

## WEEK OF STOCK MARKET OF KAZAKHSTAN

October 24-28, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
21.10.11	1,144.51	148.00	0.3900	0.3681	2.0000
24.10.11	1,168.28	147.97	0.3370	0.7870	2.0000
25.10.11	1,170.81	147.96	0.1165	0.7024	2.0000
26.10.11	1,161.92	147.96	0.1185	0.4893	2.0000
27.10.11	1,203.03	147.85	0.6685	0.9457	2.0000
28.10.11	1,187.47	147.54	0.0805	0.3000	2.0000
<b>Trend</b>	<b>43.0</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0</b>
<b>%</b>	<b>+3.8</b>	<b>-0.31</b>	<b>-79.4</b>	<b>-18.5</b>	<b>0</b>

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

**October 25 Republic of Kazakhstan Agency on Statistics reported that most of the workers of Kazakhstan have value of the average monthly salary within the range of 15,001 – 75,000 tenge.** The average monthly salary of 15,001 to 45,000 tenge in the North-Kazakhstan region receive 49.6% of employees, and in Astana - 18.9%. The highest proportion of workers with level monthly salary of 240,001 and above is awarded in Mangistau (13.8%) and Atyrau (13.3%) regions. It is noted that the average monthly salary of 15,001 to 45,000 tenge receive 34.4% of employees, from 45,001 to 75,000 KZT - 31.1%, from 75 001 to 105,000 KZT - 16.2%, from 105,001 to 240,000 KZT - 14.8%, from 240,001 and above - 3.5%.

**October 26, President of KASE Kadyrzhan Damitov in Almaty at the round table with the professional securities market participants on implementation of the program "The People's IPO" said the KASE is technically ready to implement the program "The People's IPO".** According to data provided by exchange, currently on remote access to a central depository of securities 500-600 electronic orders from depositors in the day are being worked out. According to the head of KASE, technical possibility of KASE trade system exceeds the current market by sufficient volume of applications. It is expected that by the time the first phase of the program "The People's IPO" number of bids will be increased by 20-30%. It was stated that to date, the maximum number of transactions concluded on KASE, is 577, whereas the average should be 399 transactions per day, which, according to K. Damitov, shows profitability of KASE.

### Stock exchange market

During the study period at KASE on the secondary market sale 301 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,773.9	3.6 times	5.5 times
Average daily volume. KZT m.	262.4	3.6 times	5.6 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of shares denominations*	18	+5.9%	+28.6%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	37	+27.3 pp	+37.1 pp
Stake of individuals. gross (%)	21.1	-30.2 pp	-49.2 pp
on purchase	18.9	-37.1 pp	-40.9 pp
on sale	23.3	-23.3 pp	-57.4 pp
Stake of nonresidents. gross (%)	18.9	+12.3 pp	+18.9 pp
on purchase	35.3	+33.2 pp	+35.3 pp
on sale	2.6	-8.7 pp	+2.6 pp

\*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for four equity instruments, the growth showed nine instruments involved in the transaction, prices of 5 instruments have not changed. Adverse change in the weighted average share price was in the range from 0.01% (SATC) to 18.20% (BTAS), positive - from 0.24% (CCBN) to 18.72% (GB\_KZMS).

Last week KASE index ended with the growth of almost 4%, the indicator value reached 1,187.5 bps. Market participants have intensified under the influence of the flow of positive news from foreign markets.

The international market of base metals has grown considerably after it became known that China's industrial index exceeded the mark of 50 points and was fixed at 51.1 basis points. Also, the mood of consumers improved in connection with the release of data showing an increase in exports in Japan. Thus, on the wave of optimism on the external sites quotes of Kazakhmys and ENRC jumped by 18.8% and 7.3%.

Stock quotes of KazMunayGas Exploration Production rose by 6.1%, using common external positive.

The opposite situation exists in securities of the banking sector. Quotes of JSC "Kazkommertsbank" and JSC "Bank CenterCredit" lost 2.8% and 1.6%, as investors' confidence in overseas trading platforms in the financial sector remains low.

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 24-28, only by data on deals made on the secondary market of KASE by the methods of opened trades):**

Share code on KASE	min		Last deal: price trend,%		Price, KZT per share: for last 365 days: min max		Volume of deals Th. USD	Num. of deals	Best for The period: Demand Supply,	
	min	max	price	trend,%	min	max			Demand	Supply,
BSUL	630	630	630	0	630	658.05	22.54	4	630	630
BTAS	1	1.3	1.3	-7.14	1	9.5	6.36	12	1.4	1
CCBN	311	331.7	315	-1.56	311	670	255.84	18	331.7	311
GB_ENRC	1525	1650	1610	+7.33	1275	2600	108.43	14	1650	1550
GB_KZMS	2100	2450	2400	+18.81	1780	3800	112.15	29	2450	2100
HSBK	210	235	217	+0.46	197	445	344.36	41	2500	210
KASE	5100	5157	5100		3750	5157	282.41	3	5158	5100
KATR	3300	3300	3300		3300	3300	1.56	1	3300	3300
KKGB	245	261.5	248	-2.75	240	616	186.49	24	261.5	245
KZTK	17700	18200	17700	-2.50	13500	20850	869.29	6	18200	17700
KZTKp	10700	12200	12200	+15.09	7405	12200	322.05	16	12200	10723.54
MMGZp	5500	5500	5500	0	5100	10450	0.74	1	5500	5500
RDGZ	14200	15180	15180	+6.16	12100	21000	2,686.30	13	15180	14200
RDGZp	13950	14250	14055	+2.44	12100	20510	927.25	63	14250	13950
SATC	71.02	71.02	71.02	-0.01	71	72	69.24	3	71.02	71.02
TSBN	800	800	800		800	942.85	27.60	2	800	800
ZERD	1.1	1.1	1.1		1.1	2.49	5.50	3	1.1	1.1
ZERDp	5.4	5.4	5.4	0	4.6	5.72	2.03	1	5.4	5.4
<b>18</b>							<b>6,230.2</b>	<b>254</b>		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 26 – October 26)

**Corporate bonds market**

In this sector of KASE during the analyzed period 49 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	2,606.4	-68.5%	-50.5%
Average daily volume. KZT m.	385.0	-68.5%	-49.8%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of bonds denominations*	18	-3.0 pp	-14.3%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	0	0	0
Stake of individuals. gross (%)	2.1	-4.6 pp	-15.7 pp
on purchase	4.0	-9.3 pp	+1.8 pp
on sale	0.2	+0.1 pp	-33.2 pp
Stake of nonresidents. gross (%)	3.3	-13.5 pp	-13.3 pp
on purchase	0.1	-16.3 pp	-22.1 pp
on sale	6.5	+6.5 pp	-4.5 pp

\* on which deals were made at KASE

Following the period growth of average net price on the open market of bonds characterized 10 items, fall - 8, the price of one instrument has not changed, three tools were traded for the first time. Yield to maturity on deals rose in the week for 7 bonds, declined – 5, yield of four instruments has not changed. Positive change in bond yield to maturity was in the range from 0.07% (EUBNb3) to 4.10% (CBH\_b1), negative - from 0.04% (EKGSb1) to 2.25% (PRKRb3).

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 24-28, 2011**
**(only on data of deals . made on secondary market of KASE by the methods of opened deals):**

Bond code	Yield to maturity for a buyer. % APR:						Amount Of deals, Th. USD	Number Of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
on KASE	min.	max.	yield	min.	min,	max,				
AESOb1	12.98	12.98	12.98	0	12.50	13.00	41.72	1	12.98	12.98
ASBNe13	15.51	15.93	15.93		13.22	15.93	549.87	11		15.94
ATFBe5	9.31	9.31	9.31		7.35	9.31	295.50	1	9.31	9.31
BRKZe4	7.12	7.12	7.12		6.85	7.33	162.86	1	7.12	7.12
CBH_b1	28.30	28.30	28.30		20.00	40.02	10.43	1	28.00	28.30
CCBNb20	10.00	11.10	11.10		8.00	11.10	203.18	2	10.00	11.10
CCBNb3	14.46	15.34	15.34	-1.00	6.21	16.35	416.93	4	14.00	15.34
CCBNb4	7.78	8.00	7.78		7.01	8.21	103.71	2	7.78	8.00
CSBNb10	9.00	9.00	9.00	0	9.00	9.00	1,854.41	3	9.00	9.00
EKGSb1	7.96	7.96	7.96	-0.04	7.29	9.00	2,525.73	2	7.96	7.96
EUBNb3	10.04	10.04	10.04	+0.07	8.00	11.00	23.49	1	10.04	10.04
EUBNb9	8.00	8.00	8.00	0	7.96	9.93	0.79	1	8.00	8.00
KKGBb5	10.50	10.50	10.50		9.50	11.60	1,663.73	1	10.50	10.50
KKGBb4	10.35	10.35	10.35		7.14	10.35	18.09	1	10.35	10.35
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	103.35	12	12.00	12.09
PRKRb3	7.00	7.00	7.00		7.00	7.00	3,614.67	1	7.00	7.00
SKKZb22	5.65	5.65	5.65		5.25	5.89	1,374.31	1	5.65	5.65
TSBNb5	9.85	10.00	10.00	+2.00	8.00	14.00	30.39	2	9.85	10.00
18							12,993.1	48		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (September 26 – October 26, 2011). If deals were not made in the previous month the trend is not calculated.

**GOVERNMENT SECURITIES (GS) SECTOR**
**Primary market sector**

**October 28 at KASE trade system, the trades on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-84 of the first release (KZKAKY070019, MUJ084\_0001; 1000 tenge, 28/10/11, 28/10/18, semi-annual coupon, 30/360)** were held, for which the Ministry of Finance planned to borrow 13.0 billion tenge. Subject of bargaining is a fixed coupon. The auction was attended by 15 primary dealers, which were members of KASE under category "C". Through these subjects, investors filed 776 applications, of which by the expirations 22 orders remained active. The total amount of active orders (demand volume) amounted to 123,961.0 million tenge and exceeded the suggested volume by 9.5 times. As a result of trade, the issuer granted the application for purchase of 16 million bonds worth 16,000,000,000.00 (123.1% of the planned volume of placement).

**Secondary market sector)**

During the study period, the total amount of 16 deals made on KASE amounted to 1,918.1 million tenge (\$13.0 million). In the previous period (17 - 21 October 2011) the figure was 10,707.7 million tenge (\$72.4 million), with 10 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 100.0% (in the previous period - 100.0%).

**Parameters of Exchange's transactions in GS within October 24-28, 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						11.8% (82.7%) of sales sector turnover	
29 - 36	1.40	1.40	1.40	1.40	1.40 (1.50)	226.72	2.00
Total						226.7 (8,854.9)	2 (7)
Coupon (KZT): MEUKAM, MEOKAM						88.2% (17.3%) of sales sector turnover	
Less than 730	2.80	3.00	3.00	3.00	2.84	116.21	2
More than 2191	5.11	5.44	5.44	5.44	5.22 (5.13)	1,575.17	12
Total						1,691.4 (1,852.8)	14 (3)
TOTAL						1,918.1 (10,707.7)	16 (10)

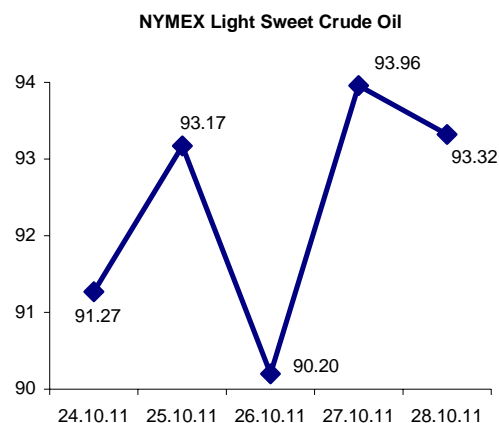
**WORLD MARKETS**
**Main news of the world markets**

**October 24 it became known that a well-known investor George Soros offered his plan to rescue eurozone from the crisis.**

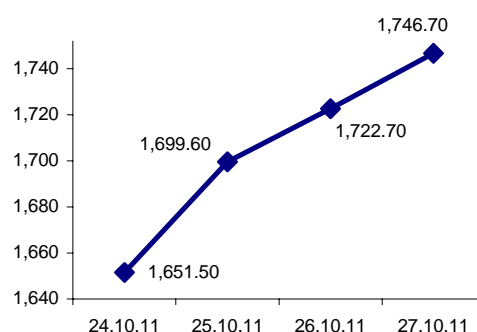
As pointed out by Soros, eurozone Member States should agree on the need for a new treaty establishing a single treasury in the prescribed manner. To do this they need to go to the European Central Bank, in cooperation with the European Financial Stability Fund (EFSF) to combat the financial crisis in the interim - the ECB to provide liquidity; EFSF to assume the risks of bank solvency. Consequently, according to a plan of Soros, EFSF will assume the obligations of the Greek bonds, which are the ECB and the International Monetary Fund. This will restore the interaction between the ECB and the governments of the euro area and allow for a full voluntary cancellation of debt, with the participation of Greek EFSF. Further, EFSF then suggests how to use the grant soundness of the banking system, rather than government bonds. Thus, the recapitalization of banks will be delayed, but it will still be conducted on a national basis.

Such an option, as stated, would be much better for Germany and France than for immediate

recapitalization of banks. To address another major problem - the impossibility of some governments to borrow at reasonable interest rates - the ECB has lowered the discount rate and recommends these governments to sell treasury bills and encourage banks to keep their liquidity in the form of securities rather than deposits at the ECB. Any purchase of the ECB will release sterilized ECB's own bills. The risk of solvency is guaranteed EFSF. ECB to stop shopping at open markets. All this will allow countries such as Italy, to take short-term loans at very low prices, while the ECB eliminate the need for credit crisis and the government does not print money. Creditor nations can indirectly expose to such countries as Italy, its conditions, controlling the execution of Rome these conditions.



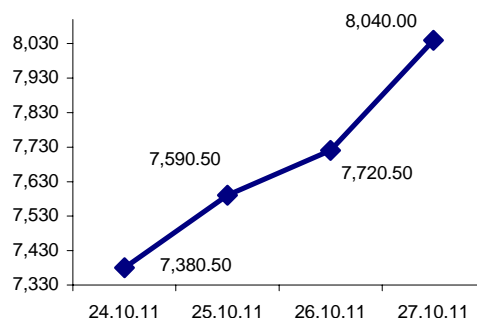
**COMEX gold price \$ per ounce**



**October 27 it became known that the leaders of the European Union after a meeting in Brussels agreed to write off half of the Greek debt, said French President Nicolas Sarkozy at a press conference after nearly 10-hour talks.**

In addition, the stabilization fund of the eurozone countries, according to Sarkozy, will be increased to 1 trillion euros (\$ 1.4 trillion) from the current 440 billion. Greek Prime Minister Papandreou Georgeos already said that this decision will be for his country "a new era ". In addition to the French president at the press conference were the German Chancellor, Angela Merkel, European Commission President Jose Manuel Barroso and European Council President Herman Van Rompuy. According to the speakers, European leaders failed to reach an agreement that addresses three priorities for the exit from the debt crisis. In particular, as indicated, 50% write-off debt of Greece should remove a major obstacle to the stabilization problem. In addition, Greece will be able to get up to 100 billion euros of financial support from the EU and the IMF under the second plan of debt restructuring, said Herman van Rompuy, the chair of the summit of the eurozone. Attracting private investment to help Greece will be voluntary, he said.

**Copper (three months supply) on London Metal Exchange**



**On October 26 according to data of Conference Board, it became known that U.S. consumer confidence index in October 2011 fell to 39.8 points from 46.4 points in September.** Analysts do not expect such a sharp drop of the indicator and predicted that the index will rise to 46.5 points. The index of economic expectations fell in October 2011 to 48.7 points from 55.1 points in September, and the index of current economic conditions - to 26.3 points from 33.3 points.

**October 26** The U.S. Commerce Department reported that orders for durable goods in the U.S. in September 2011 decreased in comparison with the previous month at 0.8%. With the exception of orders for vehicles, orders for durable goods in the U.S. in September 2011 in relation to the previous month increased by 1.7%, and with the exception of defense contracts - fell by 1.1%.

**October 27** it was announced that the International Monetary Fund maintained its forecast for real GDP growth in Kazakhstan in 2011 and 2012. As indicated in the published on October 26 release site organization "Regional Economic Outlook: Middle East and Central Asia, October 2011", real GDP growth in Kazakhstan in 2011 should amount to 6.5%, in 2012 - 5.6%. According to IMF forecasts, inflation in Kazakhstan on the basis of 2011 will amount to 8.9%, in 2012 - 7.9%. The surplus of current account balance in 2011 will be 5.9% of GDP, in 2012 - 4.6% of GDP.

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