

# KAZAKHSTAN STOCK MARKET

August 12 - 18, 2010

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## SUPPLEMENTAL INFORMATION

US dollar = 147.17 at official rate for the end of the period.

US dollar = 147.17 at weighted average rate of the Exchange for the end of the period

Speed of KZT devaluation to USD for the period at exchange's rate made **21.0% p.a.**

### Money market indicators as of August 18 and change for the period

Indicator	Rate	Trend
TONIA	0.21	-0.02
Autorepo GCB 2 d.	0.22	-0.02
Autorepo GCB 7 d.	0.36	-0.4
Autorepo GCB 28 d.	0.40	+0.4
KazPrime-3M	2.00	0

### Stock securities' market indicators as of August 18 and change for the period

Index	Value	Trend
KASE	1,472.13	-1.8
KASE_BP	365.86	+0.30
KASE_BC	301.06	+0.6
KASE_BY	14.25	+1.0

## MAIN NEWS OF THE MARKET

### August 12 Agency of the Republic of Kazakhstan on Statistics reported that:

- in June 2010 compared to May, prices of exported goods fell by 0.1%, on imported - rose by 1.1%.
- Short-term economic indicator in January-July 2010 to January-July 2009 amounted to 109.2%;
- Kazakhstan's gross domestic product for January-June 2010 relative to the previous year amounted to 108.0%. In the GDP share of manufacturing goods is 40.5%, services – 56.8%.

August 12, Mr. Karim Massimov Prime Minister of Kazakhstan unstructured JSC National Welfare Fund SamrukKazyna to prepare a small package of shares of subsidiaries fund listed on the Kazakhstan stock market. He stressed that this should be primarily on the stock market of Kazakhstan to develop the domestic market. Kazakhstan prime minister believes that now is the "most optimal time for this work." As stated, he recalled that a similar problem was put before fund in 2007, but then implement it prevented the financial crisis. According to the Premier, the company Fund to achieve its objectives should be to attract money into the domestic stock market.

13 August it was announced that in connection with systematic (three or more times within twelve consecutive calendar months) violations of joint-stock company Kazakhstan innovative commercial bank regulations, the Board of the FSA under subparagraph b) of paragraph 2 of Article 47 and sub-r) paragraph 1 of Article 48 of the Law of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan adopted a resolution on August 9, 2010 # 113 of deprivation of the license JSC" Kazakh Innovation Commercial Bank to conduct banking and other transactions undertaken by banks, in national and foreign currency, in terms of accepting deposits, opening and maintaining accounts of individuals.

August 13 became known that the National Bank of Kazakhstan forecasts that inflation in the third quarter of 2010 would amount to 0.9-1.1% (in the third quarter of 2009, actual inflation was 0.9%). As stated, the restoration of business activity, favorable market conditions in world commodity markets, stable growth in real incomes are positive trends in macroeconomic development of Kazakhstan. However, these factors carry a risk of increasing inflationary pressures. To ensure price stability, the National Bank has taken measures in accordance with the main directions of monetary policy in 2010. The main objective of monetary policy for 2010 is to ensure price stability and keep inflation within 6-8% in 2010. National Bank of Kazakhstan forecast inflation for the fourth quarter of 2010 amounts to 2.5-2.7% (in the fourth quarter of 2009, actual inflation rate was 1.4%), which corresponds to the annual inflation rate in 7.8-8.0% at end-December 2010.

August 13 from the report of the Agency on Statistics of Republic of Kazakhstan of "Socio-economic development of the Republic of Kazakhstan" for July 2010 it became known that in January-July 2010 investment in fixed assets amounted to KZT2,257.6 billion, or 2.9 % less

**than the same period last year.** As indicated, the predominant sources of investments in January-July 2010 are own funds of economic entities, with the borrowed funds decreased by 19.1%. In July 2010 compared with June, the volume of investments decreased by 3.6%. The report indicated that an increase in investments in the construction and repair of buildings and structures on 6.4%. The most attractive industries for investments is still mining and quarrying, whose share in total investment in fixed assets amounted to 38.8%.

**August 14 it became known that the Prime Minister of Kazakhstan Mr. Karim Masimov met with Senator Mr. Emery de Montesquiou.** As indicated, the parties noted the presence of high potential for cooperation in the field of agriculture, veterinary science, and defense and aviation industries. The parties discussed topical issues of expansion of Kazakhstan-French collaboration in trade and economic sphere.

**August 16, Mr. Karim Masimov Prime Minister of Kazakhstan** at the government meeting on assistance to the Kyrgyz Republic **requested the Ministry of Oil and Gas to determine quotas for the export of fuels and lubricants in Kyrgyzstan for the harvesting campaign.** In Kazakhstan, up to November 1 a ban on the export of petroleum products. During the meeting the Minister of Finance of the Kyrgyz Republic Mr. Chorobek Imashev appealed to the Government of Kazakhstan to lift a ban on the export of petroleum products.

**17 August it became known that the FSA has issued JSC Masterbank resolution for voluntary reorganization in the form of conversion to LLP Credit Association Master Credit.** As indicated, in accordance with Article 60 of the Law of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" and the rules for issuing permits for voluntary reorganization or liquidation of second-tier banks, as well as the return of deposits of individuals through their direct payments or transferring them to another bank, is a member of the mandatory deposit insurance, approved by the Board of the FSA on December 25, 2006 # 295, SA Masterbank to the FSA was submitted an application dated June 28, 2010 # 612 for permission for voluntary reorganization of the Bank through the conversion to LLP Credit Association of Master-Loan.

**August 17 it became known that Kazakhstan will apply for the right of the Astana "EXPO-2017".** As indicated, for the right of the International Exhibition in 2017, probably will compete with cities such as Edmonton or Montreal (Canada), Liege (Belgium) and Lille (France). For the exhibition in 2017 Kazakhstan has chosen the theme "Development of the energy of the future. New types of energy, due to the fact that the issue of energy conservation and promoting alternative energy sources is of increasing importance in the world. The report notes that in the case definition of Astana city of EXPO-2017 in Kazakhstan will be attracted significant investment in building Expocentre. The infrastructure developed for EXPO 2017, will serve not only an exhibition at a high level, but subsequently become part of the urban infrastructure and communications. In this regard, also planned to build new business centers, hotels and exhibition centers.

**August 17 it became known that President of Kazakhstan Nursultan Nazarbayev held a meeting on reform of the judicial system in Kazakhstan.** As indicated, the President of Kazakhstan stated that the Government jointly with the Parliament needed to work on improving the legislative framework, its adjustment to increase the effectiveness of law enforcement and judicial system in Kazakhstan. He pointed out that, first of all, we must move decisively in matters of humanization of criminal policy. For this purpose, as stated, will be prepared a bill to decriminalize the offenses do not present a danger to society, with their transfer into the category of administrative offenses and the increased administrative responsibility for them. It was also indicated to reduce the list of government, have the right to verify entrepreneurs.

**August 18 became known, that in accordance with the order of the President of AFS from July 16, 2010 # 186 terminated the license before BTA Bank JSC – JSC Temirbank on July 30, 2008 # 0407100254 to conduct custodian activity at securities market in connection with the voluntary return and re-arranged license to conduct banking and other operations and activities in the securities market in connection with the change of the name of the licensee to JSC Temirbank (license from 7/16/1910 PM # 107).**

**August 18 became known, that in accordance with the order of the President of AFS from August 5, 2010 # 217 terminated the license of JSC "NTC - New Trust Company" on August 20, 2006 # 0403200462 on the activity on investment portfolio management, in connection with the voluntary return.**

## SHARES MARKET

### Market news

From August 20, JSC Centras Securities (Almaty) assigned the status of a market-maker on KASE on simple KZ1C36110019 (EXBN) and preferred shares KZ1P36110115 (EXBNp) JSC Eximbank Kazakhstan (Almaty).

### Primary market sector

August 18 were held specialized auction on placement of common shares KZ1C24120012 (BSUL) JSC Bayan Sulu (Kostanai). Participants were asked to 4,466,667 shares (4.5% of total pledges of ordinary shares of Bayan Sulu). Minimum lot at the auction was set at 10,000 shares. In the auction was attended by three members of KASE, who filed five applications, of which at the end of the submission period, three were active warrants for the purchase of 4,460,000 shares. Thus, the demand at the auction amounted to 99.9% of the proposals. Prices in the ballot active bids were equal to KZT605.00, KZT 607.00 and KZT608.00. As a result of bargaining, all active applications are satisfied. The amount of involvement in this case amounted to KZT2,699,870,000.00.

### Secondary market sector (purchase and sale)

A total of 117 deals were made in shares during the analyzed period.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	4,200.9	+7.4 times	+1.6 times
Average daily volume. KZT m.	618.4	+7.4 times	+1.6 times
Stake of nego deals. number (%)	0	0	-0.8pp
Stake of nego deals. volume (%)	0	0	-22.4pp
KASE members	30	0	-9.1%
Number of shares denominations*	11	-31.3%	-38.9%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	+0.04pp	-11.8pp
on sale	0	0	0
Stake of individuals. gross (%)	9.0	-60.6pp	-45.8pp
on purchase	5.9	-41.6pp	-34.8pp
on sale	12.2	-79.7pp	-56.9pp
Stake of nonresidents. gross (%)	3.0	-10.6pp	-10.5pp
on purchase	5.4	-10.0pp	-5.9pp
on sale	0.6	-11.2pp	-15.2pp

\*on which deals were made at KASE

In the described period weighted average daily prices of 10 items of equity instruments involved in the transaction, no growth has not shown, prices of 1 instruments did not changed. Positive change in shares prices in the range from 0.19% (ZERDp) to 6.80 (KZTKp).

More detailed data on share trades on KASE shown in table below.

### Results of share trades on KASE, including STF of RFCA within August 12 - 18, 2010, only by data on deals made on the secondary market of KASE by the methods of opened trades)

Share code on	on the last deal:		Price. KZT per share:		for last 365 days:		Volume Of deals	Num- Ber of deals	Best for the period:	
	min.	max.	price	trend. %	min.	max.			th.USD	bid
KASE										
CCBN	525	551	535.01	-3.60	405	955	50.07	16	555	525
GB_ENRC	2140	2180	2140	-1.61	1800	2800	13.66	2	2200	2140
GB_KZMS	2700	2770	2750	-6.78	2150	3652	57.56	7	2750.01	2700
HSBK	311	337	325	+1.56	210	400	39.28	27	337	311
KKGB	395	410	400	-4.76	325	740	58.79	18	410	395
KZTK	14000	14695	14000	-5.08	11800	23000	182.32	26	14695	14000
KZTKp	6800	7101	6800		6000	9900	34.07	5	7101	6800
RDGZ	17300	17699	17300	-1.71	16010	24300	21.91	4	17699	17300
RDGZp	15000	15500	15300	-0.03	10800	21988.89	1,972.44	60	15500	15000
SATC	71.09	71.09	71.09	0	70	75	31.17	3	71.09	71.09
ZERDp	5.2	5.2	5.2	-0.19	4.01	5.7	198.07	6	5.2	5.2
11							2,659.3	174		

Notes: Trends are given relative to the last deal of the previous 30 days period (July 11 – August 11, 2010). If deals were not made in the previous month the trend is not calculated.

## MARKET OF CORPORATE BONDS

### News of corporate bonds market

On August 16 bonds KZ2C0Y03C692 (KIBNb3) Kazinvestbank JSC (Almaty) are excluded from the official list of KASE in connection with the expiration of the treatment.

**August 16 risk committee KASE excluded** from the list of representative indices KASE\_BY, KASE\_BP and KASE\_BC **bonds KZ2C0Y03C692 (KIBNb3) Kazinvestbank JSC (Almaty), in connection with the expiration of their treatment.**

**On August 18 bonds KZ2C0Y05C135 (MAG\_b1) JSC "MAG" (Almaty), translated from the second sub-category "Debt Securities without ratings" in the category of "buffer category" official list of KASE.**

**From August 20 JSC Centras Securities (Almaty), given the status of a market-maker on bonds on KASE KZPC1Y07C299 (EXBNb1), KZP02Y05C295 (EXBNb2) and KZP03Y07C299 (EXBNb3) JSC Eximbank Kazakhstan (Almaty).**

**August 13 Astana-Finance JSC (Astana) has reported a delay of payment:**

- the fourth coupon on its bonds KZP08Y10C532 (ASFb22);
- the fourth coupon on its bonds KZP02Y03D017 (ASFb23);
- the fourth coupon on its bonds KZP03Y05D010 (ASFb24).

According to the prospectus of issue of these bonds JSC Astana-Finance must pay this fee in the period from August 31 to September 13, 2010. In his letter JSC Astana-Finance announced that the company now is in the process of restructuring its financial obligations, developed a plan for restructuring.

### Primary market sector

In this sector of KASE during the analyzed period deals were concluded. Bidding on the placement of the bonds were not conducted.

### Secondary market sector (purchase and sale)

A total of 54 deals were made in bonds during the analyzed period on KASE.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	3,149.9	+14.6%	-71.5%
Average daily volume. KZT m.	464.1	+14.6%	-71.4%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	25	-3.8%	+4.2%
Number of bonds denominations*	21	-12.5%	-25.0%
Stake of pension funds. gross (%)	14.4	+14.4pp	-15.1pp
on purchase	24.1	+24.1pp	+12.4pp
on sale	4.7	-40.1pp	-42.6pp
Stake of individuals. gross (%)	5.8	-18.2pp	+0.6pp
on purchase	6.1	-4.8pp	+3.7pp
on sale	5.4	-31.7pp	-2.6pp
Stake of nonresidents. gross (%)	17.1	+17.0pp	+17.1pp
on purchase	17.08	+16.98pp	+17.07pp
on sale	17.2	+17.06pp	+17.21pp

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 15 items, fall – 4, the price of one instrument did not changed. Yield to maturity for a buyer on deals rose during the week for 5 bonds have declined - in 9, benefits of 7 instruments did not changed. Positive change in bond yield to maturity in the range from 0.32% (KKGBb5) to 4.57% (BTAIb5), negative - from 0.10% (NFBNb1) up to 20.52% (ZERDb1).

More detailed data on corporate bonds on KASE shown in table.

**Results of bond trades on KASE including STF of RFCA within August 12 - 18, 2010 (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						
AGKkb1	8.50	9.00	8.50	-0.50	7.70	13.00	1,008.23	3	8.50	9.00
ATFBb6	7.20	10.12	7.20		7.20	19.00	9,532.85	10	7.20	10.12
BTAIb14	35.21	35.21	35.21	-2.67	15.00	45.84	40.30	1	35.21	37.55
BTAIb2	21.22	21.22	21.22	+0.04	19.22	53.00	82.04	1	21.22	22.91
BTAIb5	38.38	38.38	38.38		27.40	51.00	1.04	1	38.30	38.38
CSBNb3	7.50	7.50	7.50	0	7.50	16.94	707.00	2	7.50	7.50

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Continued of table

**Results of bond trades on KASE including STF of RFCA within August 12 - 18, 2010  
(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.				
DTJLb1	13.47	13.47	13.47		10.05	43.72	128.72	1	13.47	13.47
EUBNb3	11.50	12.00	11.97	-0.03	10.00	22.00	2,985.26	5	11.50	12.00
HSBKb8	8.50	8.50	8.50		8.50	14.00	10.82	1	8.50	8.50
HSBKb9	8.00	8.00	8.00		8.00	17.00	12.70	1	8.00	8.00
KKGBb5	10.70	10.70	10.70	+0.70	7.50	10.70	42.26	2	12.39	12.39
KKGBe4	10.08	10.08	10.08		9.85	22.81	11.89	1	10.08	10.08
KKGBe5	10.02	10.02	10.02		10.02	16.13	13.19	1	10.02	10.02
LOGCb1	26.00	26.00	26.00	0	6.82	32.70	0.84	1	26.00	26.00
MREKb2	6.00	6.00	6.00		5.00	15.00	9.00	1	6.00	6.00
NFBNb1	32.90	32.90	32.90	-0.10	31.20	36.00	57.34	5	32.90	32.90
ORDKb2	14.00	14.00	14.00	0	14.00	16.00	10.17	1	14.00	14.00
PRKRb2	8.00	8.00	8.00		8.00	11.50	702.23	1	8.00	8.00
RESCb1	12.00	12.00	12.00		8.00	14.39	249.17	1	8.00	12.00
TSBNb5	14.00	14.00	14.00	0	14.00	50.00	2.85	1	14.00	14.00
ZERDb1	31.50	55.00	33.50	-19.50	10.00	119.00	141.72	13	31.50	56.52
21							15,749.6	54		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (July 11 – August 11, 2010). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**August 18 in the trade system of KASE, a specialized auction on placement of government treasury bonds, Ministry of Finance of the Republic of Kazakhstan MEUKAM-96 release of the eighth (KZKDKY080080, MUM096\_0008; KZT1000, 08.18.1910 - 18.08.1918, semi-annual coupon, 30/360), the which the Ministry of Finance planned to involve KZT14.0 billion. The subject of the auction is the coupon rate. In the auction was attended by 19 primary dealers, which were members of KASE category "K". Through these subjects, investors filed 53 applications, of which the expiration time of the confirmation requests were active 1952 warrant. Total volume of active bids (volume of demand) was KZT57,848.2 million and exceeded the suggested volume of 4.1 times. Coupon in active bids ranged from 5.75 to 6.50% per annum, making in average terms, 6.1901% per annum. As a result of trade issuer granted an application for purchase of 14 million bonds worth KZT14,000,000,000.0 (100.0% of planned volume of placements) under 5.98% per annum.**

### Secondary market sector (purchase)

During the monitoring period, the total volume of 101 prisoners at KASE transactions amounted to KZT15,5657.0 million (\$105.6 million). In the previous period (August 5 – 11, 2010), this figure was KZT12,023.4 million (\$81.6 million), with 57 transactions. The share exchange turnover in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 89.3% (in the previous period - 80.1%).

### Parameters of Exchange's transactions in GS within August 12- 18, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discount (KZT): the notes of NB. MEKKAM</b>				<b>2.1% (2.5%) of purchase and sale sector's turnover</b>		
92 - 181	1.30	1.30	1.30	1.30	323.87	2.00
Total					<b>323.9 (295.5)</b>	<b>2 (1)</b>
<b>Coupon (KZT): MEOKAM. MEUKAM. MEUJKAM, MAOKAM</b>				<b>97.9% (85.8%) of purchase and sale sector's turnover</b>		
Less 730	1.60	3.25	2.80	2.64 (2.30)	3,349.30	10
731 - 1095	2.50	3.00	3.00	2.75 (3.26)	373.52	4
1096 - 1460	3.71	3.93	3.71	3.90 (4.11)	588.52	2
1461 - 1825	4.70	6.00	4.70	5.32 (5.81)	943.15	5
1826 - 2190	4.80	4.80	4.80	4.80 (6.50)	1,526.45	1
Over 2191	4.80	6.50	6.28	5.75 (6.42)	8,462.24	77
Total					<b>15,243.2 (11,727.9)</b>	<b>99 (56)</b>
<b>TOTAL</b>					<b>15,567.0 (12,023.4)</b>	<b>101 (57)</b>

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