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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.820,68	↑ 0,05	↑ 0,49
BET-C	2.641,36	↑ 0,16	↑ 0,12
BET-FI	23.298,51	↑ 1,03	↓ -0,26
BET-XT	453,35	↑ 0,37	↑ 0,47
FP	0,5125	↑ 0,49	↓ -2,38
SIF3	0,5750	↑ 2,68	↑ 3,05
EBS	85,2500	↑ 2,10	↑ 4,60
SIF5	1,3850	↑ 1,32	↑ 0,36
NEP	19,5000	↓ -1,27	↓ -1,27

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,95	↑ 1,0	↑ 7,5
12 month	6,06	↑ 5,0	↑ 9,0
3 year	6,40	↑ 1,0	↑ 13,0
5 year	6,50	↑ 1,0	↑ 8,5
10 year	6,66	↑ 0,5	↑ 3,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11M	1 bn RON	625 mn RON
Thursday	2Y	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,64	↑ 4,0	↑ 51,0
3M ROBOR	5,74	→ 0,0	↑ 10,0
6M ROBOR	6,12	→ 0,0	↑ 6,0
1Y ROBOR	6,19	↓ -1,0	↑ 5,0
5Y CDS	205,74	↓ -8,8	↓ -52

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5780	↑ 0,23	↑ 0,18
USD/RON	3,5336	↑ 0,28	↑ 0,27
CHF/RON	3,7892	↑ 0,31	↑ 0,39
100HUF/RON	1,64	↑ 0,55	↑ 1,71

Source: Reuters, OTP Research

Summary

- BSE indices saw some advances yesterday, in line with international markets where sentiment was improved due to better than expected US earnings and macro data
- The Central Bank continued to cap liquidity: it allotted 6 bn RON compared the 21.4 bn RON demanded by banks; despite the cap, the leu lost 0.23% to the euro yesterday
- The Treasury sold only 625 mn RON at yesterday's auction for 11M T-bills, less than the planned amount of 1 bn RON; the yield was almost unchanged at 6.08% compared to last auction in October
- The CA deficit shrank by 23% YoY during the first 8M whereas during the first 7M the drop was higher at 35.4 % YoY

On the local market, we continue to see low trading turnover for equities. BSE indices finished in the green yesterday, in line with international markets where the sentiment was improved due to US earnings and macro data and also on news that Spain could ask for a bailout next month. BSE's indices advanced between 0.05% (BET) and 1.03% (BET-FI). The latter was driven especially by 3 SIFs: SIF Transilvania (+2.68%), SIF Banat Crisana (+1.95%) and SIF Oltenia (+1.32%).

The Central Bank continued to cap liquidity at the Monday's repo auction: banks asked for 21.4 bn RON but the allotted amount stood at only 6 bn RON. Following the cap, the ON rate saw a smaller spike compared to last week. Despite the squeeze, the leu lost 0.23% against the euro yesterday and moved against peer currencies as well. Also, on a weekly basis (since the cap), the leu is lower by 0.18% against the euro.

The yield curve is shifting up, as interest rates are higher as well especially on a weekly basis. Treasury sold 625 mn RON in 11 M T-bills yesterday. The figure was lower than the planned amount of 1 bn Ron. The average accepted yield stood at 6.08%, almost unmodified compared to last similar auction in October.

The current account deficit stood at 3.1 bn EUR during the first 8M, shrinking by 23% YoY. The change is explained by much higher surplus of current transfers (+462 mn EUR), of services' balance (+418 mn EUR) and the reduction of the deficit of the income balance (274 mn EUR). Net FDI's are higher than last year by 55% during the first 8M and they financed the CA by 30%.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	Aug	CA balance (EUR mn, YTD)	-3.123	-2.436
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		12-10-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,4339	↑ 0,39	↑ 14,48	↑ 18,05		
OTP Obligatiuni	RON	12,0782	↑ 0,01	↑ 5,39	↑ 6,98		
OTP ComodisRO	RON	14,6780	↑ 0,02	↑ 5,11	↑ 6,58		
OTP Eurobond	EUR	10,9665	↑ 0,01	↑ 4,39	↑ 5,40		

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