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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.682,29	↓ -0,14	↓ -0,98
BET-C	2.623,95	↓ -0,30	↓ -0,82
BET-FI	21.852,30	↓ -0,26	↑ 0,67
BET-XT	433,54	↓ -0,03	↓ -0,20
SIF5	1,2600	↑ 0,24	↑ 1,37
FP	0,5110	↓ -0,87	↓ -1,73
EBS	68,2500	↑ 1,87	↑ 4,68
BRD	8,2700	→ 0,00	↓ -2,13
SIF3	0,4880	↓ -1,41	↑ 2,69

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,57	↑ 3,0	↑ 35,0
12 month	5,75	↑ 3,0	↑ 34,0
3 year	6,32	↑ 3,5	↑ 18,0
5 year	6,47	↑ 1,5	↑ 14,5
10 year	6,69	↑ 1,5	↑ 13,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	700 mn RON	700 mn RON
Thursday	2Y	400 mn RON	0 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,69	↑ 7,0	↑ 44,0
3M ROBOR	5,67	↑ 2,0	↑ 29,0
6M ROBOR	5,79	↓ -1,0	↑ 21,0
1Y ROBOR	5,82	↑ 1,0	↑ 18,0
5Y CDS	359,38	↑ 0,0	↓ -7

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5440	↓ -0,01	↓ -1,80
USD/RON	3,6928	↑ 0,56	↓ -2,63
CHF/RON	3,7833	↑ 0,01	↓ -1,66
100HUF/RON	1,64	↑ 0,41	↓ -0,15

Source: Reuters, OTP Research

Summary

- BSE finished mixed yesterday; BET-NG took the highest hit;
- The IMF reduced the GDP growth forecast from 1.5% YoY to 1.2% YoY in 2012 without changing the budget deficit
- Government securities yields are higher by 13 to 35 bp than last week; The Treasury rejected all bids yesterday
- Imports declined (-0.4% YoY, euro figures) for a fourth consecutive month in June; exports were down by 1.2% YoY after two strong months; the signs of slowdown in the global economy became stronger in June, when both external and domestic demand appear to have weakened

BSE stocks finished mixed yesterday, on higher turnover. In the deals market, there were two trades with shares of Fondul Proprietatea and Rompetrol Well Servicess. The only indices in the green were the blue chips index, ROTX (+0.23%) and BET-BK (+0.08%), a new index made of the most liquid 25 companies listed at BVB. However, the former was driven exclusively by Erste Group (+1.87%) and Banca Transilvania (+1%) and the latter was also pushed up by financial stocks. Energy stocks hardest hit yesterday, with BET-NG falling by 1.52% and oil price going down on the international markets. Many companies will announce the H1 results today. The first ETF will be launched at BSE.

The IMF reduced the GDP growth forecast for 2012 from 1.5% YoY to 1.2% YoY, leaving unchanged the budget deficit figures (Ziarul Financiar). More details to come next week when the mission ends.

Money market rates continued to climb yesterday. The government securities yields are higher by 13 -35 bp compared to last week on the secondary market. This puts pressure on the yields asked at the auctions organized by the Treasury. Yesterday, the Treasury rejected all bids at the 2Y bonds auction which had a targeted amount of 400 mn RON.

External trade figures for June showed imports declining for the fourth consecutive month (-0.4% YoY, euro figures) while exports were down by 1.2% YoY after they showed a healthy growth of 3-4% during the previous two months. The signs of slowdown in the global economy became stronger in June, when both external and domestic demand appear to have weakened. The index value of new orders in manufacturing, which is a leading indicator continued on the positive side (+2.2% YoY), although the pace was lower than in May (4.4 %YoY).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	June	Exports (y-o-y, %)	-1,2		3,9
	June	Imports (y-o-y, %)	-0,4		-1,9
	June	Index value of new orders in manufacturing (y-o-y, %)	2,1		4,4
Friday	June	Industrial trade turnover index (y-o-y, %)	1,5		7,3
	June	Households services turnover index (y-o-y, %)			-2,2
	June	Wholesale services turnover index (y-o-y, %)			7,1
	July	Consumer price index (y-o-y, %)		2,8	2,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		8-8-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,2542	↓ -0,40	↑	11,28	↓ -1,82	
OTP Obligatiuni	RON	11,9000	↑ 0,02	↑	3,84	↑ 6,44	
OTP ComodisRO	RON	14,5251	↑ 0,07	↑	4,01	↑ 6,69	
OTP Eurobond	EUR	10,8127	↑ 0,01	↑	2,92	↑ 4,74	

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