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Daily Report – Romania

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 4.535,68 | ↓ -0,29 | ↑ 2,19 |
| BET-C | 2.561,77 | ↓ -0,91 | ↑ 0,40 |
| BET-FI | 20.006,37 | ↓ -2,22 | ↓ -1,18 |
| BET-XT | 414,35 | ↓ -0,56 | ↑ 1,50 |
| FP | 0,4630 | ↓ -5,12 | ↓ -3,94 |
| AZO | 2,1950 | ↑ 0,14 | ↑ 0,23 |
| BRD | 8,6000 | ↑ 0,35 | ↑ 2,38 |
| SIF2 | 1,1710 | ↓ -0,76 | ↑ 3,63 |
| SIF5 | 1,0750 | ↓ -0,65 | → 0,00 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 5,23 | ↓ -1,5 | ↑ 2,5 |
| 12 month | 5,34 | ↑ 1,0 | ↑ 5,0 |
| 3 year | 6,18 | ↑ 1,5 | ↑ 3,0 |
| 5 year | 6,28 | ↓ -1,0 | ↓ -1,0 |
| 10 year | 6,58 | ↓ -0,5 | ↓ -1,5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|----------|
| Monday | 12M | 800 mn RON | 0 mn RON |
| Thursday | 4Y | 400 mn RON | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 3,15 | ↓ -227,0 | ↓ -226,0 |
| 3M ROBOR | 5,28 | ↓ -11,0 | ↓ -10,0 |
| 6M ROBOR | 5,43 | ↓ -5,0 | ↓ -4,0 |
| 1Y ROBOR | 5,45 | ↓ -3,0 | ↓ -3,0 |
| 5Y CDS | 369,00 | ↓ -11,7 | ↓ -20 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,4575 | ↓ -0,13 | ↓ -0,06 |
| USD/RON | 3,5180 | ↓ -0,88 | ↓ -1,21 |
| CHF/RON | 3,7154 | ↓ -0,08 | ↑ 0,01 |
| 100HUF/RON | 1,55 | ↑ 1,04 | ↑ 3,06 |

Source: Reuters, OTP Research

Summary

- BVB finished in the red yesterday driven by news related to Hidroelectrica filing for insolvency and concerns about the delay in the calendar for the already announced listings of state owned companies; FP and SIFs were main losers; international markets were up on hopes for more help from Fed
- MM rates are falling as we approach the end of the mandatory reserves building period but also due to improved risk perception; the 5Y CDS is down at 369 bp

BVB stocks finished in the red yesterday, as local market influences were more powerful than international markets trend. The composite index BET-C was down by 0.91% while in Europe we saw increases of 1-2%. The driver yesterday was the news that Hidroelectrica filed for insolvency and its consequences. This triggered selling of Fondul Proprietatea stocks and drove down the price by 5.12%, due to its holding in Hidroelectrica (19.96%). Fondul Proprietatea was among the most traded companies by value, along with SIFs. The SIF's were under selling pressure as well, as some investors had previously bought them on expectations that their value will be boosted by future investments in local market IPO's and SPO's in the already announced public companies. However, as we see that the calendar is being changed by the surprise filing for insolvency by Hidroelectrica, investors sold off to reinvest their money. This morning, Hidroelectrica had its long-term corporate family rating and probability of default rating cut to B2 from Ba1 by Moody's and ratings are on review for further downgrade. On the international markets however, we saw stocks jump, as investors expect some more boost from the Fed.

The optimism noticed in the equities markets drove up the RON and its peers. The euro was stronger against the USD yesterday by 0.88%.

The MM rates are finally declining: ROBOR ON down at 3.15% as we approach the end of the mandatory reserves building this week. Also, the risk from Greece has passed for the moment and brought some relief on the markets. Internationally, deposit outflows from Greek banks stopped and we believe that on the local market risk perception has marginally improved as well. The 5Y CDS is down at 369 bp.

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|-----------|---------|-----------|----------|
| Tuesday | | no data | | |
| Wednesday | | no data | | |

Source: Reuters, INS, NBR, OTP Research

| OTP AM – Open-End Funds | | 18-6-2012 | | | | |
|-------------------------|-----|------------|--------|--------|----------|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | |
| OTP AvantisRO | RON | 6,0081 | ↑ 1,03 | ↑ 6,91 | ↓ -15,97 | |
| OTP Obligatiuni | RON | 11,7918 | ↑ 0,06 | ↑ 2,90 | ↑ 6,04 | |
| OTP ComodisRO | RON | 14,3863 | ↑ 0,06 | ↑ 3,02 | ↑ 6,57 | |
| OTP Eurobond | EUR | 10,7231 | ↑ 0,03 | ↑ 2,07 | ↑ 4,52 | |

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