

Thursday - February 07, 2019

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	7,442.73	0.5%	0.8%	-7.1%
BET-FI	34,280.42	-0.3%	-1.0%	-16.5%
BET-NG	642.78	0.4%	6.5%	-5.5%
BET-BK	1,481.05	0.0%	1.5%	-13.0%
BET-XT	687.96	0.3%	1.1%	-9.4%
BET-Plus	1,114.90	0.5%	0.5%	-7.2%
ROTX ¹	15,495.58	0.5%	1.0%	-5.8%

Market Digest - BSE

	Daily	30D avg	YTD avg
Turnover (in RONm)	47.4	51.7	48.9
Turnover (in EURm*)	10.0	10.9	10.3
Volume	32.7	39.4	36.7
Total market cap (in RON bn)	151.4	145.4	146.0
Total market cap (in EUR bn*)	32.0	30.7	30.8

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

Market Valuation Data (BET)

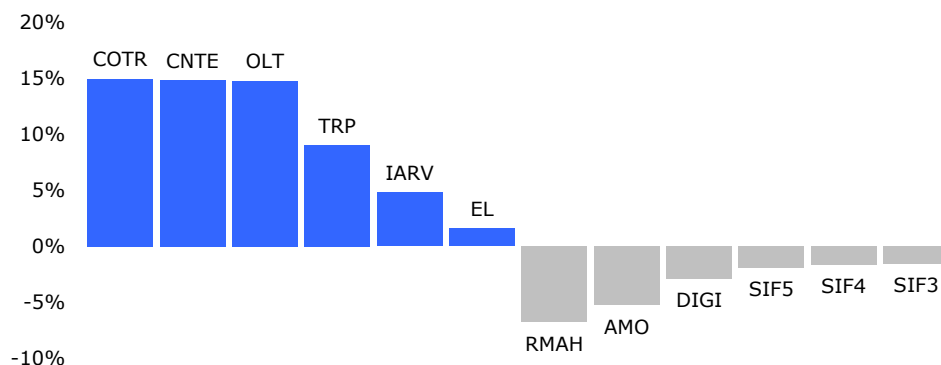
	FY16A	FY17A	FY18E
P/E (x)	10.3	7.6	7.2
EV/EBITDA (x)	3.1	3.8	3.6
P/BV (x)	0.8	0.9	0.9
Div. Yield	7.4%	8.6%	10.1%

Corporate & Economic Events

07-February	NBR Monetary Policy Meeting
07-February	BRD FY 18 Preliminary Results
11-February	Monthly average earnings
11-February	Foreign trade (estimated data)
12-February	Energy resources data
12-February	Industry turnover
12-February	Industrial new orders
13-February	Industrial production
13-February	Consumer Price Index
13-February	Balance of payments
14-February	Q4 17(E) GDP Data
14-February	BVB FY 18 Preliminary Results
14-February	DIGI FY 18 Preliminary Results
15-February	SNG FY 18 Preliminary Results
15-February	FP FY 18 Preliminary Results
15-February	TEL FY 18 Preliminary Results

Market comment

BET up 0.5% on EUR 10m turnover.



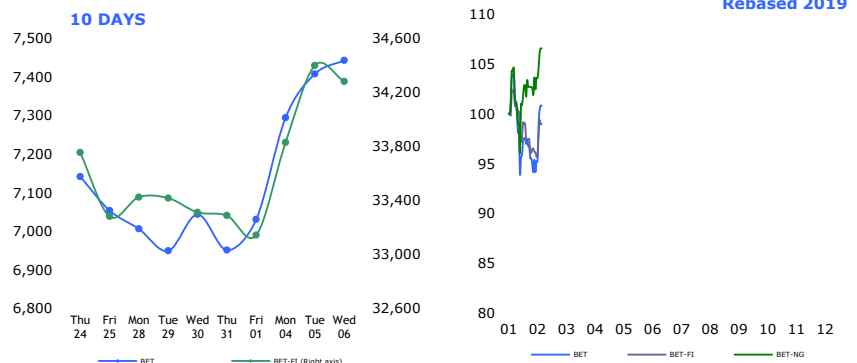
*as per Bloomberg data

World Markets

Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	25,390.30	-0.1%	8.8%	1.9%
S&P 500	2,731.61	-0.2%	9.0%	1.4%
Nasdaq	7,375.28	-0.4%	11.2%	3.6%
FTSE 100	7,173.09	-0.1%	6.6%	0.4%
DAX 30	11,324.72	-0.4%	7.3%	-8.6%
CAC 40	5,079.05	-0.1%	7.4%	-1.6%
PX - Czech Rep.	1,063.02	0.3%	7.8%	-3.2%
MICEX - Russia	2,285.53	0.0%	0.0%	2.1%
SOFIX	574.25	-0.8%	-3.4%	-16.8%
ISE (XU100) - Turkey	102,584.30	0.1%	12.4%	-11.1%
WSE - Poland	61,319.01	0.3%	6.3%	-1.9%
Nikkei 225 (Japan)	20,874.06	0.1%	4.3%	-3.4%
Hang Seng	27,990.21	0.0%	8.3%	-8.5%

FX/Commodities/Rates

EUR/RON	4.74	Libor (12M)	-0.2%
USD/RON	4.17	ROBID (ON)	3.4%
EUR/USD	1.14	ROBID (1M)	3.3%
Brent (\$/bbl - dated)	62.14	ROBOR (ON)	3.4%
Gold (\$/oz)	1,312.40	ROBOR (1M)	3.3%
Euribor (1M)	-0.37%	NBR rate	2.5%
Euribor (12M)	-0.11%	CPI (YoY) 12/2018	3.3%
Libor (1M)	-0.42%	GDP Q3'2018	4.2%



Most Traded	Turnover	Day %
TLV	21,160,280	1.1%
BRD	11,099,160	0.9%
SNG	6,268,020	0.3%
SNP	3,515,570	0.7%
FP	1,364,057	0.4%
EL	811,329	1.6%
SNN	699,604	1.1%
TEL	623,519	1.1%
SIF5	364,161	-1.9%
SFG	271,100	1.0%

Best 6 performers	Turnover	Day %
COTR	655	14.9%
CNTE	5,183	14.8%
OLT	21,362	14.7%
TRP	230,009	9.0%
IARV	14,215	4.8%
EL	811,329	1.6%

Worst 6 performers	Turnover	Day %
RMAH	951	-6.8%
AMO	8,736	-5.3%
DIGI	211,372	-2.9%
SIF5	364,161	-1.9%
SIF4	32,346	-1.6%
SIF3	16,340	-1.5%

* 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 (17A)	P/E (18E)	P/BV (17A)	P/BV (18E)	EV/ EBITDA (17A)	EV/ EBITDA (18E)
OMV PETROM	SNP	0.34	19,259.0	4,064.4	10,307.6	8,498.2	0.7%	3.5%	13.7%	15.3%	6.5	7.7	0.6	0.7	2.0	2.4
BRD	BRD	11.50	8,014.4	1,691.3	968.6	655.5	0.9%	14.8%	0.9%	-10.0%	6.4	5.7	1.2	1.1	n/a	n/a
BANCA TRANSILVANIA	TLV	1.87	9,004.2	1,900.2	11,360.4	11,976.7	1.1%	17.0%	-6.7%	-8.5%	7.5	7.3	1.3	1.3	n/a	n/a
TRANSGAZ	TGN	326.00	3,838.3	810.0	0.5	2.6	-1.1%	-0.9%	3.2%	-18.1%	7.8	6.6	1.2	1.0	4.0	3.2
TRANSELECTRICA	TEL	19.90	1,458.7	307.8	31.6	9.6	1.1%	2.1%	-7.4%	-21.0%	78.8	63.9	0.7	0.5	4.6	3.7
ROMGAZ	SNG	29.85	11,504.9	2,428.0	211.5	103.2	0.3%	5.7%	7.4%	-9.0%	6.5	6.2	1.3	1.2	3.3	3.1
NUCLEARELECTRICA	SNN	8.50	2,562.9	540.9	83.3	90.6	1.1%	7.2%	4.2%	8.3%	7.1	8.4	0.3	0.3	1.7	2.2
BVB	BVB	22.70	182.7	38.6	0.1	1.1	-0.4%	0.4%	8.1%	-18.9%	15.6	12.9	1.9	1.6	n/a	n/a
ELECTRICA	EL	9.80	3,390.2	715.5	83.8	110.9	1.6%	-0.6%	1.0%	-17.1%	30.6	26.5	0.7	0.6	4.7	3.9
CONPET	COTE	79.00	683.9	144.3	0.5	1.9	0.0%	0.0%	1.7%	-30.1%	11.6	9.2	1.3	1.0	4.5	3.2
MEDLIFE	M	26.50	586.8	123.8	0.1	5.7	0.0%	-1.1%	-1.1%	-19.7%	172.3	133.9	5.0	3.9	12.7	10.5
DIGI	DIGI	27.00	2,700.0	569.8	7.8	26.5	-2.9%	2.7%	5.5%	-23.3%	14.3	10.1	6.0	4.2	6.4	5.4
SPHERA	SFG	20.70	803.1	169.5	13.2	25.4	1.0%	1.0%	4.8%	n/a	50.4	25.7	15.1	7.7	31.5	16.1
PURCARI WINERIES	WINE	17.35	347.0	73.2	0.2	5.9	0.0%	0.3%	n/a	n/a	n/a	13.6	n/a	3.6	n/a	9.5
FONDUL PROPRIETATEA	FP	0.82	6,004.8	1,267.2	1,660.3	5,350.7	0.4%	-0.1%	-6.9%	-7.8%	5.8	4.7	0.7	0.6	n/a	n/a
SIF OLTENIA	SIF5	2.07	1,200.9	253.4	175.0	622.5	-1.9%	0.7%	-0.7%	-11.7%	17.0	16.2	0.8	0.7	n/a	n/a
SIF MOLDOVA	SIF2	1.18	1,165.5	246.0	19.9	90.4	0.5%	2.3%	-2.6%	-20.0%	8.5	7.1	0.8	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.22	483.3	102.0	73.5	1,080.7	-1.5%	1.6%	4.0%	-6.5%	8.3	7.5	0.5	0.5	n/a	n/a
SIF BANAT CRISANA	SIF1	2.20	1,138.4	240.2	66.4	380.4	0.5%	11.1%	7.8%	-24.7%	20.6	16.4	0.6	0.5	n/a	n/a
SIF MUNTENIA	SIF4	0.60	484.2	102.2	53.8	2,502.2	-1.6%	4.5%	0.3%	-36.8%	15.5	9.5	0.7	0.4	n/a	n/a

Top News and Headlines

BRD-GSG (BRD RO): Q4'18 group net income was up 21% Y/Y at RON 423m, 16% above consensus estimate, on account of higher NII and NFC, lower operating expenses and a positive net cost of risk – net interest income was higher by 16% Y/Y at RON 533m, net fees and commissions increased by 9% Y/Y to RON 209m – core income was up 14% Y/Y at RON 742m, while total other non-core income was up 16% at RON 85.2m – operating income amounted to RON 827m, up 14% Y/Y and 4.7% above consensus – operating expenses declined 6%, with decreases in both personnel costs and D&A – net cost of risk was RON 60.7m, compared to RON 88.5m in Q4'17 – loans & lease receivables advanced 4.6% Y/Y, while deposits from customers were up 2.3% - full year NI increased by 11% Y/Y to RON 1.56bn, with NII advance of 16% Y/Y, NFC up 4% Y/Y and non-core income up 9% Y/Y, a 1% Y/Y increase in operating expenses and positive cost of risk lower by 36% Y/Y – NPL ratio decreased to 4.6% at the end of 2018, while 2018 ROE was 20.8% – bvb.ro

BRD-GSG (BRD RO): proposed gross DPS of RON 1.64, same as last year – gross dividend yield of 14.3%, payout ratio of 73% - bvb.ro

BRD-GSG (BRD RO): with respect to the tax on banking assets, BRD shows that over the last decade it registered on average a profit representing 1.2% of its assets, meaning that the tax (of 1.2% of its financial assets under the current interbank market levels) would significantly hamper its capacity to generate profit through the cycle – bvb.ro

OMV PETROM (SNP RO): continues the dialogue with authorities and still pursues the development of the Neptun Deep perimeter, awaiting for secondary legislation – in the meantime, Black Sea Oil & Gas, controlled by Carlyle, has announced a positive FID for the Midia perimeter (10bn cbm, annual output estimated at 1bn cbm), with total investments estimated USD 400m – zf.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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