

## Headquarter Treasury Sales

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# Daily Report – Romania

Last data: 09.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.959,54	↓ -0,40	↓ -1,17	
BET-C	3.136,57	↓ -0,47	↓ -1,20	
BET-FI	26.448,87	↓ -0,60	↓ -1,61	
BET-XT	535,68	↓ -0,44	↓ -1,10	
FP	0,7400	↓ -1,07	↓ -3,27	
BRD	8,9500	↔ 0,00	↔ 0,00	
SNP	0,4435	↓ -0,78	↓ -1,00	
SIF5	1,5960	↑ 0,06	↓ -0,25	
BRK	0,1415	↑ 5,05	↑ 4,58	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,33	↓ -3,5	↓ -21,0	
12 month	3,44	↓ -3,0	↓ -26,5	
3 year	4,12	↓ -2,5	↓ -9,0	
5 year	4,50	↑ 1,5	↑ 1,0	
10 year	5,22	↑ 0,5	↑ 6,5	

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	2,60	↓ -28,0	↓ -40,0	
3M ROBOR	3,16	↓ -2,0	↓ -1,0	
6M ROBOR	3,71	↓ -3,0	↓ -3,0	
1Y ROBOR	3,79	↓ -3,0	↓ -4,0	
5Y CDS	171,72	↓ 0,0	↓ -2,3	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4585	↑ 0,34	↑ 0,35	
USD/RON	3,2994	↑ 0,83	↑ 0,85	
CHF/RON	3,6228	↑ 0,06	↓ -0,04	
100HUF/RON	1,5064	↑ 0,25	↑ 0,55	

Source: Reuters, OTP Research

### Summary

- After yesterday's decline, BVB indexes opened up this morning as US politicians are coming closer to a short term compromise on the debt ceiling issue
- Inflation dropped to 1.9% YoY (-0.6% MoM) in September; the monthly decline is driven bread price (-11.5% MoM), potatoes (-6.4% MoM) and fresh fruits (-3.9% MoM) mostly
- Industry fell by 1% MoM in August due to the mining sector; manufacturing stagnated and energy production inched up in September
- In August, exports continue to advance fast (+9.3% YoY) but imports show weakness again (-1% YoY).

Domestic indexes gave away between 0.3%-0.6% yesterday with the financial companies' index, BET-FI leading the losses. The main driver was Fondul Proprietatea which fell back to 0.74 RON/share (-1.07% d/d), scoring a 3.3% decline on a weekly basis. BET dropped by 1.2% on a weekly basis, in a negative reaction to the US debt ceiling issue. However, the decision making bodies are coming closer to a short term compromise which should be supportive for European equities. Republicans are considering raising the debt limit for a limited period, in order to get a chance to negotiate other policy issues.

The Treasury plans to sell EUR 150 mn and RON 1 bn in 3Y bonds today. The last time the Treasury issued euro denominated bonds on the local market in July, the average accepted yield of 3Y bonds stood at 2.75% and the sold amount was double than the plan of EUR 150 mn.

In August, industry rose by 4.3% YoY, less than in July when the advance was 11.6% YoY. On a monthly basis, it contracted by -1% (MoM, seasonally adjusted), driven by the mining industry (-7.8% MoM) while the manufacturing stagnated and energetic industry even climbed 1.4% MoM. However, the NBR survey was already anticipating a slower pace in August while the September survey points to an advance.

Exports continued strongly in August as well, rising by 9.3% YoY (euro figures) while imports had a low month (-1% YoY, euro figures), after we had previously witnessed a pickup (11.3% YoY). The trade deficit shrunk further to EUR 641 mn (37% YoY). The figure, however, is not as impressive as the previous months as internal demand slowly picks up, reflected by the imports' dynamics.

Inflation collapsed to 1.9% YoY (-0.6% MoM) in September. The monthly evolution was first and foremost driven by the decline of bread and bakery products (-10.4% MoM), reflecting the effect of the reduced VAT as of September, from 24% to 9%. This category makes up to 6.7% of the consumption basket. Given that VAT reduction is temporary (according to the IMF agreement), we will see an adverse effect when the reduction will be reversed. Potatoes (-6.4% MoM) and fresh fruits (-3.9% MoM) were among top drivers as well.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	no data			
Thursday	Aug	Industrial Production Index (y-o-y, %)	4,3	11,6
	Sep	Consumer price index (y-o-y, %)	1,9	3,7
	Aug	Exports (y-o-y, %)	9,3	18,1
	Aug	Imports (y-o-y, %)	-1,0	11,3

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		08-Oct-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,2564	↓ -0,41	↑	6,78	↑	13,05
OTP Obligatiuni	RON	12,9202	↑ 0,02	↑	4,76	↑	7,01
OTP ComodisRO	RON	15,6114	↑ 0,02	↑	4,46	↑	6,41
OTP Eurobond	EUR	11,5493	↑ 0,01	↑	3,84	↑	5,35

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