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Daily Report – Romania

Last data: 06.11.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.285,53	↑ 0,95	↑ 4,13	
BET-C	3.295,42	↑ 0,93	↑ 4,22	
BET-FI	28.257,35	↑ 0,43	↑ 4,14	
BET-XT	565,11	↑ 0,77	↑ 4,23	
FP	0,8095	↑ 0,56	↑ 2,60	
SIF3	0,6300	↑ 0,32	↑ 5,35	
SNP	0,4784	↑ 2,88	↑ 8,97	
TGN	195,5000	↑ 3,44	↑ 7,27	
TLV	1,3950	↓ -1,06	↓ -1,62	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,90	↑ 2,5	↑ 6,0	
12 month	3,05	↑ 2,0	↑ 4,0	
3 year	3,97	↑ 4,5	↑ 12,5	
5 year	4,50	↑ 2,0	↑ 13,5	
10 year	5,24	↑ 4,5	↑ 27,0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	10Y	RON 800 mn	RON 800 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1,26	↓ -9,0	↓ -59,0	
3M ROBOR	2,59	↓ -6,0	↓ -17,0	
6M ROBOR	3,19	↓ -2,0	↓ -11,0	
1Y ROBOR	3,35	↓ -4,0	↓ -14,0	
5Y CDS	166,43	→ 0,0	↑ 0,9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4335	↓ -0,20	↑ 0,11	
USD/RON	3,2802	↓ -0,51	↑ 1,71	
CHF/RON	3,5925	↓ -0,45	↑ 0,16	
100HUF/RON	1,4949	↑ 0,06	↓ -0,81	

Source: Reuters, OTP Research

Summary

- BET gained 0.9% yesterday on large equities' turnover; the IPO of Romgaz drove the turnover to EUR 265 mn; OMV Petrom reported RON 3.7 bn in profit during the first 9M, 26% YoY higher, driving up its stock price by 2.9% d/d
- The yield curve is shifting up; on a weekly basis, yields rose from 6- 27 bps, especially the long end
- Sales and new industrial orders picked up in September by 6% Yo% and 3% YoY respectively.

BVB indexes continued to move up yesterday when BET added 0.95% d/d and 4.1% on a weekly basis. The top hike was seen by the energy companies' index BET-NG, which moved up 2%, supported especially by Transgaz (+3.4%) and OMV Petrom (+2.9%). Petrom reported its 9M results and showed a net profit of RON 3.7 bn, higher by 26% YoY. Meanwhile, sales fell by 5% YoY, to RON 18.2 bn. Yesterday, the IPO of Romgaz was recorded at BVB and it amounted to RON 1.1 bn. Even without this transaction, the equities' turnover was good, at EUR 10.8 mn. There were also 4 deals, amounting to EUR 3.3 mn. The market will be eyeing the monetary policy meeting of ECB today, looking for signs that ECB will engage in more easing or not, in order to boost the economy. The euro-zone's inflation rate stood at 0.7% YoY in October, much below the ECB's 2% target. More easing should be supportive for European equities and should boost sentiment on the local market as well.

For the moment, the leu is trading in line with its peers and it is moving in line with the EUR/USD as well. The euro strengthened again yesterday before ECB's meeting. The EUR/RON is currently trading around 4.43 on the interbanking market.

The yield curve is shifting up and steepening at the same time, despite the fact that money market rates continue to ease. Yields rose by 6 to 27 bps on a weekly basis and the 10Y bond yield stood at 5.24% (mid) at yesterday's NBR fixing.

September sales and industrial production new orders data was good and showed sales advanced by 6.1% YoY compared to 0.5% YoY in the previous month. New orders kept an upward pace as well, +2.9% YoY, although weaker than the previous month (+6% YoY). Overall in Q3, sales rose by 5% YoY on average, compared to 3.9% YoY in Q2. This signals that the pace of economic growth is increasing, even if we exclude the volatile agricultural output.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	no data			
Thursday	Sep	Industrial trade turnover index (y-o-y, %)	6,1	0,5
	Sep	Index value of new orders in manufacturing (y-o-y, %)	2,9	6,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		05-Nov-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	7,5175	↑ 0,45	↑	9,67	↑ 13,72	
OTP Obligatiuni	RON	12,9706	↑ 0,02	↑	5,16	↑ 6,73	
OTP ComodisRO	RON	15,6681	↑ 0,02	↑	4,85	↑ 6,20	
OTP Eurobond	EUR	11,5716	↑ 0,01	↑	4,04	↑ 5,14	

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