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Daily Report – Romania

Last data: 22.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.923,75	↓ -0,15	↓ -1,40	
BET-C	3.110,01	↓ -0,19	↓ -1,38	
BET-FI	26.505,08	↓ -0,17	↓ -0,85	
BET-XT	529,76	↓ -0,24	↓ -1,44	
FP	0,7865	↓ -0,44	↑ 2,28	
TEL	12,8000	↑ 0,16	↓ -1,44	
SIF3	0,5840	↓ -0,93	↓ -1,35	
EBS	108,5000	↔ 0,00	↑ 0,74	
SNP	0,4300	↓ -1,38	↓ -2,27	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,92	↓ -7,0	↓ -28,0	
12 month	3,06	↓ -2,5	↓ -29,0	
3 year	3,90	↓ -2,5	↓ -16,0	
5 year	4,36	↑ 1,0	↓ -11,5	
10 year	5,01	↔ 0,0	↓ -12,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	6M	RON 500 mn	RON 500 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1,50	↓ -23,0	↓ -111,0	
3M ROBOR	3,10	↓ -2,0	↓ -13,0	
6M ROBOR	3,58	↓ -5,0	↓ -8,0	
1Y ROBOR	3,67	↓ -4,0	↓ -9,0	
5Y CDS	161,95	↓ 0,0	↓ -4,5	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4278	↓ -0,15	↓ -0,39	
USD/RON	3,2130	↓ -0,85	↓ -2,25	
CHF/RON	3,5905	↓ -0,05	↓ -0,32	
100HUF/RON	1,5148	↑ 0,36	↑ 0,87	

Source: Reuters, OTP Research

Summary

- The selloff continued on BVB yesterday whereas in Europe most major indexes ended in the green, up to 1.3% most of them;
- The non-farm payrolls data in the US came much lower than expectations, raising hopes that tapering will be postponed further in 2014, which should be supportive to emerging markets assets
- The leu and its peers gained on the US job data, but the effect already wore off today and EUR/RON is trading below 4.44 this morning.

On the BVB the selloff continued yesterday as well and BET gave up another 0.15%. Several blue chips managed to post gains (Biofarm, Transgaz, BVB, Fondul Proprietatea and OMV Petrom) but the index ROTX was driven down by BRD (-0.23%) and Banca Transilvania (-1.45%). In Europe, most major indexes ended in the green, recording gains up to 1.3% most of them. The much awaited non-farm payrolls figure in the US came far below estimations, which prompted the market to believe even more that the Fed will postpone tapering, which in fact is supportive for risky assets including equities.

The news coming from US drove up the leu and its emerging market peers and the Hungarian forint saw the greatest appreciation (0.5%) against the euro. The dynamics were triggered by the belief that a delayed tapering will postpone capital outflows from emerging markets as yields in the US will start rising later on and therefore in the short term there is still scope in looking for greater returns in riskier assets, especially in countries with a good fiscal stance. This was only a first reaction to the news and already this morning, the EUR/RON reversed its gains.

Money market rates continue to shrink as liquidity is abundant, especially since today is the last day of the current reserve period.

The banking statistics data for September will be released today. Previously, private loans had dropped by 2.6% YoY (August) and by 4.4% YoY in July. Private loans annual evolution has been in the negative territory during the entire year so far, if we eliminate the foreign exchange rate effect. The fall came from both companies and households' sector, as business and consumer confidence did not improve significantly so far and companies did not resume investments.

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

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		21-Oct-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	7,1948	↓ -0,53	↑	5,99	↑	10,30
OTP Obligatiuni	RON	12,9383	↑ 0,03	↑	4,89	↑	6,74
OTP ComodisRO	RON	15,6344	↑ 0,03	↑	4,61	↑	6,30
OTP Eurobond	EUR	11,5596	↑ 0,02	↑	3,92	↑	5,15

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