

## Treasury Sales Team

**Alina Elena Vrabioiu**

+4021 307 58 17  
alina.vrabioiu@otpbank.ro

**Irina Ananiese**

+4021 307 58 17  
irina.ananiese@otpbank.ro

**Tania Fantana**

+4021 307 58 17  
tania.fantana@otpbank.ro

## Capital Markets Sales Team

**Alexandru Ilisie**

+4021 307 58 27  
alexandru.ilisie@otpbank.ro

**Teodor Alexandru Tibuleac**

+4021 307 58 27  
alexandru.tibuleac@otpbank.ro

## Chief Economist

**Gergely Tardos**

+36 1 374 7273  
tardosg@otpbank.hu

## FX/FI Strategist

**Levente Pápa**

+36 1 354 7490  
papal@otpbank.hu

## Analyst

**Mihaela Neagu**

+4021 307 58 64  
mihaela.neagu@otpbank.ro



# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.731,72	↑ 1,29	↓ -1,04
BET-C	2.645,57	↑ 0,86	↓ -0,86
BET-FI	22.397,99	↑ 1,89	↑ 0,74
BET-XT	439,04	↑ 1,35	↓ -0,48
FP	0,5250	↑ 2,04	→ 0,00
SIF3	0,4990	↑ 2,25	↑ 1,32
EBS	68,5000	↑ 0,74	↑ 0,59
SNP	0,3800	→ 0,00	↓ -2,69
BRD	8,3500	↑ 1,83	↓ -1,18

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,64	↑ 5,0	↑ 35,0
12 month	5,80	↑ 5,0	↑ 32,5
3 year	6,33	↓ -1,0	↑ 12,5
5 year	6,51	↑ 3,5	↑ 14,5
10 year	6,71	↑ 2,5	↑ 14,5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	8M	700 mn RON	700 mn RON

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,75	↑ 4,0	↑ 47,0
3M ROBOR	5,74	↑ 4,0	↑ 35,0
6M ROBOR	5,87	↑ 6,0	↑ 24,0
1Y ROBOR	5,87	↑ 4,0	↑ 19,0
5Y CDS	369,43	↑ 0,1	↑ 15

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5400	↑ 0,09	↓ -0,75
USD/RON	3,6796	↓ -0,31	↓ -0,15
CHF/RON	3,7787	↑ 0,06	↓ -0,76
100HUF/RON	1,63	↓ -0,72	↓ -2,11

Source: Reuters, OTP Research

**Summary**

- BSE finished in the green yesterday being decoupled from European markets which slid on negative GDP data from Japan; several blue chips reported H1 results today
- NBR cut the repo injection even more to 5bn RON from 6 bn RON last week; consequently, MM rates spiked further (+4 bp ROBOR ON) and treasuries' yields as well (+5 bp for the 12M T-bills)
- The Treasury sold the 700 mn RON planned in 8M T-bills at an average yield of 5.91%
- The CA deficit shrank by 29.4% YoY during first 6M; FDI improved compared to May
- Flash GDP data points to 1.2% YoY growth in Q2 and 0.5% QoQ

BSE finished in the green yesterday and decoupled from European markets evolution. Indices 'evolution ranged between 0% (BET-NG) – 1.89% (BET-FI). There was a buying interest especially for financial stocks like FP, SIF Transilvania, Erste Group Bank and BRD. OMV Petrom remained flat yesterday but it was among the top 5 traded stocks by value as well. Several companies announced their results for H1 2012 yesterday. Today, a few blue chips announced their financial results as well: Transelectrica announced a net result of 22.6 mn RON in H1 2012, lower by 87% YoY than the result of H1 2011 (178.6 mn RON). Its operational profit EBIT stood at 69.9 mn RON, lower than the previous year by 65% YoY. Transgaz announced a net profit of 255.3 mn RON in H1 2012, higher by 21.3% YoY than last year. The European markets finished in the negative territory yesterday, after lower than expected GDP data from Japan.

The IMF will present the results of its sixth evaluation of the stand by agreement. However, "Bursa" newspaper reports that this evaluation will not be presented in the IMF Board, unless the State hurries the privatization of Transgaz and Olchim, after it had been postponed until now. Romanian public officials declared that the privatization is expected for September. The privatization of state owned companies is a key issue in the agreement with the IMF because the IMF sees some of them as key players that could boost economic growth while others need to be made more efficient in order to prevent further losses to accumulate to the State's budget.

NBR cut even more the liquidity injection at yesterday's repo, to only 5 bn RON from the previous 6 bn last week. Consequently, MM rates continued to climb and Treasuries' yields as well. The Treasury sold the 700 mn RON in 8M T-bills yesterday at an average accepted yield of 5.91%. The 12M T-bills were last sold at 5.66% on 6<sup>th</sup> of August. The CA deficit continued to shrink to 2.4 bn EUR during the first 6M, being lower than in H1 2011 by 29.4% YoY. The trade gap remained at similar levels with last year, the current transfers' surplus increased by 224 mn EUR and services balance by 218 mn EUR. Most of the effect came from the reduction in the income balance deficit (by 525 mn EUR). Net FDI financed the CA deficit by 26% and came at 621 mn EUR, lower by 29% YoY than last year. We notice the FDI gap diminished compared to the first 5M when FDI was lower by 45% YoY.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	June	CA balance (EUR mn, YTD)	-2.411,0	-1.920
Tuesday	Q2 2012	Flash GDP (QoQ, seasonally adjusted)	0,5	0,2
				-0,1

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		10-8-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,2549	↑ 0,02	↑ 11,30	↑ 9,93		
OTP Obligatiuni	RON	11,9041	↑ 0,02	↑ 3,88	↑ 6,38		
OTP ComodisRO	RON	14,5294	↑ 0,02	↑ 4,04	↑ 6,63		
OTP Eurobond	EUR	10,8149	↑ 0,01	↑ 2,94	↑ 4,70		

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999, registered in the NSC Register under no. PJR011NCR/400017 according to registration certificate 188/28.09.2009; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [mihaela.neagu@otpbank.ro](mailto:mihaela.neagu@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.