

WEEK OF STOCK MARKET OF KAZAKHSTAN

May 2-4, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
28.04.2012	1,225.67	147.89	0.25	0.25	2.00
02.05.2012	1,250.52	148.06	0.12	0.05	2.00
03.05.2012	1,265.14	147.87	0.23	0.20	2.00
04.05.2012	1,234.74	147.95	0.10	0.12	2.00
Trend	9.07	0.06	-0.15	-0.13	0
%	+0.7	+0.04	-59.9	-50.2	0

MAIN NEWS OF KAZAKHSTANI MARKET

May 2, 2012 press service of the Agency on Statistics of the Republic of Kazakhstan reported that:

- **Inflation in the Republic of Kazakhstan was 0.7% in April 2012.** Prices for food increased by 0.3%, non-food goods – 0.5%, payable services – 1.2%. In the past month price increase was recorded for eggs by 2%, meat and poultry - by 1.1%, sugar - by 0.9%, soft drinks, confectionery - by 0.6%, fresh fruit - by 0.5%, fish and seafood, cheese and curd, butter - by 0.4%. Price reduction was marked for cereals by 4.3%, potatoes - by 3.8%, sunflower oil - 2.1%, fresh vegetables - by 1.8%, flour - by 0.5%. Price of cement increased by 1.2%, tobacco products - by 1%, household items, clothing and footwear, pharmaceutical products - by 0.2%. Petrol went up by 3.7%, diesel fuel - by 3.5%. The price level for services of air passenger transport grew by 6.7%, railway - by 6.2%, healthcare - by 0.9%, hairdressing and personal care facilities - by 0.8%, pre-school and primary education - to 0.7%, restaurants and hotels - by 0.3%. In the area of housing and communal services tariffs for electricity increased by 6.5%, water, sewer - 1%, central heating - by 0.5%.
- **Value of the subsistence minimum amounted to KZT 16,079 in April 2012.** The subsistence minimum in the average per capita, calculated on the basis of the minimum standards of consumption of basic foodstuffs, in April 2012 compared to the previous month increased by 0.1%, April 2011 – 1.7%. In its structure the share of the costs of meat and fish accounted for 23.9%, milk, oil and fat products and eggs - 16.6%, fruits and vegetables - 9.3%, bread and cereal products – 7.9%, sugar, tea and spices - 2.3%.
- **Food prices in April 2012 as compared with April 2011 rose by 3.9%.** In April 2012, as compared with the corresponding month in 2011, prices for confectionery grew by 7.1%, bakeries and flour products, dairy products - by 5.2%, coffee, tea, cocoa, fish and seafood - by 4.7%, alcoholic beverages - by 4.5%, pasta - 1.4%, bread - by 1.1%. Drop in prices was observed for sugar by 18.4%, fruits and vegetables - by 17.5%, cereals - by 15.1%, flour - by 6.6%, oils and fats - by 1.6%. The price increase for meat and meat products during this period amounted to 19.6%. The level of prices for beef was higher by 28.4%, mutton - by 25.9%, horse meat - by 22.2%, pork - by 16.4%, meat products - by 8.9%, poultry - by 6.1%.
- **Prices of manufacturers of industrial production in April 2012 rose by 3.7%.** In April as compared with March prices in the mining industry rose by 5.1%, manufacturing industry – by 0.2%. Prices for production rose by 3.8%, production services – fell by 1.8%. In the past month increase in prices was observed for the fuel oil by 26.4%, liquefied propane and butane - 10%, oil - by 6.1%, coal - 3.8%, gas condensate - by 3.6%, fuel diesel - 2.6%, metal ores - 1.8%, natural gas and gasoline - by 0.9%. Aluminum prices rose by 0.2%, lead prices went down 7.5%, zinc - 7.2%, precious metals - 3%, ferrous metals - by 1.1%, ferroalloys - 0.6%. Poultry increased in price by 3.4%, livestock - by 1.3%, wheat flour - 1%, cereals fell by 5.4%, vegetable oil - by 0.3%, pasta - 0.2%.

May 4 the Committee on Control and Supervision of the Financial Market and the Financial Organizations under the National Bank of Kazakhstan reported that:

- **Total assets of Kazakhstani banks as of April 1 amounted to KZT 13,299.0 billion**, an increase of 171.8 billion or 1.3% over the last month. As stated, on April 1 the total estimated net worth of the banking sector amounted to KZT 2,066.4 billion, an increase over the month by 59.1 billion or 2.9%. Assets denominated in foreign currency amounted to 34.2% of total assets or KZT 4,550.5 billion. Banks' loan portfolio (including interbank loans) as of April 1 was KZT 10,584.8 billion, an increase over the month by 69.5 billion or 0.7%. As of April 1 loans issued in foreign currencies accounted for 42.7% of the total loan portfolio, or KZT 4,519.2 billion. In the structure of banks' loan portfolio as of April 1 share of standard loans was 26.1%, doubtful - 51.5%, bad - 22.4% (on January 1, 2012, the share of standard loans was 25.7%, doubtful - 52.3%, bad - 22.0%). The amount of loans of the fifth category doubtful loans and bad loans (taking into account the provisions of homogeneous loans) amounted to KZT 3,502.2 billion or 33.1% of the total loan portfolio, a decrease of this index for March was 51.8 billion or 1.5%. The volume of provisions (reserves) on loans as of April 1 amounted to KZT 3,288.1 billion or 31.1% of the loan portfolio. As of April 1 total liabilities of the banking sector amounted to KZT 12,136.0 billion, an increase by 220.1 billion or 1.8%. Liabilities denominated in foreign currency amounted to 41.3% of total liabilities of STB or KZT 5,013.1 bln. The share of liquid assets amongst total assets of banks as of April 1 was 20.7%. The aggregate amount of income of banks on 1 April 2012 amounted to 959.7 billion tenge. Total expenses amounted to KZT 1,103.7 billion (excluding income tax, which was KZT 8.0 billion). Loss of banks in the April 1 amounted to 152.0 billion tenge.
- **For 3 months of 2012 total assets of insurance (reinsurance) companies increased by 6.2% to KZT 411.6 billion as of April 1, 2012.** Total equity capital increased by 2.6% to KZT 237.2 billion. The amount of insurance reserves amounted to 142.7 billion tenge. The volume of premiums taken under direct insurance contracts as of April 1, 2012 amounted to 51.0 billion tenge or 11.5% more than in 2011. The volume of premiums for compulsory insurance was KZT 7.8 billion (a decrease of 12.9% compared to the same date last year), on voluntary personal insurance premiums amounted to 20.6 billion (an increase of 55.5% compared with the same date last year), the voluntary property insurance – KZT 22.7 billion (a decrease of 4.0% compared with the same date last year). As of April 1 this year, the amount of insurance premiums ceded to reinsurance amounted to 16.2 billion tenge or 31.7% of the amount of premiums received on insurance contracts, while non-residents for re-transferred to 26.1% of the amount of premiums made under insurance contracts (on April 1, 2011 the share of insurance premiums ceded to reinsurance non-residents amounted to 34.6%). The volume of insurance payments made under contracts of direct insurance for 3 months in 2012 amounted to 12.2 billion tenge, which is more than the previous year by 51.0%. In particular, mandatory insurance, total insurance payments amounted to 3.3 billion (an increase of 20.4% compared to the same date last year), on voluntary personal insurance - 6.9 billion (an increase of 74.4 % compared to the same date last year) and on voluntary property insurance - 2.0 billion (an increase of 43.8% compared with the same date last year).
- **The total amount of pension savings in January-March rose by 126.5 billion tenge (4.8%) to KZT 2,777.9 bln.** The number of accounts on mandatory pension contributions on April 1, 2012 was 8,239,531, of which over a moderate investment portfolio - 8,007,296 with total pension funds of KZT 2,738.6 billion tenge, conservative investment portfolio - 232,235 with total pension funds of KZT 33.6 billion. The number of accounts of depositors of voluntary pension contributions (for a moderate investment portfolio) as of April 1, 2012 amounted to 38,098, with total pension funds of KZT 1.2 billion. The number of accounts of depositors of voluntary professional pension payments on April 1, 2012 amounted to 4,103 accounts with a total sum of pension accumulations of 118.7 million tenge. Total pension contributions for January-March 2012 amounted to 113.9 billion tenge. The amount of net investment income from the investment of pension assets (net of commissions) distributed to individual pension accounts of depositors (receivers) amounted to 597.0 billion tenge as of April 1, 2012. In the total amount
- **The sum of the total assets of mortgage companies amounted to 99.7 billion tenge, an increase of 0.6 billion or 0.6%.** Total liabilities, as compared with data on 1 March 2012, increased by 0.8 billion or 1% to KZT 81.3 billion. Shareholders' equity on the balance of the mortgage institutions amounted to 18.4 billion tenge. At the reporting date the aggregate loan portfolio of mortgage companies amounted to 58.9 billion tenge, which is lower than on March 1 by 0.3 billion or 0.5%. In the structure of the loan portfolio of mortgage companies as of April 1, 2012 the share of standard loans amounted to 85.2%, doubtful - 7.3%, bad - 7.5% (as of March 1, 2012 the share of standard loans accounted for 85.5%, doubtful - 7.1%, bad - 7.4%).

May 4, 2012 KASE reported that for January-April 2012:

- **The volume of trading in foreign currencies at KASE, including currency swap transactions, amounted to 4,036,900,000,000 tenge (equivalent to 27,276,500,000 U.S. dollars), decreasing by 27.0% (27.9% in dollar terms) against corresponding period of 2011.** As compared with the previous four-month period (September-December 2011), trading volume has decreased by 22.9% (23.0% in dollar terms). The average rate of tenge to U.S. dollar, calculated for all transactions of main (morning) session of KASE for the period from 04.01.12 to 28.04.12 amounted to 147.98 tenge per U.S. dollar, on all exchange transactions - 147.94 tenge for U.S. dollar. Rate tenge strengthening to U.S. dollar at the average exchange rate in the current year is estimated at 1.07% per annum. During the first four months of 2012 the level of strengthening of tenge to U.S. dollar in nominal terms amounted to 0.34%. In 2011, the rate of devaluation of the tenge against the U.S. dollar in nominal terms amounted to 0.61%.
- **The volume of shares trading on KASE was KZT 111.7 billion (equivalent to 757.0 million U.S. dollars), increasing by 4.6% (3.4% in dollar terms) against the corresponding period of 2011.** As compared with the previous four-month period (September-December 2011), trading volume increased by 202.6% (by 202.7% in dollar terms).
- **The volume of trading in corporate bonds on at KASE was KZT 105.4 billion (equivalent to U.S. \$ 711.6 million) and decreased relative to the corresponding period of 2011 by 22.3% (23.5% in dollar terms).** As compared with the previous four-month period (September-December 2011), trading volume increased by 24.5% (24.3% in dollar terms).
- **The volume of trading on the KASE repo market was 3,354,700,000,000 tenge (equivalent to 22,656,100,000 U.S. dollars) and fell against the same period of last year by 2.3% (3.6% in dollar terms).** As compared with the previous four-month period (September-December 2011), trading volume has decreased by 16.6% (16.8% in dollar terms).
- **The volume of trading in government securities (GS) at KASE was 360.3 billion tenge (equivalent to 2,435.3 million U.S. dollars), decreasing by 6.3% (7.7% in dollar terms).** As compared with the previous four-month period (September-December 2011), trading volume has decreased by 13.6% (13.7% in dollar terms).
- **The volume of trading in all sectors of the market on KASE amounted to 7,969.3 billion tenge (equivalent to 53,836,700,000 U.S. dollars) and decreased by 16.9% (18.0% in dollar terms).** As compared with the previous four-month period (September-December 2011) trading volume fell by 7.6% (7.7% in dollar terms).

STOCK MARKET

Secondary market section

During the study period at KASE on the secondary market sale 261 deals were conducted.

	Current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	20,172.3	9.2 times	6.1 times
Average daily volume. KZT m.	2,983.1	9.2 times	6.1 times
Stake of nego deals. number (%)	0.02	+0.01 pp	+0.004 pp
Stake of nego deals. volume (%)	0.01	-0.001 pp	+0.01 pp
KASE members	29	-14.7%	-6.5%
Number of shares denominations*	19	+18.8%	+5.6%
Stake of pension funds. gross (%)	0	0	-0.03 pp
on purchase	0	0	-0.1 pp
on sale	0.2	-2.9 pp	+0.2 pp
Stake of individuals. gross (%)	7.2	-43.8 pp	-42.6 pp
on purchase	7.5	-47.5 pp	+6.8 pp
on sale	6.9	-40.0 pp	-92.1 pp
Stake of nonresidents. gross (%)	1.60	-10.4 pp	+1.6 pp
on purchase	1.05	-7.0 pp	+1.0 pp
on sale	2.15	-13.8 pp	+2.1 pp

In the described period growth of average daily prices was detected for 10 instruments, fall was demonstrated by 5 instruments involved in the transactions; one instrument was traded for the first time. The negative change in the weighted average share price was fixed in the range from 0.38% (GB_ENRC) to 42.14% (NRBN), positive - from 0.16% (RAHT) to 43.60% (KZTK).

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

Results of share trades on KASE, including STF RFCA within May 2-4, 2012, only by data on deals made on the secondary market of KASE with open trading):

Share code on KASE	KZT per share:				Amount of deals, Th. USD	Num. of deals	Best for Period: D	Best for Period: S
	Min.	Max.	Last deal: price	trend,%				
BSUL	556.00	556.00	556.00	0	20.1	3	556.00	556.00
CCBN	235.00	250.38	250.00	+2.0	979.2	12	250.38	235.00
EXBN	649.00	1,300.00	1,300.00		69.0	3	1,300.00	649.00
GB_ENRC	1,315.00	1,390.00	1,315.00	-0.4	43.9	6	1,390.00	1,315.00
GB_KZMS	1,961.00	2,139.00	1,961.00	-5.7	71.3	10	2,139.00	1,961.00
HSBK	247.00	251.00	251.00	+11.1	99.7	9	251.00	240.75
HSBKp1	169.00	175.00	175.00		118.3	2	175.00	169.00
KKGB	205.00	214.50	210.00	+2.4	55.5	8	215.00	205.00
KSNF	750,000.00	760,000.00	760,000.00		51,396.4	2	760,000.00	750,000.00
KZTC	5,600.00	5,600.00	5,600.00		113.6	1	5,600.00	4,501.00
KZTK	28,700.00	30,940.00	28,999.99	-5.5	3,080.2	93	31,049.00	28,700.00
KZTKp	25,500.00	26,500.00	25,500.00	-3.0	1,914.7	57	26,500.00	25,500.00
NRBN	15,000.00	15,000.00	15,000.00		54.6	2	15,000.00	15,000.00
RAHT	1,501.00	1,505.25	1,505.25		18.9	2	1,510.00	1,500.00
RDGZ	17,300.00	18,500.00	17,300.01	+1.8	195.3	12	18,500.00	17,200.00
RDGZp	12,600.00	13,150.00	13,100.00	+2.3	507.4	28	13,199.00	12,600.00
SATC	39.99	39.99	39.99	0	1,214.8	2	39.99	39.99
TSBN	670.00	670.00	670.00	0	13.3	1	670.00	670.00
ZERDp	5.00	5.00	5.00	0	7.3	3	5.00	5.00
19					59,973.6	256		

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

Primary market sector

May 4 in the trade system of KASE special auction on placement of KZP03Y03C363

(KZ2S00001584, TSBNb9) of JSC "Tsesnabank" (Astana) was held. The issuer planned to offer 2.5 billion of KZP03Y03S363 (41.7% of the total number of registered bonds of this issue). The subject of the auction was the net price of bonds (excluding accrued interest) expressed as a percentage of the nominal value of securities up to the fourth decimal place. The auction was attended by two members of KASE, who filed three applications for the purchase of 1.5019 billion bonds, which remained active at the end of the application period. Thus, the demand at the auctions was 60.1% of the proposals. Net prices in active bids submitted amounted to 95.2760% (8.4% per annum) and 96.0420% (8.0% per annum), making 96.0410% in average terms (8.0% per annum). **As a result of trading the issuer has established cut-off price at the level of 96.0420%, which corresponds to the bond yield to maturity at a rate of 8.0% per annum, and approved one application, thus placing 1,499,990,000 bonds. The amount of involvement in this case amounted to 1,468,620,209.13 tenge.**

Secondary market sector

During the study period at KASE on the secondary market 57 deals were concluded

	Current week	Change for	
		1 week	2 weeks
Average daily volume, USD th.	2,714.0	2.8 times	2.3 times
Average daily volume, KZT m.	401.5	2.8 times	2.3 times
Stake of nego deals, number (%)	0.02	-0.03 pp	+0.02 pp
Stake of nego deals, volume (%)	0.6	+0.6 pp	+0.6 pp
KASE members	18	-47.1%	-37.9%
Number of bonds denominations*	9	-15.0%	-65.4%
Stake of pension funds, gross (%)	34.6	+17.8 pp	+12.6 pp
on purchase	54.9	+21.4 pp	+22.6 pp
on sale	14.32	+14.2 pp	+2.5 pp
Stake of individuals, gross (%)	0.3	-6.2 pp	-2.7 pp
on purchase	0.10	-0.5 pp	-5.3 pp
on sale	0.4	-11.8 pp	-0.12 pp
Stake of nonresidents, gross (%)	32	+32.0 pp	+29.5 pp
on purchase	0.1	+0.1 pp	-1.5 pp
on sale	63.9	+44.8 pp	+60.6 pp

* on which deals were made at KASE

Following the period yield to maturity rose for 4 bonds, declined - for 4 bonds. Positive changes in yield to maturity were in the range from 0.40% (TEBNb6) to 1.50% (TEBNb12), negative - from 0.00003% (TSBNb6) to 4.00% (ORDKb2).

More detailed information on corporate bonds on KASE is shown in table.

Results of bond trades on within April 4–8, 2011

(only on data of deals made on secondary market of KASE by open trading excluding direct deals):

Code of the bond on KASE	Yield to maturity for a buyer. % APR:						Volume of deals, Number		Best for the period:	
	min. max.		Last deal: yield trend, %		last 365 days, min. max.		th. USD	of deals	D	S
	min.	max.	yield	trend, %	min.	max.				
ATFBe6	8.93	8.93	8.93	+0.4	7.26	15.19	189.3	2	8.93	8.93
EXBNb2	5.00	6.00	5.00	-1.0	5.00	18.50	24.7	4	5.00	6.00
KZTCb2	-16.55	-11.93	-16.55	-6.0	-26.41	-6.76	90.1	15	3.96	8.07
ORDKb2	12.00	12.00	12.00	-4.0	12.00	16.00	27.4	7	12.00	12.00
TEBNb12	13.50	13.50	13.50		12.00	13.50	501.0	5	13.50	13.53
TEBNb6	13.90	13.90	13.90		12.50	14.00	1,573.1	17	13.90	13.90
TEBNb8	12.95	12.95	12.95		12.00	12.95	513.4	5	12.95	12.98
TSBNb6	9.50	9.50	9.50	-0.00003	8.50	10.54	22.0	1	9.50	9.50
8							2,941.0	56		

Notes: Trends are given in percentage points (1pp = 100 basis points) 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

May 3 in the KASE trading system repeated specialized auction on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 of issue 123 (KZK1KY011230, MKM012_0123; 100 tenge, 04.04.12-04.04.13, actual/actual) was held, on which the Ministry of Finance planned to place 150.0 million bonds. The subject of the auction was the net price of the bonds. The auction was attended by six primary dealers, who were members of KASE. Through these subjects, investors have filed 11 applications, of which 10 warrants were active by the expiration time. The total amount of active applications (demand volume) was KZT 22,059.5 mln. Net price for the active applications varied from 97.7483% to 98.1923%, amounting to 98.0421% of face value in average terms. **As a result of tradong the issuer granted the application for the purchase of 133,333,333 bonds in the amount of 13,077,185,634.00 tenge (88.9% of the planned volume of placement). Cut-off price of satisfied bids was 98.0100% of face value.**

Secondary market sector

During the period, total volume of 39 deals made on KASE was 4,806.3 million tenge (\$32.5 million). Share of exchange turnover in the overall volume of Kazakhstan secondary market for government securities on comparable sales and purchases in the analyzed period was 100.0%.

Parameters of transactions in GS within May 2-4, 2012

Days till maturity	Yield to maturity for a buyer, % APR.				Amount, mln. KZT on the discount	Number of deals
	min	max	last deal	average weighted		
Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM				100.0% (98.6%) of purchase and sale sector's turnover		
Less than 730	1.32	1.55	1.32	1.44 (2.20)	314.9	2
More than 2191	3.00	5.47	4.40	4.69 (4.47)	4,491.3	37
Total					4,806.3 (5,090.7)	39 (36)
TOTAL					4,806.3 (5,160.6)	39 (37)

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