

**MARKET SNAPSHOT**

Belgrade Stock Exchange indices declined on Friday, BELEX15 inched down 0.8% and BELEXline lost 0.6%. BIP and Tehnogas weighed the most on the upside, advancing 15.4% and 0.5%, respectively. The worst performing stocks were Agrobanka (-3.7%) and Imlek (-3.1%). The most active stock was NIS, with turnover amounting to RSD 7.5m and a 0.5% higher closing price. Foreign investors participated with 31.2% in equity trading.

**POLITICS, ECONOMY AND INDUSTRY NEWS**

**CA deficit expands 47% y-o-y in Jan-Feb to €668m (2% of GDP)**

Current account deficit amounted to €397.2m in February (vs. €231.7m in February 2011), while the cumulative Jan-Feb CA gap reached €667.9m (2% of GDP vs. 1.4% of GDP in Jan-Feb 2011), up 47.1% y-o-y. Trade deficit stood at €524.1m in February (+45.2% y-o-y) with imports rising 3.5% y-o-y and exports slumping 14.2% y-o-y, while in Jan-Feb the trade deficit rose 25.1% y-o-y. Current transfers (€152.4m) fell by 12.7% y-o-y in February mainly caused by lower inflow of private remittances (€87.5m vs. €115.1m in February 2011). Net foreign direct investment stood at €30.1m in February, while in Jan-Feb, a €399.9m net outflow was recorded. Net portfolio investments recorded a €109.9m outflow in February (vs. €299.4m net inflow in February 2011). Banks net repaid their foreign debt by €80.8m in Jan-Feb (vs. €645m in the same period last year), while the corporate sector's foreign liabilities rose by €16.9m (vs. €109.9m net foreign debt repayment in February 2011).

**CORPORATE NEWS**

**Government sets Telekom Srbija's indicative first trading per share price at €2.27**

The government has adopted a document setting the Telekom Srbija's indicative first trading price at €2.27 per share implying the telecom operator's market value of €2.27bn (slightly below earlier target of €2.43bn set before the privatization attempt) and 'instructed the company to take the necessary steps for share giveaway and listing on the stock exchange'. Prior to the listing, each eligible Serbian resident will receive 31 Telekom shares, as the government plans to distribute 6.52% stake to the company's former and current employees and further 15% to some 4.8 million Serbian citizens (implying a free float market cap of c. €490m). According to press reports, the share handout is expected to take place before the May 6 elections.

**UPCOMING EVENTS AND DATA**

- April 24**  
⇒ **Treasury:** 18-m T-bills auction
- April 25**  
⇒ **Statistics Office:** Average wage (March)  
⇒ **Treasury:** 3-yr T-bonds auction (10% coupon rate)

**General Index**



Serbian Market	Close	Chng d-t-d	Chng y-t-d
BELEX15 Index	497.87	-0.8%	-0.2%
BELEXline Index	978.75	-0.6%	0.2%
Daily Vol (No. of sh.)	20,057		
	EUR		RSD
Daily Volume (m)	0.2		19.4
Block Trades (m)	-		-
Mkt. Cap (shares, bn)	6.1		686.0
Ups/Downs/Stable		8/11/13	

BELEXline Daily Stock Performance			
	TOP		BOTTOM
BIP	15.4%	Agrobanka	-3.7%
Tehnogas	0.5%	Imlek	-3.1%
NIS	0.5%	Komercijalna Banka	-2.7%
Sojaprotein	0.4%	AIK Banka	-0.8%
Jubmes Banka	0.0%	Energopr. Holding	-0.7%

Valuation		'12e
Watch List Act P/E (x)		4.1
Watch List EPS chng (%)		26.7
DJ Stoxx 600 P/E (x)		12.5
DJ Stoxx 600 EPS chng(%)		8.7

Source: Factset consensus estimates

Serbian Economy		
GDP real growth (%. y/y)	1.6% ('11)	0.5% ('12f)
Unemployment (%. Aop)	23.0% ('11e)	24.2% ('12f)
CPI (%. y/y. eop)	7.0% ('11)	6.3% ('12f)
CAD (% of GDP)	-9.7% ('11e)	-10.4% ('12f)
Government debt (% of GDP)	47.9% ('11e)	53.7% ('12f)
12m T-bill yield (%. eop)	13.5% ('11e)	11.8% ('12f)

Source: NBS Research estimates

FX Market	Close	Chng d-t-d	Chng y-t-d
EUR / RSD	111.7048	-0.2%	-6.8%
USD / RSD	84.6441	0.2%	-4.7%
CHF / RSD	92.8938	-0.2%	-8.1%
GBP / RSD	136.4417	-0.2%	-9.5%

Source: NBS  
Note: (-) dinar's depreciation in % / (+) dinar's appreciation in %

**Official Middle Exchange Rate EUR/RSD**



3m EURIBOR	Close	w-t-d	y-t-d
	0.73	-3.0%	-45.9%

Source: Bloomberg

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### **Disclosure Appendix**

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**Vojvodjanska Banka AD**

Bulevar Mihajla Pupina 111 11 070 Novi Beograd, Serbia	<b>Sales:</b>					
	Dusan Jovicic	+381 11 2251379	<a href="mailto:dusan.jovicic@voban.groupnbg.com">dusan.jovicic@voban.groupnbg.com</a>	Jasmina Nikolic	+381 11 2251341	<a href="mailto:jasmina.nikolic@voban.groupnbg.com">jasmina.nikolic@voban.groupnbg.com</a>
	Zoran Sarac	+381 11 2251381	<a href="mailto:zoran.sarac@voban.groupnbg.com">zoran.sarac@voban.groupnbg.com</a>	Daniel Sebenji	+381 11 2228479	<a href="mailto:daniel.sebenji@voban.groupnbg.com">daniel.sebenji@voban.groupnbg.com</a>
	<b>FX Sales:</b> Aleksandar Zaric	+381 11 2228418	<a href="mailto:aleksandar.zaric@voban.groupnbg.com">aleksandar.zaric@voban.groupnbg.com</a>			
<b>Trader:</b> Ratko Guduric	+381 11 2228413	<a href="mailto:ratko.guduric@voban.groupnbg.com">ratko.guduric@voban.groupnbg.com</a>				

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**National Securities S.A.***Member of the Athens Stock Exchange*91 Michalakopoulou Str.  
115 28 Athens, GreeceTel: +30 210 7720000  
Fax: +30 210 7720001  
E-mail: [info@nationalsec.nbg.gr](mailto:info@nationalsec.nbg.gr)**Sales:**George Goufas +30 210 7720147  
Ilias Papazachariou +30 210 7720113  
Zois Mpeloumpasis +30 210 7720146  
Pantelis Petritsis +30 210 7720562  
Nikos Kyriazis +30 210 7720160**Research:**Theodore Ritsos +30 210 7720176  
Kostas Ntounas +30 210 7720174  
Panagiotis Kladis, CFA +30 210 7720185  
Iakovos Kourtesis +30 210 7720251  
Victor Labate +30 210 7720076

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**National Securities S.A. - London branch**75 King William Str.  
EC4V 4HR, London, UKTel: +44 20 7105 3801  
Fax: +44 20 7105 3895**Sales:**Alan Shala +44 207 105 3803  
Bahar Sangar +44 207 105 3804