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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.686,84	↓ -1,05	↓ -1,25
BET-C	3.054,59	↓ -1,00	↓ -1,21
BET-FI	27.853,59	↓ -0,11	↓ -1,83
BET-XT	535,09	↓ -0,74	↓ -1,47
TLV	1,4660	↓ -0,27	↓ -0,14
FP	0,6245	↓ -0,32	↓ -0,64
SIF3	0,7200	↓ -0,69	↓ -3,74
SIF5	1,4930	↓ -0,27	↓ -1,78
BRD	8,8400	↓ -1,78	↓ -1,50

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,93	↓ -0,5	↓ -14,5
12 month	5,03	↑ 1,5	↓ -11,5
3 year	5,39	↑ 4,5	↑ 2,5
5 year	5,46	↑ 2,0	↑ 4,0
10 year	5,67	↑ 5,0	↑ 11,5

**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	500 mn RON

**MONEY MARKET**

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	1,52	↑ 4,0	↓ -10,0
3M ROBOR	5,23	↑ 3,0	↑ 2,0
6M ROBOR	5,53	↑ 3,0	↑ 1,0
1Y ROBOR	5,54	→ 0,0	→ 0,0
5Y CDS	198,95	↑ 1,4	↑ 6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4198	↓ -0,07	↑ 0,57
USD/RON	3,4281	↑ 0,27	↑ 1,47
CHF/RON	3,6206	↑ 0,07	↑ 1,41
100HUF/RON	1,44	↓ -0,71	↓ -0,50

Source: Reuters, OTP Research

**Summary**

- BET lost 1% yesterday, in line with other major European indices; ECB gave an ultimatum to Cyprus and said it will cut off emergency lending is no solution was found until Monday
- The Treasury sold 500 mn RON in 10Y bonds at 5.81%, higher by 10 bp compared to the end of January
- The leu moved up marginally, while peer currencies were down against the euro yesterday and the euro itself gave up 0.3% to the dollar

BET lost 1% yesterday and all the indices sank in the red area, in line with the evolution seen in Europe and the US. The energy companies' index dropped the most: BET- NG was down 1.5%, with Transgaz, Transelectrica and OMV Petrom leading the fall. Total equities' turnover at BVB decreased further to 4.9 mn EUR and it has been declining since Monday, after the news related to the situation in Cyprus broke out.

In Europe, major indices lost around 1% as well. Probably the heaviest weight in the news flow came from the ultimatum given to Cyprus by the ECB: the ECB gave Cyprus until Monday to reach a deal on how to raise the 5.8 bn EUR that would have come from the bank deposit tax, or they would cut the emergency lending funds. This measure can push Cyprus out of the Eurozone. While Cyprus is a small economy (only 0.1% of the EU 27 GDP in 2012), this ECB decision could probably set an example in the EU. The measure could be thought of also in the context of the German elections happening this autumn. Until now, Germany has backed Europe and offered support to states in need, but fiscal corrections were also taken in exchange.

Money market rates rose yesterday up to 4 bp in the case of ROBOR ON. Also, we see that risk aversion towards the region is marginally higher and the 5Y CDS (euro) moved up yesterday as well and it is now 6 bp higher in a week. In line with slightly higher interest rates, the leu edged up marginally.

Yesterday, the Treasury held an auction to sell 500 mn RON in 10Y debt and the interest did not decline. Bid to cover ratio stood at 1.8, with total bid amounting to 908 mn RON and the sold amount of 500 mn RON. Meanwhile the yield edged higher by 10 bp, to 5.81%, compared to the similar previous tender at the end of January. This move was expected given that in the previous days, the bond yields on the secondary market have moved up a few basis points. Even if foreigners probably sold off some of the holdings of Romanian debt this week, as an initial response to the crisis in Cyprus, yesterday auction has proven that in fact Romanian debt remains attractive. The leu was up marginally while the euro lost 0.3% to the dollar and leu's peer currencies (CZK, HUF, PLN) shed some losses of 0.2%-0.6% to the euro.

PERIOD	INDICATOR	FACT	PREVIOUS
Thursday		no data	
Friday		no data	

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		20-Mar-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1452	↑ 0,06	↑ 4,71	↑ 10,44		
OTP Obligatiuni	RON	12,5063	↑ 0,01	↑ 1,42	↑ 7,53		
OTP ComodisRO	RON	15,1409	↑ 0,01	↑ 1,33	↑ 6,91		
OTP Eurobond	EUR	11,2625	↑ 0,01	↑ 1,27	↑ 6,06		

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