

## WEEK OF STOCK MARKET OF KAZAKHSTAN

February 21 - 25, 2011

DATE	INDEX KASE	USDKZT	TONIA	TWINA	KAZPRIME
18.02.11	1,837.66	146.19	0.2424	0.5475	1.7400
21.02.11	1,837.76	146.16	0.1757	0.6341	1.7400
22.02.11	1,804.52	146.13	0.100	0.5688	1.7400
23.02.11	1,793.14	146.08	0.1410	0.5936	1.7400
24.02.11	1,801.84	146.02	0.3374	0.6587	1.7400
25.02.11	1,808.41	146	0.1364	0.3383	1.7400
TREND	-29.3	-0.2	-0.1	-0.2	0
%	-1.6	-0.1	-43.7	-38.2	0

### Main news of stock market

**February 22 President of the National Bank of Kazakhstan Mr. Grigory Marchenko said that total international reserves** of the country exceeded 64 billion U.S. dollars. In this case, the National Bank's gold assets - more than \$ 32 billion, foreign currency funds from the National Fund - also more than 32 billion dollars.

**February 21 Fitch Ratings affirmed the long-term issuer default ratings (IDR) of a subsidiary bank Sberbank (Kazakhstan) (hereinafter - "SB Sberbank") at "BBB-", outlook "stable".** According to Fitch, Sberbank most likely will have a high willingness to provide support for SB Sberbank subject to 100-percent ownership, a common brand, the small relative size of subsidiary (the share of SB Sberbank has less than 1% of the consolidated assets of the Savings Bank) and, as Consequently, moderate costs of potential support, and also because the strategic interest of the Savings Bank in business development in the Commonwealth of Independent States. By now Sberbank supports the development of SB Sberbank through contributions of capital and provided subsidiary of backup credit line. Individual Rating SB Sberbank D/E reflects the recent rapid growth in the loan portfolio, which is scheduled to continue in the future, the high risk concentration on a single client on both sides of the balance, a little history of activity and is still a difficult operating environment. At the same time, the rating taking into account acceptable at present levels of asset quality and capitalization, as well as a moderate risk of liquidity to the bank.

**February 23 it was reported that according to the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (AFS) the amount of net pension assets in the country** (the amount of pension assets minus liabilities accrued commissions, payable on pension payments) on February 1 in 2011 amounted to 2,275.7 billion KZT (equivalent of 15,495.0 million U.S. dollars in effect on that date the official rate of dollar against the tenge). The comparable figure for Jan. 1, 2011 – 2,258.2 billion KZT or \$ 15 309.8 million

**February 23 FSA, in its routine news release on the state of financial markets and financial institutions of the Republic, stated that:**

- Total assets of banks as of February 1 were 12,111.4 billion KZT, an increase in January to 79.9 billion KZT or 0.7%. On Feb. 1 the total estimated capital of the banking sector amounted to 1,818.3 billion KZT, a decrease for the month to 3.1 billion KZT or 0.2%. Assets denominated in foreign currencies amounted to 35.8% of total assets, or 4 341.4 billion. Loan portfolio (including interbank loans) as of February 1, amounted to 9,039.5 billion KZT, a decrease in January to 26.4 billion KZT or 0.3%. At the same time, loans to non-residents of Kazakhstan on February 1 this year amounted to 1,336.4 billion KZT or 14.8% of the loan portfolio (in 1.01.2011. This figure was 1,803.3 billion KZT or 14.8%). As of February 1, loans issued in foreign currency amounted to 50.1% of the total loan portfolio or 4,525.4 billion KZT. As of February 1 total liabilities of the banking sector amounted to 10,795.6 billion, an increase in January to 80.4 billion KZT. Of these commitments to non-residents amounted to 2,338.1 bln KZT, down for a month at 224.3 billion KZT or 8.8%. Share of liabilities to non-residents on February 1 this year amounted to 21.7% of total liabilities (in 01.01.2011 year this figure was 23.9%). The aggregate amount of income of banks on Feb. 1, 2011 amounted to 337.0 billion KZT. Total expenses - 339.2 billion KZT (excluding income tax, which at the reporting dates 1.1 billion KZT). Loss of the bank on February 1 amounted to - 3.3 billion KZT.
- In January the total assets of insurance (reinsurance) increased by 1.7%, to February 1, 349.2 billion KZT. Total equity capital decreased by 2.3% to 203.8 billion KZT. The amount of insurance reserves totaled 125.3 billion KZT. Volume of insurance premiums received under contracts of direct insurance as of 1 February was 20.7 billion KZT, or 69.0% more than in 2010. The volume of premiums for compulsory insurance totaled 3.2 billion (an increase of 11.8% compared to the same

date last year), for voluntary personal insurance premiums amounted to 6.0 billion KZT (an increase of 47.8% compared with the same date last year), the voluntary property insurance, 11.4 billion KZT (an increase of 2.2 times compared to the same date last year).

- the total amount of pension savings depositors (receivers), an increase in January to 17.56 billion KZT (0.8%), was on February 1, 2011 2,275.7 bln KZT. Total pension contributions, increased in January to 29.2 billion KZT (1.6%), amounted to February 1, 2011 1,850.9 bln KZT. Total net investment income from the investment of pension assets (net of commissions), distributed to individual pension accounts of depositors (receivers), and decreased in January to 2.4 billion KZT (0.4%), as of February 1, 2011 year amounted to 569.0 billion KZT.
- As of February 1, 2011 total assets of mortgage companies totaled 122.7 billion KZT, a decrease in January to 0.1 billion KZT or 0.1%. Total liabilities compared with data on January 1, 2011 increased by 0.1 billion KZT or 0.1% and amounted to 91.6 billion KZT. Shareholders' equity on the balance of mortgage companies amounted to 31.1 billion KZT.

**February 24, it became known that the BTA has successfully completed the listing of new bonds issued under the restructuring of its financial obligations.** The number of new bonds of the Bank, denominated in foreign currencies, includes the following new securities: senior bonds in the amount of 2,082,371,783 U.S. dollars, maturing in 2018; special debt instruments at a discount (OID) in the amount of 384,848,130 U.S. dollars with maturities in 2021, special debt instruments at a discount (OID) in the amount of 437,110,856 euros, with maturity in 2021, 7.2%-nye subordinated notes in the amount of 496,631,368 U.S. dollars, with maturity 2025; 6.75% subordinated bonds in the amount of 28,237,359 euros, with maturity in 2025; bonds for recovery in the amount of 5,221,494,216 U.S. dollars.

**February 25 National Bank of Kazakhstan said that the monetary base** (reserve money) in January 2011 increased by 2.7% compared with the previous month and 2.7% since the beginning of 2010, to 2,641.5 bln KZT. In this case, the cash out of the National Bank amounted to 1,252.9 billion KZT, deposits of banks and other organizations in the National Bank – 1,388.6 bln KZT. The monetary base (in the narrow terms) rose by 2.5% on a monthly basis since the beginning of the year increased by 2.5% and amounted to 2,196.3 bln KZT. In this case, reserve deposits of banks in the National Bank amounted to 387.2 billion KZT.

## MARKET SHARES

During the study period at KASE on the secondary market sale was concluded 469 deals.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	2,188.6	2.1 times	19.0%
Average daily volume. KZT m.	319.6	2.1 times	19.5%
Stake of nego deals. number (%)	0	-0.01 pp	-0.8 pp
Stake of nego deals. volume (%)	0.1	-0.12 pp	-22.3 pp
KASE members	33	8.3%	0
Number of shares denominations*	18	5.9%	0
Stake of pension funds. gross (%)	2.4	+2.4 pp	+2.4 pp
on purchase	1.6	-2.4 pp	-10.3 pp
on sale	3.1	+3.1 pp	+3.1 pp
Stake of individuals. gross (%)	45.5	+10.1 pp	-9.4 pp
on purchase	28.8	+6.4 pp	-11.8 pp
on sale	62.1	+13.8 pp	-7.0 pp
Stake of nonresidents. gross (%)	24.3	+6.1 pp	+10.7 pp
on purchase	39.0	+14.93 pp	+27.7 pp
on sale	9.5	-2.7 pp	-6.3 pp

In the described period of falling average daily prices of 14 types of equity instruments involved in the transaction, the growth shown 3 tools prices, 1 instrument have not changed. Adverse change in shares prices in the range of 0.05% (SATC) to 78.04% (REALp), positive - from 3.90% (TSBN) to 7.34% (RDGZ).

Over the past week KASE index decreased by 29.25 points (-1.6%) to values of 1,808.41. In the red zone proved to be the entire shares representative list index. In the red was virtually all equity securities included in the index basket. The exceptions were common shares of KMG Kazmunaigaz, which quotations have grown by 8.16% against the rising cost of crude oil on commodity exchanges in Europe. The jump in oil prices was triggered by expectations of reducing its supply because of popular unrest in Libya.

The situation in the global market base metals remains quite uncertain. On the one hand, provide support to the market expectations of rising demand for metals from China, despite the unpopular actions of regulators of the country on a "cooling" the economy and curb inflation. On the other hand, negatively affected the probability of a worldwide economic slowdown because of oil prices runaway.

As a result, situations arose in the international markets of common shares of companies Kazahmys (-2.2%) and ENRC (-4.1%) finished the week in the red zone.

Quotes of the securities of the financial sector also came under pressure from the external background. As a result of the week quotations of ordinary shares Kazkommertsbank decreased by 5.5%, quotes Halyk Savings Bank of Kazakhstan to 5.1%. A drop in prices of common shares of Bank CenterCredit (-2.5%) was not as significant due to stable demand for a week by one of the market participants.

More detailed information on share trades at KASE is given in the table below:

**Results of share trades on KASE, including STF of RFCA within February 21 - 25, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades)**

Share code on KASE	Price. KZT per share:		Volume		Num-ber of deals	Best for the period:	
	min.	max.	Of deals	th.USD		bid	offer
			on the last deal:				
			for last 365 days:				
			price	trend. %	min.	max.	
AMGZp	18000	25200.03	18000		18000	28500	25.67
BSUL	630	630	630	0	200	658.05	40.89
BTAS	5.9	6.2	5.9	-1.67	4.3	1300	83.36
CCBN	641	657.99	641	-2.51	515	764.5	970.62
GB_ENRC	2250	2410	2310	-4.15	1800	2800	86.21
GB_KZMS	3275	3570	3490	-2.24	2155	3800	327.03
HSBK	375	392	375	-5.06	250	445	687.85
KAZIp	355	355	355	-1.39	300	390	22.86
KKGB	511	553	520	-5.45	356	700	574.90
KZTK	19500	19950	19600	-0.51	11800	20850	774.39
KZTKp	9300	9533	9500		6000	9533	76.55
MMGZp	5100	9000	5100	-36.24	4000	9000	113.69
RDGZ	19050	20550	20550	+8.16	15155.01	22500	637.44
RDGZp	18800	20300	20201	+6.88	10800	21988.89	5,315.04
REALp	1.1	1.1	1.1		1.1	5.01	0.08
SATC	71.01	71.06	71.01	-0.07	70	72	43.18
ZSBN	865	865	865	+3.9	832.5	980	13.91
TERDp	5.21	5.21	5.21		4.6	5.72	67.81
18							9,861.5
							458

**Notes:** Trends are given relative to the last deal of the previous 30 days period (January 18 - February 18, 2011). If deals were not made in the previous month the trend is not calculated.

## Market of corporate bonds

### News of corporate bonds

**From February 24 international bonds USN97708AA49, US98951QAA31 (NL\_ZHMNe1) Zhaikmunai Finance BV (Netherlands) on the official list of KASE category Debt Securities with ratings.**

### Primary market sector

In this sector of KASE during the analyzed period deals were not made. Offerings were not made.

During the study period at KASE on the secondary market sale was concluded 73 deals:

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	6,851.9	43.9%	38.1%
Average daily volume. KZT m.	1,000.9	44.0%	38.4%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	23	25.8%	4.2%
Number of bonds denominations*	22	15.4%	21.4%
Stake of pension funds. gross (%)	19.1	+10.5 pp	-10.4 pp
on purchase	33.4	+27.7 pp	+21.7 pp
on sale	4.8	-6.7 pp	-42.5 pp
Stake of individuals. gross (%)	17.6	-7.8 pp	+12.4 pp
on purchase	8.4	+1.1 pp	+6.0 pp
on sale	26.7	-16.6 pp	+18.75 pp
Stake of nonresidents. gross (%)	10.1	+4.36 pp	+10.12 pp
on purchase	13.89	+13.67 pp	+13.88 pp
on sale	6.4	-4.94 pp	+6.36 pp

*on which deals were made at KASE*

Following the period of growth of average net price on the open market bonds were characterized by 9 items, fall – 10, prices of the 1 tool have not changed. Yield to maturity for a buyer on deals rose during the week for 9 bonds, have declined - in 7, benefits of 4 instruments did not changed. Positive change in bond yield to maturity in the range from 0.18% (BRKLb1) to 5.60% (BTAlb8), negative - from 0.01% (HSBKb10) up to 1.50% (KIBNb1).

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

**Results of bond trades on KASE including STF of RFCA within February 21 - 25, 2011  
(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.
ATFBe3	5.40	5.40	5.40		5.40	5.40	2,050.30	1	5.40	5.40
ATFBe5	7.53	7.53	7.53		7.53	9.00	2,175.00	1	7.53	7.53
BRKLb1	6.30	6.50	6.50	+0.30	6.20	7.50	6,078.96	5	6.30	6.50
BTAIb2	8.99	10.60	10.60	+1.60	8.99	50.90	239.04	4	8.99	10.60
BTAIb5	9.35	10.70	10.70	+1.20	9.35	46.71	2,959.57	6	9.35	10.70
BTAIb8	9.51	15.00	15.00	+5.60	6.17	61.41	8,925.29	8	9.51	15.00
BTAIb9	8.20	14.21	8.20	+1.40	6.80	30.00	101.70	5	8.20	14.21
CACMb1	13.00	13.00	13.00		10.00	34.00	17.21	1	13.00	13.00
CSBNb6	12.00	12.00	12.00		12.00	19.95	12.48	1	12.00	12.00
EKGSb1	7.66	7.67	7.66		7.66	10.25	1,905.87	4	7.66	7.81
EUBNb3	9.00	10.35	10.35	0	8.00	14.00	702.16	2	9.00	10.35
HSBKb10	9.71	9.71	9.71	-0.01	9.00	11.20	58.44	2	9.71	9.71
KIBNb1	10.50	11.00	10.50		10.50	12.00	1,352.06	2	10.50	11.00
KKGBe8	8.49	8.49	8.49		8.49	11.02	2,010.44	1	8.49	8.49
NRBNb7	12.00	12.00	12.00		9.00	12.00	131.29	1	12.00	12.00
NRBNe2	9.02	9.02	9.02		9.02	9.02	206.96	1	9.00	9.02
ORDKb2	12.00	15.00	12.00	0	12.00	16.00	88.29	4	12.00	15.00
PRKRb4	8.00	8.00	8.00		6.15	8.50	14.62	2	8.00	8.00
RESCb1	9.00	9.00	9.00	+1.00	8.00	12.00	149.86	1	8.00	9.00
SKKZb23	5.20	5.20	5.20	0	4.50	6.50	111.60	5	5.20	5.24
TXBNb5	6.46	6.46	6.46		3.40	6.53	4,591.02	1	6.46	6.47
ZERDb1	10.00	14.00	10.00	-1.27	5.00	119.00	377.31	15	10.00	14.00
<b>22</b>							<b>34,259.5</b>	<b>73</b>		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (January 18 -February 18, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

February 25 at the KASE trading system, the trades on the placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-120 release of the seventh (KZKAKY100071, MUJ120\_0007; 1,000 KZT, 25/02/1911, 25/02/1921, semi-annual coupon, 30/360), at which the Ministry of Finance planned to borrow 15.0 bln KZT. Negotiable coupon rate. In the auction was attended by 13 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 29 applications, of which the expiration time applications were 27 active warrants. Total volume of active bids (demand volume) was 114,840.0 million KZT and exceeded the proposed level of accommodation in 7.7 times. Coupon in active bids ranged from 0.0100% to 0.0100% per annum, amounting in average terms, 0.0100% per annum. As a result of trade, the issuer granted the application to purchase 15 million of bonds in the amount of 15,000,000,000.00 KZT.

### Secondary market sector (purchase)

During the study period, the total volume of 11 inmates at the KASE trades in the secondary market sales amounted to 4,278.2 million KZT (\$29.3 million). In the previous period (February 14 – 18, 2011) this figure was 6,904.9 million KZT (\$47.2 million), with 11 transactions.) The exchange share turnover in the total volume of Kazakhstan GS secondary market for comparable sales and purchases in the analyzed period amounted to 100.0% (previous period – 100.0%).

### Parameters of Exchange's transactions in GS within February 21 - 25, 2011

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): Notes of NB</b>						
<b>16.4% (44.8%) of purchase and sale sector's turnover</b>						
Less 8	0.25	0.25	0.25	0.25	669.97	1.00
43 - 56	0.75	0.75	0.75	0.75	16.98	1.00
64 - 91	0.93	0.93	0.93	0.93 (0.92)	13.97	1.00
Total					<b>700.9 (3 093.1)</b>	<b>3 (4)</b>
<b>Coupon (KZT):MEUKAM</b>						
<b>83.6% (55.2%) of purchase and sale sector's turnover</b>						
Over 2191	4.60	5.00	5.00	4.88 (5.14)	3,577.26	8
Total					<b>3,577.3 (3,811.8)</b>	<b>8 (7)</b>
<b>TOTAL</b>					<b>4,278.2 (18,259.5)</b>	<b>11 (11)</b>

## WORLD MARKETS

### Main news of world markets

**The focus of attention of world markets last week was again Libya and its associated fears disruption of oil supplies.** As it became known on February 22, Mr. Muammar Gaddafi ordered security forces to sabotage the work of the oil industry in the country. According to the American Time, Gaddafi was planning to blow up oil pipelines, which would have stopped supplies in some Mediterranean ports. Against these messages feverish oil market, on Wednesday, Brent crude oil price reached almost \$ 120 per barrel.

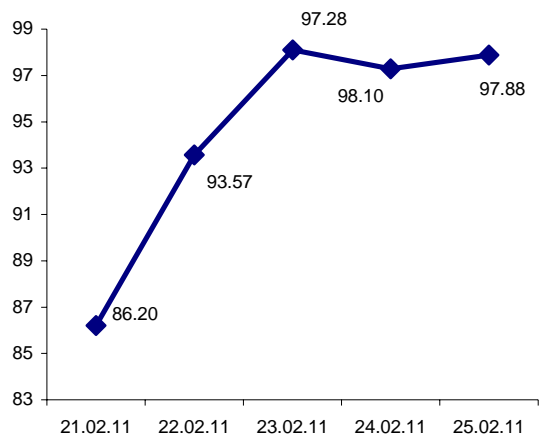
**Events in Libya have made major adjustments in the social and political resolution of the leaders of other Arab states.** In particular, 24 February it was reported that Saudi King Abdullah bin Abdel Aziz announced a program worth 135 billion SAR (\$ 36 billion). The program involves, in particular, to increase the salaries by 15%, pardon imprisoned for nonpayment of debts, as well as financial support to students and the unemployed. The plan of the country's leadership is also to invest about \$ 400 billion by 2014 in education, health and infrastructure development. In the past few years, unemployment in Saudi Arabia is over 10%.

**February 24 International Energy Agency (IEA) held a meeting on the possible use of strategic oil reserves in connection with the riots in Libya.** Following the meeting, the IEA said that the crisis in the oil market in the EU due to reduced export of oil supplies from Libya, no. "We refineries EU has enough oil in order to operate autonomously for 30 days", - said the representative of the IEA. "There is no need to use the strategic oil reserves of the European Union", - he stressed.

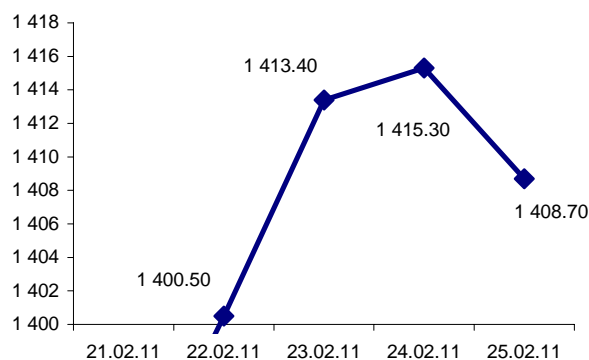
**February 25, it became known that Saudi Arabia, which is the world's largest oil producer, increased production of raw materials by 700 thousand barrels (8.4%) to 9 million barrels a day.** These measures are designed to compensate the lack of production on the market at a rate of 500-750 thousand barrels per day due to a sharp decline in Libya. Earlier Saudi Arabia also announced its readiness to compensate with the OPEC oil shortage arising due to interruption of supplies from Libya.

**February 26 UN Security Council adopted a resolution whereby the head of the Libyan regime of Mr. Muammar Gaddafi, his seven sons and one daughter were in the list of persons denied entry to foreign countries.** Just a "black list" included 16 people, including heads of security of Libya and the defense minister. Bank accounts of Mr. Gadhafi, and accounts of his daughter and four sons abroad are frozen. In addition, the situation in Libya, where according to the UN, killed over 1000 people will be referred to the Prosecutor of the International Criminal Court. As UN Security Council decided that all States shall take immediate and appropriate steps to prevent direct and indirect supply, sale or transfer Libyan Arab Jamahiriya, from their territories or across their territory or nationals, or using ships or aircraft, operating under their flag, arms and related materiel of all types. They include arms and ammunition, military vehicles and equipment, paramilitary equipment and spare parts. Also there is a ban on the regime in Libya, technical assistance, training, financial and other assistance related to military activities, the provision of armed hired personnel, regardless of country of origin. These measures do not apply to supplies of non-lethal military equipment for humanitarian or protective use for UN staff, humanitarian workers and journalists. The draft resolution, initiated by several countries, including France, Britain, Germany and the United States, was presented to the Security Council on February 25 and February 26 in the evening was

NYMEX Light Sweet Crude Oil



Gold prices on COMEX, in dollars per troy ounce



passed unanimously.

**February 25 U.S. Department of Commerce reported that the U.S. economy in the fourth quarter of 2010 grew more slowly than previously thought.**

According to some data, the U.S. GDP in real terms in the fourth quarter of 2010 compared with the previous quarter grew by 2.8% in recalculation on annual growth. In the preliminary assessment of GDP growth estimated at 3.2%. Economists on average expect U.S. gross domestic product will grow by 3.3%. In the third quarter of the U.S. economy grew by 2.6%. For 2010, the economy added 2.8%, previously reported 2.9%. Under the new assessment, government spending fell by 1.5%, not 0.6% as previously assumed. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose by 4.1% in the last three months of 2010, instead of 4.4% in the first estimate. Upwardly revised investment companies. Business expenses rose by 5.3% instead of 4.4%. The cost of purchasing software and equipment rose by 5.5%, according to revised data, rather than 5.8%.

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