

Friday - February 08, 2019

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	7,533.85	1.2%	2.0%	-6.0%
BET-FI	34,471.15	0.6%	-0.5%	-15.5%
BET-NG	651.19	1.3%	7.9%	-4.2%
BET-BK	1,496.40	1.0%	2.5%	-12.6%
BET-XT	696.20	1.2%	2.3%	-8.3%
BET-Plus	1,128.25	1.2%	1.7%	-6.1%
ROTX ¹	15,693.20	1.3%	2.3%	-4.6%

Market Digest - BSE

	Daily	30D avg	YTD avg
Turnover (in RONm)	129.4	51.1	52.2
Turnover (in EURm*)	27.3	10.8	11.0
Volume	58.9	37.5	37.6
Total market cap (in RON bn)	152.2	145.6	146.3
Total market cap (in EUR bn*)	32.1	30.7	30.8

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

Market Valuation Data (BET)

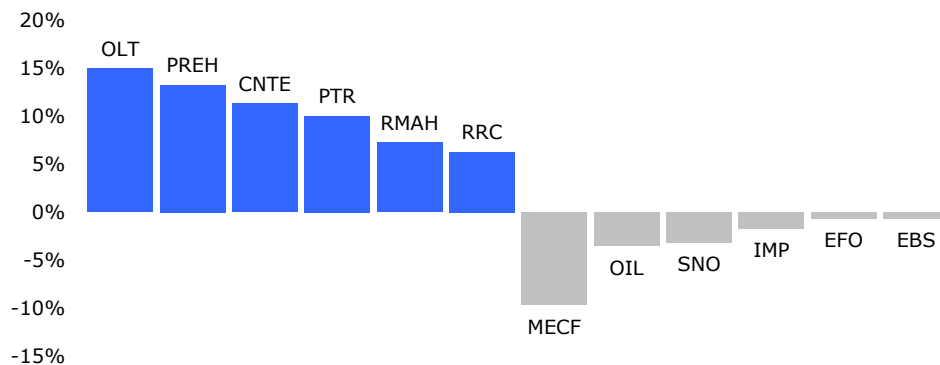
	FY16A	FY17A	FY18E
P/E (x)	10.3	7.6	7.3
EV/EBITDA (x)	3.1	3.8	3.4
P/BV (x)	0.8	0.9	0.9
Div. Yield	7.4%	8.6%	10.0%

Corporate & Economic Events

08-February	SIF5	End of tender offer period
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
15-February	TGN	FY 18 Preliminary Results

Market comment

BET up 1.2% on EUR 27.3m turnover.



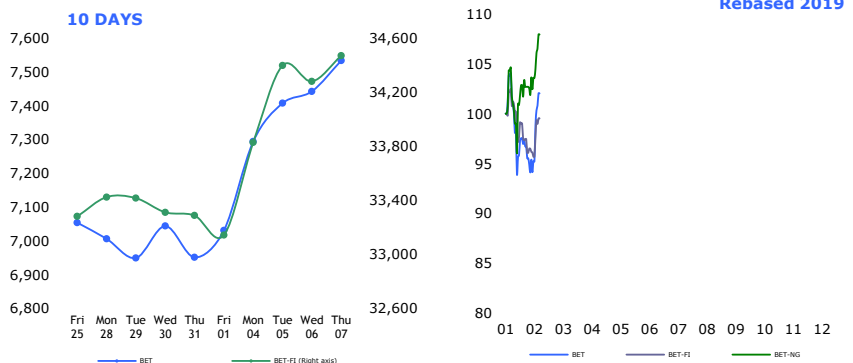
*as per Bloomberg data

World Markets

Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	25,169.53	-0.9%	7.9%	1.1%
S&P 500	2,706.05	-0.9%	7.9%	0.9%
Nasdaq	7,288.35	-1.2%	9.8%	3.4%
FTSE 100	7,093.58	-1.1%	5.4%	-2.6%
DAX 30	11,022.02	-2.7%	4.4%	-12.5%
CAC 40	4,985.56	-1.8%	5.4%	-5.1%
PX - Czech Rep.	1,060.92	-0.2%	7.5%	-5.0%
MICEX - Russia	2,285.53	0.0%	0.0%	1.4%
SOFIX	570.97	-0.6%	-4.0%	-18.6%
ISE (XU100) - Turkey	102,784.00	0.2%	12.6%	-11.1%
WSE - Poland	60,422.38	-1.5%	4.7%	-4.5%
Nikkei 225 (Japan)	20,751.28	-0.6%	3.7%	-4.1%
Hang Seng	27,990.21	0.0%	8.3%	-7.7%

FX/Commodities/Rates

EUR/RON	4.74	Libor (12M)	-0.2%
USD/RON	4.18	ROBID (ON)	3.4%
EUR/USD	1.13	ROBID (1M)	3.3%
Brent (\$/bbl - dated)	61.55	ROBOR (ON)	3.4%
Gold (\$/oz)	1,310.00	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	62,007,120	1.1%
BRD	38,993,290	3.3%
EL	10,444,650	2.0%
FP	7,008,009	0.1%
SNP	2,972,465	0.3%
SNG	1,928,364	2.2%
SNN	1,492,825	1.5%
DIGI	881,428	3.7%
TEL	863,170	2.0%
TGN	839,728	0.6%

Best 6 performers	Turnover	Day %
OLT	24,322	14.9%
PREH	846	13.3%
CNTE	11,624	11.3%
PTR	9,415	10.0%
RMAH	444	7.2%
RRC	65,660	6.3%

Worst 6 performers	Turnover	Day %
MECF	350	-9.7%
OIL	1,581	-3.5%
SNO	6,070	-3.2%
IMP	6,425	-1.7%
EFO	383	-0.7%
EBS	5,824	-0.7%

* 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	19,315.6	4,072.7	8,736.4	8,544.9	0.3%	5.9%	14.0%	17.6%	6.5	6.8	0.6	0.6	2.0	2.1
BRD	BRD	11.88	8,279.2	1,745.7	3,276.3	745.0	3.3%	18.8%	4.2%	-7.9%	6.4	5.6	1.2	1.1	n/a	n/a
BANCA TRANSILVANIA	TLV	1.89	9,100.5	1,918.8	32,258.6	12,805.0	1.1%	20.4%	-5.7%	-6.9%	7.5	7.8	1.3	1.4	n/a	n/a
TRANSGAZ	TGN	328.00	3,861.8	814.3	2.6	2.6	0.6%	-0.6%	3.8%	-18.3%	7.8	6.4	1.2	1.0	4.0	3.1
TRANSELECTRICA	TEL	20.30	1,488.1	313.8	43.2	11.0	2.0%	4.2%	-5.6%	-20.1%	78.8	69.0	0.7	0.6	4.6	4.0
ROMGAZ	SNG	30.50	11,755.4	2,478.6	63.2	98.0	2.2%	8.9%	9.7%	-7.6%	6.5	5.8	1.3	1.2	3.3	2.8
NUCLEARELECTRICA	SNN	8.63	2,602.1	548.6	175.2	94.5	1.5%	8.6%	5.8%	8.7%	7.1	8.1	0.3	0.3	1.7	2.1
BVB	BVB	23.70	190.8	40.2	5.3	1.1	4.4%	6.8%	12.9%	-16.3%	15.6	11.9	1.9	1.5	n/a	n/a
ELECTRICA	EL	10.00	3,459.4	729.4	1,047.6	143.3	2.0%	4.6%	3.1%	-16.0%	30.6	26.3	0.7	0.6	4.7	3.8
CONPET	COTE	79.00	683.9	144.2	8.7	2.2	0.0%	0.0%	1.7%	-31.8%	11.6	9.0	1.3	1.0	4.5	3.1
MEDLIFE	M	26.70	591.3	124.7	0.1	5.4	0.8%	-0.4%	-0.4%	-18.6%	172.3	135.4	5.0	3.9	12.7	10.6
DIGI	DIGI	28.00	2,800.0	590.4	32.6	27.5	3.7%	4.9%	9.4%	-22.2%	14.3	9.6	6.0	4.0	6.4	5.3
SPHERA	SFG	20.70	803.1	169.3	0.0	25.4	0.0%	1.5%	4.8%	n/a	50.4	24.5	15.1	7.3	31.5	15.4
PURCARI WINERIES	WINE	17.50	350.0	73.8	3.6	6.0	0.9%	0.9%	n/a	n/a	n/a	13.0	n/a	3.4	n/a	9.1
FONDUL PROPRIETATEA	FP	0.82	6,012.1	1,267.7	8,483.2	5,547.4	0.1%	2.2%	-6.8%	-7.9%	5.8	5.0	0.7	0.6	n/a	n/a
SIF OLTENIA	SIF5	2.10	1,218.3	256.9	34.8	621.7	1.4%	1.7%	0.7%	-10.6%	17.0	16.3	0.8	0.8	n/a	n/a
SIF MOLDOVA	SIF2	1.18	1,165.5	245.8	42.7	89.7	0.0%	1.4%	-2.6%	-20.0%	8.5	7.3	0.8	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.22	482.2	101.7	211.7	1,073.5	-0.2%	0.5%	3.7%	-7.1%	8.3	7.2	0.5	0.5	n/a	n/a
SIF BANAT CRISANA	SIF1	2.20	1,138.4	240.0	14.8	380.5	0.0%	10.3%	7.8%	-22.5%	20.6	15.2	0.6	0.5	n/a	n/a
SIF MUNTENIA	SIF4	0.62	500.4	105.5	159.4	2,502.8	3.3%	6.9%	3.7%	-33.2%	15.5	9.5	0.7	0.4	n/a	n/a

Top News and Headlines

Key rate: NBR kept monetary policy rate unchanged at 2.5% - bnro.ro

GDP: in the winter 2019 prognosis, the European Commission maintains its forecast for Ro GDP growth at 3.8% and 3.6% in 2019 and 2020, respectively – the GDP growth estimate for 2018 is revised upwards by 0.4 p.p. to 4% – ec.europa.eu

SIF OLTENIA (SIF5 RO): tender offer period for 19.6m SIF5 shares (3.38% of share capital) at a price of RON 2.5/share ends today – subscriptions amount to 176.7m shares so far, which would translate into an allocation ratio of 0.11 – bvb.ro

Ro banks, Ro energy: PM Viorica Dancila stated that the Government may postpone some measures introduced by EGO 114, as proposed by the Democratic Alliance of Hungarians in Romania (UDMR) – the Government has to prove flexibility, should not assume to be always right, there may have been aspects that should have been decided differently, she said – the EGO provisions would be reassessed to decide what is functional and what is not, the PM stated, without giving further details – previously, the UDMR leader criticized the tax on banking assets and stated that the party would propose the rejection of EGO 114 in Parliament, as well as a proper debate until 30 June and a new form of the ordinance to be effective starting 1 January 2020 - ziare.com, 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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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.

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