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Daily Report – Romania

Last data: 01.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.017,68	↓ -0,41	↑ 1,71	
BET-C	3.171,79	↓ -0,24	↑ 1,82	
BET-FI	26.805,30	↓ -0,18	↑ 1,11	
BET-XT	540,23	↓ -0,44	↑ 1,10	
FP	0,7655	↑ 0,72	↑ 5,88	
RPH	0,3700	↔ 0,00	↓ -1,33	
TEL	13,7000	↓ -0,15	↑ 1,11	
SIF3	0,5990	↓ -0,42	↓ -1,40	
SNP	0,4452	↓ -0,63	↑ 0,38	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,54	↔ 0,0	↑ 0,5	
12 month	3,71	↑ 1,5	↑ 3,5	
3 year	4,21	↑ 1,0	↑ 1,0	
5 year	4,48	↓ -0,5	↑ 4,5	
10 year	5,14	↓ -0,5	↑ 14,5	

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

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,55	↑ 1,0	↑ 110,0	
3M ROBOR	3,26	↓ -3,0	↓ -12,0	
6M ROBOR	3,79	↓ -1,0	↓ -6,0	
1Y ROBOR	3,87	↓ -1,0	↓ -3,0	
5Y CDS	173,97	↔ 0,0	↑ 0,9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4475	↓ -0,16	↓ -0,55	
USD/RON	3,2881	↓ -0,27	↓ -0,95	
CHF/RON	3,6309	↓ -0,23	↓ -0,12	
100HUF/RON	1,5024	↑ 0,21	↑ 0,52	

Source: Reuters, OTP Research

Summary

- After yesterday's decline, BVB opened up this morning, as worries related to the political turmoil in Italy receded while in the US, the impact of the government shutdown has been assessed as limited
- The Treasury plans to sell RON 4.7 bn in government debt in October; It also targets to sell EUR 150 mn in 3Y bonds;
- Retail trade advanced by 0.8% MoM due to food sales; so far in Q3, retail sales grew compared to Q2.

Local indexes lost between 0.2-0.5% yesterday and total equities' turnover stood at EUR 6.5 mn. Of the blue chips, only Fondul Proprietatea (+0.72%) and Erste Group Bank (+0.24%) made a step up. The deals market was not as active as the previous day and only 3 trades were made amounting to 13% of the equities' turnover. In Europe, most of the indexes posted gains as the political turmoil in Italy seems to take a step back. Markets will be watching today's ECB rate set meeting, but not to look for a change in the current rate of 0.5%. Instead, investors will look for guidance related to another long term refinancing operation that was suggested as a possible next policy action. Mr. Draghi will try to convince the markets that interest rates will remain low, as communicated previously, even though the European economy is slowly rebounding and confidence indicators have improved.

The markets assessed the peril of the US government shutdown and found the impact as being limited so the dollar opened up the euro this morning. As the US situation is taking a backseat for the moment, expectations of a message that is pro easy monetary policy in the Eurozone marginally weakened the euro against the leu and its peers as well. The EUR/RON closed lower by 0.16% yesterday and it is trading around 4.45 this morning.

The Treasury announced that it will sell RON 4.7 bn in bonds in October and between RON 4-4.5 bn/month in November and December. It also plans to sell EUR 150 mn in 3Y bonds. The first two auctions in October will be held tomorrow, when the Treasury targets RON 1 bn in 5Y and 10Y bonds. Considering the message sent by the Central Bank on Monday, yields are expected to continue to fall in the coming months and we look for another base rate cut until Q1 2014.

Retail trade fell by 1.4% YoY in August but posted a positive monthly evolution (+0.8% MoM, seasonally adjusted). In the month, only food sales showed an uptake (+0.8% MoM) and fuels sales dropped the most (-2.9% MoM). Q3 retail trade data so far points to an increase compared to the previous quarter which means that consumption is likely on an ascending path as well.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Aug	ILO unemployment (seasonally adjusted, %)	7,5		7,5
	Sep	FX reserves (bn EUR)	33,1		32,2
Wednesday	Aug	Retail trade turnover index (y-o-y, %)	-1,4		1,2
	Aug	Producer Price Index (y-o-y, %)	0,6		1,6

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		30-Sep-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,2894	↓ -0,42	↑	7,27	↑	13,92
OTP Obligatiuni	RON	12,8991	↑ 0,06	↑	4,54	↑	6,96
OTP ComodisRO	RON	15,5872	↑ 0,03	↑	4,29	↑	6,40
OTP Eurobond	EUR	11,5407	↑ 0,02	↑	3,75	↑	5,55

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