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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.327,66	↓ -0,93	↓ -0,66
BET-C	2.869,32	↓ -0,99	↓ -0,75
BET-FI	24.730,96	↓ -1,62	↓ -0,44
BET-XT	487,97	↓ -1,04	↓ -0,57
FP	0,6350	↓ -1,93	↓ -0,78
EBS	104,8000	↓ -2,96	↑ 0,29
TGN	183,9500	↓ -2,31	↓ -1,63
SIF1	1,1800	↓ -2,48	↓ -2,96
TLV	1,2100	↓ -0,17	↑ 0,58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,68	↑ 22,5	↑ 7,0
12 month	4,79	↑ 23,0	↑ 12,0
3 year	5,21	↑ 28,0	↑ 12,5
5 year	5,34	↑ 25,5	↑ 12,5
10 year	5,59	↑ 23,5	↑ 6,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	800 mn RON	800 mn RON
Thursday	7Y	300 mn RON	0 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,54	↑ 3,0	⇒ 0,0
3M ROBOR	4,52	↑ 9,0	↑ 10,0
6M ROBOR	4,77	↑ 7,0	↑ 4,0
1Y ROBOR	4,83	↑ 5,0	↑ 2,0
5Y CDS	176,77	↑ 0,5	↓ -3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5370	↑ 0,16	↑ 1,46
USD/RON	3,4289	↑ 0,68	↑ 2,56
CHF/RON	3,6972	↑ 0,74	↑ 1,91
100HUF/RON	1,51	↓ -0,48	↓ -0,99

Source: Reuters, OTP Research

Note: *Supplementary session for competitive offers

Summary

- BET down 0.93% while in Europe major indexes shed around 3% losses; Fondul Proprietatea dropped 1.93% yesterday;
- The leu weakened further yesterday but volatility was much lower than peer currencies; EUR/RON opened lower this morning
- After we saw yields surging 22-28 bp at NBR's fixing, the Treasury rejected all bids at yesterday's 7Y bond auction; it sold 2.1 bn RON this month, much less than the planned 3 bn RON.

European and US equities showed large corrections yesterday as the impact of Bernanke's announcement of reducing the monetary policy stimulus starting this year continued to change investment decisions. Especially in Europe, major indexes retreated around 3%, post announcement. BET lost less on average compared to the rest of European markets: it went down by 0.93% and the largest falls were witnessed by Transgaz (-2.31%) and Fondul Proprietatea (-1.93%). Also, Erste Group Bank dropped 2.96%, in line with corrections witnessed at European level. Total equities' turnover on BVB was higher than the previous day, amounting to 3.2 mn EUR. European and US equities futures do not look so pessimistic as the previous day and they mainly hint of some partial recovery of yesterday's losses.

The leu lost another 0.2% to the euro yesterday and the fall is much smaller than the dynamics of its peer currencies: the Polish Zloty weakened 1.3% to the euro, the Czech Crown 0.5% and the Hungarian forint 0.7%. The leu showed little volatility yesterday and even firmed moderately this morning and it is now trading around 4.52 (mid) on the interbanking market, compared to the higher close yesterday: 4.5370.

Government securities prices dropped as well: consequently, we saw yields taking large leaps between 22-28 bp yesterday. The largest hike was posted by the 3Y bond yields which seem to be among the preferred investment maturity for foreigners. In this unfriendly environment, yesterday's auction held by the Treasury was unsuccessful and all bids were rejected. Only one auction remains scheduled this month, 300 mn RON in 10Y bonds. Romania has sold only 2.1 bn RON this month, below the targeted 3 bn RON.

PERIOD	INDICATOR	FACT	PREVIOUS
Thursday		no data	
Friday		no data	

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		19-Jun-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,9792	↓ -0,12	↑	2,40	↑	16,30
OTP Obligatiuni	RON	12,6951	↑ 0,01	↑	2,94	↑	7,65
OTP ComodisRO	RON	15,3613	↑ 0,01	↑	2,79	↑	6,77
OTP Eurobond	EUR	11,4377	↑ 0,01	↑	2,83	↑	6,66

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