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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.361,40	↓ -0,12	↑ 1,79
BET-C	3.060,25	↓ -0,72	↑ 1,05
BET-FI	24.801,51	↓ -0,65	↓ -0,95
BET-XT	495,74	↓ -0,29	↑ 0,85
TEL	15,4500	↓ -2,59	↓ -4,33
AZO	1,9910	↑ 1,58	↑ 3,70
FP	0,5930	↓ -0,67	↑ 0,51
TLV	1,1500	↑ 2,13	↑ 6,48
SIF3	0,7070	↓ -0,42	↓ -1,19

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,98	↓ -10	↓ -55
12 month	5,08	↓ -5	↓ -26
3 year	6,00	↓ -1	↓ -16
5 year	6,20	↑ 3	↓ -15
10 year	6,48	↓ -1	↓ -11

**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	3,71	↓ -37	↓ -34
3M ROBOR	4,53	→ 0	↓ -9
6M ROBOR	5,18	→ 0	↓ -9
1Y ROBOR	5,46	↑ 2	↓ -8
5Y CDS	280,80	↑ 2	↑ 6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3767	↓ -0,08	↑ 0,12
USD/RON	3,3071	↑ 0,53	↑ 0,80
CHF/RON	3,6374	↓ -0,05	↑ 0,33
100HUF/RON	1,49	↓ -0,20	↓ -0,78

Source: Reuters, OTP Research

**Summary**

- BVB indices finished in the red, on low turnover; the move was in line with international markets where investors' mood was down, after euro-zone manufacturing PMI's have shown that the risk of recession is increasing; BET-NG down by 1.97%
- In February, retail turnover index fell by 2.5% MoM; however, food sales were still advancing (+2.9% MoM) but non foods and fuels sales were down significantly; Industrial producer prices were up by 0.8% MoM and the hike was noticed both on external and domestic market;

BVB indices finished in the red yesterday in line with international markets. The overall turnover was low, the market barely moved. The energy companies' index, BET-NG stood out as it took the highest hit: -1.97% whereas the composite index BET-C was down only by 0.72%. Basically, oil stocks offset the previous days' gains. Today investors look forward to the ECB base rate decision while in the US talks about a potential QE3 have softened.

On the money market, liquidity conditions are improving compared to last week. ROBOR ON was down at 3.71%, having lost 34 bps versus last week. However, 5Y CDS is up, in line with negative investors' sentiment that we saw on the equities markets.

INS released yesterday retail turnover data: the numbers are disappointing, as the seasonally and working days adjusted data points to a decrease of 2.5% MoM in February. Looking at its composition on the three types of goods (foods, non –foods and fuels) we see an advance only in the foods category: +2.9% MoM (seasonally adjusted), while the non –foods category dropped a significant 4.9% MoM (seasonally adjusted) and the fuels category slumped even more: -7.2% MoM (seasonally adjusted). Therefore, only the sales for goods with low elasticity of demand (usually basic goods) managed to grow. This shows that household demand is weak and this is in line with wages data at January when we saw a decline of 8.5% MoM which wiped out more than the advance of the previous two months. So disposable income was smaller, especially since heating subsidies were cut compared to the previous year. Moving on to the producer price index, we see an advance of 0.8% MoM and 5.9% YoY in February. After destination, we notice a faster pace for the industrial production prices on the external market: +1.1% MoM compared to only 0.6% MoM on domestic market. In relative terms, it looks like the external demand was stronger and able to absorb the price shocks. As expected, looking at the details of this price increase on large industrial groups, the driver was the energetic industry.

PERIOD		INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Feb	Turnover in retail trade (2005=100, seasonally adjusted)	146,2		150,0
	Feb	Producer Price Index (YoY, %)	5,9		6,0
Wednesday	Feb	Net average monthly wage (%, MoM)			-8,5

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 2-4-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,55	↓ -0,15	↑	16,55	↓ -12,08	
OTP Obligatiuni	RON	11,65	→ 0,00	↑	1,66	↑ 5,14	
OTP ComodisRO	RON	14,1903	↑ 0,05	↑	1,61	↑ 6,50	
OTP Eurobond	EUR	10,6353	↑ 0,03	↑	1,23	↑ 4,83	

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