

WEEK OF STOCK MARKET OF KAZAKHSTAN

January 11-17

Money market indicators as of January 17 and change for the period

Term	Currency	Rate	Trend
"Overnight" on autorepo with GS (TONIA)			
1 day	KZT	3.11	+2.54
Autorepo opening with GS (WA, % APR)			
1 day	KZT	3.12	+2.55
14 days	KZT	3.80	-
KIBOR (indicative, % APR)			
1 week	KZT	5.68	+0.13
2 weeks	KZT	6.08	+0.31
1 month	KZT	6.69	+0.44
2 months	KZT	7.31	+0.39
3 months	KZT	7.75	+0.25

Stock market indicators as of January 17 and change for the period

Index	Value	Trend
KASE_Shares	2,541.80	+8.85
KASE_BP	203.15	+0.94
KASE_BC	130.68	+0.84
KASE_BY	7.23	-2.45

US dollar = **125.27** at official rate for the end of the period.
US dollar = **125.17** at weighted average rate of the Exchange for the end of the period.

Speed of strengthening of tenge to dollar for the period at exchange's rate totaled **17.9% APR**.

MAIN NEWS

As it was informed earlier, by decision of KASE's Exchange's Council dated December 28, 2006 was confirmed the new internal document of KASE "**Rules of organizing and functioning of the special trading floor of the regional financial center of Almaty**" (Rules). Rules determine general terms and order of organizing and functioning the special trading floor of the regional financial center of Almaty, which is operated (managed and services) by KASE. Rules are coordinated with Agency of Republic of Kazakhstan of regulating and supervision over financial market and organizations (AFS) and Agency of Republic of Kazakhstan of regulating the activities of regional financial center of Almaty (ARA RFCA) on **January 5, 2007** and **put into action since January 8, 2007**. Text of Rules is published on KASE's web-site at <http://www.kase.kz/geninfo/normbase/>

Exchange's Council of KASE on its meeting, taken place on January 17, with objectives of stimulation of liquidity on the exchange's capital market were accepted the decisions:

- **since March 1, 2007 to stop the usage of Frankfurt trades method** in case of coincidence and intersection during trades of prices for selling and purchasing of the following 10 listing shares, traded the most effectively in year 2006 : common shares of ATFBank JSC (trade symbol – ATFB); common shares of Bank TuranAlem JSC (BTAS); common shares of Bank CenterCredit JSC (CCBN); common shares of BANK CASPIAN JSC (CSBN); common shares of Halyk savings bank of Kazakhstan JSC (HSBK); common shares of Kazkommertsbank JSC (KKGB); preferred shares of Kazkommertsbank JSC (KKGBp); common shares of Kazakhtelecom JSC (KZTK); common shares of Temirbank JSC (TEBN); common shares of Exploration Production KazMunayGas JSC (RDGZ);
- **since March 1, 2007 for market-makers on shares:** to decrease spread between best compulsory quotations from 50% to 15% (from meaning of quotation for purchase); to increase minimal volume of compulsory quotation from 1,000 to 3,000 monthly payment indicators (size of monthly payment indicator as of year 2007 makes KZT1,092).

The Exchange's Council of KASE on the same meeting **had deferred the consideration of an issue about voluntary exclusion of common shares of CNPC-Aktobemunaygas JSC** from Kazakhstan stock exchange's official "A" listing category till the next meeting of the Exchange council on account of absence of given issuer's representatives. The pointed shares currently are traded in KASE's category "A" controlling by its quotations 14.9% of influence on the change of KASE_Shares index. In the list of the most capitalized listing companies, shares of which are traded on KASE, CNPC-Aktobemunaygas JSC with capitalization \$7,355.7 m. takes the third position, yielding only to KAZAKHMYS PLC (\$13,183.5 m.) and Exploration Production KazMunayGas JSC (\$8,751.7 m.)/ The total capitalization of listing companies on the shares' market of KASE is estimating at trades closing on January 17 at \$61,220.2.

SHARE MARKET

News of shares' market

By decision of KASE's Board **common shares KZ1C36110019** (trade number – EXBN) of **Eximbank Kazakhstan JSC** (Almaty) have been included in the representative list for calculation of KASE_Shares index. After the adopted decision out of 45 shares, included at present in KASE's official "A" listing category, 41 securities are in the representative list for the mentioned index calculation. Index of shares KASE_Shares reflects the changes of the best bid quotations, registered at the open market of KASE during the day, on shares of official "A" listing category of KASE taking into account the level of market capitalization of their issuers.

By decision of KASE's Board **since January 15, 2007 trades in preferred shares KZ1P32850110 of Corporation Tsesna JSC** (Astana) (trade symbol - TSNAp) have been opened in KASE's secondary market sector. Shares have been included into KASE's category "B" official listing since October 17, 2006. DERBES SECURITIES JSC (Astana) acts as the financial consultant of the issuer while introducing its bonds to the organized market.

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 218 deals amounting to \$30,986.8 th. or KZT3,886.6 m. were made in shares during the analyzed period which was three trading days longer than previous on KASE. In comparison with the previous period (December 28 – January 10, 430 deals, \$125,920.1 th. or KZT19,957.7 m.), turnover of the sector has decreased 4.1 times, average day turnover – 2.5 times. At that, 10.6% of deals in quantitative expression and 28.4% in volumetric expression were nego. In the previous period these indicators were 23.5% and 82.7% correspondingly.

The significant decrease of market activity the analysts of IRBIS in the described period connect it to absence of so-called final entries of the year, by which the participants of market are correcting their financial reports.

During the analyzed period deals were made by KASE's 26 members on 42 instruments. At that:

- 4.3% of gross-turnover of the market (5.1% on purchasing transactions and 14.7% - on sales transactions) were controlled by "pensions";
- through the depot accounts, registered on physical persons for the week had passed 14.1% of exchange's turnover of shares (13.5% - on purchasing transactions and 14.7% - on sales transactions).

During the previous period KASE's 31 members of "P" and "H" categories were interested in 38 shares. Stake of pension assets was 1.3% of gross-turnover (including 0.3% on purchasing transactions, and 2.3% - on sale transactions), to the stake of physical persons – 12.1% (including 12.6% on purchase operations and 11.5% - on sales operations).

So the shares market continues to demonstrate the high activity of dealers on it – banks and investment companies, working from their name and by their own expense.

In the analyzed week weighted average daily prices of 36% of names of shares involved into **deals, made on KASE by methods of opened trades** grew, prices of 45% – fell, prices of 18% – remained unchanged. Corresponding indicators of the previous period: 52%, 39% and 6%. In the described period shares prices changed positively in the range from 0.2% (KZTKp) to 30.4% (PDES), negative change – from 0.8% (ASBN) to 33.3% (ATFBp).

As it was supposed by specialists of IRBIS, the described week on shares market was correctional. After some overheating in the end of the last year market had worked the so-called flat correction on fixation of income by investors by the wide list of stake instruments. The fall of average weighted prices on the opened market had showed the majority of its favorites: KZZN (KAZZINC JSC; -5,3%), HSBK (Halyk savings bank of Kazakhstan JSC; -4,6%), BTAS (Bank TuranAlem JSC; -3,4%), RDGZ (Exploration Production KazMunayGas JSC; -2,0%), KKGB (Kazkommertsbank JSC; -0,9%). Growth of rate relative to high liquidity was fixed only at ATFB (ATFBank JSC; +0,6%), KZTK (Kazakhtelecom JSC; +1,9%) and TEBNp (Temirbank JSC; +2,3%).

Nevertheless, the given data show that correction is not deep yet, and majority of investors support the strategy «to hold» but not "to sell", refraining from active actions.

About the same is evidencing the behavior of KASE_Shares index, which temporarily had come to horizontal channel, started to fall, but suddenly "shoot" in the last day of the period to the next historical maximum (2,542). It happened mainly due to growth of quotations of for the market closing on January 17 at AMGZ (CNPC-Aktobemunaygas JSC), KZTK, HSBK and KZZN, not supported by prices of deals. Except that, the interesting influence on index had the distribution by employees of exchange to the bases of back-office of KASE the last data from the register systems of shareholders of listing companies, provided to KASE by issuers as of January 1, 2007. The new data had changed the stakes of influence on index of price parameters of some shares, which added some points to the index.

As a whole it should be noted, that yet the shares' market of KASE do not justify totally the pessimistic forecasts of IRBIS, published in the previous review relative to the close perspectives. By all means, investors believe in market and are trying to hold it on the reached levels.

Detailed results of trades in shares on KASE in the analyzed period are given in the table. It at first time is compiled by IRBIS agency only by deals made on KASE by the methods of opened trades

Results of share trades on KASE within January 11-17 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	Price, KZT per share:		Volume of deals th. USD	Number of deals	Best for the period:		
	min.	max.			bid	offer	
AMGZ	95,000.00	95,000.00	37,500.00	139.2	1	95,000.00	95,000.00
ASBN	11,100.00	40,000.00	11,000.00	607.8	7	40,500.00	11,100.00
ASBNp1	12,650.00	12,650.00	10,000.00	8.8	1	12,650.00	12,650.00
ATFB	10,900.00	11,032.38	4,700.00	482.3	8	11,750.00	10,900.00
ATFBp	2,800.00	2,800.00	1,391.00	3.9	1	2,800.00	2,800.00
BTAS	119,760.00	124,000.00	66,000.00	13,213.8	14	124,000.00	119,750.00
CSBN	4,950.00	4,950.00	701.00	7.9	1	4,950.00	4,900.00
HSBK	555.00	600.00	135.00	501.4	15	610.00	555.00
HSBKp1	240.00	260.00	169.00	586.7	6	280.00	240.00
KKGB	1,350.00	1,380.00	250.00	342.2	17	1,380.00	1,350.00
KKGBp	340.00	380.00	100.00	767.4	7	380.00	340.00
KZTC	15,000.00	19,000.00	2,175.00	169.7	12	19,000.00	15,000.00
KZTK	42,220.00	45,000.00	22,500.00	84.7	20	45,000.00	42,101.00
KZTKp	12,000.00	12,500.00	8,950.00	97.6	8	12,500.00	12,000.00
KZZN	7,500.00	7,500.00	4,000.01	44.4	2	7,500.00	7,500.00
NFBN	2,012.50	2,012.50	1,321.00	150.9	2	2,400.00	2,012.50
NRBN	53,000.00	53,000.00	25,650.00	16.9	1	53,000.00	53,000.00
ORDBp	2,100.00	2,100.00	2,100.00	27.8	2	2,100.00	2,100.00
PDES	1,100.00	1,100.00	655.00	0.2	1	1,100.00	1,090.00
RDGZ	15,420.00	16,000.00	11,260.00	3,784.2	54	16,000.00	15,420.00
TEBNp	1,200.00	1,300.00	1,001.00	1,165.5	14	1,300.00	1,200.00
ZERD	4.50	4.50	0.80	0.1	1	4.50	4.50
22				22,203.2	195		

Notes: Trends are given relative to the last deal of the previous month (December 10, 2006 – January 10, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers' symbols is available at http://www.kase.kz/instruments/nzb_code.htm

CORPORATE BOND MARKET

News of corporate bond market

By decision of KASE's Board **since January 11, 2007 trades in bonds KZ2C0Y03C064 of BUILD INVESTS GROUP JSC** (Astana) (KASE's category "B" official listing, BIGRb1; KZT1,000; KZT3.0 bn.; June 28, 06 – June 28, 09; semi-annual coupon, 9.00% APR, 30/360) have been opened in KASE's secondary market sector. Bonds have been included into KASE's category "B" official listing since January 10, 2007 DERBES SECURITIES JSC (Astana) acts as the financial consultant of the issuer while introducing its bonds to the organized market.

By decision of KASE's Board **since January 15, 2007** in representative list for calculation of KASE_BC, KASE_BP and KASE_BY indexes have been included:

- mortgage bonds **KZ2C0Y03C072** (KASE's category "A" official listing, BTAIb10; KZT100; KZT6.0 bn.; May 28, 06 – May 26, 09; annual coupon, 7.0% APR) of **the Daughter mortgage organization of the joint stock company Bank TuranAlem BTA Ipoteka JSC** (Almaty);
- bonds **KZ2C0Y05C192** (KASE's category "A" official listing, KONDb1; KZT1,000; KZT3.0 bn.; December 11, 06 – December 11, 11; semi-annual coupon, 8.8% APR) of **Condensate JSC** (Aksay, Western-Kazakhstan region);
- bonds **KZ2C0Y05C275** (KASE's category "A" official listing, ORDBb2; KZT1; KZT12.0 bn.; November 13, 06 – November 13, 11; semi-annual coupon, 11.0% APR for the first year of circulation, hereinafter – floating, dependent on inflation rate) of **the Corporation Ordabasy JSC** (Almaty).

After taken decision out of 184 corporate bonds, included at present in KASE's official "A" listing category, **160 securities** are in the representative list for the mentioned indexes calculation.

Changes in trade lists

By the decision of KASE's Board **since January 16, 2007 KZ2CKY03B062 bonds** (KASE's official "A" category list, KKGBb3, KZT15,000; KZT7,500 m.; January 5, 04 – January 5, 07, semi-annual coupon, 7.00% APR) of **Kazkommertsbank JSC** (Almaty) **have been excluded from KASE's official "A" listing category due to expiration of the circulation period**. Bonds were included in KASE's official securities list on January 15, 2004. The first trades in these bonds were held on January 19, 2004. Within the entire period of securities circulation at KASE 44 deals were closed in these bonds in purchase-sale sector (317,209 bonds) for the total of \$38,602.0 th. (\$16,842.5 th.). Profitability of bonds to maturity for a buyer according to the concluded deals varied from 5.99% APR to 9.00% APR during the entire period of trades. The last deal was made on January 12, 2007. According to the message of the issuer was charged and

paid the coupon payment in size of KZT106,526,700.00 (excluding tax from source of payment) and was made the maturity to the sum KZT3,073,710,000.00. Judging by the sum of maturity as of date of register fixation (January 14, 07) 40.6% of registered bonds KZ2CKY03B062 was in circulation. KASE draws the attention to the fact that it did not validate the information, given in the notification of its source. The person, indicated in the message as the source of the information, is completely responsible for authenticity of published information. Individuals, who want to refute the information, published in this message, must apply to KASE by the corresponding official letter

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 57 deals amounting to \$24,467.1 th. or KZT3,067.9 m. were made in bonds during the analyzed period on KASE. In comparison with the previous period (December 28 – January 10, 122 deals, \$121,649.2 th. or KZT15,321.0 m.), turnover of the sector has decreased 5 times. At that 5.3% of operations in the quantitative expression or 0.2% in volumetric were nego. In the previous period these indicators totaled 6.6% and 24.8%.

Reasons of market's activity decrease are noted in the description of sector of shares' trades.

During the analyzed period deals were made by KASE's 21 members on 43 instruments. At that, 17.8% of gross-turnover (26.6% on purchasing transactions, and 9.0% - on sale transactions) went through the accounts of pension market's subjects. Through the accounts of depot, registered on physical persons, for the week had left 14.0% of the exchange's gross-turnover of corporate bonds (2.5% - on purchase operations and 25.4% - on sale operations). During the previous period KASE's 28 members of "P" and "H" categories were interested in 47 instruments. Stake of pension assets was 9.8% of gross-turnover, including 17.6% on purchasing transactions, and 1.9% - on sale transactions, to the stake of physical persons – 7.5% (0.1% - purchase, 14.0% - sell).

By the totals of the period weighted average daily net prices of 8 bonds grew **on the opened market**, prices of 12 bonds – fell, prices of 5 remained unchanged. Re-bought seemed BTASb4 and KKGBb4 with increase of net price by 13.4% and 5.2% correspondingly, while ASFIb7 seemed re-sold with decrease of price by 6.2% correspondingly. Yield to maturity for buyer on made deals decreased during the week of 13 bonds, increased of 17.

Detailed data on corporate bond market is given in trades results table.

Results of bond trades on KASE within January 11-17 (only on data of deals , made on secondary market of KASE by the methods of opened deals)

Bond code on KASE	Yield to maturity for a buyer, % APR:						Volume of deals th. USD	Num- ber of deals	Best for the	
	on the last deal:		for last 365 days:		period:					
	min.	max.	yield	trend	min.	max.			bid	offer
ASFIb7	10.50	10.50	10.50	+0.50	9.00	10.95	8.3	1	9.01	10.50
BTAIb12	8.50	8.50	8.50		8.49	8.50	1,859.1	2	7.50	8.50
BTASb1	11.00	11.00	11.00	+2.00	6.50	11.50	5.3	1	11.00	11.00
BTASb4	7.50	7.50	7.50	-2.42	7.00	10.13	12.7	1	7.50	9.10
BTASb7	7.00	7.00	7.00	0	6.85	7.00	2,077.2	2	7.00	7.00
CCBNb13	8.30	8.30	8.30		8.20	8.30	145.7	1	8.30	8.30
CHFMb1	5.50	5.50	5.50	+1.00	4.50	10.00	13.3	1	5.50	5.50
CSBNb4	9.70	9.70	9.70	0	8.75	9.87	3.2	1	9.70	9.70
CSBNb6	9.50	9.50	9.50		8.50	9.50	4.6	1	9.50	9.50
EUBNb3	8.20	8.20	8.20	0	8.00	8.20	3,233.5	1	8.20	8.20
HSBKb2	6.80	7.80	7.80	-0.20	6.80	10.50	104.9	6	6.80	7.80
KATRb1	12.00	13.00	12.00	0	10.00	13.00	5,980.0	10	12.00	13.00
KIBNb1	11.50	11.50	11.50	0	11.00	11.50	2,158.8	1	11.50	11.50
KKAGb3	9.20	9.20	9.20	-0.05	9.20	9.25	3,279.9	2	9.20	9.20
KKGBb3	7.50	7.51	7.51		5.10	9.00	59.3	4	7.50	7.51
KKGBb4	6.00	7.00	7.00		6.00	7.60	48.9	3	6.00	7.00
MREKb1	8.50	8.50	8.50	0	8.50	8.75	29.9	2	8.50	8.50
NFBNb1	10.68	10.68	10.68		10.00	11.77	1,797.5	1	10.65	10.68
NRBNb3	8.15	8.15	8.15	-0.05	8.10	8.70	40.3	1	8.15	8.15
NRBNb4	8.35	8.35	8.35	0	7.80	8.38	54.3	3	8.35	8.35
NRBNb5	8.40	8.40	8.40	0	8.30	8.50	15.6	1	8.30	8.40
ORDBb2	11.50	11.50	11.50	0	10.00	12.50	2,788.0	2	11.50	11.50
TEBNb2	16.00	16.00	16.00		13.50	16.50	6.8	1	16.00	16.00
TSBNb1	9.20	9.46	9.46	-0.04	9.20	10.50	653.9	2	9.20	9.46
UKPFb1	12.00	13.00	13.00	+1.00	9.99	13.00	49.9	3	12.00	13.00
25							24,431.1	54		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (December 10, 2006 – January 10, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers symbols is available at http://www.kase.kz/instruments/nzb_code.htm

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made. According to notification of Ministry of finance, the closets trades here will be held on January 30 and will concern the offering of MEUJKAM-96 of first issue (KZKAKY080018) for the total of KZT15.0 bn.

Secondary market sector (purchase - sale)

In the analyzed period total volume of 15 deals made on KASE did not exceed KZT1,667.5 m. (\$13.3.). In the last period, which was three days longer, the turnover of the given sector reached KZT88,611.2 m. or \$698.5 m. with 74 deals. Stake of exchange's turnover in the total volume of Kazakhstan secondary market of GS on comparable operations of purchase and sale was equaled to 4.8% (on the previous – 47.2%).

It is obvious that the sudden fall of exchange's turnover of GS was connected to two reasons – leaving of part of turnover from KASE to over-the-counter market, and also transfer of National bank to the usual regime of offering of its notes-28 at the unchangeable yield (4.84% APR) relative to end of December – beginning of January. As the result the secondary market was deprived the replenishment with new bonds, and the unchangeable yield of the papers issued on January 9 made less-interesting the re-selling of them on the secondary market.

Per se, as it was forecasted by IRBIS's analysts the exchange's secondary market of GS returned on the analyzing week to its usual condition after stress, caused by rapid end of the year.

We'll remind that in December National Bank, being interested in cardinal stripping of market form excess money, had significantly increased the volume of notes issues, increasing their yield significantly. It had lead to unexampled activization of secondary GS market on KASE, as the result of which the corresponding turnover of December became the record high monthly turnover of GS on the exchange for the whole history of its existence.

More detailed data about exchange's trades are given in the table.

Parameters of Exchange's transactions in GS within January 11-17

(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				71.6% (97.6%) of purchase and sale sector's turnover		
less 8	3.50	3.50	3.50	3.50 (2.46)	99.9	1
15 - 28	4.60	4.84	4.60	4.82 (4.83)	1094.5	5
Total					1,194.4 (86,505.3)	6 (51)
Coupon (KZT): MEOKAM-48				28.1% (2.4%) of purchase and sale sector's turnover		
less 730	5.63	5.76	5.75	5.73 (5.93)	422.1	5
731 - 1095	6.17	6.17	6.17	6.17 (5.90)	46.6	1
Total					468.7 (2,101.8)	6 (21)
Coupon (USD):bonds of Astana				0.3% (0.002%) of purchase and sale sector's turnover		
less 730	6.00	6.00	6.00	6.00 (7.50)	4.37	3
Total					4.4 (1.4)	3 (1)
GRANDTOTAL					1,667.5 (88,611.2)	15 (74)

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