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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.620,79	↓ -1,01	↓ -0,66
BET-C	2.605,46	↓ -1,20	↓ -1,18
BET-FI	20.001,45	↓ -0,56	↓ -1,02
BET-XT	417,94	↓ -0,94	↓ -0,92
FP	0,4870	↓ -0,88	↓ -0,61
SIF3	0,4490	↓ -0,11	↓ -2,81
TEL	12,3000	↓ -1,20	↓ -3,07
SIF4	0,7800	↓ -0,64	↓ -1,89
SIF5	1,0400	→ 0,00	→ 0,00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,13	↑ 0,5	↑ 3,5
12 month	5,23	↑ 0,5	↑ 2,0
3 year	6,13	↑ 1,5	↑ 3,5
5 year	6,25	↓ -1,0	↑ 2,0
10 year	6,58	↓ 0,0	↑ 3,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,26	↑ 3,0	↑ 367,0
3M ROBOR	5,32	↑ 2,0	→ 0,0
6M ROBOR	5,44	↑ 2,0	↑ 6,0
1Y ROBOR	5,44	↑ 1,0	↑ 5,0
5Y CDS	417,60	↑ 17,1	↑ 24,3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4792	↑ 0,34	↑ 0,32
USD/RON	3,6209	↑ 1,37	↑ 2,13
CHF/RON	3,7263	↑ 0,23	↑ 0,30
100HUF/RON	1,48	↓ -1,16	↑ 0,30

Source: Reuters, OTP Research

Summary

- Stocks fell worldwide yesterday on fears that Spain would have to finally ask for bailout; the composite index lost 1.2%
- The 5Y CDS jumps to 418 bp; the RON lost 0.34% against the euro; MM rates and yields up in line with increased risk premiums
- The Treasury plans to sell 3.5 bn RON in government securities in June but the relative weight of bonds dropped

Stocks fell worldwide yesterday. In Europe, fears that Spanish bank's debt is unsustainable pushed government yields high and triggered worries that finally Spain would have to ask for financial help. The tension on European assets and on the euro was little released when the European Commission said that the bailout fund should be directly used for bank's recapitalization. Back at BVB, the composite index BET-C lost 1.2% and blue chips' index ROTX was down even more: -1.28%. The energy stocks moved against the market and oil stocks were up yesterday, but oil price continues to drop so we will probably continue decline in the short term.

As the euro took a large hit against dollar yesterday, falling below 1.24 to 23 month' low we saw the RON depreciate along with other emerging market currencies. The 5Y CDS level broke above the 400 bp level and jumped to 418 bp.

Along with increased risk aversion, money market rates continued their hike. The Treasury announced it plans to sell 3.5 bn RON in government securities in June. Indeed, as expected, the planned amount of bonds dropped to 49% of the planned issue amount, below the previous months' level. This may tell us those expectations regarding yields are that they will continue to remain high at least in the short term. Otherwise, the MinFin would have continued to issue a higher amount in bonds to prolong the remaining maturity of government securities but higher cost prevents it from doing so for the moment.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		29-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	5,9835	↑ 0,23	↑	6,47	↓	-15,01
OTP Obligatiuni	RON	11,7564	↑ 0,02	↑	2,59	↑	5,82
OTP ComodisRO	RON	14,3397	↑ 0,02	↑	2,68	↑	6,55
OTP Eurobond	EUR	10,7051	↑ 0,01	↑	1,90	↑	4,65

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