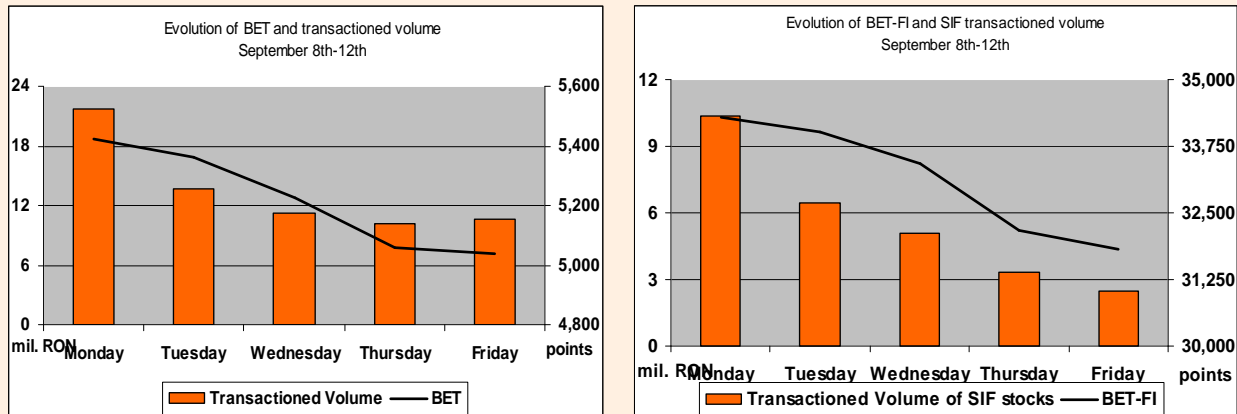




# Bucharest Stock Exchange – Market Report

## 1. BUCHAREST STOCK MARKET EVOLUTION



During the transactioning week that just ended the Stock Market's evolution, with the exception of Monday, showcased a descending trend and low liquidity levels. Overall the BET index lost 4.66% and the BET-FI index shed 0.91%. The transactioned volumes registered a 38.30% decrease (this week's average is 13.51 million compared to 21.90 million last week). The exchange rates had the following evolution, the euro stagnated versus the RON with only a -0.08% variation going from 3,6059 to 3,6031 while the dollar went up by 1.00% from 2,5318 to 2,5570.

## 2. MOST IMPORTANT STOCKS

Ticker	Liquidity* (mil. RON)	Prices (RON)		Variation	Top 5 price gains	
		05.09.08	12.09.08		Name	Variation
TLV	7.16	0.2740	0.2620	-4.38%	Dorobanțul S.A. (DOR)	50,00%
BRD	7.08	16.00	15.80	-1.25%	Albapam S.A. (ALB)	35,90%
SIF5	7.04	1.7100	1.7300	1.17%	Prodvinalco S.A. (VAC)	23,50%
SIF4	6.82	1.0300	1.0000	-2.91%	Faur S.A. (FAU)	23,33%
SIF3	6.27	0.8300	0.8000	-3.61%	EMA Piatra Neamț S.A. (EPN)	22,41%
SIF2	5.53	1.5800	1.5800	0.00%	Top 5 price drops	
EBS	5.32	140.00	139.60	-0.29%	Impact Developer & Construct S.A. (IMP)	-21,05%
IMP	4.68	0.1330	0.1050	-21.05%	Chimopar S.A. (CPR)	-20,48%
SNP	4.57	0.4110	0.3890	-5.35%	Compa S.A. (CMP)	-20,00%
SIF1	2.70	1.5300	1.5400	0.65%	Grupul Industrial Electrocontact S.A. (ECT)	-14,82%
					Armatura S.A. (ARM)	-14,29%

\*weekly total of transactions

## 2. IMPORTANT LOCAL NEWS

- Consumer prices registered a 0.09% drop in August, this being the second month of deflation after 1989 and the first in 2 years. The annual inflation reached 8.02%, this evolution being influenced by the drop in the prices of services. After 1989, only August 2006 saw another month of deflation, consumer prices dropped 0.07% at that time as a result of dropping prices in food.
- The brokerage company Broker Cluj (BRK) intends to buy back up to 5% of its own shares, in the price range of 0.3 and 0.553 RON. The company is ready to allow the spending of a sum between 1.2 and 2.2 million euros for this program spanning 18 months. The financing needs will be secured



from the company's reserves. Broker Cluj's initiative comes as a result of the shares losing more than 80% of its value since the beginning of the year, registering one of the most powerful drops of the Stock Exchange.

- The foreign exchange regim based on a flexible currency rate and the seven times the key interest was raised by the National Bank of Romania have significantly reduced the risk of a hard landing of the economy, but this risk is still present as long as there is a significant difference between the current account deficit and its financing through direct investments, said Mugur Isărescu the governor of the National Bank. He is responding to the comments of several foreign analysts, who have been anticipating raised risks of a hard landing in the economy, and he speaks about the lack of clarity connected to the real economic and financial health of Romania.

### 3. IMPORTANT INTERNATIONAL NEWS

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- Lehman Brother, the U.S. based investment bank has taken severe hits this week on the New York Stock Exchange after it was announced that talks with the Korea Development Bank in order to secure capital failed. The bank's stocks lost 45% on Tuesday and on Thursday lost another 40%, at the start of Friday's trading day the shares had lost another 8%. Lehman Brothers is trying to raise capital after in has registered losses in its assets amounting to 8.2 billion dollars. Korea Development Bank gave up on the acquisition of an important stake in the U.S. bank after Korean authorities said the transaction is „inappropriate”. Representatives from Lehman Brothers continue to negotiate with other potential investors.

### 4. CONTACT

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