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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4,504.80	↓ -0.79	↑ 0.84
BET-C	2,542.82	↓ -0.97	↓ -0.20
BET-FI	20,110.30	↑ 0.10	↑ 0.10
BET-XT	413.16	↓ -0.53	↑ 0.98
FP	0.4574	↓ -0.78	↓ -4.71
SIF4	0.7280	↓ -1.36	↓ -1.62
EBS	65.0000	↑ 2.36	↑ 4.25
SIF2	1.2000	↑ 1.27	↑ 4.80
SNP	0.3690	↓ -2.48	↑ 0.27

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5.22	↓ -0.5	↓ -2.0
12 month	5.33	↓ -0.5	↑ 0.5
3 year	6.16	↓ -1.5	↓ -0.5
5 year	6.28	↓ -0.5	→ 0.0
10 year	6.59	→ 0.0	→ 0.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	800 mn RON	0 mn RON
Thursday	4Y	400 mn RON	95 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.55	↓ -18.0	↓ -388.0
3M ROBOR	5.34	↑ 5.0	↓ -5.0
6M ROBOR	5.46	↑ 4.0	→ 0.0
1Y ROBOR	5.47	↑ 1.0	↓ -1.0
5Y CDS	369.00	↓ -1.4	↓ -10

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4645	↑ 0.07	↑ 0.13
USD/RON	3.5600	↑ 1.37	↑ 0.82
CHF/RON	3.7176	↑ 0.08	↑ 0.14
100HUF/RON	1.55	↓ -0.50	↑ 2.59

Source: Reuters, OTP Research

Summary

- BSE indices finished mixed yesterday, the only index to close green was BET-FI with 0.10% gain; international markets finished in the red, after weak US jobs and manufacturing data came out
- ROBOR ON fell to 1.55% ahead of the end of the mandatory reserves period building but the rest of maturities show hikes of 1-5 bp; as no bid was accepted at Monday's auction, banks had some extra liquidity
- The yield curve slid down yesterday (except for the 10Y bonds)

Bucharest Stock Exchange indices closed mixed yesterday on lower volumes and below the year's average volumes, the only index to close green was BET-FI with 0.10% gain. The highest decrease was recorded by the energy and utilities companies' index, BET-NG which dropped 2.07%. The most traded stocks by value on the regular market were Fondul Proprietatea and SIF Muntenia. Same as in the previous sessions 57% of the total turnover was made on the Deals market. There were 5 block trades with Chimpex, BRD-GSG, SIF Muntenia and SIF Moldova shares. International markets were down yesterday, after news about the US jobs and manufacturing data came out.

In line with the fall we saw in equities, the EUR/USD pair fell significantly: -1.3% in only one day, closing at 1.2543 after we saw brake above 1.27 the previous day on hopes for Fed stimulus. Consequently, this drove down emerging market currencies, RON included. Next reference point on the international scene will be on 29th June, when the German Parliament will have to vote on the Fiscal Pact and the European Stability Mechanism.

Yesterday the Finance Ministry sold 94.6 million lei worth of four-year Treasury notes, far below its 400 million-lei offer. The yield was 6.28%, up from 6.09% achieved at the previous auction on May 10. Bids were placed for 717.6 million lei worth of government debt, at an average accepted price of 98.2981% of par. We have seen treasuries' yields coming down this week, in line with lower funding cost and lower CDS.

The yield curve slid down yesterday with one exception: the 10Y yield was flat yesterday.

ROBOR ON fell to 1.55%, ahead the end of the mandatory period reserves building. However, the rest of maturities advanced by 1-5 bp yesterday. Given that at Monday's auction no bid was accepted, banks had some extra liquidity to place on the money markets. The 5Y CDS continues to decline reaching 369 basis points.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		20-6-2012				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	5,9991	↑ 0,11	↑ 6,75	↓ -15,62	
OTP Obligatiuni	RON	11,7968	↑ 0,01	↑ 2,94	↑ 6,09	
OTP ComodisRO	RON	14,3922	↑ 0,02	↑ 3,06	↑ 6,57	
OTP Eurobond	EUR	10,7248	↑ 0,01	↑ 2,09	↑ 4,50	

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