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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.344,92	↓ -0,02	↑ 0,61
BET-C	2.933,80	↑ 0,09	↑ 0,95
BET-FI	24.701,69	↑ 0,50	↓ -0,18
BET-XT	486,42	↑ 0,19	↑ 0,37
FP	0,6600	→ 0,00	→ 0,00
TLV	1,2600	↑ 1,12	↓ -1,33
SIF3	0,6410	↓ -1,69	↓ -3,03
TGN	197,3000	↑ 1,44	↑ 5,99
SIF4	0,7200	↓ -2,57	↓ -4,00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,44	↓ -9,0	↓ -10,0
12 month	4,63	↓ -8,5	↓ -11,0
3 year	4,67	↓ -16,0	↓ -17,5
5 year	4,78	↓ -14,0	↓ -17,0
10 year	5,06	↓ -17,5	↓ -21,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	6M	500 mn RON	
Thursday	5Y	800 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	4,62	↓ -1,0	↑ 63,0
3M ROBOR	4,19	→ 0,0	↑ 2,0
6M ROBOR	4,93	→ 0,0	↓ -9,0
1Y ROBOR	4,99	↓ -2,0	↓ -9,0
5Y CDS	174,46	↓ -0,8	↓ -11

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3033	↓ -0,27	↓ -0,88
USD/RON	3,2814	↓ -0,64	↓ -1,53
CHF/RON	3,5082	↓ -0,68	↓ -0,74
100HUF/RON	1,45	↓ -0,30	↑ 1,23

Source: Reuters, OTP Research

**Summary**

- BRD's net profit was 13 mn RON in Q1 2013, 84% YoY lower
- The yield curve shifted down by 10 to 21 bp on a weekly basis
- The leu gained 0.9% to the euro on a weekly basis last Friday and opened stronger this morning. It closed at 4.3033 (mid) on Friday.

Yesterday was public holiday in Romania and BVB was closed. On Friday, total equities' turnover was relatively low, only 2.9 mn EUR and BVB indexes finished mixed. BET, the energy companies' index BET-NG and the blue chips index ROTX were just a touch in the negative territory. All of them were mainly driven down by the slump seen by OMV Petrom (-0.43%). BET-FI, which represents the SIFs and Fondul Proprietatea saw the highest jump: +0.5%, exclusively driven by the SIFs as FP remained flat.

This morning, BRD published its first quarter results: net profit stood at 13 mn RON (-84% YoY). Also, the bank reported a net operational income of 687 mn RON, which was 10.5% YoY lower than last year as the demand for banking products remained weak in the first quarter of the year. The loans portfolio rose by 2.1% YoY due to lending to households, especially mortgage loans. Deposits' pace was slightly faster: +3% YoY.

The leu gained 0.3% last Friday to the euro, closing at 4.3033 (mid) and it is slightly stronger this morning. The weekly gain stood at 0.9%. The leu is already slightly stronger than the January level when most likely stepped into the market. Demand for Romanian bonds continued to be strong and this has been the driver for leu's appreciation this year but bond yields have already fallen significantly this year and large part of the fall was in April. The next Treasury auction is on 9<sup>th</sup> of May when the Treasury plans to sell 500 mn RON in 6M T-bills and 800 mn RON in 5Y bonds. We do not rule out further appreciation, but even if the Central Bank does not step into the market again, appreciation should be limited given the remaining potential for the Romanian bonds. Also, the NBR announced at the last Board meeting that it will start a rate cut cycle.

The yield curve shifted down again last week by 10 to 21 bp, especially at the long end of the curve. The 10Y bond yield stood at 5.06% at NBR's fixing and the 12M- T bill at 4.63%. Since the end of March, bond yields gave up around 70 bp. According to Reuters, inflation expectations for April are 5.4% YoY.

PERIOD	INDICATOR	FACT	PREVIOUS
Friday		no data	
Tuesday		no data	

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		02-May-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,7454	↓ -0,26	↓ -1,15	↑ 4,05		
OTP Obligatiuni	RON	12,5963	↑ 0,04	↑ 2,15	↑ 7,64		
OTP ComodisRO	RON	15,2479	↑ 0,04	↑ 2,04	↑ 6,93		
OTP Eurobond	EUR	11,3904	↑ 0,02	↑ 2,42	↑ 6,75		

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