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Daily Report – Romania

Last data: 9.07.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.347,48	↑ 0,69	↑ 1,97
BET-C	2.871,05	↑ 0,76	↑ 1,88
BET-FI	24.679,99	↑ 0,34	↑ 1,31
BET-XT	488,95	↑ 0,47	↑ 1,39
FP	0,6375	↑ 1,51	↑ 5,11
TGN	189,0000	↑ 1,34	↑ 4,71
SIF1	1,1280	↓ -0,44	↓ -0,97
SIF3	0,5380	↓ -0,37	↑ 1,13
SIF2	1,2550	↔ 0,00	↑ 1,62

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,45	↓ -2,0	↓ -6,0
12 month	4,58	↓ -4,5	↓ -6,0
3 year	4,94	↓ -3,0	↓ -7,5
5 year	5,11	↓ -2,5	↓ -8,0
10 year	5,28	↓ -2,0	↓ -12,5

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	2Y	300 mn RON	300 mn RON
Thursday	3Y	500 mn RON	

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,60	↓ -35,0	↓ -64,0
3M ROBOR	4,59	↓ -1,0	↓ -3,0
6M ROBOR	4,80	↓ -2,0	↓ -3,0
1Y ROBOR	4,80	↓ -1,0	↓ -1,0
5Y CDS	194,53	↑ 0,1	↓ -1,8

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4415	↓ -0,24	↑ 0,07
USD/RON	3,4751	↑ 0,47	↑ 1,61
CHF/RON	3,5712	↓ -0,55	↓ -0,72
100HUF/RON	1,5178	↑ 0,55	↑ 0,50

Source: Reuters, OTP Research

Summary

- BET gained 0.69% yesterday; a deal of 60 mn EUR was made with Fondul Proprietatea and its stock was up by more than 5% on a weekly basis yesterday
- In June, inflation stood at 5.4% YoY; core 2 adjusted inflation edged up to 2.9%, the first time this year
- In May, industry drooped significantly (-10.7% MoM, seasonally adjusted and -2.1% YoY)
- Exports nearly flat in May (+0.1% MoM) and imports down by 10.5% YoY

Local indexes finished in the green yesterday on a high turnover, mostly made up by a 59.6 mn EUR deal made with Fondul Proprietatea. The turnover was the largest since 22 April when the Transgaz SPO was recorded. Fondul Proprietatea has recovered more than 5% on a weekly basis and closed at 0.6375 RON/share yesterday on the regular market. The deal was made at 0.6280 RON/share. Transgaz made a comeback as well and it is up 4.7% on a weekly basis. In Europe, we also witnessed positive developments, with most of the indexes gaining up to 1%. European equities have been boosted by strong Q2 earnings results of aluminum producer Alcoa, which opened up Q2 reporting season on a good note.

The improved signals from the US economy and the strong start of the earnings reporting seasons pushed the dollar up against the euro by 0.7% yesterday: EUR/USD closed at 1.2781. Meanwhile, the leu and most of its peers marched up 0.2-0.7% against the euro. EUR/RON is currently trading below 4.44 on the interbanking market. Meanwhile, RON interest rates continue to decline and the immediate effect of another relative high liquidity injection at the weekly repo on Monday was that ROBOR ON moved down 35 bp. Government securities yields continue to retreat, in line with lower interest rates and the first auction of the month had encouraging results.

In June, inflation stood at 5.4% YoY and 0% MoM. It was lower than analysts' expectations of 5.5% YoY but slightly higher than Central Bank's expectations of 5.3% YoY. More worrisome, all measures of core inflation pointed to an uptake on an annual basis. Core 2 adjusted inflation (CPI excluding administered prices, volatile items, alcohol and tobacco) inched up to 2.9% YoY after having continuously dropped since the beginning of the year.

In May, exports remained nearly flat (+0.1% YoY) compared to the strong advance witnessed in April (+15.5% YoY). Imports declined by 10.5% YoY. In line with negative trade data, industrial production fell by 2.1% YoY in May. The seasonally adjusted data is especially weak: -10.7% MoM.

PERIOD	INDICATOR	FACT	PREVIOUS		
Tuesday	no data				
Wednesday	June	Consumer price index (y-o-y, %)	5,4	5,5	5,3
	May	Exports (y-o-y, %)	0,1		15,50
	May	Imports (y-o-y, %)	-10,5		5,0
	May	Industrial Production Index (y-o-y, %)	-2,1		19,9

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		08-Jul-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,8643	↑ 0,66	↓ -0,07	↑ 13,70		
OTP Obligatiuni	RON	12,7307	↑ 0,04	↑ 3,20	↑ 7,59		
OTP ComodisRO	RON	15,3995	↑ 0,04	↑ 3,01	↑ 6,57		
OTP Eurobond	EUR	11,4540	↑ 0,02	↑ 2,97	↑ 6,57		

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