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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.161,63	↓ -0,27	↓ -1,96
BET-C	2.975,53	↓ -0,16	↓ -1,82
BET-FI	24.278,00	↑ 0,26	↓ -1,68
BET-XT	480,20	↓ -0,11	↓ -1,97
FP	0,5800	↑ 0,26	↓ -1,19
SIF2	1,3010	↓ -0,31	↓ -2,69
BRD	10,6600	↑ 0,57	↓ -2,91
AZO	1,8700	↑ 2,75	↑ 5,95
SIF3	0,6800	↑ 1,34	↑ 0,74

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,07	↓ -3	↑ 7
12 month	5,30	↑ 0	↑ 1
3 year	6,08	↓ -3	↑ 2
5 year	6,30	↑ 1	↓ -1
10 year	6,62	↓ -2	↓ -1

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3,23	↑ 23	↑ 108
3M ROBOR	4,61	↑ 2	↑ 35
6M ROBOR	5,34	↑ 1	↑ 1
1Y ROBOR	5,56	↓ -1	↑ 2
5Y CDS	275,40	↑ 1	↑ 14

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3709	↑ 0,00	↓ -0,22
USD/RON	3,2933	↓ -0,59	↓ -1,00
CHF/RON	3,6286	↑ 0,08	↓ -0,11
HUF/RON	1,49	↑ 0,09	↓ -1,60

Source: Reuters, OTP Research

Summary

- BVB finished in the red on low turnover, diverging from peer markets; the only index to have moved up was BET-FI (+0.26); Petrom proposes dividend distribution of 1756 mn RON.
- MM rates increased last week in line with a slightly deteriorated risk perception as shown by the 5Y CDS; ROBOR ON finished the week at 3.23% while last Monday it was down at 2.15%
- According to a Reuters poll, NBR is expected to cut the base rate from 5.5% to 5.25% on Thursday (29th March)

On Friday, BVB indices finished in the red on low turnover, with one exception: BET- FI posted a small gain, driven by SIF Banat Crisana (+1.9%) and SIF Transilvania (+1.34%) mainly, but FP advanced as well (+0.26%). The evolution at BVB diverged from the European market indices and from peer markets: Bulgaria, Hungary or Poland. The highest dropp was posted by BET-NG, led by the companies with the highest weight in the index: OMV Petrom (-0.26%), Transgaz(-0.41). Transelectrica and Rompetrol Rafinare slumped as well betweeb 1-2%. OMV Petrom announced the proposal to distribute dividends with a gross value per share of RON 0.031. The total amount proposed for distribution is RON 1756 mn.

Money market liquidity is still at good levels, although rates have been increasing last week: ROBOR ON moved up to 3.23% on Friday while last Monday it was at 2.15%. The evolution was a bit surprising given that towards the end of the of the mandatory reserves building (up to 23rd of the month), we usually see rates going down due to excess liquidity. However, the small hike in the CDS is immediately felt in the MM rates and we could see risk aversion slightly increasing during the past week, as shown by the the 5Y CDS which moved up more than 10 bps.

According to a Reuters poll, the majority of analysts expect the Central Bank to further cut the base rate to 5.25% from 5.5%., at the next Monetary Policy decision on 29th of March. The Central Bank upped its inflation forecast for December from 3% to 3.2%, at the last inflation report. The impact coming from increased fuel prices presents upward risks to inflation forecast and this may be the reason for which the rate cut cycle could end at 5.25% but most analysts see another cut to 5% by the end of the second quarter.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday				
		no data		
Monday	M3 (broad money, MoM, %)			0,2
	Non governmental loans (MoM, %)			-0,2
	Non governmental deposits (MoM; %)			0,4

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds (as of 21-Mar-12)

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6,44	-0,46	14,59	-11,78
OTP Obligatiuni	RON	11,64	0,00	1,57	5,91
OTP ComodisRO	RON	14,1651	0,02	1,43	6,52
OTP Eurobond	EUR	10,6218	0,01	1,11	4,84

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