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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.077,57	↓ -3,62	↓ -5,72
BET-C	2.880,94	↓ -2,85	↓ -4,76
BET-FI	23.403,32	↓ -2,17	↓ -3,77
BET-XT	472,09	↓ -2,49	↓ -4,70
FP	0,5160	↓ -7,03	↓ -7,61
SIF3	0,7255	↑ 2,18	↓ -1,56
SIF5	1,3000	↓ -1,96	↓ -5,93
TEL	14,8800	↓ -0,13	↓ -1,13
TLV	1,1500	↓ -5,74	↓ -8,73

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,85	↓ -1	↓ -3
12 month	5,00	↑ 1	↓ -2
3 year	5,99	↑ 0	↑ 0
5 year	6,11	↑ 1	↓ -1
10 year	6,44	↑ 1	↓ 0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	750 mn RON	750 mn RON
Thursday	4Y	1 bn RON	1,34 bn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,29	↓ -5	↓ -36
3M ROBOR	4,48	→ 0	↓ -1
6M ROBOR	5,04	↑ 1	→ 0
1Y ROBOR	5,21	→ 0	↓ -3
5Y CDS	315,90	→ 0	↑ 13

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4182	↓ -0,10	↑ 0,30
USD/RON	3,4160	↓ -0,05	↑ 2,02
CHF/RON	3,6779	↓ -0,11	↑ 0,28
100HUF/RON	1,53	↑ 0,12	↓ -1,38

Source: Reuters, OTP Research

Summary

- BVB finished in the red yesterday on relatively high turnover, as blue chips like FP and Transgaz recorded ex dividend corrections: -7.03% and -11.34%, respectively. FP stocks made up more than half of the liquidity in stocks; international market tensions faded for the moment
- RON appreciated by 0.1% against the euro yesterday
- Money market rates stood relatively flat; ROBOR ON down 5 bp at 4.29%; we do not expect large corrections this month given that the Central Bank stopped the base rate cut cycle and that we saw banks using the Lombard loan last month
- The Finance Ministry sold 1.34 bn RON in 4Y bonds at 6.09%, marginally higher compared to the similar auction last month and demand was lower (2.3 bn RON in May versus 2.7 bn RON in April)

Yesterday, BVB stocks finished in the red, on relatively high turnover. They were decoupled with European and US markets where we saw gains as the fears regarding the Greek debt sustainability faded for the moment and in Spain we saw that steps are being taken to ease the risks heading over the banking system. Going back to Bucharest, all indices lost between 2.2%- 3.7% and the composite index BET-C dropped 2.85%. Ex dividend corrections pushed down FP (-7.03%) and Transgaz (-11.34%) which in turn affected all the indices at BVB. FP ensured again more than half of the stocks 'turnover yesterday and it was traded also on the deals' market where the price fell more than on the regular market. Besides FP, among the most traded stocks by value there were SIF 3, 5, Transelectrica and Banca Transilvania. The latter announced having redeemed 1.5 mn RON in stocks between 4th -10 May.

The RON marginally appreciated against the euro yesterday, in line with relatively lower risk aversion. The 5Y CDS stopped rising.

Money market rates stood flat in general. As the Central Bank stopped the base rate cut cycle and given that we noticed that banks used the Lombard loan in April, we believe we will not see large downward corrections of the interest rates this month. Looking at outstanding interbanking deposits daily amount, after it had dropped significantly last Friday at 3.9 bn RON, it remained relatively low this week. NBR can help marginally by upping the repo amount.

The Finance Ministry sold 1.34 mn RON in 4Y bonds yesterday, more than the planned amount of 1 bn RON. Total bids stood at 2.28 bn RON and the average accepted yield was 6.09%, marginally higher compared with the one at the previous similar auction in April when it stood at 6.06%. The demand was smaller compared to April when total bids amounted to 2.75 bn RON.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	no data			
Friday	March	Households services turnover index (2005=100, SA)		133,6
	March	Wholesale turnover index (2005=100, seasonally adjusted)	▲	187,0
	Apr	CPI (YoY, %)		2,4
	March	Industrial Production Index (2005=100, seasonally adjusted)		129,7

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		8-5-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,3670	↓ -1,10	↑ 13,29	↓ -11,20		
OTP Obligatiuni	RON	11,7207	↑ 0,02	↑ 2,27	↑ 6,26		
OTP ComodisRO	RON	14,2933	↑ 0,02	↑ 2,35	↑ 6,60		
OTP Eurobond	EUR	10,6825	↑ 0,01	↑ 1,68	↑ 4,82		

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