

KAZAKHSTAN STOCK MARKET

May 6 - 12, 2010

SUPPLEMENTAL INFORMATION

US dollar = **146.78** at official rate for the end of the period.

US dollar = **146.60** 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 **3.3% p.a.**

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

Indicator	Rate	Trend
TONIA	0.19	-0.09
Авторепо ГЦБ 2 nd d.	0.19	-0.08
Авторепо ГЦБ 7 th d.	0.30	-2.30
Авторепо ГЦБ 28th d.	0.70	-1.1
KazPrime-3M	2.00	+0.2

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

Index	Value	Trend
KASE	1,581.91	-4.0
KASE_BP	364.77	-0.2
KASE_BC	307.93	-0.0
KASE_BY	14.14	-0.17

MAIN NEWS OF THE MARKET

May 6 it was announced that in accordance with the Board Agency for Regulation and Supervision of Financial Market and Financial Institutions of the Republic of Kazakhstan on April 30, 2010 # 64 decision to **issue to Mrs. Zhakupova Sania Karimovna an agreement to acquire a big shareholder of Joint-Stock Company Danabank.**

May 6 was published results of trading on KASE on the results of the first four months of 2010:

- **volume of trading in shares on KASE is KZT18.0 billion** (equivalent to **122.3 million U.S. dollars**) and dropped on the corresponding period of 2009 to 86.1% (to 86.3% in dollar terms);
- **volume of trading in the market on repo transactions at KASE**, amounted to **KZT4,219.0 billion** (equivalent to 28,639.0 million US dollars) and decreased relative to the similar period last year to **2.9%** (by 8.2% in dollar terms);
- **volume of corporate bond trading at KASE**, made **KZT56.8 billion** (equivalent to **385.0 million U.S. dollars**), and decreased relative to the corresponding period of 2009 to 58.4% (to 60.6% in dollar terms);
- **volume of trading in government securities (GS) on KASE**, amounted to **KZT550.7 billion** (equivalent of 3,736.8 million U.S. dollars) and rose on the corresponding period of 2009 to 84.0% (to 81.3% in dollar terms) ;
- **volume of foreign currency trading on KASE**, amounted to **KZT3,868.2 billion** (equivalent to **26,248.3 million U.S. dollars**) and rose on the corresponding period of 2009 to 4.6% (in dollar terms fell by 1.2%);
- **trading volume on KASE is KZT8,712.7 billion** (equivalent to **59,131,4 million U.S. dollars**) and rose on the corresponding period of 2009 to 1.2% (in dollar terms fell by 4.2%).

May 6 at the next plenary session of the Senate of the Parliament ratified an Agreement between the governments of SCO member states on cooperation in the field of ensuring international information security and the Protocol Relating to the Madrid Agreement Concerning to the International Registration of Marks. An Agreement aims to establish a mechanism for joint response to the threat of international information security, information security of SCO member states, promote international cooperation to prevent and combat crime in the information space. It is also reported that adjustments were made (over 50) in the laws "On state regulation of biofuel production and trafficking" and "On introducing amendments and addenda to some legislative acts of the Republic of Kazakhstan on state regulation of production and turnover of bio-fuels" and sent to the Majilis.

May 7 in Government House Mr. Karim Massimov Prime Minister of Kazakhstan held a workshop on improving the procedures for inspection of vehicles and greater control over the quality of the diagnostic checkup stations. Since 2011 technical inspection of vehicles will be transferred to the Ministry of Transport and Communications of Kazakhstan from the Ministry of Interior. The ministry of transport and communications will be only in charge of this issue, and self inspection stickers will be sent in a competitive environment, their respective companies.

May 6 in Government House Mr. Karim Masimov Prime Minister of Kazakhstan met with Mr. Grigol Vashadze Minister of Foreign Affairs of Georgia. Both parties have discussed prospects of bilateral trade and economic relations, in particular - the participation of Kazakh investments in various sectors of the economy of Georgia and expand cooperation in transport, energy and infrastructure development. Also, the press service of the Ministry of Foreign Affairs of the Republic of Kazakhstan reported that Mr. G. Vashidze held talks with OSCE Chairman, Mr. Kanat Saudabayev Secretary of State - Minister of Foreign Affairs of the Republic of Kazakhstan on several important issues of cooperation in economy, trade and transit - transport sectors, in agriculture economy and tourism interaction in the format of international organizations, in particular in the framework of the OSCE.

May 7 it was announced that the Ministry of Economic Development and Trade of the Republic of Kazakhstan announced about creation of an advisory board on matters relating to the Customs Union. May 6 in the Office held the first meeting of the Council. Mr. Timur Suleimenov vice Minister of Economic Development and Trade of the Republic of Kazakhstan said that consultations for business entities are invited to spend each month. Here representatives from all state agencies involved in the formation of the TC, will answer questions from the business community, which affect specific areas, such as customs administration, customs-tariff measures, and so on.

May 7 National Bank of Kazakhstan notes that:

- **In Kazakhstan, the corporate sector lending seen a slight increase in demand from non-financial institutions for credit.** In April 2010 the National Bank of Kazakhstan held a regular survey of second-tier banks of Kazakhstan "Status and forecast parameters of the credit market" in the form of questioning, followed by interviewing representatives of the banks. The share of respondents declaring that their increased demand in the corporate sector lending rose to 48% in the first quarter of 2010 from 30% in the fourth quarter of 2009. In general, the corporate sector is characterized by the lack of new "good" borrowers in view of their precarious financial condition and the presence of significant amounts of debt to other banks.
- **deterioration of quality of the loan portfolios of banks in Kazakhstan continues.** It is indicated that the highest value assigned to the credit risk (51%) and operational risk (23% of respondents). It is noted that the relevance of operational risk associated with fraud. It is noted that banks in order to regulate passive base often have to restrict the inflow of deposits of legal entities, changing the conditions of deposit or reviewing pay rates downward.

Agency on Statistics of the Republic of Kazakhstan reported that:

- **on the housing market was observed price changes in Kazakhstan in April 2010.** In April 2010 compared to the previous month, the sales price of new and resale of decent housing increased by 0.1%, rental of comfortable – 0.4%, and the resale type of housing remained unchanged;
- **in January-April 2010 compared to the same period in 2009, industrial output increased by 11.8%**
- **prices of exported and imported goods increased by 2.4% in March compared with February last year.**

May 3 – 4 of this year a working visit of Mr. Aset Isekeshva Deputy Prime Minister - Minister of Industry and new technologies of the Republic of Kazakhstan to Turkey. During the visit, Mr. A. Isekeshv was welcomed by Mr. Abdullah Gul Turkish President and held talks with Mr. R Ali Babacan Deputy Prime Minister - Minister of State of the Turkish Republic and Mr. Zafer Chalayanom State Minister of the Republic of Turkey. **The main topic of the negotiations were issues of the Kazakh-Turkish relations in the economic sphere, creation of industrial zones in Kazakhstan with the participation of the Turkish industrial sector, increased trade and investment cooperation between two countries in a Customs Union between Russia, Kazakhstan and Belarus.** In particular, during a meeting with Mr. A. Gul Turkish President touched on trade, economic and scientific-technical cooperation within the framework of the Turkic Council, initiated by Mr. Nursultan Nazarbayev President of Kazakhstan, as well as issues related to the forthcoming visit of Turkish President in Kazakhstan.

May 11 Mr. Karim Masimov Prime Minister of Kazakhstan set the task to ensure a stable steady of GDP growth of 7% in 2010. Premier instructed the Ministry of Economic Development to see those benchmarks that need to tighten that GDP growth in the first half and in annual terms to retain the current level.

May 11, Mr. Umirzak Shukeyev Vice Premier reported that the Government of the Republic of Kazakhstan intends to develop the market of food imports in the country and increasing its share of Kazakh companies-importers. He explained that the import is here mainly from China and doing it mostly to foreign nationals. There are not many, but that goes with China, very well organized: they are, when necessary, raise prices, but when this market is trying to get our entrepreneurs, they are dumping, squeezed. Therefore, the Government of the Republic of Kazakhstan wants to introduce SEC (socio-entrepreneurial corporation) to the market of food imports to displace the foreign participants.

May 11 President of the Public Fund "Foundation" Baurzhan "Zhuldyz Omarbekova said that Kazakh charities intend to seek changes in the Tax Code, in particular concerning tax breaks for socially active companies. In addition, the President of the Public Fund indicated that the outcome of the conference intends to fund produce a set of practical recommendations.

11 May it became known that in the course of the Kazakh-Austrian business forum held in Astana, signed a memorandum of cooperation between the Union of Mechanical Engineering in Kazakhstan and Austria. As stated, the memorandum signed by Mr. Meiram Pshembaev Chairman of the Board of the Union of Mechanical Engineering of Kazakhstan and Mr. Bernd Veling first vice-president of the Austrian industrial union "Machinery and Metal Products". This year, plans to open offices of the Economic Chamber of Austria in Almaty.

11 May it became known that the government of Kazakhstan has approved presented at the Governmental meeting of the Mrs. Zhanar Aitzhanova Minister of Economic Development and Trade draft resolution on implementation of the program roadmap business-2020 ". As noted by the Minister, the draft resolution is expected to approve the following rules: subsidizing interest rates on bank credits on all three programs: Support for new business initiatives, "Improvement of the business sector" and "Support for export-oriented industries, as well as partial guarantee of bank loans Fund "Damu".

May 11 Mr. Nursultan Nazarbayev President of the Republic of Kazakhstan has ratified an agreement with Russia on cooperation for the effective use of the complex Baikonur. As indicated, changes and additions made to the agreement referred to the Protocol, aimed at government regulation of banks and legal entities of the Republic of Kazakhstan, having the right to organize exchange foreign currency transactions, operating, carrying out certain types of banking operations in the city of Baikonur.

- **March 12 at the plenary session of the Majlis deputies of the Chamber of Kazakhstan approved the first reading of amendments to the bill "On making amendments and addenda to some legislative acts of the Republic of Kazakhstan on issues of insurance."**
The main purpose of this bill is a need for further improvement of insurance legislation of the Republic of Kazakhstan for the development of life insurance, establishing a clear legal framework, the activities of insurance mediation, issues of tariff policy by developing a complete unified framework, insurance, statistics, development of infrastructure of the insurance market, taking into account national practices and international experience.

SHARES MARKET

Market news

From May 7 have changed national identification number (NIN) of the following securities Kazakhtelecom (Astana): with KZ1C12280417 (KZTK) on KZ1C12280018 (KZTK) and KZ1P12280412 (KZTKp) on KZ1P12280114 (KZTKp).

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 430 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	4,199.7	+53.4%	6.6 times
Average daily volume. KZT m.	617.2	+53.7%	6.5 times
Stake of nego deals. number (%)	0	0	0.0
Stake of nego deals. volume (%)	0	0	0
KASE members	32	+3.2%	-8.6%
Number of shares denominations*	17	0	-5.6%
Stake of pension funds. gross (%)	0	-40.6pp	-7.1pp
on purchase	78.0	-3.1pp	+63.8pp
on sale	0	-0.1pp	0
Stake of individuals. gross (%)	12.4	+4.2pp	-23.8pp
on purchase	11.0	+5.4pp	-19.6pp
on sale	13.7	+2.9pp	-28.1pp
Stake of nonresidents. gross (%)	4.7	+0.3pp	-19.8pp
on purchase	3.7	-1.3pp	-22.3pp
on sale	5.7	+1.9pp	-17.3pp

*on which deals were made at KASE

In the described period weighted average daily prices of a common tool is dragged into the transaction, the fall - 13. Positive change in shares prices in the range – 20.00% (ZERD), negative - from 1.15% (KKGBp) to 40.00% (TEBNp).

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

Results of share trades on KASE, including STF of RFCA within May 6 - 12, 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:						bid	offer
	min.	max.	price	trend. %	min.	max.				
BTAS	500.00	500.00	500.00	-28.67	500.00	4,900.00	1.39	2	622.00	500.00
CCBN	560.00	635.00	566.50	-10.22	331.00	955.00	1,283.55	60	635.00	560.00
GB_ENRC	2,200.00	2,500.00	2,400.00	-1.64	1,350.00	2,800.00	20.78	9	2,500.00	2,200.00
GB_KZMS	2,590.00	3,036.00	2,900.00	-3.33	1,400.00	3,652.00	196.06	30	3,036.00	2,590.00
HSBK	290.00	336.00	325.00	-4.41	127.28	400.00	296.72	58	336.00	290.00
HSBKp	168.40	168.40	168.40		110.92	180.00	13.37	2	168.40	168.40
KKGB	490.00	560.00	500.00	-18.03	290.00	740.00	147.67	25	560.00	490.00
KKGBp	270.00	271.00	271.00	-1.45	95.00	341.00	65.12	4	271.00	270.00
KZTK	13,660.00	15,600.00	13,890.00	-10.96	13,000.00	23,000.00	365.56	44	15,300.00	13,660.00
KZTKp	6,000.00	6,600.00	6,000.00	-9.09	5,000.00	9,900.00	45.51	10	6,600.01	6,000.00
NFBN	1,800.00	1,800.00	1,800.00		1,800.00	2,000.00	33.86	3	1,800.00	1,800.00
RDGZ	19,000.00	21,000.00	19,300.00	-9.18	15,001.00	24,300.00	476.06	22	21,000.00	19,000.00
RDGZp	16,450.00	17,500.00	16,500.01	-2.95	16,450.00	21,988.89	1,637.52	63	17,500.00	16,400.00
SATC	71.00	71.00	71.00		70.80	78.10	15,301.96	2	71.00	71.00
TEBNp	300.01	399.00	300.01		300.00	500.00	5.55	3	400.00	300.00
ZERD	0.96	0.96	0.96	+20.00	0.80	7.20	6.20	2	0.96	0.96
ZERDp	5.55	5.55	5.55		3.95	5.55	12.24	3	5.55	5.55
17							19,909.1	342		

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

MARKET OF CORPORATE BONDS

News of corporate bonds market

Since May 11 bonds KZPC2Y05B335 (BTAIb4) JSC Subsidiary mortgage organization Joint Stock Company "BTA Bank BTA Mortgage" (Almaty) are excluded from the official list of KASE in connection with the expiration of the treatment.

Primary market sector

In this sector of KASE during the analyzed period. deals were not made. Bidding offerings were not made.

Secondary market sector (purchase and sale)

A total of 82 deals were made in bonds during the analyzed period on KASE.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	4,816.3	2.8 times	+3.3%
Average daily volume. KZT m.	707.7	2.8 times	+2.5%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	30	+15.0pp	-10.0pp
Number of bonds denominations*	24	-5.0pp	-2.0pp
Stake of pension funds. gross (%)	26.2	-13.6pp	+26.2pp
on purchase	14.5	+11.5pp	+14.5pp
on sale	37.8	-38.7pp	+12.1pp
Stake of individuals. gross (%)	28.6	+23.4pp	+26.1pp
on purchase	13.4	+5.1pp	+11.1pp
on sale	43.7	+41.6pp	+41.1pp
Stake of nonresidents. gross (%)	0	0	0
on purchase	13.0	+11.9pp	+13.0pp
on sale	0	0	-0.01pp

on which. deals were made at KASE and STF RFCA

Following the period of growth of average net price on the open market bonds were characterized by 14 items, fall - 10. Yield to maturity for a buyer on deals rose during the week for 10 bonds have declined - in 9. Positive change in bond yield to maturity in the range from 0.03% (KIBNb3) to 54.64% (BTAIb8), negative - from 0.07% (KAFIb1) up to 103.59% (KONDb1).

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

Results of bond trades on KASE including STF of RFCA within May 6 – 12, 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	Num- ber of deals	Best for the period:	
	on the last deal:		for last 365 days:		bid	offer				
	min.	max.	yield	trend					min.	max.
ATFBb4	9.00	9.32	9.00		9.00	26.95	2,553.44	3	9.00	9.32
ATFBb5	9.00	10.90	10.90		8.00	28.00	644.34	2	9.00	10.90
ATFBb6	8.00	9.00	8.00	0	8.00	29.00	686.36	3	8.00	9.00
ATFBb7	9.74	9.74	9.74		7.40	9.74	1,007.46	1	7.90	9.74
BTAIb8	58.83	60.80	60.80		6.17	64.00	3,057.20	4	58.83	60.80
CACMb1	16.00	16.00	16.00		16.00	40.00	32.79	3	16.00	18.21
CBH_b1	24.11	24.11	24.11		24.11	24.11	662.95	1	24.11	24.11
CCBNb16	6.50	7.50	7.50	+1.30	4.00	19.03	5.66	8	6.50	7.50
CSBNb4	13.00	13.00	13.00		13.00	22.00	11.97	1	13.00	13.00
CTECb1	15.00	15.00	15.00		12.50	20.00	14.89	1	15.00	15.00
KAFIb1	8.93	8.93	8.93	-0.07	8.93	16.03	328.26	1	8.93	8.93
KIBNb3	11.03	11.03	11.03		11.00	14.00	4,162.38	1	11.03	11.02
KKGBb4	10.00	10.00	10.00	-0.88	10.00	24.50	11.14	1	10.00	10.00
KONDb1	142.28	142.28	142.28	-100.14	38.71	259.62	7.73	1	141.67	238.40
KRZHb1	59.85	60.07	60.07		21.33	108.05	56.71	2	53.34	60.07
KZIKb20	7.50	7.50	7.50		7.00	10.00	9,601.85	1	7.00	7.50
LOGCb1	28.00	28.00	28.00		6.82	45.50	28.69	2	28.00	28.00
MREKb4	8.00	8.00	8.00		8.00	14.03	16.06	1	8.00	8.00
NFBNb1	34.00	34.00	34.00	0	16.75	36.00	1.16	1	34.00	34.00
NRBNb2	14.00	14.00	14.00	-2.00	14.00	27.60	652.96	3	14.00	14.00
NRBNb5	12.00	12.00	12.00		12.00	26.00	3.45	1	12.00	12.98
ORDKb2	16.00	16.00	16.00	0	14.00	16.00	100.41	8	16.00	16.00
VITAb5	83.00	134.00	134.00	+51.00	22.82	134.00	27.51	16	83.00	134.00
ZERDb1	70.00	70.00	70.00		10.00	106.00	5.76	1	70.00	73.00
24							23,681.1	67		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (March 31 – April 30, 2010). If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

May 12, in the trade system of KASE provided specialized medium-term placement of government treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEOKAM-48 release of the 43rd (KZK2KY040436, MOM048_0043; KZT1,000 , 05.12.1910 - 12.05.1914, annual coupon, 30/360) on which the Ministry of Finance planned to attract KZT14.0 billion. The subject of the auction is the coupon rate. In the trade's participated 9 primary dealers, which were members of KASE category "K". Through these subjects, investors filed a request in 1921 from which time expired confirmation requests

were active 1921 warrant. Total volume of active bids (volume of demand) was 25 KZT613.0 million and exceeded the suggested volume of 1.8 times. Coupon in active bids ranged from 3.99% to 6.00% per annum, making in average terms 4.9186% per annum. In total active bids on pension market entities had 3.9%, the share of Kazakhstan's second-tier banks (BWI) – 69.1%, clients BWI – 19.5%, clients of broker-dealers – 7.5%. As a result of bargaining issuer granted an application for purchase 14,423,000 of bonds amounting to KZT14.423 billion (103.0% of planned volume of placements) under 4.15% per annum. As a result of placing 84.9% of total volume of placed bonds purchased by BWI, 15.1% - by customers of broker-dealers.

Secondary market sector (purchase)

During the monitoring period, total volume of 60 inmates at KASE trade amounted to KZT12,058.0 million (\$82.3 million). In the previous period (April 29 - May 5, 2010) the figure was KZT12,058.0 million (\$82.3 million), with 60 transactions. The share exchange turnover in the total volume of Kazakhstani secondary market transactions for comparable sales in the analyzed period amounted to 20.2% (in the previous period – 37.7%).

Parameters of Exchange's transactions in GS within May 6 – 12, 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				0.5% (16.4%) of purchase and sale sector's turnover		
182 - 364	1.60	1.60	1.60	1.60 (2.05)	58.39	1.00
Total					58.4 (1,974.3)	1 (7)
Coupon (KZT): MEOKAM. MEUKAM. MEUJKAM.				99.5% (83.6%) of purchase and sale sector's turnover		
less 730	2.10	2.10	2.10	2.10 (1.86)	62.23	1
731 - 1095	3.40	7.21	7.21	6.22 (3.07)	817.56	2
1096 - 1460	3.00	3.75	3.75	3.40 (3.76)	2,684.85	6
1461 - 1825	4.40	7.42	7.40	5.38 (4.94)	7,087.40	11
1826 - 2190	4.40	4.40	4.40	4.40	154.00	2
more 2191	4.40	5.00	4.40	4.54 (5.24)	217.91	2
Total					11,024.0 (10,083.7)	24 (53)
TOTAL					11,082.3 (12,058.0)	25 (60)

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