

GREEK DAILY BRIEF

Wednesday Oct. 20, 2010

Statistics

Athens Stock Exchange

			Shares
MCap(€bn)	58.8		▲ 107
Turnover (€mn / mn shares)	122.9 / 25.62		— 46
Blocks (€mn / mn shares)	3.2 / .31		▼ 75
Indices	19.10.10	(%) 1day	(%) 30day
ASE General	1,573.08	1.02	5.41
FTSE 20	767.94	1.20	6.23
FTSE 40	1,763.48	0.64	6.48
FTSE 80	285.59	0.66	0.09
FTSE International	2,033.33	1.15	6.18
Banks	1,661.97	2.14	7.45
Telecoms	1,555.20	-1.74	0.89
Travel & Leisure	2,170.95	-0.14	9.61
Construction	2,339.26	-1.39	6.74
ETF Alpha FTSE 20 Idx	7.72	2.12	6.04
DAX 30	6,490.69	-0.40	3.12
CAC 40	3,807.17	-0.71	0.51
FTSE 100	5,703.89	-0.67	1.81
Dow Jones	10,978.62	-1.48	2.09
Nasdaq	2,436.95	-1.76	3.44
S&P 500	1,165.90	-1.59	2.03
Nikkei 225	9,381.60	-1.65	-2.54
Hong Kong (HSI)	23,556.70	-0.87	7.19
Russia (RTS)	1,551.33	-1.23	5.74
Turkey (ISE 100)	69,414.50	-1.48	7.97
Romania (Bucharest)	5,240.66	-0.35	1.47
Bulgaria (Sofia)	361.62	-0.03	-7.93
Cyprus	1,367.98	2.13	1.32
Commodities			
Brent ICE (\$/bbl)	81.50	0.49	2.34
WTI NYM (\$/bbl)	80.67	0.64	3.69
Gold CMX (\$/troy oab.)	1,339.20	0.24	4.56
Aluminum LME (\$/mt)	2,355.50	-2.26	8.05
Copper LME (\$/mt)	8,260.00	-1.77	6.99
Carbon Fut. (€/mt)	15.34	-2.17	-1.79
Currencies			
EUR/USD	1.3786	-0.97	5.27
USD/JPY	81.29	0.05	5.35
EUR/GBP	0.877	-4.31	-4.31
Rates	Price	Yield(%)	
Euribor 3m (%)	-	1.01	
10Yr Bond (GR)	79.89	9.47	
10Yr Bond (GE)	111.07	2.25	
10Yr Bond (US)	107.11	2.21	

ASE Ind. Fut.	19.10.10	(%) day	Prem/Disc % /bps	Volume	Open Interest	Days to Expiry
FT20 Sept	#N/A	N/A	#N/A	N/A	#N/A	N/A
Greek Banks	19.10.10	(%) 1 day	(%) 1 month	(%) Ytd		
National Bank	8.28	2.2	10.3	-46.2		
EFG Eurobank	4.90	3.8	10.6	-37.8		
Alpha Bank	5.22	2.8	10.4	-36.3		
Piraeus Bank	4.04	1.5	9.8	-50.1		
Bank of Cyprus	4.02	1.3	0.8	-7.1		
Marfin Popular Bank	1.64	1.9	3.8	-28.4		
ATEbank	0.92	1.1	-6.1	-52.6		
Emporiki Bank	2.17	-1.4	-13.5	-50.5		
Hellenic PostBank	4.01	0.0	-5.6	-9.3		
Bank of Greece	33.14	0.4	5.7	-28.7		
Egnaia Bank	1.01	5.2	2.0	-42.9		
Geniki Bank	2.80	2.9	20.2	-64.1		
Bank of Attica	1.06	1.0	2.9	-37.6		
Aspis bank	0.37	0.0	-2.6	-52.5		
Proton Bank	1.04	1.0	5.1	-48.0		
FTASE 20						
National Bank	8.28	2.2	10.3	-46.2		
OTE	5.65	-1.7	0.9	-45.1		
Coca Cola HBC	18.50	1.1	-1.9	15.7		
EFG Eurobank	4.90	3.8	10.6	-37.8		
Alpha Bank	5.22	2.8	10.4	-36.3		
OPAP	12.03	-0.4	9.4	-21.6		
Piraeus Bank	4.04	1.5	9.8	-50.1		
PPC	12.68	1.4	12.2	-2.5		
Bank of Cyprus	4.02	1.3	0.8	-7.1		
Marfin Pop. Bank	1.64	1.9	3.8	-28.4		
MIG	0.85	2.4	0.0	-53.3		
ATEbank	0.92	1.1	-6.1	-52.6		
Hellenic Petroleum	5.82	0.7	2.1	-25.5		
Titan Cement	15.40	-1.3	6.6	-24.2		
Jumbo	5.58	1.8	17.5	-37.1		
Hellenic Technodomiki	3.13	-2.2	7.2	-39.2		
Hellenic PostBank	4.01	0.0	-5.6	-9.3		
Motor Oil	7.70	-1.7	-1.7	-27.6		
Viohalco	3.84	0.3	4.6	-3.3		
Mytilineos	4.54	-3.0	4.8	-9.6		

* ranked by Market Cap.

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

Source: Bloomberg

Market Comment

Aided by a renewed interest on banking stocks (following NBG's floating of new shares), the domestic market sustained a solid performance on Tuesday, with the GI rising by +1.02% to 1,573 points. Large capitalization region was supported by banking sector uplift with FTSE20 index gaining +1.2%. European stocks retreated on Tuesday, while in the US the stock market suffered its worst single-session drop in two months as market participants withdrew short-term profits, somewhat ignoring a big batch of better-than-expected earnings. European futures opened rather flat today. We anticipate some further volatility in our domestic market today, with a possible negative international bias.

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Highlights

Economic News

- PDMA** The Greek state sold €1.17bn of 13-week treasury bills at an auction Tuesday, while the amount sold included a 30% non-competitive tranche. The issue yields a 3.75% lower than the previous month yield of 3.98%. Foreign investors were seen to participate at c.50%.
- Greek Prime Minister** Mr. Papandreou stated that 2011 and 2012 will be the two most important years of the 4-year period for the country. Chairing a cabinet meeting on Monday, Mr. Papandreou said that according to the government's assessment 2011 will be the last year of recession, so that in 2012 the country will return to growth and in 2013 developments to be scheduled for the country's final exit from the crisis and its economic dependence. Still, the Premier noted that this path will be long and the country must win daily struggles, as the alert is not yet over.
- Greek Environment & Energy Minister** Ms. T. Birbili estimates a +50% rise in RES installed capacity during 2011. Under conservative projections, RES will add 300MW of wind facilities and 200MW of photovoltaic quadrupling current growth rate of this energy section (currently standing at 140MW). Over a 10 year horizon, RES sector is seen to draw an overall investment of €16.4bn (rising by another €5bn if we include investments in power energy network connections), and to create 100,000 job positions.
- Qatar Petroleum International & Qatar Electricity Water** withdrew from a €3.5bn energy project in Astakos (Aitolioakarnania), as they judged it as not viable.
- Eurostat** reportedly will postpone the announcement of its revision on Greek fiscal figures, as it has not yet completed its check.
- European Economic and Monetary Affairs Commissioner** Mr. Olli Rehn expressed his confidence that Ireland, Greece and Portugal would be able to reduce their budget deficits as planned in 2011, after a meeting of euro-zone finance ministers. Nevertheless, new data from Greece will likely increase its expected budget deficit for 2010 and other years as well, which may require some additional measures in order to stick to the fiscal target for 2011. Ireland, which recently said the cost of supporting its banks would boost its deficit to 32% of gross domestic product in 2010, is expected in the coming weeks to publish a plan for reducing its deficit to below 3% of GDP in 2014.
- German ZEW index** for current conditions improved to 72.6 in October from 59.9 points in September. Nevertheless economic expectations figure retreated to -7.2 in October from -4.3 in September, providing a mixed sentiment.

Corporate News

- National Bank's** management is ready to enter in the following days the second phase of its project to strengthen the Bank's capital. Reportedly, Goldman Sachs, Deutsche Bank, Credit Suisse and possibly Citi and Morgan Stanley are expected to assume the underwriting process for the disposal of up to 20% of Finansbank. More specifically, the second phase of the Bank's recapitalization may be implemented through the book building process and a share capital increase of Finansbank, where NBG will not participate. NBG is considered to be seeking for the aforementioned stake to be distributed to foreign investors and not to be absorbed by a single player. Possible proceeds from the sale could exceed €1bn.
- OTE's** BoD meeting yesterday discussed changes in the organization's strategic plan relative to cost-cutting initiatives. Reportedly, Deutsche Telekom management appears discontent on its collaboration with the Greek government, while it has been forced to write-down €900nm from its initial €3.8bn investment due to the fall in the company's stock price.
- Bank of Cyprus** last day of the bank's rights' exercise tomorrow October 21. Further, the Bank's share will trade ex-interim div as of October 26 (€0.50 interim DPS in shares at €3.25 per share and an additional €0.06 interim DPS in cash with an option to convert them in shares under the same terms as the €0.50 interim DPS). The interim dividend in both forms (shares and cash) will be distributed on November 11.

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

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See Important Disclosures and Analyst Certification at the end

Economic News

Corporate News

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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
National Bank	ETE GA / NBGr.AT	€ 8.28	19.10.2010	O	-
OTE	HTO GA / OTEr.AT	€ 5.65	19.10.2010	NR	-
Bank of Cyprus	BOC GA / BOCr.AT	€ 4.02	19.10.2010	NR	-

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- 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. Yielder</i> <i>Medium Div. Yielder</i> <i>Low Div. Yielder</i> <i>No Cash div. Yielder</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%)	-	-
Invest. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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