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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4,652.64	↓ -0.17	↑ 2.80
BET-C	2,605.84	↓ -0.27	↑ 1.75
BET-FI	21,363.81	↑ 0.68	↑ 4.30
BET-XT	429.08	↓ -0.06	↑ 2.92
FP	0.4956	↑ 1.66	↑ 6.06
EBS	68.7000	↑ 1.55	↑ 6.84
SNP	0.3820	↑ 1.06	↑ 3.24
SIF3	0.4750	↓ -0.42	↑ 3.26
SIF5	1.2240	↑ 0.74	↑ 3.55

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5.26	↓ -0.5	↓ -3.0
12 month	5.42	↓ -1.0	↓ -3.0
3 year	6.15	↓ -2.5	↓ -4.0
5 year	6.35	↓ -1.0	↓ -2.0
10 year	6.56	↓ -1.0	↓ -3.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5.28	↓ -1.0	↑ 390.0
3M ROBOR	5.38	→ 0.0	↓ -2.0
6M ROBOR	5.61	↑ 2.0	↓ -1.0
1Y ROBOR	5.65	→ 0.0	↑ 1.0
5Y CDS	380.33	↓ -2.2	↓ -30

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5693	↓ -0.66	↓ -1.47
USD/RON	3.7269	↓ -0.18	↓ -2.68
CHF/RON	3.8023	↓ -0.65	↓ -1.55
100HUF/RON	1.64	↑ 0.16	↑ 1.68

Source: Reuters, OTP Research

Summary

- Mixed day for BSE indices;
- Romania's Basescu survives ouster bid in low-turnout vote;
- Money market rates little changed; the yield curve and CDS went down; EUR decreased against the RON, 1.47% to 4.5693;
- Romania's June residential permits falls 5.6% YoY and 9.1% on a monthly basis;

Bucharest Stock Exchange indices closed mixed yesterday on lower turnover and below the year's average volume. The highest increase was record by BET-FI index namely 0.68% while the highest drop was record by the composite index BET-C (-0.27%). Same as in the previous sessions the most trading stock was Fondul Proprietatea, its turnover (on Regular and Deals market) accounted for 40% of the total market's turnover. While European stocks recorded high gains yesterday, US stocks slightly declined. The big question for investors around the world remains what the European Central Bank and Federal Reserve will do later this week when they meet to decide on borrowing costs and whether or not to take further extraordinary measures. Back to our local market, Erste Group Bank cut today its outlook for second time in three months after reporting a 46% drop in second quarter profit triggered by a writedown. Net income in Q2, fell to 107.1 mn. EUR, from 199.4 mn. EUR a year earlier. That includes a 210 mn. EUR writedown on its Romanian unit, Banca Comerciala Romana, and a 162.6 mn. EUR profit from a hybrid bond buyback.

Romania's Traian Basescu survives ouster bid in low-turnout vote. Nearly complete results released by the Central Electoral Bureau on Monday indicated that Train Basescu had held on the power after Sunday's turnout (46.23%) failed to meet the minimum threshold of more than half of eligible voters. The Election Bureau said that about 87.5% of those who did participate had voted to impeach him. The invalidation of the referendum needs to be endorsed by Constitutional Court.

Money market rates were little changed yesterday while the 5Y CDS dropped 2.2 bp. to 380.33 bp. The Government yields dropped throughout the curve with a maximum of 2.5 bp. EUR declined significantly against the RON to 4.5693.

Romania issued 3,927 building permits for residential projects in June, down 5.6% YoY and 9.1% MoM, INS said in a statement yesterday. 67.1% of the total permits issued last month, were for projects in country's rural areas.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday				
Monday	JUNE	Licenses for residential buildings (monthly)	3,927	4,321

Source: Reuters, Bloomberg, INS, NBR, OTP Research

OTP AM – Open-End Funds		27-7-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6.1716	↑ 0.21	↑ 9.81	↓ -10.03		
OTP Obligatiuni	RON	11.8787	↑ 0.02	↑ 3.65	↑ 6.34		
OTP ComodisRO	RON	14.4912	↑ 0.01	↑ 3.77	↑ 6.60		
OTP Eurobond	EUR	10.7988	↑ 0.01	↑ 2.79	↑ 4.71		

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