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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4,526.02	↓ -3,11	↓ -3,68
BET-C	2,561.07	↓ -2,58	↓ -2,49
BET-FI	20,482.85	↓ -2,90	↓ -3,52
BET-XT	416,89	↓ -3,16	↓ -3,75
FP	0,4673	↓ -1,62	↓ -1,41
SIF3	0,4600	↓ -4,17	↓ -5,33
SIF5	1,1820	↓ -3,11	↓ -1,50
SNP	0,3700	↓ -1,96	↓ -1,88
SIF1	0,9600	↓ -3,90	↓ -2,04

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,29	↑ 1,5	↓ -1,0
12 month	5,45	↑ 2,0	↓ -1,5
3 year	6,19	↑ 0,5	↓ -3,0
5 year	6,37	→ 0,0	↑ 1,0
10 year	6,59	→ 0,0	↓ -1,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,38	↓ -8,0	↓ -142,0
3M ROBOR	5,40	↑ 4,0	↑ 11,0
6M ROBOR	5,62	↑ 6,0	↑ 8,0
1Y ROBOR	5,64	↑ 3,0	↑ 8,0
5Y CDS	386,79	↑ 23,1	↑ 27

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,6375	↑ 0,88	↑ 1,47
USD/RON	3,8294	↑ 1,19	↑ 2,90
CHF/RON	3,8623	↑ 0,96	↑ 1,54
100HUF/RON	1,61	↑ 0,26	↑ 1,57

Source: Reuters, OTP Research

Summary

- BVB stocks plummeted yesterday as investors are more alerted by the Spanish bailout; the perspective is for more losses, after Moody's cut the rating outlook for Germany to negative
- The leu at historical low; right now, external risks outweigh domestic factors which made the euro appreciate above 4.5 against the leu

BVB stocks plunged on Monday as investors are more and more alerted by the potential Spanish bailout. The indexes fell between 1.63% (BET-NG) and 3.77% (ROTX). Overall, the blue chips took the hardest hit, especially financial stocks: BRD (-5.91%), Erste Group Bank (-5.72%). Only 4 stocks finished in the green, among which Transgaz as well, after yesterday's news about the coming announcement of the SPO for 15% stake in the company. Probably the decline will continue these days, as Moody's changed the rating outlook for Germany to negative and it did the same with Netherlands and Luxembourg. The agency commented that the rich euro-zone nations may have to up the support for countries like Spain and Italy.

Money market rates increase as the observation period for the required reserves ended. Risk metrics are up again: the 5Y CDS advanced 23 bp to 387 bp and government securities yields increased at the short end of the curve. NBR injected a similar amount of liquidity at the weekly repo, as last week: 8.2 bn RON.

The leu continues to be under pressure and it lost 0.88% against the euro in one day, closing at 4.6375. The worst case scenario for the eurozone has not materialized but it quickly catches shape: Greek exit and contagion to other euro zone countries. Right now, external risks outweigh domestic factors which made the euro appreciate above 4.5 against the leu. This level was hit after it was announced that the Constitutional Court's opinion is advisory and the President can be suspended even if the CC does not approve. Meanwhile, tension on the international market increased, Greek exit talks reemerged and one Spanish region asked for aid.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday				
	no data			
Tuesday	JUNE			
	M3 (broad money, YoY, %)			11,3
	JUNE			
	Non governmental loans (YoY, %)			9,4
	JUNE			
	Non governmental deposits (YoY; %)			11,8

Source: Reuters, INS, NBR, OTP Research

OTP AM – Open-End Funds		20-7-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,1703	↓ -0,92	↑	9,79	↓	-10,32
OTP Obligatiuni	RON	11,8641	↑ 0,04	↑	3,53	↑	6,31
OTP ComodisRO	RON	14,4751	↑ 0,01	↑	3,65	↑	6,66
OTP Eurobond	EUR	10,7922	↑ 0,26	↑	2,73	↑	4,75

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