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Daily Report – Romania

Last data: 16.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.044,98	↑ 0,61	↑ 1,43	
BET-C	3.169,61	↑ 0,51	↑ 1,05	
BET-FI	26.877,81	↑ 0,55	↑ 1,62	
BET-XT	540,40	↑ 0,54	↑ 0,88	
FP	0,7895	↑ 1,22	↑ 6,69	
IMP	0,2200	→ 0,00	↓ -0,09	
SNP	0,4443	↑ 0,98	↑ 0,18	
EBS	108,4000	↑ 0,37	↑ 3,34	
SIF5	1,5720	↑ 0,77	↓ -1,50	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	3,15	↓ -4,5	↓ -18,0	
12 month	3,22	↓ -12,5	↓ -21,5	
3 year	4,02	↓ -4,0	↓ -10,5	
5 year	4,44	↓ -3,5	↓ -6,0	
10 year	5,10	↓ -3,5	↓ -12,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	5Y	RON 1 bn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,55	↓ -6,0	↓ -5,0	
3M ROBOR	3,22	↓ -1,0	↑ 6,0	
6M ROBOR	3,68	↑ 2,0	↓ -3,0	
1Y ROBOR	3,77	↑ 1,0	↓ -2,0	
5Y CDS	163,32	↓ -3,1	↓ -8,4	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4435	↓ -0,03	↓ -0,34	
USD/RON	3,2879	↑ 0,03	↓ -0,35	
CHF/RON	3,5945	↓ -0,20	↓ -0,78	
100HUF/RON	1,5088	↑ 0,47	↑ 0,16	

Source: Reuters, OTP Research

Summary

- BVB indexes were up between 0.1%-0.6% yesterday as the US has finally reached a deal that provides funds to the government until 15th January and raises the debt ceiling until 7th February
- The leu and some of the peers firmed on the news coming from the US
- The Treasury plans to sell RON 1 bn in 5Y bonds; the climate is good; last time the average accepted yield was 4.37% and since then 5Y yields fell some 8 bps on the secondary market.

BVB indexes ended the day in the green, gaining some 0.1%-0.6%. BET and the blue chips index ROTX were top gainers, climbing 0.6% d/d. They were driven especially by financial stocks and OMV Petrom (+0.98%). Fondul Proprietatea added 1.2% and it is 6.7% up on a weekly basis. Total equities' turnover was EUR 4.2 mn, half of the the daily average of the last 3 months. In Europe and the US major indexes were up as well as the US has finally reached a deal which provides funds for the government until 15th January and lifts the borrowing ceiling until 7th of February. The US government will also reopen after 16 days of shutdown which will have negative consequences on the US economy. European and US equities futures point to stocks' retreat and probably the markets will see some profit taking.

The dollar weakened to the euro this morning as markets have already priced in the news and assess the impact of the last 2 weeks on the economy. The shutdown has been longer than initially expected and disrupted the release of several macroeconomic indicators which help the Fed evaluate the state of the economy. This implies that the tapering could be pushed further in the future. The tapering talk has moderately hit the leu and its peers this year and affected bond prices as well. This morning, the EUR/RON is trading below 4.45 and the news of restart in US government operations is positive: the Polish Zloty and the Hungarian forint also benefited and firmed 0.2%-0.4% to the euro yesterday.

In line with the ease witnessed by money market rates, the yield curve edged lower on the day (3-12 bps) and on a weekly basis (6- 21 bps). The 5Y CDS (euro contracts) is now at 163 bps, lower by 8 bps on the week. Today, the Treasury plans to sell RON 1 bn in 5Y bonds and the climate is friendly. At the last similar tender the average accepted yield was 4.37% and since then, yields on the secondary market have declined some 8 bps.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		15-Oct-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2493	↑ 0,06	↑ 6,16	↑ 12,10		
OTP Obligatiuni	RON	12,9291	↑ 0,00	↑ 4,85	↑ 6,99		
OTP ComodisRO	RON	15,6240	↑ 0,01	↑ 4,57	↑ 6,38		
OTP Eurobond	EUR	11,5549	↑ 0,01	↑ 3,89	↑ 5,33		

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