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# Daily Report – Romania

Last data: 8.08.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	5.789,79	↑ 0,61	↑ 5,51
BET-C	3.065,39	↑ 0,67	↑ 4,80
BET-FI	25.907,67	↑ 2,44	↑ 7,23
BET-XT	523,79	↑ 1,17	↑ 5,91
FP	0,6880	↑ 1,18	↑ 4,40
EBS	112,0000	↑ 4,19	↑ 6,62
SIF3	0,5830	↑ 4,39	↑ 7,96
SIF5	1,5990	↑ 3,83	↑ 9,52
SIF2	1,2530	↑ 2,12	↑ 7,09

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,90	↓ -1,5	↓ -33,0
12 month	3,96	↓ -2,0	↓ -35,5
3 year	4,38	↑ 1,0	↓ -24,5
5 year	4,52	↓ -1,5	↓ -21,5
10 year	4,96	↓ -0,5	↓ -11,5

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

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,43	↓ -9,0	↓ -156,0
3M ROBOR	4,01	↓ -13,0	↓ -48,0
6M ROBOR	4,33	↓ -12,0	↓ -38,0
1Y ROBOR	4,34	↓ -12,0	↓ -37,0
5Y CDS	184,26	⇒ 0,0	↑ 1,8

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4415	↓ -0,13	↑ 0,57
USD/RON	3,3194	↓ -0,47	↓ -0,74
CHF/RON	3,6057	↓ -0,31	↑ 1,03
100HUF/RON	1,4898	↑ 0,41	↑ 1,40

Source: Reuters, OTP Research

### Summary

- BET is up 5.5% YoY on a weekly basis; total equities turnover continued to increase (+ 12.6 mn EUR)
- The Treasury sold 10Y bonds at 4.97% and bid to cover 3x; the previous similar tender in June failed and in May the average accepted yield was 5.03%
- Industry shows a strong pace in June (+5% YoY and 5.7% MoM); capital goods (+7.7% MoM, seasonally adjusted) and intermediate goods (+6% MoM) were the main drivers
- Exports rushed to 7% YoY in June compared to the stagnation in May; Imports saw a milder decrease (-6.5% YoY) compared to May (-10.5% YoY).

Domestic stocks saw another day of gains yesterday: BET has been continuously increasing since 25<sup>th</sup> July, period in which it appreciated by 8%. It is now higher by 5.5% on a weekly basis. This time, the dynamics was correlated with international markets. BVB indexes moved up between 0.6%- 2.4% yesterday, with the financial companies' index BET-FI at the top. Fondul Proprietatea reached its all times high at 0.688 RON per share and gathered 4.4% on a weekly basis. The SIF's rallied as well and SIF Transilvania won 4.39% on a daily basis. Total equities' turnover is in ascension: 12.6 mn EUR. 8 deals with 6 stocks made up one third of liquidity. It looks like a combination of supportive factors boosted Romanian equities in the past two weeks: the monetary policy signals transmitted by the ECB and Fed, the surprise rate cut of the Central Bank and its message of further possible rate cuts and several good earnings reports of the local market. European equities futures look bright this morning, as data from China reassures the markets that the world's second biggest economy is on the right path.

The Treasury successfully sold the planned amount of 10Y bonds at an average accepted yield of 4.97%, lower than the previous successful similar tend at the end of May when the yield stood at 5.03%. At the end of June, a 10Y bond auction failed and no bids were accepted. Yesterday, total bids stood at 913 mn RON and bid to cover ratio was 3x. Money market rates sank further: ROBOR ON down at 2.43% and ROBOR 3M lower by 48 bp on a weekly basis at 4.01%.

After strong industrial sales and new orders data, the production index comes high showing a fast pace in June (5% YoY) compared to -1.7% YoY in May. On a monthly basis, the pace is very encouraging: +5.7% MoM (seasonally adjusted data), driven by solid advance of the manufacturing. If we look at the main industrial groups, the monthly evolution was driven by capital goods (+7.7% MoM) and intermediate goods (+6 % MoM). Exports rushed in June to an annual pace of 7% YoY ( based on euro figures) compared to the stagnation of the previous month. Imports saw a milder decline (-6.5% YoY) as opposed to May.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	June	Construction works index (y-o-y, %)	-4,7	-9,9
Friday	June	Exports (y-o-y, %)	7,0	0,1
	June	Imports (y-o-y, %)	-6,5	-10,5
	June	Industrial Production Index (y-o-y, %)	5,0	-1,7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		07-Aug-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1247	↑ 1,45	↑ 2,91	↑ 11,84		
OTP Obligatiuni	RON	12,8015	↑ 0,02	↑ 3,80	↑ 7,57		
OTP ComodisRO	RON	15,4718	↑ 0,02	↑ 3,52	↑ 6,57		
OTP Eurobond	EUR	11,4862	↑ 0,01	↑ 3,27	↑ 6,23		

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