

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

Last data: 21.06.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.244,62	↓ -1,30	↓ -2,77	
BET-C	2.832,80	↓ -0,92	↓ -2,51	
BET-FI	24.312,17	↓ -1,51	↓ -3,47	
BET-XT	480,73	↓ -1,41	↓ -2,76	
FP	0,6255	↓ -1,50	↓ -1,50	
SNP	0,4220	↓ -1,06	↓ -0,42	
TLV	1,2400	↑ 2,48	↑ 2,48	
SIF5	1,4390	↑ 0,84	↑ 1,05	
EBS	100,1000	↓ -4,48	↓ -5,57	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,65	↓ -2,5	↑ 7,5	
12 month	4,73	↓ -6,0	↑ 8,5	
3 year	5,18	↓ -3,0	↑ 13,0	
5 year	5,35	↑ 1,0	↑ 18,5	
10 year	5,57	↓ -1,5	↑ 6,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	10Y	300 mn RON	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,76	↑ 22,0	↑ 25,0	
3M ROBOR	4,53	↑ 1,0	↑ 9,0	
6M ROBOR	4,80	↑ 3,0	↑ 7,0	
1Y ROBOR	4,83	→ 0,0	↑ 4,0	
5Y CDS	217,67	↑ 15,6	↑ 44	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,5465	↑ 0,21	↑ 2,07	
USD/RON	3,4646	↑ 1,04	↑ 3,82	
CHF/RON	3,7074	↑ 0,28	↑ 2,32	
100HUF/RON	1,52	↑ 0,49	↓ -0,85	

Source: Reuters, OTP Research

Summary

- BET opened lower today and it is down 1% this morning , diverging from most European markets; worries about credit crunch in China and Fed's lowering its stimulus measures hit shares recently
- The leu firmed to the euro on Monday and it is trading around 4.5, after it had firmed on Monday as well in line with peer currencies
- The Treasury will hold another bond auction today: it plans to sell 300 mn RON in 10Y bonds but conditions are not optimal; last week the Treasury rejected all bids at Thursday's auction.

After being closed yesterday due to public holiday, BVB's indexes opened down this morning and BET gave out around 1% while the blue chip's index ROTX tops the losses with 1.6% decline in the first hour after the opening of the market. The driver is Erste Group Bank which wiped slumped more than 4% in this interval. The local market looks decoupled from European markets which seem to rebound after worries related to a credit crunch developing in China and Fed's announcement of slowing down bond purchases broke out last week.

After losing 2.1% to the euro last week, the leu firmed this week in line with its peer currencies and it is currently trading around the 4.5050 (mid) level on the interbanking market. The rise in risk aversion is shown also by the 5Y CDS (euro) quotation of 218 bp, which is in a sharp upward path: it lost close to 50 bp on a weekly basis and 16 bp on Monday. Money market rates rose on a weekly basis in line with the spike seen in the CDS. The maintenance period for the required reserves also ended last week.

After the second auction held by the Treasury last week failed, we are closely watching today's auction as well, when the Treasury plans to sell 300 mn RON in 10Y bonds. However conditions are not optimal yet and yields are higher by 6-19 bp on a weekly basis. The 3Y and 5Y bond prices were the hardest hit and they fall into the preferred maturity range for non-residents. The current events had an unlucky timing: the maturity extension of the stand by agreement with the IMF ends on 30th June and the Government prepares for further negotiations. The recent sale of CFR Marfa and the announcement to sell 10% stake in Nuclearelectrica proves that efforts are being made to obtain an extension of the current agreement. Romania has successfully obtained a fiscal consolidation and exited the excessive deficit procedure but the privatization of state owned enterprises still remains a weak spot. A new agreement with the IMF will boost investors' confidence that fiscal discipline will be maintained.

Today, the Central Bank will release banking statistics data for May.

PERIOD	INDICATOR	FACT	PREVIOUS
Friday	no data		
Monday	May	Non -governmental loans (y-o-y, %)	-2,1
	May	Non -governmental deposits (y-o-y, %)	4,8

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		20-Jun-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,9028	↓ -1,09	↑	2,27	↑	16,34
OTP Obligatiuni	RON	12,6960	↑ 0,01	↑	2,95	↑	7,61
OTP ComodisRO	RON	15,3625	↑ 0,01	↑	2,80	↑	6,73
OTP Eurobond	EUR	11,4386	↑ 0,01	↑	2,84	↑	6,65

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.