

# WEEK OF STOCK MARKET OF KAZAKHSTAN

March 11 – 17

Money market indicators as of March 17 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo at KASE(TONIA)</b>			
1 day	KZT	1.81	+0.25
<b>Repo opening at KASE (WA, % APR)</b>			
1 day	KZT	1.80	+0.25
7 days	KZT	3.40	+0.40
28 days	KZT	4.00	+0.03
365 days	KZT	11.00	–
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	5.00	0
2 weeks	KZT	6.00	0
1 month	KZT	7.00	0
2 months	KZT	8.00	+0.25
3 months	KZT	9.00	+0.50

Stock market indicators as of March 17 and their change for the period

Index	Value	Trend
<b>Shares of “A” listing</b>		
KASE_Shares	176.01	+0.88%
<b>Corporate bonds of “A” listing</b>		
KASE_BP	158.72	+0.05%
KASE_BC	124.77	-0.09%
KASE_BY	7.46	+0.33%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	151.93	+0.02%
KASE_EC	107.81	-0.19%
KASE_EY	3.76	+0.73%

US dollar = **139.21** tenge at official rate for the end of the period.  
 US dollar = **139.47** tenge at weighted average rate of the Exchange for the end of the period.  
 Rate of tenge devaluation for the period at the Exchange’s rate – **27.2% APR.**

## THE CORPORATE SECURITIES MARKET (CS)

### Primary floatation sector

On March 11 in Kazakhstan stock exchange’s (KASE) trade system there were held specialized trades on primary floatation of **indexed on inflation level mortgage bonds of Kazakhstan Mortgage Company CJSC (Almaty) of the fourth issue (KZ2CKY10B075, KZIKb4; KZT1, KZT5.0 bn.; February 1, 04 – April 1, 14, semi-annual coupon with floating rate, 30/360, first coupon is short).** The issuer offered to market participants bonds for total face value of KZT500.0 m. that was 10% of the registered issue volume. Limited (competitive in GS market’s terminology) and market (uncompetitive) bids were admitted to the trades. Stake of market bids satisfaction was 70%. A total of 6 KASE’s members took part in the trades, who submitted 20 limited bids on behalf of themselves and their clients. By the moment of ending of the time for

Investment attractiveness of stock exchange financial instruments since March 11 till March 17

Financial instrument	Currency of transaction	Yield, %	APR trend
<b>Non-indexed instruments denominated in tenge</b>			
UKPFb1	KZT	14.00	0
TXBNb1	KZT	13.49	+2.99
TXBNb2	KZT	11.04	-0.37
YASYb1	KZT	10.00	0
BTAIb1	KZT	9.50	0
VTZLb1	KZT	9.25	0
VTTHb1	KZT	8.98	0
VTSKb2	KZT	8.93	0
UKTCb1	KZT	8.00	0
ATFBb3	KZT	7.00	0
EUBNb1	KZT	7.00	0
ARNAb1	KZT	7.00	0
HSBKb3	KZT	7.00	0
KKGBb3	KZT	6.50	0
INCAb1	KZT	6.10	-0.27
MEOKAM	KZT	6.04	+0.14
CS repo*	KZT	5.59	-2.82
MEKKAM, notes*	KZT	4.86	+0.14
GS repo*	KZT	1.70	-0.20
<b>Instruments indexed on inflation</b>			
KZIKb3	KZT	8.24	+0.24
KZIKb2	KZT	7.35	+2.35
BTASb3	KZT	7.27	+0.77
CCBNb3	KZT	7.00	-1.00
KZIKb4	KZT	6.90	–
KZIKb1	KZT	6.00	-1.79
<b>Instruments indexed on devaluation of tenge to US dollar</b>			
VTBNb1	USD	11.49	-0.01
ORDBb1	USD	10.40	+0.40
ALKSb2	USD	10.04	-0.96
ASBNb1	USD	9.62	+0.12
BTASb2	USD	8.70	0
ARU060.003	USD	8.64	+3.04
BTASb1	USD	8.61	+0.11
CSBNb1	USD	8.20	-0.15
ATFBb2	USD	8.17	+0.17
CCBNb1	USD	8.00	-0.85
HSBKb	USD	8.00	0
TEBNb2	USD	8.00	0
TEBNb	USD	7.99	-0.97
LARIb1	USD	7.75	0
KKGBb2	USD	7.00	0
HSBKb2	USD	7.00	0
NRBNb1	USD	6.86	-0.07
NRBNb2	USD	6.60	0
ART060.004	USD	6.50	0
BRKZb1	USD	6.50	+0.40
KZAPb1	USD	6.31	+0.30
AST048.006	USD	6.05	-0.06
TMJLb2	USD	6.01	0
AST048.005	USD	6.01	0
AST036.004	USD	5.91	0
ASU036.003	USD	5.81	0
VKU036.002	USD	5.50	0
VKU036.001	USD	5.00	0

bids presenting there were 13 orders for purchasing of 2,340,000,000 bonds in the trade system (KZT2,340.0 m. at the face value). Thus, **total demand exceeded offer 4.7 times**. 81.6% in total volume of demand were controlled by bids of Kazakhstan pension funds, 17.1% – by bids of second tier banks, 1.3% - by clients of broker-dealer companies. Margin in the submitted bids varied between 0.50% (corresponding to coupon rate equaling to 6.90%APR) to 3.00%APR (9.40%APR). Weighted average margin on demand amounted to 1.21%, what corresponded to coupon rate equaling to 7.61%APR. The issuer used margin equaling to **0.50%** as the margin, and as a result the coupon rate on bonds during the first coupon period was determined at **6.90% APR**. According to results of the trade the issuer has satisfied the only bid submitted by one pension fund for purchasing of **500,000,000 bonds**, having floated the whole planned volume at 6.90% APR. The bid was characterized by the margin equaling to 0.50% and was satisfied at clean price 100.0026% of bond's face value (KZT1.00788458 per a security). Sum of borrowing was **KZT503,942,290.11**.

**On March 16** in KASE's trade system specialized trades on primary additional floatation of **preferred shares of VALUT-TRANZIT BANK OJSC**

(Karaganda) were continued. According to results of the day the seller floated **533,419 preferred shares** of VALUT-TRANZIT BANK OJSC at **KZT270.00** per security for a total amount **KZT144,023,130.00**. Unlike previous additional offerings of VTBNp at KASE, tow members were buying securities. The additional floatation is held from 11:30 a.m. till 1:00 p.m. of Almaty time by open trade method with payment by the scheme T+0 and will be continued on working days till April 30 of 2004. KG Securities LLP (Karaganda) has exclusive right to submit bids for shares sale, which in this sector of stock exchange's market have trade code VTBNpA. Within the framework of this measure the issuer plans to float 2,547,297 preferred shares out of 9,125,000 registered. The floated shares (KZ1P33290811), which are traded in KASE's official "A" listing category under the code VTBNp, give right to their holder to receive quarterly dividend, which is not less than refinancing rate, which has been set by the National Bank of Kazakhstan on the day of paying it.

**Purchase and sale sector**

In purchase-sale sector a total of 69 deals to the amount of **\$18,191.2 th.** or KZT2,529.4 m. were made during the analyzed period at KASE. In comparison with the previous period (55 deals, \$15,526.2 th. or KZT2,162.5 m.), turnover of the sector increased by 17.2%. During the analyzed period deals were made by KASE's 10 members on 20 instruments 11 of which were bonds. At that, 31.1% of gross-turnover (30.5% on purchasing transactions, and 31.8% - on sale transactions) were made at the expense of pension market's subjects. During the last period KASE's 15 members of "P" and "H" categories were interested in 20 securities, 11 of which were bonds. Stake of pension assets was 14.7% of gross-turnover, including 24.0% on purchasing transactions and 5.3% on sale transactions.

It's obvious that growth of the turnover was caused by activation of pension market's subjects at the stock exchange. In the opinion of specialists of IRBIS, it might be concerned with appearance of new and rather attractive bonds in circulation – instruments of Kazakhstan Mortgage Company CJSC of the fourth issue. As results of their primary floatation have shown (see above), this instrument had almost agiotage demand. And it's not excluded that some funds have restructured their portfolios in order to buy KZIKb4.

Corporate bonds market was characterized mainly by falling of securities' yield to maturity for purchaser. Yield of ASBNb2 fell from 9.00% APR to 8.97% APR, BRKZb1 – from 7.89% to 6.50% APR, BTASb1 – from 9.43% to

Financial instrument	Currency of transaction	Yield, %	APR trend
<b>Instruments denominated on devaluation of tenge to US dollar with protection from strengthening of tenge against dollar</b>			
RGBRb3	USD	10.43	-0.06
ASFlb2	USD	9.85	+0.24
ASBNb2	USD	8.97	+0.47
TEBNb3	USD	8.50	0
CSBNb3	USD	8.43	+0.33
CSBNb2	USD	8.10	0
CCBNb2	USD	8.00	0
KZTCb1	USD	8.00	0
KARMB2	USD	8.00	0
ASFlb3	USD	8.00	-0.60
KZPSb1	USD	5.75	-0.06
<b>Non-indexed instruments denominated in foreign currency</b>			
KKGBe4	USD	7.50	0
KKGBe2	USD	7.44	0
BTASe3	USD	6.49	-0.09
BRKZe2	USD	6.30	-0.30
KKGBe3	USD	4.92	-0.03
KZTOe1	USD	4.64	-0.01
BTASe2	USD	4.58	-0.02
BRKZe1	USD	4.33	+0.22
BTASe1	USD	2.62	-0.28
Ifo bonds	USD	2.46	-0.10
Ifo bonds	EUR	2.11	+0.02

The yields of bonds in which deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations. Trends are given relative to the last day of previous period. Securities marked by asterisk are the instruments with less than one year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

8.61% APR, BTASb3 – from 7.28% to 7.27% APR, CSBNb3 – from 8.55% to 8.43% APR, TXBNb2 – from 11.41% to 11.00% APR. Judging on behavior of the index KASE\_BY, yield of dollar and indexed on tenge devaluation bonds tended to grow, having increased within the week by 0.33%. Yield of only four instruments rose: ASFIb2 – from 9.52% to 9.90% APR, KZIKb2 – from 4.98% to 7.35% APR, KZIKb3 – from 8.00% to 8.24% APR, TXBNb1 – from 12.50 to 13.49% APR. Yield of other instruments almost did not change.

There were no marked favorites of the market during the week. ASFIb2 were leading by the volume of transactions (22.2% of total CS turnover in purchase and sale sector and 26.7% of bonds turnover), BTASb3 (21.2% and 25.5%), KZIKb3 (17.1% and 20.5%). It's notable in deals yield of two of three mentioned bonds for a purchaser rose i.e. securities were being sold with falling of the price.

Removal of bonds of Kazakhtelecom of the first issue (see below) from the official list in accordance with their redemption almost did not influence upon changing of capitalization of corporate bonds market because international notes of PetroKazakhstan Finance B.V. were included in the list during the period (see below), and as the result capitalization rose within 7 days by \$93.5 m. to \$2,769.3 m.

Shares market was calm. VTBnp, which were traded only by direct deals, were market's favorites (7.8% of total CS turnover in purchase and sale sector and 46.0% of shares turnover), whose rate rose within the week by 10.9%. The second place belongs to VTBN (4.3% and 25.5%), their weighted average day price fell by 7.9%. Price of ALKS and KZTKp rose during the week (by 12.4% and 36.1% correspondingly), and price of ALKZp fell (2.6 times) as well as CCBN (by 2.9%). Rate of other shares has not changed, despite the fact that some of them were traded rather actively. Capitalization of shares market fell within the week by \$7.1 m. to \$2,880.2 m.

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

#### Results of the trades in bonds within March 11 – 17

(% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
Almaty Kus OJSC	ALKSb2	11.0000	0	11.0000	10.0500
ARNA OJSC	ARNAb1	*12.3993	0	10.0000	7.0000
Alliance-Bank OJSC	ASBNb1	8.5002	0	10.3000	10.2000
Alliance-Bank OJSC	ASBNb2	8.9700	309.4	8.9721	8.9721
Astana-finance OJSC	ASFIb2	*10.5000	4,037.0	8.7500	*10.5000
Astana-finance OJSC	ASFIb3	8.5000	0	9.0000	8.0000
ATFBank JSC	ATFBb2	9.5000	0	10.5000	9.0000
ATFBank JSC	ATFBb3	8.4945	0	8.5000	7.0000
Development Bank of Kazakhstan JSC	BRKZb1	6.5000	102.2	6.5000	6.5000
Development Bank of Kazakhstan JSC	BRKZe1	5.4938	0	6.8022	4.6710
Development Bank of Kazakhstan JSC	BRKZe2	6.6018	0	7.3727	6.3541
BTA Mortgage JSC	BTAIb1	10.2000	0	11.0000	9.5000
Bank TuranAlem JSC	BTASb1	8.6112	65.6	8.6112	8.6112
Bank TuranAlem JSC	BTASb2	*9.5041	0	10.2000	8.7000
Bank TuranAlem JSC	BTASb3	7.9976	3,857.3	6.5975	7.9977
TuranAlem Finance B.V.	BTASe1	4.2452	0	3.7534	3.0940
TuranAlem Finance B.V.	BTASe2	6.7848	0	7.8355	4.5884
TuranAlem Finance B.V.	BTASe3		0	7.8711	6.4872
Bank CenterCredit OJSC	CCBNb1	8.8416	0	10.6898	8.0000
Bank CenterCredit OJSC	CCBNb2	9.5000	0	10.6418	8.0000
Bank CenterCredit OJSC	CCBNb3	8.8853	0	10.0000	7.0000
BANK CASPIAN JSC	CSBNb1	8.9999	0	10.4999	8.2001
BANK CASPIAN JSC	CSBNb2	8.5450	0	8.5500	8.1000
BANK CASPIAN JSC	CSBNb3	8.4277	523.9	8.4277	8.4277
Eurasian bank JSC	EUBNb1	7.5000	0	8.0000	7.0000
Halyk savings bank of Kazakhstan JSC	HSBKb	8.0100	0	10.6839	8.0000
Halyk savings bank of Kazakhstan JSC	HSBKb2	*9.3049	0	9.4618	7.0000
Halyk savings bank of Kazakhstan JSC	HSBKb3	8.0000	0	7.2000	7.0000
INTERGAS CENTRAL ASIA CJSC	INCAb1	6.1900	0	8.5236	6.9442
Karazhanbasmunai OJSC	KARMB2	8.4408	0	8.6000	8.0000
KAZKOMMERTSBANK OJSC	KKGBb2	7.4987	0	8.5000	7.0000

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
Kazkommertsbank JSC	KKGBb3		0	7.2000	6.5000
KAZKOMMERTSBANK OJSC	KKGBe2	9.6554	0	10.1101	7.4422
Kazkommerts International B.V.	KKGBe3	6.6054	0	6.5459	4.9332
Kazkommerts International B.V.	KKGBe4	7.8113	0	8.0266	7.4996
NAC Kazatomprom	KZAPb1	8.0237	0	9.0000	6.5100
Kazakhstan Mortgage Company CJSC	KZIKb1	7.7000	0	9.0000	6.0000
Kazakhstan Mortgage Company CJSC	KZIKb2	7.3500	72.4	7.3500	7.3500
Kazakhstan Mortgage Company CJSC	KZIKb3	8.2412	3,106.5	8.2412	8.2412
Kazakhstan Mortgage Company CJSC	KZIKb4		0	6.9000	5.5000
Kazpost JSC	KZPSb1	8.5048	0	8.7000	5.8100
KazTransCom OJSC	KZTCb1	8.5000	0	10.0000	8.0000
KazTransOil CJSC	KZTOe1	4.6524	0	6.1315	4.6471
JB LARIBA-BANK OJSC	LARIB1		0	10.7500	7.7500
Nurbank OJSC	NRBNb1	9.3000	0	9.7000	6.9500
Nurbank OJSC	NRBNb2		0	6.8000	6.6300
Corporation "Ordabasy" OJSC	ORDBb1	12.5418	0	13.0000	12.0000
RG BRANDS JSC	RGBRb3	10.5000	1,689.2	10.3026	10.5269
TEMIRBANK OJSC	TEBNb	8.9636	0	9.4890	7.9900
TEMIRBANK OJSC	TEBNb2	10.1800	0	11.0000	8.0000
TEMIRBANK OJSC	TEBNb3	8.9959	0	9.0000	8.5000
NC KTZh CJSC	TMJLb2	7.7800	0	9.0000	6.0100
TEXAKABANK OJSC	TXBNb1	13.4900	65.1	13.4900	13.4900
TEXAKABANK OJSC	TXBNb2	11.0000	1,288.6	11.0000	11.0788
UST-KAMENOGORSK BATTERY FARM OJSC	UKPFb1	*16.0357	0	15.5000	14.0000
AES Ust-Kamenogorsk HS OJSC	UKTCb1	10.0031	0	10.0000	8.0000
VALUT-TRANZIT BANK OJSC	VTBNb1	10.6655	0	12.8500	11.5010
VALUT-TRANZIT-SECURITY LLP	VTskb2	9.0000	0	9.4908	8.9314
VALUT-TRANZIT TECHNOLOGY OJSC	VTTHb1	9.0000	0	9.4923	8.9774
VALUT-TRANZIT ZOLOTO JSC	VTZLb1	9.2521	0	9.4932	9.2505
YASSY OJSC	YASYb1	*12.5000	0	12.9998	10.0000
<b>TOTAL</b>	<b>61</b>		<b>15,117.1</b>		

#### Results of the trades in shares within March 11 – 17

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th, USD	Purchase	Sale
Almaty Kus OJSC	ALKS	10.00	1	0.0001	10.00	10.00
Almaty Kus OJSC	ALKSp	*10.00	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
Aluminium of Kazakhstan JSC	ALKZp	*60.00	3,887	1.7	*60.00	*60.00
CNPC – Aktobemunaigas OJSC	AMGZ	*5,161.45	0	0	6,100.00	9,100.00
Alliance-Bank OJSC	ASBN	11,505.00	0	0	10,000.00	12,000.00
Astana-finance OJSC	ASFI	1,000.11	0	0	700.00	1,050.00
ATFBank JSC	ATFB	*1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp	1,000.00	0	0	1,000.00	1,500.00
ATFBank JSC	ATFBp8		0	0	1,000.00	1,500.00
Bank TuranAlem JSC	BTAS	*12,533.00	0	0	12,552.30	18,744.75
Bank CenterCredit OJSC	CCBN	250.00	490,819	732.8	250.00	200.00
BANK CASPIAN JSC	CSBN	171.00	0	0	171.00	256.50
BANK CASPIAN JSC	CSBNp	171.00	0	0	175.00	256.50
CHARALTYN JSC	HRLT	3.50	0	0	3.50	3.60
Halyk savings bank of Kazakhstan JSC	HSBK	*120.00	0	0	140.00	165.00
Halyk savings bank of Kazakhstan JSC	HSBKp	*167.20	0	0	153.00	180.00

Issuer	Security code	Last price	Volume, shares	Volume, th. USD	Purchase	Sale
Halyk savings bank of Kazakhstan JSC	HSBKp7	152.10	0	0	153.00	180.00
Kant OJSC	KANT	359.10	0	0	80.00	120.00
KAZKOMMERTSBANK OJSC	KKGB	200.00	0	0	160.00	240.00
Kazkommertsbank JSC	KKGBp	103.49	0	0	120.00	180.00
TNC Kazchrome OJSC	KZCRp	*350.00	64	0.2	*350.00	*350.00
Corporation Kazakhmys JSC	KZMS	3,825.00	0	0	3,500.00	3,750.00
Kazakhtelecom	KZTK	*4,177.50	0	0	5,000.00	7,500.00
Kazakhtelecom	KZTKp	2,789.40	330	6.6	2,789.40	2,789.40
KAZZINC JSC	KZZN	*880.00	0	0	700.00	1,050.00
TEMIRBANK OJSC	TEBN	1,015.00	5	0.04	1,015.00	1,015.00
TEMIRBANK OJSC	TEBNp		0	0	680.00	1,015.00
Tsesnabank JSC	TSBN		0	0	700.00	1,050.00
TEXAKABANK OJSC	TXBN		0	0	18,000.00	20,000.00
Ust-Kamenogorsk Titanium-magnesium combine JSC	UTMK	*6,285.02	0	0	5,500.00	8,250.00
Ust-Kamenogorsk Titanium-magnesium combine JSC	UTMKp	3,000.00	0	0	2,500.00	3,750.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	338,369	784.6	*350.00	320.10
VALUT-TRANZIT BANK OJSC	VTBNp	*450.00	603,769	1,412.9	*450.00	320.00
VALUT-TRANZIT ZOLOTO JSC	VTZL	200.00	0	0	200.00	300.00
VALUT-TRANZIT ZOLOTO JSC	VTZLp	152.94	0	0	200.00	105.88
Zerde OJSC	ZERD	*2.00	12,540,000	135.4	*2.00	1.00
<b>TOTAL</b>	<b>37</b>		<b>13,977,244</b>	<b>3,074.1</b>		

**Notes:** bid and offer prices for the period are given; if no deals were made during reporting period (volume =0), the last price of successful trades is given; marked by the star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals and indicators received with its using.

**In the sector of CS repo-transactions** 17 deals were made in the total amount of **\$2,742.1 th.** (KZT380.8 m.) during the described period. 9 deals of them (in the amount of \$1,636.4 th.) were repo opening and 8 deals (in the amount of \$1,105.7 th.) – repo closing. During the previous week volume of deals in this sector did not exceed \$2,916.6 th. (KZT406.7 m.).

**In all at CS trade floors of KASE** a total of 92 deals amounting to **\$25,597.3 th.** (KZT3,558.2 m.) were concluded during the analyzed period. During the previous period this indicator was \$18,442.8 th. (KZT2,569.2 m.).

### Changes in KASE's trade lists

By the decision of KASE's Council dated March 10 of 2004 **international bonds of PetroKazakhstan Finance B.V.** (Rotterdam, Kingdom of Netherlands) of **the first issue** (XS0162680382, PKKRe1; USD125.0 m., February 12, 03 – February 12, 10; semiannual coupon 9.625% APR), which were issued on full solidary security of PetroKazakhstan Inc. (Calgary, Canada), PetroKazakhstan Kumkol Resources JSC (Kyzylorda, Kazakhstan) and PetroKazakhstan Oil Products OJSC (Shymkent, Kazakhstan) have been included into KASE's official "A" listing category. This decision took effect **since March 15 of 2004**. Information about opening of trades in the bonds at KASE will be given later. Status of the market-maker of PKKRe1 at KASE, on the basis of submitted application, has been assigned to the financial consultant of the issuer's guarantor – TuranAlem Securities JSC (Almaty). Minimal volume of compulsory quotation for the market-maker is USD13,000 in debt's nominal expression.

By the decision of KASE's Council dated March 11 of 2004 **common shares (KZ1C00690012) of Open joint stock company Industrial Bank of Kazakhstan** (Shymkent) have been included in KASE's official "B" listing category. At KASE the shares have been assigned trade code **IBBN**. This decision took effect **since March 16**. Date of opening of trades in the shares at KASE will be announced later.

Detailed information about the included securities and their issuers has been placed in KASE's web-site at <http://www.kase.kz/emitters/>.

By the decision of KASE's Board **since March 17 of 2004 bonds of Kazakhtelecom (Astana) of the first**

**issue** (KZ2CUY03A347; KASE's official "A" listing category, KZTKb1; \$100, \$25.0 m.; March 13, 01 – March 13, 04, semi-annual coupon 10.0% APR) have been excluded from KASE's official "A" listing category because of redemption. Bonds of Kazakhtelecom were included in KASE's official list on April 2 of 2001. First trades were held on December 11 of 2001. During the whole period of bonds circulation at KASE 168 deals (677,351 bonds) for KZT10,530.0 m. (\$69,825.1 th.) were made in purchase and sale sector, including at specialized trades on exchange of privileged shares of Kazakhtelecom for its bonds there were made 24 deals (173,387 bonds) for KZT2,653.6 m. (\$17,733.2 th.). Bonds' yield to maturity for a purchaser varied at the trades from 6.04% to 10.25% APR in terms of dollar. The last deal was made at the yield of 8.50% APR. In repo sector during circulation period of KZTKb1 at KASE there were made 21 transactions (42 deals) in 112,364 bonds for the sum of borrowing equating to KZT1,693.5 m. (\$11.1 m.).

## SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE total volume of 115 deals did not reached **KZT9,376.1 m.** (\$67,429.0 th.) during the analyzed period. Corresponding figure of the previous period – **KZT5,076.7 m.** (\$36,472.2 th.). The market has activated due to the trade in National Bank's notes and MEOKAM. One pension fund brought these bonds to the stock exchange's floor. An interesting peculiarity of the week is making of deal in Atyrau oblast's bonds, that, in all probability, was caused by the events at domestic US dollar market. And deal in IFO's bonds deserves special attention because the previous one in the securities of this type was made at KASE on October 8 of 2001. It's not difficult to guess that participants of the deal were pension market's subjects, which tried to play on high volatility of US dollar's rate against euro.

Parameters of Exchange's transactions in GS within March 11 – 17

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted (KZT): National Bank's notes</b>						
<b>66.5% (76.9%) of purchase and sale sector's turnover</b>						
less than 8	3.00	3.00	3.00	3.00 (3.04)	70.0	1
8 - 14	3.91	4.00	3.91	3.92 (3.30)	116.9	2
15 - 28	3.66	4.00	4.00	3.78 (3.95)	609.0	8
29 - 36	4.02	4.60	4.17	4.14 ( -)	135.7	5
37 - 42	4.04	4.07	4.07	4.06 (4.46)	199.1	2
43 - 56	4.09	4.09	4.09	4.09 ( -)	99.4	1
57 - 63	4.06	4.60	4.60	4.30 ( -)	89.4	2
64 - 91	4.10	4.63	4.63	4.21 ( -)	224.1	4
92 - 181	4.70	4.90	4.78	4.85 (6.59)	1,081.2	14
182 - 364	4.94	23.88	5.08	5.22 (5.07)	3,606.9	46
Total					6,231.6 (3,905.8)	85 (29)
<b>Coupon (KZT): MEOKAM-24, 36, 48, 60</b>						
<b>33.1% (23.1%) of purchase and sale sector's turnover</b>						
less than 730	5.05	5.65	5.05	5.47 (5.64)	73.4	3
731 - 1095	5.60	6.07	5.68	5.82 (5.78)	1,604.7	13
1096 - 1460	5.98	6.01	6.01	6.00 (5.80)	301.1	4
1461 - 1825	6.09	6.35	6.09	6.17 ( -)	1,123.2	8
Total					3,102.3 (1,170.9)	28 (10)
<b>Coupon (USD): bonds of Atyrau oblast</b>						
<b>0.1% ( -) of purchase and sale sector's turnover</b>						
731 - 1095	8.64	8.64	8.64	8.64 ( -)	11.0	1
Total					11.0 ( -)	1 ( -)
<b>IFO bonds (EUR)</b>						
<b>0.3% ( -) of purchase and sale sector's turnover</b>						
less than 730	2.11	2.11	2.11	2.11 ( -)	31.1	1
Total					31.1 ( -)	1 ( -)
<b>GRANDTOTAL</b>					<b>9,376.1 (5,076.7)</b>	<b>115 (39)</b>

In **GS repo-transactions sector** 587 deals were made for a total of **KZT86,949.3 m.** (including automatic repo sector) during the period. Of this number 286 deals (for KZT42,605.0 m.) were repo opening deals and 301 (for KZT44,344.3 m.) – repo closing deals. During the previous period volume of transactions of this type did not exceed KZT75,527.2 m. After closing of the trades on March 17 total amount of opened at KASE repo reached KZT15,235.0 m.

## Major parameters of automatic repo market on opening deals within March 11 – 17

(in parentheses – comparable figures of previous period)

Instrument (currency, term of repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	2.10	0.40	3.40	1.40	1.57 (1.69)	38,614.0	244 94.8 (89.0)
KZT_002	3.00	3.00	3.00	3.00	3.00 (1.93)	100.0	1 0.2 (1.5)
KZT_003	3.00	3.00	3.00	3.00	3.00 ( -)	100.0	1 0.2 ( -)
KZT_007	3.00	3.00	3.50	3.40	3.20 (3.20)	353.0	5 0.9 (1.1)
KZT_014	3.50	3.40	3.50	3.50	3.48 (3.77)	606.0	7 1.5 (1.8)
KZT_028	3.80	3.80	4.00	4.00	3.99 (3.98)	978.0	11 2.4 (6.6)
<b>TOTAL</b>						<b>40,751.1 (34,902.0)</b>	<b>269 (219) 100.0</b>

**Total of 702 deals were made at trade floors of KASE in GS** amounting to **KZT96,325.4 m.** during the analyzed period. During the previous period volume of 512 deals reached KZT80,603.9 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled to **99.96%**, last week - 99.0%.

## KASE's MEMBERS

By the decision of KASE's Council dated March 10 of 2004, membership of **FUTURE CAPITAL LLP** (Almaty) by all categories of the stock exchange has been stopped. The decision has been made on the basis of resolution of the Board of Kazakhstan agency for financial market and financial organizations regulation and supervision dated February 9 of 2004 # 27, in accordance with which license of FUTURECAPITAL LLP for conducting of broker and dealer activity at securities market with the right to maintain clients' accounts as the nominal holder has been withdrawn.

By the decision of KASE's Board, **since March 15, 2004** KIB ASSET MANAGEMENT JSC (Almaty) has been temporarily relieved of market maker's status at KASE over indexed on tenge devaluation level bonds of Alpha-Bank OJSC of the first issue (KZ2CKY06A497; official "A" listing category, ALBNb1; KZT15,000, KZT1,500.0 m; February 28, 02 – February 28, 08; semiannual coupon of 9.0% APR). The decision was based on inquiry of KIB ASSET MANAGEMENT JSC in accordance with paragraph 20, article 8 of internal document of KASE named "Specification of the market-maker's status for the Exchange members on "P" and "H" categories, which prescribe that the Board of KASE has a right to temporarily deprive a market maker of a corresponding status, if special circumstances may potentially result in significant losses from typical operations (quoting bid and ask for securities in trading system of KASE) for a specialist (market maker). Calling of abovementioned securities by the issuer is considered such a circumstance, which was informed by the Exchange on March 2, 2004 with the reference to the official notification by DB Alfa-Bank OJSC.

## KASE's NEWS

By the decision of KASE's Council dated March 10 of 2004 common shares (KZ1C30890012) **MINERAL OJSC** (Aktobe, extraction, processing and sale of titanium zirconium concentrates, creation and exploitation of production for processing of secondary resources and wastes of productions such as mineral resource, ore-mining and processing and mining and smelting productions) were refused to be included in the stock exchange's official "B" listing category. The stock exchange's Council made such the decision after examination of KASE's Listing commission's conclusion and comments of representatives of the issuer and its financial consultant, which was Central-Asian Trust Company LLP (Almaty). According to paragraph 3 of the article 18 of Listing rules decision about inclusion of securities in KASE's official list and distribution between its categories is to be made by the majority votes of those, who are present at the meeting of members of stock exchange's Council. Six members of exchange's Council voted for including shares of MINERAL OJSC in "B" listing category, two members objected, and four members abstained. According to results of voting following solution of the question made by stock exchange's Council was offered: determine that MINERAL OJSC has the right to apply with the statement about the repeated examination of the matter about its shares listing within the terms set by paragraph 2 of the article 21 of Listing rules ("no earlier than after ending of the quarter following the quarter, in which the matter about listing was examined).

By the decision of KASE's Council dated March 10 of 2004 **ROSA JSC** (Pavlodar, production and sale of beer,

mineral water and soft drinks) has been refused in the repeated examination of the matter about inclusion of company's indexed on tenge devaluation level bonds of the first issue (KZ2CKY03B054, KZT1000, KZT1.0 bn.; 3 years, semi-annual coupon 11.0% APR) in KASE's official "A" listing category. The question about inclusion of these bonds in KASE's official "A" listing category was already examined by the stock exchange's Council on February 6 of 2004. However no decision was made. At the conference on March 10 of 2004 by the majority votes it was determined that ROSA JSC had the right to apply with the statement about the repeated examination of the matter about listing of its 1st issue bonds before within the terms set by paragraph 2 of the article 21 of Listing rules, on condition that it would present auditor's conclusion on its financial statement for 2003 prepared in compliance with Kazakhstan accounting standards, and prepare the necessary conclusion of KASE's Listing commission. RG Securities LLP (Almaty) acts as the financial consultant of ROSA JSC while bringing the company's bonds to the organized market.

By the decision of KASE's Board **since March 15 of 2004** trades in **indexed on inflation rate mortgage bonds of Kazakhstan Mortgage Company CJSC** (Almaty) of the fourth issue (KZ2CKY10B075, KZIKb4; KZT1, KZT5.0 bn.; February 1, 04 – April 1, 14, semi-annual coupon with floating rate, 30/360, first coupon is short 6.9% APR) are opened at KASE. Quotation accuracy of KZIKb4 in the KASE's trade system is four decimal figures of bonds' **dirty price** expressed as percentage of the face value. KIB ASSET MANAGEMENT JSC (Almaty) will perform market maker's functions on bonds. Minimal volume of compulsory quotation for the market-maker is 1,800,000 bonds. Bonds were included in KASE's official "A" listing category on February 26 of 2004. On March 11 primary floatation of bonds were held at KASE, the issuer floated 10% of announced issue volume and determined interest rate in the first coupon period at 6.9% APR. Detailed information about the securities and their issuer, including conclusion of KASE's Listing commission, specification of bonds issue and investment memorandum of the issuer, is at <http://www.kase.kz/emitters/kzik.asp>.

**Prepared by Information agency of financial markets "IRBIS"**

67, Aiteke bi str., Almaty, Kazakhstan; info@kase.kz; tel.: 720117, fax: 720670