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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.561,33	↓ -0,03	↓ -0,41
BET-C	3.057,23	↑ 0,83	↑ 1,51
BET-FI	26.863,05	↑ 0,09	↓ -0,46
BET-XT	523,47	↑ 0,05	↓ -0,28
TLV	1,4430	↑ 1,33	↑ 2,34
FP	0,5875	→ 0,00	↓ -2,00
SNP	0,4358	↓ -0,50	↓ -2,29
SIF1	1,3050	↓ -0,38	↑ 2,27
SIF2	1,4360	↑ 0,42	↑ 0,14

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,52	↑ 1,5	↓ -2,0
12 month	5,55	↑ 1,0	↓ -0,5
3 year	5,66	↓ -2,0	↑ 4,0
5 year	5,73	↑ 1,5	↑ 10,5
10 year	5,78	↑ 1,0	↑ 5,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2Y	600 mn RON	600 mn RON
Thursday	4Y	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	6,10	↑ 1,0	↓ -15,0
3M ROBOR	5,97	↑ 3,0	↓ -1,0
6M ROBOR	6,05	→ 0,0	↓ -4,0
1Y ROBOR	6,04	↑ 1,0	↓ -5,0
5Y CDS	181,89	↑ 0,1	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3995	↑ 0,09	↑ 0,62
USD/RON	3,2815	↓ -0,26	↑ 1,42
CHF/RON	3,5656	↓ -0,57	↑ 0,11
100HUF/RON	1,51	↑ 0,03	↑ 1,43

Source: Reuters, OTP Research

Summary

- The Central Bank stepped up repo ceiling to 11 bn RON from previous 10 bn RON and the allocation rate was the highest since November 2012
- The Treasury sold the planned 600 mn RON in 2Y bonds at a lower yield (-28 bp), 5.83%
- Inflation rose to 6% YoY due to food prices hike of 7.2% YoY; the monthly hike of 1.3% was driven by price increase of vegetables and electricity;

BVB indices finished mixed yesterday and total equities' turnover was at 4.8 mn EUR. Only BET and BET-BK finished slightly in the red and the top increase was seen in the energy companies' index BET-NG: +2%. The jump was driven by Rompetrol Rafinare which gained almost 15% in a day and which has a weight in the index of 15.64%. By comparison, OMV Petrom has a weight of 27.82%. Since the beginning of the year, BET gained 8%, BET-C is up 9.7% and BET-NG tops the increases with a 10.2% advance YTD. In Europe, indices finished mixed yesterday as well.

The currency war talks continue: the euro gained 0.3% against the dollar yesterday as a European policy maker, Mr. Weidmann, said that the euro was not overvalued. The comment came after Mario Draghi implied last week the reverse. The leu remained stable yesterday but it is lower by 0.6% on a weekly basis. The Central Bank stepped up again the repo amount, by 1 bn RON to 11 bn RON. The allocation rate was the highest since November 2012 at 33%. Therefore, we expect more easing in the interbanking rates which is not supportive for the leu.

The Treasury sold only the planned amount in 2Y bonds yesterday, 600 mn RON. The average accepted yield stood at 5.83%, which is 28 bp lower than the yield at the previous similar auction in the beginning of January. Until now, the Treasury has sold 14.2 bn RON and the entire targeted amount for Q1 2013 is between 18-20 bn RON.

In January, inflation quickened to 6% YoY after having posted a 1.3% monthly advance. The food goods were the main drivers, with a hike of 7.2% YoY, followed by non food-goods (+6.2% YoY) and services with 3.1% YoY. During the month, top increases were seen in the electricity's price (+10.4% MoM), followed by vegetables with a hike of 7.8% MoM). Excluding the impact of volatile items, administered prices, tobacco and alcoholic beverages we see that inflation moderated on a yearly basis to 3.2% YoY from 3.3% YoY (Core 2 adjusted).

	PERIOD	INDICATOR	FACT	PREVIOUS
Monday	Dec	Exports (y-o-y, %)	-4,9	-0,9
	Dec	Imports (y-o-y, %)	-7,9	-9,5
Tuesday	Dec	Consumer price index (y-o-y, %)	6%	5,4

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		08-Feb-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,0859	↑ 0,03	↑ 3,84	↑ 8,68		
OTP Obligatiuni	RON	12,4150	↑ 0,02	↑ 0,68	↑ 7,58		
OTP ComodisRO	RON	15,0421	↑ 0,02	↑ 0,67	↑ 6,94		
OTP Eurobond	EUR	11,1623	↑ 0,01	↑ 0,37	↑ 5,72		

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