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Daily Report – Romania

Last data: 30.01.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.428,63	↓ -0,28	↓ -2,14
BET-C	3.326,19	↓ 0,00	↓ -1,89
BET-FI	30.618,83	↓ -0,99	↓ -3,93
BET-XT	593,83	↓ -0,49	↓ -2,78
FP	0,8150	↓ -0,31	↓ -0,31
BRD	8,9500	↑ 1,82	↓ -1,10
SIF3	0,6480	↓ -0,54	↓ -4,71
SIF5	1,9230	↓ -1,89	↓ -5,27
SIF1	1,2900	↓ -1,90	↓ -6,59

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2,58	↑ 60,0	↑ 75,0
12 month	2,70	↑ 55,5	↑ 60,5
3 year	3,56	↑ 32,5	↑ 41,0
5 year	4,52	↑ 24,0	↑ 39,0
10 year	5,52	↑ 22,0	↑ 43,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2,45	↑ 103,0	↑ 149,0
3M ROBOR	2,43	↑ 49,0	↑ 46,0
6M ROBOR	2,73	↑ 15,0	↑ 9,0
1Y ROBOR	2,92	↑ 20,0	↑ 15,0
5Y CDS	162,84	↓ 0,0	↑ 0,9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5153	↓ -0,28	↓ -0,35
USD/RON	3,3311	↑ 0,62	↑ 0,69
CHF/RON	3,6899	↓ -0,48	↑ 0,08
100HUF/RON	1,4594	↓ -0,24	↓ -1,63

Source: Reuters, OTP Research

Summary

- Domestic indexes edged down yesterday, except for BET-NG; BET-FI slid the most (-1%), led especially the SIFs; the macro data released on a global scale is mixed
- The leu continues to strengthen and the Central Bank is suspected of having stepped in; liquidity shrank rapidly and ROBOR ON climbed more than 100 bps yesterday
- On tighter liquidity, the yield curve mounted 22 to 60 bps, especially at the short end; The Treasury plans to sell RON 3.8 bn and EUR 200 mn in February;
- After 5M of stagnation, the ILO unemployment fell 0.2 pp to 7.1% in December.

Most of the local equity indexes continued to dip yesterday and BET lost 0.3%. Total equities' turnover was not significantly changed compared to the previous days and it stood at EUR 9.2 mn. Also, there were 6 deals covering almost 40% of liquidity. BET-FI took the greatest loss yesterday (-1%) led especially by the SIFs. The blue chips were also down and ROTX lost 0.6%. There were however two blue chips which ended in the green: BRD (+1.8%) and OMV Petrom (+1%). In Europe, shares finished mixed yesterday and the macro data being released on a global scale is mixed as well: the German unemployment rate (Jan) came a touch lower than expected, but the German retail sales data (Dec) fell 2.4% YoY against expectations of 1.9% YoY advance. While the euro-zone consumer confidence was in line with expectations, the industrial confidence deteriorated in January as opposed to a foreseen improvement by the analysts' consensus.

Amid the wave of depreciation that hit emerging market currencies and leu's peers, the leu is continuously climbing against the euro and it is up 0.3% on a weekly basis. Behind this move there is probably the Central Bank. As a result, interbanking liquidity started to shrink quickly and ROBOR ON jumped more than 100 bps yesterday while ROBOR 3M gained 49 bps and stood at 2.43%. The upward shift of the money market rates were further seen at the level of the yield curve and government securities yields saw a hike of 22 to 60 bps yesterday, especially at the short end of the curve.

The Treasury announced planned sales of RON 3.8 bn and EUR 200 mn in February. Only RON 1.2 mn has a maturity of 12M, the rest of the issues pointing to longer maturities, between 5-7 years based on the residual maturities.

After a 5M stagnation at 7.3%, the unemployment rate dropped to 7.1% in December.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	no data			
Friday	ILO unemployment (seasonally adjusted, %)	7,1		7,3

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		29-Jan-14					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,7242	↓ -0,79	↓ -0,48	↑ 9,73		
OTP Obligatiuni	RON	13,1220	↑ 0,01	↑ 0,32	↑ 5,89		
OTP ComodisRO	RON	15,8313	↑ 0,01	↑ 0,28	↑ 5,45		
OTP Eurobond	EUR	11,6565	↑ 0,01	↑ 0,22	↑ 4,53		

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