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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.221,98	↑ 0,26	↓ -2,38
BET-C	2.972,95	↑ 0,07	↓ -2,20
BET-FI	23.864,39	↓ -0,12	↓ -3,06
BET-XT	481,22	↑ 0,16	↓ -2,43
FP	0,5660	↓ -0,96	↓ -4,55
SIF3	0,6850	↑ 0,66	↓ -1,72
TEL	15,0900	↓ -0,07	↓ -1,50
SIF2	1,2890	↑ 0,70	↓ -0,08
SNP	0,3920	→ 0,00	↓ -2,51

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,09	↓ -4	↓ -19
12 month	5,06	↑ 1	↓ -40
3 year	5,97	↑ 2	↓ -5
5 year	6,05	↓ -3	↓ -10
10 year	6,36	↓ -5	↓ -13

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,35	↓ -18	↓ -116
3M ROBOR	4,23	↓ -10	↓ -28
6M ROBOR	5,03	↓ -2	↓ -13
1Y ROBOR	5,24	↓ -4	↓ -18
5Y CDS	303,30	↑ 3	↑ 14

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3750	↑ 0,13	↑ 0,04
USD/RON	3,3345	↓ -0,26	↑ 0,21
CHF/RON	3,6345	↓ -0,19	↓ -0,01
100HUF/RON	1,47	↑ 0,25	↓ -0,81

Source: Reuters, OTP Research

Summary

- BVB stocks finally in the green, on higher turnover and in line with international markets; analysts say that we witnessed a technical rebound yesterday and that risks are to the downside after the results of today's bond auction in Italy and after China's GDP data is released on Friday;
- 5Y CDS climbed again above 300 bps, a level last seen on 7th of March
- The RON fell by 0.1% against the euro yesterday but it opened up today, correlated with the stocks' evolution
- MM rates continued to fall up to 18 bps (in the case of ROBOR ON)

BVB indices finally inched up yesterday, on higher turnover and in line with international markets. Analysts say that the rebound we witnessed yesterday is technical, as it comes after a period of continued decline in stock prices and that it may be short lived. The next main events are today's Italy bond auction and China's GDP figure on Friday and the risks are on the downside. We can say that investors' sentiment yesterday was not improved, but rather it did not deteriorate further. Therefore, the euro strengthened versus the dollar, Spanish bond yields fell back and appetite for riskier assets increased marginally, to the detriment of German bonds where we saw a limit in investors' appetite for ultra low yields. Given this context, BVB stocks followed external drivers and we saw the composite index advancing slowly: +0.07%, but blue chips and energy stocks gained a more significant strength: ROTX moved up by 0.92% while BET-NG rose by 0.96%. The primary influence in the ROTX came from Erste Group which has a large weight in the index and it often has a larger volatility than market average, especially immediately after a trend reversal in external markets. Yesterday it jumped by 4.83%. A deeper look in the energy index composition tells us that only two stock were in fact in the positive territory: Rompetrol (+5%) and Transgaz (+0.42%) while OMV Petrom stagnated. The only index in the red was BET-FI: -0.12%, driven by Fondul Proprietatea (-0.96%). However, in the deal market we saw FP losing 2% as yesterday there was a 13.1 mn RON deal with the stock.

The RON lost 0.1% to the euro yesterday but it opened up today, in line with positive evolution on the equities' market. The 5Y CDS climbed again above the 300 bps level, which was last reached on 7th of March. The upward move started three weeks ago, correlated with worries about Spain's debt. This appears to have a negative impact on government securities yields only in the medium term: the 1Y and 3Y yields are up while the 5Y and 10Y yields are still dropping.

Money market liquidity is in good shape. Interbanking rates fell up to 18 bps yesterday (in the case of ROBOR ON).

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		as of 10-4-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,35	↓ -0,63	↑	12,99	↓ -15,11	
OTP Obligatiuni	RON	11,66	↓ -0,09	↑	1,75	↑ 5,42	
OTP ComodisRO	RON	14,2113	↑ 0,02	↑	1,77	↑ 6,47	
OTP Eurobond	EUR	10,6456	↑ 0,01	↑	1,33	↑ 4,82	

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