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# Daily Report – Romania

Last data: 25.06.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.246,22	↓ -1,27	↓ -2,53	
BET-C	2.821,90	↓ -1,30	↓ -2,75	
BET-FI	24.383,10	↓ -1,22	↓ -3,42	
BET-XT	481,13	↓ -1,33	↓ -2,61	
FP	0,6220	↓ -0,56	↓ -4,01	
TLV	1,2200	↓ -1,61	↑ 0,83	
SIF3	0,5380	↓ -2,18	↓ -3,58	
SNP	0,4175	↓ -1,07	↓ -2,22	
EBS	93,5000	↓ -6,59	↓ -13,18	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,66	↑ 0,5	↑ 13,5	
12 month	4,74	↑ 1,0	↑ 14,0	
3 year	5,22	↑ 4,5	↑ 21,0	
5 year	5,45	↑ 10,0	↑ 33,0	
10 year	5,62	↑ 4,5	↑ 13,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	10Y	300 mn RON	0 mn RON

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	4,77	↑ 201,0	↑ 228,0	
3M ROBOR	4,55	↑ 2,0	↑ 17,0	
6M ROBOR	4,80	→ 0,0	↑ 12,0	
1Y ROBOR	4,83	→ 0,0	↑ 6,0	
5Y CDS	217,67	↑ 15,6	↑ 41	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4850	↓ -0,88	↓ -0,11	
USD/RON	3,4284	↓ -0,74	↑ 2,27	
CHF/RON	3,6514	↓ -1,29	↑ 0,16	
100HUF/RON	1,5113	↓ -0,45	↓ -1,13	

Source: Reuters, OTP Research

### Summary

- BET retreated 1.27% yesterday, diverging from European markets where we saw increases of 1-1.5%.
- The EUR/RON is currently trading around 4.45 after closing at 4.4850 yesterday
- The Treasury rejected all bids again; 10Y yields are higher by more than 50 bp compared to end of May
- Private lending decelerates (-2.4% YoY in May); RON lending slightly improved due to retail component

BVB indexes continued to post losses yesterday, after the weak start of the day. BET finished down by 1.27% and the biggest correction was seen by the blue chips' index ROTX which dropped 2.29% yesterday, driven by Erste Group Bank (-6.59%). Most domestic banks slipped more than market average as well: BRD (-2.37%) and Banca Transilvania (-1.61%). Total equities' turnover stood at 4 mn EUR, less than last Friday. Three deals were made with Fondul Proprietatea, Prodplast and Transgaz and they made up almost one third of liquidity. Local indexes moved completely uncorrelated with the international markets: in Europe, major indexes gained around 1-1.5% and in the US they appreciated up to roughly 1% yesterday. Investors were relieved by the message sent by the Chinese Central Bank regarding the ease of liquidity conditions. In the US, markets were lifted by good signals from the economy where new house purchases rose in May to its 5Y high and business investment plans looked better for the 3<sup>rd</sup> consecutive month. The US durables goods came out better than the May forecast showing that the manufacturing sector is strengthening.

In line with the advance seen by the European stocks, the optimism is reflected also in the firming of the leu and its peer currencies. This morning, the EUR/RON is trading around 4.44 -4.45. The leu firmed the most today, compared to its peers.

Yesterday, the ministry of finance said that the consolidated budget deficit shrank to 1.1% in May, down from 1.2% during the first 4M. The IMF targets are closely scrutinized given the maturity of the stand by agreement in 30<sup>th</sup> June, especially since the cash budget deficit target for last year was missed.

The Treasury rejected all bids at yesterday's auction for 10Y bonds. The 10Y bond yield is more than 50 bp higher than at the end of May. The Treasury has sold less than the planned amount this month: only 2.1 bn RON compared to the planned 3 bn RON. The expiring amounts in July are 3 times higher than in June.

In May, private loans dropped further: -2.4% YoY compared to -2.1% YoY. RON lending was slightly improved exclusively due to retail loans. Private saving also softened its pace to 4.4% YoY in May from 4.8% YoY in April. The only subcomponent that saw an improvement was dynamics of the corporate deposits in leu which stood at +0.1% YoY whereas it has been in the negative territory for the previous 5 consecutive months.

	PERIOD	INDICATOR	FACT	PREVIOUS	
	Thursday	May	Non -governmental loans (y-o-y, %)	-2,4	-2,1
		May	Non -governmental deposits (y-o-y, %)	4,4	4,8
	Wednesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		21-Jun-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,8946	↓ -0,12	↑	1,15	↑	15,37
OTP Obligatiuni	RON	12,7029	↑ 0,05	↑	2,96	↑	7,61
OTP ComodisRO	RON	15,3641	↑ 0,01	↑	2,81	↑	6,72
OTP Eurobond	EUR	11,4395	↑ 0,01	↑	2,85	↑	6,66

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