

Morning Call

February 21, 2012

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Events on the Romanian capital market

- On Monday, the total trading value on the Bucharest Stock Exchange was EUR 9.65 mil, a higher turnover as compared to the previous trading session. Stock transactions amounted to EUR 6.91 mil. and there were deal transactions with Fondul Proprietatea (FP) and BRD – Groupe Societe Generale (BRD) shares. Market indexes opened the week higher, as the BET index advanced by 1.35%, BET-FI rose by 0.76%, BET-XT increased by 1.17%, while BET-NG gained 1.80%.
- Yesterday, four banks borrowed RON 2.84 bn. from the Romanian National Bank, for seven days, via a repo operation at the monetary policy rate. Since October last year, the RNB has been organising weekly repo operations and Monday's has involved the lowest sums in January. Last week, the RNB lent RON 4.47 bn. to four banks, in exchange for Treasury bills. (Source: zf.ro)
- The Ministry of Public Finance has issued Treasury bills with two-year maturity, in amount of RON 2.53 bn, at an average yield of 6.36%. The auction had an announced value of RON 750 mil, but it was oversubscribed by a factor of 3, as commercial banks submitted requests for RON 2.73 bn. Since the beginning of the year, the Treasury has borrowed RON 22.6 bn. from the local and US market, which is a third of the financing need for 2012. (Source: fin.ro, money.ro)

Issuers to be monitored today



The firm Eolica Dobrogea has sued the National Authority for Energy Regulation, **C.N.T.E.E. Transelectrica (TEL)** and the former company manager for refusing to connect the Cogealac wind farm, located in Dobrogea, to the national energy network. The claimant argues that the above have refused, unjustifiably, to produce a record of proceeding confirming the fulfillment of connection requirements and demands an annual compensation of EUR 118 mil. The trial is scheduled to take place on February 16, 2012. (Source: fin.ro)

Current price	17.40
Min52	14.00
Max52	23.49
Capitalization	1,275,474,670.80
Sales	2,686,869,024.00
Net profit	157,851,025.00
P/E	8.08
P/BV	0.51



SC UZUC SA (UZC) has published the decisions of the Extraordinary General Meeting of February 20, 2012. According to a report sent to the Bucharest Stock Exchange, the EGM approved the sale of five plots of land situated in Ploiesti, together with their correspondent buildings. The sale is to be organised as a public auction, with a minimum approved price of EUR 2.15 mil. The Board of Directors has been mandated to draw up the bid specifications and to carry out the sale. (Source: issuer statement)

Current price	3.01
Min52	2.51
Max52	5.54
Capitalization	14,303,836.05
P/BV	0.27

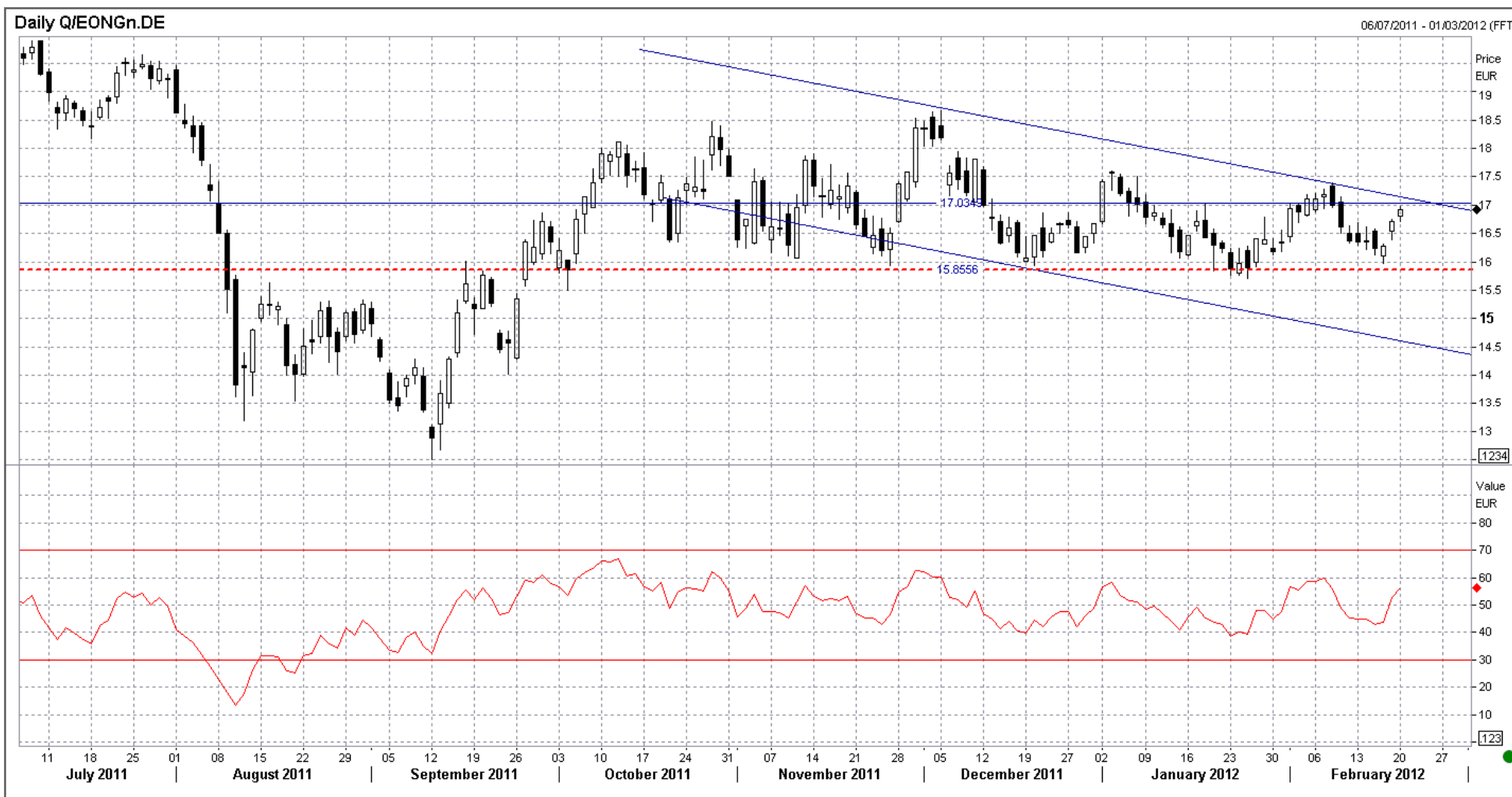


Bayer AG (BAYN) has announced that the results for the first year of phase 3 of the clinical trials under the code name "Galileo", concerning the efficiency of the drug VEGF Trap-Eye, confirm the encouraging results of the first 24 months of the "Galileo" and "Copernic" trials and of the similar period in the "Copernic" trial. The positive data presented yesterday, during the World Ophthalmology Congress in Abu Dhabi, have determined Bayer to decide to obtain a marketing licence for this product from the European authorities. Bayer's partner in this project, Regeneron Pharmaceuticals, has already submitted the documents necessary in the United States and is expecting a reply before September 9, 2012. (Source: issuer statement)

Current price	249.50
Min52	153.94
Max52	258.77
Capitalization	204,949,769,084.10
Sales	158,245,371,500.00
Net profit	8,167,166,000.00
P/E	25.26
P/BV	2.48

NOTE: Net profit represents the profit made throughout 12 months, October 1, 2010 - September 30, 2011. P/E is computed based on this net profit. Book Value corresponds to financial statements posted on September 30, 2011.

Technical Analysis EOAN (daily chart)



On the daily chart of E.ON AG (EOAN), we have identified a trend channel in which the price has moved during the last trading month. Yesterday, the quote reached EUR 17/share (we have marked the resistance on the chart) and breaking through this level would be regarded as a bullish signal. An exit from a trend channel usually signals a potential increase in trading intensity equal to the width of the channel. The upward trend of the RSI indicator can be perceived as a confirmation of the afore-said signal.

Chart source: Reuters

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