

KAZAKHSTAN STOCK MARKET

March 11-17, 2010

SUPPLEMENTAL INFORMATION

US dollar = **147.05** at official rate for the end of the period.

US dollar = **147.03** at weighted average rate of the Exchange for the end of the period

Speed of KZT devaluation to USD for the period at exchange's rate made **5.4 % p.a.**

Money market indicators as of March 17 and change for the period

Indicator	Rate	Trend
TONIA	0.14	+0.02
Autorepo GS 2 days	0.13	+0.03
Autorepo GS 7 days	1.41	-4.62
Autorepo GS 28 days	0.55	-0.2
KazPrime-3M	1.80	+0.04

Stock securities' market indicators as of March 17 and change for the period

Index	Value	Trend
KASE	1,883.37	+3.5
KASE_BP	360.84	+0.5
KASE_BC	316.02	-0.6
KASE_BY	14.30	+1.6

MAIN NEWS OF THE MARKET

- **GDP growth in Kazakhstan**, according to operative data, in **January-February 2010** amounted to **6,4%**, while **GDP in Kazakhstan**, according to operative data, in **January-December 2009** increased by **1.2%** and amounted to **KZT15,887.8 billion**;
- **The amount of investment in fixed assets in January-February 2010** in Kazakhstan fell by **9.5%** to **KZT353.7 billion**;
- **per capita nominal money incomes** of the population of Kazakhstan in **January 2010** increased by **11.0%** to **KZT35,251**;
- In Kazakhstan, **27% of consumers expect** in the next 12 months further **improvement on the overall economic situation in the country**;
- **Business confidence index of industrial enterprises** in Kazakhstan in **February 2010** decreased by **4 percentage points**;
- In Kazakhstan in **January 2010** the **average monthly nominal wage** amounted to **KZT66,674**;
- **Volume of industrial production** in Kazakhstan in **January - February 2010** increased by **10.4%**;
- **Economy of the republic in February 2010 (estimated)** were employed **7.9 million people**;
- **Large and medium-sized businesses and organizations** in February 2010 made **58.3 thousand people**, left for various reasons – **54.5 thousand people**.

March 11, Chairman of the Committee for Financial Monitoring of the Ministry of Finance Musiraly Utebaev reported that **during the first two days of the law "On counteracting legalization of money obtained by illegal means and the financing of terrorism"** in the Ministry of Finance of the Republic of Kazakhstan has received about **1,120 reports of suspicious transactions**

March 11, Minister of Industry and Trade of the Republic of Kazakhstan Mr. Aset Issekeshv stated that:

- in the near future the Government and state holding **companies will undertake projects under the Program of forced industrial-innovation development**;
- Kazakhstan's accession to the Customs Union to **diversify the economy of Kazakhstan**.

March 11, Alliance Bank (Almaty) has reported on the recognition of the U.S. Court **of restructuring the financial indebtedness of the bank**. March 9, 2010 the Court decided to grant the Bank's statements on the recognition of proceedings in Kazakhstan as a "foreign main proceedings". This decision provides the legal protection of the Bank and its assets in the United States, from any litigation. A similar decision to recognize the legitimacy of Kazakh procedure was adopted by the High Court of England and Wales December 18, 2009.

Kazakhstan's President Nursultan Nazarbayev said that:

- **Kazakhstan will be created Ministry of Oil and Gas;**
- **Kazakhstan will be created Ministry of Economic Development and Trade;**
- **Aset Issekeshiev will be headed by the Ministry of Industry and new technologies in Kazakhstan;**
- **Askar Zhumagaliyev appointed to head the new Ministry of Communications and Information;**
- **Ministry of Finance of the Republic of Kazakhstan transferred the functions of budget planning;**
- **Bakhyt Sultanov was appointed Assistant to the President of the Republic of Kazakhstan;**
- **Dyachenko Sergey was appointed Governor of Akmola region;**
- **Program development of rail transport in Kazakhstan up to 2020 envisages an investment in the amount of KZT4.5 trillion.**

March 15, Minister of Finance of the Republic of Kazakhstan Mr. Bolat Zhamishev reported that the Finance Ministry is currently working on improving the legislative framework in order to establish mechanisms to engage the Islamic money, Islamic finance to fund the budget deficit. Also, the Minister of Industry and new technologies Mr. Aset Issekeshiev during a conference on Islamic finance noted that Kazakhstan has opened a branch of Islamic Bank "Al Hilal".

March 15, it became known that the Prime Minister of Kazakhstan Mr. Karim Masimov signed the decree of the Government to allocate funds from the reserve of the Government to eliminate the effects of dam reservoirs in the Aksu district of Almaty region about KZT600.0 million.

March 15, Temirleasing (Almaty) has reported that it has signed an agreement granting a credit line with the JSC Foundation for Enterprise Development Lady.

March 15 FSA has suspended for six months the license of JSC "NTC - New Trust Company" to engage in the activities of investment portfolio management, in accordance with the Resolution of the Board of the Agency # 35 from March 1, 2010.

March 16, at the Government meeting Minister of Economic Development and Trade Zhanar Aitzhanova, reported that the Kazakh government may restrict borrowing natsholdingov.

March 16, S&P Assigns JSC Kazakh company Electricity Grid (KEGOC) rating GAMMA-5. Analyst of Governance Services S&P Mrs. Elena Pastukhova noted that the company demonstrated a number of improvements in corporate governance in 2009, which include empowering the Board of Directors KEGOC and the development of long-term strategy. However, several shortcomings neutralizes the effect of positive change. Thus, the number of face to face meetings of the audit committee has declined significantly in 2009, which evaluated negatively in terms of oversight over the auditing process. The long-term decision-making process at the parent level, the limited autonomy in determining the company's strategy, as well as weaknesses in disclosure practices constrain the rating at the moment.

March 16, Prime Minister of Kazakhstan Mr. Karim Masimov said that the Commission of the Customs Union will be transferred to the regulation of tariffs of natural monopolies, a common competition policy and energy policy. He also said that on May 21 of this year, members of the Customs Union to agree which areas of activity will be transferred from national governments in the conduct of a supranational body to January 12, 2012.

March 16, Minister of Finance of the Republic of Kazakhstan Mr. Bolat Zhamishev reported that additional funds for the reorganization of ministries of Kazakhstan will not be allocated.

March 17, it became known that the FSA issued a joint-stock company "Islamic Bank" Al Hilal" a license to conduct banking operations of an Islamic bank.

March 17, it became known that the Majlis approved a draft law on protection of consumer rights.

March 17, Mr. Bolat Svyatov President / CEO of company at an International forum for the effective and sustainable development in the mining business in Central Asia reported that the JSC "National Mining Company" Tau-Ken Samruk "has created a subsidiary for exploration and mining of precious metals. Svyatov BA also said that now been identified projects to be implemented in this direction.

March 17, Akimat of Karaganda region (Mayor) and Ordabasy Corporation signed a memorandum on mutual cooperation. Memorandum planned reconstruction, modernization and repair of Karaganda CHP-1 and TEC-3, as well as capacity expansion Karaganda CHP-3 to reduce the deficit of heat and electricity.

March 17, Minister of Industry and new technologies of the Republic of Kazakhstan Mr. Aset Issekeshiev said that Kazakhstan for the next five years will increase the production of copper cathode and 500 tonnes. He also said that today in Kazakhstan produced 125 tonnes of primary aluminum. However, after the commissioning of a number of objects mining industry of Kazakhstan will produce 250 thousand tons of primary aluminum.

March, 17 it was reported that **Kazakhmys plans to:**

- **to invest about \$ 370 million** for the development of the company in 2010, also in this year the company plans to produce 300 thousand tons of copper.;
- **be involved** in the development **Aktogayskogo copper deposit \$ 2.0 billion**
- **March 17, Chairman of the Board of JSC "Development Bank of Kazakhstan" Mr. Izcalli Ghali** said that:
 - **Bank may in 2010 to draw up to \$ 4 billion in foreign markets;**
 - **plans to send** in the current year **\$ 300 million in lending to second-tier banks.**

SHARES MARKET

Market news

From March 12, common shares KZ1C45370018 (A4537) of JSC VESNET (Pavlodar) admitted to trading on KASE in the sector - Non-listed securities.

Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Trades on placement of shares weren't made.

Secondary market sector (purchase and sale)

A total of 237 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	691.2	-92.2	+8.6
Average daily volume. KZT m.	101.7	-92.2	+7.8
Stake of nego deals. number (%)	0.9	-1.7	+0.89
Stake of nego deals. volume (%)	0.1	-0.1	+0.1
KASE members	34	-2.9	-2.9
Number of shares denominations*	16	-11.1	-11.1
Stake of pension funds. gross (%)	0.9	+0.9	-6.3
on purchase	1.6	+1.6	-12.7
on sale	0.2	+0.2	+0.2
Stake of individuals. gross (%)	59.9	+36.9	+23.7
on purchase	54.7	+48.0	+24.1
on sale	65.2	+25.8	+23.4
Stake of nonresidents. gross (%)	25.4	-2.4	+0.8
on purchase	41.3	+38.5	+15.3
on sale	9.4	-43.2	-13.6

on which, deals were made at KASE and STF RFCA

In the described period weighted average daily prices of 12 items of equity instruments involved in the transaction, the fall - 4. Positive change in shares prices in the range from 0.10% (ASNDp) to 21.42% (BTAS), negative - from 0.02% (KZTKp) up to 6.42% (KIBN).

More detailed data on share trades on KASE shown in table below.

Results of share trades on KASE, including STF of RFCA within March 11-17, 2010, only by data on 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	Num- Ber of deals	Best for the period:	
			on the last deal:		for last 365 days:					
	min.	max.	price	trend. %	min.	max.				
ASNDp	10,010.00	10,010.00	10,010.00	+0.1	10,000.00	10,010.00	0.54	1	10,010.00	10,010.00
BTAS	1,050.00	1,230.00	1,210.00	+21	900.00	4,900.00	4.35	4	1,230.00	1,050.00
CCBN	728.00	745.00	745.00	+3.62	225.00	955.00	500.52	25	745.00	728.00
GB_ENRC	2,410.00	2,604.00	2,600.00	+7.44	800.00	2,604.00	210.84	37	2,605.00	2,410.00
GB_KZMS	3,290.00	3,400.00	3,400.00	+3.03	630.00	3,652.00	263.78	31	3,400.00	3,290.00
HSBK	365.00	399.00	395.00	+1.80	73.00	399.00	1,275.48	47	399.00	365.00
KATR	3,300.00	3,300.00	3,300.00		3,300.00	3,600.00	0.07	1	3,300.00	3,300.00
KIBN	175.00	175.00	175.00		152.00	230.00	0.10	1	175.00	175.00
KKGB	620.00	660.00	660.00	+6.19	250.00	740.00	214.48	23	660.00	620.00
KKGBp	245.00	269.50	269.50	+9.55	94.00	341.00	29.83	2	269.50	245.00
KZTK	17,000.00	17,299.00	17,250.00	+1.38	7,400.01	23,000.00	211.36	33	17,299.00	17,000.00
KZTKp	8,008.00	8,020.00	8,008.00	-0.02	2,700.01	9,900.00	16.30	4	8,020.00	8,008.00
RDGZ	20,350.00	21,003.00	20,900.00	-0.50	12,301.00	24,300.00	190.80	16	21,003.00	20,350.00
RDGZp	19,001.03	21,000.00	19,001.03	-10.29	17,999.00	21,180.06	349.81	8	25,000.00	19,001.00
UTMKp	4,499.64	4,499.64	4,499.64	+2.26	4,400.00	5,500.00	170.03	1	4,499.64	4,499.64
ZERD	1.86	1.87	1.86	+16.25	1.10	7.20	7.67	2	1.87	1.50
16							3,446.0	236		

Notes: Trends are given relative to the last deal of the previous 30 days period (Feb. 10, - March 10, 2010). If deals were not made in the previous month the trend is not calculated.

MARKET OF CORPORATE BONDS

News of corporate bonds market

March 12, Kazakhstan Kagazy (Almaty region.) Reported delays in the payment of the third coupon on its bonds KZ2C0Y05D117 (KKAGb4). According to the prospectus of issue of these bonds Kazakhstan Kagazy was supposed to pay this fee in the period from March 1 to March 10, 2010. In a letter JSC Kazakhstan Kagazy reported that currently the issuer is negotiating with the holders of bonds of this issue with a view to agreeing changes to the conditions of debt securities.

March 12, JSC Astana-Finance has reported delays in the payment of the third coupon on the following bonds KZP08Y10C532 (ASFib22), KZP02Y03D017 (ASFib23) and KZP03Y05D010 (ASFib24). Under the issue prospectus of the above bonds Astana-Finance "to pay this fee in the period from March 1 to March 15, 2010. In a letter JSC "Astana-Finance reported that the company currently is in the process of restructuring its financial obligations, an appropriate action plan is developed together with financial and legal advisors.

March 17, it became known that From April 6 SC Finance&Investment House RESMI (Almaty), exempt from execution of a market-maker on KASE on bonds KZP02Y05C287 (KAFib2).

Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Bidding offerings were not made.

Secondary market sector (purchase and sale)

A total of 112 deals were made in bonds during the analyzed period on KASE.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	2,859.5	-62.2	-38.7
Average daily volume. KZT m.	420.6	-62.2	-39.1
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	31	+3.3	+24.0
Number of bonds denominations*	40	+48.1	+29.0
Stake of pension funds. gross (%)	9.5	-19.6	+9.5
on purchase	5.0	-46.4	+5.0
on sale	14.1	+7.2	-11.7
Stake of individuals. gross (%)	32.4	-9.0	+29.9
on purchase	28.7	+13.1	+26.3
on sale	36.1	-31.0	+33.4
Stake of nonresidents. gross (%)	0	0	0
on purchase	0.2	+0.2	+0.2
on sale	0	-0.09	-0.01

on which. deals were made at KASE and STF RFCA

Following the period of growth of average net price on the open market characterized by bonds 31 titles, falling - 7. Yield to maturity for a buyer on deals rose in the week in 7 bonds declined - from 28. Positive change in bond yield to maturity in the range from 0.40% (ATFBb6) to 32,259.53% (VITAb4), negative - from 0.30% (PRKRb3) to 20.32% (KRZhb1).

More detailed data on corporate bonds on KASE shown in table.

**Results of bond trades on KASE including STF of RFCA within March 11-17, 2010
(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:						Volume of deals th. USD	Number of deals	Best for the period:	
			on the last deal:		for last 365 days:				bid	offer
	min.	max.	yield	trend	min.	max.				
ABDlb1	36.00	36.00	36.00		5.84	70.00	0.56	1	36.00	36.00
AGKkb1	9.80	9.80	9.80	+0.60	7.70	16.00	607.38	1	9.80	9.80
ATFBb4	10.00	10.00	10.00		10.00	31.00	13.18	1	10.00	10.00
ATFBb5	9.00	9.00	9.00	-0.5	9.00	31.00	34.08	2	9.00	9.00
ATFBb6	9.60	12.50	9.60		9.60	30.00	1,781.17	3	9.60	12.50
BTAIb4	7.69	7.69	7.69	-2.97	7.69	208.82	69.71	3	7.69	10.98
CACMb1	24.00	24.00	24.00	-10	24.00	40.00	8.54	1	24.00	24.00
CCBNb16	6.00	7.50	6.00		6.00	19.03	30.77	2	5.00	7.50
CCBNb3	7.00	8.50	7.00		7.00	28.00	24.06	2	6.00	8.50
CCBNb7	10.00	13.00	11.00		10.00	25.08	6,470.50	10	8.50	13.00
CSBNb2	11.50	11.50	11.50		11.50	18.98	12.54	1	11.50	11.50
CSBNb3	12.50	12.50	12.50		12.50	16.94	12.35	1	12.50	12.50
CSBNb5	15.00	16.00	15.00	-1.18	15.00	22.00	23.80	2	15.00	16.00
CSBNb6	13.95	16.95	13.95	-4.00	13.95	20.00	43.02	4	13.95	16.95
CSBNb7	12.00	12.00	12.00		11.50	14.00	13.24	1	12.00	12.00
DTJLb1	10.05	12.00	12.00	+1.95	10.05	49.00	96.80	6	10.05	12.00
EUBNb3	12.00	13.00	12.00		12.00	32.00	688.80	5	12.00	13.00
HSBkb7	10.00	10.00	10.00		10.00	24.00	11.89	1	10.00	10.00
KAFIb1	11.00	11.00	11.00		11.00	16.03	34.62	2	11.00	11.00
KASSb1	13.00	13.00	13.00		12.50	18.25	13.65	1	13.00	13.00
KIBNb1	11.40	11.40	11.40		11.40	13.40	24.40	2	11.40	11.40
KKGBe4	10.60	10.60	10.60		10.11	29.58	48.99	2	10.42	10.62
KONDb1	167.93	167.93	167.93		24.32	259.62	1.25	1	0.00	173.87
KRZhb1	21.33	29.67	21.33		21.33	114.96	28.00	3	21.33	21.37
KZIKb17	14.00	15.90	14.00		5.50	15.90	117.64	2	0.00	15.90
KZIKb2	13.00	13.00	13.00		13.00	26.00	13.30	1	13.00	13.00
KZIKb20	7.00	10.00	7.00	0	7.00	10.00	767.16	5	7.00	10.00
LOGCb1	28.00	28.00	28.00		6.82	50.30	1.25	1	28.00	28.00
MREKb2	9.00	10.00	9.00		9.00	29.00	32.56	2	9.00	10.00
NFBNb1	34.00	34.00	34.00	0	13.47	36.00	4.33	1	34.00	34.00
ORDKb2	16.00	16.00	16.00		14.00	16.00	25.96	3	16.00	16.00
PRKRb3	9.35	9.35	9.35		9.35	10.00	3,015.15	1	9.35	9.35
RGBRb6	14.00	14.00	14.00		8.06	16.34	12.47	1	14.00	14.00
TMLZb1	48.00	48.00	48.00		48.00	49.99	0.81	1	48.00	48.00
TSBNb4	14.00	14.00	14.00	-2.00	14.00	35.00	13.80	2	14.00	14.00
TXBNb2	4.00	9.00	5.00	-5.00	4.00	29.00	100.16	8	4.00	9.00
TXBNb3	9.00	9.00	9.00	-1.00	9.00	19.00	13.14	2	9.00	9.00
VITAb4	23 180.10	52 932.67	52 932.67	+32260.73	45.00	52 932.67	51.6	11	23 180.10	52 932.67
VITAb5	88.98	96.00	88.98	-7.0	22.85	115.27	34.0	11	88.98	96.00
ZERDb1	58.00	58.00	58.00		9.00	106.00	1.1	2	58.00	58.00
40							14,297.7	112		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (Feb. 10 – March 10, 2010). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

On March 17 the trade system of KASE held specialized trades on placement of government long-term treasury obligations of the Ministry Finance of the Republic of Kazakhstan MEUKAM-36 production seventy-ninth (KZK2KY030791, MUM108_0004; KZT1,000, 17.03.10 - 17.03.13, the annual coupon, 30/360), on which the Ministry of Finance planned to involve KZT15.0 billion. The subject of the auction is the coupon rate. In the auction was attended by 19 primary dealers, which are mainly members of KASE category "K". Through these market players, investors have filed 72 applications, of which the time expired applications remained active 67 orders. The total volume of active bids (demand volume) was KZT64,604.0 million and exceeded the proposed level of accommodation in 4.3 times. Coupon in active bids varied from 2.50% to 6.50% per annum, making in average terms, 4.9677% per annum. In the total of active orders, the proportion of pension market subjects, 9.4%, the share of Kazakhstan's second-tier banks (STB) – 77.9%, clients of STB – 9.4%, broker-dealer companies - 0,2%, their clients - 3,1%. **As a result of trade, the issuer granted the application for the purchase of 15,000,000 bonds worth KZT15,000,000,000 (100.0% of planned volume of placement) under 3.60% annual. As a result of placement of 8.9% from total volume of**

bonds were purchased by agents of the pension market, 78.6% - BWI, 11.0% - STB clients, 1.5% - clients of broker-dealer companies.

Secondary market sector (purchase)

During the study period a total volume of 38 prisoners on KASE transactions amounted to KZT40,185.3 million (\$ 273.1 million). In the previous period (March 4-10, 2010) this figure amounted to KZT8,784.4 million (\$ 59.7 million), with 38 transactions. Share exchange turnover in the overall volume of Kazakhstan GS secondary market transactions for comparable sales in the analyzed period amounted to 100.0% (in the previous period – 64.0%).

Parameters of Exchange's transactions in GS within March 11 - 17, 2010

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): the notes of NB. MEKKAM				1.6% (24.2%) of purchase and sale sector's turnover		
8 - 14	0.30	0.30	0.30	0.30	23.95	1.00
92 - 181	1.70	2.43	1.74	1.77	389.93	4.00
182 - 364	2.15	2.50	2.50	2.27 (2.63)	213.45	4.00
Total					627.3 (2,125.4)	9 (10)
Coupon (KZT): MEOKAM. MEUKAM. MEUJKAM				98.4% (75.8%) of purchase and sale sector's turnover		
less 730	2.50	3.70	2.50	3.10	60.52	2
1096 - 1460	4.50	4.90	4.50	4.80	405.21	3
1461 - 1825	5.00	7.38	5.20	5.31 (6.08)	922.92	4
1826 - 2190	5.00	5.20	5.00	5.15	8,472.68	30
more 2191	5.20	6.70	6.10	5.27 (23.44)	29,696.37	51
731 - 1095	7.30	7.30	7.30	7.30	0.30	6
Total					39,558.0 (6,658.9)	96 (28)
TOTAL					40,1485.3 (8,784.4)	38 (38)

KASE MEMBERS

From March 11 by decision of the Board of KASE **JSC VOSTOK CAPITAL (Almaty) excluded from participation in securities trades at KASE.** This decision was made on the basis of statements of JSC VOSTOK CAPITAL on March 10, 2010 # 2-9.18 in connection with his voluntary renunciation of membership in the KASE, category "A member of the stock market."

Prepared by IRBIS Information agency of financial markets

85. Maulenov st., office 93. 83; Almaty. Kazakhstan; igor@kase.kz; dm@kase.kz; info@kase.kz.

Tel.: +7 (727) 250 88 21. 250 88 14. fax: +7 (727) 237 53 39.

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