

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 18 – 24

Money market indicators as of August 24 and change for the period

Term	Currency	Rate	Trend
“Overnight” on autorepo at KASE(TONIA)			
1 day	KZT	3.82	+2.32
Repo opening at KASE (WA, % APR)			
1-3 days	KZT	3.95	+2.47
7 days	KZT	3.14	+0.24
14 days	KZT	4.00	–
28-31 days	KZT	9.30	+2.29
48 days	KZT	4.50	–
90 days	KZT	15.00	–
184 days	KZT	6.13	–
KIBOR (indicative, % APR)			
1 week	KZT	5.00	0
2 weeks	KZT	5.75	+0.25
1 month	KZT	6.50	+0.50
2 months	KZT	7.25	+0.75
3 months	KZT	8.00	+1.00

Stock market indicators as of August 24 and their change for the period

Index	Value	Trend
Shares of “A” listing		
KASE Shares	188.91	+6.85%
Corporate bonds of “A” listing		
KASE_BP	161.46	+0.12%
KASE_BC	122.68	-0.03%
KASE_BY	7.86	-0.31%
Euronotes of Kazakhstan		
KASE_EP	152.48	+0.08%
KASE_EC	103.61	+0.0001%
KASE_EY	4.83	-0.24%

US dollar = **136.46** tenge at official rate for the end of the period.
 US dollar = **136.38** 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 – **4.5% APR.**

Investment attractiveness of stock exchange financial instruments since August 18 till August 24

Financial instrument	Currency of trans-n	Yield, % APR value	trend	Coupon, % APR	Term, years
Non-indexed instruments denominated in tenge					
UKPFb1	KZT	12.50	+2.50	14.00	3.1
TXBNb1	KZT	11.50	+3.00	15.00	2.0
TXBNb2	KZT	10.00	-1.20	11.00	5.9
CS repo*	KZT	9.78	+1.69	–	0.003-0.5
ARNAb1	KZT	9.50	0	13.00	1.0
VTZLb1	KZT	9.10	+0.03	10.00	9.2
VTTHb1	KZT	8.95	0	10.00	8.2
VTSKb2	KZT	8.89	0	10.00	7.2
ATFBb3	KZT	8.22	-0.05	8.50	4.3
BTAIb1	KZT	8.00	-2.20	10.00	6.3
UKTCb1	KZT	8.00	0	9.00	2.2
HSBKb3	KZT	7.38	+0.39	9.00	4.8
EUBNb1	KZT	7.00	0	7.00	4.3
KKGBb3	KZT	6.50	0	7.00	2.4
PRKRb1	KZT	6.50	0	8.00	4.7
MEOKAM	KZT	5.82	+0.45	5.68-6.09	1.62-6.0
GS repo*	KZT	4.97	+4.15	–	0.003-0.13
INCAb1	KZT	4.01	-0.02	–	0.3
MEKKAM, notes*	KZT	3.75	+0.33	–	0.02-0.97
Instruments indexed on inflation					
KZASb2	KZT	9.12	-0.11	8.80	4.8
KZALb1	KZT	9.00	+0.40	9.00	4.8
TSBNb1	KZT	9.00	+0.50	9.00	2.7
CSBNb4	KZT	8.20	0	7.50	6.8
NRBNb3	KZT	8.10	+0.90	8.00	2.8
KARMB2	KZT	8.00	+2.40	8.60	4.4
ASFib4	KZT	8.00	-1.74	9.00	6.7
BTASb4	KZT	7.52	-0.18	8.00	9.8
CCBNb3	KZT	7.34	+0.50	12.60	5.8
HSBKb4	KZT	7.00	-1.35	8.50	5.9
KZIKb4	KZT	6.90	+0.96	7.00	9.6
BTASb3	KZT	6.50	0	8.00	9.2
KZIKb2	KZT	5.34	-0.01	8.30	9.1
KZIKb1	KZT	5.30	-0.98	11.25	1.2
KZIKb3	KZT	5.10	-2.40	7.50	9.6
KZIKb6	KZT	5.00	-2.18	7.29	6.6
Instruments indexed on devaluation of tenge to US dollar					
VTBNb1	USD	12.03	+0.78	10.00	2.1
ORDBb1	USD	12.00	0	11.00	1.1
ALKSb2	USD	10.18	+0.13	10.00	1.9
HSBKb2	USD	9.65	+2.25	8.00	2.7
ASBNb1	USD	9.50	0	9.00	5.3

To be continued on the page 2

Second part of the table

**Investment attractiveness of stock exchange
financial instruments since August 18 till August 24**

Financial instrument	Currency of trans-n	Yield, % APR value	trend	Coupon, % APR	Term, years
BRKZb1	USD	9.10	+3.00	8.50	2.5
BTASb2	USD	8.99	-0.51	9.00	5.7
BTASb1	USD	8.40	0	12.00	4.5
KZAPb1	USD	8.33	+1.23	8.50	2.6
ATFBb2	USD	8.00	-1.45	9.00	2.4
CCBNb1	USD	8.00	0	12.00	1.3
TEBNb2	USD	8.00	0	11.00	4.1
HSBKb	USD	7.94	-0.10	11.80	2.8
LARlb1	USD	7.75	0	7.75	1.0
NRBNb1	USD	7.04	0	8.50	0.7
KKGBb2	USD	7.00	0	8.00	5.3
ARU060.003	USD	6.67	+0.01	8.60	2.1
NRBNb2	USD	6.63	0	9.00	6.8
AST048.006	USD	6.55	+0.04	8.50	2.8
ART060.004	USD	6.50	0	8.50	3.7
AST048.005	USD	6.36	+0.02	8.50	2.1
AST036.004	USD	6.17	+0.03	8.31	1.1
ASU036.003	USD	6.03	+0.18	9.80	0.3
VKU036.002	USD	5.50	0	8.50	1.0
TEBNb	USD	5.44	-3.76	9.50	1.0
Instruments indexed on devaluation of tenge to US dollar with protection from strengthening of tenge against dollar					
RGBRb3	USD	9.70	-0.05	10.00	3.4
ROSAb1	USD	9.50	-0.51	11.00	2.6
CHFMb1	USD	9.50	0	10.00	2.4
MREKb1	USD	9.45	+0.45	13.00	2.6
ASFib2	USD	9.20	+0.20	9.00	0.6
CSBNb3	USD	8.75	+0.65	8.75	6.3
KZPSb1	USD	8.51	+2.77	8.00	3.7
ASBNb2	USD	8.50	0	8.50	2.2
TEBNb3	USD	8.40	0	9.00	8.2
CSBNb2	USD	8.10	0	9.50	5.8
ASFib3	USD	8.00	0	7.00	4.3
KZTCb1	USD	8.00	-0.09	8.00	5.9
CCBNb2	USD	8.00	0	10.00	4.6
Non-indexed instruments denominated in foreign currency					
RU_01_2806	USD	7.86	+0.49	12.75	23.9
KKGBe4	USD	7.70	+0.18	8.500	8.7
BTASe3	USD	7.65	0	7.875	5.8
RU_02_3003	USD	7.52	+0.37	5.00	25.6
KKGBe2	USD	7.00	0	11.000	3.3
PKKRe1	USD	6.95	-0.01	9.625	5.5
BRKZe2	USD	6.39	-0.22	7.375	9.2
KKGBe3	USD	5.69	-0.02	10.125	2.7
BTASe2	USD	5.28	-0.03	10.000	2.8
KZTOe1	USD	4.29	+0.12	8.500	1.9
Ifo bonds	USD	3.97	0	4.38-5.50	8.0-9.3
BRKZe1	USD	3.88	-0.26	7.125	3.1
Ifo bonds	EUR	1.76	-0.80	7.13	0.6

The yields of bonds in which deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations. Trends are given relative to the last day of previous period. Securities marked by asterisk are the instruments with less than one year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield calculated on the effective coupon rate is given. Term of instrument is shown with regard to the last date of the analyzed period (for bonds – till maturity, for repo instruments – till repo closing date).

THE CORPORATE SECURITIES MARKET (CS)

Primary floatation sector

On August 19 specialized trades on primary additional floatation of **common shares of Valut-tranzit-Bank OJSC** (Karaganda) were continued in KASE's trade system. The seller by making one deal floated 301,852 shares at KZT270.00 per share for a total amount of KZT81,500,040.00. One member of KASE – broker-dealer company, took part in the trades. The additional floatation to be held from 11:30 a.m. till 1:00 p.m. of Almaty time by open trade method with payment by the scheme T+0 and will be continued on working days until August 31, 2004.

Purchase and sale sector

In purchase-sale sector a total of 114 deals to the amount of **\$132,111.3 th.** or KZT18,005.8 m. were made during the analyzed period at KASE. In comparison with the previous period (131 deals, \$25,587.2 th. or KZT3,465.4 m. turnover of the sector increased 5.2 times because of making two big deals in common shares of Corporation Kazakhmys JSC (KZMS) for the equivalent of \$100.0 m. at KASE on August 19.

During the analyzed period deals were made by KASE's 12 members on 37 instruments 22 of which were bonds. At that, 2.6% of gross-turnover (2.1% on purchasing transactions, and 3.1% - on sale transactions) went through the accounts of pension market's subjects. During the previous period KASE's 15 members of "P" and "H" categories were interested in 32 securities, 22 of which were bonds. Stake of pension assets was 23.6% of gross-turnover, including 27.9% on purchasing transactions and 19.3% on sale transactions.

Corporate bond market was very active. Volume of deals grew by \$7,907.7 th. or 2.3 times although number of transactions decreased a bit. Peculiarity of the week is relative constancy of market's favorites. Leaders in tradability rating were KZASb2 (KOSTANAI MINERALS JSC, 43.6% of bond turnover, the third position last week) and ATFBb3 (ATFBank JSC, 25.6%, the second position).

Weighted average day dirty prices of bonds were mainly falling. 12 securities out of 22 involved into deals were characterized by such the dynamics, prices of 10 securities were falling. Price of KZPSb1 (Kazpost JSC) grew most of all. Their dirty price grew by 7.86%. Price of UKPFb1 (UST-KAMENOGORSK BATTERY FARM OJSC) fell most of all – by 5.47%.

As regards bonds yield to maturity for purchaser, there was a contrary tendency at KASE. According to results of deals this indicator of 11 bonds grew in weighted average day expression, and yield of nine bonds fell. Yield of two instruments has almost remained the same.

The shown data evidence about absence of pronounced tendencies regarding prices and yields of corporate bonds. It's proved by dynamics of indexes of KASE_B* series (table in the beginning).

Capitalization of stock exchange's corporate bond market fell within the week by \$6.3 m. to **\$3,599.3 m.**, mainly because of growth of dollar rate.

Results of the trades in bonds within August 18 – 24 (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
Almaty Kus OJSC	ALKSb2	10.4000	0	11.0000	10.5000
ARNA OJSC	ARNAb1	*9.5000	13.6	*9.5000	*9.5000
Alliance-Bank JSC	ASBNb1	10.8484	0	10.0000	9.5000
Alliance-Bank JSC	ASBNb2	8.5000	0	9.5021	8.5019
Astana-Finance JSC	ASFib2	9.2001	36.4	9.2001	9.2001
Astana-Finance JSC	ASFib3	*8.5606	0	8.6000	8.0000
Astana-Finance JSC	ASFib4	*9.8000	0	9.5000	8.0000
ATFBank JSC	ATFBb2	9.4500	0	10.5000	8.0000
ATFBank JSC	ATFBb3	8.0000	3,620.6	8.0000	8.4500
Development Bank of Kazakhstan JSC	BRKZb1	9.1000	342.3	9.1000	9.1000
Development Bank of Kazakhstan JSC	BRKZe1	5.7612	0	5.5351	3.8839
Development Bank of Kazakhstan JSC	BRKZe2	6.6018	0	7.2159	6.4630
BTA Mortgage JSC	BTAIb1	10.2000	0	10.2000	8.0000
Bank TuranAlem JSC	BTASb1	*8.0339	0	9.9000	8.4000
Bank TuranAlem JSC	BTASb2	*8.5000	939.4	*8.5000	9.5000
Bank TuranAlem JSC	BTASb3	7.6300	0	7.9970	6.5000
Bank TuranAlem JSC	BTASb4	*7.7000	0	7.9000	7.6000
TuranAlem Finance B.V.	BTASe2	6.7848	0	6.7694	5.2957
TuranAlem Finance B.V.	BTASe3		0	8.5381	7.6540
Bank CenterCredit JSC	CCBNb1	8.8416	0	10.3008	8.0000
Bank CenterCredit JSC	CCBNb2	9.2000	0	10.8000	8.0000
Bank CenterCredit JSC	CCBNb3	8.8000	0	9.5000	8.5000
Chimfarm JSC	CHFMb1	*10.0000	0	10.3000	9.5000
BANK CASPIAN JSC	CSBNb2	9.7475	0	9.7500	8.1000
BANK CASPIAN JSC	CSBNb3	8.7500	149.3	8.7500	8.7500
BANK CASPIAN JSC	CSBNb4	8.5000	0	8.6000	8.2000
Eurasian bank JSC	EUBNb1	8.0000	0	8.0000	7.0000
Halyk savings bank of Kazakhstan JSC	HSBKb	*8.0408	0	10.5292	7.9483
Halyk savings bank of Kazakhstan JSC	HSBKb2	9.6500	320.5	9.6500	9.6500
Halyk savings bank of Kazakhstan JSC	HSBKb3	7.3800	79.2	7.3000	7.3800
Halyk savings bank of Kazakhstan JSC	HSBKb4	8.3500	0	9.0000	7.0000

To be continued on the page 4

Second part of the table

Results of the trades in bonds within August 18 – 24

(% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
INTERGAS CENTRAL ASIA CJSC	INCAb1	7.0000	0	7.0190	4.0111
Karazhanbasmunai OJSC	KARMB2	8.0000	151.6	8.0000	8.0000
Kazkommertsbank JSC	KKGBb2	7.4000	0	8.5000	7.0000
Kazkommertsbank JSC	KKGBb3	6.5534	0	7.2000	6.5000
Kazkommertsbank JSC	KKGBe2	8.0000	0	10.0000	7.0000
Kazkommerts International B.V.	KKGBe3	7.0123	0	6.8281	5.6984
Kazkommerts International B.V.	KKGBe4	7.8113	0	9.5293	7.6956
Mining and smelting concern Kazakhaltyn JSC	KZALb1	9.0000	154.0	9.0000	9.0000
NAC Kazatomprom	KZAPb1	8.3300	108.8	8.3300	8.3300
KOSTANAI MINERALS JSC	KZASb2	*9.3270	6,173.5	8.9311	*9.3270
Kazakhstan Mortgage Company JSC	KZIKb1	6.5000	0	8.0000	5.5000
Kazakhstan Mortgage Company JSC	KZIKb2	7.9791	0	8.3005	5.3446
Kazakhstan Mortgage Company JSC	KZIKb3	7.5000	0	7.5000	5.5000
Kazakhstan Mortgage Company JSC	KZIKb4	6.9000	75.9	6.9000	6.9000
Kazakhstan Mortgage Company JSC	KZIKb6	7.1800	0	7.2000	5.0000
Kazpost JSC	KZPSb1	*8.5000	193.0	8.3700	8.7000
KazTransCom OJSC	KZTCb1	8.2000	0	8.2100	8.0500
KazTransOil JSC	KZTOe1	5.7349	0	5.6340	5.0000
JB LARIBA-BANK JSC	LARIB1		0	10.7499	7.7500
Mangistau distributing electricity network company OJSC	MREKb1	9.4500	99.2	9.4500	9.4500
Nurbank OJSC	NRBNb1	10.0000	0	10.0100	7.0400
Nurbank OJSC	NRBNb2	7.6704	0	7.0000	6.6300
Nurbank OJSC	NRBNb3	8.1000	111.1	8.1000	109.3034
Corporation "Ordabasy" OJSC	ORDBb1	*12.2988	0	12.1000	12.0001
PetroKazakhstan Finance B.V.	PKKRe1	*6.8842	0	7.7983	6.9548
Food contract corporation JSC	PRKRb1		0	8.0000	6.5000
RG Brands JSC	RGBRb3	9.7347	204.6	9.3022	9.7371
ROSA JSC	ROSAb1	10.0100	0	10.0000	9.5000
TEMIRBANK OJSC	TEBNb	9.5000	0	0.0000	9.2001
TEMIRBANK OJSC	TEBNb2	10.0000	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3	8.7000	0	9.0000	8.4000
Tsesnabank JSC	TSBNb1	9.0000	975.1	9.0000	9.0000
TEXAKABANK OJSC	TXBNb1	11.5000	164.8	11.5000	11.5000
TEXAKABANK OJSC	TXBNb2	11.2000	0	10.9000	10.0000
UST-KAMENOGORSK BATTERY FARM OJSC	UKPFb1	*12.5000	13.6	*12.5000	*12.5000
AES Ust-Kamenogorsk HS OJSC	UKTCb1	*10.0000	0	10.0000	8.0000
Valut-tranzit-Bank JSC	VTBNb1	*12.0316	24.4	*12.0316	*12.0316
Security corporation Sary-Arka Sarbazy LLP	VTSKb2	9.0000	0	9.4770	8.8927
TEXHO-LIFE JSC	VTTHb1	9.0000	0	9.4803	8.9462
Kazyuvelirprom JSC	VTZLb1	*9.1000	206.2	*9.1000	*9.1000
TOTAL	71		14,157.0		

For share market the past week was successful. Volume of transactions in this segment exceeded similar indicator of last week more than 6 times having increased by \$98,616.4 th.

As was said above the reason is two big deals in KZMS made at KASE on August 19. The transactions were made in shareholding consisting of 6,083,601 securities that was 24.8% of total number of announced and floated shares for a total of KZT13,629,943,024.44 (equivalent of USD100,021,597.01) at KZT2,240.44 per a security (\$16.44 at the current stock exchange's rate). As the result of made transactions the whole mentioned shareholding was on one depo account, which, probably, is a buyer's account.

It should be noted that within the last 52 weeks price of KZMS at KASE varied from KZT1,970.00 (\$13.23; September 29, 03) to KZT11,578.20 (\$78.96; November 28, 03), weighted average price on all deals made in this period was KZT4,097.71 or \$29.39 at weighted average rate on deals making dates. On August 18 price of KZMS at closing of the market was KZT2,500.00 per a security (\$18.34). On the background of this data the rate of the above-mentioned deals seems to be low. It's also proved by the fact that price of all deals made in KZMS after big transactions made in the period since August 19 till August 25 (a total of 4 deals) was higher and varied from KZT2,610.69 to KZT3,150.00 per a security. All these deals were also direct.

In the opinion of specialists of IRBIS it's possible that activation of trade in KZMS at KASE, which is lately observed, was caused by intention of the company's governing body to change the form of ownership of Corporation Kazakhmys JSC into **limited liability partnership**. According to information of TuranAlem

Securities JSC, Oleg Novachyuk, advisor of the company's president, said about such the intention. The final decision will be made at the shareholders meeting appointed for August 31 of 2004. In case the decision is positive the company will have to make delisting of its shares at KASE and our market will lose one of the most liquid instruments.

According to results of the week weighted average day rate of KZMS grew by 6.69% that was the major reason of growth of stock exchange's share market capitalization by \$114.2 m. to **\$3,057.6 m.**

Excluding influence of the above-described deals upon indicators of share market's indicators of KASE, this segment was usual and not very active. Weighted average day rate of 6 instruments out of 15 ones involved into deals fell, rate of 3 instruments grew, rates of five securities have not changed, and there is nothing to compare the price of ATFBp8 with for they were not traded before. Price of VTBNp grew most of all (+21.8%), VTZL fell most of all (by 22.2%). Within 7 days KASE_Shares index grew by 6.85% mainly due to dynamics of demand prices for KZMS, VTBN and UTMK.

Results of the trades in shares within August 18 – 24 (KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th. USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*13.00	13,276,902	1,121.2	*13.00	10.00
Almaty Kus OJSC	ALKSp	*13.00	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	*10.00	0	0	10.00	15.00
Aluminium of Kazakhstan JSC	ALKZp	*80.00	1,164	0.7	*80.00	*80.00
CNPC – Aktobemunaigas OJSC	AMGZ	*5,161.45	0	0	6,100.00	9,100.00
Alliance-Bank JSC	ASBN	11,505.00	0	0	11,500.00	12,500.00
Astana-Finance JSC	ASFI	700.01	0	0	770.00	1,155.00
ATFBank JSC	ATFB	*1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp	996.00	5,000	36.5	1,000.00	996.00
ATFBank JSC	ATFBp8	996.00	40,000	292.4	1,000.00	996.00
Bank TuranAlem JSC	BTAS	12,832.80	289	27.2	12,832.80	12,832.80
Bank TuranAlem JSC	BTASp	12,832.80	0	0	15,832.80	18,000.00
Bank CenterCredit JSC	CCBN	196.23	3,255,500	4,772.2	200.00	196.23
BANK CASPIAN JSC	CSBN	171.00	28	0.04	171.00	171.00
BANK CASPIAN JSC	CSBNp	175.00	0	0	175.00	256.50
CHARALTYN JSC	HRLT	3.50	0	0	3.50	5.00
Halyk savings bank of Kazakhstan JSC	HSBK	*110.00	30,250	24.4	*110.00	*110.00
Halyk savings bank of Kazakhstan JSC	HSBKp	*166.10	0	0	144.00	180.00
Halyk savings bank of Kazakhstan JSC	HSBKp7	152.10	0	0	144.00	180.00
Kant OJSC	KANT	359.10	0	0	80.00	120.00
Kazkommertsbank JSC	KKGB	160.00	0	0	155.00	232.50
Kazkommertsbank JSC	KKGBp	89.00	0	0	90.00	127.50
Corporation Kazakhmys JSC	KZMS	3,101.00	6,130,168	100,881.8	3,105.00	2,150.00
Kazakhtelecom JSC	KZTK	*4,177.50	0	0	5,650.00	8,475.00
Kazakhtelecom JSC	KZTKp	*1,800.00	0	0	1,908.00	2,862.09
KAZZINC JSC	KZZN	1,050.00	0	0	1,000.00	1,500.00
Nurbank OJSC	NRBNp6	10,500.00	0	0	8,600.00	12,900.00
Corporation Ordabasy JSC	ORDB	*1,999.90	518,324	7,667.0	2,590.00	*1,999.90
Corporation Ordabasy JSC	ORDBp	*985.00	0	0	1,100.00	1,430.00
Temirbank JSC	TEBN	1,000.00	0	0	1,015.00	1,040.00
Temirbank JSC	TEBNp		0	0	676.00	1,014.00
Tsesnabank JSC	TSBN	1,050.00	0	0	700.00	1,050.00
Tsesnabank JSC	TSBNp	1,000.00	0	0	1,000.00	1,500.00
TEXAKABANK OJSC	TXBN		0	0	18,000.00	20,000.00
Ust-Kamenogorsk titanium-magnesium combine JSC	UTMK	*3,560.00	0	0	3,700.00	5,250.00
Valut-tranzit-Bank JSC	VTBN	*345.00	507,972	1,169.4	361.00	270.00
Valut-tranzit-Bank JSC	VTBNp	*350.00	44,092	110.8	*350.00	332.00
Kazyuvelirprom JSC	VTZL	*210.00	202,070	340.8	270.00	*210.00
Kazyuvelirprom JSC	VTZLp	*205.00	874,899	1,315.1	*205.00	*205.00
Zerde OJSC	ZERD	*1.30	20,425,725	194.7	*1.30	*1.30
TOTAL	40		45,312,383	117,954.3		

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 all at CS trade floors of KASE (including primary floatation sector) a total of 115 deals amounting to **\$132,709.4 th.** (KZT18,087.3 m.) were concluded during the analyzed period. During the previous period this indicator was \$27,640.0 th. (KZT3,742.9 m.).

SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE total volume of 80 deals reached **KZT9,754.8 m.** (\$71,521.0 th.) during the analyzed period. Corresponding figure of the previous period – KZT5,366.2 m. (\$39,656.6 th.).

Growth of the volume in this sector was caused by investors' interest in working with MEOKAM that was the result of holding primary floatation of the eighth issue MEOKAM-72 by the Ministry of finance on August 18 (after the long break). The stake of these securities in KASE's purchase and sale sector was 80.5% of the volume of deals in MEOKAM. As well as regarding National Bank's notes, the considerable issue volume was purchased by banks at the auction and then it was resold at KASE by pension market's subjects.

MEOKAM floatation for a total of KZT9,125.0 m. and also the considerable falling of banks short-term liquidity decreased participants interest in National Bank's notes. It changed this sector's appearance. During the analyzed period demand for notes fell down. As the result the volume of their primary floatation decreased. Banks' increased need in tenge made them compliant. It, on one hand, caused falling of prices and growth of notes' yield for purchasers (see the table), on the other – brought some banks to the staff of net-purchasers of notes.

Effect of the mentioned factors enlivened the exchange's secondary GS market a bit. However it's hardly probable that volume of deals will go on growing in this sector.

Parameters of Exchange's transactions in GS within August 18 – 24

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted (KZT): MEKKAM, National Bank's notes						
59.9% (90.8%) of purchase and sale sector's turnover						
8 - 14	4.66	4.66	4.66	4.66 (1.14)	2.2	1
15 - 28	2.00	2.44	2.44	2.29 (1.39)	80.4	7
43 - 56	3.14	3.15	3.14	3.14 (-)	1,200.3	4
57 - 63	3.15	3.15	3.15	3.15 (-)	99.5	1
64 - 91	3.25	3.70	3.70	3.52 (3.47)	1,699.2	6
92 - 181	3.50	4.75	3.92	4.11 (4.01)	1,485.0	18
182 - 364	3.81	4.63	3.91	4.16 (4.08)	1,275.4	13
Total					5,842.0 (4,872.8)	50 (57)
Coupon (KZT): MEOKAM-24, 36, 48, 60, 72						
40.1% (9.2%) of purchase and sale sector's turnover						
less than 730	5.00	5.00	5.00	5.00 (4.78)	25.8	2
731 - 1095	5.06	5.52	5.06	5.31 (5.58)	464.4	2
1096 - 1460	4.25	5.89	5.89	5.05 (5.83)	68.3	2
1461 - 1825	5.97	5.97	5.97	5.97 (-)	203.5	1
1826 - 2190	5.77	5.81	5.81	5.80 (-)	3,150.9	23
Total					3,912.8 (493.4)	30 (11)
GRANDTOTAL					9,754.8 (5,366.2)	80 (68)

The **proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **100.0%**, last week - 100.0%.

FOREIGN SECURITIES MARKET

In **foreign government securities (FGS) purchase and sale sector** no deals were made. At closing of the trades on August 24 best quotations of bonds were fixed on the level of:

- on **RU_01_2806** (US78307AAE38) – 149.1000 / 151.0000 % of bonds face value without accumulated interest (8.07 / 7.95 % APR to maturity);
- on **RU_02_3003** (US78307ACZ49) – 93.3000 / 95.0000 % of bonds face value with accumulated interest (7.76 / 7.61 % APR to maturity).

Bonds quotation at the stock exchange is still conducted by the only member of KASE – their market-maker – TuranAlem Securities JSC.

KASE'S NEWS

KASE has started works on expansion of representative list, which is used while calculating stock exchange's indexes KASE_BY, KASE_BC и KASE_BP. Bonds issued only in US dollar (including international securities) and instruments indexed on the level of tenge devaluation against dollar were included in this list. Tenge non-indexed bonds, as well as securities indexed on any other indicator, except devaluation range, were not included in the representative list. Results of researches made by KASE's specialists show that in the current

situation securities, which are characterized by various methods of bondholders revenue indexation, as well as non-indexed bonds, do not differ much by the yield to maturity in the average index expression. This indicator significantly depends on different factors – instrument's investment quality, bond's circulation term, change of quotations at the world market and so on. Besides, most liquid instruments at KASE at present are precisely tenge non-indexed instruments or instruments indexed on inflation rate in Kazakhstan. It's precisely these securities, which most deals are made in. An important aspect of the problem is too great influence upon behavior of indexes of KASE_B* series, which is made by quotations of international corporate bonds traded at KASE. This influence is explained by the considerable volumes of these securities issues. At the same time, deals in them are not made often, and dynamics of quotations is formed mainly by the conjuncture of the world market but not Kazakhstan one.

Thus, expansion of the representative list, in the opinion of KASE's specialists, is to result in more exact reflecting of the real conjuncture of Kazakhstan organized bond market by the dynamics of indexes.

The representative list is expanded by including 3-5 bonds in it every day. Precisely this mode will let minimize influence upon indexes behavior by adding new data to their calculation.

During the period following bonds were included in the representative list for KASE_BC, KASE_BP and KASE_BY indexes calculation:

- ARNA OJSC (Almaty) of the first issue (KZ2CKY03A601; ARNAb1; KZT 10,000; KZT465.0 m.; September 6, 2002 - September 6, 2005; semi-annual coupon, 13.0%, 30/360);
- Astana-Finance JSC (Astana) of the fourth issue (KZ2CKY07B162, ASF1b4; KZT100, KZT2.0 bn.; May 18, 04 – May 18, 11, floating semi-annual coupon, 9.0% APR for the first circulation year, 30/360, indexation on inflation);
- ATFBank OJSC (Almaty) of the third issue (KZ2CKY05A978, ATFBb3; KZT1, KZT4,500.0 m.; December 1, 03 – December 1, 08, semi-annual coupon, 8.5% APR).
- Eurasian Bank JSC (Almaty) of the first issue (KZ2CKY05A911, EUBNb1, KZT1, KZT1,500.0 m.; November 25, 03 – November 25, 08, semi-annual coupon with floating rate, 7.0% APR for the current period, 30/360);
- Halyk savings bank of Kazakhstan JSC (Almaty) of the third issue (KZ2CKY06A760, HSBKb3, KZT4,500.0 m.; June 19, 03 – June 19, 09, semi-annual coupon 9.0% APR, 30/360);
- Halyk savings bank of Kazakhstan JSC (Almaty) of the fourth issue (KZPC2Y06B192, HSBKb4, KZT1, KZT5,000.0 m.; June 28, 04 - June 28, 10, floating semi-annual coupon, 8.5% APR for the first coupon period, 30/360, indexation on inflation).
- Karazhanbasmunai OJSC (Aktau) of the second issue (KZ2CKY05A960, KARMb2, KZT1,000, KZT11.1 bn; December 29, 03 - December 29, 08, semi-annual coupon with floating rate, 8.6% APR for the current coupon period, 30/360, indexation on inflation and devaluation of tenge);
- Kazkommertsbank JSC (Almaty) of the third issue (KZ2CKY03B062, KKGBb3, KZT15,000, KZT7,500.0 m; January 15, 04 - January 15, 07, semi-annual coupon 7.0% APR, 30/360);
- Mining-smelting concern Kazakhaltyn JSC (Stepnogorsk, Akmola oblast) of the first issue (KZ2CKY05B133, KZALb1, KZT1, KZT2.8 bn; June 2, 04 - June 2, 09, semi-annual coupon 9.0% APR of indexed face value for the current period, 30/360, indexation on inflation and devaluation of tenge);
- KOSTANAI MINERALS JSC (Almaty) of the second issue (KZ2CKY05B174, KZASb2, KZT1, KZT1,120.0 m; June 17, 04 - June 17, 09, floating semi-annual coupon, 8.8% APR for the first circulation year, 30/360, indexation on inflation and devaluation of tenge).

Thus, out of 72 corporate bonds included at present in KASE's official "A" listing category **54 securities** are in the representative list for the mentioned indexes calculation.

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