

# KAZAKHSTAN STOCK MARKET

May 21 – 27, 2009

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## SUPPLEMENTAL INFORMATION

US dollar = **149.96** at official rate for the end of the period.

US dollar = **149.13** at weighted average rate of the Exchange for the end of the period.

Speed of tenge devaluation to dollar for the period at exchange's rate made **18.2% APR**.

### Money market indicators as of May 27 and change for the period

Indicator	Rate	Trend
TONIA	1.06	+0.3
Autorepo GS 2 days	1.16	+0.3
Autorepo GS 7 days	5.25	+1.4
Autorepo GS 28 days	10.06	-7.9
KazPrime-3M	11.00	-0.8

### Stock securities' market indicators as of May 20 and change for the period

Index	Value	Trend
KASE	1,155.79	-0.03
KASE_BP	216.88	-0.3
KASE_BC	163.45	+1.6
KASE_BY	17.58	-0.5

## MAIN NEWS OF THE MARKET

The main news on the Kazakhstan stock market was the announcement **Astana-Finance JSC (Astana) and Astana Finance B.V. stop pay coupon interest and principal on international debt, principal on domestic debt beginning May 15**. The leading rating agencies reacted in the following way:

- **May 20, Fitch Ratings downgraded Kazakhstan-based JSC Astana Finance's (AF) Long-term Issuer Default Ratings (IDR) to 'RD' (Restricted Default) from 'CCC'**, thereby resolving the Watch Negative (RWN) on the ratings. The agency has also downgraded JSC Astana Finance Leasing (AFL), a subsidiary of AF, to 'C' from 'CCC'.
- **May 21, Moody's Investors Service downgraded an issuer and debt ratings of Astana-finance to "Ca" from "B3"**. Moody's previous rating action on Astana-finance was implemented on 24 February 2009 when its local and foreign currency debt ratings were downgraded to B3 from Ba1 with all the bank ratings carried a negative outlook. Moreover, **May 22, Moody's Investors Service placed the issuer and deposit ratings of five government-owned Kazakh financial institutions**, particularly, Development Bank of Kazakhstan, Zhilstroisberbank, KazAgroFinance, Agricultural credit corporation, Kazakhstan Mortgage Company.

**May 22, Astana-Finance (Kazakhstan) recalls its financial statements for Q1 2009 presented to KASE** since the statements will be corrected according to results of an audit review.

**Since May 22, affined ingot gold futures with July delivery opened to trade on KASE**. The futures of the tranche were assigned with contracted designations (trade codes) **FAULGD\_0907D** and **FAUGST\_0907D** in the KASE trading system. The last trading day for futures of the tranche is July 20, 2009. Futures are trading on KASE daily 10:30 a.m. through 17:00 p.m. ALT.

**May 22, EURASIAN NATURAL RESOURCES CORPORATION PLC (London) presented its report on preliminary results of May 2009 and production report for Q1 (end of March 31, 2009)**. There were fixed significant pressure on prices, sales and production exceeded expectations on contraction of production in ferroalloys (except for Serov and Tuoli) and iron ore accordingly by 30 % and 35 % in the corresponding period. Moreover, the group reduced expenses for a production unit, partially thanks to the tenge devaluation in February and the group acquired 25 % of large Kazakhstan-based coal producer Shubarkol.

**May 25, Kaspi Bank (Almaty) announced that it attracts USD45 m. from Dutch State Corporation for business development (FMO) for 5 years** so that the bank finances small and middle businesses.

**May 26, Kazyna Capital Management** (a subsidiary company of National wellbeing fund Samruk-Kazyna) and **the Chinese company CITIC Capital Holdings Limited** (a subsidiary of CITIC Group) signed **an agreement in Beijing on establishing a direct investment fund with total capital on \$200 million**. It was announced that the fund "CITIC-Kazyna Investment Fund" will focus on the financing of companies realizing infrastructure and other investment projects in the non-primary sectors of economy which have great importance for Kazakhstan and China. The parties also agreed to open two additional direct investment funds with capitalization by \$400 million in the next two years. It is assumed that the investors of the funds will be major institutional and private investors from China and Southeast Asia.

## SHARES MARKET

### News of shares market

**Since May 25, trades in all shares, admitted to circulation on kase in the "non-listed securities" sector, will be transferred to the standby mode in case of coincidence or crossing of selling and buying orders prices.** By the decision of Kazakhstan Stock Exchange (KASE) Board of May 22, 2009 was approved change # 20 to the Board decision "On Approval and Giving Effect to Regulations on Trades and Confirmation System Operation" (Regulations) of August 5, 2004, effective from May 25, 2009. Previously this norm has been applied only to shares, included into the Exchange official list. The mentioned change does not apply to the Special Trading Floor of the Regional Financial Center of Almaty,

**May 26, in Kazakhstan Stock Exchange (KASE) trading system "Non-listed Securities" sector two deals were made in common shares KZ1C10030019 (trading code – KASE) of Kazakhstan Stock Exchange at KZT4,200.00 per share.** Deals volume made up 4,000 shares to the amount of KZT16,800,000 or equivalent of USD112,029.87. As previously informed, Centras Securities (Almaty) initiated admission of mentioned shares on KASE acting on behalf of Valut-Tranzit Bank (Karaganda) in the person of a liquidation commission, which was interested in selling of KASE shares held by being liquidated bank.

### 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 381 deals were made in shares during the analyzed period.

	current week	Trend for	
		1 week	2 weeks
Average daily volume, USD th.	1,752.4	-37.6 %	-18.7 %
Average daily volume, KZT m.	263.5	-37.6 %	-18.6 %
Stake of nego deals, number (%)	0.0001	>-0.0001 pp	-0.0001 pp
Stake of nego deals, volume (%)	>0.0001	-0.0001 pp	-0.0001 pp
KASE members	36	-18.2 %	-2.7 %
Number of shares denominations*	28	+12.0 %	+12.0 %
Stake of pension funds, gross (%)	20.9	+2.5 pp	+20.9 pp
on purchase	34.8	+25.1 pp	+34.8 pp
on sale	7.0	-20.2 pp	+5.1 pp
Stake of individuals, gross (%)	41.2	+7.1 pp	+17.5 pp
on purchase	24.6	-7.2 pp	+2.8 pp
on sale	57.8	+21.4 pp	+32.2 pp
Stake of nonresidents, gross (%)	15.6	-9.6 pp	-15.7 pp
on purchase	17.9	-22.4 pp	-41.5 pp
on sale	13.4	+3.2 pp	+10.1 pp

\* on which, deals were made at KASE and STF RFCA

In the described period weighted average daily prices of 12 denominations of shares involved into deals, made on KASE by methods of opened trades grew, prices of 8 – fell, prices of 8 remained unchanged. In the described period shares prices changed positively in the range from 0.90 % (BTAS) to 133.33 % (KAZI), negative change – from 0.81 % (KAZIp) to 97.90 % (KASE).

London Stock Exchange (LSE) observed the increase of global receipts of Kazkommertsbank JSC – by 8.2 %, Halyk Savings Bank of Kazakhstan JSC – by 6.1 %, Exploration Production KazMunaiGaz JSC - by 0.3 %, EURASIAN NATURAL RESOURCES CORPORATION PLC - by 9.5 %, KAZAKHMYS PLC - by 4.9 %.

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

**Results of share trades on KASE, including STF of RFCA within May 21 – 27, 2009 (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:			
	on the last deal:		for last 365 days:				bid	offer		
	min.	max.	price	trend, %					min.	max.
aHSBK	190.00	190.00	190.00		83.00	460.00	7.9	1	190.00	187.00
aHSBKp	147.28	160.00	147.28		112.73	285.00	76.4	3	160.00	141.90
ASBN	800.00	900.00	900.00	+50.0	550.01	20,300.00	4.1	4	900.00	800.00
AZNO	1,089.00	1,089.00	1,089.00	0	1,089.00	10,000.00	254.3	10	1,089.00	1,089.00
BTAS	3,450.00	3,800.00	3,800.00	+8.6	1,202.00	83,200.00	134.2	30	3,800.00	1,900.00
CCBN	372.00	400.00	400.00	+1.0	200.00	2,000.00	356.0	34	400.00	372.00
GB_ENRC	1,395.00	1,507.00	1,507.00	+8.4	395.00	3,652.00	47.1	14	1,507.00	1,395.00
GB_KZMS	1,500.00	1,670.00	1,630.00	+1.9	370.00	4,290.00	92.9	27	1,670.00	1,500.00
HSBK	174.00	195.00	186.90	-2.1	61.51	520.00	410.4	49	195.00	174.00
HSBKp	132.50	180.00	147.28	+3.8	88.75	285.01	468.2	12	180.00	132.50
KASE	4,200.00	4,200.00	4,200.00		4,200.00	4,200.00	112.0	2	5,000.00	3,500.00
KAZI	350.00	350.01	350.00		150.00	350.01	105.1	3	400.00	297.00
KAZIp	300.00	326.00	311.00	-1.6	200.00	326.00	2,794.4	7	326.00	300.00
KKGB	360.00	445.00	390.00	-7.4	190.00	1,100.00	229.9	35	445.00	360.00
KKGBp	100.00	110.00	100.00	-9.1	86.36	420.00	35.6	3	112.00	100.00
KMSO	4,000.00	4,000.00	4,000.00		3,070.00	12,800.00	0.3	1	4,000.00	4,000.00
KZTK	13,100.00	14,200.00	13,250.00	-1.1	5,000.00	41,000.00	433.5	35	14,200.00	13,100.00
KZTKp	6,200.00	6,200.00	6,200.00	-4.6	1,880.50	19,000.00	16.7	3	6,210.00	6,200.00
MMGZp	3,500.00	3,500.00	3,500.00		2,000.00	20,000.00	0.2	1	3,500.00	3,500.00
MREK	2,400.00	2,400.00	2,400.00		2,400.00	2,970.00	0.6	1	2,400.00	2,400.00
NFBN	2,000.00	2,000.00	2,000.00		1,321.00	5,270.00	3.2	1	2,000.00	2,000.00
NRBN	18,000.00	18,000.00	18,000.00	0	18,000.00	22,727.00	2.2	1	18,000.00	18,000.00
ORDB	550.00	550.00	550.00	0	250.00	2,750.00	254.3	10	550.00	550.00
ORDBp	550.00	550.00	550.00	0	510.00	2,100.00	254.3	10	550.00	550.00
RDGZ	16,100.00	17,150.00	16,800.00	+4.3	6,201.00	24,000.00	1,924.0	74	17,150.00	16,100.00
25							8,731.1	379		

**Notes:** Trends are given relative to the last deal of the previous month (April 20 – May 20, 2009). If deals were not made in the previous month the trend is not calculated.

## CORPORATE BOND MARKET

### *News of corporate bonds market*

**May 25, ISKE SAT COMPANY (Almaty) informed Kazakhstan Stock Exchange (KASE) on delay of payment of the fourth coupon interest on its bonds KZ2C0Y07C321.** According to the mentioned bonds issue prospectus ISKE SAT COMPANY must have been paid this interest on December 15–24, 2008. In the letter ISKE SAT COMPANY informed that the coupon payment terms will be delayed till June 22, 2009, due to expected from shareholders funds.

**From May 25, 2009** in KASE secondary market sector will open trades in **international bonds XS0234488236** (KKGBe8; \$500.0 m; November 3, 05 – November 3, 15, the semi-annual coupon 8.00 % APR, 30/360) of **Kazkommerts International B.V.** (Rotterdam), issued against full security of Kazkommertsbank (Almaty). Kazkommerts Securities (subsidiary of Kazkommertsbank) (Almaty) is the market-maker on mentioned bonds on KASE with the mandatory quotation minimum volume for the market-maker is set in the size of USD15,600.

**From May 26, 2009 bonds KZ2C0Y03C072** (BTAIb10) of **Subsidiary mortgage organization of joint stock company BTA Bank BTA Ipoteka** (Almaty) were excluded from KASE official list due to circulation period expiry.

**From May 26, RESMI finance & investment house is assigned the market-maker status on STF RFCA on bonds KZ2P0Y07C187** (aRESCb1) **RESMI GROUP** (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 179 deals were made in bonds during the analyzed period on KASE.

	current week	Trend for	
		1 week	2 weeks
Average daily volume, USD th.	14,510.0	+23.5 %	3.3 times
Average daily volume, KZT m.	2,180.6	+23.4 %	3.3 times
Stake of nego deals, number (%)	1.7	+1.1 pp	+1.7 pp
Stake of nego deals, volume (%)	0.02	-1.0 pp	+0.02 pp
KASE members	34	-5.6 %	+3.0 %
Number of bonds denominations*	50	-3.8 %	+13.6 %
Stake of pension funds, gross (%)	13.9	+1.0 pp	-7.8 pp
on purchase	22.8	+4.5 pp	-0.6 pp
on sale	4.9	-2.5 pp	-15.1 pp
Stake of individuals, gross (%)	11.0	+4.8 pp	-10.7 pp
on purchase	4.0	-0.6 pp	-30.4 pp
on sale	18.0	+10.2 pp	+9.1 pp
Stake of nonresidents, gross (%)	0	0	0
on purchase	0	0	0
on sale	0.2	+0.2 pp	+0.2 pp

\* on which, deals were made at KASE and STF RFCA

By results of period 24 names of bonds were characterized by growth of average weighted net price on the opened market, 21 – of decrease, 2 – traded for the first time (excluding STF RFCA deals). Yield to maturity for buyers on deals made decreased during the week for 19 bonds, increased for 26. In the described period bonds average weighted net prices changed positively in the range from 0.002 % (TEBNb7) to 41.10 % (KZASb2), negative change – from 0.001 % (CCBNb18) to 13.87 % (KKGBe5).

Detailed data on corporate bond market is given in trade's results table.

### Results of bond trades on KASE, including STF of RFCA within May 21 – 27, 2009 (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					min.	max.
aASFib5	59,60	84,60	84,60	+27,0	15,50	84,60	89,0	8	57,60	84,60
aASFib6	30,00	42,00	42,00	+14,0	26,00	42,00	55,4	6	28,00	55,00
aASFib7	37,00	37,00	37,00	+2,0	16,00	37,00	6,9	1	35,00	52,00
AGKKb1	15,23	15,23	15,23	>-0,0001	8,10	17,50	1 355,8	1	15,23	15,23
ASBNe2	112,00	112,00	112,00	-2,0	13,20	119,00	0,5	2	115,00	134,46
ASFib5	57,60	82,60	82,60	+27,0	13,50	82,60	80,9	7	57,60	84,60
ASFib6	30,00	55,00	55,00	+27,0	15,00	55,00	72,7	8	30,00	55,00
ASFib7	57,60	57,60	57,60	+11,8	13,50	57,60	3,4	1	39,00	57,60
ASFib8	42,00	44,00	44,00		13,00	44,00	15,8	2	42,00	59,00
ATFBb5	28,00	28,00	28,00	>-0,0001	11,00	31,00	93,7	1	26,00	28,00
ATFBe2	18,25	18,25	18,25	+0,3	6,00	28,50	20,3	1	18,00	18,25
ATFBe4	17,02	20,00	17,02	-4,0	7,00	30,00	25,8	2	17,02	20,00
									842	2 188
BIGRb1	1 162,70	1 162,70	1 162,70		9,34	1 162,70	66,7	1	357,76	899,01
BTAIb1	94,00	94,00	94,00		12,00	96,00	4,0	1	94,00	94,00
BTAIb2	45,50	45,50	45,50		15,00	69,00	2,7	1	45,50	45,50
BTAIb9	43,00	50,00	50,00		37,00	70,00	387,1	2	43,00	50,00
BTASe3	124,78	134,01	134,01	+9,9	13,38	134,01	50,9	10	162,00	195,75
BTTRb1	10,00	10,01	10,01	>-0,0001	9,20	28,00	805,7	4	10,00	10,01
CCBNb12	20,00	20,00	20,00	>-0,0001	11,00	20,00	166,6	1	20,00	20,00
CCBNb18	9,49	9,49	9,49	>-0,0001	9,49	9,50	367,0	1	9,49	9,49
CCBNb20	13,50	13,50	13,50	+3,5	9,00	15,00	3 002,6	1	12,00	13,50
CSBNb2	16,00	16,00	16,00	+0,0001	13,00	16,00	167,4	1	16,00	16,00
DTJLb1	38,64	38,64	38,64		8,47	49,00	139,5	1	38,64	49,00
EXBNb1	18,00	18,00	18,00		8,61	20,00	11,5	1	18,00	18,00
EXBNb2	19,00	20,00	20,00		12,00	22,00	304,6	4	19,00	20,00
HSBKb7	19,50	24,00	24,00		11,00	24,00	1 016,7	5	19,50	24,00
HSBKe1	16,00	18,00	16,00	-1,5	12,00	92,00	1 967,2	3	16,00	18,00
KAFib1	12,00	12,00	12,00		10,00	16,00	199,2	1	12,00	14,00
KKGBe16	10,45	16,00	13,00	+2,3	9,88	16,00	14 487,3	8	10,42	15,95
KKGBe4	23,24	23,24	23,24		10,28	29,58	644,2	1	23,24	23,24
KKGBe5	7,87	20,97	19,98	-2,0	7,87	27,19	7 081,4	6	7,87	20,97
KKGBe6	31,17	35,86	34,35	+3,9	8,05	35,86	173,6	15	31,17	35,86
KKGBe8	8,68	8,68	8,68		8,68	8,68	22 356,3	2	8,68	15,50
KRZHb1	77,50	80,50	80,50	+3,5	6,80	114,96	94,1	11	77,50	80,50
KZASb2	21,00	60,10	60,10		8,66	60,10	4 368,5	11	21,00	60,10
KZIKb17	13,00	13,00	13,00		13,00	13,00	10 074,1	3	7,50	13,00
KZIKb2	24,00	24,00	24,00	-2,0	14,00	26,00	22,7	2	24,00	24,00
KZIKb8	18,50	18,50	18,50		12,00	26,00	2,3	1	18,50	18,50
KZTCb1	19,50	19,50	19,50		13,00	19,50	95,8	2	19,50	19,50
LOGCb1	10,20	45,50	10,20		10,20	50,30	375,8	2	10,20	45,50

To be continued on the page 5

Continued of table

**Results of bond trades on KASE, including STF of RFCA within May 21 – 27, 2009  
(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	
	on the last deal:		for last 365 days:		period:					
	min.	max.	yield	trend	min.	max.			bid	offer
MREKb2	23,00	24,00	23,00		14,00	29,00	43,4	3	23,00	24,00
MREKb3	17,00	17,00	17,00		7,12	17,00	13,2	1	17,00	17,00
MREKb5	10,50	12,50	12,50		10,50	12,50	5,2	3	10,50	12,50
NFBnb1	34,00	34,00	34,00	>-0,0001	9,10	34,00	900,4	2	34,00	34,00
ORDBb2	59,79	78,00	78,00	+0,0001	7,00	80,00	598,7	11	59,79	78,00
TEBNb7	10,90	10,90	10,90		10,90	10,90	338,4	2	10,00	10,90
TSBNb5	45,61	45,61	45,61	+1,6	14,00	45,61	17,1	2	45,00	45,61
TSBNb6	10,00	10,00	10,00		10,00	10,00	334,3	2	10,00	10,00
TSSMb1	109,49	118,35	111,37	+8,7	1,00	120,36	15,3	7	132,24	186,26
UKPFb2	18,00	18,00	18,00		15,00	18,00	14,2	1	18,00	18,00
<b>50</b>							<b>72 535,6</b>	<b>176</b>		

**Notes:** Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (April 13 – May 13, 2009). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**May 27, government medium-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-48 of the 39<sup>th</sup> issue (KZK2KY040394, MOM048\_0039 KZT1,000, 27.05.09 – 27.05.13, annual coupon, 30/360), were placed in the KASE trading system at special trades, on which the Ministry of Finance planned to borrow KZT5.0 bn. The rate of coupon was the subject of the trade. 16 primary dealers participated in the trades, which were category “K” KASE members. Through these subjects, investors submitted 35 bids, of which until the bids’ confirmation time expired 30 bids had left active. Total volume of active bids (volume of demand) made **KZT21,718.0 m.** and exceeded the suggested volume of offering in 4.3 times. The rate of coupon in active bids, varied from 7.50 % APR to 9.00 % APR making in average weighted expression 7.9890 % APR. The volume of active orders breaks down on pension market entities 48.9 %, commercial banks (STB) – 37.3 %, clients of STB – 3.1 %, brokers and dealers – 0.6 %, and their clients - 10.1 %. **By the results of trade, the issuer satisfied bids on purchasing 7,826,666 bonds for KZT7,826,666,000 (156.5 % from the planned volume of offering) at 7.50 % APR. By results of auction, 27.8 % of all placed bonds were redeemed by pension market entities, 38.0 % - STB, 5.2 % - clients of STB, 0.9 % - brokers and dealers, 28.1 % - brokers and dealers clients.****

### Secondary market sector (purchase - sale)

In the analyzed period total volume of 24 deals made on KASE made KZT13,337.9 m. (\$88.9 m.). In the previous period (May 14 – 20, 2009) the given indicator was equal to KZT8,056.3 m. (or \$53.6 m.) with 35 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 44.9 % (36.0 %).

#### Parameters of Exchange’s transactions in GS within May 21 – 27, 2009

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>74.7 % (1.1%) of purchase and sale sector's turnover</b>
15 - 28	5.10	5.10	5.10	5.10	9,965.2	8
Total					9,965.2 (85.7)	8 (2)
<b>Coupon (KZT): MEKKAM, MEUKAM, MEOKAM</b>						<b>25.3 % (98.9 %) of purchase and sale sector's turnover</b>
Less than 730	7.00	7.30	7.30	7.10 (7.08)	222.5	3
1096 - 1460	8.23	8.23	8.23	8.23	28.7	1
More than 2191	5.65	8.05	8.05	7.66 (7.36)	3,121.5	12
Total					3,372.7 (7,970.6)	16 (33)
<b>GRANDTOTAL</b>					<b>13,337.9 (8,056.3)</b>	<b>24 (35)</b>

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