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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.890,93	↑ 1,46	↑ 1,90
BET-C	2.671,56	↑ 1,14	↑ 1,30
BET-FI	23.830,51	↑ 2,28	↑ 2,46
BET-XT	461,21	↑ 1,73	↑ 2,30
EBS	87,0000	↑ 2,05	↑ 7,41
FP	0,5220	↑ 1,85	↓ -0,57
SNP	0,4150	↑ 3,05	↑ 4,80
SIF3	0,5990	↑ 4,17	↑ 7,06
TRP	0,1240	↓ -0,80	↓ -2,97

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,96	↑ 1,0	↑ 9,0
12 month	6,07	↑ 0,5	↑ 10,0
3 year	6,41	↑ 1,0	↑ 14,0
5 year	6,50	↑ 0,5	↑ 7,5
10 year	6,67	↑ 0,5	↑ 3,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11M	1 bn RON	625 mn RON
Thursday	2Y	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,63	↓ -1,0	↑ 35,0
3M ROBOR	5,76	↑ 2,0	↑ 10,0
6M ROBOR	6,11	↓ -1,0	↑ 3,0
1Y ROBOR	6,19	→ 0,0	↑ 3,0
5Y CDS	192,33	↓ -2,3	↓ -58

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5765	↓ -0,03	↓ -0,01
USD/RON	3,5055	↓ -0,80	↓ -1,27
CHF/RON	3,7860	↓ -0,08	↑ 0,24
100HUF/RON	1,65	↑ 0,52	↑ 1,94

Source: Reuters, OTP Research

Summary

- Equities' turnover picked up yesterday and sentiment on the local market and international market was improved; Moody's confirmed Spain's rating; German and US macro data came out better than expected
- The euro jumped over the 1.3 level against the dollar following Moody's announcement; the leu appreciated only marginally and for the moment seems to resist appreciation despite the cap
- The 5Y CDS continues to decline; the level is similar to the end of March last year, when sentiment related to Romania was very positive

Equities' turnover picked up yesterday after several down trading days. BSE's indices, moved in line improved sentiment in Europe over Spain and gained between 1.14% (BET-C) - 2.28% (BET-FI). Moody's confirmed Spain's rating which boosted both equities and the euro. Another positive data coming out of Europe was Germany's better than expected investor confidence indicator released by ZEW Institute. In the US, better than expected earnings' data is coming out.

Moody's rating of Spain brought the euro again above the 1.30 level against the dollar. The leu appreciated only marginally and the moves of its peer currencies (PLN, CZK, HUF) were towards a much stronger appreciation (0.2%-0.5%) against the euro. For the moment, the leu seems to resist a stronger appreciation despite the liquidity cap set by the NBR and despite the improved regional sentiment. The 5Y CDS (euro) is continuing the downfall: it is now at 192 bp, lower by 58 bp in a week. The level is similar to the one witnessed in end of March last year, when sentiment related to Romania was strongly positive and GDP witnessed a real growth rate of 1.7% YoY (in Q1 2011).

With few exceptions, MM rates declined marginally as we come closer to the end of the observation period for the required reserves. ROBOR 3M, the rate to which most loan contracts are linked to, is at 5.76%, 10 bp higher on a weekly basis and it will be reflected in a higher cost for banks' clients. In the past few months, several market conditions boosted lending in local currency and lower interest rates played a role as well.

The yield curve continued to shift up. T-bills yields are higher by 10 bp on a weekly basis.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday		no data		
Wednesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		15-10-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,4626	↑ 0,45	↑ 14,99	↑ 19,46		
OTP Obligatiuni	RON	12,0841	↑ 0,05	↑ 5,45	↑ 6,94		
OTP ComodisRO	RON	14,6852	↑ 0,05	↑ 5,16	↑ 6,54		
OTP Eurobond	EUR	10,9697	↑ 0,03	↑ 4,42	↑ 5,36		

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