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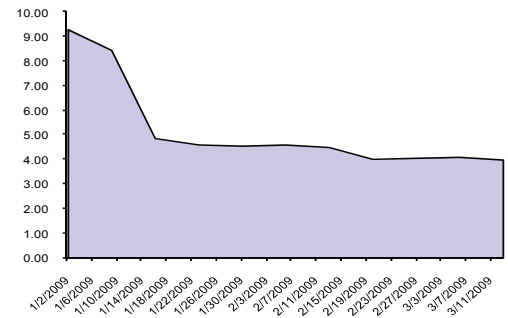
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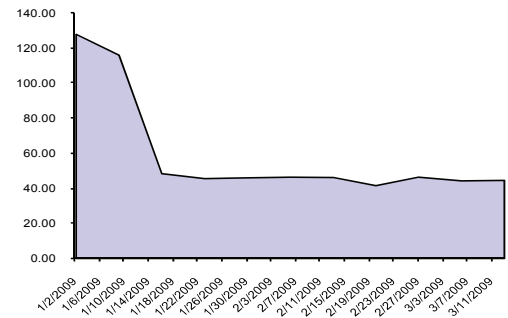
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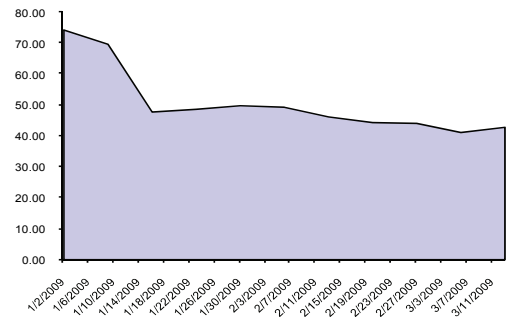
#### Natural Gas Future (MMBtu)



#### Brent Crude Oil Future (bbl)



#### Cotton No.2 Future (lb)

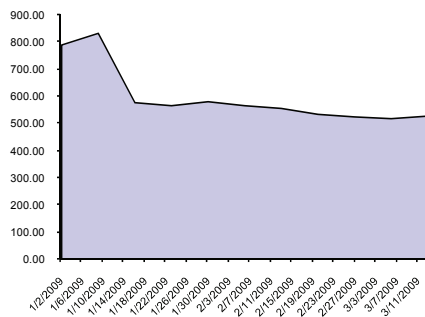


#### CURRENCY RATES (March 13, 2009)

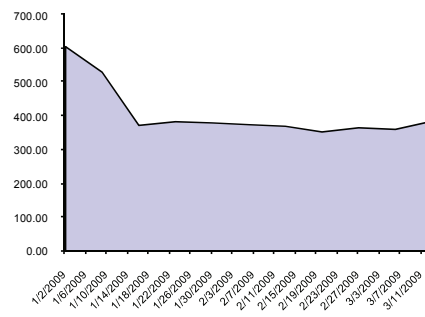
	US\$	EUR	RUB
<b>UZS</b>	1417.87	1992.82	39.67
<b>UZS (weekly change, %)</b>	0.33 ▲	7.71 ▲	0.28 ▲
<b>KZT</b>	150.48	192.07	4.28
<b>KZT (weekly change, %)</b>	0.11 ▲	1.48 ▲	2.39 ▲

Source: Central Bank of Uzbekistan, National Bank of Kazakhstan

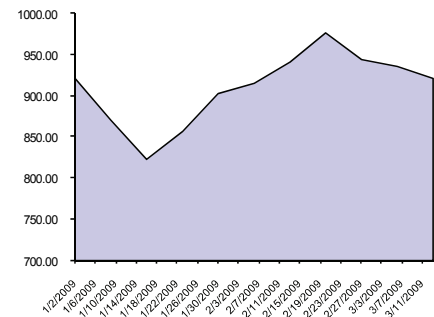
#### Wheat Future (CBT) (bu)



#### Corn Future (bu)



#### Gold 100 Oz Future



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## Economy

The Russian-backed Caspian Gas Pipeline is expected to take in up to 10 bcm of Turkmen gas and the same volume of Kazakh supplies. Officials say it would come on stream by March 2010 but its estimated cost remains unclear.

Russia buys about 50 billion cubic metres of gas from Turkmenistan, the region's biggest producer, a year – the bulk of the country's output. But, like other Central Asian nations including Uzbekistan, Turkmenistan is considering alternative export routes for its volumes as it seeks to boost output in the future.

On January 1, 2009 Armenia joined the European Union's Generalized System of Preferences. GSP+ allows partner states to export more than 6,400 products without paying duties.

## Central Asia to press ahead with Russia gas pipeline

Central Asian gas producers Turkmenistan and Kazakhstan agreed to press ahead with a new Caspian Sea gas pipeline – a Russia-backed project rivaling Europe-backed Nabucco, an official government report said.

Russia agreed with Central Asian gas producers in 2007 to construct the pipeline along the Caspian Sea coastal line.

But some analysts have speculated the project is slow to progress as Central Asia awaits a clearer message from the European Union on the details of the Nabucco gas pipeline.

Kazakh Prime Minister and Turkmen President discussed the Russian project during a meeting in Tehran this week, Kazakhstan's government said in a statement posted on its

website late on Wednesday. "During their meeting they highlighted their common interest in regional and international matters as well as their readiness to fully cooperate in all spheres," said the Kazakh statement.

"The sides noted that 'everything is going according to plan and there should be no problems in implementing this project'," it added in reference to the Russian Caspian pipeline.

Europe, for its part, depends on Russia for a quarter of its gas and is keen to nudge Central Asia towards diversification.

Anxiety over the reliability of Russian supplies rose dramatically at the start of the year due to a gas row between Russia and Ukraine which disrupted flows to the European Union.

As gas diplomacy gathered steam, Russia's Gazprom signed a deal this week with Hungarian Development Bank to build part of the South Stream pipeline, another project that would bypass Ukraine in delivering gas to Europe.

Europe's hopes for diversifying its supplies rest largely on rival Nabucco, a plan to pump up to 31 bcm a year of gas from the Caspian Sea region to Europe while bypassing Russia.

But the project lacks enough committed sources of energy to give it a full go-ahead, and there are concerns whether Central Asia does indeed have enough gas to fill all the pipelines. Russia says the plan is impossible without Iran's participation. (source: Reuters).

## Georgian Budget Execution for January-February of 2009

Revenues and grants forecast parameter of 2009 January-February Consolidate Budget of Georgia was defined for US\$ 406.08 mln. The mobilized sum amounts to US\$ 421.37 mln in other words 104%.

Revenues forecast indicator - was defined for US\$ 339.73 mln. The mobilized sum amounts to US\$ 352.07 mln, in other words 104% of forecast parameter. Tax forecast Indicator – US\$ 318.65 mln, the mobilized sum amounts to US\$ 324.62 mln.

Forecast parameters of other revenues – US\$ 21.07 mln, the mobilized sum amounts to US\$ 25.2 mln, in other words 120 % of the forecast parameter. From realization of nonfinancial as-

sets – the mobilized sum amounts to US\$ 46.81 mln, which is (US\$ 43.86 mln) 107% of the forecast parameter.

From realization of financial assets – the mobilized sum amounts to US\$ 22.55 mln, which is 100% of the forecast parameter. (MF of Georgia).

## EU GSP to help Armenia enter European markets

Joining the European Commission's generalized system of preferences (GSP+), Armenia will have ample opportunities to Gagik Gabrielyan, main partner of GPartners consulting firm, said Tuesday at a practical course for local businessmen and exporters. "GSP+ lays down certain conditions for emerging countries. For instance, they have to implement key

international conventions to be granted preferences or get a quota and duty-free access to EU markets," Gabrielyan said. According to the expert, the system aims at boosting and improving market management in developing countries by granting them preferences and exempting the partner states from duties.

Gabrielyan said it is impossible to say exactly how much Armenian exporters will gain from GSP+. "It is up to Armenian exporters and businessmen how they will make use of the granted opportunities," he added.

The Tuesday practical course aimed at giving local businessmen some useful tips on how to export goods to GSP+ countries. (source: arka.am).



## Financial Markets

Ad of March 9, 2009, over 200 people subscribed to the shares of the **Artsakh Hydro CJSC** worth a total of 150mln.

**Armenbroke** estimates the return on the capital invested in Artsakh Hydro CJSC shares at 14%, with all the further flows considered. P.T.

Total turnover of the **Uzbekistan Stock Exchange (UzSE)** comprised US\$ 9.52 mln in 2009. Overall 1,111 deals with 7.593 million shares were recorded so far, in 2009. **IPO market** turnover comprised US\$ 2.61 mln (27.6% of total turnover) and the secondary market – US\$ 6.84 mln (72.3%).

The outlook for **banking business in Kazakhstan** is weak, a fact that is not lost on **RBC**, according to Ekaterina Kartseva, deputy chairwoman of Unicorn IFC, a local investment company.

## NASDAQ OMX Armenia ready assist companies with IPO

NASDAQ OMX Armenia is ready to assist companies in entering the initial public offering (IPO) market.

“We have great expectations of the first company’s entry of the IPO. Also, the stock exchange will assist any company, any issuer with this process,” said Armen Melikyan, Director General of NASDAQ OMX Armenia.

The Armenbroke Company, underwriter for the Artsakh Hydro OJSC, announced the maiden initial public offering of the energy-generating company’s shares to the amount of 3.45bln AMD (over \$9.5mln). A total of 3,285,715 shares (1,050 AMD each) are being placed.

“This is the first experience and we have to render assistance

because it will be the first step for other companies to enter the IPO market,” Melikyan said.

He stressed the fact that, in the case of shares, it is not dividends, but free circulation of securities on the stock exchange without any restrictions, that plays a decisive role. If the information on prices is available to the public, the market price will be real.

He added that the Government is interested in the development of capital market, evidence thereof being the issue of shares of one of the best enterprises.

Melikyan pointed out that, if the company fails to float the entire issue and attract the necessary funds from the first attempt, further issues will enable it to do

that.

As regards the Nagorno-Karabakh company’s entry to the Armenian stock market, Melikyan said that stock exchanges are not involved in politics. “We are only interested in business and contribute to the development of business environment and capital market,” Melikyan said.

The representative of the Central Bank of Armenia (CBA), Issue Executive Karen Hakobyan pointed out that the CBA and the stock exchange are implementing joint measures to develop the capital market, with the most important role assigned to the creation of new attractive instruments for the Armenian market. (source: *arka.am*).

## UzSE trades shares for US\$ 916,868 last week

Uzbek Stock Exchange registered 290 deals with 599,418 shares of 37 public companies for US\$ 916,868) on 2-6 March 2009. The deals were recorded in both IPO and secondary market’s national and hard currency platform.

Stocks of Ipoteka Bank was the most popular among investors. During the reporting period, over 281,000 shares of the bank were traded at the UzSE.

Average size of the deals in the reporting period made up US\$ 3,173.77 against US\$ 12,906.68 in previous week. The highest ratio of price to par value was observed in consumer goods production sector (4.1). Consumer goods production sector led in terms of the share in total turnover. The sec-

tor attained 33.1% of total turnover in the reporting period.

Enterprises of Tashkent city were popular among investors this year. The share of Tashkent city enterprises in total turnover comprised 75.6% or US\$ 7.21 mln. Bukhara and other regions were also popular. (source: *UzDaily.com*).

## RBS ready to sell - but who will buy

British RBS Group is ready to sell its subsidiary in Kazakhstan. The question is whether the bank will find a buyer able and willing to seal the deal.

Royal Bank of Scotland Group (RBS), the troubled banking behemoth, recently announced its plans to dispose of its subsidiary in Kazakhstan - RBS Kazakhstan. As part of a package of cutbacks, the bank will

sell its assets in non-core markets, including Kazakhstan. RBS, which came to Kazakhstan with last year’s acquisition of ABN Amro, is the country’s 11th largest bank with total assets of US\$ 1.5 bln.

“RBS has been considering the possibility to find new proprietors for its businesses in several countries, including Kazakhstan. This process will take its time, and in the meantime, operations will be conducted as usual, without any changes,” Kazakh business weekly *Biznes & Vlast* quoted RBS’ press office.

Considering the ongoing changes at RBS and the increasing involvement of the UK government, the banking group’s move to sell its subsidiary is no surprise. (source: *Silk Road Intelligencer*).

**Company & Industry**

The issue of **energy efficiency** was placed high on the international agenda after the 1973 oil crisis. The scientists who started researching the issue concluded that **management of energy consumption**, not increasing production of the resources, provides solutions. Since then, energy efficiency became part of planning energy resources and its realization and from 2004 it has become part of **energy security**.

**Commercial banks of Uzbekistan** earmarked **consumer credits** for US\$ 127.42 mln in 2008 or 30% up compared to 2007.

The commercial banks issued US\$ 26.2 mln to young families in 2008. The **consumer credits** were directed to purchase locally made products.

Commercial banks of Uzbekistan financed **construction** of 67 many-story houses in all regions of Uzbekistan in 2008. **Ipoteka Bank** financed 44 of 67 constructed houses in the reporting period

**Georgian Bank Republic joins EBRD's energy credit project**

Bank Republic (BR), with a US\$5.0 mln credit line, became the third Georgian bank - following TBC Bank and Kartu Bank - to engage in EBRD's energy credit project.

Speaking at the official ceremony on March 2, 2009 at BR's head office, the Director General Gilbert Hie said that, in the framework of the project, the bank will offer its clients not only new and innovative products but will also give direct information on the issue. "This project gives an opportunity to the bank's clients for saving money and rising profit."

EBRD, having implemented efficiency projects in a number of post Soviet countries, is the major donor for Georgian companies, with USD 35m willing to finance the introduction of energy-saving technology or invest

in renewable energy projects.

The energy credit loan comes under the Caucasus Energy Efficiency Program that was specially developed in December 2007 to encourage local enterprises and households to make better use of the country's energy resources. The maximum sub-loan amount under the facility is US\$ 2.5mln.

"Improving the energy use in the country is one of the priority initiatives of EBRD," Irakli Mekvabishvili, EBRD senior banker said. He explained that the issue has become vital given Georgia's low levels of energy efficiency, high dependency on gas and petroleum imports and increasing energy prices.

According to him, Bank Republic was chosen because of its existing client base. "The bank's clients are many medium-sized

and large industrial companies which are a good target group for energy efficiency sub-loans."

While pretty popular in the West, energy efficiency is relatively unknown in Georgia. There are only a few companies which have started to introduce energy-saving technologies with the help of the credit-loan or finance their re-equipment expenses by themselves.

Some experts indicate that Georgia uses three times more energy than the average OECD country, compared with output.

According to official figures, Georgia needs a total of 1.8bln cubic meters of gas per year, with the largest share of 800m cubic meters consumed by the commercial sector. As for electricity, the country consumed 8.146bln kWh in 2007. (source: *finchannel.com*).

**Aloqa Bank to issue deposit certificates for US\$ 35.26 mln**

Aloqa Bank will issue 13th emission of deposit certificates for legal entities worth 50 billion soums (about US\$ 35.26 mln). The terms of deposit certificates will be from six month to three years.

In line with the article 770 of the Civic Code of Uzbekistan, saving (deposit) certificate is security, which proves the sum of deposit at the bank. The holder of the security have right to receive back the sum of deposit and interest rates. (source: *uzreport.com*).

**Uzbek banks issues mortgage credits for US\$ 173 mln in 2008**

Commercial banks of Uzbekistan allocated mortgage credits to population for US\$ 173 mln

in 2008, which is 73.3% more compared to 2007.

Young families received preferential mortgage credits for US\$50.04 mln . About thousands Uzbek citizens constructed houses, reconstructed families and purchased habitations. (source: *uzreport.com*).

**Kashagan unaffected by global economic crisis**

The global economic crisis should not affect the development of the Kashagan oilfield in Kazakhstan and may even help reduce its costs, a Shell executive said on Tuesday.

"The plan is still to have first production as announced, in the fourth quarter of 2012," Campbell Keir, Royal Dutch Shell's general manager for the Caspian region, told reporters.

"The economic situation and low oil prices should allow us to bring the cost down but we're continuing to invest."

According to Keir, Shell's annual investment in Kazakhstan was about US\$ 900 mln.

"You could guess the majority goes to Kashagan," Keir said.

The development of the giant offshore field has been plagued with delays and cost overruns due to technical difficulties and disputes between the government and foreign firms over management and profit distribution. Only last November, the two sides signed an agreement to finalizing the equity stakes of each participants and the final budget. Beginning of commercial production at the field was set to start in late 2012. (source: *Silk Road Intelligencer*).

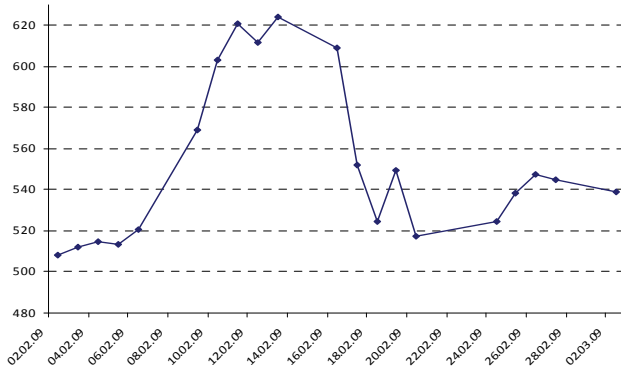


### Capital Market Updates

#### Statistical and Graphical Results

#### Performances of Stock Exchanges in February 2009

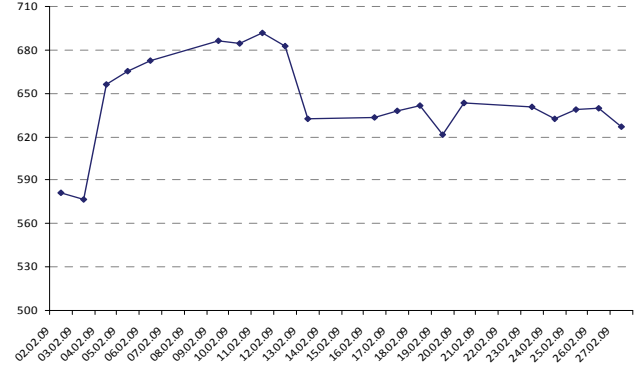
##### RTS



##### Index RTS

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

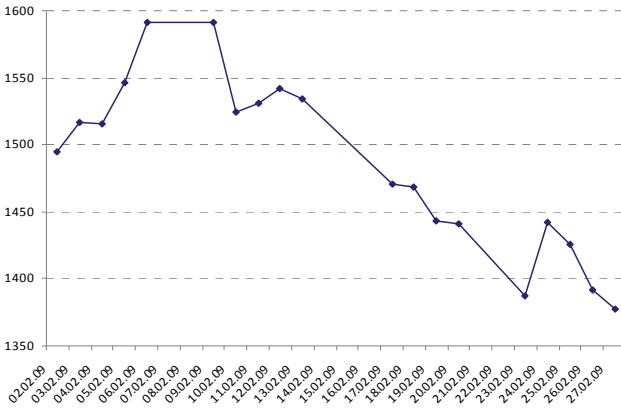
##### KASE



##### Index KASE

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

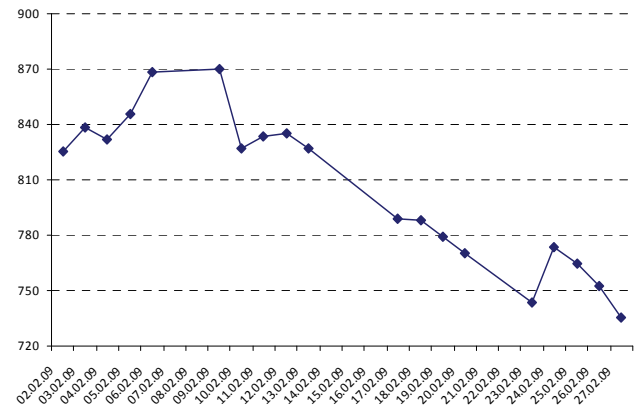
##### NASDAQ



##### Index NASDAQ

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

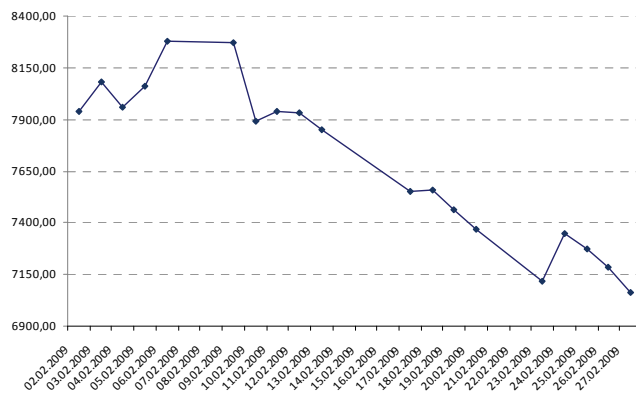
##### S&P 500



##### Index S&P 500

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

##### DJIA



##### Index DJIA

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

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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