

## Treasury Sales Team

**Alina Elena Vrabioiu**

+4021 307 58 17

alina.vrabioiu@otpbank.ro

**Irina Ananiese**

+4021 307 58 17

irina.ananiese@otpbank.ro

**Tania Fantana**

+4021 307 58 17

tania.fantana@otpbank.ro

## Chief Economist

**Gergely Tardos**

+36 1 374 7273

tardosg@otpbank.hu

## FX/FI Strategist

**Levente Pápa**

+36 1 354 7490

papal@otpbank.hu

## Analyst

**Mihaela Neagu**

+4021 307 58 64

mihaela.neagu@otpbank.ro



# Daily Report – Romania

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.437,45	↑ 1,33	↑ 2,40
BET-C	2.960,90	↑ 0,94	↑ 1,21
BET-FI	24.804,76	↑ 2,15	↑ 3,84
BET-XT	492,59	↑ 1,32	↑ 2,99
FP	0,6600	↑ 3,45	↓ -0,38
EBS	107,0000	↑ 1,42	↑ 2,59
SIF3	0,5350	↑ 2,88	↑ 12,87
TGN	202,8000	↑ 1,20	↑ 4,11
SNP	0,4300	↓ -3,20	↓ -5,08

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,86	⇒ 0,0	↓ -34,5
12 month	3,93	↓ -3,5	↓ -44,5
3 year	4,37	↑ 1,0	↓ -11,0
5 year	4,44	↑ 0,5	↓ -8,5
10 year	4,83	↓ -0,5	↓ -5,5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	800 mn RON	800 mn RON
Thursday	5Y	500 mn RON	
Thursday*	5Y	50 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3,26	↑ 45,0	↓ -5,0
3M ROBOR	3,88	↑ 3,0	↓ -2,0
6M ROBOR	4,60	↑ 1,0	↓ -13,0
1Y ROBOR	4,67	↑ 1,0	↓ -14,0
5Y CDS	167,64	↑ 2,3	↓ -6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,3375	↓ -0,10	↑ 0,25
USD/RON	3,3710	↑ 0,06	↑ 0,64
CHF/RON	3,4862	↓ -0,21	↑ 0,69
100HUF/RON	1,49	↑ 0,12	↑ 0,52

Source: Reuters, OTP Research

Note: \*Supplementary session for competitive offers

**Summary**

- BET gained 2.4% on a weekly basis
- The Treasury plans to sell 500 mn RON in 5Y bonds today; at the similar tender last week, the average accepted yield stood at 4.45% and yield fell 9 bp since then
- In Q1, the current account surplus stood at 69 mn EUR, mainly due to the reduction of the trade gap as exports increased significantly. Portfolio investments were 3.2 bn EUR and they are a potential source of volatility for the leu.

BVB indexes finished up yesterday (except for BET-NG, the index of the companies in the energetic sector). Equities' turnover and stood at 11.4 mn EUR on BVB. No deals were made but relatively large amounts were traded with stocks of Fondul Proprietatea and Erste Group Bank. In Europe, Swiss stocks helped European indexes move up. The Swiss franc moved lower against the euro and this is seen beneficial for Swiss exports.

The Treasury will hold an auction today to sell 500 mn RON in 5Y bonds. At the last similar tender last week, the average accepted yield stood at 4.45%. Since the last tender, 5Y yields on the secondary market have dropped 9 bp. The Treasury will hold an additional auction tomorrow for 50 mn RON, for the competitive offers.

In the first quarter, the current account had a surplus of 69 mn EUR, down from 288 mn EUR during the first two months. The main impact (compared to Q1 2012) comes from the reduction of trade gap by 872 mn EUR and also a reduction of the income deficit by 355 mn EUR. The trade deficit has shrank considerably given the higher than expected increase in exports during the first two months, supported by trade with extra –EU countries. Current transfers, which includes mainly remittances and transfers to public administration (from EU), were down by one third compared to last year, exclusively due to the public administration component while remittances remained roughly at the same level. In fact, according to our calculations, the total EU funds absorption is weaker than last year: in Q1 2013, EU funds recorded in the balance of payments amounted to 1.1 bn EUR, compared to 1.5 bn EUR last year. Looking at the funding side, foreign investments stood at 116 mn EUR and portfolio investments amounted to 3.2 bn EUR in Q1 2013. The funding structure reveals vulnerability, as portfolio investments are speculative and the risk of sudden outflows is not insignificant, which could induce volatility in the country's currency.

	PERIOD	INDICATOR	FACT	PREVIOUS
Wednesday	Q1 2013	Flash GDP (QoQ, seasonally adjusted)	0,5	0,4
	March	CA balance (EUR mn, YTD)	69	288
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		14-May-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	6,9426	↑ 0,46	↑ 1,74	↑ 13,83		
OTP Obligatiuni	RON	12,6176	↑ 0,01	↑ 2,32	↑ 7,56		
OTP ComodisRO	RON	15,2816	↑ 0,02	↑ 2,27	↑ 6,83		
OTP Eurobond	EUR	11,4024	↑ 0,01	↑ 2,52	↑ 6,68		

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