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Daily Report – Romania

Last data: 28.06.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.261,77	↓ -0,39	↓ -0,98	
BET-C	2.822,37	↓ -0,34	↓ -1,29	
BET-FI	24.387,51	↓ -0,47	↓ -1,20	
BET-XT	482,50	↓ -0,29	↓ -1,05	
FP	0,6195	↓ -1,67	↓ -0,96	
SNP	0,4212	↑ 0,62	↓ -0,19	
SIF5	1,4320	↑ 0,56	↓ -0,49	
BRD	7,4850	↓ -0,20	↓ -1,64	
TLV	1,2310	↓ -0,73	↓ -0,73	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,55	↓ -3,5	↓ -10,0	
12 month	4,69	↓ -2,0	↓ -4,5	
3 year	5,15	↓ -3,5	↓ -3,0	
5 year	5,32	↓ -8,0	↓ -3,0	
10 year	5,52	↓ -6,0	↓ -5,0	

GOV'T BOND AUCTIONS		
Maturity	Auctions	Sold

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	5,55	↑ 71,0	↑ 279,0	
3M ROBOR	4,61	↑ 4,0	↑ 8,0	
6M ROBOR	4,84	↑ 2,0	↑ 4,0	
1Y ROBOR	4,82	→ 0,0	↓ -1,0	
5Y CDS	195,38	↓ -8,9	↓ -7	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4615	↑ 0,13	↓ -1,87	
USD/RON	3,4294	↑ 0,30	↓ -1,01	
CHF/RON	3,6300	↑ 0,34	↓ -2,09	
100HUF/RON	1,5122	↑ 0,36	↓ -0,42	

Source: Reuters, OTP Research

Summary

- After Friday's retreat, equities opened up this morning, ahead of the release of PMI data in Europe
- The Central Bank is expected to cut the base rate by 25 bp to 5% today; last time it operated a rate cut was in March 2012
- The unemployment rate rose to 7.5% (seasonally adjusted) from 7.3% in May.

On Friday, local stocks finished down and BET retreated 0.39%, whereas on a weekly basis it lost around 1%. The fall was in line with the dynamics in the most developed European markets. Blue chips had relatively the worst evolution, with ROTX declining 0.64%. However, the energy sector managed to stay up on Friday and BET-NG moved up by 0.26%. Shares started the day on positive note and investors are waiting for PMI data release in Europe and US manufacturing data as well.

The leu headed marginally down against the euro on Friday, unlike its peers. This morning, the optimism that boosted equities ahead of new macro data release pushed up European emerging market currencies including the leu. EUR/RON is trading around 4.45, lower than Friday's close. However, the Central Bank will hold a monetary policy meeting today and the market is expecting a base rate cut of 25, which is likely to weaken the leu at least for the moment. Last time the NBR cut the base rate was on 29th March last year when the base rate dropped 25 bp, from 5.5%. For the moment, headline and core inflation are on the trend expected by NBR and signs from the economy are encouraging.

Unemployment data for May pointed to a marginal increase from 7.3% to 7.5% (seasonally adjusted). The unemployment rate started to hedge up in January 2013 and continued to go up after having declined for several months. However, this is a lagging indicator and we expect it to pick up in the coming months.

PERIOD		INDICATOR	FACT	PREVIOUS
Friday		no data		
Monday	May	ILO unemployment (seasonally adjusted, %)	7,5	7,3
	July	Base rate decision (%)		5,0
				5,25

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		27-Jun-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,8300	↑ 0,73		↓ -0,64		↑ 14,74
OTP Obligatiuni	RON	12,7112	↑ 0,01		↑ 3,07		↑ 7,61
OTP ComodisRO	RON	15,3764	↑ 0,01		↑ 2,89		↑ 6,60
OTP Eurobond	EUR	11,4449	↑ 0,01		↑ 2,90		↑ 6,63

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