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Daily Report – Romania

Last data:07.02.2014

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 6.369,56 | ↓ -0,04 | ↓ -0,15 |
| BET-C | 3.291,24 | ↓ -0,02 | ↓ -0,19 |
| BET-FI | 31.235,78 | ↓ -0,21 | ↑ 3,67 |
| BET-XT | 593,01 | ↓ -0,03 | ↑ 0,95 |
| FP | 0,8215 | ↓ -0,42 | ↑ 0,74 |
| SNP | 0,4650 | ↓ -0,11 | ↓ -0,24 |
| SNG | 33,0900 | → 0,00 | ↓ -0,84 |
| BRD | 8,8000 | ↑ 0,57 | → 0,00 |
| SNN | 9,5000 | ↓ -1,96 | ↓ -6,40 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 3,15 | ↓ -9,0 | ↑ 7,0 |
| 12 month | 3,16 | ↓ -10,5 | ↑ 4,5 |
| 3 year | 3,70 | ↓ -2,5 | ↑ 2,5 |
| 5 year | 4,53 | ↓ -7,5 | ↓ -10,0 |
| 10 year | 5,40 | ↓ -6,0 | ↓ -16,0 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------|
| Monday | 10Y | RON 800 mn | |
| Thursday | 10Y | RON 100 mn | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 3,61 | ↓ -32,0 | ↓ -72,0 |
| 3M ROBOR | 3,50 | ↓ -7,0 | ↓ -2,0 |
| 6M ROBOR | 3,40 | ↓ -1,0 | ↑ 14,0 |
| 1Y ROBOR | 3,39 | → 0,0 | ↑ 13,0 |
| 5Y CDS | 164,26 | ↓ -2,2 | ↑ 1,4 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4,4748 | ↑ 0,16 | ↓ -0,53 |
| USD/RON | 3,2840 | ↓ -0,10 | ↓ -1,54 |
| CHF/RON | 3,6592 | ↑ 0,30 | ↓ -0,52 |
| 100HUF/RON | 1,4559 | ↑ 0,15 | ↑ 1,02 |

Source: Reuters, OTP Research

Summary

- BVB's indexes edged marginally down on Friday, on higher turnover than the week's average; the market opened up this morning
- The EUR/RON is trading higher this morning, above 4.48
- The yield curve dropped 2 to 10 bps on Friday; this improves the chances of the Treasury at this week's auctions, after it has turned down all bids last week
- December foreign data is even stronger than in November: exports are up 22% YoY and imports by 11% YoY.

Domestic equities' index edged marginally down on Friday, on a good equity turnover, of EUR 10.7 mn, higher by roughly half than the weekly average. In Europe and the US, the markets finished in the green, despite the fact that several macroeconomic data releases came below expectation. The much awaited US non farm payrolls (January) came at 113 thousand as opposed to the analysts' forecast of 180 thousand. However, the figure was improved compared to the previous month's 75 thousand report. In Germany, the industrial production December figure undershot expectations of 3.5% YoY and came out at 2.6% YoY, slower than the previous month. The markets are up this morning: following the recent corrections investors are seeing the current price levels as a buying opportunity.

The weak jobs report pushed the dollar lower and the EUR/USD is currently trading at 1.3640, whereas the previous days it wondered just above 1.35. The leu and most of its peers are trading lower to the euro this morning and the EUR/RON is above 4.48 on the interbanking market.

The yield curve inched lower on Friday, and all maturities stepped down 2 to 10 bps. The 10Y bond yield is lower by 16 bps on a weekly basis and this could give the Ministry of Finance a better chance at this week's auctions where the planned sales are a total of RON 900 mn in bonds with residual maturity of 3 and 9 years, respectively. Due to the yields'surge, the Treasury rejected all bids last week.

December foreign trade data continues to be very strong: exports saw an uptake of 22.5% YoY (euro figures), significantly higher than in November (+7.7% YoY). Imports took off as well with a jump of 11.4% YoY whereas in November we saw a 6.1% YoY advance.

| | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|--------|--------------------|------|-----------|----------|
| Friday | | no data | | | |
| Monday | Dec | Exports (y-o-y, %) | 22,5 | | 7,7 |
| | Dec | Imports (y-o-y, %) | 11,5 | | 6,1 |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds | | 06-Feb-14 | | | | | |
|-------------------------|-----|------------|--------|---------|--------|--|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 7,6336 | ↑ 0,77 | ↓ -3,17 | ↑ 7,09 | | |
| OTP Obligatiuni | RON | 13,1276 | ↑ 0,01 | ↑ 0,36 | ↑ 5,76 | | |
| OTP ComodisRO | RON | 15,8416 | ↑ 0,01 | ↑ 0,35 | ↑ 5,34 | | |
| OTP Eurobond | EUR | 11,6613 | ↑ 0,01 | ↑ 0,27 | ↑ 4,48 | | |
| OTP Dollar Bond | USD | 9,9940 | ↓ 0,00 | ↓ 0,00 | N/A | | |

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