

Main economic events

- Authorized banks of SCO will finance investment projects**
 Under the agreement it is foreseen to create the organization of bank cooperation in the sphere of financing and servicing the investment projects of SCO.
- Uzagrosugurta is planning to extend its range of insurance services**
 The total amount of insurance premiums for 9 months of the current year has increased by 11.4% or by 640 mln soum and amounted 6.24 bln soum.
- The volume of deals at RREE totaled 550M UZ\$**
 The largest deal on the sale of hotel "Sitara", located in Chirchik, in the amount of 27.7M soum was made by brokers of RREE Tashkent region branch.
- The demand for solid fuel goes up**
 The last market quotation of coal made up 13 503 soum per tonne, coal (brown) – 7 662 soum per tonne, and coal SSSSh-13 (bituminous, Shargun' mine) – 30 558 soum/tonne.
- The results of weekly auctions at RUAIE**
 According to the results of electronic auction 63 deals in the amount of 808.31 million soum were registered.

Official exchange rate of the CB RU to major world currencies (USZ)

	25.10.2005	18.10.2005	Chg./%
1 USD	1152.03	1148.87	+0.28 ↑
1 EUR	1374.49	1391.05	-1.19 ↓
1 GBP	2034.14	2034.07	+0.01 ↑
10 JPY	99.45	100.92	-1.46 ↓
1 RUR	40.33	40.19	+0.35 ↑

Key interest rates in national currency as of 27.10.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.80
AWACRI	23.17
CBCAP (UZ\$)	190.39
CBCAP (USD)	161.79

Corporate Bond Coupon Rates

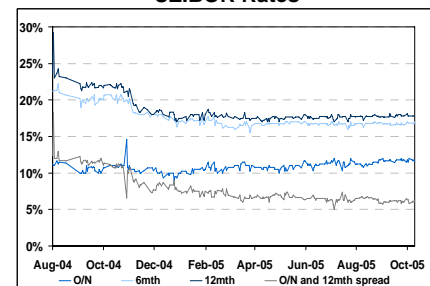


Main macroeconomic Indicators of Uzbekistan, 2002-2005

Indicators	2002	2003	2004	2004 1st Q	2005 1st Q
GDP, trillion soums	7.45	9.84	12.2	2.1	2.5
Real GDP growth, %	4.0	4.4	7.7	4,8	4,8
State budget execution, % to GDP (-def./+prof.)	-0.8	-0.4	-0.4	4.0	1.9
Foreign trade turnover, billion USD	5.7	6.7	8.7	2.1	2.3
Inflation (CPI), %	-	3.8	3.7	1.1	2.2

Source: State Statistics Committee, Avesta Research

UZIBOR Rates



Sources: Avesta Research, Central Bank of RU, Uzbekistan Banking Association

Today

Coupon payments on CB are not expected

Upcoming events calendar

October 30: Payment of 6th coupon of the 1st CB issue of LLC «Intrako-S».

October 30: Payment of 3rd coupon of the 2nd CB issue of JV «Tezintom Ltd».

November 1: Payment of 7th coupon of the 1st CB issue of OJSC «Marvel juice Co. ».

November 1: Payment of 2nd coupon of the 1st CB issue of LLC «Sardor-Lider-Savdo».

Authorized banks of SCO will finance investment projects

Authorized banks of member-countries of Shanghai Cooperation Organization will jointly finance the investments projects in member-countries, as reported by agency "Ria-Novost".

On Wednesday during the meeting the multilateral agreement on cooperation between authorized banks was signed. The chairman of the National bank of Uzbekistan Shukhrat Tashmurodov was a representative from Uzbek side. Only Kyrgyzstan did not sign the agreement but it would do it later after completion of required domestic procedures.

Under the agreement it is foreseen to create the organization of bank cooperation in the sphere of financing and servicing the investment projects of SCO. On this purpose the members create inter-bank union without creation the juridical entity, which will service the joint projects. Chen Yuan', the president of Chinese State Bank for development, was elected as the Chairman for 2006.

At present 127 joint projects in the sphere of energy, transport, communications, culture, science and education are realized under the SCO programs.

Uzagrosugurta is planning to extend its range of insurance services

On 25th of October the meeting of the Board of SJSIC "Uzagrosugurta" took place, at which the results of operations for 9 months and the goals for the coming period were discussed, as "Uzreport.com" informs.

Since the beginning of year assets increased by 12%, insurance reserves – 53%, investments – 1.3 times. The total amount of insurance premiums increased by 11.4% or 640 mln soums and totaled 6.24 bln soums, 20.5% of which accounted for obligatory and 79.5% for voluntary insurance. The volume of accepted insurance commitments amounted to 681.9 bln soums. The number of insurance contracts for the discussed period exceeded 2.49 million. Company's paid off compensations totaled 1.17 bln soums.

Finally, during the meeting the particular focus was given to the extension of the spectrum of insurance services to population, as well as agriculture branches like cattle, silk breeding, gardening, etc.; additionally, the objectives on the improving the quality of service which are to be realized up to the end of 2005 and in 2006 were identified.

The volume of deals at RREE totaled 550M UZS

From 17th to 21st October, 147 objects (in amount of 550.3M UZS), including 53 public objects (169.4M UZS) were sold by auction organized by Republican Real Estate Exchange, as reported by «Uzreport.com».

About 45% of sold public objects accounted for Tashkent city branch. The largest deal on the sale of hotel "Sitora", located in Chirchik, in the amount of 27.7M UZS was made by brokers of Tashkent regional branch. The largest deal at secondary market was completed through Tashkent regional branch (i.e. the greenhouse buildings were sold for 30M UZS).

Reduction of original cost of filling stations, affiliated with JSC "Uznefteproduct", put up for Central Asian electronic auction on Monday, Wednesday, and Friday, is still in use; i.e. the price of objects decreasing every 15 sessions by 5%, now decreases every 5-10 sessions.

Finally, for last week, grown interest for constructible plots under the terms of life-ownership and subsequent succession has been marked.

The demand for solid fuel goes up

During last trade sessions of the exchange growth of demand for coal was marked, that is mainly due to the beginning of heating season, as reported by information-analytical service of UzEx (Commodity Exchange).

In particular, just during the last session 592 tonnes of solid fuel (483 tons of coal BOD inclusive) were sold. As the result of demand increase the weighted prices went up, the growth made up 10% compared to starting price level. The last market quotation of coal BOD made up 13 503 soums/tonne, coal 2BR (brown) – 7 662 UZS/tonne, and coal SSSh-13 (bituminous, Shargun' mine) – 30 558 UZS/tonne.

The results of weekly actions at RUAIE

From 18th to 24th October, 600 positions on all main groups of articles in exchange bulletin were put up for electronic auction of the Republic Universal Agroindustrial Exchange at regional branches in Fergana, Bukhara, Termez, Andijan, Shakhrisabz, and Namangan, as mentioned on «Uzreport.com» website.

According to the results of electronic auction 63 deals to the amount of 808.31M UZS were registered, including export volume of 205.85M UZS, import volume of 228.80M UZS, and domestic deals volume of 373.66M UZS. New offerings on the sale of silk cocoons and filoselle threads were registered (both in soums and hard currency).

Contact information

Avesta Investment Group (CJSC)

License of CSM for Investment advisor №1012

Address: 25, Amir Temur str., 700000,
Tashkent, Uzbekistan Republic

Tel: +998 (71) 132-6202, 134-1383

Tel/fax: +998 (71) 132-6203

E-mail: info@avestagroup.com

Internet: <http://www.avestagroup.com> or <http://www.avesta.uz>

Depository Avesta Trust (LLC)

License of CSM for Securities custodian №1053, registry holder №1054 and nominal securities holder №1055

Tel: +998 (71) 134-1283

Tel/fax: +998 (71) 132-6203

E-mail: trust@avestagroup.com

Internet: <http://trust.avestagroup.com>

Avesta Research

E-mail: research@avestagroup.com

Internet: <http://research.avestagroup.com>

The information and opinions in this report were prepared by Avesta Investment Group or one of its affiliates (collectively "Avesta"). The information herein is believed by Avesta to be reliable and has been obtained from public sources believed to be reliable, but Avesta makes no representation as to the accuracy or completeness of such information. Important Information Regarding Our Independence. The research analysts responsible for the preparation of this report receive compensation that is based upon, among other factors, Avesta's overall revenues. Avesta may engage in securities transactions in a manner inconsistent with this research report and with respect to securities covered by this report, will sell to or buy from customers on a principal basis. Disclosures of conflicts of interest, if any, are discussed at the end of the text of this report or on the Avesta Investment Group's website at <http://www.avestagroup.com>. Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Avesta and are subject to change without notice. Avesta has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Unless governing law provides otherwise, all transactions should be executed in the investor's home jurisdiction. Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Avesta prior written consent. Please cite source when quoting. Copyright 2004-2005 Avesta Investment Group