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Daily Report – Romania

Last data: 29.10.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.040,69	↑ 1,83	↑ 1,97	
BET-C	3.155,56	↑ 1,26	↑ 1,46	
BET-FI	27.047,90	↑ 1,35	↑ 2,05	
BET-XT	540,79	↑ 1,65	↑ 2,08	
BRD	9,0000	↑ 1,93	↑ 3,81	
FP	0,7950	↑ 1,34	↑ 0,82	
TGN	182,5000	↑ 0,55	↑ 0,33	
SIF5	1,6440	↑ 1,48	↑ 3,40	
SNP	0,4375	↑ 1,46	↑ 1,63	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,86	↓ -1,5	↓ -5,5	
12 month	3,04	↑ 0,5	↓ -2,0	
3 year	3,89	↓ -0,5	↓ -0,5	
5 year	4,38	↓ -0,5	↑ 2,0	
10 year	5,01	↑ 0,5	↑ 0,5	

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	2,33	↓ -16,0	↑ 83,0	
3M ROBOR	2,90	↓ -6,0	↓ -20,0	
6M ROBOR	3,44	↓ -4,0	↓ -14,0	
1Y ROBOR	3,57	↓ -4,0	↓ -10,0	
5Y CDS	165,52	↑ 2,4	↑ 3,1	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4385	↓ -0,07	↑ 0,24	
USD/RON	3,2291	↑ 0,22	↑ 0,50	
CHF/RON	3,5929	↓ -0,11	↑ 0,07	
100HUF/RON	1,5100	↓ -0,55	↓ -0,32	

Source: Reuters, OTP Research

Summary

- BET gained 1.83% yesterday on high equities turnover (EUR 11.5 mn); BRD made up half of liquidity and it gained 3.8% on a weekly basis; stocks are seen advancing today ahead of Fed's announcement which is expected to indicate no tapering for the moment, as macro data is still weak
- The Budget minister Liviu Voinea considers changing the method of calculating excises, according to "Gandul".

Stocks rallied yesterday on all markets, as Fed is expected to announce no tapering at the end of its two day meeting today. BET gained 1.83% on high equities' turnover, of EUR 11.5 mn. The blue chips index ROTX climbed even higher, by 1.9% and Banca Transilvania stood out, with an advance of 3.52% and it is higher by 3.7%. Other stocks that marked a nice weekly gain, between 3-4% are BRD and SIF Oltenia. BRD made up more than half of yesterday's liquidity and together with Fondul Proprietatea ensured 82% of equities' turnover. Stocks are seen going higher today as well, before Fed's announcement: the macro data released in the US showed weakness, with retail sales and consumer sentiment falling short of expectations. Industrial production figure did not impress either.

Erste Group Bank announced its 9M results: net profit after minorities stood at EUR 430 mn, against EUR 597 mn in the first 9M of 2012. The net interest income (NII) decreased as well, by 8% YoY and operating income was lower by 3.8% YoY. The bank explained the weaker NII results citing weaker credit demand and lower interest rates. The risk cost fell to 1.29% from 1.46% in 2012, same period.

After having announced an increase in the targeted cash budget deficit to 2.5% this year from the initial 2.3%, Romanian officials are considering more fiscal changes for 2014. The Budget minister Liviu Voinea told "Gandul" that he considers a change in the excises calculation and that excises should not be tied to the exchange rate level of 1 st October. Whereas this year's ESA budget deficit target of 2.4% is closer to what the market expects to be realized, next year's 2% ESA target is definitely more challenging and we are looking forward to the proposed measures. In June 2013, the four quarter rolling budget deficit, in ESA terms stood at 2.8%, down from 3% in December 2012.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	no data			
Wednesday	no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		28-Oct-13					
Open-end fund	ccy	last NAV/U	1 d%		Ytd%	52W%	
OTP AvantisRO	RON	7,2193	↓ -0,14	↑	5,94	↑ 11,21	
OTP Obligatiuni	RON	12,9542	↑ 0,04	↑	5,01	↑ 6,70	
OTP ComodisRO	RON	15,6496	↑ 0,04	↑	4,71	↑ 6,25	
OTP Eurobond	EUR	11,5651	↑ 0,02	↑	3,97	↑ 5,13	

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