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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5,329,57	↓ -0,36	↑ 0,37
BET-C	3,024,96	↓ -0,49	↓ -0,65
BET-FI	24,273,32	↓ -1,40	↓ -1,65
BET-XT	490,08	↓ -0,63	↓ -0,38
FP	0,5830	↓ -1,69	↓ -1,02
TEL	15,2700	↓ -0,33	↓ -4,68
SIF3	0,6850	↓ -1,72	↓ -2,35
EBS	69,8000	↓ -3,59	↓ -6,93
SIF5	1,3300	↓ -2,21	↓ -3,83

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,09	↓ -19	↑ 14
12 month	5,09	↓ -36	↓ -3
3 year	5,97	↓ -5	↓ -5
5 year	6,07	↓ -8	↓ -18
10 year	6,40	↓ -8	↓ -15

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	750 mn RON	750 mn RON
Thursday	4Y	1 bn RON	1,5 bn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,82	↓ -69	↓ -148
3M ROBOR	4,46	↓ -5	↓ -13
6M ROBOR	5,13	↓ -3	↓ -13
1Y ROBOR	5,38	↓ -4	↓ -14
5Y CDS	289,80	↑ 5	↑ 10

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3750	↑ 0,04	↓ -0,22
USD/RON	3,3474	↑ 0,60	↑ 1,49
CHF/RON	3,6386	↑ 0,10	↓ -0,02
100HUF/RON	1,48	↑ 0,24	↓ -0,39

Source: Reuters, OTP Research

Summary

- BVB indices posted another day of losses; in Europe, evolution was mixed as investors still bear in mind the last Spanish bond auction; in Bucharest, although total turnover was low, we saw a mild uptrend
- RON depreciated against the euro yesterday, when the EUR/CHF broke down for the first time the 1.2 level set by the Swiss National Bank in September 2011
- Interbanking rates are falling and liquidity is at good levels; ROBOR ON is down approximately 150 bps versus last week; taking advantage of better liquidity conditions, MinFin sold 1.5 bn RON in 4Y bonds at an average accepted yield of 6.06%; total demand was much higher, the bids standing at 2.75 bn RON

BVB indices fell again yesterday while European stocks showed mixed evolution. The last Spanish bond auction is still on the investors' mind. In Bucharest, the total turnover continues to be low, but it has been timidly increasing in the past days. Looking on sectors, the cyclical financial stocks lead the fall. BET-FI slumped by 1.40%, but if we exclude SIF Banat Crisana, the loss is closer to 2% for the FP and the rest of the SIFs. There are some financial blue chips which moved against the market: BVB (+1.64%) and BRD (+0.47%). Another blue chip that finished in the green is Condmag (+0.5%). The stock is currently close to its lowest level in the past year. It is trading at 0.16 RON/share. The high of the past 52 weeks stands at 0.414 RON/share. Unlike the financial stocks, energy stocks evolution was close to market average.

The RON slightly depreciated against the euro yesterday, when the EUR/CHF dipped below the 1.2 level set by the Swiss National Bank in September 2011. Lower than expected industrial production figures in Germany translate into weaker euro, therefore affecting the fundamentals for the RON as well, as Romania's exports depend on demand from Europe and especially Germany.

On the interbanking market, liquidity is at good levels as we see the ON rate falling down by 69 bps to 2.82%. In fact, we saw declines on all range of maturities yesterday. Government securities yields fall back after the temporary spike of the previous day. On Thursday, the 6M and 12M T-bills yields offset the previous day advance, dropping by 19-36 bps. As interbanking rates are lower than the previous week (in the case of ROBOR ON, the difference is close to 150 bps), the Finance Ministry managed to sell more than the planned amount (1bn RON) in 4Y bonds at yesterday's auction. The allotted amount was 1.5 bn RON but the demand was much higher, the total bids amounting 2.75 bn RON. The average accepted yield stood at 6.06%, still lower than the one at the last similar tender on 22 March when the yield stood at 6.16%. The downward trend in government securities yields will probably be seen in the short term as the transmission of the recent cut of the key policy rate to interbanking rates continues.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday				
Friday	Feb			151,2
	Feb	Industrial turnover index (2005=100)		202,3
	Feb	Index value of new orders in manufacturing (2005=100)		159,3
	Feb	Construction works index (2005=100, seasonally adjusted)		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 4-4-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,49	↓ -0,61	↑ 15,48	↓ -12,30		
OTP Obligatiuni	RON	11,66	↑ 0,09	↑ 1,75	↑ 5,71		
OTP ComodisRO	RON	14,1955	↑ 0,02	↑ 1,65	↑ 6,46		
OTP Eurobond	EUR	10,6379	↑ 0,01	↑ 1,26	↑ 4,81		

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