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Daily Report – Romania

Last data: 25.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.974,10	↑ 0,16	↑ 0,01	
BET-C	3.136,62	↑ 0,20	↓ -0,03	
BET-FI	26.716,32	↑ 0,10	↓ -0,34	
BET-XT	535,05	↑ 0,24	↓ -0,07	
EBS	108.0000	↑ 0,37	→ 0,00	
SIF5	1,6230	↑ 1,44	↑ 2,66	
FP	0,7860	↑ 0,06	↓ -1,26	
SIF3	0,5855	↑ 0,69	↓ -2,17	
TGN	182,5000	↑ 0,55	↓ -0,16	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,89	↓ -1,5	↓ -20,5	
12 month	3,05	↓ -1,5	↓ -10,0	
3 year	3,90	↑ 1,0	↓ -6,0	
5 year	4,37	↑ 1,0	↓ -0,5	
10 year	5,01	↑ 1,5	↓ -2,5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	5Y	RON 500 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,46	↓ -14,0	↑ 34,0	
3M ROBOR	2,99	↓ -4,0	↓ -15,0	
6M ROBOR	3,51	↓ -4,0	↓ -12,0	
1Y ROBOR	3,63	↓ -3,0	↓ -8,0	
5Y CDS	162,86	→ 0,0	↑ 0,9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4460	↓ -0,11	↑ 0,00	
USD/RON	3,2204	↓ -0,15	↓ -0,89	
CHF/RON	3,6073	↓ -0,24	↑ 0,07	
100HUF/RON	1,5202	↓ -0,23	↑ 0,50	

Source: Reuters, OTP Research

Summary

- BET rose 0.16% on Friday and it was flat on a weekly basis; this morning, the market opened down whereas major indexes in Europe advanced
- The September cash budget deficit remained unchanged at 1.3% but the cash deficit target for this year has chances to be missed; an IMF mission is in Bucharest, for the first assessment of the new agreement and for discussing the 2014 budget as well.

On Friday, BVB indexes inched up marginally, with one exception being the energy companies' index BET-NG (-0.15%). Bet advanced by 0.16% and it was flat on a weekly basis. The total equities' turnover was unimpressive at EUR 3.2 mn and no deal was made. In Europe, stocks finished mixed as well, as macro data and Q3 corporate results lead the way. The German IFO index fell short of expectations in October, however the expectations still point to a positive outlook. Q3 UK GDP was in line with the consensus (+1.5% YoY) and the US durable goods orders for September excluding transportation disappointed, falling marginally in the negative territory whereas the market was looking to a hike of 0.5%. However, good earnings results from tech companies in the US led the market higher, boosting the general market sentiment.

The cash budget deficit in September remained unchanged at 1.3%. Revenues grew at 4.4% YoY while expenditures are moving faster (+4.8% YoY). Current revenues rhythm is even more behind the one of the current expenses: 4.8% YoY against 6.3% YoY, respectively. The corporate tax revenues continue to disappoint, dropping more than during the first 8M, by 1.3% YoY. Taxes on goods and services look better during the first 9M, at +6.7% YoY compared to 6.5% YoY in August. An improvement is noticed on revenues from EU funds: +0.8% YoY in September as opposed to -3.8% YoY. On the expenditures side, the fall in investments remains striking: capital expenditures are lower by 10.9% YoY, expenditures on projects with non reimbursable funds down 8.1% YoY but the ones with reimbursable funds are in a worse shape: -46.3% YoY. The 12M rolling budget deficit is at 2.5% whereas the target is 2.3%. According to Ziarul Financiar, the target for September has received derogation from the IMF who is currently in Romania for the first assessment of the new agreement (22nd October – 5th November). The discussions go around the 2013 budget revision and more importantly, the 2014 budget.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	no data			
Monday	Sep	Bulding permits (y-o-y, %)	6,4	-4,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		24-Oct-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2212	↑ 0,65	↑ 5,14	↑ 9,84		
OTP Obligatiuni	RON	12,9474	↑ 0,06	↑ 4,94	↑ 6,75		
OTP ComodisRO	RON	15,6413	↑ 0,02	↑ 4,67	↑ 6,30		
OTP Eurobond	EUR	11,5620	↑ 0,01	↑ 3,95	↑ 5,16		

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