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# Daily Report – Romania

Last data: 10.07.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.362,55	↑ 0,28	↑ 2,26	
BET-C	2.879,69	↑ 0,30	↑ 2,48	
BET-FI	24.802,76	↑ 0,50	↑ 2,94	
BET-XT	490,56	↑ 0,33	↑ 2,05	
FP	0,6430	↑ 0,86	↑ 4,98	
SNP	0,4220	↑ 0,26	↑ 1,54	
BRD	7,6000	↑ 0,26	↑ 1,33	
TLV	1,2510	↑ 0,08	↓ -0,32	
SIF1	1,1320	↑ 0,35	↑ 0,18	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,43	↓ -1,5	↓ -7,5	
12 month	4,56	↓ -2,0	↓ -8,5	
3 year	4,93	↓ -1,0	↓ -7,5	
5 year	5,08	↓ -3,0	↓ -9,0	
10 year	5,28	⇒ 0,0	↓ -8,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	2Y	300 mn RON	300 mn RON
Thursday	3Y	500 mn RON	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	4,44	↓ -16,0	↓ -60,0	
3M ROBOR	4,53	↓ -6,0	↓ -7,0	
6M ROBOR	4,78	↓ -2,0	↓ -3,0	
1Y ROBOR	4,78	↓ -2,0	↓ -3,0	
5Y CDS	193,60	↓ -0,9	↑ 1,8	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4335	↓ -0,18	↓ -0,18	
USD/RON	3,4162	↓ -1,69	↑ 0,08	
CHF/RON	3,5656	↓ -0,16	↓ -1,05	
100HUF/RON	1,5071	↓ -0,70	↓ -0,08	

Source: Reuters, OTP Research

### Summary

- BET moved up by 0.28% yesterday; equities' turnover was fairly good for this period (6.6 mn EUR); Ben Bernanke's dovish comments are expected to lift European equities today
- The leu and its peers firmed this morning reacting to Bernanke's statement that the monetary policy will remain accommodative for now
- The Treasury plans to sell 500 mn RON in bonds with a 3Y remaining maturity.

All local indexes gained moderately yesterday, while in Europe we saw mixed dynamics. BET was up by 0.28% and equities' turnover was fairly good for this period, at 6.6 mn EUR. More than one third of liquidity was made in the deals market where 6 deals were made with stocks of Fondul Proprietatea, OMV Petrom and BRD. For today European equities futures point to an uptake, after yesterday's dovish comments of Ben Bernanke: after having recently announced that the Fed might start pulling back the stimulus, Bernanke said that for now the monetary policy will remain accommodative and that the US jobs figures may be overstating the health of the economy.

Bernanke's comments pushed emerging market currencies such as the leu up and EUR/RON is currently trading below 4.43 after having firmed at the opening of the local session. Against this initial reaction, we recall that RON interest rates look set to continue to decline. This drags upon bond yields as well which already corrected significantly: the 3Y bond yield (mid) stood at 4.93% at yesterday's NBR fixing. June inflation came out at 5.4% and it is expected to ease significantly in the second semester, until 3.2% YoY in December according to the Central Bank. This means that while bonds are still attractive, the remaining upside potential for bond prices is limited.

The Treasury will hold a bond auction today to sell 500 mn RON in bonds with a remaining maturity of 3 years. Given the current events, the auction will likely be successful: the last similar tender on 10th June saw an average accepted yield of 5.07% but since then 3Y bond yields dropped by more than 10 bp. Also, Monday's auction saw a large interest from investors.

PERIOD	INDICATOR	FACT	PREVIOUS		
Wednesday	June	Consumer price index (y-o-y,%)	5,4	5,5	5,3
	May	Exports (y-o-y, %)	0,1		15,50
	May	Imports (y-o-y,%)	-10,5		5,0
	May	Industrial Production Index (y-o-y, %)	-2,1		19,9
Thursday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		09-Jul-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,8940	↑ 0,43	↑	0,59	↑	13,01
OTP Obligatiuni	RON	12,7329	↑ 0,02	↑	3,24	↑	7,58
OTP ComodisRO	RON	15,4021	↑ 0,02	↑	3,06	↑	6,57
OTP Eurobond	EUR	11,4549	↑ 0,01	↑	2,99	↑	6,56

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