

## WEEK OF STOCK MARKET OF KAZAKHSTAN

October 17-21, 2011

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
14.10.11	1,149.75	147.72	1.9128	1.2881	2.0000
17.10.11	1,163.88	147.87	1.2115	1.4745	2.0000
18.10.11	1,154.14	147.89	1.6206	1.1598	2.0000
19.10.11	1,146.54	147.85	1.7744	0.9892	2.0000
20.10.11	1,143.03	147.92	0.7101	1.0075	2.0000
21.10.11	1,144.51	148.00	0.3900	0.3681	2.0000
Trend	-5.2	0.3	-1.5	-0.9	0
%	-0.5	+0.19	-79.6	-71.4	0

### MAIN NEWS OF KAZAKHSTANI STOCK MARKET

**October 18 Republic of Kazakhstan Agency on Statistics reported that retail sales in January-September 2011 increased in comparison with the corresponding period the previous year by 12.8% and reached KZT 2,557.5 billion.** In September, retail sales of goods increased by 11.2% compared to September 2010. The volume of sales of goods by trading enterprises in January-September 2011 amounted to KZT 1,326.1 billion or 6.5% more than in January-September 2010.

**October 17 it became known that in Halyk Bank of Kazakhstan Vice-Chairman of the Board has been replaced.** As stated in the report, in accordance with the decision of the Board of Directors from October 15, 2011 Karykova Alia Sakenovna was elected as a member of the Board. She succeeds Abdulina Nailya Kurmanbekovna, who was appointed to the post of Adviser to the Office of the Board of Directors and Management.

**October 17 Fitch Ratings has affirmed the following ratings of Kazakhstani JSC "KazTransOil" ("KTO"):** Long-term Issuer Default rating ("IDR") in foreign currency at "BBB-" and short-term foreign currency IDR "F3". Outlook on Long-term IDR is "Stable". Fitch rates KTO on the basis of stand-alone credit company, as its legal, operational and strategic ties with the parent structure, JSC "National Company "KazMunayGas" ("NC KMG", "BBB-"/forecast "Stable"/"F3"), considered to be limited in accordance with the methodology of Fitch "The relationship between ratings of parental and subsidiary companies". As indicated, the approval of the KTO ratings reflects monopoly of company in the sector of transportation of oil in Kazakhstan, whose economy is highly dependent on oil. Fitch forecasts a sharp increase in oil production in Kazakhstan production begins in the Kashagan oilfield in the Caspian Sea, which is expected to power, will happen in 2015. As a result, oil production in the country is expected to double to around 2020, which will allow Kazakhstan to enter the top five largest oil-producing countries in the world. Who carries around 58 % of all oil produced in Kazakhstan, and therefore the company should favorably affect the expected increase in oil production in the country in the medium term.

**October 17 became known, that October 13, 2011 Esenbayev Malik Tuleubekovich was appointed as the Chairman of the Board of JSC Accumulative Pension Fund UlarUmit.** It is reported that the Board of Directors of the Fund from October 12, 2011 terminated the authority of Chairman of the Board of the Fund Alimgazieva Gulnara Bylgarievna.

**October 18 it was announced that Moody's Investors Service changed its outlook to "stable" from "negative" on Corporate rating (CFR) B3, and the probability of default rating (PDR) B3 of RG Brands JCS (Kazakhstan).** As stated in the report, Moody's decision to change its outlook on RG Brands to "stable" was caused by the expectation of continuing to improve operating performance of the company in accordance with the latest trends. Moody's expects that this improvement will lead to (I) a satisfactory liquidity position in 2011 and first half of 2012; (II) reduction in leverage (measured by the ratio of adjusted debt to EBITDA) in the direction of 3.5x, and (III) and EBITA margin maintenance cash flow from operations/debt above 10% over the next 12-18 months.

**October 19 it became known that the service of credit rating Standard & Poor's has assigned a long-term counterparty credit rating and financial strength of insurance company "B +", as well as national scale rating "kzBBB" of Insurance Company Kazkommerts Policy JCS (IC "Kazkommerts Policy").** The outlook is "stable". In general, S & P evaluates the competitiveness of IC "Kazkommerts Policy" as weak as the negative impact on it have a relatively low by international standards, the volume of collected insurance premiums and high industry and country risks in Kazakhstan. S & P notes that the results of (gross) are quite volatile due to the operations of fronting in the segment of civil liability. S & P evaluates the operating results of IC "Kazkommerts Policy" as sufficient due to strong performance on the operations of insurance and high investment results. The combined loss ratio (gross) estimated to be volatile due primarily to the influence of fronting. However, the combined loss ratio (net) is quite stable and was 81% in 2010 (78% in 2009).

## Stock exchange market

During the study period at KASE on the secondary market sale 161 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	491.6	-18.7%	1.5 times
Average daily volume. KZT m.	72.7	-18.7%	1.5 times
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of shares denominations*	17	-15.0%	+21.4%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	10	-4.7 pp	+9.8 pp
Stake of individuals. gross (%)	51.3	+7.4 pp	-18.9 pp
on purchase	56.0	+10.5 pp	-3.8 pp
on sale	46.6	+4.2 pp	-34.1 pp
Stake of nonresidents. gross (%)	6.7	+0.7 pp	+6.7 pp
on purchase	2.1	-3.4 pp	+2.1 pp
on sale	11.3	+4.7 pp	+11.3 pp

\*on which the deals on KASE have been conducted

In the described period falling of average daily prices was detected for eight equities, growth showed 3 tools involved in the transaction, prices of six instruments have not changed. Adverse change in the weighted average share price was in the range from 0.01% (RDGZp) to 4.62% (KKGB), positive - from 0.81% (RDGZ) to 4.32% (KZTKp).

Last week the KASE index did not show significant changes. The indicator value rolled by only 5 basis points and stood at 1,144.5 basis points.

The leader of the fall of the week among the papers of representative list of stocks was Kazakhmys, whose quotations have fallen by 4.3%. Meanwhile the quotes in ENRC dipped by 2%. The decrease was due to the fact that Chinese GDP in the 3rd quarter increased by 9.1%, not having justified expectations of the international commodity market.

In contrast to base metals quotations of oil increased slightly in the intervening period after the investors grew confident that the EU is determined to fight the debt crisis. Against this backdrop, shares of KMG EP managed to gain a foothold in the "green zone".

Also, growth was led by Halyk Bank of Kazakhstan JCS quotes of securities of which jumped by 7%, thus restoring the loss.

More detailed information on share trades at KASE is given in the table below:

### Results of share trades on KASE, including STF of RFCA within October 17-21, 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. of deals	Demand	Best for The period: Supply,		
	min	max	Last deal: price	trend,%					for last 365 days: min	max
BSUL	630	630	630	0	630	658.05	30.28	4	630	630
BTAS	1.3	1.55	1.4	-5.41	1	10	4.33	8	1.55	1.3
CAHO	37.5	37.5	37.5	0	37.5	37.51	44.30	1	37.5	37.5
CCBN	315	329.9	320	-3.03	315	670	138.17	5	329.9	315
EXBN	1090	1090	1090		1090	1090.01	0.03	1	1090	1090
GB_ENRC	1500	1575	1500	-1.96	1275	2600	39.84	4	1575	1500
GB_KZMS	1950	2166.75	2020	-4.27	1780	3800	81.95	13	2166.75	1950
HSBK	205	219.35	216	+6.93	197	445	122.70	23	219.35	204
KKGB	240	258	255	-1.92	240	616	17.77	15	260	240
KKGBp	148	148	148		144	230	30.67	1	148	148
KZTK	17900	18200	18153.27	-0.26	13500	20850	161.58	7	18200	17900
KZTKp	10150	10600	10600	+3.92	7405	10600	625.43	9	10600	10150
MMGZp	5500	5500	5500		5100	10450	0.37	1	5500	5500
RDGZ	14299	14399	14299	+0.70	12100	21000	424.23	13	14399	14200
RDGZp	13050	13800	13720	+0.15	12100	20510	602.36	48	13800	13050
SATC	71.03	71.03	71.03	-0.03	71	72	67.19	6	71.03	71.03
ZERDp	5.4	5.4	5.4	0	4.6	5.72	66.96	2	5.4	5.4
17							2,458.2	161		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 19 – October 19)

## Corporate bonds market

In this sector of KASE during the analyzed period 40 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	8,273.4	+129.2%	+57.2%
Average daily volume. KZT m.	1,223.8	+129.3%	+59.6%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
Number of bonds denominations*	21	+5.0 pp	0
Stake of pension funds. gross (%)	0	0	0
on purchase	0	0	0
on sale	0	0	0
Stake of individuals. gross (%)	6.7	+4.1 pp	-11.1 pp
on purchase	13.3	+9.1 pp	+11.1 pp
on sale	0.1	-1.0 pp	-33.2 pp
Stake of nonresidents. gross (%)	16.7	+16.7 pp	+0.2 pp
on purchase	16.3	+16.3 pp	-5.8 pp
on sale	0	0	-11.0 pp

\* on which deals were made at KASE

Following the period, growth of average net price on the open market bonds characterized 10 items, fall - 8, the price of three tools have not changed, 2 tools were traded for the first time. Yield to maturity on deals rose in the week for 7 bonds, declined - for 6, yield of 6 instruments has not changed. Positive change in bond yield to maturity was in the range from 0.01% (EUBNb9) to 4.68% (KKGBe15), negative - from 0.01% (AESOb1) to 2.43% (BRKZe3).

More detailed data on corporate bonds on KASE is shown in the table below:

### Results of bond trades on KASE including STF of RFCA within October 17-21, 2011 (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:						Amount Of deals, Th. USD	Number Of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
AESOb1	12.99	13.00	12.99	-0.01	12.50	13.00	1.49	2	12.99	13.00
ATFBe3	7.08	7.12	7.08	-0.09	4.64	7.61	1,919.36	3	7.08	7.12
BRKZe3	6.77	6.77	6.77		6.36	9.00	629.48	1	6.77	6.77
CCBNb15	8.90	8.90	8.90		8.00	10.00	7,113.37	5	8.90	8.90
CCBNb3	15.22	16.35	16.35		6.21	16.35	159.04	2	14.00	16.35
CSBNb10	9.00	9.00	9.00	0	9.00	9.00	7,809.41	1	9.00	9.00
CSBNb7	12.00	12.00	12.00		12.00	14.00	21.22	1	12.00	12.00
EKGSb1	8.00	8.00	8.00		7.29	9.00	2,519.99	2	8.00	8.00
EUBNb3	9.97	9.97	9.97		8.00	11.00	67.08	1	9.97	9.97
EUBNb7	8.00	8.00	8.00		8.00	10.00	20.88	1	8.00	8.00
EUBNb9	8.00	8.00	8.00		7.96	11.00	19.68	1	8.00	8.00
EXBNb2	13.00	13.00	13.00		10.00	18.50	5.46	1	13.00	13.00
HSBKe2	6.82	6.82	6.82		4.34	6.82	1,046.65	1	6.82	6.82
HSBKe3	8.10	8.10	8.10		6.30	8.10	2,488.82	3	8.00	8.10
KKGBe15	12.34	12.50	12.50		7.72	12.50	3,218.25	5	12.34	12.50
KMGZe3	-5.69	-5.48	-5.69		-5.69	-5.23	4,891.54	2	5.02	5.33
KZAPe1	5.17	5.47	5.17		4.36	5.47	9,226.77	3	5.17	5.47
ORDKb2	12.00	12.00	12.00	0	12.00	16.02	23.55	2	12.00	12.26
TKUdb1	0.51	0.51	0.51	0	0.51	9.26	173.33	1	0.51	0.51
TSBNb5	8.00	8.00	8.00	-1.00	8.00	14.00	0.72	1	8.00	8.00
ZERDb1	16.00	16.00	16.00	0	5.00	54.50	11.11	1	16.00	16.00
21							41,367.2	40		

Notes: Trends are given relative to the last deal of the previous 30 days period (September 19 – October 19, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

October 19 in the trade system of KASE specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-192 of the first issue (KZKDKY160015, MUM192\_0001; 1,000 tenge, 10/19/11, 10/19/27, annual coupon, 30/360) was held, on which the Ministry of Finance planned to borrow 15.0 billion tenge. Subject of bargaining is the coupon rate. The auction was attended by 16 primary dealers, which were members of KASE of category "C". Through these subjects, investors filed 52 applications, of which the time expired applications remained active 35 orders. The total amount of active orders (demand volume) amounted to 43,001.0 million tenge and exceeded the suggested volume of 2.9 times. As a result of trade, the issuer granted the application for the purchase of 15,333,333 of bonds to the amount of

KZT 15,333,333,000.00 (102.2% of planned volume of placement) under 5.30% per annum.

**October 21 in the trade system of KASE specialized auction on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 of one hundred and twentieth release was held** (KZK1KY011206, MKM012\_0120, 100 tenge, 21/10/11, 21/10/12), on which the Ministry of Finance planned to involve 10,000.0 million tenge. The subject of the auction is the price of bonds. Three primary dealers participated in trades, who are mainly members of KASE category "K". Through these investors filed six applications, of which the expiration time applications were active four warrants. The total amount of active orders (demand volume) amounted to 8,125.0 million tenge and exceeded the suggested volume by 1.2 times. The price of bonds in active bids varied from 97.5610% to 98.4218% of the cost, in average terms 97.8921% of the value of the bond. As a result of trade, the issuer granted the application for the purchase of 16,666,666 of bonds to the amount of 1,640,363,267.72 tenge (16.7% of the planned volume of placement) at 1.6035% per annum.

### Secondary market sector)

During the study period, the total amount of 10 deals made on KASE amounted to 10,707.7 million tenge (\$72.4 million). In the previous period (10 - 14 October 2011) the figure was 2,019.8 million tenge (\$ 103.6 million), with 7 transactions. Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 100.0% (in the previous period - 93.0%).

### Parameters of Exchange's transactions in GS within October 17-21, 2011

Days till maturity	Yield to maturity for a buyer. % APR.			last deal	Days till maturity	Volume,	
	min	max	min			max	
Discount (KZT): National Bank notes						82.7% (39.5%) of sales sector turnover	
8 - 14	2.00	2.00	2.00	2.00	2.00	1,999.01	1.00
29 - 36	1.50	1.50	1.50	1.50	1.50	10.98	2.00
182 - 364	2.00	2.00	2.00	2.00	2.00	6,844.88	4.00
Total						8,854.9 (798.1)	7 (2)
Coupon (KZT): MEUKAM, MEOKAM						17.3% (60.5%) of sales sector turnover	
More than 2191	4.90	5.25	5.25	5.13	5.13	1,643.26	2
More than 1096	5.00	5.00	5.00	5.00	5.00	209.52	1
Total						1,852.8 (1,221.7)	3 (5)
TOTAL						10,707.7 (2,019.8)	10 (7)

## WORLD MARKETS

### Main news of the world markets

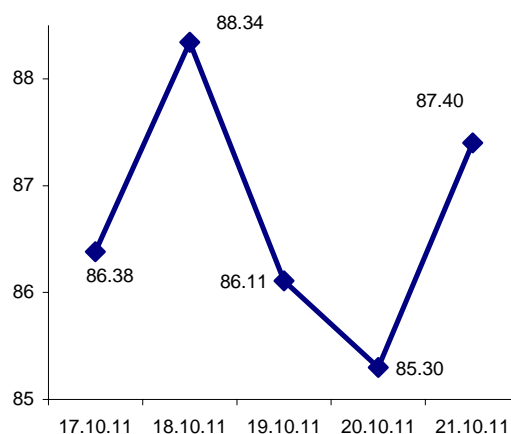
**October 17 The U.S. Commerce Department reported that retail sales in the country in September 2011 increased by 1.1% compared with August and amounted to \$ 395.5 billion**, analysts had expected growth rate in September by only 0.5%. At the same annualized sales in the retail sector in September rose 7.9%. Sales, excluding cars and parts, rose in September by 0.6% to \$ 326.67 billion

**October 18 it was reported that net profit of Bank of America, attributable to shareholders for the third quarter of 2011 totaled \$ 5.9 billion**, compared with a loss of \$ 7.65 billion a year earlier. Thus, earnings per share in the third quarter totaled \$ 0.56, while analysts predicted a value of \$ 0.2. With the proceeds of the bank, net of interest expense, increased by 6.5% year on year and totaled \$ 28.45 billion

**October 18 British the Guardian, with reference to EU diplomats said that France and Germany have agreed to increase the European Financial Stability Fund from 440 billion euro to more than 2 trillion euro.** As indicated by the publication, the agreement should be reached at the EU summit on 23 October. The plan of financial aid to Greece will be ready by October 26.

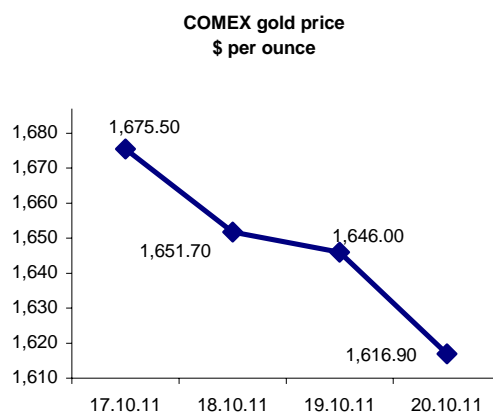
**October 19 The U.S. Labor Department reported that consumer prices in the U.S. in September 2011 compared with the previous month increased by 0.3%.** Except for the price of food and

NYMEX Light Sweet Crude Oil



energy prices, consumer prices in September 2011 in the U.S. rose by 0.1% in monthly terms. In August this year, the figure in comparison with the previous month increased by 0.2%.

**October 19 it became known that the international rating agency Moody's Investors Service cut Spain's sovereign credit rating by two notches**, saying that the levels of debt in the banking and corporate sectors make the country vulnerable to financial stress. The deterioration of growth prospects in the euro area also harder for Spain to achieve its ambitious budget goals, added the agency. In particular, Moody's reported that remain deeply concerned about the situation with the financing of regional governments. The agency has downgraded the country to "A1" from "Aa2". As noted, Spain promised to cut the budget deficit to 6% of GDP this year from 9.3% of GDP in 2010, but many economists fear that this would be restricted by lack of fiscal discipline at the regional level. Regional governments need to reach this year's deficit of 1.3% of GDP.



**October 20 operational results of the world's largest high-tech Apple Inc. for the quarter ended September 24, 2011 came into light.** As reported by the company for the fourth quarter of 2010-2011 fiscal year, net income increased by 54% to \$ 6.623 billion, or \$ 7.05 per share. The company's revenue for the quarter grew by 39% to \$ 28.270 billion, These results are not impressed analysts who had expected a net profit of \$ 7.38 per share, and revenue - to \$ 29.6 billion

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