

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.604,38	↑ 0,44	↓ -0,95
BET-C	3.037,45	↑ 0,65	↓ -0,63
BET-FI	26.727,62	↑ 0,80	↓ -1,20
BET-XT	524,87	↑ 0,61	↓ -1,15
SNP	0,4600	↑ 1,77	↓ -2,13
FP	0,5970	↑ 0,67	↓ -0,08
SIF5	1,4800	↑ 1,16	↓ -0,67
SIF3	0,7310	↑ 1,25	↓ -1,55
SIF1	1,2500	↑ 0,40	↓ -0,16

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,46	↓ -6,5	↓ -16,0
12 month	5,51	↓ -3,0	↓ -12,5
3 year	5,53	↓ -1,0	↓ -11,0
5 year	5,54	↓ -1,0	↓ -11,5
10 year	5,61	↑ 0,5	↓ -10,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	300 mn RON	300 mn RON
Tuesday	3Y	150 mn EUR	502,5 mn EUR
Thursday	10Y	600 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,66	↓ -8,0	↓ -436,0
3M ROBOR	5,88	⇒ 0,0	↓ -12,0
6M ROBOR	6,07	↓ -2,0	↓ -4,0
1Y ROBOR	6,09	⇒ 0,0	↓ -5,0
5Y CDS	175,98	↓ -1,3	↓ -4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3710	↑ 0,30	↑ 1,12
USD/RON	3,2821	↑ 0,38	↑ 0,91
CHF/RON	3,5313	↑ 0,37	↑ 1,08
100HUF/RON	1,49	↑ 0,31	↑ 1,49

Source: Reuters, OTP Research

Summary

- BET gained 0.44% yesterday and the hike was in line with most European markets; equities' turnover was much lower than the previous day; investors are waiting for Q4 financial results to be issued in February
- The Government has agreed with the IMF on a cash budget deficit of 2.1% (13.4 bn RON) and 2.4% ESA; average exchange rate EUR/RON is 4.5
- The Treasury plans to sell 600 mn RON in 10Y bonds today but interest has diminished after the recent rallies

All indexes finished in the green yesterday and advanced between 0.44% (BET)-0.8% (BET-FI) on a lower equities' turnover compared to the previous day: 3.8 mn EUR. Again, the deals market was active: several trades were made with stocks of BRD, SIF Moldova and OMV Petrom. Investors are waiting for the Q4 reporting period and therefore are looking forward to February. In Europe, most markets finished in the green as well. Euro zone consumer confidence has increased in January and this is a key ingredient to economic growth. However, the IMF has trimmed down marginally the estimation for world GDP growth in 2013 from 3.6% to 3.5%, thereby signaling that risks to growth are still present. Also, Christine Lagarde said that "2013 will be a make or break year". This year we are to see if the accommodative stance imposed by Central Banks around the world was sufficient to see a clear exit from the crisis and the starting point of a stable growth path.

Domestically, Romania has agreed with the IMF the 2013 budget: the cash deficit will be 2.1% and the ESA deficit 2.4% in 2013. In nominal terms, the cash deficit will be 13.4 bn RON. The average exchange rate EUR/RON is expected to be 4.5.

On the money markets, the ON rate continued to fall as yesterday was the last day for the maintenance period of the required reserves. Therefore, we will see a jump back in MM rates today. The improved liquidity and increased appetite for the euro has driven down the leu: it is lower by 1.1% on a weekly basis, as foreigners' interest in Romanian bonds has dissipated, after the rapid correction in yields. All yields hover around 5.5%-5.6% whereas projected inflation in H1 2013 is between 5-6% (according to Central Bank) but it will likely fall at 3.5% according to NBR's estimation.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday				
	no data			
Thursday	Dec	M3 aggregate (y-o-y, %)		5,4
	Dec	Non-governmental loans (y-o-y, %)		2,3
	Dec	Non-governmental deposits (y-o-y, %)		7,7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		22-Jan-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,0743	↓ -0,32	↑	3,67	↑	19,10
OTP Obligatiuni	RON	12,3792	↑ 0,02	↑	0,39	↑	7,55
OTP ComodisRO	RON	14,9955	↑ 0,02	↑	0,35	↑	6,93
OTP Eurobond	EUR	11,1450	↑ 0,01	↑	0,21	↑	5,78

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