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Daily Report – Romania

Last data: 24.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.916,44	↓ -0,25	↑ 1,57	
BET-C	3.115,19	↑ 0,14	↑ 1,65	
BET-FI	26.509,90	↑ 0,30	↑ 1,79	
BET-XT	534,35	↓ -0,12	↑ 1,61	
SNP	0,4435	↓ -1,03	↑ 2,38	
FP	0,7230	↑ 0,14	↑ 2,41	
EBS	105,8000	↑ 0,09	↓ -0,94	
SIF1	1,0840	↑ 0,37	↑ 1,69	
SIF3	0,6075	↔ 0,00	↑ 1,50	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,54	↓ -2,0	↓ -18,0	
12 month	3,67	↓ -2,5	↓ -13,5	
3 year	4,20	↓ -3,0	↓ -21,0	
5 year	4,43	↓ -1,5	↓ -25,0	
10 year	5,00	↑ 1,0	↓ -16,0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	5Y	RON 700 mn	RON 700 mn
Thursday	10Y	RON 500 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,45	↑ 90,0	↑ 50,0	
3M ROBOR	3,38	↓ -15,0	↓ -31,0	
6M ROBOR	3,85	↓ -11,0	↓ -23,0	
1Y ROBOR	3,90	↓ -12,0	↓ -22,0	
5Y CDS	173,06	↑ 3,6	↓ -5,5	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4723	↑ 0,12	↓ -0,18	
USD/RON	3,3196	↑ 0,29	↓ -1,02	
CHF/RON	3,6353	↑ 0,05	↑ 0,37	
100HUF/RON	1,4947	↓ -0,07	↓ -0,78	

Source: Reuters, OTP Research

Summary

- BET lost 0.25% yesterday driven by OMV Petrom and Banca Transilvania which dropped around 1% each
- The EUR/RON is trading above 4.47 in an environment with low money market rates; we keep in mind the base rate decision next Monday, when a 25 bp rate cut is expected
- Private lending dropped 2.6% YoY in August; corporate loans in leu saw and improvement; mortgage lending also had a faster pace (+10.6% YoY); private deposits were up 5.1% YoY.

BVB indexes finished mixed yesterday on a turnover of EUR 4.4 mn. BET lost 0.25% and the blue chips' index ROTX had a similar drop. The top 25 most liquid companies did not fare better either. They were driven down by the declines suffered by OMV Petrom and Banca Transilvania of around 1% each. Tier 2 companies in the energy sector marked significant gains. Among them we list Dafora (+9.7%) and Condmag (+3.6%). One third of liquidity was made by 5 deals with BRD, Transgaz, SIF Banat Crisana and SIF Oltenia.

The EUR/RON is currently trading above 4.47 and money market rates continue to decrease. On Monday, the Central Bank is widely expected to cut the base rate by 25 bp but a bigger cut have a negative effect on the leu, at least in the short term.

August banking statistics showed that private lending fell by 2.6% YoY compared to -4.4% YoY in July. However, to this result contributed also the effect of leu's appreciation on an annual basis, which was much smaller in August, only 0.5% compared to 3.6% YoY in July. Translated in original currencies, we notice that FX lending contracted further while RON lending rhythm remained nearly the same as in July, at 0.6% YoY. The retail loans data was worse than in July, due to consumer loans whereas the pace of mortgage loans went up back to 10.6% YoY from previous 6.5% YoY. In the case of corporate loans, we witnessed an improvement in lending in leu, from 2% YoY in July to 2.3% YoY in August. This could be an early sign that companies are changing their view on making investments, in line with a moderately improved business confidence and also lower rates in leu. In what concerns private deposits, the rhythm accelerated in August to 5.1% YoY from 2.9% YoY in July. We notice that in original currency, both companies and individuals showed a preference for local currency deposits and the rhythm increased for savings in leu whereas it dropped for the ones in foreign currency.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Aug	Non -governmental loans (y-o-y, %)	-2,6	-4,4
	Aug	Non -governmental deposits (y-o-y, %)	5,1	2,9
	Aug	M3 aggregate (y-o-y, %)	4,3	2,0
Wednesday	no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		23-Sep-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2221	↑ 0,21	↑ 5,61	↑ 10,51		
OTP Obligatiuni	RON	12,8849	↑ 0,03	↑ 4,45	↑ 6,93		
OTP ComodisRO	RON	15,5783	↑ 0,03	↑ 4,22	↑ 6,43		
OTP Eurobond	EUR	11,5348	↑ 0,02	↑ 3,69	↑ 5,53		

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