 million). In the previous period (16 - 20 May 2011) the figure was 6,547.0 million tenge (\$45.0 million), with 27 transactions. The share exchange turnover in the total volume of Kazakhstan GS secondary market for comparable sales and purchases in the analyzed period amounted to 100.0% (previous period – 100.0%).

Parameters of Exchange's transactions in GS within May 23-27, 2011

Days till maturity	Yield to maturity for a buyer. % APR.			Volume.		last deal
	min	max	last deal	min	max	
Discount (KZT): Notes of NB						
15.2% (4.5%) of purchase and sale sector's turnover						
15 - 28	0.70	0.70	0.70	0.70	249.93	1.00
57 - 63	0.72	0.72	0.72	0.72	499.43	1.00
64 - 91	0.79	0.79	0.79	0.79	64.90	1.00
Total					814.3 (296.6)	3 (2)
Coupon (KZT): MEUKAM, MEUJKAM, MEOKAM						
95.5% (95.5%) of purchase and sale sector net turnover						
Less than 730	-4.66	1.70	1.70	-4.18 (-4.65)	114.88	6
731 - 1095	2.35	2.60	2.50	2.49	720.54	4
1096 - 1460	-2.71	-2.71	-2.71	-2.71 (2.97)	640.69	4
More than 2191	4.31	5.28	4.31	4.79 (4.97)	3 076.16	3
Total					4,552.3 (6,250.4)	17 (25)
TOTAL					5,366.5 (6,547.0)	20 (27)

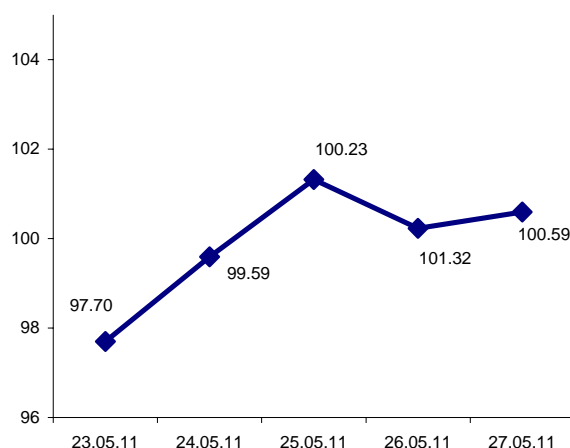
WORLD MARKETS

Main news of the world markets

On May 23 it became known that an international rating agency Fitch Ratings downgraded the long-term issuer default rating (IDR) of Greece from BB + to B +, confirming the short-term IDR at B. The ratings are placed on the list Rating Watch "negative". As indicated by Fitch, downgrade reflects the scale of the problems that will face Greece in the implementation of sweeping financial and structural reforms needed to ensure the solvency of the state and the foundations for sustainable recovery of its economy. Intelligence agencies also do not exclude the delay in providing the next tranche from the IMF and the EU in connection with political and technical obstacles to the implementation of the privatization program.

On May 23 it became known that Germany's GDP in the first quarter of 2011, according to final data from the previous quarter grew by 1.5%, which coincided with the expectations of analysts. The index of business sentiment in Germany, calculated by Ifo, in May 2011 remained unchanged at 114.2 points. Analysts had expected the index to decline 113.7 points.

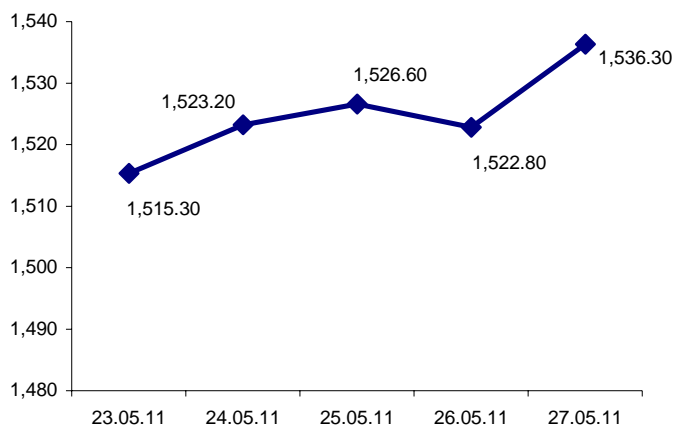
NYMEX Light Sweet Crude Oil



On May 23, it became known that the international rating agency Standard & Poor's revised its ratings outlook for Italy from "stable" to "negative" against the background of weak growth prospects of the country's economic performance and doubts about the successful reduction of debt in 2011-2014. At the same time the agency affirmed the long-term credit rating at A+, short-term credit rating at A-1+.

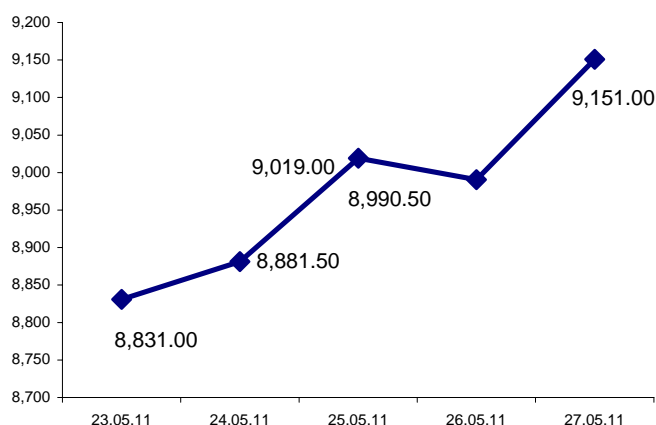
On May 23 The U.S. Commerce Department reported that sales of new homes in the country in April 2011 increased by 7.3% compared with March and amounted to 323 thousand, however, compared with April 2010 sales of new homes in April 2011 decreased by 23.1%. According to revised data, the March 2011 figure was 301 thousand, previously reported 300 thousand. Also, according to the ministry, orders for durable goods in the country in April 2011 fell by 3.6%. Experts predicted decline of orders by only 2.5%. The volume of orders excluding transportation equipment fell 1.5%, while the forecast growth rate of 0.5%. GDP growth in the first quarter of 2011 amounted to 1.8% in annual terms. Analysts had expected the revision rate upwards to 2.2%. According to some data, inventories of enterprises in the first quarter of 2011 increased by \$52.2 billion, whereas previously reported \$ 43.8 billion in addition, personal spending in the first quarter increased by 2.2% (previously reported growth of 2.7%).

**COMEX gold price,
\$ per troy ounce**



On May 23 the Central Bank devalued the national currency of Belarus - Belarusian ruble - more than 50% to 4,930 rubles per 1 U.S. dollar. "With the objective of reaching a common equilibrium rate of Belarusian ruble to all segments of the domestic currency market of the National Bank decided to establish on May 24, 2011 the official rate of Belarusian ruble against the U.S. dollar - 4930 rubles per 1 U.S. dollar, the official rate of Belarusian ruble against the euro - 6914.82 Belarusian rubles for 1 euro official rate of Belarusian ruble to the Russian ruble - 173.95 Belarusian ruble per 1 Russian ruble against other foreign currencies - the basis of cross rates of foreign currencies to U.S. dollar (decision of 05.23.2011 # 188)", - was stated in the message. At the same time establish the centrality of the ruble cost of a basket of foreign currencies, equal to 1,810 rubles. The boundaries of permissible fluctuations remain at the level of ± 12 percent relative to the fixed central value. "The new centrality of the ruble value of the basket corresponds to the current economic conditions, the expectations of most market participants and is an element implemented by the Government and National Bank of macroeconomic adjustment, aimed at the alignment of external imbalances, and stabilization of the domestic foreign exchange market," - was stated in the message.

**Copper (three months supplement)
on London Metal Exchange**



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