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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.893,17	↑ 0,46	↓ -0,57
BET-C	2.660,19	↑ 0,03	↓ -1,00
BET-FI	23.962,40	↑ 0,80	↓ -0,76
BET-XT	462,19	↑ 0,62	↓ -0,54
SIF3	0,6040	↑ 0,83	↓ -0,98
FP	0,5260	↑ 0,19	↓ -0,75
TLV	1,1690	↑ 0,34	↓ -2,42
BRD	7,9500	↑ 1,27	↑ 2,85
SNP	0,4100	⇒ 0,00	↓ -0,75

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,93	↓ -0,5	↓ -2,5
12 month	6,05	↑ 0,5	⇒ 0,0
3 year	6,39	⇒ 0,0	↓ -1,5
5 year	6,49	↑ 1,0	⇒ 0,0
10 year	6,66	⇒ 0,0	↑ 0,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4Y	150 mn EUR	421,5 mn EUR
Thursday	5Y	200 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,51	↑ 385,0	↓ -10,0
3M ROBOR	5,76	⇒ 0,0	⇒ 0,0
6M ROBOR	6,11	↓ -1,0	↑ 1,0
1Y ROBOR	6,19	⇒ 0,0	⇒ 0,0
5Y CDS	218,33	↑ 4,5	↑ 24

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5729	↓ -0,07	↓ 0,00
USD/RON	3,5251	↑ 0,04	↑ 1,12
CHF/RON	3,7810	↑ 0,02	↓ -0,01
100HUF/RON	1,63	↑ 0,23	↓ -0,92

Source: Reuters, OTP Research

Summary

- BSE's indexes moved up yesterday but news from Europe was mixed, with poor signals from Germany regarding strength of the economy in H2
- ROBOR ON is back up at 5.51%
- The IMF simulated different scenarios of increased taxation in Romania

BSE indexes moved up yesterday in line with the direction set in Europe. The turnover was small and the highest jump was seen by BET-FI (+0.8%) while the composite index BET-C remained flat. The news coming from Europe was mixed: in Germany, activity has slowed down in H2 2012, as the manufacturing and service decreased for the 6th month in October, with orders books coming down. The day was partly saved by news that Greece is given additional time to implement austerity measures.

German data weakened the euro against the dollar yesterday as growth outlook in Europe is again being questioned. Consequently, the 5Y CDS keeps rising: it advanced by 4 bp in a day and 24 bp in a week.

ROBOR ON jumped back at higher levels (5.51%) after the observation period for the required reserves ended.

In Romania, the latest IMF report triggered heated discussions regarding the different scenarios proposed the IMF regarding a potential increase in VAT, in social contributions or in the flat tax rate. While these ideas are at very incipient level, the deepening of the crisis may force Romania to enter another agreement with the IMF, which means that both sides would have to reach an agreement about the fiscal policy in a deteriorated macroeconomic environment. The IMF estimates that an increase of the VAT from the current 24% to 25% would increase revenues by 0.3% of the GDP and an increase of the flat tax from 16% to 18% would increase revenues by 0.2% of the GDP. The combined (employee and employer) social insurance contribution rate stands at 10.7% and an increase of 1% would bring additional revenues of 0.2% of the GDP.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		23-10-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,5108	↓ -0,71	↑ 15,85	↑ 21,70		
OTP Obligatiuni	RON	12,1203	↑ 0,02	↑ 5,76	↑ 7,26		
OTP ComodisRO	RON	14,7087	↑ 0,04	↑ 5,33	↑ 6,69		
OTP Eurobond	EUR	10,9844	↓ -0,06	↑ 4,56	↑ 5,49		

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