

Friday - August 11, 2017

## Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	8,331.22	-0.8%	17.6%	21.9%
BET-FI	34,705.75	-0.8%	16.8%	22.2%
BET-NG	695.67	0.2%	18.3%	22.9%
BET-BK	1,644.54	-1.0%	22.3%	29.0%
BET-XT	760.81	-0.7%	18.2%	23.2%
BET-Plus	1,240.56	-0.7%	17.9%	22.4%
ROTX <sup>1</sup>	16,909.26	-1.4%	19.5%	26.4%

Market Digest - BSE	Daily	30D avg	YTD avg
Turnover (in RONm)	28.5	18.8	38.6
Turnover (in EURm*)	6.2	4.1	8.4
Volume	15.5	18.8	34.4
Total market cap (in RON bn)	164.0	165.1	143.8
Total market cap (in EUR bn*)	35.9	36.1	31.4

\* 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	0.1
P/BV (x)	0.8	0.8	1.0
EPS growth	18.5%	18.5%	20.2%
Div. Yield	4.8%	6.0%	6.0%

## Corporate & Economic Events

11-August	EL	H1 17 Results
11-August	SIF1	H1 17 Results
11-August	FP	H1 17 Results
11-August	SNN	H1 17 Results
11-August	SNG	H1 17 Results
11-August	TGN	H1 17 Results
14-August	SIF4	H1 17 Results
14-August		Wholesale Turnover Data
14-August		Construction Works Data
16-August		Q2 17(E) GDP Data
16-August	TEL	H1 17 Results
16-August	SIF3	H1 17 Results
24-August	SNN	O&EGSM
24-August		Monetary Indicators Data
29-August		Construction permits for buildings data
30-August	SIF4	GSM
31-August		Unemployment Data

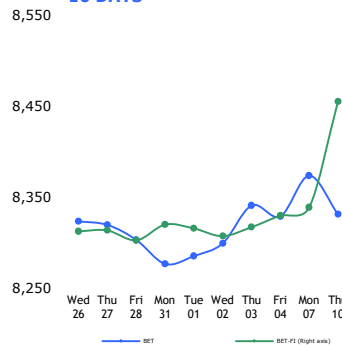
## World Markets

Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	21,844.01	-0.9%	10.5%	18.1%
S&P 500	2,438.21	-1.4%	8.9%	12.1%
Nasdaq	6,216.87	-2.1%	15.5%	19.4%
FTSE 100	7,389.94	-1.4%	3.5%	7.6%
DAX 30	12,014.30	-1.1%	4.6%	12.8%
CAC 40	5,115.23	-0.6%	5.2%	14.9%
PX - Czech Rep.	1,025.87	-0.4%	11.3%	19.4%
MICEX - Russia	1,960.23	-0.8%	-12.2%	0.9%
SOFIX	729.22	0.3%	24.3%	59.0%
ISE (XU100) - Turkey	107,800.42	-0.8%	38.0%	38.3%
WSE - Poland	62,451.57	-0.8%	20.7%	29.0%
Nikkei 225 (Japan)	19,729.74	0.0%	3.2%	17.9%
Hang Seng	27,444.00	-1.1%	24.7%	22.0%

## FX/Commodities/Rates

EUR/RON	4.57	Libor (12M)	-0.2%
USD/RON	3.89	ROBID (ON)	0.4%
EUR/USD	1.18	ROBID (1M)	1.0%
Brent (\$/bbl - dated)	51.42	ROBOR (ON)	0.4%
Gold (\$/oz)	1,286.34	ROBOR (1M)	0.5%
Euribor (1M)	-0.37%	NBR rate	1.8%
Euribor (12M)	-0.15%	CPI (YoY) 06/2017	0.9%
Libor (1M)	-0.40%	GDP real Q1'17	5.7%

## 10 DAYS

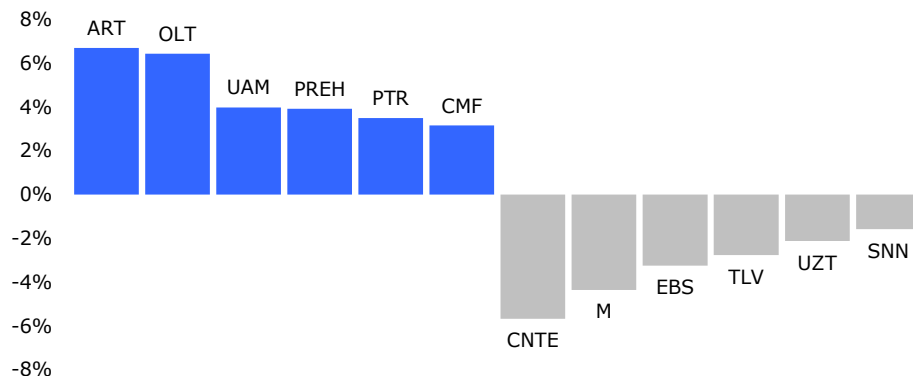


## Rebased 2017



## Market comment

TLV pushed daily liquidity to EUR 6.2m.



Most Traded	Turnover	Day %
TLV	15,991,510	-2.8%
SNG	2,759,654	0.0%
EL	2,543,141	0.9%
FP	1,328,795	-0.6%
BRD	1,007,088	-0.7%
TGN	670,068	-0.3%
SNP	585,655	0.6%
SIF1	460,101	-0.7%
ALR	384,802	1.0%
SIF3	280,447	-0.8%

Best 6 performers	Turnover	Day %
ART	45,151	6.7%
OLT	177,053	6.4%
UAM	522	4.0%
PREH	6	3.9%
PTR	991	3.5%
CMF	4,297	3.2%

Worst 6 performers	Turnover	Day %
CNTE	5,559	-5.7%
M	110,026	-4.4%
EBS	86,510	-3.3%
TLV	15,991,510	-2.8%
UZZ	380	-2.1%
SNN	127,821	-1.6%

\* 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 (16A)	P/E (17E)	P/BV (16A)	P/BV (17E)	EV/EBITDA (16A)	EV/EBITDA (17E)
OMV Petrom	SNP	0.32	18,239.4	3,987.2	1,793.2	1,130.6	0.63%	2.06%	23.37%	26.5%	14.2	17.6	0.6	0.7	3.1	3.8
BRD	BRD	13.94	9,714.8	2,123.7	71.9	224.2	-0.71%	-0.99%	17.34%	33.8%	10.9	12.7	1.2	1.5	n/a	n/a
BANCA TRANSILVANIA	TLV	2.46	10,679.9	2,334.7	6,463.8	4,726.2	-2.77%	-15.17%	3.14%	2.7%	7.1	8.7	1.5	1.8	n/a	n/a
TRANSGAZ S.N.T.G.N.	TGN	388.00	4,568.3	998.6	1.7	3.8	-0.26%	0.52%	31.97%	37.6%	5.8	7.7	0.9	1.2	2.5	3.7
TRANSELECTRICA	TEL	28.40	2,081.8	455.1	3.9	2.8	-0.70%	-0.53%	-2.74%	-3.7%	7.5	7.3	0.7	0.7	2.8	2.8
SNGN ROMGAZ	SNG	29.30	11,292.9	2,468.7	94.2	65.5	0.00%	3.90%	17.20%	27.9%	9.4	11.0	1.0	1.2	4.6	5.6
SN NUCLEARELECTRICA	SNN	7.50	2,261.4	494.3	17.0	33.6	-1.57%	5.34%	56.09%	42.0%	13.3	20.7	0.2	0.3	2.2	3.5
BVB SA	BVB	33.90	260.2	56.9	3.5	2.0	-0.59%	-0.29%	16.90%	30.9%	28.3	33.1	2.3	2.6	48.9	68.4
ELECTRICA	EL	13.92	4,815.5	1,052.7	182.3	143.9	0.87%	-15.17%	5.78%	5.8%	19.0	20.1	1.2	1.2	-22.3	-24.5
FONDUL PROPRIETATEA	FP	0.87	10,749.2	2,349.8	1,529.7	6,213.5	-0.57%	-0.46%	9.18%	12.7%	15.0	18.8	0.7	0.9	n/a	n/a
SIF OLTENIA	SIF5	1.89	1,098.8	240.2	48.1	39.3	-0.73%	6.40%	16.20%	20.3%	9.3	10.9	0.7	0.8	n/a	n/a
SIF MOLDOVA	SIF2	1.05	1,090.1	238.3	62.0	41.2	-0.94%	2.94%	34.62%	38.0%	6.6	8.8	0.5	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.26	561.4	122.7	1,089.5	851.4	-0.77%	1.58%	2.80%	-4.8%	7.9	8.1	0.6	0.6	n/a	n/a
SIF BANAT CRISANA	SIF1	2.15	1,180.0	258.0	214.4	226.4	-0.69%	6.44%	16.34%	36.2%	12.5	14.5	0.5	0.6	n/a	n/a
SIF MUNTENIA	SIF4	0.85	686.0	150.0	43.0	67.4	-1.16%	2.41%	29.57%	38.4%	10.5	13.6	0.5	0.6	n/a	n/a

## Top News and Headlines

**CONPET (COTE RO):** H1'17 EBITDA increased by 8.1% Y/Y to RON 68.22m, despite operating revenues jumped only 0.2% Y/Y to RON 203m, due to drop in operating costs by 1.7% Y/Y to RON 156.7m (mainly on lower provision costs and maintenance&repair charges). Net profit climbed by 9% Y/Y to RON 40.39m – bvb.ro

**ROMGAZ (SNG RO):** Q2'17 net profit above estimates at RON 307m, due to 84% Y/Y increase in sales to RON 895m and 46% Y/Y hike in EBITDA to RON 425m – results are mainly attributable to higher gas sales and electricity as well as lowering opex. Results are above estimates due to higher than expected gas sales, as revenues from sale of domestic production went 2x higher Y/Y and exceeding market estimates at RON 702m which is comparable to a winter season (revenues of RON 772m achieved in Q4'16 from sale of gas production) – POSITIVE – bvb.ro

**NUCLEARELECTRICA (SNN RO):** H1'17 operating revenues increased by 20.3% Y/Y at RON 893m, EBITDA increased by 54.5% Y/Y at RON 393.2m and net profit reported at 133.7m vs. RON 1.7m in the previous year impacted also by positive financial result; results were impacted by 5.5% Y/Y higher production to 5TWh and higher realized prices by some 12.83% Y/Y and 65% Y/Y drop in expenses with energy transportation – bvb.ro

**TRANSGAZ (TGN RO):** H1'17 operating revenues increased by 12.6% Y/Y at RON 980.4m while operating expenses decreased by 4.8% Y/Y at RON 519.7m. Operational profit reported at RON 465.2m (+43% Y/Y) and net profit increased by 42% Y/Y at RON 400.5m; results are motivated by 16% Y/Y increase in quantities transported to 6.85bn cm and 22% Y/Y drop in grid losses – bvb.ro

**BURSA DE VALORI BUCURESTI (BVB RO):** Calls for OGSM on 14 September – on the agenda is the election of a BoD member in order to fill the vacant position occupied previously by late Mr. Cristian Micu – 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

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