

GREEK DAILY BRIEF

Friday Jul. 16, 2010

Statistics

Athens Stock Exchange

			Shares
MCap(€bn)	61.9		▲ 126
Turnover (€mn / mn shares)	163.5 / 40.32		— 117
Blocks (€mn / mn shares)	3.5 / .69		▼ 53
Indices	15.07.10	(%) 1day	(%) 30day
ASE General	1,608.76	2.22	5.63
FTSE 20	781.16	3.58	7.47
FTSE 40	1,830.19	0.89	2.19
FTSE 80	309.92	2.15	10.17
FTSE International	2,072.61	3.27	6.79
Banks	1,662.70	6.53	9.28
Telecoms	1,833.21	0.45	13.07
Travel & Leisure	2,028.60	-0.41	-3.24
Construction	2,593.18	2.65	14.69
ETF Alpha FTSE 20 ldx	7.87	3.96	9.03
DAX 30	6,149.36	-0.97	-0.67
CAC 40	3,581.82	-1.41	-2.56
FTSE 100	5,211.29	-0.80	-0.51
Dow Jones	10,359.31	-0.07	-0.48
Nasdaq	2,249.08	-0.03	-2.47
S&P 500	1,096.48	0.12	-1.63
Nikkei 225	9,408.36	-2.86	-6.54
Hong Kong (HSI)	20,241.29	-0.07	0.89
Russia (RTS)	1,407.39	0.29	0.41
Turkey (ISE 100)	57,689.93	-1.05	2.28
Romania (Bucharest)	4,868.50	0.50	-4.54
Bulgaria (Sofia)	364.90	0.02	-3.02
Cyprus	1,193.00	3.28	5.58
Commodities			
Brent ICE (\$/bbl)	75.83	-0.34	-3.62
WTI NYM (\$/bbl)	76.37	-0.33	-2.99
Gold CMX (\$/troy oab.)	1,207.20	-0.09	-1.89
Aluminum LME (\$/mt)	2,016.00	0.35	0.20
Copper LME (\$/mt)	6,680.00	1.06	0.00
Carbon Fut. (€/mt)	14.25	-0.21	-11.76
Currencies			
EUR/USD	1.2906	0.70	5.03
USD/JPY	87.23	1.01	5.07
EUR/GBP	0.838	-0.98	-0.98
Rates	Price	Yield (%)	
Euribor 3m (%)	-	0.85	
10Yr Bond (GR)	73.35	10.76	
10Yr Bund (GE)	109.66	2.47	
10Yr Bond (US)	102.16	2.85	

ASE Ind. Fut.	15.07.10	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Sept	783.32	3.87	0.28 / +2	16,244	20,825	63
Greek Banks	15.07.10	(%) 1 day	(%) 1 month			(%) Ytd
National Bank	10.90	5.6	8.5			-39.8
EFG Eurobank	4.77	7.2	14.1			-39.5
Alpha Bank	4.91	6.7	6.7			-40.1
Piraeus Bank	4.54	12.7	16.1			-43.9
Bank of Cyprus	3.73	3.6	5.1			-24.3
Marfin Popular Bank	1.64	3.1	9.3			-28.4
ATEbank	1.14	6.5	3.6			-41.2
Emporiki Bank	2.65	2.3	-9.2			-39.5
Hellenic PostBank	3.28	21.5	20.6			-25.8
Bank of Greece	31.94	2.4	-0.5			-31.3
Egnatia Bank	0.95	-1.0	-6.9			-46.3
Geniki Bank	0.39	8.3	2.6			-50.0
Bank of Attica	1.15	13.9	13.9			-32.4
Aspis bank	0.43	13.2	7.5			-44.8
Proton Bank	0.96	10.3	14.3			-52.0
FTASE 20						
National Bank	10.90	5.6	8.5			-39.8
OTE	6.66	0.5	13.1			-35.3
Coca Cola HBC	18.54	-0.7	4.8			15.9
EFG Eurobank	4.77	7.2	14.1			-39.5
Alpha Bank	4.91	6.7	6.7			-40.1
OPAP	11.10	-0.5	-5.1			-27.6
Piraeus Bank	4.54	12.7	16.1			-43.9
PPC	12.40	0.2	-3.0			-4.6
Bank of Cyprus	3.73	3.6	5.1			-24.3
Marfin Pop. Bank	1.64	3.1	9.3			-28.4
MIG	1.06	-0.9	9.3			-41.8
ATEbank	1.14	6.5	3.6			-41.2
Hellenic Petroleum	6.15	1.2	3.0			-21.3
Titan Cement	17.60	2.9	19.3			-13.4
Jumbo	5.63	0.7	6.0			-36.5
Hellenic Technodomiki	3.40	3.3	15.6			-34.0
Hellenic PostBank	3.28	21.5	20.6			-25.8
Motor Oil	8.25	-0.6	5.8			-22.5
Viohalco	4.11	1.2	26.9			3.5
Mytilineos	4.26	1.4	-0.5			-15.1

* ranked by Market Cap.

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

Source: Bloomberg

Market Comment

In Thursday's session the Greek market moved higher amid surging banking stocks. Yesterday's Piraeus Bank offer for the takeover of state's shareholdings at ATE Bank and Hellenic Postbank (more below) has ignited further investor's interest for the banking sector leading the banking index to a 6.53% rise. The General index ended its course 2.22% higher. Daily turnover took off to the level of €164mn.

Sentiment was mixed at US markets yesterday. US stocks spent large part of the session in the red, before S&P 500 turned slightly positive towards the session's close. European major indices posted losses for the day. European equity futures opened flat today. We expect investors interest in the domestic market to remain focused in banking sector developments, enjoying a positive bias from international Q2 result announcements.

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Highlights

Economic News

- **Unemployment** rose to 11.9% in April from 11.6% in March and 9.4% in April 2009.

Corporate News

- **Piraeus Bank** Offer to acquire **ATEBank** and **TT Hellenic PostBank**. More below.
- **Titan Cement** Reportedly, Egyptian authorities gave a final approval for the capital increase of Alexandria Cement (Titan's subsidiary) by \$430mn. Further, Titan will proceed to the handing of a 16% stake of Alexandria Cement to International Finance Corporation for €80mn.
- **Intralot** The Hong Kong listed company MelcoLot in which the Company is a substantial shareholder, has entered into an agreement with the China Welfare Lottery in the municipality of Chongqing, for the provision of Intralot's LOTOSTM Horizon system and related services. The initial term of the contract is 5 years, renewed automatically for five more years by mutual consent.
- **Dividends:** Last day of trading before ex-dividend day for **Alapis** (€0.005 ps), **Piraeus Port Authority** (€0.15 ps), **Thessaloniki Port Authority** (€0.15 ps).
- **Squeeze Outs:** Last day of trading for ATE Insurance, AB Vasilopoulos, Lyberis Publications, and Benrubi will be July 29th.

Investment ToolKit

Greek corporate Action Calendar

Earnings Releases

Splits, Bonus, Private placements, Public Offers, Divs-predivs, AGMs-EGMs, stock-options etc

Quants Insight,

Arbitrage, M&As, Share capital increases, IPOs etc

Restricted to ATE Securities SA clientele. Available upon request by the ATE Securities R&A Dpt.

See Important Disclosures and Analyst Certification at the end

Economic News

Corporate News

Piraeus Bank (TPEIR GA / BOPr.AT)		Banks		FTSE 20	TP: -	VIEW: NR
Price	Market Cap	L (52wk)	H (52wk)	Ytd (%)	P/E (10e)	P/BV (10e)
€ 4.54	€ 1,526.7mn	€ 0.00	€ 0.00	#N/A Requesting	11.07x	0.50x

ATEbank (ATE GA / AGBr.AT)		Banks		FTSE 20	TP: -	VIEW: R
Price	Market Cap	L (52wk)	H (52wk)	Ytd (%)	P/E (10e)	P/BV (10e)
€ 1.14	€ 1,032.2mn	€ 0.37	€ 2.09	#N/A Requesting	-	-

Hellenic Postbank (TT GA / GPSr.AT)		Banks		FTSE 20	TP: € 4.26	VIEW: NR
Price	Market Cap	L (52wk)	H (52wk)	Ytd (%)	P/E (10e)	P/BV (10e)
€ 3.28	€ 933.0mn	€ 0.00	€ 0.00	#N/A Requesting	-	-

Piraeus Bank – ATEBank – Hellenic PostBank Piraeus Bank announced yesterday in the framework of privatizations legislation, an offer to the Greek State to concurrently acquire 77.31% of ATEBank and 33.04% of the Hellenic PostBank (HPB), both currently owned by the Greek State. The objective of the initiative is the creation of a large banking group with (pro forma) assets exceeding €105bn, a net loan portfolio of €69bn, and €64bn in deposits. The new financial group formed by the consolidation of the three banks will control the leading market shares in both loans and deposits in Greece and become the second biggest Greek financial group in the region. The aggregate price offered is €701mn (€372mn for ATEBank and €329mn for HPB). **This suggested a discount by -50.3% for ATEBank and a premium by +29.4% for HPB (from the stocks' close on 14/7). Yesterday's session reformed a discount of -53.4% for ATEBank and a premium of +6.5% for HPB.**

According to Piraeus Bank announcement, the creation of the new financial group will benefit shareholders of all three banks due to the size attained: **economies of scale will yield annually about €300mn savings for three years (€200-€220mn from cost reduction and €80-€100mn from revenue synergies).** After the proposed combined acquisition the new financial group will have proforma capital adequacy ratio at the level of 9% and a strong liquidity position (with Loans to Deposits ratio at 98% without including self-finance loans).

With the creation of the new group, Piraeus Bank particularly aims to:

- Introduce competitive business practices in the agricultural sector;
- Become the Bank of choice for the fastest expanding sector of the economy, Green Business;
- Leverage the complementarities of the three banks' client bases;
- Broaden the services offered to the SME sector;
- Offer its state-of-the-art e-banking platform to a much larger client base.

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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
ATEbank	ATE GA / AGBr.AT	€ 1.14	15.07.2010	R	-
Piraeus Bank	TPEIR GA / BOPr.AT	€ 4.54	15.07.2010	NR	-
Hellenic Postbank	TT GA / GPSr.AT	€ 3.28	15.07.2010	NR	-

Disclosure Outline

- 1 ATE Securities SA and / or any of its affiliates owns 5% or more of the total share capital of the Company
- 2 The Company and / or its affiliates owns 5% or more of the total share capital of ATE Securities SA and / or its affiliates
- 3 ATE Securities SA acts as a market maker for the securities of the Company
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- 11 i ATE Securities SA has sent this report to the company prior to publication for factual verification
- ii ATE Securities SA has altered the contents of the report sent initially, on the following issues: **NO ALTERATION**

EQUITY RATING SYSTEM

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	O	Stock Return > +9%
Neutral	N	Stock Return in the range [-9%, +9%]
Underweight	U	Stock Return < -9%
Not Rated	NR	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	UR	Rating not currently available
Restricted	R	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	RS	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	CS	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 ⁽¹⁾
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	5 (20%)	3 (12%)	0 (0%)	14 (56%)	2 (8%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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