1 US dollar = **142.40** tenge at official rate for the end of the period 1 US dollar = **142.28** 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 11 through 17

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
MEKKAM, notes	KZT	*14.46 (13.67)	1,266.9 (481.1)	8,895.6 (3,383.7)
KZT (SS repo)	KZT	*7.81 (5.60)	785.1 (15.9)	5,512.7 (2,253.8)
ALKSb	USD	15.46 (15.48)	0 ( 0)	0 ( 0)
KOMBb	USD	13.89 (13.82)	0.4 ( 0)	2.8 (0)
KKGBb	USD	12.41 (12.37)	0 ( 0)	0 ( 0)
Euronotes-4	USD	11.30 ( –)	410.4 ( 0)	3 253.1 ( 0)
Euronotes-3	USD	11.02 (10.98)	1,046.2 (9.8)	7,346.0 (1,397.8)
Euronotes-2	USD	10.07 (10.05)	463.3 (2.8)	3,253.1 (396.7)
BTAS	USD	9.61 (12.04)	0 ( 0)	0 ( 0)
MEKAVM	USD	*9.54 (9.98)	42.6 (0.2)	299.4 (30.4)

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

Tenge devaluation rate is estimated in the week by a trend of **negative 11.24% APR** (tenge revalued).

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 18 deals were made in the sector of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE) amounting to **\$297.45 th.** Relative to previous period (\$301.95 th. 6 deals) weekly turnover of PIS fell 1.5%.

Results of the trades in shares from May 11-17

				USD per share	, unless otherw	ise specified
Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
OJSC «Almaty Kus»	ALKS			0	0.15	0.31
OJSC «Bank TuranAlem»	BTAS	76.32		0	75.88	78.03
OJSC «Bank CenterCredit»	CCBN	1.27		0	0.91	1.42
«Kazakhtelecom»	KZTKp	14.36	14.36	3 793	14.36	14.36
OJSC «Temirbank»	TEBN	7.39		0		7.41
OJSC «Aliuminii Kazakhstana»	ALKZp	*0.35	*0.36	40 551	*0.42	*0.35
OJSC «TNC "Kazchrome"»	KZCRp	*2.81	*2.59	1 286	*2.81	*2.46
OJSC «Mangistaumunaigas»	MMGZp	5.19	5.19	7 318	5.19	5.19
OJSC «Aktobemunaigas»	AMGZp	*19.00	*19.00	8 950	*19.00	*19.00
OJSC «Munaiaspap»	MNSP	*1.05	*1.05	1 000	*1.05	*1.05
JSC «SSGPO»	SSGPp	*2.81	*2.81	4 711	*2.81	*2.81

Results of the trades in bonds from May 11 - 17

	yield for the buyer in % APR till maturity, unless otherwise specif					se specified	
	Code	Currency	Last	WA	Volume,	Best bid	Best offer
Emitter					th. USD		
OJSC «Almaty Kus»	ALKSb	USD	14.96	_	0	16.63	15.46
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.66	_	0	14.10	12.65
OJSC «Komirbank»	KOMBb	USD	13.89	13.89	2.76	29.49	13.89

**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.

**Preferred shares of OJSC "Aktobemunaigas"** (Aktobe, "Non-listed securities" sector, admittance level 2, **AMGZp**) were the leaders in terms of volumes of the deals. Their proportion in weekly turnover of PIS equaled 57.2% (\$170.05 th., 1 deal). Last week common shares of **OJSC "SHNOS"** were the leaders (Shymkent, official list of securities, category "A", **SYRG**).

Compared to previous successful trading day: price of **AMGZp** grew 9.5 times, **KZTKp** - 2.5 times, price of **MMGZp** - 62.2%, **KZCRp** - 14.3%, **SSGPp** - did not change, price of **ALKZp** fell by 16.7%. 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 17 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; 97.5% of all open repos in this sector; rates are 12.97-14.00% APR in terms of dollars for 186-260 days); preferred inscribed shares of OJSC "UKTMK" (UTMKp; 0.5%; 16.00% APR for 92 days); preferred inscribed shares of JSC "Kazakhstancaspishelf" (KKSHp; 2.0%; 14.12% APR for 91 days).

From May 23 and 26 primary auction for offering common inscribed shares of OJSC "Astana-finance" (official list of securities, category "B", KZ1C7671418, trade code in regular mode - ASFI) will be conducted on trade floor of KASE.

Total volume of floatation - KZT3 bln at par value of KZT1,000.00. The issuer intends to offer 2,000 shares for a total of **KZT2 mln**.

Purchasing bids in KASE trade system will be accepted daily **between 11.30 a.m. and 17.00 p.m. of Almaty time**. Satisfaction method is based on the bid price. Purchased shares should be paid till 18.00 p.m. of Almaty time **at the day the deal was made on**. An exclusive right for making selling bids belongs to **CJSC** "**Fondovyi Servis**" (Almaty), the brokerage company and the agent of the floatation.

The terms of auction are somewhat different from those described in "The rules of KASE on conducting primary offering auctions."

The offering will be implemented by uninterrupted counter auction mode in KASE trade system as **open trades**. It means that all auction participants will see bids of other traders.

Unlike a regular trade mode of KASE, purchasing bids should be made in **tenge** but not in dollars. The deal volume will be calculated as a product of a deal's price and the number of purchased shares. In relation with this system of trades, KASE has introduced a new trade code for common inscribed shares of Astana-finance - **ASFI AUCTION**. Participants of the auction will use this code in trades.

Distinctive feature of the auction is that the organizer of the project gives the private persons in Astana an opportunity **to buy the shares of OJSC** "Astana-finance" through Internet. In three branches of OJSC "Halyk Bank of Kazakhstan" in the capital the people can not only observe the quotations in real time mode, but they can also make bids to purchase the shares from this branches of the bank, and thus, to make the deals. This project is unprecedented example of using the Internet in Kazakhstan to conduct the trades in real time mode.

The shares of Astana-finance were entered into KASE official list of securities on Jan.17, 2000 and admitted to the trades from Jan. 28, 2000. Since that, 5 deals were conducted for a total of **\$745.9 th**. The price fluctuations have been around **\$7.15 and \$7.18** per share. The last deal was made on March 13 with volume of \$14 th. and price of **\$7.15** per share.

## Capitalization of the stock market for PIS

For May 17, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,693.6 mIn** or KZT241.0 bln at tenge to dollar rate of the Exchange, effective on that date. Capitalization grew by \$25.1 mln in terms of dollars relative to the end of previous period, and was caused by a growth in prices of almost all shares traded during the week (see above).

## Trades in state securities

In **purchase and sale sector** for SS of KASE volume of **93 deals** reached **KZT3,229.4 mln.** Last week, which was shorter than this one by one day, the volume equaled KZT2,306.0 mln with 53 deals made.

Parameters of stock exchange transactions in SS from May 11 - 17

	Volume,	a buyer, % APR.	to maturity for a	Yield t		Days
Numbe	mln tenge	weighted	last deal	max	min	till maturity
of deals	discounted	average				
turnover	e and sale sector's t	(20.9%) of purchase	36.2%	of NB	AM-3, 6, 12, notes	iscounted SS: MEKK
	7.0	10.03 (10.95)	10.03	10.03	10.03	8 - 14
1:	194.6	12.34 (12.85)	12.12	13.00	12.12	15 - 28
:	349.9	12.81 ( –)	12.42	13.00	12.42	29 - 36
!	119.8	12.89 (12.93)	12.90	13.19	12.89	43 - 56
14	284.1	14.47 (14.93)	14.42	14.72	14.35	64 - 91
(	217.7	15.22 (16.61)	15.15	15.53	15.00	92 - 181
4	93.9	16.29 (16.51)	16.04	17.11	16.04	182 - 364
47 (18	1,267.0 (481.1)					Total

Parameters of stock exchange transactions in SS from May 11 - 17

	Volume,	Yield to maturity for a buyer, % APR.				Days
Number of deals	mln tenge discounted	weighted average	last deal	max	min	till maturity
turnover	se and sale sector's t	% (1.3%) of purchas	1.3%	12	SS: MEKAVM-6, 9,	Discounted indexed S
1	1.1	6.45 ( –)	6.45	6.45	6.45	8 - 14
2	27.2	9.45 (8.81)	9.45	9.45	9.45	92 - 181
5	14.3	9.51 (9.01)	9.25	9.55	9.00	182 - 364
8 (4)	42.6 (30.4)					Total
turnover	se and sale sector's t	(77.8%) of purchas	59.4%		stan, USD	Euronotes of Kazakh
5	463.3	10.07 (10.05)	10.0969	10.0974	10.0462	*857 - 861
21	1,046.2	11.02 (10.98)	10.9710	11.0582	10.9228	**1,591 - 1,597
12	410.4	11.30 ( –)	11.1809	11.8588	11.1809	***2,514 - 2,520
38 (31)	1,919.9 (1,794.4)					Total
<b>93</b> (53)	<b>3,229.4</b> (2,306.0)					SUBTOTAL

**Notes:** for euronotes (\* - second issue, \*\* - third issue, \*\*\* - fourth 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.

As it can be seen from the table, in this week the structure of SS turnover did not change much. A slight increase in the proportion of domestic bonds non-indexed by the devaluation was registered, and which seem logical in the light of increased exchange rate of tenge and large issue volumes of new securities of this type. At the same time, activity of the operations with the euronotes decreased, since the restructuring of investment portfolios, caused by the appearance of new issue bonds in the market, is coming to its end, and the yield of the fourth issue euronotes is falling quickly under the pressure of the demand.

During the period **49 repo deals** were registered **for a total of KZT2,548.0 mln in** SS **repo sector** of KASE. Of this number 14 deals (for KZT785.1 mln) were repo opening deals and 35 (KZT1,762.8 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT4,893.1 mln. IRBIS specialists tie the decrease in the volumes of repo deals to the end of the restructuring of investors' portfolios, caused by the beginning of the circulation of the fourth issue of euronotes, as well as by a growth in short term liquidity of the banks at the end of analyzed period.

Parameters of repo opening deals in SS at KASE from May 11- 17

		(in parentheses – comparable figures for previous period				
Opening date	Term of repo,	Currency	Amount raised,	WA yield, % APR	Numbe	
	days		mln KZT		r of	
					deals	
May 11.00	7	KZT	150.0	9.00	2	
May 12.00	3	KZT	201.1	5.04	3	
May 15.00	1	KZT	226.9	5.20	4	
May 16.00	1	KZT	69.6	9.00	2	
May 17.00	2	KZT	103.4	13.00	2	
May 17.00	5	KZT	34.1	10.50	1	
TOTAL			<b>785.1</b> (2,253.8)		14 (28)	

After closing of the trades on May 17 total amount of opened repo equaled **KZT838.8 mln**. Current weighted average rates as of May 17 (% APR, KZT, unless otherwise specified) equaled:

- 2 days (KZT103.4 mln) 13.00%;
- 5 days (KZT34.1 mln) 10.50%;
- 7 days (KZT150.0 mln) 9.00%;
- 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%.

**Total of 142 deals** amounting to **KZT5,777.4 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 106 deals was KZT7,199.1 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 **74.7%**, for last week it was 89.2%.

## Information about the companies

According to listing requirements, **OJSC "UKTMK"** (Ust-Kamenogorsk, official list of securities, category "A") provided KASE with its financial statements for the I quarter of 2000: balance sheet and income statement.

Following are the results of the issuer in the I quarter of 2000 (in th. KZT):

	As of Apr. 1 '99	As of Apr. 1 '00	Change,
Ratio			%
Authorized capital	21,582	21,582	0
Shareholders' equity	5,347,941	5,669,160	+6.0
Total assets	6,928,597	7,530,008	+8.7
Net working capital	1,390,993	1,524,560	+9.6
Accounts receivable	498,168	470,826	-5.5
Accounts payable	369,820	755,822	+104.4
Sales (services offered)	892,840	1,086,947	+21.7
Cost of goods sold (services offered)	728,062	913,921	+25.5
Net income (loss)	10,309	27,336	+165.2
Book value of a share	4,955.93	5,253.60	+6.0

Compared to similar period of 1999 growth took place in:

- shareholders' equity by KZT321.22 mln, or 6.0% (including: additional paid capital by KZT246.55 mln, total of undistributed income by KZT104.49 mln, with a decrease in the fund for re-evaluation of fixed assets by KZT29.82 mln);
- assets by KZT601.41 mln, or 8.7%;
- liabilities by KZT280.19 mln, or 17.7%.

Sales grew by KZT194.11 bln, or 21.7% relative to the I quarter of 1999, whereas cost of goods sold grew by KZT185.86 mln, or 25.5%. At the same time: expenses of the period fell by KZT13.12 mln, or 12.4%, losses from secondary activities fell by KZT23.34 mln, or 53.1%.

As a result, net income received by OJSC "UKTMK" during reporting period equaled KZT27.34 mln, that is by KZT17.03 mln, or 165.2% more than during similar period of last year.

According to listing requirements, "Kazakhtelecom" (Astana, official list of securities, category "A") provided KASE with its protocol of extraordinary General meeting of the shareholders held on April 14, 2000.

Based on published agenda of the meeting, called on the initiative of the Ministry of transportation and communication of Kazakhstan, the shareholders of "Kazakhtelecom" have decided:

- not to make changes in the Charter of "Kazakhtelecom" regarding the increase in the number of members of the Board of directors due to an absence of qualified majority of votes necessary to make that decision;
- to hold additional elections of the Board of directors (with the purpose of increasing the number of "independent" directors up to 50% – comm. KASE) for following candidates: Jamshiev Bolat Bidakhmetovich, Andryushenko Aleksandr Ivanovich, Madiev Birjan Mukhamedjanovich;
- agree on and approve the terms set in the block of documents (Compensation agreement, Agreement on purchasing the shares and premiums, Agreement on the sales option, Agreement on cooperation) to be signed by the government of Kazakhstan and by European bank for reconstruction and development (EBRD) concerning the participation of EBRD in authorized capital of "Kazakhtelecom";
- approve the Regulation on the order of providing the shareholder with 5% or more voting shares with the copy of the list of "Kazakhtelecom" shareholders;
- approve the decision of the Board of directors of "Kazakhtelecom" of Oct.22, 99, regarding \$10 mln loan of Export Development Corporation (EDC) to finance the purchase of the equipment and stations with middle capacities of "Nortel" (Netas, Vesnet) manufacture;
- approve the terms of credit line of Citibank and commission the Board of the company to sign an agreement on opening a credit line (Renewable credit agreement) with Citibank by including previously signed agreements in it.

The matter on the changes in the Charter of "Kazakhtelecom" was entered into the agenda of the meeting due to the requirements of the Law "On joint stock companies" to the members of the Board of directors of open people's joint stock company (50% of total number of the directors should be independent). The decision not to make changes into the Charter of "Kazakhtelecom", regarding the augmentation of the number of the members of the Board of directors was affected by the fact that making such a decision will contradict with:

- first, the Sales agreement of Aug.28, 98 signed between Kazakhstan in the person of the Department of state property and privatization of the Ministry of finance of Kazakhstan and Central Asian Industrial Investments N.V. (approved by the resolution of the government of Kazakhstan on Sep.2, 98), where it is stated that none of the parties of the Agreement will take any actions that may have a significant impact on the company;
- second, the terms of the Memorandum on mutual understanding between the government of Kazakhstan
  and EBRD, where the government took the responsibility of giving a possibility of strengthening a corporate
  management and control of "Kazakhtelecom", which means that EBRD is able to make decisions regarding
  the number of members of the management.

# **New projects**

The member of KASE – OJSC "TexaKaBank" (Almaty) – on May 16 distributed a press-release where it is said that an official site www.netbank.kz and that a new system of client accounts settlements over the Internet have been introduced. Mobile and dynamic way of connecting to the bank over the Internet will allow the clients of OJSC "TexaKaBank" to be independent in selecting the time and the place for conducting banking operations. Now, the connection with the bank can be established from home and office through any computer connected to the Internet, as well as from abroad. The accounts are kept without any minimum amount requirement. Setup of the new service is free of charge. The bank also informs that tens of clients of the new server have already assessed the reliability, comfort and efficiency of "NetBank" system (this is the name of the bank's system). Necessary experience and client trust have been already acquired, which had established a high reputation of the new system.

It is worth to mention that presently, KASE and OJSC "TexaKaBank" are working actively on the project that will soon allow the clients of OJSC "TexaKaBank", as an additional service of the "NetBank" system, to make the deals in the securities at KASE, using the Internet. Thanks to the transmission of the trades held at the Exchange in real time mode at www.kase.kz, the client will monitor the quotations and make orders to OJSC "TexaKaBank" to buy or sell the securities through "NetBank".

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