

# WEEK OF STOCK MARKET OF KAZAKHSTAN

## May 4 - 10

1 US dollar = **142.10** tenge at official rate for the end of the period  
 1 US dollar = **142.42** tenge at weighted average rate of the Exchange for the end of the period

### Yield of stock exchange financial instruments

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) from April 6 through 12. In parentheses – figures of previous period. Instruments are given in descending order, based on their attractiveness.

#### Investment attractiveness of financial instruments at KASE from May 4 through 10

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
ALKSb	USD	15.48 (15.02)	0 (0)	0 (0)
KOMBb	USD	13.82 (13.90)	0 (0)	0 (0)
KKGBb	USD	12.37 (12.35)	0 (0)	0 (0)
BTAS	USD	12.04 (12.07)	0 (74.8)	0 (526.6)
Euronotes-3	USD	10.98 (10.95)	9.8 (1 942.5)	1,397.8 (13,677.0)
Euronotes-2	USD	10.05 (10.29)	2.8 (4.1)	396.7 (29.2)
MEKAVM	USD	*9.98 (8.74)	0.2 (403.5)	30.4 (2,840.7)
MEKKAM, notes	KZT	*13.67 (17.01)	481.1 (411.6)	3,383.7 (2,898.0)
KZT (SS repo)	KZT	*5.60 (6.56)	15.9 (9.1)	2,253.8 (1,295.6)

**Notes:** Yield of BTAS was calculated for 5 days by bid quotations; for ALKSb, KOMBb, KKGBb as average for offer quotations.

Tenge devaluation rate is estimated in the week by a trend of **16.69% APR**.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

### Trades in corporate securities

During observed period 6 deals were made in the sector of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE) amounting to **\$301.95 th.** Relative to previous period (\$526.68 th. 2 deals) weekly turnover of PIS fell 42.7%.

#### Results of the trades in shares from May 4- 10

Issuer	Securities	Close	WA price	USD per share, unless otherwise specified		
				Volume	Best bid	Best offer
OJSC «Almaty Kus»	ALKS			0	0.15	0.31
OJSC «Bank TuranAlem»	BTAS	76.32		0	75.73	77.85
OJSC «Bank CenterCredit»	CCBN	1.27	1.27	3 677	1.27	1.27
«Kazakhtelecom»	KZTKp	5.70	5.70	87	5.70	5.70
OJSC «SHNOS»	SYRG	1.63	1.63	175 000	1.63	1.62
OJSC «Temirbank»	TEBN	7.39		0		7.41
OJSC «Aktobemunaigas»	AMGZp	2.00	2.00	6 000	2.00	2.00

#### Results of the trades in bonds from May 4 - 10

Emitter	Code	Currency	Last	WA	yield for the buyer in % APR till maturity, unless otherwise specified		
					Volume, th. USD	Best bid	Best offer
OJSC «Almaty Kus»	ALKSb	USD	14.96	–	0	16.63	15.49
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.66	–	0	14.05	12.62
OJSC «Komirbank»	KOMBb	USD	13.87	–	0	28.94	13.88

**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.

**Common shares of OJSC “SHNOS”** (Shymkent, official list of securities, category “A”, **SYRG**) were the leaders in terms of volumes of the deals. Their proportion in weekly turnover of PIS equaled 94.3% (\$284.80 th., 2 deals). Last week common shares of OJSC “Bank TuranAlem” were the leaders (Almaty, official list of securities, category “A”, BTAS).

Compared to previous successful trading day: price of **SYRG** grew 55.2%, **KZTKp** – 42.5%, price of **AMGZp** and **CCBN** – did not change. Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

In **PIS repo sector** no deals were made during the week. As of May 10 five indexed (in U.S. dollars) repos were opened for a total of **\$1,436.3 th.** in this sector of KASE. The following were used as an object of repo:

- **common inscribed shares of OJSC “Bank CenterCredit”** (CCBN, \$1,400.5 th.; 97.5% of all open repos in this sector; rate is 12.97% APR in terms of dollars for 186 days and 14.00% APR for 260 days);
- **preferred inscribed shares of OJSC “UKTMK”** (UTMKp; \$70 th.; 0.5%; 16.00% APR for 92 days);
- **preferred inscribed shares of JSC “Kazakhstancaspishelf”** (KKSHp; \$28.8 th.; 2.0%; 14.12% APR for 91 days).

The use of the securities of the corporations as an object of repo deals deserves our attention and characterizes the securities, as well as their issuers, positively. It is the matter of financing when these securities are used as collateral, and considered bonds with the yields mentioned above in U.S. dollars.

## Capitalization of the stock market for PIS

For May 10, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,668.5 mln** or KZT237.6 bln at tenge to dollar rate of the Exchange, effective on that date. Increase in capitalization in terms of dollars relative to the end of previous period by \$48.7 mln was caused by a growth in prices of common shares of OJSC “SHNOS” and that of preferred shares of “Kazakhtelecom” (see above).

## Trades in state securities

In **purchase and sale sector** for SS of KASE volume of **53 deals** reached **KZT2,306.0 mln.** Last week the volume equaled KZT2,761.8 mln with 48 deals made.

Parameters of stock exchange transactions in SS from May 4 - 10

(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 SS: MEKKAM-3, 6, 12, notes of NB</b>				<b>20.9% (14.9%) of purchase and sale sector's turnover</b>		
less than 8	7.28	12.16	12.16	8.75 ( - )	67.1	6
8 – 14	10.95	10.95	10.95	10.95 (12.02)	11.4	1
15 – 28	11.46	12.92	12.76	12.85 ( - )	286.8	6
43 – 56	12.93	12.93	12.93	12.93 ( - )	0.3	1
64 – 91	14.93	14.93	14.93	14.93 ( - )	4.4	1
92 – 181	16.61	16.61	16.61	16.61 (17.12)	8.9	1
182 – 364	16.40	16.60	16.40	16.51 (16.96)	102.3	2
Total					481.1 (411.6)	18 (12)
<b>Discounted indexed SS: MEKAVM-6, 12, MGU</b>				<b>1.3% (14.6%) of purchase and sale sector's turnover</b>		
64 – 91	10.04	10.04	10.04	10.04 (13.99)	21.0	1
92 – 181	8.81	8.81	8.81	8.81 (9.58)	3.4	1
182 – 364	9.01	9.01	9.01	9.01 (8.87)	6.0	2
Total					30.4 (403.5)	4 (22)
<b>Euronotes of Kazakhstan, USD</b>				<b>77.8% (70.5%) of purchase and sale sector's turnover</b>		
*862 - 868	10.0109	10.0873	10.0433	10.05 (10.29)	396.7	6
**1,598 - 1,604	10.9394	11.0272	11.0168	10.98 (10.95)	1 397.8	25
Total					1,794.4 (1,946.7)	31 (14)
<b>SUBTOTAL</b>					<b>2,306.0 (2,761.8)</b>	<b>53 (48)</b>

**Notes:** for euronotes (\* - second issue, \*\* - third issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic SS are calculated considering official rate of USD/KZT.

Deformation in turnover structure took the form of a decrease in turnover of deals in domestic SS, denominated in hard currency, as well as an increase in turnover of debt, denominated in tenges, and that of euronotes of Kazakhstan. Decrease in liquidity of MEKAVM and participants' interests in SS, denominated in tenges, IRBIS specialists explain by a confident firming of the tenge during last week. Growth in the exchange rate of the dollar at the very end of the period was, to some extent, unexpected, and was caused mainly by speculative moves of the market, and apparently, it is considered by the participant temporary. Noticeable activation in the sector of euronotes was caused by an anticipation of more profitable euronotes of the fourth issue due on May 11, and it requires the investment portfolios to be restructured.

During the period **53 repo deals** were registered **for a total of KZT4,893.1 mln in SS repo sector** of KASE. Of this number 28 deals (for KZT2,253.8 mln) were repo opening deals and 25 (KZT2,639.3 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT3,118.8 mln.

Results of an analysis of the behaviors of the participants of this sector show that the activity is gradually declining as beginning of the circulation of the fourth issue of euronotes approaches. Previously, it was informed that unusually high activity of the dealers in the sector of repo operations had been explained by the professional participants mainly with the perspective of reserving the funds for the euronotes of the fourth issue. Results of the analysis of the period, that slightly deviates from this concept, actually show the final stage of the market activation before May 11.

After closing of the trades on May 10 total amount of opened repo equaled **KZT1,815.1 mln**. Current weighted average rates as of May 10 (% APR, KZT, unless otherwise specified) equaled:

- 1 day (KZT172.7 mln) – **4.89%**;
- 5 days (KZT33.3 mln) – **4.00%**;
- 6 days (KZT848.4 mln) – **5.50%**;
- 7 days (KZT106.0 mln) – **8.00%**;
- 9 days (KZT83.4 mln) – **6.00%**;
- 12 days (KZT20.0 mln) – **9.51%**;
- 21 days (KZT10.0 mln) – **11.00%**;
- 31 days (KZT312.8 mln) – **10.00%**;
- 32 days (KZT28.5 mln) – **13.00%**;
- 35 days (KZT200.0 mln) – **12.42%**.

#### Parameters of repo opening deals in SS at KASE from May 4 - 10

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
May 4.00	6	KZT	147.0	4.00	2
May 4.00	35	KZT	200.0	12.42	1
May 5.00	6	KZT	848.4	5.50	10
May 6.00	4	KZT	746.3	3.58	6
May 6.00	5	KZT	33.3	4.00	4
May 10.00	1	KZT	172.7	4.89	3
May 10.00	7	KZT	106.0	8.00	2
<b>TOTAL</b>			<b>2,253.8</b> (1,295.6)		<b>28</b> (23)

**Total of 106 deals** amounting to **KZT7,199.1 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 104 deals was KZT5,880.5 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled **89.2%**, for last week it was 83.6%.

#### Information about the companies

According to listing requirements, **OJSC “TNC “Kazchrome”** (Almaty, official list of securities, category “B”) provided Kazakhstan Stock Exchange (KASE) with its consolidated financial statements for the year 1999: balance sheet and income statement.

Following are the results of the company in 1999 by the data of the issuer (in th. KZT):

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital	7,903,485	7,903,485	0
Shareholders' equity	20,704,572	32,175,435	+55.4
Total assets	35,440,658	39,951,858	+12.7
Net working capital	-3,065,684	6,430,557	+309.8
Accounts receivable	7,515,860	7,496,938	-0.3
Accounts payable	14,736,086	7,776,423	-47.2
Sales (services offered)	19,275,959	34,112,605	+77.0
Cost of goods sold (services offered)	15,986,936	24,554,972	+53.6
Net income (loss)	(1,932,666)	14,712,767	+861.3
Calculated based on issuer's data:			
Return on sales (ROS), %	17.06	28.02	+64.2
Return on equity (ROE), %	-9.33	45.73	+589.9
Return on assets (ROA), %	-5.45	36.83	+775.3
Earnings per share (EPS), KZT	–	2,058.45	–
Price earnings ratio (P/E)	–	0.36	–
Book value of a share, KZT	2,619.68	4,071.04	+55.4

Earnings per common share (EPS) and price earnings ratio for the year 1999 are shown without dividends to preferred shares, since they are not determined yet.

Compared to 1998:

- shareholders' equity rose by KZT11.47 bln, or 55.4% (increase in undistributed income – by KZT18.64 bln, reserve capital – by KZT7.39 mln, with the decrease in additional unpaid capital – by KZT7.17 bln);
- assets grew by KZT4.51 bln, or 12.7% (including: long-term – by KZT1.97 bln, current – by KZT2.54 bln);
- liabilities fell by KZT6.96 bln, or 47.2%.

Sales increased by KZT14.84 bln, or 77.0% relative to 1998, cost of goods – by KZT8.57 bln, or 53.6%, expenses of the period – by KZT197.41 mln, or 5.4%.

As a result, net income of OJSC “TNC “Kazchrome” by the results of 1999 equaled KZT14.71 bln against KZT1.93 bln loss in 1998.

According to listing requirements, **OJSC “Astana-finance”** (Astana, official list of securities, category “B”) provided Kazakhstan Stock Exchange (KASE) with its consolidated financial statements for the year 1999: balance sheet and income statement.

Following are the results of the company in 1999 by the data of the issuer (in th. KZT):

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital (issued)	100,000	3,100,000	+3,000.0
Authorized capital (paid)	100,000	102,436	+2.4
Shareholders' equity	234,618	2,298,229	+879.6
Total assets	7,965,635	12,796,996	+60.7
Lending portfolio	4,605,367	9,547,455	+107.3
Doubtful debt provisions	131,732	541,862	+311.3
Borrowed funds	5,821,132	8,750,386	+50.3
Income from operating activities	507,696	6,266,610	+1,134.3
General expenses	507,696	4,747,298	+835.1
Net income	0	1,519,312	–
Calculated based on issuer's data:			
Return on equity (ROE), %	0.00	66.11	–
Return on assets (ROA), %	0.00	11.87	–
Earnings per share (EPS), KZT	0.00	14,831.82	–
Book value of a share, KZT	2,346.18	22,435.76	+856.3

Following indicators rose in 1999 as compared to 1998:

- shareholders' equity by KZT2.06 bln, or 9.8 times (increase in undistributed income – by KZT1.52 bln, reserve capital – by KZT541.86 mln, paid authorized capital – by KZT2.44 mln);
- assets by KZT4.83 bln;
- loan portfolio by KZT4.94 bln;
- volume of borrowed funds by KZT2.93 bln;
- income from operating activities by KZT5.76 bln;
- general expenses by KZT4.24 bln.

As a result, net income of OJSC “Astana-finance” in 1999 equaled KZT1.52 bln.

Common inscribed shares of OJSC “Astana-finance” (trade code ASFI) included in official list of KASE securities, category “B” at February 17, 2000. Five deals has been made on securities since the date of their first trades (February 28, 2000).

Following are the main activities of the company: certain types of banking services, investment activity, financing of economic and social projects related to development of the special economic zone in Astana, other types of activity in accordance with company's regulation and acquired licenses.

After Standard & Poor's, on first days of May another rating agency – Moody's changed the ratings of three biggest Kazakhstani banks – **OJSC “KAZKOMMERTSBANK”**, **OJSC “Halyk Bank of Kazakhstan”** and **OJSC “Bank TuranAlem”** – to “**positive**” from “stable”. As it is mentioned in the information of Moody's Investors Service, presently, the ratings are at “B2”. It is also said that the ratings on the banks were changed after the review of foreign currency deposit ratings of Kazakhstan to “positive”.

Besides, the agency Moody's raised the ratings of three-year euronotes of KAZKOMMERTS INTERNATIONAL B.V. (XS0081674359, May 8, 98 - May 8, 01, \$100, coupon 11.250% APR) to “**B1**” from “B2”. Rating forecast was changed from “stable” to “**positive**”. These euronotes were issued under a full warranty of OJSC “KAZKOMMERTSBANK”. KAZKOMMERTS INTERNATIONAL B.V. (Rotterdam, Netherlands) – the company, established by OJSC “KAZKOMMERTSBANK” to raise funds on international capital markets.

**OJSC “Komirbank”** (Ekibastuz) notifies that according to article 18 of the Decree “On joint stock companies”, coupon payments on the first issue of the bank bonds (official list of KASE securities, category “A”, trade code KOMBb) due June 26 will be paid only to those who purchased bonds **before** May 26, 2000.

Prepared by the agency “IRBIS”