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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.773,58	↑ 0,50	↓ -0,48
BET-C	2.598,34	↑ 0,25	↓ -0,31
BET-FI	24.594,14	↑ 1,13	↑ 1,63
BET-XT	456,78	↑ 0,80	↑ 0,29
FP	0,5380	→ 0,00	↑ 0,09
SIF5	1,3540	↑ 0,37	↑ 1,42
SIF2	1,4370	↑ 1,91	↑ 0,84
SIF1	1,1450	↑ 1,78	↑ 1,78
SIF3	0,6800	↑ 2,41	↑ 4,62

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	6,04	↑ 0,5	↑ 1,0
12 month	6,20	↓ 0,0	↑ 2,5
3 year	6,58	→ 0,0	↑ 4,5
5 year	6,66	→ 0,0	↑ 7,5
10 year	6,72	↑ 0,5	↑ 4,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	500 mn RON	500 mn RON
Thursday	5Y	200 mn RON	
Thursday	2Y	400 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,44	↓ -18,0	↓ -72,0
3M ROBOR	6,03	↓ -6,0	↓ -22,0
6M ROBOR	6,30	↓ -3,0	↓ -6,0
1Y ROBOR	6,35	↓ -1,0	↓ -3,0
5Y CDS	204,62	↑ 0,0	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5425	↑ 0,23	↑ 0,18
USD/RON	3,4936	↓ -0,29	↑ 0,89
CHF/RON	3,7468	↓ -0,16	↑ 0,23
100HUF/RON	1,61	↑ 0,70	↑ 0,57

Source: Reuters, OTP Research

Summary

- BET climbed 0.5% yesterday and the equities' turnover was the highest of the month; positive data came from Germany where the economic sentiment index jumped unexpectedly in December
- The euro gained 0.2% against the leu as interest rates fall
- November annual inflation fell to 4.6% YoY from 5% YoY in October
- Industrial production was up by 3.9% YoY in October and flat on a monthly basis (seasonally adjusted data)

BET climbed 0.5% yesterday, when we saw the largest equities' turnover of the month. All indexes finished in the green and BET-FI topped the increases with an advance of 1.13%. It was driven by the gains seen by the SIFs while FP remained flat on the day. International stocks moved up and positive news came from Germany, where the ZEW economic sentiment index jumped in December (6.9), outpacing by far the forecast (-12) and the value recorded the previous month (-15.7).

Given expectations of more quantitative easing to follow in the US, the euro continued to gain against the dollar yesterday. As at the moment the interest rates are falling temporarily, the leu depreciated yesterday and the euro gained 0.2%. ROBOR ON lost 18 bp on the day and 72 bp on a weekly basis, touching 5.44%.

Government securities yields did not show much movement yesterday, but they are higher on a weekly basis.

Annual inflation fell to 4.6% YoY in November from 5% YoY in October. On a monthly basis, inflation remained flat. Food goods inflation was 5.9% YoY, non-food goods 3.7% YoY and services' inflation stood at 4.1% YoY. We noticed that Core1 inflation (CPI excluding administered prices) declined from 4.9% YoY in October to 4.6% YoY in November and Core2 adjusted inflation even declined. Core 2 adjusted inflation (CPI excluding administered prices, volatile prices, alcohol and tobacco) has been on an upward trend in July- October and it has raised warning signs. Consequently, the NBR started the first liquidity cap in August and the second one in October. NBR will probably remain cautious until Q2 2013, when it forecasts the peak of inflation at 5.6% YoY.

In October, industrial production climbed on an annual basis: 3.9% YoY compared to -3.9% YoY in September. On a monthly basis, it remained flat (based on seasonally adjusted data).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Nov	Consumer price index (y-o-y,%)	4,6	4,9	5,0
	Oct	Industrial Production Index (y-o-y, %)	3,9		-3,9
Wednesday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		10-Dec-12					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,5129	↓ -0,06	↑	15,89	↑	20,39
OTP Obligatiuni	RON	12,2450	↑ 0,05	↑	6,85	↑	7,22
OTP ComodisRO	RON	14,8441	↑ 0,05	↑	6,30	↑	6,62
OTP Eurobond	EUR	11,0488	↑ 0,03	↑	5,17	↑	5,41

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