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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.628,08	↑ 0,75	↑ 3,95
BET-C	3.053,68	↑ 0,75	↑ 4,93
BET-FI	27.005,86	↑ 0,77	↑ 2,39
BET-XT	529,14	↑ 0,79	↑ 4,07
FP	0,5895	↑ 0,94	↑ 0,77
SIF3	0,7500	↑ 2,04	↑ 5,56
SIF1	1,2400	↑ 0,81	↑ 0,24
TLV	1,4000	↓ -1,41	↑ 2,71
SNP	0,4670	↑ 3,07	↑ 7,33

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,94	↓ -0,5	↓ -6,0
12 month	5,95	↑ 0,5	↓ -9,5
3 year	5,99	↓ -1,0	↓ -6,5
5 year	6,02	→ 0,0	↓ -9,0
10 year	6,12	↓ -3,5	↓ -15,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	500 mn RON	1,4 bn RON
Monday	3Y	800 mn RON	1,5 bn RON
Thursday	5Y	500 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	6,13	↑ 12,0	↑ 30,0
3M ROBOR	6,00	↑ 2,0	→ 0,0
6M ROBOR	6,20	→ 0,0	↓ -6,0
1Y ROBOR	6,24	↓ -1,0	↓ -5,0
5Y CDS	181,08	↓ -4,0	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3855	↑ 0,13	↓ -0,43
USD/RON	3,2765	↓ -0,24	↓ -2,43
CHF/RON	3,5545	↓ -1,14	↓ -2,53
100HUF/RON	1,49	↑ 0,58	↓ -1,45

Source: Reuters, OTP Research

Summary

- The Central Bank increased the repo amount from 4 bn RON to 6 bn RON; this eases pressure on the interest rates and soothes out the leu's appreciation
- The Treasury sold 2.9 bn RON at yesterday's auction in 12M T-bills and 3Y bonds; yields were down between 8-21 bp
- An IMF mission will be in Bucharest between 15- 29th January when the 2013 proposed budget will be discussed and the signing of a new standby agreement

BET gained 0.75% yesterday but the best evolution was posted by the blue chips' index ROTX (+1.23%). ROTX was supported especially by the advance seen by OMV Petrom (+3.07%), Erste Group Bank (+2.84%) and BRD (+1.15%). There was an active deal market yesterday: trades were made with stocks of BRD, FP, OMV Petrom, Transelectrica, SIF5 and Compa (Category II). On the international markets, indexes' moves were rather mixed and in many European markets, stocks have declined.

Euro appreciated against the dollar yesterday by 0.3%. The leu lost only marginally to the euro.

In the morning, ROBOR rose 12 bp to 6.13% yesterday but the Central Bank injected more liquidity in the market at the weekly repo operation, 6 bn RON compared to the previous amount of 4 bn RON so we may see a decline in ON ROBOR today. Otherwise, due to Treasury's high debt sales, pressure on the interbank rates could be higher and the leu would see a more sudden appreciation.

As expected, the Treasury continued to sell debt successfully: it sold 2.9 bn RON yesterday, compared to the planned 1.3 bn RON and the average accepted yields moved down (8-21 bp). The average accepted yield at the 12M T-bills auction was 5.85% compared to 6.06% during the first week of January. The average accepted yield for the 3Y bonds was 5.95% compared to 6.03% last week (for the bonds with a remaining maturity of 36 months). On the secondary market, most of the yields declined, except for the 12M T-bills which was marginally up.

An IMF mission will be in Bucharest between 15- 29th January for the 7th and 8th evaluation of the stand by agreement. Romanian authorities will consult with the IMF on the proposed budget for 2013 which has a higher cash deficit target than initially agreed for 2013 and it includes further increases in pensions (+4%) and public employees' wages (+12%). Also, the signing of a new agreement is going to be discussed.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		11-Jan-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1322	↑ 0,30	↑ 4,51	↑ 25,57		
OTP Obligatiuni	RON	12,3549	↑ 0,02	↑ 0,19	↑ 7,53		
OTP ComodisRO	RON	14,9683	↑ 0,02	↑ 0,17	↑ 6,94		
OTP Eurobond	EUR	11,1332	↑ 0,01	↑ 0,10	↑ 5,82		

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