

## 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	5.370,55	↓ -0,28	↑ 0,38
BET-C	3.003,23	↓ -0,71	↑ 0,22
BET-FI	24.172,36	↓ -0,61	↓ -0,47
BET-XT	493,00	↓ -0,47	↑ 0,22
FP	0,5570	↓ -0,27	↓ -0,89
SIF3	0,7270	↓ -1,36	→ 0,00
ARTE	4,0000	↓ -0,25	↑ 14,61
TGN	244,5000	↓ -0,20	↑ 1,24
SIF5	1,3900	↑ 0,58	↑ 0,36

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,05	↓ -12	↓ -5
12 month	5,11	↓ -6	↓ 0
3 year	6,02	↑ 8	↑ 3
5 year	6,19	↑ 1	↓ -2
10 year	6,54	↑ 8	↑ 9

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	750 mn RON	
Thursday	4Y	1 bn RON	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,54	↓ -11	↑ 50
3M ROBOR	4,51	↑ 2	↑ 15
6M ROBOR	5,07	↑ 3	↑ 4
1Y ROBOR	5,25	↑ 1	↑ 5
5Y CDS	302,40	↑ 1	↓ -4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4045	↓ -0,01	↑ 0,20
USD/RON	3,3667	↑ 0,55	↑ 1,61
CHF/RON	3,6658	↓ -0,05	↑ 0,26
100HUF/RON	1,54	↓ -0,74	↑ 0,41

Source: Reuters, OTP Research

**Summary**

- BVB finished in the red on Friday, in line with international markets; the latter were driven by disappointing US job creation figures and in Europe, by decreasing purchasing managers' indexes; at BVB, the turnover was the largest in 14 months due to a deal with FP stocks of 199.4 mn RON
- Negotiations with the IMF successfully concluded; the deficit maintained within the 3% while state employees' wages will be raised by 8% starting 1<sup>st</sup> of June and the pensioners will receive in tranches the wrongfully charged amounts also from June; the difference in wages will be granted at a later date; this deal shows commitment to previously announced terms and should not trigger increased country risk premium this year
- In March retail trade index was up 1.2% MoM (seasonally adjusted data) due to fuels and non foods trade

BVB indices finished down on Friday, driven by the unfavorable international context. The composite index BET-C declined by 0.71% but global markets fell much more (1%-3%). The reasons were less than expected non-farm jobs generated in the US in April, pointing at the slow recovery and in Europe, the declining Purchasing Managers Indexes (PMI). The latter primarily cover services and suggest that recession in the euro zone may extend till mid-year. Back at BVB, the total stocks turnover was the largest of the past 14 months and stood at 210.8 mn RON, out of which 199.4 mn RON came from a large deal with FP, at 0.5585 RON/share, which was the previous day's price on the regular market. We notice that lately the liquidity is made by large deals, while small investors are less present on the market, waiting for more clear directions from the international market trends.

RON stood stable against the euro on Friday, but we may see it decline today as the euro is losing strength against the dollar, following the week-end's elections in Greece and France. The latter renew worries about the sustainability of the indebted countries, given that anti-austerity leaders gained strong support.

This weekend, the negotiations with the IMF were concluded. Florin Georgescu, the proposed new finance minister, announced that starting 1<sup>st</sup> of June the wages of state employees will rise by 8% and also in June the pensioners will receive in tranches the money wrongfully charged. The wages of state employees should be increased by 16% so that they can be brought back to their initial level from the cut operated in 2010. The government officials said that the changes in the deficit are made within a 3% deficit target which shows a strong commitment to maintain the previously discussed agreement with international institutions and therefore they should not trigger an increase in country's risk premium for the moment.

March retail trade figures were positive. Seasonally adjusted data points to an increase of 1.2% MoM driven by non-foods and fuels trade. Food goods trade declined by 2% MoM, while non-foods and fuels trade advanced by 1.8% MoM and 15.5% MoM, respectively. The trend on all good types is reversed compared to the previous month and it points to a relatively stronger households' demand. The recently announced measures will support the increase in households demand from June as well.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	March	Turnover in retail trade (2005=100, seasonally adjusted)	148,0		146,2
Monday	March	Net average monthly wage (% MoM)			0,3

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		3-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,4975	↑ 0,35	↑	15,61	↓	-9,51
OTP Obligatiuni	RON	11,7077	↑ 0,02	↑	2,16	↑	6,24
OTP ComodisRO	RON	14,2794	↑ 0,11	↑	2,25	↑	6,61
OTP Eurobond	EUR	10,6755	↑ 0,03	↑	1,62	↑	4,85

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