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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.267,00	↑ 0,74	↑ 1,45
BET-C	3.028,42	↑ 0,92	↑ 1,55
BET-FI	25.038,69	↑ 0,56	↑ 2,47
BET-XT	491,55	↑ 0,78	↑ 1,75
FP	0,5900	→ 0,00	↑ 1,72
BRD	10,7000	↓ -0,65	↑ 0,94
SIF3	0,7155	↑ 0,92	↑ 6,71
SIF5	1,3730	↑ 0,96	↑ 0,96
TEL	16,1500	↑ 0,31	↓ -0,92

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,53	↑ 42	↑ 36
12 month	5,33	↓ -9	↓ -46
3 year	6,15	↑ 3	↓ 0
5 year	6,36	↓ -1	↓ -9
10 year	6,59	↓ -7	↓ -24

**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	4,05	↓ -9	↑ 152
3M ROBOR	4,62	↓ -1	↑ 21
6M ROBOR	5,27	↓ -8	↓ -11
1Y ROBOR	5,54	↓ -5	↓ -3
5Y CDS	275,40	↓ 0	↑ 12

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3715	↑ 0,21	↓ -0,16
USD/RON	3,2808	↑ 0,39	↓ -0,89
CHF/RON	3,6255	↑ 0,17	↓ -0,15
100HUF/RON	1,50	↑ 0,09	↓ -0,72

Source: Reuters, OTP Research

**Summary**

- BVB indices finished in the green, unlike European markets where further concerns emerged again; OECD representatives say Europe needs “the mother of all firewalls” and in the US analysts started to doubt the next QE3 after US data pointed to a strengthening of the US economy
- Transelectrica's SPO was oversubscribed by 53%; the final price for small investors was 15.7RON/share while for the large investors, the price stood at 14.9RON/share (the minimum of the offer)
- MM rates fell yesterday up to 9 bps (in the case of ROBOR ON) after the liquidity injection on Monday; however, ROBOR ON is higher by 152 bps than last week and the hike continued to be transmitted to short term government securities yields: the 6M T-bills yield finished up by 42 bps yesterday.

BVB indices posted another day of gains on a higher turnover than on Monday. The gains were not correlated with European market indices which dipped yesterday after investors started debating QE3. It looks like US home prices stabilized for the first time in January since July (according to S&P/Case-Schiller 20 cities index) pointing that the US economy is stronger than a while ago and consequently, QE3 may not happen. Also, in Europe, an OECD representative, Angel Gurría said that Europe's finance ministers will need to impress investors with the size of the rescue fund and the OECD head advocated for “the mother of all firewalls”. Back in Bucharest, the strongest advance was seen in the energy index BET-NG, driven by OMV Petrom(+3.18%), Transgaz (+2.19%) and Rompetrol Rafinare (+1.92%). The biggest event of the day was the success of the secondary public offer of the 15% share in Transelectrica. The offer was significantly oversubscribed (by 53%). The large investors' tranche of 90% had a subscription rate of 139.74% while the small investors' tranche (10%) subscription status ended even more impressive at 277%. The SPO lasted during 14 March -27 March and in this interval the stock price fell by 5.3%, yesterday's closing price being 16.15 RON/share. The small investors will pay a higher price for the stock, 15.7RON/share while for large investors, the final price stood at 14.9 RON/share, which was actually the minimum price established for the offer. The SPO is considered a success for the Romanian capital market, especially since it came after the failure of the earlier state's trial to sell 9.84% of Petrom. At the last IMF mission, the officials also emphasized that the state should make an effort so that Transelectrica's SPO be successful. This will help further negotiations with the IMF.

As market sentiment about the future of the economic growth in Europe was a bit shakier yesterday, we saw the RON depreciate against the EUR by 0.2%, as the EUR lost marginally to the dollar yesterday.

As expected, MM rates fell yesterday after the Monday's 1W repo brought more liquidity to the market. Consequently, ROBOR ON fell by 9 bps but it is higher by a significant 152bps compared to last week. The hike posted during the past week fed into the short term government securities yields. The 6M maturity was up by 42 bps.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday			no data	
Thursday	Feb	Licenses for residential buildings (monthly)		1.732

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds as of 26-3-2012

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6,50	1,09	15,66	-12,63
OTP Obligatiuni	RON	11,64	0,00	1,57	5,15
OTP ComodisRO	RON	14,1736	0,04	1,50	6,46
OTP Eurobond	EUR	10,6268	0,04	1,15	4,79

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