

WEEK OF STOCK MARKET OF KAZAKHSTAN

July 25-29, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
22.07.11	1 548.48	146.05	0.18	0.35	1.63
25.07.11	1 526.06	145.90	0.1112	0.2874	1.6300
26.07.11	1 534.51	145.40	0.1348	0.3596	1.6300
27.07.11	1 542.69	145.52	0.1592	0.2792	1.6300
28.07.11	1 530.68	146.12	0.0599	0.2037	1.6400
29.07.11	1 526.16	146.14	0.2211	0.2348	1.6000
Trend	-22.3	0.09	0.04	-0.11	0
%	-1.4	+0.06	+20.7	-32.9	-1.8

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

July 26 Committee for the Control and Supervision of Financial Market and Financial Institutions of the National Bank of Kazakhstan reported that the Board of the National Bank of Kazakhstan from July 1, 2011 # 79 denied a license of "Bank "Astana-Finance" to conduct banking and other operations, of accepting deposits, opening and maintaining bank accounts of individuals. As indicated, the JSC "Astana Finance" has not performed demand resolutions of the Board of the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Institutions from February 1, 2010 # 7 "On the withdrawal of consent to the acquisition of status of bank holding company stock company "Bank "Astana-Finance", issued to joint-stock company "Astana-Finance", and repeal Resolution of the Board of the Agency on March 28, 2008 # 52" On the issue of joint-stock company "Astana-Finance" agreement to acquire the status of bank holding company stock company "Bank "Astana-finance" in reducing the number of its own voting shares of JSC "Bank "Astana-Finance" to below ten per cent of the total voting shares.

July 27 Committee for the Control and Supervision of Financial Market and Financial Institutions of the National Bank of Kazakhstan reported that:

- **total assets of banks in Kazakhstan as of July 1, 2011 amounted to KZT 12,739.7 billion, an increase from June by 347.0 billion tenge or 2.8%;**
- **in the first half of 2011, total assets of insurance (reinsurance) organizations in Kazakhstan increased by 6.3%, amounting on July 1, 2011 KZT 364.8 bn;**
- **the total amount of pension savings of recipients of Kazakhstan, increasing over January-June by 193.9 billion tenge (8.6%), was on July 1, 2011 KZT 2,452.1 bln;**
- **as of July 1, 2011, the sum of the total assets of mortgage companies in Kazakhstan amounted to KZT 113.9 bln, a decrease from June by 7.3 billion or 6%.**

July 27 International rating agency Standard & Poor's reported that the Governance Services confirmed the rating of "Analysis and evaluation of the effectiveness of corporate governance, accountability and management" (GAMMA) of the national airline of the Republic of Kazakhstan JSC "Air Astana" at GAMMA - 6. Grading assessment of rating GAMMA is from 1 to 10, with 1 – minimum, 10 - maximum rating value. After completion of the annual review GAMMA score of JSC "Air Astana" was withdrawn at the initiative of Standard & Poor's in connection with the decision of Standard & Poor's to stop providing services to evaluate corporate governance on the methodology of GAMMA. However, Standard & Poor's will continue to evaluate corporate governance in credit analysis. GAMMA score of "Air Astana" is the result of four component analysis of scores from grades 1 to 10: the influence of shareholders - 6 +, the rights of shareholders - 5, transparency, auditing and risk management - 6, the effectiveness of the Board of Directors, the strategic process motivation - 6.

July 28 International rating agency Fitch Ratings has affirmed the ratings of LLP "Souths OIL" (Kazakhstan): Long-term Issuer Default ratings ("IDRs") in foreign and local currency ratings at "B" and National Long-term rating "BB (kaz)". Simultaneously, the agency eliminated the ratings list Rating Watch "Negative" and assigned the "Stable" forecast on long-term ratings of the company. Fitch also affirmed the expected senior unsecured local currency rating of "B (exp)" and the expected national senior unsecured rating of "BB (kaz) (exp)", assigned to the planned issue of domestic bonds of Souths OIL worth KZT 1 billion.

July 29 it was reported that according to the Committee for the Control and Supervision of

Financial Market and Financial Institutions of the National Bank of Kazakhstan (NBK KFN), net pension assets (PA) in the country (the amount of pension assets minus liabilities accrued commissions, accounts payable retirement benefit) on July 1, 2011 amounted to 2,452.1 billion tenge (equivalent to 16,815.1 million U.S. dollars in effect on that date, on the official exchange rate of U.S. dollar against the tenge). Comparable figure for June 1, 2011 was 2,419.0 billion or \$16,633.3 million in June 2011, net assets of pension funds (NPF) increased month on month by 1.4% (in dollar terms – 1.1%). At the beginning of July 2011 the total amount of PA was KZT 2,454.1 billion, of which 2,404.7 billion has been invested.

Stock exchange market

During the study period at KASE on the secondary market sale 148 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	850.0	1.3 times	2.6 times
Average daily volume. KZT m.	123.9	1.3 times	2.6 times
Stake of nego deals. number (%)	0	-0.01 pp	0
Stake of nego deals. volume (%)	0	-0.0002 pp	0
KASE members	28	-9.7%	+7.7%
Number of shares denominations*	22	+4.8%	+57.1%
Stake of pension funds. gross (%)	0	0	0
on purchase	4.0	-1.4 pp	+4.0 pp
on sale	0	0	0
Stake of individuals. gross (%)	30.3	-18.4 pp	-39.9 pp
on purchase	16.3	-33.6 pp	-43.5 pp
on sale	44.3	-3.14 pp	-36.4 pp
Stake of nonresidents. gross (%)	5.8	-4.8 pp	+5.8 pp
on purchase	6.6	+1.4 pp	+6.6 pp
on sale	5.0	-10.9 pp	+5.0 pp

**on which the deals on KASE have been conducted*

In the described period falling of average daily prices was detected for 10 items, growth - 4 tools involved in the transaction, prices of seven tools have not changed. Adverse change in shares prices was in the range of 0.12% (KZTKp) to 13.77% (KKGBp), positive - from 0.11% (SATC) to 80.00% (TEBNp).

Over the past week, KASE index decreased by 22.3 points. The main downward pressure on the indicator had a representative list of securities, traded on European markets in parallel. Worst of the week were ordinary shares of JSC "EP "KMG".

The uncertainty of the debt limit of U.S. and European debt problems has led to weak negative trends on the international commodities market. Quotes of ordinary shares of JSC EP KMG "and Kazakhmys fell by 5.98% and 1.5% respectively. Reduction of ordinary shares of JSC EP KMG contributed to the targeting of some stock market participants.

Despite the negative external background, shares in ENRC could interrupt a prolonged downtrend. Interest from investors for such shares woke up after it became known that the company increased its production capacity (in particular, has been increased capacity alumina refinery to 1.7 million tonnes of alumina per year, which will send a portion of alumina for sale). As a result, stock prices jumped by 3.5%.

There was not very successful week for the shares of the banking sector. Under the pressure of deteriorating mood on European markets quotes were common shares of the "Halyk Bank of Kazakhstan" and JSC "Bank CenterCredit", sinking by 1.6% and 1% respectively. Negative trend was led by JSC "Kazkommertsbank", price of the shares of which fell by 3.98%.

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 July 25 – 29, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	min		Last deal:		Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Best for The period:	
	max	price	trend,%	min	max	Demand			Supply,	
BSUL	630	630	630	0	625	658.05	15.89	4	630	630
BTAS	2.1	2.5	2.2	+10.00	1.8	540	22.86	7	2.9	2.1
CCBN	490	490	490	-1.01	487.01	670	3.36	2	490	490
GB_ENRC	1870	1915	1915	+3.51	1755	2600	28.47	3	1920	1870
GB_KZMS	3100	3249	3200	-1.54	2560	3800	204.89	10	3249	3100
HSBK	310	315.01	313	-1.57	300	445	177.72	18	315	310
KAZIp	300	300	300	0	300	390	0.38	1	300	300
KKGB	375	385	375	-3.98	372	616	83.95	7	385	375
KKGBp	144	167	144	-13.77	144	242	31.10	2	167	144
KZTK	19600	19850	19850	0	13500	20850	539.09	23	19900	19600
KZTKp	9200	9480	9201	-0.15	6300	9990	115.40	10	9480	7200
MREK	3000	3000	3000	0	1100	3000	0.41	2	3000	3000
RAHT	1000	1000	1000	,	1000	1300	3.09	1	1000	1000
RDGZ	16500	17190	16500	-5.98	15155.01	21000	121.96	10	17190	16500
RDGZp	16000	16990	16000	-5.88	14500	20510	493.69	38	16990	16000
REALp	1.01	1.01	1.01	,	1.01	1.1	410.57	1	1.01	1.01
SATC	71.08	71.08	71.08	+0.11	71	72	48.11	1	71.08	71.08
TEBNp	900	900	900	,	200	900	0.14	1	900	900
TEMA	969	969	969	,	969	1,328.31		1	969	969
UTMKp	4440	4440	4440	,	4000	5399	478.33	1	4440	4440
ZERD	1.5	1.6	1.6	+15.94	0.8	2.49	1.07	2	1.6	1.2
ZERDp	5.21	5.21	5.21	0	4.6	5.72	141.17	3	5.21	5.21
15							4,249.9	148		

Notes: Trends are given relative to the last deal of the previous 30 days period (June 27 – July 27, 2011). If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

In this sector of KASE during the analyzed period 38 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	5,256.6	-24.6%	-0.1%
Average daily volume. KZT m.	767.2	-24.7%	+0.1%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	19	-38.7%	-7.0 pp
Number of bonds denominations*	16	-20.0%	-23.8%
Stake of pension funds. gross (%)	0	0	0
on purchase	21	+9.4 pp	+20.5 pp
on sale	0	0	0
Stake of individuals. gross (%)	2.3	+0.4 pp	-15.4 pp
on purchase	0.6	-1.7 pp	-1.6 pp
on sale	4.1	+2.6 pp	-29.3 pp
Stake of nonresidents. gross (%)	29.2	-9.6 pp	+12.6 pp
on purchase	0.1	-45.5 pp	-22.1 pp
on sale	58.3	+26.3 pp	+47.3 pp

* on which deals were made at KASE

Following the period growth was detected for average net prices for bonds of 10 titles, falling - 4, the price of three tools has not changed. Yield to maturity on deals rose in the week for six bonds, declined - for 5. Positive change in bond yield to maturity was in the range from 0.15% (KKGBe4) to 3.00% (CACMb1), negative - from 0.06% (HSBKe4) to 2.90% (BKKRb1).

More detailed data on corporate bonds on KASE is shown in the table below:

**Results of bond trades on KASE including STF of RFCA within July 25– 29, 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:						Amount Of deals, Th. USD	Number Of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
BVTBb1	5.00	5.00	5.00		4.60	5.25	20.73	1	5.00	5.00
CACMb1	12.00	12.00	12.00		9.00	24.00	17.83	1	12.00	12.00
EUBNb3	9.00	9.00	9.00		8.00	13.00	140.98	1	9.00	9.00
EXBNb2	14.50	14.50	14.50		14.50	18.50	7.70	1	14.50	14.50
HSBKb2	4.34	4.34	4.34		4.34	5.13	4,296.58	1	4.34	4.34
HSBKb4	4.90	4.90	4.90		4.29	6.49	5,579.75	1	4.90	4.90
KKGBb4	8.20	8.20	8.20	+0.15	7.14	10.08	68.90	1	8.20	8.20
KMGZe5	-0.82	-0.82	-0.82	-0.16	-0.82	-0.65	5,431.77	2	5.47	5.47
KZIKb20	9.00	10.00	10.00	0	7.00	17.00	1,011.52	3	9.00	10.00
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	425.06	16	12.00	12.02
RGBRb4	10.00	10.00	10.00	0	6.00	15.00	0.71	1	10.00	10.00
SATCb1	11.00	11.00	11.00		9.95	11.00	3,469.60	1	10.00	11.00
SKKZb22	5.30	5.30	5.30		5.30	5.89	287.68	1	5.30	5.30
TSBNb8	9.00	10.00	10.00	+1.00	9.00	12.00	5,420.36	3	9.00	10.00
TXBNb5	7.00	7.00	7.00		3.20	7.06	28.50	1	7.00	7.00
ZERDb1	16.00	16.00	16.00		5.00	86.67	27.51	2	16.00	16.00
16							26,235.2	37		

Notes: Trends are given relative to the last deal of the previous 30 days period (June 27 – July 27, 2011). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

July 28 at the KASE trading system, the trades on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-96 of the third release(KZKAKY080034, MUJ096_0003; 1000 KZT, 28.7.11, 28.07.19, semiannual coupon, 30/360) were held, on which the Ministry of Finance planned to borrow 15.0 billion tenge. Subject of bargaining was fixed coupon. The auction was attended by 14 primary dealers, which are members of KASE of category "K". Through these subjects, investors filed 84 applications, of which the expiration time applications were active 25 orders. Total volume of active bids (demand volume) was 163,581.0 million tenge, and exceeded the suggested volume by 10.9 times. As a result of trade, the issuer granted the application to purchase 15 million of bonds worth KZT 15,000,000,000.0.

Secondary market sector

During the study period, the total volume of 32 deals concluded on KASE totaled 4,735.1 million tenge (\$32.3 million). In the previous period (18 - 22 July 2011) the figure was 3,355.6 million tenge (\$23.0 million), with 14 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 91.5% (previous period - 97.2%).

Parameters of Exchange's transactions in GS within July 25-29, 2011

Days till maturity	Yield to maturity for a buyer. % APR.			Volume.		last deal
	min	max	last deal	min	max	
Coupon (KZT) MEOKAM	100% (99.3%) of purchase and sale sector's turnover					
731 - 1095	2.80	2.90	2.80	2.90	1,157.99	2
1461 - 1825	3.50	4.28	3.50	3.78	2,690.28	27
1826 - 2190	3.70	3.70	3.70	3.70 (4.29)	269.18	1
More than 2191	4.65	4.97	4.65	4.67 (4.69)	617.70	2
Total					4,735.1 (3,333.6)	32 (11)
TOTAL					3,169.2 (2,365.4)	5 (4)

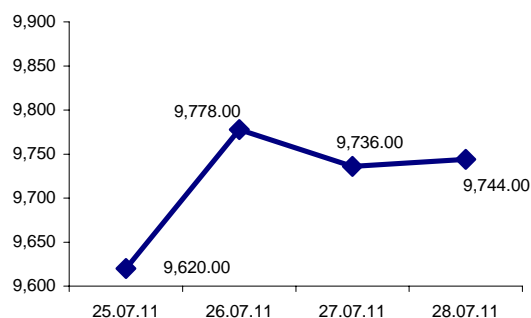
WORLD MARKETS

Main news of the world markets

All last week the pressure on the markets had a lack of progress in negotiations between political parties on the issue of increasing the U.S. debt limit on 02 August, otherwise a technical default could have been declared. Negotiations between White House and Republican opposition in the United States Congress to raise the ceiling of public debt and reduce the budget deficit are essentially deadlocked. Each party puts forward its own plan for solving the problem. Mr.

Obama noted that short-term debt ceiling increase will result in a decrease in credit ratings of the United States. He also asked to explain what action Congress intends to take to prevent the occurrence of technical default August 2. However, Republican Congressman John Beyner refused to continue the negotiation process. Recall, the Republicans insisted on a sharp reduction of budget expenditures, while the White House promoted policies to increase taxes for wealthy Americans. Beyner advanced two-stage plan to increase the national debt limit, while reducing government spending. According to the plan it was initially proposed to increase the ceiling by \$ 1 trillion dollars and reduce government spending by 1.2 trillion dollars. But the White House believes that these measures will be short-lived, and threatened to veto the bill the Republicans.

Copper (three months supplement) on London Metal Exchange

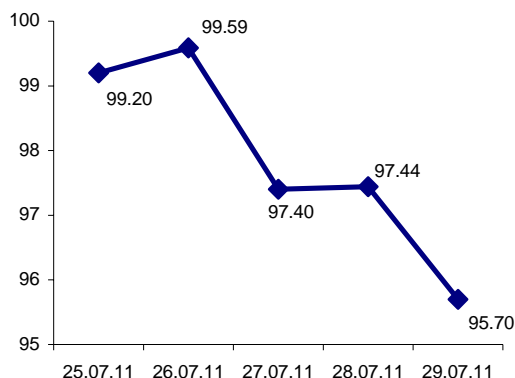


July 27 Congressional Budget Office reported that the reduction in government spending for the first phase of a plan submitted by Republicans for 10 years would total \$850 million, not \$1.2 billion is expected. In turn, Democratic senators have already announced that the vote on that document, to be held on Thursday in the House of Representatives, and can not get through. Recall plan Beynera reduction of government spending to 917 billion dollars over 10 years and raising the ceiling on public debt 900 billion dollars. July 29 was to be considered a plan to increase the upper limits of borrowing, designed by the Republican Party. For some reason, the vote was postponed and it is unclear when it will be held.

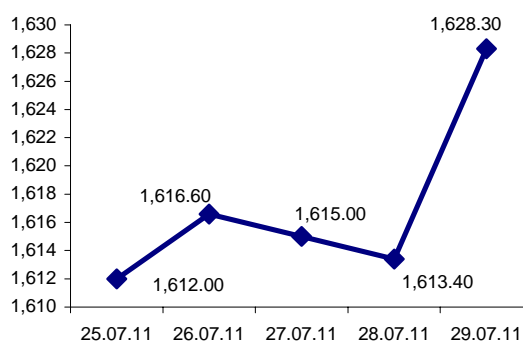
July 27 U.S. Department of Commerce reported that orders for durable goods in June 2011 fell by 2.1 compared with growth of 1.9% in May 2011. Analysts had forecasted growth in orders in June by 0.3%.

July 28 it was reported that the unemployment rate in Germany in July 2011, seasonally adjusted, was 7.0%, which coincided with the expectations of analysts. The number of unemployed in Germany, seasonally adjusted, in July compared to June fell by 11 thousand and reached 2.957 million.

NYMEX Light Sweet Crude Oil



COMEX gold price, \$ per ounce



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