

## WEEK OF STOCK MARKET OF KAZAKHSTAN

January 9-13, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
06.01.2012	1,154.49	148.29	0.09	0.16	2.00
09.01.2012	1,144.69	148.54	0.06	0.15	2.00
10.01.2012	1,149.90	148.59	0.06	0.14	2.00
11.01.2012	1,155.99	148.40	0.06	0.13	2.00
12.01.2012	1,169.40	148.52	0.06	0.19	2.00
13.01.2012	1,165.77	148.17	0.05	0.19	2.00
<b>Trend</b>	<b>11.28</b>	<b>-0.12</b>	<b>-0.04</b>	<b>0.03</b>	<b>0</b>
<b>%</b>	<b>+1.0</b>	<b>-0.1</b>	<b>-46.3</b>	<b>+18.7</b>	<b>0</b>

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

**January 9th President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan "On making amendments and addenda to some legislative acts of the Republic of Kazakhstan on currency regulation and currency control".** The law aims to improve the currency legislation. Recall, the bill was passed by the Senate of the Parliament of the Republic of Kazakhstan December 1, 2011. The development objective of the bill is to improve the mechanisms of exchange controls, as well as bringing the provisions of the Law of the Republic of Kazakhstan "On currency regulation and currency control" into conformity with the Treaty on the order of movement of natural persons of cash and (or) monetary instruments across the customs border of the Customs Union, ratified by 17 in January 2011.

**January 9 KazMunayGas ExplorationProduction including shares in the LLP "JV "Kazgermunai" (KGM), "Karazhanbasmunai" (CCEL), "PetroKazakhstan Inc." (PKI) in 2011 extracted 12,341 thousand tonnes of oil (250 thousand barrels per day),** which is 944 thousand tons, or 7% less than in 2010. Production branch "Ozenmunaygaz" (OMG) has extracted 5,082 tons (102 thousand barrels per day. Per day), which is 884 thousand tons less than last year. "Embamunaygaz" (EMG) has extracted 2818 tons (57 thousand barrels per day), which is 18 thousand tons more than last year, making the total production volume of OMG and the EMG 7,900 thousand tons (159 thousand barrels per day), which is 866 thousand tons or 10% less than in 2010. As noted, the results of mining have adversely affected the illegal rally, held at OMG in May and August of 2011, as well as outages and restrictions on electric fields in the January-April this year due to adverse weather conditions. However, the budget KazMunayGas ExplorationProduction in 2012, taking into account the price per barrel of Brent crude oil of U.S. \$ 80 according to official projections to the Government and NC "KazMunayGas" JCS anticipates capital expenditures of 126.5 billion tenge (852 million U.S. dollars), which is higher than the projected costs for 2011 for the same purpose by 19%.

**January 10 the National Bank of Kazakhstan reported that for 2011, net international reserves of National Bank of Kazakhstan grew by 3.8% to 28.8 billion U.S. dollars.** It is reported that the growth of remainings on correspondent accounts of banks in foreign currency in National Bank and foreign currency earnings to the accounts of the Government in the National Bank were partly offset by the sale of currency on the domestic foreign exchange market operations to service the external debt of the Government and the completion of the National Fund assets from the accounts of foreign exchange reserves. As a result, net foreign currency reserves (hard currency) for 2011 decreased by 0.2%, gold assets grew by 36.0% as a result of the operations and growth of prices on world markets at 11.6%. During 2011 international reserves of the country, including assets of the National Fund in foreign currency (preliminary 43.7 billion U.S. dollars), rose by 23.2% to 73.0 billion U.S. dollars. During 2011 the monetary base expanded by 10.3% and amounted to KZT 2,836.1 billion. The narrow monetary base, ie monetary base, excluding time deposits in commercial banks National Bank, increased by 27.8% to 2,739.3 billion. In December 2011 there was a decrease in net international reserves of National Bank at 9.0% to 28.8 billion U.S. dollars (from the beginning of the year - an increase of 3.8%). The completion of the National Fund assets from the accounts of foreign exchange reserves, lower balances on correspondent accounts in foreign currency in National Bank, currency trading in the domestic market, external debt service of the Government, were partially offset by the receipt of currency on accounts of the Government of the National Bank. As a result, net foreign currency reserves (hard currency) in December 2011 decreased by 10.8%, gold assets grew by 2.9%. During December 2011 international reserves of the country, including assets of the National Fund in foreign currency (according to preliminary data of U.S. \$43.7 billion), declined by 3.2% to \$ 73.0 billion U.S. dollars (from the beginning year - an increase of 23.2%).

**January 10, 2012 the National Bank of Kazakhstan reported that in 2011 the situation on currency market in total was stable.** Average exchange rate of tenge for 12 months in 2011 amounted to 146.64 tenge per U.S. dollar. Exchange rate at the end of 2011 amounted to 148.40 tenge per U.S. dollar. For 2011 in nominal terms tenge against the U.S. dollar weakened by 0.6%. In 2011, the volume of stock trading on the Kazakhstan Stock Exchange transactions, taking into account the additional trades was 70.7 billion U.S. dollars, up 16.5% compared to 2010. The smallest volume of transactions was observed in May, the maximum - in August. On the OTC market transaction volume for 2011 decreased compared with that of 2010 by 25.7% to 38.8 billion U.S. dollars. The smallest volume of transactions occurred in November, the maximum - in August. In December 2011 the tenge against the U.S. dollar varied in the range of 147.59-148.40 tenge per U.S. dollar. During December 2011 tenge weakened by 0.5% and at the end of December 2011 exchange rate of tenge was 148.40 tenge per U.S. dollar. The volume of stock transactions on the Kazakhstan Stock Exchange transactions, taking into account the additional trading in December 2011 compared with November 2011 increased by 11.1% to U.S. \$ 5.5 billion (from the beginning of the year - 70.7 billion dollars . USA). On the OTC market volume of transactions rose by 16.2% to U.S. \$ 2.0 billion (from the beginning of the year - 38.8 billion U.S. dollars).

**January 11 Alliance Bank JSC has announced preliminary results for expired 2011.** According to the financial statements prepared on the basis of unconsolidated, unaudited statements of the Bank provided to KFN (without taking into account final turnovers for 12 months of 2011), net profit of Alliance Bank amounted to KZT 13,387 million. The Bank's assets for the period increased by 5.9% (KZT 28,633 million) in comparison with the beginning of 2011 and amounted to KZT 518,075 million. Herewith in August the Bank has implemented substantial part of the problem retail portfolio, which affected the growth rate of assets. Liabilities of the Bank have increased by KZT 66, 072 million or by 14.5% in relation to the beginning of 2011, amounting to KZT 521,674 million. In total deposit portfolio has grown by KZT 84, 911 million, or by 40.8% to KZT 292, 798 million. Deposits of individuals increased by 47.7% (KZT 35, 874 million) and deposits of legal entities by 37% (KZT 49, 037 million), indicating a steady growth in the Bank's reputation. Deficiency of the Bank's equity, which was formed due to the introduction in July 2011 by the National Bank of RK new account "3300 - Account adjustments to reserves (provisions)" which displays the difference between the amounts of provisions formed in accordance with the requirements of the KFN and IFRS, amounted to KZT - 3,599 million. At the same time, regulatory capital of the Bank (used for calculation of prudential standards) - as before has positive value and exceeds by the results of 2011, sum amounts to KZT 68 billion. All prudential standards established by KFN of the NBK, the Bank complied with the reserve. The loan portfolio decreased by KZT 9,928 million or 1.8%, mainly due to the sale of a pool of problem retail loans (having overdue, mainly over two years), as well as write-offs of "bad bank" loans to clear the balance sheet at the expense of profit received by the Bank. Herewith growth in disbursements of loans to retail customers amounted to 327% with respect to a result in 2010, and lending growth to SMEs made 119%.

**January 11 the Senate of the Parliament of the Republic of Kazakhstan at the plenary meeting adopted a draft law "On Sovereign Wealth Fund".** The bill defined peculiarities of the status, organization and activities of the Fund, regulated by the object and purpose of its activities is the management of belonging to him by right of ownership or control of trust shares (stakes) of the national development institutions, national companies and other entities. The bill provides for the introduction of corporate governance in the group companies of the Fund, as the document is limited interference in the activities of agencies of the Fund. The main purpose of developing an instrument is to change the main activities of the Fund in the post-crisis period, providing for the independence, flexibility and efficiency in planning and implementation of the Fund, the restriction of government interference in his work, and setting clear rules of engagement to ensure the profitability and financial sustainability of the Fund and its subsidiaries.

## Stock exchange market

### Primary market sector

**January 9 at KASE trade system specialized trades on offering of common shares KZ1C36500011 (KZ00A1CTMT7, the official list of KASE, the second category, NFBN) of JSC "Delta Bank" (Almaty) were held.** The total number of authorized common shares of "Delta Bank" now stands at 10 million units, of which placed seven million units. The issuer planned to place 137 080 ordinary shares (2.0% of the total number of outstanding shares). The auction was attended by a member of KASE - broker-dealer organization acting on behalf of his client. A request to purchase 137,080 shares at a price of KZT 1,500.00 per share was made. Following the auction the seller satisfied this request in full. Purchase price was 205,620,000.00 (equivalent to \$1,384,273.60 at the current exchange rate).

### Secondary market section

During the study period at KASE on the secondary market sale 299 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,149.2	+52.6%	13.8 times
Average daily volume. KZT m.	170.5	+52.8%	13.8 times
Stake of nego deals. number (%)	0.003	-0.004 pp	-0.003 pp
Stake of nego deals. volume (%)	0.004	-0.01 pp	+0.003 pp
KASE members	29	+3.6%	-6.5%
Number of shares denominations*	16	+33.3%	-5.9%
Stake of pension funds. gross (%)	0	0	-46.9 pp
on purchase	0	0	-46.1 pp
on sale	0	0	-47.7 pp
Stake of individuals. gross (%)	36.1	-2.6 pp	+0.2 pp
on purchase	37.7	+12.8 pp	-11.0 pp
on sale	34.4	-18.1 pp	+11.4 pp
Stake of nonresidents. gross (%)	5.8	+5.8 pp	+5.8 pp
on purchase	0.6	+0.6 pp	+0.6 pp
on sale	11.1	+1.1 pp	+11.0 pp

\*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for nine equities, growth showed 6 instruments involved in the transaction, the price of 1 instrument has not changed. Adverse change in the weighted average share price fixed at the levels from 0.18% (ZERDp) to 8.88% (TSBN), positive - from 0.03% (CAHO) to 116.65% (BTAS).

Week for KASE index passed relatively quietly. The growth of the indicator was 1%. Quotations of securities from representative list were moving in different directions, with the main downward pressure on the index had papers of the banking sector on the background of the general weakness of the global financial system. Completion of the period in the "green zone" of KASE index was due to growth in share prices of the commodity sector. At the international commodity market prices for base metals rose due to statistics of China, under which imports of metals in China have grown significantly.

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

**Results of share trades on KASE, including STF of RFCA within January 9-13, 2012, 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: for last 365 days:		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	min	max	price	trend,%	min	max				
BSUL	640.00	640.00	640.00	0	629.99	658.05	21.8	5	640.00	640.00
BTAS	0.60	1.00	1.00		0.20	6.39	44.7	21	1.00	0.60
CAHO	37.51	37.51	37.51		37.50	37.51	20.2	1	37.51	37.51
CCBN	243.00	260.00	243.00	+0.4	233.00	670.00	91.8	9	260.00	243.00
GB_ENRC	1,600.00	1,699.99	1,699.99	+5.6	1,275.00	2,600.00	65.0	8	2,350.00	1,600.00
GB_KZMS	2,250.00	2,405.00	2,400.00	+6.7	1,780.00	3,800.00	163.4	24	2,405.00	2,250.00
HSBK	197.00	209.99	198.50	-2.2	191.00	445.00	292.1	55	211.00	197.00
KKGB	223.00	235.00	229.98	-4.2	185.00	616.00	165.6	21	235.40	223.00
KZTK	21,000.01	22,700.00	22,000.00	-0.7	16,800.00	23,000.00	3,140.0	65	22,700.00	18,725.00
KZTKp	17,500.00	18,050.00	18,050.00	+3.1	7,490.00	19,000.00	746.4	32	18,050.00	17,500.00
RAHT	1,200.00	1,200.00	1,200.00		1,000.00	1,300.00	4.6	1	1,200.00	1,200.00
RDGZ	13,450.00	13,800.00	13,800.00	+0.4	12,100.00	21,000.00	399.6	27	13,800.00	13,450.00
RDGZp	11,000.01	12,400.00	11,601.00	-4.9	11,000.01	20,510.00	141.7	14	12,950.00	11,000.01
SATC	70.10	70.20	70.10	-0.3	70.10	72.00	384.7	11	70.30	70.10
ZERDp	5.39	5.56	5.40	-0.2	5.00	5.56	8.6	3	5.56	5.39
<b>16</b>							<b>5,722.4</b>	<b>298</b>		

**Notes:** Trends are given relative to the last deal of the previous 30 days period. 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 55 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	4,061.8	6.7 times	3.3 times
Average daily volume. KZT m.	603.0	6.7 times	3.3 times
Stake of nego deals. number (%)	0.1	+0.1 pp	+0.02 pp
Stake of nego deals. volume (%)	0.1	+0.1 pp	+0.01 pp
KASE members	18	+50.0%	-28.0%
Number of bonds denominations*	23	+12.0%	-23.3%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	79.2	+13.3 pp	+78.7 pp
Stake of individuals. gross (%)	8.6	-0.2 pp	+3.3 pp
on purchase	12.6	+11.9 pp	+9.1 pp
on sale	4.6	-12.4 pp	-2.5 pp
Stake of nonresidents. gross (%)	0	0	-1.2 pp
on purchase	1.0	-0.8 pp	+0.9 pp
on sale	0	0	-2.3 pp

\* on which deals were made at KASE

Following the period, growth of average net price on the open market bonds characterized 13 names, fall - 10 names. Yield to maturity on deals rose in the week for 10 bonds, declined - for 11. Positive changes in bond yield to maturity were in the range from 0.00002% (CCBNb10) to 3.24% (ATFBe5), negative - from 0.00001% (CSBNb6) to 2.00% (HSBKb13).

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 January 4-6, 2011 (only on data of deals . made on secondary market of KASE by the methods of open trading):

Bond code	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,				
ASBNb13	18.58	18.58	18.58	+0.8	13.22	18.58	10.6	1		9.52
ATFBe5	11.00	13.00	13.00		7.35	13.00	93.6	5	11.00	13.00
ATFBe6	10.00	10.00	10.00	+0.00001	6.30	10.00	43.9	2	10.00	10.00
BTASe11	53.82	53.82	53.82		11.24	53.82	0.8	1		
CCBNb10	11.00	11.00	11.00		8.70	11.00	29.0	2	10.90	11.00
CCBNb17	7.50	7.50	7.50		6.00	9.01	1,753.8	4	7.50	7.99
CSBNb6	12.10	12.10	12.10	-0.00001	10.00	13.00	1,706.2	3	12.10	12.20
CTECb1	14.00	14.00	14.00		14.00	16.00	2.8	1	14.00	14.00
EUBNb3	10.80	10.80	10.80		8.00	10.80	3,380.2	3	10.80	10.80
EXBNb1	15.49	15.49	15.49		12.50	17.00	344.7	5	15.49	15.49
EXBNb2	8.50	8.50	8.50	-0.3	8.50	18.50	65.5	4	8.50	10.76
HSBKb13	10.00	12.20	10.00		10.00	12.20	6,794.4	4	8.50	12.20
KDTSb1	7.60	7.60	7.60		6.00	15.84	74.1	1	7.60	7.60
KKGBe4	8.20	8.20	8.20		7.14	10.80	256.0	2	8.20	8.20
ORDKb2	12.00	12.00	12.00	-0.0001	12.00	16.02	395.3	4	12.00	12.00
PRKRb4	7.00	7.00	7.00		5.00	8.30	730.0	2	7.00	7.00
REALb1	10.00	10.00	10.00		9.99	17.50	139.7	1	10.00	10.00
RESCb1	10.00	10.00	10.00		8.00	12.00	99.8	1	10.00	10.63
RGBRb5	13.00	13.00	13.00		9.00	13.00	2,126.2	2	13.00	13.03
TEBNb18	15.00	15.00	15.00		12.00	15.00	6.2	1	15.00	15.00
ZERDb1	16.50	16.50	16.50		5.00	17.00	6.8	2	16.50	16.50
<b>21</b>							<b>18,059.6</b>	<b>51</b>		

Notes: Trends are given relative to the last deal of the previous 30 days period. If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

**January 10 at KASE trade system bidding on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 release 122 (KZK1KY011222, MKM012\_0122, 100 KZT, 10.01.12-10.01.13, actual/actual) were held**, on which the Ministry of Finance planned to attract KZT 12,000.0 mln. The subject of the auction was the price of bonds. Eight primary dealers, which were members of KASE, took part in the auction. Through these subjects, investors filed 13 applications, of which the time expired applications remained active 11 orders. The total amount of active orders (demand volume) was 9,835.0 million tenge. The price of bonds on submitted bids varied from active 97.8474% to 98.5221%, in average terms, 98.0172%. As a result of trade, the issuer granted the application for purchase of 100.34 million of bonds in the amount of 9,835,047,298.00 tenge (83.6% of the planned volume of placement). **Weighted average price of bonds satisfied bids was 98.0172%.**

**January 12 at KASE trade system for trading on the placement of medium-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-36 release 84 (KZK2KY030841, MOM036\_0084; 1000 tenge, 1/12/12, 1/12/15, semi-annual coupon, 30/360) were held**, for which the Ministry of Finance planned to involve KZT 10,000.0 mln. Subject of bargaining is the coupon rate. In the auction were 7 primary dealers, which were members of KASE. Through these subjects, investors filed 12 applications, of which the time expired applications remained active all orders. The total amount of active orders (demand volume) amounted to KZT 14,335.0 mln. Coupon on submitted bids varied from 3.00% to 4.00%, in average terms, 3.4981% per annum. As a result of trade, the issuer granted the application for purchase of 10 million bond worth KZT 10,000,000,000.00 (100.0% of planned volume of placement) at 3.50% per annum.

### Secondary market sector)

During the period, total volume of 1 deal made on KASE was 537.4 million tenge (\$ 3.6 million). Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 100.0%.

#### Parameters of Exchange's transactions in GS within January 9-13, 2012

Days till maturity	Yield to maturity for a buyer. % APR.				Volume.	
	min	max	last deal	min	max	last deal
<b>Coupon (KZT): MEUKAM</b>						
<b>100.0% (100%) of purchase and sale sector net turnover</b>						
More than 2,191	5.20	5.20	5.20	5.20	537.4	1
Total					<b>537.4 (0)</b>	<b>1 (0)</b>
<b>TOTAL</b>					<b>537.4 (0)</b>	<b>1 (0)</b>

## WORLD MARKETS

### Main news of the world markets

**January 9 heads of France and Germany announced their intention to introduce a tax on financial transactions on European Commission project.**

According to the draft, tax collection on all securities transactions between financial institutions, if at least one of the parties of transaction belongs to EU. It is assumed that the tax on transactions in shares and bonds puts 0.1%, with derivatives - 0.01%. It is expected that such a tax in the EU will be introduced before the end of 2012, when the document is approved by the members of the union

**January 9 People's Bank of China said that the lending of Chinese banks in December 2012 increased to 640.5 billion yuan in new loans**, compared with 562.2 billion yuan in November. Analysts had expected growth rate up to 575 billion yuan. The message was interpreted as a sign of softening conditions of government monetary policy.

**January 9 it was reported that Washington was attended by the Hungarian delegation for the talks with IMF on borrowing amounting to \$ 20-25 billion.** Formerly Fitch Ratings downgraded Hungary's foreign currency debt rating to "BB +" and "BBB-", national - to "BBB-" from "BBB". Rating outlook was "negative."

**January 10 it was announced that the trade surplus in China in December 2011 totaled \$ 16.52 billion** compared to \$ 14.5 billion in November. Analysts had expected the index value at \$ 7.8 billion

**January 11 "Beige Book" of U.S. Federal Reserve was published**, according to it, November-December 2011, economic activity in the 12 federal reserve districts of the U.S. improved or was "moderately growing," whereas in November and December last year the Fed has fixed mostly "weak" growth.

**January 12 it was announced that inflation in China in December 2011 was 4.1%, slower than 4.2% in November.** However, this value was still above analysts' expectations, forecasting that inflation in China in December will be no more than 4%.

**January 12 markets were encouraged by the successful placement of government bonds in Italy and Spain.** The total volume of placement of Spanish securities with varying maturities totaled 9.98 billion euros, while the yield of notes maturing in 2016 fell to 3.75% from 4.871% at the previous auction. Italian authorities have placed one-year government bonds for 12 billion euros, with the yield fell to 2.735% from 5.952%.

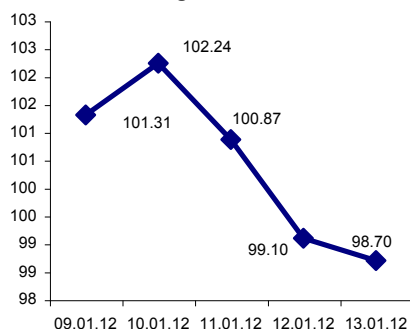
**January 12 markets finished the day in negative territory amid reports of lowering of credit ratings of several European countries by S&P.** The news that the international rating agency Standard & Poor's downgraded the debt rating of France from the highest level "AAA" to "AA +" were brought by French Finance Minister Francois Baruana after the close of markets in Europe. As reported by the media, S & P downgraded the ratings of Austria, Malta, Slovakia, Slovenia, Spain, Portugal, Italy and Cyprus. The agency affirmed the ratings of Germany, Belgium and the Netherlands on the same level.

*Prepared by IRBIS Information agency of financial markets*

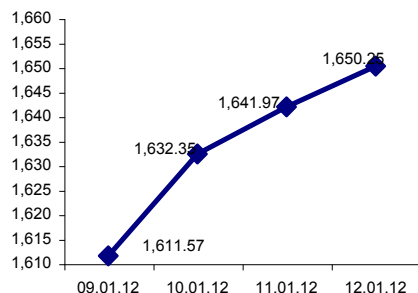
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**NYMEX Light Sweet Crude Oil**



**COMEX gold price  
\$ per troy ounce**



**Copper (three months supply)  
on London Metal Exchange**

