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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.820,41	↓ -0,15	↓ -0,52
BET-C	2.689,70	↓ -0,48	↓ -0,83
BET-FI	22.995,70	↑ 0,02	↑ 0,21
BET-XT	450,94	↓ -0,17	↓ -0,22
FP	0,5210	↓ -0,19	↓ -1,88
TLV	1,0880	↓ -0,09	↓ -0,64
SIF3	0,5380	↑ 0,28	↑ 1,41
SNP	0,3862	↓ -0,46	↑ 0,84
BRK	0,1117	↓ -0,45	↑ 18,58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,90	↓ -2,5	↓ -3,0
12 month	6,04	↓ -2,5	↓ -1,5
3 year	6,39	↓ -2,0	↓ -2,5
5 year	6,51	↓ -1,0	↓ -4,0
10 year	6,72	↓ -0,5	↑ 0,5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold
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MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,73	↓ -23,0	↑ 38,0
3M ROBOR	5,91	↓ -5,0	↑ 4,0
6M ROBOR	6,19	↓ -3,0	→ 0,0
1Y ROBOR	6,26	↓ -1,0	↑ 7,0
5Y CDS	357,45	↑ 0,0	↑ 12

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4683	↓ -0,15	↓ -0,62
USD/RON	3,5747	↑ 0,06	↓ -1,85
CHF/RON	3,7215	↓ -0,09	↓ -0,62
100HUF/RON	1,60	↓ -0,11	↓ -1,06

Source: Reuters, OTP Research

Summary

- BSE indices finished mixed, in very thin trading; in Europe, markets closed mostly in the green, after the German business sentiment indicator dropped for the 4th month in a row, boosting hopes that ECB will take immediate action
- The NBR continues to cap liquidity it injected 4 bn RON at the weekly repo, same as last week
- The leu continues to appreciate against the euro; the 7M deficit stood at 1.15% of the GDP and the slowdown in the annual pace of VAT and excises emphasizes once again the weaker pace of economic activity;

Yesterday's equities turnover was disappointing, especially if we subtract one deal with OMV Petrom stocks (3.1 mn RON). Without this deal, the turnover stood at 4.9 mn RON. The indices finished mixed and only two of them were in the green territory: BET –FI (+0.02%) and ROTX (+0.12%). In Europe, the markets finished mixed, mostly in the green, on thin volumes as well, especially since in the UK was a public holiday. The most significant data that was released yesterday was the German business sentiment indicator which dropped for the fourth month in a row and this pushed up hopes that ECB action would come sooner than later and that it would be significant. In Bucharest, investors are looking forward to the privatisations announced for September: Oltchim's auction data was set to 18th September, being moved four days later than initially announced. The IMF imposed to the Romanian Government two privatisations to take place in September: Oltchim and Transgaz. For the latter, there is no official data yet.

The leu is further appreciating against the euro. Meanwhile, fundamentals do not point to a continuation of this scenario. The 7M cash deficit came out and stood at 1.15% of the GDP. We already noticed the slowdown in VAT and excise revenues, compared to the figures up to June, as a result of worsened evolution of the economic activity. Also, the budget revision cuts down investment expenses by 0.6% of the GDP and the wages and social contributions too. Both of these measures will have a negative effect on GDP growth in 2012.

Money market rates are declining, despite the fact that NBR continued to cap liquidity at yesterday's weekly repo. The NBR injected a similar amount as last week: 4 bn RON.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday	Licenses for residential buildings (y-o-y, %)			-5,6

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		24-8-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,4350	↓ -0,65	↑	14,50	↑	11,72
OTP Obligatiuni	RON	11,9339	↑ 0,02	↑	4,14	↑	6,46
OTP ComodisRO	RON	14,5614	↑ 0,02	↑	4,27	↑	6,62
OTP Eurobond	EUR	10,8319	↑ 0,01	↑	3,11	↑	4,68

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