

Tuesday, June 18, 2013

ECB's Mario Draghi stated that things are improving in eurozone while ECB is ready to follow both standard and non-standard measures to support the recovery.

Market players are eyeing G8 conference and FOMC meeting starting today with increased interest for Fed in order to get signals on its approach towards the current stimulus program. Today ZEW showed in June improved economic sentiment with investors' morale seen rising, for the second consecutive month suggesting that Germany is on the road to recovery while current conditions index came lower both than expectations and prior levels.

FOREIGN EXCHANGE UPDATE

EURUSD reached a multi-month high at 1.3398 due to a sudden buying interest in the euro.

Emerging Europe's currencies are weaker on Tuesday, ahead of the two days FOMC meeting. Romanian leu declined to 4.4750/EUR, the Polish zloty hoovers also lower around 4.2400/EUR, Hungarian forint trades close to 291.50/EUR and the Czech koruna reversed some of the earlier drops and is currently hovering 25.640/EUR.

FX RATES EVOLUTION

	Last Ask	1D Chg	1M Chg	YTD Chg	YoY Chg	Fixing
EURRON	4.4980	1.06%	3.48%	1.24%	0.85%	4.4801
USDRON	3.3580	0.83%	-0.46%	-0.24%	-5.33%	3.3481
CHFRON	3.6507	1.20%	4.63%	-0.73%	-1.75%	3.6419
EURUSD	1.3380	0.10%	3.87%	1.41%	6.40%	1.3337
EURCHF	1.2309	-0.17%	-1.19%	1.94%	2.50%	1.2308

FX TECHNICALS

	Support	Resistance	View Tdy	Strategy	fQ2	fQ3
EUR/RON	4.4450	4.4700	↑	Buy dips	4.4400	4.3700
EUR/USD	1.3300	1.3400	↓	Sell upticks	1.3000	1.2400
EUR/CHF	1.2300	1.2350	↑	Buy dips	1.2300	1.2500
EUR/PLN	4.2100	4.2500	↑	Buy dips	4.1000	4.3000
EUR/HUF	291.00	294.00	↑	Buy dips	293.00	305.00
Gold (XAU)	1370	1390	↓	Sell upticks	1500	1350

MM RATES PER TENOR

	O/N	1M	3M	6M	12M
ROBID	1.99	3.75	3.88	3.93	4.02
ROBOR	2.49	4.25	4.38	4.68	4.77
EURIBOR	0.080	0.122	0.210	0.320	0.503
LIBOR USD	0.131	0.192	0.273	0.411	0.668
EUR/RON Swap yields (%)	1.88-2.28	3.21-3.71	3.71-4.06	3.76-4.00	3.76-3.93

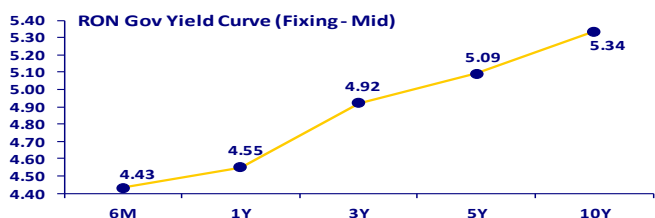
MONEY MARKET UPDATE

Implied yields are quoted mainly unchanged, with slight up-movements at the 1-week and 1-month tenors.

For the first time no market player borrowed money yesterday in the repo auction organized by the central bank, as a clear sign that the liquidity in the market picked up.

FIXED INCOME UPDATE

On Monday, Ministry of Finance sold the planned RON 0.8bn in 5Y T-bonds paying 5.17% average yield and 5.26% cut off yield, in line with our call. Auction's success prompted secondary market's activity.



ROMANIAN GOVERNMENT BENCHMARK BONDS

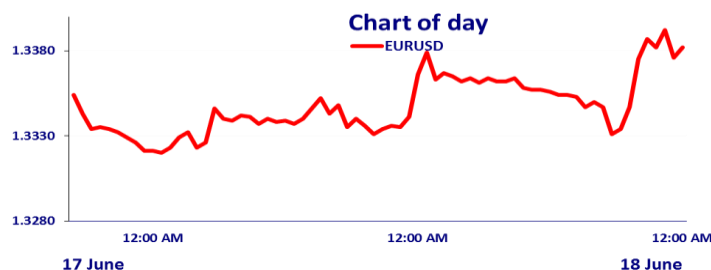
ISIN	Issue	Maturity	Cupon	Bid	Ask
RO0914DBN049	Mar-12	Mar-14	11.00%	6.41%	6.15%
RO1015DBN010	Mar-10	Apr-15	6.00%	6.46%	6.03%
RO1116DBN024	Apr-11	Apr-16	6.00%	6.53%	6.27%
RO1121DBN032	May-11	Jun-21	5.95%	6.66%	6.15%

ROMANIAN EUROBONDS

Maturity	Cupon	Price	Yield	Bmk Spread	Swp Spd
Mar-15	5.00	104.80	2.15	197.90	168.10
Jun-18	6.50	112.42	3.73	313.70	268.40
Nov-19	4.88	103.88	4.17	338.60	288.60

PRECIOUS METALS

	Last	1D Chg	1M Chg	YTD Chg	YoY Chg
Gold (USD/oz)	1,378.01	-0.53%	-1.19%	-17.76%	-15.41%
Silver (USD/oz)	21.81	-0.50%	-5.26%	-28.19%	-24.19%



PRECIOUS METALS UPDATE

Gold and silver are on a downward path on Tuesday with investors carefully waiting for the two-days FOMC meeting. At the editing time the bullion trades at USD 1,377.70/oz and silver hovers around USD 22.80/oz. Platinum dropped below USD 1,430/oz on Tuesday and palladium records the fourth consecutive day of declines and hovers USD 700/oz.

MACROECONOMIC INDICATORS							ROMANIAN SOVEREIGN RISK			
	CPI mom/yoy	NBR Rate	C/A	Trade Gap(FOB/FOB)	FX Reserve	Unempl.	S&P's	Moody's	Fitch's	5 Y CDS
CURRENT	0.23% / 5.32%	5.25%	0.54bn	0.9bn	32.7bn€	5.0%	BB+/stable	BAA3/neg	BBB-/stable	197
2013F (EoY)	3.89%	4.75%	(2.1)bn	3.2bn	30.2bn€	6.4%				

Source: Reuters, rates at: 6/18/13 1:42 PM

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