

WEEK OF STOCK MARKET OF KAZAKHSTAN

June 5 – June 11

Money market indicators as of June 11 and change for the period

Term	Currency	Rate	Trend
“Overnight” on autorepo at KASE(TONIA)			
1 day	KZT	2.81	-0.16
Repo opening at KASE (WA, % APR)			
1-2 days	KZT	2.82	-0.07
5-7 days	KZT	3.32	-0.40
14 days	KZT	4.50	+0.54
KIBOR (indicative, % APR)			
1 week	KZT	8.00	0
2 weeks	KZT	8.50	-0.25
1 month	KZT	9.00	-0.50
2 months	KZT	9.50	-0.75
3 months	KZT	10.00	-1.00

Stock market indicators as of June 11 and their change for the period

Index	Value	Trend
Shares of “A” listing		
KASE_Shares	99.01	-0.11%
Corporate bonds of “A” listing		
KASE_BP	140.89	-0.29%
KASE_BC	118.80	-0.45%
KASE_BY	8.18	+1.51%
Euronotes of Kazakhstan		
KASE_EP	148.67	+0.31%
KASE_EC	113.29	+0.25%
KASE_EY	3.55	-3.78%

US dollar = **149.60** tenge at official rate for the end of the period.

US dollar = **149.21** tenge at weighted average rate of the Exchange for the end of the period.

Rate of tenge devaluation for the period at the Exchange's rate – **negative 9.4% APR**.

THE CORPORATE SECURITIES MARKET (CS)

In CS purchase-sale sector a total of 33 deals amounting to **\$8,651.4 th** or KZT1,292.9 m were made during the analyzed period. In comparison with the previous week (31 deals, \$10,749.9 th. or KZT1,615.6 m) volume of the sector decreased by 19.5%. Deals were made by 12 KASE's members on 14 instruments 7 of which were bonds. During the previous period 14 brokers were interested in 19 securities 9 of which were bonds. Judging on the shown data it's seen that activity of Cs market has not significantly changed.

The corporate bonds market was characterized by two main tendencies. The first one is that market's participants more actively involved non-indexed tenge bonds (ARNAb1, KZIKb1) into trade. Before deals in these securities were seldom made. The second tendency is predominant falling of securities' yield to maturity for a purchaser on made deals in presence of reverse regularity, which was observed on quotations and indexes. Judging on made deals yield of ARNAb1 decreased within the week from 14.00% APR to 13.80% APR, CSBNb1 – from 10.00% to 9.10% APR, KKGBb3 – from 7.56% to 6.93% APR, ORDBb1 – from 11.00% to 9.24% APR, VTBNb1 – from 10.46% to 10.26% APR. Only KZIKb1 (from 8.10% to 8.30% APR) and SYRGb1 (from 7.21% to 8.51% APR) were characterized by yield growth. At the same time, dynamics of indexes of the series KASE_B* (table is in the beginning of the review) is the evidence of falling of clean prices of corporate dollar and indexed on tenge devaluation bonds in weighted average expression by 0.29%, dirty

Investment attractiveness of stock exchange financial instruments since June 5 till June 11

Financial instrument	Currency of transaction	Yield, % APR value	trend
Instruments denominated in national currency, tenge			
UKPFb1	KZT	14.50	0
ARNAb1	KZT	14.01	+1.51
TXBNb1	KZT	12.00	0
CS repo	KZT	*9.31	-2.81
KZIKb1	KZT	8.19	+0.09
MEOKAM,	KZT	6.27	-0.76
MEAKAM			
MEKKAM, notes	KZT	*4.79	-0.32
GS Repo	KZT	*3.02	-0.61
Instruments indexed on devaluation			
VITAb3	USD	12.87	+1.37
RGBRb3	USD	10.50	0
VTBNb1	USD	10.26	-0.21
ORDBb1	USD	10.25	-0.75
KZASb1	USD	10.10	0
ALKSb2	USD	10.05	0
CSBNb1	USD	9.10	+0.11
BTASb2	USD	9.00	0
TEBNb	USD	8.98	0
ASBNb1	USD	8.52	-0.49
SYRGb1	USD	8.51	+1.30
ASFIb2	USD	8.50	0
BTASb1	USD	8.50	0
TEBNb3	USD	8.50	0
ALBNb1	USD	8.21	-0.01
CCBNb1	USD	8.07	+0.04
CCBNb2	USD	8.03	0
HSBKb	USD	8.02	+0.01
TEBNb2	USD	7.93	0
LAR1b1	USD	7.75	0
HSBKb2	USD	7.68	+0.07
KZPSb1	USD	7.68	+0.15
KKGBb2	USD	7.51	-0.99
BRKZb1	USD	7.15	-0.16
NRBNb1	USD	7.00	-0.42
KZAPb1	USD	6.96	-0.29
ART060.004	USD	6.50	0
ATFBb2	USD	6.05	-1.75
KARMB1	USD	6.01	0
TMJLb2	USD	6.00	+0.10
AST048.005	USD	5.82	-0.18
KZTKb1	USD	5.80	-0.14
ARU060.003	USD	5.59	0
VKU036.002	USD	5.00	0
AST036.004	USD	4.66	-0.27
KZTOb	USD	4.53	-2.48
ASU036.003	USD	4.30	-0.10
VKU036.001	USD	4.00	0
ARU024.002	USD	3.00	+0.01
Instruments denominated in foreign currency			
BTASe2	USD	7.15	+0.41
KKGBe2	USD	7.00	0
KKGBe3	USD	6.93	+0.18
BRKZe1	USD	5.94	-0.28
KZTOe1	USD	5.54	-0.19
BTASe1	USD	5.10	-0.07
IFO bonds	EUR	1.45	-0.20

The yields of bonds at which the deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations.

Trends are given relative to previous week. Securities marked by asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

prices – by 0.45%, whereas there was growth of weighted average index of yield by 1.51%. Such the strange contradiction between dynamics of deals' prices and behavior of indexes (main influence upon them is made by quotations) can be explained by the only thing. In presence of market's general tendency for increasing of yield of dollar securities (in accordance with falling of USD's rate) real deals are made only at growing prices i.e. with profit fixation. Increasing of capitalization of stock exchange's corporate bonds market within the week by \$5.3 m. to \$1,289.0 m. as of May 11 has been caused by the latter thing.

At shares market main volume of transactions (98.8%) was made in usual exchange's favorite –CCBN. All nine deals, which were made in these shares were direct, and the rate did not change within the week. Prices of KIBN and VTBNp were constant as well. As well as in last week, dynamics of other shares' rate, to put it mildly, is high. KZTKp fell by 3.2%, price of KZZN increased 2 times, TEBN – by 53.8%, ZERD – 4.1 times. As the result capitalization of stock exchange's shares market increased within seven days by \$780.5 m. to \$2,712.3 m.

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

Results of the trades in bonds within June 5 – June 11 (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	11.0021	8.2160
Almaty Kus OJSC	ALKSb2	12.0017	0	12.8500	10.0545
ARNA OJSC	ARNAb1	13.8000	566.6	13.8000	14.0074
Alliance-Bank OJSC	ASBNb1	9.0037	0	11.5031	8.5248
Astana-finance OJSC	ASFib2	10.5000	0	11.5000	8.5000
AMB OJSC	ATFBb2	7.8000	0	9.0025	6.0698
Development Bank of Kazakhstan OJSC	BRKZb1	8.4253	0	9.9780	7.1495
Development Bank of Kazakhstan OJSC	BRKZe1	6.2189	0	7.1212	6.4001
Bank TuranAlem OJSC	BTASb1	9.0985	0	10.0000	8.5000
Bank TuranAlem OJSC	BTASb2	8.9641	0	10.5000	9.0000
TuranAlem Finance B.V.	BTASe1	6.4988	0	6.3760	5.2331
TuranAlem Finance B.V.	BTASe2	7.7439	0	7.4822	7.2128
Bank CenterCredit OJSC	CCBNb1	10.9158	0	10.7409	8.1081
Bank CenterCredit OJSC	CCBNb2	9.6971	0	10.8670	8.0296
BANK CASPIAN OJSC	CSBNb1	9.1000	10.4	9.1000	9.1000
Halyk Bank of Kazakhstan OJSC	HSBKb	9.9881	0	10.8950	8.0470
Halyk Bank of Kazakhstan OJSC	HSBKb2	*9.3049	0	10.0035	7.7004
Karazhanbasmunai OJSC	KARMB1	*9.0028	0	9.0007	6.0234
KAZKOMMERTSBANK OJSC	KKGBb2	8.4984	0	8.5131	7.5118
KAZKOMMERTSBANK OJSC	KKGBe2	10.7508	0	9.9951	7.0047
Kazkommerts International B.V.	KKGBe3	6.9340	335.0	6.9340	6.9340
NAC Kazatomprom	KZAPb1	8.9120	0	8.7974	7.1996
DAGOK Kustanaiasbest JSC	KZASb1	*7.0116	0	13.0999	10.1001
Kazakhstan Mortgage Company CJSC	KZIKb1	8.3000	646.2	7.4967	8.3000
Kazpost OJSC	KZPSb1	8.5025	0	8.8977	8.0049
Kazakhtelecom	KZTKb1	*6.8079	0	7.4999	6.5007
KazTransOil CJSC	KZTOb	7.0083	0	7.0793	6.4026
KazTransOil CJSC	KZTOe1	6.3486	0	6.2389	5.9025
JB LARIBA-BANK OJSC	LARib1		0	10.7462	7.7505
Nurbank OJSC	NRBNb1	8.8631	0	8.8996	7.2965
Corporation "Ordabasy" OJSC	ORDBb1	*9.2412	771.3	*9.2412	11.0000
RG BRANDS OJSC	RGBRb3	10.5025	0	11.5000	10.5058
HOP OJSC	SYRGb1	8.5057	311.3	8.5057	8.5057
TEMIRBANK OJSC	TEBNb	10.4876	0	10.4831	8.9835
TEMIRBANK OJSC	TEBNb2	10.6945	0	10.9906	7.9302
TEMIRBANK OJSC	TEBNb3		0	11.5000	8.5000
NC KTZh CJSC	TMJLb2	6.7500	0	7.9881	6.0043
TEXAKABANK OJSC	TXBNb1	15.1276	0	15.0000	12.0000
UKBF CJSC	UKPFb1		0	16.5000	14.5000
VITA OJSC	VITAb3	*22.2132	0	15.9918	19.3407
VALUT-TRANZIT BANK OJSC	VTBNb1	*10.2600	1,040.2	*10.2600	10.4586
TOTAL	41		3,681.0		

Results of the trades in shares within June 5 – June 11 (KZT per share, unless otherwise specified)

Issuer	Code of security	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*14.90	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp	14.93	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
CNPC-AMG OJSC	AMGZ	9,100.00	0	0	6,100.00	9,110.00
Astana-finance OJSC	ASFI	1,014.96	0	0	700.00	1,050.00
AMB OJSC	ATFBp	834.35	0	0	700.00	1,050.00

Issuer	Code of security	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Bank TuranAlem OJSC	BTAS	20,432.25	0	0	13,464.00	20,140.65
Bank CenterCredit OJSC	CCBN	*200.00	3,604,052	4,911.2	219.37	*200.00
BANK CASPIAN OJSC	CSBN	697.00	0	0	185.00	256.50
BANK CASPIAN OJSC	CSBNp	185.00	0	0	185.00	256.50
Halyk Bank of Kazakhstan OJSC	HSBK	180.00	0	0	120.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	144.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp7	150.00	0	0	144.00	180.00
Kazinterbank OJSC	KIBN	*100.00	925	0.6	*100.00	*100.00
KAZKOMMERTSBANK OJSC	KKGB	120.00	0	0	74.80	111.89
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	69.00	103.50
Corporation Kazakhmys OJSC	KZMS	4,200.00	0	0	2,800.00	4,200.00
Kazakhtelecom`	KZTK	3,642.24	0	0	2,393.60	3,580.56
Kazakhtelecom	KZTKp	1,790.52	30	0.4	1,795.20	1,790.52
Kazzink OJSC	KZZN	*880.00	4,900	28.8	*880.00	*880.00
TEMIRBANK OJSC	TEBN	1,000.00	2,504	10.9	1,000.00	651.00
TEMIRBANK OJSC	TEBNp		0	0	675.00	1,010.00
TEXAKABANK OJSC	TXBN		0	0	9,086.00	13,629.00
UKTMC OJSC	UTMK	4,490.01	0	0	4,188.80	6,265.97
UKTMC OJSC	UTMKp	*4,302.00	0	0	3,000.00	4,500.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	0	0	320.00	480.00
VALUT-TRANZIT BANK OJSC	VTBNp	*450.00	2,500	7.5	*450.00	*450.00
Zerde OJSC	ZERD	*2,035.00	800	10.9	*2,035.00	*2,035.00
TOTAL	28		3,615,711	4,970.3		

Notes: bid and offer prices for the period are given; if no deals were made during reporting period (volume =0), the last price of successful trades is given; marked by the star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals and indicators received with its using.

In CS repo-transactions sector 38 deals were made in the total amount of **\$7,227.4 th.** (KZT1,079.9 m) during the described period. 7 deals of them (in the amount of \$682.0 th.) repo opening and 31 deals (in the amount of \$6,545.4 th.) – repo closing. Last period volume of deals in this sector reached \$9,001.9 th. (KZT1,351.4 m).

In all CS trade floors of KASE a total of 71 deals amounting to **\$15,878.7 th.** (KZT2,372.7 m) were concluded within the analyzed period. Last period (including SBS sector) volume of 86 deals equaled to \$169,913.3 th. (KZT25,579.8 m).

SECTOR OF GOVERNMENT SECURITIES (GS)

In GS purchase and sale sector of KASE (including euronotes of Kazakhstan) a total volume of 44 deals reached **KZT3,401.0 m** (\$22,773.1 th.) during the analyzed period. Corresponding figure of the previous period – KZT7,087.5 m (\$47,162.6 th.).

Parameters of Exchange's transactions in GS within June 5 – June 11

(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 (KZT): National Bank's notes						
93.4% (44.5%) of purchase and sale sector's turnover						
less than 8	3.50	3.69	3.50	3.51 (4.00)	750.5	7
8 - 14	4.00	4.00	4.00	4.00 (3.83)	362.6	4
15 - 28	4.00	5.11	4.00	4.82 (3.00)	161.6	4
29 - 36	4.95	5.34	4.99	5.03 (5.20)	189.4	3
37 - 42	4.97	5.64	5.44	5.33 (-)	348.4	3
43 - 56	5.00	5.61	5.39	5.40 (5.15)	537.1	6
57 - 63	5.40	5.41	5.40	5.40 (5.23)	60.6	4
64 - 91	4.95	5.35	5.35	5.09 (5.15)	92.3	3
92 - 181	4.50	5.41	5.28	5.24 (-)	675.1	6
Total					3,177.7 (3,155.6)	40 (44)
Coupon (KZT): MEOKAM-24, 36, MEAKAM						
6.6% (44.9%) of purchase and sale sector's turnover						
less than 730	5.73	6.30	6.30	6.14 (5.85)	178.8	3
1461 - 1825	6.23	6.23	6.23	6.23 (7.02)	44.4	1
Total					223.2 (3,179.7)	4 (9)
GRANDTOTAL					3,401.0 (7,087.5)	44 (59)

Data, which is shown in the table, is the evidence of the fact that this sector has significantly changed. First of all, absence of deals in euronotes of Kazakhstan, attract attention. In this year these bonds lost status of market's favorites long ago. However absence of deals within seven days happens first time. Euronotes market has been overheated for long time. Under conditions of quick strengthening of tenge relative to dollar sellers and buyers of these securities cannot split the difference, especially if to take into account the antipathy of forecasts concerning USD's rate even in the mid-term outlook. The second peculiarity of the week is the significant increasing of the stake of the National Bank's notes in the stock exchange's turnover. It's been

caused by a number of primary floatations of longer securities. The exchange's turnover of the secondary GS market has decreased due to outflow of investors' money to these floatations, where the National Bank regularly satisfied almost the whole demand. Besides, investors dismissed short bonds in order to buy longer notes, and it resulted in changing of the structure of GS turnover at KASE. As is seen from the shown data, yield of GS remained almost unchanged.

In GS repo-transactions sector 341 deals were made for a total of **KZT53,129.2 m** (including automatic repo sector) during the period. Of this number 163 deals (for KZT26,218.6 m) were repo opening deals and 178 (KZT26,910.6 m) were repo closing deals. Last period transactions volume of this type reached KZT62,076.6 m. After closing of the trades on June 11 total amount of opened at KASE repo was equal to KZT13,090.9 m.

Major parameters of automatic repo market on opening deals within June 5 – June 11

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	3.50	1.00	4.00	1.50	23,135.0	120	89.6 (87.7)
KZT_002	3.50	2.90	3.50	2.90	735.0	9	2.8 (0.5)
KZT_003	3.00	3.00	3.50	3.10	569.0	6	2.2 (0.4)
KZT_007	3.70	3.50	4.00	3.50	1,067.0	20	4.1 (4.8)
KZT_014	4.30	4.30	4.50	4.50	300.0	2	1.2 (2.7)
TOTAL					25,806.0 (26,939.0)	157 (179)	100.0

Total of 385 deals were made at trade floors of KASE amounting to **KZT56,530.2 m** in GS on trade floors of KASE during the analyzed period. The previous period (purchase-sale and repo sector, including primary additional floatation of municipal bonds of Atyrau oblast of the fourth issue) volume of 492 deals equaled to KZT70,203.1 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled in the described period to **98.3%**, last week it was equal to 83.8%.

KASE'S NEWS

By the decision of KASE's Board dated June 10 of 2003 changes have been included into KASE's internal document "Specification of automatic repo market" (Specification), which was confirmed by the decision of stock exchange's Board on December 24 of 2002. In the old edition of Specification it was determined that if within **three months** repo transactions on a corporate security, which is permitted to be used as the subject of repo transactions, which were made by "automatic method", were not conducted, this security was to be excluded from among the securities, which were permitted to be used as the subject of repo transactions, by the decision of KASE's Board. In the new edition of the Specification the above-mentioned term has been prolonged **to six months**.

By the decision of KASE's Board, on the basis of KASE's internal document "Specification of automatic repo market" **since June 10 of 2003** the following securities have been excluded from amongst the securities, which are permitted to be used as subjects of repo transactions:

- indexed subordinate bonds of Bank TuranAlem OJSC (Almaty) of the first issue (KZ2CUY08A320; KASE's official "A" listing category, BTASb1; \$100, \$20 m.; February 19, 01 – February 19, 09; semi-annual coupon 12% APR);
- indexed subordinate bonds of Bank TuranAlem OJSC of the second issue (KZ2CKY08A535; KASE's official "A" listing category; BTASb2; KZT15,000, KZT3,750.0 m.; April 29, 02 – April 29, 10, semi-annual coupon 9.0% APR);
- euronotes of TuranAlem Finance B.V. (Netherlands) of the first issue (XS0131688227, KASE's official «A» listing category, BTASe1, \$100 m., June 28, 01 – June 28, 04, semi-annual coupon 11.5% APR);
- indexed bonds of BANK CASPIAN OJSC of the first issue (KZ2CUY03A370; KASE's official "A" listing category, trade code is CSBNb1; \$100, \$15.0 m.; July 13, 01 – July 13, 04, semi-annual coupon 9.5% APR);
- common inscribed shares of Kazakhtelecom (Astana) of the first issue (KZ1C12280417; KASE's official "A" listing category, KZTK; KZT1,000.00, KZT10,922,876.0 th.);
- privileged inscribed shares of Kazakhtelecom (Astana) of the first issue (KZ1P12280412; KASE's official "A" listing category, KZTKp; KZT1,000.00, KZT1,213,653.0 th.);
- common inscribed shares of TEMIRBANK OJSC (KZ1C00260014; KASE's official "A" listing category, TEBN; KZT1,000.00, KZT3,690.0 m.).

The decision has been made in accordance with the fact that the mentioned securities were not used at KASE's automatic repo market as the subject of repo transactions during six months and more.

By the decision of KASE's Board, on the basis of application, which was submitted by KASE's member, **since**

June 11 of 2003 at KASE trades in new instruments have been opened at automatic repo market on the security of indexed to tenge devaluation bonds of Astana-finance OJSC (Astana) of the second issue (KZ2CKY03A510; KASE's official "A" listing category, ASF1b2; KZT100, KZT4,500.0 m.; April 1, 02 – April 1, 05; semi-annual coupon 9.0% APR). Standard terms of the instrument, which has been assigned trade code **R_ASF1b2_180**, is **180 days**.

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