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# Daily Report – Romania

Last data: 9.08.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.749,83	↓ -0,69	↑ 4,33
BET-C	3.049,92	↓ -0,50	↑ 3,79
BET-FI	25.676,90	↓ -0,89	↑ 5,98
BET-XT	520,39	↓ -0,65	↑ 4,93
EBS	112,8000	↑ 0,71	↑ 6,92
FP	0,6800	↓ -1,16	↑ 2,72
TLV	1,3700	↑ 0,37	↑ 2,32
SIF3	0,5795	↓ -0,60	↑ 7,31
SIF1	1,0800	↓ -1,01	↑ 4,85

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,89	↓ -0,5	↓ -33,0
12 month	3,95	↓ -0,5	↓ -36,5
3 year	4,38	↔ 0,0	↓ -26,5
5 year	4,52	↓ -0,5	↓ -22,5
10 year	4,95	↓ -1,5	↓ -14,5

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

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,20	↓ -23,0	↓ -162,0
3M ROBOR	3,92	↓ -9,0	↓ -53,0
6M ROBOR	4,27	↓ -6,0	↓ -44,0
1Y ROBOR	4,28	↓ -6,0	↓ -43,0
5Y CDS	184,26	↔ 0,0	↑ 1,8

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4263	↓ -0,34	↑ 0,13
USD/RON	3,3220	↑ 0,08	↓ -0,26
CHF/RON	3,6009	↓ -0,13	↑ 0,31
100HUF/RON	1,4952	↑ 0,36	↑ 0,84

Source: Reuters, OTP Research

### Summary

- Domestic equities corrected some of the previous gains and BET fell 0.695 on Friday, whereas it stood higher by 4.3% on a weekly basis
- The Treasury will hold an auction to sell 300 mn RON in bonds with a residual maturity of 3Y today
- Inflation dropped to 4.4% YoY in July from 5.4% YoY in June; the monthly decline was driven by vegetables (-13.3% MoM) and fruits (-4.5% MoM)
- The Government securities yields shifted down 22-33 bp on a weekly basis.

BVB indexes closed in the red on Friday, after having climbed continuously through the week. BET lost 0.69% on a daily basis but it is up 4.33% on a weekly basis. Total equities' turnover was lower than in the previous three sessions and stood at 6.5 mn EUR. Only one deal was made with Fondul Proprietatea. In Europe, major stocks advanced on Friday and European futures look bright this morning as well. Data coming from China at the end of the last week positively influenced European equities as industrial output for July came better than expected.

The yield curve came down 22-33 bp last week as money market rates eased significantly and NBR's guidance also pointed to this direction, after it had announced that more base rate cuts are likely. 3M ROBOR fell 53 bp on a weekly basis and ON ROBOR ended at 2.2% on Friday. This week, the Treasury will hold an auction to sell 300 mn RON in bonds with a 3Y residual maturity. Given last week's results, demand is likely to remain healthy.

July's inflation came at 4.4%, much lower than markets' expectations at 4.8% YoY. Core 2 adjusted inflation slowed down significantly, from the previous 2.9% YoY to 2.5% YoY. The Central Bank is expecting it to adjust as low as 1.8% YoY in September and December 2013. Looking at main groups, food price inflation came down to 3.9% YoY from 5.8% YoY in June, non food goods inflation showed a less spectacular deceleration to 5.5% YoY and services price inflation dropped to 3% YoY in July from 3.5% YoY in June. In the month, what drove the headline at -0.3% MoM were especially the vegetables (-13.3% MoM) followed by fruits (-4.5%). This reemphasizes that this year's agricultural production will be rich and shows that NBR's call to take a step further in slicing the base rate is supported by inflation dynamics.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	June	Exports (y-o-y, %)	7,0		0,1
	June	Imports (y-o-y, %)	-6,5		-10,5
	June	Industrial Production Index (y-o-y, %)	5,0		-1,7
Monday	July	Consumer price index (y-o-y, %)	4,4	4,80	5,4
	June	CA balance (EUR mn, YTD)			314,5

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		08-Aug-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2113	↑ 1,22	↑ 4,40	↑ 13,92		
OTP Obligatiuni	RON	12,8041	↑ 0,02	↑ 3,81	↑ 7,58		
OTP ComodisRO	RON	15,4749	↑ 0,02	↑ 3,54	↑ 6,52		
OTP Eurobond	EUR	11,4871	↑ 0,01	↑ 3,28	↑ 6,23		

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