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Daily Report – Romania

Last data: 08.11.2013

STOCK EXCHANGE			
	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.194,91	↓ -0,63	↑ 1,23
BET-C	3.254,42	↓ -0,54	↑ 1,46
BET-FI	28.074,48	↓ -0,59	↑ 1,14
BET-XT	558,78	↓ -0,61	↑ 1,35
FP	0,7995	↓ -0,68	↔ 0,00
SNP	0,4750	↓ -0,63	↑ 5,79
SIF3	0,6240	↔ 0,00	n.a.
BRD	9,0000	↓ -0,55	↓ -2,91
SIF5	1,7650	↑ 0,06	↑ 1,44

GOV'T BOND MARKET			
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2,89	↓ -1,5	↑ 1,5
12 month	3,04	↓ -0,5	↑ 4,5
3 year	3,98	↓ -1,5	↑ 9,0
5 year	4,50	↓ -0,5	↑ 10,0
10 year	5,24	↔ 0,0	↑ 16,5

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	
Thursday	5Y	RON 700 mn	

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,27	↓ -1,0	↓ -41,0
3M ROBOR	2,58	↑ 2,0	↓ -13,0
6M ROBOR	3,19	↔ 0,0	↓ -9,0
1Y ROBOR	3,36	↔ 0,0	↓ -7,0
5Y CDS	166,43	↔ 0,0	↑ 0,4

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4445	↓ -0,03	↑ 0,07
USD/RON	3,3267	↑ 0,42	↑ 1,02
CHF/RON	3,6079	↓ -0,28	↓ -0,04
100HUF/RON	1,4988	↑ 0,12	↑ 0,49

Source: Reuters, OTP Research

Summary

- BET lost 0.6% on Friday and blue chips index dipped even more (-1%). The US jobs data (October) came out much better than expected and triggered increased worries that the Fed will start tapering sooner, which does not bode well for European equities
- Inflation was unchanged in October, at 1.9% YoY;
- Exports rose by 16.1% YoY in September and imports picked up again (+4.2% YoY), showing that households' consumption is on the right track.

On Friday, equities retreated and BET lost 0.63%. The lowest performance was seen by the blue chips' index ROTX, which finished down 0.97%, driven especially by Erste Group Bank (-2.3%), followed by Banca Transilvania (-0.7%) and Fondul Proprietatea (-0.7%). Total equities' turnover was large at EUR 10.9 mn and two thirds of it was made by 3 deals with Fondul Proprietatea and SIF Moldova. In Europe, stocks finished mixed as fears of earlier tapering by the Fed reemerge, given the new data released in the US. The non-farm payrolls (October) figure, which was expected at 125 thousand, beat expectations by far, coming out as high as 204 thousand.

Given the better than expected US jobs data, the euro dipped further against the dollar and closed at 1.3372 on Friday. The leu and its peers weakened marginally to the euro, driven by the external markets, just as the previous weeks. The EUR/RON is currently trading around 4.45 on the interbanking market and the perspective of earlier action from Fed, cumulated with the low money market rates environment does not bode well for the leu.

The October inflation came out at 0.3% MoM and 1.9% YoY. Core 2 adjusted inflation was 0% YoY, down from 0.5% YoY in September. The yearly headline figure was unchanged compared to the previous month. Food prices continued their decline (-1.3% YoY), nonfoods advanced at 4.2% YoY and services prices climbed by 2.8% compared to 3.2% YoY in September. In the month, the largest price increases were seen by vegetables, especially potatoes (+8.9% MoM) and other vegetables and tinned vegetables (+6.3% MoM). Fresh fruits' prices continued to decline (-3% MoM) and the bakery products as well, as the effect of the decline in VAT in September was visible this month as well. The Central Bank sees inflation at 1.8% YoY in December 2013 and 3% YoY in December 2014.

External trade data for September is positive: exports grew by 16.1% YoY and imports picked up again (+4.2% YoY). In Q3, exports were up by ~15% YoY, double compared the previous quarter while imports rose by ~5% YoY, as opposed to a decline in Q2, pointing out that domestic consumption is picking up.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	Sep	Industrial trade turnover index (y-o-y, %)	2,9		6,0
	Sep	Index value of new orders in manufacturing (y-o-y, %)	6,1		0,5
	Sep	Construction works index (y-o-y, %)	1,9		9,0
Monday	Sep	Exports (y-o-y, %)	16,1		9,3
	Sep	Imports (y-o-y, %)	4,2		-1,0
	Oct	Consumer price index (y-o-y, %)	1,9	1,9	1,9

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		07-Nov-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,5349	↓ -0,22	↑	10,66	↑	15,39
OTP Obligatiuni	RON	12,9795	↑ 0,06	↑	5,20	↑	6,73
OTP ComodisRO	RON	15,6725	↑ 0,01	↑	4,89	↑	6,20
OTP Eurobond	EUR	11,5733	↑ 0,01	↑	4,05	↑	5,13

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