



Last data: 10.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.753,51	↑ 0,42	↓ -0,68	
BET-C	3.033,16	↑ 0,40	↓ -0,51	
BET-FI	25.290,53	↑ 0,73	↓ -0,15	
BET-XT	517,86	↑ 0,43	↓ -0,57	
FP	0,6815	↑ 0,81	↑ 0,07	
TLV	1,3820	→ 0,00	↓ -2,68	
SIF3	0,5700	↑ 0,88	↓ -0,09	
SIF1	1,0300	↓ -0,48	↓ -1,90	
TGN	185,4000	↑ 0,49	↓ -0,59	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,93	↑ 2,0	↑ 3,0	
12 month	4,02	↑ 2,0	↑ 5,0	
3 year	4,53	↑ 4,5	↑ 7,0	
5 year	4,86	↑ 3,0	↑ 9,5	
10 year	5,31	↑ 4,0	↑ 14,5	

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	3,19	↓ -5,0	↓ -50,0	
3M ROBOR	3,83	↓ -2,0	↓ -4,0	
6M ROBOR	4,13	→ 0,0	→ 0,0	
1Y ROBOR	4,16	→ 0,0	↑ 1,0	
5Y CDS	187,93	↓ -1,7	↓ -3,1	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4616	↓ -0,25	↑ 0,54	
USD/RON	3,3632	↓ -0,34	↓ -0,19	
CHF/RON	3,5986	↓ -0,55	↑ 0,01	
100HUF/RON	1,4884	↓ -0,11	↑ 1,47	

Source: Reuters, OTP Research

### Summary

- BET gained 0.4% yesterday; In Europe, major indexes rushed up to 2% as news from Syria triggered risk on moves
- The leu and its peers gained marginally to the euro yesterday; EUR/RON is currently trading around 4.465 but it also tested lower levels yesterday, coming close to 4.45
- In August, inflation came down to 3.7% YoY from previous 4.4%. In the month, most price declines were seen in the fruits and vegetables category, which came down 5% -6% MoM.

Yesterday, BVB indexes finished in the green territory, after a few days of mixed results. BET moved up by 0.4% while in Europe the advance was generally higher, up to 2%. Total equities' turnover was not impressive: EUR 3.6 mn and one fifth was made in the deals market where we saw two deals with Fondul Proprietatea and Banca Transilvania. European markets saw more appetite for risky assets as less tension surrounds the subject of war in Syria. On Tuesday, Syria said "yes" to a proposal coming from Russia, to surrender chemical weapons and the United Nations paves the way for this to happen.

This risk on move was seen in the dynamics of the leu and its peers, all of which inched up against the euro yesterday. The leu gained 0.2% yesterday and EUR/RON came close to 4.45 level. Today it opened lower than yesterday's close, at 4.4570 and now is currently trading around 4.465 (mid).

Money market rates up to 3M (including) edged down yesterday.

This week, the Treasury sold RON 1 bn on government debt and prepares for a RON 500 mn issue tomorrow as well. The Treasury has planned to sell 3.7 bn RON in September, in an environment relatively unfriendly. However, we bear in mind that in October, as much as RON 6 bn in government debt comes to maturity. 10Y bond yield stood at 5.31% at yesterday's NBR fixing. We recall that on 30<sup>th</sup> September, the Central Bank will hold a monetary policy meeting and it is expected to cut the base rate by another 25 bp to 4.25%.

In August, inflation slowed down to 3.7% YoY from previous 4.4% YoY. Core 2 adjusted inflation (excludes administered prices, volatile prices, alcohol and tobacco) came lower at 2.2% YoY from previous 2.5% YoY. This parameter is tracked by the Central Bank when it makes monetary policy decisions and now it points to the expected direction, of a further rate cut. In August, what drove down the headline was the food price disinflation mostly: 2.4% from 3.9% YoY in July. Non-food prices advanced by 5% YoY and the inflation rate of services rushed compared to the previous month, to 3.2% YoY. Monthly inflation was -0.2% MoM and most of declines came from the prices of fruits and vegetables which dropped by 5-6% MoM.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	July	Industrial Production Index (y-o-y, %)	11,4	5,5
Wednesday	August	Consumer price index (y-o-y, %)	3,7	3,8
	July	CA balance (EUR mn, YTD)		695,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		09-Sep-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%	52W%	
OTP AvantisRO	RON	7,0621	↓ -0,10	↑	3,59	↑	7,06
OTP Obligatiuni	RON	12,8602	↑ 0,04	↑	4,25	↑	7,19
OTP ComodisRO	RON	15,5557	↑ 0,03	↑	4,07	↑	6,51
OTP Eurobond	EUR	11,5226	↑ 0,02	↑	3,58	↑	6,01

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