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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.393,73	↓ -1,33	↓ -3,03
BET-C	2.960,35	↓ -1,14	↓ -1,81
BET-FI	26.557,12	↓ -1,89	↓ -1,49
BET-XT	503,32	↓ -1,44	↓ -3,05
FP	0,6560	↓ -2,09	↑ 2,50
SIF3	0,6750	↓ -2,17	↓ -3,36
SIF2	1,4120	↓ -0,91	↓ -4,66
EBS	102,0000	↓ -1,92	↑ 5,15
BRD	8,1000	↓ -0,06	↓ -4,71

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,79	↓ -2,5	↓ -8,5
12 month	4,90	↓ -2,0	↓ -5,5
3 year	5,21	↓ -8,0	↓ -13,0
5 year	5,29	↓ -10,5	↓ -15,5
10 year	5,51	↓ -7,5	↓ -14,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7Y	300 mn RON	300 mn RON
Thursday	5Y	500 mn EUR	

MONEY MARKET

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	1,83	↑ 27,0	↑ 15,0
3M ROBOR	4,46	↓ -4,0	↓ -41,0
6M ROBOR	5,16	→ 0,0	↓ -12,0
1Y ROBOR	5,21	→ 0,0	↓ -10,0
5Y CDS	191,19	↓ -4,0	↓ -10

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3835	↑ 0,04	↓ -0,46
USD/RON	3,3624	↑ 0,63	↓ -0,68
CHF/RON	3,6109	↑ 0,20	↓ -0,25
100HUF/RON	1,48	↑ 0,08	↓ -0,02

Source: Reuters, OTP Research

Summary

- BVB opened down this morning and posted losses yesterday, in line with major European indexes;
- Government securities' yields continue to fall, in line with the trend imposed by the money market rates; demand for Treasuries is high; 7Y bonds were sold by the Treasury at 5.23% yesterday and bid to cover ratio was 4.5
- In the first 2M, Romania had a current account surplus of 327 mn EUR as exports pace is faster than imports; FDI figure is disappointing (163 mn EUR compared to 192 mn EUR in the same period in 2012)

BVB indexes finished in the red yesterday, in line with the international markets (the US and Europe). On the domestic market, the decline was bigger on average than major European indexes. BET was down by 1.3% while in Europe major indexes fell mostly up to 1%. On the local market, total equities' turnover stood at 5.1 mn EUR and trades in the deals market ensured close to half of liquidity. The biggest fall was seen by BET-FI (-1.9%) driven by Fondul Proprietatea (-2.09%), SIF Transilvania (-2.17%) and SIF Muntenia (-3.5%). Today is the last day of SPO held by Tranzgaz.

Yesterday, February data showed that the euro-zone recorded a trade surplus in February, due to weaker imports which shows that domestic demand was poor. This data enhances again fears regarding the impact of measures taken until now to resume economic growth in Europe. Speaking in Amsterdam yesterday, Mr. Draghi said that Europe's problems were still large and that it was not the mandate of the monetary policy to undertake structural reforms, to address governments' budget related issues and to restore the banks' balance sheet health. Also, he added that the results of the accommodative monetary policy were not fully seen in the ease with which firms and households access loans. Small and medium sized companies which are the core of the euro-zone economy are especially hurting because of this. The euro lost 0.6% to the dollar yesterday and closed at 1.3037.

Money market rates at the short end of the curve continue to dip yesterday. At Monday's repo auction, the Central Bank injected the same amount as last week: only 178 mn RON. This is the last week of the maintenance period for required reserves and short term rates are expected to stay low.

The government securities yields continue to decline, in line with the trend exhibited by the money market rates. The Treasury sold the planned 300 mn RON in 7Y bonds yesterday. The demand was very good and bid to cover ratio stood at 4.5. The average accepted yield stood at 5.23% compared to 5.61% in March 2013.

The current account showed a surplus of 327 mn EUR in February (cumulated). The main driver was the reduction of the trade balance (goods) deficit by 465 mn EUR, followed by the increase in the surplus of current transfers by 187 mn EUR. The reduction in trade balance deficit is due to faster pace of exports compared to imports. Foreign direct investments were only 163 mn EUR, compared to 192 mn EUR in January- February 2012.

PERIOD	INDICATOR	FACT	PREVIOUS	
Monday	Feb	CA balance (EUR mn, YTD)	327	466
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		12-Apr-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,9336	↓ -0,29	↑	1,60	↑	8,85
OTP Obligatiuni	RON	12,5538	↑ 0,02	↑	1,81	↑	7,57
OTP ComodisRO	RON	15,1996	↑ 0,02	↑	1,72	↑	6,91
OTP Eurobond	EUR	11,2945	↑ 0,01	↑	1,55	↑	6,07

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