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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.567,44	↓ -1,15	↓ -1,26
BET-C	2.591,40	↓ -0,54	↓ -1,20
BET-FI	20.102,59	↑ 0,51	↑ 0,10
BET-XT	414,98	↓ -0,71	↓ -1,14
FP	0,4920	↑ 1,03	↑ 1,63
SIF3	0,4429	↓ -1,36	↓ -2,23
AZO	2,1860	↓ -0,05	→ 0,00
SIF2	1,0520	↑ 1,94	↑ 2,14
SIF5	1,0390	↓ -0,10	→ 0,00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,15	↑ 1,5	↑ 0,5
12 month	5,23	↑ 0,5	↓ -0,5
3 year	6,13	↓ -0,5	↑ 2,5
5 year	6,26	↑ 1,0	↓ -0,5
10 year	6,58	→ 0,0	↑ 2,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,25	↓ -1,0	↓ -6,0
3M ROBOR	5,32	→ 0,0	↓ -2,0
6M ROBOR	5,42	↓ -2,0	↓ -2,0
1Y ROBOR	5,45	↑ 1,0	↓ -1,0
5Y CDS	422,10	↑ 4,5	↑ 21,6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4787	↓ -0,01	↑ 0,27
USD/RON	3,6282	↑ 0,20	↑ 1,81
CHF/RON	3,7340	↑ 0,21	↑ 0,41
100HUF/RON	1,49	↑ 0,50	↑ 0,35

Source: Reuters, OTP Research

Summary

- BVB closed in the red yesterday on low turnover; In Europe, stocks closed mixed
- Money market rates fell marginally yesterday; NBR decides to accept 5 government securities issues instead of 3 as collateral for its repo operations; this measure is supposed to bring some relief to interbanking liquidity, without changing the level of mandatory ratio
- The 5Y CDS continued to rise: 422 bp; in line with increased risk premium, treasuries yields' are rising
- Unemployment rises marginally in April (from 7.2% to 7.4%)

BVB closed in the red yesterday on low turnover. Only BET-FI managed to gain a few points: +0.51% lead by Fondul Proprietatea (+1.03%) and two SIFs: SIF Moldova (+1.94%) and SIF Muntenia (+0.64%). In Europe, stocks closed mixed and we received no new clear signal: coming Greek elections and decision whether to help Spanish banks keep traders on their toes. A report according to which IMF could help bail out Spanish banks in case they need to be bailed out brought some relief to European stocks yesterday. However, contradictory statement came earlier from IMF representatives.

Money market rates fell marginally yesterday. In a trial to give a boost to liquidity through measures that do not involve the mandatory reserves ratio, the Central Bank decided it will accept 5 government securities issues instead of 3 as collateral for its repo operations. We already noticed the tension on the MM market, as in April we saw that banks used the Lombard facility, then in May NBR stepped up the repo volume from 5-6 bn RON to 8 bn RON in the last two repo operations. Therefore, some measure of relief was needed. It is not expected that it will have visible results in decreasing interbanking rates in the coming few weeks in June.

The 5Y CDS continued to move up 5 bp at 422 bp. In line with increased risk premium, treasuries yields are going up as well.

In April, the unemployment rate rose marginally from 7.2% to 7.4%. The estimated number of unemployed persons (15-74 years old) increased to 720 thousand from 716 thousand in March. However compared to April 2011 (750 thousand) is lower. As unemployment is a lagging indicator, the effects of further contraction in business volume are expected to be seen later.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	no data			
Friday	Apr	Producer Price Index (YoY, %)	6,5	5,8
	Apr	ILO unemployment rate (seasonally adjusted, %)	7,4	7,2

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		30-5-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	5,9499	↓ -0,56	↑	5,87	↓ -15,48	
OTP Obligatiuni	RON	11,7582	↑ 0,02	↑	2,60	↑ 5,83	
OTP ComodisRO	RON	14,3421	↑ 0,02	↑	2,70	↑ 6,56	
OTP Eurobond	EUR	10,7061	↑ 0,01	↑	1,91	↑ 4,66	

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