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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.715,69	↓ -0,11	↓ -7,13
BET-C	2.660,09	↑ 0,22	↓ -7,67
BET-FI	20.524,87	↓ -0,46	↓ -12,30
BET-XT	427,53	↓ -0,45	↓ -9,44
FP	0,4990	↑ 2,04	↓ -3,29
SIF3	0,4900	↓ -5,04	↓ -32,46
TLV	1,0100	↓ -1,48	↓ -5,77
SIF5	1,0800	→ 0,00	↓ -16,92
SIF1	0,8820	↓ -2,00	↓ -16,79

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,05	↑ 4	↑ 20
12 month	5,15	↑ 3	↑ 15
3 year	6,10	↑ 2	↑ 11
5 year	6,23	↑ 0	↑ 12
10 year	6,54	↑ 1	↑ 11

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2Y	900 mn RON	335 mn RON
Thursday	5Y	650 mn RON	699 mn RON

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,21	↑ 7	↑ 92
3M ROBOR	5,16	↑ 20	↑ 68
6M ROBOR	5,29	↑ 6	↑ 25
1Y ROBOR	5,38	↑ 5	↑ 17
5Y CDS	378,00	↑ 9	↑ 61

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4415	↑ 0,14	↑ 0,53
USD/RON	3,5029	↑ 0,50	↑ 2,54
CHF/RON	3,7003	↑ 0,32	↑ 0,61
100HUF/RON	1,49	↓ -0,11	↓ -2,37

Source: Reuters, OTP Research

**Summary**

- BVB finished in the red on low turnover; brokers say that we start to see a downtrend after having witnessed technical corrections; Ex- ECB head Trichet proposes a radical plan to save the monetary union, involving talks of declaring a sovereign state bankrupt if its fiscal policy threatens the union
- Money market rates still on an upward trend; ROBOR 3M stands at 5.21%; 5Y CDS higher at 378 bp
- The Finance Ministry sold 699 mn RON in 5Y bonds on relatively good demand; average accepted yield at 6.15%

BVB finished in the red (BET lost 0.11%) yesterday, again on very low turnover and in line with international markets. However, two indices finished up: BET-C, the composite index gained some 0.22% and the energy sector's index, BET-NG, advanced as well (+0.13%). The latter was sustained by the appreciation of OMV Petrom (+0.44%) and Transgaz (+0.91%). Internationally, discussions regarding technical solutions to the Greek problem started: the ex-ECB head, Jean Claude Trichet put out a proposal to salvage the euro. He said that the monetary union could be strengthened by giving the European politicians the right to declare a sovereign state bankrupt and take over its fiscal policy. This is a very radical proposal and it could have high difficulty when enforcing it. Mr. Trichet suggested an alternative: activate the EU federal powers in exceptional circumstances, when a country's fiscal policies threaten the monetary union. These proposals will be probably discussed at the next critical meeting on May 23<sup>rd</sup>, when EU leaders will discuss growth strategies for Europe.

On the local market, Nuclearelectrica stopped the procedures for selecting the broker for the listing at BVB, but announced that the process will be resumed soon. According to brokers, there is little interest in the listing at the moment, due to the international context. On the other hand, Mr. Isar, the minister delegated to handle the business environment, stated that the government maintains the plan to privatize the state companies and that he hopes to succeed with dual listings for the state companies which are not yet listed.

Money market rates continued to increase; ROBOR 3M jumped by 20 bp, incorporating the recent hikes of the ON rate. The 5Y CDS is on an upward trend and it reached 378 bp. Treasuries' yields advanced moderately yesterday up to 4bp, especially at the short end of the curve, emphasizing the larger short term risks. The Finance Ministry sold 699 mn RON in 5Y bonds, more than the planned amount. Demand was relatively good, total bids doubling the sold amount and at the same level with an earlier auction in Mid April when the international context was less tense. The average accepted yield stood at 6.15%, only 1bp higher than the one at the April's auction.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		16-5-2012				
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%
OTP AvantisRO	RON	6,0219	↓ -0,42	↑	7,15	↓ -14,94
OTP Obligatiuni	RON	11,7337	↑ 0,01	↑	2,39	↑ 6,28
OTP ComodisRO	RON	14,3086	↑ 0,01	↑	2,46	↑ 6,57
OTP Eurobond	EUR	10,6929	↑ 0,06	↑	1,78	↑ 4,75

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