

# WEEK OF STOCK MARKET OF KAZAKHSTAN

## August 30 - September 5

US dollar = 147.25 tenge at official rate for the end of the period

US dollar = 147.49 tenge at weighted average rate of the Exchange for the end of the period

Weekly rate of tenge devaluation – 8.10% APR

### Money market rates as of September 5 and weekly changes

Term	Currency	Rate	Trend
<b>Repo opening at KASE (WA, % APR)</b>			
15 days	KZT	8.50	–
30 days	KZT	9.75	-1.26
20 days	USD	7.80	–
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	7.17	-1.83
2 weeks	KZT	7.83	-1.67
1 month	KZT	8.67	-1.53
2 months	KZT	9.33	-1.37
3 months	KZT	10.17	-1.13

### Investment attractiveness of stock exchange instruments from August 30 through September 5

Financial instrument	Currency	Yield, % APR	Volume of deals, KZT m	Volume of deals, USD m
<b>Instruments denominated in national currency, tenge</b>				
CS Repo	KZT	*8.55 (*8.58)	281.2 (702.7)	1,906.3 (4,770.2)
MEOKAM, MEAKAM	KZT	8.13 (8.74)	965.5 (664.2)	6,546.1 (4,512.5)
MEKKAM, notes	KZT	*5.50 (*5.30)	58.8 (415.6)	398.7 (2,823.2)
GS Repo	KZT	*3.24 (*5.03)	4,005.6 (11,882.1)	27,156.7 (80,714.6)
<b>Instruments indexed to the US dollar</b>				
SMGZb1	USD	13.51 (13.00)	156.7 (0)	1,064.0 (0)
VITAb2	USD	13.49 (12.50)	30.5 (0)	207.4 (0)
ALKSb2	USD	12.00 (12.00)	8.3 (0)	56.4 (0)
CCBNb1	USD	11.09 (11.09)	0 (0)	0 (0)
KZASb1	USD	11.00 (11.00)	0 (0)	0 (0)
BTASb1	USD	11.00 (11.00)	0 (0)	0 (0)
ASF1b1	USD	10.50 (10.50)	56.9 (0)	386.4 (0)
TEBNb	USD	10.50 (10.50)	0 (0)	0 (0)
KARMB1	USD	9.89 (9.90)	0 (0)	0 (0)
TMJLb2	USD	8.80 (8.80)	0 (0)	0 (0)
SYRGb1	USD	8.50 (8.50)	0 (0)	0 (0)
HSBKb	USD	8.46 (8.42)	0 (0)	0 (0)
KZTOb	USD	8.11 (8.56)	0 (62.7)	0 (425.9)
KZOLb	USD	7.85 (8.10)	0 (48.4)	0 (328.3)
<b>Instruments denominated in US dollars</b>				
BTASe1	USD	10.66 (10.67)	0 (0)	0 (0)
KKGBe2	USD	9.20 (9.20)	0 (0)	0 (0)
KZTOe1	USD	8.62 (–)	0 (0)	0 (0)
VKU	USD	8.36 (–)	17.0 (0)	115.5 (0)
Euronotes-4	USD	7.07 (7.07)	219.1 (219.1)	1,488.3 (1,488.3)
Euronotes-3	USD	6.77 (6.77)	789.8 (789.8)	5,364.4 (5,364.4)
Euronotes-2	USD	5.97 (5.97)	3.1 (3.1)	21.2 (21.2)

**Notes:** Yields of SMGZb1, VITAb2, ALKSb2 and ASF1b1 are calculated as average of the deals, including initial additional floatation. Yields of other corporate bonds are calculated as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them. Yields for bonds with more than a year maturity are estimated on a semiannual basis.

## THE CORPORATE SECURITIES SECTOR (CS)

### Secondary market

**In the purchase-sale sector** 12 deals were concluded amounting to \$1,755.6 th. (KZT258.5m). Compared to previous week (15 deals, \$1,800.7 th., KZT265.1m) the sector's turnover decreased by 2.5%. The most traded were bonds of SHAKHARMUNAIGAS OJSC (60.6% of total turnover). Then, there were bonds of Astana-finance OJSC (22.0%) and bonds of VITA LLP (11.8%). In other instruments the volumes were insignificant. Out of 12 deals, 6 were direct deals, others were made using the main trade mode of the KASE. A total of 7 instruments were used to make deals in this week, last week – 6.

By the last deals of the period the value of ALKZp decreased by 20.1% relative to previous successful trades, KZCR – by 0.2%, KZCRp – by 0.3%. The yields of VITAb2 fell from 14.00% to 13.49% APR. The yield of ASFlb1 did not change, at 10.50% APR. First deals were made in bonds of Almaty Kus OJSC and SHAKHARMUNAIGAS OJSC since their admittance to the trade lists of the KASE. The yields of ALKSb2 was 12.00% APR, SMGZb1 – 13.51% APR.

**The index KASE\_Shares** increased by 0.2705 (0.24%) during the week and was fixed at closing of September 5 at **113.8305**. The change in index was due to a growth of bid prices of common shares of Bank TuranAlem OJSC from \$76.50 to \$77.35 (0.9%). Decline in bid prices of ATFBp, CCBN, VTBN, VTBNp had a negative impact on the index.

**Dynamics of corporate bonds market indexes** looked as follows (figures in parentheses indicate weekly changes): **KASE\_BY – 10.12 (-9.77%)**, **KASE\_BP – 117.68 (+0.65%)**, **KASE\_BC – 105.45 (+0.57%)**. Last week KASE\_BY increased by 0.20%.

**Capitalization of companies**, whose shares are being traded in the CS sector of KASE reached **\$841.7m** or KZT124.1bn as of September 5 at KZT/USD rate of the Exchange. This indicator fell by \$0.7m compared to previous week mainly due to a decrease in values of all instruments (see above).

**The capitalization of corporate bonds market of the Exchange by their best bid prices**, which are regularly put out by the market-makers of the securities in the trade system of the Exchange, was fixed at **\$556.5m** or KZT82,083.5m as of September 5. In nominal terms (total face value of the bonds that were admitted into trade lists of KASE) is estimated at **\$594.0m** or KZT87,612.0m. The difference between these figures is explained by the fact that the trades in first issue bonds of Caspian Bank OJSC, first issue bonds of Kazakhtelecom, first issue bonds of LARIBA-BANK OJSC have not been opened yet, while they had been admitted to the KASE lists. Now these securities are being offered by their issuers on over-the-counter market and their market-makers can not fulfill their obligations at the KASE yet.

Data on the deals, bid and offer information in purchase and sale sector of the securities, as well as description of trade codes are given in the tables.

#### Results of the trades in shares from August 30 through September 5

Issuer	Securities	Last price	WA price	Volume, #	USD per share, unless otherwise specified		
					Volume, USD th.	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0	0.1540	0.3080
Almaty Kus OJSC	ALKSp			0	0	0.0900	0.1700
Almaty Kus OJSC	ALKSp3			0	0	0.0680	0.0700
Aliuminii Kazakhstana OJSC	ALKZp	*0.4071	0.4071	9,978	4,1	0.4071	0.4071
Astana-finance OJSC	ASFI	*10.000		0	0	5.000	10.000
AMB OJSC	ATFBp	6.870		0	0	6.780	6.850
Bank TuranAlem OJSC	BTAS	73.70		0	0	77.35	77.85
Bank CenterCredit OJSC	CCBN	1.1541		0	0	1.1552	1.3558
Halyk Bank of Kazakhstan OJSC	HSBK	1.2200		0	0	0.6100	1.2200
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0	0.3500	0.5000
TNC Kazchrome OJSC	KZCR	*6.786	7.098	4,780	33,9	7.181	6.786
TNC Kazchrome OJSC	KZCRp	*2.375	2.375	1,440	3,4	2.375	2.375
Corporation Kazakhmys OJSC	KZMS	*11.970		0	0	12.000	
Corporation Kazakhmys OJSC	KZMSp	*4.710		0	0	5.000	
Kazakhtelecom	KZTK	*12.000		0	0	12.000	16.500
Kazakhtelecom	KZTKp	*12.600		0	0	11.500	13.000
SHNOS OJSC	SYRG	1.6300		0	0	1.5000	
TEMIRBANK OJSC	TEBN	*1.095		0	0	1.360	6.800
TEMIRBANK OJSC	TEBNp			0	0	2.000	6.800
UKTMK OJSC	UTMK	35.000		0	0	20.000	40.000
UKTMK OJSC	UTMKp	28.0000		0	0	5.0000	44.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5480		0	0	1.4930	2.8473
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	0	1.7645	3.1184
<b>TOTAL</b>	<b>23</b>			<b>16,198</b>	<b>41.4</b>		

#### Results of the trades in bonds from August 30 through September 5

Issuer	Code	Currency	Last	WA	(% APR till maturity, unless otherwise specified)		
					Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb2	USD	12.0035	12.0035	56.4	12.0035	12.0048
Astana-finance OJSC	ASFlb1	USD	10.4985	10.4985	386.5	10.4985	10.5000
Bank TuranAlem OJSC	BTASb1	USD	11.5047		0.00	11.5031	10.9978
TuranAlem Finance B.V.	BTASe1	USD			0.00	11.9113	10.6591

Issuer	Code	Currency	Last	WA Volume, th. USD	Best bid	Best offer
Bank CenterCredit OJSC	CCBNb1	USD	11.4988	0.00	11.9869	11.0904
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.0000	0.00	13.4998	8.4637
Karazhanbasmunai OJSC	KARMb1	USD	10.3243	0.00	11.2348	9.8914
KAZKOMMERTSBANK OJSC	KKGBe2	USD		0.00	11.1993	9.1988
DAGOK Kustanaiasbest OJSC	KZASb1	USD	11.7958	0.00	11.9981	10.9996
NOC Kazakhoil CJSC	KZOLb	USD	8.0975	0.00	8.1478	7.8546
NOTC KazTransOil CJSC	KZTOb	USD	8.2967	0.00	8.5003	8.1099
NOTC KazTransOil CJSC	KZTOe1	USD		0.00	8.7011	8.6236
RG Brands OJSC	RGBRb2	USD	12.4999	0.00	12.0000	11.0000
SHAHARMUNAIGAS OJSC	SMGZb1	USD	13.5107	13.5107	1 064.0	13.5107
SHNOS OJSC	SYRGb1	USD		0.00	11.9953	8.5038
Temirbank OJSC	TEBNb	USD	10.4995	0.00	10.9002	10.4972
Kazakhstan Temir Joly	TMJLb2	USD		0.00	9.5000	8.8005
VITA LLP	VITAb2	USD	13.4915	13.4915	207.4	13.4915
<b>TOTAL</b>	<b>18</b>				<b>1,714.3</b>	

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

In the repo sector of CS 18 deals were made for a total of \$6,977.2 th. (KZT1,028.8m). Of this number, 10 deals (\$3,523.8 th.) were repo opening deals and 8 (\$3,453.3 th.) – closing deals. Volume of deals in previous week reached \$9,952.2 th. (KZT1,465.9m). Dynamics of repo rates are given in the table at the beginning of present review.

In all trade floors of KASE total of 30 deals were concluded in 1,098,965 securities amounting to \$8,732.8 th. (KZT1,287.3m). Last week volume of 28 deals was \$11,753.0 th. (KZT1,731.0m).

## SECTOR OF GOVERNMENT SECURITIES (GS)

### Secondary market

In GS purchase and sale sector of KASE total volume of 44 deals equaled KZT2,158.1m (\$14,633.5 th.). Last week the turnover did not exceed KZT2,091.8m with 60 deals made.

Parameters of stock exchange transactions in GS from August 30 through September 5

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted GS (KZT): notes, MEKKAM-3</b>				<b>4.8% (19.9%) of purchase and sale sector's turnover</b>		
8 - 14	5.42	5.42	5.42	5.42 (5.47)	0.5	1
15 - 28	5.20	5.55	5.20	5.46 (5.40)	60.4	3
43 - 56	5.43	5.43	5.43	5.43 (5.41)	43.0	1
Total					103.8 (415.6)	5 (10)
<b>Coupon GS (KZT): MEOKAM-24, 36</b>				<b>61.4% (31.8%) of purchase and sale sector's turnover</b>		
340 - 526	7.41	8.62	7.46	7.77 (7.80)	627.9	8
736 - 973	8.01	9.89	9.01	9.07 (8.90)	628.0	15
1,441	7.96	7.96	7.96	7.96 ( - )	70.0	1
Total					1,325.9 (664.2)	24 (28)
<b>Coupon GS (USD): VKU</b>				<b>0.8% ( - ) of purchase and sale sector's turnover</b>		
1,020	8.36	8.36	8.36	8.36 ( - )	17.0	2
Total					17.0 (0)	2 (0)
<b>Euronotes of Kazakhstan</b>				<b>25.8% (48.4%) of purchase and sale sector's turnover</b>		
*387	5.73	5.74	5.73	5.73 (5.97)	161.4	2
**1,123 - 1,125	6.69	6.73	6.73	6.73 (6.77)	249.3	6
***2,047 - 2,049	7.00	7.05	7.04	7.04 (7.07)	146.0	4
Total					556.8 (1,011.9)	12 (22)
<b>Bonds of international financial organizations, USD</b>				<b>7.2% ( - ) of purchase and sale sector's turnover</b>		
181	3.84	3.84	3.84	3.84 ( - )	154.6	1
Total					154.6 (0)	1 (0)
<b>GRANDTOTAL</b>					<b>2,158.1 (2,091.8)</b>	<b>44 (60)</b>

Notes: for euronotes (\* - second issue, \*\* - third issue, \*\*\* - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange, over domestic devaluation indexed bonds - official exchange rate; yield over coupon bonds are shown at semiannual basis.

By the results of the week the dynamics of the KASE indexes that indicate the condition of the market of Kazakhstani sovereign debt at the Exchange is as follows (in parentheses - weekly changes): **KASE\_EY** – equaled **6.81 (-0.63)**; **KASE\_EP** – 129.27 (+0.21%); **KASE\_EC** – 113.04 (+0.09%). Last week **KASE\_EY** decreased by 1.03.

**In GS repo sector 138 deals for a total of KZT14,136.7m** were made during the period. Of this number 71 deals (for KZT5,870.4m) were repo opening deals and 67 (KZT8,266.3m) were repo closing deals. Last period the turnover of this market sector reached KZT19,262.8m. After closing of the trades on September 5 total amount of opened repo equaled **KZT6,137.2m**.

**Total of 182 deals** amounting to **KZT16,294.8m** were made in **government securities on all trade floors of KASE** during the week (purchase-sale and repo sector). A week ago volume of 218 deals was KZT21,354.6m. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled **79.9%**, for last week it was 96.5%.

## INFORMATION ON COMPANIES

**Temirbank OJSC** (Almaty) submitted to KASE a new edition of minutes of the annual general meeting of shareholders dated June 08, 2001. Previously submitted copy of a minutes contained technical mistake regarding the dividend size to preferred shares in 2000. By results of 2000 preferred shares dividends were confirmed by Temirbank OJSC shareholders meeting at 25% APR (according to the earlier submitted minutes preferred shares dividends were determined at 1% APR).

**NOC KAZAKHOIL CJSC** (Astana) provided the KASE with auditing report of Ernst & Young made on its 2000 consolidated financial statements. Based data of an independent auditor the following are financial and economic results of the activities of the issuer and its subsidiaries (Group) as of December 31, 1999 and 2000

### Comparable figures of financial and economic activities of NOC KAZAKHOIL CJSC by the data of Ernst & Young

(in th. USD unless otherwise specified)

Indicator	1999	2000
Authorized capital (paid)	145,484	187,166
Shareholders' equity	1,704,167	2,015,314
Total assets	3,287,583	3,610,531
Net working capital	164,904	355,281
Accounts receivable, total (net)	914,130	943,435
Long-term accounts receivable (net)	691,054	633,545
Short-term accounts receivable (net)	223,076	309,890
Liabilities, total	1,475,254	1,462,072
Long-term credits	890,821	867,951
Accounts payable	460,879	502,198
Sales	927,645	1,414,631
Cost of goods sold	465,266	503,793
Net income (loss)	108,442	315,122
<b>Calculated based on the auditor's data:</b>		
Return on sales (ROS), %	49.8	64.4
Return on equity (ROE), %	6.4	15.644
Return on assets (ROA), %	3.3	8.7

Auditing was conducted by Ernst & Young in compliance with the International Accounting Standards.

Since the currency used in the financial statements is the U.S. dollar, then the transactions and the balance, which have not been reflected in U.S. dollars, were recalculated in U.S. dollars using the time value method.

Consolidated financial statements include following joint ventures, which have been consolidated based on the stake of NOC KAZAKHOIL CJSC in those companies: Uzenmunaigas (stake in 1999-2000 – 99.0%), Kazakhoil Emba (stake in 1999-2000 – 85.0%), Embavedoil (stake in 1999-2000 – 52.7%), Kazakhoil-Telf (stake in 1999-2000 – 69.0%), Atyrau refinery (stake in 2000 – 86.5%, in 1999 – 86.0%), Kazakhstancaspishelf (stake in 1999-2000 – 90.0%), Kazakhoil headquarters (stake in 1999-2000 – 100.0%), Kazakhoil-Security (stake in 1999-2000 – 99.0%), Aksaigasservice (stake in 1999-2000 – 82.4%), Kazakhoil-Petrol (stake in 1999-2000 – 100.0%), Kazakhoil-Service (stake in 2000 – 51.0%, in 1999 – 100.0%), Kazakhoil-Kurylys (stake in 1999-2000 – 100.0%), Kazakhoil-Products (stake in 2000 – 100.0%, in 1999 – 50.0%), Kazakhoil-Trans (stake in 1999-2000 – 100.0%), Tenge JV (stake in 2000 – 69.0%, in 1999 – 50.0%), Kazakhoil-Burenie (stake in 2000 – 100.0%).

In the opinion of the auditor, consolidated financial statements give true picture of financial situation of the company in all essential aspects as of December 31, 2000 and 1999, as well as results of income and cash flow statements in compliance with International Accounting Standards as of indicated dates.

However, the auditor draws the attention to the fact that consolidated financial statements had been prepared based on the assumption of uninterrupted work of the company. Reality of this assumption depends on the influence exerted on the company to continue working if the Government of Kazakhstan uses its right to include or exclude any of the companies, which has been entered in this or previous periods into the financial statements based on the value set by the Government.

Based on clause 1 of the comments to the auditing report, NOC KAZAKHOIL CJSC, based on current legislature, will receive 25% stake in all newly issued licenses. It is the strategy of the Government in developing the Group as the main organization controlling the stake of the Government in oil and gas sector of Kazakhstan.

Coupon bonds of NOC KAZAKHOIL CJSC (KZ72LAG56A20, trade code – KZOLb) were admitted to the official list of the KASE securities of category “A” on May 19, 2000. Issue volume – \$25.0m, face value – \$100, coupon rate – 9% APR, payment frequency – 2 times a year, circulation term – 2 years.

**Prepared by the agency IRBIS**