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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.331,59	↓ -0,35	↑ 1,38
BET-C	2.988,91	↓ -0,26	↑ 0,62
BET-FI	24.165,92	↓ -0,50	↑ 0,36
BET-XT	490,21	↓ -0,34	↑ 0,86
FP	0,5595	↓ -0,44	↑ 1,73
SIF3	0,7370	↑ 1,38	↑ 5,21
SIF2	1,1360	↓ -0,79	↓ -13,87
ARTE	4,0100	↑ 14,90	↑ 12,01
SIF4	0,7500	↓ -3,78	↔ 0,00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,10	↓ -4	↓ -1
12 month	5,12	↑ 20	↓ -7
3 year	5,99	↑ 4	↑ 4
5 year	6,22	↓ 0	↑ 10
10 year	6,46	↑ 0	↑ 1

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,33	↑ 29	↑ 50
3M ROBOR	4,41	↑ 5	↓ -1
6M ROBOR	5,04	↑ 1	↓ -2
1Y ROBOR	5,22	↑ 2	↓ -2
5Y CDS	304,20	↓ 0	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3959	↑ 0,48	↑ 0,49
USD/RON	3,3134	↓ 0,00	↑ 0,05
CHF/RON	3,6562	↑ 0,32	↑ 0,37
100HUF/RON	1,53	↑ 0,49	↑ 3,96

Source: Reuters, OTP Research

Summary

- On Friday, BVB finished in the red after the announcement of the unexpected fall of the Government; BRD announced its first quarter results: net profit was down by 39%YoY; BRD, SIF1, SIF5 and OMV Petrom resume trading
- The RON depreciated by 0.48% against the euro and hit the low of the year on Friday at 4.4005
- The Ministry of Finance plans to sell 3.8 bn RON in government securities in May, a lower amount than in previous months as it already has a good liquidity buffer;
- The number of issued residential licences continued to drop: -6.8% YoY in March

The unexpected fall of the Government of Friday pushed Romanian equities in the red. BET-C, the composite index was down 0.26% and BET-FI dipped the most: -0.5%. Only one index finished in the green, BET-NG (+0.19%), the index of the energy companies, but most of the stocks in its composition were in fact not traded due to General Shareholders' Meetings. Meanwhile, European markets finished in the positive territory. Today, several stocks will resume the trading activity among which SIF1, SIF5, OMV Petrom and BRD. Today, BRD announced the first quarter financial results: Net income was up by 6% YoY (767 mn RON) in Q1 2012. Operational expenses decreased by 2% YoY. However, net profit declined by 39% YoY and stood at 83 mn RON. Erste Group also announced its first quarter results: net profit (after minority interests) stood at 347 mn EUR in Q1 2012, 7.8% higher YoY. Erste Group Bank is the only company listed at BVB in the international category.

The RON took a high hit on Friday, following the announcement of the non confidence vote's results. It reached the low of the year at 4.4005 against the euro. The IMF representatives announced that they will stop the negotiations until a new government is elected, but technical discussions can still be continued. The main points of concern from the part of Romanian authorities seem to be the negotiations of wages hikes for the state employees. Victor Ponta (the president of the PSD) is the designated prime minister. The new government must receive the confidence vote from the Parliament within 10 days from the appointment. The President can dissolve the Parliament if the latter fails to give the confidence vote to the government within 60 days and only after it fails to give its vote to two proposed governments. Anticipated parliamentary elections are one of the targets of the opposition. Kelemen Hunor, president of UDMR stated in a conference on Sunday that the anticipated elections are a necessity and that these could be organized in September. The stake here is the planned budget for the next year.

The Finance Ministry announced that it plans to sell 3.8 mn RON in government securities in May, lower than the targeted amount in the previous months as the Treasury already holds a good liquidity buffer. Again, we see increased share of bonds in the planned issues (80%). The bonds' maturities are 2,4,5 and 7 years.

The number of issued residential licenses continued to decrease: -6.8% YoY in March.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	March	Licenses for residential buildings (monthly)	3.144	1.999
Monday				

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		26-4-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,4682	↑ 0,72	↑ 15,09	↓ -11,27		
OTP Obligatiuni	RON	11,6951	↑ 0,02	↑ 2,05	↑ 6,03		
OTP ComodisRO	RON	14,2506	↑ 0,02	↑ 2,05	↑ 6,51		
OTP Eurobond	EUR	10,6657	↑ 0,01	↑ 1,52	↑ 4,84		

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