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# Daily Report – Romania

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 4.924,40  | ↓ -0,47        | ↑ 2,20          |
| BET-C  | 2.689,57  | ↓ -0,30        | ↑ 1,99          |
| BET-FI | 24.009,25 | ↓ -0,89        | ↑ 4,11          |
| BET-XT | 464,46    | ↓ -0,60        | ↑ 2,82          |
| FP     | 0,5270    | ↓ -0,57        | ↑ 3,33          |
| SIF2   | 1,3800    | ↓ -0,07        | ↑ 3,45          |
| SIF4   | 0,7190    | ↓ -0,83        | ↑ 4,73          |
| SIF3   | 0,6080    | ↓ -0,65        | ↑ 8,57          |
| BRD    | 7,9000    | ↓ -0,06        | ↑ 2,60          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 5,94      | ↓ -0,5          | → 0,0            |
| 12 month | 6,05      | → 0,0           | ↑ 3,5            |
| 3 year   | 6,40      | ↓ -1,0          | ↑ 1,0            |
| 5 year   | 6,49      | → 0,0           | → 0,0            |
| 10 year  | 6,66      | → 0,0           | → 0,0            |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Monday   | 4Y       | 150 mn EUR |      |
| Thursday | 5y       | 200 mn EUR |      |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 5,20     | ↓ -23,0        | ↓ -40,0         |
| 3M ROBOR | 5,74     | ↓ -1,0         | → 0,0           |
| 6M ROBOR | 6,12     | ↑ 1,0          | → 0,0           |
| 1Y ROBOR | 6,19     | → 0,0          | ↓ -1,0          |
| 5Y CDS   | 196,89   | ↑ 6,8          | ↑ 5             |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4,5773 | ↑ 0,02         | ↑ 0,22          |
| USD/RON    | 3,5155 | ↑ 0,36         | ↓ -0,24         |
| CHF/RON    | 3,7887 | → 0,00         | ↑ 0,29          |
| 100HUF/RON | 1,64   | ↓ -0,30        | ↑ 0,71          |

Source: Reuters, OTP Research

**Summary**

- On Friday, local and international stocks marked some corrections; in the US, worse than expected earnings data released by companies brought the market down; last week's EU summit focused on the idea of single euro-zone supervisor but not progress on Spain and Greece
- The Treasury plans to issue 150 mn EUR in 4Y euro denominated bonds; lower CDS are an advantage
- 2011 ESA95 budget deficit revised upwards from 5.2% to 5.5%; 4Q rolling at 4.9% at June 2012

BSE's indexes dropped on Friday, in line with international markets. The lost between -0.3% (BET-C) and -0.89% (BET-FI). In Europe, losses were of higher size and equities futures finished mixed. US equities' futures finished in the green. Last week's discussions at the EU summit focused on the idea of a single euro-zone banking supervisor but not much progress made in the case of indebted countries such as Spain and Greece. Today, local equities started the day with a fall.

The uncertain steps to be taken in Spain's case pushed down the euro against the dollar on Friday. The leu and its peers weakened against the euro as well.

The Treasury plans to issue 4Y bonds denominated in euro today, the total amount being 150 mn EUR. Lately, the CDS has been declining, which puts the Treasury into a better position in what regards expected yields.

The 2011 budget deficit (accrual terms) was revised upwards from 5.2% to 5.5%. The 4Q rolling is budget deficit was 4.9% at June 2012 but the advance we see in current revenues will further bring it down in the next semester. The official target is 2.8% and our forecast stands at 3.6% for 2011 as we believe the lower economic growth and the increase in the wages of the public employees will put upward pressure on the deficit.

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

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds |     | 18-10-2012 |        |   |       |   |       |
|-------------------------|-----|------------|--------|---|-------|---|-------|
| Open-end fund           | ccy | last NAV/U | 1d%    |   | Ytd%  |   | 52W%  |
| OTP AvantisRO           | RON | 6,6321     | ↑ 0,34 | ↑ | 18,01 | ↑ | 23,96 |
| OTP Obligatiuni         | RON | 12,1102    | ↑ 0,18 | ↑ | 5,67  | ↑ | 7,17  |
| OTP ComodisRO           | RON | 14,6927    | ↑ 0,02 | ↑ | 5,21  | ↑ | 6,57  |
| OTP Eurobond            | EUR | 10,9770    | ↑ 0,04 | ↑ | 4,49  | ↑ | 5,42  |

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