

WEEK OF STOCK MARKET OF KAZAKHSTAN

December 6 - 12

SUPPLEMENTAL INFORMATION

US dollar = **120.71** at official rate for the end of the period.

US dollar = **120.70** at weighted average rate of the Exchange for the end of the period.

Speed of strengthening of tenge to dollar for the period at exchange's rate totaled **0.5% APR**.

Money market indicators as of December 12 and change for the period

Indicator	Rate	Trend
TONIA	1.20	-0.88
Autorepo GS 7 days	5.87	+0.12
Autorepo GS 14 days	5.00	-1.41
Autorepo GS 28 days	8.61	-
KazPrime-3M	12.30	+0.01

Stock securities' market indicators as of December 12 and change for the period

Index	Value	Trend
KASE	2,483.97	+0.21
KASE_BP	221.17	+2.06
KASE_BC	133.58	+2.34
KASE_BY	8.31	-6.08

MAIN NEWS OF THE MARKET

Agency **Standard & Poor's** changes the prognosis for credit rating of covenantee from **"Standard"** to **"Negative"** of eight Kazakhstan banks: Kazkommertsbank JSC, Bank TuranAlem JSC, Halyk savings bank of Kazakhstan JSC, Alliance Bank JSC, Temirbank JSC, Mortgage organization BTA Ipoteka JSC, Nurbank JSC and Eurasian bank JSC. At the same time S&P decreased the long-term credit rating of covenantee KKB from "BB+" to "BB", and also rating at national scale of Temirbank from "kzBBB+" to "kzBBB" and rating at national scale of Eurasian bank from "kzBBB-" to "kzBB". All other ratings were confirmed. Rating actions reflect the fears of S&P in connection to growing negative influence of complex situation on the market on quality of assets and liquidity of Kazakhstan banks. By opinion of analysts of Agency, banking sector will experience the deep transformation – both branches' and business-models and practices, which will only add the uncertainty relative to ability of separate banks to accustom to terms of new reality. Problem is complicating by significant needs in refinancing of external debt, pressure from the side of unstable sectors of immovable and building sector, and also other problematic sectors, and except that, because small banks not necessarily may rely on support of state. Sudden decrease of crediting growth have to find out the real depth of the problem of assets quality. High growth of crediting for the last years had hidden the real quality of credit portfolios. Major part of credits was not check up with time and did not pas through all stages of economic cycle. Credits, even problematic, could be easily refinanced in terms of stability. Possibility of further devaluation of tenge – as it was happening for the last several months – also is threatening to ability of borrowers to meet their liabilities. Support of state with liquidity, stable inflow of money funds, caused by favorable price conjuncture on the market of feed commodities (an exactly, oil and gas), - the same as confident growth of private consuming in Kazakhstan, are decreasing these threats only partly.

On December 10 Chairman of Board of **Bank TuranAlem JSC** R.Solodchenko announced about intention till the end of current year to **determine organizer of deal fro selling of its shareholding in Temirbank JSC**. By his information, announced on the press-conference, with suggestions about purchasing to BTA were directly addressing European and Asian banks.

On December 7 Eurasian Natural Resources Corporation PLC (ENRC) floated 20 % of shares at the price of 540 pence per security within IPO on London stock exchange. ENCR has offered 252.5 m. of new shares or 20% of the company's capital. Moreover, ENCR has provided the global coordinator of the offering (Deutsche Bank) with over-allotment option for the additional 25.3m. shares to the sum of up to 136.4 m. pounds that can be used till January 10 of 2008. Unconditional deals will start conducting on December 12 on LSE. This day deals during the trades were enclosed in the limits of 593.8 – 625.0 pence per share. The main organizer of the IPO is Deutsche Bank; the co-organizers are ABN Amro Rothschild, Credit Suisse and Morgan Stanley. On December 13 Company KAZAKHMYS (London) had spread the press-release in which is informed that after holding of listing of corporation Eurasian Natural Resources Corporation PLC ("ENRC"), on the main informational panel of London stock exchange was fixed that 187,836,250 shares of Kazakhmys in ENRC make 14.6% of issued shareholders' capital of ENRC considering full suing of re-distributing option. With price at moment of trades closing on December 12, 2007 in size of 608 pence per share of ENRC, stake of owing of Kazakhmys in ENRC costs about \$2.323 m., which represents itself the cost in size of 247 pence per each

issued share* of Kazakhmys. Purchasing by Kazakhmys of stake of owing in ENRC was finished on October 26, 2007 for amount about \$810 m.

ENRC consolidated assets of such enterprisers as Kazchrome, Aluminum of Kazakhstan, Kazakhstan electrolysis plant, Zhayremskiy ore mining and processing combine, Sokolovsko-Sarbayskoye mining and processing union, Euroasian energy corporation and also ENRC Logistics and ENRC Marketing & Sales. 24.8% shares of ENRC belong to Government of Kazakhstan.

SHARES MARKET

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 463 deals amounting to \$67,077.0 th. or KZT8,097.8 m. were made in shares during the analyzed period. In comparison with the previous period (November 29 – December 5, 447 deals, \$79,634.5 th. or KZT9,623.4 m.), turnover of the sector has decreased by 15.8%. During the analyzed period on KASE, 3.7% of operations in quantitative expression and 7.8% in volumetric were nego. In the previous period these indicators made 2.5% and 3.4% correspondingly.

During the analyzed period deals were made by (in the parenthesis are given comparable indicators of the previous period) KASE's 39 (40) members on 31 (34) instruments. At that: 2.8% (2.8%) of gross-turnover of the market – 3.6% (1.2%) on purchasing transactions and 2.1% (4.5%) - on sale transactions were controlled by pension market subjects; 21.8% (23.2%) of exchange's turnover of shares – 16.4% (22.9%) - on purchasing transactions and 27.3% (23.6%) - on sales transactions went through the depo accounts, registered on physical persons during the week.

In the described period weighted average daily prices of 39% (35%) of names of shares involved into deals, made on KASE by methods of opened trades grew, prices of 39% (47%) – fell, prices of 22% (18%) remained unchanged. In the described period shares prices changed positively in the range from 0.03% (GB_KZMS) to 31.94% (ASAV), negative change – from 0.02% (ATFB) to 12.50% (TSBNp).

By results of analyzed week KASE index increased by 7.16 points (0.29%), closing the period at the rate of 2,483.97 points. However, in order to understand the current market tendency, dynamics of index should be examined in day cut. Since moment of previous review KASE index was growing smoothly, however on Wednesday happened the sudden decrease by 63 points (-2.54%) from maximal value of the week (2,546.99). The fact is that on December 12 Kazakhstan market was again strived from the side of rating agencies. Standard and Poor's announced about decrease of forecast on long-term credit ratings of covenantee from stable to negative of majority form Kazakhstan banks (see above). Was also decreased the credit long-term rating of Kazkommertsbank to "BB". Reaction of market was immediate – prices of KKGB, HSBK, NRBN, TEBNp, ASBN and BTAS decreased by 4.80 %, 1.74 %, 4.35 %, 9.64 %, 0.77 % and 0.06 % correspondingly.

The given message followed after announcement of Erik Begloff (senior economist of European bank for reconstruction and development) that banking sector of the country had already overcome the worse period of liquidity crisis. This announcement seems discrepant, because financial sector of the country yet have to refinancing great sums of foreign borrowings. And availability of given refinancing is still under question, because situation on markets of Kazakhstan debts still remains unfavorable. Moreover, it is yet unknown, which will be the effect of situation worsening in building sector of the country.

Nevertheless, it is hard to judge about correctness of conclusions of Erik Bergloff or agency S&P due to absence of necessary data, which could support on or other point of view. It is only obvious that actions of S&P will be able to initiate the new coil in development of crisis situation in financial sector of the country. Market, anxious with big borrowings abroad, reacts by growth of yield of Kazakhstan eurobonds, and S&P by its actions partly is fixing prices of bonds on lower level, leaving fewer hopes on successful solution of situation.

Review of market of stake and debt Kazakhstan instruments leads to idea, that market had already put all possible actions of ratings' decrease to cost of Kazakhstan securities. Eurobonds of banks are quoting on western exchanges at the level from 9 % to 20 % APR, which corresponds lower ratings, than our banks have now (in particular, yield on level of 20% APR corresponds the yield of so-called junk bonds with rating CCC). It gives that hope that ratings actions of S&P won't begin the new wave of prices' fall, and speculative adjusted "bears" wont' manage to fix KASE index lower than 2,400 points.

Detailed results of trades in shares on KASE are given in the table.

Results of share trades on KASE, including STF of RFCA within December 6-12 only by data of deals, made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	Price, KZT per share:		Volume of deals th. USD	Number of deals	Best for the period:	
	min.	max.			bid	offer
ASAV	110,200.00	126,700.00	126,700.00	34,351.00	126,700.00	96,025.00
ASBN	25,800.00	25,800.00	25,800.00	-0.8	11,100.00	69,000.00
ASBNp1	14,000.00	14,000.00	14,000.00	+5.7	10,610.00	25,000.00
ASFI	14,950.00	15,000.00	15,000.00	0	8,100.00	15,000.00
ATFB	10,180.93	10,180.94	10,180.93	0	8,100.00	14,000.00
ATFBp	5,675.11	5,675.11	5,675.11	0	2,800.00	6,500.00
ATFBp8	5,700.00	5,719.00	5,700.00	0	1,545.00	8,999.00
BTAS	72,201.00	75,000.00	73,002.00	-2.7	850.01	157,275.00
CCBN	1,300.00	1,380.00	1,305.03	-3.3	1,000.00	2,050.00
DNBN	3,737.50	4,025.00	4,025.00	+11.1	1,400.00	6,727.50
EXBNp	1,900.00	1,900.00	1,900.00	0	1,100.00	2,200.00
GB_KZMS	3,300.00	3,500.00	3,300.00	+1.5	3,000.00	3,700.00
HSBK	511.92	547.00	513.00	-0.4	402.00	781.00
HSBKp1	320.00	350.00	350.00	0	200.00	353.00
KKGB	675.00	730.00	676.00	-0.6	600.00	1,550.00
KKGBp	321.00	355.00	349.00	+2.6	190.00	499.00
KZTCp	2,500.00	2,500.00	2,500.00	-3.8	1,044.00	8,750.00
KZTK	35,600.00	36,500.00	36,100.00	+3.1	34,000.00	55,000.00
KZTKp	22,000.00	22,700.00	22,000.00	-2.2	10,000.00	27,100.00
MMGZp	15,000.00	16,400.00	16,050.00	+0.9	7,000.00	16,400.00
NRBN	22,000.00	26,000.00	22,000.00	-2.2	17,500.00	62,250.00
NRBNp6	12,400.00	12,400.00	12,400.00	-0.8	12,400.00	40,000.00
RDGZ	18,520.00	19,850.00	19,800.00	+4.8	13,000.00	20,000.00
SUMB	270,000.00	280,000.00	280,000.00		270,000.00	280,000.00
TEBN	7,000.00	7,000.01	7,000.00	0	3,550.00	9,000.00
TEBNp	2,470.00	2,760.00	2,470.00	-10.5	1,114.01	3,300.00
TSBN	2,280.01	2,550.00	2,280.01	-2.0	1,510.00	4,550.00
TSBNp	1,400.00	1,400.00	1,400.00	-12.5	1,300.00	2,415.00
28					61,864.19	446

Notes: Trends are given relative to the last deal of the previous month (November 5 – December 5, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers' symbols is available at http://www.kase.kz/instruments/nzb_code.htm

CORPORATE BOND MARKET

News of corporate bond market

Since December 11 of 2007 trades in **KZ2C0Y05C556** (aBGSTb1; KZT1,000; KZT3.0 bn.; August 1, 07 – August 1, 12; semi annual coupon; 10.0% APR; 30/360) bonds of BURLINGAZSTROY JSC (Astana) are opened on special trading floor of RFCA. Broker company Astana-Finance JSC will execute market maker's functions on special trading floor of RFCA with minimal volume of obligatory quotation in size of 2,200 bonds. Bonds were included to STF RFCA official list (under "C" category) since August 20, 2007. Moreover, the given securities were included into KASE's category "B" official list since August 1, 2007, trades in them are opened since August 3, 2007. Detailed information about issuer and his securities is available on KASE's web site at <http://www.kase.kz/emitters/bgst.asp>

Starting from December 11, 2007 trades with bonds **KZ2P0Y03C673** (KASE's category "B" official list, TEMAb1, KZT1,000, KZT1.0 bn., August 5, 07 – August 5, 10, quarter coupon, 11.0% APR, 30/360) of **TEMA Ko. LLP** (Almaty) are opened. The specified bonds have been included in the official category "B" list of KASE since December 5 of 2007. Detailed information about these securities is published on KASE's web site at <http://www.kase.kz/emitters/tema.asp>

Since December 27, 2007 Investment Financial House **RESMI JSC** (Almaty) on the basis of its application is exempt from execution of market-maker functions on KASE on **next bonds of Kazakhstan Mortgage company JSC** (Almaty), traded in KASE's category "A" official list:

- KZ2CKY07B303 (KZIKb7; KZT1, KZT5.0 bn; October 1, 04 – October 1, 11, semi annual coupon indexed on inflation rate, 11.30 % APR for the current period);
- KZ2CKY10B315 (KZIKb8; KZT1, KZT5.0 bn; October 1, 04 – October 1, 14, semi annual coupon indexed on inflation rate, 11.30 % APR for the current period);
- KZPC1Y03B142 (KZIKb9; KZT1, KZT5.0 bn.; March 1, 05 – March 1, 08, semi annual coupon 4.90 % APR);
- KZPC2Y05B145 (KZIKb10; KZT1, KZT5.0 bn.; March 1, 05 – March 1, 10, semi annual coupon 5.69 % APR).

Primary market sector

No deals were made in this sector of KASE during the analyzed period. No offerings were made.

Secondary market sector (purchase and sale)

A total of 79 deals amounting to \$119,435.9 th. or KZT14,416.5 m. were made in bonds during the analyzed period on KASE. In comparison with the previous period (November 29 – December 5, 103 deals, \$45,755.9 th. or KZT5,529.3 m.), turnover of the sector has increased 2.6 times. In the analyzed period no nego deals were made on KASE. In the previous period volume of nego deals made 0.97% in quantitative expression and 0.0001% in volumetric.

During the analyzed period deals were made by KASE's 25 (23) members on 71 (51) instruments. At that 23.2% (37.1%) of gross-turnover passed through accounts of pension market subjects 34.3% (66.8%) on purchasing transactions, and 30.0% (7.4%) on sales operations). 1.0% (11.1%) of exchange's gross-turnover of corporate bonds – 0.9% (5.2%) on purchasing transactions and 1.2% (17.1%) on sale transactions, passed through depo accounts registered on physical persons.

By results of period 28 names of bonds were characterized by growth of average weighted net price on the opened market, 18 – of decrease. BTASb3 (-5.33 %), KZIKb12 (-5.78 %) seemed re-sold, while KZIKb8 (+29.1 %), ATFBb6 (+17.1 %) and CCBNb3 (+12.56 %) seemed re-bought. Yield to maturity for buyer on deals made decreased during the week for 20 bonds, increased for 12.

Detailed data on corporate bond market is given in trades results table (anomaly high values of yield for the last 365 days on some bonds are explained by technical mistakes of trader, which were mentioned in previous review; and on current week – by correcting deals, which were aimed to cover losses of injured parties).

Results of bond trades on KASE, including STF of RFCA within December 6-12 (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:		on the last deal:		for last 365 days:		Volume of deals th. USD	Num-ber of deals	Best for the period:	
	min.	max.	yield	trend	min.	max.			bid	offer
	ASAVb2	11.00	11.00	11.00	0	9.00			11.00	20.30
ASBNb1	26.00	26.00	26.00	0	9.00	111.04	223.10	1	26.00	26.00
ASBNb7	8.00	8.00	8.00	-0.5	8.00	11.00	8.73	1	8.00	8.00
ASFlb4	13.00	13.00	13.00	0	9.48	15.50	413.88	1	13.00	13.00
ASFlb5	14.00	14.00	14.00	+0.4	8.83	15.50	8.76	1	12.50	14.00
ASFlb9	11.50	11.50	11.50	0	7.50	15.50	52.25	2	11.50	11.50
ATFBb5	11.50	11.50	11.50	0	8.15	11.50	4,193.95	3	11.50	11.50
ATFBb6	6.21	6.21	6.21	-3.3	6.21	9.49	8,141.21	1	6.21	6.50
BTAIb3	12.70	12.93	12.93	-0.1	9.50	13.00	3,273.34	2	12.70	12.93
BTAIb4	13.30	16.00	16.00	+3.0	8.30	106.15	1,270.84	6	13.30	16.00
BTAIb5	15.90	101.34	101.34	+85.3	8.30	101.34	3.40	2	14.00	101.34
BTAIb6	14.61	14.61	14.61	-0.9	10.00	15.50	375.34	1	14.61	14.61
BTASb1	13.15	13.43	13.43	+0.3	9.00	13.43	4,676.79	3	13.15	13.43
BTASb2	13.90	13.90	13.90	0	8.50	13.90	276.19	1	13.90	13.90
BTASb3	11.80	12.50	12.50	+1.6	9.50	12.50	1,264.57	3	11.80	12.50
BTASb4	12.00	13.00	13.00	+1.8	7.00	13.00	29.20	2	12.00	13.00
BTASb7	6.73	6.73	6.73	-0.3	6.73	8.60	63,496.23	4	6.73	7.60
CCBNb12	10.00	10.00	10.00		7.00	10.00	4,205.16	1	10.00	10.00
CCBNb2	15.10	17.00	15.10	-0.9	10.00	106.23	1,392.24	4	15.10	17.00
CCBNb3	9.00	11.00	11.00	+1.0	8.50	11.00	362.01	3	9.00	13.00
CSBNb2	11.22	11.22	11.22	-2.5	9.48	15.22	3,742.50	2	11.00	11.22
CSBNb3	10.00	10.00	10.00	-0.5	9.30	12.00	2,991.27	2	10.00	10.00
CSBNb6	10.20	11.25	11.25	-0.8	9.00	13.25	150.96	3	9.45	11.25
EUBNb1	8.00	8.00	8.00		8.00	8.00	4,111.76	1	8.00	8.00
EUBNb3	9.50	9.50	9.50		8.20	9.70	1,769.56	1	9.50	9.50
HSBKb3	10.01	10.20	10.01	-4.0	6.92	93.00	4,719.53	3	8.80	10.20
HSBKb4	10.00	10.00	10.00		9.00	10.00	17.78	1	9.00	10.00
KARMB2	9.00	9.00	9.00		7.50	9.00	1,297.91	1	9.00	9.00
KKAGb2	7.50	7.50	7.50	-0.5	7.50	9.30	18.89	1	7.50	7.50
KKGBb5	6.90	7.74	7.74		6.90	7.74	742.87	2	6.90	7.74
KZIKb3	13.00	13.00	13.00		7.88	13.00	141.00	1	11.01	13.00
KZIKb4	13.00	101.09	101.09	0	8.37	101.09	592.38	2	13.00	101.09
KZIKb8	8.28	9.28	9.28	+1.0	7.00	12.70	3,961.23	2	8.10	9.28
KZPSb1	8.80	12.10	8.80	-3.2	6.50	73.00	184.75	3	8.80	12.10
NRBNb4	15.48	15.48	15.48	-0.5	8.20	19.10	119.97	1	15.00	15.48
ORDKb1	11.99	12.01	12.01	0	11.99	13.00	24.82	2	11.99	14.03
TEBNb2	16.87	17.00	17.00	0	6.00	17.00	314.24	5	17.00	17.00
TSBNb6	10.00	10.00	10.00		8.00	10.20	820.15	1	10.00	10.00
TXBNb2	11.50	11.50	11.50	0	8.76	13.50	26.81	2	11.50	11.50
39							119,435.90	79		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous month (November 5 – December 5, 2007). If deals were not made in the previous month the trend is not calculated. Full list of issuers symbols is available at http://www.kase.kz/instruments/nzb_code.htm

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

December 12, in trade system of KASE the auction of floatation of **government short-term treasury liabilities of the Finance Ministry of the Republic of Kazakhstan MEKKAM-6 of the 181-st issue** (KZK1KM061816, MKM006_0181; KZT100, December 12, 07 – June 12, 08, actual/actual) was held, on which Ministry of finance was planned to borrow **KZT10,000.0 m.** 13 primary dealers participated in trades, who had submitted 50 bids (45 limited and 5 market), from which to the time expired 43 orders had left active (38 limited and 5 market). Total volume of bids (volume of demand) made KZT36,120.1 and exceeded the suggested volume 3.8 times. Price in active limited bids varied from 94.3396% (12.0001% APR) to 96.0154% (8.2999% APR), making in average weighted expression 95.1916% (10.1026% APR). In total volume of active bids to the stake of pension market subjects made 37.5%, to the stake of second tier banks (STB) – 41.4%, to the stake of their clients – 18.3%, to the stake of broker-dealer organizations – 2.0%, to the stake of their clients – 0.8%. **By results of trades issuer made cut-off at the price 95.7000% (8.9864% APR) and satisfied bids for purchasing of 137,359,833 bonds** for amount of **KZT13,184,443,909.42**. Price in satisfied bids varied from 95.7000% (8.9864% APR) to 96.0154% (8.2999% APR), making in average weighted expression 95.9847% (8.3665% APR). By results of auction 51.0% from total volume of offered bonds was purchased by STB, 49.0% - by their clients. All deals were executed.

Secondary market sector (purchase - sale)

In the analyzed period total volume of 11 deals made on KASE made KZT7,994.7 m. (\$66.2 m.). In the previous period (November 2 – December 58) the given indicator was equal to KZT954.8 m. or \$7.9 th. with 8 deals. Stake of exchange's turnover in total volume of Kazakhstan GS secondary market on comparative operations of purchase and sale in the analyzed period made **100.0%**, as on previous week. More detailed data about trades with GS on KASE are given in the table.

Parameters of Exchange's transactions in GS within December 6-12

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): notes of National Bank						
15 - 28	6.16	7.50	7.50	7.37 (10.50)	7,625.7	5
Total					7,625.7 (79.5)	5 (1)
Coupon (KZT): MUIKAM-72, STL-60						
Less than 730	6.40	6.43	6.43	6.41	85.5	2
1826 - 2190	13.44	18.62	18.62	15.81 (12.57)	283.5	4
Total					369.0 (875.3)	6 (7)
GRANDTOTAL					7,994.7 (954.8)	11 (8)

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