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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.595,31	↓ -1,25	↓ -4,58
BET-C	2.602,38	↓ -0,76	↓ -3,95
BET-FI	20.130,13	↑ 0,51	↓ -8,66
BET-XT	417,35	↓ -0,70	↓ -6,37
FP	0,4900	↓ -0,39	↑ 0,20
TLV	0,9830	↓ -1,60	↓ -5,06
SIF3	0,4670	↑ 1,52	↓ -32,12
SNP	0,3363	↓ -1,09	↓ -9,11
TGN	189,0500	↓ -1,33	↓ -2,55

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,10	↓ -1	↑ 24
12 month	5,20	↑ 2	↑ 21
3 year	6,10	↓ 0	↑ 12
5 year	6,22	↓ -1	↑ 11
10 year	6,55	↓ -1	↑ 12

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	7Y	500 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,08	↓ -55	↑ 80
3M ROBOR	5,34	↓ -11	↑ 84
6M ROBOR	5,38	→ 0	↑ 34
1Y ROBOR	5,42	↓ -1	↑ 21
5Y CDS	387,00	↓ -9	↑ 35

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4450	↑ 0,04	↓ -0,01
USD/RON	3,4688	↓ -0,25	↑ 0,13
CHF/RON	3,6990	↓ -0,07	↓ -0,12
100HUF/RON	1,50	↑ 0,64	↓ -1,09

Source: Reuters, OTP Research

**Summary**

- BVB stocks finished mixed; industrial and oil stocks advanced yesterday; all the SIFs gained; BET-C lost 0.76% and BET dipped even more (-1.25%) while international markets saw a temporary relief yesterday, ahead of the EU summit this week; European stocks have reached the 5M low and some investors saw a buying opportunity
- MM tensions saw a relief yesterday, after NBR injected the highest repo amount this year: 7.9 bn RON; ROBOR ON fell 55 bp to 5.08% and government bond yields saw a marginal decline
- Romania plans to sell international bonds in the third quarter this year; average maturity of government securities portfolio was 1.7Y in March and it overlaps on the peak of loan repayment to the IMF (2013-2014)

Not much has changed fundamentally yesterday, but investors had time to digest this weekend's G8 meeting which sent at least a verbal positive signal towards growth and job creation. Lacking new macro data and waiting for another EU summit where the French president will argue towards euro bonds issue, investors saw some gain opportunities yesterday on the European markets and equities advanced after reaching a 5 month lows. BVB stocks finished mixed, on low turnover: the composite index BET-C lost some 0.76% but the financial and energy sector companies indices who had dipped the most the previous day, were the only indices to finish in the positive territory: BET-FI gained 0.51% and BET-NG went up by 0.72%. The former was pushed up by the SIFs which were in the green territory. The latter gained due to a hike of Rompetrol Rafinare +9% which has been on a downtrend in the past year. Most of the stocks which went up yesterday are industrial stocks (oil, chemicals, manufacturing of different machinery). Industrial production is heavily connected to the evolution in the Eurozone, given that a significant part of production goes to export.

Money market tensions saw a relief yesterday, after the NBR injected 7.9 bn RON through the 1W repo. It was the highest amount this year and it came as expected, after we have seen liquidity drying last week, when repo amount subsided while international tensions due to increased talks of Greek exit were building up. ROBOR ON dropped a significant 55 bp to 5.08%. In line with the temporary relief seen in the equities market, the 5Y CDS lost 9 bp and government securities yields fell marginally. Only 12 T-bills yields continued with a small hike (+2 bp).

Romania plans to sell international bonds in the third quarter this year and scale back domestic debt issuance. The average maturity of remaining debt was 1.7 years in March (without euro bonds) and the payments to the IMF will reach a peak in 2013- 2014. It means that debt repayment will come under pressure in the coming years if the government will not be successful in establishing itself a regular player in the international bond markets in order to ensure constant refinancing.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		18-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	5,9664	↓ -0,82	↑	6,16	↓	-15,97
OTP Obligatiuni	RON	11,7351	↑ 0,01	↑	2,40	↑	6,39
OTP ComodisRO	RON	14,3121	↑ 0,01	↑	2,49	↑	6,55
OTP Eurobond	EUR	10,6947	↑ 0,01	↑	1,80	↑	4,74

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