

MARKET SNAPSHOT

Belgrade Stock Exchange indices advanced yesterday, BELEX15 rose 0.8% and BELEXline gained 0.4%. Vodoprivredno preduzece and BIP weighed the most on the upside, advancing 20% and 12.9%, respectively. The worst performing stocks were Jugoprevoz Krusevac (-20%) and Progres (-12.5%). The most active stock was NIS with turnover amounting to RSD 9.8m and a 0.8% higher closing price of its shares. Foreign investors participated with 38.9% in equity trading.

POLITICS, ECONOMY AND INDUSTRY NEWS

Constitutional court to examine changes to law on central bank

The Serbian Radical Party (SRS) has filed a request for examination of constitutionality of the recently adopted changes to the law on the National Bank of Serbia (NBS) which is among the reasons for recent credit rating and outlook downgrades by Standard & Poor's and Fitch. The SRS claims that changes to the law undermine the central bank's independence and that the establishment of a bank supervision body and the election of NBS' vice governors by the parliament are not in accordance with the Constitution. Former president of the Constitutional Court Momcilo Grubac said he believes there is a chance that the Constitutional Court will rule the changes to the law on NBS unconstitutional.

Serbia's energy investment plan to be prepared by mid-September

Energy Minister Zorana Mihajlovic said that Serbia's energy investment priority plan will be prepared by mid-September and that the country could attract between €4-6bn in long term. The investment plan will enable potential investors to have information on government's priority projects adding that the priorities include investments in opening of new mine pits, the construction of thermal, hydro and biomass-fired power plants, the renewable energy development, the natural gas distribution and the opening of a TNG storage facility.

Statistics Office sees wheat harvest shrinking 7.5% y-o-y

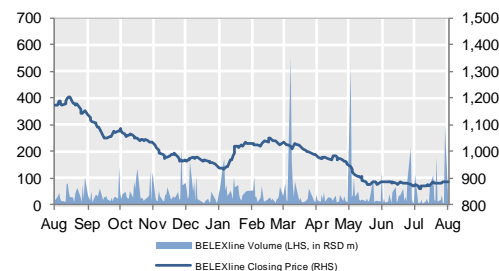
According to the Statistics Office's 2012 preliminary estimate, a y-o-y decrease is expected in production of wheat (7.5%), maize (38.2%), sugar beet (12.3%), sunflower (24.2%) and soya (35.4%) and these production levels will also be lower compared with ten-year averages: wheat (-3.8%), maize (-32.4%), sugar beet (-9.7%), sunflower (-12.6%) and soya (-20.3%).

UPCOMING EVENTS AND DATA

August 24

⇒ **Statistics Office:** Average wage (July)

General Index



Serbian Market	Close	Chng d-t-d	Chng y-t-d
BELEX15 Index	448.99	0.8%	-10.0%
BELEXline Index	888.87	0.4%	-9.0%
Daily Vol (No. of sh.)	211,959		
	EUR		RSD
Daily Volume (m)	0.2		20.5
Block Trades (m)	-		-
Mkt. Cap (shares, bn)	5.2		615.2
Ups/Downs/Stable		12/14/9	

BELEXline Daily Stock Performance			
	TOP		BOTTOM
Vodoprivredno pred.	20.0%	Jugoprevoz Krusevac	-20.0%
BIP	12.9%	Progres	-12.5%
Jedinstvo Sevojno	6.1%	Globos Osiguranje	-10.0%
Telefonija	5.5%	BB Mlnaqua	-6.4%
AIK Banka	2.6%	Tigar	-6.4%

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	117.8190	0.1%	-12.6%
USD / RSD	95.3305	0.4%	-17.9%
CHF / RSD	98.0599	0.1%	-14.1%
GBP / RSD	149.9351	0.1%	-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
	0.33	-6.9%	-76.0%

Source: Bloomberg

21 August 2012

Disclosure Appendix

This marketing communication has been produced by Vojvodjanska Banka a.d., which is regulated by the National Bank of Serbia, and distributed in Greece by National Securities S.A., which is authorized and regulated by the Hellenic Capital Market Commission and in the United Kingdom by National Securities S.A. – London branch, which is authorised and regulated by the Financial Services Authority. This marketing communication is solely for informative use and has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This document does not constitute or form part of an offer or invitation to subscribe for or purchase or sell or solicitation of any offer to subscribe for or purchase or sell any securities referred to herein and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information contained in this report including any expression of opinion has been taken from sources believed to be reliable but it cannot be guaranteed and no warranty or representation is given that such information is accurate or complete and it should not be relied upon as such.

This report is addressed to professional investors only and no part of this report may be reproduced or passed on in any manner without prior permission. We verify that this report has been prepared according to our regulations and guidelines concerning conflict management.

All opinions suggestions and estimates for each company contended in this report constitute the personal views of the respective author at this date and are subject to change without notice. It is certified that the analysts' personal views or specific suggestions expressed in this report were not and will not be in any case linked directly or indirectly with the analysts' compensation. The affiliates, officers, partners and employees, including persons involved in the preparation or issuance of this material may have a direct or indirect position in any security mentioned in this report.

Analyst Certification

The following analysts hereby certify that the views expressed in this research report accurately reflect their personal views about the subject securities and issuers and that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report: Daniel Sebenji.

21 August 2012

Vojvodjanska Banka AD

Bulevar Mihajla Pupina 111
11 070 Novi Beograd, Serbia

Sales:

Dusan Jovicic +381 11 2251379
Zoran Sarac +381 11 2251381

FX Sales:

Aleksandar Zaric +381 11 2228418

Trader:

Ratko Guduric +381 11 2228413

dusan.jovicic@voban.groupnbg.com
zoran.sarac@voban.groupnbg.com

aleksandar.zaric@voban.groupnbg.com

ratko.guduric@voban.groupnbg.com

Research:

Daniel Sebenji +381 11 2228479 daniel.sebenji@voban.groupnbg.com

National Securities S.A.

Member of the Athens Stock Exchange

91 Michalakopoulou Str.
115 28 Athens, Greece

Tel: +30 210 7720000
Fax: +30 210 7720001
E-mail: 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

National Securities S.A. - London branch

75 King William Str.
EC4V 4HR, London, UK

Tel: +44 20 7105 3801
Fax: +44 20 7105 3895

Sales:

Alan Shala +44 207 105 3803
Bahar Sangar +44 207 105 3804