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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.385,67	↑ 1,54	↑ 1,95
BET-C	3.024,81	↑ 1,06	↑ 2,17
BET-FI	24.320,16	↓ -0,06	↑ 0,82
BET-XT	495,35	↑ 0,95	↑ 1,46
SIF3	0,7370	↓ -0,81	↑ 1,38
SNP	0,4129	↑ 1,95	↑ 3,12
BRD	10,6000	↑ 1,05	↓ -0,19
FP	0,5585	↑ 1,27	↑ 3,43
SIF5	1,3820	↓ -0,93	↓ -0,22

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,17	↓ -2	↑ 15
12 month	5,17	↑ 24	↑ 30
3 year	5,95	↑ 1	↓ 0
5 year	6,19	↓ 0	↓ -3
10 year	6,46	↓ -1	↑ 0

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,65	↓ -4	↑ 82
3M ROBOR	4,49	↓ -1	↑ 13
6M ROBOR	5,04	↓ -2	↑ 1
1Y ROBOR	5,24	↓ -2	↑ 4
5Y CDS	304,20	↑ 0	↓ -3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4050	↓ -0,06	↑ 0,69
USD/RON	3,3482	↓ -0,01	↑ 1,05
CHF/RON	3,6676	↓ -0,21	↑ 0,64
100HUF/RON	1,55	↓ -0,50	↑ 1,65

Source: Reuters, OTP Research

**Summary**

- BVB finished up yesterday on high volumes and diverging from European and US markets; the composite index gained 1.06% and the only one to drop was BET-FI driven by the SIFs which adjust post dividend; BRD stocks ensured 71% of the stocks' turnover;
- Mr. Ponta made public last evening the proposed governance program. Among the measures with the most visible and powerful impact on this year's budget deficit we quote the intention to increase the wages of state employees and restitutions of the sums wrongfully charged from pensioners; this could indicate negotiations with the IMF will be kept within the lines of the current agreement this year and more sensitive negotiations will be made in terms of next year's budget
- MM rates fell marginally; ROBOR ON at 4.65%; 12M T-bill yield jumped significantly +24bp
- In March, producer price index increased by 5.8% YoY, less than previous month (5.9% YoY).

Yesterday, most of the stocks traded at BVB reversed the previous day's losses and the turnover remained high. The evolution was opposed to European and US indices which finished in the red yesterday when we got mixed signals: on one hand, the ECB hold the rate; Mr. Draghi said the euro-zone economy is likely to recover this year but risks are tilted to the downside and that the ECB bonds purchase program remains in place; this pushed stocks higher; on the other hand, there is increased focus on the political scene in Europe: French and Greek elections. Investors worry that leadership changes could stay in the way of region's austerity efforts and this adds to negative investor sentiment today. From the US, we received better news regarding the number of Americans filling for jobless claims. Amid these events yesterday, the composite index climbed 1.06% and BET recorded highest hike among indices: +1.54%. Financial stocks traded well yesterday, except for the SIFs which declined as expected, in the immediate post dividend period. BRD stocks made up to 71% of stocks turnover yesterday, after 8 deals were operated.

MM rates fell marginally between 1-4 bps. ROBOR ON stood at 4.65%. The yield of 12M T-bill jumped significantly by 24 bp.

Mr. Ponta made public last evening the proposed governance program. Among the measures with the most visible and powerful impact on this year's deficit we quote the intention to increase the wages of state employees and restitutions of the sums wrongfully charged from pensioners. Other measures which were previously announced such as reduction of the social contributions of the employers and reduction in VAT from agricultural products did not show up. We believe that this means that negotiations with the IMF will be carried within the lines of the current agreement this year even if some space for wages increase will likely be found. However the difference compared with the previous governance program would have to be made in terms of next year's budget when we expect changes in policy. Already, the announced program envisages a new pattern of evolution of the minimum wage between 2012 - 2016.

In March, producer price index increased by 5.8% YoY, less than previous month (5.9% YoY).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	March	Producer Price Index (YoY, %)	5,80		5,90
Friday	March	Turnover in retail trade (2005=100, seasonally adjusted)			146,2

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		2-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,4749	↓ -0,12	↑	15,21	↓ -10,57	
OTP Obligatiuni	RON	11,7057	↑ 0,03	↑	2,14	↑ 6,13	
OTP ComodisRO	RON	14,2638	↑ 0,03	↑	2,14	↑ 6,51	
OTP Eurobond	EUR	10,6723	↑ 0,02	↑	1,59	↑ 4,83	

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