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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.506,74	↓ -0,59	↓ -0,47
BET-C	2.555,67	↓ -0,12	↑ 0,32
BET-FI	20.325,62	↓ -0,47	↑ 0,02
BET-XT	414,95	↓ -0,58	↓ -0,29
SNP	0,3705	↑ 0,14	↓ -1,20
FP	0,4600	↓ -0,22	↑ 0,77
SIF2	1,1950	↓ -1,40	↓ -5,16
SIF5	1,1400	↓ -0,87	↑ 1,79
ELGS	0,3340	↑ 14,97	↑ 34,95

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,25	↑ 4,0	↑ 5,0
12 month	5,35	↑ 2,0	↑ 2,0
3 year	6,18	↑ 2,5	↑ 4,0
5 year	6,33	↑ 5,5	↑ 4,5
10 year	6,60	↑ 3,0	↑ 3,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11M	700 mn RON	
Thursday	4Y	400 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,38	↓ -1,0	↑ 67,0
3M ROBOR	5,38	↑ 2,0	↑ 10,0
6M ROBOR	5,52	↑ 1,0	↑ 4,0
1Y ROBOR	5,53	↑ 1,0	↑ 5,0
5Y CDS	361,15	↑ 2,7	↓ -12

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5261	↑ 0,79	↑ 1,74
USD/RON	3,6910	↑ 1,82	↑ 5,04
CHF/RON	3,7695	↑ 0,77	↑ 1,74
100HUF/RON	1,57	↓ -0,13	↑ 0,71

Source: Reuters, OTP Research

Summary

- BVB shares plunged on Friday on lower turnover, in line with international markets; BET-C fell by 0.12% while in Europe the decline was much higher: 1%-2%. The international markets were driven by weaker US jobs data. Only BET-NG gained marginally mainly due to two oil stocks
- The President was suspended and a referendum will be organized on 29th July; if he is impeached, after 3 months there will be presidential elections
- Industrial trade turnover, new orders in manufacturing and constructions stepped up the pace in May

BVB finished in the red for another day, on lower stocks turnover. Indices dropped between 0.12%-1.03% with one exception, BET-NG: the energy companies' index was marginally up mainly due to the advance of two oil stocks: Rompetrol Rafinare (+2.9%) and OMV Petrom (+0.14%). Blue chips were the main losers on Friday, with ROTX sliding 1.03%, but the overall composite index lost only 0.12% while in Europe the decline was much more significant, between 1%-2%. Worldwide, stocks finished down as well after weak US data report: in the US, jobs data came weaker than expected.

Two factors weighed on the leu on Friday: bets made about the President being suspended pushed it above the 4.5 level but the downtrend was also in line with the euro's depreciation against the dollar. On Friday, the mid EUR/USD stood at 1.2289 on the interbanking market, sliding down from the high of the week of 1.2608 recorded on Tuesday. Currently, the President has been suspended and a referendum will be organized on 29th of July. If after the referendum the President will be impeached, according to the Constitution, in 3 months there will be presidential elections.

The current events put pressure on Romanian assets and we see the treasuries' yields going up by 2-5 bp. This week there will be two auctions in which the Finance Ministry tries to sell a total amount of 1.1 bn RON in bills and bonds. At the last bond auction last week, for 2Y bonds, the yield was up 15 bp compared to the similar tender.

On Friday, the INS released positive data regarding the industrial trade turnover, the new orders in manufacturing and constructions. The annual rhythm accelerated compared to the previous month and in the case of new orders it turned positive. The results recorded in constructions were especially optimistic: in May, they were up by 21.1% YoY and 5% MoM (seasonally adjusted data).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	MAY	Industrial trade turnover index (y-o-y, %)	7,1		5,0
	MAY	Index value of new orders in manufacturing (y-o-y, %)	3,7		-4,9
	MAY	Construction works index (y-o-y, %)	21,1		16,4
Monday	MAY	Households services turnover index (y-o-y, %)			-5,4

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		5-7-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,0285	↓ -0,69	↑	7,27	↓ -16,39	
OTP Obligatiuni	RON	11,8259	↑ 0,02	↑	3,19	↑ 6,16	
OTP ComodisRO	RON	14,4417	↑ 0,02	↑	3,42	↑ 6,68	
OTP Eurobond	EUR	10,7443	↑ 0,01	↑	2,27	↑ 4,45	

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