

22 January 2010

## Daily review of economic news of Uzbekistan

- ✓ Uzbekistan's economy to grow by 6.5% in the next two years.
- ✓ AGMK realizes US \$ 98.7mln project at Kalmakyr mine
- ✓ EDCF allocates US\$ 80mln to Uzbekistan in 2010-12
- ✓ RA's expert withdraws UzPSB bank's rating
- ✓ Qishloq Qurilish Bank raises charter capital to 150 bln soums
- ✓ Agrobank's assets increased by 44.3% in 2009
- ✓ NBU issues 100 bln soums corporate bonds
- ✓ Stock market review
- ✓ Investment Calendar

UZBEKISTAN ECONOMY REVIEW

### Equity Indexes

22-Jan-10	Value	Δ	% Δ
DJIA	10,390	-213.27	-2.0%
S&P 500	1,116	-21.56	-1.9%
NASDAQ	2,266	-25.55	-1.1%
FTSE 100	5,274	-61.00	-1.1%
NIKKEI 225	10,591	-277.86	-2.6%
Rus. MICEX	1,399	-37.36	-2.6%
Rus. RTS	1,485	-45.20	-3.0%
Ukr. Eq. Index	1,592	-48.40	-3.0%
Kazak. KASE	1,859	-58.87	-3.1%
Uzbek. TASIX	75	0.00	0.0%

Source: Bloomberg (17.30 Tashkent time)

### Commodity Futures

22-Jan-10	Value	Δ	% Δ
Oil Brent Crude Futr (USD/bbl)	74.43	-0.15	-0.20%
Oil WTI Crude Futr (USD/bbl)	75.89	-0.19	-0.25%
Gas Natural Futr (USD/MMBtu)	5.73	0.12	2.05%
Cotton No.2 Futr (USD/lb)	71.75	-0.10	-0.14%
Gold 100 oz Futr (USD/t oz.)	1,094.70	-8.50	-0.77%
Silver Futr (USD/t oz.)	17.39	-0.13	-0.71%
Copper Futr (USD/lb)	330.25	0.75	0.23%

Source: Bloomberg (17.30 Tashkent time)

### Exchange rate

22 Jan 2010	UZS
USD	1,520.76
EUR	2,203.12
GBP	2,480.06
JPY	16.74
RUR	51.45

Source: CB UZ

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**Uzbekistan’s economy to grow by 6.5% in the next two years.**

Gross domestic product (GDP) of Uzbekistan will grow by 6.5% in 2010 and 2011, World Bank reported in its Global Economic Prospects 2010, released on 21 January 2010.

Uzbekistan state authorities plans an 8.3% GDP growth in 2010. Economist Intelligence Unit (EIU) forecasted that Uzbekistan GDP will grow by 8.1% in 2010 and will be one of the fastest growing economies in the world.

World Bank estimated current account balance to GDP ratio of Uzbekistan at 16.9% in 2009. The bank assumed that this ratio will rise to 20.4% in 2010 and decrease to 19.2% in 2011.

Source: UzDaily.com

**AGMK to realize US \$98.7mln project at Kalmakyr mine**

Open joint stock “Almalyk Mining and Metallurgy Combine” (AGMK) will invest US\$ 98.7 million in reconstruction and expansion of Kalmakyr mine. Kalmakyr mine is the main resource base of the company.

Currently AGMK started initial stage of mine reconstruction, which will be completed in the beginning of 2012. The project implementation will raise ore mining capacity by 3.5 million a year. AGMK plans to construct fourth trans-shipping line and reconstruct railroad. The company will also buy mine transport.

Fund for Reconstruction and Development of Uzbekistan allocated US\$ 63 million, local commercial banks issued US\$ 20 million loan and AGMK will direct US\$ 15.7 million to support the project.

Source: UzDaily.com

Macro Data Uzbekistan	2008	2009	2010*
Real GDP (current bln USD)	27.9	29.9	35.8
GDP growth rate	9%	7%	7%
CPI (year average)	12.7	12.5	9,5
Current account (bln USD)	3.56	2.20	2.30
Current account (% of GDP)	12.8	7.4	6.41
Exchange rate (year average)	1,323	1,469	1,544
CBUz refinancing rate	0.14	0.14	0.14
Population, mln	28	28	29
Unemployment, %	0.3	0.3	0.3

Source: Uz. State Committee, IMF, \*OCM Estimates

Kalmakyr mine is among ten largest copper mining enterprises of the world. The mine has been developed since 1954. Along with copper, Kalmakyr mine contains gold, silver, molybdenum, selenium, tellurium and rhenium.

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**EDCF allocates US\$ 80mln to Uzbekistan in 2010-2012**

The Economic Development Cooperation Fund (EDCF, Korea) will issue US\$ 80 million loan to Uzbekistan in 2010-2012. The loan will support economic and social development of Uzbekistan.

The corresponding agreements were reached during the visit of the Director-General of the Ministry of Strategy and Finance of Korea Joo Hyung Hwan to Uzbekistan (18-21 January).

EDCF plans to raise financing from US\$ 120 million to US\$ 200 million due to “green development” projects and projects in communal and electrotechnical industry.

In particular, Uzbekistan will receive US\$ 15 million for creation of national Geographic Information System (GIS) and US\$ 17.6 million for reconstruction of clearing establishments in Navoi.

*Source: UzDaily.com*

**Expert RA withdraws UzPSB bank’s rating**

Expert RA rating agency (Russia) withdrew solvency rating of Uzpromstroybank of Uzbekistan.

The rating was withdrawn due to end of rating term and refusal of the bank from actualization. Earlier, the bank had rating at the B++ level (acceptable level of solvency).

Uzpromstroybank is one of the biggest commercial bank by assets in Uzbekistan and its business mainly focuses on providing loans to industrial and construction organization of the country.

As of 1 January 2009, assets of Uzpromstroybank totalled US\$ 1.04 billion (84th place in ranking of Expert RA) and shareholder’s capital comprised US\$ 117 million.

*Source: UzDaily.com*

Company	UzPSB
Market Price per share, USD	1.49
Face value per share, USD	1.49
Mar. Cap. mln USD	71.52
Min (52 wks)	1.49
Max (52 wks)	1.5

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### Qishloq Qurilish Bank raises charter capital to 150 bln soums

Open joint stock commercial “Qishloq Qurilish Bank” will place common shares for 100 billion soums. The stock issue will realize presidential resolution “On creation of joint stock commercial bank Qishloq Qurilish Bank”.

In line with the resolution, Galla Bank was reorganized into Qishloq Qurilish Bank with the requirement to form a 150 bln soum charter capital. Currently, the authorized capital of the bank is 50 billion soums.

According to the issue prospectus, Ministry of Finance of Uzbekistan will acquire 60 billion soums common shares and Fund for Reconstruction and Development of Uzbekistan (FRDU) will buy 25 billion soums common shares.

Uzdonmahsulot (Uzbek Grain Products) joint stock company and Uzbekistan Temir Yollari (Uzbekistan Railways) will purchase shares for 4 billion soums each. Uzagrosugurta state joint stock insurance company and Uzvinpromholding (Uzbek Wine Industry Holding) will get securities for 1.5 billion soums each. The bank will place shares for 4 billion soums among other shareholders.

As a result of share placement, the Ministry of Finance of Uzbekistan will possess 53.3% stake (80 billion soums) in the bank’s charter capital, FRDU – 23.7% (35.5 billion soums), Uzdonmahsulot – 5.8% (8.7 billion soums) and Uzbekistan Temir Yollari – 4% (6 billion soums).

Share of Uzagrosugurta and Uzvinpromholding will constitute 1.8% (2.7 billion soums) and 1.3% (2 billion soums) respectively. Minority shareholders will hold 10.1% share.

Source: UzDaily.com

### Agrobank’s assets increased by 44.3% in 2009

Assets of open joint stock commercial Agrobank grew by 44.3% in 2009 to 1.378 trillion UZS. Loan portfolio of the bank increased by 1.4 times in 2009 to 1.018 trillion UZS and total volume of liabilities rose by 46.3% to 1.205 trillion UZS.

As of 1 January 2010, capital of the bank grew by 31.6% to 172.6 billion UZS. According to preliminary data, net income of Agrobank comprised 15.5 billion UZS.

Source: UzDaily.com

Company	QQB
Market Price per share, USD	0.066
Face value per share, USD	0.066
Mar. Cap. mln USD	33.1
Min (52 wks)	0.066
Max (52 wks)	0.066

Company	Agrobank
Market Price per share, USD	0.662
Face value per share, USD	0.662
Mar. Cap. mln USD	65.87
Min (52 wks)	0.662
Max (52 wks)	0.662

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#### **NBU issues 100 bln soums corporate bonds**

National Bank for Foreign Economic Activity of Uzbekistan (NBU) registered three issues of corporate bonds with total sum of 100 billion soums.

The issue is the largest in history of corporate bonds of Uzbekistan and it comprises 47.5% of total volume of corporate bonds.

The bank reported that issues differ in volume, maturity term and coupon payments. The par value of each bond is 1 million soums and maturity term is between four to ten years.

The first issue was registered by the Center for coordination and control of securities market on 6 January 2010. Total volume of issue is 35 billion soums with maturity term of four years. The 90-day coupon payment rate is 9% APR.

Two days later, the bank registered the second issue for 35 billion soums with maturity term of seven years. The 90-day coupon payment rate is 10.5% APR.

NBU registered third issue of corporate bonds on 12 January with total volume of 30 billion soums. The maturity term of the issue is 10 years and coupon rate set at 12% APR.

*Source: UzDaily.com*

Overall, 123 issues of corporate bonds for 210.47 billion soums were issued in Uzbekistan. Currently, along with NBU emissions, five issues for 22.5 billion soums circulate in the market, of which two for 13 billion soums were registered in 2009.

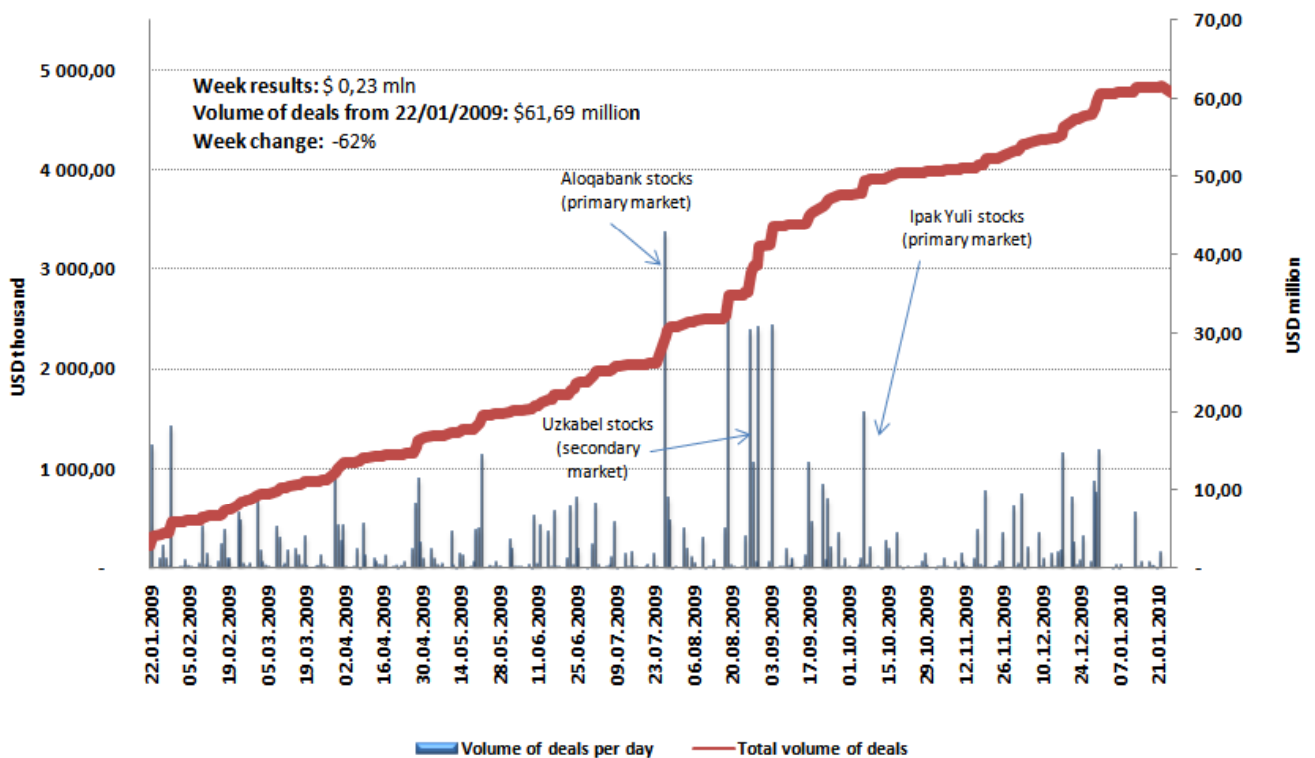
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RSE "Toshkent" review

	Issuer	Number of transactions	Turnover(\$)	% of total	Industry
1	O'ZOG'IRSANOTLOYIHA	1	115,60	49,70%	Institute
2	Qishloq Qurilish bank	1	39,55	17,00%	Banks
3	ALLIANCE-LEASING	1	31,56	13,57%	Leasing
4	Ipak Yuli	2	18,23	7,84%	Banks
5	Chorsu dehqon bozori	5	10,24	4,40%	Retail
6	Hamkorbank	1	9,34	4,01%	Banks
7	Urganch markaziy dehqon bozori	49	3,38	1,45%	Retail
8	MAXSUSENERGOGAZ	7	2,61	1,12%	Energy
9	SARBON-NEFTEGAZ	1	1,99	0,85%	Oil and gas
10	AVTOTEXXIZMAT	2	0,11	0,05%	Service
	<b>Total</b>	<b>70</b>	<b>232,61</b>	<b>100%</b>	

During January 18-22, 10 companies were traded, with total turnover of 232.6 thousand USD on RSE Tashkent. We could observe a 62% decrease in total turnover, compared with the previous 5-day period.

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	Issuer	Number of transactions	Turnover(\$)	% of total turnover	Industry
<b>1</b>	Urganch markaziy dehqon bozori	49	3,38	1,45%	Retail

Only one company was traded during a week on stock exchange "Tashkent"

**TOP10 issuers by turnover in 2010**

	Issuer	Stock Turnover (\$)
<b>1</b>	Turon bank	341,49
<b>2</b>	OTEL SAYOHAT	176,40
<b>3</b>	Kapital sugurta	115,60
<b>4</b>	O'ZOG''IRSANOATLOYIHA	57,00
<b>5</b>	Qishliq qurilish bank	39,55
<b>6</b>	ALLIANCE-LEASING	31,56
<b>7</b>	Qizilkumcement	30,38
<b>8</b>	O'ZBEKKO'MIR	29,82
<b>9</b>	Quvasoycement	28,08
<b>10</b>	Ipak Yuli	18,23

## Investment calendar

Date	Event	Comment
27.01.2010	Special general shareholders meeting of JSC «Mehnatobod MTP»	
30.01.2010	Special general shareholders meeting of JSC «Bogot-don»	
30.01.2010	Special general shareholders meeting of JSC «Shovotdonmahsulotlari»	
04.02.2010	Special general shareholders meeting of JSC «Peshky pahta tozalash»	
05.02.2010	Special general shareholders meeting of JSC «Hatirchi MTP»	
06.02.2010	Special general shareholders meeting of JSC «Sarvat-Invest»	
10.02.2010	Special general shareholders meeting of JSC «Chorsu dekhon bozori»	
10.02.2010	Special general shareholders meeting of JSC «Uzbek Republican Currency Exchange»	
10.02.2010	Special general shareholders meeting of CJSC «Stroygorod»	
12.02.2010	Special general shareholders meeting of JSC «Ravnak-bank»	
12.02.2010	Special general shareholders meeting of JSC «Kichintoy»	
13.02.2010	Special general shareholders meeting of JSC «Gala Osiyo MTP»	
15.02.2010	Special general shareholders meeting of JSC «Uzagrosygyrta»	
15.02.2010	Special general shareholders meeting of OJSPB «Alp Jamol» Bank	Changes in organization charter
17.02.2010	Annual general shareholders meeting of JSC «Quqonmash»	Annual Financial Results
19.02.2010	Special general shareholders meeting of JSC «UzRTSB»	Changes in charter capital
19.02.2010	Special general shareholders meeting of JSC «Uktambank»	Changes in organization charter
24.02.2010	Special general shareholders meeting of JSC «Santehyigish»	Reorganization into LLC.

## Dividends

Company	Share	Dividends (UZS)	Face value	Ex-dividend date
JSC «Invest Finance Bank»	Common	125	1000	10.12.2009
JSC «Asaka»	Common	4065,69	50000	11.12.2009
JSC «Andijon nashiyot-matbaa»	Common	50	1000	12.11.2009
	Preferred	1000	1000	12.11.2009
JSC «Qzneftgazdobicha»	Common	7	1000	14.11.2009
	Preferred	250	1000	14.11.2009
JSC «Matbuot tarkatuvchi»	Common	325,5	288	16.12.2009
JSC «Qurilishtrans»	Common	500	835	17.11.2009
JSC «Trastbank»	Common	650	1000	17.12.2009
JSC «Yuktrans»	Common	4330,0	5000	20.11.2009
JSC «Kapitalbank»	Common	10000	10000	21.11.2009
JSC «Kapitalbank»	Common	10000	10000	21.11.2009
JSC «O'zavtotexxizmat»	Common	216000	135000	23.11.2009
JSC «Kvarc»	Common	41316,0	2310	24.11.2009
JSC «Qishlokhujalikkime»	Common	196	1000	26.11.2009
JSC «Ozodlik»	Preferred	40	200	26.12.2009
JSC «Avtotexxizmat»	Common	10000	11000	27.11.2009
JSC «Sergeli-avtotexservis»	Common	20000	25000	28.11.2009
JSC «Ygazstroy»	Common	3250	5000	30.11.2009
JSC «Buxoroavtotexxizmat»	Common	6000	6000	30.11.2009
	Preferred	6000	6000	30.11.2009
JSC «Alokabank»	Preferred	20	100	30.11.2009
JSC «Buxoroneftgazsuvqurilish»	Common	20500	95000	30.11.2009



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**LLC Orient Capital Management**

Successfully started its activity in Uzbekistan in March 2006. Company offers full range of high quality investment banking services to strategic and portfolio investors investing in Central Asian region.

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Macro analysis, industry research and company research coverage.

**Orient securities:**

LLC Orient Securities provides full range of brokerage services in Uzbekistan securities market.

**Depository:**

LLC Birinchi Banklararo Depositariy (BBD) is the second largest depository institution in Uzbekistan. Orient Capital Management is a co-founder and BBD's strategic partner.

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