

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 16-22

SUPPLEMENTAL INFORMATION

US dollar = **125.04** at official rate for the end of the period.

US dollar = **125.11** at weighted average rate of the Exchange for the end of the period.

Speed of strengthening of tenge to dollar for the period at exchange's rate totaled **14.1% APR**.

Money market indicators as of August 22 and change for the period

Indicator	Rate	Trend
TONIA	9.73	+3.32
Autorepo GS 7 days	9.00	0
Autorepo GS 28 days	9.50	-
KazPrime-3M	8.75	+0.55

Stock securities' market indicators as of August 22 and change for the period

Index	Value	Trend
KASE_Shares	2,625.73	+2.64
KASE_BP	212.06	-0.77
KASE_BC	130.50	-1.04
KASE_BY	8.06	+4.75

MAIN NEWS OF THE MARKET

By results of trades with shares on KASE on **August 22, 2007 KASE_Shares index increased by 206.36 points** (8.53%) 2,419.38 to **2,625.73**. Below is given the table, characterizing change of KASE_Shares index for various periods (base actual/365).

Period	Change:	
	in %	in % APR
For the last 30 days (month)	-4.8	-59.0
Since beginning of current year (January 1, 2007)	+8.6	+13.5
For the last 365 days (year)	+47.7	+47.7
For year 2006	+274.1	+274.1
Since beginning of year 2005	+1,130.6	+428.5

Since August 23 by decision of Exchange council of Kazakhstan stock exchange (KASE) dated February 22, 2006 **common shares KZ1C15990118** (KASE's category "A" official list, AMGZ) of **CNPC-Aktobemunaygas JSC** (Aktobe) **are excluded from the official list of KASE of "A" category**. The given decision was accepted on the basis of application of CNPC-Aktobemunaygas JSC dated December 13, 2006 about voluntary delisting of its common shares. Common shares of CNPC-Aktobemunaygas JSC were admitted to circulation in the sector "Non-listing securities" of KASE since November 11, 1997 under AMGZ symbol, and since January 23, 1998 were included into KASE's category "B" official list. By decision of Exchange's council dated January 23, 1999 common shares of the company were excluded from category "B" official list and were transferred to sector "Non-listing securities".

Since May 27, 2003 common shares of CNPC-Aktobemunaygas JSC were included into KASE's category "A" official list. For the period of circulation of securities on KASE in purchase and sale sector price on it varied from KZT3,622.56 to KZT130,000.00 per share. Last deal was made at price KZT46,000.00 per share.

Since August 16, 2007 Almaty Investment Management JSC (Almaty) was admitted to trades with securities on KASE. Decision was accepted in accordance with point 30 of Clause about membership on the basis of resolution of Board of agency of Republic of Kazakhstan for regulating and supervision over financial market and organizations "About renewing of action of license for conduction of broker and dealer activities with right of maintenance the clients' accounts as nominal holder, given to Joint stock company Almaty Investment Management" dated August 7, 2007 #215 and letter by Almaty Investment Management JSC dated August 15, 2007.

SHARES MARKET

News of shares market

Since August 17, 2007 Asia Broker Services JSC (Almaty) on the basis of its application assigned the status of market maker on preferred shares converted to common **KZ1P33870216** (KASE's category "A" official list, HSBKp1) of **Halyk savings bank of Kazakhstan JSC** (Almaty), with minimal volume of compulsory quotation in size of 3,000 monthly settlement indicators. Currently the functions of market-maker on named securities are executed by Halyk finance JSC (Almaty).

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 486 deals amounting to \$114,419.0 th. or KZT14,324.8 m. were made in shares during the analyzed period. In comparison with the previous period (August 9-15, 463 deals, \$87,594.2 th. or KZT10,939.5 m.), turnover of the sector has increased by 30.7%. During the analyzed period on KASE, 2.5% of operations in quantitative expression and 4.7% in volumetric were nego. In the previous period these indicators made 1.3% and 6.0% correspondingly.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 36 (42) members on 37 (32) instruments. At that: 10.4% (9.9%) of gross-turnover of the market – 16.6% (17.8%) on purchasing transactions and 4.2% (2.0%) - on sale transactions were controlled by pension market subjects; 18.6% (37.7%) of exchange's turnover of shares – 12.1% (15.9%) - on purchasing transactions and 25.1% (59.4%) - on sales transactions went through the depo accounts, registered on physical persons during the week.

In the described period weighted average daily prices of 27.0% (15.6%) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 64.9% (78.1%) – fell, prices of 5.4% (3.1%) remained unchanged. In the described period shares prices changed positively in the range from 0.9% (BTAS) to 150.0% (RMR), negative change – from 1.6% (EXBN) to 44.2% (NFBN).

Characterizing the week as a whole it should be noticed that Kazakhstan shares market continued to demonstrate its dependence from spirits on world markets. The period was dissimilar in conjuncture.

Till August 20 on KASE were prevailing the decadent spirits, as the result of which KASE_Shares index had reached the minimal indicator for last 7 months. However the explanation work, conducted by regulators of our market, KASE and Kazakhstan banks concerning the influence of so-called world crisis of liquidity on financial system of Kazakhstan, messages from rating agencies (not any of them had decreased rating of Kazakhstan or its banks), behavior of market indicators - all that had made the investors to understand. The most sagacious and resolute from them had started to purchase the very cheap shares of Kazakhstan banks. The result of it had become the coming of KASE_Shares on August 22 to before crisis working rate (see main news of the market).

It is interesting that in this case our market had a little bit left behind the London market, though such disposition of dynamics of quotations was not customary to majority of cases. Because the liquidity of GDR issued on shares of listing companies of KASE on LSE is much more higher that of corresponding shares on KASE, and our market is following after London. Now the domestic investor showed that he is the qualified investor, on the contrary to persons, pushing the prices of shares of Kazakhstan companies on western markets.

Thus, the result of the period on Kazakhstan shares market had become the positive and optimism of investors. Observations over the market and development of crisis of liquidity are showing that the speech now is not about some losses except losses of potential profit. In such conditions markets are able to enough rapidly come to consciousness and the sprightly jump of KASE_Shares to former rates – is the confirmation to it.

Detailed results of trades in shares on KASE are given in the table.

Results of share trades on KASE, including STF of RFCA within August 16-22 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	Price, KZT per share:				Volume of deals th. USD	Number of deals	Best for the period:			
	min.	max.	on the last deal: price	trend, %			bid	offer		
AMGZ	46,000.00	46,000.00	46,000.00	0	44,500.00	105,000.00	27.5	1	46,000.00	46,000.00
ASBN	37,500.00	45,000.00	43,125.00	-9.6	11,100.00	69,000.00	122.3	9	45,000.00	37,500.00
ASFI	11,300.00	12,500.00	11,300.00		8,100.00	14,000.00	55.2	3	13,000.00	9,312.00
ASFlp	10,000.00	10,000.00	10,000.00	0	4,001.00	10,000.00	11,998.7	2	10,000.00	10,000.00
ATFB	9,500.00	10,100.00	9,501.00	-9.1	7,000.00	14,000.00	120.3	6	10,100.00	9,500.00
ATFBp	3,570.00	3,900.00	3,570.00	-2.5	2,800.00	6,500.00	37.5	3	3,900.00	3,570.00
ATFBp8	3,980.58	4,140.00	4,140.00	+3.5	1,500.00	8,999.00	441.8	12	4,140.00	3,980.58
aZERD	3.96	3.96	3.96		3.95	4.50	315.8	1	3.96	3.96
BTAS	126,000.00	139,000.00	138,000.00	+0.7	90,000.00	157,275.00	1,266.3	20	150,000.00	126,000.00
CCBN	1,400.00	1,820.00	1,820.00	+5.2	510.02	2,050.00	5,887.4	50	3,000.00	1,400.00
CHFM	930.00	1,050.00	930.00	-16.6	600.00	1,500.75	57.9	3	1,050.00	930.00
CSBN	5,697.00	7,400.00	6,900.00	+6.2	3,100.00	8,000.00	220.5	8	7,400.00	5,697.00
CSBNp	2,001.00	3,000.00	3,000.00	+49.9	700.01	3,505.00	90.3	5	3,000.00	2,001.00
DNBN	2,530.00	3,000.00	2,702.50	+35.1	1,400.00	6,727.50	182.6	8	3,000.00	2,530.00
EXBN	2,900.00	3,000.00	3,000.00	-1.6	2,000.00	3,700.00	153.0	2	3,000.00	2,900.00
EXBNp	1,700.00	1,950.00	1,750.00	-10.3	1,100.00	2,050.00	5,482.1	6	1,950.00	1,700.00
HSBK	580.00	625.00	600.00	-5.5	260.01	781.00	502.1	20	630.00	580.00
HSBKp1	300.00	314.00	310.00	-1.9	173.00	345.00	219.5	14	314.00	300.00
KKGB	900.00	1,040.00	1,005.00	-2.4	840.00	1,550.00	4,628.3	122	1,040.00	900.00
KKGBp	255.00	340.00	330.00	+4.8	100.00	600.00	282.7	21	340.00	255.00
KZTC	25,500.00	25,500.00	25,500.00	-12.1	10,000.00	48,000.00	17.3	1	25,500.00	25,300.00
KZTCp	3,100.00	3,900.00	3,565.00	-10.9	1,044.00	8,750.00	147.5	7	4,400.00	3,100.00
KZTK	45,999.00	47,100.00	47,000.00	0	28,000.00	55,000.00	463.1	12	47,100.00	45,999.00
KZTKp	17,000.00	18,500.00	17,100.00	-7.6	8,950.00	27,100.00	25.5	4	18,500.00	17,000.00
MMGZp	8,000.00	8,000.00	8,000.00		7,000.00	15,990.00	48.0	1	8,000.00	7,000.00
NFBN	3,000.00	3,500.00	3,000.00	-50.0	1,739.60	7,622.50	9.3	2	6,000.00	3,000.00
NRBN	30,000.00	32,000.00	30,000.00	-9.1	28,000.00	62,250.00	30.2	2	32,000.00	30,000.00
NRBNp6	19,000.00	19,000.00	19,000.00		19,000.00	40,000.00	1.5	1	19,000.00	19,000.00
ORDBp	2,100.00	2,100.00	2,100.00		2,095.00	2,415.00	1.7	1	2,100.00	2,100.00
ORNK	8.05	8.05	8.05		3.00	10.06	0.5	1	8.05	8.05
PDES	920.00	920.00	920.00	-13.0	843.03	1,100.00	72.2	3	920.00	920.00
RDGZ	15,400.00	15,800.00	15,800.00	-0.6	11,260.00	18,399.99	305.0	12	15,800.00	15,400.00
RMXR	2.50	2.50	2.50	+150.0	1.00	4.95	0.0	1	2.50	2.50
TEBN	8,000.00	9,000.00	8,300.00	+3.7	3,000.01	9,000.00	40,262.3	13	9,000.00	8,000.00
TEBNp	2,400.00	2,750.00	2,510.00	-8.1	1,080.00	3,300.00	32,738.1	49	2,750.00	2,400.00
TSBN	3,400.00	4,500.00	4,000.00	+8.1	1,510.00	4,550.00	2,809.9	46	4,501.00	2,350.00
TSBNp	2,100.00	2,415.00	2,415.00	+15.0	1,200.00	2,415.00	50.5	2	2,415.00	2,100.00
37							109,074.3	474		

Notes: Trends are given relative to the last deal of the previous month (July 15 – August 15, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers' symbols is available at http://www.kase.kz/instruments/nzb_code.htm

CORPORATE BOND MARKET

News of corporate bond market

By the decision of KASE's Council **dated August 17 of 2007 bonds KZ2C0Y03C692** (KZT1,000; KZT6.1 bn.; August 14, 07 – August 14, 10; semi annual coupon; 10.00% APR, 30/360) **of Kazinvestbank JSC** (Almaty) have been included in KASE's official "A" listing category under **KIBNb3** symbol. It will be announced additionally about opening of trades on KASE. Centras Securities JSC (Almaty) acts as financial consultant of the issuer while introducing of its bonds to organized market and also as underwriter of the issue.

Since August 20 by decision of Expert Council of STF RFCA into officila list of STF RFCA ("C" category) **according to term 1 the next securities were included:**

- bonds KZPC2Y02C538 (aASFIb14) of **Astana-Finance JSC** (Astana);
- bonds KZ2C0Y05C556 (aBGSTb1) of **BURLINGAZSTROY JSC** (Astana);
- bonds KZ2CKY05B182 (aELDSb1) of **EL-DOS JSC** (Almaty).

All named securities are currently included to official list of KASE's main floor, bonds of Astana-Finance JSC – of "A" category, of EL-DOS JSC and BURLINGAZSTROY JSC – of "B" category.

Since August 20, 2007 Financial company Alliance Capital JSC (Almaty) on the basis of its application assigned the status of market maker on **bonds KZ2CKY05B703** (KASE's category "A" official list, ORNKb1) of **Ornek XXI JSC** (Almaty region, Otegen batyra settlement), with minimal volume of compulsory quotation in size of 22,000 bonds.

Primary market sector

On August 17 of 2007, Agrarian credit corporation JSC (Astana) attempted to hold specialized trades for offering of KZ2C0Y05C515 bonds (KASE's official "A" listing category, AGKKb1, KZT1,000, KZT3.0 bn.; August 10, 07 – August 10, 12, semi-annual coupon indexed on inflation rate 8.5% APR for the first period, 30/360) in the trading system of Kazakhstan Stock Exchange (KASE). On trades, the issuer had planned to offer all bonds registered within the issue. The specialized trades were held in the KASE's trade system from 11:30 a.m. till 13:00 p.m. of Almaty time (ALT) according to T+0 scheme. One member of KASE – pension market's subject took part in the trades, who submitted the 12 limited bid to purchase 535,000 bonds for a total of KZT392,974,638.90. That is, demand did not exceed 17.8% of the declared volume of offering. Prices in the submitted bids varied from 72.0000% (17.19% APR) to 84.0000% (13.07% APR). The weighted average price of demand totaled 73.3315% (16.70% APR). After considering the register of submitted bids, the issuer had provided KASE with an official notification in which it **asked to consider the auction as aborted due to not accepting the submitted bids.**

Secondary market sector (purchase and sale)

A total of 14 deals amounting to \$13,951.6 th. or KZT1,744.4 m. were made in bonds during the analyzed period on KASE. In comparison with the previous period (August 9-15, 29 deals, \$21,951.2 th. or KZT2,743.3 m.), turnover of the sector has decreased by 36.4%. In the analyzed period on KASE 7.1% operations in quantitative expression and 0.0001% in volumetric were nego. In the previous period no nego deals were made.

During the analyzed period deals were made by KASE's 10 (15) members on 10 (12) instruments. At that 36.2% (17.1%) of gross-turnover (72.3% on purchasing transactions) passed through accounts of pension market subjects. 16.9% (0.9%) of exchange's gross-turnover of corporate bonds – 23.8% (0.6%) on purchasing transactions and 9.8% (1.2%) on sale transactions, passed through depo accounts registered on physical persons.

The week showed that under influence of crisis of liquidity corporate bonds market of Kazakhstan is to put it mildly not in its good times. The volume of deals continues to fall, because the buyers and sellers can not find the compromise. Per se there is no market of these securities on the exchange. Were made only solitary deals. Based upon results of their analysis it can be said that by results of week 5 names of bonds were characterized by growth of average weighted price on the opened market, 4 – of decrease. Re-bought seemed HSBKb7, net price of which increased by 7.1%, not any instrument seemed re-sold. Yield to maturity for buyer on deals made decreased of 5 bonds, increased also for 5. However dynamics of quotations, on the basis of which KASE_BY index is calculated (table in the beginning of review), is showing the significant decrease of prices on bonds and growth of their maturity for buyer.

Detailed data on corporate bond market is given in trades results table.

Results of bond trades on KASE, including STF of RFCA within August 16-22 (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:						Volume of deals th. USD	Num- ber of deals	Best for the period:	
	on the last deal:		for last 365 days:		bid	offer				
	min.	max.	yield	trend						
ASF1b5	11.90	11.90	11.90	+1.90	8.83	11.90	106.9	1	11.90	11.90
EXBNb1	9.11	9.20	9.11	-0.34	9.11	9.80	10,096.1	2	9.11	9.20
HSBKb7	8.00	8.00	8.00	-1.50	7.00	9.50	3.1	1	8.00	8.00
HSBKb9	7.72	7.72	7.72		7.57	7.72	399.0	1	7.72	7.72
KATRb1	11.50	11.50	11.50	0	10.00	13.00	8.4	1	11.50	11.50
NFBNb1	13.00	13.00	13.00	-1.00	10.00	14.00	355.8	1	13.00	13.00
ORDKb1	12.00	12.00	12.00	0	12.00	13.00	1.1	1	12.00	14.00
ORNKb1	10.00	12.50	11.50		6.35	14.14	2,950.9	3	11.50	12.50
RGBRb4	8.00	8.00	8.00	-1.00	8.00	9.20	16.3	1	8.00	8.00
TEBNb2	14.00	14.00	14.00	0	13.50	16.00	14.0	1	14.00	14.00
10							13,951.6	13		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (July 15 – August 15, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers symbols is available at http://www.kase.kz/instruments/nzb_code.htm

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase - sale)

In the analyzed period total volume of 52 deals made on KASE had reached KZT84,356.9 m. (\$674.0 m.). In the previous period (August 9-15) the turnover of the sector totaled only KZT967.4 m. with 7 deals. In both cases into deals were involved only notes of National Bank.

May be for the first time in the current year in the given sector of exchange market something important happened. And the reason for it is so-called crisis of liquidity, which currently influences on the financial system of Kazakhstan.

Results of analysis conducted by IRBIS let to state that anomaly high volume of deals with notes on the described week was caused mainly by actions of one of the second tier banks, which sold on the secondary markets notes for amount exceeding KZT71 m. Judging by values of profitability, which are given in the table below, selling was made at prices of demand, revealing the high interest of seller in tenge and illustrating his problems with liquidity. Specialists of IRBIS tried to find money accepted by bank in other sectors of exchange market (for example while purchasing of US dollars). However this attempt was not successful, which do not let to speak about selling of notes in order to transferring of received funds abroad.

As a whole it should be noted that GS market on KASE enough adequately reacts on growing cost of money and currently is developing with evident prevailing of supply of short bonds over demand for them. Concerning the market of long securities, here the situation is similar to corporate bonds market. Highest spreads are preventing sellers of MEKAM and their buyers to find the compromise, reducing the liquidity on the market to zero. From the other side absence of compromise can be considered as positive fact. If banks are not selling their portfolio of GS on bid prices, than their solvency is far from critical.

Stake of exchange's turnover in total volume of Kazakhstan GS secondary market on comparative operations of purchase and sale in the analyzed period had reached **93.1%**. On the previous week it was equal to 7.1%.

More detailed data about trades with GS on KASE are given in the table.

Parameters of Exchange's transactions in GS within August 16-22

(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): National Bank's notes				100.0% (100.0%) of purchase and sale sector's turnover		
8 - 14	9.00	11.00	9.00	9.60 (-)	21,259.3	15
15 - 28	6.70	6.70	6.70	6.70 (4.70)	99.7	1
29 - 36	9.00	9.00	9.00	9.00 (-)	26,025.4	14
43 - 56	6.00	11.00	11.00	10.92 (-)	11,972.5	9
92 - 181	6.00	6.00	6.00	6.00 (-)	25,000.1	13
Total					84,356.9 (967.4)	52 (7)
GRANDTOTAL					84,356.9 (967.4)	52 (7)

Prepared by IRBIS Information agency of financial markets

67, Aiteke bi str., Almaty, Kazakhstan; info@kase.kz; tel.: (8 727) 272 01 17, 237 53 05; fax: (8 727) 237 53 22

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