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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.671,44	↓ -0,23	↓ -1,48
BET-C	2.622,98	↓ -0,04	↓ -1,16
BET-FI	21.982,28	↑ 0,59	↑ 0,00
BET-XT	433,18	↓ -0,08	↓ -0,90
FP	0,5145	↑ 0,68	↓ -1,53
SNP	0,3800	↓ -0,39	↓ -2,14
EBS	68,0000	↓ -0,37	↑ 2,26
SIF3	0,4880	→ 0,00	↑ 0,83
SIF1	1,0300	↑ 1,48	↑ 1,58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,59	↑ 2,0	↑ 35,0
12 month	5,75	→ 0,0	↑ 28,5
3 year	6,34	↑ 2,0	↑ 16,0
5 year	6,48	↑ 0,5	↑ 12,0
10 year	6,69	→ 0,0	↑ 12,0

GOV'T BOND AUCTIONS

Monday	Maturity	Auctions	Sold
	8M	700 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,71	↑ 2,0	↑ 42,0
3M ROBOR	5,70	↑ 3,0	↑ 31,0
6M ROBOR	5,81	↑ 2,0	↑ 20,0
1Y ROBOR	5,83	↑ 1,0	↑ 17,0
5Y CDS	367,53	↑ 6,8	↑ 3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5358	↓ -0,18	↓ -2,10
USD/RON	3,6911	↓ -0,05	↓ -1,12
CHF/RON	3,7766	↓ -0,18	↓ -1,84
100HUF/RON	1,64	↓ -0,40	↓ -1,65

Source: Reuters, OTP Research

Summary

- BSE finished mixed on Friday on low turnover; with a few exceptions (FP, SIFs, TGN and Rompetrol Rafinare) which drove up two indices, the stocks followed the European trend; BET-C finished in the red
- Money market rates and the government securities yields continue to advance; the leu is driven by the squeeze of liquidity and it is decoupled from the EUR/USD pair and from its peers
- Household services turnover was down by 0.1% MoM in June; July CPI stood at 3% YoY, higher than analysts' expectations of 2.8% YoY

BSE finished mixed on Friday, on lower turnover. Only two indices were in the green, BET-FI (+0.59%) and BET-NG (+0.47%) and the composite index BET-C finished almost flat (-0.04%). The positive results were due to a few companies: Fondul Proprietatea and the SIFs which lifted BET-FI, whereas the rest of financial stocks slid down following the trend on the financial market. In the energetic sector, the good evolution we saw in the case of BET-NG is due mainly to just two companies, Transgaz (+0.51%) and Rompetrol Rafinare (+4.7%) and both of them are due to firm specific factors. In the case of Transgaz, investors may be optimistic in view of the future SPO and in the case of Rompetrol Rafinare, the company announced the increase in production capacity.

The leu is still under the influence of the squeeze of liquidity and it continued to appreciate against the euro, being decoupled from the evolution of the EUR/USD pair and from its peers. The EUR/RON closed at 4.5358 on Friday.

Money market rates continued to go up and ROBOR ON stands at 5.71%, higher by 42 bp than the previous week. Government securities yields are advancing as well, in line with the increased money market rates. The Treasury plans to sell 700 mn RON in 8M T-bills today. If these higher levels of the MM rates persist, then they will finally translate into higher interest rates for both loans and deposits, with a negative effect on economic growth.

The inflation rate came at 3% YoY in July, higher than analysts' expectations. However, the Central Bank maintained its December forecast for 2012 (3.2% YoY) and 2013 (3% YoY) as well but it emphasized that compliance with the fiscal targets is essential to limit risks of the current forecast.

Households' services turnover was lower by 3% YoY in June and by 0.1% MoM (seasonally adjusted data). The monthly drop continued in June after we witnessed a fall in May as well. The wholesale services turnover came at +7.5% YoY in June, only marginally down from May (+8.3% YoY).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	June	Households services turnover index (y-o-y, %)	-3,0		-1,9
	June	Wholesale services turnover index (y-o-y, %)	7,5		8,3
	July	Consumer price index (y-o-y, %)	3,0	2,8	2,0
Monday	June	CA balance (EUR mn, YTD)			-1.920

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		9-8-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,2534	↓ -0,01	↑	11,27	↓ -1,83	
OTP Obligatiuni	RON	11,9019	↑ 0,02	↑	3,86	↑ 6,46	
OTP ComodisRO	RON	14,5271	↑ 0,01	↑	4,03	↑ 6,70	
OTP Eurobond	EUR	10,8138	↑ 0,01	↑	2,93	↑ 4,75	

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