

WEEK OF STOCK MARKET OF KAZAKHSTAN

November 7-11, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
04.11.11	1,158.41	147.94	0.0968	0.1696	2.0000
07.11.11	1,162.73	147.97	0.0511	0.1451	2.0000
08.11.11	1,153.46	147.98	0.0981	0.1312	2.0000
09.11.11	1,164.32	147.91	0.0940	0.1342	2.0000
10.11.11	1,127.79	148.08	0.1682	0.1361	2.0000
11.11.11	1,146.59	148.13	0.0698	0.1739	2.0000
Trend	-11.8	0.2	-0.03	0.0	0
%	-1.0	+0.1	-27.9	+2.5	0

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

November 8th international rating agency Standard & Poor's raised the long-term sovereign credit rating of the Republic of Kazakhstan in foreign currency from 'BBB' to 'BBB+', Short-term foreign currency rating from 'A-3' to 'A-2', affirmed the short-term rating at 'BBB', outlook "stable." As noted, for the first time in the history of the country rating of Kazakhstan long-term rating in foreign currency reached the level of "BBB". It should be noted that the Republic of Kazakhstan among CIS countries in foreign currency rating to Standard & Poor's holds the first place, and goes from "BBB" (Russia, Bulgaria, Lithuania, Bahrain, Peru, Mexico) to the higher group of "BBB+", which includes such countries such as Ireland, South Africa, Thailand. Long-term foreign currency rating one level higher in Kazakhstan ('A-') are countries such as Malaysia and Poland. However, factors constraining the rating include the limited monetary flexibility and moderate level of economic development with an estimated GDP per capita of U.S. \$ 11,000 in 2011.

November 8 Republic of Kazakhstan Agency on Statistics reported that:

- **In the housing market in October 2011 an increase in prices was observed;**
- **In October 2011 inflation stood at 0.2%.** Prices in the forestry sector for the month increased by 0.1%, construction - by 0.5%, agriculture - declined by 6%, wholesale trade - 2.7%, industry - by 0.5%;
- **The index of physical volume of industrial output** in January-October 2011 amounted to 104.0%;
- **In October of this year, economic activity of the enterprises surveyed in the industry** increased over the previous month;
- **"Consumer perceptions index" in October 2011** compared with the previous month decreased by 1 percentage point and amounted to (+18)%;
- **The volume of retail trade in January-October 2011** increased in comparison with the corresponding period the previous year by 12.7% and reached 2,881.9 billion tenge;
- **Per capita nominal income of the population in September 2011**, according to preliminary data, amounted to 46,057 tenge, an increase over the corresponding period of 2010 by 15.2%;
- **In September 2011 the average nominal wage per employee was 91,925 KZT** and increased compared with the corresponding month last year by 16.6%, in real terms by 7.3%;
- **In the economy of the republic in October 2011 (estimated)** 8.5 million people were employed.

November 8 Ratings Services Standard & Poor's raised its long-term and short-term credit ratings on foreign currency obligations of State Development Bank of Kazakhstan from "BBB/A-3" to "BBB+/A-2" - after the rise of sovereign ratings for foreign currency obligations. At the same time long-term and short-term ratings of the bank's local currency were affirmed at 'BBB+/A-2', outlook - "Stable". The upgrade of the Development Bank of Kazakhstan in foreign currency sovereign ratings reflects the increase in foreign currency obligations of the Republic of Kazakhstan - the ultimate owner of the bank (on rankings liabilities in foreign currency BBB+/ Stable/A-2; ratings on local currency BBB+/Stable/A-2; national scale rating: kzAAA). State Bank operates through the National Welfare Fund "SK" (ratings of obligations in foreign currency BBB + / Stable/A-2; ratings on foreign currency BBB + / Stable/A-2; national scale rating: kzAAA) - national management holding for more than 400 state-owned and supported by their companies.

November 8 Ratings Services Standard & Poor's confirmed the long-term credit rating of "BB",

short-term credit rating of "B", rating on a national scale "kzA+" of Agricultural Credit Corporation (ACC) JCS - Kazakhstan's state-owned company, which provides subsidized loans to agricultural and non-farm businesses operating in rural areas of the Republic of Kazakhstan (ratings-term foreign and local currency BBB + / Stable/A-2; national scale rating: kzAAA). Forecast is "Stable". Ratings reflect the characteristics of ACC alone credit profile, which we estimate at "b", as well as our view of the high likelihood of receiving timely and adequate emergency support of ACC by the Government of Kazakhstan in financial distress. The high concentration of industry and customer operations of ACC lending agricultural sector against the background of complex business environment in Kazakhstan, as well as the relatively poor quality of past decisions on lending and the associated weak current profitability have a negative impact on its own creditworthiness of the company.

November 8 credit ratings service Standard & Poor's raised its long-term and short-term credit ratings of fund "Samruk-Kazyna" on foreign currency debt to "BBB+/ A-2", equating them to the sovereign ratings of Kazakhstan on foreign currency obligations. At the same time confirmed the long-term and short-term ratings of fund liabilities in national currency at 'BBB + / A-2 "rating on a national scale" kzAAA". Forecast is "Stable". Ratings of Sovereign wealth fund "Samruk-Kazyna" amount to the credit ratings of the Republic of Kazakhstan (ratings on foreign currency BBB + / Stable/A-2; local currency BBB + / Stable/A-2; national rating Scale: kzAAA), which reflects our view of the almost unconditional probability of receiving timely emergency support from the Government of the Republic of Kazakhstan, sufficient to service all debt in a stressful situation. Our assessment of the likelihood of extraordinary support reflects critically important, in our opinion, the role of the fund as the main operator of budget financial-economic activities of the government and its inextricable links with the government. Standard & Poor's evaluates the characteristics of Fund "SK" at the "b +". The main factors that impact on the ratings, are: the susceptibility to fund high risk of relatively weak domestic banks, which themselves receive help from him. Despite the fact that the situation in the banking sector of Kazakhstan, in our opinion, improved, and liabilities of banks defaulted restructured, the share of shares, bank loans and deposits continued to account for 42% of the portfolio of "SK" (which is estimated as highest), and a large part of regular income at the level of the holding.

November 9th National Bank of Kazakhstan reported that:

- **the total amount of banks' lending to the economy in September 2011** rose by 1.7% to KZT 8,420.8 billion (an increase from the beginning of the year at 10.9%);
- **for the third quarter of 2011, the number of participating enterprises, representing the main sectors of the economy**, compared to a survey by the second quarter of 2011 increased from 2,259 to 2,372, including medium and large - from 1,368 to 1,444;
- **preliminary assessment of balance of payments surplus of current account for the 9 months of 2011** amounted to 9.3 billion U.S. dollars, an increase of almost 3 times (188.7%) as compared with that for the first 9 months of 2010;
- **In September 2011, the total volume of placed interbank deposits** as compared to August 2011 increased by 8.7%, amounting to the equivalent of KZT2,475.0 bln;
- **In September 2011, total deposits in depository institutions** rose by 3.6% to KZT8,560.3 billion (an increase from the beginning of the year at 16.7%).

November 9 credit ratings service Standard & Poor's revised its assessment of country and industry risks of the banking sector (BICRA) of the Republic of Kazakhstan and on this basis, Kazakhstan has transferred from group 9 to group 8. Standard & Poor's conducted an analysis of the banking sector of Kazakhstan (ratings on foreign currency: BBB+/ Stable/A-2; ratings on foreign currency: BBB+/Stable/A-2; national scale rating kzAAA) in accordance with the updated assessment methodology for assigning BICRA. In accordance with the criteria the agency Standard & Poor's methodology BICRA is defined as a system "designed to evaluate and compare the banking systems of different countries". BICRA analysis within each country covers the financial institutions, such as having and not having the ratings, which take deposits, make loans or combine both activities. In accordance with the gradation BICRA countries are divided into groups depending on the level of risk in their banking sectors - from group 1 (the countries with the lowest risk) to a group of 10 (the country with the highest risk). In Group 8, in addition to Kazakhstan, are Nigeria, Georgia, Lebanon, Latvia, Argentina, Bolivia and Uruguay. Assessment of the economic risk of the "8" reflect the views of Standard & Poor 'that Kazakhstan is exposed to high risks and violations of economic sustainability of economic imbalances, as well as extremely high credit risk in the economy (in accordance with the definitions given in the criteria).

November 10 Ratings Services Standard & Poor's revised its outlook on Kazakhstani BTA Bank JCS (BTA) from "stable" to "Negative". At the same time, Standard & Poor's confirmed the long-term and short-term counterparty credit ratings on the bank at the level of "B-/C", as well as

national scale rating at "kzBB-", followed by Standard & Poor's withdrawal of ratings on the request of the bank. The outlook revision on the ratings of "BTA Bank" (BTA) is due to fears of Standard & Poor's on the weak profitability and asset quality and capitalization.

November 11 Ratings Services Standard & Poor's affirmed the long-term credit ratings of state of Kazakhstan's vertically integrated oil company JSC "National Company "KazMunayGas" (KMG) at 'BBB-'. Forecast is "Stable". As indicated in the message confirmation ratings EP was followed by a confirmation from the sovereign ratings of Kazakhstan's local currency at 'BBB +'. According to the applicable Standard & Poor's methodology for rating GREs are determined on the basis of ratings on local currency of the State Government. As a result, KMG rating continues to reflect the extremely high, according to S & P, the probability of obtaining timely and adequate support from the state, as well as stand-alone credit characteristics of KMG, which S & P estimates at the level of "b +". It is noted that the Government of the Republic of Kazakhstan, KMG is the main tool to manage its assets in various segments of the strategically important oil and gas sector. In addition, the company is the largest exporter in Kazakhstan, the taxpayer and employer.

November 11 rating agency "Expert RA Kazakhstan" affirmed the reliability of JSC "APF "Republic" at a "high level of reliability" in the monitoring as at October 1, 2011. As noted, the positive impact on the rating of APF "REPUBLIC" had increased capital fund by new shareholders by 590 million tenge, an increase of equity capital from 1.0 billion tenge in April 1, 2011 to 1.4 billion tenge on 01 October 2011, an increase in capital adequacy ratio (R1) to 0.048 at October 1, 2011 (on April 1, 2011 R1 - 0.043), positive dynamics of transfer of pension savings (over three quarters of 2011 net transfers amounted to 3.1 billion). The decision of the Board of APF "REPUBLIC" to increase the authorized capital fund by 700 million tenge to 31 December 2012 was assessed positively, which is a factor supporting the rating. Factors restraining the rating as always, is considerable share of investments in securities of related parties, on October 1, 2011 9.8% of pension assets invested in shares of "SAT & Company". also decreased the proportion of liquid assets in the portfolio, increasing the riskiness of the fund's portfolio performance against market indices decline (WPA / TPA on October 1, 2011 was 37.2% against 34.1% at 01 April 2011), reduced profitability of the fund (on October 1, 2011 K2 fund equal to 5% on April 1, 2011 - 6.4%), the presence of loss (loss for three quarters of 2011 - 192.4 million tenge).

Stock exchange market

During the study period at KASE on the secondary market sale 173 deals were concluded

	current week	change for	
		1 week	2 weeks
Average daily volume. USD th.	627.4	1.7 times	1.9 times
Average daily volume. KZT m.	92.9	1.7 times	2.0 times
Stake of nego deals. number (%)	0	0.01 pp	0
Stake of nego deals. volume (%)	0	0.03 pp	0
KASE members	26	0	0
Number of shares denominations*	16	11.1%	14.3%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	1	2.1 pp	1.3 pp
Stake of individuals. gross (%)	34.9	15.9 pp	35.3 pp
on purchase	33.2	14.3 pp	26.6 pp
on sale	36.7	17.6 pp	44.0 pp
Stake of nonresidents. gross (%)	11.1	4.1 pp	11.1 pp
on purchase	18.5	17.4 pp	18.5 pp
on sale	3.7	9.3 pp	3.7 pp

*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for six equity instruments, the growth showed nine instruments involved in the transaction, the price of one instrument has not changed. Adverse change in the weighted average share price was in the range from 0.17% (RDGZ) to 7.02% (GB_ENRC), positive - from 0.03% (SATC) to 10.87% (VSTN).

The situation on the international stock markets is quite complicated. No sooner had the excitement die down around Greece, as market participants were surprised by a sharp worsening of the debt problems of Italy. Yield of government bonds in Italy has exceeded the critical level of 7%, which is commonly referred to as "point of no return". Possible default of the country, which accounts for about 12% of eurozone GDP could prove devastating for the whole EU.

Overcome the negative trend was towards the end of the week due to active purchases of debt securities in Italy and Greece from the European Central Bank, as well as approval by the Upper House of Parliament in Italy of the law on measures to combat the crisis.

Additional support was provided to markets by positive macroeconomic statistics from the United States.

Against this background, KASE index managed to finish full of negative events week decreasing by only 1% to the value of a 146.59 basis points.

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 November 7-11, 2011, 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. of deals	Best for	
	Last deal:				for last 365 days:				Demand	Supply,
			price	trend,%	min	max				
BSUL	630	630	630	0	630	658.05	24.22	3	630	630
BTAS	1	1.01	1.01	+1.00	1	8.1	0.05	2	1.01	1
CCBN	295	301	295.02	-0.01	295	670	37.68	8	302	295
GB_ENRC	1510	1622.22	1510	-7.02	1275	2600	74.59	6	1632	1510
GB_KZMS	2110	2332	2225.6	-1.08	1780	3800	41.36	11	2332	2110
HSBK	207.02	218	218	+1.40	197	445	167.39	23	218	207.02
KASE	5360	5500	5500		3750	5500	44.04	2	5901	5360
KKGB	233	245	234.99	-2.09	233	616	68.86	20	245	233
KZTK	17500	17800	17800	+1.71	16300	20850	285.86	5	17800	17500
KZTKp	11500	12000	12000	+4.33	7490	12200	345.54	10	12000	11500
MREK	1350	1350	1350		1100	3000	9.12	1	1350	1000
RDGZ	14200	15194	14970	-0.06	12100	21000	339.52	26	15194	14000
RDGZp	13600	13959	13950	+1.40	12100	20510	876.17	43	14000	13600
SATC	71.04	71.04	71.04	+0.03	71	72	93.08	8	71.04	71.04
VSTN	128000	128000	128000		115455	128000	608.54	2	128000	121000
ZERDp	5.4	5.4	5.4	+2.86	4.6	5.72	121.09	3	5.4	5.4
16							3,137.1	173		

Notes: Trends are given relative to the last deal of the previous 30 days period (October 10 – November 10, 2011). If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

In this sector of KASE during the analyzed period 66 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	5 612.3	8.6%	6.6%
Average daily volume. KZT m.	831.0	8.6%	8.4%
Stake of nego deals. number (%)	0	0.02 pp	0.02 pp
Stake of nego deals. volume (%)	0	0.000001 pp	0.000001 pp
KASE members	28	16.7%	2.0 pp
Number of bonds denominations*	29	5.0 pp	38.1%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	16	16.1 pp	+6.1 pp
Stake of individuals. gross (%)	18.0	9.9 pp	0.3 pp
on purchase	8.6	8.4 pp	6.4 pp
on sale	27.5	11.4 pp	5.8 pp
Stake of nonresidents. gross (%)	0.0	13.6 pp	16.5 pp
on purchase	19.3	2.5 pp	2.8 pp
on sale	0	10.3 pp	11.0 pp

* on which deals were made at KASE

Following the period, growth of average net price on the open market bonds characterized 15 items, fall - 10, 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 of 11 bonds, declined - for 12, yield of four instruments has not changed. Positive change in bond yield to maturity was in the range from 0.04% (EKGSb1) to 3.00% (EXBNb1), negative - from 0.39% (ZHMNe1) to 782.42% (TEBNb12).

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 November 7-11, 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		best for the	
			on the last deal:		for last, 365 days,:		Of deals,	Number	demand	supply,
	min.	max.	yield	min.	min,	max,	Th. USD	Of deals		
CSBNb10	9.00	9.00	9.00	0	9.00	9.00	1,568.60	1	9.00	9.00
CSBNb6	12.50	12.50	12.50	0	10.00	14.95	3.01	1	12.50	12.50
EKGSb1	8.00	8.00	8.00		7.29	9.00	10.12	1	8.00	8.08
EUBNb10	7.50	7.50	7.50		7.50	7.50	3,276.13	4	6.50	7.50
EUBNb3	9.03	9.03	9.03	-0.97	8.00	11.00	120.51	3	9.03	9.17
EUBNb4	9.52	9.52	9.52		9.52	10.81	61.69	2	9.52	9.63
EUBNb9	7.00	7.00	7.00		7.00	9.93	20.56	1	7.00	7.00
EXBNb1	15.50	15.50	15.50		12.50	17.00	21.13	1	15.50	15.50
KDTSb1	7.98	8.00	7.99	+1.99	6.00	17.00	135.72	4	7.98	8.00
KKGBe4	10.80	10.80	10.80		7.14	10.80	87.79	1	10.79	10.80
KMGZe5	-0.78	-0.48	-0.78		-0.82	-0.48	5,438.37	2	5.37	5.79
KZIKb17	11.00	11.00	11.00	-0.50	10.00	14.70	652.82	1	11.00	11.01
KZIKb19	9.50	10.50	9.50		9.50	11.90	2,038.89	4	9.50	10.50
KZIKb20	10.50	10.50	10.50		7.00	11.00	348.89	1	10.50	10.51
MREKb3	5.00	5.00	5.00		5.00	7.00	13.30	1	5.00	9.61
NRBNb5	12.00	12.00	12.00		12.00	13.00	25.04	2	12.00	12.05
NRBNb7	8.00	8.00	8.00		8.00	12.00	2,299.83	5	8.00	8.00
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	26.26	1	12.00	12.00
SKKZb23	6.30	6.30	6.30		4.50	6.40	1,724.82	1	6.30	6.30
TEBNb12	12.00	12.00	12.00		12.00	12.00	59.26	2	12.00	12.00
TSBNb2	7.50	7.50	7.50		7.50	14.02	13.26	1	7.50	7.50
TSBNb5	10.00	11.50	11.50		8.00	14.00	36.69	3	10.00	11.50
ZHMNe1	10.75	10.75	10.75	-0.39	10.43	14.16	149.63	2	10.75	10.75
29							28,061.3	65		

Notes: Trends are given relative to the last deal of the previous 30 days period (October 10 – November 10). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

November 9 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-60 of forty-first release (KZK2KY050419, MOM060_0041; 1,000 tenge, 9/11/11, 9/11/16, semi-annual coupon, 30/360) was held, on which the Ministry of Finance planned to borrow 10.0 billion tenge. Subject of bargaining is the coupon rate. In the auction was attended by 14 primary dealers, which were members of KASE under category "C". Through these subjects, investors filed 38 applications, of which the time expired applications remained active 34 orders. The total amount of active orders (demand volume) amounted to 36,225.0 million tenge and exceeded the suggested volume of 3.6 times. Coupon in active bids ranged from 3.00% to 5.00% per annum, in average terms, 4.0901% per annum. As a result of trade, the issuer granted the application for purchase of 10 millions bond worth 10,000,000,000.0 KZT (100.0% of planned volume of placement) at 3.00% APR.

Secondary market sector

During this period the total volume of 10 deals concluded on KASE amounted to 8,930.8 million tenge (\$ 60.3 million). In the previous period (31 October - 04 November 2011) the figure was 13,586.3 million, tenge (\$ 91.8 million), with 13 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 - 83.3%).

Parameters of Exchange's transactions in GS within November 7-11, 2011

Days till maturity	Yield to maturity for a buyer. % APR.				Volume.		last deal
	min	max	last deal	min	max		
Discount (KZT: MEKKAM)	55.6% (84.2%) of purchase and sale sector net turnover						
92 - 181	1.42	1.43	1.43	1.42	4,966.00		3.00
Total					4,966.0 (11,436.0)		3 (7)
Coupon (KZT: MEUKAM, MEUJKAM, MEOKAM)	44.4% (15.8%) of purchase and sale sector net turnover						
Less than 730	2.10	2.10	2.10	2.10	2,613.37		4
1461 - 1825	3.20	3.20	3.20	3.20	90.99		1
More than 2191	4.65	5.00	4.65	4.96	1,260.39		2
Total					3,964.8 (2,150.3)		6 (6)
TOTAL					8,930.8 (13,586.3)		13 (13)

WORLD MARKETS

Main news of the world markets

November 8 Federal Statistical Office of Germany reported that trade surplus of Germany in September 2011 seasonally adjusted, compared with August 2011 rose to 15.3 billion euros. Excluding the seasonal adjustments, trade surplus of Germany in September 2011 stood at 17.4 billion euros. German exports in September 2011 (subject to seasonal and calendar factors) was 91.3 billion euros, up as compared with the previous month at 0.9%. The volume of imports decreased by 0.8% to 76.1 billion euros.

November 9 it was reported that the Chamber of Deputies of the Italian Parliament adopted the Government's financial report for 2010, which is of great importance for the formation of the state budget. 308 deputies out of 630 voted for the document. The opposition has ignored a vote on the document. Poll showed that Italian Prime Minister Silvio Berlusconi lost a majority of parliamentarians.

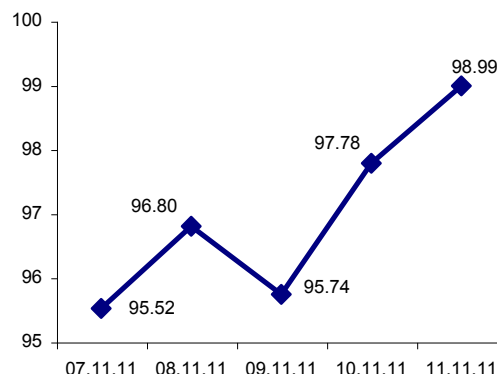
November 10 the Ministry of trade of the country reported that negative surplus of U.S. trade balance in September 2011 decreased as compared with a revised value for August this year and totaled \$ 43.11 billion in September 2011, volume of U.S. imports was \$ 223.5 billion (+0.3% against the previous month), the volume of exports - \$ 180.4 billion (+1.4%). At the same time on an annualized basis in the United States imports in September rose by 11.9% and exports - by 15.9%.

November 9th National Statistical Service of the UK reported that Britain's trade deficit in September 2011 compared with the previous month rose to 9.8 billion pounds (11.4 billion euros). The volume of imports of goods in the UK in September 2011 reached 34.273 billion pounds (39.9 billion euros), while exports - 24.459 billion pounds (28.5 billion euros). Given the import / export services to the UK trade deficit in September 2011 was 3.9 billion pounds (4.54 billion euros) against the August deficit of 2.7 billion pounds.

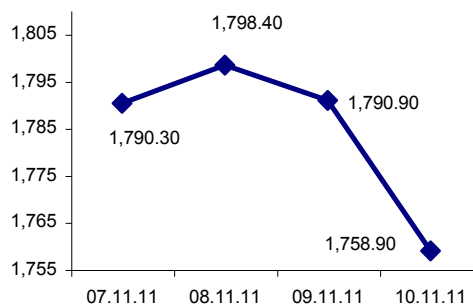
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NYMEX Light Sweet Crude Oil



COMEX gold price, \$ per ounce



Copper (three months supplement) on London Metal Exchange

