

WEEK OF STOCK MARKET OF KAZAKHSTAN

March 16 - 22

1 US dollar = **141.45** tenge at official rate for the end of the period
 1 US dollar = **141.42** 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 at Kazakhstan stock exchange (KASE) during observed period. In parentheses – figures of previous period. Instruments are given in descending order based on their attractiveness.

Investment attractiveness of financial instruments of the Exchange from March 16 through 22

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
KZT (SS repo)	KZT	*19.56 (8.65)	1,606.0 (1,005.8)	11,343.8 (7,115.3)
MEKKAM, notes	KZT	*15.20 (15.47)	357.5 (926.8)	2,525.2 (6,556.4)
KOMBb	USD	12.99 (13.75)	0 (51.1)	0 (361.7)
BTAS	USD	12.73 (12.26)	0 (0)	0 (0)
KKGBb	USD	12.66 (12.21)	13.4 (0)	94.4 (0)
AVMEKAM	USD	11.09 (11.11)	11.2 (229.0)	79.1 (1,620.0)
Euronotes-3	USD	10.95 (10.97)	593.4 (754.7)	4,191.4 (5,338.9)
Euronotes-2	USD	9.90 (9.76)	409.1 (28.5)	2 889.6 (201.6)
MEKAVM, MGU	USD	*9.05 (8.92)	359.6 (377.6)	2 540.0 (2 671.2)

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

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 negative **2.5% APR** (tenge revalued against dollar).

Trades in corporate securities

During observed period, which was shorter than previous period by one day, 5 deals were made on trade floors of Kazakhstan stock exchange (KASE) in private issue securities (PIS) sector for a total of **\$245.3 th.**, which is almost five times less than it was a week ago (\$1,195.3 th.).

This time common shares of **OJSC “Temirbank”** (Almaty, official list of securities, category “A”, **TEBN**) were the leaders both in monetary terms and in terms of quantity and they accounted for 57.5% of all weekly turnover of PIS (\$141.1 th., 2 deals).

Results of the trades in shares from March 16 - 22

USD per share, unless otherwise specified						
Issuer	Securities	Close	WA price	Volume	Best ask	Best bid
OJSC «Bank TuranAlem»	BTAS	74.22	–	0	74,50	76,60
OJSC «Bank CenterCredit»	CCBN	1.42	–	0	0,74	1,41
OJSC «Halyk Bank of Kazakhstan»	HSBK	2.00	–	0		2,50
«Kazakhtelecom»	KZTK	28.38	–	0		24,00
«Kazakhtelecom»	KZTKp	3.00	3.00	562	*3,00	*3,00
OJSC «Temirbank»	TEBN	7.42	7.42	19 000	*7,42	*7,42
OJSC «UKTMK»	UTMKp	35.00	35.00	232	35,00	35,00
OJSC «GEOTEKS»	GEOT	0.10	–	0		*0,08
JSC «Aktobemunaigas»	AMGZp	2.00	–	0		*4,00
JSC «Kazakhstancaspishelf»	KKSHp	22.73	–	0		*20,00
JSC «ULBA»	ULBAp		–	0		*10,00

Results of the trades in bonds from March 16 - 22

yield for the buyer in % APR till maturity, unless otherwise specified							
Issuer	Code	Currency	Last	WA	Volume, th. USD	Best ask	Best bid
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.66	12.66	94.4	13.92	12.26
OJSC «Komirbank»	KOMBb	USD	13.75	–	0	28.89	13.34

Notes: bid and offer prices are given for 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 successful trading day price of **KZTKp** rose 13.6%, **TEBN** (by last deal of the period) – 3.8%, price of **UTMKp** did not change.

Data on the deals, ask and bid information are given in the tables.

Capitalization of the stock market for PIS

For March 22, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$2,199.5 mln** or KZT311.1 bln at tenge to dollar rate of the Exchange, effective on that date. \$1.2 mln growth in capitalization relative to previous period was caused by an increase in prices of common shares of OJSC “Temirbank” and preferred shares of “Kazakhtelecom” (see above).

Trades in state securities

Activity of the dealers practically did not change in **purchase and sale sector** for SS of KASE. Total volume of **60 deals** reached **KZT1,730.8 mln**, whereas in last week, which was one day longer than this one, turnover exceeded KZT2,316 mln with 74 deals.

The period was characterized by further decrease in the proportion of non-indexed by devaluation SS and growth in the proportion of currency bonds. Interest in currency papers grows constantly which becomes clear by looking at demand and offer parameters of recent trades. While one and a half to two months ago most of the quotations concerned SS denominated in KZT, now mostly currency papers are quoted at KASE. However, the yield asked by the buyers is too small, the compromise is rarely achieved.

Despite the deceleration in the growth rate of the dollar in last week and resulting firming of tenge during observed period, devaluation expectations remain high. Tenge gets stronger under the deficit of free funds that can not exist on the market for long.

Parameters of stock exchange transactions in SS from March 16 - 22

(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		
Discounted SS: MEKKAM-3, 6, 12, notes of the National Bank 20.7% (40.0%) of purchase and sale sector's turnover						
less than 8	10.93	12.51	10.93	11.66 (12.75)	107.2	4
15 – 28	12.47	12.47	12.47	12.47 (12.45)	49.5	1
57 – 63	15.24	15.24	15.24	15.24 (-)	1.1	1
64 – 91	15.47	17.47	15.47	16.31 (15.43)	15.0	2
92 – 181	16.76	16.76	16.76	16.76 (16.04)	8.4	1
182 – 364	17.14	17.41	17.41	17.20 (-)	176.3	3
Total					357.5 (926.8)	12 (29)
Discounted indexed SS: MEKAVM-6, 12, MGU 20.8% (16.3%) of purchase and sale sector's turnover						
64 – 91	8.00	8.00	8.00	8.00 (-)	42.4	5
92 – 181	8.70	9.60	8.70	8.78 (8.63)	247.0	3
182 – 364	9.31	9.86	9.86	9.79 (9.35)	70.2	8
Total					359.6 (377.6)	16 (9)
Indexed coupon SS: AVMEKAM 0.6% (9.9%) of purchase and sale sector's turnover						
1,462	11.09	11.09	11.09	11.09 (11.11)	11.2	1
Total					11.2 (229.0)	1 (7)
Euronotes of Kazakhstan, USD 57.9% (33.8%) of purchase and sale sector's turnover						
*912 - 915	9.8239	9.9912	9.9912	9.90 (9.76)	409.1	9
**1,647 - 1,652	10.8888	11.0268	10.9571	10.95 (10.97)	593.4	22
Total					1,002.6 (783.3)	31 (29)
SUBTOTAL					1,730.8 (2,316.6)	60 (74)

Notes: for euronotes (* - second issue, ** - third issue) and AVMEKAM volume of the deals is calculated at weighted average USD/KZT. Volume for indexed domestic SS is calculated considering official rate of USD/KZT.

During the period **33 repo deals** were registered for a total of **KZT1,867.8 mln** in SS **repo sector** of KASE. Of this number 25 deals (for KZT1,606.0 mln) were repo opening deals and 8 (KZT261.8 mln) repo closing deals. In last week total turnover of this sector was at KZT2,116.1 mln. Based on the conjuncture of this sector of the market, short money are in great demand as they were in last week. While borrowing rates are growing constantly.

After closing of the trades on March 21 (on March 22 financial markets of Kazakhstan were closed due to Holidays) total amount of opened repo equaled **KZT1,520.8 mln**. Current weighted average rates as of March 21 (% APR) equaled:

- for 2 days (KZT288.8 mln) – **15.00**;
- for 3 days (KZT34.8 mln) – **13.00**;
- for 6 days (KZT800.6 mln) – **21.82**;

- for 8 days (KZT87.1 mln) – **11.50**;
- for 31 days (KZT309.5 mln) – **12.50**.

Parameters of repo opening deals in SS on KASE from March 16 - 22

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT		WA yield, % APR	Number of deals
March 17,00	3	KZT	47.5		13.00	2
March 17,00	31	KZT	309.5		12.50	2
March 20,00	1	KZT	124.8		15.00	4
March 20,00	3	KZT	34.8		13.00	4
March 21,00	2	KZT	288.8		15.00	8
March 21,00	6	KZT	800.6		21.82	5
TOTAL			1,606.0	(1,005.8)		25 (20)

Total of 93 deals amounting to **KZT3,598.6 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 166 deals was KZT4,432.8 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 **64.2%**, for last week it was 68.2%.

Information about the companies

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

Following are the emitter’s results for 1999 (in th. KZT):

Ratio	As of	As of	Change, %
	January 1 '99	January 1 '00	
Authorized capital (announced)	8,870,230	12,870,230	+45.1
Authorized capital (paid)	8,870,230	9,696,690	+9.3
Shareholders equity	4,362,594	5,676,919	+30.1
Total assets	19,003,331	46,891,241	+146.8
Liquid assets	4,197,064	11,544,109	+175.1
Loans and deposits	13,946,568	35,243,501	+152.7
Loans granted	11,405,038	27,921,684	+144.8
Income from operating activities	5,081,951	8,170,250	+60.8
General expenses	3,214,253	7,283,955	+126.6
Net income	1,867,698	886,295	-52.5
Calculated based on emitter’s data:			
Return on equity (ROE), %	42.81	15.61	-63.5
Return on assets (ROA), %	9.83	1.89	-80.8
Earnings per share (EPS), KZT	2,105.58	914.02	-56.6
Book value of a share, KZT	4,918.24	5,854.49	+19.0

Compared to 1998 growth took place in:

- shareholders’ equity – KZT1.31 bln, or 30.1% (as a result of offering the 5th issue of shares for KZT826.46 mln, increase in undistributed income – KZT886.30 mln with KZT399.33 mln decrease in fixed asset revaluation fund);
- assets – KZT27.89 bln, or 146.8%.
- liabilities – KZT26.57 bln, or 181.5%.
- operating income – KZT3.09 bln, or 60.8%.
- expenses – KZT4.07 bln, or 126.6%.

Net income equaled KZT886.30 mln, KZT981.40 mln, or 52.5% less than it was in 1998.

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

Indicator	Change, %			Change, %			
	I-99	II-99	III-99	IV 99	Change, %		
Client deposits	527.9	8,860.5	+1,578.5	4,802.4	-45.8	609.7	-87.3
Operating income	1,284.5	1,572.8	+22.4	2,124.9	+35.1	3,188.0	+50.0
Net income	259.2	241.8	-6.7	251.5	+4.0	133.9	-46.8

OJSC “KAZKOMMERTSBANK” (Almaty, KASE official list of securities, category “A”) informs that the first coupon on its domestic currency bonds was made on March 6 of current year in accordance with the issue rules.

It is said after the bond issue (Aug.11,99) in September 1999 OJSC “KAZKOMMERTSBANK” was the first among Kazakhstani banks to successfully launch them on domestic market. Total volume of the issue is \$30 mln, interest rate – 10% APR, circulation term – 2 years.

On August 31, 1999 the bonds of the bank were entered into KASE official list under the category “A” (trade code – KKGBb), and from November 3 the bank received a status of a specialist (variation of a market-maker) on its own bonds.

Besides, OJSC “KAZKOMMERTSBANK” is the first (so far the only) emitter of corporate eurobonds on international markets in Kazakhstan (three year eurobonds were issued on May 8, 99 for a total of \$100 mln through its affiliated company “KAZKOMMERTS INTERNATIONAL B.V.”, registered in Netherlands – *comm. IRBIS*).

OJSC “Halyk Bank of Kazakhstan” (Almaty, official list of securities, category “A”) provided Kazakhstan Stock Exchange (KASE) with its financial statements for 1999: balance sheet, income and cash flow statements.

Following are the emitter’s results for 1999 (in th. KZT):

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital	3,011,900	3,615,067	+20.0
Shareholders' equity	4,805,297	5,755,792	+19.8
Total assets	39,734,234	57,160,094	+43.9
Liquid assets	14,292,823	24,072,156	+68.4
Loans and deposits	32,794,819	47,993,148	+46.3
Loans granted	17,873,578	20,577,670	+15.1
Income from operating activities	9,436,654	13,770,106	+45.9
General expenses	8,884,130	13,139,724	+47.9
Net income	552,524	630,382	+14.1
Calculated based on emitter's data:			
Return on capital (ROE), %	11.50	10.95	-4.7
Return on assets (ROA), %	1.39	1.10	-20.7
Earnings per share (EPS), KZT	18.34	17.44	-4.9
Book value of a share, KZT	159.54	159.22	+0.2

Compared to 1998 growth took place in:

- shareholders' equity – KZT950.50 mln, or 19.8% (due to placement of 4th issue of share for KZT603.17 mln, additional paid-up capital – KZT247.30 mln, savings in bank's funds – KZT99.77 mln and undistributed income – KZT0.26 mln);
- assets – KZT17.43 bln, or 43.9%;
- liabilities – KZT16.48 bln, or 47.2%;
- operating income – KZT4.33 bln, or 45.9%.
- expenses – KZT4.26 bln, or 47.9%.

Net income equaled KZT630.38 mln, KZT77.86 mln, or 14.4% more than it was in 1998.

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

Indicator	I-99	II-99	Change, %	III-99	Change, %	IV 99	Change, %
Client deposits	-2,905.9	6,452.1	+322.0	1,101.8	-82.9	9,228.6	+737.6
Operating income	2,750.8	5,675.4	+106.3	2,442.6	-57.0	2,901.3	+18.8
Net income	52.6	382.0	+626.2	145.6	-61.9	50.2	-65.5

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

The audit was held by an independent auditing company “Arthur Andersen” (Almaty, Kazakhstan). After the audit of 1997 financial statements by “Arthur Andersen” OJSC “SHNOS” makes its financial statements by the standards of the auditor and present them to the Exchange. As a result, financial and economic ratios of the company and those of an independent auditor match.

Following are the results of OJSC “SHNOS” in 1999 by the data of the emitter and the auditor (in th. KZT):

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital (announced)	83,097	100,000	+20.3
Authorized capital (paid)	83,097	83,097	0
Shareholders equity	11,301,652	14,357,386	+27.0
Total assets	12,880,517	17,884,068	+38.8
Net working capital	3,603,681	6,737,230	+87.0
Accounts receivable (net)	3,167,897	3,591,950	+13.4
Bad debt reserves	860,751	463,677	-46.1
Accounts payable	1,578,865	3,350,907	+112.2
Sales (services offered)	18,705,022	31,827,675	+70.2
Cost of goods sold (services offered)	13,322,730	16,345,816	+22.7
Net income (loss) of the period	2,399,269	8,415,980	+250.8
Calculated based on emitter's data:			
Return on sales (ROS), %	28.77	48.64	+69.0
Return on equity (ROE), %	21.23	58.62	+176.1
Return on assets (ROA), %	18.63	47.06	+152.6
Book value of a share, KZT	13,600.57	229.60	-
Earnings per share (EPS), KZT	3,207.60	-	-
Price earnings ratio (P/E)	3.14	-	-

To make the comparison easier the figures for 1998 were given taking into account the share split conducted upon registration of the second issue. Earnings per common share (EPS) and price earnings ratio for the year 1999 were not calculated as the amount of dividends to preferred shares was absent.

Annual capacity of oil refinery is 7 mln tons of crude oil. Based on the information of the auditor, average processing capacity in 1996-1997 – 47%, in 1997-1999 – 51%. OJSC “SHNOS” processes crude oil purchased for its own funds as well as oil of their clients under mutual interest agreements.

Each year the company creates necessary reserves (provisions) to minimize the risks that may have a negative impact on its activities and its financial situation. In 1999 following reserves: general reserves for bad debts for an amount of KZT463.68 mln (KZT860.75 mln – in 1998, KZT540.76 mln – in 1997), reserve for obsolescence of inventory for an amount of KZT47.00 mln (KZT72.00 mln – in 1998, no reserves in 1997), also current income tax provisions for KZT3,947.39 mln (KZT826.79 mln – in 1998, KZT1,066.31 mln – in 1997).

As in previous report, the auditor notes that OJSC “SHNOS” has no insurance coverage on its equipment, production and on possible property damages or environmental hazards. Therefore, there is a risk that a loss or damage to certain assets can have a negative impact on the company's activities and its financial situation.

According to auditing report made on October 9, 1999, OJSC “SHNOS” and Canadian “Hurricane Hydrocarbons Ltd.” (“HHL”) have signed a merger agreement. Based on the agreement, “HHL” (its affiliated structure – OJSC “Hurricane Kumkol Munai” is the main supplier of raw materials to OJSC “SHNOS”) will receive about 84% of issued shares of OJSC “SHNOS” for 57.0 mln U.S. dollars and 30% of shares issued by “HHL”. The report reads (beginning of quote): “Presently, “HHL” is under the protection of Canadian court on bankruptcy and is going through the restructuring of its financial matters with the lenders. The merger will depend on the successful outcome on this matter, in addition to other matters specified in the agreement. The merger agreement terminates itself on March 31, 2000 if all the matters of the agreement will not settled successfully.” (end of quote)

Auditing was conducted in accordance with International and Kazakhstani accounting standards. In the auditor's opinion, financial statements give a reliable and objective picture of financial situation of OJSC “SHNOS” as of December 31, 1999 and 1998, and that of the results of its activities and cash flow statements as of indicated dates in accordance with Kazakhstani accounting standards.

Dynamics of sales and income of the company 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	2,722.7	5,723.7	+110.2	12,784.6	+123.4	10,596.6	-17.1
Net income	-463.8	1,414.9	+405.0	2,362.6	+67.0	5,102.3	+116.0

According to an extract from the register of the owners of OJSC “SHNOS” securities, as of December 31, 1999 17,293,655 shares of the second issue were in issuance account of the emitter, 20,567,622 shares were bought back from the shareholders by the decision of the Board of directors of November 11, 1999.

At annual general meeting, which was held on February 11 of current year, shareholders of OJSC “SHNOS”, taking into consideration the decision of the Board of directors of December 10, 1999 on changing issued (paid) capital of the company, made a resolution: to cancel previous (second) issue of the shares with simultaneous registration of a new issue of 62,322,701 shares.

By the resolution of the Directorate of the National securities commission of Kazakhstan (NSC) #575 of March 16, 2000 **OJSC “Aktobemunaigas”** (Aktobe, “Non-listing securities” sector, second admittance level) was given a status of open people’s joint stock company.

Prepared by the agency «IRBIS»