

KAZAKHSTAN STOCK MARKET

March 19 – 25

SUPPLEMENTAL INFORMATION

US dollar = **151.31** at official rate for the end of the period.

US dollar = **151.38** 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 **18.1% APR**.

Money market indicators as of March 25 and change for the period

Indicator	Rate	Trend
TONIA	1.01	-1.49
Autorepo GS 2 days	2.00	-0.50
Autorepo GS 7 days	5.41	-0.64
Autorepo GS 28 days	7.33	–
KazPrime-3M	14.50	-0.04

Stock securities' market indicators as of March 25 and change for the period

Index	Value	Trend
KASE	693.06	+2.84
KASE_BP	227.08	-0.02
KASE_BC	140.89	+0.66
KASE_BY	18.26	+1.40

MAIN NEWS OF THE MARKET

Last week Standard & Poor's rated several Kazakhstan issuers:

- lowered its counterparty credit ratings on two banks and one mortgage company in the **Republic of Kazakhstan** (FC: BBB-/Negative/A-3; LC: BBB/Negative/A-3), namely **BTA Bank J.S.C. (BTA)** and **BTA's subsidiaries Temirbank JSC** and **BTA Ipoteka Mortgage Co. (BTAI)**, to 'CCC+/C' from 'B+/B'. The counterparty credit ratings on these entities were put on CreditWatch with negative implications. They had been on CreditWatch with developing implications since Feb. 3, 2009, after the government announced its proposed acquisition of majority stakes in these banks. "We expect to resolve the CreditWatch placements of BTA, Temirbank, and BTAI once we obtain information about an eventual debt restructuring and further clarification on the implications of the Kazakh government's ownership for these entities' creditworthiness, strategies, and financial flexibility. If debt restructuring is imminent we would change the ratings to 'D'. Barring any further deterioration in their operating environments, we may raise the ratings on these institutions if either future government support or improvements in their own stand-alone credit profiles helps them to avoid a debt restructuring and allows them to meet all their obligations in a timely manner" – said the disseminated message of the Agency.
- placed its 'B/B' counterparty credit rating on Kazakhstan-based Alliance Bank JSC (Alliance) on CreditWatch with negative implications.** The rating had been on CreditWatch with developing implications since Feb. 3, 2009, after Samruk Kazyna announced its proposed acquisition of majority stakes in the bank. The rating action reflects our view of the reduced likelihood of government support and the increasing possibility of a restructuring of the bank's debt obligations. We understand that the government is not willing to guarantee Alliance's foreign debt," said Standard & Poor's credit analyst Annette Ess, CFA.

March 24 **INTERFAX-KAZAKHSTAN** with reference to the bank circles' source informed that **Kazakhstan commercial bank Astana-finance wants to buy SB RBS (Kazakhstan)**. In case of deal, **RBS (Kazakhstan) will function as retail block**. The source names neither sum nor end of the deal. **Decision on sale was made by results of global review of RBS Group.**

March 24 Kazkommertsbank (Almaty) announced on a tender for acquisition of bonds issued through Kazkommerts DPR Company (special financial company) and guaranteed by future incoming payments of the bank in USD. Floating interest rate bonds for a total of USD950 million were issued in 2005, 2006 and 2007. The organizer of the tender offer is Merrill Lynch.

March 24 Fitch Ratings has downgraded Kazakhstan-based BTA Bank's (BTA) and subsidiary Temirbank's (Temir) Long-term foreign currency Issuer Default Ratings (IDRs) to 'CC' from 'B+'. The ratings remain on Rating Watch Negative (RWN). According to the agency, "the downgrades reflect Fitch's view that a default by the banks on at least some of their financial obligations is now probable. This follows

BTA's announcement on 17 March 2009 which made reference to consideration of "potential modifications to the BTA Group's debt structure" and stated that "in the event any financial indebtedness to the BTA Group is accelerated prior to its stated maturity, Samruk-Kazyna (the bank's majority shareholder) may no longer be prepared to provide ... support" to BTA Group".

March 23 Subsidiary of Joint stock company BTA Bank-Temirbank (Almaty) repaid eurobonds to the amount of USD150 m. at 9.25% APR. The principal debt and accrued interest were repaid at the expense of Temirbank own resources. This issue was offered on March 23, 2006, issued by TemirCapital B.V. company. Mentioned bonds were not listed on KASE.

SHARES 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 194 deals were made in shares during the analyzed period. Average daily volume made \$4,886.3 th. or KZT739.1 m. and decreased compared to previous period (previous week weighted average volume made \$19,405.1 th. or KZT2,917.4 m.) by 4.0 times. In analyzed period 1.0 % transactions on KASE in quantitative expression and 0.9 % in volumetric expression were nego deals. In the previous – 0.8 % and 0.5 % respectively.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE 33 (30) members. In deals 20 (20) denominations of shares were included. At that 43.1 % (38.1 %) of gross-turnover passed through accounts of pension market subjects, 48.5 % (76.1 %) on purchasing transactions and 37.7 % (0.03 %) on sales operations. 24.4 % (6.6 %) of exchange gross-turnover of shares – 32.8 % (1.1 %) - on purchasing transactions and 16.0 % (12.1 %) - on sales transactions went through the depo accounts, registered on physical persons during the week. At that 9.3 % (1.5 %) on purchase transactions went through accounts of non-residents.

In the described period weighted average daily prices of 55 % (25 %) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 35 % (55 %) – fell, prices of 10 % (20 %) remained unchanged. In the described period shares prices changed positively in the range from 0.92 % (KZTK) to 34.93 % (SATC), negative change – from 6.95 % (EXBN) to 60.54 % (AZNO).

Over the week, Kazakhstan stock market again got into the "green zone". KASE Index grew 7.8 %. By the moment of writing this comment, Index was at 711.89 points.

Shares of metallurgic, oil and gas sector appeared to be the leaders of growth. Continuing rally at commodities markets positively affected shares of domestic primary giants. Thus, equity shares of Kazakhmys and EP KazMunaiGaz grew 17.1 % and 7.7 % respectively. At the same time, the situation is rather uncertain. Oil and metal growth happened due to sharp depreciation of USD rate. There were no fundamental changes. The weekly report of the USA Ministry of Energy on commodity reserves of crude oil, released on Wednesday only admitted the status. Weekly growth made record 3.3 m. barrels. Oil reacted with insignificant fall.

With government support, shares of banking sector such equity shares of BTA Bank are still not quoted. The same is with shares of Halyk Savings Bank of Kazakhstan, which fell 20.0 % over the week. But note weak activity on security and evident correction (a week before these shares "flew" 29.3 %).

Next week for share stock market will be neutral with downward course, as there are no reasons for growth. Investors are likely to fix proceeds and take wait-and-see position.

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

Results of share trades on KASE, including STF of RFCA within March 19 – 25, 2009 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	on the last deal:		Price, KZT per share:		Volume of deals th. USD	Number of deals	Best for the period:			
	min.	max.	price	trend, %			min.	max.	bid	offer
aPRIN	5,499.99	5,499.99	5,499.99		5,000.01	8,384.00	1,590.28	1	9,090.91	5,499.99
ASFI	22,728.01	22,728.01	22,728.01		17,820.00	25,000.00	17.46	4	22,728.01	22,728.01
AZNO	3,087.00	3,430.00	3,087.00		3,087.00	10,000.00	50.49	2	3,430.00	3,087.00
BTAS	3,000.00	3,650.01	3,000.00	-20.0	1,202.00	83,200.00	61.08	12	3,650.03	3,000.00
CCBN	246.00	260.00	260.00	+8.3	200.00	2,000.00	99.05	8	260.00	246.00

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Results of share trades on KASE, including STF of RFCA within March 19 – 25, 2009 (only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE			on the last deal:		Price, KZT per share:		Volume of deals th. USD	Number of deals	Best for the period:	
	min.	max.	price	trend, %	for last 365 days:				bid	offer
					min.	max.				
EXBN	547.00	550.00	549.00	-6.9	547.00	2,500.00	151.32	6	550.00	520.00
GB_ENRC	825.00	945.00	860.00	+6.4	395.00	3,750.00	101.58	22	945.00	650.00
GB_KZMS	650.00	934.00	760.00	+17.1	370.00	4,600.00	161.62	26	934.00	650.00
HSBK	79.01	93.00	79.01	-14.1	61.51	521.00	42.87	12	93.00	79.00
KIBN	230.00	230.00	230.00		230.00	363.00	0.61	1	230.00	230.00
KKGB	290.00	311.00	311.00	+1.6	190.00	1,100.00	2,726.75	9	311.00	290.00
KZTK	7,500.00	7,600.00	7,500.00	+1.1	5,000.00	41,000.00	160.19	13	7,600.00	7,500.00
KZTKp	2,860.00	2,999.70	2,999.70	+11.1	1,880.50	19,900.00	54.98	7	2,999.70	2,860.00
ORDB	550.00	550.00	550.00	0	250.00	2,750.00	202.10	8	550.00	550.00
RDGZ	12,750.00	14,000.00	14,000.00	+7.7	6,201.00	24,500.00	1,730.03	43	14,000.00	12,750.00
SATC	70.00	100.00	100.00	+28.2	70.00	1000000.00	16,060.15	9	100.00	70.00
SUMB	300,000.00	300,000.00	300,000.00	0	300,000.00	300,000.00	993.78	2	300,000.00	300,000.00
TEBN	1,000.00	1,100.00	1,000.00	-33.3	1,000.00	8,500.00	2.50	2	1,100.00	1,000.00
TEBNp	302.50	332.75	302.50	0	275.00	2,805.00	3.58	4	332.75	302.50
TSBN	660.00	660.00	660.00		601.00	2,100.00	5.23	1	660.00	660.00
20							24,215.66	192		

Notes: Trends are given relative to the last deal of the previous month (February 18 – March 18, 2009). If deals were not made in the previous month the trend is not calculated.

CORPORATE BOND MARKET

News of corporate bonds market

From March 20 to March 27, BTA Bank (Almaty) based on the market-maker application is released from the market-maker obligations on KASE on the following bonds: KZP01Y06D400 (BTASb11); KZP02Y07D406 (BTASb12); KZP03Y08D402 (BTASb13); KZP04Y09D408 (BTASb14); KZP05Y10D403 (BTASb15); KZP06Y11D409 (BTASb16); KZP07Y12D405 (BTASb17); KZP08Y13D401 (BTASb18); KZP09Y14D407 (BTASb19); KZP10Y15D402 (BTASb20); KZP01Y06D426 (BTASb21); KZP02Y07D422 (BTASb22); KZP03Y08D428 (BTASb23); KZP04Y09D424 (BTASb24); KZP05Y10D429 (BTASb25); KZP06Y11D425 (BTASb26); KZP07Y12D421 (BTASb27); KZP08Y13D427 (BTASb28); KZP09Y14D423 (BTASb29); KZP10Y15D428 (BTASb30), included in KASE official list, by the first subcategory of "Non-rated Debt Securities" category.

From March 25 RESMI Finance & Investment House (Almaty) is released from the market-maker obligations fulfillment on KASE on bonds KZ2CKY05B273 (KZNBb2) of **Kazneftehim** (Almaty), included in KASE official list, by the second subcategory of category "Non-rated debt securities".

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 192 deals were made in bonds during the analyzed period on KASE. The weighted average volume made \$16,150.9 th. or KZT2,439.9 m. and increased in comparison with the previous period (\$5,028.5 th. and KZT756.0 m. correspondingly) by 3.2 times. In analyzed period 0.5 % transactions on KASE in quantitative expression and <0.1 % in volumetric expression were nego deals.

During the analyzed period (in parenthesis there are comparable indicators of previous week) deals were made by KASE's 33 (30) members on 60 (64) instruments. At that 49.2 % (32.1 %) of gross-turnover passed through accounts of pension market subjects, 43.3 % (23.1 %) on purchasing transactions and 55.2 % (41.1 %) on sales operations. 2.7 % (6.3 %) of exchange's gross-turnover of corporate bonds – 3.4 % (6.0 %) on purchasing transactions and 2.1 % (6.5 %) on sale transactions, passed through depo accounts registered on physical persons.

By results of period 19 names of bonds were characterized by growth of average weighted net price on the opened market, 41 – of decrease. BTAIb6 (-43.5 %), ATFBb4 (-29.3 %), aBTTRb1 (-21.8 %), SATCb1 (-17.8 %), ATFBb5 (-16.9 %), ATFBb6 (-16.0 %), KDTSb1 (-12.9 %), DTJLb1 (-12.1 %), BTAIb16 (-10.2 %) and BTAIb4 (-9.6 %) seemed re-sold, while bonds BTASb4 (+107.3 %), ASFlb16 (+63.6 %), BTAIb12 (+55.1 %), ASBNb14 (+53.6 %), EXBNb2 (+17.6 %), BTAIb8 (+15.0 %) and RESCb1 (+11.1 %) seemed re-purchased. Yield to maturity for buyers on deals made decreased during the week for 16 bonds, increased for 41.

Notwithstanding the efforts of the Government to increase liquidity at the capital market, we observe the growth of tension and defaults at debt securities market. Thus, according to official statistics, 11 issuers are already in the default list on nonpayment of coupon interest. Investors now turn to government securities, pension funds, due to stiffening of prudential standards, are forced to increase GS stake in their portfolios, what makes corporate bonds unattractive. If no changes come, we may expect complete “calm” at bonds market during many months.

Detailed data on corporate bond market is given in trade’s results table.

**Results of bond trades on KASE, including STF of RFCA within March 19 – 25, 2009
(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
aASFib4	37.00	37.00	37.00	+2.0	21.00	37.00	10.58	1	35.00	37.00
aBTRb1	26.10	26.80	26.80	+0.8	15.99	26.80	116.03	8	26.00	26.80
aCCBNb14	20.00	20.00	20.00		11.00	20.00	9.06	1	20.00	20.06
ASAVb2	26.00	26.00	26.00		10.00	26.00	7.04	1	26.00	26.00
ASBNb1	20.97	20.97	20.97		20.00	32.00	1,173.17	1	20.97	20.97
ASBNb14	15.00	15.00	15.00		8.00	25.00	110.26	1	10.00	25.00
ASBNb3	20.00	20.00	20.00		14.50	22.00	21.80	2	20.00	20.00
ASBNb6	26.50	26.50	26.50		18.50	50.00	14.04	1	26.50	26.50
ASFib11	9.63	9.63	9.63		9.48	16.00	13,446.87	3	9.50	9.63
ASFib16	10.00	17.00	10.00	-7.9	9.97	17.90	20,228.20	4	10.00	17.00
ASFib23	9.99	9.99	9.99		9.99	12.00	1,890.22	1	9.96	9.96
ASFib4	37.00	37.00	37.00	+2.0	15.00	37.00	10.55	1	37.00	37.00
ASFib5	40.05	40.05	40.05	-4.4	12.11	44.50	605.82	1	40.05	44.50
ATFBb4	22.00	25.00	25.00		8.00	25.00	35.06	4	22.00	25.00
ATFBb5	16.00	23.00	23.00	+7.0	11.00	23.00	92.84	7	16.00	23.00
ATFBb6	17.00	21.00	21.00	+5.0	7.00	21.00	33.45	3	17.00	21.00
ATFBe2	25.00	26.00	26.00	+2.0	6.00	26.00	55.00	3	25.00	27.00
ATFBe4	28.00	30.00	30.00	+3.0	7.00	30.00	97.11	5	28.00	30.00
BTAIb1	91.00	91.00	91.00	+0.5	12.00	93.00	1.96	1	91.00	91.00
BTAIb11	15.62	19.50	19.50	+0.2	15.62	70.00	26.63	6	15.62	19.50
BTAIb12	20.50	22.00	22.00	-8.0	7.43	78.00	11.12	3	20.50	22.00
BTAIb13	25.00	25.00	25.00	0	24.00	78.00	5.60	1	25.00	25.00
BTAIb16	36.00	40.00	40.00	+6.0	13.50	70.00	4.43	2	36.00	40.00
BTAIb2	49.00	49.00	49.00	+2.0	15.00	69.00	5.08	1	49.00	49.00
BTAIb3	27.45	68.00	66.00		14.00	69.00	24.44	9	27.45	68.00
BTAIb4	118.23	122.40	122.40	+6.2	15.50	122.40	38.00	9	118.23	122.40
BTAIb5	48.00	48.00	48.00	+1.0	14.00	70.00	7.69	3	48.00	48.00
BTAIb6	76.00	78.00	76.00		15.50	78.00	27.99	6	76.00	78.00
BTAIb7	58.00	58.00	58.00	-2.0	58.00	77.00	2.04	1	58.00	58.00
BTAIb8	24.52	40.30	35.30	-5.0	15.00	70.00	22.49	8	24.52	40.30
BTAIb9	42.00	43.00	43.00	+2.0	37.00	70.00	8.20	4	42.00	43.00
BTASb3	18.02	44.00	44.00	+2.0	12.88	50.00	490.49	3	18.02	44.00
BTASb4	18.04	40.00	18.04		15.50	44.00	281.26	2	18.04	40.00
BTASb9	12.00	12.00	12.00		9.00	17.66	5,038.62	1	11.00	12.00
BTASe3	108.83	122.26	111.43	+2.8	13.38	122.26	111.78	18	108.83	122.26
BTRb1	26.10	26.80	26.80	+0.7	6.99	27.20	102.52	9	26.10	27.00
CCBNb14	20.00	20.00	20.00		9.50	20.00	9.03	1	20.00	20.00
CSBNb5	21.00	21.50	21.50		11.00	21.50	24.04	3	21.00	21.50
CSBNb7	12.00	12.00	12.00	+0.5	11.00	24.98	16.02	1	11.50	12.00
CTECb1	13.50	13.50	13.50		13.25	15.50	32,564.40	3	13.00	13.50
DTJLb1	41.00	43.00	43.00	+4.0	8.47	43.00	16.22	2	41.00	43.00
EUBNb4	12.00	12.00	12.00	-1.0	9.03	18.00	4.98	1	11.97	12.00
EXNB2	14.00	22.00	14.00	-8.0	12.00	22.00	218.66	6	14.00	22.00
HSBKe1	18.00	18.00	18.00	0	12.00	22.00	5.69	1	18.00	18.00
KAFib1	14.27	14.35	14.27	+0.3	9.00	14.35	564.25	2	14.27	14.35
KAZIb2	23.00	23.00	23.00	+2.2	10.50	23.00	10.60	1	23.00	23.00
KDTSb1	37.77	37.77	37.77	+7.1	11.00	37.77	12.76	1	37.77	44.54
KKGBe4	29.58	29.58	29.58		10.28	29.58	5.99	1	29.58	29.58
KKGBe6	25.72	27.00	26.85	+0.6	8.05	34.39	75.50	3	25.72	27.00
KZNHb2	34.22	62.00	34.22	-5.8	14.00	62.00	53.70	5	34.22	62.00
MREKb2	28.00	29.00	29.00	+2.0	14.00	29.00	45.12	4	28.00	29.00
NRBNb6	8.00	8.00	8.00	0	7.54	14.00	77.98	5	8.00	8.00
RESCb1	12.00	12.00	12.00	-3.0	11.50	18.00	381.45	1	12.00	12.00
SATCb1	9.99	15.00	15.00	+5.0	9.99	16.00	2,362.57	2	9.99	15.00
TEBNb13	11.00	11.00	11.00	+2.0	9.00	15.00	17.85	1	10.76	10.76
TEBNb3	23.00	23.00	23.00	+2.0	12.00	23.00	10.00	1	21.00	23.00
TEBNb9	13.00	13.00	13.00	+2.0	8.90	13.00	14.91	1	13.00	13.00
TXBNb2	28.00	29.00	29.00		12.00	29.00	18.99	3	28.00	29.00
VITAb4	45.00	50.00	50.00		12.71	50.00	22.60	3	45.00	50.00
VITAb5	57.00	57.00	57.00		12.10	57.00	20.63	4	57.00	57.00
60							80,721.36	191		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (February 18 – March 18, 2009). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

March 25, the specialized trades on offering of **government long-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-96 of the second issue** (KZKDKY080023, MUM096_0002; KZT1 000, 25.03.09 – 25.03.17, annual coupon, 30/360), was held in KASE trade system, on which the Ministry of Finance planned to borrow KZT5.0 bn. **The rate of coupon** was the subject of the trade. 14 primary dealers participated in the trades, which were category “K” KASE members. Through these subjects, investors submitted 26 limited bids, of which until the bids’ confirmation time expired 24 bids had left active. Total volume of active bids (volume of demand) made **KZT9,460.0 m.** and exceeded the suggested volume of offering in 1.9 times. The rate of coupon in active bids, varied from 8.00 % APR to 9.50 % APR making in average weighted expression 8.7346 % APR. In the total volume of active orders the stake of pension market subjects made up 57.3%, Kazakhstan second tier banks (STB) – 16.9%, brokerage and dealers companies – 11.8%, clients of brokerage and dealers companies – 14.0%. **By the results of trade**, the issuer satisfied bids on purchasing **840 000 bonds for KZT840 000 000.00 m.** (16.8 % from the planned volume of offering) **at 8.20 % APR.** By results of auction, 97.6% from the total number of placed bonds were re-purchased by pension market subjects, 2.4 % - by clients of brokerage and dealers organizations.

Secondary market sector (purchase - sale)

In the analyzed period total volume of 17 deals made on KASE made KZT2, 652.9 m. (\$17.6 m.). In the previous period (March 12 – 18, 2009) the given indicator was equal to KZT4,784.6 m. or \$31.8 m. with 30 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 100.0 %.

Parameters of Exchange’s transactions in GS within March 19 – 25, 2009

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): notes of National Bank					1.9 % (41.7%) of purchase and sale sector’s turnover	
57 – 63	7.00	7.00	7.00	7.00	49.4	1
Total					49.4 (1,994.5)	1 (11)
Coupon (KZT): MEUKAM, MEOKAM					98.1 % (58.3 %) of purchase and sale sector’s turnover	
Less than 730	7.30	7.30	7.30	7.30 (7.78)	100.2	1
More than 2191	8.30	8.50	8.30	8.40 (8.35)	2,503.4	15
Total					2,603.5 (2,790.1)	16 (19)
GRANDTOTAL					2,652.9 (4,784.6)	17 (30)

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