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Daily Report – Romania

Last data: 1.08.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.487,26	↑ 1,55	↑ 2,34	
BET-C	2.924,88	↑ 1,10	↑ 1,88	
BET-FI	24.160,49	↑ 0,40	↑ 0,28	
BET-XT	494,58	↑ 1,30	↑ 1,84	
FP	0,6510	↑ 0,23	↑ 0,54	
EBS	103,5000	↑ 3,50	↑ 5,40	
SNP	0,4320	↑ 1,89	↑ 1,86	
BRD	7,9000	↑ 0,64	↑ 3,95	
SIF3	0,5400	↑ 0,09	↓ -0,74	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,23	↑ 2,0	↑ 1,5	
12 month	4,31	↑ 2,5	↑ 1,0	
3 year	4,62	↑ 2,0	↓ -1,5	
5 year	4,74	↑ 0,5	↓ -2,0	
10 year	5,08	↑ 3,0	↓ -0,5	

GOV'T BOND AUCTIONS			
Maturity	Auctions	Sold	

MONEY MARKET				
	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)	
ON ROBOR	3,99	↓ -17,0	↓ -52,0	
3M ROBOR	4,49	↓ -3,0	↓ -1,0	
6M ROBOR	4,71	⇒ 0,0	↓ -2,0	
1Y ROBOR	4,71	↓ -1,0	↓ -2,0	
5Y CDS	182,51	↓ -1,8	↑ 4,5	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4163	↑ 0,02	↑ 0,46	
USD/RON	3,3441	↑ 0,74	↑ 1,00	
CHF/RON	3,5689	↓ -0,36	↑ 0,24	
100HUF/RON	1,4692	↓ -0,40	↓ -0,74	

Source: Reuters, OTP Research

Summary

- Equities rallied yesterday worldwide after Mario Draghi's comments and good macroeconomic data released; BET gained 1.55% and the deals market was very active (19 deals)
- Retail sales continued to fall (-4.2%) but stagnated on a monthly basis (0.1% MoM, seasonally adjusted)
- The FX reserves rose by 1 bn EUR in July; public debt service in foreign currency are 1.6 bn EUR in August.
- Producer Price Index stood at 2.8% YoY in June, up from previous 2.6% YoY.

Yesterday was a good day for equities around the world. BVB indexes gained up to 2%, in line with the rally seen in Europe, where major indexes posted similar gains. ECB's announcement of an extended period of low interest rates gave support for equities, especially since the Fed transmitted a similar comforting message to the markets the previous day, saying that it will continue its asset purchase program. BET gained 1.55% yesterday, supported especially by the significant hike of Banca Transilvania (+4.76%), followed by OMV Petrom (+1.89%). Blue chips have seen the best evolution, among indexes, with ROTX moving up 2.03%, driven by the previous two stocks but also by Erste Group Bank (+3.5%). Total equities' turnover was almost double than the previous day and stood at 11.3 mn EUR. The deals market was very active, 19 deals being made with 7 stocks and covering almost half of the liquidity.

In June, producer price index rose to 2.8% YoY, from previous 2.6% YoY. On the domestic market, inflation was only slightly lower than the previous month, 4.9% YoY in June versus 5% YoY in May whereas on the external markets prices continued to dip (-1.3% YoY) but less than in May (-1.8 YoY). This is in line with the improved macro data that was released in Europe in June.

Retail sales fell further in June, by 4.2% YoY (gross data). The annual dynamics was most affected by the fuels sales (-9.7 YoY), followed by food sales (-3.8 % YoY). On a monthly basis, the seasonally adjusted data shows that retail sales stagnated in June, after having fallen by 3.2% MoM in May. This time, rising fuels sales were the only support while food and non food sales dipped by 2.7% MoM and 2.6% MoM, respectively. In Q2, it looks like retail sales were lower than in Q1. They are a proxy for household consumption which has been weakening on a quarterly basis in Q1 as well.

The FX reserves rose by 1 bn EUR in July, to 33.4 bn EUR. Inflows were 1.8 bn EUR and outflow stood at 0.8 bn EUR. In August, the public debt service in foreign currency amount to 1.6 bn EUR.

PERIOD	INDICATOR	FACT	PREVIOUS
Thursday July	FX reserves (bn EUR)	33,4	32,3
Friday June	Retail trade turnover index (y-o-y, %)	-4,2	-4,3
June	Producer Price Index (y-o-y, %)	2,8	2,6

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		31-Jul-13				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	6,8733	↑ 0,07	↑ 0,65	↑ 10,44	
OTP Obligatiuni	RON	12,7852	↑ 0,01	↑ 3,67	↑ 7,56	
OTP ComodisRO	RON	15,4538	↑ 0,01	↑ 3,41	↑ 6,57	
OTP Eurobond	EUR	11,4797	↑ 0,01	↑ 3,21	↑ 6,26	

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