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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	4.820,02	↑ 0,97	↑ 0,71
BET-C	2.616,87	↑ 0,71	↑ 0,72
BET-FI	25.047,24	↑ 1,84	↑ 3,14
BET-XT	462,91	↑ 1,34	↑ 1,76
FP	0,5400	↑ 0,37	↓ -0,18
SIF3	0,7090	↑ 4,26	↑ 8,41
SIF5	1,3850	↑ 2,29	↑ 3,36
SIF1	1,2000	↑ 4,80	↑ 7,82
SIF2	1,4400	↑ 0,21	↑ 1,05

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	6,04	→ 0,0	↑ 1,5
12 month	6,23	↑ 3,0	↑ 4,0
3 year	6,57	↓ -1,0	↑ 2,5
5 year	6,64	↓ -1,5	↑ 4,5
10 year	6,71	↓ -1,0	↑ 1,0

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	5,50	↑ 6,0	↓ -17,0
3M ROBOR	6,04	↑ 1,0	↓ -12,0
6M ROBOR	6,31	↑ 1,0	↓ -2,0
1Y ROBOR	6,35	→ 0,0	↓ -1,0
5Y CDS	203,78	↑ 0,0	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5236	↓ -0,42	↓ -0,28
USD/RON	3,4603	↓ -0,95	↓ -0,34
CHF/RON	3,7354	↓ -0,30	↓ -0,33
100HUF/RON	1,60	↓ -0,50	↓ -0,05

Source: Reuters, OTP Research

Summary

- BET-FI topped gains yesterday (+1.8%) and some SIFs continued to post significant gains on expectations of attractive dividend yields
- The first step to a banking union in the euro-zone was made yesterday; Romania adheres to this supervision mechanism but Romanian officials expect that a potential disagreement versus decisions taken by the Governing Council will not end cooperation

BET posted another day of gains yesterday and added 1%. BET-FI scored the biggest gain (+1.8%) as the SIFs continued to rally. Most traded stocks by value were in fact those comprised by BET-FI: Fondul Proprietatea and the SIFs. SIF Banat Crisana and SIF Transilvania showed an advance of 4-5% and of 8-8.4% on a weekly basis. The rally we see may be due to expectations of significant dividend yields which make the stocks attractive.

Internationally, there were a few events that caught investors' eyes: in Europe, the first step to a banking union was made. The finance ministers decided to give ECB supervising powers over at least 150 largest banks in the euro-zone (Reuters) and intervene immediately to help smaller banks as well if a danger arises. On 4th of December, the Finance Ministry posted a press comment regarding Romania's stance on this mechanism of banking supervision. Three points were made: Romania's stance is that disagreement between a non euro-zone country and decisions taken by the Governing Council of ECB should not end the cooperation under this unique supervision mechanism; Romanian authorities consider that a clear separation should be made between the banking supervision and monetary policy decisions of ECB; the third aspect is of judicial nature but it is not a real issue and it will be resolved.

Fed decided to step up its bond buying program as markets expected. Also, it introduced numerical thresholds that should help markets better anticipate the monetary policy decisions. This step however, was not expected until next year. These announcements pushed the euro higher against the dollar yesterday and it was risk positive. The leu appreciated against the euro as the ON rate climbed yesterday and it was also helped by the risk on sentiment towards the European currency.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday			no data	
Thursday	Oct	CA balance (EUR mn, YTD)		-3.671

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		11-Dec-12					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,5620	↑ 0,75	↑ 16,76	↑ 21,29		
OTP Obligatiuni	RON	12,2476	↑ 0,02	↑ 6,87	↑ 7,25		
OTP ComodisRO	RON	14,8454	↑ 0,01	↑ 6,31	↑ 6,63		
OTP Eurobond	EUR	11,0501	↑ 0,01	↑ 5,18	↑ 5,42		

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