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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5,313,00	↓ -0,31	↓ -1,11
BET-C	3,024,80	↓ -0,01	↓ -1,67
BET-FI	24,251,38	↓ -0,09	↓ -2,88
BET-XT	489,46	↓ -0,13	↓ -1,62
FP	0,5795	↓ -0,60	↓ -2,44
SIF5	1,3250	↓ -0,38	↓ -5,36
TEL	15,2800	↑ 0,07	↓ -3,84
BVB	33,0000	↓ -1,29	↓ -1,79
SIF3	0,6940	↑ 1,31	↓ -2,66

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,25	↑ 16	↑ 22
12 month	5,35	↑ 26	↓ -4
3 year	5,97	↓ 0	↓ -8
5 year	6,07	↑ 0	↓ -18
10 year	6,39	↓ -1	↓ -13

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	1 bn RON	
Thursday	2Y	800 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,59	↓ -23	↓ -169
3M ROBOR	4,40	↓ -6	↓ -17
6M ROBOR	5,10	↓ -3	↓ -11
1Y ROBOR	5,35	↓ -3	↓ -12
5Y CDS	287,84	→ 0	↑ 9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3715	↓ -0,08	↓ -0,34
USD/RON	3,3375	↓ -0,30	↑ 1,51
CHF/RON	3,6400	↑ 0,04	↓ -0,11
100HUF/RON	1,47	↓ -0,41	↓ -1,07

Source: Reuters, OTP Research

Summary

- On Friday, BVB finished in the red on a very low turnover (the lowest in the past 3 months); only the energy companies' index, BET-NG moved up 0.3% supported mainly by oil companies
- Romania has backed out of the deal to sell its largest copper mine, Cupru Min Abrud
- MM rates continued to decline but 6M/12M T-bills yields were up by 16-26 bps
- Industry sends negative signals in February as the industrial turnover index was down by 1.7 YoY and new orders down as well by 0.8% YoY; Constructions up 7.4% YoY

BVB finished in the red on Friday, on very low turnover, the lowest in the past three months. International stock markets were closed Friday due to Easter holidays. Back in Bucharest, there was one index in the positive territory: the energy companies' index, BET-NG moved up by 0.3%. The drivers were the oil stocks (OMV Petrom up by 0.85%), but Transelectrica and Transgaz marginally gained as well.

During this weekend, Romania has pulled out of a deal to sell its largest copper mine to Canada's Roman Copper Corp. The firm had won a tender to buy Cupru Min Abrud for 200.8 mn EUR last month. According to the Economy Minister Lucian Bode, the two sides could not agree on the terms of the deal, after 10 days of negotiation. The sale was part of the privatization plan agreed with international lenders according to which Romania hopes to raise 2 bn EUR this year. Starting this summer, Jeffrey Franks will be replaced by the Dutch Erik Jan de Vrijer who will supervise Romania's installments to the IMF.

On the money markets, the rates continued to fall: especially the ON rate, ROBOR declined by 23 bps and lost 169 bps compared to last week. However, the 6M/12MT-bills yields rose by 16 and 26bps respectively.

On Friday, the INS released some negative news regarding the evolution of industrial turnover index and the new industrial orders index in February. The industrial turnover fell by 1.7% YoY due to a decline in the manufacturing turnover index of 1.8% YoY and in the mining industry (-0.9% YoY). New orders declined by 0.8% YoY but this will affect production with a lag so we will see effects in Q2 2012 as well. Constructions sent a positive signal, with an advance of 1.7% MoM (seasonally adjusted data) and 7.4% YoY. The advance was supported by new construction works and maintenance works as well.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	Feb	Industrial turnover index (2005=100)	152,3		150,6
	Feb	Index value of new orders in manufacturing (2005=100)	173,2		203,2
	Feb	Construction works index (2005=100, seasonally adjusted)	149,6		147,1
Monday	Feb	Households services turnover index (2005=100, SA)			143,6
	Feb	Trade balance (FOB -CIF, cumulated, Mn EUR)			462,8

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 5-4-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,44	↓ -0,77	↑ 14,59	↓ -13,56		
OTP Obligatiuni	RON	11,66	→ 0,00	↑ 1,75	↑ 5,52		
OTP ComodisRO	RON	14,1996	↑ 0,03	↑ 1,68	↑ 6,47		
OTP Eurobond	EUR	10,6391	↑ 0,01	↑ 1,27	↑ 4,81		

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