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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.684,23	↓ -0,16	↑ 1,55
BET-C	3.077,32	↓ -0,12	↑ 0,83
BET-FI	28.211,45	↓ -0,81	↑ 4,08
BET-XT	537,28	↓ -0,35	↑ 2,01
FP	0,6285	↓ -0,63	↑ 5,81
SNP	0,4508	↓ -0,27	↑ 1,69
SIF5	1,5000	↓ -0,73	↑ 4,90
SIF3	0,7465	↓ -0,60	↑ 0,40
SIF2	1,5300	↓ -1,29	↑ 3,38

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	5,31	↑ 1,0	↓ -6,0
12 month	5,35	↑ 0,5	↓ -8,0
3 year	5,45	↓ -0,5	↓ -8,0
5 year	5,49	↓ -0,5	↓ -6,5
10 year	5,61	→ 0,0	↓ -6,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	500 mn RON	500 mn RON
Thursday	2Y	500 mn RON	

MONEY MARKET

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	5,18	↑ 5,0	↓ -26,0
3M ROBOR	5,43	↓ -6,0	↓ -28,0
6M ROBOR	5,73	↓ -5,0	↓ -17,0
1Y ROBOR	5,74	↓ -5,0	↓ -17,0
5Y CDS	194,85	↓ -1,2	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3723	↑ 0,40	↑ 0,25
USD/RON	3,3514	↑ 0,03	↓ -0,01
CHF/RON	3,5385	↑ 0,52	↓ -0,53
100HUF/RON	1,45	↓ -0,39	↓ -1,02

Source: Reuters, OTP Research

Summary

- Inflation came down at 5.7% YoY in February (+0.3% MoM); Core 2 adjusted inflation also down
- Exports rose by 6.1% YoY in January compared to -4.9% in December; the first signals from the economy are mainly positive until now (retail trade, industrial turnover, international trade figures); only constructions disappointed

BVB indices dropped yesterday on low turnover (2.4 mn EUR). The largest fall was posted by BET-FI (-0.81%). Some blue chips managed to gain: Dafora (+2.51%), Biofarm (+0.38%) and two banking stocks (BRD and Banca Transilvania). In Europe, major indices finished mixed and volatility was rather low.

The leu weakened marginally against the euro yesterday, in line with its peers (HUF, CZK, PLN). Weaker inflows coming from non-residents acquisitions of Romanian bonds are not supportive for the leu for the moment.

Money market rates are lower on a weekly basis by 17 to 28 bp. At yesterday's repo auction, the Central Bank injected 2.3 bn RON to 8 banks, compared to 7.3 bn RON the previous week. For the second consecutive week, the CB did not cap liquidity.

The Treasury sold the planned amount of 500 mn RON in 12M T-bills. The average accepted yield stood at 5.29%, lower by 18 bp than the one at a similar tender at the end of February. Demand was healthy and total bids amounted to 2.8 bn RON. The Treasury sold 16.4 bn RON in government securities denominated in RON this year and it is very close to achieving the planned sales for Q1 2013.

In February, inflation came down to 5.7% YoY (+0.3% MoM) from 6% yoY in January. Foods and non-foods inflation stood at 6.2% YoY each while the services price hike was 3.2% YoY. Core 2 adjusted inflation declined for the second month in a row to 3.1% YoY from 3.2% YoY in January and it is line with the trend expected by the Central Bank for Q1 2013. Having in mind the Central Bank's Governor's statement according to which the next base rate movement will be a cut, the current evolution of core inflation is a step closer to this achievement. Inflation is projected to ease in H2 2013, whereas in H1 it is seen in the 5-6% interval.

The international trade figures for January are encouraging: exports grew by 6.1% YoY compared to the previous fall of 4.9% showing that external demand has improved. Also, imports are higher by 1.3% YoY compared to -7.9% YoY in December. Until now, the first signals from the economy are mainly positive and support the base scenario of 1.5% real GDP growth in 2013. Only constructions activity disappointed (-11.2% YoY in January).

PERIOD	INDICATOR	FACT	PREVIOUS	
Monday	Jan	Industrial trade turnover index (y-o-y, %)	5,2	-3,5
		Index value of new orders in manufacturing (y-o-y, %)	-7,4	- 0,9
Tuesday	Feb	Consumer price index (y-o-y,%)	5,7	6,0
	Jan	Exports (y-o-y, %)	6,1	-4,9
	Jan	Imports (y-o-y,%)	1,3	-7,9
	Jan	Construction works index (y-o-y, %)	-11,2	-10,7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		08-Mar-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2107	↑ 0,58	↑ 5,67	↑ 8,43		
OTP Obligatiuni	RON	12,4686	↑ 0,02	↑ 1,11	↑ 7,49		
OTP ComodisRO	RON	15,1123	↑ 0,02	↑ 1,14	↑ 6,90		
OTP Eurobond	EUR	11,2508	↑ 0,01	↑ 1,16	↑ 6,18		

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