

# WEEK OF STOCK MARKET OF KAZAKHSTAN

March 20 – 26

## SUPPLEMENTAL INFORMATION

US dollar = **120.65** at official rate for the end of the period.

US dollar = **120.78** at weighted average rate of the Exchange for the end of the period.

Speed of devaluation of tenge to dollar for the period at exchange's rate made **16.7% APR**

### Money market indicators as of March 26 and change for the period

Indicator	Rate	Trend
TONIA	1.15	-0.90
Autorepo GS 7 days	5.23	+0.53
Autorepo GS 14 days	5.56	+0.56
Autorepo GS 28 days	7.53	+0.73
KazPrime-3M	9.47	-0.85

### Stock securities' market indicators as of March 26 and change for the period

Index	Value	Trend
KASE	2,605.02	-2.37
KASE_BP	234.66	-0.40
KASE_BC	140.67	-0.69
KASE_BY	9.63	+3.14

## MAIN NEWS OF THE MARKET

**On March 19 Fitch Ratings affirmed the ratings of Kazakhstan-based Bank Centercredit (BCC)** at Long-term Issuer Default rating (IDR) 'BB-' (BB minus), Short-term IDR 'B', Individual 'D', Support '3' and Support Rating Floor 'BB-' (BB minus). The Outlook for the Long-term IDR has been changed to Evolving from Negative. The bank's senior unsecured debt is rated 'BB-' (BB minus). The rating actions follow the recent announcement that KMB has reached an agreement to acquire a 30% stake in BCC for USD634m (KRW621bn) and intends to increase this stake to 50.1% within 30 months. The mechanism for ultimately increasing KMB's stake to 50.1% has not been made transparent to Fitch, but the agency's understanding is that KMB is likely to have concluded an option agreement in respect to the additional stake. The acquisition of the 30% stake is, and the further increase in the stake to 50.1% would be, subject to regulatory approvals in both the Republic of Korea and Kazakhstan. The change in BCC's Outlook reflects the much stronger ability of KMB to provide support to BCC, in case of need, than BCC's current majority shareholder. BCC's Outlook has been changed to Evolving, rather than Positive, as there still exists significant short-term downside risk for the bank's Long-term IDR. This is because the rating is currently driven by potential support from the Kazakhstani authorities, based on BCC's significant domestic market shares. If Kazakhstan's Long-term foreign currency IDR ('BBB'/Negative Outlook) is downgraded before KMB acquires a majority stake in BCC, then BCC's Long-term IDR would likely follow suit.

**On March 19 Standard & Poor's informed about confirmation of the long-term credit rating "BB" and rating "kzAA-" according to Kazakhstan scale, earlier appropriated to state company Kazpost JSC.** Prognosis on long-term ratings of Kazpost JSC is – "Stable". While appropriating the rating to Kazpost, Standard & Poor's is using the approach "from upward to downward", what is caused by expected urgent support from the side of the government, which the company may receive in case of sudden worsening of its financial situation. Due to economic and social meaning of services, provided by the company to population of Kazakhstan, ratings of Kazpost are determined by sovereign ratings. Absence of liquidity support mechanism, increase of state of unsecured borrowings and own finances of the company in financing of big investment program are determining the difference between long-term rating of Kazpost JSC and rating of Republic of Kazakhstan on liabilities in foreign currencies (rating on liabilities in foreign currency: BBB-/Stable/A-3, on liabilities in national currency: BBB/Stable/A-3, rating according to national currency: kzAAA) in three steps. In middle-term perspective we are expecting for reduction of direct participation of government in realization of investment program of Kazpost in form of subsidies from state budget of guarantees on its debts. In year 2008 by account of state subsidies less than 30% capital costs of company would be financed and this stake may reduce more in 2009-2011.

**On March 26 Kazakhmys PLC** provided KASE with the press release, in which is informed that the company is **greeting the recently published announcement of the Government of Kazakhstan (The Government) about its intention to purchase the minority stake in the size of up to 15% in the company Kazakhmys.** The Company confirms that it conducted the preliminary negotiations with the Government about the number of alternatives, including the possibility of purchasing by the Company of assets of raw materials in Kazakhstan in exchange for purchasing by the Government of the minority stake in the company Kazakhmys. If these negotiations lead to the agreement, it will be announced additionally, and, as it is supposed to be, the confirmation of Kazakhmys shareholders will be requested", - is indicated in the press release.

**On March 26** the head of National Bank of Republic of Kazakhstan Anvar Saydenov announced that in the middle term perspective **the National Bank of Kazakhstan intends to leave the rough monetary-credit policy and** concentrate on support of banking system in terms of slowing of economic growth. Moreover, A.Saydenov announced, that appearing of instability of banking system is fraught with negative influence on stability of other financial market segments, subjected to crisis, because the part of sector's subjects are the daughter organizations of the banks or are included into banking conglomerates. By his opinion, **especially pension funds may suffer because the significant stake of financial instruments of banks are in their investment portfolios.**

## SHARES MARKET

### *News of shares market*

**On March 21 on the special trade floor of the Regional Financial Center of Almaty (STF RFCA) were held specialized trades on selling of common shares KZ1C34560017 of Agency Khabar JSC (Almaty),** admitted to circulation on STF RFCA in the "non-listing securities" sector. Total volume of issued and offered shares of Agency Khabar JSC at the moment of trades' holding made up 1,141,697 copies, from which **570,848 shares were offered to the market** (49.99996% from the total amount of offered common shares). Specified shares were sold as the united lot. VISOR Capital JSC (Almaty) acted on the trades as the issuer authorized seller. Two members of KASE – the broker-dealer organizations, participated in trades, who submitted one order each for purchasing of the mentioned lot at prices of **KZT21,100.00 and KZT21,161.50 per share.** Based on trades results the seller satisfied more profitable order, having sold **570,848 shares at the price of KZT21,161.50 per share to the amount of KZT12,079,999,952.00** (equivalent of \$100,315,561.80 according to the current exchange rate). According to the message of the issuer the mentioned block was acquired by Samgau national scientific and technological holding JSC by a single round lot during competitive trades in accordance with the rules of special trades, conducted in KASE system. The acquisition of shares of Khabar Agency by Samgau national scientific and technological holding JSC is the part of the strategy of holding company on the construction of vertical integrated informational and technological company.

### *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 263 deals were made in shares during the analyzed period. Average daily volume made \$25,765.8 th. or KZT3,104.00 m. and increased compared to previous period (\$4,953.1 th. or KZT597.5 m.) 5.2 times. During the analyzed period on KASE, 4.6% of operations in quantitative expression and 4.4% in volumetric were nego. In the previous period these indicators made 1.8% and 30.1% correspondingly.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 32 (38) members on 22 (24) instruments. At that: 0.6% (6.7%) of gross-turnover of the market – 0.7% (0.9%) on purchasing transactions and 0.6% (13.1%) - on sale transactions were controlled by pension market subjects; 40.4% (21.8%) of exchange's turnover of shares – 31.6% (24.3%) - on purchasing transactions and 49.1% (19.3%) - on sales transactions went through the depo accounts, registered on physical persons during the week. At that 45.1% (16.0%) of gross-turnover – 2.2% (14.8%) on purchase and 88.00% (17.2%) on sales transactions went through accounts of non-residents.

In the described period weighted average daily prices of 41% (21%) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 45% (62%) – fell, prices of 9% (17%) remained unchanged. Common shares of Ust-Kamenogorskiy titanium-magnesium combine JSC (aUKTM) were traded on STF RFCA for the first time. In the described period shares prices changed positively in the range from 0.01% (CCBN) to 121.36% (aASFI), negative change – from 0.05% (TSBN) to 4.57% (CSBN).

By results of the week, KASE index, reflecting the state of Kazakhstan shares' market, had reduced by 63.15 points (-2.37%) to the value of 2,605.02. On the contrary to expectations of IRBIS specialists, the index managed to break the support level near 2,650 and fix lower than this value. The fall of this indicator on the week was promoted by decrease of almost all components of the index. At that, the greatest impact was brought by securities of Exploration Production KazMunayGas JSC (RDGZ). At the background of oil price decrease to \$100 per barrel, this instrument decreased by 7.95%. The reason for decrease of the energy suppliers' prices were new negative data from USA, which are evidencing about the recession start, and as a consequence decrease of the future hydrocarbons consumption. The nervousness is also added by uncertainty about introduction of new export custom for oil companies.

Moreover, the whole banking sector of the country had decreased. Common shares of Halyk Savings Bank of Kazakhstan JSDC (HSBK) decreased by 1.56%, BTA Bank JSC – by 0.69%, Kazkommertsbank JSC – by 3.16%. If to consider the dynamics of shares' prices in middle term perspective, than it is obvious that these securities are only returning to the limits of previous horizontal channels, which they had left in the middle of February.

On March 27 it is expected the issuing of data about GDP of USA in the first quarter of year 2008. If the published data will strongly differ from forecasted 0.6%, it is possible the strong reaction of world markets, which may influence the local market too.

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

**Results of share trades on KASE, including STF of RFCA within March 20-26 (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		Best for the	
	on the last deal:		of deals		period:	
	min.	max.	th. USD	number of deals	bid	offer
aASFI	17,820.00	17,930.00	17,930.00			
aHABR	21,161.50	21,161.50	21,161.50	46.15	2	17,930.00 16,500.00
ASFI	16,500.00	18,150.00	18,150.00	100,315.56	1	21,161.50
ATFB	8,690.00	8,690.00	8,690.00	95.26	8	18,150.00 16,500.00
aUTMK	20,105.00	27,000.00	20,105.00	3.60	1	8,690.00 8,690.00
BTAS	72,000.00	73,000.00	72,000.00	20,105.00	10	27,000.00 20,105.00
CCBN	1,690.00	1,700.00	1,690.00	1,999.21	32	73,000.00 72,000.00
CSBN	5,550.00	5,550.00	5,550.00	850.01	157,275.00	
DNBN	3,600.00	3,600.00	3,600.00	1,000.00	2,050.00	
GB_KZMS	3,600.01	3,900.00	3,800.00	5,000.00	8,000.00	
HSBK	492.00	519.00	505.00	1,449.00	6,727.50	
HSBKp1	317.00	322.00	322.00	2,640.00	4,105.00	
KIBN	346.50	346.50	346.50	2,42.33	17	3,900.00 3,600.01
KKGB	901.00	935.00	920.00	402.00	781.00	
KKGBp	390.00	420.00	420.00	192.54	14	519.00 492.00
KZTK	31,500.00	33,020.00	31,602.00	270.00	353.00	
KZTKp	17,000.00	17,000.01	17,000.01	633.91	8	322.00 317.00
MMGZp	14,000.00	15,000.00	14,999.00	58.06	4	346.50 346.50
RDGZ	17,520.00	19,200.00	18,000.00	6.77	3	935.00 900.00
TEBN	7,000.00	7,000.00	7,000.00	558.33	10	420.00 390.00
TEBNp	2,600.00	2,700.00	2,600.00	31,500.00	52,000.00	
TSBN	2,200.00	2,201.00	2,200.00	14,500.00	27,100.00	
UTMKp	3,000.00	3,000.00	3,000.00	9.43	2	17,075.01 17,000.00
				153.29	7	15,000.00 14,000.00
				2,986.71	64	19,200.00 17,520.00
				8.14	1	7,000.10 7,000.00
				561.99	9	2,700.00 2,600.00
				14.74	3	2,201.00 2,200.00
				69.66	3	5,000.00 3,000.00
23				198,861.50	252	

**Notes:** Trends are given relative to the last deal of the previous month (February 19 – March 19, 2008). 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](http://www.kase.kz/instruments/nzb_code.htm)

## CORPORATE BOND MARKET

### News of corporate bond market

**Beginning from March 21, 2008 Centras Securities JSC** (Almaty) based on its application was **assigned the market maker status on KZ2C0Y05C788 bonds** (KASE's category "B" official list, ALTMb1, KZT1, KZT2.0 bn., November 1, 07 – November 1, 12, semi-annual coupon, 12% APR, 30/360) **of Almatytemir JSC** (Almaty). Minimal volume of compulsory quotation for the market-maker is set in the size of 2,340,000 bonds.

**Since March 25 KZPC2Y15C258 bonds** (ASFIb15, KZT100, KZT8.0 bn.; March 25, 2008 – March 25, 2023, the semi-annual coupon 8.0 % APR; 30/360) **of Astana-Finance JSC** (Astana) were recognized as included into KASE's category "A" official list in compliance with the simplified listing procedure, set by article 19-1 of Listings Rules. Information about opening of trades in bonds on KASE will also be given additionally. The mentioned issue of bonds is the second under the fifth bonds' program of Astana-Finance JSC and fifteenth issue of company's bonds, having passed the listing procedure on KASE. More detailed information about securities is published on KASE's website at <http://www.kase.kz/emitters/asfi.asp>.

**Since April 3 Investment Financial House RESMI JSC** (Almaty) on the basis of its application was **deprived the market-maker status on KASE on KZ2CKY05B794 (PDESb1) bonds of PAVLODARENERGOSERVICE JSC** (Pavlodar), traded in KASE's category "B" official list.

### 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 68 deals amounting to \$7,410.2 th. or KZT892.9 m. were made in bonds during the analyzed period on KASE. In comparison with the previous period (\$5,020.5 th. or KZT605.5 m.), turnover of the sector has increased 1.5 times. In the analyzed period the stake of nego deals in quantitative expression made 1.5% in volumetric – 6.8%. In the previous period no nego deals were made on KASE.

During the analyzed period deals were made by KASE's 23 (20) members on 26 (36) instruments. At that 8.4% (12.2%) of gross-turnover passed through accounts of pension market subjects 10.0% (19.7%) on purchasing transactions and 6.7% (4.7%) on sales operations. 6.1% (11.0%) of exchange's gross-turnover of corporate bonds – 6.0% (2.5%) on purchasing transactions and 6.1% (19.6%) on sale transactions, passed through depo accounts registered on physical persons. At that, 36.5% (90) of gross turnover came to the stake of non-residents – 30.0% (33.8%) on purchase operations and 43.0% (0) on sales operations.

By results of period 10 names of bonds were characterized by growth of average weighted net price on the opened market, 12 – of decrease, price of KAFib1, KZPSb1 and ORDKb1 stayed unchanged. Deals with SATCb1 bonds were made on KASE for the first time. HSBKb9 (-25.4 %), EUBNb4 (-24.3 %), EXBNb1 (-23.2 %) and EUBNb3 (-12.6 %) seemed re-sold, while bonds ATFBb6 (+9.2 %) and BTTRb1 (+7.4 %) seemed re-purchased. Yield to maturity for buyers on deals made decreased during the week for 9 bonds, increased for 16.

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

### Results of bond trades on KASE, including STF of RFCA within March 20-26, 08 (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						
AKFib1	12.40	12.40	12.40		12.40	12.40	145.85	1	12.40	12.40
ASBNb3	14.50	16.20	16.20		8.03	16.20	34.27	2	14.50	16.20
ATFBb4	12.00	13.00	13.00	+1.0	7.00	13.00	1,950.26	2	11.51	13.00
ATFBb6	9.00	9.00	9.00	-2.0	6.21	11.00	17.46	1	9.00	9.00
BTASb7	7.60	7.60	7.60	+0.6	6.73	13.50	86.37	3	7.60	7.60
BTTRb1	6.99	7.00	7.00	-1.0	6.99	12.00	63.42	3	6.99	7.00
CCBNb15	9.20	9.20	9.20		9.20	10.50	1,732.58	1	9.19	9.19
CCBNb3	13.00	13.00	13.00	-1.8	8.58	15.00	17.06	1	13.00	13.00
DTJLb1	10.82	10.82	10.82	-0.2	7.00	11.00	178.10	1	8.50	10.82
EUBNb3	9.50	13.00	13.00	+3.5	8.20	13.00	1,865.25	5	9.50	13.00
EUBNb4	12.00	15.00	15.00	+6.0	9.00	15.00	119.15	4	9.00	15.00
EXBNb1	15.00	19.00	19.00	+6.0	9.11	19.00	89.03	7	13.00	19.00
HSBKb11	8.50	8.50	8.50		7.86	8.50	15.34	1	8.50	8.50
HSBKb8	9.70	12.00	9.70		7.70	12.00	2,123.36	3	9.70	12.00
HSBKb9	13.00	13.50	13.00		7.72	13.50	2,449.89	6	7.72	13.50
ISKEb1	13.20	13.20	13.20		12.00	14.00	145.62	1	13.20	13.20
JGOKb2	10.50	12.00	10.50		9.50	12.00	6,415.17	2	9.80	12.00
KAFib1	9.00	9.00	9.00	0	6.75	10.00	157.65	3	9.00	10.00
KZPSb1	8.00	8.00	8.00	0	6.50	73.00	12.80	1	8.00	8.00
MREKb2	16.00	16.00	16.00		9.05	16.00	17.39	1	16.00	16.00
NFBNb1	13.78	13.78	13.78		9.51	14.00	396.59	1	13.78	13.78
ORDKb1	11.99	11.99	11.99	0	11.99	15.00	14.80	1	11.99	14.03
SATCb1	14.40	14.50	14.40		14.40	14.50	4,434.80	6	10.00	14.50
TSBNb5	11.00	12.00	11.00	0	10.00	12.00	5,037.59	6	11.00	12.00
TSSMb1	12.50	12.50	12.50		9.27	14.00	12.21	1	12.50	12.50
TXBNb3	10.00	12.00	12.00		7.00	12.00	93.73	3	10.00	12.00
26							27,625.76	67		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (February 19 – March 19, 2008). 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](http://www.kase.kz/instruments/nzb_code.htm).

In the **Debt certificates sector on STF RFCA** no deals in the analyzed period were made.

## 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 23 deals made on KASE made KZT13,971.0 m. (\$115.8 m.). In the previous period (March 19-19, 2008) the given indicator was equal to KZT5,532.3 m. or \$45.9 th. with 12 deals. Stake of exchange's turnover in total volume of Kazakhstan GS secondary market on comparative operations of purchase and sale in the analyzed period made 62.8%.

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

#### Parameters of Exchange's transactions in GS within March 20-26, 2008

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discount (KZT): notes of National Bank</b>					<b>79.1% (50.5%) of purchase and sale sector's turnover</b>	
Less than 8	5.00	5.00	5.00	5.00 (6.00)	10,995.5	6
15 - 28	6.02	6.02	6.02	6.02	49.8	1
Total					<b>11,045.3 (2,796.4)</b>	<b>7 (4)</b>
<b>Coupon (KZT): MEOKAM-24, 48, MEUKAM-120</b>					<b>20.9% (49.5%) of purchase and sale sector's turnover</b>	
Less than 730	8.12	8.70	8.70	8.55 (8.10)	2,563.4	15
More than 2191	6.50	6.50	6.50	6.50 (5.50)	363.3	1
Total					<b>2,926.8 (2,735.9)</b>	<b>16 (8)</b>
<b>GRANDTOTAL</b>					<b>13,972.0 (5,532.3)</b>	<b>23 (12)</b>

#### 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

*IRBIS agency gives notice that material given above is not an offer or recommendation to sell or buy shares on KASE. Using it by anyone while taking investment decisions does not make IRBIS agency responsible for possible losses, resulting from such the decisions.*