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Daily Report – Romania

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 4.847,07 | ↓ -1,15 | ↓ -1,81 |
| BET-C | 2.630,90 | ↓ -0,78 | ↓ -1,58 |
| BET-FI | 23.858,81 | ↓ -0,40 | ↓ -1,81 |
| BET-XT | 457,06 | ↓ -0,91 | ↓ -1,97 |
| FP | 0,5300 | ↓ -0,93 | ↓ -2,03 |
| SIF2 | 1,3650 | ↑ 0,29 | ↓ -1,09 |
| SIF3 | 0,6085 | ↓ -0,25 | ↓ -1,06 |
| SNP | 0,4030 | ↓ -1,83 | ↓ -2,30 |
| SIF5 | 1,3800 | ↓ -0,86 | ↓ -3,16 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 5,92 | ⇒ 0,0 | ↓ -2,5 |
| 12 month | 6,00 | ↑ 0,5 | ↓ -1,5 |
| 3 year | 6,38 | ↑ 0,5 | ⇒ 0,0 |
| 5 year | 6,47 | ↑ 0,5 | ⇒ 0,0 |
| 10 year | 6,65 | ↑ 0,5 | ↑ 0,5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------------|
| Monday | 12M | 800 mn RON | 794 mn RON |
| Thursday | 2Y | 500 mn RON | 500 mn RON |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,67 | ↑ 17,0 | ↑ 21,0 |
| 3M ROBOR | 5,76 | ⇒ 0,0 | ↑ 3,0 |
| 6M ROBOR | 6,07 | ↓ -1,0 | ⇒ 0,0 |
| 1Y ROBOR | 6,16 | ⇒ 0,0 | ↑ 2,0 |
| 5Y CDS | 209,86 | ↑ 2,3 | ↑ 2 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,5205 | ↑ 0,06 | ↓ -0,28 |
| USD/RON | 3,5477 | ↑ 0,31 | ↑ 1,30 |
| CHF/RON | 3,7494 | ↑ 0,21 | ↓ -0,25 |
| 100HUF/RON | 1,59 | ↓ -0,61 | ↓ -1,38 |

Source: Reuters, OTP Research

Summary

- BSE's indexes continued to fall yesterday
- President Basescu stated that Romania intends to sign another agreement with the IMF
- Constructions dropped 6% YoY (-4% MoM, seasonally adjusted data) in September due to slowdown in civil engineering works
- The Treasury sold 500 mn RON at an average yield of 6.34%, barely unchanged from the previous month

All indices closed in the red yesterday and BET posted the highest fall: -1.15%. In Europe, the declines continued yesterday as well. The ECB kept unchanged the base rate at 0.75% and Mario Draghi said that despite the easing of monetary policy, the economic activity in Europe is worsening.

Domestically, the outlook of persistent risks to economic growth in Europe and Romania, as well as the uncertainty regarding the final outcome of the debt crisis has pushed Romanian authorities to decide that Romania will continue with another agreement with the IMF, Mediafax reported yesterday.

The treasury managed to sell the planned amount of 500 mn RON in 2Y bonds yesterday at an average accepted yield of 6.34%, almost unchanged compared to the one at the previous similar tender in October (6.35%). Total bids stood at 1 bn RON.

As the liquidity cap continues and following the NBR's announcement that this will be the solution for preventing leu's fast depreciation in the coming period as well, ROBOR ON moved up by 17 bp and reached 5.67%.

Constructions' works index dropped by 6% YoY and by 4% MoM (seasonally adjusted data) in September. On constructions' type, residential and non residential building marked an advance of 6.1% MoM and 5.5% MoM respectively, but this year's driver, engineering works declined by a significant 8.3% MoM. The second budget revision hiked again public capital expenditure, but compared to the initial budget it is still lower by 0.7 bn RON.

Households' services turnover index also posted a drop as well, of 0.4% YoY. However on a monthly basis, they jumped 2% MoM (seasonally adjusted data) in September and Q3 was saw a positive growth compared to Q2 2012.

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|----------|---|------|-----------|----------|
| Thursday | Construction works index (y-o-y, %) | -6,0 | | 5,0 |
| | Households services turnover index (y-o-y, %) | -0,4 | | -0,5 |
| Friday | Exports (y-o-y, %) | | | 0,6 |
| | Imports (y-o-y, %) | | | 3,3 |
| | Industrial Production Index (y-o-y, %) | | | -1,7 |
| | Industrial trade turnover index (y-o-y, %) | | | 4,7 |
| | Index value of new orders in manufacturing (y-o-y, %) | | | -0,1 |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds | | 6-11-2012 | | | | | |
|-------------------------|-----|------------|---------|---|-------|---|-------|
| Open-end fund | ccy | last NAV/U | 1d% | | Ytd% | | 52W% |
| OTP AvantisRO | RON | 6,5442 | ↓ -0,79 | ↑ | 16,44 | ↑ | 17,07 |
| OTP Obligatiuni | RON | 12,1544 | ↑ 0,01 | ↑ | 6,06 | ↑ | 6,99 |
| OTP ComodisRO | RON | 14,7557 | ↑ 0,02 | ↑ | 5,66 | ↑ | 6,64 |
| OTP Eurobond | EUR | 11,0075 | ↑ 0,01 | ↑ | 4,78 | ↑ | 5,46 |

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