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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.693,35	↑ 0,87	↑ 4,01
BET-C	2.628,85	↑ 0,88	↑ 3,22
BET-FI	21.582,40	↑ 1,02	↑ 4,59
BET-XT	432,20	↑ 0,73	↑ 3,62
FP	0,5090	↑ 2,70	↑ 8,99
SIF3	0,4763	↑ 0,27	↑ 2,43
SNP	0,3878	↑ 1,52	↑ 5,67
SIF5	1,2400	↑ 1,31	↑ 3,77
EBS	66,0000	↓ -3,93	↑ 0,30

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,23	↓ -3,0	↓ -5,5
12 month	5,41	↓ -1,0	↓ -3,0
3 year	6,15	↓ -0,5	↓ -4,5
5 year	6,34	↓ -0,5	↓ -2,5
10 year	6,56	↑ 0,5	↓ -3,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,25	↓ -3,0	↓ -4,0
3M ROBOR	5,38	→ 0,0	↓ -3,0
6M ROBOR	5,57	↓ -4,0	↓ -7,0
1Y ROBOR	5,61	↓ -4,0	↓ -7,0
5Y CDS	374,57	↑ 0,1	↓ -28

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5840	↑ 0,32	↓ -0,95
USD/RON	3,7266	↓ -0,01	↓ -2,87
CHF/RON	3,8148	↑ 0,33	↓ -1,04
100HUF/RON	1,63	↓ -0,73	↑ 1,93

Source: Reuters, OTP Research

Summary

- BSE stocks traded higher yesterday; all eyes on Thursday's ECB policy meeting; in H1, Banca Transilvania announced a net profit of 179.6 mn RON, higher by 47% YoY
- The Finance Ministry announced it plans to sell 2.5 bn RON in government bonds and bills in August
- The unemployment rate declines marginally to 7.6% in June from 7.7% in May

Stocks traded on the BSE continued to pick up and all indices finished in the green yesterday. The composite index BET-C gained 0.88% while financial stocks traded even higher on average, as shown by BET-FI (+1.02%). All eyes are set on the ECB policy meeting on Thursday when they expect to see what measures will be put forth by EU leaders and whether the bond buying program will be extended. This meeting comes after fresh unemployment data for June was released and they point to the highest rate in the history of the euro: 11.2% unemployment rate for the 17 euro zone area. Domestically, Transelectrica announced dividend payment starting on 20th August for the 2011 financial year. This applies to all the stockholders registered on 15th May 2012. The gross dividend stands at 1.1 RON/share. Banca Transilvania announced the financial results for H1 2012: it recorded a growth rate of 47% YoY net profit during the first 6M in H1. The gross profit was higher by 29%YoY in H1.

The money market rates started to decline after the higher liquidity injection operated by the Central Bank this week: the weekly repo was 12.1 bn RON, higher than the amount injected during the previous week (8.2 bn RON).

The Finance Ministry announced it plans to sell 2.5 bn RON in government bonds and bills in August. Most of the amount (1.9 bn RON) is assigned to T-bills, as the borrowing costs went up in the last period. Government securities yields fell up to 3 bp (for the 6M T-bills) yesterday, with one exception for the 10Y bonds.

The unemployment rate declined marginally to 7.6% (seasonally adjusted) in June from 7.7% in May. Meanwhile, in the EU17 the rate remained stable at 11.2% in June, same as in May

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	JUNE	ILO unemployment rate (% , seasonally adjusted)	7,6	7,7
Wednesday		FX reserves (bn EUR)		33,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		30-7-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,1878	↑ 0,26	↑	10,10	↓	-9,67
OTP Obligatiuni	RON	11,8835	↑ 0,04	↑	3,70	↑	6,39
OTP ComodisRO	RON	14,4974	↑ 0,04	↑	3,81	↑	6,61
OTP Eurobond	EUR	10,8016	↑ 0,03	↑	2,82	↑	4,77

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