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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.781,68	↑ 0,85	↑ 2,77
BET-C	2.668,64	↑ 0,56	↑ 2,41
BET-FI	22.232,67	↑ 1,14	↑ 4,07
BET-XT	441,16	↑ 0,93	↑ 2,82
FP	0,5250	↑ 0,48	↑ 5,93
EBS	68,1000	↑ 2,41	↓ -0,87
SIF1	1,0300	↑ 1,58	↑ 3,10
SIF3	0,4925	↑ 1,76	↑ 3,68
TEL	13,7000	↑ 1,11	↑ 7,87

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,29	↑ 5,0	↑ 3,5
12 month	5,47	↑ 1,0	↑ 5,5
3 year	6,21	↑ 2,5	↑ 5,5
5 year	6,37	↑ 1,0	↑ 2,0
10 year	6,57	⇒ 0,0	↑ 1,0

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,28	↓ -1,0	⇒ 0,0
3M ROBOR	5,39	⇒ 0,0	↑ 1,0
6M ROBOR	5,63	↑ 2,0	↑ 2,0
1Y ROBOR	5,68	↑ 2,0	↑ 3,0
5Y CDS	361,14	↓ -6,6	↓ -18

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5741	↓ -1,27	↑ 0,11
USD/RON	3,6850	↓ -1,29	↓ -1,12
CHF/RON	3,8075	↓ -1,03	↑ 0,14
100HUF/RON	1,66	↓ -0,26	↑ 1,26

Source: Reuters, OTP Research

Summary

- Another day of gains for BSE stocks but turnover remains low
- The leu appreciated by 1.3% against the euro; euro closed at 4.5741 against the leu and dealers cite Central Bank Intervention; December inflation forecast maintained at 3.2% YoY but upside risks
- The Treasury sold the entire amount of 700 mn RON in 12M T-bills at an average yield of 5.66%, higher by 37 bp than the similar one in June
- Net wages increased by 5.4% YoY in June, faster than in May (4.9% YoY)

Another day of gains at BSE, but turnover remains low. Indices jumped between 0.56% (BET-C) and 1.16% (BET-BK). The evolution was similar in amplitude with the results we saw on other European markets where investors remain positive on hopes that the ECB's intervention would come in the near term. Back in Bucharest, of the energy companies comprised in the BET-NG index, only three of them managed to stay in the green (Transelectrica, Transgaz and OMV Petrom) and the rest posted losses. By comparison, financial stocks were up yesterday, with no exception.

The leu appreciated by 1.3% against the euro yesterday and the euro closed at 4.5741. Dealers cited Central Bank intervention. The Central Bank Governor presented the inflation report yesterday and draw attention upon the destabilizing effect of the current political situation. The CB maintained inflation rate forecast of 3.2% YoY in December but warned that there are upside risks to the current forecast stemming from both internal and external factors. Internal factors refer to the fiscal policy and the country's ability to keep the current agreement with the IMF in what concerns quantitative and qualitative criteria. Slippage from the agreement could increase risk aversion to Romanian assets and cause further capital outflow.

The government securities yields moved up yesterday, especially at the low end of the curve (+5 bp for the 6M T-bills). The Treasury managed to sell the entire planned amount of 700 mn RON in 12M T bills. The average accepted yield stood at 5.66%, which was 37 bp higher than the last similar auction in June. Total bids summed to 1.3 bn RON and bid to cover ratio was 1.9.

Net wages increase by 5.4% YoY in June, faster than in May (4.9% YoY). In the public administration sector, wages were up by 7.9% MoM.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	June	Net wage growth rate (y-o-y, %)	5,4		4,9
Tuesday			no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		3-8-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,2720	↑ 0,81	↑ 11,60	↓ -6,39		
OTP Obligatiuni	RON	11,8935	↑ 0,02	↑ 3,78	↑ 6,38		
OTP ComodisRO	RON	14,5071	↑ 0,02	↑ 3,88	↑ 6,59		
OTP Eurobond	EUR	10,8072	↑ 0,01	↑ 2,87	↑ 4,71		

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