

# GREEK DAILY BRIEF

Monday Oct. 31, 2011

## Statistics

### Athens Stock Exchange

		Shares
MCap(€bn)	31.7	▲ 137
Turnover (€mn / mn shares)	90.0 / 59.51	— 105
Blocks (€mn / mn shares)	5.0 / 5.87	▼ 37

Indices	28.10.11	(%) 1day	(%) 30day	(%) Ytd
ASE General	811.11	4.82	0.14	-42.63
FTSE 20	318.15	5.15	-5.15	-52.02
FTSE 40	858.47	5.79	5.53	-42.71
FTSE 80	185.48	4.24	0.93	-27.09
FTSE International	851.94	5.20	-4.38	-51.39
Banks	351.18	5.44	-27.85	-71.93
Telecoms	1,032.21	11.94	19.43	-38.83
Travel & Leisure	1,320.72	8.30	4.60	-41.49
Construction	1,597.96	-0.68	16.34	-32.88
ETF Alpha FTSE 20 Idx	3.24	6.58	-0.61	-50.43
DAX 30	6,346.19	0.13	15.34	-8.21
CAC 40	3,348.63	-0.59	12.30	-11.99
FTSE 100	5,702.24	-0.20	11.19	-3.35
Dow Jones	12,231.11	0.18	12.07	5.65
Nasdaq	2,737.15	-0.05	13.32	3.18
S&P 500	1,285.09	0.04	13.58	2.18
Nikkei 225	8,988.39	-0.69	3.31	-12.13
Hong Kong (HSI)	19,793.12	-1.13	12.51	-14.08
Russia (RTS)	1,587.68	-1.41	18.39	-10.31
Turkey (ISE 100)	57,042.36	2.83	-4.44	-13.58
Romania (Bucharest)	4,664.64	-0.86	7.80	-11.46
Bulgaria (Sofia)	343.68	0.00	-0.96	-5.15
Cyprus	417.48	6.23	-10.85	-60.44
<b>Commodities</b>				
Brent ICE (\$/bbl)	109.20	-0.65	8.25	14.74
WTI NYM (\$/bbl)	92.75	-0.61	16.92	-1.87
Gold CME (\$/troy oab.)	1,712.30	-2.00	5.55	19.57
Aluminum LME (\$/mt)	2,242.00	-0.58	0.31	-9.23
Copper LME (\$/mt)	8,175.00	-0.68	12.74	-14.84
Carbon Fut. (€/mt)	10.40	-0.19	-0.95	-26.61
<b>Currencies</b>				
EUR/USD	1.4004	-1.03	4.59	4.61
USD/JPY	78.98	-3.98	-2.41	2.74
EUR/GBP	0.876	-1.94	-1.94	-2.13
<b>Rates</b>				
Euribor 3m (%)			1.59	
10Yr Bond (GR)	38.85		24.18	
10Yr Bund (GE)	113.37		1.75	
10Yr Bond (US)	109.19		1.82	

ASE Ind. Fut.	28.10.11	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Dec	317.00	5.67	-0.36	13,735	18,676	46

Greek Banks	28.10.11 €	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	1.91	6.1	-30.5	-68.4
EFG Eurobank	0.76	7.0	-18.3	-79.7
Alpha Bank	1.08	3.8	-18.8	-71.6
Piraeus Bank	0.25	0.4	-47.0	-87.1
Bank of Cyprus	1.10	5.8	-6.0	-57.4
Marfin Popular Bank	0.28	5.3	-23.3	-72.4
ATEbank	0.28	12.0	-22.2	-90.8
Hellenic PostBank	0.42	10.4	-44.9	-85.5
Bank of Greece	15.66	6.9	-11.3	-45.9
Geniki Bank	0.33	15.1	9.3	-84.5
Bank of Attica	0.24	18.7	-36.6	-74.4
Proton Bank	0.18	0.0	-25.0	-73.9
<b>FTASE 20</b>				
National Bank	1.91	6.1	-30.5	-68.4
OTE	3.75	11.9	17.2	-38.8
Coca Cola HBC	14.30	4.4	8.2	-24.0
EFG Eurobank	0.76	7.0	-18.3	-79.7
Alpha Bank	1.08	3.8	-18.8	-71.6
OPAP	7.80	8.5	2.6	-39.7
Piraeus Bank	0.25	0.4	-47.0	-87.1
PPC	6.25	3.3	4.2	-41.8
Bank of Cyprus	1.10	5.8	-6.0	-57.4
Marfin Pop. Bank	0.28	5.3	-23.3	-72.4
MIG	0.43	4.9	79.2	-38.6
ATEbank	0.28	12.0	-22.2	-90.8
Hellenic Petroleum	6.49	2.0	10.4	10.8
Titan Cement	13.70	-2.1	35.8	-16.0
Jumbo	3.80	2.2	-2.1	-23.1
Hellenic Technodomiki	1.28	4.9	-12.3	-61.8
Hellenic PostBank	0.42	10.4	-44.9	-85.5
Motor Oil	6.38	2.9	8.3	-11.3
Viohalco	3.26	2.8	-2.7	-19.5
Mytilineos	3.34	7.4	5.4	-20.7

\* ranked by Market Cap.

Note: Commodities, currencies and rates as at 08:30 today

Source: Bloomberg

## Market Comment

The Greek market reacted positively (+4.82%) on Thursday to the announced EU summit agreement on Greek debt reduction, with banks gaining 5.44% and turnover reaching the lately unseen level of €90mn. On Friday the Greek stock market was closed.

European stocks ended the week in mixed mode, with the FTSE and the CAC 40 shedding 0.20% and 0.59% respectively, while the DAX gained 0.13%.

Investors are awaiting an interest-rate decision from the ECB and the the summit of G20 leaders in Cannes, both on Thursday. In the US, investors await the outcome of the Federal Reserve's monetary policy meeting.

European futures opened lower this morning, after Asian shares dropped overnight.

HellStat releases Turnover Index in Retail Trade for August today. Eurostat releases unemployment data for September and flash estimate Euro area inflation for October. Today is the last day of Mr. Trichet's tenure at the ECB.

**Anthony Christofidis** AChristofidis@ate.gr +30 210 3687852

**Electra Doumas** EDoumas@ate.gr +30 210 3687853

**Nikos Papadopoulos** NPapadopoulos@ate.gr +30 210 3687857

## Highlights

### Economic News

- Eurogroup** chairman Jean Claude Juncker said that no concessions would be offered to the Chinese in return for investment in Europe. Juncker said it "makes sense" for China to invest its "improbably large surplus" in Europe in an interview with German radio station ARD.
- Eurozone crisis** According to press reports, German Finance Minister Wolfgang Schauble supports "big steps" to move towards a "fiscal union" within the EU, including a "commonly agreed finance policy".
- ECB** The outgoing president of the European Central Bank, Jean Claude Trichet steps down today to be replaced by Italian Mario Draghi. Trichet stated that individual governments had made mistakes during the financial crisis, but the central bank had shown strong judgment and "experience has proved that our diagnosis was right."
- OECD** will publish its latest analysis of the G20 economies on Monday ahead of a summit of G20 leaders in Cannes on Thursday.
- PSI** Reportedly, **IIF Managing Director** Charles Dallara said that he is optimistic that more than 90% of banks will participate in the PSI, adding that the details of the debt exchange are yet to be negotiated. He stressed that "an involuntary approach could have created true calamity. Greece could have been closed out of the capital markets for a generation and Europe could have fallen into recession". In other news, according to **Fitch** Rating Agency, the debt swap proposed under the new PSI framework would be considered a **default**. Following the event Fitch would be reviewing Greece's rating to "B" or lower. According to press reports, **PDMA Head** Petros Christodoulou said that Greece will initiate discussions with private investors on the new PSI scheme over the following 2-3 weeks.
- European Commission** In October, the **Economic Sentiment Indicator (ESI)** remained broadly unchanged in both the EU (-0.1 points) and the euro area (-0.2), at a level of 93.8 and 94.8, respectively. In October 2011, the **Business Climate Indicator (BCI)** for the euro area declined for the 8<sup>th</sup> month in a row. The steady fall observed since March points to a significant slowdown in industrial production growth. The drop in the BCI in October was mainly driven by a gloomier assessment of production trends observed in recent months, as well as by increased pessimism about overall order books and export order books. On the other hand, production expectations deteriorated only marginally further compared to the strong decreases registered in the previous two months. Assessments of stocks continued to increase from historic lows.
- Eurostat Business investment rate** in Q2 2011 at 20.9% in the euro area and at 20.3% in the EU27 **Business profit share** at 38.2% and 37.1% respectively. In Q2 2011, compared with Q1 2011, the business investment rate remained almost unchanged in the euro area, while it increased in the EU27. In the euro area, the business profit share was unchanged as value added and wage costs grew at the same pace.
- S&P** reportedly downgraded the credit rating of Cyprus by one notch to BBB.

### Corporate News

- Marfin Popular Bank** has participated in the capital exercise of the European Banking Authority ("EBA") in cooperation with the Central Bank of Cyprus, for restoring stability and confidence in the markets. The estimated additional capital buffer for Marfin Popular Bank is €2,116m. This amount is a preliminary and indicative estimate subject to alterations based on end-September 2011 data and will be revised by Marfin Popular Bank and the Central Bank of Cyprus. For its capital strengthening MPB has already announced the following measures: exchange offer of capital securities of up to €738mn, issuance of €660mn convertible securities (of which €65 have been issued), a deferred tax benefit of €165mn and other actions announced by the bank, include amongst others, the impact of the internally generated capital through organic profitability until June 2012 as well as the ongoing deleveraging plan, which in total are expected to enhance the capital base by €600m.
- Bank of Cyprus** was subject to a Capital Exercise for addressing concerns over sovereign exposure (Capital Exercise) on its portfolio of sovereign bonds conducted by the European Banking Authority (EBA) in cooperation with the Central Bank of Cyprus. The Capital Exercise has been carried out using the balance sheet as at June 2011 and market prices as at 30 September 2011 of sovereign bonds held by banks. The required total capital buffer identified for Bank of Cyprus is €1.472 mn. This is a preliminary and indicative figure which is subject to change on the basis of end September data and will be reviewed by banks and supervisory authorities. EBA intends to consider contingent convertibles, which are intended to absorb potential contingent losses, as eligible for the capital buffer. The Bank of Cyprus has in issue €887 mn Convertible Enhanced Capital Securities (CECS) which are currently part of Tier 1 capital, are Basel III compliant and which have truly loss absorbing characteristics. Taking into account the already

issued €887 mn CECS, the additional amount of capital buffer required based on the preliminary estimate by EBA is €585 mn. Bank of Cyprus is in a position to cover the required additional capital buffer of €585 mn through internal profit generation for the 12 month period ending June 2012 and other actions among which is the efficient management of risk weighted assets.

- **Opap** according to press report, the 35000 VLTs will be installed at around 1700 venues within the next two years by Opap and the sub-providers according to the development plan of Opap management. According to the plan Opap will develop within a year a network of 850 venues.
- **OTE** announces Q3 2011 financial results on November 10 2011 before market open.
- **Emporiki Bank** Hellenic Capital Market Commission's BoD during its meeting of October 26 decided to delist the Bank's shares from the ATHEX, following the bank's relevant decision taken by its EGM held on September 23.

See Important Disclosures and Analyst Certification at the end

## Economic News

## Corporate News

## DISCLOSURES

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#### Share Price

All financial data calculated, are based on the closing price of the previous day, unless otherwise stated.

#### Frequency of Disclosures

There is no predetermined period for revision updates. ATE Securities SA policy, however, outlines that any major developments in the companies mentioned, should be carefully screened, and it is the analyst's decision whether any such developments materially change their view or opinion stated herein, in order to proceed for an update.

#### Companies Mentioned in the Report

Company	BBG-RIC Code	Price	Date	View	Disclosures
OTE	HTO GA / OTEr.AT	€ 3.75	28.10.2011	NR	-
OPAP	OPAP GA / OPAr.AT	€ 7.80	28.10.2011	O	-
Bank of Cyprus	BOC GA / BOCr.AT	€ 1.10	28.10.2011	NR	-
Marfin Popular Bank	MARFB GA / MRBr.AT	€ 0.28	28.10.2011	N	-

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- 11 i ATE Securities SA has sent this report to the company prior to publication for factual verification
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As of Aug.1 2006, ATE Securities SA has adopted a new rating system. Under the old rating system, ratings and definitions were: Buy, when the estimated valuation fair value exceed current market price by 20% or more, Sell, when the current market price exceed the estimated valuation fair value by 20% or more and Hold, when the estimated valuation fair value falls between the two above range points.

### ATE Securities SA - Universe

ATE Securities SA Universe has a universe focused mainly on large capitalisation stocks that represents approx. 76% of ATHEX Market Cap.

### Guide to Investment Research Rating System

Under the new Investment Research Rating System, in effect as of Aug.1 2006, **Investment Outlook** refers to the overall view of the analyst covering the company and is not a recommendation. The overall assessment of the company includes a *three factor rating system*: **Investment Rating (O, N, U, NR, UR, R, RS, CS) - Risk Rating (1, 2, 3) - Income Rating (1, 2, 3, 4)**.

Quantitative factors are updated at least quarterly or when deemed necessary.

### Investment Rating

The five different categories are indicative of expectations of stock return. Stock return includes price appreciation over the next 6-12 months. In specific:

VIEW	Prefix	Definition
Overweight	<b>O</b>	Stock Return > +9%
Neutral	<b>N</b>	Stock Return in the range [-9%, +9%]
Underweight	<b>U</b>	Stock Return < -9%
Not Rated	<b>NR</b>	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	<b>UR</b>	Rating not currently available
Restricted	<b>R</b>	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	<b>RS</b>	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	<b>CS</b>	We have suspended coverage on this company

### Risk Rating

Risk is measured by a 2-factor equally-weighted model, which takes into account (i) Stock Volatility and (ii) Liquidity

Risk Factor	Definition	Quantification <sup>(1)</sup>
Stock Volatility	The stocks' standard deviation annualized (log scale)	Bottom 25% percentile
		Medium 25% percentile
		Top 50% percentile
Liquidity	Net Shares traded as % of total shares over a 12-month period	Top 20% percentile
		Medium 40% percentile
		Bottom 40% percentile

(1) percentiles of ATE Securities SA Universe

Source: Athens Stock Exchange, Bloomberg, Effect Finance Database

We use a scale of 1 to 3 to describe Low, Medium, High risk respectively, also taking into account qualitative factors.

When a rating is applied on an IPO, the scale 3 - "High Risk" is applied for a 12-month period.

### Income Rating

An Income Rating is produced, based on the forecasted dividend yield for a 12-month period. This is then compared with the YtM of the 10-yr Greek Government bond, as shown below:

Income Measure	Definition	Quantification
Equity Div. Yield	Relative performance w.r.t. the 10-yr Greek Government bond	More than 50bps
		Within the range [-50bps, +50bps]
		Less than 50bps
		No dividend
		<i>High Div. Yelder</i> <i>Medium Div. Yelder</i> <i>Low Div. Yelder</i> <i>No Cash div. Yelder</i>

We use a scale of 1 to 4 to describe Low, Medium, High and No Div. income rating respectively.

### ATE Securities SA Ratings Distribution

Ratings Distribution	Total	Overweight	Neutral	Underweight	Not Rated	Under Review	Restricted	Rating Suspended	Coverage Suspended
Equity Universe	25	6 (24%)	1 (4%)	0 (0%)	14 (56%)	3 (12%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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## ATE Securities SA, Member of the ATEbank Group

Member of the Athens Stock Exchange, Member of the Derivatives Stock Exchange

Head Office: 1 Filellinon Street, 10557 Athens, Greece. Email: [atex@ate.gr](mailto:atex@ate.gr), Tel: +30 210 36.87.700, Fax : +30 210 36.44.481

Internet address: [www.atesecurities.gr](http://www.atesecurities.gr)

Name	Email	Telephone	Fax
<b>Research &amp; Analysis</b>			+30 210 36.87.850
	<a href="mailto:ateresearch@ate.gr">ateresearch@ate.gr</a> <a href="mailto:ateresearch@bloomberg.net">ateresearch@bloomberg.net</a>		
Anthony Christofidis	<a href="mailto:achristofidis@ate.gr">achristofidis@ate.gr</a>	+30 210 36.87.852	
Electra Dourmas	<a href="mailto:edourmas@ate.gr">edourmas@ate.gr</a>	+30 210 36.87.853	
Nikos Papadopoulos	<a href="mailto:nipapadopoulos@ate.gr">nipapadopoulos@ate.gr</a>	+30 210 36.87.857	
<b>Institutional Sales</b>			
George Bogiatzis	<a href="mailto:gbogiatzis@ate.gr">gbogiatzis@ate.gr</a>	+30 210 36.87.750	
<b>Equities Trading</b>			+30 210 36.44.530
Vassilios Tatarakis	<a href="mailto:vtatarakis@ate.gr">vtatarakis@ate.gr</a>	+30 210 36.87.711-741	
Ioannis Voidonikolas	<a href="mailto:ivoidonikolas@ate.gr">ivoidonikolas@ate.gr</a>	+30 210 36.87.777-888	
Konstantinos Mpallios	<a href="mailto:kbalios@ate.gr">kbalios@ate.gr</a>	+30 210 36.87.708	
Fotis Karalis	<a href="mailto:fkarak@ate.gr">fkarak@ate.gr</a>	+30 210 36.87.719	
<b>Derivatives</b>			
Michael Matsoukas	<a href="mailto:mmatsoukas@ate.gr">mmatsoukas@ate.gr</a>	+30 210 36.87.828	
Othonas Siakoulis	<a href="mailto:osiakoulis@ate.gr">osiakoulis@ate.gr</a>	+30 210 36.87.705	