

KAZAKHSTAN STOCK MARKET

October 7 - 13, 2010

SUPPLEMENTAL INFORMATION

US dollar = 147.79 at official rate for the end of the period.

US dollar = 147.61 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 14.0% p.a.

Money market indicators as of October 13 and change for the period

Indicator	Rate	Trend
TONIA	0.43	-0.11
Autorepo GCB 2 d.	0.43	-0.10
Autorepo GCB 7 d.	0.56	-3.5
Autorepo GCB 28 d.	2.15	+2.2
KazPrime-3M	1.98	0

Stock securities' market indicators as of October 13 and change for the period

Index	Value	Trend
KASE	1,546.51	-0.4
KASE_BP	368.72	+0.01
KASE_BC	303.00	-0.2
KASE_BY	14.08	+0.1

MAIN NEWS OF THE MARKET

October 7, it became known that the President of Kazakhstan Nursultan Nazarbayev has signed the Act of October 6, 2010 # 342 SAM-IV "On Amendments to the Law of the Republic of Kazakhstan" On republican budget for 2010-2012. "On the basis of changes in macroeconomic forecasting indicators of socio-economic development for 2010-2014 updated national budget for the current year. Adjusted earnings forecast national budget, excluding transfers, is defined in the sum of KZT1,973 billion from the growth of KZT135.5 billion. Income transfers in 2010 will be KZT1,440.8 bln. Proceeds of the republican budget identified a total of KZT3,517.8 billion, while expenses – KZT4,321.4 billion, an increase on the KZT139.4 billion. The national budget deficit will amount to KZT803.6 billion.

October 7, Kazakh President Nursultan Nazarbayev, at a joint press conference with Serbian President Boris Tadic in the Serbian leader's state visit to Astana, reported that **Astana and Belgrade are interested in expanding bilateral economic cooperation and agreed to establish an intergovernmental commission.** He said that the parties in the course of the talks discussed cooperation in energy and oil field. In addition, according to the head of Kazakhstan, the Serbian company "right now" can come in agricultural reprocessing enterprises in Kazakhstan. The two sides exchanged view "on the mutual use of transport transit potential of Kazakhstan and Serbia and also discussed" the possibility of Serbia's cooperation in the framework of the Customs Union. "For its part, Tadich said that Kazakhstan and Serbia, an open question "of cooperation between airlines."

October 7 Minister of Oil and Gas of the Republic of Kazakhstan Mr. Sauat Mynbayev at a press conference in the Kazakh part of the international conference KIOGE 2010 said **that Kazakhstan during 40-50 years of age may export oil in the amount of 80-100 million tones a year, if in 2020 will produce up to 130 million tons of oil.** Also, Mr. S. Mynbayev added that Kazakhstan has confirmed recoverable reserves of more than 5 billion tons of gas - more than 3.7 trillion. cu. m.

October 8, it became known that the Minister of Economic Development and Trade of the Republic of Kazakhstan Mrs. Zhanar Aitzhanova and Minister of Trade and Services of the Republic of Serbia, Mr. Slobodan Miloslavlevich have signed a Free Trade Agreement and the Agreement on Mutual Promotion and Protection of Investments. As noted, the main export commodity of Kazakhstan in Serbia is the oil gas and products of machine building industry, including equipment for the food industry, vehicles. Indicated that there is potential for exports of products of metallurgy and petrochemicals (including organic chemicals and plastics). In turn, Kazakhstan is interested in supplies from Serbia, building materials of wood and aluminum, textiles and chemical products, paper pulp and glass products and pharmaceuticals, fruits and vegetables. Trade in all goods listed with January 1, 2011 will be duty free.

October 8 Republic of Kazakhstan Agency for Statistics reported that:

- **the housing market in September 2010 there was an increase in prices.** In September 2010, compared to the previous month, the sales price of new housing rose by 0.1%, rental of

comfortable – 0.2%, the resale of comfortable and uncomfortable - by 0.3%.

- **In September of this year compared with December 2009 crop production, realized agricultural enterprises, and has become more expensive by 1.2%, livestock products - by 2.8%.**
- **The volume of industrial production in Kazakhstan increased by 10.4%.**
- **In September 2010 the prices in some segments of the economy changed.** In September of this year compared with the previous month, prices of consumer goods and services rose by 0.6% in wholesale trade and agriculture - to 4%. Industrial products companies-manufacturers fell to 0.5%, prices for telecommunication services for businesses decreased by 0.1%.
- **In August 2010 the average nominal wage per employee was KZT8,0789 and has grown over the corresponding month last year to 17.7% in real terms by 10.5%.**
- **the unemployment rate in Kazakhstan in September 2010 was 5.6%.**
- **large and medium-sized businesses and organizations in September of this year made 89.2 thousand people dropped out for various reasons – 79.1 thousand people.**
- **Business activity of the firms' surveyed industries in September 2010 has increased** compared to the previous month. The index of business confidence rose by 1 percentage point and amounted to (+14) %. In this case, in September 2010 compared with the previous month business activity of trading enterprises has not changed. The index of business confidence remained unchanged at (+13) %.
- **"The index of perceptions of consumers" in September 2010 amounted to (+13) %.**

October 8th President of the Republic of Kazakhstan announced that it is necessary to monitor and control effectively the activities of state holdings and development institutions.

As indicated in Akorda chaired by the President of Kazakhstan Nursultan Nazarbayev held a meeting of the Security Council, which reviewed the status of high security of strategic facilities and critical infrastructure in the country. A report on the subject by the Chairman of the Committee of National Security Mr. H. Abykayev. As indicated, the Kazakh president especially emphasized the meeting participants on the need for concrete measures to ensure industrial and fire safety and prevention activities, improve the regulatory framework in this area.

October 8 National Bank of Kazakhstan reported that:

- in relation to the first half of 2009 the **GDP share of manufacturing goods dropped to 40.5%, production services - up to 56.8%.**
- Kazakhstan's foreign trade in the seven months of 2010 increased by 34.8%, while the CIS countries the increase has reached 8.8%, with other countries – 45.3%.
- Despite the growth in the mining industry, **a slowdown in other industries caused the reduction of the annual rate to 10.1% (by August 2009), while the monthly rate accelerated to 4.5%.**

October 12 Minister of Economic Development and Trade of the Republic of Kazakhstan Mrs. Zhanar Aitghanova reported that:

- **short-term economic indicator** that reflects changes in the six major sectors as industry, agriculture, commerce, construction, transport and communications index of the dynamics of development - a short-term economic indicator - compared with the same period last year **amounted to 8%.**
- **The volume of gross agricultural output in January-September this year fell by 4.1% to the corresponding period of 2009.**
- **for the first nine months of 2010, retail turnover in real terms grew by 13% to the corresponding period last year.**
- **In January-September 2010, investments in fixed assets decreased by 2% over the same period last year.**

October 12 Vice-Chairman of the National Bank of Kazakhstan Mr. Bisengali Tazhiyakov reported that the external debt of Kazakh banks will drop to \$ 13 billion by the end of this year. According to him, currently the external debt of banks in Kazakhstan amounts to about \$ 20.5 billion, he pointed out that in the first half of 2010 external debt of domestic banks decreased by \$ 5 billion

October 12 Minister of Agriculture of Kazakhstan Mr. Akylbek Kurishbayev said that in Kazakhstan the gross grain harvest in 2010 totaled 13.6 million tons in bunker weight. The

Minister also said that the expected yield of oilseed crops is estimated at 788 tons. According to the ministry, gross harvest of rice was 415 thousand tons.

MARKET SHARES

Market news

October 8 it was announced that on October 20 Subsidiary of joint stock company "BTA Bank BTA Securities JSC (Almaty), waived from the status of market-maker on KASE on common shares KZ1C49790013 (TMLZ) JSC Temirleasing (Almaty).

On October 11 common shares KZ1C58040011 (ASCA) JSC "Astana Capital Advisors" (Almaty) were excluded from the official list of KASE.

Primary market sector

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

Secondary market sector (purchase and sale)

A total of 447 deals were made in shares during the analyzed period.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	3,443.4	-98.8%	+1.3 times
Average daily volume. KZT m.	508.3	-98.8%	+1.3 times
Stake of nego deals. number (%)	0	-0.002 pp	-0.8 pp
Stake of nego deals. volume (%)	0	-0.0002 pp	-22.4 pp
KASE members	35	+9.4%	+6.1%
Number of shares denominations*	19	+5.6%	+5.6%
Stake of pension funds. gross (%)	30.5	+30.5 pp	+30.5 pp
on purchase	60.9	+60.94 pp	+49.1 pp
on sale	0.1	+0.1 pp	+0.1 pp
Stake of individuals. gross (%)	51.7	+1.6 pp	-3.2 pp
on purchase	18.2	+17.3 pp	-22.5 pp
on sale	85.1	-14.2 pp	+16.1 pp
Stake of nonresidents. gross (%)	10.1	+9.9 pp	-3.4 pp
on purchase	10.4	+10.3 pp	-1.0 pp
on sale	9.9	+9.6 pp	-5.9 pp

*on which deals were made at KASE

In the described period weighted average daily prices of 7 items of equity instruments involved in the transaction, 7 instruments have showed a growth, prices of 5 instruments did not changed. Negative change in shares prices in the range from 0.02% (ZERDp) to 18.67% (BTAS), positive – from 1.40% (HSBK) to 14.69% (ZERD).

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

Results of share trades on KASE, including STF of RFCA within October 7 - 13, 2010, only by data on 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	Num- Ber of deals	Best for the period:	
	min.	max.	price	trend. %	min.	max.			bid	offer
BSUL	630	630	630	0	200	630	30.00	6	630	630
BTAS	7	22	11.5	-28.57	5	2838	314.98	225	22	7
CCBN	525	560	557	+1.09	515	955	465.48	25	560	525
GB_ENRC	2150	2200	2160	-3.13	1800	2800	60.15	13	2200	2150
GB_KZMS	3120	3400.01	3120	-9.57	2155	3652	131.72	16	3410	3100
HSBK	303	324.5	324.5	+1.41	247	400	398.60	13	324.5	303
KASE	6000	6000	6000	0	4681.38	6000	20.33	1	6000	6000
KAZIp	300	340	340	-12.82	212	390	10,162.76	7	340	300
KKGB	430	449.9	440	+6.02	356	740	30.26	8	450	430
KZTK	15850	16100	16100	+2.55	11800	23000	155.13	12	16100	15850
KZTKp	6800	7900	7500	+4.17	6000	9900	1,110.18	16	7900	6800
RDGZ	15800	16340	16155	+2.24	15300	24300	490.92	21	16340	15800
RDGZp	15100	15600	15600	+3.31	10800	21988.89	1,951.62	68	15600	15100
SATC	71.08	72	71.08	0	70	75	46.35	4	72	71.08
TEBNp	200	200	200		200	500	0.14	2	200	200
TSBN	940	950	940	-1.16	850	1078	3.12	2	940	940
ZERD	1.31	1.43	1.43	+19.17	0.67	7.2	1.04	2	1.51	1.2
ZERDp	5.2	5.21	5.21	-8.60	5	5.7	1,802.17	5	5.21	5.2
ZNGRp	1250000	1250000	1250000	0	1000000	1250000	42.29	1	1250000	1250000
19							17,217.2	447		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 6 – October 6, 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 October 8 in the secondary market of KASE **have open trades** in bonds KZP02Y10D855 (SKKZb23) **of JSC Fund Samruk-Kazyna (Astana).**

On October 11 bonds KZ2C0Y05C788 (ALTMb1) **JSC Almatytemir (Almaty) are transferred** from buffer category "in the second subcategory of" Debt Securities rated the official list of KASE.

On October 11 bonds KZPC2Y05B806 (KAZIb2) and KZP03Y05B808 (KAZIb3) **JSC Karaganda plant asbestos "(Karaganda region).** Transferred from category" buffer category "in the first subcategory of" Debt Securities rated the official list of KASE.

On October 11 bonds KZ2C0Y07D139 (AKFIb2) **JSC "AMF Group" (Aktobe),** translated from the first second subcategory of "Debt Securities rated the official list of KASE.

On October 11 bonds KZ2P0Y05D171 (ERKAb1) **Ltd. "ZHERSU POWER" (Taldykorgan)** transferred from the first second subcategory of "Debt Securities rated the official list of KASE.

On October 11 bonds KZ2C0Y07D147 (BTASb10) **BTA Bank JSC (Almaty) were excluded from the official list of KASE.**

On October 11th from KASE official list excluded the following bonds Astana-Finance JSC (Astana): KZ2CKY07B162 (ASFIb4), KZPC2Y07B505 (ASFIb6), KZPC1Y10B634 (ASFIb7), KZPC1Y05B725 (ASFIb8), KZPC2Y15B722 (ASFIb9), KZPC3Y10B721 (ASFIb10), KZPC1Y10C202 (ASFIb11), KZPC3Y12C253 (ASFIb12), KZPC2Y15C258 (ASFIb15), KZP01Y15D013 (ASFIb16), KZP03M42C539 (ASFIb17), KZP08Y10C532 (ASFIb22), KZP02Y03D017 (ASFIb23), KZP03Y05D010 (ASFIb24).

From October 12 Financial company Alliance Capital (Almaty) on the basis of his application was assigned a market-maker on KASE on the following bonds **JSC Karaganda plant asbestos (Karaganda region.):** KZPC2Y05B806 (KAZIb2) and KZP03Y05B808 (KAZIb3).

On October 13 IFG CONTINENT JSC (Almaty) assigned the market-maker on KASE on medium-term bonds of the second issue KZAEKY050024 (ALK060_002) **local executive body of the city of Almaty.**

Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Offerings were not made.

Secondary market sector (purchase and sale)

A total of 60 deals were made in bonds during the analyzed period on KASE.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	2,632.1	2.3 times	4.2 times
Average daily volume. KZT m.	388.5	2.3 times	4.2 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	22	-15.4%	-8.3%
Number of bonds denominations*	24	+9.1%	-14.3%
Stake of pension funds. gross (%)	12.0	-9.0 pp	-17.6 pp
on purchase	18.2	+2.2 pp	+6.5 pp
on sale	5.7	-20.3 pp	-41.6 pp
Stake of individuals. gross (%)	5.5	-7.0 pp	+0.3 pp
on purchase	2.0	-8.2 pp	-0.4 pp
on sale	8.9	-5.8 pp	+0.9 pp
Stake of nonresidents. gross (%)	0	-0.03 pp	0
on purchase	0.10	+0.09 pp	+0.09 pp
on sale	0	-0.05 pp	0

on which. deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 16 items, fall – 6, prices of the three instruments has not changed. Yield to maturity for a buyer on deals rose during the week for 5 bonds, have declined - in 13, benefits of 5 instruments did not changed.

Positive change in bond yield to maturity in the range from 0.42% (BTAIb3) to 1.17% (KKGBb4), negative - from 0.02% (KASSb1) up to 33.02% (VITAb5).

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

**Results of bond trades on KASE including STF of RFCA within October 7 - 13, 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.				
AESOb1	11.80	11.80	11.80		11.80	13.00	114.41	1	11.80	11.80
ALBNb2	6.00	6.00	6.00	0	6.00	10.50	465.69	1	6.00	6.00
ATFBb5	6.56	7.89	7.00	-0.89	6.56	15.87	3,859.12	7	6.56	7.89
BTAIb3	36.85	37.20	37.20	+0.42	9.40	104.84	53.43	7	36.85	37.27
CCBNb10	9.00	10.00	9.00	-1	9.00	13.10	3,554.01	4	9.00	10.00
CCBNb6	10.00	10.00	10.00		9.50	14.00	287.77	1	10.00	10.00
CSBNb5	16.00	16.00	16.00	+1.00	15.00	20.00	12.57	1	16.00	16.00
CSBNb7	13.00	13.00	13.00		12.00	14.00	13.81	1	13.00	13.00
EUBNb3	10.00	10.50	10.50	+0.5	8.00	17.00	164.67	3	10.00	10.50
HSBKb11	10.00	10.00	10.00		9.30	14.20	272.99	1	10.00	10.00
HSBKb8	9.00	9.00	9.00		8.50	14.00	301.44	1	9.00	9.00
HSBKe4	5.11	5.11	5.11	-0.07	5.11	7.57	2,225.00	2	5.11	5.11
KASSb1	8.98	8.99	8.98	-0.02	8.98	15.50	60.42	2	8.98	8.99
KKGBb4	11.00	12.00	11.00		10.00	18.00	971.26	3	11.00	12.00
KKGBb5	11.00	11.50	11.00	-0.5	7.50	11.50	158.40	2	11.00	11.50
MREKb6	10.00	10.00	10.00		9.00	16.00	0.80	1	10.00	10.00
NRBNb2	13.00	13.00	13.00		13.00	18.00	10.79	1	13.00	13.00
NRBNb5	12.00	12.00	12.00		12.00	19.00	4.03	1	12.00	12.00
ORDKb2	12.00	16.00	12.00	-2.00	12.00	16.00	93.98	5	12.00	16.00
SKKZb23	6.50	6.50	6.50		6.50	6.50	373.58	1	6.48	6.50
TMLZb1	22.00	22.00	22.00		22.00	49.00	8.06	1	21.00	22.00
TXBNb3	7.00	8.99	7.00		7.00	17.27	34.78	2	7.00	8.99
VITAb5	243.31	243.31	243.31		22.82	277.13	0.30	1	235.14	243.31
ZERDb1	38.00	44.50	38.00	-6.50	10.00	119.00	119.19	10	38.00	44.50
24							13,160.5	60		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (September 6 – October 6, 2010). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

On October 12 KASE trading system specialized trades on placement of mid-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-48 Release 44 (KZK2KY040444, MOM048_0044; 1,000, 12.10.10 - 7.22.1914, semi-annual coupon, 30/360), at which the Ministry of Finance planned to attract 8.0 billion. Negotiable coupon rate. In the auction was attended by 18 primary dealers, which are members of KASE category "K". Through these subjects, investors have filed 55 applications, of which the expiration time applications were 42 active warrants. Total volume of active bids (demand volume) was KZT34,243.7 million and exceeded the proposed level of accommodation in 4.3 times. Coupon in active bids ranged from 3.7200% to 5.0000% per annum, amounting in average terms, 4.3407% per annum. As a result of trade, the issuer granted the application to purchase 18,000,000 of bonds in the amount of KZT8,246,672,000.00 (100.0% of planned volume offering) at 3.90000% per annum.

Secondary market sector (purchase)

During the monitoring period, the total volume of 65 transactions at KASE amounted to KZT17,741.3 million (\$120.1 million). In the previous period (September 30 – October 6, 2010), this figure was KZT25,704.3 million (\$174.2 million), with 89 transactions. The share exchange turnover in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 54.1% (in the previous period - 100.0%).

Parameters of Exchange's transactions in GS within October 7 - 13, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): the notes of NB. MEKKAM						
0% (8.1%) of purchase and sale sector's turnover						
92 - 181	1.24	1.24	1.24	1.24 (1.20)	8.67	2.00
Total					8.7 (2,074.2)	2 (4)

To be continued on the page 6

Continued of table

Parameters of Exchange's transactions in GS within October 7 - 13, 2010

Days till maturity	Yield to maturity for a buyer. % APR.				Volume. m. KZT discounted	Number of deals
	min	max	last deal	weighted average		
Coupon (KZT): MEOKAM, MEUKAM				100.0% (91.9%) of purchase and sale sector's turnover		
Less 730	3.06	3.06	3.06	3.06 (2.10)	8.93	1
731 – 1095	2.72	3.50	3.11	3.30 (3.31)	2,039.27	12
1461 – 1825	4.50	5.20	4.75	4.82 (5.22)	3,649.79	18
Over 2191	4.79	6.50	5.40	5.73 (5.48)	3,949.44	25
Less 730	7.30	7.30	7.30	7.30 (7.30)	0.02	1
Over 1096	6.05	6.05	6.05	6.05 (6.15)	8,085.20	6
Total					17,732.7 (23,630.1)	63 (85)
TOTAL					17,741.3 (25,704.3)	65 (89)

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