

## Treasury Sales Team

**Alina Elena Vrabioiu**

+4021 307 58 17  
alina.vrabioiu@otpbank.ro

**Irina Ananiese**

+4021 307 58 17  
irina.ananiese@otpbank.ro

**Tania Fantana**

+4021 307 58 17  
tania.fantana@otpbank.ro

## Chief Economist

**Gergely Tardos**

+36 1 374 7273  
tardosg@otpbank.hu

## FX/FI Strategist

**Levente Pápa**

+36 1 354 7490  
papal@otpbank.hu

## Analyst

**Mihaela Neagu**

+4021 307 58 64  
mihaela.neagu@otpbank.ro



# Daily Report – Romania

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 5.679,30  | ↑ 0,15         | ↓ -0,13         |
| BET-C  | 3.057,91  | ↑ 0,03         | ↑ 0,11          |
| BET-FI | 27.311,54 | ↓ -0,03        | ↓ -1,95         |
| BET-XT | 529,13    | ↓ -0,06        | ↓ -1,11         |
| FP     | 0,6375    | ↑ 1,19         | ↑ 2,08          |
| SIF5   | 1,4300    | ↓ -1,38        | ↓ -4,22         |
| SIF3   | 0,6955    | ↓ -0,29        | ↓ -3,40         |
| BRD    | 8,8500    | ↑ 0,06         | ↑ 0,11          |
| EBS    | 97,5000   | ↑ 1,04         | ↓ -4,41         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 4,97      | ↑ 0,5           | ↑ 4,0            |
| 12 month | 5,07      | ↑ 0,5           | ↑ 4,0            |
| 3 year   | 5,40      | ↓ -0,5          | ↑ 1,0            |
| 5 year   | 5,49      | ↑ 1,0           | ↑ 3,0            |
| 10 year  | 5,71      | ↑ 1,0           | ↑ 4,5            |

**GOV'T BOND AUCTIONS**

| Maturity | Auctions | Sold |
|----------|----------|------|
|          |          |      |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,06     | ↑ 6,0          | ↑ 354,0         |
| 3M ROBOR | 5,21     | ↑ 2,0          | ↓ -2,0          |
| 6M ROBOR | 5,51     | ↑ 1,0          | ↓ -2,0          |
| 1Y ROBOR | 5,51     | → 0,0          | ↓ -3,0          |
| 5Y CDS   | 208,52   | ↑ 0,0          | ↑ 3             |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4,4162 | → 0,00         | ↓ -0,08         |
| USD/RON    | 3,4456 | ↓ -0,23        | ↑ 0,51          |
| CHF/RON    | 3,6283 | ↑ 0,21         | ↑ 0,21          |
| 100HUF/RON | 1,45   | ↓ -0,25        | ↑ 0,75          |

Source: Reuters, OTP Research

**Summary**

- BVB opened up this morning; Equities were up in Europe yesterday, after the calm installed once Cyprus banks reopened and no major stressful event was reported
- The Central Bank kept the base rate and reserves ratio unchanged as expected; leu's evolution after the events in Cyprus is seen "limited" by the CB's Governor; inflation to reach 3.5% YoY in Dec. 2013 (NBR)
- The residential building permits rose 6.6% YoY in February but since the end of 2008 this indicator has been mostly negative

BVB indices posted a mixed evolution yesterday: the ones which were marginally up were the blue chips' index ROTX (+0.32%), the index of top 10 most liquid companies, BET (+0.15%) and the composite index BET-C (+0.03%). The two blue chips which drove up ROTX were Fondul Proprietatea (+1.2%) and Erste Group Bank (+1%) and they were among top 5 traded stocks by value as well. This year, the dividend yield offered by FP is 6.4% placing it around the median of dividend yields, while top dividends are granted by SIFs (SIF Transilvania offering 25%). The total equities' turnover rose yesterday to 11.2 mn EUR, almost double the previous day's turnover. Close to one fifth of yesterday's liquidity was made on the deals market, were two stocks were traded: SIF Banat Crisana and OMV Petrom. BVB opened up this morning.

In Europe stocks were up yesterday after the calm has installed in the markets, following the reopening of banks in Cyprus. The euro gained 0.3% to the dollar yesterday. The leu remained flat and its depreciation that followed the Cyprus events is seen as being "limited" by the Central Bank Governor.

Money market rates went up yesterday, ROBOR ON advancing by 6 bp. On Monday, the Central Bank will operate another liquidity injection and we expect the general downtrend witnessed by ROBOR rates to continue in the coming months. At the Board meeting on monetary policy issues, the Central Bank kept the base rate unchanged as expected. Also, the reserve ratio was unmodified as well. The base rate has been unchanged since April 2012. For the moment, inflation started to decelerate but the Central Bank needs to see that this trend is becoming clear before operating a base rate cut. It expects the annual inflation rate to enter the targeted interval by the end of the year and to reach 3.5% YoY in December 2013.

Positive news came from the evolution of residential building permits which rose 6.6% YoY in February. This indicator has been mostly negative since the end of 2008. As this activity is procyclical, we have yet to see where the inflexion point stands.

| PERIOD   | INDICATOR | FACT  | PREVIOUS |
|----------|-----------|---|----------|
| Thursday | March     | Base rate decision (%)                        | 5,25     |
|          | Feb       | Licenses for residential buildings (y-o-y, %) | 5,25     |
| Friday   |           |   | 6,6      |
|          |           |   | - 2,2    |
|          |           | no data                                       |          |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds |     | 27-Mar-13  |         |   |      |   |      |
|-------------------------|-----|------------|---------|---|------|---|------|
| Open-end fund           | ccy | last NAV/U | 1d%     |   | Ytd% |   | 52W% |
| OTP AvantisRO           | RON | 7,0213     | ↓ -0,46 | ↑ | 2,89 | ↑ | 7,36 |
| OTP Obligatiuni         | RON | 12,5187    | ↑ 0,03  | ↑ | 1,52 | ↑ | 7,55 |
| OTP ComodisRO           | RON | 15,1560    | ↑ 0,03  | ↑ | 1,43 | ↑ | 6,91 |
| OTP Eurobond            | EUR | 11,2694    | ↑ 0,02  | ↑ | 1,33 | ↑ | 6,03 |

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [mihaela.neagu@otpbank.ro](mailto:mihaela.neagu@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.