



Major News Headlines

Economy:

- Navoi zone powers Uzbekistan's economy 2
- Kazakhstan streamlines currency control schemes 2
- Devaluation of manat not included in NB of Azerbaijan agenda 2

Financial Markets:

- Armenian Commercial Banks Increase Capital 3
- UzbekInvest develops cooperation with Turkmen organizations 3
- Kazakhmys Reports 30% Drop in Profit, Scraps Dividend 3

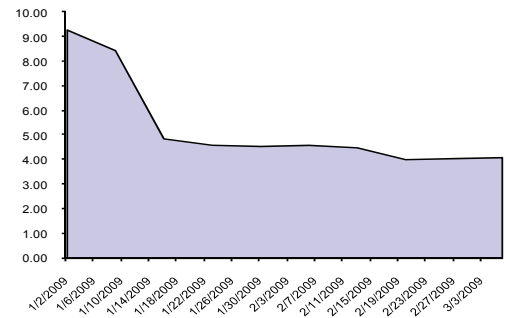
Company & Industry:

- Gazprom invests US\$215 mln in Uzbekistan field prospecting 4
- Zhaikmunai reports a 25% increase in revenues for 2008 4
- Investments in Azerbaijan's oil-and-gas contracts hits US\$30 bln 4
- WB earmarks US\$105 mln for Armenia 4

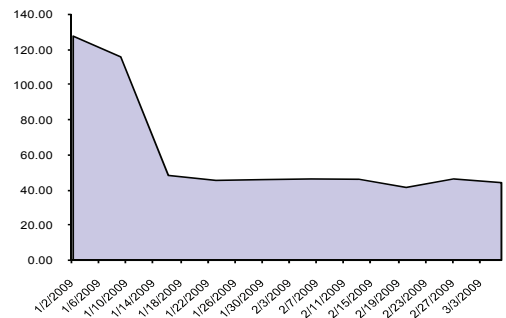
World Capital Markets Updates:

- Performances of Stock Exchanges in February 2009 5

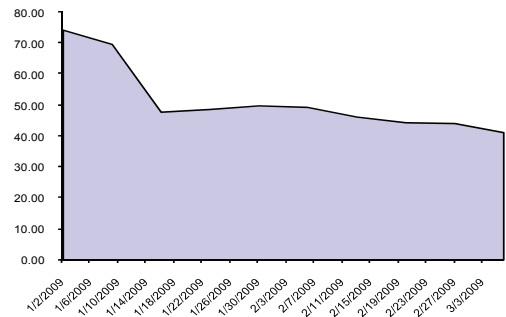
Natural Gas Future (MMBtu)



Brent Crude Oil Future (bbl)



Cotton No.2 Future (lb)

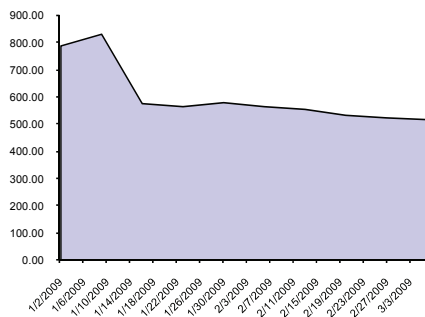


CURRENCY RATES (March 06, 2009)

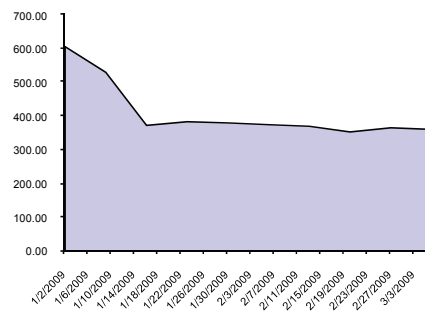
	US\$	EUR	RUB
UZS	1413.15	1850.24	39.56
UZS (weekly change, %)	0.33 ▲	6.53 ▼	1.33 ▲
KZT	150.31	189.27	4.18
KZT (weekly change, %)	0.03 ▲	1.14 ▼	0.71 ▼

Source: Central Bank of Uzbekistan, National Bank of Kazakhstan

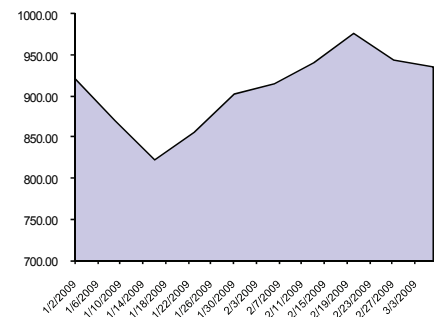
Wheat Future (CBT) (bu)



Corn Future (bu)



Gold 100 Oz Future



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Economy

The volume of **gross regional product** of **Navoi oblast (province)** for year 2008 amounted to US\$1.5 bln, Korea Times reported.

Consumer goods were produced in amount of 161.9 billion soums (**US\$115.4 million**) in 2008, growth rate amounted to 15.7% as compared with 2007.

Food products constitutes 38.0% and light industry products comprise 9.8% in the structure of consumer goods, the report said.

The central bank (**National Bank of Kazakhstan**) has said it would keep the exchange rate between 145 and 155 tenge per dollar for at least a year, but some analysts say it could come under more pressure if oil prices stay depressed for a long time.

Navoi zone powers Uzbekistan's economy

Main purpose of economic reforms implemented in Uzbekistan is an establishment and development of diversified economies in which non-state sector shall again prioritize. Non-state sector amounts 91.3% in the structure of industrial production.

Quantity of small and private enterprises is 14,100 units; and they account for 28.7% of Gross Regional Product of the province.

The share of the regional industrial production in total republican production amounts to 10%.

The economy of the province is based on such industrial enterprises as Navoi Mining and Metallurgical Combine, chemical industry enterprises (Open Joint Stock Company "Navoiyazot,"

Uzbek-Panamanian Joint Venture Joint Stock Company "Elektrokhimzavod"), enterprises producing construction materials (Joint Stock Company "Kyzylkumcement," Joint Stock Company "UPP"), machinery-building and electrochemical factories, a hydroelectric power plant (Open Joint Stock Company "Navoi TES"), enterprises of textile and food industries.

In total, 799 enterprises function in the province with annual production output of more than US\$595.2 mln.

Industrial enterprises of the province produce more than 50 types of important industrial products, such as ammonia nitrate (70%) of overall republican production," nitronic fiber (100%), sulfuric acid (25.4%), protective chemicals for plants (4.1%), ammonia sulfate (1%),

cement (50%), precast reinforced concrete products (4.2%), cotton fiber (3.5%), hosiery (1%) and knitwear products (0.5%), jewelry products (56%), walling materials (6%), foodstuff such as bakery products (2.4%), meat and meat products (2.1%), confectionery products (1.3%) and beer (2.6%).

Infrastructure of transport communications is well developed in the province: there are eight railways and nine automobile stations, two airports and developed network of automobile roads in the province. Length of railways constitutes 390.7 kilometers.

Tashkent-Turkmenistan and Tashkent-Uchkuduk railway lines trespass the territory of the province. (source: *uzreport.com* and *Korea Times*).

Kazakhstan streamlines currency control schemes

Kazakhstan moved on Wednesday to streamline procedures for introducing currency controls as a response to the global financial crisis.

Kazakhstan's lower house, Mazhilis, on Wednesday approved at first reading a draft law clarifying the currency control measures and procedures for introducing them.

Kazakhstan devalued its tenge currency by 18% against the dollar last month citing lower oil prices and similar devaluations in neighbouring countries including Russia.

Deputy central bank chairman Daniyar Akishev said that under the proposed law President Nursultan Nazarbayev would be able to implement currency

controls quickly.

'(Under the proposed law) we can introduce mandatory sale of export revenues,' Akishev told the parliament. 'Secondly, to stop companies from transferring their money abroad, we can bar them from keeping overseas foreign currency account.

'The current law does not allow for such a procedure, it is unclear how to introduce it and who should initiate it,' Akishev said. (source: *Bloomberg*).

Devaluation of manat not included in National Bank of Azerbaijan agenda

The National Bank of Azerbaijan (NBA) will prevent the national currency's devaluation, NBA Board Chairman Elman Rustamov said at a news conference.

"The NBA will protect the na-

tional currency. We consider this a serious issue. The devaluation of the manat is not included in our agenda," Rustamov said.

The NBA will retain the national currency's stability. The NBA has sufficient strategic currency reserves to covers 2.2 times the manat's turnover.

In January-February, the NBA sold US\$ 300 mln in manat exchange.

"Exchange devaluation in neighboring countries has a serious psychological effect on Azerbaijan. Although the manat has reduced 0.5 percent to the dollar and increased 9 percent to the euro, this has had a psychological effect on the population and corporative sector," Rustamov said. (source: *Trend Capital*).



Financial Markets

Armenian commercial banks also managed to attract US\$ 250 mln to ensure their own stability.

Armenian Commercial Banks Increase Capital

The Armenian commercial banks have increased their capital by US\$ 120 mln over the last few months, RA Prime Minister Tigran Sargsyan stated in his interview to the RA Public Television.

This means that bank owners have invested US\$ 120 mln in their banks to secure depositors' funds by means of their own funds.

"At present the commercial banks have US\$ 700 mln cash at their disposal, which enables them to serve their clients and economy. That is, the commercial banks are well prepared for serving the entire economic system, which was a necessity," T. Sargsyan said. According to him, the preparation for a floating rate meant enhancing the commercial banks' potential. CBA Board took into account the

gradually worsening trade conditions amid the present global economic and financial crisis, as well as lower capital flow rates, and decided to restrict its interventions in the currency market thereby reverting to its floating exchange rate policy. CBA experts believe that the USD average exchange rate will be 360-380 AMD/US\$1 this year.

"Over the last few months the Central Bank has repeatedly stated that our countries never abandoned the floating rate policy, but had just gave temporary preference to financial stability," T. Sargsyan said. According to him, this preference was expressed in stability on financial markets.

The Premier explained that the stable exchange rate allowed the CBA to ensure stability of the financial system and gradu-

ally bring the economy to a floating rate regime.

"During a certain period the national currency showed steady revaluation against the US dollar. However, influenced by the global economic crisis, our economy found itself in a situation when devaluation was and transition were required," the Premier said.

T. Sargsyan said that the economy is like a living organism, which must be prepared for temperature changes. "The Central Bank has been making statements and explaining its policy, which actually means preparations for this period. First of all, this means that the commercial banks were to enhance their potential, which was done," the Premier said. (source: *arka.am*)

Turkmen delegation visited Tashkent as a part of the first National Exhibition of Turkmenistan organized for the purpose of further development of bilateral trade and economic, investment and humanitarian contacts between Uzbekistan and Turkmenistan.

UzbekInvest develops cooperation with Turkmen organizations

During the official visit of the Turkmen delegation to Uzbekistan a meeting was held between the management of UzbekInvest Insurance Company and the management of the State Insurance Organization of Turkmenistan on the ways to develop bilateral cooperation in the field of insurance.

The press service of UzbekInvest Company reported that according to the results of the negotiations between the parties an agreement was reached to sign an Agreement on Cooperation envisaging the exchange of information in the field of mandatory and voluntary types of insurance products, and conducting reinsurance operations. Taking into account high capitalization of the UzbekInvest

National Company of Export and Import Operations, the Turkmen party was offered to use reinsurance capacity of the company in reinsurance of Turkmen risks abroad, which meets the interests of both countries with regard to further development of mutually beneficial Uzbek-Turkmen trade and economic relations. (source: *uzreport.com*).

Kazakhmys Reports 30% Drop in Profit, Scraps Dividend

Kazakhmys Plc, Kazakhstan's biggest copper miner, reported a 30% drop in annual earnings on lower metal prices and scrapped its dividend to help save cash.

Kazakhmys fell 8.3% in London trading. Earnings before interest, tax, depreciation and amortization slid to US\$1.63 bln last year from US\$2.34 bln in 2007,

the London-based company said today in a statement. The figures are from the businesses Kazakhmys manages and exclude one-time costs and income from its stake in Eurasian Natural Resources Corp.

The mining company plans to reduce costs and spending after the worldwide economic slowdown hurt demand. Copper for immediate delivery has slid 58% in London since trading at a record in July. Copper prices will fall 57% to average US\$3,000 a metric ton this year, according to GFMS Metals Consulting.

Ebitda beat the US\$1.53 bln median estimate of five analysts surveyed by Kazakhmys, which will report annual figures that include its ENRC stake on March 31. Annual sales dropped 2% to US\$5.15 bln. (source: *Bloomberg*).



Company & Industry

Uzbekneftegaz said **Gazprom** will return licenses on three investment blocks in Ustyurt region in connection with the end of planned exploration works.

Zhaikmunai reported satisfactory development progress but warned that the current macroeconomic conditions will likely cause it to delay some investment projects planned for 2010-11.

GAZPROM invests US\$215 mln in Uzbekistan field prospecting

Russia's natural gas monopoly Gazprom has completed the first stage of geological prospecting operations in the Ustyurt region of Uzbekistan, investments in this project have amounted to US\$215 mln.

Within the framework of the first stage in 2007-2008 the seismic exploration at three investment blocks was conducted, the volume of prospecting drilling reached 32,900 metres with drilling 12 wells at six investment blocks, 14 gas exploration targets have been found 10 of which have been prepared for drilling.

A programme has been worked out jointly with Gazprom for the intensification of geological prospecting operations in the Ustyurt region up to 2012, in particular, "on the most promising investment blocks – Agyin,

Aktumsuk, Nasambek and Shakhpakhty fields."

In January 2006, Uzbekneftegaz and Gazprom signed an agreement on the main principles of geological exploration of deposits of seven investment blocks of the Ustyurt region with the total area of 38,100 square kilometres with the natural gas reserves amounting to about 1 trillion cubic metres.

The agreement envisaged Gazprom's investments before the end of 2011 in the volume of US\$400 million, as well as the Russian company's priority right to develop the found promising fields on the production sharing agreement (PSA) terms.

For the implementation of the project Gazprom established the Ustyurt-Zarubezhneftegaz operator that is registered as a legal entity of Uzbekistan. On 23

January, Alexei Miller, Chairman of the Gazprom took part in the meeting with Islam Karimov, President of Uzbekistan in Tashkent, as part of the state visit by Russian President Dmitry Medvedev to Uzbekistan, according to Gazprom's press release.

The meeting participants stressed that it was important for Gazprom to use the pricing formula based on the average European prices when purchasing Uzbek natural gas, starting from 2009. The discussion centered on the possible increase in natural gas purchases from Uzbekistan and the volumes of its transmission via the Republic. On 1 January 2009, Gazprom agreed on the terms of gas supply from Uzbekistan for 2009 and signed an addendum to the Uzbek gas supply contract. (source: uzreport.com).

Zhaikmunai reports a 25% increase in revenues for 2008

Zhaikmunai, a Kazakhstan-focused oil company, reported revenues of US\$ 136 mln for 2008, up 25% from the previous year, fulfilling analysts' expectations.

"We made significant progress in the second half of 2008 with the completion of three important infrastructure projects: the expanded oil treatment unit, the oil pipeline to Uralsk and the oil loading rail terminal. While we are still planning to maintain capital expenditure on our gas treatment unit, current market conditions and oil prices have led us to review capital expenditure for 2009. This has resulted in a temporary delay to some planned investment projects into 2010/11," CEO said Kai-

Uwe Kessel.

"Production and revenues were affected in the latter stages of 2008 after the introduction of export duties on crude sales" Kessel continued. (source: SRI).

Investments in Azerbaijan's oil-and-gas sector contracts hits US\$30 bln

Investments in Azerbaijan's 27 oil-and-gas contracts with foreign companies amount to US\$ 30 bln, State Oil Company of the Azerbaijan Republic (SOCAR) President Rovnag Abdullayev told journalists on Feb. 27. "Presently, 85% of Azerbaijan's oil and 70% of its gas are produced with foreign companies," he said.

SOCAR has formed 30 joint ventures and 6 alliances with foreign companies. (source: Trend Capital).

WB earmarks US\$105 mln for Armenia

The World Bank (WB) has earmarked US\$ 105 mln for Armenia as part of its assistance strategy, said Vigen Sargsyan, press secretary of the WB Yerevan Office.

As part of the WB four-year assistance strategy worth US\$ 525 mln, Armenia has received US\$ 85 mln for four programs, with another US\$ 20 mln being earmarked for the water supply program last year.

As part of its program for small and medium-sized businesses, WB has allocated US\$ 50 mln for Armenia. The program aims at making long-term loans affordable for the country's small and medium-scale enterprises, said WB Country Manager Aristomene Varoudakis. (arka.am)

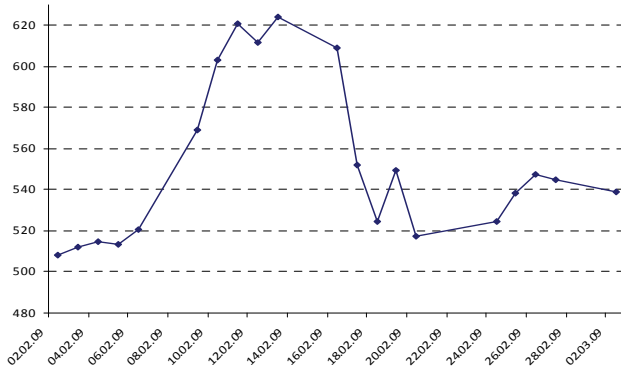


Capital Market Updates

Statistical and Graphical Results

Performances of Stock Exchanges in February 2009

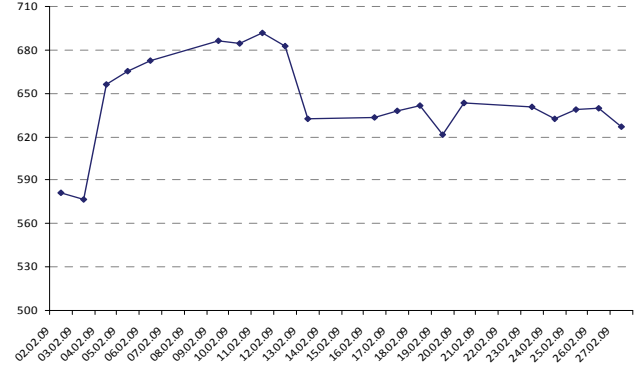
RTS



Index RTS

Current	1 Day	1 Month	6 Month	1 Year	2 Year	5 Year
537,00	1,39%	5,66%	67,64%	73,98%	70,10%	21,74%

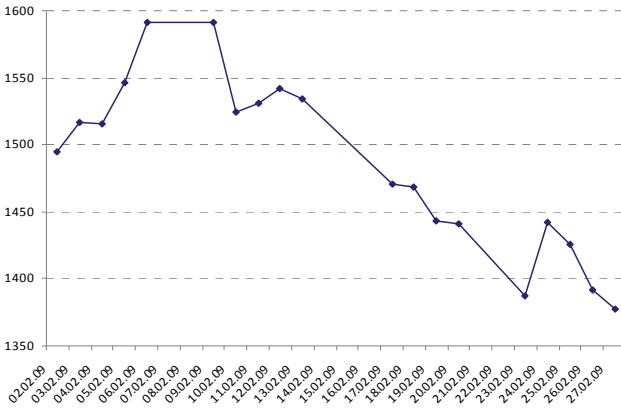
KASE



Index KASE

Current	1 Day	1 Month	6 Month	1 Year	2 Year	5 Year
626,84	2,02%	6,92%	68,02%	77,00%	75,35%	274,13%

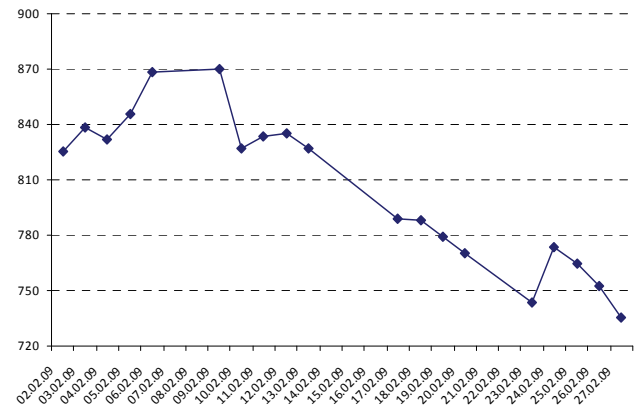
NASDAQ



Index NASDAQ

Current	1 Day	1 Month	6 Month	1 Year	2 Year	5 Year
1 377,84	-0,98%	8,44%	42,17%	41,46%	42,78%	32,12%

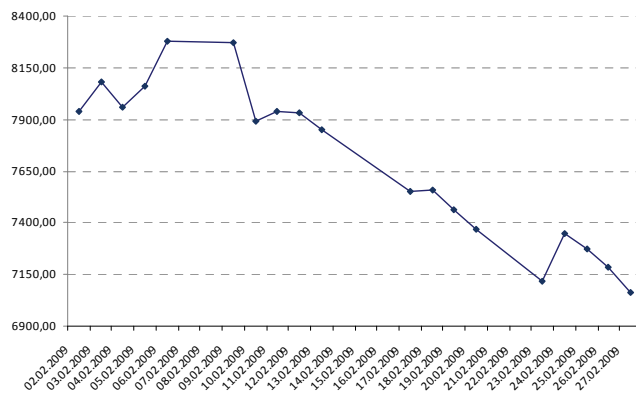
S&P 500



Index S&P 500

Current	1 Day	1 Month	6 Month	1 Year	2 Year	5 Year
735,09	2,36%	13,08%	42,65%	46,73%	47,46%	35,80%

DJIA



Index DJIA

Current	1 Day	1 Month	6 Month	1 Year	2 Year	5 Year
7 062,93	1,66%	13,60%	38,60%	44,36%	42,18%	33,27%

In February RTS and KASE graphically demonstrated upward slope with an increase of 5.66% and 6.92% respectively. Their performances within a month showed positive trend line unlike to other major western Stock Exchanges.

However performances of other giant stock exchanges were negative, their indices fell by on average 10% or more.

On average Dow Jones and S&P 500 indices declined 13.6% and 13.08% respectively in February. Another stock exchange NASDAQ index fell by 8.44% within a month.

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Contacts

<p>Akmal Mirsadikov Deputy General Director, Ansher Capital akmal.mirsadikov@ansherholding.com</p>	<p>Nodir Egamberdiev Director, Research & Analysis nodir.egamberdiev@ansherholding.com</p>
<p>Ilhom Isomitdinov Analyst, Research & Analysis ilhom.isomitdinov@ansherholding.com</p>	<p>Toshtemir Haydarov Financial Analyst, Research & Analysis toshtemir.haydarov@ansherholding.com</p>
<p>Hushnubek Yulchiev Analyst, Research & Analysis hushnubek.yulchiev@ansherholding.com</p>	

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