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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.750,82	↓ -0,51	↓ -0,64
BET-C	2.594,52	↓ -0,71	↓ -0,70
BET-FI	23.715,78	↓ -0,46	↑ 0,56
BET-XT	449,90	↓ -0,47	↓ -0,10
FP	0,5300	↓ -0,84	↓ -0,56
SNP	0,3900	↓ -1,27	↓ -4,18
BVB	19,6600	↓ -5,02	↓ -10,31
SIF3	0,6200	→ 0,00	↑ 1,14
TLV	1,1420	↑ 0,09	↑ 1,51

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	6,08	↑ 3,0	↑ 13,5
12 month	6,15	↑ 3,0	↑ 8,5
3 year	6,55	↓ -1,0	↑ 7,0
5 year	6,59	↑ 0,5	↑ 3,5
10 year	6,69	→ 0,0	↑ 4,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3Y	300 mn RON	350 mn RON
Monday	15Y	100 mn RON	100 mn RON

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	6,58	↑ 16,0	↑ 75,0
3M ROBOR	6,21	↑ 11,0	↑ 31,0
6M ROBOR	6,29	↑ 8,0	↑ 15,0
1Y ROBOR	6,30	↑ 7,0	↑ 12,0
5Y CDS	209,14	↑ 0,1	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5116	↑ 0,11	↓ -0,47
USD/RON	3,4826	↑ 0,00	↓ -1,42
CHF/RON	3,7473	↑ 0,13	↓ -0,43
100HUF/RON	1,60	↓ -0,16	↓ -0,68

Source: Reuters, OTP Research

Summary

- EBRD sold 20% of its OMV Petrom shares yesterday at 0.3700 RON/share; investors are more optimistic about the US "fiscal cliff"
- MM rates climbed 8 to 16 bp yesterday; all rates are 100 bp or more above the base rate
- The Treasury plans to sell 3.1 bn RON in government securities in December, out of which 1.7 bn RON in T-bills

Local indexes ended in the red yesterday and the blue chips index and the energy index marked declines of around 1%. BET-NG has marked losses for the last three consecutive days, unlike the market average. There were 49 deals made yesterday with OMV Petrom shares: EBRD sold 20% of its shares in OMV Petrom yesterday. The price at which the deals were made was 0.3700 RON/share, lower by 6.3% on a daily basis, whereas the closing price for the share on the regular market declined only by 1.3% on the day. The discount could be due to the low market liquidity. On the international markets, investors' mood improved yesterday, due to optimism related to a resolution to the "fiscal cliff".

MM rates continued to jump yesterday some 8 to 16 bp. All the rates are now higher by around 100 bp (or more) than the base rate. The treasuries' yields rose too yesterday, especially the low end of the curve. The Treasury announced yesterday the planned amount of government securities issues for December. It plans to sell a total of 3.1 bn RON, out of which 1.7 bn RON assigned to T-bills. Given the rise in yields, the cost for the Treasury has increased significantly in the last period.

The higher interest rate environment stimulates more saving and it may be a drag on consumption. Also, it may affect lending, especially lending to companies, which seem to be the driver of private loans growth this year. The RON component of loans to companies has seen a stable high annual growth rate this year (around 10% YoY on average), contrary to FX lending which seems to be trending down. Therefore, the hike in rates may affect exactly the component for which there is still some demand.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		27-Nov-12					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,4646	↑ 0,30	↑	15,03	↑	19,05
OTP Obligatiuni	RON	12,2172	↑ 0,01	↑	6,61	↑	7,17
OTP ComodisRO	RON	14,8103	↑ 0,02	↑	6,05	↑	6,65
OTP Eurobond	EUR	11,0293	↑ 0,01	↑	4,98	↑	5,41

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