

WEEK OF STOCK MARKET OF KAZAKHSTAN

July 3 – July 9

Money market indicators as of July 9 and change for the period

Term	Currency	Rate	Trend
“Overnight” on autorepo at KASE(TONIA)			
1 day	KZT	2.74	+0.03
Repo opening at KASE (WA, % APR)			
1 day	KZT	2.38	-0.31
7 days	KZT	3.43	-1.67
14 days	KZT	4.50	+0.10
KIBOR (indicative, % APR)			
1 week	KZT	7.00	+0.50
2 weeks	KZT	7.00	-0.50
1 month	KZT	7.00	-1.00
2 months	KZT	7.50	-1.50
3 months	KZT	8.50	-1.00

Stock market indicators as of July 9 and their change for the period

Index	Value	Trend
Shares of “A” listing		
KASE_Shares	131.68	+23.72%
Corporate bonds of “A” listing		
KASE_BP	143.00	+0.03%
KASE_BC	119.88	-0.12%
KASE_BY	7.93	-0.43%
Euronotes of Kazakhstan		
KASE_EP	148.85	+1.18%
KASE_EC	112.52	+1.21%
KASE_EY	3.67	-14.69%

US dollar = 147.38 tenge at official rate for the end of the period.

US dollar = 147.15 tenge at weighted average rate of the Exchange for the end of the period.

Rate of tenge devaluation for the period at the Exchange's rate – negative 27.6% APR.

THE CORPORATE SECURITIES MARKET (CS)

In CS purchase-sale sector a total of 55 deals amounting to \$11,771.0 th or KZT1,735.5 m were made during the analyzed period. In comparison with the previous period (62 deals, \$10,798.4 th. or KZT1,597.3 m) volume of the sector increased 9.0%. Deals were made by 15 KASE's members on 33 instruments 21 of which were bonds. During the previous period 15 brokers were interested in 36 securities 24 of which were bonds.

Trends in the market remain the same. In opinion of IRBIS analysts, appearance of the market is generally forming by “overestimation deals”, which were described in the previous review, and transactions of “hidden repo”. Thus a spectrum of securities, involved in exchange transactions, remains to be wide and total amount of deals gradually increases. However, there is an impression that the share of “overestimation deals” recently begins to decline. It was determined by some factors, including steady strengthening of tenge to dollar, which hampers the capitalization on dollars and bonds indexed to tenge devaluation due to significant market overheating and increase of effectiveness of the control over market participants from the side of regulating body. During the analyzed week the share of exchange market on CS, controlled directly by funds of pension system depositor, has not exceeded 40% in

Investment attractiveness of stock exchange financial instruments since July 3 till July 9

Financial instrument	Currency of transaction	Yield, % APR	
		Value	trend
Instruments denominated in KZT			
TXNBb1	KZT	14.57	0
UKPFb1	KZT	14.00	0
ARNAb1	KZT	13.20	-0.60
CCBNb3	KZT	9.89	-0.01
Repo on CS	KZT	*9.81	+1.38
HSBKb3	KZT	9.00	0
KZIKb1	KZT	6.95	-1.27
MEOKAM,MEAKAM	KZT	6.54	+0.12
MEKKAM, notes	KZT	*5.22	+0.39
Repo on GS	KZT	*3.02	-0.28
Instruments indexed on devaluation			
KZNHb1	USD	13.96	–
RGBRb3	USD	10.61	+0.11
VITAb3	USD	10.55	-3.42
VTBNb1	USD	10.50	+0.05
BTASb2	USD	10.27	+1.27
KZASb1	USD	10.10	0
ORDBb1	USD	10.10	-0.16
ALKSb2	USD	10.05	+2.05
ASFlb2	USD	10.00	-1.50
HSBKb	USD	9.03	-0.03
TEBNb	USD	8.99	0
ATFb2	USD	8.95	+0.01
ASBNb1	USD	8.52	-0.38
KZPSb1	USD	8.50	+1.10
BTASb1	USD	8.50	0
TEBNb3	USD	8.50	0
AST048.006	USD	8.50	–
NRBNb1	USD	8.49	-0.20
CCBNb1	USD	8.23	+0.21
KKGBb2	USD	8.22	0
CSBNb1	USD	8.20	0
KZAPb1	USD	8.02	0
CCBNb2	USD	8.01	-0.86
TEBNb2	USD	8.00	0
HSBKb2	USD	7.92	+0.05
LARlb1	USD	7.75	0
TMJLb2	USD	7.41	+0.71
KZTKb1	USD	7.11	-0.19
ALBNb1	USD	7.00	0
BRKZb1	USD	6.91	-0.39
ART060.004	USD	6.50	0
SYRGb1	USD	6.42	-0.73
KZTOb	USD	6.30	0
KARMB1	USD	6.00	-0.01
AST048.005	USD	5.98	-0.15
AST036.004	USD	5.71	+0.27
ARU060.003	USD	5.59	0
VKU036.002	USD	5.00	0
VKU036.003	USD	4.81	–
VKU036.001	USD	4.00	–
ARU024.002	USD	3.00	0
Instruments denominated in foreign currency			
BTASe2	USD	7.56	+0.33
KKGBe2	USD	7.13	-0.16
KKGBe3	USD	6.85	+0.10
BTASe1	USD	5.71	-0.37
BRKZe1	USD	5.01	-0.01
KZTOe1	USD	4.85	-0.70
IMF bonds	EUR	1.51	+0.10

The yields of bonds at which the deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations.

Trends are given relative to previous week. Securities marked by asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

gross turnover (in the current year this indicator for separate months reached 67%). Primary offerings of CS make some difficulties with manipulating of prices in the secondary market. The volume of CS in June and in May rose.

In corporate bonds market there were some changes. During the reported week currency securities, which include corporate euronotes also, were involved in the market. To be more correct, investors are capitalizing on expanding list of instruments. Having reached the positive balance on one security, they transfer to other. Now it is turn for euronotes, which had not appeared in a deals register for a long time. Considering dynamics of dollar rate in the domestic market, the time chosen is not very appropriate. Most likely investors have no choice as a potential of their portfolios continues to fall on overheating prices and according to estimates of some experts they reached the lowest levels ever. During the analyzed week bonds prices were generally growing, but their yield was declining, which found an adequate reflection on dynamics of KASE_B* indexes (the table is at the beginning of the review). So a decline in yield was registered for: NAb1 (from 13.80% APR to 13.20% APR), ASF1b2 (from 11.50% to 10.00% APR), BTASe1 (from 6.21% to 5.72% APR), CCBNb3 (from 9.90% to 9.60% APR), HSBKb (from 9.06% to 9.03% APR), KKGBe2 (from 7.29% to 7.22% APR), KZIKb1 (from 8.22% to 6.95% APR), KZTKb1 (from 7.30% to 7.20% APR), ORDBb1 (from 10.29% to 10.10% APR) and SYRGb1 (from 7.15% to 6.42% APR). It follows from the above that prices are growing not only for securities on dollars and indexed to devaluation level of tenge. General trend of decline is topical now for the whole financial market of Kazakhstan, and sector of CS is not exclusion. Rise of yield during the week was found for limited number of bonds. Yield of ATFBb2 grew from 8.94% to 8.95% APR, BTASb2 – from 9.00% to 10.27% APR, RGBRb3 – from 10.50% to 10.61% APR, TMJLb2 – from 6.70% to 7.45% APR, VTBNb1 – from 10.26% to 10.50% APR. Yield for KKGBb2, KZAPb1, KZPSb1, KZTOb, NRBNb1 and TXBNb1 has not changed (see the table). Capitalization of the exchange market of corporate bonds grew \$12.1m to \$1,361.1 m as of July 9 mainly due to price increase for the majority of instruments traded during the week.

In shares market there were no interest movements. The majority of deals was direct, and price dynamics – significant. The peculiarity of the week in this segment is high share of stocks, which have only one deal concluded. The volume of reselling blocks was traditionally small. During 7 days according to deals made price on ALKS grew by 39.8%, KTTH – 6.4 times, KZMS – 1.9 times. CCBN downed by 0.1%, KZTKp – by 1.0%, UTMK – by 8.2%. CSBN, CSBNp, TEBN, VTBN, VTBNp, ZERD have not changed (see the table). Capitalization of the exchange stocks market increased within seven days by \$1,194.0 m to **\$2,878.4 m**. Reason of this increase was inclusion of common share of Alliance-Bank OJSC into trading lists (see below), and also increase of number of Kazakhmys Corporation OJSC shares paid. Also positive dynamics of ALKS and KZMS influenced capitalization growth.

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

Results of the trades in shares during July 3 – July 9

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*14.50	758,932	63.1	*14.50	10.00
Almaty Kus OJSC	ALKSp	14.93	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
SNPS – Aktobemunaigaz OJSC	AMGZ	9,100.00	0	0	6,100.00	9,100.00
Astana-Finance OJSC	ASFI	1,014.96	0	0	700.00	1,050.00
ATFBank OJSC	ATFB		0	0	1,000.00	1,500.00
ATFBank OJSC	ATFBp	999.00	0	0	1,000.00	1,500.00
ATFBank OJSC	ATFBp8		0	0	1,000.00	1,500.00
Bank TuranAlem OJSC	BTAS	16,500.00	0	0	13,303.80	19,865.25
Bank CenterCredit OJSC	CCBN	*200.00	1,400,014	1,895.1	*200.00	*200.00
BANK CASPIAN OJSC	CSBN	171.00	214	0.2	171.00	256.50
BANK CASPIAN OJSC	CSBNp	185.00	268	0.3	185.00	256.50
Halyk Bank of Kazakhstan OJSC	HSBK	*120.00	0	0	150.00	179.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	150.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp7	150.00	0	0	150.00	180.00
KAZKOMMERTSBANK OJSC	KKGB	120.00	0	0	73.91	110.36
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	69.00	103.50
Kaztorgtehnika OJSC	KTTH	*26,100.00	665	80.2	*26,100.00	5,300.00
Corporation Kazakhmys OJSC	KZMS	*7,806.00	190	10.1	*7,806.00	4,200.00
Kazakhtelecom`	KZTK	3,566.88	0	0	3,300.00	3,531.60
Kazakhtelecom	KZTKp	*2,648.00	46	0.8	*2,648.00	*2,648.00
TEMIRBANK OJSC	TEBN	1,000.00	49,704	337.0	1,015.00	1,000.00
TEMIRBANK OJSC	TEBNp		0	0	680.00	1,015.00
TEXAKABANK OJSC	TXBN		0	0	9,086.00	13,629.00
UKTMC OJSC	UTMK	*4,121.00	40	1.1	4,138.96	*4,121.00
UKTMC OJSC	UTMKp	4,500.00	0	0	3,000.00	4,500.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	20,433	48.6	*350.00	*350.00
VALUT-TRANZIT BANK OJSC	VTBNp	*450.00	2,500	7.6	*450.00	*450.00
Zerde OJSC	ZERD	*2.00	8,222,257	72.1	*2.00	1.00
TOTAL	29		10,455,263	2,516.5		

Results of the trades in bonds within July 3 – July 9

(% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	10.0026	7.0025
Almaty Kus OJSC	ALKSb2	*7.9996	0	12.8508	10.0545
ARNA OJSC	ARNAb1	13.2000	11.3	13.5000	13.2000
Alliance-Bank OJSC	ASBNb1	8.5200	0	11.5000	8.5200
Astana-finance OJSC	ASFib2	10.0000	21.2	10.5000	10.0026
ATFBank OJSC	ATFBb2	8.9477	12.0	8.9477	8.9477
Development Bank of Kazakhstan OJSC	BRKZb1	7.2519	0	9.9037	6.9098
Development Bank of Kazakhstan OJSC	BRKZe1	5.9230	0	6.3060	5.0172
Bank TuranAlem OJSC	BTASb1	9.0985	0	10.0000	8.5000
Bank TuranAlem OJSC	BTASb2	10.2693	1,984.0	9.7117	10.2693
TuranAlem Finance B.V.	BTASe1	5.7086	52.8	4.6584	5.7242
TuranAlem Finance B.V.	BTASe2	7.7439	0	8.0239	7.5889
Bank CenterCredit OJSC	CCBNb1	12.2713	0	10.6098	9.6538
Bank CenterCredit OJSC	CCBNb2	*8.8669	0	10.8733	8.0093
Bank CenterCredit OJSC	CCBNb3	9.6000	2,552.8	9.6000	10.0020
BANK CASPIAN OJSC	CSBNb1	9.1016	0	10.4951	8.2044
Halyk Bank of Kazakhstan OJSC	HSBKb	9.0349	120.6	8.9469	9.0349
Halyk Bank of Kazakhstan OJSC	HSBKb2	*9.3049	0	9.5665	8.6764
Halyk Bank of Kazakhstan OJSC	HSBKb3		0	9.0199	8.9984
Karazhanbasmunai OJSC	KARMB1	*9.0028	0	8.9956	6.0038
KAZKOMMERTSBANK OJSC	KKGBb2	8.2218	9.6	8.2218	8.2218
KAZKOMMERTSBANK OJSC	KKGBe2	7.2200	1,795.1	7.0436	7.2268
Kazkommerts International B.V.	KKGBe3	6.9340	0	7.8236	7.2368
NAC Kazatomprom	KZAPb1	8.0217	10.9	8.0217	8.0217
DAGOK Kustanaiasbest JSC	KZASb1	*7.0116	0	13.0999	10.1001
Kazakhstan Mortgage Company CJSC	KZIKb1	6.9451	13.7	7.7745	7.0041
Kazpost OJSC	KZPSb1	8.4991	20.1	8.4991	8.4991
Kazakhtelecom	KZTKb1	7.2002	1,039.1	7.0609	7.5001
KazTransOil CJSC	KZTOb	6.2957	30.8	6.7987	6.3049
KazTransOil CJSC	KZTOe1	5.5532	0	6.0189	5.4005
JB LARIBA-BANK OJSC	LARib1		0	10.7517	7.7505
Nurbank OJSC	NRBNb1	8.4900	139.5	8.4900	8.4909
Corporation "Ordabasy" OJSC	ORDBb1	10.0959	11.0	10.0959	10.0959
RG BRANDS OJSC	RGBRb3	10.6124	29.7	10.6150	10.6150
PetroKazakhstan Oil Products OJSC	SYRGb1	6.4246	21.2	6.4246	6.4246
TEMIRBANK OJSC	TEBNb	10.4876	0	10.4863	8.9894
TEMIRBANK OJSC	TEBNb2	10.6945	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3		0	9.0000	8.5000
NC KTZh CJSC	TMJLb2	7.4503	386.0	6.0987	7.4503
TEXAKABANK OJSC	TXBNb1	14.5705	11.5	14.5705	14.5705
UKBF CJSC	UKPFb1		0	15.5000	14.0000
VITA OJSC	VITAb3	13.9743	0	16.0043	10.5534
VALUT-TRANZIT BANK OJSC	VTBNb1	10.5004	981.5	10.5004	10.5004
TOTAL	43		9,254.4		

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

In the repo sector of CS 33 deals were made in the total amount of **\$6,360.2 th.** (KZT938.7 m) during the described period. 20 deals of them (in the amount of \$4,341.2 th.) were repo opening and 13 deals (in the amount of \$2,019.0 th.) – repo closing. Last period volume of deals in this sector amounted to \$12,375.9 th. (KZT1,828.8 m).

In all CS trade floors of KASE (including primary floatation and repo sector) a total of 88 deals amounting to **\$18,131.1 th.** (KZT2,673.90 m) were concluded within the analyzed period. Last period volume of 138 deals equaled to \$29,590.8 th. (KZT4,377.7 m).

Changes in trading lists at KASE

By the decision of the KASE Board from July 02, 2003 inscribed **coupon bonds of Astana-finance OJSC (Astana) of the first issue** (KZ2CUY02A356, ASFib1; \$10.0 m, \$100; July 02, 01 – July 02, 03, semiannual coupon at 9.0% APR) are excluded from the official securities at KASE of "A" category for their retirement. Bonds were included into the official list at KASE on July 2, 2001. First auction was held on July 3 of that year. For the whole period of bonds circulation in purchase and sale sector a total of 40 deals were made (141,905 bonds) in amount of KZT2,080.4 m (\$13,956.4 th), including 12 deals (79,620 bonds) totaling KZT1,137.7 m (\$7,760.3 th) within the special auction on the primary offering. Bonds' yield for the buyer varied from 8.00 to 11.26% APR in dollar expression. The last deal was made at 8% yield. In repo sector during the ASFib1 circulation 7 transactions had been made (14 deals) with 9,995 bonds totaling KZT146.3 m (\$980.4 th).

In GS repo-transactions sector 427 deals were made for a total of **KZT66,737.8 m** (including automatic repo sector) during the period. Of this number 218 deals (for KZT33,711.5 m) were repo opening deals and 209 (KZT33,026.3 m) were repo closing deals. Last period transactions volume of this type reached KZT69,748.6 m. After closing of the trades on July 9 total amount of opened at KASE repo reached KZT15,053.0 m.

Total of 498 deals were made at trade floors of KASE amounting to **KZT2,880.5 m** in GS on trade floors of KASE during the analyzed period (purchase-sale and repo sector). The previous period volume of 627 deals reached KZT73,869.8 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **99.7%**, for last week it did not exceed 91.1%.

NORMATIVE BASE OF KASE

By the decision of general meeting of Kazakhstan Stock exchange (KASE) members new internal KASE document "**Rules on securities admittance to circulation for international organizations**" (**Rules**) is approved and takes effect from July 7, 2003. Rules are published on the site of KASE at <http://www.kase.kz/geninfo/normbase/mfo.pdf>. In addition by mentioned decision from July 7, 2003 the internal document of KASE "Rules on securities admittance to circulation at the Exchange for international organizations" accepted by the general meeting of Kazakhstan Stock exchange (KASE) members of "K" and "P" (minutes dated January 17, 2001 #1) and approved by the resolution of the National securities commission Directorate of the Republic of Kazakhstan dated January 31, 2001 #766 becomes invalid.

By the decision of general meeting of Kazakhstan Stock exchange (KASE) members new internal KASE document "**Listing requirements for securities of international financial organizations and Kazakhstan depositary receipts**" is approved and takes effect from July 7, 2003. Rules are published on the site of KASE at http://www.kase.kz/geninfo/normbase/listing_fs_kdr.pdf.

KASE'S NEWS

By decision of the Exchange Council of KASE **from July 4, 2003** an auction on ATFBank OJSC common inscribed shares of the sixth, seventh and eighth issues (KZ1C35970017; KASE official securities list of "A" category, ATFB; KZT1,000.00; KZT4,339,523,000.00) will be opened on the grounds of the ATFBank OJSC (Almaty) application dated July 3, 2003. Quotation accuracy of securities in trade system of KASE is set up to two decimal figures of price, expressed in tenge. Market-maker status of ATFB at KASE was assigned to KIB ASSETS MANAGEMENT JSC (Almaty) on the grounds of submitted request. Minimum volume of required quotations for market maker is set at 1,000 monthly-calculated indexes.

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