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Daily Report – Romania

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 4.303,57 | ↓ -1,64 | ↓ -7,23 |
| BET-C | 2.472,39 | ↓ -0,93 | ↓ -6,02 |
| BET-FI | 19.338,25 | ↓ -0,32 | ↓ -3,29 |
| BET-XT | 392,62 | ↓ -1,29 | ↓ -6,45 |
| FP | 0,4799 | ↓ -0,54 | ↓ -2,32 |
| SIF3 | 0,4230 | ↑ 0,59 | ↓ -5,90 |
| EBS | 63,0000 | ↑ 2,94 | ↓ -3,08 |
| BRD | 8,1500 | ↓ -4,57 | ↓ -15,98 |
| SNP | 0,3350 | ↓ -0,30 | ↓ -4,83 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 5,22 | ↑ 6,0 | ↑ 9,0 |
| 12 month | 5,30 | ↑ 4,0 | ↑ 7,0 |
| 3 year | 6,19 | ↑ 5,0 | ↑ 7,5 |
| 5 year | 6,29 | → 0,0 | ↑ 4,0 |
| 10 year | 6,62 | ↑ 3,0 | ↑ 6,0 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------|
| Thursday | 12M | 750 mn RON | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,39 | ↑ 7,0 | ↑ 11,0 |
| 3M ROBOR | 5,36 | ↑ 4,0 | ↑ 3,0 |
| 6M ROBOR | 5,46 | ↑ 3,0 | ↑ 2,0 |
| 1Y ROBOR | 5,48 | ↑ 3,0 | ↑ 3,0 |
| 5Y CDS | 431,10 | → 0,0 | ↑ 14 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,4650 | ↑ 0,06 | ↑ 0,02 |
| USD/RON | 3,5861 | ↑ 0,38 | ↑ 0,39 |
| CHF/RON | 3,7164 | ↓ -0,10 | ↓ -0,04 |
| 100HUF/RON | 1,48 | ↑ 0,13 | ↓ -1,50 |

Source: Reuters, OTP Research

Summary

- BVB stocks finished down yesterday on a marginally lower turnover; in Europe, the evolution was mixed as some investors were expecting new measures being taken after the G7 meeting; tension is increasing as Spain's treasury minister announced the country is being pushed out of bond markets due to high cost; Moody's cut down the rating of six German banking groups and Austria's three biggest lenders on Wednesday
- MM rates still up (+7 bp for ROBOR ON); treasuries' yields up as well
- Retail trade up by 0.8% MoM in April

BVB stocks finished in the red yesterday, with one exception: the energy sector companies, BET-NG gained 1.5% supported by Rompetrol Rafinare (+5.48%), Dafora (+3.49%) and Transgaz (2.35%). This was in line with the evolution we observed for oil and gas price yesterday. Total turnover was slightly lower than the previous day and the composite index lost 0.93% while BET posted the poorest performance (-1.64%) led by financial stocks: BRD (-4.57%), Banca Transilvania (-3.17%), BVB (-3.13%). In Europe, evolution was mixed and the markets were waiting for more measures being announced after the G7 meeting held yesterday. However, no new step was announced and this triggered new retreats in some markets, among which Romania as well. We are waiting for a base rate decision from ECB today, but for the moment analysts expect ECB to hold the rate. Meanwhile, Spain's treasury minister stated that the high bond yields in the last period basically shut out the country from the credit markets. To this, we add the fact that Moody's Investors Service cut the ratings of six German banking groups and Austria's three largest banks on Wednesday. Therefore, markets are still waiting for new measures to be taken and the news that would be most effective right now seems to be related to recapitalization of the Spanish banks as troubles in Spain overshadow elections in Greece and may trigger powerful contagion effects in the region, as Spain is the fourth largest economy in Europe.

The disappointment after the lack of measures following the G7 meeting pushed down the euro against the dollar yesterday, after it had been previously gaining on hopes for new steps. Consequently, the RON lost marginally as well.

MM rates continued to climb up to 7 bp in case of ROBOR ON. For the short term at least, there are no prospects of significant decrease in rates. In line with higher funding rates, treasuries yields advanced as well, up to 6 bp.

Positive retail trade data was released for April. Seasonally adjusted retail trade index showed a monthly advance of 0.8% MoM I April and increases were noticed on all three categories (foods, non-foods and fuels). However, this does not change perspectives for the months to come.

| | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|--------|--|-------|-----------|----------|
| Tuesday | Apr | Turnover in retail trade (2005=100, seasonally adjusted) | 148,0 | | 149,2 |
| Wednesday | Apr | Net average monthly wage (% MoM) | | | 4,8 |

Source: Reuters, INS, NBR, OTP Research

| OTP AM – Open-End Funds | | 1-6-2012 | | | | | |
|-------------------------|-----|------------|---------|---|------|---|--------|
| Open-end fund | ccy | last NAV/U | 1d% | | Ytd% | | 52W% |
| OTP AvantisRO | RON | 5,7959 | ↓ -2,53 | ↑ | 3,13 | ↓ | -18,82 |
| OTP Obligatiuni | RON | 11,7614 | ↑ 0,02 | ↑ | 2,63 | ↑ | 5,86 |
| OTP ComodisRO | RON | 14,3464 | ↑ 0,02 | ↑ | 2,73 | ↑ | 6,56 |
| OTP Eurobond | EUR | 10,7076 | ↑ 0,01 | ↑ | 1,92 | ↑ | 4,66 |

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