

Wednesday - February 06, 2019

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	7,407.54	1.6%	0.3%	-9.5%
BET-FI	34,398.97	1.7%	-0.7%	-18.2%
BET-NG	639.91	1.5%	6.1%	-7.8%
BET-BK	1,481.07	1.5%	1.5%	-15.2%
BET-XT	685.68	1.6%	0.8%	-11.8%
BET-Plus	1,109.30	1.5%	0.0%	-9.6%
ROTX ¹	15,421.28	1.7%	0.6%	-8.2%

Market Digest - BSE

	Daily	30D avg	YTD avg
Turnover (in RONm)	52.2	85.2	49.0
Turnover (in EURm*)	11.0	18.0	10.3
Volume	31.4	54.5	36.9
Total market cap (in RON bn)	151.9	145.2	145.8
Total market cap (in EUR bn*)	32.0	30.6	30.7

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

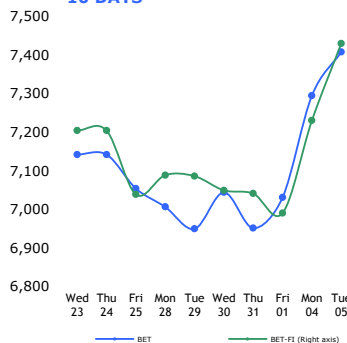
Market Valuation Data (BET)

	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%	10.2%

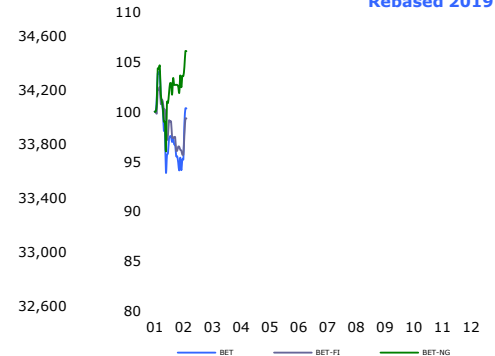
Corporate & Economic Events

06-February	SNP	FY 18 Preliminary Results
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

10 DAYS

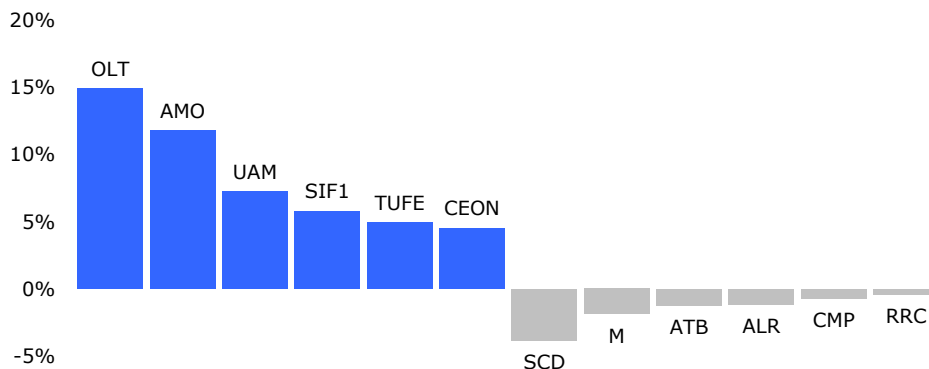


Rebased 2019



Market comment

BET up 1.6% on EUR 11m turnover.



*as per Bloomberg data

World Markets

Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	25,411.52	0.7%	8.9%	4.4%
S&P 500	2,737.70	0.5%	9.2%	3.4%
Nasdaq	7,402.08	0.7%	11.6%	6.2%
FTSE 100	7,177.37	2.0%	6.7%	-2.1%
DAX 30	11,367.98	1.7%	7.7%	-10.4%
CAC 40	5,083.34	1.7%	7.5%	-3.8%
PX - Czech Rep.	1,060.03	0.8%	7.4%	-5.5%
MICEX - Russia	2,285.53	0.0%	0.0%	0.4%
SOFIX	579.06	0.1%	-2.6%	-19.1%
ISE (XU100) - Turkey	102,448.40	0.2%	12.2%	-12.3%
WSE - Poland	61,147.18	0.8%	6.0%	-5.5%
Nikkei 225 (Japan)	20,844.45	-0.2%	4.1%	-8.1%
Hang Seng	27,990.21	0.0%	8.3%	-13.2%

FX/Commodities/Rates

EUR/RON	4.74	Libor (12M)	-0.2%
USD/RON	4.16	ROBID (ON)	3.4%
EUR/USD	1.14	ROBID (1M)	3.3%
Brent (\$/bbl - dated)	61.72	ROBOR (ON)	3.4%
Gold (\$/oz)	1,314.20	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	23,958,080	2.8%
BRD	12,825,170	1.8%
TGN	4,191,535	-0.2%
SNG	3,386,011	3.8%
FP	2,840,869	0.5%
SNN	1,221,560	2.9%
COTE	570,909	0.0%
EL	548,202	0.5%
SNP	548,185	1.0%
TEL	481,953	0.0%

Best 6 performers

	Turnover	Day %
OLT	9,470	14.9%
AMO	15,069	11.8%
UAM	1	7.2%
SIF1	257,684	5.8%
TUFE	179	4.9%
CEON	34,240	4.5%

Worst 6 performers

	Turnover	Day %
SCD	2,501	-3.8%
M	19,205	-1.9%
ATB	31,813	-1.2%
ALR	38,619	-1.1%
CMP	44,532	-0.7%
RRC	2,688	-0.4%

* 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 (17A)	P/E (18E)	P/BV (17A)	P/BV (18E)	EV/ EBITDA (17A)	EV/ EBITDA (18E)
OMV PETROM	SNP	0.34	19,117.4	4,031.1	1,622.6	8,616.1	1.0%	6.1%	12.9%	11.9%	6.5	7.7	0.6	0.7	2.0	2.4
BRD	BRD	11.40	7,944.7	1,675.2	1,128.6	639.0	1.8%	15.2%	0.0%	-12.4%	6.4	5.6	1.2	1.1	n/a	n/a
BANCA TRANSILVANIA	TLV	1.85	8,907.9	1,878.3	12,928.9	11,942.6	2.8%	15.8%	-7.7%	-11.6%	7.5	7.2	1.3	1.2	n/a	n/a
TRANSGAZ	TGN	329.50	3,879.5	818.0	12.7	2.6	-0.2%	1.4%	4.3%	-19.3%	7.8	6.7	1.2	1.0	4.0	3.3
TRANSELECTRICA	TEL	19.68	1,442.6	304.2	24.5	8.7	0.0%	0.4%	-8.5%	-24.0%	78.8	63.2	0.7	0.5	4.6	3.7
ROMGAZ	SNG	29.75	11,466.3	2,417.8	115.1	98.9	3.8%	7.0%	7.0%	-10.9%	6.5	6.2	1.3	1.2	3.3	3.1
NUCLEARELECTRICA	SNN	8.41	2,535.7	534.7	145.6	93.8	2.9%	6.9%	3.1%	5.1%	7.1	8.3	0.3	0.3	1.7	2.2
BVB	BVB	22.80	183.5	38.7	0.8	1.2	0.4%	1.8%	8.6%	-20.8%	15.6	12.9	1.9	1.6	n/a	n/a
ELECTRICA	EL	9.65	3,338.3	703.9	57.0	110.8	0.5%	-2.0%	-0.5%	-19.6%	30.6	26.1	0.7	0.6	4.7	3.8
CONPET	COTE	79.00	683.9	144.2	7.2	1.9	0.0%	0.0%	1.7%	-32.4%	11.6	9.2	1.3	1.0	4.5	3.2
MEDLIFE	M	26.50	586.8	123.7	0.7	5.8	-1.9%	0.4%	-1.1%	-23.6%	172.3	133.9	5.0	3.9	12.7	10.5
DIGI	DIGI	27.80	2,780.0	586.2	4.3	26.3	3.0%	6.9%	8.6%	-24.9%	14.3	10.4	6.0	4.4	6.4	5.5
SPHERA	SFG	20.50	795.4	167.7	0.7	25.0	1.0%	7.6%	3.8%	n/a	50.4	25.4	15.1	7.6	31.5	16.0
PURCARI WINERIES	WINE	17.35	347.0	73.2	2.8	5.9	0.0%	4.2%	n/a	n/a	n/a	13.6	n/a	3.6	n/a	9.5
FONDUL PROPRIETATEA	FP	0.82	5,982.9	1,261.6	3,462.8	5,410.7	0.5%	0.5%	-7.2%	-9.4%	5.8	4.6	0.7	0.6	n/a	n/a
SIF OLTENIA	SIF5	2.11	1,224.1	258.1	194.5	623.0	1.2%	2.2%	1.2%	-13.5%	17.0	16.5	0.8	0.8	n/a	n/a
SIF MOLDOVA	SIF2	1.17	1,159.6	244.5	175.2	93.4	-0.2%	-0.8%	-3.1%	-22.0%	8.5	7.0	0.8	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.23	490.9	103.5	230.4	1,118.6	0.9%	3.2%	5.6%	-7.3%	8.3	7.6	0.5	0.5	n/a	n/a
SIF BANAT CRISANA	SIF1	2.19	1,133.2	239.0	122.8	380.3	5.8%	10.3%	7.4%	-27.0%	20.6	16.3	0.6	0.5	n/a	n/a
SIF MUNTENIA	SIF4	0.61	492.3	103.8	146.2	2,514.8	3.4%	7.0%	2.0%	-37.8%	15.5	9.7	0.7	0.4	n/a	n/a

Top News and Headlines

OMV PETROM (SNP RO): net income reported at RON 1.41bn for Q4'18, 2.2 times higher than in the same period of the previous year and 41% above consensus estimate, on account of larger than expected increase in revenues – sales revenue was up 24.7% Y/Y to RON 6.4bn, higher by 7.4% than estimated, on account of generally higher quantities sold and higher prices that more than compensated a decrease in gas sales – total revenues were up 33.3% Y/Y to RON 6.9bn, including as a result of other operating revenue increasing 9 times – cash flow from operating activities increased by 21% Y/Y, FCF was RON 693m, 4.3% higher than in the same quarter of 2017 – bvb.ro

OMV PETROM (SNP RO): proposal to pay gross DPS of RON 0.027 – gross dividend yield of 8% on last closing price, payout ratio of 38% – bvb.ro

OMV PETROM (SNP RO): agreed with Auchan Retail Romania to negotiate an expansion of the MyAuchan partnership, conditional upon clearance from the Competition Council – 15 proximity stores have been inaugurated in Petrom stations during the pilot-phase of the partnership – profit.ro

2019 draft budget: Fitch Ratings warns that the draft Government budget is based on optimistic assumption, including the 5.5% economic growth, the projected increase in revenues and the revenues from combating tax evasion – the 2019 Presidential elections, on the other hand, will make cutting expenses, and reaching the 2.6% budget deficit target (ESA methodology), difficult – Fitch also notes that, while increasing taxes would help cut the budget deficit and mitigate the risks of overheating the economy, certain aspects like the lack of consultations, including with the National Bank, the lack of impact studies, ambiguity and a populist approach might negatively impact the business environment, investments, economic growth, and, eventually, budget revenues – profit.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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