

# **Recent Global Trends and Economic Situations**

Fourth International Conference on Business, Economy and Finance (ICBEF 2025)

## **Is MBI10 the suitable index for the Macedonian Stock Exchange**

### **An overview of MSE**

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# Quick Introduction about MSE and MBI 10

- MSE History and Ownership
- High fees (starting at 1.5% to 2.95% per order)\*
- MBI 10 – complex methodology
  - 50%: Free float adjusted market capitalization
  - 30%: Traded volume
  - 20%: Active trading days

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\* Transaction fees for Retail with order size equivalent below 10 000 EUR

# Members of MBI10 with weights

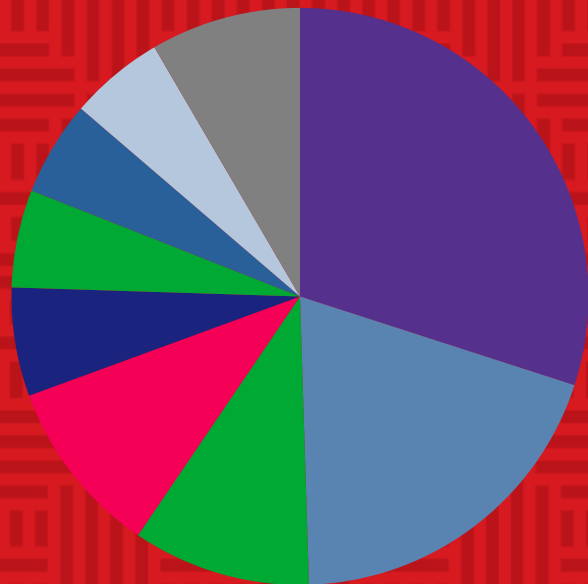
Ticker	24 R2	24 R1	23 R2	23 R1	22 R2	22 R1	21 R2
KMB	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
TEL	5.07%	5.70%	5.95%	5.55%	5.23%	4.73%	5.02%
NLB	13.22%	12.05%	11.28%	10.18%	9.75%	10.76%	9.35%
ALK	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
STB(P)	4.42%	4.54%	4.39%	4.92%	4.47%	4.23%	4.12%
MPT	18.49%	18.30%	18.97%	19.86%	19.35%	19.34%	19.40%
GRNT	8.30%	8.79%	9.33%	10.48%	10.47%	10.54%	11.28%
UNI/SBT	3.03%	2.93%	2.81%	1.90%	3.43%	3.66%	3.66%
MTUR	4.84%	4.70%	4.45%	4.48%	4.42%	4.37%	4.36%
TTK	2.64%	3.00%	2.83%	2.80%	2.26%	2.37%	2.81%

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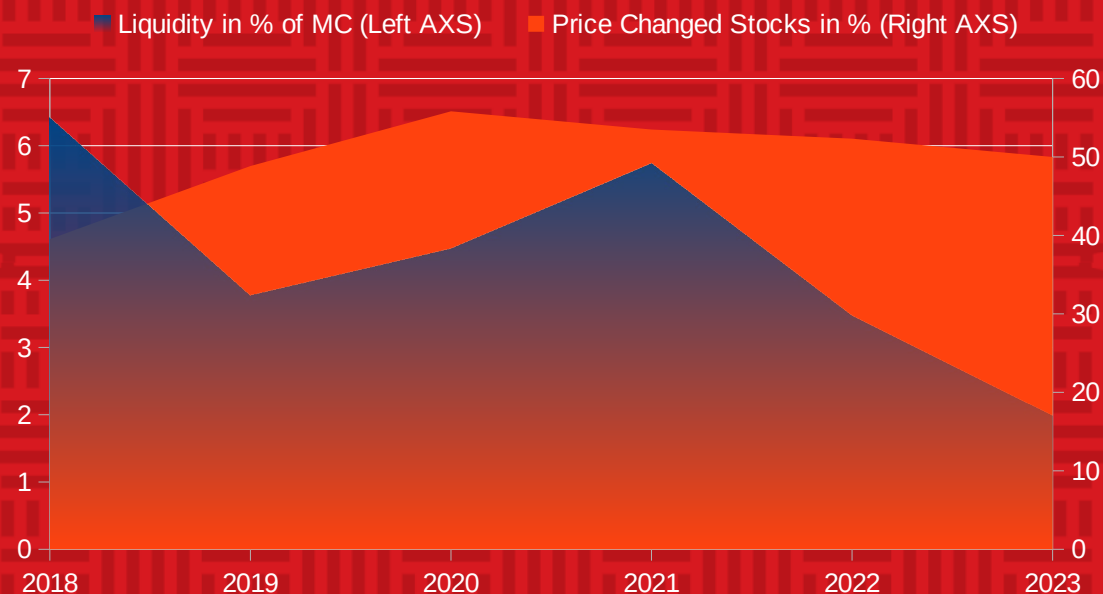
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# MSE Ownership and MBI 10 Liquidity charts



ZSE SPAR KMB STB NLB KB INV CKB UNI Others

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# Hypotheses and Time frame

- *H0 : MBI10 as a liquidity weighted index is not a suitable index for the MSE being a concentrated, illiquid market.*
- *H1: In the absence of market makers, a liquidity weighted index is not a suitable index for the MSE being a concentrated, illiquid market.*
- *H2: MBI 10 and its methodology affects the efficiency of the MSE*
- *H3: Seasonality and performance are not significantly affected by Investor Days (Fee free), but rather by stock-specific or macroeconomic events.*
- Time frame/stamps from 2018 to 2024 Q2 - each Quarter + one off events:

Global Events : COVID crisis , Ukraine-Russia Conflict, Gaza – Israel Conflict, The Yen Carry Trade Crisis

MSE specific events : Investor Days, KMB Acquisition offer to SBT, OILK buyout offer to MPT, OKTA BuyBack, REPL stock split

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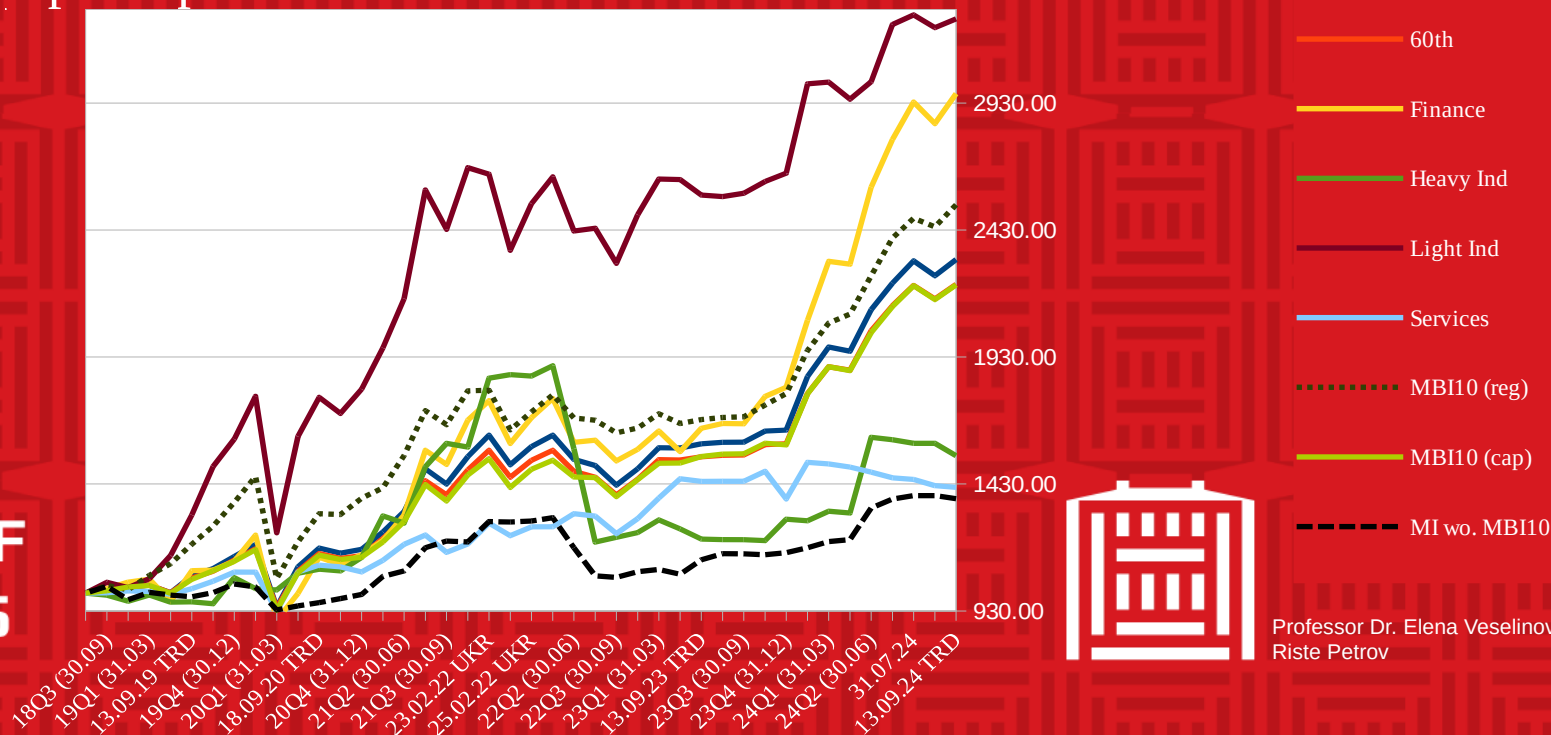


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# Is MBI10 the suitable index for the MSE ? (H0)

- Record Yearly Outstanding Performance, outperforming almost every other Index reaching the top 15 ETFs globally.
- Adding new prop Incipencies / Sectors

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# Are there significant Market Makers? (H1)

- In comparison to developed western capital markets there aren't any specialized financial institutions. (example IB)
- Commercial banks except buyback programs or M&A deals aren't actively supporting liquidity.
- The brokerage departments of the Banks and firms themselves which tend to have close to zero Market Exposure / Position, as neutrally as possibly to fulfill customers orders.
- Exception to the no exposure custom are pension funds (SAVA taking an Active approach) and investment funds (KB Invest form. Publikum taking the passive approach).

In mm EUR	2023	2022	2021	2020	2019	2018
Stocks in MBI 10 Fund from KB Invest prev. Publikum	13.34	12.92	13.04	9.40	9.57	3.98
% of total Market Cap of MBI10	0.5%	0.54%	0.52%	0.49%	0.5%	0.25%

\* Source: Audited Yearly Financial Reports of MBI10 fund by KB Publikum / Invest and authors calculations

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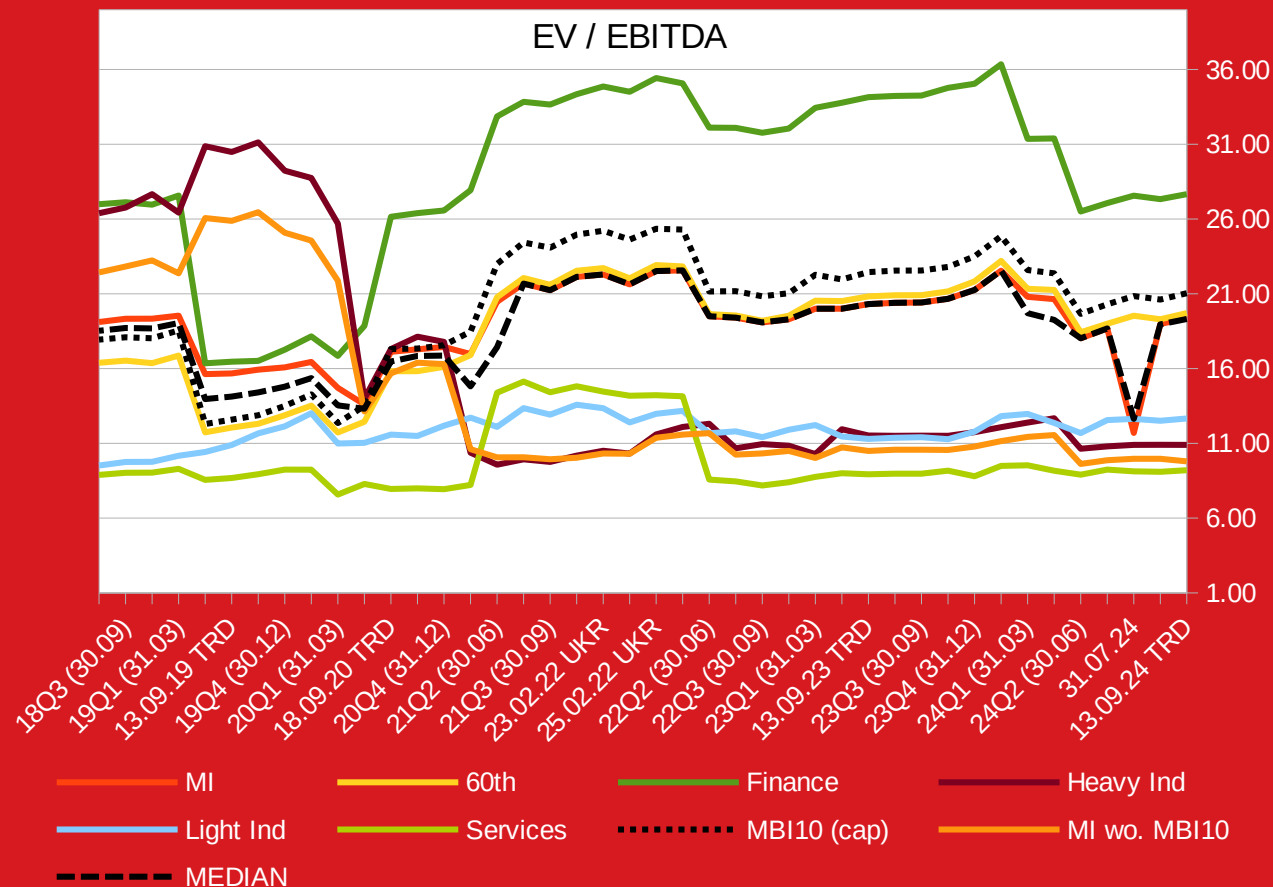


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# What about valuations and concentration ? (H2)

- Valuations were tested with the following market ratios:

P/S (Price to Sales)  
P/E (Price to Earnings)  
P/B (Price to Book Value)  
EV/EBITDA (Enterprise value to EBITDA)

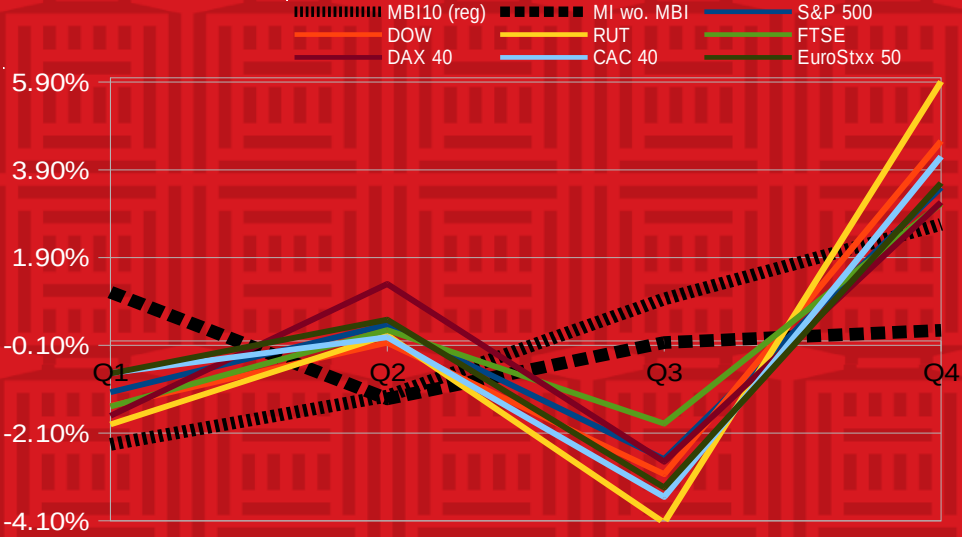


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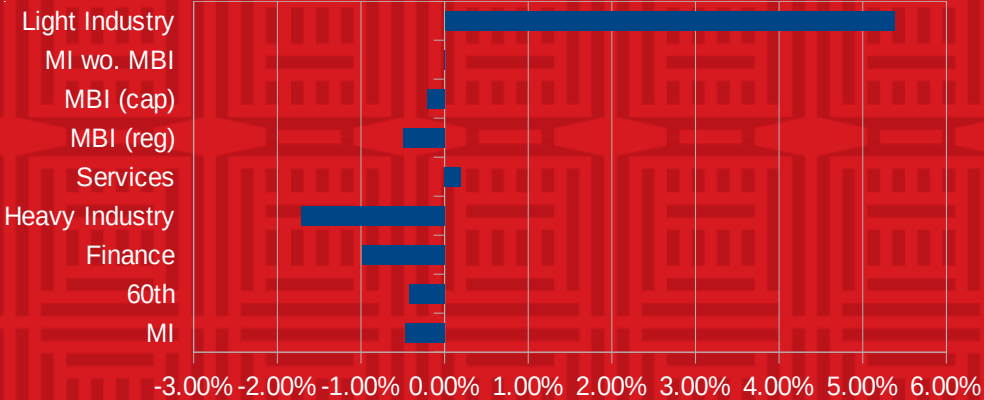


# Seasonality analysis and Traiding Days effects (H3)

Global Event Correlations with MBI10 (reg)	Yen Trade	Israel Gaza	Ukraine Russia	COVID	MEDIAN	Overall	Region Median
S&P 500	0.91	0.90	-0.44	0.85	0.88	0.95	
DOW	0.90	0.87	-0.14	0.82	0.85	0.93	0.93
Russel 2000	0.55	0.82	-0.58	0.82	0.68	0.72	
FTSE	0.62	0.49	0.85	0.75	0.68	0.71	
DAX 40	0.86	0.78	0.89	0.80	0.83	0.90	0.86
CAC 40	0.69	0.74	0.89	0.80	0.77	0.84	
Eurostoxx 50	0.74	0.78	0.85	0.79	0.79	0.88	
Nikkei	0.56	0.83	0.81	0.71	0.76	0.87	
MOEKS	-0.67	-0.43	1.00	0.77	0.17	0.23	0.55
CSI 300	-0.73	-0.87	1.00	1.00	0.13	-0.20	
TWSE 50	0.73	0.98	0.92	0.89	0.90	0.93	
SOFIX	0.78	-0.86	0.85	0.90	0.81	0.80	0.88
BELEX	0.95	-0.70	0.34	0.97	0.65	0.94	
ATHEX	0.41	0.42	0.99	0.74	0.58	0.84	
CROBEX	0.07	0.51	0.99	0.84	0.68	0.91	
MEDIAN	0.69	0.74	0.85	0.82	0.76	0.87	



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# Conclusions and suggestions for stakeholders

- Substitution of UNI and REPL.
- Uniform way of Reporting from Issuers
- More frequent Audited Reports
- Free Float disclosure reform (instead of 5% to 1% - .1%)
- Switch or implementation of additional Market Index (weight using Market Cap. wo. Liquidity, Free Float)

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# **Thank you for your attention !**

# **Questions?**

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