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Daily Report – Romania

Last data: 02.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.029,94	↑ 0,20	↓ -0,49	
BET-C	3.174,68	↑ 0,09	↓ -0,04	
BET-FI	26.882,51	↑ 0,29	↑ 0,15	
BET-XT	541,63	↑ 0,26	↓ -0,66	
FP	0,7650	↓ -0,07	↑ 3,73	
TEL	13,6300	↓ -0,51	↑ 0,15	
BRD	8,9500	↑ 0,56	↓ -2,72	
SIF1	1,0750	↓ -0,19	↓ -2,18	
SIF3	0,6020	↑ 0,50	↓ -1,95	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,54	→ 0,0	↓ -0,5	
12 month	3,70	↓ -0,5	↑ 2,0	
3 year	4,21	↑ 0,5	↑ 2,0	
5 year	4,49	↑ 1,0	↑ 1,0	
10 year	5,16	↑ 1,5	↑ 9,5	

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	3,00	↓ -55,0	↑ 74,0	
3M ROBOR	3,17	↓ -9,0	↓ -7,0	
6M ROBOR	3,74	↓ -5,0	↓ -5,0	
1Y ROBOR	3,83	↓ -4,0	↓ -6,0	
5Y CDS	173,97	→ 0,0	↑ 0,9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4430	↓ -0,10	↓ -0,33	
USD/RON	3,2716	↓ -0,50	↓ -0,79	
CHF/RON	3,6241	↓ -0,19	↓ -0,02	
100HUF/RON	1,4981	↓ -0,29	↑ 0,68	

Source: Reuters, OTP Research

Summary

- BVB indexes gained 0.2%- 0.3% yesterday and they are up this morning as well, as sentiment improved due to positive macro data showing that the Chinese services industry rose to a 6M high
- The Treasury plans to sell RON 1 bn in 5Y and 10Y bonds today
- The EUR/RON is trading around 4.44; the euro firmed strongly to the dollar after Mario Draghi's speech yesterday, who emphasized that ECB stood ready to use all the tools to keep money markets in check.

BVB indexes gained 0.2%-0.3% yesterday, on lower turnover compared to the previous day, of EUR 2.6 mn. The leading blue chips which topped the gains were BVB (+2%) and closing at 24.99 RON/share and Erste Group Bank (+1%) and closing at 106.3 RON/share. Fondul Proprietatea took a step back (-0.07%) and was not able to exceed the maximum of 0.775 RON/share recorded on Monday. In Europe, most stock indexes finished in the red despite the cheering speech given by Mr. Mario Draghi which lifted the euro above 1.36 against the dollar. The danger of a prolonged US government shutdown and the matter of a possible default of the US if it does not raise the debt ceiling by mid-October kept shares under pressure. Today, the market will be watching the PMI data in the euro-zone but the poll does not point to a pickup in September compared to the previous month.

Money market rates inched back yesterday and ROBOR ON gave up 55 bp. This month we are looking at a negative net issuance of government debt as redemptions stay at RON 6 bn and planned sales are at RON 4.7 bn.

The Treasury will hold two auctions today to sell RON 1 bn in 5Y and 10Y bonds. At yesterday's fixing, 5Y and 10Y bond yields were relatively elevated at 4.49% (mid) and 5.16% (mid) respectively. In May, 5Y and 10Y bond yield touched a minimum of 4.43% (mid) and 4.8% (mid) respectively. As the Central Bank is set to continue the base rate cut cycle and liquidity conditions improve, we expect yields to moderately ease in the coming months.

PERIOD		INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	Aug	Retail trade turnover index (y-o-y, %)	-1,4		1,2
	Aug	Producer Price Index (y-o-y, %)	0,6		1,6
Thursday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		01-Oct-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,2792	↓ -0,56	↑	7,27	↑	13,79
OTP Obligatiuni	RON	12,9007	↑ 0,07	↑	4,54	↑	6,92
OTP ComodisRO	RON	15,5894	↑ 0,04	↑	4,29	↑	6,36
OTP Eurobond	EUR	11,5417	↑ 0,03	↑	3,75	↑	5,52

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