

## Headquarter Treasury Sales

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# Daily Report – Romania

Last data: 14.01.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.508,48	↓ -0,94	↑ 0,13
BET-C	3.383,47	↓ -0,61	↑ 0,29
BET-FI	31.890,56	↓ -0,72	↑ 1,32
BET-XT	605,35	↓ -0,80	↑ 0,75
FP	0,8290	↓ -0,96	↓ -2,47
SNG	33,9500	↓ -1,28	↓ -0,59
EBS	129,0000	↔ 0,00	↑ 7,50
SIF2	1,4880	↓ -0,87	↑ 1,57
TGN	186,4000	↓ -0,64	↑ 0,38

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1,92	↓ -4,0	↓ -71,5
12 month	2,23	↓ -10,5	↓ -58,5
3 year	3,33	↓ -3,5	↓ -51,5
5 year	4,29	↑ 0,5	↓ -27,0
10 year	5,15	↑ 0,5	↓ -9,0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10Y	RON 500 mn	RON 560 mn
Thursday	15Y	RON 100 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,05	↓ -3,0	↓ -18,0
3M ROBOR	1,99	↓ -4,0	↓ -22,0
6M ROBOR	2,64	↓ -2,0	↓ -21,0
1Y ROBOR	2,84	↓ -1,0	↓ -21,0
5Y CDS	161,96	↔ 0,0	↓ -1,3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5295	↑ 0,11	↑ 0,64
USD/RON	3,3112	↓ -0,40	↑ 0,18
CHF/RON	3,6689	↑ 0,11	↑ 0,89
100HUF/RON	1,5155	↑ 0,80	↑ 1,03

Source: Reuters, OTP Research

**Summary**

- BVB indexes slid 0.6% -0.9% yesterday on lower turnover; in Europe, the evolution was also mixed due to worries related to corporate earnings;
- The leu fell marginally yesterday; the Governor stated that the required reserves could be brought closer to European levels in a period that is “not too lengthy”; this signal reconfirms our view that the leu is less likely to recover the recent loss in the short term
- The Treasury sold USD 1 bn in 30Y bonds for the first time in history, priced to yield 6.258%. Another USD 1 bn was sold in 10Y bonds at 5.02%.

BVB indexes slid between 0.6%-0.9% yesterday with BET losing the most (-0.9%). The decline was quite homogenous and of the blue chips, only Erste Group Bank managed to avoid a decline (+0%). The market turnover was relatively low at EUR 6 mn. However 4 deals covering 10% of liquidity squeezed in. In Europe, major indexes had a mixed evolution as well, as worries about corporate earnings reign. Macro data from the US came out better than expected, with US retail sales advancing slightly more than estimated in December. On Thursday, the European inflation figure for December will be released and investors will get more clues whether the ECB will move faster with easing measures or not.

The leu depreciated marginally (by 0.1%) to the euro yesterday and the EUR/RON is currently trading around 4.52. The governor declared that further cuts of required reserves ratio will be made, to bring them closer to European levels, “during a period that is not too lengthy”. Also, the vicegovernor Cristian Popa added that there was a limited space for further cuts of the base rate compared to what has been realized until now (150 bps since July 2013) and that inflation expectations should also be considered, given the expected hike in H2 2014 to around 3% YoY around the end of 2014. The stress on the continuation of monetary policy easing either through cutting reserves and maybe another cut of the base rate confirms our expectations that the leu is less likely to recover the recent losses.

The Treasury has launched USD 1 bn in 30Y bonds over for the first time in history. The bonds are priced at 245 bps over treasuries with a resulting yield of 6.258%. Another issue of USD 1 bn in 10Y bonds has been launched at 215 bps over treasuries, yielding 5.02%. After this sale, the Treasury has almost covered the planned international bonds sales for this year, of EUR 2 bn.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday		no data		
Wednesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		13-Jan-14					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,9317	↑ 0,25	↑ 1,13	↑ 10,28		
OTP Obligatiuni	RON	13,1039	↑ 0,03	↑ 0,16	↑ 5,99		
OTP ComodisRO	RON	15,8109	↑ 0,03	↑ 0,14	↑ 5,55		
OTP Eurobond	EUR	11,6429	↑ 0,02	↑ 0,09	↑ 4,53		

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