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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.228,17	↑ 1,29	↑ 0,21
BET-C	3.000,80	↑ 0,85	↑ 0,07
BET-FI	24.898,65	↑ 2,56	↑ 1,58
BET-XT	487,74	↑ 1,57	↑ 0,50
FP	0,5900	↑ 1,72	↑ 1,46
SIF3	0,7090	↑ 4,26	↑ 4,96
BRD	10,7700	↑ 1,03	↑ 0,19
RPH	0,7080	↑ 2,61	↑ 7,27
SIF2	1,3390	↑ 2,92	↑ 1,44

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,11	↓ -8	↓ -7
12 month	5,43	↑ 9	↑ 19
3 year	6,12	↓ -5	↓ -2
5 year	6,36	↓ -3	↓ -7
10 year	6,66	↑ 6	↓ -16

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	300 mn RON	300 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,14	↑ 91	↑ 172
3M ROBOR	4,63	↑ 2	↑ 24
6M ROBOR	5,35	↑ 1	↓ -1
1Y ROBOR	5,59	↑ 3	↑ 3
5Y CDS	275,40	↓ 0	↑ 14

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3625	↓ -0,19	↓ -0,40
USD/RON	3,2679	↓ -0,77	↓ -1,18
CHF/RON	3,6192	↓ -0,26	↓ -0,24
100HUF/RON	1,50	↑ 0,51	↓ -1,15

Source: Reuters, OTP Research

Summary

- BVB indices gain in line with international markets, on hopes of more quantitative easing coming from the Fed and also on the news that Germany supports the enhancement of Europe's financial firewall; 3 SIFs rallied (+3%-4%) pushing BET-FI up; Transgaz announced net profit for 2011 to be 380 mn RON, lower than in preliminary statements when net profit figure was 392 mn RON
- RON appreciated yesterday by 0.2% against EUR, in line with peer currencies and the advance seen in equities
- Romania sold yesterday the planned amount of RON 300 mn in 6M T-bills at average accepted yield of 5.06%
- Although nominal loans MoM growth rate was negative in February, in house seasonally adjusted data points to positive flows for corporate loans and mortgage loans

Yesterday, all indices gained as markets were expecting Federal Reserves Chairman Ben Bernanke's speech and more hints about quantitative easing. Indeed, Bernanke lifted hopes. To this, in Europe, we had Angela Merkel's comments about an enhancing of the region's financial firewall, as opposed to earlier position taken by both Germany and Finland. This positive mood and cheap money prospects pushed investors back into risky assets. Back at BVB, the composite index (BET-C) was up by only 0.85% and the best performance of an index was seen in BET-FI jumping a strong 2.56%. The latter was moved especially by 3 SIFs (Transilvania, Moldova and Oltenia) with hikes of 3-4%. Besides financial companies jump we saw a good advance in oil companies as well. However, overall performance of the energy index BET-NG was rather low (+0.53%), the smallest advance among indices being due to a drop in Transgaz stock price by 0.04% and Rompetrol Rafinare by 2.93%. This came after Transgaz announced that last year's profit was smaller than what it was previously announced in preliminary data: initially, net profit announced for 2011 was 392 mn RON whereas yesterday the figure was corrected to 380 mn RON.

RON appreciated against the euro yesterday, a move seen in peer currencies as well. The strengthening was in line with the advance seen in equities.

Money market rates climbed yesterday, especially the ON rate ROBOR which was up by 91 bps at 4.14%. This happened after the mandatory reserves period ended and we expect the ON rate to fall back marginally, as the Central Bank operated another liquidity injection through one week repo: 5.8 bn RON, a similar figure with last week. The Finance Ministry sold the planned amount of RON 300 mn in 6M T-bills yesterday. Average accepted yield was 5.06%, lower by 16 bps than the one at the previous tender on 27th of February. According to nominal data, non- governmental loans were slightly down (-0.1% MoM) in February while deposits moved up by 0.3% MoM. However, in house seasonally adjusted data showed that corporate loan flows were in fact positive as well as mortgage loan flows. The latter had been down in January but they picked up again.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	M3 (broad money, MoM, %)	0,5		0,2
	Non governmental loans (MoM, %)	-0,1		-0,2
	Non governmental deposits (MoM, %)	0,3		0,4
Tuesday	no data			

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds as of 23-3-2012

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6,43	-0,16	14,41	-12,40
OTP Obligatiuni	RON	11,64	0,00	1,57	5,82
OTP ComodisRO	RON	14,1677	0,02	1,45	6,49
OTP Eurobond	EUR	10,6230	0,01	1,12	4,80

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