

## WEEK OF STOCK MARKET OF KAZAKHSTAN

June 20-24, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
17.06.11	1 538.56	145.92	0.2226	0.2705	1.6300
20.06.11	1 556.69	146.03	0.1916	0.2718	1.6300
21.06.11	1 552.85	145.84	0.1865	0.2534	1.6300
22.06.11	1 550.12	145.91	0.1270	0.3549	1.6300
23.06.11	1 558.03	146.00	0.1304	0.4505	1.6300
24.06.11	1 544.59	146.12	0.1180	0.6400	1.6300
<b>Trend</b>	<b>6.0</b>	<b>0.20</b>	<b>-0.10</b>	<b>0.37</b>	<b>0</b>
<b>%</b>	<b>+0.4</b>	<b>+0.14</b>	<b>-47.0</b>	<b>+136.6</b>	<b>0</b>

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

**June 20 International rating agency Fitch Ratings affirmed the long-term Issuer Default ratings ("IDRs") in foreign currency of JSC "Development Bank of Kazakhstan" ("DBK") and JSC "KazAgroFinance" ("KAF") on the levels of "BBB-" and "BB" respectively.** As stated, the ratings reflect Fitch's view on DBK a high degree of readiness of the Kazakh authorities to provide support to the bank in case of need, taking into account the fact that the bank is state property, and in view of its special legal status and important role in implementing policies, on as evidenced by participation in major investment projects. In addition, the agency believes that in the event of default of DBK will appear significant reputational risks for the government in view of the market position of the bank. At the same time, Fitch notes that the outlook on DBK is "Stable", and ratings are unlikely to change even if the long-term issuer default rating of Kazakhstan will be upgraded to "BBB". This reflects the common practice of Fitch's IDR readings the state banks, down from the ratings of the countries, especially in the case of higher ratings.

**June 21 joint-stock company "Bayan Sulu" (Kostanai) informed about obtaining a license for activity related to precursors for # 644/11 valid until May 30, 2016.**

**June 21 International rating agency Fitch Ratings affirmed the long-term Issuer Default ratings ("IDR") of "BTA Bank" JSC and "Alliance Bank" JCS in foreign currency at "B-".** IDR of these two banks represent an assessment agency opportunities for their support of the Kazakh authorities. According to Fitch, the fact that banks are state owned, as well as the presence of reputational risk for the country's authorities in case of repeated default of any of these banks has an incentive to provide support. At the same time in the evaluation of potential support Fitch considers that none of these banks is not a strategic investment for the Kazakh authorities, but also takes into account the lack of clear statements of support from senior government officials. **The rating actions are of "BTA Bank":** Long-term foreign currency IDR is affirmed at "B-", outlook "stable," Long-term local currency IDR is affirmed at "B-", outlook "Stable", short-term foreign currency IDR: affirmed at "B", short-term local currency IDR affirmed at 'B', Individual rating is affirmed at "E", support rating is affirmed at "5", Support Rating Floor: revised to 'No' on 'B-', senior unsecured debt: affirmed at "B-", Recovery Rating" RR4 ", Subordinated debt: affirmed at 'CC' Recovery Rating" RR6 ". **The rating actions of JSC "Alliance Bank":** Long-term foreign currency IDR is affirmed at "B-", outlook "stable," Long-term local currency IDR is affirmed at "B-", outlook "Stable", short-term foreign currency IDR: affirmed at "B", Individual rating is affirmed at "E", support rating is affirmed at "5", Support Rating Floor: revised to 'No' to "B-", senior unsecured debt: affirmed at "B-", Subordinated debt: affirmed at 'CC' Recovery Rating "RR6".

**June 21 International rating agency Moody's Investors Service affirmed the following ratings of JSC "Eurasian Bank":** stand-alone financial strength rating of the bank (BFSR) at level E +, which correspond to the B1 rating on long-term scale, long-term deposit ratings of foreign currency B1, short-term deposit rating in foreign Currency Not Prime, senior unsecured debt rating in local currency rating of B1 and subordinated debt in local currency B2. As indicated, Moody's rating confirmation of the Eurasian Bank to "negative" outlook is based on an analysis of audited financial statements for 2010 prepared in accordance with IFRS and the unaudited results for the first quarter of 2011. According to the results for 2010, Eurasian Bank has improved its revenue, which led to: (1) improved cost to income - 74% compared to 108% as of 2009, and (2) a return to profitability, with return on average equity of 3.1%. The bank's profit in the first quarter of 2011 also demonstrated positive dynamics, the result exceeded 2010 by 80%. At the same time, long-term ratings of the Eurasian Bank have a "negative" outlook, reflecting continued pressure on the bank's credit profile, which causes a high probability of deterioration in asset quality and the level of loans overdue by more than 90 days, 9.4% of all loans and high credit risks in bank's credit portfolio, with a concentration in the top 20 borrowers account for above 4 on a level of capital as of 2010. Moody's believes that the prerequisite for changing the forecast "stable" will include a significant reduction in the concentration

of one borrower in the loan portfolio and the ability of the Eurasian Bank to maintain good profitability, coupled with preservation of capital adequacy and liquidity to be adequate.

**June 23 International rating agency Fitch Ratings has downgraded the financial strength rating of the insurer (IFS) of JSC "AMANAT Insurance" to level "B-" from "B" and National IFS rating to "B + (kaz)" from "BB (kaz).** Outlook is "negative." As indicated, the downgrade reflects the weakening of the regulatory capital AMANAT to limit levels and a significant delay in the completion of previously announced capital increase to 360 million tenge. The rating action also takes into account the worsening position of the insurer underwriting in 2011. Ratings support the position of insurer capital, weighted by risk, commensurate with the level rating and relatively good liquidity position. In the event of any failure by the insurer to meet prudential requirements, followed by an external regulatory intervention, Fitch will consider these events as a key trigger for the decline. In addition, reducing regulatory risk and signs of improved underwriting positions can lead to positive rating actions. AMANAT hoped that it will bring additional shareholder KZT 360 million in the fourth quarter of 2010 to support the regulatory capital position of the company. Injection, however, was not completed due to for a protracted transfer of ownership of the insurer on the technical holding companies directly to beneficiary. Formalities of ownership were completed in April 2011, but the shareholder delays capital increase before the end of 2011.

### Stock exchange market

During the study period at KASE on the secondary market sale 144 deals were concluded

	current week	change for	
		1 week	2 weeks
Average daily volume. USD th.	821.9	+11.2%	7.4 times
Average daily volume. KZT m.	119.9	+11.4%	7.4 times
Stake of nego deals. number (%)	0	+0.01 pp	+0.01 pp
Stake of nego deals. volume (%)	0	+0.000002 pp	0
KASE members	29	+11.5%	+3.6%
Number of shares denominations*	15	-6.3%	0
Stake of pension funds. gross (%)	29.6	+15.2 pp	+29.6 pp
on purchase	0.8	+0.81 pp	-1.7 pp
on sale	58.3	+29.5 pp	+58.3 pp
Stake of individuals. gross (%)	28.4	-9.9 pp	-49.1 pp
on purchase	18.9	+5.2 pp	-32.7 pp
on sale	37.9	-25.0 pp	-65.5 pp
Stake of nonresidents. gross (%)	33.0	-2.5 pp	+31.2 pp
on purchase	61.4	-8.8 pp	+60.1 pp
on sale	4.7	+3.8 pp	+2.24 pp

\*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for seven items, growth showed five tools involved in the transaction, prices of four instruments has not changed. Adverse change in shares prices was in the range of 0.07% (SATC) to 7.01% (KAZIp), positive - from 0.90% (KZTK) to 13.67% (BTAS).

Last week the KASE index remained virtually unchanged, the growth of the indicator value was less than 1%.

Ordinary shares held in the Index Basket KASE, during the week showed mixed trends.

Significantly outperformed the market shares of Kazakhmys, whose quote in the week rebounded by 6.8%. It should be noted that the activity on these securities during the past week has been quite low. Rather, support for Kazakhmys shares had a slowdown in inflation in China, which could then lead to an increase in demand for metals in the country.

Meanwhile, stock quotes of ENRC slipped by 1.2%, which is associated with increasing investor concern on internal corporate problems of the company.

At the international commodities market, oil prices continue to decline. Another reason for the decline was the decision of the International Energy Agency on the allocation of its reserves 60 million barrels of oil to compensate for the loss of raw material from Libya. As a result, quotes the common shares of "EP "KMG" decreased by 3%.

Quotes of the securities of the banking sector also showed multidirectional movement. At the end of the week value of ordinary shares of JSC "Kazkommertsbank" and JSC "Bank CenterCredit" decreased by 5.5% and 2% respectively. While the quotation of common shares of the "Halyk Bank" increased by 2.8%.

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 June 20 – 24, 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,	
BSUL	630	630	630	0	620	658.05	20.35	2	630	630	
BTAS	2	3	2.3	0	2	600	8.32	16	3	2	
CCBN	490	501	490	-2.00	490	670	24.47	5	501	490	
GB_ENRC	1799	1880	1799	-1.15	1799	2600	15.18	12	1900	1799	
GB_KZMS	2920	3099.99	3099.99	+6.79	2241	3800	22.10	5	3099.99	2920	
HSBK	327	333	327	+2.83	280	445	30.20	4	333	327	
KASE	4500	4500	4500		3750	6000	4.47	1	4500	4500	
KAZIp	300	305	305	-7.01	300	390	0.19	3	305	300	
KKGB	404.5	411.5	404.5	-5.49	356	616	12.33	5	411.5	404.5	
KZTK	19550	19950	19950	+2.05	13500	20850	2,679.58	15	19950	19500	
KZTKp	9540	9540	9540	+1.49	6300	9990	0.46	1	9540	9540	
RDGZp	17700	18170	17900	-0.50	10800	20510	1,191.52	62	18170	17700	
SATC	71	71	71	-0.07	70.87	72	65.18	7	71	71	
ZERDp	5.4	5.4	5.4		4.6	5.72	14.40	2	5.4	5.4	
15							4,109.5	143			

**Notes:** Trends are given relative to the last deal of the previous 30 days period (April 18 – May 18, 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 63 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	5,998.6	+1.0%	3.4,times
Average daily volume. KZT m.	875.0	+1.1%	3.4,times
Stake of nego deals. number (%)	0	+0.02,pp	-0.01,pp
Stake of nego deals. volume (%)	0	+0.1,pp	+0.03,pp
KASE members	25	-16.7%	+10.0,pp
Number of bonds denominations*	19	-9.5%	+5.6%
Stake of pension funds. gross (%)	0	-14.5,pp	0
on purchase	0	-9.6,pp	0
on sale	8	-11.9,pp	-4.9,pp
Stake of individuals. gross (%)	21.2	+13.9,pp	+15.3,pp
on purchase	42.2	+41.2,pp	+35.4,pp
on sale	0.2	-13.4,pp	-4.9,pp
Stake of nonresidents. gross (%)	13.9	+14,pp	+8.5,pp
on purchase	14.2	-6.5,pp	+8.9,pp
on sale	13.6	+13.6,pp	+8.1,pp

\* on which deals were made at KASE

Following the period of growth of average net prices on the open market characterized bonds of eight items, fall - 7, the price of four tools has not changed. Yield to maturity on deals rose in the week for 7 bonds, declined - for 7 items, the yield of the three instruments has not changed.

Positive change in bond yield to maturity was in the range from 0.11% (HSBKe5) to 22.52% (BTAIb7), negative - from 0.11% (TEBNb6) to 9.64% (NFBNb1).

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

**Results of bond trades on KASE including STF of RFCA within June 20 - 24, 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		best for the period:	
	on the last deal:			for last, 365 days,:			Of deals, Th. USD	Number Of deals	demand	supply,
	min.	max.	yield	min.	min,	max,				
ATFBb7	3.17	3.17	3.17		3.17	8.10	18.50	1	3.17	3.17
BTAIb5	21.06	21.06	21.06		9.35	46.71	7,814.01	1	21.06	21.06
BTAIb7	32.52	32.52	32.52		10.00	67.91	5,750.29	1	30.94	32.52
CCBNb15	8.11	8.11	8.11	-0.99	8.11	10.00	15.97	1	8.00	8.24
CTECb1	14.00	14.00	14.00		14.00	16.00	90.30	6	14.00	14.00
EUBNb3	9.00	9.00	9.00	0	8.00	13.00	12.59	1	9.08	9.00
EXBNb2	14.50	14.50	14.50		10.71	18.50	19.66	2	14.50	14.50
HSBKe3	6.57	6.57	6.57		6.30	7.14	3,127.71	1	6.57	6.57
HSBKe5	7.10	7.10	7.10	+0.11	7.00	7.25	4,572.49	1	7.10	7.10
KDTSb1	10.00	10.00	10.00	-2.50	10.00	21.38	27.60	1	10.00	10.35
KMGZe3	-5.23	-5.23	-5.23		-5.23	-5.23	3,939.78	1	5.98	6.00
NFBNb1	22.36	22.36	22.36		18.95	36.00	24.47	1	24.84	
ORDBb2	595.74	595.74	595.74		375.00	595.74	319.39	1	587.36	115.48
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	102.84	1	12.00	12.07
RGBRb4	10.00	10.00	10.00		6.00	15.00	0.70	1	10.00	10.00
TEBNb18	14.00	14.60	14.60		12.00	31.59	770.87	15	13.54	14.60
TEBNb6	13.80	13.80	13.80		12.00	23.10	1,662.19	18	13.70	13.80
TEBNe1	-1.89	-1.89	-1.89		-1.89	-1.51	1,263.53	1	9.82	9.82
TSBNb6	10.54	10.54	10.54		10.54	15.00	26.38	1	10.54	10.60
21							31,961.8	92		

Notes: Trends are given relative to the last deal of the previous 30 days period (April 18 – May 18, 2011). If deals were not made in the previous month the trend is not calculated.

**GOVERNMENT SECURITIES (GS) SECTOR**

**Primary market sector**

June 22 in the trade system of KASE was held specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-72 seventh edition (KZKDKY060074, MUM072\_0007; 1000 m., 22.6.11, 22.6.17, annual coupon, 30/360), on which the Ministry of Finance planned to borrow 12.0 billion tenge. Subject of bargaining is the coupon rate. In the auction was attended by 19 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 53 applications, of which the expiration time applications were active 49 orders. Total volume of active bids (demand volume) was 71,619.0 million tenge, and exceeded the suggested volume of 6.0 times. As a result of trade, the issuer granted the application for the purchase of 4,333,333 bonds for a total 4,333,333,000.0 tenge (36.1% of the planned volume of placement) at 4.00% per annum.

**Secondary market sector**

During the study period, the total volume of 20 deals concluded on KASE totaled 7,330.2 million tenge (\$ 50.2 million). In the previous period (13 - 17 June 2011) the figure was 2,391.3 million tenge (\$ 16.4 million), with 13 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period amounted to 100.0% (previous period - 100.0%).

**Parameters of Exchange's transactions in GS within June 20-24, 2011**

Days till maturity	Yield to maturity for a buyer. % APR.			Volume.		
	min	max	last deal	min	max	last deal
<b>Discount (KZT): Notes of NB</b>				0.4% (0.4%) of purchase and sale sector's turnover		
29 - 36	0.57	0.57	0.57	0.57	999.44	1.00
43 - 56	0.66	0.66	0.66	0.66	999.10	1.00
182 - 364	1.50	1.50	1.50	1.50	277.30	1.00
Total					2,275.8 (10.0)	3 (1)
<b>Coupon (KZT): MEUKAM, MEUJKAM, MEOKAM</b>				99.6% (99.6%) of purchase and sale sector net turnover		
Less than 730	1,57	2,00	1,59	1,63 (2,00)	1,218.24	3
1096 - 1460	2,79	2,99	2,99	2,90	469.09	5
1826 - 2190	4,00	4,00	4,00	4,00	27.68	1
More than 2191	4,40	4,90	4,80	4,62 (4,76)	3,339.41	8
Total					5,054.4 (2,381.3)	17 (12)
<b>TOTAL</b>					<b>7,330.2 (2,391.3)</b>	<b>20 (13)</b>

## WORLD MARKETS

### Main news of the world markets

**June 20** it became known that the index of leading economic indicators in the U.S., which is calculated by Conference Board, in May 2011 increased by 0.8% compared to April (in April, a decline of 0.4%). Analysts had expected growth of only 0.3%.

**June 20** International rating agency Moody's Investors Service placed the rating of government bonds of Italy in foreign currency to "Aa2" to review with downgrade and affirmed the short-term rating to "Prime-1". The agency notes structural weaknesses of the country, the inability of authorities to reduce and maintain the proper level amount of debt.

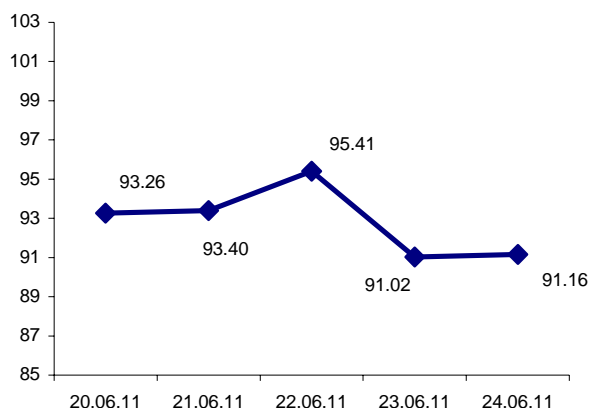
**June 24** the Commerce Department reported that U.S. GDP in the first quarter of 2011, according to final data from the previous quarter grew by 1.9% in annual terms. Earlier it was reported of GDP growth of 1.8%. In addition, Department of Commerce of U.S. reported an increase in orders for durable goods in May 2011 by 1.9% compared with April, to \$195.6 billion, analysts predicted rate increase of 1.5%.

**June 24**, Prime Minister Wen Jiabao of China said that the government has managed to establish firm control over rising prices in the country. In May 2011, inflation in China has reached 5.5% y/y, which was the highest figure in 34 months. Targeted inflation in 2011 before the government was set at 4%. It was reported that to combat inflation the Chinese government has repeatedly raised the base rates and tightened reserve requirements for commercial banks.

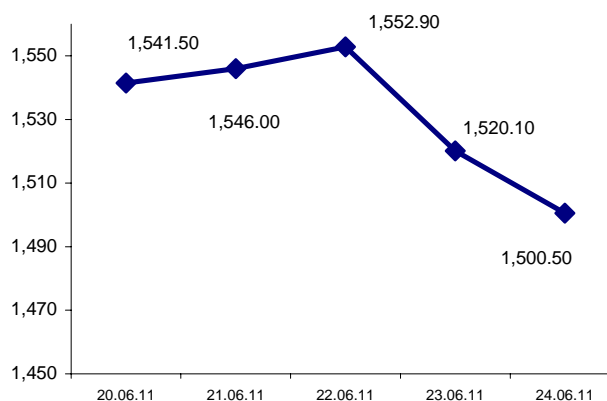
Prepared by IRBIS Information agency of financial markets  
Tulebaev Str. 38, New building, 2nd floor; Almaty, Kazakhstan; [dm@fininfo.kz](mailto:dm@fininfo.kz). [info@fininfo.kz](mailto:info@fininfo.kz).  
Tel.: +7 (727) 321 65 55. fax: +7 (727) 321 60 11.

*IRBIS agency gives notice that material given above is not an offer or recommendation to sell or buy shares on KASE. Using it by anyone, while taking investment decisions does not make IRBIS agency responsible for possible losses resulting from such the decisions.*

**NYMEX Light Sweet Crude Oil**



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



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

