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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5,367,91	↓ -0,09	↑ 2,67
BET-C	3,082,56	↑ 0,21	↑ 2,72
BET-FI	24,964,12	↓ -0,03	↑ 0,26
BET-XT	497,18	↓ -0,06	↑ 1,94
FP	0,5970	↑ 0,51	↑ 1,19
SNP	0,4170	↑ 0,51	↑ 6,11
EBS	74,8000	↓ -2,79	↓ -6,79
SIF3	0,7100	↓ -0,42	↑ 0,14
SIF5	1,3950	↓ -0,36	↑ 2,57

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,08	↑ 5	↓ -3
12 month	5,13	↓ -27	↓ -30
3 year	6,01	↓ -4	↓ -11
5 year	6,17	↓ -9	↓ -19
10 year	6,49	↓ -3	↓ -17

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	750 mn RON	750 mn RON
Thursday	4Y	1 bn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,08	↓ -20	↓ -6
3M ROBOR	4,53	↓ -4	↓ -10
6M ROBOR	5,18	↓ -3	↓ -17
1Y ROBOR	5,44	↓ -3	↓ -15
5Y CDS	279,20	↑ 2	↑ 5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3800	↓ -0,15	↑ 0,40
USD/RON	3,2896	↑ 0,05	↑ 0,66
CHF/RON	3,6392	↓ -0,13	↑ 0,55
100HUF/RON	1,49	↑ 0,01	↓ -0,49

Source: Reuters, OTP Research

Summary

- BVB indices finished mixed; only BET-C and BET-NG gained, the latter due to oil stocks; liquidity made up mostly by 5 deals with financial stocks summing up to 30 mn RON (FP, SIF5, BRD, SIF2 and TLV)
- ILO unemployment rate fell at 7.1% in February; EU27 much higher (10.2%); FX reserves rose by 1.2 bn EUR in March;
- The Finance Ministry sold the planned amount of 750 mn RON in 2Y bonds yesterday at 5.6%, lower than the previous tender in March 5 when the yield stood at 5.99%

BVB indices showed mixed evolution yesterday. Most of the indices finished in the red unlike the evolution of international markets: only BET-C and BET-NG managed to post some gains. The latter as pushed up exclusively by oil stocks: Rompetrol Rafinare, OMV Petrom and Oil Terminal. The liquidity was made up by 5 large deals summing up to 29.7 mn RON while total turnover in stocks was 42.3 mn RON. The deals involved only financial stocks: FP, SIF5, BRD, SIF2 and TLV. The Finance Ministry sold the planned amount of 750 mn RON in 2Y bonds yesterday at 5.6%, lower than the previous tender in March 5 when the yield stood at 5.99%.

February ILO unemployment marginally fell to 7.1% (seasonally adjusted data) compared to 7.2% in January. The rate is much lower than EU27, where we saw 10.2%. More data came from the Central Bank: in March, the FX reserves (excluding 103.7 tones of gold) rose by 1.2 bn EUR. NBR detailed that inflows stood at 2.2 bn EUR (out of which 583 mn EUR from the dollar denominated bonds issue), whereas outflows were at 1 bn EUR. The FX reserve held by NBR is relatively high: in January, goods and services import cover (ratio of FX reserves and gold to average monthly imports of goods and services) stood at 8.5 months, a lot more than the recommended 3-4 months. The large FX reserves prevented a balance of payments crisis in 2009.

Yesterday, the last IMF country report was published. The current 24 months standby agreement with IMF became effective March 31st, 2011. According to the report, all the Dec.11 quantitative performance criteria and indicative targets were met. Despite the deteriorated economic outlook, IMF evaluates that the government is on track to reduce the cash deficit to 1.9% of the GDP. Main points in reaching the target are focused on cutting expenditures: lower wage bill by freezing wages and pensions, savings in capital expenditures by reducing the co-financing of EU-funded projects to 5% from 15% and other savings among which further cuts in expenses with social programs, cuts in subsidies and transfers to SOE's, health sector reforms. A new structural benchmark is introduced: a 5% increase in the electricity price for residential and non residential consumers by end June 2012. This could push up inflation higher than estimated by NBR (3.2% at Dec.2012). IMF also sees private sector credit growth in 2012 at +3.1%.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	Feb	ILO unemployment rate (seasonally adjusted, %)	7,1		7,2
	March	FX reserves (bn, EUR)	34,6		33,4
Tuesday	Feb	Turnover in retail trade (2005=100, seasonally adjusted)			153,4
	Feb	Producer Price Index (YoY, %)			6,0

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds as of 30-3-2012

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6,56	0,61	16,73	-11,47
OTP Obligatiuni	RON	11,65	0,09	1,66	5,33
OTP ComodisRO	RON	14,1836	0,02	1,57	6,47
OTP Eurobond	EUR	10,6319	0,01	1,20	4,81

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