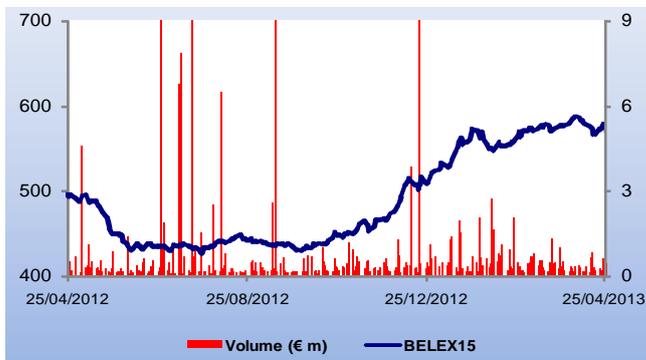


SERBIAN EQUITIES DAILY



Market Comment:

More of the same on the Belgrade Exchange. Belex15 lost 0.80% while Belexline shed 0.37%. NIS is the only big name that traded, this time two thirds of the entire equity volume. We are seeing resistance at the 950 RSD level. In total, Belex traded €300k. We expect the market to continue in the same direction today.

BELEX15	
Value	536.42
Daily Change %	-0.80%
YTD Change	12.53
YTD Change %	2.39%

BELEXline	
Value	1,025.77
Daily Change %	-0.37%
YTD Change	20.21
YTD Change %	2.01%

Market info	
MCap (€ bn)	7.0
MCap / GDP2013e	21%
2013e P/E*	6.0
2013e P/B*	0.7
2013e P/S*	0.8
Av. Daily Vol.YTD (€m)	0.5

*multiples refer to Eurobank Brokerage Universe

FX rates		YTD chg.
EUR / RSD	111.0359	-2.4%
USD / RSD	85.8813	-0.3%
EUR / USD	1.2929	-2.0%

Economy News

IMF warning fiscal gap too large: If no action is taken, budget deficit will hit 8% of GDP

The IMF ended their two week long examination of the patient with the following verdict: if nothing is done on the fiscal consolidation, by the end of 2013 the budget deficit will reach 8% of the GDP and public debt will be at more than 65% of the GDP. Saving measures need to be taken immediately and they should include at least freezing state controlled salaries and pensions. After the IMF warning, Serbian first deputy PM, and the de-facto most powerful politician today Aleksandar Vucic stated that cuts in the public sector will have to be made. This was rebuffed by the other deputy Mr. Krkobabic, (coalition ally of the prime minister Dacic) who said that pensions cannot be lowered. In any case some decisions will have to be made soon, otherwise we may have elections sooner rather than later. IMF also said that monetary easing can only be contemplated after the fiscal situation is stabilized. State owned banks should be restructured or shut down and pension and labour reforms should be initiated. The financial system is, according to the IMF- stable. They also reiterated Serbia's need to concentrate on export oriented businesses. **Analyst: Ivan Radovic,** (ivan.radovic@eurobank.rs, tel: +381 11 3027 533)

SERBIAN EQUITIES DAILY

Daily activity	
Daily turnover RSD	33,058,164
Daily turnover EUR	297,814
Shares participation (%)	89.55%
Bonds participation (%)	10.45%
FIS	64.62%
FIB	0.00%

Symbol	Closing Price	Turnover (RSD)
NIIS	950	17,973,325
AERO	470	2,913,533
ALFA	8,500	2,584,000
MLSU	1,044	2,179,939
AIKB	1,416	723,541

Top Gainers

Company	Symbol	Closing price	Change
Energoprojekt Niskogradnja	EPNS	610	19.84%
Telefonija	TLFN	141	10.16%
Mlekara Subotica	MLSU	1,044	4.40%
Aerodrom Nikola Tesla	AERO	470	1.95%
Soja protein	SJPT	636	1.11%

Top Losers

Company	Symbol	Closing price	Change
Neoplanta	NEOP	452	-6.80%
Tigar	TIGR	168	-4.00%
Imlek	IMLK	2,915	-2.70%
AIK banka	AIKB	1,416	-2.34%
NIS	NIIS	950	-1.45%

Foreign Exchange Savings Bonds

Maturity	Last Price	Daily Change	Current Yield	Daily Volume (€)
A2014	95.82	-	4.27%	0
A2015	91.81	-	4.32%	15,189
A2016	87.50	-	4.51%	15,923

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Eurobank Brokerage

www.eurobank.rs

Head of Brokerage

Ivan Radovic ivan.radovic@eurobank.rs +381 11 30 27 533

Research

Nanuk Madjer nanuk.madjer@eurobank.rs +381 11 30 27 535

Dejan Milicevic dejan.milicevic@eurobank.rs +381 11 30 27 535

Trading

Vojislav Nevenic vojislav.nevenic@eurobank.rs +381 11 30 27 539

Marija Andric marija.andric@eurobank.rs +381 11 30 27 537

Belgrade Central

Address: Vuka Karadzica 10, 11000 Belgrade, Serbia

Fax no: +381 11 26 24 933

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