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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.814,76	↓ -1,95	↓ -3,23
BET-C	2.649,68	↓ -1,87	↓ -3,24
BET-FI	23.680,61	↓ -2,36	↓ -2,37
BET-XT	454,10	↓ -2,09	↓ -3,08
SIF3	0,5665	↓ -3,33	↓ -3,41
FP	0,5265	↓ -2,50	↓ -2,05
TLV	1,1500	↓ -1,03	↓ -1,96
BRD	7,5000	↓ -2,60	↓ -8,81
SNP	0,3963	↓ -2,96	↓ -3,58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,77	↓ -1,5	↓ -0,5
12 month	5,86	↓ -1,5	↓ -2,5
3 year	6,26	↓ -0,5	↓ -2,5
5 year	6,43	↑ 0,5	↓ -2,0
10 year	6,65	↑ 1,0	↓ -1,0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,29	↑ 366,0	↑ 11,0
3M ROBOR	5,63	↓ -2,0	↓ -9,0
6M ROBOR	6,02	→ 0,0	↓ -8,0
1Y ROBOR	6,12	↑ 1,0	↓ -6,0
5Y CDS	292,44	↑ 4,5	↑ 6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5160	↓ -0,01	↑ 0,48
USD/RON	3,4922	↑ 0,35	↑ 1,90
CHF/RON	3,7318	↑ 0,07	↑ 1,07
100HUF/RON	1,60	↓ -0,22	↑ 0,77

Source: Reuters, OTP Research

Summary

- BSE in the red yesterday, on the lowest turnover in the past three weeks; they picked up on the European trend; investors sentiment is down in Europe, after the decline of the German business sentiment indicator for the 5th consecutive month, but also due to uncertainty regarding the future steps to contain the debt crisis
- Risk aversion is up in Europe, the 5Y CDS climbed 5bp to 292 bp;
- The leu remained stable against the euro while its peers lost between 0.2%-0.4%
- ROBOR ON climbed 366 bp to 5.29%; the CB injected 12.1 bn RON at the weekly repo, covering the entire bid amount

Yesterday was another low day for European stocks. BSE finished in the red on a very low turnover, the lowest in the past three weeks. Some deals were made with shares of FP, BRD and OMV Petrom but the turnover was insignificant. In Europe, sentiment was down as the German business sentiment index declined for a 5th consecutive month in September to its lowest since 2010. At the moment, there is uncertainty surrounding the idea of European banking union and to the amount Spain needs as a bailout and the corresponding terms it is willing to accept. Risk aversion pushed the 5Y CDS higher by 5 bp to 292 bp.

The leu shows once again lower volatility compared to its peers. It remained rather stable against the euro in the past three days and closed at 4.5160. Meanwhile its peers (HUF, CZK, PLN) lost between 0.2%-0.4% to the euro yesterday and the euro weakened 0.4% to the dollar. We are looking forward to 27th September when Spain will announce the results of the stress test on the banking system and put more light into the bailout conditions. Preliminary findings from the IMF show that Spain could need less than the estimated amount of 60 bn EUR which could be a positive for the currency. On 27th September, the Central Bank will hold a Board meeting on monetary policy as well, but we expect a neutral impact, with NBR holding the current base rate unchanged at 5.25%.

ROBOR ON climbed 366 bp to 5.29%. The Central Bank injected 12.1 bn RON at the weekly repo and all the bid amount was allotted. In August and September, daily average of ROBOR 3M, the benchmark to which most loan contracts (denominated in RON) are linked was higher by 40 bp compared to July, rising the loan interest rates. Today, banking statistics data for August will be released.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	no data			
Tuesday	Aug	M3 (broad money, YoY, %)		8,3
	Aug	Non governmental loans (YoY, %)		7,2
	Aug	Non governmental deposits (YoY; %)		9,9

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		21-9-2012					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,6181	↓ -0,47	↑	17,76	↑	16,93
OTP Obligatiuni	RON	12,0394	↑ 0,03	↑	5,06	↑	6,92
OTP ComodisRO	RON	14,6260	↑ 0,02	↑	4,73	↑	6,58
OTP Eurobond	EUR	10,9242	↑ 0,02	↑	3,98	↑	5,26

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