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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.728,58	↓ -0,98	↑ 2,03
BET-C	2.645,60	↓ -0,70	↑ 1,73
BET-FI	21.706,26	↓ -1,22	↑ 2,50
BET-XT	434,40	↓ -1,07	↑ 1,53
FP	0,5200	↓ -0,48	↑ 8,33
EBS	65,2000	↓ -1,21	↓ -2,69
SIF3	0,4752	↓ -1,21	↓ -0,90
TLV	1,0200	↓ -1,16	↑ 2,00
SIF5	1,2430	↓ -1,74	↑ 1,80

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,22	↓ -1,5	↓ -4,0
12 month	5,41	↓ -2,0	↓ -3,0
3 year	6,14	↑ 0,5	↓ -4,5
5 year	6,33	↓ -1,5	↓ -4,0
10 year	6,56	↓ -0,5	↓ -1,5

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,25	↑ 1,0	↓ -1,0
3M ROBOR	5,38	↑ 2,0	→ 0,0
6M ROBOR	5,58	↓ -1,0	↓ -3,0
1Y ROBOR	5,64	→ 0,0	↓ -1,0
5Y CDS	371,88	↑ 0,0	↓ -8

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,6274	↑ 0,19	↑ 0,38
USD/RON	3,7926	↑ 0,40	↑ 0,93
CHF/RON	3,8472	↑ 0,34	↑ 0,22
100HUF/RON	1,65	↑ 0,04	↑ 1,26

Source: Reuters, OTP Research

**Summary**

- BSE stocks retreated, in line with international markets; investors were disappointed by Mr. Draghi's comments according to which the earliest ECB intervention would come only in September
- The Constitutional Court decided to prolong the date when the validity of the referendum will be established to 12<sup>th</sup> of September
- The Central Bank kept the base rate at 5.25%, in line with expectations
- Retail trade was up by 3.9% YoY in June and down on a monthly basis (-1.1% MoM, SA) due to slowdown in non-foods trade

BSE stocks retreated yesterday, in line with international markets which were disappointed by the lack of immediate measures to be taken by the ECB to support indebted countries. Mr. Draghi announced that the earliest intervention by the ECB would come in September and it will be conditioned by the indebted countries asking for help. Also, any help would come under strict supervision and conditioning. This sent European stocks down and BET lost 0.98%. The deals market continued to be active and another bulk of FP shares was sold (15.1 mn RON), making up to 56% of the equities' turnover.

Domestically, the political turmoil continues. The Constitutional Court announced that it will decide on the validity of the referendum on 12<sup>th</sup> September, therefore delaying the decision. The delay is damaging for the leu especially because it overlaps with risks stemming from the euro zone's indebted countries. The Central Bank's governor stated that there is room for maneuver but the timing has to be appropriate. While this may be true for the moment, in 2013 and 2014 Romania will have to make large payments to the IMF (approximately 5 bn EUR each year) so the FX reserve will probably decline which means less room left for maneuver. Inflows into the FX reserve could come from Romania's bonds issue on international markets but they come at a high cost under the current risk premia conditions.

The Central Bank kept the base rate at 5.25%, in line with expectations.

In June, retail trade increased by 3.9% YoY and on a monthly basis it posted a decline of 1.1% (MoM, seasonally adjusted). The monthly drop was driven by non food goods trade having contracted by 3.3% (MoM, SA) while trade with food goods and fuels was still on the upside. Industrial producer prices were up by 5.8% YoY in June, compared to 6.7% YoY.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	JUNE	Retail trade turnover index (y-o-y, %)	3,9		5,9
	JUNE	Industrial production price indices (y-o-y, %)	5,8		6,7
Friday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		1-8-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,2839	↑ 1,04	↑ 11,81	↓ -8,93		
OTP Obligatiuni	RON	11,8884	↑ 0,02	↑ 3,74	↑ 6,34		
OTP ComodisRO	RON	14,5021	↑ 0,02	↑ 3,85	↑ 6,59		
OTP Eurobond	EUR	10,8037	↑ 0,01	↑ 2,84	↑ 4,70		

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