

## WEEK OF STOCK MARKET OF KAZAKHSTAN

May 30-June 3, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
27.05.11	1,621.64	145.30	1.7756	1.4890	1.6800
30.05.11	1,617.38	145.34	0.1378	0.2556	1.6800
31.05.11	1,628.17	145.43	0.1533	0.2567	1.7300
01.06.11	1,629.72	145.33	0.1924	0.3119	1.6000
02.06.11	1,607.48	145.50	0.1991	0.3532	1.7000
03.06.11	1,601.93	145.53	0.1525	0.2878	1.7000
<b>Trend</b>	<b>-19.7</b>	<b>0.23</b>	<b>-1.62</b>	<b>-1.20</b>	<b>0</b>
<b>%</b>	<b>-1.2</b>	<b>+0.16</b>	<b>-91.4</b>	<b>-80.7</b>	<b>+1.2</b>

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

#### On May 30 the Committee on supervision and control of financial market under the National Bank of Kazakhstan reported that:

- For April 2011 the assets of STB increased by 88.7 billion or 0.7%, Bank loans and reverse repurchase agreements have increased by 61.9 billion or 0.7%, reserves (provisions) increased by 18.6 billion or 0.6%;
- total assets of insurance companies amounted to 362,372.2 million tenge, or 10.8% increase compared to May 1, 2010.
- the aggregate amount of assets of mortgage companies in Kazakhstan in January-April 2011 amounted to 120.6 billion tenge, which is less than the index on January 1, 2011 by 2.2 billion or 1.8%;

**June 1 RBC with reference to the services of credit rating Standard & Poors reported that the banking system of Kazakhstan, Russia and Ukraine (KRU) is slowly but surely returning to normal activities after the most severe financial crisis of 2009-2010.** As indicated, the evidence of this statement are 11 promotions ratings and more than 30 positive changes in rating outlook - rating actions taken by Standard & Poor's for financial institutions of these countries since 1 April 2010, and it is compared with just the two downgrades. The S & P expects further positive changes in ratings and credit rating prediction, since it foresees the development of the next major trends in banking industry: a gradual decline in problem loans, stabilization of costs for the formation of new reserves at a moderate level, improving the ability of banks to absorb losses due to the accumulation of reserves, increased capitalization through capital injections by shareholders or the use of retained earnings and lower expectations for asset growth, increasing the share of liquid assets, the growth of clients' funds, improving the possibilities of refinancing, increasing profitability by stabilizing the net interest margin and special attention to cost control, continued external support, including the one by the authorities; positive changes in the regulatory regime. As indicated, analysts of S & P believe that if the current macroeconomic downgrades trends will be smaller than increases, and place them will be in force on the risks arising from mergers and acquisitions, the deteriorating financial profile: liquidity, asset quality and capitalization, as well as the lack of sustainability of growth profitability (or negative trends in this area).

#### On June 1 the Agency of Statistics of the Republic of Kazakhstan reported that:

- **inflation** in Kazakhstan in May 2011 was **0.5%**. Prices for food and nonfood products in the past month increased by 0.6%, paid services - 0.3%;
- **subsistence minimum** in May 2011 amounted to **15,938 KZT**;
- **food prices in Kazakhstan in May 2011** compared with May 2010 increased by **12.4%**;
- **prices of manufacturers of industrial products** in May 2011 increased by **5.7%**.

**June 2 press office of Kazkommertsbank reported that the bank filed a lawsuit in a specialized inter-district economic court of Almaty city to recover the debt** totaling \$ 2,484,308,270.46 KZT to JCS supermarket chain 7'YA and LLP "Food Retail Invest" (borrowers), as well as JSC "Group of Companies" Resmi "(guarantor), one of the leading private Kazakh companies. It was noted that agreement with the borrowers on credit line for development of retail trade network was signed in 2007. By its terms, co-owners of the supermarket chain - JSC "Group of Companies" Resmi "and Mr. Baimukhanov Baurzhan Amangeldyevich were severally liable as guarantors of the borrowers, that is guaranteed by the Bank pursuant to borrowers. Unfortunately, the company management failed to implement the application to the bank for a loan business plan. Since 2008, the borrower began to make delays in the repayment of debt. Given the overall drop in sales in the retail market and reduced

consumer demand, management, shareholders and the guarantee were given the opportunity to rectify the situation, including the extension of the grace period. Nevertheless, the borrower could not reach the level of profitability required to service the debt. Therefore, due to the prolonged failure to borrowers of their obligations, the bank, acting in the interests of depositors, was forced to set requirements for borrowers and guarantors for payment of arrears and start to claim-related activities in accordance with applicable legislation.

**On June 02 the totals of KASE trades for first five months of 2011 were published:**

- stock trading volume on KASE (excluding repo transactions) was **113.0 billion tenge** (equivalent to **775.0 million U.S. dollars**) and increased relative to the corresponding period of 2010 in 4.4 times;
- the volume of corporate bonds on KASE (excluding transactions in the market of repo operations) amounted to **149.0 billion tenge** (equivalent to **1,021.7 million U.S. dollars**) and increased relative to the corresponding period of 2010 in 2.1 times;
- the volume of trading in government securities (GS) on KASE (excluding transactions in the market of repo operations) amounted to **450.6 billion tenge** (equivalent of **3,090.5 million U.S. dollars**) and fell against the corresponding period of 2010 by 33.9% (on 33.3% in dollar terms);
- the volume of trades in the repo market on KASE amounted to **4,509.3 billion tenge** (equivalent of **30,894,500,000 U.S. dollars**) and declined versus the same period last year by 15.6% (14.9% in dollar terms);
- the volume of trades in foreign currencies at the KASE, including currency swaps, amounted to **6,745.7 billion tenge (equivalent to 46,203.0 million)** and increased relative to the corresponding period of 2010 by 37.6% (by 38.8% in dollar terms);
- **trading volume on KASE in all sectors amounted to 11,967.6 billion tenge (equivalent to 81,984.6 million U.S. dollars)** and increased relative to the corresponding period of 2010 by 8.6% (by 9.5% in dollar terms).

**Stock exchange market**

During the study period at KASE on the secondary market sale 168 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,005.4	+1.7 times	6.1 times
Average daily volume. KZT m.	146.2	+1.7 times	6.1 times
Stake of nego deals. number (%)	0	+0.01 pp	+0.01 pp
Stake of nego deals. volume (%)	0.1	+0.1 pp	+0.1 pp
KASE members	28	-6.7%	0
Number of shares denominations*	12	-29.4%	-20.0%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	+0.03 pp	-2.5 pp
on sale	0	0	0
Stake of individuals. gross (%)	53.9	-14.1 pp	-23.6 pp
on purchase	30.6	-26.3 pp	-20.9 pp
on sale	77.2	-1.9 pp	-26.2 pp
Stake of nonresidents. gross (%)	10.4	+4.8 pp	+8.5 pp
on purchase	18.4	+8.0 pp	+17.1 pp
on sale	2.4	+1.5 pp	-0.03 pp

*\*on which the deals on KASE have been conducted*

In the described period, average daily drop in prices had one equity instrument, the growth demonstrated 9 tools involved in the transaction, prices of the two tools have not changed. Adverse change in the average price was observed on the instrument HSBK (-2.90%).

KASE index on the results of last week dipped by 1.2%, once at the end of the period at the level of 1601.9 points. The situation on the Kazakhstan Stock Exchange was formed mainly under the influence of the external background. In international markets focused investors focused on the macroeconomic statistics, the U.S. and the problems of Greece. Published macroeconomic statistics leading the world economy was much weaker than analysts' forecasts, as in the U.S. labor market unemployment rate rose to 9.1%, while industrial orders in April fell by 1.2%. Amid signs of slowing world economy on the international market of raw materials were no pronounced trends as the weakening U.S. dollar during the past week has become a strong counterweight to the negative

macroeconomic statistics. As a result of simple quotes of ENRC shares during the period grew by only 0.3%.

Despite the fact that the international oil market remains relatively stable, quotes of common shares of EP Kazmunaigaz fell by 3.9% (as a strong decline in the securities mentioned due to the vigorous actions of some market participants in the stock market).

Securities of the banking sector included in the basket representative list, also finished the week in the red zone. Quotes of common shares of National Bank, Kazkommertsbank and Bank CenterCredit following last week fell by 2.9%, 1.9% and 1.2% respectively, followed by decrease in quotations of securities of the financial sector in foreign trade sites. The negative dynamics arose from the fact that the international rating agency Moody's has placed on review for downgrade ratings of Bank of America Corporation, Citigroup Inc. and Wells Fargo & Company.

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 30 – June 3, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):**

Share code on KASE	Price, KZT per share:		Last deal: price	Last deal: trend,%	for last 365 days:		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	min,	max,			min,	max,				
BSUL	630	630	630	0 .	620	658.05	40.35	5	630	630
BTAS	3.11	4	3.7	+18.97 .	3.11	900	1.80	11	4	3.11
CCBN	518	523.82	518	-1.20 .	490	670	403.55	5	523.82	518
GB_ENRC	2037.28	2100	2050	+0.31 .	1800	2600	106.48	13	2100	2037.28
GB_KZMS	3050	3130	3050	0 .	2241	3800	21.27	8	3130	3050
HSBK	320	342	328	-2.90 .	273	445	40.09	12	342	320
KKGB	447.26	460	449	-1.96 .	356	616	97.47	7	460	435
KZTK	19405	19600	19600	+1.03 .	12250	20850	203.11	11	19600	19405
RDGZ	18000	19050	18000	-3.87 .	15155.01	21000	73.39	14	19050	17950
RDGZp	17499	18344	17800	+0.57 .	10800	20510	1,793.03	74	18344	17499
SATC	71.06	71.5	71.06	0 .	70	72	68.33	5	71.5	71.06
TKUDp	9.01	9.01	9.01		9	9.01	1 679.49	2	9.01	9.01
12							4,528.4	167		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (March 28 – April 28, 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 46 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	7,892.4	+1.9 times	4.4 times
Average daily volume. KZT m.	1,147.7	+2.0 times	4.4 times
Stake of nego deals. number (%)	0	-0.04 pp	-0.03 pp
Stake of nego deals. volume (%)	0	0	-0.1 pp
KASE members	25	+13.6%	+66.7%
Number of bonds denominations*	23	+43.8%	+27.8%
Stake of pension funds. gross (%)	0	0	0
on purchase	6	-17.5 pp	+6.1 pp
on sale	0	0	-12.5 pp
Stake of individuals. gross (%)	20.5	-15.7 pp	+14.5 pp
on purchase	36.4	+3.2 pp	+29.6 pp
on sale	4.6	-34.7 pp	-0.5 pp
Stake of nonresidents. gross (%)	0.0	0	-5.4 pp
on purchase	11.7	+11.7 pp	+6.4 pp
on sale	0	0	-5.5 pp

\*on which deals were made at KASE

Following the period, growth of average net prices on the open market was characterized by bonds of 13 names, fall - 5, the price of five tools has not changed. Yield to maturity for a buyer on deals rose in the week at 6 bonds, declined - in 7, the yield of the six instruments has not changed. Positive change in the yield to maturity was in the range from 0.20% (KZIKb2) to 3.39% (TXBNb5), negative - from 0.10% (SKKZb22) to 3.37% (EXBNb2).

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 30 – June 3, 2011  
(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:						Amount Of deals, Th. USD	Number Of deals	best for the period:	
	on the last deal:		for last, 365 days,:			demand			supply,	
	min.	max.	yield	min.	min,					max,
ABDIb1	29.00	29.00	29.00	0	27.00	36.00	0.60	1	29.00	29.00
AGKkb1	8.50	8.50	8.50		8.00	9.64	7.04	1	8.50	8.50
ASBNe8	11.60	11.60	11.60		11.09	11.60	349.32	1		
BTASe11	13.67	14.39	14.39		11.24	14.39	23.39	2		
BTTRb1	9.52	9.52	9.52	0	8.64	9.52	663.57	1	9.52	9.52
CCBNb15	10.00	10.00	10.00		9.00	10.00	8,655.81	2	10.00	10.00
CSBNb4	5.01	5.01	5.01		5.01	15.00	12.85	1	5.01	5.01
CSBNb6	12.00	12.00	12.00		12.00	19.95	24.99	1	12.00	12.00
CTECb1	14.00	14.00	14.00	0	14.00	16.00	8.20	1	14.00	14.00
EUBNb3	9.89	10.00	9.89	+0.99	8.00	13.00	35.50	3	9.89	10.00
EXBNb1	14.50	14.50	14.50		11.35	17.00	6.15	1	14.50	14.50
EXBNb2	14.50	18.50	18.50		10.71	18.50	12.56	2	14.50	18.50
KKGBe4	8.05	8.05	8.05	+0.71	7.14	11.92	5,092.99	1	8.05	8.05
KMGZb4	8.29	8.29	8.29		7.58	8.48	2,803.77	1	8.29	8.29
KZIKb2	8.50	10.70	8.50		8.00	13.00	553.56	2	8.50	10.70
KZIKb3	8.20	8.20	8.20	0	8.20	13.50	113.53	2	8.20	8.53
KZIKb4	9.50	11.70	9.50		9.50	14.45	746.91	2	9.50	11.70
NRBNb9	2.00	2.00	2.00		2.00	2.00	0.99	1	2.88	2.19
SKENb1	11.50	11.50	11.50		11.50	11.50	13,800.45	1	10.00	11.50
SKKZb22	5.60	5.60	5.60		5.60	5.89	705.46	1	5.60	5.60
TSBNb4	5.00	5.00	5.00		5.00	11.08	5.07	2	5.00	5.00
TXBNb3	6.23	6.23	6.23	-0.77	5.00	9.00	1,228.67	1	6.23	6.23
TXBNb5	3.20	6.60	3.20		3.20	7.06	8,617.18	7	3.20	6.60
23							43,468.5	38		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (March 28 – April 28, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**May 30 at the KASE trading system, the trades on the placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-132 release of the first (KZKAKY110013, MUJ132\_0001; 1,000 KZT, 30/05/1911, 05/30/1922, semi-annual coupon, 30/360) were held,** at which the Ministry of Finance planned to attract 5.0 billion. Negotiable coupon rate. The auction was attended by 11 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 32 applications, of which the expiration time applications were 29 active warrants. Total volume of active bids (demand volume) was 78,667.0 million KZT and exceeded the proposed level of accommodation in the 15.7-fold. Coupon in active bids ranged from 0.0100% to 0.0100% per annum, amounting in average terms, 0.0100% per annum. As a result of trade, the issuer granted the application for purchase of 5 million bond in the amount of 5,000,000,000.00 tenge.

### Secondary market sector)

During the study period, the total volume of 18 deals, concluded at the KASE trades amounted to 3,139.3 million tenge (\$ 21.6 million). In the previous period (23 - 27 May 2011), this figure was 5,366.5 million tenge (\$ 36.9 million) at 20 transactions. The share exchange turnover in the total volume of Kazakhstan GS secondary market for comparable sales and purchases in the analyzed period was 74.1% (previous period – 100.0%).

### Parameters of Exchange's transactions in GS within May 30- June 3, 2011

Days till maturity	Yield to maturity for a buyer. % APR.				Volume.		last deal
	min	max	last deal	min	max		
<b>Discount (KZT): Notes of NB</b>				7.4% (15.2%) of purchase and sale sector's turnover			
92 - 181	1.15	1.15	1.15	1.15	14.92	1.00	
182 - 364	1.59	1.59	1.59	1.59	217.54	1.00	
Total					232.5 (814.3)	2 (3)	
<b>Coupon (KZT): MEUKAM, MEUJKAM, MEOKAM</b>				92.6% (84.8%) of purchase and sale sector net turnover			
Less than 730	2.40	2.40	2.40	2.40 (-4.18)	46.49	1	
1096 - 1460	2.90	2.90	2.90	2.90 (-2.71)	85.12	1	
1826 - 2190	4.00	4.00	4.00	4.00	286.10	1	
More than 2191	4.50	5.00	4.85	4.78 (4.79)	2,489.17	13	
Total					2,906.9 (4,552.3)	16 (17)	
<b>TOTAL</b>					<b>3,139.3 (5,366.5)</b>	<b>18 (20)</b>	

## WORLD MARKETS

### Main news of the world markets

#### On May 30 according to U.S. Department of Commerce, it became known that consumer spending in April 2011 increased by \$41.5 billion, or 0.4% compared with March. Revenues of the U.S. population for April rose to \$ 46.1 billion, or 0.4%. Analysts had expected growth of expenditures by 0.5%, revenue - by 0.4%. National Association of Realtors reported that the index of signed contracts for the sale of housing on the secondary market, seasonally adjusted, in April 2011 fell by 11.6% to 81.9. Analysts predicted the fall of the index in April at 2.0%.

On May 30, it became known that European banks may avoid some of the capital requirements of an international agreement "Basel III" in the case of entry into force of the bill, which introduces new standards for banking activities in the EU. This document assumes that EU banks may take into account a larger amount of capital into its insurance units than required by the rules "Basel III", besides the banks can continue to issue preferred shares and other debt instruments over a longer period of time.

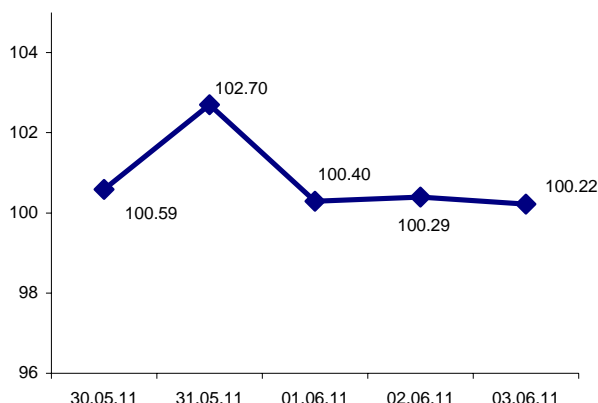
#### June 1 it became known that EU authorities will provide additional financial assistance to Greece. Fitch Ratings reported that the IMF and the EU will not be limited to the current program of financial aid to Greece and Athens will have to allocate additional credits. Expects Fitch, Greece may need 90-100 billion euros of extra funds to meet the financial needs until the end of 2014, to buy time for the necessary reforms. Recall that in May 2010, Greece received from the IMF and EU aid package worth 110 billion euros. June 2nd international rating agency Moody's Investors Service downgraded the rating of government bonds of Greece's foreign and local currency directly to the three stages - from B1 to Caa1. Outlook remains negative. The agency explained its decision, in particular, the risk that Greece may not be able to settle its external debt without resorting to its restructuring.

June 1 Automatic Data Processing reported the number of jobs in private companies in USA in May 2011 increased by 38 thousand compared to April. Analysts predicted that the value of the index will grow by 190 thousand on revised data, in April, the number of jobs increased by 177 thousand, compared with March, previously reported growth of 179 thousand PMI index for the production sector in May 2011 was 53.5 points, while analysts were expecting the value of 57.7 points.

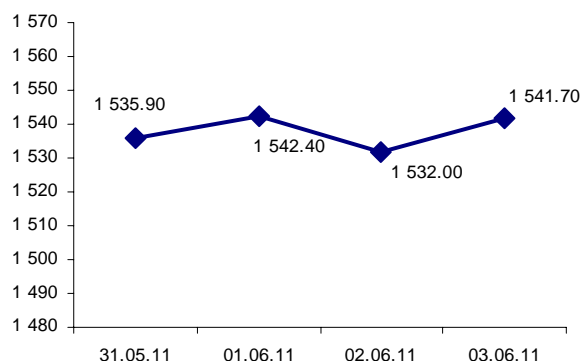
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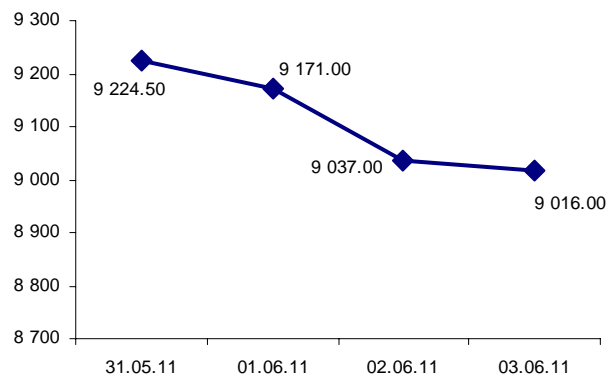
NYMEX Light Sweet Crude Oil



COMEX gold price, \$ per ounce



Copper (three months supply) on London Metal Exchange



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