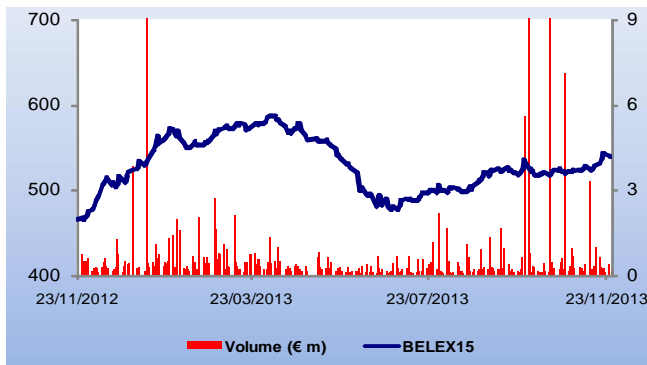


## SERBIAN EQUITIES DAILY



### Market Comment:

Another day of mild losses yesterday, with the Belex15 shedding a quarter of a percent. A volume of €206 was recorded, less than half the ytd average. Metalac and NIS were the most traded stocks with more than half of the daily total. We expect little volatility and low volumes to persist.

BELEX15	
Value	537.89
Daily Change%	-0.25%
YTD Change	14.00
YTD Change%	2.67%

BELEXline	
Value	1,067.87
Daily Change%	-0.37%
YTD Change	62.31
YTD Change%	6.20%

Market info	
MCap (€ bn)	6.7
MCap / GDP2013e	20%
2013e P/E*	7.8
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	114.0405	0.3%
USD / RSD	83.9027	-2.6%
EUR / USD	1.3592	3.0%

### Economy and Business News:

#### Economy: Fiscal Council bashes 2014 budget proposal

The Fiscal Council came out yesterday strongly criticizing the budget proposal adopted earlier this month by the government. The independent budget watchdog said Serbia needs to do much more. The Ministry of Finance projected 2014 deficit of 4.6% and around 7.1%, counting the "below the line" expenses, is not nearly enough to be considered the initiation of structural reforms. The savings of 1.2% of the GDP in 2014 in the draft are far from the "promise" of shedding 2%, which was given by the Finance minister Mr. Krstic earlier. The only positive in the budget draft is the public sector wages and pensions control (nominal increase of 2% in total in 2014). On the negatives: enterprises in restructuring will still "eat" €600m, pension reform that had been promised earlier will not happen in 2014, there isn't going to be any lay-offs in the state administration, state guarantees for Srbijagas and other state owned gigantic losers will be continuously issued. The cumulative savings from the "solidarity tax" and increased VAT rate of €300 will be eaten up by the increased spending on interest as the both the debt and interest rates go up. The government will need to keep borrowing, until at least 2017. The public debt will reach 64% of GDP by the end of this year. (source: B92, Tanjug). This is as tough as we are going to hear it from the soft spoken, mild mannered Fiscal Council members. They are usually very prudent, reserved and politically correct. The budget draft 2014 tells us that there is no genuine will for real structural reforms within the current government. The coalition is just too heterogeneous and will probably not last the full term. Some analysts speculate that once Serbia officially begins talks with the EU, the elections will be called. **Ivan Radovic**, ([ivan.radovic@eurobank.rs](mailto:ivan.radovic@eurobank.rs), tel: +381 11 3027 533)

**SERBIAN EQUITIES DAILY**

Daily activity	
Daily turnover RSD	23,496,174
Daily turnover EUR	206,008
Shares participation (%)	96.75%
Bonds participation (%)	3.25%
FIS	30.22%
FIB	41.02%

Most Traded Stocks		
Symbol	Closing Price	Turnover (RSD)
MTLC	2,304	8,529,835
NIIS	888	4,505,697
IMLK	2,969	1,423,450
GMON	2,301	920,400
CCNB	12,000	803,996

Top Gainers			
Company	Symbol	Closing price	Change
Tigar	TIGR	170	6.25%
Jedinstvo Sevojno	JESV	4,700	4.17%
Philip Morris Ops preferred	DINNPB	1,233	2.84%
Metalac	MTLC	2,304	1.45%
Energomontaža	EGMN	3,100	0.81%

Top Losers			
Company	Symbol	Closing price	Change
Vital	VITL	851	-14.90%
Dunav osiguranje	DNOS	770	-12.40%
BIP in restructuring	BIPB	31	-11.43%
Univerzal banka	UNBN	650	-9.72%
Messer Tehnogas	TGAS	4,829	-3.42%

Foreign Exchange Savings Bonds				
Maturity	Last Price	Daily Change	Current Yield	Daily Volume (€)
A2014	98.40	-	3.22%	0
A2015	94.25	-0.36%	4.00%	2,662
A2016	91.10	0.03%	3.78%	4,033

## SERBIAN EQUITIES DAILY

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