

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	4.635,32	↑ 0,62	↑ 2,85
BET-C	2.611,27	↑ 0,65	↑ 2,18
BET-FI	21.205,00	↑ 0,32	↑ 4,33
BET-XT	429,09	↑ 0,57	↑ 3,41
FP	0,4711	↑ 0,02	↑ 2,41
SNP	0,3790	↑ 1,28	↑ 2,29
SIF5	1,2000	↑ 0,08	↑ 5,26
BRD	9,2900	↑ 1,53	↑ 3,22
SIF4	0,7400	↑ 0,14	↑ 4,23

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,33	↑ 4,5	↑ 8,0
12 month	5,47	↑ 0,5	↑ 11,5
3 year	6,21	↑ 1,5	↑ 2,5
5 year	6,37	↑ 1,5	↑ 4,5
10 year	6,61	↑ 1,5	↑ 0,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	650 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,16	↓ -54,0	↓ -322,0
3M ROBOR	5,27	↓ -2,0	↓ -11,0
6M ROBOR	5,50	↓ -4,0	↓ -2,0
1Y ROBOR	5,54	↓ -2,0	↑ 1,0
5Y CDS	382,62	↑ 0,1	↓ -15

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5615	↑ 0,46	↑ 0,78
USD/RON	3,7228	↑ 0,01	↑ 0,86
CHF/RON	3,7996	↑ 0,48	↑ 0,80
100HUF/RON	1,58	↑ 0,97	↑ 1,04

Source: Reuters, OTP Research

Summary

- BVB finished in the green on Friday, in line with international markets; the latter were boosted by good Chinese GDP data
- The leu lost 0.5% to the euro on Friday; bonds prices were down;
- In Jan- May, the foreign direct investments dropped by 45% YoY

BVB stocks finished in the green on Friday, in line with international markets. The latter were boosted by good Chinese GDP data which came a bit above expectations. In Bucharest, indices advanced between 0.32% (BET-FI)-0.81% (ROTX). The blue chips outperformed the market average, driven by the advance of BRD (+1.53%), OMV Petrom (+1.28%) and Erste Group Bank (+1.21%). The deals market was active as well and two deals were made with stocks of Fondul Proprietatea and OMV Petrom.

The RON slid to its lowest level on Friday and lost 0.5% against the euro. The move was not in line with what we would expect looking at the correlation with the EUR/USD pair or its peers (the Polish zloty, the Hungarian forint). This means that the influence came from domestic factors. The selloff of the leu is seen on the interbanking markets as well where the rates are falling due to relatively increased liquidity. On the other hand, risk perception is rather elevated and investors' expectations about Romanian assets are bearish right now: we see that leu is losing ground and bond prices fall as well: yields climbed up to 4 bp (the 6M T-bills) on Friday and the curve flattened. According to the Finance Ministry data, non residents decreased their exposure to Romanian bonds in May. Also, looking at fundamental factors, the new FDI data is rather deceptive: net FDI decreased about half during the first 5M of the year. In Jan- April, they were down by 9% YoY but in Jan- May they plunged by 45% YoY.

The Finance Ministry will hold a 2Y bonds auction today with a targeted amount of 650 mn RON.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	MAY	CA balance (EUR mn, YTD)	1.920	-1.230
Monday		no data		

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		12-7-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,1108	↓ -0,08	↑	8,73	↓	-13,32
OTP Obligatiuni	RON	11,8421	↑ 0,02	↑	3,33	↑	6,21
OTP ComodisRO	RON	14,4581	↑ 0,02	↑	3,53	↑	6,66
OTP Eurobond	EUR	10,7523	↑ 0,01	↑	2,35	↑	4,44

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