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# Daily Report – Romania

Last data: 03.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.792,90	↓ -0,83	↓ -0,78	
BET-C	3.048,76	↓ -0,62	↓ -0,82	
BET-FI	25.328,24	↓ -1,28	↓ -0,88	
BET-XT	520,84	↓ -0,92	↓ -0,74	
FP	0,6820	↓ -1,09	↑ 0,07	
BRD	8,5000	↓ -0,58	↑ 0,47	
SIF2	1,2260	↓ -1,84	↓ -1,37	
SNP	0,4372	↓ -0,46	↑ 0,51	
SIF3	0,5730	↓ -2,39	↓ -1,04	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,90	↑ 0,5	↑ 8,0	
12 month	3,97	↑ 0,5	↑ 8,0	
3 year	4,46	↑ 0,5	↑ 11,5	
5 year	4,76	↑ 0,5	↑ 10,0	
10 year	5,16	↑ 0,5	↑ 6,5	

GOV'T BOND AUCTIONS			
Maturity	Auctions	Sold	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,69	↓ -5,0	↑ 4,0	
3M ROBOR	3,87	→ 0,0	↑ 16,0	
6M ROBOR	4,13	→ 0,0	↑ 4,0	
1Y ROBOR	4,15	↓ -1,0	↑ 2,0	
5Y CDS	190,99	→ 0,0	↓ -1,4	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4375	↑ 0,43	↑ 0,02	
USD/RON	3,3694	↑ 0,60	↑ 1,73	
CHF/RON	3,5981	↑ 0,39	↓ -0,43	
100HUF/RON	1,4668	↓ -0,31	↓ -0,31	

Source: Reuters, OTP Research

### Summary

- BVB indexes finished in the red yesterday, in line with European markets
- GDP rose by 1.5% YoY and 0.5% QoQ, more than the flash estimates (1.3% YoY and 0.3% QoQ); industry and agriculture were the most important drivers; households consumption marginally up in Q2 (+0.2% QoQ)
- The EUR/RON trades around 4.44, unimpressed by the GDP data
- The net wages rose by 5.1% YoY in July compared to 3.5% YoY in June.

BVB indexes ended in the red territory yesterday, in line with the dynamics seen in Europe where major indexes gave away up to 1% on average. BET was down 0.83% driven mainly by Banca Transilvania (-1.8%) and Fondul Proprietatea (-1.09%). Total equities' turnover stood at EUR 5.3 mn and roughly half was made by 3 deals with Banca Transilvania ( EUR 2.2 mn) and SIF Transilvania.

Detailed GDP data for Q2 show higher figures than the flash estimate: the economy grew by 1.5% YoY against the 1.3% YoY previously estimated and on a quarterly basis the jump was 0.5% QoQ, higher than the flash data of +0.3%QoQ. What seem to have been the common drivers of both quarterly and annual advance were industry (+4.9% YoY) and agriculture (+17.7% YoY). On an annual basis, services were also a support factor, including the more cyclical financial and real estate business. The public services were also on the positive side (+1.6% YoY). Households consumption was estimated to have grown by 0.2% YoY and by 0.2% QoQ while public consumption was marginally down on an annual basis but rose significantly in the second quarter (+3.2% QoQ). The quarterly dynamics shows that investments were nearly flat but still in the negative territory, while exports continued to support the economic advance. If consumer and business confidence revive, we could see stronger figures in both consumption and investments in the future, this being the weak spots for the moment whereas external demand helped the rise in exports. Investments should also gain traction if infrastructure projects kick off. Unfortunately, if we consider companies' demand for loans as a proxy for future investments, Q3 does not look bright either, in what concerns the increase in private investments. Core processes do not look revived yet, but prospects are good and perception is to be improved given the disinflation process that takes place, lower RON interest rates, the relative strength of the leu and on the other hand the external signals: the ECB said that the interest rates in euro will remain low or even drop until the Eurozone growth resumes.

The EUR/RON is currently trading around 4.44, unimpressed by the GDP data. After having gained some strength the previous day, the leu and its peers fell back between 0.3-0.8% yesterday.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday July	Producer Price Index (y-o-y, %)	1,6		2,8
Wednesday Q2	Detailed GDP (QoQ, seasonally adjusted)	0,5		0,3
July	Net wage growth rate ( y-o-y, %)	5,1		3,5

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		02-Sep-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1362	↑ 0,52	↑ 4,04	↑ 10,13		
OTP Obligatiuni	RON	12,8499	↑ 0,04	↑ 4,17	↑ 7,43		
OTP ComodisRO	RON	15,5411	↑ 0,03	↑ 3,97	↑ 6,52		
OTP Eurobond	EUR	11,5164	↑ 0,02	↑ 3,53	↑ 6,20		

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