

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17
alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17
irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17
tania.fantana@otpbank.ro

Capital Markets Sales Team

Alexandru Ilisie

+4021 307 58 27
alexandru.ilisie@otpbank.ro

Teodor Alexandru Tibuleac

+4021 307 58 27
alexandru.tibuleac@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273
tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490
papal@otpbank.hu

Analyst

Mihaela Neagu

+4021 307 58 64
mihaela.neagu@otpbank.ro



Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5,349.07	↓ -0,23	↑ 1,35
BET-C	3,039.84	↓ -0,67	↑ 0,21
BET-FI	24,618,63	↓ -0,74	↓ -1,45
BET-XT	493,18	↓ -0,52	↑ 0,29
TEL	15,3200	↓ -0,84	↓ -4,31
TLV	1,1700	↑ 1,74	↑ 8,03
SIF3	0,6970	↓ -1,41	↓ -2,18
SIF5	1,3600	↓ -1,45	↓ -1,95
EBS	72,4000	↓ -3,85	↓ -8,12

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,28	↑ 30	↑ 23
12 month	5,45	↑ 38	↑ 29
3 year	6,02	↑ 3	↓ -1
5 year	6,15	↓ -5	↓ -9
10 year	6,48	↑ 0	↓ -10

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	750 mn RON	750 mn RON
Thursday	4Y	1 bn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3,51	↓ -20	↓ -70
3M ROBOR	4,51	↓ -2	↓ -11
6M ROBOR	5,16	↓ -2	↓ -9
1Y ROBOR	5,42	↓ -4	↓ -11
5Y CDS	289,80	↑ 10	↑ 7

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3733	↓ -0,08	↑ 0,06
USD/RON	3,3274	↑ 0,61	↑ 1,32
CHF/RON	3,6349	↓ -0,07	↑ 0,22
100HUF/RON	1,48	↓ -0,70	↓ -1,10

Source: Reuters, OTP Research

Summary

- BVB indices dropped for the third consecutive day; total turnover continued to be low, as investors' adopt a "wait and see" policy given the gloomier international context;
- Risk aversion for Romanian assets slightly up as 5Y CDS was up 10 bps yesterday; government securities yields advanced significantly: 30-38 bps for the 6 and 12M T-bills
- In February, net nominal average wage was up by 0.3% MoM

BVB finished in the red for the third consecutive day. Total turnover continued to be low as investors adopt a policy of "wait and see". The composite index BET-C fell by 0.67%, less than European market average. On the international markets, investors' sentiment was down after the disappointing Spanish auction, where the country sold less debt than expected. The ECB President Mario Draghi said that the euro zone economic prospects bear downside risks stemming from the debt crisis and commodity prices. In this context, back at BVB no single index advanced. The blue chips index, ROTX declined the most: -0.96 %, driven by the slump in stock prices of Erste Group Bank (-3.85%), OMV Petrom (-1.93%) and BRD (-0.47%). Out of the blue chips, only Banca Transilvania showed a relatively strong gain: +1.74%.

The RON slightly appreciated against the euro yesterday, unlike peer currencies with which it is usually positively correlated. The move is also contrary to expectations given that the euro depreciated to the dollar yesterday by 0.7%. Risk aversion is at higher levels, as pointed by the 5Y CDS which showed a significant hike yesterday: +10 bps. This partially explains the large jump in government securities yields: between 30-38 bps for the 6 and 12M maturities. We wait today for the results of the auction held by the Finance Ministry which plans to sell 1bn RON in 4Y bonds.

In February, net nominal average wage was 1,472 RON, up by 0.3% MoM. According to the INS, private sector net average wage declined compared to the previous month due to unrealized production or smaller revenues (depending on contracts), due to interrupted activity as a consequence of unfavorable weather conditions but INS also quotes financial difficulties. Consequently, we may continue to see weak household demand for goods and services in March as well.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	Feb	Net average monthly wage (% MoM)	0,3	-8,5
Thursday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 3-4-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,53	↓ -0,31	↑	16,19	↓	-11,64
OTP Obligatiuni	RON	11,65	→ 0,00	↑	1,66	↑	5,43
OTP ComodisRO	RON	14,1929	↑ 0,02	↑	1,63	↑	6,47
OTP Eurobond	EUR	10,6366	↑ 0,01	↑	1,25	↑	4,81

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