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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.597,40	↓ -0,49	↑ 0,45
BET-C	3.051,97	↓ -0,32	↓ -0,12
BET-FI	27.105,39	↑ 0,06	↑ 1,22
BET-XT	526,71	↓ -0,35	↑ 0,57
SIF5	1,4300	↓ -0,69	↓ -1,65
FP	0,5940	→ 0,00	↑ 1,54
SIF1	1,3370	↓ -0,07	↑ 0,38
TLV	1,4500	↓ -0,07	↑ 1,40
SIF3	0,7435	↑ 0,47	↑ 2,06

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,37	↓ -5,0	↓ -8,0
12 month	5,43	↓ -7,5	↓ -6,0
3 year	5,53	↓ -5,0	↓ -6,5
5 year	5,56	↓ -5,5	↓ -7,0
10 year	5,67	↓ -7,0	↓ -7,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	4Y	500 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	5,44	↑ 1,0	↓ -29,0
3M ROBOR	5,71	↑ 1,0	↓ -3,0
6M ROBOR	5,90	↓ -1,0	↓ -7,0
1Y ROBOR	5,91	→ 0,0	↓ -6,0
5Y CDS	198,12	→ 0,0	↑ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3615	↑ 0,02	↓ -0,41
USD/RON	3,3517	↑ 0,07	↓ -0,03
CHF/RON	3,5573	↑ 0,19	↓ -0,97
100HUF/RON	1,46	↓ -1,08	↓ -1,44

Source: Reuters, OTP Research

Summary

- BVB equities' turnover was the largest in 3 months; deals with OMV Petrom amounted to 42 mn RON.
- The Central Bank removed the liquidity cap for the first time since October 2012 and injected 7.3 bn RON to 13 banks at yesterday's repo auction
- Government securities' yield curve slid down 5-7 bp yesterday
- Industrial production prices jumped by 5.7 YoY in January due to price increase on the domestic market
- Germany opposes Romania and Bulgaria adhering to the Schengen zone

BVB indices posted mixed results yesterday: except for two indices which managed to remain in mostly unchanged and in the green territory (BET-FI and ROTX), the rest suffered declines. BET dropped by 0.49%. What drove the financial index and the blue chips' one in the positive territory were three SIFs (in the case of BET-FI) and the evolution of Erste Group Bank and of OMV Petrom (in the case of ROTX). OMV Petrom stocks were the subject of 4 trades on the deal marked cumulating 41.9 mn RON. Besides OMV Petrom there were other deals as well with the following stocks: BRD, CEON, SIF1, SIF3. The equities' turnover was the largest in three months. In Europe, major indices finished mixed as well and there is some uncertainty related to Italy's political situation and how it reflects upon euro-zone's evolution. This may prompt the ECB to cut interest rates sooner than expected. The Markit PMI indices are awaited today.

As the euro-zone and Romania struggle to resume growth, Germany opposes Romania and Bulgaria entering the passport free Schengen zone, on the basis of corruption (Reuters quoting Der Spiegel).

Money market rates at the shorter end of the curve rose marginally yesterday. However, for the first time since the beginning of October 2012, the Central Bank did not cap the liquidity at the weekly repo auction. It injected 7.3 bn RON to 13 banks. The bid amount was significantly lower than the one of the previous week: 7.3 bn RON compared to 29.8 bn RON. Therefore, we expect interest rates to continue to ease.

The government securities' yield curve is shifting lower: it went down 5 to 7 bp yesterday on the secondary market as money market rates are easing and also, as there is no pressure on the primary market for the Treasury to accept higher yields.

Producer prices edged higher in January: +5.7% YoY compared to 4.9% YoY in December. The monthly growth rate of 1% MoM was driven by price increases on the internal market. On the external market, industrial production prices fell by 0.7% MoM. Tomorrow, we look forward to the detailed GDP data for Q4 2012 and also the revised figures for 2011.

	PERIOD	INDICATOR	FACT	PREVIOUS
Monday	Jan	Producer Price Index (YoY, %)	5,7	4,9
Tuesday	Jan	Retail trade turnover index (y-o-y, %)		-4,4

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		01-Mar-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	7,0821	↓ -0,46	↑	3,78	↑	5,23
OTP Obligatiuni	RON	12,4538	↑ 0,01	↑	0,99	↑	7,45
OTP ComodisRO	RON	15,0947	↑ 0,02	↑	1,02	↑	6,91
OTP Eurobond	EUR	11,2434	↑ 0,01	↑	1,09	↑	6,21

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