

## 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	5.417,93	↓ -0,83	↓ -1,12
BET-C	2.924,88	↓ -0,83	↓ -1,36
BET-FI	24.904,44	↓ -1,51	↓ -0,90
BET-XT	492,46	↓ -1,13	↓ -0,60
FP	0,6540	↓ -0,46	↓ -1,28
EBS	109,2000	↓ -0,73	↑ 0,18
SIF1	1,2000	↓ -2,36	↓ -4,76
SIF3	0,5385	↓ -2,36	↓ -4,01
BRD	8,0000	↓ -1,23	↓ -1,54

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,31	↑ 0,5	↑ 4,3
12 month	4,34	↓ -1,0	↑ 4,7
3 year	4,66	↑ 2,0	↑ 4,8
5 year	4,85	↔ 0,0	↑ 17,0
10 year	5,21	↑ 2,5	↑ 25,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	500 mn RON	500 mn RON
Tuesday*	5Y	50 mn RON	6 mn RON
Thursday	3Y	700 mn RON	

**MONEY MARKET**

	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)
ON ROBOR	3,45	↓ -58,0	↓ -3,0
3M ROBOR	4,16	↓ -2,0	↑ 5,0
6M ROBOR	4,53	↓ -1,0	↓ -1,0
1Y ROBOR	4,59	↔ 0,0	↔ 0,0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4633	↑ 1,39	↑ 2,57
USD/RON	3,4087	↑ 1,38	↑ 2,97
CHF/RON	3,6172	↑ 1,74	↑ 1,42
100HUF/RON	1,50	↑ 0,10	↑ 1,57

Source: Reuters, OTP Research

Note: \*Supplementary session for competitive offers

**Summary**

- BET lost 0.8% yesterday, in line with international markets; in Europe, investors' sentiment is hurt by weak macro data; euro-zone's GDP fell by 0.2% QoQ in Q1 and April retail sales disappointed as well
- In line with the losses suffered by equities, the leu and its peers shed losses to the euro yesterday; the leu touched the lowest level to the euro this year and opened lower this morning
- The Treasury will hold an auction to sell 3Y bonds today; since the last similar auction when the average accepted yield stood at 4.44%, 3Y bond yields rose by some 30 bp on the secondary market.

BVB indexes ended in the red yesterday, in line with international markets. BET lost 0.83% while in Europe losses were slightly larger on average, in developed markets. In Bucharest, total equities' turnover was low, only 3.5 mn EUR and there was no trade in the deals market. The recent macroeconomic news coming from Europe have been disappointing: data released yesterday showed that euro area GDP fell by 0.2% QoQ, slightly lower than markets' expectations. According to Reuters' poll, a gradual improvement is expected in the coming quarters. However, April's retail sales data, which is a proxy for consumer demand, dropped by 0.5% MoM, more than economists' expectations. Beside developments taking place in Europe, sentiment is hurt as well by the feeling that in Japan, the announced steps to boost economic growth are not strong enough. In the US, there is increased uncertainty related to the continuation of the loose monetary policy and Friday's nonfarm payrolls report is expected to bring more light to the matter.

In line with the losses recorded by equities', the leu and most of its peers were influenced by investors' deteriorated risk perception. The leu lost 1.4% yesterday and opened lower this morning, hitting the low of the year against the euro. As it was often stated, its vulnerability at the moment comes from outflow of capital, more precisely outflow of speculative portfolio investments which boosted the leu in the first place. Profit taking in the debt market is most likely one of the main causes of the fast weakening that we are witnessing. The debt selloff is causing bond prices to fall which means foreigners' comeback into the debt market later on is likely, especially since Romanian bonds are offering real positive yields.

The Treasury is holding an auction to sell 700 mn RON today in 3Y bonds. The most recent auctions have seen increased yields. The latest similar bond auction in mid May had an average accepted yield of 4.44% but since then yields on the secondary market have increased by roughly 30 bp in the case of 3Y bonds.

	PERIOD	INDICATOR	FACT	PREVIOUS
Wednesday	Q1 2013	Detailed GDP (QoQ, seasonally adjusted)	0,7	0,6
	April	Net wage growth rate (y-o-y, %)	7,0	4,8
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		04-Jun-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,0168	↑ 0,22	↑ 2,60	↑ 21,33		
OTP Obligatiuni	RON	12,6687	↑ 0,02	↑ 2,72	↑ 7,63		
OTP ComodisRO	RON	15,3294	↑ 0,02	↑ 2,57	↑ 30,24		
OTP Eurobond	EUR	11,4212	↑ 0,01	↑ 2,68	↑ 6,62		

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