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Daily Report – Romania

Last data: 26.09.2013

| STOCK EXCHANGE | | | | |
|----------------|-----------|----------------|-----------------|--|
| | Close | Daily chg. (%) | Weekly chg. (%) | |
| BET | 6.069,17 | ↑ 0,16 | ↑ 3,05 | |
| BET-C | 3.190,09 | ↑ 0,44 | ↑ 3,23 | |
| BET-FI | 26.861,46 | ↑ 0,07 | ↑ 1,56 | |
| BET-XT | 545,07 | ↓ -0,03 | ↑ 2,42 | |
| FP | 0,7495 | ↑ 1,63 | ↑ 4,10 | |
| SIF1 | 1,0880 | ↓ -1,00 | ↑ 0,74 | |
| EBS | 105,2000 | ↑ 0,19 | ↓ -2,59 | |
| SIF3 | 0,6150 | ↑ 0,16 | ↑ 0,82 | |
| TLV | 1,4460 | ↓ -0,21 | ↑ 1,90 | |

| GOV'T BOND MARKET | | | | |
|-------------------|-----------|-----------------|------------------|--|
| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) | |
| 6 month | 3,55 | ↑ 0,5 | ↓ -1,0 | |
| 12 month | 3,70 | ↑ 1,5 | ↔ 0,0 | |
| 3 year | 4,21 | ↑ 1,5 | ↑ 1,0 | |
| 5 year | 4,52 | ↑ 4,0 | ↑ 5,0 | |
| 10 year | 5,14 | ↑ 8,0 | ↑ 18,0 | |

| GOV'T BOND AUCTIONS | | | |
|---------------------|----------|------------|------------|
| | Maturity | Auctions | Sold |
| Monday | 5Y | RON 700 mn | RON 700 mn |
| Thursday | 10Y | RON 500 mn | RON 500 mn |

| MONEY MARKET | | | | |
|--------------|----------|----------------|-----------------|--|
| | Rate (%) | Daily chg (bp) | Weekly chg (bp) | |
| ON ROBOR | 3,06 | ↑ 80,0 | ↑ 143,0 | |
| 3M ROBOR | 3,32 | ↑ 8,0 | ↓ -24,0 | |
| 6M ROBOR | 3,81 | ↑ 2,0 | ↓ -17,0 | |
| 1Y ROBOR | 3,91 | ↑ 2,0 | ↓ -13,0 | |
| 5Y CDS | 173,07 | ↑ 0,0 | ↓ -1,5 | |

| FX MARKET | | | | |
|------------|--------|----------------|-----------------|--|
| | Rate | Daily chg. (%) | Weekly chg. (%) | |
| EUR/RON | 4,4578 | ↓ -0,32 | ↑ 0,24 | |
| USD/RON | 3,3103 | ↑ 0,39 | ↑ 0,45 | |
| CHF/RON | 3,6367 | ↑ 0,32 | ↑ 0,49 | |
| 100HUF/RON | 1,4895 | ↑ 0,10 | ↓ -0,80 | |

Source: Reuters, OTP Research

Summary

- BVB indexes finished mixed yesterday and BET gained 0.16%; the IPO of Nuclearelectrica drove up the equities turnover to a total of EUR 70.1 mn yesterday
- The Treasury sold RON 500 mn in 10Y bonds at 5.25%, 28 bp higher than in August; demand was healthy
- The cash budget deficit advanced to 1.3% during the first 8M from 1% in July; the plan for this year is 2.3%.

BVB's indexes finished mixed yesterday, on a total turnover of EUR 70.1 mn out of which EUR 63 mn was the IPO of Nuclearelectrica. Part of the advance seen at the beginning of yesterday's session was erased and by the end of the day BET was up only by 0.16%. Fondul Proprietatea closed at 0.7495 RON/share, after posting a high of 0.7635 RON/share. The energy sector index BET-NG showed the best evolution, moving up 0.72%. Among its most significant drivers there were Transelectrica (+1.63%) and Rompetrol Rafinare (+2.43%). In Europe, major indexes finished mixed as well. Political uncertainty in Italy over the fate of Silvio Berlusconi who is accused of tax fraud dragged down Italian equities and hanged over European stocks' advance as well. On the other hand, US shares rallied after the weekly jobless claims data pointed to an improvement in the labor market.

The Treasury sold the planned amount in 10Y bonds at an average yield of 5.25%, 28 bps higher than the one at the previous similar tender in the beginning of August. Demand was good though, with bid to cover ratio at 2.25X. At yesterday's fixing, the yield curve moved up too, especially at the long end: we saw 5Y- 10Y bond yields gaining 4-8 bps and 5-18 bps on a weekly basis.

The cash budget deficit at 8M showed an advance from 1% during the first 7M to 1.3%. The dynamics is not encouraging either: total revenues rose by 4.4% YoY and expenditures by 4.8% YoY. Also, current revenues advanced by only 5% YoY while current expenditures are up 6.1% YoY. VAT and excised showed a deteriorated rhythm compared to the previous month, as well as the absorption of EU funds. Capital expenditures showed a more enlivened pace, including expenditures funded by EU which should give some boost to constructions activity. The cash budget deficit target for this year is 2.3% (agreed with the IMF) and 2.4% on accrual basis.

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|----------|-----------|---------|-----------|----------|
| Thursday | | no data | | |
| Friday | | no data | | |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds | | 25-Sep-13 | | | | | |
|-------------------------|-----|------------|--------|---|------|---|-------|
| Open-end fund | ccy | last NAV/U | 1d% | | Ytd% | | 52W% |
| OTP AvantisRO | RON | 7,3140 | ↑ 1,00 | ↑ | 6,12 | ↑ | 10,80 |
| OTP Obligatiuni | RON | 12,8900 | ↑ 0,02 | ↑ | 4,51 | ↑ | 6,97 |
| OTP ComodisRO | RON | 15,5824 | ↑ 0,01 | ↑ | 4,28 | ↑ | 6,46 |
| OTP Eurobond | EUR | 11,5366 | ↑ 0,01 | ↑ | 3,72 | ↑ | 5,56 |

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