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Daily Report – Romania

Last data: 31.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.066,31	↑ 0,50	↑ 1,70	
BET-C	3.176,56	↑ 0,46	↑ 1,48	
BET-FI	27.207,90	↑ 0,28	↑ 1,94	
BET-XT	544,68	↑ 0,47	↑ 2,04	
FP	0,7900	↑ 0,13	↑ 0,51	
SNP	0,4450	↑ 1,37	↑ 1,14	
TGN	182,4500	↑ 0,11	↓ -0,03	
EBS	116,0000	↑ 0,43	↑ 7,41	
TLV	1,4100	↓ -0,56	↑ 3,37	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,83	↓ -0,5	↓ -7,0	
12 month	2,97	↓ -4,0	↓ -10,0	
3 year	3,83	↓ -1,5	↓ -6,5	
5 year	4,30	↓ -6,0	↓ -6,0	
10 year	4,97	↑ 0,0	↓ -3,0	

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

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1,75	↓ -10,0	↓ -85,0	
3M ROBOR	2,71	↓ -5,0	↓ -32,0	
6M ROBOR	3,27	↓ -3,0	↓ -28,0	
1Y ROBOR	3,43	↓ -6,0	↓ -23,0	
5Y CDS	164,64	↓ -0,9	↑ 1,8	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4345	↑ 0,14	↓ -0,37	
USD/RON	3,2647	↑ 1,23	↑ 1,22	
CHF/RON	3,6000	↑ 0,37	↓ -0,44	
100HUF/RON	1,5003	↓ -0,45	↓ -1,53	

Source: Reuters, OTP Research

Summary

- BET gained 0.5% yesterday, on higher liquidity turnover; the IPO of Romgaz ended yesterday and the small investors' tranche was oversubscribed more than 17 times; in Europe, major indexes finished mixed, after weaker than expected macro data on inflation and unemployment was released
- The dollar is firming strongly to the euro; the leu and its peers weakened marginally to the euro.
- The Treasury plans to sell RON 4.4 bn in 3Y, 5Y, 7Y and 10Y bonds in September. Redemptions stand at RON 2.1 bn.

BVB indexes finished up yesterday and BET gained 0.5% d/d and 1.7% on a weekly basis. Total equities' turnover stood at EUR 4.5 mn, higher by 51% than the previous day. Except for Banca Transilvania which lost 0.56% yesterday, blue chips advanced on the day. The IPO of Romgaz ended yesterday and oversubscription was impressive: Ziarul Financiar reported that the investors of the small tranche had subscribed some 153 mn shares as of 19.00 yesterday, whereas to their tranche there were allocated only 15% of the total offer, which are 8.67 mn shares. In Europe, major indexes evolution was mixed and the macro data released there was weaker than expected: the euro-zone's unemployment rate at September stood at 12.2% against expectations of 12% and euro-zone inflation flash estimate was 0.7% YoY in October against expectations of 1.1% YoY. On the other hand, some new data in the US exceeded the forecast: Chicago PMI for October was 65.9 against expectations of 55. Fed's policy of "wait and see" was driven by lack of more powerful proof that the economy was improving. The government shutdown may have altered the quality of the US macro data and surprises can still be expected, although for the moment the market expects tapering to be on the cards in March 2014.

Following these developments, the euro weakened by 1.1% against the dollar yesterday and it closed at 1.3585 but it is trading even lower this morning. With the weaker euro and euro-zone data, the leu and its peers weakened as well. The leu was down 0.1% yesterday, the Polish zloty lost 0.1%, the Czeck crown dipped 0.2% and the Hungarian forint fell 0.5%. The EUR/RON trades around 4.44 this morning.

The Treasury announced it will sell RON 4.4 bn in 3Y, 5Y, 7Y and 10Y bonds in November. Redemptions are much lower at RON 2.1 bn.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	Sep	ILO unemployment (seasonally adjusted, %)	7,5	7,5
Friday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		30-Oct-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,3065	↑ 0,31	↑	6,74	↑	11,63
OTP Obligatiuni	RON	12,9596	↑ 0,02	↑	5,07	↑	6,73
OTP ComodisRO	RON	15,6561	↑ 0,02	↑	4,77	↑	6,29
OTP Eurobond	EUR	11,5667	↑ 0,01	↑	3,99	↑	5,14

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