

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 307 58 17

alexandru.tibuleac@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma – Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755 000 474

radu.oprea@otpbank.ro



Daily Report – Romania

Last data: 12.11.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.175,55	↓ -0,03	↓ -0,81	
BET-C	3.237,10	↓ -0,10	↓ -0,85	
BET-FI	27.962,45	↓ -0,37	↓ -0,62	
BET-XT	557,93	↑ 0,00	↓ -0,51	
SNG	34,5000	N.A.	N.A.	
SNN	11,6300	↑ 1,13	↑ 0,69	
FP	0,7865	↓ -1,44	↓ -2,30	
SNP	0,4778	↑ 1,12	↑ 2,75	
TGN	190,0000	↓ -1,04	↑ 0,53	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,93	↓ -0,5	↑ 6,0	
12 month	3,08	↑ 0,5	↑ 5,0	
3 year	4,07	↑ 3,0	↑ 14,5	
5 year	4,56	↑ 1,5	↑ 8,0	
10 year	5,29	↑ 2,0	↑ 9,5	

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

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1,30	↑ 2,0	↓ -5,0	
3M ROBOR	2,67	↑ 6,0	↑ 2,0	
6M ROBOR	3,24	↑ 6,0	↑ 3,0	
1Y ROBOR	3,37	↑ 2,0	↓ -2,0	
5Y CDS	166,44	↑ 0,0	↑ 0,4	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4552	↓ -0,07	↑ 0,29	
USD/RON	3,3159	↓ -0,28	↑ 0,57	
CHF/RON	3,6142	↓ -0,07	↑ 0,15	
100HUF/RON	1,4903	↓ -0,18	↓ -0,25	

Source: Reuters, OTP Research

Summary

- BET dipped moderately yesterday; total equities' turnover was high (EUR 24 mn) and largely driven by trades with Romgaz which debuted on BVB and gained 15% on the day; the general sentiment is down as fears of early tapering increase; more details expected on Thursday, at Janet Yellen's confirmation by the Senate
- Romania will not enter the Schengen area as of 1st January 2014, but met all the criteria
- The CA deficit expanded to EUR 595 mn during the first 9M, mainly due to the increase of income gap.

BVB closed mixed yesterday on high equities' turnover, of EUR 24.4 mn. 85% of the turnover was made by trades with Romgaz which debuted on the stock exchange. In its first trading day, the stock gained 15% compared to the price of the IPO and closed the day at 34.5 RON/share. Among BVB's indexes, BET-FI dropped the most (-0.37%), driven by Fondul Proprietatea which ended the day lower by 1.4% at 0.7865 RON/share. In Europe, stock markets finished in the red as well. More insight on the future action of the Fed is expected on Thursday, on the occasion of Janet Yellen's confirmation by the Senate. Until then, the markets are driven by fear that the batch of good macro data released in the US will drive the Fed towards starting to taper sooner. Today, Transgaz reported its 9M results: total income stood at RON 1.07 bn, higher by 5.25% YoY. Net profit was RON 159 mn, lower by 37 % YoY compared to the first 9M of 2012.

Romania will not enter the Schengen zone as of 1st January 2014, although it has met all the conditions. However, the European Commission's President Jose Manuel Barroso reiterated the position of the EC, which is that Romania meets the required criteria.

During the first 9M, the current account deficit continued to widen from EUR 361 mn in August to EUR 595 mn. The most important driver behind this result is the rising deficit of the income balance, to EUR 2.7 bn from the previous EUR 2.3 bn. Otherwise, the trade gap (goods and services) shrank further. Net transfers rose by EUR 133 mn in September, due to transfers to other sectors (include workers' remittances) whereas net transfers to the public administration were negative. Net foreign investments stood at EUR 1.4 bn, which is lower by 18% YoY than in the first 9M of 2012. Net portfolio investments stood at EUR 3.2 bn during the first 9M, of which only in September there were positive flows of EUR 1.3 bn. As consumption starts to increase, we expect the current account deficit to moderately widen from expected 0.6% deficit in 2013 to 1.5% in 2014. The large portfolio investments pose a risk to the exchange rate, but the Central Bank has resources to react quickly. Nevertheless, at the latest press conference, the NBR officials said that the bank will allow a flexibility of the exchange rate.

PERIOD		INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Sep	CA balance (EUR mn, YTD)	-595		-361
Wednesday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		11-Nov-13					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	7,4957	↓ -0,13	↑	9,99	↑	15,91
OTP Obligatiuni	RON	12,9855	↑ 0,03	↑	5,27	↑	6,71
OTP ComodisRO	RON	15,6792	↑ 0,03	↑	4,91	↑	6,14
OTP Eurobond	EUR	11,5786	↑ 0,02	↑	4,09	↑	5,12

Chief Economist
Gergely Tardos

+36 1 374 7273

tardosg@otpbank.hu

FX/FI Strategist
Levente Pápa

+36 1 354 7490

papal@otpbank.hu

Analyst
Mihaela Neagu

+4021 307 58 64

mihaela.neagu@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.