

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

Last data: 5.07.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.277,05	↑ 0,35	↑ 0,29	
BET-C	2.828,39	↑ 0,21	↑ 0,21	
BET-FI	24.386,25	↑ 0,57	↓ -0,01	
BET-XT	483,38	↑ 0,25	↑ 0,18	
FP	0,6215	↑ 1,47	↑ 0,57	
SIF3	0,5390	↑ 1,13	↓ -0,19	
SIF1	1,1200	↓ -0,88	↓ -3,45	
TGN	183.0000	↑ 0,55	↑ 1,44	
TLV	1,2500	↓ -0,40	↓ -0,40	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,47	↓ -1,0	↓ -8,5	
12 month	4,63	↓ -0,5	↓ -6,0	
3 year	4,97	↓ -1,5	↓ -17,5	
5 year	5,13	↓ -2,0	↓ -18,5	
10 year	5,31	↓ -1,5	↓ -21,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	2Y	300 mn RON	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	4,99	↓ -6,0	↓ -56,0	
3M ROBOR	4,61	↑ 2,0	⇒ 0,0	
6M ROBOR	4,81	⇒ 0,0	↓ -3,0	
1Y ROBOR	4,80	⇒ 0,0	↓ -2,0	
5Y CDS	194,47	⇒ 0,0	↓ -0,9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4498	↑ 0,32	↓ -0,26	
USD/RON	3,4677	↑ 0,96	↑ 1,12	
CHF/RON	3,5995	↑ 0,25	↓ -0,84	
100HUF/RON	1,5033	↓ -0,54	↓ -0,59	

Source: Reuters, OTP Research

Summary

- BET gained 0.35% on Friday on low turnover, contrary to European markets where equities were hit by US macro data; the US jobs report triggered concerns that Fed could reduce stimulus measures soon
- Following the US macro data, the leu and its peers weakened between 0.3-0.9% to the euro
- Constructions advanced by 3.1% MoM (seasonally adjusted) supported by residential buildings works and civil engineering.

Domestic indexes posted small gains on Friday, whereas in Europe equities have been hit by worries that the Fed could soon start reduce stimulus measures, as the economy is going stronger: this followed the June report for US jobs data which came out much better than expected. Back to the local market, the turnover amount was small, only 2.4 mn EUR.

The news that moved equities affected European emerging market currencies as well : the leu fell 0.3% against the euro and its peers (the Polish zloty, the Czech Crown and Hungarian forint) gave up between 0.4-0.9% to the euro. This morning, EUR/RON is trading around 4.45.

Money market rates continued to decline on Friday, as expected. ROBOR ON stood at 4.99%. According to May's bulletin, ON deposits placed with NBR facility went up to 2.2 bn RON/ day in June, compared to 0.4 bn RON in May. The recent spike in money market rates was driven by deteriorated risk perception and banks went back to taking more liquidity from the Central Bank at the weekly repo auction.

Today, the Treasury will hold a bond auction to sell 300 mn RON in 2Y bonds. Bond yields have partially calmed down after the initial spike: last Friday, they were lower between 17-21 bp on a weekly basis. The 3Y bond yield (mid) was 4.97% at Friday's fixing.

Construction works fell by 8.9% YoY in May. However, the seasonally adjusted data points to a monthly growth of 3.1% MoM in May, which was driven by residential buildings (+5.9% MoM) and civil engineering (+11.3% MoM).

PERIOD		INDICATOR	FACT	PREVIOUS
Friday	May	Industrial trade turnover index (y-o-y, %)	-1,6	13,0
	May	Net wage growth rate (y-o-y, %)	5,3	7,0
	May	Index value of new orders in manufacturing (y-o-y, %)	6,2	31,2
Monday	May	Construction works index (y-o-y, %)	-8,9	-11,1

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		04-Jul-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,8044	↑ 0,48		↓ -0,76		↑ 11,55
OTP Obligatiuni	RON	12,7236	↑ 0,01		↑ 3,17		↑ 7,60
OTP ComodisRO	RON	15,3911	↑ 0,01		↑ 2,99		↑ 6,57
OTP Eurobond	EUR	11,4506	↑ 0,01		↑ 2,95		↑ 6,58

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