

WEEK OF STOCK MARKET OF KAZAKHSTAN

June 11 - 15, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
08.06.2012	1,016.88	148.64	0.65	0.76	2.00
11.06.2012	1,001.21	148.70	0.88	0.68	2.00
12.06.2012	993.62	148.83	0.96	0.93	2.00
13.06.2012	984.12	148.90	0.86	0.78	2.00
14.06.2012	981.91	148.96	0.37	0.47	2.00
15.06.2012	972.10	148.99	0.12	0.41	2.00
Trend	-44.78	0.35	-0.54	-0.35	0
%	-4.4	+0.2	-81.8	-46.2	0

MAIN NEWS OF KAZAKHSTANI MARKET

June 12 the Agency on Statistics reported that:

- Unemployment rate was 5.3% in May 2012. In the economy of the Republic in May 2012 (estimated) 8.5 million people were employed. As compared to the same period of last year, their number increased by 294.9 thousand people or 3.6%. Number of employees in that period amounted to 5.8 million people (68.1% of total employment). The number of unemployed persons in May 2012 was estimated at 473.6 thousand people, the unemployment rate - 5.3%.
- Index of entrepreneurial confidence in May 2012 rose by 3 percentage points. Managers of industrial enterprises have noted an increase in demand for finished goods, production and business activity in May 2012 as compared with the previous month. The index of entrepreneurial confidence, which characterizes the change in business activity, increased by 3 percentage points and amounted to (+12)%. According to the majority of managers of industrial enterprises, in the short term until August 2012 growth in their business is expected. The constancy of the financial and economic situation and the inventory in May 2012 as compared with the previous month, according to leaders of trading enterprises, impacted their business activities. The index of entrepreneurial confidence remained unchanged at (5)%. Prior to August 2012 (66)% of companies expect the immutability of the financial and economic activity as compared to the current moment, (23)% - improvement and (8)% - recession.
- "The index of consumer experience" in May 2012 as compared with the previous month decreased by 1 percentage point and amounted to (19%). In May 2012 32% of respondents said about improving economic situation in the country over the past 12 months, while 13% of respondents reported on deterioration.
"The index of the economic climate" as compared with the previous month remained unchanged at (19)%. Less than a third of respondents (32%) expected further improvement in the overall economic situation in the country in the next 12 months, 13% believe that it could get worse. "The index of willingness to buy" as compared with the previous month decreased by 2 percentage points and amounted to (18)%. Less than a third of respondents (32%) in May 2012 reported improved financial situation in their own household and in the same place, 14% of respondents reported deterioration in the financial and economic condition of their households. According to 11% of respondents over the next 12 months, the situation regarding the level of unemployment in the country will improve, while 9% hold the opposite opinion. The probability of increasing the amount of cash savings in the households over the next 12 months was reported by 16% of consumers surveyed, while 17% - reduction.
- Physical volume index of industrial production amounted to 102.3%, the Republic of Kazakhstan Agency on Statistics reported June 11, 2012. As stated, in January-May 2012 as compared to the same period in 2011 production of coal, gas and metal ores has increased. Production of chemical, metallurgical industry, machine building and construction materials has also increased. The increase in production was observed in 10 regions. Reduction was noted in Atyrau, Akmola, West Kazakhstan, Karaganda, Mangistau regions and the city of Astana.

June 12 the press service of the Ministry of Agriculture reported that Kazakhstan has shipped about 6.5 m. tons of grain for export from the beginning of the year. According to the Republic of Kazakhstan Agency on Statistics, sown area of crops amounted to more than 21 million hectares in Y2011. As stated, most of the area, more than 16 million hectares or 76.5%, was planted with cereals (including rice) and legumes, more than 2.5 million hectares or 12.4% was devoted to fodder crops, and 1.8 million hectares or 8.6% - for oilseeds. Since the beginning of the year as of June 11 about 6.5 million tons of grain including flour in grain equivalent have been shipped for export including about 5 million tons of grain, over a thousand tons of flour. In the current marketing year, Kazakhstan shipped to export about 11 million tons of grain including flour in grain equivalent. So, every month about 1 million tons of grain are shipped, and before September 1 it's planned to ship about 3 million tons of grain.

June 13 the Republic of Kazakhstan Agency on Statistics reported that:

- Average per capita nominal income of the Kazakhstani population in April 2012, according to preliminary data, amounted to KZT 49,450, an increase over the corresponding period of 2011 by 13.8. As indicated, the real income in April 2012 increased by 8.6%. Leading position in the size of average per capita income in April 2012 belongs to Atyrau, Almaty and Mangystau regions, where the figure exceeded the average national level 2.4 -1.7 times. The most low-income regions in April 2012 include the South Kazakhstan, Zhambyl and Almaty region, in which the value of household income averaged 60.5% and 77.5% of the national level. However, the highest rates of growth of real money incomes of population are found in Mangystau and Kostanai areas. The ratio between the maximum and minimum values of nominal income by regions in April 2012 was 3.9 times (in April 2011 - 3.8 times).
- In May 2012 the prices in some segments of the economy have changed. Industrial products of manufacturing enterprises over the last month became cheaper by 1.6%, agriculture - 1.3%. Fees for postal, courier and freight services for businesses have not changed, communications - increased by 0.3%. Prices in the construction and wholesale trade increased by 0.4%. Inflation was 0.7% last month.
- In May 2012 on the housing market increase in prices was observed. In May 2012, as compared with the previous month, prices of sale of new housing and resale of decent housing rose 1.4%, indecent housing – 1.7%, rent of decent housing – 1.6%.
- In April 2012 the average monthly nominal wage per employee was 97,568 tenge. The index of nominal wage to April 2011 amounted to 117.2%, real wage - 111.8%. In the industrial structure the highest wages fell on the workers of the financial and insurance activities - 205.8 thousand KZT (2.1 times higher than the average national level), professional, scientific and technological activities - 193.7 thousand KZT (2.0 times), in mining and quarrying - 186.7 thousand KZT (1.9 times). The lowest wages fell on workers in agriculture, forestry and fisheries - 43.2 thousand tenge, which is less than the national average by 55.7%. Regionally, the highest salary was noted in the Atyrau region - 183.6 thousand tenge, which is 1.9 times the average national rate. In the North Kazakhstan region its value amounted to 64.6 thousand tenge or 33.8% below the national average.
- 80.6 thousand people were employed by the large- and medium-scale enterprises, 77.2 thousand - dropped out in May 2012. Among the dropped out employees the share of resigned workers is 81.0%, due to downsizing - 2.0%, for other reasons - 17.0%. In May 2012 turnover ratio of reception was 2.6%, turnover ratio of dismissal - 2.4%, the coefficient of labor turnover - 2.0%. Replacement rate of the labor force for the period amounted to 104.4%.

June 14 in the first reading Majilis approved the bill "On making amendments and addenda to some legislative acts of the Republic of Kazakhstan on the reduction of permits and optimization of control and oversight functions of government." The bill was developed to implement to the presidential commission on further reduction of the number of licenses and permits by 30%. The bill provides amendments to 80 laws of the Republic of Kazakhstan aimed at the abolition of licensing of certain activities not consistent with the principles of licensing, reduction and optimization of control and oversight functions of government, a ban on the testing of newly created small and medium-sized businesses over three years. Within the working group on the bill deputies made amendments aimed to improve and clarify certain provisions of the draft revisions. The working group has received over 250 proposals, which were discussed in depth at the five working group meetings involving all relevant ministries and departments, public organizations and the enlarged meeting of the Committee. All committees of the Majilis provided positive opinion on the bill.

June 14 Majilis approved amendments to the law on housing construction savings in Kazakhstan. The bill is designed to implement the orders of the President of the Republic of Kazakhstan Nursultan Nazarbayev in his Address to the people of Kazakhstan on January 29, 2010 "New Decade - New Economic Growth - New Opportunities for Kazakhstan", and suggests changes and amendments to the Law of the Republic of Kazakhstan dated December 7, 2000 "On housing construction savings in the Republic of Kazakhstan." As indicated, during the discussion of the bill in the Majilis, deputies made a number of editorial changes to ensure the elimination of internal contradictions, filling the gaps of legal regulation, or clarification of the wording of the draft version of the law. All standing committees of the Majilis gave generally positive conclusions. Working group meeting was held with the participation of members, employees of state bodies and Housing Construction Savings Bank of Kazakhstan JSC.

STOCK MARKET

Secondary market section

During the study period at KASE on the secondary purchase market 375 deals were conducted.

	Current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	1,201.8	-24.3%	+14.5%
Average daily volume. KZT m.	178.9	-24.2%	+15.2%
Stake of nego deals. number (%)	0.003	-0.0001 pp	+0.003 pp
Stake of nego deals. volume (%)	0.004	-0.003 pp	+0.004 pp
KASE members	30	-3.2%	+3.4%
Number of shares denominations*	22	+15.8%	+46.7%
Stake of pension funds. gross (%)	0	-2.9 pp	0
on purchase	0	-5.8 pp	-19.3 pp
on sale	1.7	+1.7 pp	+1.7 pp
Stake of individuals. gross (%)	49.7	-2.5 pp	-0.3 pp
on purchase	47.4	-6.7 pp	-17.4 pp
on sale	52.0	+1.8 pp	+16.8 pp
Stake of nonresidents. gross (%)	0	0	-3.1 pp
on purchase	0	0	-2.9 pp
on sale	8.5	-12.6 pp	+5.2 pp

In the described period growth in average daily prices was detected for 6 instruments, fall was demonstrated by 13 instruments involved in the transactions; prices of 2 instrument remained unchanged. The negative changes in the weighted average share price were fixed in the range from 0.03% (SATC) to 21.55% (MREK), positive - from 0.02% (MMGZp) to 16.73% (KASE).

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

Results of share trades on KASE, including STF RFCA within June 11-15, 2012 only by data on deals made on the secondary market of KASE with open trading):

Share	KZT per share:		Amount	Num.	Best for				
code on KASE	Min.	Max.	Last deal: price	trend,%	For last 365 days: min, max,	of deals, th. USD	of deals	D	S
BSUL	556.00	556.00	556.00	0	556.00 642.00	26.8	3	556.00	556.00
BTAS	0.65	0.68	0.67	-2.9	0.20 3.00	2.1	5	0.70	0.55
CCBN	217.00	232.19	217.00	-1.4	215.00 505.04	9.6	3	232.19	217.00
GB_ENRC	950.00	1,080.00	965.00	-8.1	950.00 1,950.00	374.7	42	1,080.00	950.00
GB_KZMS	1,600.00	1,750.00	1,700.00	0	1,585.00 3,300.00	94.9	15	1,750.00	1,600.00
HSBK	198.00	205.00	199.00	-1.5	185.01 333.00	258.4	63	205.00	198.00
HSBKp1	158.00	159.00	158.00	-1.3	156.38 175.00	65.3	4	160.00	158.00
KASE	5,720.00	5,720.00	5,720.00		4,500.00 5,720.00	230.6	2	7,500.00	5,720.00
KKGB	183.00	206.00	189.97	-7.3	175.00 415.00	192.5	25	206.00	183.00
KZTK	14,000.00	14,590.00	14,085.00	-2.9	9,999.00 33,000.00	1,336.6	88	14,590.00	14,000.00
KZTKp	12,801.00	13,495.00	13,450.00	+1.9	7,490.00 27,500.00	804.7	41	13,500.00	12,801.00
MMGZp	5,900.00	5,910.00	5,910.00		4,000.01 7,500.00	1.4	2	5,910.00	5,800.00
MREK	1,700.00	1,700.00	1,700.00		1,182.00 3,000.00	159.4	1	1,700.00	1,700.00
RAHT	1,810.00	1,810.00	1,810.00		1,000.00 1,810.00	24.1	1	1,810.00	1,806.12
RDGZ	15,000.00	16,000.00	15,100.00	-8.2	12,100.00 18,950.00	552.6	29	16,000.00	15,000.00
RDGZp	10,501.00	11,895.00	10,550.00	-19.2	10,501.00 18,170.00	527.3	34	12,000.00	10,501.00
SATC	39.98	39.98	39.98	-0.03	39.96 71.63	45.6	1	39.98	39.98
SLDT	100.00	100.00	100.00		100.00 100.00	4.3	1	100.00	100.00
TEBNp	550.00	655.00	550.00	-15.8	550.00 900.00	510.0	4	655.00	550.00
TSBN	1,050.00	1,051.00	1,051.00	-9.0	670.00 1,155.00	71.5	3	1,051.00	1,050.00
ZERD	1.24	1.26	1.24	+2.5	1.10 1.65	10.8	2	1.26	1.24
ZERDp	3.20	3.20	3.20	0	3.20 5.56	684.3	5	3.20	3.20
22						5,987.3	374		

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

CORPORATE BONDS MARKET

Primary market sector

June 12 in the KASE trading system specialized auction on placement of subordinated bonds KZP01Y10E053 (KZ2C00001618, SSBnb10) of Kaspi Bank JSC (Almaty) was held. The issuer planned to offer 70 million bonds KZP01Y10E053 (70.0% of the total number of registered bonds of this issue). The auction was attended by three members of KASE, who filed seven applications for the purchase of 35,480,000 of bonds, of which at the end of the application period three applications were active. Thus, the demand at the auctions was 50.7% of the proposal. **As a result of the auction, the issuer has established cut-off price at the level of 111.7872%, which corresponds to the bond yield to maturity at a rate of 9.1% per annum, and granted two applications, thus placing 35.44 million of bonds. The amount of involvement in this case amounted to 4,126,102,263.11 tenge. The entire amount of outstanding bonds was purchased by pension market entities.**

Secondary market sector

During the study period at KASE on the secondary market 61 deals were made.

	Current week	Change for	
		1 week	2 weeks
Average daily volume, USD th.	4,489.3	+45.6%	-41.0%
Average daily volume, KZT m.	668.3	+45.8%	-40.7%
Stake of nego deals, number (%)	0	-0.02 pp	-0.01 pp
Stake of nego deals, volume (%)	0	-0.01 pp	0
KASE members	29	+31.8%	-3.3%
Number of bonds denominations*	21	0	-16.0%
Stake of pension funds, gross (%)	31.8	+17.2 pp	+26.9 pp
on purchase	55.3	+37.1 pp	+53.6 pp
on sale	8.3	-2.7 pp	+0.2 pp
Stake of individuals, gross (%)	1.0	-2.9 pp	-0.4 pp
on purchase	0.1	-0.2 pp	-2.0 pp
on sale	1.9	-5.6 pp	+1.3 pp
Stake of nonresidents, gross (%)	5.7	-8.1 pp	-18.3 pp
on purchase	11.2	+7.4 pp	-0.1 pp
on sale	0.2	-23.5 pp	-36.4 pp

* on which deals were made at KASE

Following the period yield to maturity rose for 4 bonds, declined - for 13 bonds. Positive changes in yields to maturity were in the range from 0.0002% (PRKRb5) to 2.94% (ORDKb2), negative - from 0.08% (ZERDb1) to 7.51% (SATCb1).

More detailed information on corporate bonds on KASE is shown in table.

Results of bond trading on KASE within June 11 - 15, 2012

(only on data of deals made on secondary market of KASE by open trading excluding direct deals):

Code of the bond on KASE	Yield to maturity for a buyer. % APR:		Yield to maturity for a buyer. % APR:				Volume of deals, Number of deals		Best for the period:	
			Last deal:		last 365 days,:				D	S
	min.	max.	yield	trend, %	min.	max.	th. USD	of deals	D	S
ATFBb4	7.70	8.50	7.70		7.70	9.00	5,470.7	2	7.70	8.50
ATFBb6	7.70	8.40	7.70		5.50	9.50	1,888.0	2	7.70	8.40
CCBNb13	8.75	8.75	8.75		7.50	9.00	454.1	2	8.75	8.77
CCBNb9	8.00	8.00	8.00		8.00	11.00	1,999.1	2	8.00	8.03
CCBNb3	16.27	16.27	16.27	+1.1	6.21	16.35	182.7	1	16.26	16.27
CSBNb7	9.70	9.71	9.70		8.00	12.00	1,513.4	5	9.70	9.71
EUBNb3	8.89	8.89	8.89		8.00	10.80	97.8	1	8.78	9.00
EUBNb5	9.00	9.00	9.00		8.00	9.00	44.0	2	9.00	9.00
HSBKb8	7.40	7.40	7.40		7.40	10.50	656.8	1	7.40	7.46
KKGBb24							3.3	1	24.46	24.46
KMGZb4	4.99	4.99	4.99	-0.7	3.88	7.81	22.0	1	4.99	4.99
KMGZe3	-7.22	-7.22	-7.22		-7.22	-5.23	2,617.7	2	4.16	4.16
KZIKb18	9.18	9.40	9.40		8.50	11.00	34.6	2	7.29	9.50
ORDKb2	12.00	15.00	12.00	+0.0001	12.00	16.00	34.3	2	12.00	15.00
PRKRb5	7.50	7.50	7.50	+0.0002	6.80	7.50	21.8	1	7.50	6.79
RESCb1	10.90	11.00	10.90	-0.1	8.00	11.00	6,313.4	4	9.50	11.00
RGBRb5	5.00	7.00	5.00	-2.0	5.00	13.88	6.2	9	5.00	7.00
SATCb1	11.99	11.99	11.99		10.00	20.00	671.2	1	11.99	11.99
TSBNb2	5.50	6.00	5.50	-0.5	5.50	9.00	19.5	12	5.50	6.33
TSBNb5	9.00	9.00	9.00		8.00	11.50	133.0	1	9.00	9.00
ZERDb1	13.90	14.00	13.90	-0.1	9.42	17.40	262.6	7	13.90	14.00
21							22,446.3	61		

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

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

June 13 in KASE trading system repeated specialized auction on placement of long-term treasury securities of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-72 of issue 8 (KZKDKY060082, MUM072_0008; 1,000 tenge, 13.06.12– 13.06.18, 30 / 360) was held, on which the Ministry of Finance planned to raise KZT 15,000.0 m.. The subject of the auction was the coupon rate. The auction was attended by 11 primary dealers, who were members of KASE. Through these subjects investors filed 27 applications, of which by the expiration time 23 warrants were active. The total amount of active applications (demand volume) was 31,715.6 million tenge. Net price of bonds on submitted active applications varied from 4.10% to 5.40%, average – 4.7953%. **As a result of trading, the issuer granted the application for purchase of 16,383,333 bonds in the amount of 16,383,333,000.00 tenge (109.2% of planned volume of placement) with 4.48% per annum..**

Secondary market sector

During the period total volume of 44 deals made on KASE was 10,670.9 million tenge. Share of exchange turnover in the overall volume of Kazakhstani secondary market for government securities on comparable sales and purchases in the analyzed period was 100.0%.

Parameters of transactions in GS within June 11-15, 2012

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, m. tenge on the discount	Number of dealsx
	min	max	last deal	average weighted		
Discount (KZT): MEKKAM, National Bank notes					39.3% (0) of the turnover of purchase and sale sector	
15 - 28	1.35	1.35	1.35	1.35	3,996.3	2
92 - 181	1.52	1.52	1.52	1.52	198.5	1
Total					4,194.8 (0)	3 (0)
Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM					60.7% (100.0%) of the turnover of purchase and sale sector	
Less than 730	2.88	2.88	2.88	2.88	359.4	1
731 - 1095	-1.40	-1.40	-1.40	-1.40 (3.40)	841.4	1
1096 - 1460	3.55	4.20	3.55	3.68	264.9	3
1461 - 1825	4.50	4.53	4.50	4.51 (4.00)	168.8	3
1826 - 2190	4.27	4.50	4.50	4.38	2,147.3	9
More than 2191	4.35	5.57	4.70	4.61	2,694.2	24
Total					6,476.1 (1,316.2)	41 (5)
TOTAL					10,670.9 (1,316,2)	44 (5)

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