

## Headquarter Treasury Sales

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# Daily Report – Romania

Last data: 07.10.2013

| STOCK EXCHANGE |           |                |                 |  |
|----------------|-----------|----------------|-----------------|--|
|                | Close     | Daily chg. (%) | Weekly chg. (%) |  |
| BET            | 6.010,05  | ↓ -0,81        | ↓ -0,53         |  |
| BET-C          | 3.161,93  | ↓ -0,72        | ↓ -0,55         |  |
| BET-FI         | 26.770,66 | ↓ -1,32        | ↓ -0,31         |  |
| BET-XT         | 540,57    | ↓ -0,79        | ↓ -0,38         |  |
| TGN            | 186,2000  | ↓ -0,16        | ↓ -0,37         |  |
| FP             | 0,7530    | ↓ -2,21        | ↓ -0,92         |  |
| TLV            | 1,4150    | ↓ -0,35        | ↓ -1,39         |  |
| SIF3           | 0,5985    | ↓ -1,89        | ↓ -0,50         |  |
| SIF5           | 1,6140    | ↓ -0,37        | ↑ 0,25          |  |

| GOV'T BOND MARKET |           |                 |                  |  |
|-------------------|-----------|-----------------|------------------|--|
| Maturity          | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |  |
| 6 month           | 3,49      | ↓ -3,0          | ↓ -5,0           |  |
| 12 month          | 3,61      | ↓ -8,0          | ↓ -8,0           |  |
| 3 year            | 4,20      | ↓ -2,0          | ↑ 0,5            |  |
| 5 year            | 4,51      | ↑ 1,0           | ↑ 3,0            |  |
| 10 year           | 5,21      | ↑ 1,0           | ↑ 6,5            |  |

| GOV'T BOND AUCTIONS |          |            |            |
|---------------------|----------|------------|------------|
|                     | Maturity | Auctions   | Sold       |
| Monday              | 12M      | RON 700 mn | RON 700 mn |
| Thursday            | 3Y       | EUR 150 mn |            |
| Thursday            | 3Y       | RON 1 bn   |            |

| MONEY MARKET |          |                |                 |  |
|--------------|----------|----------------|-----------------|--|
|              | Rate (%) | Daily chg (bp) | Weekly chg (bp) |  |
| ON ROBOR     | 3,24     | ↑ 39,0         | ↓ -30,0         |  |
| 3M ROBOR     | 3,29     | ↑ 6,0          | → 0,0           |  |
| 6M ROBOR     | 3,75     | ↑ 1,0          | ↓ -5,0          |  |
| 1Y ROBOR     | 3,84     | ↑ 1,0          | ↓ -4,0          |  |
| 5Y CDS       | 173,97   | ↓ 0,0          | → 0,0           |  |

| FX MARKET  |        |                |                 |  |
|------------|--------|----------------|-----------------|--|
|            | Rate   | Daily chg. (%) | Weekly chg. (%) |  |
| EUR/RON    | 4,4215 | ↓ -0,14        | ↓ -0,74         |  |
| USD/RON    | 3,2584 | ↓ -0,29        | ↓ -1,18         |  |
| CHF/RON    | 3,6058 | ↑ 0,05         | ↓ -0,92         |  |
| 100HUF/RON | 1,4991 | ↑ 0,35         | ↓ -0,01         |  |

Source: Reuters, OTP Research

### Summary

- BET lost 0.8% yesterday driven down by Fondul Proprietatea (-2.2%); the dynamics were in line with the major European and US indexes which reacted to the lack of advance in the matter of US debt ceiling
- The Treasury sold RON 700 mn at an average accepted yield of 3.52%, 36 bps lower than the one at the previous similar tender in Mid-September; demand was strong at RON 2.9 bn
- Industrial sales and new orders rose in August by 0.5% YoY and 6.1% YoY respectively; constructions maintained strong (-7.7% YoY) driven especially by the residential segment which continued at an extraordinary rate (+47.8% YoY); civil engineering works (infrastructure) rose as well (+9% YoY).

BVB indexes fell between 0.8% and 1.3%, the most affected being the index of financial companies, BET-FI. The driver was Fondul Proprietatea which retreated 2.2% in the day to 0.7530 RON/share and SIF Transilvania which gave up 1.89% and closed at 0.5985 RON/share. Both shares were among the most traded by value but total equities' turnover was rather small, at EUR 2.3 mn. The witnessed decline was in line with major European and US indexes which reacted negatively to the prolonged indecision on raising the debt ceiling in the US.

The leu and its peer currencies have recorded a marginal appreciation to the euro and no stress was felt that could trigger a risk off move. The 5Y CDS is stable at 174 bp both on a daily and weekly basis.

Money market rates rose yesterday and no liquidity injection was operated by the Central Bank, unlike the previous week when one bank bid RON 303 mn. ROBOR ON jumped 39 bps on the day but it is still lower on a weekly basis. We recall that, on 19<sup>th</sup> of October, RON 6 bn of government securities come to maturity and that this month, net issuance is negative.

The Treasury sold the planned amount in 12M T-bills at an average accepted yield of 3.52%, 36 bps lower than the previous similar tender in mid September. Demand was strong and bid to cover ratio stood at 4.1X.

In August, industrial sales and new orders data showed an advance of 6% YoY and 0.5% respectively. The survey operated by the Central Bank in August was pointing to diminished optimism in industry whereas in September the survey was again more favorable. Constructions continued to perform well in August, climbing at 7.7% YoY after we witnessed a 15.8% YoY hike in July. Again, the residential segment was strong (+47.8% YoY) but the civil engineering works were up as well (+9% YoY). On a monthly basis, the seasonally adjusted data is pointing to a decline of 1% MoM, as the non residential segment (including office buildings, factories) takes a strong step back (-12.7%) and it is also weaker on an annual basis.

|         | PERIOD | INDICATOR   | FACT | CONSENSUS | PREVIOUS |
|---------|--------|---|------|-----------|----------|
| Monday  | Aug    | Net wage growth rate (y-o-y, %)                       | 4,6  |           | 5,1      |
|         | Aug    | Industrial trade turnover index (y-o-y, %)            | 0,5  |           | 9,1      |
|         | Aug    | Index value of new orders in manufacturing (y-o-y, %) | 6,1  |           | 9,5      |
| Tuesday | Aug    | Construction works index (y-o-y, %)                   | 7,7  |           | 15,8     |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds |     | 04-Oct-13  |        |   |      |   |       |
|-------------------------|-----|------------|--------|---|------|---|-------|
| Open-end fund           | ccy | last NAV/U | 1d%    |   | Ytd% |   | 52W%  |
| OTP AvantisRO           | RON | 7,3184     | ↑ 0,54 | ↑ | 6,67 | ↑ | 13,14 |
| OTP Obligatiuni         | RON | 12,9136    | ↑ 0,10 | ↑ | 4,62 | ↑ | 6,93  |
| OTP ComodisRO           | RON | 15,6039    | ↑ 0,09 | ↑ | 4,33 | ↑ | 6,34  |
| OTP Eurobond            | EUR | 11,5461    | ↑ 0,04 | ↑ | 3,78 | ↑ | 5,52  |

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