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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.741,53	↑ 0,27	↑ 1,73
BET-C	2.653,75	↑ 0,31	↑ 1,56
BET-FI	21.981,79	↑ 1,27	↑ 3,60
BET-XT	437,10	↑ 0,62	↑ 1,81
FP	0,5200	↓ -0,48	↑ 8,33
SIF5	1,2430	↓ -1,74	↑ 1,80
EBS	65,2000	↓ -1,21	↓ -2,69
SIF2	1,2610	↓ -2,93	↓ -1,10
SIF3	0,4752	↓ -1,21	↓ -0,90

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,24	↑ 2,0	↓ -2,0
12 month	5,46	↑ 5,5	↑ 3,5
3 year	6,18	↑ 4,0	↑ 0,5
5 year	6,36	↑ 3,0	→ 0,0
10 year	6,57	↑ 1,0	→ 0,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	700 mn RON	
Thursday	2Y	400 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,29	↑ 4,0	→ 0,0
3M ROBOR	5,39	↑ 1,0	↑ 1,0
6M ROBOR	5,61	↑ 3,0	↑ 2,0
1Y ROBOR	5,66	↑ 2,0	↑ 1,0
5Y CDS	374,61	↑ 0,1	↓ -7

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,6330	↑ 0,12	↑ 0,73
USD/RON	3,7330	↓ -1,57	↓ -0,02
CHF/RON	3,8472	→ 0,00	↑ 0,52
100HUF/RON	1,66	↑ 1,13	↑ 1,68

Source: Reuters, OTP Research

**Summary**

- BSE stocks moved up in line with international markets, where hopes for faster ECB reaction revived
- The leu remains pressured by the political decisions
- Money market rates started to climb; government securities yields were up by 5bp (12M T-bills) on Friday

BSE finished in the green on Friday, in line with the international markets. Indices moved between 0.27% (BET) and 1.27% (BET-FI). In Europe, markets rallied after the change in sentiment regarding the intervention expected from the ECB. In order to push down borrowing costs for Italy and Spain, investors now expect the ECB to act sooner rather than later. Also, US unemployment continued to advance in July to 8.3% which keeps alive hopes that the Fed may offer further stimulus to economy. The increase in non-farm payrolls pushed the dollar down against the euro, as investors dumped some of the safe heaven assets in favor of the riskier ones.

The local currency remains under the influence of the political decision related to the validation of the referendum by the Constitutional Court (expected on 31<sup>st</sup> August). The leu weakened further against the euro on Friday. The decision taken by the Central Bank to stop the base rate cut prevented further depreciation coming from the decrease in RON interest rates. Central Bank interventions and policy actions alone will not be able to stop further depreciation of the leu given that fundamentals do not show signs of improvement and that there are risks stemming from the fiscal policy as well.

Government securities yields advanced up to 5 bp (12M) on Friday. The Treasury will hold an auction with a targeted amount of 700 mn RON in 12M T-bills today.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	no data			
Monday	June	Net wage growth rate ( y-o-y, %)		4,9

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		2-8-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,2214	↓ -0,99	↑	10,70	↓	-8,64
OTP Obligatiuni	RON	11,8907	↑ 0,02	↑	3,76	↑	6,36
OTP ComodisRO	RON	14,5044	↑ 0,02	↑	3,86	↑	6,59
OTP Eurobond	EUR	10,8061	↑ 0,02	↑	2,86	↑	4,71

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