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Daily Report – Romania

Last data: 16.01.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.539,82	↑ 0,21	↓ -0,49
BET-C	3.399,98	↑ 0,19	↓ -0,12
BET-FI	31.780,83	↓ -0,73	↑ 0,66
BET-XT	608,47	↑ 0,06	↑ 0,27
EBS	129,6500	↓ -1,56	↑ 2,49
FP	0,8200	↓ -0,79	↓ -2,96
SNP	0,4820	↑ 0,63	↑ 1,47
TGN	188,2000	↓ -0,03	↑ 1,18
SIF3	0,6830	↓ -1,16	↑ 1,56

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1,87	→ 0,0	↓ -36,0
12 month	2,21	↓ -0,5	↓ -29,0
3 year	3,30	↓ -1,0	↓ -13,0
5 year	4,27	↑ 2,0	↓ -2,0
10 year	5,14	→ 0,0	↑ 1,5

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0,98	↓ -2,0	↓ -10,0
3M ROBOR	1,96	↓ -2,0	↓ -14,0
6M ROBOR	2,62	↓ -3,0	↓ -11,0
1Y ROBOR	2,77	↓ -5,0	↓ -23,0
5Y CDS	162,86	→ 0,0	↑ 0,9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5275	↑ 0,10	↓ -0,22
USD/RON	3,3233	↓ -0,14	↓ -0,39
CHF/RON	3,6740	↑ 0,11	↓ -0,19
100HUF/RON	1,5041	↓ -0,40	↓ -0,63

Source: Reuters, OTP Research

Summary

- BVB finished mixed yesterday and BET gained 0.2% on a similar turnover as the previous day; blue chips and the SIFs ended generally in the red;
- The EUR/RON trades higher this morning, above 4.53;
- The Treasury sold RON 100 mn in 15 Y bonds at 5.41%, 25 bps higher than a comparable tender last year in May; the 5Y bond yield climbed higher by 2 bps yesterday.

BVB indexes finished mixed yesterday and BET advanced 0.2% on a liquidity similar with the previous day (EUR 6.8 mn EUR). The SIFs and the blue chips had a down day, in line with the evolution seen in Europe where disappointing data came from the retail sector corporate earnings. Meanwhile, the inflation data released for December came in line with expectations both in Europe and the US and it stood at 0.7% YoY and 1.5% YoY, respectively.

The EUR/RON is trading higher this morning, above 4.53 and the leu gradually lost its small gain witnessed in the beginning of the week.

After a week of continuous decline, yield have slowed down their rally and we even saw an increase in the case of the 5Y bonds yesterday. On a weekly basis, we are looking at sharp declines at the front end of the curve while the 10Y bond yield is even marginally higher (+2 bps). The current money market rates level is consistent with an excess liquidity of RON 6-8 mn, according to the governor which will be amplified in the short term by the release of reserves. However, we expect the deficit to decline in the coming months as banks pursue with lending, financing the deficit and repaying debt. The Treasury sold 15Y bonds at an average accepted yield of 5.41%, higher by 25 bps than a comparable tender held last year in May. However since then the base rate was reduced by 150 bps.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday				
Friday	CA balance (EUR mn, YTD)			-955,0

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		15-Jan-14				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	7,9082	↑ 0,36	↑ 0,73	↑ 10,08	
OTP Obligatiuni	RON	13,1031	↓ -0,02	↑ 0,20	↑ 6,01	
OTP ComodisRO	RON	15,8120	→ 0,00	↑ 0,17	↑ 5,57	
OTP Eurobond	EUR	11,6445	↑ 0,01	↑ 0,12	↑ 4,55	

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