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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5,240,93	↑ 0,36	↓ -1,66
BET-C	2,976,08	↑ 0,11	↓ -1,62
BET-FI	23,954,08	↑ 0,38	↓ -1,32
BET-XT	482,90	↑ 0,35	↓ -1,47
BRD	10,5100	↑ 0,10	↓ -2,23
FP	0,5660	↓ -0,96	↓ -2,92
SIF3	0,6850	↑ 0,66	→ 0,00
TEL	15,0900	↓ -0,07	↓ -1,18
TLV	1,1500	↑ 1,77	↓ -1,63

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,08	↓ -1	↓ -1
12 month	5,05	↓ 0	↓ -4
3 year	5,96	↓ -1	↓ -1
5 year	6,09	↑ 4	↑ 2
10 year	6,36	→ 0	↓ -5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	1 bn RON	1 bn RON
Thursday	2Y	800 mn RON	800 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,32	↓ -3	↓ -50
3M ROBOR	4,21	↓ -2	↓ -25
6M ROBOR	5,02	↓ -1	↓ -11
1Y ROBOR	5,23	↓ -1	↓ -15
5Y CDS	303,30	↑ 2	↑ 10

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3755	↑ 0,01	↑ 0,01
USD/RON	3,3162	↓ -0,55	↓ -0,93
CHF/RON	3,6405	↑ 0,17	↑ 0,05
100HUF/RON	1,48	↑ 0,72	↓ -0,33

Source: Reuters, OTP Research

Summary

- BVB stocks continued to advance yesterday, following international trend; global stocks inched up on better than expected US trade data at February;
- The Finance Ministry sold 800 mn RON in 2Y bonds at an average accepted yield of 5.5%, down from 5.6% at a similar tender on April 2nd
- CA deficit widened by 64% YoY during the first two months; FDI still low at 253 mn EUR (Jan – Feb 2012) compared to 325 mn EUR (Jan - Feb 2011)

BVB finished in the green again, following international market's evolution. Global stocks rose on better than expected US exports data in February. The results at the Italian bond auction were mixed and did not change investor's sentiment about the debt crisis in Europe, with emphasis on Italy and Spain. Back in Bucharest, the composite index gained a modest 0.11%, whereas BET-FI and ROTX topped increases with 0.38% and 0.39% respectively. The former was driven exclusively by the SIFs as FP remained flat. One index finished in the red: BET-NG, the energy sector index lost 0.06% led by marginally sinking prices of OMV Petrom (-0.13%) and Transgaz (-0.04%). Liquidity in shares trading was made up 40% of BRD stocks which were under selling pressure yesterday and slumped -0.1%. Banca Transilvania announced yesterday that it has redeemed stocks worth 887 thousand RON during 5th and 11th April but this has not managed to keep the price climbing during the long consecutive days of market decline.

The Finance Ministry managed to sell 800 mn RON in 2Y bonds, at an average yield of 5.5%, down from 5.6% at a previous tender on April 2. Government securities yields have dropped significantly during this year, following four consecutive base rate cuts, summing up to 100bp since November last year. They are still adjusting downwards after the last base rate cut (-25 bp) valid from 30th March. However, the downward move in yields is about to end, as the market expects at most one more cut in the base rate, of 25 bp by the end of this quarter.

The current account deficit widened by 64.1% YoY during the first two months of the year due to the larger gap of the trade balance (almost double compared to last year) and a reduced surplus in current transfers (by one third compared to last year). The exports pace was down on an annual basis due to weaker external demand and adverse weather conditions which worsened delivery capabilities. We saw a continued reduction in FDI which amounted to 253 mn EUR compared to 325 mn EUR (Jan- Feb 2012) last year (Jan - Feb 2011).

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	Feb	Current account (mn EUR)	-626	-37
	Feb	Trade balance (mn EUR)	-333	-316
Friday	Feb	Income Balance (mn EUR)	-175	-204
	Feb	Current transfers	-118	483
Friday	Feb	FDI (mn EUR)	230	23
	Feb	no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 11-4-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,35	→ 0,00	↑	12,99	↓	-14,30
OTP Obligatiuni	RON	11,67	↑ 0,09	↑	1,83	↑	5,42
OTP ComodisRO	RON	14,2140	↑ 0,02	↑	1,78	↑	6,47
OTP Eurobond	EUR	10,6469	↑ 0,01	↑	1,34	↑	4,82

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