

## WEEK OF STOCK MARKET OF KAZAKHSTAN

October 10-14, 2011

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Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
07.10.11	1,137.16	148.36	2.6591	1.7073	2.0000
10.10.11	1,142.20	148.24	0.7568	0.8351	2.0000
11.10.11	1,148.33	148.08	0.6838	0.7999	2.0000
12.10.11	1,145.27	147.89	0.7428	0.9510	2.0000
13.10.11	1,151.00	147.72	1.7561	0.7290	2.0000
14.10.11	1,149.75	147.72	1.9128	1.2881	2.0000
<b>Trend</b>	<b>12.6</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.4</b>	<b>0</b>
<b>%</b>	<b>+1.1</b>	<b>-0.43</b>	<b>-28.1</b>	<b>-24.6</b>	<b>0</b>

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

October 10 the Agency of Statistics of the Republic of Kazakhstan reported that:

- **In the housing market in September 2011** there was an increase in prices;
- **In September 2011 compared to December last year the price of construction works** increased by 4.6%, machinery and equipment - by 6.1%, other works and costs - 3.1%;
- **In September of this year compared with December of 2010 crop production, realized by agricultural enterprises**, has become more expensive by 6.2%, livestock products - by 9.5%;
- **The number of transactions in housing in January-September 2011** amounted to 114,029;
- **In August 2011 the average nominal wage per employee was 93,106 KZT**, increasing compared with the corresponding month last year by 15.2%, in real terms by 5.7%;
- **The index of physical volume of industrial output in January-September 2011** amounted to 104.3%;
- **In the economy of the republic in September 2011 (estimated)** were employed 8.4 million people;
- **Per capita nominal income of the population in August 2011**, according to preliminary data, amounted to 48,527 tenge, an increase over the corresponding period of 2010 by 14.5%;
- **To large and medium sized businesses and organizations in September 2011** 93.3 thousand people were hired, left for various reasons – 80.3 thousand people. Among retired workers: the share of workers who have quit on their own account for 83.1%, due to staff reductions - 2.7%, for other reasons - 14.2%;
- **In August 2011 was marked rise in exports**, decline in imports;
- **The volume of capital investments in January-September 2011** increased by 1.5%;
- **The volume of industrial output in January-September 2011** amounted to 11,596 bn in current prices, which is 4.3% more than in January-September 2010;
- **Kazakhstan's foreign trade turnover in January-August 2011** was \$79,668.4 million;
- **In August 2011, in the country 36,776 cars were registered**, which is 25.4% less than in the corresponding period of the last year.

October 11, 2011 by decision of the Board of Samruk-Kazyna National Welfare Fund JCS Nurbol Sultan was appointed as Director General of KazTransGas JCS, who previously held the position of General Director of JSC "KazTransOil".

**October 11 service of credit rating Standard & Poor's has assigned ratings on a national scale "kzBB +" to JSC "AsiaCredit Bank".** As indicated, the long-term and short-term rating "B / B ", assigned to the bank earlier, and forecast changes in ratings of "stable" remain unchanged after assigning ratings on a national scale. As noted, one of the factors that support the level of bank credit ratings are also confident the recovery of Kazakhstan (ranked by foreign currency liabilities: BBB/Stabilnyy/A-3; rating for local currency: BBB + / Stable/A-2 ; national scale rating: kzAAA) and stabilization in the banking sector. Forecast "Stable" reflects the view of S & P that the external pressure on the financial profile and business profile of the bank is reduced. In addition, S & P analysts expect the bank gradually improve the quality of its loan portfolio while maintaining a sufficient level of base funding and liquidity management, as well as maintaining appropriate capital ratios.

**October 11 it became known that on September 27, 2011 Gani Uzbekov was appointed as Deputy Chairman of the Board of "Kazinvestbank" JCS.**

**October 12 press-service of the National Bank of Kazakhstan informed that:**

- **National Bank of Kazakhstan has established since October 1, 2011 the official refinancing rate at 7.5% per annum;**
- **In September 2011, net international reserves of National Bank of Kazakhstan decreased by 10.0% to \$ 31.9 billion** (from the beginning of the year - an increase of 15.2%);
- **The current account surplus of balance of payments of the Republic of Kazakhstan for the 1st half of 2011 totaled \$ 9.2 billion**, an increase of more than 2.1 times compared with that in the 1st half of 2010;
- **In 1H 2011 gross external debt of the Republic of Kazakhstan** grew by almost \$ 6.0 billion;
- **In September 2011 the situation on the domestic foreign exchange market** took shape in the excess demand for foreign currency over its supply;
- **In August 2011 the total volume of placed interbank deposits as compared to July 2011 decreased by 19.7%**, amounting to the equivalent of KZT 2,276.8 bln;
- **The total volume of residents' deposits in depository institutions in August 2011 decreased by 2.9%** to KZT 8,260.2 billion (an increase from the beginning of the year at 12.6%);
- **The total amount of banks' lending to the economy in August 2011 rose by 1.2% to KZT 8,281.1 billion** (an increase from the beginning of the year at 9.1%).

**October 13 it became known that Daniyar Berlibayev has been appointed as the Managing Director** on the oil-and-gas projects in KazMunaiGaz National Company JCS.

**October 14 Fitch Ratings has revised from "Positive" to "Stable" outlook on long-term IDR UniCreditBank Russia ("BBB+") and ATFBank, Kazakhstan ("BBB").** The rating actions follow the placement of UniCredit's Long-term Issuer Default Rating (IDR) of 'A' on Rating Watch Negative (RWN). The agency has revised of Russia-based ZAO Unicredit Bank's ('BBB+') and Kazakhstan-based ATF Bank's ('BBB') Long-term IDR Outlooks to Stable from Positive. The Outlook revisions reflect the greater uncertainty about the future ability of UniCredit to support its subsidiaries, as reflected in the RWN on the parent's ratings. As a result, the subsidiaries are unlikely to be upgraded, even if the Russian and Kazakhstan sovereigns (both currently on Positive Outlook) are upgraded. ATF's rating would be capped at a level one notch lower than the Russian subsidiary in light of Fitch's view of the former's lower long-term strategic importance to the UniCredit group.

***Stock exchange market***

During the study period at KASE on the secondary market sale 240 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	604.4	+42.7%	1.9 times
Average daily volume. KZT m.	89.4	+42.3%	1.9 times
Stake of nego deals. number (%)	0	-0.01 pp	0
Stake of nego deals. volume (%)	0	-0.1 pp	0
Number of shares denominations*	20	+11.1%	+42.9%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	15	+9.9 pp	+14.5 pp
Stake of individuals. gross (%)	44.0	-10.3 pp	-26.3 pp
on purchase	45.5	-10.4 pp	-14.3 pp
on sale	42.5	-10.1 pp	-38.2 pp
Stake of nonresidents. gross (%)	6.0	-1.4 pp	+6.0 pp
on purchase	5.5	+4.9 pp	+5.5 pp
on sale	6.6	-7.6 pp	+6.6 pp

\*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for 6 instruments, 8 ones showed growth, prices of six instruments have not changed. Adverse change in the weighted average share price was in the range from 0.01% (SATC) to 12.78% (KZTKp), positive - from 2.78% (GB\_ENRC) to 12.78% (KZTKp).

Over the past week KASE index remained virtually unchanged, despite the fact that the market is dominated by positive dynamics. At the end of the week indicator value amounted to 1,149.7 basis points.

During this period, support for the indicator was provided by securities of raw materials sector. In international commodity markets has increased demand for base metals and crude oil in anticipation of a possible resolution of debt problems in the eurozone. Purchases have been renewed in the hope that at a meeting of G20 finance ministers and central bank heads coordinate their actions to combat the problems of the global financial system. Against this background, quotes of Kazakhmys and ENRC rose by 3.4% and 2.4%. Steady rise in oil prices has allowed securities of KazMunaiGaz Exploration Production to grow by 8.4%.

Securities of the banking sector showed mixed trends. Share prices of JSC "Halyk Bank of Kazakhstan", JSC "Bank CenterCredit" sunk by 11% and 2.1%, while shares of JSC "Kazkommertsbank" went up by 2%.

Quotations of shares of JSC "Kazakhtelecom" on the wave of positive rose by 3.4%.

More detailed information on share trades at KASE is given in the table below:

**Results of share trades on KASE, including STF of RFCA within October 10-14, only by data on deals made on the secondary market of KASE by the methods of opened trades):**

Share code on KASE	min		max		Last deal:		Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	price	trend,%	min	max	for last 365 days:	min	max					
BSUL	630	630	630	0	630	658.05	27.00	3	630	630		
BTAS	1	1.48	1.48	-0.67	1	13.2	3.72	9	1.48	1		
CAHO	37.5	37.5	37.5	0	37.5	37.51	20.29	1	37.5	37.5		
CCBN	330	336.5	330	-2.09	329.39	670	141.92	6	336.5	330		
GB_ENRC	1460	1530	1530	+2.14	1275	2600	30.04	3	1530	1460		
GB_KZMS	1950	2110	2110	+3.43	1780	3800	79.78	15	2110	1950		
HSBK	197	230.05	202	-11.01	197	445	345.11	54	230.05	197		
HSBKp	168.4	168.4	168.4		168.4	185.24	61.35	2	168.4	168		
HSBKp1	171	171	171		171	171	61.74	2	171	171		
KKGB	255	260	260	+2.04	246.1	616	14.05	8	260	255		
KZTK	17900	18300	18200	+3.41	13500	20850	260.43	11	18300	17900		
KZTKp	9300	10200	10200	+13.33	7405	10200	400.32	17	10200	9300		

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**Results of share trades on KASE, including STF of RFCA within October 10-14, only by data on 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	Num. of deals	Best for The period: Demand Supply			
	Last deal:		for last 365 days:							
	min	max	price	trend,%				min	max	
MREK	1299	1299	1299	+9.90	1100	3000	30.60	1	1299	1299
NFBN	1375	1375	1375	0	1375	1375	0.88	1	1375	1375
RDGZ	13450	14200	14200	+8.40	12100	21000	568.73	28	14200	13350
RDGZp	12300	14000	13699	+9.59	12100	20510	778.42	62	14000	12300
SATC	71.04	71.05	71.05	0	71	72	74.54	2	71.05	71.04
TSBN	865	865	865		813.16	942.85	30.71	1	865	865
VSTN	115455	115455	115455		115455	120000	31.15	1	115455	115455
ZERDp	5.4	5.42	5.4	0	4.6	5.72	61.27	13	5.42	5.4
20							3,022.1	240		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 12 – October 12,

**Corporate bonds market**

In this sector of KASE during the analyzed period 25 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	3,609.2	-51.7%	-31.4%
Average daily volume. KZT m.	533.6	-51.9%	-30.4%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of bonds denominations*	16	-2.0 pp	-23.8%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	-18.2 pp	0
on sale	0	0	0
Stake of individuals. gross (%)	2.6	-6.1 pp	-15.2 pp
on purchase	4.1	-4.1 pp	+2.0 pp
on sale	1.0	-8.2 pp	-32.3 pp
Stake of nonresidents. gross (%)	0	-20.9 pp	-16.5 pp
on purchase	0	-0.2 pp	-22.1 pp
on sale	0	-41.6 pp	-11.0 pp

\* on which deals were made at KASE

Following the period growth of average net price on the open market of bonds characterized nine items, fall - 3, the price of three tools has not changed, 2 tools were traded for the first time. Yield to maturity on deals rose in the week for five bonds declined - for 5 ones, the yield of the four instruments has not changed. Positive change in bond yield to maturity was in the range from 0.01% (AESOb1) to 0.87% (KKGBe16), negative - from 0.29% (CCBNb13) to 8.75% (TKUDb1).

More detailed data on corporate bonds on KASE is shown in the table below:

**Results of bond trades on KASE including STF of RFCA within October 10-14, 2011 (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:						Amount Of deals, Th. USD	Number Of deals	best for the period:	
	on the last deal:			for last, 365 days,:					demand	supply
	min.	max.	yield	min.	max.	max.				
AESOb1	13.00	13.00	13.00	+0.01	12.50	13.00	8.16	2	13.00	13.00
ATFBb3	7.17	7.17	7.17		4.64	7.61	505.13	1	7.17	7.17
CBH_b1	24.20	24.20	24.20		20.00	40.02	1.87	1	24.20	24.56
CCBNb13	7.71	7.71	7.71		7.71	9.90	7,271.11	1	7.71	7.71
CSBNb10	9.00	9.00	9.00		9.00	9.00	7,798.03	2	9.00	9.00
CSBNb6	12.50	12.50	12.50		10.00	14.95	13.01	1	12.50	12.50
ERKAb1	8.04	8.08	8.04		8.04	9.00	1,178.52	2	8.04	8.08
HSBKb13	10.00	10.00	10.00		8.50	10.50	20.01	1	10.00	10.00
KDTSb1	10.29	10.29	10.29		10.00	17.00	19.39	1	10.29	10.60
KKGBe16	9.68	9.68	9.68		8.81	9.68	20.52	1	9.68	9.68
ORDBb2	435.83	435.83	435.83		375.00	595.74	723.02	1		
ORDKb2	12.00	12.00	12.00	-1.80	12.00	16.02	14.17	4	12.00	12.09
TKUDb1	0.51	0.51	0.51		0.51	9.26	331.32	2	0.51	5.70
TSBNb5	8.50	9.00	9.00	+0.50	8.00	14.00	40.76	2	8.50	10.14
TSBNb6	8.50	8.50	8.50	0	8.50	15.00	19.33	1	8.50	8.50
ZERDb1	16.00	16.00	16.00	0	5.00	54.50	81.53	2	16.00	16.00
16							18,045.9	25		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 12 – October 12, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**October 13 in the trade system of KASE specialized auction on placement of government treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-24 of eighty-first release (KZK2KY020818, MOM024\_0081; 1000 tenge, 10/13/11, 13/10/13, annual coupon, 30/360)** was held, on which the Ministry of Finance planned to borrow 14.0 billion tenge. Subject of bargaining was the coupon rate. The auction was attended by 12 primary dealers, which were members of KASE of category "C". Through these subjects, investors filed 25 applications, of which the time expired applications remained active 20 orders. The total amount of active orders (demand volume) amounted to 33,280.0 million tenge and exceeded the suggested volume of 2.4 times. As a result of trade, the issuer granted the application for the purchase of 21,666,666 of bonds to the amount of KZT 21,666,666,000.00 (154.8% of planned volume of placement) under 2.00% per annum.

### Secondary market sector

During the study period, the total amount of seven deals, made on KASE amounted to 2,019.8 million tenge (\$ 13.6 million). In the previous period (03 - 07 October 2011) the figure was 15,365.1 million tenge (\$ 103.6 million), with 34 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 93.0% (in the previous period - 93.5%).

#### Parameters of Exchange's transactions in GS within October 10-14, 2011

Days till maturity	Yield to maturity for a buyer. % APR.		last deal	Days till maturity	Volume,		
	min	max			min	max	
Discount (KZT): National Bank notes					39.5% (0%) of sales sector turnover		
43 - 56	1.50	1.50	1.50	1.50	499.12	1.00	
64 - 91	1.40	1.40	1.40	1.40	298.99	1.00	
Total					798.1 (0)	2 (0)	
Coupon (KZT): MEUKAM, MEOKAM					60.5% (100.0%) of sales sector turnover		
1096 - 1460	3.64	3.64	3.64	3.64	53.28	1	
1461 - 1825	3.55	3.95	3.55	3.60	152.70	2	
more than 2191	4.97	5.00	4.97	4.98 (5.17)	1,015.72	2	
Total					1,221.7 (15,365.1)	5 (34)	
<b>TOTAL</b>					<b>2,019.8 (15,365.1)</b>	<b>7 (34)</b>	

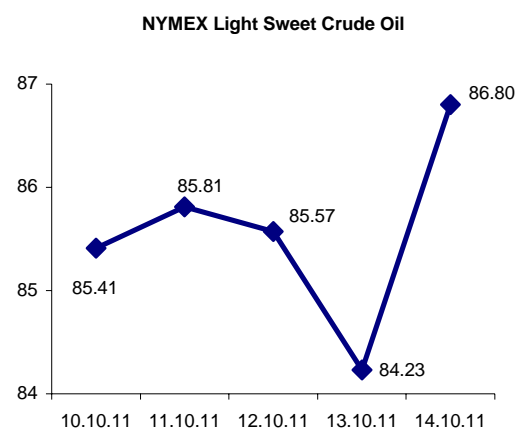
## WORLD MARKETS

### Main news of the world markets

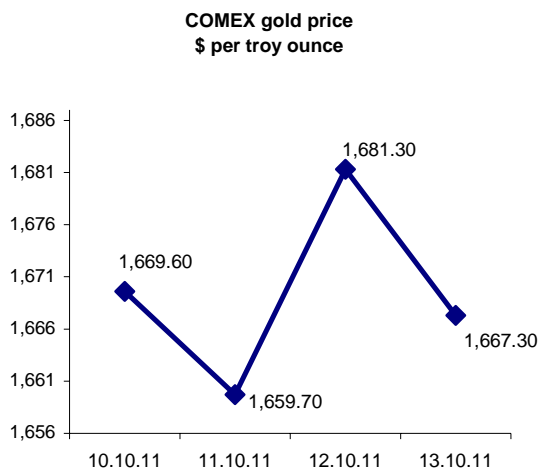
**October 10 U.S. Department of Labor reported that unemployment in the U.S. in September 2011 as compared to the previous month remained unchanged at 9.1%.** The number of jobs in nonagricultural sectors of the economy in September 2011 compared with the previous month increased by 103 thousand, which was better than analysts' forecasts (60 thousand). In addition, the Ministry of Labour has revised upwards data on job growth for August and July of this year: for the last two months in the economy (excluding the agricultural sector) 99 thousand more jobs were added than previously reported.

**October 10 the German Federal Statistical Office reported that the trade surplus of Germany in August 2011 seasonally adjusted, compared with the previous month rose to 13.8 billion euros.**

Excluding the seasonal adjustments, trade surplus of Germany in August 2011 amounted to 11.8 billion euros. German exports in August 2011 (subject to seasonal and calendar factors) amounted to 90.5 billion euros, increasing as compared with the previous month by 3.5%. The volume of imports has remained unchanged - 76.7 billion euros.

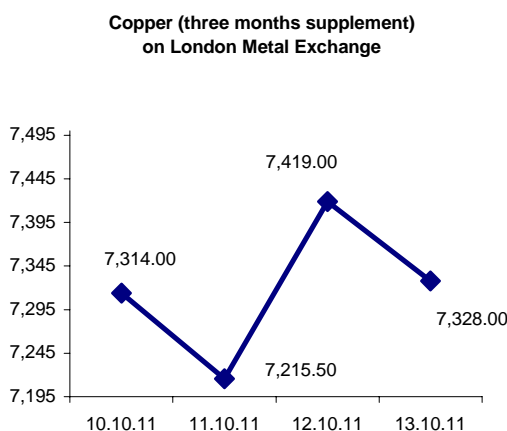


**October 10 ECB head Jean-Claude Trichet at a meeting of the European Parliament Committee on Economic and Monetary Affairs, said that the debt crisis in the eurozone has become systemic,** and for his permission to be taken drastic measures. He noted that "a high degree of interconnectedness of all links in the European financial system has led to a high risk of contagion. He threatens the financial stability of the entire European Union, its negative impact extends to the region's economy and extends beyond it."



**October 11, the Japanese government announced that Japanese trade deficit in August 2011, according to preliminary data, totaled \$ 9.05 billion (694.7 billion yen),** in the previous month a surplus of \$ 1.60 billion (123.3 billion yen) was recorded. The exports of Japan in August 2011 totaled \$ 66.57 billion (5.106 trillion yen), which is 4% higher than the same month in 2010 (4.91 trillion yen). Imports of Japan for August 2011 were \$ 75.63 billion (5.801 trillion yen). This is 22.4% increase from a year earlier: in August 2010 this figure amounted to 4.73 trillion yen.

**October 12 the European Commission president Jose Manuel Barroso offered coordinated approach to recapitalizing European banks on the basis of their capital needs.** He noted that regulators in their assessments of the euro zone must temporarily apply substantially higher capital adequacy ratio of the highest quality. Under the proposed plan by the European Commission, firstly banks will have to use private sources of capital, and only secondarily seek government support. If government support is not available, carrying the recapitalization will be at the expense of the European Financial Stability Fund (EFSF).



**October 13 The U.S. Commerce Department reported that a negative U.S. trade balance in August 2011 decreased slightly compared with the revised value for the previous month and reached \$ 45.61 billion.** In August 2011 volume of U.S. imports was \$ 223.22 billion (almost unchanged as compared with the previous month), and exports - \$ 177.61 billion (-0.1% in July this year). At the same time on an annualized basis in the United States imports in August rose by 11.4% and exports - by 14.7%.

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