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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.393,94	↑ 0,53	↓ -0,50
BET-C	2.905,88	↑ 0,59	↓ -0,69
BET-FI	25.185,93	↑ 1,09	↑ 1,03
BET-XT	494,36	↑ 0,53	↓ 0,00
FP	0,6470	↑ 1,89	↑ 1,17
EBS	105,0000	↓ -0,94	↓ -3,23
TGN	191,0000	↑ 1,33	↓ -6,33
SIF3	0,5510	↑ 0,73	↑ 1,47
SNP	0,4240	↑ 0,05	↓ -1,40

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,52	↓ -5,5	↓ -21,5
12 month	4,60	↓ -4,5	↓ -15,0
3 year	5,01	↓ -3,5	↓ -4,0
5 year	5,12	↓ -4,5	↓ -4,5
10 year	5,48	↓ -2,5	↓ -0,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	800 mn RON	800 mn RON
Thursday	7Y	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,49	↓ -2,0	↓ -192,0
3M ROBOR	4,42	↓ -2,0	↓ -29,0
6M ROBOR	4,70	↓ -3,0	↓ -21,0
1Y ROBOR	4,75	↓ -4,0	↓ -18,0
5Y CDS	174,51	↓ -4,4	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4535	↓ -0,02	↓ -1,51
USD/RON	3,3321	↓ -0,15	↓ -2,31
CHF/RON	3,6109	↓ -0,35	↓ -1,17
100HUF/RON	1,53	↓ -0,36	↑ 0,96

Source: Reuters, OTP Research

Note: *Supplementary session for competitive offers

Summary

- BET gained 0.53% yesterday, in line with European markets; Fondul Proprietatea climbed 1.9% in a day and 1.2% in a weekly basis and the Fund announced it bought back 8.8 mn RON in stocks during 10-14th June
- The Treasury successfully sold 800 mn RON in 5Y bonds at 5.17% yesterday
- Foreign direct investment declined by 35% YoY during the first 4 months
- For the first time since NBR started to hold weekly repo auctions at the end of 2011; banks demand for liquidity was zero.

Equities had a good day yesterday and BET gained 0.53%. Turnover fell back to a lower level, only 4.7 mn EUR. The deals market was active and 6 stocks were traded, making up a third of total liquidity. BET-FI posted the best evolution, supported by the advance of Fondul Proprietatea which mounted 1.9% in a day, therefore recovering part of the losses suffered last week. It gained 1.2% on a weekly basis. Between 10-14th June the Fund has redeemed 8.8 mn RON of its stocks. The boost on the local market was in line with the international markets: European and US shares gained yesterday and most of the developed markets in Europe saw uptakes of around 1%. All eyes are turned to Ben Bernanke's speech on Wednesday, in order to get more guidance on the next steps to be taken in what concerns the monetary policy led by the Fed.

The leu appreciated insignificantly against the euro yesterday, in line with its peer currencies and the overall optimism that characterized the stock markets as well.

The current account data released for April shows that the 12M rolling deficit shrank further. In the month, the current account had a surplus of 54 mn EUR as opposed to a deficit of 1.5 bn EUR last year. The main impact was the reduced trade balance deficit (by 975 mn EUR) due to stronger exports. Next, the surplus recorded by the services balance was 721 mn EUR, compared to a deficit of 130 mn EUR last year. The funding side of the current account is less encouraging as it shows that FDI, which are supposed to be a more stable funding source were 35% lower than last year and totaled 322 mn EUR during the first 4M.

The Treasury successfully sold 800 mn RON at yesterday's 5Y bond auction as demand was good enough: total bids stood at 1.7 bn RON and the average accepted yield was 5.17%. The Treasury sold 2.1 bn RON this month out of the planned 3 bn RON.

Liquidity on the money market is good and rates declined by 2-4 bp yesterday. For the first time since NBR started to hold weekly auctions at the end of 2011, no amount was bid at the repo.

PERIOD	INDICATOR	FACT	PREVIOUS	
Monday	April	CA balance (EUR mn, YTD)	54	69
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		14-Jun-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,9533	↑ 0,19	↑ 1,70	↑ 16,70		
OTP Obligatiuni	RON	12,6869	↑ 0,02	↑ 2,87	↑ 7,64		
OTP ComodisRO	RON	15,3521	↑ 0,01	↑ 2,73	↑ 6,76		
OTP Eurobond	EUR	11,4332	↑ 0,01	↑ 2,79	↑ 6,65		

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