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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.732,01	↑ 0,87	↑ 0,18
BET-C	3.076,96	↑ 0,65	↓ -0,37
BET-FI	28.099,57	↑ 0,28	↓ -0,88
BET-XT	539,24	↑ 0,75	↓ -0,23
SIF5	1,5170	↑ 0,13	↑ 0,13
FP	0,6300	↓ -0,08	↓ -0,32
TLV	1,4600	↑ 0,48	↓ -1,35
SIF3	0,7295	↑ 0,76	↓ -2,86
BRD	8,9700	↑ 2,51	↑ 0,22

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,98	↓ -2,5	↓ -20,5
12 month	5,07	↓ -5,5	↓ -15,0
3 year	5,34	→ 0,0	↓ -6,5
5 year	5,42	↑ 2,5	↓ -2,5
10 year	5,61	↑ 4,0	↑ 1,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	500 mn RON	500 mn RON
Monday	7Y	500 mn RON	500 mn RON
Thursday	10Y	500 mn RON	

MONEY MARKET

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	1,50	↓ -6,0	↓ -353,0
3M ROBOR	5,18	→ 0,0	↓ -19,0
6M ROBOR	5,47	↓ -2,0	↓ -13,0
1Y ROBOR	5,51	↓ -1,0	↓ -10,0
5Y CDS	195,10	↑ 0,0	↑ 2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4225	↑ 0,29	↑ 1,05
USD/RON	3,4337	↑ 0,84	↑ 2,25
CHF/RON	3,6255	↑ 0,79	↑ 2,26
100HUF/RON	1,45	↑ 0,53	↑ 1,40

Source: Reuters, OTP Research

Summary

- BVB indices finished in the green yesterday, contrary to European markets. Deals made up 2 thirds of liquidity turnover; Cyprus rejected the bank tax
- The leu lost 1% in a week to the euro due to the low interest rates and Cyprus news and the 5Y CDS barely moved (+2 bp in a week)
- Money market rates remain low; government securities yields fell at the short end of the curve while the long end moved up

BVB indices climbed yesterday between 0.3% (BET-FI) and 0.9% (BET). The movement diverged from major indices in Europe, which lost up to around 1% yesterday. The advance we saw on the local market has to do with the expected distribution of dividends for last year in case of several blue chips (OMV Petrom, Trasngaz, the SIFs, Fondul Proprietatea). The total equities' turnover stood at 8.9 mn EUR yesterday and several trades were made in the deals market with 6 stocks: Fondul Proprietatea (17 mn RON), COMCM Constatnta, SIF2, SIF5, BVB and OMV Petrom. Two thirds of the liquidity was ensured by deals yesterday. Year to date, BET was the top gainer among indices, with an advance of 11.3%.

Meanwhile in Europe, stocks shed losses yesterday. The Parliament in Cyprus rejected the bank tax. However, the ECB proved supportive to some extent in what concerns providing liquidity within some limits, after warning that it could end emergency lending funds. This event pushed the euro further lower against the dollar and it lost 0.6% yesterday. The leu also gave up 0.3% to the euro yesterday and it is lower by 1% on a weekly basis. This is an effect of both lower money market rates and the Cyprus event. The 5Y CDS has barely moved though given the events, only 2 bp higher on a weekly basis.

Money market rates continue to remain low as expected. Government securities yields had a mixed evolution yesterday: the short end of the curve moved down 2 to 5 bp while bond yields climbed by up to 4 bp in the case of the 10Y maturity. This does not bode well with the coming auction which will be held tomorrow by the Treasury, to sell 500 mn RON in 10Y bonds. However, the Treasury is in comfortable position and Romanian debt offers attractive yields for the moment. Only the 6M T-bills is slightly below 5% while the 10Y bond yield stood at 5.6% at NBR's fixing yesterday. 12M rolling inflation is close to 4% and it will remain in the 5-6% range in H1 2013 but expectations are for it to decline in H2 2013. The Central Bank sees 3.5% YoY in December.

PERIOD	INDICATOR	FACT	PREVIOUS
Tuesday		no data	
Wednesday		no data	

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		18-Mar-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,1344	↓ -0,77	↑	4,55	↑	9,09
OTP Obligatiuni	RON	12,5033	↑ 0,04	↑	1,40	↑	7,60
OTP ComodisRO	RON	15,1376	↑ 0,04	↑	1,30	↑	6,93
OTP Eurobond	EUR	11,2608	↑ 0,03	↑	1,25	↑	6,14

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