

Thursday - May 18, 2017

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	8,456.61	0.0%	19.4%	32.0%
BET-FI	32,563.11	0.6%	9.6%	28.0%
BET-NG	738.63	-0.8%	25.6%	39.5%
BET-BK	1,608.62	-0.1%	19.7%	36.6%
BET-XT	759.38	-0.1%	18.0%	32.3%
BET-Plus	1,251.29	0.0%	18.9%	31.7%
ROTX ¹	16,850.71	0.3%	19.1%	34.3%

Market Digest - BSE	Daily	30D avg	YTD avg
Turnover (in RONm)	168.6	26.1	38.3
Turnover (in EURm*)	36.9	5.7	8.4
Volume	68.5	26.1	35.2
Total market cap (in RON bn)	176.1	165.3	141.3
Total market cap (in EUR bn*)	38.6	36.2	30.9

* turnover includes deal trades and is translated in last EURRON parity

Market Valuation Data (BET)	FY15A	FY16A	FY17E
P/E (x)	11.1	11.7	14.1
EV/EBITDA (x)	3.3	-0.3	0.2
P/BV (x)	0.8	0.8	1.0
EPS growth	18.5%	18.5%	20.6%
Div. Yield	4.8%	5.7%	5.7%

Corporate & Economic Events

24-May	Monetary Indicators Data
30-May	Construction permits for buildings data
31-May	Unemployment Data
07-June	Q1 17(P1) GDP Data
08-June	Construction of Dwellings Data (P)
14-June	Wholesale Turnover Data
14-June	Construction Works Data
15-June	SNG OGS
19-June	TGN OGS
27-June	Monetary Indicators Data
27-June	Employment and Unemployment Data
30-June	Construction permits for buildings data
03-July	Unemployment Data
07-July	Q1 17(P2) GDP Data
14-July	SNP Q2 17 Trading Update
14-July	Wholesale Turnover Data
25-July	Monetary Indicators Data

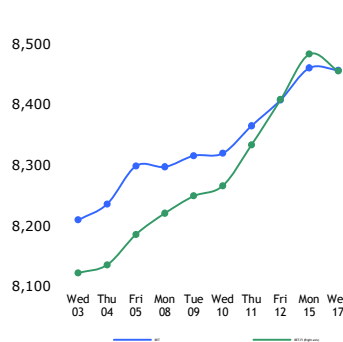
World Markets

Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	20,606.93	-1.8%	4.3%	17.6%
S&P 500	2,357.03	-1.8%	5.3%	15.1%
Nasdaq	6,011.24	-2.6%	11.7%	27.5%
FTSE 100	7,503.47	-0.2%	5.0%	21.7%
DAX 30	12,631.61	-1.4%	10.0%	27.7%
CAC 40	5,317.89	-1.6%	9.4%	23.7%
PX - Czech Rep.	1,020.64	-0.6%	10.7%	17.4%
MICEX - Russia	1,994.35	0.1%	-10.7%	4.5%
SOFIX	661.97	0.2%	12.9%	50.3%
ISE (XU100) - Turkey	95,724.95	-0.5%	22.5%	23.9%
WSE - Poland	60,133.08	-1.4%	16.2%	28.7%
Nikkei 225 (Japan)	19,814.88	-0.5%	3.7%	19.0%
Hang Seng	25,293.63	-0.2%	15.0%	25.7%

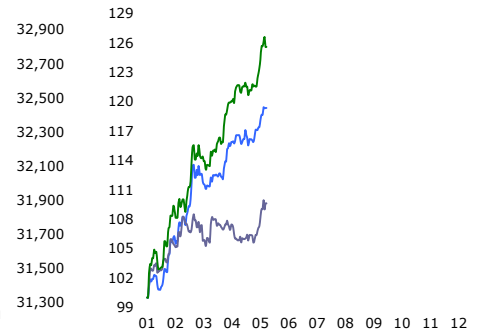
FX/Commodities/Rates

EUR/RON	4.57	Libor (12M)	-0.1%
USD/RON	4.09	ROBID (ON)	0.3%
EUR/USD	1.12	ROBID (1M)	1.0%
Brent (\$/bbl - dated)	51.43	ROBOR (ON)	0.3%
Gold (\$/oz)	1,261.22	ROBOR (1M)	0.5%
Euribor (1M)	-0.37%	NBR rate	1.8%
Euribor (12M)	-0.13%	CPI (YoY) 04/2017	0.6%
Libor (1M)	-0.40%	GDP real Q1'17	5.7%

10 DAYS

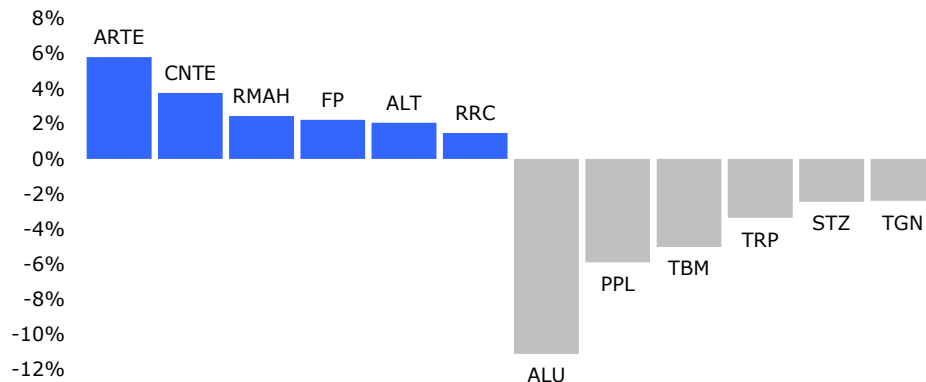


Rebased 2017



Market comment

DIGI generated 80% of daily liquidity of EUR 36.9m. Deals occurred in SIF4, SIF2 and TLV for accumulated value of EUR 7m.



Most Traded	Turnover	Day %
DIGI	109,246,100	0.0%
SIF4	23,672,440	0.3%
TLV	7,064,050	-0.2%
SIF2	6,877,785	-0.3%
TGN	3,145,337	-2.4%
SPCU	3,043,268	0.0%
BRD	2,912,479	0.3%
FP	2,893,807	2.2%
SNP	2,543,129	-0.1%
SNG	1,922,514	-0.9%

Best 6 performers	Turnover	Day %
ARTE	1,941	5.8%
CNTE	215	3.8%
RMAH	796	2.5%
FP	2,893,807	2.2%
ALT	398	2.1%
RRC	13,763	1.5%

Worst 6 performers	Turnover	Day %
ALU	317,140	-11.1%
PPL	768	-5.9%
TBM	307,800	-5.0%
TRP	50,671	-3.4%
STZ	2,600	-2.4%
TGN	3,145,337	-2.4%

* turnover includes deal trades

Stock	BSE Ticker	Last price	Mkt Cap (m RON)	Mkt Cap (m EUR)	Volume (000)	30D Volume (000)	Day %	Weekly %	YTD %	YoY %	P/E (16E)	P/E (17E)	P/BV (16E)	P/BV (17E)	EV/EBITDA (16E)	EV/EBITDA (17E)
OMV Petrom	SNP	0.34	18,975.8	4,153.6	7,596.3	3,988.8	-0.15%	4.52%	28.35%	46.3%	14.2	18.3	0.6	0.7	3.1	3.9
BRD	BRD	12.52	8,725.2	1,909.9	232.9	121.9	0.32%	-2.95%	5.39%	31.1%	10.9	11.4	1.2	1.3	n/a	n/a
BANCA TRANSILVANIA	TLV	2.75	10,008.4	2,190.7	2,582.1	1,316.7	-0.18%	-0.72%	15.09%	0.2%	7.1	8.1	1.5	1.7	n/a	n/a
TRANSGAZ S.N.T.G.N.	TGN	407.00	4,792.0	1,048.9	7.7	4.0	-2.40%	6.27%	38.44%	52.4%	5.8	8.0	0.9	1.2	2.5	4.0
TRANSELECTRICA	TEL	32.20	2,360.4	516.7	19.4	11.8	-0.62%	-1.08%	10.27%	10.5%	7.5	8.3	0.7	0.8	2.8	3.2
SNGN ROMGAZ	SNG	32.40	12,487.7	2,733.4	59.1	39.9	-0.92%	4.85%	29.60%	45.0%	9.4	12.2	1.0	1.3	4.6	6.4
SN NUCLEARELECTRICA	SNN	6.78	2,044.3	447.5	23.0	25.9	-0.44%	2.42%	41.10%	30.6%	13.3	18.8	0.2	0.3	2.2	3.1
BVB SA	BVB	34.70	266.3	58.3	1.3	0.8	-0.86%	7.76%	19.66%	41.1%	28.3	33.8	2.3	2.7	48.9	71.6
ELECTRICA	EL	14.08	4,870.8	1,066.2	45.4	26.6	-0.85%	-0.72%	6.99%	18.3%	19.0	20.4	1.2	1.3	-22.3	-25.0
FONDUL PROPRIETATEA	FP	0.92	10,749.2	2,352.9	3,165.5	1,688.2	2.23%	2.57%	15.47%	26.4%	15.0	18.8	0.7	0.9	n/a	n/a
SIF OLTENIA	SIF5	1.71	990.9	216.9	414.8	239.9	0.00%	2.89%	4.79%	25.2%	9.3	9.8	0.7	0.7	n/a	n/a
SIF MOLDOVA	SIF2	0.88	909.4	199.1	7,735.5	3,897.3	-0.34%	3.30%	12.31%	31.7%	6.6	7.4	0.5	0.6	n/a	n/a
SIF TRANSILVANIA	SIF3	0.25	545.0	119.3	1,726.3	905.3	0.40%	0.00%	-0.20%	6.2%	7.9	7.9	0.6	0.6	n/a	n/a
SIF BANAT CRISANA	SIF1	1.93	1,061.5	232.3	50.0	28.3	-0.62%	3.42%	4.65%	38.1%	12.5	13.0	0.5	0.5	n/a	n/a
SIF MUNTENIA	SIF4	0.76	615.0	134.6	27,097.9	13,554.2	0.26%	6.42%	16.16%	41.1%	10.5	12.2	0.5	0.5	n/a	n/a

Top News and Headlines

ELECTRICA (EL RO): Dividend payment to start on 22 June – bvb.ro

RECOMMENDATION SYSTEM

SSIF IEBA TRUST uses a Relative recommendation system. Such system indicates that each stock is rated on a basis of the excess return, measured by the relative value of the target (calculated) price and the current price, over a 12 months period of time.

The range of recommendations for each stock consists of 4 elements: Buy (B), Accumulate (A), Hold (H), Reduce (R).

SSIF IEBA TRUST RATINGS

BUY	The stock is expected to generate potential excess return over 15%
ACCUMULATE	The stock is expected to generate potential excess return of 5 to 15%
HOLD	The stock is expected to generate potential excess return of -5% to 5%
REDUCE	The stock is expected to generate potential excess return below -5%

Excess return: Target price/current price - 1

For the cases of Initial Public Offering, the above-mentioned recommendation system is not applied. In such cases, the recommendation is based on the comparison between the price of the Offering, and the fair value estimated by SSIF IEBA TRUST.

Measures Definitions

IEBA Net Income	Adjusted Net Income for one-off items	
Net Cash Flow from operations	EBITDA (+/-) other provisions (+/-)(Increase)/Decrease in Working Capital	
FCF Equity	Net Cash Flow from operations (-) CAPEX	
Net debt	Total short-term and long-term bank debt (-) cash	
EV	Market Cap (avg historic or current) + book value of minorities + Net debt	
FCFPS	FCF Equity	Diluted no of shares
EPS (or IEBA)	Reported (or IEBA) Net Income	Diluted no of shares
BVPS	Total Equity	Year end no of shares
P/E (or IEBA)	Share Price (avg historic or current)	Reported (or IEBA) EPS
P/E IEBA at 52wks High	52 weeks High price (avg historic or current)	IEBA EPS / Diluted IEBA Earnings Per Share
P/BV	Share Price (avg historic or current)	BVPS
ROE	Reported Net Income	Average Total Equity
ROCE	Reported Net Income	Average (Total debt + Total Equity)
EV/EBITDA	EV (with avg historic or current)	Reported EBITDA
EV/EBITDA (x) at 52wks High	EV using 52 weeks High market cap (avg historic or current)	Reported EBITDA
EBITDA/Net financials	Reported EBITDA	Net financials: Net interest (+/-) Net financials
EV/CE (x)	EV (with avg historic or current)	CE: Total bank debt + Total Equity
FCF Yield	FCFPS	Share Price (avg historic or current)
Dividend Yield	DPS	Share Price (avg historic or current)

Dividend Payout	Dividend	Reported Net Income
-----------------	----------	---------------------

DISCLAIMER

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in Romania or any other jurisdiction where such distribution, publication, availability or use would be contrary to a law or regulation or which would subject SSIF IEBA TRUST. All material presented in this report, unless specifically indicated otherwise, is under copyright to SSIF IEBA TRUST SA. None of the material, or its content, or any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the express written permission of SSIF IEBA TRUST SA. All trademarks, service marks, and logos used in this report are trademarks or service marks or registered trademarks of SSIF IEBA TRUST SA.

The information, tools, and materials presented in this report are provided to you for information purposes only and are not to be used or considered as an offer, the solicitation of an offer or suggestion to act upon the information presented, nor as grounds for an investment decision. Any other information not included in this material shall be provided to the beneficiary solely upon his request. SSIF IEBA TRUST SA will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you, and it is recommended that you consult an investment advisor or lawyer if you are in doubt about such investments or services. Nothing in this report constitutes investment, service, legal, accounting, or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. SSIF IEBA TRUST SA does not advise on the tax consequences of investments or services, and you are advised to contact an independent tax adviser. Please note in particular that the bases and levels of taxation may change.

Information and opinions presented in this report have been obtained or derived from sources believed by SSIF IEBA TRUST SA to be reliable, but SSIF IEBA TRUST SA makes no representation as to their accuracy or completeness. The information, opinions and estimations presented in this material reflect the situation at the time of their drafting and can be changed without previous notice. SSIF IEBA TRUST SA accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that such liability arises under specific statutes or regulations applicable to SSIF IEBA TRUST SA. The report was drafted without taking into consideration the financial situation and investment objectives of the beneficiary and is not meant to influence in any and all ways his/her investing decisions. The opinions and proposals presented within the material may be unsuitable to the beneficiary, depending upon the objectives, risk tolerance and financial situation of the beneficiary. This report is not to be relied upon in substitution for the exercise of independent judgment. SSIF IEBA TRUST SA may have issued, or may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views, and analytical methods of the analysts who prepared them, and SSIF IEBA TRUST SA is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. SSIF IEBA TRUST SA holds no obligation in updating the material.

SSIF IEBA TRUST SA may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published. Additional information is, subject to duties of confidentiality, available upon request. Some investments or services referred to in this report will be offered solely by a single entity and in the case of some investments or services, solely by SSIF IEBA TRUST SA or its affiliates. SSIF IEBA TRUST SA may as well participate, invest, effect trades or other operations with the issuers whose securities are the subject of the material.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Certain investments discussed in this report may have a high degree of volatility and may experience sudden and large falls in their value, causing losses when that investment is realized. Income yields from investments may fluctuate as well due to variation of the interest rate, foreign exchange rate, changes in the financials or operational circumstances of the companies and due to other microeconomic or macroeconomic factors. Information, opinions, and estimates contained in this report reflect a judgment at its original date of publication by SSIF IEBA TRUST and are subject to change without notice.

This report may provide the addresses of, or contain hyperlinks to websites. Except to the extent to which the report refers to SSIF IEBA TRUST SA own website material, SSIF IEBA TRUST SA has not reviewed any such site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to SSIF IEBA TRUST's own website material) is provided solely for your convenience and information, and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or SSIF IEBA TRUST's website shall be at your own risk.

Important company disclosures

The following designations (a-e) next to a company covered in this publication highlight that one or more members of SSIF IEBA Trust:

- own more than 5% of the share capital of the company (as at the end of the month preceding this publication);
- managed or co-managed a public offering of the securities of the company in the last 12 months;
- has received compensation for financial investment services from the company within the last 12 months;
- is a market maker or stabilizing manager of the company's securities;
- has one or more members in the board of directors or supervisory board of the company

IEBA TRUST is a broker/financial intermediary registered with the Financial Supervisory Authority which exercises the authorization, regulation, supervision and control power over the intermediaries of financial instrument operations; the financial investment undertakings; undertakings for collective investment; investment management companies; financial investment consultants, financial instruments markets; market and system operators; central depositories; clearing houses; central counterparties; market operations; securities issuers; investment compensation fund; other natural or legal persons conducting activities in accordance with the provisions of Law No. 297/2004 on the capital market, as subsequently amended and supplemented, Government Emergency Ordinance No. 32/2012 on undertakings for collective investment in securities and investment management companies, and for the amendment and supplementation of Law No. 297/2004 on the capital market, Government Emergency Ordinance No. 25/2002 approving the statute of the National Securities Commission, approved as amended and supplemented by Law No. 514/2002, as subsequently amended and supplemented, Law No. 253/2004 on the final nature of settlement in the payment systems and in the financial instruments operations settlement, as subsequently amended and supplemented, Government Ordinance No. 9/2004 on certain financial security contracts, approved as amended and supplemented by Law No. 222/2004, as subsequently amended and supplemented, Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy, approved as amended and supplemented by Law No. 227/2007, as subsequently amended and supplemented;

Analyst Certification

The analysts that have written this report certify that the views about the companies and securities contained in this report accurately reflect their personal views and that no part of their compensation was or will be directly or indirectly related to the specific recommendations or views in this report.

RESEARCH

research@iebatrust.ro

Analyst

Ana-Maria Andrus
ana.andrus@iebatrust.ro

Cristina Nastase

cristina.nastase@iebatrust.ro

SALES & TRADING

Head of Sales

Tudor Cernica
tudor.cernica@iebatrust.ro

Senior Trader

Florin Popescu
florin.popescu@iebatrust.ro

Development Manager

Serban Marin
serban.marin@iebatrust.ro

Head of Corporate

Catalin Nae
catalin.nae@iebatrust.ro

General Manager

SSIF IEBA TRUST

5-7, Dimitrie Pompei Blvd, 5th floor,
Body C, District 2, Bucharest 020335,
Romania

Tel. : +4021 313 0102

Fax : +4021 313 1595

George Nistor
george.nistor@iebatrust.ro