

# KAZAKHSTAN STOCK MARKET

November 18 - 24, 2010

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## SUPPLEMENTAL INFORMATION

US dollar = 147.28 at official rate for the end of the period.

US dollar = 147.37 at weighted average rate of the Exchange for the end of the period

Speed of KZT to USD for the period at exchange's rate made 5.8 p.a.

### Money market indicators as of November 24 and change for the period

Indicator	Rate	Trend
TONIA	0.36	+0.20
Autorepo GCB 2 d.	0.36	+0.20
Autorepo GCB 7 d.	2.10	+0.3
Autorepo GCB 28 d.	0.00	-7.0
KazPrime-3M	2.00	+0.02

### Stock securities' market indicators as of November 24 and change for the period

Index	Value	Trend
KASE	1,624.70	+0.3
KASE_BP	372.95	-0.2
KASE_BC	312.40	+0.0
KASE_BY	14.26	+0.1

## MAIN NEWS OF THE MARKET

**November 18, Vice Minister of Economic Development and Trade of the Republic of Kazakhstan, Marat Kusainov informed that Kazakhstan in the framework of the roadmap for business-2020 "approved a subsidy for SME loans worth KZT82.9 billion.** He said that only in three areas approved 173 applications for subsidies worth of loans KZT82.9 bln. Within the first direction "Support new business initiatives," the regions approved 106 projects worth KZT26.4 bln loan. The second - "Improvement of Business" - 45 projects totaling KZT39.6 bln loan. The third - "Support to Export-oriented industries" - regions of subsidies approved 22 projects with a total value of loans to KZT16.9 billion.

**November 18 Head of Information and Analytical Department, Financial Police Kazakhstan Adil Abylkassymov during the international conference "Political and legal aspects of the subsoil in Kazakhstan," said Agency of the Republic of Kazakhstan for Fighting Economic and Corruption Crimes (Financial Police) suspected the company Agip in the fraud at \$ 110 million dollars.** The representative finpol noted that subsoil users running in a mode of production sharing agreements are guaranteed reimbursement of their costs for exploration of hydrocarbon deposits by commercial oil and gas. He also explained that the advantage of this provision, unscrupulous investors complete the amount of actual invest liabilities i.e. pseudo investment.

**Accounts Committee of the Republic of Kazakhstan for the execution of the national budget is of the view that:**

- **state assets and funds of the republican budget allocated for the implementation of space projects, are used inefficiently.** Accounts Committee notes that in 2007-2009 a joint-stock companies "National Center for Space Communications and Electromagnetic compatibility of radio electronic equipment", "PO Baiterek", "National Company" Kazakhstan Garysh Sapary "and" National Center for Space Research and Technology "state asset management and the use of the national budget was carried out inefficiently. Accounts Committee recommends more efficient use of state assets and funds of the national budget allocated for the implementation of space projects. Recommendations for improvement of legislation on space insurance;
- **Investment projects in health and education are implemented effectively.** Investment projects in health and education are implemented with a significant rise in prices. This is due to poor training of administrators of budgetary programs design task. In addition, the poor quality of design and construction documents and public review is one of the main factors increased cost of investment projects in health and education. Accounts Committee recommends that the Government set limits on increasing the amount of contracts on the basis of public procurement in the absence of objective reasons. Ministry of Education and Science, Ministry of Health, the oblast akim recommendations to improve the efficiency of the national budget allocated for the implementation of investment projects.

November 19 has learned that according to the Agency of the Republic of Kazakhstan on Regulation

and Supervision of Financial Market and Financial Organizations (AFS), the sum of net pension assets (PA) in the country (the amount of pension assets minus liabilities accrued commissions, payable on pension payments) **on November 1, 2010** amounted to **KZT2,168.7 billion** (equivalent to **14,696.0 million U.S. dollars** in effect on that date the official rate of dollar against the tenge). The comparable figure for October 1, 2010 - KZT2,129.6 billion or \$ 14 454.6 million

**November 22 press-service of JSC "Commodity Exchange" Eurasian Trading System reported that created Exchange Association of Kazakhstan.** The purpose of the Association is the formation and development of organized markets in Kazakhstan. The tasks of the new association include: protecting the interests of its members in accordance with the purpose of the Association To support the development and improvement of the regulatory system of exchange activities, development and adoption of rules, regulations and standards for the conduct of exchange operations, providing effective work in the organized markets, establishing ethical standards of professional conduct in the organized markets and the formation of a professional community of organized markets, establishing practical ties between members Association, the union of their efforts to implement common business projects, protection of interests of its members through participation in legislative and regulatory activities and regulatory and development of organized markets, supporting the most promising areas and development projects organized markets. The members of the Association can become exchanges, brokers, Dealers operating on the basis of a license under the laws of the Republic of Kazakhstan, stated in the message.

**November 23 Ministry of Communications and Information of the Republic of Kazakhstan and LLP "Kar-Tel (sales brand Beeline) announced the launch of third generation network in Almaty and Astana.** As indicated, November 22, Beeline has launched a test operation of the base stations of third generation communication in the largest cities of the republic - Astana and Almaty. From December 1 to begin commercial operation and access to 3G will be open to all residents and visitors of the two cities. The main advantage of new generation is the possibility of high-speed mobile Internet access. The maximum possible speed in the 3G network is 7.2 Mbps.

**November 23 President of JSC "National Savings Bank of Kazakhstan Umut Shayakhmetova reported that predicts the growth in lending to 10% in 2011.** She explained that today there are applications for investment projects, as a great incentive to give the road map business 2020. Also in 2011, is expected to restore lending to small businesses.

**November 24 press office of the Ministry of Transport and Communications of Kazakhstan reported that nine Kazakhstan airlines derive from the "black list" of the European Union.** It is noted that since the audit of the International Civil Aviation Organization (ICAO) and the introduction of Kazakh airline "black list" of the European Union in July 2009, the Ministry of Transport and Communications of Kazakhstan carried out systematic work to address audit observations by ICAO and the EU lifting of restrictions. First, as pointed out in a short time developed and adopted a new Law of the Republic of Kazakhstan "On the Use of airspace and aviation activities, which meets all international standards. In addition, a number of laws, toughening the requirements for the airlines, as well as legislation introduced status of the operator, performing aerial work, which fully complies with current international practice. In August 2009, the decision of the Government of Kazakhstan established the State Enterprise Centre of Aviation Safety, staffed by qualified inspectors to monitor safety.

**November 24 Majilis Parliament of Kazakhstan approved the first reading of Bill:**

- **"On amendments to some legislative acts of the Republic of Kazakhstan on issues of communication."** The bill is aimed at providing the population of Kazakhstan digital satellite broadcasting, the needs of the regions in domestic television and radio programs, as well as reducing the dependence of broadcasting market of Kazakhstan from foreign radio and television programs. Funds to implement the bill provided for in the Republican budget program 025 "Implementation of the state information policy" within the republican budget for 2011-2013.
- **"On introducing amendments and addenda to some legislative acts of the Republic of Kazakhstan on issues of mandatory technical inspection of motor vehicles and their trailers."** This bill is designed to implement the presidential decree on August 17, 2010 # 1039 "On measures to improve law enforcement and judicial system in Kazakhstan." His goal - exception unusual functions of law enforcement bodies, improving the efficiency of the technical inspection of vehicles. Safeties standards will deal with Technical Inspection Centers are included by the authorized body in the field of transport and communications in the register of inspection centers.
- **November 24, during the "Forum of the stock market of Kazakhstan IPO on KASE":**
- **Chairman of the Board of RFCA Mr. Arken Arystanov stated that currently has all the prerequisites to the stock market of Kazakhstan are working at full power.** He added that

the state is interested in the fact that national wealth was distributed among the population of Kazakhstan by the withdrawal of national companies on domestic stock market. Therefore, from the placement of shares of domestic companies on the domestic securities market are all winners: Exchange receives liquidity, national companies get cheap resources, the state receives a developed economy, the investment growth. Fund Samruk Kazyna should work for the citizens of Kazakhstan, so the state has developed a program of development of the domestic stock market.

- **Chairman of the Republic of Kazakhstan Agency for Regulation and Supervision of Financial Market and Financial Organizations Mrs. Yelena Bakhmutova noted that one way of capitalization of the NPF can be output on the domestic stock market.** She added that the need to attract to the stock market is not only large national company, but company middle managers. As the first candidates proposed to do it is accumulating pension funds. In addition, the added Mrs. E. Bakhmutova, there are lots of companies who need to improve, their order of 80%. Improvement lies in the fact that these enterprises are very high liquidity dependence. They could solve the liquidity problems placing its shares on KASE.
- **President of the Kazakhstan Stock Exchange Kadyrzhan Damita said that private companies are also of interest to the KASE in terms of IPO.** He added that there are a number of private companies, non-public companies that might be interesting investment objects. K. Damita believes that a number of private companies overloaded bank loans, way out of this situation can become corporate restructuring, transformation into joint-stock company, to offer its shares to investors.
- **Head of the Secretariat Board of Directors of National Welfare Fund "SK" Mr. Zhardem Kurmangazy said that the need to increase the number of equity securities for the new post-crisis stock market development in Kazakhstan.** He explained that you only need to go through all the technical aspects and procedures.
- **Representative of the Ministry of Finance of the Republic of Kazakhstan Mrs. Irina Fischer said that the state will contribute the exit of national companies to the stock market.** She added that the state now owned by excluding the large holdings were shares of those organizations that the state should support. This is mainly service organizations, universities, scientific organizations. As listed companies are of no interest.

**Nov. 24 members of emergency meetings at the Ministry of Economic Development and Trade of the Republic of Kazakhstan, said that they price the main socially important goods should be fixed.** According to the "Kazagromarketing, the whole country for the month period (05 October - 09 November) the prices on several products. In particular, buckwheat is 20 m. (11.4%), vegetable oil by KZT16 (6.8%), eggs by 15 KZT (10.3%), milk at 5 KZT (4.7%), sugar 5 KZT (2.9%), potatoes for 4 KZT (6.7%) and tomatoes at 93 KZT (104.5%). As a result of the meeting, the companies have agreed to consider lowering the prices of their products, to enter into memoranda of cooperation and understanding with the oblasts and the cities of Astana, Almaty, providing for them an opportunity to fix the selling price of commodity at a level no higher than a certain amount per kilogram per liter of production.

**November 24, Prime Minister of Tajikistan Mr. Akil Akilov at a business forum in Dushanbe said that Kazakh-Tajik established private equity fund dedicated to raising funds in the economy of Tadjikistan.** Head of the Government of Tadjikistan noted that the fund will give a powerful impetus to the joint venture and will contribute to further developing and strengthening our economic ties. "He also invited the Kazakh investors to participate in the development of hydropower in Tadjikistan. The first task of the state, determined by the President in the near future - is to achieve energy security. As indicated, in turn, Prime Minister Mr. Karim Masimov after the bilateral talks the delegations of two countries with expanded staff noted that "the establishment of a fund of direct investments, cooperation in power engineering, transport, and mutual investment will further enhance cooperation between the countries."

## **MARKET SHARES**

### ***Market news***

**November 19, it became known that on December 2 JSC ASYL-INVEST (Almaty), exempt from the market-maker on the KASE simple KZ1C53590010 (MAG\_) and preferred KZ1P53590116 (MAG\_p) shares of JSC "MAG" (Almaty).**

**November 22 it became known that from November 25, JSC "Aibn Asset Management" (Almaty) on the basis of his application was assigned a market-maker on KASE on preferred shares KZ1P51970112 (AZNOp) Aktobe Oil Equipment Plant (Aktobe).**

**November 24, it became known that on December 7 Subsidiary of joint stock company "BTA Bank BTA Securities JSC (Almaty), exempt from the market-maker on the KASE simple KZ1C33970019 (UKPF) and preferred KZ1P33970115 (UKPFp) shares of JSC Ust-Kamenogorsk Poultry Farm (East Kazakhstan region).**

**November 24, it became known that on December 3 JSC "Investment Financial House" RESMI (Almaty), exempt from the market-maker on KASE on the following securities: common shares KZ1C51950018 (IFDR) SA Finance & Investment House" RESMI "and simple shares KZ1C46310013 (RGRB) JSC "RG Brands" (Almaty).**

### Primary market sector

In this sector of KASE during the analyzed period deals were concluded. Bidding on the placement of the bonds was not conducted.

### Secondary market sector (purchase and sale)

A total of 344 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	1 707.3	-24.1%	-36.8%
Average daily volume. KZT m.	251.6	-24.2%	-36.6%
Stake of nego deals. number (%)	0	+0.006 pp	-0.8 pp
Stake of nego deals. volume (%)	0	+0.02 pp	-22.4 pp
KASE members	33	+6.5%	0
Number of shares denominations*	14	-12.5%	-22.2%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	-11.8 pp
on sale	18.6	+16.2 pp	+18.6 pp
Stake of individuals. gross (%)	67.6	+11.4 pp	+12.8 pp
on purchase	53.8	+22.3 pp	+13.2 pp
on sale	81.4	+0.5 pp	+12.4 pp
Stake of nonresidents. gross (%)	23.2	-1.3 pp	+9.6 pp
on purchase	44.6	-3.19 pp	+33.3 pp
on sale	1.7	+0.6 pp	-14.1 pp

\*on which deals were made at KASE

In the described period weighted average daily prices of 5 items of equity instruments involved in the transaction, 7 instruments have showed a growth, prices of 2 instruments did not changed. Negative change in shares prices in the range from 0.01% (GB\_ENRC) to 5.50% (GB\_KZMS), positive – from 0.01% (SATC) to 7.23 (RDGZ).

More detailed data on share trades on KASE shown in table below.

### Results of share trades on KASE, including STF of RFCA within November 18 - 24, 2010, only by data on deals made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	min.		max.		Price. KZT per share:		Volume of deals th.USD	Num- Ber of deals	Best for the period:	
	min.	max.	price	trend. %	min.	max.			bid	offer
BSUL	630	630	630	0	200	630	37.24	6	630	630
BTAS	7.11	7.8	7.46	+2.90	5	2300	123.39	41	7.8	7.11
CCBN	541	590	589.99	+1.72	515	955	310.47	36	590	541
GB_ENRC	2120	2215	2120	-2.30	1800	2800	45.87	14	2290	2120
GB_KZMS	3201	3455	3250	-4.41	2155	3652	69.87	11	3455	3200
HSBK	355	370	357	+0.56	250	400	3,352.30	24	370	355
KKGB	435.01	450	442	-1.78	356	710	23.97	5	450	435.01
KZTK	16300	17250	17200	0	11800	19800	750.95	60	17300	16300
KZTKp	8000	8008	8000	+5.25	6000	8910	29.61	4	8008	8000
RDGZ	16700	17875	17790	+7.27	15155.01	24300	33.17	8	17875	17050
RDGZp	16100	17200	17100	+6.80	10800	21988.89	3,348.39	119	17200	16110
SATC	71.08	71.09	71.09	+0.01	70	75	55.60	7	71.09	71.08
ZERD	1.6	1.6	1.6	-2.44	0.67	7.2	4.13	1	1.6	1.6
ZERDp	5.21	5.4	5.21	0	5	5.7	159.06	6	5.4	5.21
14							8,344.0	342		

Notes: Trends are given relative to the last deal of the previous 30 days period (October 17 – November 17, 2010). If deals were not made in the previous month the trend is not calculated.

## MARKET OF CORPORATE BONDS

### News of corporate bonds market

**On November 18 bonds KZ2P0Y07D045 (AESOb1) LLP Almatyenergosbyt (Almaty) transferred from the second sub-category of debt securities without ratings Evaluation of the "in" buffer category "of**

the official list of KASE.

**November 22, it became known that on Dec. 2 JSC Subsidiary of JSC BTA Bank BTA Securities JSC (Almaty), exempt from the market-maker on bonds on KASE KZ2C0Y05C465 (TMLZb1) JSC Temirleasing (Almaty).**

**On November 23 JSC "VISOR Capital" (VISOR Capital) (Almaty) on the basis of his application was assigned a market-maker on KASE on international bonds XS0556885753 (KMGZe5) National company KazMunaiGas (Astana).**

### Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Offerings were not made.

### Secondary market sector (purchase and sale)

A total of 66 deals were made in bonds during the analyzed period on KASE.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	4 701.5	+23.5%	-57.5%
Average daily volume. KZT m.	692.8	+23.4%	-57.3%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	28	-3.4%	+16.7%
Number of bonds denominations*	22	+15.8%	-21.4%
Stake of pension funds. gross (%)	34.2	+34.2 pp	+4.6 pp
on purchase	26.4	+6.7 pp	+14.7 pp
on sale	42.0	+42.0 pp	-5.4 pp
Stake of individuals. gross (%)	9.7	-10.9 pp	+4.5 pp
on purchase	9.1	-2.5 pp	+6.7 pp
on sale	10.2	-19.3 pp	+2.2 pp
Stake of nonresidents. gross (%)	0	0	0
on purchase	0	-29.05 pp	-0.01 pp
on sale	20.3	+20.33 pp	+20.33 pp

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 12 items, fall – 9, prices of the 4 tools have not changed. Yield to maturity for a buyer on deals rose during the week for 10 bonds, have declined - in 6, benefits of 6 instruments did not changed. Positive change in bond yield to maturity in the range from 0.05% (CCBNb11) to 15.00% (LOGCb2), negative - from 0.27 (CCBNb15) up to 6.00% (KZIKb6).

More detailed data on corporate bonds on KASE shown in table.

### Results of bond trades on KASE including STF of RFCA within November 18 - 24, 2010 (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	Number of deals	Best for the period:	
	on the last deal:		for last 365 days:		bid	offer				
	min.	max.	yield	trend					min.	max.
BTAIb9	6.80	6.80	6.80	0	6.80	33.00	60.07	3	6.80	6.80
CCBNb11	9.50	9.50	9.50		9.45	12.50	326.26	1	9.50	9.50
CCBNb15	9.00	9.00	9.00		9.00	9.00	6.39	2	9.00	9.00
CCBNb4	8.00	8.00	8.00		6.50	11.00	695.82	3	8.00	8.00
CCBNb7	9.00	9.00	9.00		8.40	13.00	356.76	1	9.00	9.00
CSBNb4	12.00	12.00	12.00		12.00	18.00	693.28	1	12.00	12.00
EKGSb1	8.90	8.90	8.90		8.00	11.60	3,909.10	2	8.90	8.90
EUBNb3	10.50	10.50	10.50	+0.50	8.00	14.50	13.53	1	10.50	10.50
EUBNb4	10.00	10.50	10.50		9.00	13.01	8,320.85	8	10.00	10.50
HSBKе2	5.13	5.13	5.13		5.13	6.40	4,780.66	1	5.13	5.13
KASSb1	7.52	7.52	7.52		7.00	15.50	653.43	1	7.52	7.52
KDTSb1	17.00	17.00	17.00		15.25	51.80	123.34	1	17.00	17.00
KRZHb1	40.22	74.47	74.47	+40.35	16.26	111.29	81.63	2	40.22	74.47
KZIKb6	8.00	13.00	8.00		8.00	14.00	52.74	3	8.00	13.00
KZIKb7	12.00	12.00	12.00		10.95	13.50	17.05	1	12.00	12.00
LOGCb2	14.00	26.00	26.00	+15.00	7.87	26.00	64.85	6	12.00	26.00
ORDKb2	12.00	14.00	12.00	0	12.00	16.00	8.47	3	12.00	14.00
PRKRb4	8.50	8.50	8.50	0	8.40	8.50	2,370.96	3	8.50	8.50
SKKZb23	4.50	4.50	4.50	0	4.50	6.50	95.88	4	4.50	4.50
TKUDB1	8.13	8.13	8.13		7.00	8.13	16.85	1	8.13	8.13
TSBNb5	13.00	13.00	13.00		13.00	26.00	6.67	3	13.00	13.00
ZERDb1	17.00	30.00	18.39	+0.23	10.00	119.00	853.03	15	17.00	30.00
<b>22</b>							<b>23,507.6</b>	<b>66</b>		

**Notes:** Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (October 17 – November 17, 2010). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**November 24, the trade system of KASE specialized trades on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-180 release of third** (KZKDKY150032, MUM180\_0003; KZT1,000, 11/24/1910 - 24/11/1925, semi-annual coupon, 30/360), at which the Ministry of Finance planned to borrow KZT12.0 bln. Negotiable coupon rate. In the auction was attended by 18 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 66 applications, of which the expiration time applications were 59 active warrants. Total volume of active bids (demand volume) was KZT45,915.0 million and exceeded the proposed level of accommodation in 3,8 times. Coupon in active bids ranged from 5.4000% to 7.5000% per annum, amounting in average terms, 6.2410% per annum. As a result of trade, the issuer granted the application to purchase 13,383,333 of bonds in the amount of KZT13,383,333,000.00 (111.5% of planned volume offering) at 5.6000% per annum.

### Secondary market sector (purchase)

During the monitoring period, the total volume of 29 transactions at KASE amounted to KZT6,304.9 million (\$42.8 million). In the previous period (November 11-17, 2010), this figure was KZT7,169.9 million (\$48.6 million), with 19 transactions. The share exchange turnover in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 100.0% (in the previous period - 100.0%).

#### Parameters of Exchange's transactions in GS within November 18 - 24, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discount (KZT): the notes of NB, MEKKAM.</b>				<b>2.91% (6.04%) of purchase and sale sector's turnover</b>		
64 - 91	0.75	0.80	0.75	0.78 (0.75)	183.77	3.00
Total					<b>183.8 (433.2)</b>	<b>3 (3)</b>
<b>Coupon (KZT): MEOKAM, MEUKAM, MEUJKAM, MAOKAM</b>				<b>97.1% (94.0%) of purchase and sale sector's turnover</b>		
Less 730	3.10	3.30	3.10	3.20 (7.30)	43.78	4
1461 - 1825	5.63	5.65	5.65	5.64 (7.25)	896.89	9
1826 - 2190	5.30	5.30	5.30	5.30 (5.30)	2,289.76	3
Over 2191	5.50	5.70	5.50	5.54 (5.63)	2,534.58	7
Total	4.30	5.20	4.80	5.00 (5.00)	356.12	3
<b>TOTAL</b>					<b>6,121.1(6,736.7)</b>	<b>26 (16)</b>

## KASE MEMBERS

**November 22** has learned that on **November 17, JSC "HOMEBROKER" (Almaty) was expelled from the Stock Market KASE** in connection with a voluntary refusal of membership. This decision was made in accordance with paragraph 37 of the internal document KASE "Regulations on Membership" on the basis of statements of JSC "HOMEBROKER" on October 29, 2010 voluntarily renouncing membership in the stock market KASE.

Prepared by IRBIS Information agency of financial markets

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