

# WEEK OF STOCK MARKET OF KAZAKHSTAN

July 10 – July 16

Money market indicators as of July 16 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo at KASE(TONIA)</b>			
1 day	KZT	4.94	+2.20
<b>Repo opening at KASE (WA, % APR)</b>			
1 day	KZT	4.96	+2.58
5-7 days	KZT	4.97	+1.54
14 days	KZT	5.82	+1.32
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	6.00	-1.00
2 weeks	KZT	7.00	0
1 month	KZT	8.00	+1.00
2 months	KZT	9.00	+1.50
3 months	KZT	10.00	+1.50

Stock market indicators as of July 16 and their change for the period

Index	Value	Trend
<b>Shares of “A” listing</b>		
KASE_Shares	125.68	-4.56%
<b>Corporate bonds of “A” listing</b>		
KASE_BP	143.49	+0.34%
KASE_BC	120.09	+0.17%
KASE_BY	7.88	-0.64%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	148.78	-0.05%
KASE_EC	112.24	-0.25%
KASE_EY	3.73	+1.70%

US dollar = **146.43** tenge at official rate for the end of the period.  
 US dollar = **146.38** 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 23.6% APR.**

## THE CORPORATE SECURITIES MARKET (CS)

In CS purchase-sale sector a total of 32 deals amounting to **\$10,953.0 th** or KZT1,607.8 m were made during the analyzed period. In comparison with the previous period (55 deals, \$11,771.0 th. or KZT1,735.5 m) volume of the sector decreased by 6.9%. Deals were made by 15 KASE's members on 19 instruments 13 of which were bonds. At that, 31.0% of gross turnover (35.5% on purchasing transactions and 26.5% - on sale) were made at the expense of assets of pension market's subjects. During the previous period KASE's 15 members of “P” and “H” categories were interested in 33 securities, 21 of which were bonds. Stake of pension assets was 35.2% of gross turnover, including 13.4% on purchasing transactions, 56.9% – on sale.

The shown data is the evidence of an insignificant changing of market's turnover. At the same time it's necessary to note that during several previous weeks volume of the sector was growing. Now such the tendency has come to naught. Analysts of IRBIS concern it with decreasing of number of "reevaluation deals", which are made by orders of PAMC in order to reevaluate securities, which are in funds' portfolios. Abrupt compression of range of securities (mainly shares), which are involved into deals, is caused by the same thing. There appears impression that after switching to market estimation of portfolios pension

Investment attractiveness of stock exchange financial instruments since July 10 till July 16

Financial instrument	Currency of transaction	Yield, % APR Value	trend
<b>Instruments denominated in KZT</b>			
UKPFb1	KZT	14,00	0
ARNAb1	KZT	13,20	0
TXBNb1	KZT	12,00	-2,57
CCBNb3	KZT	10,00	+0,11
CS repo	KZT	9,35	-0,55
HSBKb3	KZT	9,03	+0,03
KZIKb1	KZT	6,50	-0,45
MEOKAM,MEAKAM	KZT	6,37	-0,17
MEKKAM, notes	KZT	5,20	-0,02
GS repo	KZT	4,11	+1,09
<b>Instruments indexed on devaluation</b>			
VTBNb1	USD	10.44	-0.06
RGBRb3	USD	10.20	-0.41
KZASb1	USD	10.10	0
ALKSb2	USD	10.05	0
ORDBb1	USD	10.00	-0.10
VITAb3	USD	10.00	-0.55
ASF1b2	USD	9.00	-1.00
BTASb2	USD	9.00	-1.27
TEBNb	USD	8.99	0
HSBKb	USD	8.68	-0.35
ASBNb1	USD	8.58	+0.06
BTASb1	USD	8.50	0
TEBNb3	USD	8.50	0
AST048.006	USD	8.33	-0.16
CCBNb1	USD	8.20	-0.03
KZAPb1	USD	8.02	0
TEBNb2	USD	8.00	0
CCBNb2	USD	8.00	-0.01
HSBKb2	USD	7.78	-0.14
LAR1b1	USD	7.75	0
KKGBb2	USD	7.71	-0.51
KZPSb1	USD	7.30	-1.20
CSBNb1	USD	7.25	-0.95
TMJLb2	USD	7.21	-0.20
NRBNb1	USD	7.18	-1.31
ALBNb1	USD	7.00	0
BRKZb1	USD	6.82	-0.09
KZTOb	USD	6.76	+0.46
ART060.004	USD	6.50	0
KZTKb1	USD	6.48	-0.63
ATFBb2	USD	6.45	-2.50
AST048.005	USD	6.18	+0.20
SYRGb1	USD	6.00	-0.42
KARMB1	USD	6.00	0
AST036.004	USD	5.79	+0.08
ARU060.003	USD	5.59	0
ASU036.003	USD	5.57	+0.76
VKU036.002	USD	5.00	0
VKU036.001	USD	4.00	0
ARU024.002	USD	3.00	0
<b>Instruments denominated in foreign currency</b>			
BTASe2	USD	7.63	+0.07
KKGBe2	USD	7.00	-0.13
KKGBe3	USD	6.96	+0.11
BRKZe1	USD	5.91	+0.90
BTASe1	USD	5.40	-0.31
KZTOe1	USD	4.87	+0.02
ENU07.05	USD	3.64	+0.48
ENU04.10	USD	2.11	-0.06
IFO bonds	EUR	1.29	-0.22

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.

assets controllers already "made revaluation" for almost all securities, as the result of which there appeared the significant growth of coefficient of real income of accumulative pension funds K3 for the period June of 2002 – June of 2003. Further fixation of positive price difference causes more and more difficulties, and as the result volume of deals, as well as the stake of pension assets' participation in the market, fall.

In corporate bonds sector the situation did not change much. Various liabilities are involved into deals that does not let outline constant favorites of the market. Yield of most securities for purchaser was decreasing on made deals because deals were fixed with price growth. Indexes of the series KASE\_B\* reflect the same tendency (please, see table in the beginning of the review). Traders note that prices of dollar securities grow because of falling in Kazakhstan dollar. However during the analyzed week there was fixed growth of tenge securities as well – the market is overheated by big volume of free money. Yield of the following securities fell as the result of made deals: BRKZe1 (from 5.92% to 5.90% APR), HSBKb (from 9.03% to 8.67% APR), KZIKb1 (from 6.95% to 6.50% APR), KZTKb1 (from 7.20% to 6.04% APR), ORDBb1 (from 10.10% to 10.00% APR), RGBRb3 (from 10.61% to 10.20% APR) and TMJLb2 (from 7.45% to 7.21% APR). As well as before, yield of only limited number of securities grew. Yield of ASBNb1 rose from 8.52% to 8.58% APR, CCBNb3 – from 9.60% to 10.00% APR, KZTOb – from 6.30% to 6.76% APR. Yield of ARNAb1, HSBKb3, KZAPb1 has not changed (see the table).

Capitalization of stock exchange's corporate bonds market increased within the week by \$2.3 m. to \$1,363.4 m. by July 16 as the result of growth of prices of most traded instruments.

Shares market was unusual for latest time. Number of securities, which were involved into deals, sharply decreased, and prices were stable to everyone's surprise. Only rate of two instruments varied: TEBN (from 720 to 1000 tenge per share) and CSBNp (from 171 to 185 tenge per share). However by the end of the period prices of these securities also fixed on the level of previous week. As the result within 7 only the rate of CCBN symbolically decreased by 1.00 tenge. Despite it capitalization of stock exchange's shares market increased within the week by \$25.7 m. to \$2,904.1 m. Growth of capitalization was influenced by two factors: the first deal in KANT at the price, which exceeded face value 3.5 times, as the result of it company's capitalization increased by \$10.6 m., and by strengthening of tenge relative to dollar, that caused growth of capitalization in terms of dollar by \$15.1 m.

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 bonds within July 10 – July 16** (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	10.0026	7.0034
Almaty Kus OJSC	ALKSb2	*7.9996	0	12.8529	10.0546
ARNA OJSC	ARNAb1	*13.2010	156.7	*13.2010	*13.2010
Alliance-Bank OJSC	ASBNb1	8.5819	3,021.0	8.5819	8.5819
Astana-finance OJSC	ASFIb2	10.0000	0	10.5000	9.0000
ATFBank OJSC	ATFBb2	8.9477	0	9.0013	7.4683
Development Bank of Kazakhstan OJSC	BRKZb1	7.2519	0	9.6657	6.9030
Development Bank of Kazakhstan OJSC	BRKZe1	5.9053	531.9	5.9053	5.9053
Bank TuranAlem OJSC	BTASb1	9.0985	0	10.0000	8.5000
Bank TuranAlem OJSC	BTASb2	10.2693	0	10.4978	9.0000
TuranAlem Finance B.V.	BTASe1	5.7086	0	7.0629	5.6439
TuranAlem Finance B.V.	BTASe2	7.7439	0	8.1560	7.7461
Bank CenterCredit OJSC	CCBNb1	12.2713	0	10.5982	9.1415
Bank CenterCredit OJSC	CCBNb2	*8.8669	0	10.8727	8.0042
Bank CenterCredit OJSC	CCBNb3	10.0000	100.2	10.2464	10.0000
BANK CASPIAN OJSC	CSBNb1	9.1016	0	5.6325	8.2022
Halyk Bank of Kazakhstan OJSC	HSBKb	8.6771	108.8	8.6771	8.6771
Halyk Bank of Kazakhstan OJSC	HSBKb2	*9.3049	0	9.5726	8.1981
Halyk Bank of Kazakhstan OJSC	HSBKb3	9.0082	718.9	9.0082	9.0306
Karazhanbasmunai OJSC	KARMb1	*9.0028	0	9.0001	6.0023
KAZKOMMERTSBANK OJSC	KKGBb2	8.2218	0	8.5130	7.9770
KAZKOMMERTSBANK OJSC	KKGBe2	7.2200	0	9.9990	7.0049
Kazkommerts International B.V.	KKGBe3	6.9340	0	7.9594	7.2332
NAC Kazatomprom	KZAPb1	8.0194	1,703.6	8.0194	8.0194
DAGOK Kustanaiasbest JSC	KZASb1	*7.0116	0	13.0999	10.1001
Kazakhstan Mortgage Company CJSC	KZIKb1	6.5012	13.2	7.4618	6.5034
Kazpost OJSC	KZPSb1	8.4991	0	8.5999	7.3002
Kazakhtelecom	KZTKb1	6.0440	1,029.5	6.0440	7.3306
KazTransOil CJSC	KZTOb	6.7599	10.3	6.7599	6.7599
KazTransOil CJSC	KZTOe1	5.5532	0	6.0146	5.0362
JB LARIBA-BANK OJSC	LARib1		0	10.7465	7.7527
Nurbank OJSC	NRBNb1	8.4900	0	8.9962	7.2032
Corporation "Ordabasy" OJSC	ORDBb1	9.9960	10.5	9.9960	10.0031

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
RG BRANDS OJSC	RGBRb3	10.2029	6.8	10.2054	10.2074
PetroKazakhstan Oil Products OJSC	SYRGB1	6.4246	0	8.9955	6.0071
TEMIRBANK OJSC	TEBNb	10.4876	0	10.4876	8.9940
TEMIRBANK OJSC	TEBNb2	10.6945	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3		0	9.0000	8.5000
NC KTZh CJSC	TMJLb2	7.2092	30.2	7.2092	7.1991
TEXAKABANK OJSC	TXBNb1	14.5705	0	15.0000	12.0000
UKBF CJSC	UKPFb1		0	15.5000	14.0000
VITA OJSC	VITAb3	13.9743	0	16.9960	9.9970
VALUT-TRANZIT BANK OJSC	VTBNb1	10.5004	0	11.5575	10.4445
<b>TOTAL</b>	<b>43</b>		<b>7,441.6</b>		

#### Results of the trades in shares during July 10 – July 16

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*14.50	0	0	*10.00	15.00
Almaty Kus OJSC	ALKSp	14.93	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
CNPC – 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	13,225.50	19,761.30
Bank CenterCredit OJSC	CCBN	199.00	79,734	108.0	200.00	190.00
BANK CASPIAN OJSC	CSBN	171.00	0	0	171.00	256.50
BANK CASPIAN OJSC	CSBNp	171.00	798	1.0	185.00	171.00
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
Kant OJSC	KANT	359.10	1,339,788	3,274.0	359.10	359.10
KAZKOMMERTSBANK OJSC	KKGB	120.00	0	0	73.48	109.79
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	69.00	103.50
Corporation Kazakhmys OJSC	KZMS	*7,806.00	0	0	2,800.00	4,200.00
Kazakhtelecom	KZTK	3,566.88	0	0	3,300.00	3,513.12
Kazakhtelecom	KZTKp	*2,648.00	0	0	2,000.00	2,634.84
TEMIRBANK OJSC	TEBN	1,000.00	10,005	49.0	*1,000.00	*720.00
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	0	0	4,114.60	6,147.96
UKTMC OJSC	UTMKp	4,500.00	0	0	3,000.00	4,500.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	45,947	71.8	*350.00	*226.00
VALUT-TRANZIT BANK OJSC	VTBNp	*450.00	2,500	7.7	*450.00	*450.00
<b>TOTAL</b>	<b>28</b>		<b>1,478,772</b>	<b>3,511.4</b>		

**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** 31 deals were made in the total amount of **\$6,194.7 th.** (KZT909.7 m) during the described period. 6 deals of them (in the amount of \$576.9 th.) were repo opening and 25 deals (in the amount of \$5,617.8 th.) – repo closing. Last period volume of deals in this sector amounted to \$6,360.2 th. (KZT938.7 m).

**In all CS trade floors of KASE** (including primary floatation and repo sector) a total of 63 deals amounting to **\$17,147.7 th.** (KZT2,517.5 m) were concluded within the analyzed period. Last period volume of 88 deals equaled to \$18,131.1 th. (KZT2,673.9 m).

## SECTOR OF GOVERNMENT SECURITIES (GS)

**In GS purchase and sale sector** of KASE a total volume of 75 deals reached **KZT3,779.4 m** (\$25,762.3 th.) during the analyzed period. Corresponding figure of the previous period – KZT6,142.8 m (\$41,655.1 th.). As well as before, volume of secondary GS market mainly reflected volume of primary floatations. Banking sector's short-term liquidity, which decreased in the week under the influence of budget payments, did not demand as big borrowings from the National Bank as in previous period. Besides, increased repo rates took a part of pension money from GS market. As the result, volume of secondary circulation of the National Bank's notes abruptly decreased while prices were mainly growing. Compression of stock exchange's GS market was partially compensated by the appeared liquidity at the market of euronotes of the sovereign debt that was caused by falling of the rate of US Treasury bonds and investors' wish to capitalize profit on long positions.

However it's too early to speak about significant growth of euronotes' yield and failure of their market.

#### Parameters of Exchange's transactions in GS within July 10 – July 16

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted (KZT): National Bank's notes</b>				<b>45.5% (70.5%) of purchase and sale sector's turnover</b>		
less than 8	7.83	7.83	7.83	7.83 ( -)	76.5	1
8 – 14	4.56	5.31	5.16	5.00 (4.50)	145.6	5
15 - 28	4.07	4.90	4.61	4.55 (4.68)	300.6	11
29 – 36	4.18	4.90	4.18	4.68 (4.80)	296.8	6
37 - 42	4.79	5.14	5.14	4.92 ( -)	30.9	3
57 - 63	4.90	5.03	5.03	4.94 (5.09)	129.0	3
64 - 91	5.10	5.83	5.28	5.21 (5.15)	462.4	10
92 - 181	5.10	5.55	5.49	5.32 (5.33)	276.8	11
182 - 364	4.74	4.74	4.74	4.74 (5.36)	1.9	1
Total					1,720.5 (4,330.9)	51 (66)
<b>Coupon (KZT): MEOKAM-36, MEAKAM</b>				<b>19.0% (29.3%) of purchase and sale sector's turnover</b>		
less than 730	5.57	6.58	6.19	6.14 ( -)	348.0	10
731 – 1095	6.09	6.50	6.50	6.38 (6.37)	369.4	5
Total					717.4 (1,796.9)	15 (4)
<b>Euronotes of Kazakhstan (USD)</b>				<b>34.7% ( -) of purchase and sale sector's turnover</b>		
** 1096 - 1460	3.61	3.65	3.63	3.64 ( -)	1,311.6	8
Итого					1,311.6 ( -)	1 ( -)
<b>Coupon (USD): Astana bonds</b>				<b>0.8% (0.2) of purchase and sale sector's turnover</b>		
over 1096	8.33	8.33	8.33	8.33 (8.49)	29.9	1
Total					29.9 (15.0)	1 (1)
<b>GRANDTOTAL</b>					<b>3,779.4 (6,142.8)</b>	<b>75 (71)</b>

Notes: for euronotes (\*\* – fourth issue) volume of the deals has been calculated at weighted average USD/KZT rate of the Exchange.

In GS repo-transactions sector 484 deals were made for a total of **KZT70,429.5 m** (including automatic repo sector) during the period. Of this number 252 deals (for KZT35,502.1 m) were repo opening deals and 232 (KZT34,927.4 m) were repo closing deals. Last period transactions volume of this type did not exceed KZT66,737.8 m. After closing of the trades on July 16 total amount of opened at KASE repo reached KZT15,641.0 m.

#### Major parameters of automatic repo market on opening deals within July 10 – July 16

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	4.00	1.00	7.00	3.00	4.00 (3.01)	23,799.0	159 85.8 (84.5)
KZT_002	3.75	3.75	4.70	4.70	4.23 (3.22)	560.0	6 2.0 (1.6)
KZT_003	3.50	3.50	5.00	4.90	4.60 (3.20)	258.0	7 0.9 (1.1)
KZT_007	3.50	3.00	5.50	5.50	3.64 (3.70)	1,153.0	13 4.2 (6.4)
KZT_014	4.00	3.90	5.60	5.40	4.67 (4.43)	1,020.0	13 3.7 (4.3)
KZT_028	5.50	4.50	6.00	5.50	5.37 (4.74)	950.0	9 3.4 (2.2)
<b>TOTAL</b>					<b>27,740.0,(28,052.0)</b>	<b>207 (184)</b>	<b>100.0</b>

Total of 559 deals were made at trade floors of KASE amounting to **KZT74,208.9 m** in GS on trade floors of KASE during the analyzed period (purchase-sale and repo sector). The previous period volume of 498 deals reached KZT72,880.5 m. The proportion of the Exchange's turnover in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **95.6%**, for last week it did not exceed 99.7%.

## KASE'S MEMBERS

By the decision of Kazakhstan stock exchange's (KASE) Board since July 14 of 2003 FUTURE CAPITAL LLP (Almaty) has been removed from participation in exchange's trades in government and corporate securities, which are circulating at KASE, and also excused from paying monthly membership fees since August 1 of this year. The decision has been made on the basis of resolution of the Board of directors of the National Bank of Kazakhstan dated July 9 of 2003 # 255 about interrupting acting of license for conducting of broker and dealer activity for up to six months at securities market with the right to maintain clients' accounts as the nominal holder, which was given to FUTURE CAPITAL LLP on June 29 of 2001 under the number #0401200423. Removal of the mentioned LLP from the trade automatically resulted in forced deprivation of its status of market-maker of common inscribed shares of Corporation Kazakhmys OJSC (KZ1C44930010; trade code is KZMS; KZT600.0). On the reason shares of Corporation Kazakhmys OJSC have been included into KASE's official "A" listing category, their issuer must present another market-maker of its shares to the stock exchange within one month. Otherwise, according to paragraph 2) of the article 19 of Listing rules, shares of this issuer will be transferred by KASE to "B" category.

By decision of KASE's Board **starting from July 16 of 2003** common inscribed shares (KZ1C35970017, trade code is ATFB) of ATFBank OJSC (Almaty) have been included into the representative list for KASE\_Shares index calculation. As the result 27 shares of "A" category official securities list that were issued by 15 companies are currently in the representative list for the KASE\_Shares index calculation.

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