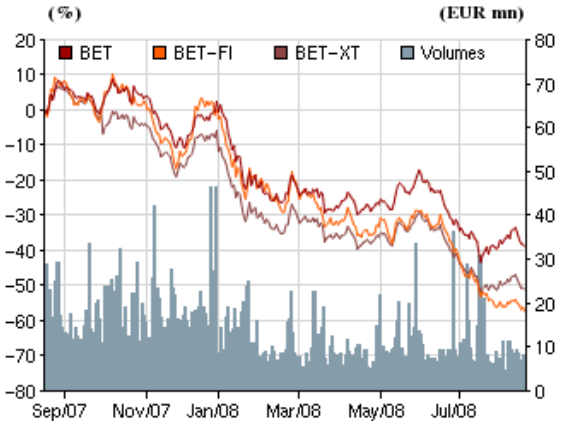
Investment Daily

Romania

Tuesday, August 19, 2008



Indices

	RON	EUR	1d %	Ytd %	52 Wk
BET	5,859.5	5,716.3	-0.88	-40.36	-37.20
BET-C	4,300.3	3,282.5	-0.62	-35.48	-33.36
BET-FI	33,463.4	20,332.7	-2.42	-57.46	-55.27
ROTX	13,932.9	11,225.7	0.09	-35.81	-32.29
BET-XT	607.0	588.8	-1.21	-48.05	-49.36
BET-NG	800.2	809.6	-1.37	-36.40	-33.31
RAQ-I	3,844.2		-0.12	-14.52	-24.21
RAQ-II	6,934.8		-0.60	-15.44	-8.91
Rasdaq-C	4,067.8		-0.57	-12.11	-20.18

% in RON

Trading Volumes

BSE	
Previous Day(EUR mn)	3.95
YTD Avg.(EUR mn)	8.55
Mcap (EUR bn)	31.15
Rasdaq	
Previous Day(EUR mn)	4.39
YTD Avg.(EUR mn)	1.31
Mcap (EUR bn)	5.07

Trader's Comment

The week started poorly for the local exchange, with losses for the indices, BET-FI registering the most abrupt fall of 2.4%. At 33,463 pts, BET-FI touched a new low for the year and approached the level it reached in mid-June 2006. The volume on the SIFs was low at EUR 1.5 mn, some 17.5% of the total traded volume of EUR 8.5 mn.
BET lost 0.9%, the only shares which ended the day in green being TLV, that appreciated 1% and BIO which gained 0.7%. It is noteworthy however that TLV traded during the day at prices below the closing of Friday. IMP and BRK saw the largest falls for the day, at 4.2% and 3.7% respectively. The market stayed relatively quiet, as the sellers were not aggressive and followed the slow rhythm of the market.

It seems also that the correlation with the international markets weakened. The European markets, which stayed in red through the first part of the day, starting with 13:30 returned into positive territory and maintained their upside until the closing of our local exchange. However, the upswing was ignored by the Romanian market participants and the losses continued to deepen.

Most Traded

	EUR '000	Price	1d %
Remarul 16 Februarie - REFE	3,773.9	49.8000	5.96
BRD - GSG - BRD	1,018.0	17.9000	-0.56
SIF2 Moldova - SIF2	372.8	1.5900	-1.85
SIF5 Oltenia - SIF5	355.7	1.8200	-3.70
SIF3 Transilvania - SIF3	322.4	0.8900	-1.11
Banca Transilvania - TLV	294.3	0.3120	0.97
SIF1 Banat-Crisana - SIF1	256.7	1.5900	-4.22
SIF4 Muntenia - SIF4	202.0	1.0500	-0.94
Erste Bank - EBS	199.0	153.0000	2.68
Azomures Tg. Mures - AZO	176.5	0.7800	0.00

Tops/Flops

	EUR '000	Price	1d %
ArcelorMittal - PTRO	3.5	10.2000	4.08
Vrancart Adjud - VNC	0.1	0.1200	2.56
Compa Sibiu - CMP	3.5	0.8800	2.33
Alumil Rom Industry - ALU	2.5	5.6000	1.82
Iproeb Bistrita - IPRU	36.7	3.8000	1.33
Prebet - PREB	3.5	2.2300	-5.91
Oltchim Rm. Valcea - OLT	5.3	0.5950	-5.56
Cemacon Zalau - CEON	1.9	0.4650	-5.10
Albalact - ALBZ	53.9	0.2860	-4.67
Impact Bucuresti - IMP	56.4	0.1820	-4.21

out of our watchlist (see page 2)

In the news

Iproeb 2Q 2008 results
Cables producer Iproeb (IPRU) released its 2Q 2008 results. The company reported a 20% yoy drop in turnover to RON 36.2 mn. Raw material costs went in the same direction, falling 18% to RON 25 mn and labor costs stayed flat to RON 5.1 mn. EBIT and net profit stood at RON 5.2 mn and RON 4.6 mn respectively, both 25% lower yoy. The company explained the slowdown in activity by lower export demand and a decrease in sales to Transelectrica. Over the first six months of 2008, sales amounted to RON 72.7 mn, down 22% yoy and net profit reached RON 10.3 mn, 28% lower yoy.

Mecanica Ceahlau calls GSM to approve sale of real estate
The agricultural equipment manufacturer Mecanica Ceahlau (MECF) called an Extraordinary General Shareholders Meeting (EGSM) for September 26. The shareholders are asked to approve the sale of a piece of land of 22,235 sqm in Piatra Neamt. We see the news as positive as the sale of the non-core asset will generate an inflow of cash that can be used to finance the companys capex plan.

Central Bank Rates

	Closing	1d %	Ytd %
EUR/RON	3.5302	-0.51	1.03
USD/RON	2.3967	-0.55	-1.51
	3M	**6M**	**12M**
BUBID	11.77	11.66	11.66
BUBOR	12.27	12.41	12.41

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BVB Market Watchlist

	Closing Price		Price Range(RON)		RON Performance (%)				MCap		Float	Daily Volumes		
	RON	EUR	High	Low	1Day	1M	6M	YTD	RON mn	EUR mn	%	No.Sh	EUR	%of Tot
Alumil Rom Industry - ALU	5.6000	1.5863	5.6000	5.1500	1.82	2.8	-1.8	-20	175	50	20.1	1,600	2,463	0.06
Antibiotice Iasi - ATB	1.2200	0.3456	1.2600	1.2200	-1.61	1.7	-28.2	-40	555	157	36.9	69,232	23,984	0.61
Banca Carpatica - BCC	0.2040	0.0578	0.2070	0.2020	-1.92	-7.7	-32.2	-57	411	116	64.2	214,400	12,364	0.31
Biofarm Bucuresti - BIO	0.2710	0.0768	0.2730	0.2600	0.74	10.2	-36.8	-52	297	84	60.8	555,969	42,133	1.07
BRD - GSG - BRD	17.9000	5.0705	18.0000	17.7000	-0.56	-3.2	2.3	-36	12,475	3,534	41.7	200,690	1,017,994	25.74
Compa Sibiu - CMP	0.8800	0.2493	0.8800	0.8800	2.33	8.6	-36.7	-47	193	55	45.4	13,900	3,465	0.09
Flamingo - FLA	0.2080	0.0589	0.2080	0.2080	0.00	4.5	-28.8	-40	162	46	46.2	75,000	4,419	0.11
Condmag Brasov - COMI	0.8350	0.2365	0.8350	0.7950	-1.18	14.4	-13.9	-42	144	41	61.8	56,000	12,894	0.33
Impact Bucuresti - IMP	0.1820	0.0516	0.1930	0.1800	-4.21	-9.0	-42.4	-64	364	103	72.0	1,085,989	56,360	1.42
Oil Terminal - OIL	0.5150	0.1459	0.5250	0.5150	-0.96	-5.5	-30.4	-46	300	85	30.4	27,625	4,056	0.10
Oltchim Rm. Valcea - OLT	0.5950	0.1685	0.6200	0.5600	-5.56	-7.8	-34.6	-50	193	55	46.7	32,250	5,290	0.13
Rompetrol Well - PTR	0.6600	0.1870	0.6850	0.6550	-2.94	1.5	-4.3	-22	184	52	49.0	40,800	7,869	0.20
Rompetrol Rafinare - RRC	0.0514	0.0146	0.0537	0.0507	-3.02	-0.6	-37.8	-53	1,085	307	26.7	4,861,700	70,771	1.79
Zentiva Bucuresti - SCD	0.5650	0.1600	0.5750	0.5600	-1.74	-8.1	-32.3	-52	236	67	13.1	11,100	1,783	0.05
Petrom - SNP	0.4400	0.1246	0.4500	0.4330	-1.12	5.8	19.6	-11	24,923	7,060	6.2	1,370,813	170,641	4.31
Turbomecanica - TBM	0.2500	0.0708	0.2500	0.2400	0.40	-12.0	-52.8	-62	92	26	100.0	45,500	3,207	0.08
Transelectrica - TEL	22.4000	6.3452	23.0000	21.6000	-0.44	4.7	-15.5	-44	1,642	465	12.8	17,640	109,896	2.78
Transgaz - TGN	200.0000	56.6540	202.0000	197.7000	-1.04	3.6	-13.7	-40	2,355	667	10.0	2,488	140,523	3.55
Banca Transilvania - TLV	0.3120	0.0884	0.3120	0.3060	0.97	8.3	-25.7	-41	3,306	937	85.0	3,364,018	294,310	7.44
Vrancart Adjud - VNC	0.1200	0.0340	0.1200	0.1180	2.56	0.8	-14.3	-31	76	21	25.3	2,540	85	0.00
Dafora - DAFR	0.2390	0.0677	0.2400	0.2370	0.84	-7.4	-32.5	-53	233	66	26.0	50,700	3,427	0.09

All market data as of August 18 closing

Rasdaq Market Watchlist

	Closing Price		Price		RON Performance (%)				MCap		Float	Daily Volumes		
	RON	EUR	High	Low	1Day	1M	6M	YTD	RON mn	EUR mn	%	No.Sh	EUR	%of Tot
Albalact - ALBZ	0.2860	0.0810	0.2920	0.2840	-4.67	4.0	-32.5	-60	187	53	49.4	660,577	53,937	1.23
Armax Gaz Medias - ARAX	0.1350	0.0382	0.1440	0.1330	-6.90	-15.1	-37.5	-62	82	23	62.4	1,105,492	42,559	0.97
Artego Tg. Jiu - ARTE	6.5000	1.8413	6.5500	6.1500	-1.52	-29.3	-39.3	-50	65	18	30.0	5,037	9,256	0.21
Cemacon Zalau - CEON	0.4650	0.1317	0.4800	0.4650	-5.10	30.9	2.8	-19	89	25	87.3	14,700	1,943	0.04
Ceramica Iasi - CERE	1.9900	0.5637	1.9900	1.8200	-0.50	14.4	-33.7	-43	227	64	34.1	2,950	1,540	0.04
Electromagnetica - ELMA	0.8050	0.2280	0.8100	0.7950	0.00	-7.5	-15.1	-15	272	77	54.4	33,500	7,578	0.17
Iproeb Bistrita - IPRU	3.8000	1.0764	3.8000	3.7000	1.33	7.0	-34.3	-46	181	51	69.3	34,311	36,748	0.84
Prodlacta Brasov - PRAE	3.0000	0.8498	3.0000	3.0000	0.00	0.0	-21.1	-20	32	9	46.9	3,844	3,261	0.07
Prebet - PREB	2.2300	0.6317	2.3700	2.2200	-5.91	-10.4	-30.3	-50	36	10	49.6	5,400	3,520	0.08
Prefab Bucuresti - PREH	3.0000	0.8498	3.0000	2.3000	0.00	-2.9	-46.9	-62	146	41	7.0	65,600	54,260	1.23
Prospectiuni - PRSN	0.4830	0.1368	0.4900	0.4210	-1.63	-7.1	-38.7	-60	347	98	17.4	140,665	18,418	0.42

Closed-end Investments Funds

		Closing Price	No. of Shares	MCap	Free Float	3M Avg Daily Turnover	Reported NAV/Share*	Adjusted NAV**	Adjusted NAV/Share	Discount to Adjusted NAV	Target Price***	Upside/ Downside to TP
		RON	mn	EUR mn	%	EUR	RON	RON mn	RON	%	RON	%
SIF1	SIF1 Banat-Crisana	1.5900	548.8	247.2	100	425,301	3.11	2,602.6	4.74	-66.5	3.41	114.3
SIF2	SIF2 Moldova	1.5900	519.1	233.8	100	659,006	2.95	2,500.0	4.82	-67.0	3.54	122.4
SIF3	SIF3 Transilvania	0.8900	1,092.1	275.3	100	749,566	2.18	3,088.7	2.83	-68.5	2.10	136.1
SIF4	SIF4 Muntenia	1.0500	807.0	240.0	100	504,676	2.42	2,725.4	3.38	-68.9	2.54	142.1
SIF5	SIF5 Oltenia	1.8200	580.2	299.1	100	714,723	3.96	3,110.2	5.36	-66.1	3.94	116.5

* Reported by the SIFs as of June 30, 2008
** Adjusted NAV accordig to our methodology
***Target Price is computed by applying a 15% discount to adjusted NAV

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