

## Treasury Sales Team

**Alina Elena Vrabioiu**

+4021 307 58 17  
alina.vrabioiu@otpbank.ro

**Irina Ananiese**

+4021 307 58 17  
irina.ananiese@otpbank.ro

**Tania Fantana**

+4021 307 58 17  
tania.fantana@otpbank.ro

## Capital Markets Sales Team

**Alexandru Ilisie**

+4021 307 58 27  
alexandru.ilisie@otpbank.ro

**Teodor Alexandru Tibuleac**

+4021 307 58 27  
alexandru.tibuleac@otpbank.ro

## Chief Economist

**Gergely Tardos**

+36 1 374 7273  
tardosg@otpbank.hu

## FX/FI Strategist

**Levente Pápa**

+36 1 354 7490  
papal@otpbank.hu

## Analyst

**Mihaela Neagu**

+4021 307 58 64  
mihaela.neagu@otpbank.ro



# Daily Report – Romania

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 4.467,14  | ↑ 0,54         | ↑ 0,80          |
| BET-C  | 2.547,91  | ↑ 0,14         | ↑ 0,36          |
| BET-FI | 20.089,77 | ↓ -0,08        | ↑ 0,14          |
| BET-XT | 409,15    | ↑ 0,31         | ↑ 0,72          |
| FP     | 0,4800    | ↑ 0,63         | ↓ -1,23         |
| SNP    | 0,3680    | ↑ 0,82         | ↑ 5,11          |
| SIF1   | 0,8630    | ↑ 0,12         | ↑ 1,29          |
| SIF2   | 1,1450    | ↑ 0,17         | ↑ 4,09          |
| SIF3   | 0,4400    | ↓ -0,45        | ↓ -0,34         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 5,24      | ↑ 1,5           | ↑ 4,5            |
| 12 month | 5,32      | ↑ 1,5           | ↑ 2,0            |
| 3 year   | 6,16      | ↑ 1,0           | ↑ 2,0            |
| 5 year   | 6,28      | → 0,0           | ↑ 1,0            |
| 10 year  | 6,59      | ↓ -0,5          | → 0,0            |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold       |
|----------|----------|------------|------------|
| Monday   | 12M      | 1 bn RON   | 507 mn RON |
| Thursday | 2Y       | 600 mn RON | 466 mn RON |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,43     | → 0,0          | ↑ 4,0           |
| 3M ROBOR | 5,39     | → 0,0          | ↑ 3,0           |
| 6M ROBOR | 5,46     | → 0,0          | ↓ -1,0          |
| 1Y ROBOR | 5,48     | → 0,0          | → 0,0           |
| 5Y CDS   | 391,50   | ↓ -2,5         | ↓ -15           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4,4585 | ↓ -0,06        | ↓ -0,15         |
| USD/RON    | 3,5311 | ↓ -0,56        | ↓ -0,65         |
| CHF/RON    | 3,7123 | ↓ -0,04        | ↓ -0,17         |
| 100HUF/RON | 1,51   | ↑ 0,27         | ↓ -0,22         |

Source: Reuters, OTP Research

**Summary**

- BVB finished mixed yesterday, on higher turnover than the previous day; the deals market became active again, a sign that some investors bet on a positive result of Greek elections this weekend; G20 officials have announced to intervene quickly with liquidity to prevent a credit squeeze, should the result in Greece be negative
- The Finance Ministry sold 466 mn RON in 2Y bonds yesterday, less than the planned amount; the reason is still the relatively high cost; average accepted yield stood at 5.82% ( up 9 bp compared to previous tender)
- The 5Y CDS remains below the 400 bp level, after having come down during this week, especially after Romania was approved 1bn EUR credit line from the World Bank

BVB finished mixed yesterday again, but on a much higher turnover, a sign that investors have made up their mind and betted on a good outcome of Greek elections during the weekend. We saw the deals market active again. There were deals with three stocks: Fondul Proprietatea (5 deals), SIF Moldova (4 deals) and Transelectrica (1 deal). As investors went on buying, the price of the first two stocks advanced. Two sectors suffered losses yesterday: the financial companies and the energy companies. In the US, stocks finished up on hopes that Central Banks will act quickly (according to G20 officials) inject liquidity and prevent a credit squeeze if Greek elections results will create panic in the financial markets. On the other hand, we saw a strong declaration from the chief of Germany's Bundesbank: he said that the euro zone should not allow to be blackmailed on the threat of financial contagion. We saw no recent polls regarding Greek elections results and markets have been blind from this point of view in the last two weeks, as Greek law does not allow such polls results to be published, two weeks before the actual vote.

The Treasury sold less than the planned 2Y bonds yesterday. It sold 466 mn RON and the target was 600 mn RON. The reason is still the relatively higher costs, as the average accepted yield advanced at 5.82% (by 9 bp compared to the previous similar tender). Again, demand was good with total bids rising to 1.26 bn RON and a bid to cover ratio at 2.7.

The 5Y CDS remains below the 400 bp level, after having come down during this week, especially after Romania was approved 1bn EUR credit line from the World Bank, thereby reinforcing the sovereign rating.

| PERIOD   | INDICATOR | FACT                              | CONSENSUS | PREVIOUS |
|----------|-----------|-----------------------------------|-----------|----------|
| Thursday |           |                                   |           |          |
|          | no data   |                                   |           |          |
| Friday   | Apr       | CA deficit (mn EUR, year to date) |           | -544     |

Source: Reuters, INS, NBR, OTP Research

| OTP AM – Open-End Funds |     | 13-6-2012  |        |        |          |  |
|-------------------------|-----|------------|--------|--------|----------|--|
| Open-end fund           | ccy | last NAV/U | 1d%    | Ytd%   | 52W%     |  |
| OTP AvantisRO           | RON | 5,9439     | ↑ 0,05 | ↑ 5,76 | ↓ -17,56 |  |
| OTP Obligatiuni         | RON | 11,7833    | ↑ 0,02 | ↑ 2,82 | ↑ 6,35   |  |
| OTP ComodisRO           | RON | 14,3749    | ↑ 0,02 | ↑ 2,94 | ↑ 6,53   |  |
| OTP Eurobond            | EUR | 10,7186    | ↑ 0,01 | ↑ 2,03 | ↑ 4,51   |  |

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