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Daily Report – Romania

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 4.828,51 | ↑ 0,77 | ↑ 3,12 |
| BET-C | 2.684,99 | ↑ 1,18 | ↑ 2,33 |
| BET-FI | 22.887,91 | ↓ -0,19 | ↑ 4,74 |
| BET-XT | 449,50 | ↑ 0,65 | ↑ 3,68 |
| FP | 0,5315 | ↑ 0,66 | ↑ 3,30 |
| EBS | 73,3000 | ↑ 3,09 | ↑ 7,79 |
| SNP | 0,3781 | ↑ 0,05 | ↓ -0,50 |
| SIF3 | 0,5240 | → 0,00 | ↑ 7,38 |
| BRD | 8,2000 | → 0,00 | → 0,00 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 5,92 | ↓ -4,0 | ↑ 35,0 |
| 12 month | 6,01 | ↓ -2,0 | ↑ 26,0 |
| 3 year | 6,42 | → 0,0 | ↑ 10,0 |
| 5 year | 6,55 | ↓ -1,5 | ↑ 7,5 |
| 10 year | 6,73 | ↓ -2,0 | ↑ 4,0 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------|
| Monday | 12M | 500 mn RON | |
| Thursday | 4Y | 200 mn RON | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,23 | ↓ -99,0 | ↓ -46,0 |
| 3M ROBOR | 5,86 | ↓ -19,0 | ↑ 19,0 |
| 6M ROBOR | 6,19 | ↓ -3,0 | ↑ 40,0 |
| 1Y ROBOR | 6,19 | ↓ -3,0 | ↑ 37,0 |
| 5Y CDS | 359,12 | ↓ 0,0 | ↓ -11 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,4872 | ↑ 0,13 | ↓ -1,07 |
| USD/RON | 3,6391 | ↑ 0,28 | ↓ -1,41 |
| CHF/RON | 3,7352 | ↑ 0,03 | ↓ -1,10 |
| 100HUF/RON | 1,62 | ↑ 0,07 | ↓ -1,24 |

Source: Reuters, OTP Research

Summary

- BSE stocks finished in the green on Friday on higher stocks' turnover; almost 80% of the liquidity made up by FP and OMV Petrom stocks; sentiment in Europe is marginally improved as investors look forward to the ECB policy meeting on 6th September
- ROBOR ON down 99 bp as the end of the observation period for the required reserves approaches this week (23rd August)
- The Constitutional Court is expected to decide tomorrow on the validity of the referendum

BSE stocks finished up on Friday, on higher turnover. Indices moved between -0.19% (BET-FI) and 1.49% (BET-BK). The former was driven down by the fall in price of the SIFs. Almost 80% of the equities liquidity was made up by two stocks: Fondul Proprietatea and OMV Petrom. 5 deals were made with these two stocks. Liquidity is improving as the summer period comes to an end. Also, the mood on the international markets is improving and futures closed up on Friday. The risk aversion sentiment is marginally down in Europe, as investors wait for the ECB to take the promised steps to bring down the yields for Spain and Italy. Also, bets on Grexit diminished in the last period and it looks like the political will is to keep Greece in the Eurozone as the alternative is not preferable. Therefore, we are looking for September when decision making in Europe will be intense and also in the US, when investors look forward to see whether QE3 will happen.

The domestic events on the political scene are also heated again as the evaluation of the validity of the referendum is due tomorrow, 21st August. The date has been brought closer from the previous one (31st August) and it looks like there is still controversy regarding the size of the electorate.

Money market rates are marginally down and ROBOR ON lost 99 bp on Friday as we approach the end of the observation period for the required reserves (23rd August). This brought down treasuries' yields on Friday, but we expect them to climb back once the MM rates come back to higher levels. The Treasury organizes two auctions this week for 12M T-bills (500 mn RON) and for 4Y bonds (200 mn RON).

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|---------|-----------|----------|
| Friday | | no data | | |
| Monday | | no data | | |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds | | 16-8-2012 | | | | | |
|-------------------------|-----|------------|--------|---------|--------|--|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 6,3938 | ↑ 0,82 | ↑ 13,77 | ↑ 8,37 | | |
| OTP Obligatiuni | RON | 11,9155 | ↑ 0,04 | ↑ 3,97 | ↑ 6,39 | | |
| OTP ComodisRO | RON | 14,5421 | ↑ 0,03 | ↑ 4,13 | ↑ 6,63 | | |
| OTP Eurobond | EUR | 10,8232 | ↑ 0,02 | ↑ 3,02 | ↑ 4,70 | | |

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