

# WEEK OF STOCK MARKET OF KAZAKHSTAN

March 2 - 8

1 US dollar = **140.85** tenge at official rate for the end of the period  
1 US dollar = **141.11** tenge at weighted average rate of the Exchange for the end of the period

## Yield of stock exchange financial instruments

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted (thanks to the market-makers) at KASE from February 24 through March 1. In parentheses – figures of previous period.

### Investment attractiveness of stock exchange financial instruments from March 2 through 8, 2000

Financial instrument	Currency	Yield, % APR.
KZT (SS repo)	KZT	*7.09 (8.03)
AVMEKAM	USD	11.95 (12.31)
KKGBb	USD	11.95 (12.11)
KOMBb	USD	13.40 (11.95)
BTAS	USD	11.80 (12.32)
MEKKAM, notes	KZT	*16.01 (14.38)
MEKAVM, MGU	USD	*8.54 (8.28)
Euronotes-2	USD	9.56 (9.86)
Euronotes-3	USD	10.31 (10.40)

**Notes:** Yield of BTAS was calculated for 5 days by ask quotations; yield of KKGBb – by deals; KOMBb – as average for bid quotations.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

Average tenge devaluation rate is estimated in the week by a trend of **11.4% APR**.

## Trades in corporate securities

Observed period was shorter than the previous one by one day. However, volume of deals made on trade floors of Kazakhstan stock exchange (KASE) in private issue securities (PIS) sector exceeded that of previous week (\$135.8 th.) by 22% and for 6 transactions it equaled **\$165.7 th.**

Coupon bonds of **OJSC “Komirbank”** (Ekibastuz, official list of securities, category “A”, **KOMBb**) were the most actively traded ones, which account for 92.9% of all turnover of PIS (\$153.9 th., 3 deals).

### Results of the trades in private issue securities from March 2 - 8

Emitter	Securities	Close	USD per share, unless otherwise specified		
			Volume	Bid	Ask
OJSC «Bank TuranAlem»	BTAS	74.22	0	76.25	74.15
OJSC «KAZKOMMERTSBANK»	KKGBb	97.28	0	93.73	95.73
OJSC «Komirbank»	KOMBb	10.13	15 200	*10.22	
«Kazakhtelecom»	KZTK	6.50	1 618		
OJSC «TNC “Kazchrome”»	KZCR	5.68	278		
JSC «Kazakhstancaspishelf»	KKSHp	22.73	0	*20.00	
JSC «ULBA»	ULBAp		0	*10.00	

**Notes:** bid and offer prices are given for the period, for bonds – for last date of the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode.

Compared to previous period price of **KZTKp** rose 18.2%, **KZCR** ( by the last deal of the period) – 11.4 times (more than a thousand percent). Sizes of blocks traded were not big as they were a week ago.

Data on the deals, demand and supply are given in the table.

## Capitalization of the stock market for PIS

For March 8, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$2,201.4 mln** or KZT310.6 bln at tenge to dollar rate of the Exchange, effective on that date. Capitalization rose \$35.0 mln relative to previous period in terms of dollars caused by a significant increase in prices of all the shares traded in this week (see above).

## Trades in state securities

Despite the fact that the week was shorter by one day, a slight increase in the activity of the traders was observed in **purchase and sale sector** for SS of KASE during the period being analyzed. Total volume of **47 deals** reached **KZT2,855.4 mln** against KZT2,392.1 mln (89 deals) of last week. 19.4% increase in turnover was caused exclusively by an increase in volumes of the deals in euronotes sector. A decline in activity of other sectors of the market is observed (please, see the table).

### Parameters of stock exchange transactions in SS from March 2 - 8

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted SS: MEKKAM-3, 6, 12, notes of the National Bank</b> <b>23.1% (40.5%) of purchase and sale sector's turnover</b>						
less than 8	7.28	11.47	7.28	10.80 (11.47)	18.5	3
8 – 14	11.86	11.86	11.86	11.86 (12.20)	7.3	1
15 – 28	11.46	13.00	13.00	12.69 (12.75)	18.7	4
29 – 36	13.27	13.38	13.27	13.37 (13.20)	141.2	2
37 – 42	13.06	13.06	13.06	13.06 (13.06)	34.5	1
64 – 91	14.78	15.31	15.27	14.94 (14.57)	72.3	3
92 – 181	16.55	16.55	16.55	16.55 (15.98)	40.9	1
182 – 364	17.40	17.40	17.40	17.40 (17.30)	327.1	1
Total					660.5 (968.5)	16 (34)
<b>Discounted indexed SS: MEKAVM-6, 12</b> <b>1.9% (12.1%) of purchase and sale sector's turnover</b>						
92 – 181	8.30	8.30	8.30	8.30 (9.25)	50.5	1
182 – 364	9.28	9.28	9.28	9.28 (9.44)	4.4	2
Total					54.9 (290.5)	3 (11)
<b>Indexed coupon SS: AVMEKAM</b> <b>2.7% (7.7%) of purchase and sale sector's turnover</b>						
1,472 - 1,476	11.67	12.01	11.67	11.95 (12.31)	76.1	4
Total					76.1 (185.3)	4 (14)
<b>Euronotes of Kazakhstan, USD</b> <b>72.4% (39.6%) of purchase and sale sector's turnover</b>						
*926 - 929	9.5301	9.5789	9.5789	9.56 (9.86)	69.8	2
**1,661 - 1,666	10.2212	10.4139	10.3037	10.31 (10.40)	2 002.3	23
Total					2,072.2 (947.9)	25 (30)
<b>SUBTOTAL</b>					<b>2,863.5 (2,392.1)</b>	<b>48 (89)</b>

**Notes:** for euronotes (\* - second issue, \*\* - third issue) and AVMEKAM yields are calculated at weighted average USD/KZT. Yields for indexed domestic SS are calculated considering official rate of USD/KZT.

In IRBIS analysts' opinion, turnover structure of SS on secondary market did not change much.

In **repo sector** activity of the banks in attracting short money slightly decreased during the week. Within the period only **18 repo deals** were registered at KASE for a total of **KZT1,670.7 mln**, of which 10 deals (KZT755.1 mln) were opening of repo and 8 deals – repo closing (KZT915.5 mln). Last week total turnover of this sector was at KZT2,186.8 mln.

### Parameters of repo opening deals in SS on KASE from March 2 - 8

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	Weighted average yield, % APR	Number of deals
March 1,00	1	KZT	174.7	8.00	2
March 3,00	3	KZT	300.0	6.00	2
March 3,00	6	KZT	280.4	7.05	6
<b>TOTAL</b>			<b>755.1 (1,171.2)</b>		<b>10 (14)</b>

After closing of trades on March 7 total amount of repos opened on the trade floor reached **KZT280.4 mln**. This amount was attracted for 6 days at **7.05% APR**.

**Total of 65 deals** amounting to **KZT4,526.1 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector), which is less than that of previous period by KZT52.9 mln (134 deals was KZT5,742.8 mln).

In this week **share of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled **69.6%**, for last week it was 51.5%.

## Information about the companies

According to listing requirements, “**Kazakhtelecom**” (Almaty, official list of securities, category “A”) provided Kazakhstan Stock Exchange (KASE) with its financial statements for the year 1999: balance sheet, income statement, and cash flow statement.

Following are the results of the emitter in 1999 (in th. KZT):

Indicator	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital (paid)	12,136,529	12,136,529	0
Shareholders equity	32,307,470	33,523,942	+3.8
Total assets	52,451,988	57,208,166	+9.1
Net working capital	-2,327,252	427,787	+118.4
Accounts receivable	5,990,758	7,367,104	+23.0
Liabilities	20,144,518	23,684,224	+17.6
Sales (services offered)	23,528,306	29,843,043	+26.8
Cost of goods sold (services offered)	14,146,487	15,862,208	+12.1
Net income (loss) of the period	2,041,235	1,515,978	-25.7
Calculated based on emitter's data:			
Return on sales (ROS), %	39.87	46.85	+17.5
Return on equity (ROE), %	6.32	4.52	-28.4
Return on assets (ROA), %	3.89	2.65	-31.9
Book value of a share, KZT	2,662.00	2,762.23	+3.8

Earnings per share (EPS) was not calculated as the amount of dividends to preferred shares by the results of 1999 will be determined after shareholders general meeting.

There were no changes in charter capital of "Kazakhtelecom" in 1999. KZT1,216.47 mln, or 3.8% increase in shareholders' equity to that of 1998 was caused by KZT2,716.28 mln (KZT2,574.37 mln of reporting period, KZT141.91 mln of previous years) increase in total amount of undistributed income with KZT1,499.81 mln (revaluation of fixed assets) decrease in additional unpaid capital.

Assets of "Kazakhtelecom" rose KZT4,756.18 mln, or 9.1% against 1998 (current – KZT4,571.51 mln, or 56.8%, long term – KZT184.67 mln, or 0.4%).

Total amount of "Kazakhtelecom" liabilities rose KZT3,539.70 mln, or 17.6% relative to 1998, including: long term liabilities – KZT1,723.23 mln, or 17.7% (increase in long term loans), current liabilities – KZT1.816.47 mln, or 17.5%.

Sales (services offered) rose KZT6,314.74 mln, or 26.8% relative to 1998, while cost of goods grew KZT1,715.72 mln, or 12.1%. Expenses of the period increased KZT305.13 mln, or 4.6%, of which:

- interest expenses – KZT666.08 mln (111.8%);
- sales expenses – KZT24.03 mln (21.6%);

which was partially compensated by KZT384.97 mln, or 6.9% decrease in general and administrative expenses.

However, as a result of more than 6 time increase (KZT3,479.11 mln) in losses from secondary activities, net income of "Kazakhtelecom" in 1999 reached KZT1,515.98 mln, KZT525.26 mln, or 25.7% decrease against 1998.

Dynamics of sales and income of the company in 1999 are shown in the next table on quarterly non-accruing basis (in th. KZT):

Indicator	I-99	II-99	Change, %	III-99	Change, %	IV-99	Change, %
Sales	5,886	7,848	+33.3	7,596	-3.2	8,513	+12.1
Net income	1,265	-3,723	-394.3	1,068	+128.7	2,906	+172.0

According to listing requirements **OJSC "Bank CenterCredit"** (Almaty, official list of securities, category "A") provided Kazakhstan Stock Exchange (KASE) with its 1999 financial statements: balance sheet, income statement and cash flow statement.

Following are the results of the emitter in 1999 (in th. KZT):

Indicator	As of January 1 '99	As of January 1 '00	Change, %
Authorized (announced)	1,063,339	1,063,339	0
Authorized (paid)	1,003,313	1,062,531	+5.9
Shareholders equity	1,232,984	1,447,052	+17.4
Total assets	10,250,426	13,829,727	+34.9
Liquid assets	1,394,021	4,018,139	+188.2
Loans and deposits	8,509,937	11,839,424	+39.1
Credits granted	6,157,797	8,326,133	+35.2

*To be continued on the page 4*

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<b>Indicator</b>	<b>As of January 1 '99</b>	<b>As of January 1 '00</b>	<b>Change, %</b>
Income from operating activities	1,823,685	3,337,990	+83.0
Total expenses	1,702,528	3,078,139	+80.8
Net income of the period	121,157	259,851	+114.5
Calculated based on emitter's data:			
Return on equity (ROE), %	9.83	17.96	+82.7
Return on assets (ROA), %	1.18	1.88	+59.0
Earnings per share (EPS), KZT	24.15	48.91	+102.5
Book value of a share, KZT	1,228.91	1,361.89	+10.8

Growth in shareholders' equity by KZT214.07 mln or 17.4% relative to 1998, assets – KZT3,579.30 mln, or 34.9%, liabilities – KZT3,365.23 mln, or 37.3%.

Operating income of the bank rose KZT1,514.30 mln, or 83.0% against 1998, expenses – KZT1,375.61 mln, or 80.8%.

As a result of fast growing incomes of the bank over its expenses net income of 1999 grew KZT138.69 mln or 114.5% relative to 1998, at KZT259.85 mln.

Following is the dynamics of some of the bank indicators in 1999 shown on a quarterly basis with non-accruing basis (in th. KZT);

<b>Indicator</b>	<b>I-99</b>	<b>II-99</b>	<b>Change, %</b>	<b>III-99</b>	<b>Change, %</b>	<b>IV 99</b>	<b>Change, %</b>
Client deposits	-78,066	646,705	+928.4	101,379	-84.3	2,500,420	+2 366.4
Operating income	607,999	208,053	-65.8	2,045,968	+883.4	475,970	-76.7
Net income	16,150	64,931	+302.0	14,494	-77.7	164,276	+1 033.4

Prepared by the agency «IRBIS»