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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.662,77	↑ 0,11	↑ 0,15
BET-C	3.068,20	↓ -0,06	↓ -0,73
BET-FI	28.145,96	↑ 0,60	↑ 3,71
BET-XT	536,21	↑ 0,34	↑ 1,04
FP	0,6200	→ 0,00	↑ 3,94
SIF3	0,7545	→ 0,00	↑ 2,72
SIF2	1,5520	↑ 0,58	↑ 4,79
SIF5	1,4870	↑ 1,43	↑ 2,91
SNP	0,4510	↑ 0,22	↑ 0,67

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,33	↓ -0,5	↓ -10,5
12 month	5,38	↓ -1,5	↓ -11,5
3 year	5,47	↓ -1,0	↓ -11,5
5 year	5,52	→ 0,0	↓ -9,5
10 year	5,62	↓ -0,5	↓ -9,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	4Y	500 mn RON	500 mn RON

MONEY MARKET

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	5,19	↓ -2,0	↓ -26,0
3M ROBOR	5,56	↓ -7,0	↓ -15,0
6M ROBOR	5,85	→ 0,0	↓ -6,0
1Y ROBOR	5,86	→ 0,0	↓ -5,0
5Y CDS	196,51	↑ 0,0	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3538	↓ -0,15	↓ -0,08
USD/RON	3,3218	↓ -1,19	↓ -0,46
CHF/RON	3,5236	↓ -0,54	↓ -1,11
100HUF/RON	1,46	↑ 0,35	↓ -1,10

Source: Reuters, OTP Research

Summary

- BVB indices finished mixed yesterday and the poorest evolution was posted by the energy companies' index BET-NG (-0.4%); In Europe, major indices posted small advances; ECB maintained the rates on hold and gave no hint of a rate cut to happen soon, lifting the euro
- Money market rates and government securities yields continue to decline; ROBOR 3M is 5.56%
- The Treasury sold the planned amount of 500 mn RON in bonds with a 35M residual maturity at 5.49% compared to 5.73% in mid-February; demand was healthy

BVB indices finished mixed yesterday. BET advanced by 0.11% and BET-FI topped the gains with a 0.6% hike. BET-NG, the energy companies' index posted a fall of 0.4%. The blue chips' index was also dragged down by the negative evolution of energy companies (Trangaz, Transelectrica, Dafora) but also by the decline of Erste Group Bank (-1.36%). Total equities' turnover stood at 7.2 mn EUR and the deals market was active again. Deals were made with three stocks: SIF Banat Crisana, SIF Moldova and Transgaz. Fondul Proprietatea closed at 0.62 RON/share.

In Europe, most of the stock indices showed modest advance yesterday. The ECB kept interest rates unchanged yesterday and gave no hint of a rate cut to happen in the near future. This pushed the euro higher against the dollar by 1% and EUR/USD closed at 1.3106. In the US, the weekly labor report signaled that the economy is getting stronger and this lifted US equities as well.

On the local market, we continue to see a smooth transition to lower money market rates and lower yields of government securities. We recall the Central Bank Governor saying recently that the next change of the policy rate will be a cut, but the timing is uncertain and it depends on the evolution of inflation expectations. Warning signals about the impact of administrative prices on this year's inflation have been issued by the Central Bank and the market is informed about what to expect. Therefore, the ground has been prepared for interest rates and the Central Bank removed the liquidity cap this week. ROBOR 3M is 5.56%, lower by 15 bp on a weekly basis and higher than the base rate of 5.25%.

The Treasury has managed to sell the 500 mn RON planned in bonds with a residual maturity of 35M at an average accepted yield of 5.49%. The yield was lower than in mid-February when the average accepted yield stood at 5.73%. Demand was healthy and total bids amounted to 2.1 bn RON.

PERIOD	INDICATOR	FACT	PREVIOUS
Thursday Jan	Net wage growth rate (y-o-y, %)	5,5	5,8
Friday	no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		06-Mar-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1581	↑ 0,51	↑ 4,89	↑ 7,16		
OTP Obligatiuni	RON	12,4632	↑ 0,01	↑ 1,07	↑ 7,44		
OTP ComodisRO	RON	15,1071	↑ 0,02	↑ 1,10	↑ 6,90		
OTP Eurobond	EUR	11,2484	↑ 0,01	↑ 1,14	↑ 6,19		

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