

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 307 58 17

alexandru.tibuleac@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma – Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755 000 474

radu.oprea@otpbank.ro



Daily Report – Romania

Last data: 08.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.983,54	↓ -0,44	↓ -0,57	
BET-C	3.151,45	↓ -0,33	↓ -0,64	
BET-FI	26.609,78	↓ -0,60	↓ -0,73	
BET-XT	538,03	↓ -0,47	↓ -0,41	
FP	0,7480	↓ -0,66	↓ -2,29	
SIF3	0,6000	↑ 0,25	↑ 0,17	
TLV	1,4000	↓ -1,06	↓ -1,62	
TGN	186,8000	↑ 0,32	↑ 0,43	
SNP	0,4470	↑ 0,22	↑ 0,40	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,37	↓ -12,5	↓ -17,5	
12 month	3,47	↓ -14,5	↓ -24,0	
3 year	4,15	↓ -5,5	↓ -6,0	
5 year	4,48	↓ -3,0	↑ 0,5	
10 year	5,22	↑ 0,5	↑ 7,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12M	RON 700 mn	RON 700 mn
Thursday	3Y	EUR 150 mn	
Thursday	3Y	RON 1 bn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,88	↓ -36,0	↓ -67,0	
3M ROBOR	3,18	↓ -11,0	↓ -8,0	
6M ROBOR	3,74	↓ -1,0	↓ -5,0	
1Y ROBOR	3,82	↓ -2,0	↓ -5,0	
5Y CDS	171,76	↓ -2,2	↓ -2,2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4435	↑ 0,50	↓ -0,09	
USD/RON	3,2722	↑ 0,42	↓ -0,49	
CHF/RON	3,6207	↑ 0,41	↓ -0,28	
100HUF/RON	1,5027	↑ 0,24	↑ 0,02	

Source: Reuters, OTP Research

Summary

- BVB indexes lost up to 0.6% yesterday, in line with major European indexes; the driver was again the budget deadlock in US and the lack an agreement on the debt ceiling; however, Mr. Obama stated yesterday he would agree to renegotiate the budget if the debt ceiling would be raised
- The IMF cut the global growth outlook to 2.9% this year and 3.6% in 2014; Romania is expected to see a 2% advance this year and 2.2% in 2014
- The short end of the yield curve of moved lower by 17-24 bps as money market rates eased.
- The EUR/RON is now trading around 4.45.

BVB indexes declined up to 0.6% yesterday, in line with the trend of major European indexes. Again, the main driver was the continuation of budget deadlock in US and the failure to reach an agreement to raise the US debt ceiling. The decision of the Congress must come before mid-October otherwise US will default on its debt. The IMF warned in its global economic outlook released yesterday that such an event will have serious consequences on the global economic growth. Already, the lack of stronger measures to strengthen growth dynamics is showing their effects on the slowdown witnessed in the emerging markets, especially Brazil, China and India. This is the reason for which the IMF cut its growth forecast of the global economy to 2.9% this year and 3.6% next year. The Eurozone is expected to exit recession and advance by 1% next year. Meanwhile, Mr. Barack Obama stated yesterday that he would agree to renegotiate the budget if the Republicans would restart the government activity and raise the borrowing limit. The EUR/USD is trading lower this morning, at 1.354 compared to yesterday's close at 1.357.

The leu and its peers showed mixed evolution, with the low posting the highest volatility yesterday: the leu lost 0.5% to the euro while its peers moved in the range of -0.1% and +0.1%. Money market rates are not supportive: ROBOR ON dropped by 36 bps yesterday and it is lower by 67 bps on a weekly basis. The 5Y CDS continued to decline as well to 172 bps, pointing that risk perception towards Romanian assets is in check.

The government securities yields are moving mostly in line with the path imposed by the money market rates. Especially the low end of the curve is benefiting from improved liquidity conditions and 6M and 12M T-bills inched lower by 17-24 bps on a weekly basis.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday Aug	Construction works index (y-o-y, %)	7,7		15,8
Wednesday	no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		07-Oct-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,2865	↓ -0,44	↑	7,24	↑	12,97
OTP Obligatiuni	RON	12,9179	↑ 0,03	↑	4,72	↑	7,03
OTP ComodisRO	RON	15,6089	↑ 0,03	↑	4,43	↑	6,43
OTP Eurobond	EUR	11,5484	↑ 0,02	↑	3,82	↑	5,55

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

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.