

WEEK OF STOCK MARKET OF KAZAKHSTAN

September 18 – 24

Money market indicators as of September 24 and change for the period

Term	Currency	Rate	Trend
"Overnight" on autorepo at KASE(TONIA)			
1 day	KZT	7.02	+0.71
Repo opening at KASE (WA, % APR)			
1 day	KZT	6.90	-0.11
14 days	KZT	5.69	+0.04
28 days	KZT	4.29	-1.73
30 days	KZT	9.30	-2.70
KIBOR (indicative, % APR)			
1 week	KZT	7.00	+0.50
2 weeks	KZT	7.50	+0.25
1 month	KZT	8.00	0
2 months	KZT	8.50	-0.25
3 months	KZT	9.00	-0.50

Stock market indicators as of September 24 and their change for the period

Index	Value	Trend
Shares of "A" listing		
KASE_Shares	138.89	+0.001%
Corporate bonds of "A" listing		
KASE_BP	147.70	+0.20%
KASE_BC	121.88	+0.06%
KASE_BY	7.44	-0.27%
Euronotes of Kazakhstan		
KASE_EP	150.56	+0.26%
KASE_EC	111.88	+0.15%
KASE_EY	3.41	-3.48%

US dollar = **148.05** tenge at official rate for the end of the period.
 US dollar = **148.39** 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 – **21.8% APR**.

THE CORPORATE SECURITIES MARKET (CS)

In primary floatation sector on September 24 of 2003 specialized trades on primary additional floatation of indexed on tenge devaluation level **subordinate bonds of Nurbank OJSC (Atyrau) of the second issue** (KZ2CKY08A774, KASE's official "A" listing category, NRBNb2; KZT4,000.0 m., KZT16,000, June 12, 03 – June 12, 11, semi-annual coupon 9.0% APR 30/360) were held in Kazakhstan stock exchange's (KASE) trade system. The issuer planned to offer 13,975 bonds during the trades what equals to KZT223.06 mn. of the face value or 5.6% of the registered issue volume. 1 KASE's member took part in the trades, who had submitted 3 limited bids on behalf of three investors for purchasing 14,700 bonds to the total amount of KZT240,269,720.85. Thus, total demand at the trades was 105.2% of announced floatation volume. Bonds' net prices in the submitted bids varied from 97.3000% (9.4967% APR) to 100.0000% (8.9956% APR). Weighted average demand price was 99.87703%, what corresponded to bonds' yield to maturity for a purchaser of 9.0184% APR on semi-annual basis. **According to results of the trade** the issuer has satisfied one single submitted bid for a purchase of **13,975 bonds** at net price of 100.0000% of indexed nominal value in **amount of KZT228,700,726.59**. Thus, the issuer floated the whole planned additional volume at yield to maturity for a purchaser of **8.9956% APR** on semiannual basis. The whole volume of bonds was

Investment attractiveness of stock exchange financial instruments since September 18 till September 24

Financial Instrument	Currency of transaction	Yield, % APR value	Trend
Instruments denominated in KZT			
UKPFb1	KZT	14.00	0
TXBNb1	KZT	12.20	-1.09
TXBNb2	KZT	11.00	0
CS repo*	KZT	9.98	-5.18
ARNAb1	KZT	9.50	0
GS repo*	KZT	9.45	+5.09
CCBNb3	KZT	9.00	0
HSBKb3	KZT	8.50	0
KZIKb2	KZT	6.04	+2.64
MEOKAM, MEAKAM	KZT	5.95	+0.01
KZIKb1	KZT	5.78	-0.21
MEKKAM, notes*	KZT	5.47	+0.41
Instruments indexed on devaluation			
ALKSb2	USD	10.21	+0.16
RGBRb3	USD	10.20	-0.30
KZASb1	USD	10.10	0
VTBNb1	USD	10.00	+0.07
ORDBb1	USD	10.00	0
CSBNb2	USD	9.75	0
NRBNb2	USD	9.00	-
BTASb2	USD	9.00	0
ASFib2	USD	9.00	0
ASBNb1	USD	8.52	0
BTASb1	USD	8.50	0
TEBNb3	USD	8.50	0
CSBNb1	USD	8.20	0
CCBNb2	USD	8.01	-0.01
TEBNb2	USD	8.00	0
CCBNb1	USD	7.99	0
HSBKb	USD	7.99	0
LARib1	USD	7.75	0
HSBKb2	USD	7.63	0
TEBNb	USD	7.58	-0.01
BRKZb1	USD	7.50	-1.50
KKGBb2	USD	7.49	0
ALBNb1	USD	6.99	0
ART060.004	USD	6.50	0
NRBNb1	USD	6.00	-0.24
KZPSb1	USD	6.00	-0.08
ATFBb2	USD	6.00	0
SYRGb1	USD	5.90	-0.10
KZAPb1	USD	5.89	-0.03
KARMB1	USD	5.80	-0.20
ARU060.003	USD	5.60	-1.90
KZTKb1	USD	5.51	+0.01
AST048.006	USD	5.42	-0.05
TMJLb2	USD	5.40	+0.32
AST048.005	USD	5.38	-0.27
AST036.004	USD	5.14	-0.19
VKU036.002	USD	5.00	0
ASU036.003	USD	4.80	-0.12
VKU036.001	USD	4.00	0
KZTOb	USD	3.87	-1.63
ARU024.002	USD	2.54	-0.87
Instruments denominated in foreign currency			
KKGBe4	USD	8.30	+0.03
BTASe3	USD	8.23	+0.11
BTASe2	USD	7.11	+0.09
KKGBe2	USD	7.00	0
KKGBe3	USD	6.23	-0.02
KZTOe1	USD	4.97	-0.90
BRKZe1	USD	3.99	-0.60
BTASe1	USD	3.95	-0.11
ENU07.05	USD	3.37	-0.13
ENU04.10	USD	3.36	-0.24
IFO bonds	EUR	1.37	+0.34

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.

purchased at the expense of accumulative pension funds' assets.

In purchase-sale sector a total of 18 deals amounting to \$3,705.0 th. or KZT549.2 m. were made during the analyzed period. In comparison with the previous period (31 deals, \$3,303.8 th. or KZT487.3 m) volume of the sector increased by 12.1%. During the analyzed period deals were made by 10 KASE's members on 11 instruments 3 of which were bonds. At that, 13.2% of gross turnover (7.8% on purchasing transactions and 18.6% - on sale) were made at the expense of pension market's subjects. During the last week KASE's 13 members of "P" and "H" categories were interested in 13 securities, 6 of which were bonds. Stake of pension assets was 23.5% of gross turnover, including 3.3% on purchasing transactions, 43.8% – on sale transactions.

In the opinion of specialists of IRBIS the low activity of corporate securities market was caused by several reasons. Coming of the Ministry of finance to the market with new long MEOKAM resulted in some outflow of investors' funds to GS sector. During the whole analyzed period banks had lack of short-term liquidity and concentrated their interests in the market of dollar and short money. Besides, influence of pension assets revaluation at the current market cost of instruments has almost come to naught, because potential of corporate securities in this aspect was entirely chosen by pension funds and their assets controllers. The latter thing caused reduction of the volume and number of "revaluation transactions", which brokers held at KASE not long ago in big volumes and in a wide range of instruments.

Corporate bonds market during the analyzed week was absolutely calm. Range of securities, which were involved into deals, decreased to the minimum: transactions were held only in three bonds. Yield of BRKZb1 fell from 9.00% APR to 7.50% APR, and yield of CSBNb2 and TXBNb1 remained on the same level (see the table). As the result capitalization of this segment of the market decreased within 7 days by \$1.2 m. and equaled by September 24 to \$2,135.1 m. General tendency of corporate bonds' yield decrease in presence of growth of their quotations is still relevant that is entirely illustrated by the behavior of indexes KASE_B* (table in the beginning of the review).

At shares market participants' activity is the same. The only moment, which deserves attention, is behavior of the index KASE_Shares, which demonstrated extreme stability (table in the beginning of the review). Dynamics of demand quotations for Dshares of the official "A" listing category was many-sided, but the resulting influence upon the index was close to zero. Major tendency of the week in this segment is falling of prices on conducted deals. Rate of TEBN fell within 7 days by 1.5%, VTBN – by 8.6%, VTBNp – by 22.2%. Only the price of VTZL rose by 3%. No changes were observed regarding the other favorites of the market (see the table). As the result of falling of the mentioned securities' cost capitalization of shares market decreased by \$14.7 m. and equaled by September 24 to \$2,217.1 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 September 18 – 24 (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1	8.9999	0	10.0024	7.0050
Almaty Kus OJSC	ALKSb2	*12.8500	0	12.8500	11.0008
ARNA OJSC	ARNAb1	*12.9831	0	12.5000	9.5000
Alliance-Bank OJSC	ASBNb1	11.4999	0	11.5000	8.5200
Astana-finance OJSC	ASFib2	10.1985	0	10.4952	9.0050
ATFBank OJSC	ATFBb2	7.1965	0	8.9984	6.0104
Development Bank of Kazakhstan JSC	BRKZb1	7.5000	1,969.0	7.5000	7.5000
Development Bank of Kazakhstan JSC	BRKZe1	5.0843	0	6.9795	3.9991
Bank TuranAlem OJSC	BTASb1	8.5000	0	10.0000	8.5000
Bank TuranAlem OJSC	BTASb2	9.0000	0	10.5000	9.0000
TuranAlem Finance B.V.	BTASe1	6.4226	0	5.3615	4.2181
TuranAlem Finance B.V.	BTASe2	8.2954	0	7.5290	7.4673
TuranAlem Finance B.V.	BTASe3		0	8.4674	8.4678
Bank CenterCredit OJSC	CCBNb1	12.2713	0	10.6386	8.0035
Bank CenterCredit OJSC	CCBNb2	11.1244	0	10.8019	8.0135
Bank CenterCredit OJSC	CCBNb3	10.0000	0	10.4937	9.0042
BANK CASPIAN OJSC	CSBNb1	9.2992	0	10.5000	8.2001
BANK CASPIAN OJSC	CSBNb2	9.7500	288.0	9.7500	9.7500
Halyk Bank of Kazakhstan OJSC	HSBKb	8.4509	0	10.7909	8.0038
Halyk Bank of Kazakhstan OJSC	HSBKb2	*9.3049	0	9.6409	7.6454
Halyk Bank of Kazakhstan OJSC	HSBKb3	8.9809	0	9.5040	8.5031
Karazhanbasmunai OJSC	KARMB1	6.4989	0	7.9968	6.0224
KAZKOMMERTSBANK OJSC	KKGBb2	7.9960	0	8.5039	7.4951
KAZKOMMERTSBANK OJSC	KKGBe2	7.0658	0	9.9961	7.0036
Kazkommerts International B.V.	KKGBe3	7.3056	0	7.8610	6.2426
Kazkommerts International B.V.	KKGBe4	8.7780	0	8.7325	8.3446
NAC Kazatomprom	KZAPb1	8.0237	0	8.7999	5.8871

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DAGOK Kustanaiasbest JSC	KZASb1	10.0978	0	13.0974	10.1043
Kazakhstan Mortgage Company CJSC	KZIKb1	6.9000	0	8.0018	6.0021
Kazakhstan Mortgage Company CJSC	KZIKb2		0	0.0708	-0.6175
Kazpost OJSC	KZPSb1	8.4991	0	8.7965	5.9969
Kazakhtelecom	KZTKb1	6.4954	0	7.4984	6.0049
KazTransOil CJSC	KZTOb	5.4955	0	6.6010	5.1016
KazTransOil CJSC	KZTOe1	5.8670	0	6.1167	5.7519
JB LARIBA-BANK OJSC	LARib1		0	10.7482	7.7501
Nurbank OJSC	NRBNb1	6.9091	0	9.0007	6.0035
Nurbank OJSC	NRBNb2		0	8.9956	
Corporation "Ordabasy" OJSC	ORDBb1	10.9279	0	11.0000	10.0000
RG BRANDS OJSC	RGBRb3	10.4973	0	10.7000	10.2000
PetroKazakhstan Oil Products JSC	SYRGB1	6.4978	0	8.0039	6.0199
TEMIRBANK OJSC	TEBNb	10.4996	0	9.0815	7.5905
TEMIRBANK OJSC	TEBNb2	10.9983	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3		0	8.9987	8.5015
NC KTZh CJSC	TMJLb2	7.4122	0	8.2774	5.3956
TEXAKABANK OJSC	TXBNb1	12.2000	689.3	12.2000	12.5900
TEXAKABANK OJSC	TXBNb2	11.0000	0	12.0000	11.0000
UKBF CJSC	UKPFb1		0	15.5000	14.0000
VALUT-TRANZIT BANK OJSC	VTBNb1	10.6486	0	11.1246	10.0293
TOTAL	48		2,946.3		

Results of the trades in shares within September 18 – 24

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*10.00	800,000	54.0	*10.00	*10.00
Almaty Kus OJSC	ALKSp	*14.80	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
CNPC – Aktobemunaigas OJSC	AMGZ	*5,161.45	0	0	6,100.00	9,100.00
ATFBank OJSC	ATFB	*1,000.00	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	13,355.10	19,921.95
Bank CenterCredit OJSC	CCBN	*200.00	50,000	67.5	*200.00	*200.00
BANK CASPIAN OJSC	CSBN	171.00	0	0	171.00	256.50
BANK CASPIAN OJSC	CSBNp	171.00	2,176	2.5	171.00	171.00
Halyk Bank of Kazakhstan OJSC	HSBK	120.00	0	0	150.00	170.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	150.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp7	180.00	0	0	150.00	180.00
KAZKOMMERTSBANK OJSC	KKGB	*65.79	0	0	65.29	97.40
KAZKOMMERTSBANK OJSC	KKGBp	103.49	0	0	74.20	110.68
Corporation Kazakhmys OJSC	KZMS	3,900.00	0	0	3,200.00	4,200.00
Kazakhtelecom	KZTK	3,566.88	0	0	2,967.80	4,427.10
Kazakhtelecom	KZTKp	1,482.00	0	0	1,483.90	2,213.55
TEMIRBANK OJSC	TEBN	1,000.00	5	0.03	1,020.00	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	*6,147.00	0	0	4,154.92	6,197.94
UKTMC OJSC	UTMKp	3,000.00	0	0	2,500.00	3,750.00
VALUT-TRANZIT BANK OJSC	VTBN	*320.00	113,022	254.3	350.00	*320.00
VALUT-TRANZIT BANK OJSC	VTBNp	350.00	111,428	264.3	350.00	350.00
VALUT-TRANZIT ZOLOTO OJSC	VTZL	*206.00	74,375	103.6	*206.00	*206.00
Zerde OJSC	ZERD	*2.00	917,908	12.4	*2.00	*2.00
TOTAL	28		2,068,914	758.7		

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-transactions sector of CS 18 deals were made in the total amount of **\$3,583.3 th.** (KZT530.4 m.) during the described period. 7 deals of them (in the amount of \$1,284.3 th.) were repo opening and 11 deals (in the amount of \$2,299.0 th.) – repo closing. During the previous week volume of deals in this sector amounted to \$3,906.1 th. (KZT576.1 m).

In all at CS trade floors of KASE a total of 37 deals amounting to **\$8,829.5 th.** (KZT1,308.3 m) were concluded within the analyzed period (including primary additional floatation and repo sector). During the previous period volume of 61 deals reached \$7,209.9 th. (KZT1,063.4 m).

Changes in KASE's trade lists

By the decision of KASE's Council dated September 22 of 2003 **inscribed coupon indexed bonds of KazTransCom oJSC** (Almaty) of the first issue (KZ2CKY07A834; KZT1.0 , KZT3.0 bn; July 25, 03 – July 25, 10, semiannual coupon of 8.0%APR of indexed face value) have been included into KASE's official "A" listing category. At KASE the bonds have been assigned trade code **KZTCb1**. Quotation accuracy in the stock exchange's trade system is set to up to forth decimal point of net price of a bond, expressed in percentage of face value. Date, on which the mentioned stock exchange's Council's decision takes effect (date, since which the bonds will be included into KASE's official securities list) will be announced later after the issuer pays the entrance and the first annual listing fees for these securities (Agreement about listing between KASE and KazTransCom OJSC has been made already). **Information about date of trades opening in the bonds at KASE will be given later.** Status of the market-maker of KZTCb1 at KASE, on the basis of submitted application, has been given to ALLIANCE INVESTMENT MANAGEMENT LLP (Almaty).

SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE a total volume of 63 deals reached **KZT6,207.8 m.** (\$41,913.8 th) during the analyzed period. Corresponding figure of the previous period – KZT11,299.1 m (\$76,598.9 th.). The significant decrease of turnover in this sector of stock exchange's market was caused in this week by three factors: outflow of banks' money to currency circulation sector, significant tenge deficit at the market and abrupt decreasing of the stake of stock exchange's turnover (see below). Structure of GS turnover at KASE changed minimally. The increased volume of securities offering by banks, which was provoked by tenge deficit, resulted in falling of their prices, that caused the significant growth of bonds' yield on conducted deals. Euronotes of the sovereign debt was the exception.

Parameters of Exchange's transactions in GS within September 18 – 24

(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		
Discounted (KZT): National Bank's notes				25.8% (33.7%) of purchase and sale sector's turnover		
less than 8	3.07	6.06	4.50	4.68 (-)	401.7	9
8 - 14	5.01	6.00	5.84	5.60 (4.98)	443.2	7
15 - 28	5.60	5.60	5.60	5.60 (4.74)	199.1	1
43 - 56	5.02	5.31	5.14	5.05 (-)	130.7	3
64 - 91	4.95	7.02	5.15	6.29 (5.06)	304.4	4
92 - 181	2.28	5.15	4.73	4.06 (5.13)	120.4	7
Total					1,599.6 (3,807.8)	31 (42)
Coupon (KZT): MEOKAM-24, 36, 60, 120, MEIKAM				72.9% (62.3%) of purchase and sale sector's turnover		
less than 730	5.71	6.01	6.01	5.96 (5.09)	485.7	3
731 - 1095	2.62	5.91	5.89	4.94 (5.74)	1,542.0	12
1461 - 1825	6.07	6.68	6.07	6.39 (5.98)	1,980.3	8
more than 2191	6.48	6.48	6.48	6.48 (6.44)	515.1	5
Total					4,523.2 (7,035.3)	28 (25)
Euronotes of Kazakhstan (USD)				1.4% (3.2%) of purchase and sale sector's turnover		
*385	3.34	3.34	3.34	3.34 (3.60)	83.2	3
**1312	3.37	3.37	3.37	3.37 (3.50)	1.9	1
Total					85.1 (359.9)	4 (10)
TOTAL					6,207.8 (11,299.1)	63 (79)

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

In **GS repo-transactions sector** 474 deals were made for a total of **KZT48,590.9 m** (including automatic repo sector) during the period. Of this number 266 deals (for KZT24,115.2 m.) were repo opening deals and 208 (KZT24,475.7 m.) – repo closing deals. During the previous period volume of transactions of this type was equal to KZT74,784.8 m. After closing of the trades on September 24 total amount of opened at KASE repo reached KZT19,347.7 m. The significant falling of the turnover in this segment is explained mainly by passivity of the National Bank while floatation of money and, as the result, by the very high rates of repo "overnight", which were unacceptable for many participants.

Major parameters of automatic repo market on opening deals within September 18 – 24

(in parentheses – comparable figures of previous period)

Instrument (currency, term of repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	6.50	5.00	25.00	25.00	10,586.0	136	55.8 (81.4)
KZT_002	13.00	9.00	13.00	9.00	888.0	4	4.7 (2.0)
KZT_003	8.00	7.00	8.00	7.00	95.0	2	0.5 (1.2)
KZT_007	10.00	5.50	10.00	5.50	552.0	13	2.9 (0.5)
KZT_014	10.00	5.00	10.00	5.00	2,452.0	24	12.9 (6.2)
KZT_028	5.65	3.50	9.00	5.20	4,382.0	60	23.1 (8.7)
TOTAL					18,955.0 (31,932.1)	239 (275)	100.0

Total of 537 deals were made at CS trade floors of KASE total amounting to **KZT54,798.7 m** during the analyzed period. During the previous period volume of 672 deals reached KZT86,083.9 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **56.3%**, last week - 77.7%.

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