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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.624,71	↓ -0,52	↑ 0,98
BET-C	3.061,90	↓ -0,94	↓ -0,09
BET-FI	27.088,35	↓ -0,19	↑ 1,67
BET-XT	528,54	↓ -0,41	↑ 1,09
FP	0,5940	↓ -0,42	↑ 2,24
SNP	0,4420	↓ -1,34	↓ -2,23
SIF3	0,7400	↑ 0,75	↑ 2,78
TEL	14,0000	↓ -0,71	↑ 0,57
SIF1	1,3380	↓ -0,15	↑ 1,06

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,42	↓ -1,5	↓ -2,5
12 month	5,50	↑ 1,0	↑ 0,5
3 year	5,58	↓ -0,5	↓ -1,0
5 year	5,61	↓ -0,5	↓ -2,0
10 year	5,74	↑ 2,0	↓ -1,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	4Y	500 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	5,43	↓ -2,0	↑ 323,0
3M ROBOR	5,70	↓ -1,0	↓ -4,0
6M ROBOR	5,91	→ 0,0	↓ -5,0
1Y ROBOR	5,91	→ 0,0	↓ -6,0
5Y CDS	198,57	↑ 0,0	↑ 11

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3605	↑ 0,07	↓ -0,57
USD/RON	3,3493	↑ 0,37	↑ 0,69
CHF/RON	3,5504	↓ -0,35	↓ -0,80
100HUF/RON	1,48	↑ 0,33	↓ -0,92

Source: Reuters, OTP Research

**Summary**

- BVB indices ended in the red on Friday on lower equities' turnover; in Europe, there were mixed evolution
- The Treasury plans to sell 3 bn RON in debt in March; the Chief of Treasury declared that during the first two months 32% of the country's financing needs were already covered (Reuters)
- ILO unemployment rate fell to 6.6% in January and the downtrend is maintained; FX reserves gained 710 mn EUR in February, cumulating 32.2 bn EUR

BVB indices finished down on Friday, on lower equities' turnover than the previous day. The declines ranged between 0.19% (BET-FI) and 0.94% (BET-C). The reporting season at BVB has almost come to an end and most of the companies having reported by now have either recorded losses or declining net profit compared to the previous year. This is in line with estimated GDP growth rate for 2013 which was nearly flat at 0.2% YoY compared to 2.2% YoY in 2011. For 2013, the recently published European Commission winter forecast places GDP growth rate at 1.6% YoY.

Money market rates enjoy further easing: except for ROBOR ON whose weekly evolution has been influenced by the reserves period volatility, rates declined by 4-6 bp on a weekly basis. Today, the Central Bank will operate another liquidity injection at the weekly repo. ROBOR 3M is at 5.7%, whereas the base rate is much lower at 5.25%.

Government securities 'yields have declined on a weekly basis, except for the 12M T-bills which almost stagnated. For March, the Treasury has announced that it intends to sell 3 bn RON, less than monthly redemptions. So far, the Treasury has sold 15.4 bn RON whereas redemptions amounted to 9.2 bn RON. The Chief of Treasury declared that during the first two months the Treasury already financed 32% of the country's financing needs for 2013.

The ILO unemployment rate fell marginally at 6.6% (seasonally adjusted) in January compared to 6.7% during the previous month. We are witnessing a clear downtrend: the average unemployment rate in 2012 was 7%. The number of the unemployed is also declining (based on seasonally adjusted data).

The FX reserves climbed 710 mn EUR in February, to 32.2 bn EUR. Inflows reflected the Eurobonds issue denominated in dollars (1.1 bn EUR) while outflows also comprised the fourth installment of capital and interest to the IMF (691 mn EUR). For the moment, reserves are at a comfortable level, but some worrying signs are in place when looking at the financing side of the CA deficit, because reserve assets have been used as well. In 2012, the CA deficit stood at 5 bn EUR, or 3.8% of the GDP according to our calculations.

PERIOD	INDICATOR	FACT	PREVIOUS	
Friday	Jan	ILO unemployment (%)	6,6	6,7
	Feb	FX reserves (bn EUR)	32,2	31,5
Monday	Jan	Producer Price Index (YoY, %)		4,9

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		28-Feb-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1150	↑ 0,58	↑ 4,26	↑ 7,32		
OTP Obligatiuni	RON	12,4531	↑ 0,01	↑ 0,99	↑ 7,54		
OTP ComodisRO	RON	15,0923	↑ 0,01	↑ 1,00	↑ 6,93		
OTP Eurobond	EUR	11,2424	↑ 0,01	↑ 1,09	↑ 6,22		

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