

MARKET SNAPSHOT

Both indices gained 0.4% yesterday. The top gainers were Telefonija (20%) and BIP (16.7%), while the decliners were led by Impol Seval (-9.6%) and Mlekara (-1.3%). NIS was the volume leader with turnover amounting to RSD 3.9m and an unchanged closing price of its shares. Foreign investors participated with 12.5% in equity trading.

POLITICS, ECONOMY AND INDUSTRY NEWS

NBS revises 2012 GDP growth forecast from 0.5% to -0.5%, expects rise in inflation

The National Bank of Serbia (NBS) said during a presentation of its latest Inflation report that it has cut its 2012 GDP growth forecast for Serbia to -0.5% from 0.5% previously and to 2.5% from 3% for 2013, due to severe drought that is expected to slash Serbia's agricultural output and deteriorating eurozone growth outlook. Drought is expected to significantly lower this year's production of corn (which is Serbia's most exported agricultural product) and other crops, while eurozone's reduced expected growth will negatively affect the demand for Serbia's products. At the same time, the expected increase in production in the automobile industry mainly intended for exports and the depreciation of dinar in the previous period will have a positive contribution to exports, the NBS said in a press release. Inflation (6.1% in July) is expected to rise further above the upper band of the target tolerance band and to peak in H1'13, after which it is expected to retreat back inside the target band until the end of 2013. The inflation is expected to rise on the back of growth in food prices (38% in CPI basket), continuing rise in prices of imported products (despite the expected appreciation of dinar after the adoption of fiscal consolidation measures) and the rise of regulated prices, while low aggregate demand (due to rising unemployment) and lower economic growth estimates are expected to slow down the inflation.

CORPORATE NEWS

ENERGOPROJEKT HOLDING <ENHL SG Equity>

Price: RSD 490 Market Cap RSD 4.672m YTD 25.0% Liquidity RSD 6.1m

Energoprojekt reports RSD 722m cons net profit in H1'12

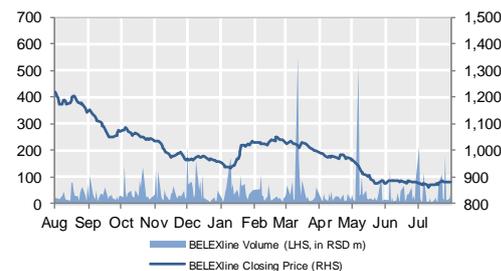
Energoprojekt Holding posted a RSD 722m consolidated net profit in H1'12 (no comparable data is available for 2011), mainly on the back of a RSD 747m net FX gain. The company reported H1'12 sales of RSD 11.9bn and an operating loss of RSD 45m. We recall that FY'11 consolidated sales amounted to RSD 21.2bn, operating profit stood at RSD 247m and net profit equalled RSD 496m.

UPCOMING EVENTS AND DATA

August 16

⇒ Treasury: 3-m T-bills auction

General Index



Serbian Market	Close	Chng d-t-d	Chng y-t-d
BELEX15 Index	443.92	0.4%	-11.0%
BELEXline Index	885.68	0.4%	-9.4%
Daily Vol (No. of sh.)	28,973		
	EUR		RSD
Daily Volume (m)	0.1		9.4
Block Trades (m)	-		-
Mkt. Cap (shares, bn)	5.2		612.8
Ups/Downs/Stable		8/7/13	

TOP		BOTTOM	
Telefonija	20.0%	Impol Seval	-9.6%
BIP	16.7%	Mlekara	-1.3%
Soko Nada Stark	4.6%	Agrovrsac	-1.0%
Energopr. Holding	4.3%	Kopaonik	-0.8%
Tigar	2.9%	Aerodrom N. Tesla	-0.2%

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

Valuation	'12e
Watch List Act P/E (x)	2.7
Watch List EPS chng (%)	9.5
DJ Stoxx 600 P/E (x)	11.7
DJ Stoxx 600 EPS chng(%)	9.3

Source: Factset consensus estimates

Serbian Economy		
GDP real growth (%. y/y)	1.6% ('11)	0.5% ('12f)
Unemployment (%. Aop)	23.0% ('11)	26.0% ('12f)
CPI (%. y/y. eop)	7.0% ('11)	6.3% ('12f)
CAD (% of GDP)	-9.7% ('11)	-11.2% ('12f)
Government debt (% of GDP)	47.9% ('11)	52.6% ('12f)
12m T-bill yield (%. eop)	13.5% ('11)	11.8% ('12f)

Source: NBS Research estimates

FX Market	Close	Chng d-t-d	Chng y-t-d
EUR / RSD	117.4808	-0.4%	-12.3%
USD / RSD	95.6840	-0.8%	-18.3%
CHF / RSD	97.7459	-0.3%	-13.8%
GBP / RSD	149.9053	-0.7%	-20.3%

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
	0.34	-7.8%	-74.9%

Source: Bloomberg

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Disclosure Appendix

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