

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 21 – 27

SUPPLEMENTAL INFORMATION

US dollar = **119.84** at official rate for the end of the period.

US dollar = **119.79** at weighted average rate of the Exchange for the end of the period.

Speed of tenge devaluation to dollar for the period at exchange's rate made **8.6% APR**.

Money market indicators as of August 27 and change for the period

Indicator	Rate	Trend
TONIA	2.64	+0.06
Autorepo GS 2 days	3.18	–
Autorepo GS 3 days	3.50	–
Autorepo GS 7 days	4.50	+0.48
Autorepo GS 14 days	5.00	–
Autorepo GS 28 days	6.00	–
KazPrime-3M	6.78	+0.01

Stock securities' market indicators as of August 27 and change for the period

Index	Value	Trend
KASE	2,013.30	-4.58
KASE_BP	268.70	-0.79
KASE_BC	160.77	-1.12
KASE_BY	10.68	-2.14

MAIN NEWS OF THE MARKET

August 22, Fitch Ratings has affirmed Kazakhstan-based KazMunaiGaz National Company's (NC KMG) ratings at Long-term foreign and local currency Issuer Default rating (IDR) 'BBB', senior unsecured 'BBB' and Short-term foreign currency IDR 'F3'. The Outlooks for the Long-term IDRs are Negative. The ratings also reflect NC KMG's diversified operations through the group's involvement in upstream, midstream and downstream businesses, which help to cushion the impact of volatile oil and gas prices on cash flow. Additionally, the ratings are supported by the relatively solid credit metrics of the company, which controls 100% of the gas transportation network and 75% of the crude oil transportation network on Kazakhstani territory. Furthermore, the ratings incorporate NC KMG's acquisition-driven growth strategy and an intensive investment programme of USD29.1bn planned for 2008-2012. While NC KMG has the largest operations in its domestic market, the ratings also take into account the company's relatively small scale of operations compared with its international and Russian peers. The Negative Outlook reflects that of the sovereign rating, which was assigned on 17 December 2007.

August 22 ENRC representatives have rejected any suggestion it could give Kazakhmys a seat on the Board. According to Financial Times, Kazakhmys, having purchased shares and increased its stake in ENRC to block stock (25.02 %) announced that their representative will have a seat on the Board. However, according to Financial Times there was no official bid from Kazakhmys. Meanwhile, as ENRC chief executive Johannes Sittard said in such relation that both Kazakhmys and ENRC were competing resources in Central Asia countries, there would be a conflict of interests if a Kazakhmys representative could have a seat in the ENRC board and took part in strategic decisions.

August 25 By the decision of Kazakhstan Stock Exchange (KASE) Board was approved change # 16 into KASE internal document "Regulations of Trades and Confirmation System Operation" (Regulations), effective from August 25, 2008. The mentioned change stipulates that the trading day on financial instruments – trades subjects with the only seller or buyer of a financial instrument (as these trades are defined by KASE internal document "Regulations on Membership Fees and Exchange Dues"), may differ from the trading day, fixed for the group of financial instruments, to which relates this subject of trades. Previously similar peculiarity was stipulated only for trades in state blocks of shares for which it was established that such trades are executed on business days, determined by these state blocks of shares seller by agreement with KASE. The mentioned decision establishes that the stated change effect applies for relations occurred before its consummation.

August 25 KASE published on its website at http://www.kase.kz/geninfo/normbase/post_523_300508.pdf the text of Resolution # 523 of the Government of the Republic of Kazakhstan "On Certain Issues of Reimbursement of Auditing Costs of Financial Instruments Issuers, Admitted to the Special Trading Floor of the Regional Financial Center of Almaty" of May 30, 2008, effective from June 21, 2008. The mentioned Resolution compensates the legal vacuum occurred after the Chairman of the Agency of the Republic of Kazakhstan on Regulation of Activities of the Regional Financial Center of Almaty (ARA RFCA) by

Order # 04.2-09/116 of May 8, 2008 recognized invalid Order # 9 of the Chairman of ARA RFCA "On Approval of Instruction on Reimbursement of Auditing Costs of Financial Instruments Issuers, Admitted to the Special Trading Floor of the Regional Financial Center of Almaty" of January 9, 2007.

August 25 the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (AFS) implemented the government registration of the issue of announced shares of KASE in the number of 5,000,000 units with the national identification number KZ1C10030019.

The issue includes 450 previously announced and completely offered KASE shares considering their split at a ratio 1 : 1,000. At the same time due to the mentioned split AFS replaced the notice on results of KASE shares offering of May 4, 2008. According to this notice and securities issue government registration 450,000 KASE shares were offered and paid given the authorized capital KZT165,019,500. Thus, by results of KASE announced shares issue government registration KASE has 4,550,000 not offered common shares.

August 27 BANK CASPIAN (Almaty) informed KASE by the official letter that on September 26, 2008 it will hold shareholders special general meeting. One of the main issues of the agenda is changing the name of Bank Caspian. According to the bank's message, top managers developed the strategy and brand development. Within this strategy the bank will **implement its re-branding in autumn of this year.**

August 27 Kookmin Bank of Korea ("Kookmin") acquired a 23% stake in JSC Bank CenterCredit (Almaty) for KZT59.9 billion (equivalent to USD500 million). Kookmin obtained all necessary regulatory approvals, including the approval of the Agency for the Protection of Competition and the approval of Agency for the Regulation and Supervision of the Financial Market and Financial Organizations of the Republic of Kazakhstan. Kookmin also plans to acquire an additional stake of 7% by the end of the year and to eventually take a controlling stake in BCC by securing a total of 50.1% stake within 30 months. Kookmin's total investment in BCC amounts to USD1.27 billion.

SHARES MARKET

News of shares market

Beginning September 1, RESMI Finance & Investment House JSC (Almaty) based on its application was assigned the market-maker status on its **common shares** KZ1C51950018 (IFDR, traded in KASE category "B" official list) with the minimum mandatory quotation volume for the market-maker was set in the size of 3,000 MCI.

Beginning September 9, Kazkommerts Securities (subsidiary of Kazkommertsbank) (Almaty) was released from fulfillment of market-maker obligations on KASE on **common shares** KZ1C05500018 (traded in KASE category "A" official list, UTMK) **Ust-Kamenogorsk Titanium Magnesium Plant** (Ust-Kamenogorsk).

Beginning September 11, KAPITALIST Securities LLP (Almaty) is released from fulfillment of the market-maker obligations on the Special Trading Floor of the Regional Financial center of Almaty (STF RFCA) on **common shares** KZ1C40310019 (aASBN) of **Alliance Bank JSC** (Almaty), traded in the STF RFCA first category official list.

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)

August 27 in the KASE trading system were held specialized trades on sale of **common shares** KZ1C36280010 (KASE category "A" official list, CCBN) of **Bank CenterCredit** (Almaty). The total volume of Bank CenterCredit issued shares at the moment of trades execution – 180,316,695 units, offered – 130,316,695. **For sale were offered 29,972,840 shares** (23.0 % from the total number of offered common shares). The mentioned shares were sold as one lot. VISOR Capital (Almaty) acted on trades as the seller. **One KASE member** participated in trades – brokerage-dealer organizations, which submitted the limited order for purchasing of the mentioned lot at **KZT2,000.00** per share. According to trades results the seller satisfied this order, having sold the entire announced volume **to the amount of KZT59,945,680,000.00** (equivalent of USD500,423,073.71 at the current exchange rate).

A total of 255 deals were made in shares during the analyzed period. Average daily volume made \$110,393.2 th. or KZT13,224.3 m. and increased compared to previous period (previous week weighted average volume made \$10,447.4 th. or KZT1,255.1 m.) by 10.5 times. In analyzed period 3.1 % (1.2 %) transactions on KASE in quantitative expression and 0.3 % (0.4 %) in volumetric expression were nego deals.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 37 (36) members. In deals 23 (26) denominations of shares were included. At that: 31.5 % (18.5 %) of gross-turnover of the market – 62.8 % (8.6 %) on purchasing transactions and 0.2 % (28.5 %) - on sale transactions were controlled by pension market subjects; 7.9 % (5.3 %) of gross-turnover of shares – 9.2 % (5.4 %) - on purchasing transactions and 6.7 % (5.1 %) - on sales transactions went through the depo accounts, registered on physical persons during the week. At that 3.3 % (0.5 %) of gross-turnover – 0.9 % (0.2 %) on purchase and 5.8 % (0.9 %) on sales transactions went through accounts of non-residents.

In the described period weighted average daily prices of 22 % (23 %) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 57 % (54 %) – fell, prices of 22 % (23 %) remained unchanged. In the described period shares prices changed positively in the range from 2.67 % (TEBN) to 20.27 % (GB_KZMS), negative change – from 0.48 % (KIBN) to 19.31 % (KKGB).

By the time the review was writing KASE index had already overcome psychologically important level of 2 000. All that is happening on KASE still depends on external factors. Negative news on USA financial system and all over the world exert major pressure on the market. Besides, decreasing prices on metal abroad and increased tax load on production sector play their part.

Detailed results of trades in shares on KASE are given in the table.

Results of share trades on KASE, including STF of RFCA within August 21 – 27 (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	Num-ber of deals	Best for the period:	
	on the last deal:				bid	offer
	min.	max.				
aASBN	18,000.00	18,000.00	18,000.00	0	18,000.00	17,600.00
ASBN	17,500.00	17,820.00	17,500.00	0	17,820.00	17,500.00
ASBNp1	11,000.00	12,000.00	12,000.00	+14.3	12,000.00	11,000.00
ASFI	22,728.01	22,728.01	22,728.01	0	22,728.01	22,728.01
ASFIp	22,728.00	22,728.00	22,728.00	0	22,728.00	22,728.00
aUTMK	23,000.00	23,000.00	23,000.00	0	23,000.00	20,900.00
BTAS	50,000.00	52,500.00	50,000.00	-10.7	52,500.00	50,000.00
CCBN	1,360.00	2,000.00	1,360.00	-6.2	2,000.00	1,360.00
CSBN	4,746.55	4,972.57	4,746.55	+5.0	4,972.57	4,746.55
CSBNp	1,954.82	1,954.82	1,954.82	-5.0	1,954.82	1,954.82
GB_ENRC	2,200.00	2,400.00	2,200.00	-4.3	2,400.00	2,200.00
GB_KZMS	2,701.01	3,102.00	3,102.00	+21.6	3,102.00	2,701.01
HSBK	309.00	339.00	310.00	-10.1	339.00	309.00
KIBN	280.00	280.00	280.00	-9.1	280.00	280.00
KKGB	590.00	740.00	595.00	-19.6	740.00	590.00
KKGBp	260.00	310.00	260.00	-17.5	310.00	260.00
KZTC	12,000.00	12,000.00	12,000.00	0	12,000.00	12,000.00
KZTK	31,301.00	33,000.00	32,000.00	-5.6	33,000.00	31,301.00
KZTKp	14,400.00	15,090.00	14,400.00	-0.7	15,090.00	14,400.00
LNAT	8,500.00	8,500.00	8,500.00	0	8,500.00	8,500.00
RDGZ	16,700.00	17,000.00	16,700.00	0	17,000.00	16,500.00
TEBN	6,799.99	7,000.00	7,000.00	+3.0	7,000.00	6,799.99
TEBNp	2,550.00	2,550.00	2,550.00	-7.2	2,550.00	2,550.00
TSBN	1,750.00	1,750.00	1,750.00	0	1,750.00	1,700.00
UTMK	20,000.00	20,000.00	20,000.00	0	20,000.00	20,000.00
25					550,233.40	247

Notes: Trends are given relative to the last deal of the previous month (July 20 – August 20, 2008). 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 the decision of KASE Board of August 22, 2008, **bonds** KZ2C0Y07D147 (BTASb10; KZT100, KZT5.0 bn.; 7 years, the semi-annual coupon 11.0 % APR; 30/360) of **BTA Bank JSC** (Almaty) **are acknowledged included into the KASE category "A" official list** in compliance with the simplified listing procedure, established by article 19-1 of Listing Rules. The decision came into effect and the opening of trades in mentioned bonds on KASE also will be announced additionally.

Beginning August 27, 2008, in the KASE secondary market sector were opened trades in **bonds** KZP03Y05C491 (KZIKb18, KZT1, KZT5.0 bn.; December 1, 07 – December 1, 12, the semi-annual coupon 11.0 % APR; 30/360) of **Kazakhstan Mortgage Company** (Almaty). Tengry Finance (Almaty) is the market-maker on these bonds on KASE with the minimum volume of the mandatory quotation in the size of 2,340,000 bonds. These bonds are included into KASE category "A" official list from February 7, 2008. More detailed information on securities issuer and their issuer is published on KASE website at <http://www.kase.kz/emitters/kzik.asp>

Beginning September 1, Company CAIFC JSC (Almaty) based on its application **was assigned the market-maker status** on bonds KZ2P0Y03C673 (KASE category "B" official list, TEMAb1; KZT1 000, KZT1.0 bn.; August 5, 07 – August 5, 10, the quarterly coupon, 11.00 % APR; 30/360) of **TEMA Ko. LLP** (Almaty) with the minimum volume of the mandatory quotation for the market-maker was set in the size of 2,400 bonds.

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 45 deals were made in bonds during the analyzed period on KASE. The weighted average volume made \$8,467.9 th. or KZT1 015.0 m. and increased in comparison with the previous period (\$3,902.4 th. and KZT468.5 m. correspondingly) by 2.2 times. In the analyzed period the stake of nego deals in quantitative expression made 4.4 %, in volumetric – 0.7 %.

During the analyzed period (in parenthesis there are comparable indicators of previous week) deals were made by KASE's 26 (25) members on 20 (26) instruments. At that 13.1 % (22.1 %) of gross-turnover passed through accounts of pension market subjects 17.1 % (24.8 %) on purchasing transactions and 9.1 % (19.5 %) on sales operations. 0.6 % (7.7 %) of exchange's gross-turnover of corporate bonds – 0.6 % (2.7 %) on purchasing transactions and 0.6 % (12.8 %) on sale transactions, passed through depo accounts registered on physical persons. At that 40.1 % (6.6 %) of gross-turnover of corporate bonds – 43.8 % (11.3 %) on purchasing transactions and 36.5 % (1.9 %) on sales transactions went through accounts of non-residents.

By results of period 11 names of bonds were characterized by growth of average weighted net price on the opened market, 9 – of decrease. HSBKb10 (-18.1 %), RMXRb1 (-16.8 %) and HSBKb11 (-10.8 %) seemed re-sold, while bonds RGBRb6 (+24.7 %), DTJLb1 (+19.7 %), TSBNb5 (+18.2 %) and BTASb9 (+12.9 %) seemed re-purchased. Yield to maturity for buyers on deals made decreased during the week for 10 bonds, increased for 9.

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

Results of bond trades on KASE, including STF of RFCA within August 21 – 27, 08 (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	Number of deals	Best for the period:	
	on the last deal:		for last 365 days:		bid	offer				
	min.	max.	yield	trend					min.	max.
aBTRb1	17.00	17.00	17.00	0	9.08	18.39	40.60	2	17.00	17.00
aHSBKb10	9.00	12.00	12.00	+3.5	8.20	12.00	43.92	3	9.00	12.01
aHSBKb11	11.51	11.51	11.51	+2.0	9.50	11.51	13.70	1	11.50	11.51
ASF1b5	15.46	15.46	15.46	+0.5	11.99	15.50	8.15	1	15.46	15.46
BTAlb6	16.00	16.50	16.50	-3.5	10.00	20.00	77.35	6	16.00	16.50
BTASb7	7.60	7.60	7.60	0	6.73	14.00	3,226.36	4	7.60	7.60
BTASb9	9.00	9.00	9.00	-2.0	9.00	11.00	15,451.01	1	9.00	9.00
BTTRb1	17.00	17.00	17.00	0	6.99	19.70	50.45	3	17.00	17.00
DTJLb1	20.00	20.00	20.00	-4.0	7.00	25.50	34.20	3	20.00	22.00
HSBKb10	9.00	12.01	12.00	+3.5	8.20	12.01	38.50	4	9.00	12.01
HSBKb11	11.51	11.51	11.51	+2.0	7.50	11.51	13.06	1	11.50	11.51
KIBNb3	14.10	14.10	14.10		12.00	14.10	3,669.41	1	12.00	14.10
KZIKb8	15.10	16.50	15.10	+0.1	7.00	16.50	10,652.74	3	15.10	16.50
KZNHb2	15.06	15.07	15.07	+1.1	11.50	16.00	175.72	2	15.00	15.07
ORDKb1	14.00	14.00	14.00	-0.8	11.99	15.03	250.17	1	14.00	14.04
ORNKb1	19.00	19.50	19.50	-0.5	11.00	29.00	33.47	2	19.00	20.00
RGBRb6	9.00	9.01	9.01	-4.8	9.00	14.00	8,170.71	2	9.00	9.01
RMXRb1	22.00	22.00	22.00		14.00	22.00	41.83	1	22.00	22.00
TSBNb5	15.00	15.00	15.00	-5.0	10.00	20.00	14.15	1	15.00	15.00
VITAb4	19.00	19.00	19.00	0	11.45	29.00	17.36	1	19.00	19.00
20							42,022.85	43		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (July 20 – August 20, 2008). 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

August 26 the repeated auction on offering of **government mid-term treasury instruments of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-24 of 73rd issue** (KZK2KY020735, MOM024_0073; KZT1 000, KZT7.0 bn.; 13.08.08 – 13.08.10, semiannual 8.00 % APR) were held in the KASE trading system, on which the Ministry of Finance planned to borrow KZT5.0 bn. 6 primary dealers participated in the trades, which submitted 18 bids (12 limited and 6 market), which until the bids' confirmation time expired 13 orders had left active (9 limited and 4 market). Total volume of active bids (volume of demand) made KZT17,997,084,599.98 and exceeded the suggested volume by 3.6 times. The price in limited active orders, varied from 99.1073 % (8.5000 % APR) to 99.9948 % (8.0000 % APR), making in average weighted expression 99.6949 % (8.1680 % APR). In the total volume of active orders, 66.7 % – second-tier banks (STB), 33.3 % – clients of STB. **By results of trade**, the issuer satisfied bids on purchasing of **13,333,333 bonds** on sum **KZT13,371,158,184.24**, at price **99.9948 % (8.0000 % APR)**. By results of auction, 61.1 % from the total volume of offered bonds were purchased by STB, 38.9 % – STB clients. Considering previous offerings the entire volume of issue of MEOKAM-24 (KZK2KY020735) made up **20,333,333 bonds** to the face value amount **KZT20,333,333,000.00**.

August 27 the repeated auction on offering of **government mid-term treasury instruments of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-36 of 66th issue** (KZK2KY030668, MOM036_0066; KZT1 000, KZT9.0 bn.; 20.08.08 – 20.08.11, semiannual coupon 8.50 % APR), were held in the KASE trading system, , on which the Ministry of Finance planned to borrow KZT5.0 bn. 16 primary dealers participated in the trades, which submitted 27 bids (24 limited and 3 market), which until the bids' confirmation time expired 26 orders had left active (23 limited and 3 market). Total volume of active bids (volume of demand) made KZT27,725,976,344.59 and exceeded the suggested volume by 5.6 times. The price in limited active orders, varied from 98.7144 % (9.0000 % APR) to 100.0226 % (8.4900 % APR), making in average weighted expression 99.6772 % (8.6234 % APR). In the total volume of active orders, 3.6 % – pension market subjects, 85.0 % – second-tier banks (STB), 10.8 % – clients of STB, 0.6 – clients of brokerage and dealer companies. **By results of trade**, the issuer satisfied bids on purchasing of **10,900,000 bonds** on sum **KZT10,919,181,677.81**, the price in satisfied bids varied from 100.0096 % (8.4950 % APR) to 100.0226 % (8.4900 % APR), making in average weighted expression **100.0107 % (8.4946 % APR)**. By results of auction, 4.6 % from the total volume of offered bonds were purchased by one of the pension market subject, 67.9 % – STB, 27.5 % – STB clients. Considering previous offerings the entire volume of issue of MEOKAM-36 (KZK2KY030668) made up **19,900,000 bonds** to the face value amount **KZT19,900,000,000.00**.

Secondary market sector (purchase - sale)

In the analyzed period total volume of 22 deals made on KASE made KZT3, 562.7 m. (\$29.7 m.). In the previous period (August 14 – 20, 2008) the given indicator was equal to KZT7,878.7 m. or \$65.6 m. with 20 deals. Stake of exchange's turnover in total volume of Kazakhstan GS secondary market on comparative operations of purchase and sale in the analyzed period made 75.4 %.

Parameters of Exchange's transactions in GS within August 21 – 27, 2008

Days till maturity	Yield to maturity for a buyer, % APR.		last deal	weighted average	Volume, m. tenge discounted	Number of deals
	min	max				
Coupon (KZT): MEOKAM, MEUKAM, MUIKAM			100.0 % (52.3 %) of purchase and sale sector's turnover			
less than 730	6.63	8.20	6.63	7.34 (9.00)	190.1	4
731 - 1095	7.70	8.83	8.00	7.96	2,798.6	14
1461 – 1825	5.50	5.50	5.50	5.50 (14.50)	27.8	1
more than 2191	5.50	19.87	5.50	12.47 (16.66)	546.2	3
Total					3,562.7 (4,123.0)	22 (18)
GRANDTOTAL					3,562.7 (7,878.7)	22 (20)

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