

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17
alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17
irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17
tania.fantana@otpbank.ro

Capital Markets Sales Team

Alexandru Ilisie

+4021 307 58 27
alexandru.ilisie@otpbank.ro

Teodor Alexandru Tibuleac

+4021 307 58 27
alexandru.tibuleac@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273
tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490
papal@otpbank.hu

Analyst

Mihaela Neagu

+4021 307 58 64
mihaela.neagu@otpbank.ro



Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.816,10	↓ -4,18	↓ -9,95
BET-C	2.709,28	↓ -4,11	↓ -9,12
BET-FI	22.039,52	↓ -4,15	↓ -8,13
BET-XT	445,75	↓ -4,18	↓ -9,07
FP	0,4890	↓ -4,59	↓ -11,81
SIF3	0,6880	↓ -4,71	↓ -4,71
SNP	0,3700	↓ -5,88	↓ -7,50
SIF1	1,0300	↓ -2,09	↓ -2,83
TEL	13,0000	↓ -5,80	↓ -13,04

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,86	↑ 1	↓ -3
12 month	5,00	↑ 1	↓ -4
3 year	5,98	↓ -1	→ 0
5 year	6,12	↑ 0	↓ -2
10 year	6,44	→ 0	↓ 0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	900 mn RON	335 mn RON
Thursday	5Y	650 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,28	↑ 12	↓ -17
3M ROBOR	4,50	↑ 2	↓ -1
6M ROBOR	5,04	→ 0	↓ -1
1Y ROBOR	5,21	→ 0	↓ -2
5Y CDS	355,50	↑ 38	↑ 52

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4455	↑ 0,17	↑ 1,15
USD/RON	3,4644	↑ 0,88	↑ 2,90
CHF/RON	3,7034	↑ 0,25	↑ 0,97
100HUF/RON	1,52	↓ -1,10	↓ -1,03

Source: Reuters, OTP Research

Summary

- BVB stocks were down by 4.11% (BET-C), taking a higher hit compared to European shares (-2%) or US (-1%); markets continued to be driven by fear of Greece exiting the euro zone to which a deeper than estimated recession in the Eurozone: industrial production data for March stood at -0.3% MoM compared to expectations of +0.4%; according to the euro zone finance ministers, the bailout terms could be softened if Greece stands by the bailout targets; in Q1 2012, Fondul Proprietatea posted a 1.5 mn RON loss
- The RON lost 0.17% to the euro yesterday and closed at 4.4455, in line with increased risk aversion sentiment; the 5Y CDS up a significant 38 bp, to 355 bp
- Liquidity on the MM is relatively tight and short term rates are up; NBR injected a lower amount (-900 mn RON) at the weekly repo compared to last week; the Finance Ministry sold less than half of the planned amount of 2Y bonds yesterday, at an average yield of 5.53%
- GDP contracted by 0.1% QoQ (flash estimate) in Q1 2012 and the yearly advance was +0.3% YoY, whereas analysts polled by Reuters were expecting a +0.9% YoY increase

BVB stock finished significantly in the red yesterday, posting higher losses compared to the European and US markets. The composite index BET-C lost 4.11% and the highest dip was seen in case of the energy companies' index: BET-NG (-5.81%). European shares fell by 2% on average while the US indices were down by 1%. Main driver was the increased worries related to Greece's exit from the euro zone, to which we add clear signs of recession in the euro zone: in March, industrial production fell by 0.3% MoM while economists polled by Reuters had anticipated a +0.4% MoM hike. However, the good news yesterday was that euro zone finance ministers dismissed the rumors of Greek exit as "propaganda and nonsense" and seemed willing to soften some of the targets of the bailout program. According to the chairman of the euro zone finance ministers, Jean-Claude Juncker, the latter would be possible if Greece forms a government and the government signs up to the bailout agreement. Back to BVB, Fondul Proprietatea announced its first quarter results: compared to last year when gross profit stood at 14.8 mn RON, in Q1 2012 FP posted a loss of 1.5 mn RON.

The FX market was also shaken by the increased risk perception: RON lost 0.17% to the euro yesterday, closing at 4.4455. The 5Y CDS jumped a significant 38 bp to 355 bp. We have not seen a reaction in the yields of government securities yet.

On the money market, short term rates climbed. NBR injected only 5.4 bn RON at the the weekly repo on Monday a much lower amount compared to the previous week: 6.5 bn RON. This is likely to add up to upward pressure on the MM rates. The Finance Ministry sold 335 mn RON in 2Y bonds, less than half of the targeted amount of 900 mn RON. Compared to the previous auction in Mid April, demand was lower and the average accepted yield was 5.53%, 3 bp higher.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data			
Tuesday	Q1 2012	Flash GDP (QoQ, seasonally adjusted)	-0,1	-0,1	-0,2

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		11-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,2960	↓ -0,52	↑	12,03	↓	-11,57
OTP Obligatiuni	RON	11,7249	↑ 0,02	↑	2,31	↑	6,20
OTP ComodisRO	RON	14,2981	↑ 0,02	↑	2,39	↑	6,58
OTP Eurobond	EUR	10,6848	↑ 0,01	↑	1,71	↑	4,73

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to C.N.V.M. Regulations no. 15/2006 and 32/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express agreement of OTP Bank Romania S.A.

Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the willful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st sector Bucuresti, Romania; company registration number: 01-10-041585; authorized by the National Securities Commission – certificate no. 47/24.03.2009; for further information please refer to: <https://www.otpbank.ro/en>)

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st sector Bucuresti, Romania. Please refer to your name and e-mail address in both cases.