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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.735,35	↑ 0,77	↑ 3,19
BET-C	2.638,69	↑ 0,46	↑ 1,56
BET-FI	21.593,58	↑ 1,71	↑ 1,70
BET-XT	437,76	↑ 1,06	↑ 2,64
EBS	69,5000	↑ 2,96	↑ 3,42
FP	0,4780	↑ 0,84	↑ 2,14
SIF3	0,4936	↑ 1,58	↑ 2,32
SIF4	0,7500	↑ 2,74	↑ 1,83
SIF5	1,2200	↑ 1,67	↑ 0,25

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,30	↑ 0,5	↓ -4,0
12 month	5,46	↓ -0,5	↓ -2,5
3 year	6,21	↓ -1,0	↑ 1,0
5 year	6,37	↑ 1,0	↑ 1,0
10 year	6,60	→ 0,0	↓ -1,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	650 mn RON	185 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,74	↓ -106,0	↓ -359,0
3M ROBOR	5,30	↑ 1,0	↓ -8,0
6M ROBOR	5,53	↓ -1,0	↓ -4,0
1Y ROBOR	5,56	→ 0,0	↓ -4,0
5Y CDS	377,53	↓ -1,9	↓ -17

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5585	↓ -0,26	↑ 0,81
USD/RON	3,7138	↓ -0,21	↑ 0,61
CHF/RON	3,8010	↓ -0,07	↑ 0,94
100HUF/RON	1,60	↑ 0,51	↑ 1,75

Source: Reuters, OTP Research

Summary

- BVB mostly in the green yesterday; only BET-NG lost 0.07% while the composite index gained 0.46%; in the US, investors saw Ben Bernanke's speech in front of the Congress as being positive and hopes for QE3 increased
- Following Bernanke's speech, the euro appreciated against the dollar; consequently, emerging market currencies such as the leu and its peers marginally appreciated against the euro

BVB indices finished mostly in the green, with one exception: BET-NG which lost 0.07% due to two oil stocks (Rompetrol Rafinare and Petrolexportimport). The stocks turnover remains low as it usually happens during the summer, but the deals market remains active. Two stocks were traded yesterday on the deals market: SIF Banat Crisana and SIF Oltenia. Financial stocks remain the most traded by value and expectations are that the market will be more homogenous in terms of trading once the political uncertainty clears out. European shares finished down yesterday while US markets gained some traction after Ben Bernanke's speech yesterday in front of the Congress. He sent mixed signals regarding further QE3 which could boost spending and help increase job creation but investors saw the upside of the speech.

Bernanke's speech seen as tilted towards QE3 sent the dollar down against the euro. Consequently, we witnessed some small appreciation in emerging market currencies such as the leu and its peers.

Locally, the government announced the intention to introduce a new measure according to which the firms with a turnover of maximum 500.000 EUR will have to pay the VAT only after they cash in the payments, whereas the payer of the bill will be able to deduct the VAT only after the payment is being made. This measure is targeted at improving the cash flow for small firms but its effect has not been yet evaluated by the IMF and the application date will be announced in the future. Government officials stated that the effect on the budget will not be negative, but that they wait for the IMF evaluation and the calculation sent to the IMF is conservative.

Money market rates started to fall, as we are in the final week for the mandatory reserves building. The 5Y CDS went down 2 bp to 378 bp.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday		no data		
Wednesday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		16-7-2012				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	6,1600	↑ 0,35	↑ 9,61	↓ -11,62	
OTP Obligatiuni	RON	11,8499	↑ 0,05	↑ 3,40	↑ 6,28	
OTP ComodisRO	RON	14,4660	↑ 0,01	↑ 3,59	↑ 6,67	
OTP Eurobond	EUR	10,7567	↑ 0,03	↑ 2,39	↑ 4,45	

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