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Daily Report – Romania

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.365,61	↑ 0,05	↓ -0,13
BET-C	2.888,79	↓ -0,08	↓ -0,43
BET-FI	24.914,99	↑ 0,30	↑ 0,99
BET-XT	491,77	↑ 0,21	↑ 0,48
FP	0,6350	↓ -0,78	→ 0,00
EBS	106,0000	↑ 1,44	↓ -2,75
SNP	0,4238	↓ -0,16	↑ 1,05
TGN	188,5000	↑ 0,80	↓ -8,05
TLV	1,2100	↑ 0,58	↑ 0,75

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	4,58	↓ -3,0	↓ -14,0
12 month	4,65	↓ -2,5	↓ -6,5
3 year	5,05	↓ -3,5	↑ 4,5
5 year	5,16	↓ -5,0	↓ -0,5
10 year	5,51	↓ -2,0	↑ 3,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	800 mn RON	
Thursday	7Y	300 mn RON	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,51	↓ -3,0	↓ -216,0
3M ROBOR	4,44	↑ 2,0	↓ -11,0
6M ROBOR	4,73	→ 0,0	↓ -1,0
1Y ROBOR	4,79	↓ -2,0	↑ 2,0
5Y CDS	178,92	↓ -0,9	↑ 6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4545	↓ -0,38	↓ -1,21
USD/RON	3,3371	↓ -0,18	↓ -2,18
CHF/RON	3,6235	↓ -0,12	↓ -0,57
100HUF/RON	1,53	↑ 0,34	↑ 0,54

Source: Reuters, OTP Research

Note: *Supplementary session for competitive offers

Summary

- Trades with Fondul Proprietatea (11.5 mn EUR) drove up equities' turnover on Friday; Fondul Proprietatea lost 0.78% on Friday; major equities' indexes finished up in line with European markets
- The leu gained 1.2% to the euro on a weekly basis; the EUR/RON opened lower this morning ahead of the Treasury's bond auction.
- The yield curve steepened last week.

On the domestic market, most equities' indexes finished up on Friday, in line with the European markets. BET was marginally up (+0.05%) while the composite index fell by 0.08%. Stocks' turnover revived on Friday, reaching 14.5 mn EUR. The high turnover was mainly made up b trades with Fondul Proprietatea: 11.5 mn EUR was traded on Friday and the stock was down 0.78% in the day. In Europe, shares were boosted by hopes that a slowdown in Fed's stimulus may be postponed, given the weak macroeconomic data released: industrial output did not grow in May and consumer sentiment in June did not meet expectations.

The leu continued to appreciate against the euro on Friday and firmed 1.2% in one week. Today the EUR/RON opened lower as well and all eyes are on the scheduled auction where the Treasury has planned to sell 800 mn RON in 5Y bonds. Given that bond yields are again above 5% and that latest macroeconomic data coming from the US has eased somehow worries regarding a pullback of Fed's stimulus, we can expect interest from foreigners as well.

The yield curve steepened last week. Yields at the short end fell, in line with lower money market rates. Bond yields (3Y, 10Y) are still higher by 3-4 bp on a weekly basis. The 10Y bond yield (mid) recorded at NBR's fixing on Friday stood at 5.51% after having fallen to its all times low in Mid March, at 4.8%.

Today we expect the release of current account data for April. This year, the CA deficit has been shrinking, in line with lower deficit of the trade balance. The trade gap declined following the very good performance of exports. This lower CA deficit is consistent with leu's appreciation and we will be monitoring whether this performance is maintained. In April, we have seen exports climbing strongly (+15.5% YoY) and unlike during the previous months, the intra- EU exports were the driver, which is a first sign of improvement of demand coming from EU, where most of Romanian exports go.

PERIOD	INDICATOR	FACT	PREVIOUS
Friday	no data		
Monday	April	CA balance (EUR mn, YTD)	69,2

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		13-Jun-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,9402	↓ -0,49	↑	2,20	↑	17,33
OTP Obligatiuni	RON	12,6849	↑ 0,01	↑	2,85	↑	7,64
OTP ComodisRO	RON	15,3499	↑ 0,01	↑	2,71	↑	6,77
OTP Eurobond	EUR	11,4323	↑ 0,01	↑	2,78	↑	6,65

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