

## WEEK OF STOCK MARKET OF KAZAKHSTAN

March 5 - 11, 2011

| DATE     | INDEX KASE | USDKZT | TONIA  | TWINA  | KAZPRIME |
|----------|------------|--------|--------|--------|----------|
| 04.03.11 | 1,841.10   | 145.68 | 0.1094 | 0.2777 | 1.7400   |
| 05.03.11 | 1,845.20   | 145.58 | 0.1171 | 0.3198 | 1.7400   |
| 09.03.11 | 1,829.31   | 145.7  | 0.202  | 0.4204 | 1.7400   |
| 10.03.11 | 1,807.08   | 145.55 | 0.1881 | 0.3630 | 1.7400   |
| 11.03.11 | 1,784.12   | 145.66 | 0.1532 | 0.3268 | 1.7400   |
| TREND    | -57.0      | -0.02  | 0.04   | 0.05   | 0        |
| %        | -3.1       | -0.01  | +40.0  | +17.7  | 0        |

### Main news of stock market

On March 9 President of the National Bank of Kazakhstan Mr. Grigory Marchenko said that:

- On March 9 National Bank raised the refinancing rate to 7.5% per annum;
- for the February 2011 gold exchange reserves of Kazakhstan grew by 6%, first of the year by 12.7%;
- In February 2011 the growth of net international reserves of National Bank of Kazakhstan amounted to 7.5%;
- household deposits in banks (including non-residents) rose for January 2011 by 0.6% to 2,264.0 bln. KZT. In the structure of population deposits, **tenge denominated deposits increased by 0.2%** to 1,252.2 billion KZT, foreign currency deposits rose by 1.2% to 1,011.8 billion KZT;
- For January 2011 the total lending by banks economy declined by 0.3%.

March 10 Republic of Kazakhstan Agency for Statistics reported that:

- there was an increase in prices in the housing market in February 2011;
- In February 2011 the prices in some segments of the economy has changed;
- managers of industrial enterprises pointed out in February of this year compared with the previous month, an increase in demand for finished products and, consequently, production volume, resulting in an increase in their business activities;
- "The index of perceptions of consumers" in February 2011 compared to the previous month increased by 1 percentage point and amounted to **(+12)%**;
- The number of transactions in housing sales in February 2011 was **10,696**;
- In January 2011, average monthly nominal wage per employee was **77,464 KZT** increased compared with the corresponding month last year to 16.2% in real terms by 7.5%.

### MARKET SHARES

During the study period at KASE on the secondary market sale was concluded 242 deals.

|                                   | current<br>week | Trend for |         |
|-----------------------------------|-----------------|-----------|---------|
|                                   |                 | 1 week    | 2 weeks |
| Average daily volume. USD th.     | 1,065.3         | 14.1%     | 60.6%   |
| Average daily volume. KZT m.      | 155.2           | 14.2%     | 60.9%   |
| Stake of nego deals. number (%)   | 0               | 0.01 pp   | 0.8 pp  |
| Stake of nego deals. volume (%)   | 0               | 0.03 pp   | 22.4 pp |
| KASE members                      | 31              | -6.1%     | 6.1%    |
| Number of shares denominations*   | 17              | 0         | 5.6%    |
| Stake of pension funds. gross (%) | 0               | 0         | 0       |
| on purchase                       | 0               | 2.1 pp    | 11.8 pp |
| on sale                           | 0               | 0         | 0       |
| Stake of individuals. gross (%)   | 58.3            | 18.5 pp   | 3.4 pp  |
| on purchase                       | 50.1            | 17.6 pp   | 9.5 pp  |
| on sale                           | 66.4            | 19.5 pp   | 2.7 pp  |
| Stake of nonresidents. gross (%)  | 9.6             | 3.1 pp    | 3.9 pp  |
| on purchase                       | 12.7            | 8.17 pp   | 1.4 pp  |
| on sale                           | 6.5             | 2.0 pp    | 9.3 pp  |

In the described period of falling average daily prices of 7 items of equity instruments involved in the transaction, the growth showed 4 instruments, the price of 6 instruments has not changed. Adverse change in shares prices in the range of 0.73% (RDGZp) to 9.48% (GB\_KZMS), a positive - from 0.31% (KZTK) to 7.15% (MMGZp).

As a result of weeks of KASE index sank 56.98 points (-3.1%) to the values 1,784.12, which is minimal over the past 30 days. KASE index decreased contributed to a drop in prices of virtually all of the securities included in the representative list. Leaders of the fall in the period under review were securities companies of the commodity sector. Events in the Middle East continue to have a negative impact on international commodity markets. Base Metal Prices moved down amid growing fears of investors about the outlook for the world economy, which intensified after it became known that China's trade deficit in February 2011 exceeded U.S. \$7 billion. As a result, the situation on the international market quotations ordinary shares of companies Kazahmys (-9.9%) and ENRC (-6.1%) fell substantially. Common shares of KMG Kazmunaigaz fell 2.9%.

Quotes of the securities of the financial sector also came under pressure from the external background. European stock markets are negatively perceived downgrade of Spain with the category "AA1" to "Aa2" by the international rating agency Moody's. According to the rating agency, Spain will need considerably more funds for refinancing credit institutions of the country than previously thought. Additional pressure on the international stock markets had a message to the U.S. Treasury, according to which the U.S. budget deficit in February 2011 totaled 222.5 billion U.S. dollars (relative index of January 2011 the budget deficit has grown in 4.5 times). As a result, common shares of Bank CenterCredit decreased by 1.1%, common shares of the People's Savings Bank of Kazakhstan – 2.6%. Common stock Kazkommertsbank completed the week without any changes under consideration.

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 March 5 - 11, 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 Of deals th.USD | Num- Ber of deals | Best for the period: |       |       |       |
|--------------------|-----------------------|-------|--------------------|----------|------------------------|-------------------|----------------------|-------|-------|-------|
|                    | on the last deal:     |       | for last 365 days: |          |                        |                   | bid                  | offer |       |       |
|                    | min.                  | max.  | price              | trend. % |                        |                   |                      |       |       |       |
| BSUL               | 630                   | 630   | 630                | 0        | 620                    | 658.05            | 0.27                 | 3     | 630   | 630   |
| BTAS               | 6                     | 6.39  | 6.1                | -2.40    | 4.3                    | 1300              | 75.42                | 25    | 6.39  | 6     |
| CCBN               | 600                   | 625   | 610                | -1.13    | 515                    | 764.5             | 303.99               | 21    | 625   | 600   |
| GB_ENRC            | 2300                  | 2400  | 2300               | -6.12    | 1800                   | 2800              | 24.49                | 4     | 2410  | 2300  |
| GB_KZMS            | 3200                  | 3550  | 3200               | -9.86    | 2155                   | 3800              | 268.40               | 39    | 3550  | 3200  |
| HSBK               | 380                   | 390   | 380                | -2.56    | 250                    | 445               | 64.85                | 9     | 390   | 380   |
| HSBKp1             | 171                   | 171   | 171                |          | 171                    | 175               | 1.37                 | 1     | 171   | 171   |
| KASE               | 4500                  | 4500  | 4500               | 0        | 3750                   | 6000              | 26.01                | 1     | 4500  | 4500  |
| KKGB               | 541                   | 550   | 550                | 0        | 356                    | 700               | 222.98               | 5     | 550   | 541   |
| KZTK               | 19500                 | 19685 | 19500              | -0.10    | 11800                  | 20850             | 415.60               | 24    | 19700 | 19500 |
| KZTKp              | 9350                  | 9600  | 9350               | 0        | 6000                   | 9600              | 48.28                | 5     | 9600  | 9350  |
| MMGZp              | 9000                  | 9001  | 9001               | +7.15    | 4000                   | 9001              | 206.28               | 8     | 9002  | 9000  |
| RDGZ               | 20100                 | 21000 | 20200              | -2.88    | 15155.01               | 22500             | 284.50               | 19    | 21000 | 20100 |
| RDGZp              | 19905                 | 20510 | 19906              | -1.94    | 10800                  | 21988.89          | 2,278.77             | 64    | 20510 | 19900 |
| SATC               | 71.07                 | 71.07 | 71.07              | 0        | 70                     | 72                | 25.28                | 4     | 71.07 | 71.07 |
| ZERD               | 1.39                  | 1.39  | 1.39               | 0        | 0.67                   | 2.49              | 4.12                 | 1     | 1.39  | 1.39  |
| 17                 |                       |       |                    |          |                        |                   | 4,261.2              | 242   |       |       |

**Notes:** Trends are given relative to the last deal of the previous 30 days period (February 1 – March 1, 2011). If deals were not made in the previous month the trend is not calculated.

## Market of corporate bonds

### News of corporate bonds

**March 10 JSC Kazakhstan Kagazy (Almaty region.) informed about the delays payment of 9-th coupon on its bonds KZPC2Y07C024 (KKAGb3).** According to the prospectus of issue of these bonds JSC Kazakhstan Kagazy was supposed to pay this fee in the period from February 22 to March 5, 2011. Given the difficult financial situation of the issuer, the order and timing of debt repayment will be agreed with the bondholders.

### 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 60 deals:

|                                   | current  | Trend for |          |
|-----------------------------------|----------|-----------|----------|
|                                   | week     | 1 week    | 2 weeks  |
| Average daily volume. USD th.     | 12,319.5 | 10.0%     | 11.3%    |
| Average daily volume. KZT m.      | 1,794.3  | 9.9%      | 10.5%    |
| Stake of nego deals. number (%)   | 0        | 0         | 0        |
| Stake of nego deals. volume (%)   | 0        | 0         | 0        |
| KASE members                      | 28       | 0         | 16.7%    |
| Number of bonds denominations*    | 24       | 14.3%     | 14.3%    |
| Stake of pension funds. gross (%) | 44.9     | 27.2 pp   | 15.4 pp  |
| on purchase                       | 14.7     | 5.7 pp    | 3.0 pp   |
| on sale                           | 75.1     | 48.6 pp   | 27.8 pp  |
| Stake of individuals. gross (%)   | 6.4      | 2.0 pp    | 1.2 pp   |
| on purchase                       | 0.6      | 10.7 pp   | 1.8 pp   |
| on sale                           | 12.2     | 6.8 pp    | 4.19 pp  |
| Stake of nonresidents. gross (%)  | 0        | 11.21 pp  | 0        |
| on purchase                       | 43.93    | 28.37 pp  | 43.92 pp |
| on sale                           | 0        | 6.85 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 17 items, fall – 4, prices of the 3 tool have not changed. Yield to maturity for a buyer on deals rose during the week for 7 bonds, have declined - in 8, benefits of 8 instruments did not change. Positive change in bond yield to maturity in the range from 0.01% (EKGSb1) to 2.70% (TXBNb5), negative - from 0.17% (EKGSb1) up to 3.92% (NRBNb2).

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

**Results of bond trades on KASE including STF of RFCA within March 5 - 11, 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 |                         |                 |                      |       |       |       |
| ABDIb1            | 29,00                                 | 29,00 | 29,00              | 0     | 29,00                   | 36,00           | 13,63                | 2     | 29,00 | 29,00 |
| AESOb1            | 12,99                                 | 12,99 | 12,99              |       | 11,80                   | 13,00           | 82,40                | 1     | 12,99 | 12,99 |
| BTAIb9            | 8,20                                  | 13,00 | 13,00              | +4,80 | 6,80                    | 30,00           | 99,00                | 7     | 8,20  | 13,00 |
| BVTBb1            | 4,89                                  | 4,89  | 4,89               | -0,36 | 4,89                    | 5,25            | 2 242,22             | 1     | 4,89  | 4,89  |
| CSBNb4            | 8,00                                  | 10,00 | 8,00               |       | 8,00                    | 15,00           | 33,49                | 3     | 8,00  | 10,00 |
| CSBNb5            | 13,80                                 | 13,80 | 13,80              |       | 12,00                   | 17,00           | 6,66                 | 1     | 14,00 | 13,80 |
| EKGSb1            | 7,29                                  | 7,29  | 7,29               | -0,16 | 7,29                    | 10,25           | 1 534,76             | 1     | 7,29  | 7,00  |
| EUBNb3            | 9,50                                  | 9,50  | 9,50               | -0,50 | 8,00                    | 14,00           | 11,17                | 2     | 9,50  | 9,50  |
| EUBNb9            | 9,80                                  | 9,80  | 9,80               |       | 8,00                    | 11,00           | 1 683,06             | 1     | 9,00  | 9,80  |
| EXBNb2            | 16,00                                 | 16,00 | 16,00              | 0     | 10,71                   | 18,50           | 64,89                | 2     | 16,00 | 16,05 |
| HSBKb10           | 9,80                                  | 9,80  | 9,80               | +0,01 | 9,00                    | 10,50           | 52,17                | 3     | 9,80  | 9,80  |
| HSBKb12           | 8,66                                  | 8,69  | 8,69               | +0,49 | 8,00                    | 10,25           | 13 742,56            | 5     | 8,66  | 8,69  |
| KASTb2            | 4,75                                  | 4,95  | 4,75               |       | 4,75                    | 21,00           | 88,25                | 3     | 4,75  | 5,33  |
| KDTSb1            | 13,50                                 | 13,50 | 13,50              |       | 13,50                   | 21,71           | 33,86                | 1     | 13,50 | 14,21 |
| KKGBb5            | 10,30                                 | 10,30 | 10,30              | 0     | 8,30                    | 11,50           | 1 658,98             | 1     | 10,30 | 10,30 |
| KKGBb19           | 9,74                                  | 9,74  | 9,74               | +0,32 | 9,42                    | 9,74            | 21 561,25            | 1     | 9,74  | 9,74  |
| KKGBb4            | 10,08                                 | 10,08 | 10,08              |       | 8,75                    | 11,92           | 24,09                | 1     | 10,08 | 10,08 |
| KZIKb6            | 4,50                                  | 4,50  | 4,50               |       | 4,50                    | 14,00           | 9,22                 | 1     | 4,50  | 4,50  |
| NRBNb2            | 10,00                                 | 10,00 | 10,00              |       | 10,00                   | 18,00           | 10,96                | 1     | 10,00 | 10,00 |
| ORDKb2            | 12,00                                 | 12,00 | 12,00              | 0     | 12,00                   | 16,02           | 2,79                 | 1     | 12,00 | 12,04 |
| SKKZb23           | 5,19                                  | 5,19  | 5,19               | 0     | 4,50                    | 6,50            | 89,79                | 4     | 5,19  | 5,27  |
| TSBNb2            | 10,00                                 | 10,00 | 10,00              |       | 10,00                   | 15,50           | 34,13                | 1     | 10,00 | 10,53 |
| TXBNb5            | 6,46                                  | 6,50  | 6,50               | +2,70 | 3,40                    | 6,53            | 5 894,33             | 4     | 6,46  | 6,50  |
| ZERDb1            | 10,00                                 | 14,00 | 10,00              | 0     | 5,00                    | 119,00          | 304,29               | 12    | 10,00 | 14,00 |
| 24                |                                       |       |                    |       |                         |                 | 49 277,9             | 60    |       |       |

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

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**March 10 at the KASE trading system specialized trades on placement of mid-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-60 release of the thirty-seventh (KZK2KY050377, MOM060\_0037; 1,000 KZT, 10/03/1911, 10/03/1916, semi-annual coupon, 30/360) on which the Ministry of Finance planned to borrow 14.0 bln KZT. Negotiable coupon rate. In the auction was attended by 23 primary dealers, which were members of KASE's category "C". Through these subjects, investors filed 67 applications, of which the expiration time applications were 65 active warrants. Total volume of active bids (demand volume) was 98,645.0 million KZT and exceeded the suggested volume 7.0 times. Coupon in active bids ranged from 2.00% to 5.50% per annum, amounting in average terms, 4.0088% per annum. As a result of trade,**

the issuer granted the application to purchase 14 million of bonds in the amount of 14,000,000,000.0 KZT (100.0% of planned volume offering) at 3.30% per annum.

### Secondary market sector (purchase)

During the study period, the total volume of 19 inmates at the KASE trades in the secondary market sales amounted to 24,358.9 million KZT (\$167.3 million). In the previous period (February 28 – March 4, 2011) this figure was 10,195.6 million KZT (\$69.9 million), with 24 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 March 5 - 11, 2011

| Days till maturity                 | Yield to maturity for a buyer. % APR. |      |  | last deal   | weighted average | Volume. m. KZT discounted  | Number of deals |
|------------------------------------|---------------------------------------|------|--|---|------------------|----------------------------|-----------------|
|                                    | min                                   | max  |  |   |                  |                            |                 |
| <b>Discount (KZT): Notes of NB</b> |                                       |      |  | <b>86.9% (3.9%) of purchase and sale sector's turnover</b>  |                  |                            |                 |
| 37 - 42                            | 0.50                                  | 0.50 |  | 0.50  | 0.50             | 8 994.83                   | 6.00            |
| 43 - 56                            | 0.50                                  | 0.50 |  | 0.50  | 0.50             | 11,992.93                  | 6.00            |
| Over 365                           | 1.00                                  | 1.00 |  | 1.00  | 1.00             | 183.17                     | 1.00            |
| Total                              |                                       |      |  |   |                  | <b>21,170.9 (397.6)</b>    | <b>13 (2)</b>   |
| <b>Coupon (KZT):MEUKAM</b>         |                                       |      |  | <b>13.1% (96.1%) of purchase and sale sector's turnover</b> |                  |                            |                 |
| 1826 - 2190                        | 5.40                                  | 5.40 |  | 5.40  | 5.40             | 1 171.58                   | 2               |
| Over 2191                          | 5.25                                  | 5.30 |  | 5.25  | 5.25 (4.53)      | 2 016.37                   | 4               |
| Total                              |                                       |      |  |   |                  | <b>3,188.0 (9,798.0)</b>   | <b>6 (22)</b>   |
| <b>TOTAL</b>                       |                                       |      |  |   |                  | <b>24,358.9 (10,195.6)</b> | <b>19 (24)</b>  |

## WORLD MARKETS

### Main news of world markets

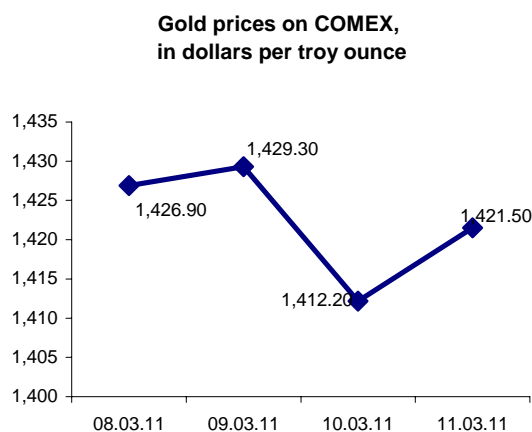
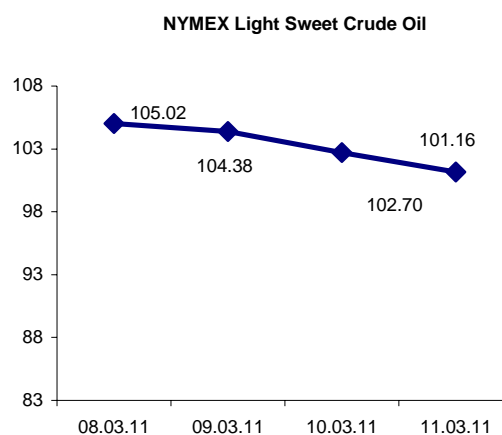
On March 5 U.S. Labor Department reported that **unemployment in the U.S.** in February 2011, as compared to the previous month **decreased by 0.1 percentage points and amounted to 8.9%**. Thus, the observed decline in the U.S. unemployment rate for the third consecutive month. Meanwhile, the number of jobs in nonagricultural sectors of the economy of the country in February 2011 compared with the previous month has increased by 192,000.

March 9, it became known that **one of the largest oil companies in China - Sinopec - to suspend operations at the refinery in Maoming city because of high oil prices**. Refinery ceased to supply fuel and oil products in March 2011.

On March 10, it was well known that **the work of the largest oil refinery in Libya Ras Lanuf was stopped** due to the place near the fighting Government forces and rebels. Refinery Ras Lanuf, which also has its own oil terminal, came under aerial and artillery bombardment after was captured last week by the rebels. According to the International Energy Agency in February, the export of oil from Libya declined by 1 million barrels per day. In January, the average volume of oil production in the country stood at 1.59 million barrels per day.

March 10 Institute of Economic and Social Studies, Government of Japan announced that **Japan's GDP** in real terms in the fourth quarter of 2010 (October to December) compared to the previous quarter has

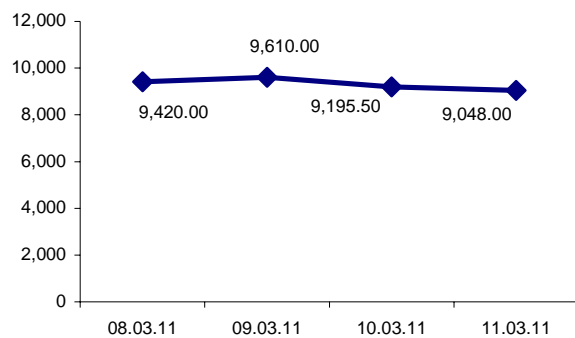
**decreased on 0.3%**. According to the report, for the entire 2010 Japan's GDP grew by 3.9%.



**March 11, it became known that the average daily oil production by OPEC rose by 131.2 thousand barrels per day in February and reached 27.38 million barrels per day, reported Bloomberg referring to the report of the group.** Saudi Arabia, the largest producer in the group to increase production to 8.87 million barrels per day. (An increase of 279.6 thousand barrels per day.). Venezuela and Angola last month produced by 2.39 million barrels per day. and 1.7 million barrels per day., respectively. Currently, OPEC countries are discussing the desirability of holding an emergency meeting in connection with the riots in Libya, which led to a decline in oil production in this country.

**All last week, oil prices have changed in different directions.** But by the end of the week, oil prices fell again against the backdrop of a massive earthquake in Japan, which led to the halt of oil refineries in the country. March 11th largest Japanese oil refining company Nippon Oil & Energy Corp halted its three oil refineries because of the fittest in the history of the country's earthquake, the magnitude of which amounted to 8.9. One of its refineries halted due to fire Japanese oil company, Cosmo Oil Co. In general, turned out to be paralyzed about 20% of refining industry.

**Copper (with delivery in three months)  
on the London Metal Exchange**



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