

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17

irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273

tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490

papal@otpbank.hu

Analyst

Mihaela Neagu

+4021 307 58 64

mihaela.neagu@otpbank.ro



Daily Report – Romania

Last data: 09.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.729,50	↓ -0,25	↓ -1,91	
BET-C	3.021,13	↓ -0,13	↓ -1,52	
BET-FI	25.106,06	↓ -0,02	↓ -2,15	
BET-XT	515,64	↓ -0,14	↓ -1,91	
FP	0,6760	↓ -0,22	↓ -0,88	
EBS	110,5000	↑ 2,08	↑ 0,45	
SIF3	0,5650	↓ -0,53	↓ -1,40	
TLV	1,3820	↓ -0,93	↓ -2,74	
SIF2	1,2290	↓ -0,08	↑ 0,24	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,91	↑ 1,5	↑ 1,5	
12 month	4,00	↑ 3,0	↑ 3,5	
3 year	4,49	↑ 1,5	↑ 3,0	
5 year	4,83	↑ 5,0	↑ 7,0	
10 year	5,27	↑ 8,0	↑ 11,0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	3Y	RON 1 bn	RON 1 bn
Thursday	7Y	RON 500 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,24	↓ -3,0	↓ -50,0	
3M ROBOR	3,85	↑ 1,0	↓ -2,0	
6M ROBOR	4,13	↑ 2,0	→ 0,0	
1Y ROBOR	4,16	↑ 1,0	→ 0,0	
5Y CDS	189,67	↓ -0,5	↓ -1,3	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4729	↓ -0,03	↑ 1,23	
USD/RON	3,3748	↓ -0,55	↑ 0,76	
CHF/RON	3,6185	↓ -0,06	↑ 0,96	
100HUF/RON	1,4900	↓ -0,06	↑ 1,26	

Source: Reuters, OTP Research

Summary

- The small investors' tranche at the Nuclearelectrica IPO was 86% subscribed
- The EUR/RON is currently trading around 4.47 and the situation in Syria could be solved without war; US officials said Syria could escape an armed intervention if they surrender chemical weapons in a week
- The Treasury sold the planned RON 1 bn in 3Y bonds at 4.63% compared to 4.28% in Mid August
- Industry rushed 11.4% YoY in July compared to 5.5% YoY in June.

BVB indexes finished mixed yesterday on a low liquidity turnover (EUR 1.1 mn). BET lost 0.25%, but BET-BK and ROTX managed to stay in the green territory. Ziarul Financiar reported that the small investors have subscribed 86% of their allocated share. Their tranche represents 10% of the total offer and the one who subscribe during the first 3 days of the offer will receive a discount of 8% to the final offer price. In Europe, shares finished mixed as well. Oil stocks dragged down the market, after the news that Syria could escape an US intervention if they surrender their chemical weapons in a week.

Following this announcement made by the US secretary of state John Kerry, the dollar gave up 0.6% to the euro. The leu and its peers inched up marginally yesterday, except for the Czech Crown. EUR/RON is currently trading around 4.47 (mid) and chances that the leu will gain some strength in the short term are increasing, especially if the issue in Syria cools down. The next event to watch is Fed's announcement on 17-18th September which could change the shape of the global economy. However, several voices have spoken against the Fed starting its tapering too soon and its effects on the emerging markets and the global economy. The IMF managing director Christine Lagarde recently warned about the effect on EM economies.

The Treasury managed to sell the planned amount of RON 1 bn in 3Y denominated bonds. The demand was not impressive and bid to cover stood at 1.15. The average accepted yield was 4.63%, 35 bp higher than the one at the previous similar auction in mid August. On the secondary market, yields inched up yesterday, especially at the long end of the curve: the 5Y and 10Y yield inched up 5-8 bp.

MM rates up to one week inched lower yesterday and ROBOR ON stands at 3.24%, 50 bp lower on a weekly basis. However, longer maturities have marginally edged up. The 5Y CDS stands at 190 bp and it is marginally lower on weekly basis. Again, there was no demand at the weekly repo auction.

Industrial production posted a strong gain in July: +11.4% YoY compared to 5.5% YoY in June. This is in line with the high exports figure released yesterday, especially since 76% of exports are manufactured products.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	July	Construction works index (y-o-y, %)	15,5		-0,2
	July	Exports (y-o-y, %)	18,1		
	July	Imports (y-o-y, %)	11,3		
Tuesday	July	Industrial Production Index (y-o-y, %)	11,4		5,5

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		06-Sep-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,0689	↓ -0,19	↑	3,79	↑	9,46
OTP Obligatiuni	RON	12,8554	↑ 0,01	↑	4,24	↑	7,23
OTP ComodisRO	RON	15,5503	↑ 0,01	↑	4,05	↑	6,55
OTP Eurobond	EUR	11,5201	↑ 0,01	↑	3,57	↑	6,04

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