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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.629,03	↓ -1,07	↑ 0,02
BET-C	3.048,18	↓ -1,22	↓ -0,18
BET-FI	26.790,38	↓ -0,56	↓ -0,80
BET-XT	526,48	↓ -0,97	↓ -0,50
FP	0,5960	↓ -0,33	↑ 1,10
TGN	228,5000	↓ -1,08	↑ 1,56
SIF3	0,7350	↓ -0,74	↓ -2,00
SNP	0,4518	↓ -2,21	↓ -3,25
SIF1	1,2490	↓ -0,79	↑ 0,73

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,52	↓ -1,0	↓ -42,0
12 month	5,53	↑ 0,0	↓ -42,0
3 year	5,49	↑ 3,0	↓ -50,0
5 year	5,49	↑ 2,0	↓ -52,5
10 year	5,59	↑ 4,5	↓ -53,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	300 mn RON	300 mn RON
Tuesday	3Y	150 mn EUR	
Thursday	10Y	600 mn RON	

MONEY MARKET

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	5,54	↑ 6,0	↓ -59,0
3M ROBOR	5,90	↓ -4,0	↓ -10,0
6M ROBOR	6,09	↑ 1,0	↓ -11,0
1Y ROBOR	6,10	↑ 1,0	↓ -14,0
5Y CDS	178,06	→ 0,0	↑ 4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3525	↑ 0,22	↓ -0,75
USD/RON	3,2691	↑ 0,26	↓ -0,23
CHF/RON	3,5061	↑ 0,47	↓ -1,36
100HUF/RON	1,49	↑ 0,32	↓ -0,17

Source: Reuters, OTP Research

Summary

- The Government proposes new taxes for energy and natural resources exploitation companies
- Following discussions with the IMF, the new estimated GDP growth for 2013 is 1.6% instead of 1.8% and 2013 budget is made on this assumption; the estimated cash deficit is 2.1%
- Beer excises increase and tobacco excises are raised starting three months earlier (1st April)
- The Treasury sold 300 mn RON in 6M T-bills yesterday at 5.53% compared to 5.91% in the beginning of October

BVB indexes finished in the red yesterday, ranging from -0.56% (BET-FI) to -1.65% (ROTX). These evolutions diverged from European markets where we saw gains on average, on major indexes. "Bursa" reports that the Government announced new taxes for energy and natural resources exploitation companies which will negatively impact future revenues of the companies activating in these fields. Given that FP also owns stakes of several energy companies, the announced proposed measures has a negative impact on its' stock price.

Ziarul Financiar reports that the new budget agreed with the IMF is based on a lower GDP growth figure, of 1.6% in 2018 compared to the previous 1.8%. The new nominal GDP on which the budget is based is 623.3 bn RON and the cash deficit is estimated at 2.1%. Also, the Government proposes several changes to the Fiscal Code, among which: in order to qualify as a microenterprise, maxim turnover decreases from 100.000 EUR to 65.000 EUR; beer excises are raised and the increase in tobacco excise is scheduled three months earlier, as of 1st April. The latter measure will put more pressure on inflation, especially given that the peak of inflation was already estimated by NBR to be in Q2 2013.

The Treasury sold 300 mn RON in 6M at yesterday's auction. While the sold amount is not impressive, the yield fell by 38 bp to 5.53% compared to previous similar tender held in October.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		18-Jan-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1546	↑ 0,04	↑ 4,84	↑ 22,30		
OTP Obligatiuni	RON	12,3690	↑ 0,02	↑ 0,31	↑ 7,56		
OTP ComodisRO	RON	14,9852	↑ 0,02	↑ 0,29	↑ 6,94		
OTP Eurobond	EUR	11,1407	↑ 0,01	↑ 0,17	↑ 5,80		

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