

## Headquarter Treasury Sales

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# Daily Report – Romania

Last data: 26.11.2013

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6.193,67	↓ -0,51	↑ 0,01	
BET-C	3.237,30	↓ -0,42	↓ -0,05	
BET-FI	29.193,85	↑ 0,82	↑ 2,43	
BET-XT	566,40	↓ -0,03	↑ 1,04	
FP	0,8085	↓ -0,19	↑ 1,06	
SNG	35,1000	↑ 0,98	↑ 1,89	
TLV	1,4500	↓ -1,16	↑ 1,12	
SNP	0,4597	↑ 0,15	↑ 2,16	
SIF3	0,6440	↑ 0,39	↑ 1,66	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	2,86	↑ 0,5	↓ -5,0	
12 month	2,99	↓ -0,5	↓ -4,5	
3 year	4,03	↓ -2,5	↓ -3,5	
5 year	4,61	↓ -1,0	↓ -1,0	
10 year	5,26	↓ -0,5	↓ -2,0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	10Y	RON 600 mn	RON 600 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1,63	↑ 7,0	↑ 52,0	
3M ROBOR	2,68	↓ -2,0	↓ -4,0	
6M ROBOR	3,18	↓ -1,0	↓ -1,0	
1Y ROBOR	3,36	⇒ 0,0	↓ -2,0	
5Y CDS	163,78	⇒ 0,0	↑ 2,2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4,4380	↓ -0,23	↓ -0,28	
USD/RON	3,2725	↓ -0,32	↓ -0,33	
CHF/RON	3,6105	↑ 0,27	↑ 0,18	
100HUF/RON	1,4858	↓ -0,13	↓ -0,71	

Source: Reuters, OTP Research

### Summary

- BVB's indexes closed mixed yesterday and BET lost 0.5%; in Europe sentiment was down as well, due to weak corporate earnings results and worse than expected US confidence indicator
- The EUR/RON is trading inside the 4.44-4.45 range after closing down yesterday; in Germany, a "grand coalition" is set up which allows forming of a government; the euro is stronger to the dollar this morning
- In October, private loans continued to drop (-3.9% YoY) driven by the FX component exclusively; household loans in RON are back in the green territory for the first time since mid-2009 as mortgage loans in RON increased by 60% YoY, following the new rules on "First House" programme.

BVB indexes closed mixed yesterday, on relatively high turnover, of EUR 13.9 mn. Trades with Fondul Proprietatea ensured 37% of liquidity and the stock closed the day lower by 0.2%. The next most traded stock was Romgaz, up 1% on the day, with a close at 35.1 RON/share. The only two indexes which ended in the green were BET-FI (+0.8%) driven by the SIFs and BET-BK (+0.2%), the index of top 25 most liquid shares. The local market mimicked the trend seen in the rest of Europe as well, where corporate earnings results have disappointed. Also, the sentiment was negatively influenced by the lower US consumer confidence indicator for November, which came out much weaker than both expectations and the previous month data. The earnings season is soon closing and according to Thomson Reuters Starmine data, roughly half of the companies reported lower than forecasted profits and some two thirds missed revenue forecasts.

On the FX market, the day looks brighter for the euro which firmed 0.4% to the dollar. In Germany, a deal has been reached to form a "grand coalition" which allows Germany to form a government. The deal foresees "no new taxes and no new debts". After closing lower yesterday, at 4.438, the EUR/RON is trading back inside the 4.44- 4.45 interval.

The October banking statistics data revealed that private loans dipped further lower, -3.9% YoY compared to -3.3% YoY in September. There is also an FX effect affecting the RON denominated stock data as the leu was stronger by 2.3% YoY in October as opposed to 1.6% YoY in September. However, even adjusting for the FX effect, the stock of loans shrank by 2.6% YoY in October, as opposed to 2.4% YoY in September. Corporate loans fell by 4.7% YoY and household loans by 3% YoY. In both cases, FX denominated loans are the negative driver, whereas loans denominated in leu are seeing progress. This is true for household loans as well, which previously saw an increase in the RON denominated loan stock in mid 2009, before the crisis and the FX regulations kicked in. What saved the day this time was the exponential hike of mortgages in leu (+60% YoY), as the state subsidized "First House" program is now available only in local currency. Private savings are pacing faster, at 6.7% YoY, especially the corporate sector (+9.1% YoY).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	Oct	Non-governmental loans (y-o-y, %)	-3,9		-3,3
	Oct	Non-governmental deposits (y-o-y, %)	6,7		5,7
	Oct	M3 aggregate (y-o-y, %)	6,1		4,8
Wednesday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		25-Nov-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,5864	↑ 0,33	↑ 10,80	↑ 17,20		
OTP Obligatiuni	RON	13,0036	↑ 0,03	↑ 5,42	↑ 6,47		
OTP ComodisRO	RON	15,7027	↑ 0,03	↑ 5,07	↑ 6,07		
OTP Eurobond	EUR	11,5901	↑ 0,02	↑ 4,19	↑ 5,10		

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