

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	4,348,22	↓ -1,79	↓ -4,13
BET-C	2,473,60	↓ -1,18	↓ -3,44
BET-FI	19,625,07	↓ -1,08	↓ -1,91
BET-XT	400,86	↓ -1,62	↓ -3,26
FP	0,4400	↓ -0,68	↓ -4,97
SIF2	1,1900	↓ -1,65	↑ 1,62
SNP	0,3700	→ 0,00	↓ -1,33
SIF4	0,7150	↓ -0,69	↓ -4,03
SIF3	0,4350	↓ -0,91	↓ -1,49

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,23	↑ 0,5	→ 0,0
12 month	5,35	↓ -0,5	↑ 1,0
3 year	6,15	↓ -0,5	↓ -2,5
5 year	6,29	→ 0,0	↑ 1,5
10 year	6,58	↓ -1,5	↑ 0,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,31	↓ -8,0	↑ 216,0
3M ROBOR	5,40	↓ -1,0	↑ 12,0
6M ROBOR	5,49	→ 0,0	↑ 6,0
1Y ROBOR	5,51	↑ 1,0	↑ 6,0
5Y CDS	383,13	↑ 9,1	↑ 13

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4565	↓ -0,27	↓ -0,02
USD/RON	3,5668	↓ -0,18	↑ 1,39
CHF/RON	3,7102	↓ -0,26	↓ -0,14
100HUF/RON	1,56	↑ 0,42	↑ 0,63

Source: Reuters, OTP Research

Summary

- BVB finished mixed yesterday, on very high turnover due to the closing of the takeover bid (240.8 mn RON) of Azomures; only the energy sector index BET NG finished up (+0.54%); US and Asian markets finished up
- Investors are eyeing the coming EU summit on 28-29 June but sentiment is low regarding expected outcome, which pushed the euro down yesterday
- After the record repo on Monday, MM rates started to descend. This fed into treasuries yields as well.
- NBR to hold base rate at 5.25% due to international risks

BVB finished mixed yesterday, on the largest turnover in the past one year and 4M due to the closing of the takeover bid of Azomures. Swiss-based Pelican Fertilizers managed to buy a 20.62% stake (240.8 mn RON) through this offer reaching 96.49%. According to Romanian law the major shareholder who owns more than 95%, following a takeover bid, may ask for the company's delisting in 3 months. The minority shareholders will receive the price paid in the offer namely 2.22 RON/share. The energy companies index, BET-NG was the only one to finish in the green (+0.54%) driven by oil and gas companies. The rest of the indices fell between 1.08 (BET-FI) and 1.79% (BET). The composite index was down by 1.18%, more than average evolution of European indices. The US and Asian markets were up yesterday. The jump in US stocks was driven by better than expected US housing data. Investors are eyeing the coming EU summit on 28-29 June but sentiment is low regarding expected outcome, which pushed the euro down yesterday. Moreover, Angela Merkel tried to annihilate hopes that Germany will back the idea of common euro zone bonds on Tuesday, saying that Germany will not do this "as long as I live".

After the record repo on Monday, MM rates started to descend. This fed into treasuries yields as well.

We expect NBR to hold the base rate at the current level of 5.25% due to international risks. The Central Bank is very likely to remain cautious and not threaten the success it has obtained by now, anchoring inflation expectations.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	no data			
Wednesday	Base rate decision (%)		5,25	5,25

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		23-6-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	5,8875	↓ -1,11	↑	4,76	↓	-16,73
OTP Obligatiuni	RON	11,8062	↑ 0,05	↑	3,02	↑	6,17
OTP ComodisRO	RON	14,4168	↑ 0,04	↑	3,24	↑	6,71
OTP Eurobond	EUR	10,7286	↑ 0,03	↑	2,12	↑	4,50

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