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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.362,66	↑ 1,37	↓ -6,54
BET-C	2.500,15	↑ 1,12	↓ -5,19
BET-FI	19.554,87	↑ 1,12	↓ -2,78
BET-XT	397,83	↑ 1,33	↓ -5,71
FP	0,4825	↑ 0,54	↓ -0,92
EBS	63,8000	↑ 1,27	↓ -0,31
SIF3	0,4202	↓ -0,66	↓ -6,41
SIF4	0,7450	↑ 0,68	↓ -4,49
SIF5	1,0190	↑ 3,77	↓ -2,02

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,21	↓ -1,0	↑ 8,0
12 month	5,30	↑ 0,5	↑ 8,0
3 year	6,16	↓ -2,5	↑ 4,5
5 year	6,28	↓ -0,5	↑ 2,5
10 year	6,60	↓ -2,0	↑ 2,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	2Y	700 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,39	→ 0,0	↑ 16,0
3M ROBOR	5,36	→ 0,0	↑ 6,0
6M ROBOR	5,48	↑ 2,0	↑ 6,0
1Y ROBOR	5,48	→ 0,0	↑ 5,0
5Y CDS	413,10	↓ -18,0	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4621	↓ -0,06	↓ -0,38
USD/RON	3,5513	↓ -0,97	↓ -1,92
CHF/RON	3,7181	↑ 0,05	↓ -0,22
100HUF/RON	1,50	↑ 1,18	↑ 0,83

Source: Reuters, OTP Research

Summary

- BVB stocks gained 1.1% (BET-C) yesterday, on higher turnover and in line with European stocks; the latter jumped higher yesterday (around 2%) on hopes of further stimulus from the ECB in the future; financial stocks were the most traded by value and also top gainers (as a sector)
- 5Y CDS dropped from the highest level this year; due to decreased risk premium treasuries yields marginally fell
- MM rates stopped increasing after the highest weekly repo of all times: +12.1 bn RON
- Final consumption increased on a yearly basis by declined according to quarterly data; analysts polled by Reuters expect a GDP growth of +1.3% YoY in 2012

BVB stocks gained around 1.1% (BET-C) yesterday, on higher turnover and in line with international markets. In Europe, the pace was faster, stocks gaining around 2% on hopes that the ECB will provide some stimulus in the end, given the weak signals from the economy. However, the ECB refrained from action at the base rate decision yesterday and kept the rate unchanged at 1%. Also, hopes for more stimulus coming from the Fed increased as well and this pushed commodities up. In Bucharest, energy stocks were top gainers, but the advance of different types of stocks was rather homogenous: financials gained 1.1% (BET-FI), whereas energy stocks saw a hike of 1.47% (BET-NG). Most traded stocks by value where the financial stocks: Fondul Proprietatea, Erste Group Bank and the SIFs. There was one deal with stocks of Banca Transilvania (1.3 mn RON). 60% of total liquidity was provided by transactions with Fondul Proprietatea and Erste Group Bank.

In line with the advance we saw in the equities, the euro gained a strong 1% against the dollar yesterday and triggered the appreciation of the RON and its peers as well.

MM rates remained stopped rising yesterday, after we saw NBR injecting the largest weekly volume during its repo operations, 12.1 bn RON respectively. The 5Y CDS fell from the highest level this year by 18 bp yesterday, to 418 bp. Consequently, due to lower risk premium we saw treasuries yields marginally falling yesterday (up to 2 bp).

Detailed GDP data for Q1 was released yesterday. Gross data confirmed the earlier flash data and pointed to a 0.3% YoY real GDP growth. On the production side, the agriculture topped the increase with an increase of 4.2% YoY, followed by IT& Communications (+2.6% YoY) and wholesale and retail trade (+0.7% YoY). Top decline was exhibited by the public administration volume (-5.8% YoY) but on the negative side we found constructions, industry, real estate and financial intermediation, as expected. On the expenditure side, we noticed that investment increased, as expected (+11.8% YoY) but final consumption was down by 0.3% YoY due to expenditure cut of governmental consumption (-3.6% YoY). On the other hand, households consumption was marginally up (+0.6%YoY). Whereas the above data shows an advance on a yearly basis, the quarterly data, seasonally adjusted shows a weakening of households' consumption. Investment is still up. The decrease of GDP on quarterly basis in Q1 was expected as we knew that external demand was weakening on worries related to Greek exit and its contagion effects. A poll of Reuters' analysts expect a yearly advance in GDP of 1.3% YoY and +0.1% QoQ in Q2.

PERIOD		INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	Apr	Net average monthly wage (% MoM)	0,6		4,8
Thursday			no data		

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	5,7708	↓ -0,43	↑	2,68	↓ -18,61
OTP Obligatiuni	RON	11,7685	↑ 0,06	↑	2,69	↑ 5,93
OTP ComodisRO	RON	14,3556	↑ 0,06	↑	2,80	↑ 6,61
OTP Eurobond	EUR	10,7113	↑ 0,03	↑	1,96	↑ 4,68

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