

WEEK OF STOCK MARKET OF KAZAKHSTAN December 21 - 27

1 US dollar = **144.50** tenge at official rate for the end of the period
1 US dollar = **145.13** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE 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) during December 21 - 27. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Investment attractiveness of stock exchange instruments from December 21 through 27

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
RENTb	USD	15.04 (15.04)	0 (0)	0 (0)
ALKSb	USD	14.13 (14.24)	0 (0)	0 (0)
VITAb2	USD	14.00 (14.50)	0 (21.8)	0 (150.8)
CCBNb1	USD	12.00 (12.03)	39.7 (194.5)	273.9 (1,343.7)
ATFBb	USD	10.95 (10.95)	0 (0)	0 (0)
KZOLb	USD	10.67 (10.54)	0.1 (0)	0.7 (0)
HSBKb	USD	10.50 (10.48)	0 (0)	0 (0)
KZTOb	USD	10.38 (10.39)	0 (0)	0 (0)
KKGBb	USD	10.20 (5.76)	158.0 (0)	1,089.6 (0)
TMJLb	USD	10.04 (10.04)	0 (0)	0 (0)
Euronotes-4	USD	9.04 (9.18)	5,998.5 (2,937.2)	41,355.0 (20,295.8)
Euronotes -2	USD	8.81 (8.99)	208.8 (102.4)	1,439.3 (707.4)
Euronotes -3	USD	8.54 (8.70)	1,364.0 (4,231.3)	9,403.7 (29,237.8)
TEBNb	USD	7.91 (8.00)	0 (0)	0 (0)
MEKAVM	USD	*6.99 (8.69)	187.2 (25.5)	1,290.7 (176.0)
MEKKAM, notes	KZT	*6.02 (8.54)	874.9 (1,747.1)	6,032.0 (12,072.6)
Repo GB	KZT	*5.60 (2.68)	9,112.9 (4,283.8)	62,825.7 (29,600.8)

Notes: yields of CCBNb1, KKGBb, KZOLb were calculated as average of the deals; for all corporate bonds – as average of offer bids.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **14.16% APR**.

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.

INDICATORS OF INTERBANK DEPOSIT MARKET

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

Indicators of Kazakhstan interbank deposit market as of December 27, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	5.67	-1.08
2 weeks	KZT	6.50	-1.42
1 month	KZT	7.58	-1.17
2 months	KZT	8.58	-1.00
3 months	KZT	9.71	-0.58

The most principal difference of this sector of the market is a steady decline of offering rates, though the tenge devaluation rate against the U.S. dollar and the demand for the American currency remained high during the last two weeks. This circumstance still allows the banks to attract free money at very low interest rates and use them effectively while working with the dollars.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 10 deals amounting to **\$1,433.3 th.** were made **in purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$2,859.3 th., 10 deals) weekly turnover of the sector decreased 2 times. Absolute leaders of the week were the **coupon bonds of**

KAZKOMMERTSBANK OJSC (KZ72KA7B9A11, official list of the KASE securities under category “A”, KKGBb), with their proportion reaching 76% of total volume. Then, there were coupon bonds of Bank CenterCredit OJSC (KZ75KARGCA53, official list of the KASE securities under category “A”, CCBN1) – 19.1%, which were the leaders a week ago.

During the week the price of KZCR decreased by 13.7% relative to the previous successful trades, KZTKp – by 20%, SSGPp – by 0.7%, UTMKp – by 1.4%, the value of BTAS did not change. The yields of CCBN1 bonds fell from 12.0418% to 12.0027% APR, KKGBb – from 12.7600% to 10.2037% APR, yield of KZOLb grew from 10.5011% to 10.6704% APR.

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

Results of the trades in shares from December 21 - 27

USD per share, unless otherwise specified						
Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.1540	0.3080
Bank TuranAlem OJSC	BTAS	70.99	70.99	530	70.9900	70.9900
Bank CenterCredit OJSC	CCBN	1.5078		0	1.3364	1.3780
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	1.0000	1.8000
KAZKOMMERTSBANK OJSC	KKGB	0.7000		0	0.2500	0.5000
TNC Kazchrome OJSC	KZCR	*6.000	6.000	167	6.0000	6.0000
Kazakhtelecom	KZTK	14.500		0	13.5000	16.5000
Kazakhtelecom	KZTKp	8.000	8.000	300	9.0000	8.0000
Rakhat JSC	RAHT			0	*0.4200	
SAUR OJSC	SAYR			0		*0.3500
SSGPO JSC	SSGPp	*2.75	2.75	184	2.7500	2.7500
SHNOS OJSC	SYRG	1.6300		0	1.3000	
Temirbank OJSC	TEBN	*1.095		0	0.6900	3.6200
UKTMK OJSC	UTMK	*50.000		0	5.0000	145.0000
UKTMK OJSC	UTMKp	27.6000	27.6000	1 000	27.6000	27.6000

Results of the trades in bonds from December 21 - 27

yield for the buyer in % APR till maturity, unless otherwise specified								
Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer	
Almaty Kus OJSC	ALKSb	USD	15.03		0.00	17.43	14.18	
AMB CJSC	ATFBb	USD	11.38		0.00	11.16	10.95	
Bank CenterCredit OJSC	CCBNb1	USD	11.99	11.99	273.90	12.00	12.00	
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.00		0.00	12.61	10.50	
KAZKOMMERTSBANK OJSC	KKGBb	USD	10.20	10.20	1 089.59	10.20	10.20	
NOC Kazakhoil CJSC	KZOLb	USD	10.67	10.67	0.69	10.67	10.67	
NOTC KazTransOil CJSC	KZTOb	USD	10.46		0.00	10.80	10.46	
RENATA LLP	RENTb	USD			0.00		*15.04	
Temirbank OJSC	TEBNb	USD	11.28		0.00	12.32	7.95	
Kazakhstan Temir Joly NSE	TMJLb	USD	10.82		0.00	10.50	10.10	
VITA LLP	VITAb2	USD			0.00	15.00	14.00	

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, or the price of direct deals. For VITAb2 - auction deal.

The KASE index that reflects the changes in the bids on the shares from the official list of the Exchange’s securities of the category “A”, including the market capitalization of their issuers, **grew by 0.0383** during the week, at **106.3485** at December 20 closing.

In the securities repo sector a single deal was made on closing 30 day repo on common shares of Bank TuranAlem OJSC for **\$3,487,500.00** (amount attracted - \$3,476,500.00). Return of the transaction calculated in U.S. dollars equaled 3.84% APR, in tenge (at the rate of the Exchange) - **11.96% APR**. At the end of the period **two** indexed securities repos were opened at the trade floor of the Exchange for a total of **\$347.9 th**. Common shares of following companies were used as the object of repo deals: Bank TuranAlem OJSC, Bank CenterCredit OJSC. The terms vary from 30 to 215 days, and the rates in USD from 11.50 to 15.12% APR.

Change in the trade lists

On December 27, 2000, by the decision of the Exchange council of the Kazakhstan Stock Exchange (KASE) of the same date, **coupon** subordinated euronotes of KAZKOMMERTSBANK OJSC (Almaty) were entered into official list of the KASE securities under category “A”. The bonds with ISIN XS0122349615 were assigned the trade code KKGBe2. Quotation accuracy of the euronotes in the trade system of the KASE is set at four decimal places. Additional information will be provided on the beginning date of the trades in KKGBe2.

Issue volume of the KAZKOMMERTSBANK OJSC euronotes is **20 mln U.S. dollars** at face value, while announced, issued and paid authorized capital of the issuer is at \$34,251,453.36. The bonds were issued in non-documentary form.

Presently, common inscribed shares (KZ1C00400415, code KKGB) and domestic bonds of the first issue (KZ272KA7B9A11, code KKGBb, \$30.0 mln, Sep.6,99 - Sep.6,01, semiannual coupon at 10.0% APR, current

market return at 10.20% APR) of KAZKOMMERTSBANK OJSC are traded within an official list of the securities of the category "A".

The market-maker status of KAZKOMMERTSBANK OJSC coupon subordinated euronotes was granted to the issuer. Minimum volume of mandatory quotations for the market-maker of these bonds is set at **\$3,000** at face value. KAZKOMMERTSBANK OJSC will start working as the market-maker of KKGBe2 from the opening date of the trades, which will be announced additionally.

Komirbank OJSC (Ekibastuz) informed the Kazakhstan Stock Exchange (KASE) of the **complete** repayment of its inscribed coupon bonds of the first issue (KZ2CCAEQCA00, official list of securities, category "A", trade code - KOMBb; Dec.26, 99 - Dec.26, 00; \$10; \$2 mln; semiannual coupon at 12.00% APR) on December 26, 2000. Also, the bond holders received the last coupon payment along with the principal amount.

At the KASE the trades in KOMBb started on January 25 of this year. On February 11 the bonds were entered into official list of the KASE securities under category "A". On February 18 the auction for additional offering of the bonds for \$580 th. was held in the trade system of the Exchange. During the rest of circulation time 22 deals were made in KOMBb for a total of 1,614,189.26 U.S. dollars (159,748 bonds, 79.9% of the issue volume) at the KASE. The yields of the bonds equaled 12.95% APR at the initial offering, which was held at the Exchange, and varied from 11.00 - 14.97% APR (year base 30/360) on secondary market. The last deal was made on November 23, 00 at the minimal rate.

Capitalization

On December 27, 2000 the **capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,342.9 mln** or KZT194.9 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number decreased **by \$8.9 mln** in terms of dollars was caused mainly by a decrease in the values of almost all shares traded during the week (see above).

The capitalization of corporate bonds market of the Exchange by their best bids, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$135.2 mln** as of December 27, or KZT19,622.79 mln. This indicator **fell by \$1.8 mln** which is explained by a removal of KOMIRBANK OJSC bonds (see above) from trade lists. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$176.8 mln** as of this check date. or **KZT25,656.1 mln**.

SECTOR OF GOVERNMENT BONDS (GB)

In **GB purchase and sale sector** of KASE total volume of 103 deals equaled **KZT8,728.6 mln**. In previous week the turnover reached KZT9,207.5 mln with 83 deals made. No principal changes took place in turnover structure during the week. Participants are still focused on working with the euronotes of Kazakhstan, which seems logical under an existing devaluation rate of the tenge towards the U.S. dollar.

Parameters of stock exchange transactions in SS from December 21 - 27

(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 GB: MEKKAM-6, 12, notes						
10.0% (19.0%) of purchase and sale sector's turnover						
less than 8	4.00	6.19	5.01	5.13 (6.45)	594.3	7
15 - 28	7.00	7.55	7.00	7.35 (7.00)	19.0	2
29 - 36	6.31	6.40	6.40	6.35 (6.57)	31.8	3
37 - 42	7.83	7.83	7.83	7.83 (-)	11.9	1
57 - 63	7.31	7.82	7.82	7.52 (-)	212.1	8
64 - 91	7.70	7.70	7.70	7.70 (7.45)	3.9	1
182 - 364	8.99	8.99	8.99	8.99 (9.68)	1.9	2
Total					874.9 (1,747.1)	24 (30)
Discounted indexed GB: MEKAVM-12						
2.1% (0.3%) of purchase and sale sector's turnover						
43 - 56	6.75	6.80	6.80	6.79 (8.50)	187.2	2
Total					187.2 (25.2)	2 (5)
Coupon GB: MEOKAM-24						
1.1% (1.8%) of purchase and sale sector's turnover						
671	16.22	16.22	16.22	16.22 (-)	95.2	2
Total					95.2 (164.0)	2 (2)
Euronotes of Kazakhstan, USD						
86.8% (79.0%) of purchase and sale sector's turnover						
*636 - 641	8.54	8.83	8.54	8.81 (8.99)	208.8	7
**1,371 - 1,377	8.43	8.86	8.46	8.54 (8.70)	1,364.0	46
***2,294 - 2,300	9.00	9.23	9.00	9.04 (9.18)	5,998.5	22
Total					7,571.3 (7,270.9)	75 (56)
SUBTOTAL					8,728.6 (9,207.5)	103 (83)

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

In **GB repo sector 91 deals for a total of KZT13,344.78 mln** were made during the period. Of this number 51 deals (for KZT9,112.9 mln) were repo opening deals and 40 (KZT4,231.8 mln) were repo closing deals. Last

week total turnover of this sector of the market was at KZT9,387.7 mln. Noticeable increase in the volumes of repo deals was caused by a relatively low rates, therefore the banks are able to attract free money actively in order to work on currency market.

After closing of the trades on December 27 total amount of opened repo equaled **KZT6,509.1 mln**. Current weighted average rates as of December 27 (% APR) equaled: for 1 day – 3.06; for 2 days – 6.57; for 9 days – 8.09; for 10 days – 5.50; for 21 days – 7.60; for 24 days – 7.50; for 30 days – 7.00; for 92 days – 9.86.

Total of 194 deals amounting to **KZT22,073.3 mln** were made in GB on trade floors of KASE during last period (purchase and sale and repo sector). Last week volume of 205 deals was KZT18,595.3 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GB for comparable operations (including euronotes and repo operations) equaled **79.5%**, for last week it was 78.0%.

INFORMATION ON COMPANIES

Almaty Merchant Bank CJSC, in accordance with the listing requirements informed KASE that **on December 15, 2000**, based on the decision of the Board of the KSE, the first issue inscribed coupon bonds of the bank (KZ2CKAN3AA16, official list of the KASE securities under category “A”, trade code - ATFBb; Oct.2, 00-Oct.2, 01; \$5 mln, semiannual coupon 10.5% APR; current market rate in Kazakhstan - 11.36% APR) were entered into listing of Kyrgyzstan Stock Exchange CJSC (KSE) under category I.

Halyk Bank Kazakhstan OJSC (Almaty) informed KASE about full repayment of the first coupon on its bonds of the first issue (KZA7KAKK6A78, official list of securities, category “A”, trade code – HSBKb; June 20, 00-June 20, 07; \$100; \$16.0 mln; semiannual coupon 11.8%; current profitability on the market - 12.0%) held on Dec.20, 2000. According to the terms of the bonds issue coupon repayment rate equaled 11.8%. The repayment was made in Kazakhstan tenge at the official rate of the National Bank of Kazakhstan on Dec.20, 2000.

On December 25, 2000 the Board of Kazakhtelecom made a decision to set the dividends to preferred shares (KZ1P12280412, face value - KZT1,000) in 2000 **at 30% of their face value** (minimum guaranteed level). At that, **December 22, 2000** was set as the last date for the holders of preferred shares, who are entitled to receive dividends in 2000, to be registered. The dividends will be paid out within the time limits specified by the law, is said.

KASE NEWS

On December 25 Central Depository of Securities (CD) informed KASE that it fully completed all settlements on redemption of **discount bonds of Almaty local executive body** (KZ71K2512A00, trade code KASE - ALU012.001; Dec 27, 99 - Dec 25, 00; \$3,270.6 th.; \$100; 13.00% at discount). According to the CD, total redemption volume amounted \$3,270,600.00 that is equal to KZT472,274,640.00 (\$1 - KZT144.40) at the servicing exchange rate. The state bonds were floated on the exchange auction on Dec 24, 1999 at 13% rate in dollar terms. The operator of the borrowing was Bank TuranAlem OJSC (Almaty), financial consultant - “DB SECURITIES KAZAKHSTAN” (Almaty). In the actual volume of issue, the share of satisfied bids submitted on behalf of banks totaled 54.4%, on behalf of clients - 45.6%. At the redemption, the real rate of Almaty bonds equaled **18.07% APR** in tenge terms. During the circulation time five deals were made in ALU012.001 for a total of **KZT337.7 mln** at the KASE. Yield to maturity on the secondary market fluctuated from 4.00% (150 days redemption) to 13.37% (354 days) in the forex terms. Bonds were not traded on the off-exchange market (CD has only transfer transactions).

On December 26 Central Depository of Securities CJSC (CD) informed the KASE of completing the settlements of accounts on the repayment of the **coupon bonds of local executive body of Astana** (KZ71L2612A08, KASE trade code - ASU012.001; Dec.28, 99 - Dec.26, 00; \$1,085.3 th.; \$100; semiannual coupon at 13.00% APR). As the CD informs, total repayment amount of the bonds principal equaled 1,085,300.00 U.S. dollars, or KZT156,825,850.00 at servicing exchange rate (KZT144.50 per dollar). Along with the repayment of the principal amount the bond holders received the last coupon amounting to KZT10,193,680,25 (70,544.50 U.S. dollars). The bonds with the state status were launched at the auction of the Exchange on December 27, 99 at the face value. The coupon rate was the object of the trades, which was set at 13.00% APR. Astana-Finance OJSC (Astana) was the operator of the issue, and Fondovyi service CJSC (Almaty) was the underwriter (financial consultant). The proportion of satisfied bids made by the pension funds equaled 55.7% of all the issue, that of the banks - 43.6%, and from the clients of the banks - 0.7%. No deals were made in ASU012.001 during the circulation time of these bonds at the KASE. Only one deal was registered by CD on interbank market on July 12, 00 totaling KZT1,032,782.40 at 13.52% APR.

The bonds of Astana is the third municipal loan repaid fully on GB market of Kazakhstan. Presently, there is one issue of municipal bonds in circulation - the bonds of executive body of Atyrau region.

From January 1, 2000, considering numerous requests of professional market participants, KASE introduced new method for estimations of yield to maturity of coupon bonds. The method applied to government and

corporate bonds traded at KASE. New wording of “**Volume and yield estimation methodology on deals in bonds**” internal document of KASE was approved by the decision of the Board dated Dec 22, 2000. The wording has been previously submitted on approval to interested members of KASE and published on its site http://www.kase.kz/GenInfo/Normbase/bond_met.asp.

The subject of the instruction is yield of bonds indicated in the Trade system of KASE, on the Exchange site and included in all informational products of the IRBIS information agency. The difference set in the new methodology is that estimation of yield would be based on structure of a particular bond. As a result, yield on bonds with semiannual coupon will be calculated using **semiannual basis** in contrast to annual. This methodology is broadly used by professional market participants at internal accounting of deals. The calculation of annual basis was supposed to introduce correct comparison of this yield with effective interest rate of discount bonds which share in the market is still high.

Prepared by the agency «IRBIS»