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# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.791,26	↑ 0,11	↑ 0,85
BET-C	2.604,64	↑ 0,25	↑ 0,39
BET-FI	24.348,68	↑ 0,26	↑ 2,67
BET-XT	455,55	↑ 0,14	↑ 1,26
FP	0,5420	↑ 0,18	↑ 0,93
BVB	20,0000	→ 0,00	→ 0,00
SIF3	0,6580	↑ 0,61	↑ 2,89
SIF5	1,3400	→ 0,00	↓ -1,47
SIF2	1,4230	↓ -0,14	↑ 1,64

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	6,01	↓ -1,0	↓ -6,5
12 month	6,18	↓ -1,5	↑ 3,0
3 year	6,52	↓ -2,5	↓ -3,0
5 year	6,59	↓ -1,0	↓ -0,5
10 year	6,69	↓ -1,5	→ 0,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	500 mn RON	500 mn RON
Thursday	15Y	100 mn RON	100 mn RON
Thursday	2Y	400 mn RON	400 mn RON

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,58	↓ -9,0	↓ -100,0
3M ROBOR	6,10	↓ -6,0	↓ -11,0
6M ROBOR	6,33	→ 0,0	↑ 4,0
1Y ROBOR	6,36	→ 0,0	↑ 6,0
5Y CDS	205,36	↑ 1,0	↓ -3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5351	↓ -0,03	↑ 0,44
USD/RON	3,4976	↑ 0,74	↑ 0,53
CHF/RON	3,7504	↑ 0,07	↑ 0,07
100HUF/RON	1,60	↓ -0,02	↓ -0,60

Source: Reuters, OTP Research

**Summary**

- BET gained 0.11% yesterday; ECB expects the euro zone economy more likely to contract next year as opposed to the previous forecast which pointed to a marginal advance
- The Treasury sold the planned amount in 2Y and 15Y bonds at higher yields ( +3-7 bp)
- Detailed GDP data draws a warning signal regarding GDP growth next year; exports fell further on a quarterly basis

All indexes ended in the green yesterday and BET climbed by 0.11%. Since the beginning of the year, BET advanced by 10.5%, the composite index BET-C lost 0.6%. Top earner was BET-FI (+25.9%) followed by the blue chips index ROTX (+21.1%). Worst performance was recorded by the energy companies' index BET-NG which declined by 4.1% YoY. In Europe, shares ended in the green as well, despite comments from the ECB regarding weaker economic growth in the Eurozone next year. The ECB sees a higher probability of the Eurozone economy contracting next year and growth estimations are between a fall of 0.9% YoY and a small hike of 0.3% YoY. Subsequently, the market started betting on a base rate cut in the near future. Following these comments, the euro lost 0.8% tot the dollar. The leu was almost flat yesterday.

MM rates are showing a downward correction still and ROBOR ON is lower by 100 bp than a week ago. This temporary increase in liquidity which pushed MM rates down triggered a fall in government securities yields as well, by some 1-2 bp on a daily basis, and up to 6 bp on a weekly basis, in the case of the 6M T-bills. The Treasury was successful in selling the planned amount in 15Y and 2Y bonds yesterday, but the average accepted yields were higher than the ones at the previous auctions by 7bp (for the 15Y bonds) and 3 bp for the 2Y bonds. The average accepted yield for the 15Y bonds stood at 6.98% and 6.45% was the one for the 2Y bonds. In both cases, demand was good.

Detailed GDP figures for Q3 confirmed the earlier flash estimate. Agriculture had the most negative impact to the yearly growth rate, as it fell by 29.8% YoY. In annual terms, consumption fell by 1.6%, down from +1.3% YoY in Q2 2012. After a long decline which started in Q4 2008, final consumption was in the positive territory 4 quarters between Q3 2011 and Q2 2012, looking at annual growth rates. The current result is influenced by a base effect, as in Q3 2011 consumption rose significantly and the entire economy as well, following the exceptionally good results in agriculture. On a quarterly basis, consumption still showed a positive uptake and we believe it will be the driver for next year, also helped by a continued growth in investment. From exports side, perspectives are pretty weak. During the first 9M, the economy grew by 0.2% YoY and we believe the annual figure will be around this level as well.

Industrial trade turnover and index value of new orders in manufacturing showed a strong uptake in annual terms. This is in line with expectations of an increase in industrial production in October (according to Central bank survey).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	Oct	Industrial trade turnover index (y-o-y, %)	9,4		-2,6
Thursday	Oct	Index value of new orders in manufacturing (y-o-y, %)	17,6		-10,4
Friday	Oct	Construction works index (y-o-y, %)			-6,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		05-Dec-12					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	6,5250	↑ 0,11	↑	16,10	↑	17,57
OTP Obligatiuni	RON	12,2346	↑ 0,03	↑	6,76	↑	7,23
OTP ComodisRO	RON	14,8314	↑ 0,02	↑	6,21	↑	6,66
OTP Eurobond	EUR	11,0435	↑ 0,01	↑	5,12	↑	5,45

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