

## WEEK OF STOCK MARKET OF KAZAKHSTAN

September 5-9, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
02.09.11	1,270.20	146.71	0.1194	0.34	1.7500
05.09.11	1,240.99	146.80	0.1304	0.26	1.7500
06.09.11	1,209.06	146.91	0.1299	0.25	1.7500
07.09.11	1,251.71	146.87	0.2002	0.32	1.7500
08.09.11	1,249.07	146.90	0.2726	0.43	1.7400
09.09.11	1,223.30	147.11	0.1168	0.39	1.7400
Trend	-46.90	0.40	-0.003	0.05	-0.01
%	-3.69	+0.27	-2.18	+13.16	-0.6

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

September 5 international rating agency Moody's Investors Service affirmed the current ratings of the Eurasian Development Bank's Long-term rating of "A3", short-term rating at "P-2", outlook "stable". As noted, "the current ratings confirm a stable financial position and capacity of the bank's own capital in paid. If necessary, the agency noted that EDB has the potential to receive financial support from its shareholders".

September 7 National Bank of the Republic of Kazakhstan reported that:

- **Net international reserves (reserves) of the National Bank of Kazakhstan** in January-August this year increased by 27.93% - to \$ 35.5 billion;
- **Gross international reserves of National Bank of Kazakhstan** decreased by 2.6% to \$ 36.0 billion (from the beginning of the year - an increase of 27.4%);
- **In July 2011 the total volume of placed interbank deposits**, compared with June 2011 decreased by 29.5%, amounting to the equivalent of 2,833.9 billion tenge;
- **The total volume of residents' deposits in depository institutions in July 2011** increased by 4.1% to 8 507.3 billion (an increase from the beginning of the year at 16.0%). Deposits of legal entities grew by 4.9% to 6008.8 billion, deposits of individuals grew by 2.4% to 2498.6 billion tenge;
- **The total amount of banks' lending to the economy** in July 2011 increased by 3.2% to KZT 8,184.3 billion (an increase from the beginning of the year at 7.8%).

September 7 Agency of Statistics of the Republic of Kazakhstan reported that:

- **The number of transactions on housing market in the January-August 2011 amounted to 98,881;**
- **In August 2011 on the housing market an increase in prices happened;**
- **In August 2011 prices in some segments of the economy changed.**

September 8 corporate governance rating service Standard & Poor's reported about the confirmation and the simultaneous withdrawal of GAMMA score of JSC "Exploration and Production KMG" (EP KMG) GAMMA-6. Corporate Governance Rating of KMG EP GAMMA has been withdrawn at the initiative of Standard & Poor's in connection with the decision of Standard & Poor's to stop providing services to evaluate corporate governance on the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. A GAMMA KMG - the result of four component analysis, with gradations of assessment from 1 to 10: the influence of shareholders - 5 +, the rights of shareholders - 7, transparency, auditing and risk management - 7, the effectiveness of the Board of Directors, the strategic process and incentives - 6.

September 8 corporate governance rating service Standard & Poor's said the confirmation and the simultaneous withdrawal of GAMMA rating of JSC "Kazakhtelecom" ("Kazakhtelecom") at the level of GAMMA-5 +. "Kazakhtelecom" is the largest fixed line operator in Kazakhstan. Corporate governance rating GAMMA of "Kazakhtelecom" 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 "Kazakhtelecom" - the result of four component analysis - with shades of marks from 1 to 10: the influence of shareholders - 5 + (no change), the rights of shareholders - 6 (increased from 5 +), transparency, auditing and risk management - 6 (no change), the effectiveness of the Board of Directors, the strategic process and incentives - 5 (no change).

**September 8 it was reported that since early September phase of the acquisition of JSC "APF "REPUBLIC" by private investors is being performed, representing the interests of companies operating in such sectors as oil and gas, metallurgy, mining industry and the financial sector.** In addition, investors have extensive experience in investing activities. New shareholders confirmed the continuity of the conservation strategy and tactics of the Fund, including the operating model, organizational structure, as well as the planned enhancement of the investment unit and preserved a model of customer service, where the basis of the Fund acts as a service component. The first step by the new shareholder has been the completion of equity capital of APF "REPUBLIC" by 500 million tenge. In the medium term, the new shareholders plan to increase the capitalization of the fund in half, which will further implement the development plans for the new shareholders of the Fund.

**September 8 the results of trading on KASE for eight months of 2011 have been published:**

- **The volume of trading in shares on KASE (excluding transactions on the repo operations market) amounted to 122.4 billion tenge** (equivalent to 839.1 million U.S. dollars) and rose against the corresponding period in 2010 by 2.5 times;
- **The volume of corporate bonds on KASE (excluding transactions in the market of repo operations) amounted to 209.8 billion tenge** (equivalent to 1,438.1 million U.S. dollars) and rose on the corresponding period in 2010 by 2 times;
- **The volume of trading in government securities (GS) on KASE (excluding transactions in the market of repo operations) amounted to 717.2 billion tenge** (equivalent to 4,913.9 million U.S. dollars) and decreased relative to the corresponding period of 2010 by 27.5% (26.9% in dollar terms);
- **The volume of trading in repo on KASE totaled 8,285.8 billion tenge** (equivalent to 56,734.5 million U.S. dollars) and declined comparing to the same period last year by 3.0% (2.2% in dollar terms);
- **The volume of trades in foreign currencies on KASE, including currency swaps, amounted to 10,333.1 billion tenge** (equivalent to 70,738.3 million U.S. dollars) and rose against the corresponding period in 2010 by 9.2% (10.1% in dollar terms);
- **The volume of trades at the KASE in all sectors amounted to 19,668.3 billion tenge** (equivalent to 134,663.8 million U.S. dollars) and rose against the corresponding period in 2010 by 2.7% (3.6% in dollar terms).

### **Stock exchange market**

During the study period at KASE on the secondary market sale 211 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	10,260.9	21.7 times	31.6 times
Average daily volume. KZT m.	1,506.5	21.8 times	31.9 times
Stake of nego deals. number (%)	0	-0.006 pp	0
Stake of nego deals. volume (%)	0	-0.03 pp	0
Number of shares denominations*	19	+11.8%	+35.7%
Stake of pension funds. gross (%)	0	0	0
on purchase	92.2	+92.2 pp	+92.2 pp
on sale	0	-0.02 pp	0
Stake of individuals. gross (%)	37.4	-27.1 pp	-32.9 pp
on purchase	2.8	-51.4 pp	-57.0 pp
on sale	72.0	-2.66 pp	-8.6 pp
Stake of nonresidents. gross (%)	1.0	+0.6 pp	+1.0 pp
on purchase	0	-0.8 pp	+0.02 pp
on sale	2.0	+1.9 pp	+2.0 pp

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

In the described period falling of average daily prices was detected for 11 equities, growth showed five tools involved in the transaction, the price of three tools has not changed. Adverse change in shares prices was in the range from 0.01% (SATC) to 9.09% (HSBKp), positive - from 2.01% (KZTKp) to 5.96% (BTAS).

Last week for KASE index was formed very poorly. Following the period of the stock market indicator lost 4% and ended the week at around 1223.3 basis points.

All securities comprising the index KASE showed negative trend due to the lack of reasons for growth. On foreign sites investors' anxiety about the future of the global economy continues to grow. Outstanding debt issues in Europe, rising unemployment in the United States put pressure on world trading floors. The situation was not straightened out, even the U.S. president proposed plan for keeping the American economy and combat rising unemployment.

Influenced by current trends in the international commodity markets, quotations of securities of Kazakhmys, ENRC and JSC "EP "KMG" decreased by 1.8%, 3.5% and 1.7% respectively.

Securities of the banking sector also finished the week at the "red zone". Quotes of JSC "Halyk Bank of Kazakhstan" fell by nearly 5%, while the common shares of JSC "Kazkommertsbank" fell by 7%. The largest decline was observed for common shares of "BankCentreCredit", which plummeted by 9%.

Ordinary shares of JSC "Kazakhtelecom" succumbed to the negative sentiment in the market and dropped in price by 0.6%.

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 September 5-9, only by data on deals made on the secondary market of KASE by the methods of opened trades):**

Share code on KASE	Last deal:				Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	min	max	price	trend,%	for last 365 days: min	max				
BSUL	630	630	630	0	630	658.05	26.46	3	630	630
BTAS	1.75	1.8	1.75	+6.06	1.65	81	4.89	4	1.8	1.75
CCBN	350	389.48	350	-9.09	350	670	398.98	15	389.48	350
GB_ENRC	1500	1625	1620	-1.82	1425	2600	72.69	14	1625	1500
GB_KZMS	2440	2580	2460	-3.53	2226	3800	146.13	30	2580	2440
HSBK	239	257	247	-4.63	200	445	99.95	27	257	239
HSBKp	168.4	168.4	168.4		168.4	185.24	0.16	1	168.4	168.4
KKGB	273	300	280	-6.67	246.1	616	161.99	25	299	273
KKGBp	150	158.4	157.5	-0.57	144	230	895.93	5	158.4	150
KZTK	17000	17150	17000	-0.58	13500	20850	147.43	4	22000	17000
KZTKp	8300	8346	8346	+6.30	6300	9990	71.87	3	8346	8300
MMGZp	5500	5500	5500		5000	10450	3.82	3	5500.01	5500
RDGZ	13901	14650	14252	-1.71	13411.21	21000	244.24	24	14800	13901
RDGZp	13800	14000	13800	-1.43	13500	20510	322.25	36	14300	13800
SATC	71	71.07	71.07	-0.01	71	72	47,165.17	10	71.07	71
TKUDp	9.01	9.01	9.01		9	9.01	1,210.31	2	9.01	9.01
TSBN	870	870	870		813.16	951	227.46	2	870	870
TSBNp	900	900	900		870	900	97.89	2	900	900
ZERD	1.2	1.2	1.2		1	2.49	6.81	1	1.2	1.2
<b>19</b>							<b>51,304.4</b>	<b>211</b>		

**Notes:** Trends are given relative to the last deal of the previous 30 days period (August 8 – September 8, 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 58 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	7,970.9	10.4 times	1.5 times
Average daily volume. KZT m.	1,171.4	10.4 times	1.5 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of bonds denominations*	30	+21.0 pp	+42.9%
Stake of pension funds. gross (%)	0	-14.7 pp	0
on purchase	0	-6.8 pp	0

\*To be continued on the page 4

Continued of table

	current week	Change for	
		1 week	2 weeks
on sale	1	-21.3 pp	+1.3 pp
Stake of individuals. gross (%)	5.0	+3.9 pp	-12.7 pp
on purchase	7.7	+6.0 pp	+5.6 pp
on sale	2.3	+1.8 pp	-31.0 pp
Stake of nonresidents. gross (%)	18.5	+18.5 pp	+2.0 pp
on purchase	17.2	+17.16 pp	-5.0 pp
on sale	19.8	-43.0 pp	+8.9 pp

\* on which deals were made at KASE

Following the period, growth of average net prices on the open market characterized bonds of 16 items, fall - 9, the price of five tools has not changed, one tool has been trading for the first time. Yield to maturity on deals rose in the week for 7 bonds declined - for 13, yield of four instruments has not changed. Positive change in bond yield to maturity was in the range from 0.44% (AESOb1) to 211.37% (KONDb1), negative - from 0.02% (HSBKe4) to 11.34% (CBH\_b1).

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 September 5-9, 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,				
AESOb1	12.80	12.94	12.94	11.80		13.00	27.05	2	12.80	12.94
APKlb5	9.87	9.87	9.87	9.87		10.00	20,672.70	2	9.87	9.87
BRKZe4	6.98	6.98	6.98	6.85		7.33	671.50	1	6.98	6.98
BTAIb11	16.99	16.99	16.99	11.00		24.89	1,802.43	1	16.99	
BTAIb14	27.90	27.90	27.90	27.90		34.00	2,357.99	1	27.90	
BTAIb3	7.00	8.30	7.00	7.00		38.30	291.40	4	7.00	15.35
BTAIb8	34.26	34.26	34.26	9.40		34.26	790.18	1	34.26	9.11
BTAIb9	20.50	20.50	20.50	6.80		21.92	1,254.54	1	18.70	13.00
BTASe11	20.11	22.92	21.26	11.24		22.92	133.75	7	21.26	20.01
BTASe15							41.26	2	272.30	251.29
BTASe7	20.18	23.77	20.18		9.67	23.77	1,255.92	6	20.19	18.35
CBH_b1	25.00	25.00	25.00	20.00		40.02	62.29	3	25.00	25.00
CCBNb4	7.00	7.00	7.00	6.00		10.00	20.63	1	7.00	7.00
CCBNb3	6.21	6.21	6.21	6.21		12.22	548.06	1	6.21	10.54
EUBNb3	8.00	8.00	8.00	8.00		11.76	197.17	2	8.00	8.00
HSBKb12	10.26	10.26	10.26		8.00	10.36	100.91	1	10.28	10.26
HSBKe2	5.10	5.10	5.10	0	4.34	5.13	1,066.51	1	5.10	5.10
HSBKe4	5.18	5.18	5.18		4.29	6.49	2,233.49	1	5.18	5.18
KKGBb6	8.00	8.00	8.00		8.00	11.50	537.60	2	8.00	8.03
KKGBe19	7.25	7.25	7.25	-0.09	6.81	10.80	339.66	2	7.25	7.25
KMGZe3	-5.54	-5.54	-5.54	-0.14	-5.61	-5.23	2,460.72	1	3.98	4.75
KONDb1	871.81	880.71	880.71		166.23	880.71	35.34	2	9,516.32	519,303.56
KZAPe1	4.67	4.67	4.67		4.36	4.85	2,142.81	1	4.67	4.67
KZIKb18	10.09	10.09	10.09		8.25	12.00	104.74	2	9.00	10.09
ORDBb2	542.97	542.97	542.97		375.00	595.74	183.80	1		
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	36.30	4	12.00	12.03
REALb1	10.00	10.00	10.00		9.98	17.50	264.98	1	10.00	10.00
TKUdb1	9.26	9.26	9.26		8.13	9.26	171.89	1	9.26	9.26
TSBNb5	8.00	8.00	8.00	0	8.00	14.00	7.16	1	8.00	8.00
TXBNb3	3.00	3.00	3.00		3.00	9.00	41.74	2	3.00	3.00
<b>30</b>							<b>39,854.5</b>	<b>58</b>		

Notes: Trends are given relative to the last deal of the previous 30 days period (August 8 – September 8, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**September 9 in the trade system of KASE specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-72 seventh edition (KZKDKY060074, MUM072\_0007; 1000 KZT, 22.6.11, 22.6.17, annual coupon, 30/360) was held**, on which the Ministry of Finance planned to borrow 10.0 billion tenge. The subject of the auction is the "net" price of bonds. The auction was attended by 14 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 34 applications, of which the expiration time applications were active 28 orders. Total volume of active bids (demand volume) amounted to 26,269.9 million tenge and exceeded the suggested volume of 2.6 times. As a result of trade, the issuer granted the application for purchase of 13.86 million bonds in the amount of 14,255,780,000.00 (138,6% of planned volume of placement) under 3.6085% per annum.

## Secondary market sector)

During the study period, the total volume of 38 deals concluded on KASE was 27,384.7 million tenge (\$ 186.3 million). In the previous period (August 27 - September 2, 2011) the figure was 12,658.9 million tenge (\$ 86.4 million), with 36 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period amounted to 100.0% (previous period - 100.0%).

### Parameters of Exchange's transactions in GS within September 5-9, 2011

Days till maturity	Yield to maturity for a buyer. % APR.		last deal	Volume,		
	min	max		average	mln. KZT on discount	Number of deals
Discount (KZT) National Bank notes				55.1% (55.2%) sales sector turnover		
43 - 56	0.99	1.40	0.99	1.40 (1.40)	8,005.97	6.00
92 - 181	1.40	1.75	1.40	1.41	7,090.58	5.00
Total					15,096.5 (6,985.8)	11 (4)
Coupon (KZT) MEUKAM, MIUKAM, MAOKAM				45.9% (45.8%) of sales sector tu		
Less than 730	1.64	1.85	1.64	1.72 (2.08)	658.39	2
731 - 1095	3.00	3.57	3.10	3.10	1,298.35	3
More than 2191	3.80	5.23	4.45	4.69 (5.15)	10,132.07	21
More than 1096	4.87	4.87	4.87	4.87	199.39	1
Total					12,288.2 (5,673.1)	27 (21)
<b>TOTAL</b>					<b>27,384.7 (12,658.9)</b>	<b>38 (25)</b>

## WORLD MARKETS

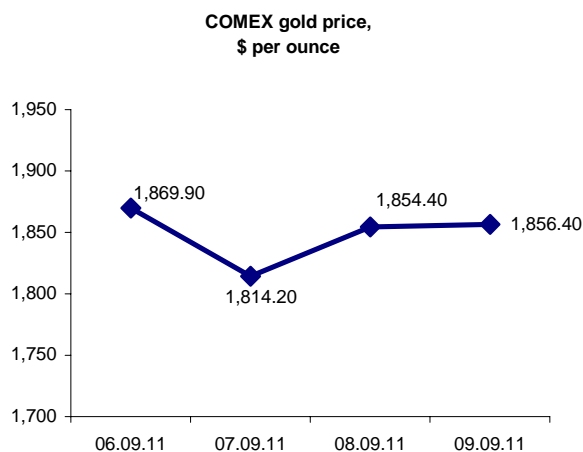
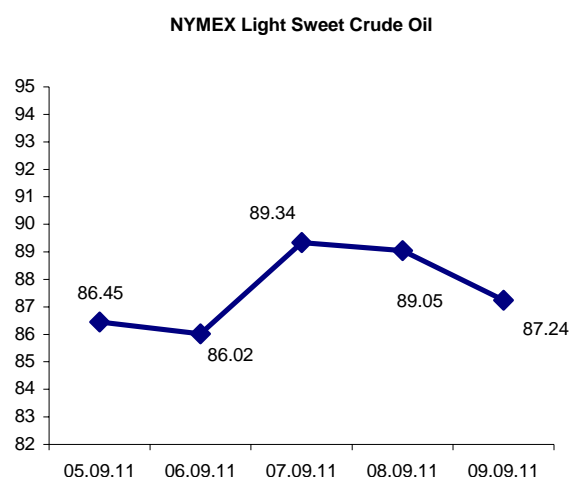
### Main news of the world markets

**September 6 according to the Institute for Supply Management the index of business activity in U.S. industry (ISM) in August 2011 fell to 50.6 points from 50.9 points in July.** Analysts had forecast that the value of the index in August to be 48.5 points.

**September 8 Barack Obama spoke to Congress, thereby announcing a new program to create jobs.** As expected, the fight against unemployment will cost \$ 447 million. Barack Obama has outlined a number of measures which, he believes, can reduce unemployment. According to the presented project, about \$ 35 billion is proposed to spend on it, to avoid cuts to teachers and staff of emergency services. Another \$ 50 million Barack Obama has proposed to invest in infrastructure. In particular, the plan calls for investing \$ 10 billion in construction of bridges and airports, which will also create new jobs. The development of schools will be allocated \$ 30 billion in addition, \$ 50 billion is recommended to allocate unemployment benefits for 6 million people. In his speech, the U.S. leader also proposed tax breaks for working Americans. In his speech, Obama stressed that the costs provided by new economic plan will not increase the deficit of the U.S. budget.

**September 8th President of the European Central Bank (ECB) Jean-Claude Trichet at a news conference reported that the risks to economic growth in the euro zone increased, while inflation risks are balanced.** CBA indicated that monetary policy in the euro area remains challenging, while credit conditions have deteriorated somewhat.

Risks of the price situation in the medium term are balanced, that is, the ECB does not expect higher inflation in coming months. According to materials of the ECB, the Bank economists are now oriented to the euro zone GDP growth up to 2011 in the range of 1.4-1.8% compared with the June forecast of



1.5-2.3%. "Fuzzy" estimate of economic growth in 2012 is also reduced, from 0.6-2.8% to 0.4-2.2%. Inflation in the eurozone this year will amount to 2.5-2.7%, and in 2012, consumer price growth to slow to 1.2-2.2%, predicts the ECB.

**September 9 it became known that negative U.S. trade balance in July 2011 decreased compared to the revised value for June of this year and totaled \$ 44.8 billion.**

In July 2011 volume of U.S. imports totaled \$ 222.84 billion (minus 0.2 % compared to the previous month), exports - \$ 178.04 billion (+3.6% versus June). At the same time on an annualized basis in the United States imports in July 2011 rose by 13.6% and exports - by 15.1%.

*Prepared by IRBIS Information agency of financial markets  
Tulebaev Str. 38, New building, 2nd floor; Almaty.  
Kazakhstan; [dm@fininfo.kz](mailto:dm@fininfo.kz). [info@fininfo.kz](mailto:info@fininfo.kz).  
Tel.: +7 (727) 321 65 55. fax: +7 (727) 321 60 11.*

*IRBIS agency gives notice that material given above is not an offer or recommendation to sell or buy shares on KASE. Using it by anyone. while taking investment decisions does not make IRBIS agency responsible for possible losses resulting from such the decisions.*

