

WEEK OF STOCK MARKET OF KAZAKHSTAN

April 27 - May 3

1 US dollar = **142.10** tenge at official rate for the end of the period
 1 US dollar = **142.03** tenge at weighted average rate of the Exchange for the end of the period

Yield of stock exchange financial instruments

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) from April 6 through 12. In parentheses – figures of previous period. Instruments are given in descending order, based on their attractiveness.

Investment attractiveness of financial instruments at KASE from April 27 through May 3

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
MEKKAM, notes	KZT	*17.01 (15.53)	411.6 (364.5)	2,898.0 (2,565.9)
ALKSb	USD	15.02 (15.00)	0 (48.1)	0 (338.4)
KOMBb	USD	13.90 (13.87)	0 (46.2)	0 (324.6)
KKGBb	USD	12.35 (12.33)	0 (0)	0 (0)
BTAS	USD	12.07 (11.29)	74.8 (0)	526.6 (0)
Euronotes-3	USD	10.95 (11.12)	1,942.5 (476.5)	13,677.0 (3,354.3)
Euronotes-2	USD	10.29 (11.12)	4.1 (0)	29.2 (3,354.3)
MEKAVM	USD	*8.74 (9.32)	403.5 (776.2)	2,840.7 (5,463.9)
KZT (SS repo)	KZT	*6.56 (7.44)	1,295.6 (3,519.0)	9,122.0 (24,773.0)

Notes: Yield of BTAS was calculated for 5 days by bid quotations; for ALKSb, KOMBb, KKGBb as average for offer quotations.

Tenge devaluation rate is estimated in the week by a trend of **negative 0.21% APR** (tenge revalued).

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

Trades in corporate securities

During observed period 2 deals were made in the sector of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE) amounting to **\$526.7 th.** Relative to previous period (\$956.2 th., including \$617.8 th. of 8 deals – in regular trade mode and \$338.4 th. of 12 deals made at initial auction for additional placement) weekly turnover of PIS fell 44.9%.

Results of the trades in shares from April 27 - May 3

Issuer	Securities	Close	WA price	USD per share, unless otherwise specified		
				Volume	Best bid	Best offer
OJSC «Bank TuranAlem»	BTAS	76.32	76.32	6 900	76.32	76.32
OJSC «Bank CenterCredit»	CCBN	1.27		0	0.91	1.42
OJSC «Halyk Bank of Kazakhstan»	HSBK	2.32		0		2.50
«Kazakhtelecom»	KZTK	28.38		0		24.00
OJSC «Temirbank»	TEBN	7.39		0		7.40
OJSC «UKTMK»	UTMKp	35.00		0		49.50
JSC «ULBA»	ULBAp			0		*13.00
OJSC «Zaman-Bank»	ZMBN	7.08	7.08	10	7.08	7.08

Results of the trades in bonds from April 27 - May 3

Issuer	Code	Currency	yield for the buyer in % APR till maturity, unless otherwise specified			
			Last	WA	Volume, th. USD	Best bid Best offer
OJSC «Almaty Kus»	ALKSb	USD	14.96	–	0	16.21 15.02
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.66	–	0	14.00 12.60
OJSC «Komirbank»	KOMBb	USD	13.87	–	0	28.43 13.95

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode.

Common shares of OJSC “Bank TuranAlem” (Almaty, official list of securities, category “A”, BTAS) accounted for the most of the volume of operations (99.99% of all turnover of PIS), with their prices growing by 1.4% compared to previous successful trading day (March 29, 00).

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

In April of 2000 at KASE **38 deals** were registered in PIS for a total of **\$1,179.4** th., including \$840.9 th. of 26 deals made in regular trade mode (trades on the secondary market) and \$338.4 th. of 12 deals of initial auction for additional placement of OJSC “Almaty Kus” coupon bonds (Chapaeyvo, KZ2C3AF64A13, KASE official list of securities, category “A”, trade code ALKSb) that was held on April 25. In comparison with previous month, the number of deals decreased by 15.6% (from 45) and volume of operations in aggregate monetary terms declined by 48.4% (from \$ 2,284.3 th.). The volume of operations expressed in numbers securities is valued at 154,047 (116,137 shares and 37,910 bonds). In March, the volume totaled to 718,883 securities (667,113 shares and 51,770 bonds).

In April at KASE the following securities were the leaders in terms of the frequency of trades: **coupon bonds of OJSC “Komirbank”** (KOMBb, official list of securities, category “A”, 30.1% from total Exchange turnover in PIS, or \$355.5); **coupon bonds of OJSC “Almaty Kus”** (28.7% and \$338.4 th.); **common inscribed shares of OJSC “TNC “Kazchrome”** (KZCR, official list of securities, category “B”, 14.9% or \$175.8 th.); **common inscribed shares of OJSC “Temirbank”** (TEBN, official list of securities, category “A”, 11.3% or \$132.9 th.).

Bonds of OJSC “Komirbank” and common inscribed shares of OJSC “Bank CenterCredit” (CCBN, official list of securities, category “A”) had the highest liquidity in March.

In total the deals were made in 13 instruments (15 – in March). 17 deals out of 20 were successful. The successfulness has not changed.

Out of 38 deals, 21 have been conducted in Quotation System of KASE (In March 17 out of 45) that excludes automatic satisfaction of the applications in counter auction mode (so-called direct transactions made by the operators upon agreements, not the results of the trades on the market). Remaining 5 (28 – in March) deals have been conducted in the main mode Quotation System of KASE using counter auction method.

Based on the decision of the Exchange council, dated April 7, 2000, **from May 2, 2000** coupon bonds of OJSC “Almaty Kus” (KASE official list of securities, category “A”, KZ2C3AF64A13, trade code – ALKSb) of the first issue will be entered into trades in the sector of “Listed corporate bonds”.

KASE has specified following **quotation order for ALKSb**. When making bids face value of the bonds being sold or bought should be indicated as the number of securities. Face value should be indicated in the currency they were issued in – U.S. dollars. Prices of the bonds should be indicated in percents to their face values, excluding accumulated interest with double digit accuracy. When making a report on the deal for the CD accumulated interest will be automatically added to the clean price of the deal and the price will be recalculated in Kazakhstani tenges automatically. Accumulated interest will be computed based on 30/360 time basis (30 days in a month, 360 days in a year), and the prices will be recalculated at weighted average rate of the tenge against the U.S. dollar of the Exchange, effective on the day the deal is made.

Accounts are settled using **T+0 time schedule**.

The market-maker of the bonds – OJSC “Kazkommerts Securities” (Almaty) – started working on the trade floor on May 2. The minimum volume of mandatory quotations is **30 bonds**. OSJC “Kazkommerts Securities” is also the market-maker of common inscribed (KZ1C31690513, trade code ALKS) and preferred inscribed (KZ1P31690518, trade code ALKSp) shares of OJSC “Almaty Kus”. Based on the decision of the Board of KASE, dated May 2, 00, the market-maker will start working **from May 4** of current year. Volume of mandatory quotations – 32,000 shares. It is the size of the block that should be available during the all trading day at KASE at any time.

Capitalization of the stock market for PIS

For May 3, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,619.8 mln** or KZT230.1 bln at tenge to dollar rate of the Exchange, effective on that date. Decrease in capitalization in terms of dollars relative to the end of previous period by \$2.7 mln was caused by a removal of common and preferred shares of OJSC “Neftekhimbank” from trade lists of the Exchange, with partial compensation that came from entering common shares of four Kazakhstani issuers into the trade lists (see below).

In April of current year capitalization fell by \$602.6 mln from \$2,228.3 mln (KZT316,302.0 mln) to \$1,625.7 mln (KZT230,858.20 mln). Such a significant change in the capitalization was caused solely by restructuring trade lists of KASE securities, namely – removal of common and preferred shares of OJSC “Aksaigazservice” and OJSC “Uzenmunaigas”, as well as 30 shares of 29 companies of “Non-listed securities” sector due to an absence of their quotations and deals in them during a quite long time. Besides, in April capitalization was negatively affected by a decrease in the value of common shares of OJSC “Bank CenterCredit” – by 10.3%; preferred shares of “Kazakhtelecom” – by 50.0%; preferred shares of OJSC “Mangistaumunaigas” – by 8.6%.

On the other hand, decrease in capitalization of the Exchange market of PIS in April was compensated by entering into trade lists of KASE common and preferred shares of OJSC “Almaty Kus”, common shares of

OJSC “Kazzink” and common shares of OJSC “Zamanbank”, as well as by a growth in the values of common shares of OJSC “Corporation Kazakhmys” – by 13.6%; common shares of OJSC “Kazchrome” – by 23.2%; preferred shares of OJSC “Aliuminii Kazakhstana” – by 16.9%.

By the end of April **trade lists of KASE contained total of** (numbers in parentheses are figures for the end of March of 2000) 59 (89) PIS of 39 (68) issuers and 4 state blocks of shares.

The agency IRBIS draws the attention to the fact, that due to the narrowness of Kazakhstani market for PIS, these given dynamics of the share prices do not reflect the results of financial and economic activities of their issuers and was influenced by exclusively local conjuncture.

Trades in state securities

In **purchase and sale sector** for SS of KASE volume of **48 deals** reached **KZT2,761.8 mln**. In last week the volume equaled KZT1,617.1 mln with 53 deals made. Considering the fact that reporting period was shorter by one day, it can be assumed that the trades got slightly active. However, it is still far from a normal turnover.

Parameters of stock exchange transactions in SS from April 27 - May 3

(in parentheses are comparable figures of the previous period)						
Days till maturity	Yield to maturity for a buyer, % APR.				Volume,	
	min	max	last deal	weighted average	mln tenge discounted	Number of deals
Discounted SS: MEKKAM-3, 6, 12, notes of NB			14.9% (22.5%) of purchase and sale sector's turnover			
8 – 14	12.02	12.02	12.02	12.02 (–)	3.0	1
92 – 181	16.01	17.52	16.01	17.12 (16.51)	39.3	2
182 – 364	16.70	17.09	17.05	16.96 (17.15)	369.3	9
Total					411.6 (364.5)	12 (17)
Discounted indexed SS: MEKAVM-6, 12, MGU			14.6% (48.0%) of purchase and sale sector's turnover			
15 – 28	5.93	8.65	8.65	8.20 (–)	197.7	8
64 – 91	13.99	14.01	14.01	13.99 (–)	2.6	3
92 – 181	9.58	9.58	9.58	9.58 (–)	2.0	1
182 – 364	8.69	9.41	8.71	8.87 (9.32)	201.1	10
Total					403.5 (776.2)	22 (19)
Euronotes of Kazakhstan, USD			70.5% (29.5%) of purchase and sale sector's turnover			
*870	10.2869	10.2869	10.2869	10.29 (–)	4.1	1
**1,605 - 1,611	10.9427	10.9669	10.9488	10.95 (11.12)	1 942.5	13
Total					1,946.7 (476.5)	14 (17)
SUBTOTAL					2,761.8 (1,617.1)	48 (53)

Notes: for euronotes (* - second issue, ** - third issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic SS are calculated considering official rate of USD/KZT.

Professional participants of the market give the expectations of launching new issue of bonds on domestic market: **euronotes of Kazakhstan of the fourth issue** (XS0111078183, May 11, 00 - May 11, 07, \$350 mln, coupon 11.125% APR, discount 98.347%, S&P “B+”) and **euronotes of OJSC “KAZKOMMERTSBANK”**, as the major reason for stagnation of the SS purchase and sale sector, which is observed lately.

Euronotes of Kazakhstan were successfully launched in London and now they are quoted on the “gray market”. Bonds will begin to circulate on May 11. Despite quickly growing quotations, that reached a MidPrice of **99.945%**, the securities are attractive to local investors, since they differ much by their current yield from the euronotes of previous two issues. Taking into account the fact that the euronotes were launched, KASE has allowed these bonds to circulate in the trade system of the Exchange in “State securities” sector, and in “Euronotes of Kazakhstan” group from May 2, 00, by assigning the trade code **ENU07.05**. Till May 11, 00 the bonds will be traded by using the direct quotation method without the right to make the deals (indicative quotation until the circulation starts), and after May 11 – by counter auction mode with the right to make the deals. The schedule of the trades and the settlements at KASE is set in accordance with general rules adopted at the Exchange for the euronotes of Kazakhstan.

Based on the information of the bank, the placement of euronotes of OJSC “KAZKOMMERTSBANK” will end in this month.

Expectations of these securities, in the opinion of some participants, are turning into an absence of normal trades in SS that are in circulation on the market and into sharp activation of the dealers in repo sector. Volume of operations in this segment essentially exceeds that of the purchase and sale sector three weeks in a row with total absence of deficit of free tenges.

During the period **56 repo deals** were registered for a total of **KZT3,118.8 mln** in **SS repo sector** of KASE. Of this number 23 deals (for KZT1,295.6 mln) were repo opening deals and 33 (KZT1,823.2 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT6,795.0 mln.

After closing of the trades on May 3 total amount of opened repo equaled **KZT2,190.6 mln**. Current weighted average rates as of May 3 (% APR, KZT, unless otherwise specified) equaled:

- 7 days (KZT618.9 mln) – **6.00%** APR;
- 9 days (KZT83.4 mln) – **6.00%** APR;
- 12 days (KZT20.0 mln) – **9.51%** APR;
- 21 days (KZT10.0 mln) – **11.00%** APR;
- 24 days (KZT1,018.8 mln) – **12.50%** APR;
- 29 days (KZT98.2 mln) – **5.00%** APR (in USD);
- 31 days (KZT312.8 mln) – **10.00%** APR;
- 32 days (KZT28.5 mln) – **13.00%** APR.

Parameters of repo opening deals in SS at KASE from April 27 - May 3

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
April 27.00	6	KZT	502.3	6.92	7
April 27.00	21	KZT	10.0	11.00	1
April 28.00	4	KZT	60.9	4.00	1
May 2.00	9	KZT	83.4	6.00	5
May 3.00	7	KZT	618.9	6.00	7
May 3.00	12	KZT	20.0	9.51	2
TOTAL			1,295.6 (3,572.0)		23 (61)

Also, it should be noted, that the participants began to practice **opening the repos with corporate securities**. This type of operations is characterized by a long terms of borrowings, and tied up to U.S. dollar (repo indexed by devaluation), as well as by extraordinary amounts of funds raised. As of May 3 at KASE **five repos** were opened for a total of **\$1,436.3 th**. Borrowing term varies from 91 to 260 days at rates of **12.8 - 15.8% APR** in terms of dollars.

Total of 104 deals amounting to **KZT5,880.5 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 169 deals was KZT8,421.1 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled **83.6%**, for last week it was 74.8%.

According to the resolution of the Board of KASE, dated May 3, 00, **the quotation rule for SS was changed** on all trade floors of KASE. From May 4, prices of all SS should be indicated **with 4 decimal places accuracy**. Previously, only Kazakhstan's euronotes have been indicated with such accuracy, whereas prices of other SS have had only two decimal places.

Changes in trade lists

Based on the applications of KASE trade members, securities of four Kazakhstani companies were entered into the trades in "Non-listed securities" sector with the second level of admittance during the reporting period.

From April 28 – common inscribed shares of **OJSC "Zaman-Bank"** (Ekibastuz, KZ1C00441518, trade code - **ZMBN**). Announced authorized capital of OJSC "Zaman-Bank" equals KZT452,250,000.00 and is fully paid. Total issue was 450,000 common inscribed shares with par value of KZT1,005.00.

From May 3:

- common inscribed shares (KZ1C17050724) of **OJSC "Atyraumunaionimderi"** (Atyrau region, Balykshinsk county, Shirina community, trade code – **ATMO**);
- common inscribed shares (KZ1C22880420) of **OJSC "Munaiasap"** (Almaty, trade code – **MNSP**);
- common inscribed shares (KZ1C21032122) of **OJSC "Ontustikmunaigas"** (South Kazakhstan region, Tolebe county, Toguz station, Neftierzvedka community, trade code – **ONGZ**).

By the decision of the Exchange council of Kazakhstan stock exchange (KASE), dated May 2, 00, common inscribed (trade code - **NFCH**) and preferred inscribed (trade code - **NFCHp**) shares of **OJSC "Neftekhimbank"** (Shymkent) were removed from the official list under category "B". The decision on delisting the securities was made on the basis of the canceling the license of OJSC "Neftekhimbank" by the National Bank of Kazakhstan to conduct banking operations in tenge and foreign currencies (see below). By the decision of the Board of KASE #39/0, dated May 2, 00, made based on the decision of the Exchange council mentioned above, the shares of the bank are withdrawn from the trades at the Exchange **from May 3, 2000**.

Information about the companies

According to resolution of the Board of National Bank of Kazakhstan #141, dated April 19, 2000, the license #228 of **OJSC “Neftekhimbank”** (Shymkent) to conduct banking operations in tenge and foreign currencies was canceled.

Department for banking supervision of National Bank of Kazakhstan announced the underlying reasons for the withdrawal:

- numerous (more than 3 times during a calendar year) violations of National Bank of Kazakhstan prudential standards and banking regulations;
- invalid reporting activity;
- violation of other legal norms and instructions of National Bank of Kazakhstan.

The bank's shares were entered into additional list of the Exchange on Sep. 5, 1997. On June 14, 1998 shares were transferred into official list of KASE (category B) in accordance with new requirements “On securities listing” that went into effect in June of 1998.

According to listing requirements, **OJSC “Komirbank”** (Ekibastuz, official list of securities, category “A”) presented KASE Prospectus of the 6th issue of its shares and the Certificate of state registration of the securities issue.

On April 25, 2000 the National securities commission of Kazakhstan registered the 6th issue of OJSC “Komirbank” shares. The issue contains 500,000 common inscribed shares (KZ1C34301514) with KZT1,000 face value.

The issue equals the amount of authorized capital of OJSC “Latur Alliance Bank” that was joined in December 1999 and was registered in accordance with the changes made in the Charter of OJSC “Komirbank” regarding the size of announced authorized capital.

Based on the decision of the General meeting of the shareholders of both banks, which was held on August 14, 1999, OJSC “Komirbank” shares of the 6th issue will be exchanged to common shares of joined OJSC “Latur Alliance Bank” (face value is KZT5,000) in 1:5 proportion.

Coupon bonds of OJSC “Komirbank” (trade code KOMBb) were entered into KASE official list of securities from February 11, 2000.

OJSC “SHNOS” (official list of securities, category A) notified KASE about correction brought to the agenda of annual shareholders meeting, which will take place on May 15, 2000.

Agenda was supplemented with additional point of the following content: “Approval of the large-scale deal - issue of warrants by the company (OJSC “SHNOS” – comm. IRBIS) on liabilities of Hurricane Hydrocarbons Ltd. incurred on its American and Canadian bonds.”

Annual meeting of OJSC “SHNOS” shareholders will be held in Almaty branch office of the company at: 69, Karasai batyr St. Almaty.

On April 26 of current year Standard & Poor's revised its outlook on two Kazakhstani banks that were entered into KASE official list of securities of category “A” **to stable from negative: OJSC “KAZKOMMERTSBANK”** (Almaty) and **OJSC “Halyk Savings Bank of Kazakhstan”** (Almaty). At the same time Standard & Poor's affirmed all ratings on the banks - including **B/C** counterparty credit ratings on OJSC “Halyk Savings Bank of Kazakhstan”, **B-/C** counterparty credit ratings on OJSC “KAZKOMMERTSBANK” and **B-** senior unsecured debt of OJSC “KAZKOMMERTSBANK” subsidiary – KAZKOMMERTS INTERNATIONAL B.V.

From the beginning of February of current year a vivid **trend of growing prices of global depository receipts of OJSC “KAZKOMMERTSBANK”** was observed at the Exchanges of Europe. In terms of dollars price of the receipt grew from \$7 to \$9 per GDR on average during this period. In late March price was exceeding \$10.5. In IRBIS specialists' opinion, the growth is caused by a complex of activities that the bank conducts on international market due to the preparation to the issue of its euronotes, positive changes in the forecasts of the agency Standard & Poor's, placement of the fourth issue of euronotes of Kazakhstan, and due to general positive information from abroad on economic situation in Kazakhstan.

Prepared by the agency «IRBIS»