

Last data: 20.08.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.903,55	↓ -0,51	↑ 0,93
BET-C	3.106,70	↓ -0,33	↑ 0,58
BET-FI	25.923,85	↓ -0,46	↓ -0,37
BET-XT	530,71	↓ -0,45	↑ 0,49
FP	0,7015	↓ -0,71	↑ 0,21
EBS	111,4000	↓ -3,13	↓ -3,30
TLV	1,4200	↓ -1,39	↑ 1,43
SIF3	0,5900	↓ -0,51	→ 0,00
TEL	13,7500	↓ -1,08	↑ 2,69

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,77	↑ 1,0	↓ -3,0
12 month	3,86	→ 0,0	↓ -2,5
3 year	4,28	↑ 1,0	↓ -1,5
5 year	4,54	↑ 4,0	↑ 6,0
10 year	4,96	↑ 1,0	↑ 4,5

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	3Y	500 mn RON	500 mn RON
Thursday	5Y	500 mn RON	

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,68	↓ -4,0	↓ -35,0
3M ROBOR	3,71	↓ -2,0	↓ -10,0
6M ROBOR	4,10	↑ 1,0	↓ -7,0
1Y ROBOR	4,15	→ 0,0	↓ -5,0
5Y CDS	190,54	↑ 0,9	↑ 5,8

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4405	↓ -0,34	↑ 0,35
USD/RON	3,3111	↓ -0,91	↓ -0,75
CHF/RON	3,6080	↓ -0,20	↑ 0,93
100HUF/RON	1,4837	↑ 0,09	↑ 0,06

Source: Reuters, OTP Research

Summary

- Local indexes took a hit yesterday (between -0.3% and -1.1%), in line with European markets; all eyes are looking at today's reading of Federal Reserves' policy meeting minutes
- The EUR/RON is trading around 4.45 after having edged down yesterday but the leu lacks strong support
- The cash deficit falls to 1% during the first 7M;
- NBR's August business survey shows perspectives in industry are deteriorating.

BVB indexes took a hit yesterday and dropped some 0.3-1.1%, with blue chips recording the highest fall. ROTX (-1.1%) was driven especially by Erste Group Bank (-3.13%), Banca Transilvania (-1.39%) and Transelectrica (-1.08%). Total equities' turnover stood at EUR 5.8 mn, lower than the previous day and 3 deals were made, covering less than one fifth of the market. The Deals were made with Fondul Proprietatea, SIF Moldova and OMV Petrom. The corrections seen yesterday were in line with the dynamics of the European market. More guidance far is expected to be obtained later on today in reference to the moment when the tapering will start in the US and by how much and also to what extent the liquidity injection has helped the economy so far. Tonight, the minutes of July's Federal Reserve policy meeting will be disclosed.

The leu and its peers moved up against the euro yesterday and the dollar lost 0.6% to the euro, EUR/USD having closed at 1.3417. However this morning the leu fell back and the EUR/RON is trading around 4.45. We expect this week to be all about the Fed and we see less support factors for the leu. Also, low money market rates do not prove any enhancement to the leu.

Somehow encouraging, the Budget Minister announced that preliminary data shows that the budget deficit stood at 1% during the first 7M. This is a decline from 1.1% during the first half of the year. The IMF has recently revised up Romania's GDP growth to 2% YoY this year and agreed on a cash deficit target of 2.3%. The feedback of the Fiscal Council for the half year revision is negative and chances that the cash deficit target will be missed seem likely. We expect to see the detailed figures. Recently, the Budget Minister gave details (to Ziarul Financiar) over the financing buffer as well and from this point of view, the situation looks much brighter: the buffer stands at EUR 6 bn and it should cover 4M of funding needs.

NBR published its August business survey: the NBR says that the outlook in industry is deteriorating, but the seasonally adjusted series still point to growth. In constructions, the seasonal effects cause some optimism.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	no data			
Wednesday	no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		19-Aug-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2449	↑ 0,14	↑ 6,02	↑ 12,64		
OTP Obligatiuni	RON	12,8253	↑ 0,04	↑ 3,96	↑ 7,56		
OTP ComodisRO	RON	15,5043	↑ 0,04	↑ 3,72	↑ 6,55		
OTP Eurobond	EUR	11,4972	↑ 0,02	↑ 3,35	↑ 6,19		

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