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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.775,55	↑ 0,35	↓ -1,02
BET-C	2.610,28	↑ 0,36	↓ -0,45
BET-FI	23.432,42	↑ 0,29	↓ -1,01
BET-XT	448,72	↑ 0,38	↓ -1,08
RPH	0,6470	↑ 1,57	↑ 3,52
FP	0,5345	→ 0,00	↑ 0,19
SIF3	0,6020	↑ 1,18	↑ 0,33
SIF5	1,3180	↓ -0,15	↓ -3,09
TLV	1,1350	↑ 0,35	↓ -2,49

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,92	↑ 2,0	↓ 0,0
12 month	6,03	→ 0,0	↑ 2,0
3 year	6,47	↑ 1,5	↑ 8,5
5 year	6,52	↑ 0,5	↑ 4,0
10 year	6,64	↑ 0,5	↓ -1,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	500 mn RON	407 mn RON
Thursday	5Y	250 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,94	↑ 6,0	↑ 21,0
3M ROBOR	5,88	↑ 1,0	↑ 9,0
6M ROBOR	6,13	↑ 1,0	↑ 2,0
1Y ROBOR	6,19	↓ -1,0	↑ 1,0
5Y CDS	212,39	↑ 1,3	↑ 2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5328	↓ -0,04	↑ 0,04
USD/RON	3,5401	↓ -0,56	↓ -0,66
CHF/RON	3,7666	↑ 0,05	↑ 0,22
100HUF/RON	1,61	↑ 1,07	↑ 1,14

Source: Reuters, OTP Research

Summary

- BSE's indexes rose by 0.2-0.5% in line with European markets; the latter boosted 2-3% by optimism related to Greece; later on, Moody's downgraded France's rating from Aaa to Aa1 based on worsening economic outlook
- The Treasury sold 407 mn RON in 2 bonds yesterday, at higher yield (6.42%) versus 6.34% earlier in November
- The leu marginally appreciated against the euro yesterday as liquidity cap continues
- The Central Bank maintained the liquidity cap at 6 bn RON; record bids by banks, 30 bn RON

BSE's indexes were up yesterday, advancing between 0.2%-0.5%. The hike was in line with significant hikes in Europe, where we saw indexes moving up by 2-3%, following positive news regarding Greece receiving new funds. However, later on Moody's downgraded France from Aaa credit rating to Aa1 due to the worsening of the economic outlook. Reuters cited a Moody's analyst saying that France's 2013 budget and medium term fiscal plan are based on two optimistic baseline scenarios.

Previous to the downgrade, the euro was trading higher against the dollar but it started weakening after the news by some 0.2%. The leu was marginally up against the euro yesterday.

The Treasury sold only 407 mn RON in 2Y bonds at yesterday's auction, lower than the planned amount of 500 mn RON. The average accepted yield stood at 6.42%, higher than the one at the previous similar tender earlier in November, when it stood at 6.34%. The Treasury can afford to sell less than planned issues at least in November, given the success of the euro denominated issue of the last week.

The Central Bank maintained the liquidity cap at 6 bn RON. Again, total bid amount was higher than the previous week, establishing a new year's record: 30 bn RON. The Central Bank started to cap the amount injected at the weekly repo the second time this year on 8th October. The daily average of ROBOR ON jumped during this time, from 4.7% (September) to 5.1% (October) and further up to 5.7% (average) in November until yesterday. The variation of the ROBOR 3M, the rate to which most loan contracts are linked to was up only 8 bp in November (on average) compared to October. The effect on the yields of government securities was mixed. Looking at monthly averages, the 6M, 12M and 3Y government securities' yields (fixing) climbed by 8-10 bp since September, the 5Y jumped only 2bp while the 10Y declined 3 bp.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		16-Nov-12					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,3892	↓ -0,07	↑	13,69	↑	8,29
OTP Obligatiuni	RON	12,1735	↑ 0,01	↑	6,23	↑	7,07
OTP ComodisRO	RON	14,7779	↑ 0,01	↑	5,82	↑	6,64
OTP Eurobond	EUR	11,0173	↑ 0,01	↑	4,87	↑	5,44

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