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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.891,62	↓ -0,03	↓ -1,13
BET-C	2.663,56	↑ 0,13	↓ -1,26
BET-FI	23.967,18	↑ 0,02	↓ -1,06
BET-XT	461,96	↓ -0,05	↓ -1,13
SIF3	0,6120	↑ 1,32	→ 0,00
FP	0,5280	↑ 0,38	↓ -0,38
TLV	1,1700	↑ 0,09	↓ -2,42
SIF2	1,3750	↓ -0,07	↓ -0,43
EBS	85,3000	↓ -0,58	↓ -3,72

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,95	↑ 2,0	↓ 0,0
12 month	6,05	→ 0,0	↑ 0,5
3 year	6,39	→ 0,0	↓ -1,5
5 year	6,48	↓ -1,0	↓ -1,0
10 year	6,65	↓ -1,0	↓ -0,5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	4Y	150 mn EUR	421,5 mn EUR
Thursday	5Y	200 mn RON	200 mn RON

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,46	↓ -5,0	↑ 3,0
3M ROBOR	5,75	↓ -1,0	→ 0,0
6M ROBOR	6,10	↓ -1,0	↓ -1,0
1Y ROBOR	6,18	↓ -1,0	↓ -1,0
5Y CDS	211,62	↓ -2,2	↑ 8

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5627	↓ -0,22	↓ -0,30
USD/RON	3,5277	↑ 0,07	↑ 0,71
CHF/RON	3,7723	↓ -0,23	↓ -0,43
100HUF/RON	1,63	↑ 0,11	↓ -1,00

Source: Reuters, OTP Research

**Summary**

- BSE's indexes finished mixed yesterday, on very low turnover; in Europe, the sentiment was down as well; private loans data slowed down further in Europe in September reaffirming the lack in confidence in future economic prospects in the EU
- EUR/RON was lower by 0.2% yesterday
- The European Commission will withhold 500 mn EUR in payments to Romania;
- The 9M budget deficit (cash) stood at 1.2%, unchanged from July
- The Treasury sold 200 mn RON in 5Y bonds yesterday at 6.56% (higher by 41 bp from Mid-May)

BSE's indexes finished mixed yesterday. BET-NG, BET-C and BET-FI managed to stay in the positive territory and gained modestly between 0.02% and 0.49%. However, the equities turnover was small and most of the yesterday's action was seen in bonds trading where the turnover stood at 253 mn RON (out of which 250 mn RON were recorded due to closing of the GDFSuez bond sale). In Europe, stocks did not perform better either and the general sentiment is down: US and European futures closed in the red. September data related to private loans to companies pointed to a further decrease in September and that the monthly flows were the weakest since December last year. Tight credit conditions in Europe hurt growth prospects.

The European Commission announced that it will withhold 500 mn EUR in payments to Romania, initially meant to fund transport, regional and economic development projects. Romania is the state with the poorest absorption rate of EU funds: it managed to absorb 20.6% of the structural and cohesion funds (July 2012) while the highest rate was drawn by Lithuania (58.7%). Bulgaria drew 26.7%, Hungary 38.7% while Poland absorbed 47%. EU funds were seen as an important source of euro funding in the past three years but actual figures disappointed by a high margin.

The budget deficit (cash) came out at 1.2% during the first 9M, unchanged from July. Total revenues continue to see a lower growth pace on a yearly basis and the same is true for expenditures. Revenues were higher by 7.2% YoY during the first 9M and expenditures by 1.9%. Capital expenses slid down again in Jan- Sep (-3.6% YoY compared to 3.2% YoY in Jan- Aug). The target agreed with the IMF stands at 2.2% of the GDP so the actual figures are quite comfortable but we are coming closer to December's elections. The more sensitive deficit target is related to the accrual based deficit set at 2.8% of the GDP this year which is likely to be missed. Already, we have seen suggestions from the IMF about potential sources of increasing revenues and they all hint at increasing taxation.

The EUR/RON moved lower yesterday by 0.2%.

The Treasury managed to sell 200 mn RON in 5Y bonds yesterday but the yield was higher by 41 bp compared to mid May. The average accepted yield was 6.56% and total bids amounted to 733 mn RON.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		24-10-2012					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,5317	↑ 0,32	↑ 16,22	↑ 19,41		
OTP Obligatiuni	RON	12,1225	↑ 0,02	↑ 5,78	↑ 7,09		
OTP ComodisRO	RON	14,7112	↑ 0,02	↑ 5,34	↑ 6,60		
OTP Eurobond	EUR	10,9940	↑ 0,09	↑ 4,65	↑ 5,51		

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