

WEEK OF STOCK MARKET OF KAZAKHSTAN

June 9 – 15

Money market indicators as of June 15 and change for the period

Term	Currency	Rate	Trend
“Overnight” on autorepo at KASE(TONIA)			
1 day	KZT	2.92	+1.55
Repo opening at KASE (WA, % APR)			
1-2 days	KZT	3.49	+2.28
7 days	KZT	4.53	+2.03
28 days	KZT	4.00	-0.12
KIBOR (indicative, % APR)			
1 week	KZT	5.25	-0.25
2 weeks	KZT	6.00	0
1 month	KZT	7.00	+0.50
2 months	KZT	7.75	+0.50
3 months	KZT	8.50	+0.50

Stock market indicators as of June 15 and their change for the period

Index	Value	Trend
Shares of “A” listing		
KASE_Shares	193.38	+1.19%
Corporate bonds of “A” listing		
KASE_BP	158.15	-0.10%
KASE_BC	121.77	-0.27%
KASE_BY	8.08	+0.84%
Euronotes of Kazakhstan		
KASE_EP	150.81	+0.43%
KASE_EC	103.95	+0.39%
KASE_EY	5.21	-5.81%

US dollar = **136.14** tenge at official rate for the end of the period.
 US dollar = **136.21** 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 – **3.1% APR.**

THE CORPORATE SECURITIES MARKET (CS)

Primary floatation sector

On June 11 KASE held consecutive dedicated trades - additional public offering of **preferred shares of Valut-Transit Bank OJSC** (Karaganda). The issuer floated in two deals **312,500 shares** at a price of **KZT 270 each for a total of KZT 84,375,000.0**. Additional offering is held every working day (up to June 30) between 11:30 and 13:00 Almaty time in open trade mode with T+0 settlement terms. Exclusive right to submit ask quotations over VTBNpA is assigned to KG Securities LLP (Karaganda). In overall the issuer plans to float 720,128 preferred shares out of registered volume of 9,125,000 shares. Floated shares (KZ1P33290811) are traded under category A of the official listing, trade code VTBNp. The shares give a right for quarterly dividend payments that are higher than refinancing rate set by National Bank.

During reported KASE has conducted specialized trades on primary additional floatation of **bonds of Food contract corporation JSC** (Astana) of the first (KZ2CKY05B091, KASE's official "A" listing category, PRKRb1; KZT10,000, KZT3.0 bn.; May 17, 04 – May 17, 09, annual coupon 8.0% APR). Demand at several trades varied from 0 (on June 11 no bid were

Investment attractiveness of stock exchange financial instruments since June 9 till June 15

Financial instrument	Currency of transaction	Yield, %	APR trend
Non-indexed instruments denominated in tenge			
TXBNb2	KZT	10.80	-0.23
UKPFb1	KZT	10.00	0
TXBNb1	KZT	9.50	0
VTZLb1	KZT	9.08	0
BTAIb1	KZT	9.00	0
VTTHb1	KZT	8.96	0
VTSKb2	KZT	8.91	0
ATFBb3	KZT	8.44	-0.01
UKTCb1	KZT	8.00	0
PRKRb1	KZT	8.00	-
CS repo*	KZT	7.40	+0.56
HSBKb3	KZT	7.05	+0.03
ARNAb1	KZT	7.00	-3.00
EUBNb1	KZT	7.00	0
KKGBb3	KZT	6.50	0
MEOKAM	KZT	6.01	+0.11
MEKKAM, notes*	KZT	4.92	-0.03
INCAb1	KZT	4.56	-0.05
GS repo*	KZT	1.97	+0.43
Instruments indexed on inflation			
TSBNb1	KZT	8.50	0
KZALb1	KZT	8.50	-
ASFIb4	KZT	8.00	0
BTASb3	KZT	7.59	+1.09
KZIKb1	KZT	7.55	+1.55
KZIKb3	KZT	7.50	+2.50
CCBNb3	KZT	6.66	-0.06
KZIKb4	KZT	5.65	-1.15
KZIKb2	KZT	4.99	-0.01
Instruments indexed on devaluation of tenge to US dollar			
ALKSb2	USD	10.52	+0.47
TMJLb2	USD	14.00	+2.57
ORDBb1	USD	12.00	0
VTBNb1	USD	11.36	-1.49
TEBNb2	USD	10.00	-1.00
ATFBb2	USD	9.68	+1.68
ASBNb1	USD	9.50	0
BTASb1	USD	8.40	0
CSBNb1	USD	8.20	0
HSBKb	USD	8.09	+0.06
BTASb2	USD	8.00	+0.61
CCBNb1	USD	8.00	-0.50
TEBNb	USD	7.98	0
LARib1	USD	7.75	0
NRBNb1	USD	7.04	0
VKU036.001	USD	7.00	0
KKGBb2	USD	7.00	0
HSBKb2	USD	6.99	-0.01
NRBNb2	USD	6.63	0
ART060.004	USD	6.50	0
AST048.006	USD	6.31	-0.03
AST048.005	USD	6.21	+0.06
BRKZb1	USD	6.10	-2.44
AST036.004	USD	6.07	+0.05
KZAPb1	USD	6.00	0
ARU060.003	USD	5.99	-0.59
ASU036.003	USD	5.91	+0.16
VKU036.002	USD	5.50	0
Instruments denominated on devaluation of tenge to US dollar with protection from strengthening of tenge against dollar			
RGBRb3	USD	10.10	+1.10
CHFMb1	USD	10.00	-

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submitted) to 270% of announced floatation volume, bonds' clean prices in bids – from 96.00% (9.03% APR) to 99.97% (8.00% APR). Weighted average demand price on all trades of the week equaled to **96.98%**, that corresponds to bonds' yield to maturity for purchaser at the rate of **8.77% APR** (in previous period weighted average yield of demand for these bonds was higher – 8.64% APR). The whole demand was formed by pension market's subjects. A total of 3 members of KASE took part in the trades. By results of 5 trading days issuer satisfied only one bid – from broker-dealer company for **1,000 bonds amounting KZT 10,046,930.96** at 99.9652% price or **8.00% APR yield**. Thus the issuer demonstrated reluctance to accept prices.

Purchase and sale sector

In purchase-sale sector a total of 94 deals to the amount of **\$31,981.5 th.** or KZT4,354.6 m. were made during the analyzed period at KASE. In comparison with the previous period (34 deals, \$11,032.0 th. or KZT1,502.0 m., turnover of the sector increased 2.9 times. During the analyzed period deals were made by KASE's 14 members on 28 instruments 13 of which were bonds. At that, 48.2% of gross-turnover (49.2% on purchasing transactions, and 47.2% - on sale transactions) went through the accounts of pension market's subjects. During the last period KASE's 17 members of "P" and "H" categories were interested in 19 securities, 11 of which were bonds. Stake of pension assets was 11.5% of gross-turnover, including 0.3% on purchasing transactions and 22.6% on sale transactions.

The presented data suggested significant growth of operations among pension assets managers that was reflected by traditional upsurge of stock exchange turnover. Pension market participants appeared to be interested mostly in preferred shares of Bank TuranAlem JSC (**BTASp**) admitted into official listing of KASE on June 10, 2004. At the same day KASE opened trades although first deals were conducted on June 5. By week results these shares took second place in total number of deals made at Corporate Securities sector. Shares were mostly purchased by pension funds. Bonds of ATFBank JSC, **ATFBb2** took the first place. All three concluded deals over ATFBb2 were made by pension market participants as well. The only difference with BTASp trades is a sell side of pension entities. These facts suggest that most of the CS turnover growth should be attributed to pension assets managers. However, as a matter of fact these managers were affiliated with issuers of securities.

Market surge was also stipulated by another event. Currently market experiences large inflow of funds from repayments of coupons and redemption of bonds. Such inflow calls for re-investment of received funds resulting in growth of operations over CS. Some companies increase their offering activity judging on corporate debt servicing schedule. It is favorable time for placement of new securities. As it is shown below official listing of KASE experiences sharp growth in number of new securities. This results in growing capitalization of corporate bonds market. In this regard, results of trades over bonds of Food Contract Corporation JSC look rather understandable as potential buyers are clearly not in position of deficit of instruments.

Corporate bond market demonstrated a very high activity. Volume of transactions here has grown relative to previous week 9.4 times as much by \$18,861.8 th. Average daily volume of trades grew much (from \$450.6 th. to \$4,222.9 th.) while there was approximately the same number of deals and instruments involved into them. Market's favorites were **ATFBb2** (28.0% of bond turnover), **BRKZe1** (12.0%), **CHFMb1** (11.7%). Volume of transactions in **TEBNb3** was a bit smaller (10.7%) and in **KZIKb3** (10.6%). In comparison with previous week brokers are still interested only in **ATFBb2**. At that, before other members of KASE worked with them. These bonds were traded with price decrease that resulted in growth of their yield from 9.50% to 9.70% APR. Yield of following securities also grew: **ATFBb3** (from 8.00% to 8.44% APR), **BRKZe1** (from 5.49% to 5.76% APR), **BTASb3** (from 7.27% to 7.59% APR), **KZIKb1** (from 7.40 to 7.45% APR). All securities listed above excluding KZIKb1 were traded with price decrease that was the result of their yield growth.

Second part of the table

Investment attractiveness of stock exchange financial instruments since June 9 till June 15

Financial instrument	Currency of transaction	Yield, % APR	
		value	trend
ROSAb1	USD	9.96	-0.04
ASF1b2	USD	9.48	-0.02
MREKb1	USD	8.50	0
TEBNb3	USD	8.50	0
ASBNb2	USD	8.50	0
CSBNb3	USD	8.25	+0.02
ASF1b3	USD	8.10	+0.10
CSBNb2	USD	8.10	0
CCBNb2	USD	8.00	0
KZTCb1	USD	8.00	-0.81
KARMB2	USD	7.50	+1.90
KZPSb1	USD	5.80	0
Non-indexed instruments denominated in foreign currency			
BTASe3	USD	8.35	+0.04
PKKRe1	USD	8.06	-0.38
KKGBe2	USD	7.48	0
BRKZe2	USD	7.01	+0.07
KKGBe4	USD	6.82	0
BTASe2	USD	6.25	-0.02
KKGBe3	USD	5.94	-0.03
BRKZe1	USD	5.76	+1.20
ENU07.05	USD	5.11	+0.12
IFO bonds	USD	4.56	+0.04
KZTOe1	USD	4.45	+0.04
ENU04.10	USD	4.07	-
BTASe1	USD	3.00	+0.13
IFO bonds	EUR	1.89	+0.02

The yields of bonds in which deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations. Trends are given relative to the last day of previous period. Securities marked by asterisk are the instruments with less than one year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield calculated on the effective coupon is given.

Yield of many bonds fell. Among them **ASFib2**, their yield fell from 9.50% to 9.48% APR, **ASFib3** (from 8.84 to 8.10% APR), **KARMB2** (from 8.10% to 7.50% APR), **KZIKb3** (from 8.92% to 7.50% APR), **RGBRb3** (from 10.25% to 10.10% APR), **TEBNb2** (from 11.00% to 10.00% APR), **TEBNb3** (from 8.72% to 8.50% APR). Prices of all bonds listed above were growing during the week.

Resulting change of securities' yield reflected in the dynamics of the index KASE_BY (table in the beginning) was almost equal to zero that was in great degree caused by stability of prices of Kazakhstan issuers' euronotes at the world market (see table of investment attractiveness).

Capitalization of bond market rose within the week by \$550.5 m. to **\$3,510.3 m.** Main influence upon the growth of this indicator was made by inclusion of new bond issues in KASE trade lists (see below).

Share market has not activated much. Volume of transactions rose by \$2,087.7 th. or by 23.8%. However the sector was notable with five-fold growth of the number of deals and almost double growth of the number of securities, which were their objects. Most deals made here still were direct. Shares rate tended to fall. Price of **ALKSp** fell within the week by 21.3%, **KZMS** – by 5.4%, **ORDBp** – by 9.2%, **VTBNp** – by 11.2%, **VTZL** – by 19.2%. Rate of following securities rose: **ALKS** (by 15.0%), **ORDB** (by 3.5%) and **VTBN** (by 4.4%). Rate of other shares did not change (see table).

Capitalization of share market decreased by \$45.5 m. to **\$3,110.5 m.** mainly because of falling of the price of KZMS.

An insignificant growth of the index KASE_Shares shown in the table (in the beginning of the review) in the analyzed week was caused mainly by growth of demand prices for common shares of Temirbank JSC (**TEBN**, this parameter rose within 7 days by 48.9%) and common shares of Corporation Kazakhmys JSC (**KZMS**, by 7.1%).

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 June 9 – 15

(% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th., USD	Purchase	Sale
Almaty Kus OJSC	ALKSb2	10.4000	0	10.3000	126.5548
ARNA OJSC	ARNAb1	*10.0000	0	10.0000	7.0000
Alliance-Bank JSC	ASBNb1	9.5000	0	9.7000	9.5000
Alliance-Bank JSC	ASBNb2	8.5000	0	9.5019	8.5017
Astana-Finance JSC	ASFib2	9.4850	208.6	9.4850	9.4850
Astana-Finance JSC	ASFib3	8.1000	593.7	8.1000	8.1000
Astana-Finance JSC	ASFib4		0	9.5000	8.0000
ATFBank JSC	ATFBb2	9.7000	5,921.0	9.6400	9.7000
ATFBank JSC	ATFBb3	8.4000	678.6	8.3000	8.5000
Development Bank of Kazakhstan JSC	BRKZb1	8.5968	0	9.1000	6.1000
Development Bank of Kazakhstan JSC	BRKZe1	5.7612	2,525.8	5.7612	5.7612
Development Bank of Kazakhstan JSC	BRKZe2	6.6018	0	7.8877	7.0677
BTA Mortgage JSC	BTAIb1	10.2111	0	10.2000	9.0000
Bank TuranAlem JSC	BTASb1	8.5830	0	9.9000	8.4000
Bank TuranAlem JSC	BTASb2	*7.3898	0	8.9961	8.0000
Bank TuranAlem JSC	BTASb3	7.5880	1,139.9	7.1124	7.5880
TuranAlem Finance B.V.	BTASe1	*4.4999	0	4.4992	2.9997
TuranAlem Finance B.V.	BTASe2	6.7848	0	8.4394	6.2591
TuranAlem Finance B.V.	BTASe3		0	9.4324	8.5259
Bank CenterCredit JSC	CCBNb1	8.8416	0	10.4818	8.0000
Bank CenterCredit JSC	CCBNb2	9.4000	0	10.8000	8.0000
Bank CenterCredit JSC	CCBNb3	9.2000	0	7.9174	7.5000
Chimfarm JSC	CHFMb1	10.0000	2,476.2	10.0000	10.0000
BANK CASPIAN JSC	CSBNb1	8.9999	0	10.4998	8.2004
BANK CASPIAN JSC	CSBNb2	8.7000	0	9.7500	8.1000
BANK CASPIAN JSC	CSBNb3	8.5502	0	9.3000	8.5011
Eurasian bank JSC	EUBNb1	7.0000	0	8.0000	7.0000
Halyk savings bank of Kazakhstan JSC	HSBKb	10.6598	0	10.4809	8.1114
Halyk savings bank of Kazakhstan JSC	HSBKb2	*9.3049	0	9.5854	6.9933
Halyk savings bank of Kazakhstan JSC	HSBKb3	7.8942	0	7.2000	7.0615
INTERGAS CENTRAL ASIA CJSC	INCAb1	7.0000	0	7.5204	4.6167
Karazhanbasmunai OJSC	KARMB2	7.5000	441.5	7.5000	7.5000
KAZKOMMERTSBANK OJSC	KKGBb2	7.4000	0	8.5000	7.0000
Kazkommertsbank JSC	KKGBb3		0	7.2000	6.5000
KAZKOMMERTSBANK OJSC	KKGBe2	8.0000	0	8.2335	7.4796
Kazkommerts International B.V.	KKGBe3	7.0123	0	7.0199	5.9533
Kazkommerts International B.V.	KKGBe4	7.8113	0	9.5144	6.8220

To be continued on the page 4

Results of the trades in bonds within June 9 – 15

(% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th., USD	Purchase	Sale
MINING AND SMELTING					
CONCERN KAZAKHALTYN OJSC	KZALb1		0	9.5000	8.5000
NAC Kazatomprom	KZAPb1	8.0237	0	9.0000	6.0000
Kazakhstan Mortgage Company JSC	KZIKb1	7.4500	1,078.0	7.4500	7.7000
Kazakhstan Mortgage Company JSC	KZIKb2	7.9400	0	7.9990	4.9952
Kazakhstan Mortgage Company JSC	KZIKb3	7.5000	2,234.6	7.5000	7.5000
Kazakhstan Mortgage Company JSC	KZIKb4	6.8000	0	7.0000	6.7500
Kazpost JSC	KZPSb1	8.5048	0	8.8000	5.8000
KazTransCom OJSC	KZTCb1	8.1500	0	8.2000	8.0000
KazTransOil CJSC	KZTOe1	4.4425	0	5.8820	4.4974
JB LARIBA-BANK OJSC	LARib1		0	10.7500	7.7500
Mangistau distributing electricity network company OJSC	MREKb1	9.0000	0	10.0000	8.5000
Nurbank OJSC	NRBNb1	9.8280	0	10.0100	7.0400
Nurbank OJSC	NRBNb2	7.5000	0	6.7000	6.6300
Corporation "Ordabasy" OJSC	ORDBb1	*12.2988	0	15.0000	12.0000
PetroKazakhstan Finance B.V.	PKKRe1	*6.8842	0	9.1588	8.2729
RG Brands JSC	RGBRb3	10.1000	227.5	9.7526	10.1027
ROSA JSC	ROSAb1	10.0000	0	10.5000	10.0000
TEMIRBANK OJSC	TEBNb	8.9636	0	9.4763	7.9800
TEMIRBANK OJSC	TEBNb2	10.0000	1,319.7	10.0000	10.0000
TEMIRBANK OJSC	TEBNb3	8.5000	2,269.5	8.5000	8.5000
National company Kazakstan					
temir zholy JSC	TMJLb2	14.7086	0	17.0002	13.9998
Tsesnabank JSC	TSBNb1		0	10.5000	8.5000
TEXAKABANK OJSC	TXBNb1	12.0000	0	12.5000	9.5000
TEXAKABANK OJSC	TXBNb2	11.0404	0	10.9000	10.8000
UST-KAMENOGORSK BATTERY FARM OJSC	UKPFb1	*12.5000	0	13.0000	10.0000
AES Ust-Kamenogorsk HS OJSC	UKTCb1	10.0031	0	10.0000	8.0000
VALUT-TRANZIT BANK OJSC	VTBNb1	12.8500	0	12.8500	11.3644
VALUT-TRANZIT-SECURITY LLP	VTSKb2	9.0000	0	9.4793	8.9067
TEXHO-LIFE JSC	VTTHb1	9.0000	0	9.4821	8.9570
VALUT-TRANZIT ZOLOTO JSC	VTZLb1	9.3000	0	9.3242	9.0781
TOTAL	67		21,114.6		

Results of the trades in shares within June 9 – 15

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th. USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*11.50	2,394,670	202.3	*11.50	*11.50
Almaty Kus OJSC	ALKSp	*10.00	9,695,362	732.7	13.00	*10.00
Almaty Kus OJSC	ALKSp3	*10.00	9,951,288	730.9	*10.00	*10.00
Aluminium of Kazakhstan JSC	ALKZp	*80.00	0	0	10.00	
CNPC – Aktobemunaigas OJSC	AMGZ	*5,161.45	0	0	6,100.00	9,100.00
Alliance-Bank JSC	ASBN	11,505.00	0	0	10,000.00	12,000.00
Astana-Finance JSC	ASFI	700.01	0	0	700.00	1,050.00
ATFBank JSC	ATFB	*1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp	1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp8		0	0	1,000.00	1,500.00
Bank TuranAlem JSC	BTAS	*17,000.00	0	0	12,800.00	18,800.00
Bank TuranAlem JSC	BTASp	12,832.80	49,919	4,703.0	12,832.80	18,000.00
Bank CenterCredit JSC	CCBN	*200.00	29,188	42.9	221.00	*200.00
BANK CASPIAN JSC	CSBN	171.00	0	0	171.00	256.50
BANK CASPIAN JSC	CSBNp	171.00	0	0	175.00	256.50
CHARALTYN JSC	HRLT	3.50	0	0	3.50	5.25
Halyk savings bank of Kazakhstan JSC	HSBK	*110.00	0	0	110.00	165.00
Halyk savings bank of Kazakhstan JSC	HSBKp	*167.17	0	0	144.00	180.00
Halyk savings bank of Kazakhstan JSC	HSBKp7	152.10	0	0	144.00	180.00
Kant OJSC	KANT	359.10	0	0	80.00	120.00
KAZKOMMERTSBANK OJSC	KKGB	160.00	0	0	160.00	240.00
Kazkommertsbank JSC	KKGBp	120.00	0	0	100.00	127.50
TNC Kazchrome OJSC	KZCRp	*500.00	33	0.1	*500.00	*500.00
Corporation Kazakhmys JSC	KZMS	*3,501.00	2,430	62.5	3,750.00	*3,501.00

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Results of the trades in shares within June 9 – 15

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th. USD	Purchase	Sale
Kazakhtelecom JSC	KZTK	*4,177.50	0	0	5,650.00	8,475.00
Kazakhtelecom JSC	KZTKp	1,909.74	0	0	1,906.94	2,858.31
KAZZINC JSC	KZZN	1,050.00	0	0	1,000.00	1,500.00
Nurbank OJSC	NRBNp6	10,500.00	0	0	8,600.00	12,900.00
Corporation Ordabasy JSC	ORDB	3,000.00	164	3.6	3,000.00	3,000.00
Corporation Ordabasy JSC	ORDBp	1,000.00	193,000	1,417.7	1,100.00	1,000.00
TEMIRBANK OJSC	TEBN	*696.00	150,450	1,103.9	1,035.00	*696.00
TEMIRBANK OJSC	TEBNp		0	0	680.00	1,015.00
Tsesnabank JSC	TSBN	1,050.00	0	0	700.00	1,050.00
TEXAKABANK OJSC	TXBN		0	0	18,000.00	20,000.00
Ust-Kamenogorsk titanium-magnesium combine JSC	UTMK	4,395.00	0	0	4,000.00	4,500.00
VALUT-TRANZIT BANK OJSC	VTBN	*343.00	120,555	303.7	350.00	*343.00
VALUT-TRANZIT BANK OJSC	VTBNp	*300.00	356,973	834.6	360.00	270.00
VALUT-TRANZIT ZOLOTO JSC	VTZL	*210.00	251,202	423.0	270.00	*210.00
VALUT-TRANZIT ZOLOTO JSC	VTZLp	*236.50	36,231	62.9	200.00	300.00
Zerde OJSC	ZERD	*1.30	29,458,078	243.2	*1.30	1.00
TOTAL	40		52,689,543	10,866.9		

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 all at CS trade floors of KASE (including primary floatation sector) a total of 97 deals amounting to **\$32,675.1 th.** (KZT4,449.0 m.) were concluded during the analyzed period. During the previous period this indicator was \$11,032.0 th. (KZT1,502.0 m.).

Changes in KASE's trade lists

By the decision of Kazakhstan stock exchange's (KASE) Board **since June 14 of 2004** bonds of VITA OJSC (Almaty) of the third issue (KZ2CKY02A561; VITAb3; KZT100, KZT750.0 m.; June 11, 02 – June 11, 04, semi-annual coupon 14.0% APR) have been excluded from KASE's official "B" listing category **because of redemption**. Bonds of VITA OJSC were included in KASE's official list on June 11 of 2002. First trades were held on July 2 of 2002. During the whole period of bonds circulation at KASE 27 deals (11, 246,269 bonds) for KZT1,071.3 m. (\$7,196.6 th.) were made in purchase and sale sector. Bonds' yield to maturity for a purchaser varied at the trades from 8.73% to 28.00% APR in terms of dollar. The last deal was made at the yield of 14.00% APR. In repo sector during circulation period of VITAb3 no deals were made. According to issuer's information, debt of this issue was served in full volume in compliance with the schedule determined by bonds issue terms.

By the decision of Kazakhstan stock exchange's (KASE) Council dated June 14 of 2004 following securities of **Kazakhstan Mortgage Company JSC** have been included in KASE's official "A" listing category: 5th emission - subordinated inflation-adjusted bonds (KZ2CKY05B216, KZT1.0; KZT5.0 bn, June 1, 2004 – June 1, 2011; semi annual floating coupon, 30/360); 6th emission - subordinated inflation-adjusted bonds (KZ2CKY07B220, KZT1.0; KZT5.0 bn, June 1, 2004 – June 1, 2011; semi annual floating coupon, 30/360). KZIKb5 and KZIKb6 trade codes were assigned. The trade starting date will be announced later.

Besides during the reported period following securities have been admitted into official listing of KASE under A category :

- **From June 9 – inflation indexed bonds of BANK CASPIAN JSC** (Almaty) of the fourth issue (KZ2CKY07B204; KZT20,000.00, KZT7.0 bn; June 3, 04 – June 3, 11, floating semi-annual coupon, 7.5%APR for the first coupon period, 30/360) have been included in KASE's official "A" listing category. Trade code **CSBNb4**.
- **From June 10 - admitted preferred shares KZ1P34920614 of Bank TuranAlem JSC** (Almaty); **subordinated inflation indexed bonds of Bank TuranAlem JSC** (Almaty) of fourth emission (KZ2CKY10B158; KZT10,000.0; KZT14.0 bn; June 10, 2004-June 10, 2014, floating semiannual coupon; 8.0% APR for first year; 30/360); **international bonds of main unsecured debt of Bank TuranAlem B.V.** (Rotterdam, Netherlands) of fourth emission (USN89065AF89; \$400.0 m; March 24, 2004- March 24, 2014, semiannual coupon; 8.0% APR). Bonds are issued under full guarantee of Bank TuranAlem JSC (Almaty).

Detailed information about the securities and issuers placed at KASE's web-site at <http://www.kase.kz/emitters/>.

SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE total volume of 96 deals reached **KZT60,238.6 m.** (\$442,432.3 th.) during the analyzed period. Corresponding figure of the previous period – **KZT21,162.7 m.** (\$155,510.4 th.). The shown data evidence about the continued activation of the secondary GS market. Unlike the previous week there is something new here although the market has not changed fundamentally.

As in seen from the data shown in the table, growth of turnover was observed mainly in the sector of trade in National Bank's notes. In the previous review it was noted that market-makers in this segment are two "connections" (bank – pension fund, broker company – bank). The stake of these "connections" this time is 91.1% of notes gross-turnover, including the second one – 88.1%. It lets analysts of IRBIS presume that in this market segment stock exchange's members continued realization of financial schemes, and bonds offered by the National Bank at the last auctions act as the "material", object of these schemes. On the reason issue activity of the National Bank grew last week, so, there is more "material", participants activity grew. Besides, in the analyzed week one more pension fund with grown notes offer came to exchange's market that is the peculiarity of the described period.

Parameters of Exchange's transactions in GS within June 9 – 15

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted (KZT): National Bank's notes						
					69.7% (74.9%) of purchase and sale sector's turnover	
8 - 14	4.00	4.00	4.00	4.00 (3.11)	998.5	2
43 - 56	3.80	3.91	3.91	3.84 (-)	293.2	4
57 - 63	3.80	16.17	3.80	15.63 (15.63)	45.9	2
64 - 91	4.70	5.27	5.27	4.96 (12.00)	13.3	2
92 - 181	4.60	4.95	4.60	4.70 (4.75)	227.1	4
182 - 364	4.40	5.01	4.92	4.94 (4.96)	40,401.2	61
Total					41,979.1 (15,848.4)	75 (42)
Coupon (KZT): MEOKAM-24, 60						
					28.9% (24.1%) of purchase and sale sector's turnover	
less than 730	5.45	5.91	5.91	5.88 (5.81)	8,762.7	7
1096 - 1460	5.93	5.93	5.93	5.93 (5.93)	1,188.1	4
1461 - 1825	6.00	6.10	6.06	6.01 (6.39)	7,456.5	7
Total					17,407.2 (5,090.8)	18 (16)
Euronotes of Kazakhstan (USD)						
					1.4% (1.1%) of purchase and sale sector's turnover	
*124	4.07	4.07	4.07	4.07 (4.99)	404.7	1
**1050 - 1051	4.93	5.24	5.24	5.11 (-)	447.7	2
Total					852.4 (223.5)	3 (1)
GRANDTOTAL					60,238.6 (21,162.7)	96 (59)

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

Situation in the sector of trade in MEOKAM was almost similar. The stake of the most active "connection" in the work with notes was 94.7% of gross-turnover of MEOKAM. Members of the "connection" came out of the market with minimum net.

Description of the above-mentioned peculiarities of GS turnover is not an end in itself and is shown in order to illustrate narrowness of the existing market and its dependence on only local factors. It's clear that in the described situation prices of bonds do not have principal meaning for actual market-makers, as well as their yield. The secondary GS market is mainly simulated to traders being not the market of bonds purchase and sale by its origin, but the place for making settlements or other similar financial operations.

The proportion of the Exchange's turnover in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **99.9%**, last week - 93.2%.

KASE NEWS

By the decision of Kazakhstan Stock Exchange's (KASE) Council dated June 14 of 2004 Financial Company REAL-INVEST.kz JSC (Almaty) was assigned a market-maker status over **indexed on tenge devaluation bonds** (KZ2CKY03B054, official listing, category "A", ROSAb1, KZT1,000, KZT1.0 bn; Apr 14, 04 – Apr 14, 07, semiannual coupon of 11.0%APR) of **ROSA JSC** (Pavlodar) of the first issue. Minimal volume of obligatory quotations for common shares is set to 1,800 monthly settlement units. At present RG Securities LLP maintains market maker status over abovementioned securities.

By the decision of Stock Exchange Council trades over following securities have been opened during reported period:

- From June 9 – over **common shares** KZ1C30890012 (category B of the official KASE listing, MNRL; 124,000 common shares) of **MINERAL OJSC** (Aktobe);
- From June 10 - **preferred shares** KZ1P34920614 of **Bank TuranAlem JSC** (official listing, category A, BTASp);
- From June 10 - inflation protected and indexed on tenge devaluation **bonds** of **MINING-SMELTING METALLURGICAL CONCERN KAZAKHALTYN OJSC** (Stepnogorsk) of the first issue. Parameters of the first emission: KZ2CKY05B133, trade code is KZALb1, KZT1, KZT2.8 bn, June 2, 04 – June 2, 06, semi annual coupon of 9.0% APR of indexed value for the first coupon period, and floating afterwards, 30/360.
- From June 11 - indexed on tenge devaluation level **bonds** of **Chimfarm JSC** (Shymkent) of the first issue (KZ2CKY03A932, official "A" listing category, CHFMb1; KZT10,000, KZT1,550.0 m.; January 26, 04 – January 26, 07, semi-annual coupon 10.0% APR, 30/360)

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