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Daily Report – Romania

Last data: 28.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	5.932,14	↓ -0,70	↓ -0,01	
BET-C	3.116,25	↓ -0,65	↑ 0,01	
BET-FI	26.688,63	↓ -0,10	↑ 0,52	
BET-XT	532,02	↓ -0,57	↑ 0,19	
FP	0,7845	↓ -0,13	↓ -0,25	
TEL	13,1400	↑ 0,23	↑ 2,66	
TLV	1,3620	↓ -0,58	↓ -1,30	
SIF3	0,5860	↑ 0,26	↑ 0,34	
SNP	0,4312	↓ -1,96	↑ 0,28	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,88	↓ -1,0	↓ -11,0	
12 month	3,03	↓ -2,0	↓ -5,0	
3 year	3,90	↓ -0,5	↓ -2,5	
5 year	4,38	↑ 1,0	↑ 3,5	
10 year	5,01	↓ -0,5	→ 0,0	

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

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	2,49	↑ 3,0	↑ 76,0	
3M ROBOR	2,96	↓ -3,0	↓ -16,0	
6M ROBOR	3,48	↓ -3,0	↓ -15,0	
1Y ROBOR	3,61	↓ -2,0	↓ -10,0	
5Y CDS	163,09	↑ 0,2	↑ 1,1	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4415	↓ -0,10	↑ 0,16	
USD/RON	3,2221	↑ 0,05	↓ -0,57	
CHF/RON	3,5969	↓ -0,29	↑ 0,13	
100HUF/RON	1,5183	↓ -0,12	↑ 0,59	

Source: Reuters, OTP Research

Summary

- BET lost 0.7% yesterday, driven especially by OMV Petrom (-1.96%) and Banca Transilvania (-0.58%); yesterday was the last day when the small investors could get 5% discount for the IPO of Romgaz
- The cash budget deficit for this year was raised from 2.3% to 2.5% in order to step up expenditures with EU co-financed projects
- The Treasury sold 5Y bonds at 4.45%, 11 bps lower than the similar tender at the end of September.

BVB indexes dropped 0.1%-0.8% yesterday and equities' turnover remained at a similar level compared to the previous day, EUR 3.3 mn. BET lost 0.7% driven especially by OMV Petrom (-1.96%), Banca Transilvania (-0.58%). Of the blue chips, only BVB and Transelectrica managed to remain in the green. Investors were eyeing the IPO of Romgaz, as yesterday was the last day in which the small investors receive a discount of 5% and starting today and until the last day of the offer (Thursday), a discount of 3% applies. In Europe and the US the results were mixed and the market is looking forward to the Fed's 2 days meeting starting today, although no modification in the asset buying program is envisioned right now. The macro data from the US is mixed so far and the Fed will probably need more time and data to assess the impact of the government shutdown.

Domestically, more focus falls on the 2013 and 2014 budget. The IMF and the European Commission have accepted an increase in the cash budget deficit targeted for this year, from 2.3% to 2.5%, in order to increase expenditure with EU co-financed projects, according to the finance minister. The new target is in line with what the 12M rolling deficit figures pointed for September and August.

The Treasury sold the planned RON 500 mn in 5Y bonds yesterday, at the average accepted yield of 4.45%, 11 bps lower than the one obtained at the last similar tender in the end of September. At yesterday's fixing, the 5Y bond mid yield stood at 4.38%. The yield curve is steepening, as the low end is falling significantly (5-11 bps on a weekly basis).

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

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		25-Oct-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,2293	↑ 0,11	↑ 5,82	↑ 11,08		
OTP Obligatiuni	RON	12,9496	↑ 0,02	↑ 5,00	↑ 6,68		
OTP ComodisRO	RON	15,6441	↑ 0,02	↑ 4,69	↑ 6,23		
OTP Eurobond	EUR	11,5628	↑ 0,01	↑ 3,96	↑ 5,12		

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