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Daily Report – Romania

Last data: 20.11.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.175,96	↓ -0,27	↑ 1,77
BET-C	3.237,04	↓ -0,05	↑ 1,38
BET-FI	28.542,81	↑ 0,14	↑ 2,60
BET-XT	560,06	↓ -0,09	↑ 1,89
FP	0,8105	↓ -0,31	↑ 2,72
SNP	0,4545	↑ 1,00	↑ 0,75
SNG	34,5500	↑ 0,29	↑ 0,73
SIF5	1,7570	↑ 0,98	↑ 0,98
EBS	110,2000	↓ -1,52	↓ -1,61

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2,88	↓ -3,5	↓ -5,5
12 month	3,01	↓ -2,5	↓ -5,5
3 year	4,06	⇒ 0,0	↓ -1,5
5 year	4,62	⇒ 0,0	↑ 2,5
10 year	5,26	↓ -1,5	↓ -6,0

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	7Y	RON 700 mn	RON 700 mn

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,09	↓ -2,0	↓ -20,0
3M ROBOR	2,67	↓ -5,0	↓ -9,0
6M ROBOR	3,18	↓ -1,0	↓ -10,0
1Y ROBOR	3,35	↓ -3,0	↓ -5,0
5Y CDS	161,10	↓ -0,5	↓ -5,3

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4465	↑ 0,02	↓ -0,39
USD/RON	3,3079	↑ 0,75	↓ -0,01
CHF/RON	3,6103	↑ 0,17	↓ -0,37
100HUF/RON	1,4941	↓ -0,16	↑ 0,18

Source: Reuters, OTP Research

Summary

- After finishing mixed yesterday, on lower turnover, BVB opened down this morning as investors react to the FOMC minutes; according to them, the Fed officials are looking to start tapering in the next few meeting, if the economic conditions would allow that;
- The euro weakened to the dollar after the FOMC minutes but also on the news that ECB could go to negative deposit rate. The EUR/RON is trading slightly higher this morning
- The NBR's November survey showed that industry is expected to slow down its pace and constructions to continue moderately on the declining path.

BVB indexes finished mixed yesterday on lower equities' turnover, of only EUR 4.5 mn. BET retreated 0.27%, driven especially by two financial blue chips, BRD (-1.2%) and Fondul Proprietatea (-0.3%). The blue chips' index fell the most on the day (-0.5%), as Erste Group Bank (-1.5%) added to the decline seen by financial stocks. Erste was among the most traded top 5 stocks on the day. Energy companies and the SIFs managed to avoid a decline. In Europe as well, main stock indexes ended the day in the red although through the end of the European session news broke out that the ECB could cut its deposit rate below zero, according to Bloomberg. Later on, the FOMC minutes revealed that the Fed was considering to start tapering during the next few meetings, if the economic conditions allowed that. This should have not come as a great surprise for the markets, but it slightly pushed the US major indexes into the red and it also made BVB open in the red today.

Following the FOMC minutes, the euro lost 0.7% to the dollar and the leu and some of its peers edged down against the euro. With data from the US expected to show continued progress of the economy, the euro is expected to lose more ground to the dollar in the short term and given the recent pattern, this is also likely to mildly weaken the leu until the end of the year.

Money market rates and government securities yields continued to fall back on the day. The current reserve period ends this week.

The survey (November) published by the Central Bank pointed that the industry is going to slow down its pace and that constructions activity is going stay on a moderately declining path. For next year though, we count on these two sectors to drive up the economic activity, based on increased exports and in the case of constructions we are looking to an advance of infrastructure works financed by EU funds.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	no data			
Thursday	no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		19-Nov-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,5413	↑ 0,46	↑	10,00	↑	16,72
OTP Obligatiuni	RON	12,9949	↑ 0,02	↑	5,36	↑	6,65
OTP ComodisRO	RON	15,6920	↑ 0,02	↑	5,01	↑	6,09
OTP Eurobond	EUR	11,5852	↑ 0,01	↑	4,16	↑	5,10

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