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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.606,74	↑ 0,51	↑ 1,61
BET-C	2.594,48	↓ -0,02	↑ 1,40
BET-FI	21.136,78	↓ -0,07	↑ 3,51
BET-XT	426,66	↑ 0,28	↑ 2,23
FP	0,4710	↑ 0,43	↑ 2,17
SNP	0,3742	↓ -0,74	↑ 1,14
BRD	9,1500	→ 0,00	↑ 1,67
SIF3	0,4750	↑ 0,42	↑ 3,26
SIF5	1,1990	↓ -0,91	↑ 4,26

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,28	↓ -7,5	↑ 7,5
12 month	5,46	↓ -3,0	↑ 13,0
3 year	6,19	↓ -1,5	↑ 3,5
5 year	6,36	↑ 0,5	↑ 8,5
10 year	6,59	↓ -2,5	↑ 2,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11M	700 mn RON	700 mn RON
Thursday	4Y	400 mn RON	400 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,70	↓ -235,0	↓ -269,0
3M ROBOR	5,29	↓ -4,0	↓ -7,0
6M ROBOR	5,54	→ 0,0	↑ 3,0
1Y ROBOR	5,56	↓ -2,0	↑ 4,0
5Y CDS	381,68	→ 0,0	↑ 13

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5405	↑ 0,40	↑ 1,11
USD/RON	3,7224	↑ 0,73	↑ 2,68
CHF/RON	3,7813	↑ 0,39	↑ 1,09
100HUF/RON	1,57	↑ 0,04	↓ -0,06

Source: Reuters, OTP Research

Summary

- BVB mixed yesterday, on much higher turnover than the previous day; the deals market was active and three stocks were traded (BRD, FP, SNP), the selling price falling
- The Finance Ministry sold the planned amount of 400 mn RON in 4Y bonds at 6.41%, higher by 13 bp than the yield of the previous similar tender;
- The leu lost 0.4% in line with peer currencies
- ROBOR ON down 235 bp

BVB stocks finished mixed yesterday on much higher turnover than the previous day: BET scored the top increase after having gained 0.51%, driven by Banca Transilvania (+2.99%) and Fondul Proprietatea (+0.43%). The first gained nicely ahead of the share capital increase operation that will take place today when the stock will not be traded. Indices that marked losses were the composite index BET-C (-0.02%), the financial companies' index BET-FI (-0.07%) and the energy companies' index BET-NG (-0.77%). The deals market was active as well yesterday. There were deals with 3 stocks BRD, Fondul Proprietatea and OMV Petrom and in all the cases it was a buyers' market and prices fell between 0.5%-0.6%. In Europe and in the US, indices lost up to 1% as the only hopes for the moment were in the Fed pushing further more stimulus.

After yesterday's meeting in Brussels of PM Ponta with European Commission's officials, we find out what was in fact expected: the EC urges the Romanian authorities to restore the powers of the Constitutional Court. In reaction, the PM tried to ensure the EU officials that actions will be taken to restore the mechanism that guarantees the well functioning of a democratic state.

Meanwhile, the leu suffers in line with peer currencies after the euro continued to lose (-0.3%) against the dollar yesterday and closed at 1.2198. The leu, the Czech crown, the Polish Zloty and the Hungarian Forint retreated between 0.3%-0.6% against the euro yesterday.

The ON rate fell abruptly yesterday, by 235 bp to 2.7% and longer maturities were down as well. This fed immediately into the treasuries' yield which declined between 1-7 bp (except for the 5Y bonds). The Finance Ministry managed to sell the entire amount of 400 mn RON in 4Y bonds at an average yield of 6.41%, which is 13 bp higher than the one at the previous auction in June.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday	MAY	CA balance (EUR mn, YTD)		-1.230,0

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		10-7-2012				
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%
OTP AvantisRO	RON	6,1159	↓ -0,19	↑	8,82	↓ -13,86
OTP Obligatiuni	RON	11,8395	↑ 0,02	↑	3,31	↑ 6,18
OTP ComodisRO	RON	14,4555	↑ 0,02	↑	3,51	↑ 6,66
OTP Eurobond	EUR	10,7511	↑ 0,01	↑	2,34	↑ 4,44

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