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Daily Report – Romania

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 5.348,49 | ↓ -0,41 | ↑ 0,32 |
| BET-C | 2.981,20 | ↓ -0,73 | ↓ -0,26 |
| BET-FI | 23.989,54 | ↓ -0,76 | ↓ -0,73 |
| BET-XT | 490,21 | ↓ -0,57 | ↔ 0,00 |
| FP | 0,5545 | ↓ -0,45 | ↓ -0,89 |
| SIF3 | 0,7220 | ↓ -0,69 | ↓ -2,04 |
| SIF5 | 1,3700 | ↓ -1,44 | ↓ -1,08 |
| TLV | 1,2710 | ↑ 0,08 | ↑ 2,58 |
| SIF2 | 1,1220 | ↓ -1,06 | ↓ -1,23 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 5,17 | ↑ 12 | ↑ 69 |
| 12 month | 5,19 | ↑ 8 | ↑ 7 |
| 3 year | 6,03 | ↑ 1 | ↑ 2 |
| 5 year | 6,23 | ↑ 3 | ↑ 1 |
| 10 year | 6,53 | ↓ -1 | ↓ 0 |

GOV'T BOND AUCTIONS

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

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 4,45 | ↓ -9 | ↑ 12 |
| 3M ROBOR | 4,51 | ↔ 0 | ↑ 10 |
| 6M ROBOR | 5,05 | ↓ -2 | ↑ 1 |
| 1Y ROBOR | 5,23 | ↓ -2 | ↑ 1 |
| 5Y CDS | 302,40 | ↓ -1 | ↓ -1 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,3951 | ↓ -0,21 | ↓ -0,96 |
| USD/RON | 3,3668 | ↑ 0,00 | ↑ 0,89 |
| CHF/RON | 3,6677 | ↑ 0,05 | ↓ -0,28 |
| 100HUF/RON | 1,53 | ↓ -0,43 | ↓ -0,61 |

Source: Reuters, OTP Research

Summary

- BVB indices lost between 0.4%-1.4% yesterday; 4 deals made 40% of total stocks turnover (SIF Oltenia, BVB); starting on Thursday, new stocks will be traded on the alternative trading system at BVB (Google, Microsoft, Mcdonalds, JPMorgan Chase&Co and Merck& Co.Inc.)
- RON appreciated by 0.21% against the euro yesterday, after having lost ground until noon; the new government was invested by the Parliament
- MM rates are declining after NBR operated a 6.5 bn RON repo, higher by 300 mn RON than last week when the Treasury did not hold any auctions; Treasury sold 750 mn RON in 12M T-Bills at 5.02%
- Net wages increased by 4.8% MoM in March, more than in February (0.3% MoM)

BVB indices lost between 0.4%-1.4% yesterday while the evolution in Europe was mixed. Worst performance was the one of the BET-NG (-1.4%), representing the energy companies. The decline was driven by oil stocks. OMV Petrom lost 0.99% and on the international markets, oil price was near the three months low. Again, large part of the liquidity of the stocks was given by 4 deals, with the stocks of BVB and SIF Oltenia (SIF5). Starting this Thursday, new stocks can be traded on the alternative trading system at BVB: Google, Microsoft, Mcdonalds, JPMorgan Chase&Co and Merck& Co.Inc.

The RON appreciated 0.21% against the euro yesterday, after having lost ground until midday due to tensions on the international markets that came after the week-end's anti-austerity votes in Greece and France. Also, a positive impact came from the fact that the new proposed government was elected in the Parliament. The firm intention to stick to the previously negotiated fiscal targets sends a good message to investors. The 5Y CDS is still above 300bp.

On the money markets, rates are declining again after NBR's liquidity injection on Monday, of 6.5 bn RON through 1W repo. The amount was higher by 300 mn RON compared to last week when MM rates maintained at high levels. Compared to last week when there was no auction held by the Finance Ministry, this week the total planned amount stands at 1.75 bn RON. At yesterday's auction for 12T-bills, the Treasury sold the planned amount of 750 mn RON at an average yield of 5.02%, the same as the one at the previous similar auction on 9th April. However, by comparison, demand was much lower now, total bid amount was 2.3 bn RON compared to 4.4 bn RON earlier in April. One of the differences stands in expectations about the base rate path. In April, analysts were expecting to see a rate cut in May and therefore a faster drop in yields, but this has changed now as NBR stalled the cut.

March wages data pointed to a strong advance of net wages, by 4.8% MoM, compared to only 0.3% MoM in February. We can expect this to help improve households demand in April although we saw an increase in unemployment as well (from 7.1% to 7.5%). Consumers' confidence could be boosted also due to the envisaged growth of public employees' wages by 8% starting in June.

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|---------|-----------|----------------------------------|-----------|----------|
| Monday | March | Net average monthly wage (% MoM) | 4,80 | 0,3 |
| Tuesday | | | no data | |

Source: Reuters, INS, NBR, OTP Research

| OTP AM – Open-End Funds | | 4-5-2012 | | | | | |
|-------------------------|-----|------------|---------|---|-------|---------|--|
| Open-end fund | ccy | last NAV/U | 1d% | | Ytd% | 52W% | |
| OTP AvantisRO | RON | 6,4734 | ↓ -0,37 | ↑ | 15,19 | ↓ -9,59 | |
| OTP Obligatiuni | RON | 11,7099 | ↑ 0,02 | ↑ | 2,18 | ↑ 6,16 | |
| OTP ComodisRO | RON | 14,2817 | ↑ 0,02 | ↑ | 2,27 | ↑ 6,58 | |
| OTP Eurobond | EUR | 10,6766 | ↑ 0,01 | ↑ | 1,63 | ↑ 4,81 | |

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