

MARKET SNAPSHOT

The Belgrade Stock Exchange's blue-chip index BELEX15 inched up 0.2% yesterday, while composite index BELEXline remained virtually unchanged. Inex Buducnost and Sajkaska Fabrika Secera topped the winners' board, gaining 20% and 1.5%, respectively, while the biggest decliners were Privredna Banka Beograd (-9.4%) and Montinvest (-3.5%). Energoprojekt Holding had the top trade value of RSD 30.4m, with a 1% higher closing price of its shares. Foreign investors participated with 21.1% in equity trading.

POLITICS, ECONOMY AND INDUSTRY NEWS

Zelezara Smederevo's management decides to temporarily suspend production as of July

Smederevo steel maker's management has reached a decision to temporarily idle the remaining active blast furnace in the first week of July, due to lack of funds for raw materials. The management could not say at this moment for how long the production will be halted, but they expect it to become active by late September when the outcome of the tender for a strategic partner should be known. The shutdown is expected to exacerbate Serbia's deteriorating exports (-3.5% y-o-y in 4M'12) and industrial production (-4.7% y-o-y in 4M'12) figures.

Treasury raises RSD 365m through 36m T-bonds reopening

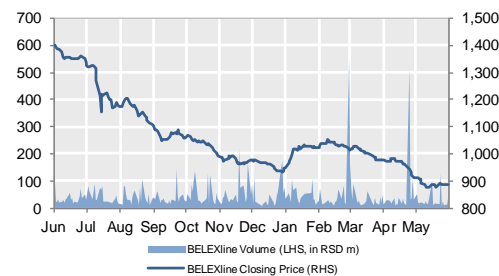
The Treasury sold yesterday 2.42% of the 36m T-bonds on offer, raising RSD 365m (€2.9m). The average yield remained unchanged from the previous auction and stood at 14.99%. Note that the issue was reopened following the original issuance on April 25, when the Treasury raised RSD 4.9bn, below its target of RSD 20bn.

UPCOMING EVENTS AND DATA

June 29

⇒ **Statistics Office:** GDP (Q1), Industrial output, External Trade, Retail Trade (May) Labor Force Survey (April)

General Index



Serbian Market	Close	Chng d-t-d	Chng y-t-d
BELEX15 Index	435.83	0.2%	-12.7%
BELEXline Index	884.76	0.0%	-9.5%
Daily Vol (No. of sh.)	22,623		
	EUR		RSD
Daily Volume (m)	0.4		42.4
Block Trades (m)	-		-
Mkt. Cap (shares, bn)	5.3		611.4
Ups/Downs/Stable		6/7/12	

BELEXline Daily Stock Performance

TOP		BOTTOM	
Inex Buducnost	20.0%	Priv. Ban. Beograd	-9.4%
Sajkaska Fab. Sec.	1.5%	Montinvest	-3.5%
Energopr. Holding	1.0%	Aerodrom N. Tesla	-2.4%
AIK Banka	0.7%	Jubmes Banka	-0.2%
NIS	0.7%	-	-

Source: BSE, Bloomberg
Note: refers only to continuous trading method

Valuation	'12e
Watch List Act P/E (x)	2.5
Watch List EPS chng (%)	14.3
DJ Stoxx 600 P/E (x)	10.5
DJ Stoxx 600 EPS chng(%)	8.4

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)	-10.8% ('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	115.3098	-0.6%	-10.2%
USD / RSD	92.2036	-0.6%	-14.0%
CHF / RSD	95.9795	-0.6%	-11.7%
GBP / RSD	144.1913	-1.0%	-15.7%

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
	0.65	-0.6%	-51.8%

Source: Bloomberg

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Disclosure Appendix

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