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Daily Report – Romania

Last data:06.02.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.371,90	↑ 0,40	↓ -0,88
BET-C	3.291,83	↑ 0,20	↓ -1,03
BET-FI	31.302,28	↑ 3,42	↑ 2,23
BET-XT	593,17	↑ 1,27	↓ -0,11
FP	0,8250	→ 0,00	↑ 1,23
SIF3	0,6600	↑ 3,45	↑ 1,85
SIF5	1,9700	↑ 3,30	↑ 2,44
SIF1	1,3330	↑ 7,50	↑ 3,33
SIF2	1,4390	↑ 6,59	↑ 2,79

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,24	↑ 2,5	↑ 65,5
12 month	3,27	↑ 1,5	↑ 56,5
3 year	3,72	→ 0,0	↑ 16,0
5 year	4,61	↑ 3,0	↑ 9,0
10 year	5,46	↑ 2,5	↓ -6,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 1,2 Bn	
Thursday	10Y	RON 700 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3,93	↓ -8,0	↑ 148,0
3M ROBOR	3,57	↑ 2,0	↑ 114,0
6M ROBOR	3,41	↑ 11,0	↑ 68,0
1Y ROBOR	3,39	↑ 9,0	↑ 47,0
5Y CDS	166,46	↓ -2,2	↑ 3,6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4675	↑ 0,18	↓ -1,06
USD/RON	3,2873	↓ -0,19	↓ -1,31
CHF/RON	3,6484	↑ 0,10	↓ -1,12
100HUF/RON	1,4537	↑ 0,78	↓ -0,39

Source: Reuters, OTP Research

Summary

- BET added 0.4% yesterday on higher equities' turnover; SIFs rallied up to 7.5% upon the regulator's decision allowing them to trade among them; In Europe and the US, sentiment was up as well
- The Treasury cancelled the second auction this week as yields surged by up to 65 bps in a week; unrelatedly, the Finance Minister Chitoiu resigned yesterday
- The Central Bank upped Dec 2014 forecast by 0.5 pp to 3.5% YoY as a results of excise duties' hike; for Dec 2015 the forecast is 3.2% YoY.

Domestic stocks finally had a relief yesterday and BET added 0.4% on higher turnover (EUR 8.3 mn). The deals market came to life again, with 6 trades covering almost one fifth of liquidity. BET-FI was the best performing index (+3.4%) and the stocks represented by BET-FI were top 5 most traded yesterday (only SIF Muntenia did not make it to the top). The SIFs rallied and added up to 7.5% in the case of SIF Banat Crisana, after the regulator decided they can trade among them. On international markets, optimism grew yesterday and both European and US stocks ended in the green. The ECB decided to leave the rates in place, as expected, but Mario Draghi surprised the markets but not sending any dovish signal, despite worries of deflation in the euro-zone. Today, investors are looking forward to the US non-farm payrolls data (January) and sentiment is up this morning.

The Treasury cancelled the second auction planned for this week as the current environment is not friendly. Yields have surged up to 65 bps on a weekly basis, especially at the short end of the curve.. On a another note, the finance minister Daniel Chitoiu resigned last night and according to Reuters sources, the reason could be the lack of the communication between Chitoiu and his party on the budget measure recently appeared in the media, related to the scheme to support low income earners to reschedule their bank debt, a measure in line with social democrat thinking.

The Central Bank presented its new inflation report yesterday and upped the December forecast from 3% to 3.5% YoY. The forecast for December 2015 is 3.2% YoY. The main change is the Q4 2014 forecast, justified mainly by the hike of excise duties, which as specified in the previous report already, were not incorporated in the forecast.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	Dec	Industrial trade turnover index (y-o-y, %)	11,0		3,0
	Dec	Index value of new orders in manufacturing (y-o-y, %)	18,0		2,4
Friday		no data			

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		05-Feb-14					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,5749	↑ 0,10	↓ -3,27	↑ 6,72		
OTP Obligatiuni	RON	13,1266	↑ 0,01	↑ 0,35	↑ 5,77		
OTP ComodisRO	RON	15,8404	↑ 0,02	↑ 0,33	↑ 5,34		
OTP Eurobond	EUR	11,6607	↑ 0,01	↑ 0,26	↑ 4,49		
OTP Dollar Bond	USD	9,9942	↓ 0,00	↓ 0,00	N/A		

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