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# Daily Report – Romania

Last data: 12.09.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.847,70	↑ 0,82	↑ 1,81	
BET-C	3.080,85	↑ 0,56	↑ 1,85	
BET-FI	26.267,79	↑ 1,93	↑ 4,60	
BET-XT	529,02	↑ 1,11	↑ 2,45	
FP	0,7080	↑ 1,29	↑ 4,33	
SIF1	1,1590	↑ 12,42	↑ 7,77	
TGN	187,0000	↑ 0,03	↑ 1,40	
TEL	13,3600	↑ 0,45	↑ 2,12	
EBS	104,4500	↓ -4,17	↓ -5,23	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,87	↓ -1,5	↓ -2,0	
12 month	3,97	↓ -1,5	↓ -0,5	
3 year	4,49	⇒ 0,0	↑ 2,0	
5 year	4,81	↓ -1,0	↑ 3,0	
10 year	5,31	↓ -1,5	↑ 12,0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12M	RON 1 bn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	3,13	⇒ 0,0	↓ -14,0	
3M ROBOR	3,82	↓ -1,0	↓ -2,0	
6M ROBOR	4,12	⇒ 0,0	↑ 1,0	
1Y ROBOR	4,15	↓ -1,0	⇒ 0,0	
5Y CDS	184,78	↓ -0,9	↓ -5,3	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4700	↓ -0,21	↓ -0,10	
USD/RON	3,3631	↓ -0,17	↓ -0,89	
CHF/RON	3,6179	↓ -0,08	↓ -0,07	
100HUF/RON	1,4878	↓ -0,01	↓ -0,21	

Source: Reuters, OTP Research

### Summary

- BET gained 1.8% last week and BET –FI topped the advance with a 4.6% w-o-w advance; this morning, European equities are trading higher on the news that the most hawkish candidate to replace ben Bernanke has quit.
- The EUR/RON is currently trading around 4.46 and the leu and its peers strengthened this morning, in line with the “risk on move” seen by equities
- MM rates are easing as we are approaching the end of the reserve period
- The Treasury plans to sell RON 1 bn in 12M T –bills today and the conditions are friendlier than last week.

BET climbed 0.8% on Friday and 1.8% last week. BVB indexes and major European equities are trading higher today boosted by the news that Lawrence Summers gave up the Fed's race. He was seen as the candidate with the highest chances to lead the Fed to higher rates, sooner than the rest of the candidates would. Back to the domestic market, BET-FI led the gains last week, adding 4.6%. It was supported strongly by Fondul Proprietatea (+ 4.3%) and SIF Banat Crisana (+7.8%), but the latter already corrected a significant part of last week's advance.

The news that the most hawkish candidate to replace Ben Bernanke quit the race has pushed the dollar lower against the euro and lifted the leu and its peers. EUR/RON is trading now around 4.46 but the low of today stood at 4.449. We expect some more volatility while the market is waiting for Fed's monetary policy decision on 17-18<sup>th</sup> and also while it is digesting the recent game change. Ultimately, we see the EUR/RON heading to lower levels as the current yields of medium and long term bonds look attractive for the moment.

Money market rates are easing further, as the end of the maintenance period for the required reserves is on 23<sup>rd</sup>.

The Treasury plans to sell RON 1bn in 12M T-bills today. The odds may turn to their favor, unlike last week when the Treasury sold RON 1.5 bn in government debt at higher yields. Besides the international context which changed over the weekend and the effect of the current low money market rates environment, the Treasury also managed to sell EUR 1.5 bn in Eurobonds last week, which removes some of the pressure to refinance debt which is maturing in the near term.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday		no data		
Monday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		12-Sep-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,1321	↑ 0,33	↑ 4,16	↑ 7,48		
OTP Obligatiuni	RON	12,8654	↑ 0,01	↑ 4,32	↑ 7,22		
OTP ComodisRO	RON	15,5624	↑ 0,02	↑ 4,13	↑ 6,52		
OTP Eurobond	EUR	11,5253	↑ 0,01	↑ 3,62	↑ 5,78		

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