

Last data: 02.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.841,16	↑ 0,70	↓ -1,39	
BET-C	3.067,70	↑ 0,65	↓ -1,54	
BET-FI	25.656,65	↑ 1,20	↓ -1,25	
BET-XT	525,68	↑ 0,81	↓ -1,28	
TLV	1,4470	↑ 0,49	↑ 2,41	
FP	0,6895	↑ 1,25	↓ -0,07	
EBS	110,8000	↑ 1,47	↑ 2,59	
SIF3	0,5870	↑ 1,38	↑ 1,38	
BRD	8,5500	↑ 0,59	↓ -1,44	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,89	↑ 0,5	↑ 8,5	
12 month	3,97	↓ -1,0	↑ 7,5	
3 year	4,46	↑ 0,5	↑ 10,5	
5 year	4,76	↑ 1,0	↑ 9,5	
10 year	5,16	↑ 0,5	↑ 5,0	

GOV'T BOND AUCTIONS		
Maturity	Auctions	Sold

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,74	↓ -1,0	↑ 5,0	
3M ROBOR	3,87	↑ 9,0	↑ 14,0	
6M ROBOR	4,13	↑ 3,0	↑ 4,0	
1Y ROBOR	4,16	→ 0,0	↑ 3,0	
5Y CDS	190,99	↓ -0,5	↑ 0,5	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4185	↓ -0,41	↓ -0,23	
USD/RON	3,3494	↓ -0,07	↑ 1,11	
CHF/RON	3,5842	↓ -0,54	↓ -0,13	
100HUF/RON	1,4714	↑ 0,02	↓ -0,80	

Source: Reuters, OTP Research

Summary

- BVB indexes climbed yesterday, on low liquidity; in Europe, the gains were higher (1-2%)
- The EUR/RON is currently trading around 4.43, higher than yesterday's close
- The Central Bank did not inject any liquidity at the weekly repo; rates between 1W-6M edged higher
- The Treasury plans to sell RON 3.7 bn compared to redemptions of RON 2.8 bn
- Producer Prices rose by 1.6% YoY in July compared to 2.8% YoY in June.

Domestic indexes edged up yesterday but on a very small turnover, of EUR 1.4 bn, compared to EUR 10.3 mn on Friday. BET gained 0.7%, driven up especially by Fondul Proprietatea (+1.25%) and OMV Petrom (+0.97%). The best evolution was posted by BET-FI (+1.2%). In Europe, gains were larger, with major indexes climbing 1%-2%. For today, futures point to an uptake.

Again, the Central Bank did not inject any liquidity at the weekly repo auction. ROBOR rates with a maturity between 1W-6M climbed up to 9 bp. Moreover, the Treasury announced yesterday that they plan a net positive issuance this month: RON 3.7 bn against total redemptions of RON 2.8 bn this month. We should also not rule out that the Treasury could sell more than the planned amount, given that next month redemptions are quite significant at RON 6 bn and also considering the total issues this year. This means that money market rates have small chances to drop from current levels this week and next week, especially if banks continue to avoid getting liquidity at the repo.

Out of the planned RON 3.7 bn issuance, RON 1 bn are 12M T-bills and the rest are 3Y, 5Y, 7Y and 10Y bonds.

The leu strengthened to the euro by 0.4% yesterday, in line with its peers. However, the leu weakened this morning and the EUR/RON opened higher. It is currently trading around 4.43. Although the FX reserves dropped by EUR 1.2 bn in August, to EUR 32.2 bn, they are well sized. The higher outflows this month contained reimbursement to the IMF of EUR 1 bn and the EUR 470 mn in bonds which came to maturity.

In July, the producer price index fell to 1.6% YoY compared to 2.8% YoY in June. Prices on external markets sank further in the negative territory (-2.8% YoY) while domestic prices moderated their pace to 3.8% YoY from the previous 4.9% YoY.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	July	Retail trade turnover index (y-o-y, %)	1,0	-3,8
	August	FX reserves (bn EUR)	32,2	33,4
Tuesday	July	Producer Price Index (y-o-y, %)	1,6	2,8

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		30-Aug-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,0995	↓ -0,12	↑	4,16	↑	10,88
OTP Obligatiuni	RON	12,8449	↑ 0,01	↑	4,15	↑	7,49
OTP ComodisRO	RON	15,5362	↑ 0,01	↑	3,96	↑	6,58
OTP Eurobond	EUR	11,5142	↑ 0,01	↑	3,52	↑	6,23

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