

Last data: 5.08.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.582,12	↑ 1,29	↑ 3,69	
BET-C	2.963,00	↑ 0,83	↑ 2,64	
BET-FI	24.359,90	↑ 0,54	↑ 1,46	
BET-XT	501,46	↑ 1,11	↑ 3,06	
EBS	105.5000	↑ 0,43	↑ 7,11	
FP	0,6620	↑ 0,46	↑ 2,24	
SIF4	0,6465	↑ 1,57	↑ 1,17	
SIF1	1,0300	→ 0,00	→ 0,00	
BRD	8,1500	↑ 2,58	↑ 3,82	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	4,18	↓ -4,5	↓ -3,0	
12 month	4,27	↓ -5,0	↓ -2,0	
3 year	4,61	↓ -3,5	↑ 1,0	
5 year	4,73	↓ -1,5	↑ 0,5	
10 year	5,07	↓ -3,5	↑ 2,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12M	300 mn RON	300 mn RON
Thursday	10Y	300 mn RON	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,59	↓ -23,0	↓ -126,0	
3M ROBOR	4,40	↓ -5,0	↓ -15,0	
6M ROBOR	4,67	↓ -4,0	↓ -7,0	
1Y ROBOR	4,68	↓ -3,0	↓ -6,0	
5Y CDS	182,50	↓ 0,0	↑ 2,2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4115	↓ -0,20	↑ 0,39	
USD/RON	3,3273	↓ -0,10	↑ 0,42	
CHF/RON	3,5880	↓ -0,04	↑ 0,82	
100HUF/RON	1,4758	↓ -0,46	↑ 0,29	

Source: Reuters, OTP Research

Summary

- The Central Bank cut the base rate by 50 bp, to 4.5%
- The Treasury sold the planned amount in 12M T-bills at 4.15%, compared to 4.37% at the end of July, for bills with a residual maturity of 9M; total bids stood at 2.4 bn RON
- No bank went to the weekly repo auction; money market rates are falling
- The growth rate of net average wage stood at 3.5% YoY in June compared to 5.3% YoY in May.

BVB indexes finished up yesterday and BET gained 1.29%. Total equities' turnover was much lower than the previous day (4.1 mn EUR) and the deals market was very thin: only two deals yesterday covering one quarter of liquidity. BVB opened lower this morning, following weaker dynamics in the US and Asia.

The leu closed a little stronger to the euro yesterday, gaining some 0.2%. The evolution of its peers was mixed as well, with the Polish zloty gaining 0.5% to the euro and the Hungarian forint and Czech crown strengthening some 0.1%-0.3%. EUR/RON opened lower this morning and it is currently trading again back around the 4.41 level. However, we believe that for the near horizon, the path portrayed for the RON interest rates will not work in the favour of the leu: the Romanian Central Bank not only cut the base rate more than the market expected, but it also announced that there is still room for cuts given the improved inflation outlook. NBR suggested that consumption is weak and lending has not picked up yet so these measures should also support resumption of credit growth and a balanced economic growth. For the moment, the IMF umbrella is useful for preserving the investors' confidence that the macroeconomic stability will be preserved and that structural reform will be continued.

The Treasury managed to sell the planned amount of 12M T-bills at an average accepted yield of 4.15%, lower than the one at the previous tender in the end of July when debt with a residual maturity of 9M was sold at 4.37%. This time, demand was very good and total bids stood at 2.4 bn RON. The Treasury plans to sell 1.9 bn RON in debt in August.

The Central Bank did not inject any liquidity at yesterday's repo as no bank went to the weekly repo auctions. Money market rates continued to decline yesterday and today as well.

The growth rate of net average wage stood at 3.5% YoY in June compared to 5.3% YoY in May.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	Base rate decision (%)	4,5	4,75	5,0
Tuesday	June	Net wage growth rate (y-o-y, %)	3,5	5,3

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		02-Aug-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	6,9578	↑ 0,33	↑	1,62	↑	11,46
OTP Obligatiuni	RON	12,7889	↑ 0,02	↑	3,69	↑	7,53
OTP ComodisRO	RON	15,4587	↑ 0,02	↑	3,44	↑	6,56
OTP Eurobond	EUR	11,4817	↑ 0,01	↑	3,23	↑	6,24

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