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Daily Report – Romania

Last data: 11.02.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.341,98	↑ 0,03	↓ -0,29
BET-C	3.275,33	↓ -0,16	↓ -0,55
BET-FI	31.171,32	↑ 0,51	↑ 2,89
BET-XT	591,09	↑ 0,15	↑ 0,84
SNG	32,9300	↑ 0,09	↓ -0,06
FP	0,8160	→ 0,00	↓ -1,51
SNP	0,4650	↓ -0,21	↓ -1,04
SNN	9,4200	↓ -0,63	↓ -4,27
TLV	1,6350	↑ 0,25	↓ -0,30

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,01	↓ -4,5	↓ -24,5
12 month	3,06	↓ -3,0	↓ -27,0
3 year	3,67	↑ 1,5	↓ -0,5
5 year	4,55	↑ 5,5	↑ 3,0
10 year	5,43	↑ 5,0	↓ -0,5

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3,24	↓ -10,0	↓ -76,0
3M ROBOR	3,43	↓ -5,0	↓ -9,0
6M ROBOR	3,43	↓ -2,0	↑ 17,0
1Y ROBOR	3,41	↓ -2,0	↑ 16,0
5Y CDS	164,29	↑ 0,0	↓ -4,4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4735	↑ 0,09	↑ 0,13
USD/RON	3,2802	↑ 0,15	↓ -0,73
CHF/RON	3,6516	↑ 0,01	↓ -0,13
100HUF/RON	1,4438	↑ 0,57	↓ -0,10

Source: Reuters, OTP Research

Summary

- BET was nearly flat yesterday on low equities' turnover; Janet Yellen's testimony stirred optimism among investors, that the US economy was on the right track; BRD announced a net loss of RON 385 mn in 2013
- Industrial production eased for two consecutive months but it was stronger in Q4 (+3.4% QoQ)
- Inflation came at 1.1% YoY in January; services' prices continued to climb as the leu was weaker on an annual basis; NBR sees inflation at 3.5% YoY in December 2014.

BET was nearly flat yesterday and total equities' turnover maintained low, at only EUR 4.6 mn. The blue chips' index ROTX and the composite index slid in the negative territory. In Europe and the US, stocks finished in the green territory yesterday, when Fed's Janet Yellen testified in front of the Congress and said the Fed would continue the reduction in asset purchases. This was seen as a sign that the US economy was improving, amid worries triggered by holiday's data. Back to the local market, the second largest bank in Romania, announced today its 2013 financial results: BRD posted a net loss of RON 385 mn which the bank attributes it to the increase of provisions. Net banking income was down by 7% YoY as the interest rate margin shrank. Net commissions income declined by 5% YoY due to the slowdown in lending activity.

In December, industrial production showed a 10.2% YoY growth (nsa) and -1.1% MoM (sa). Although in Q4, production was stronger than in Q3 (+3.4% QoQ), on a monthly basis we noticed a slowdown that started in November as the data was revised down. According to January ESI indicator, expectation in industry are deteriorated versus December.

In January, inflation came out at 0.85% MoM and 1.1% YoY respectively. This was higher than the consensus had predicted: 0.6% MoM and 0.8% YoY respectively. Food prices dipped further, by 2.2% YoY compared to 1.8% YoY in December. Non food goods price inflation also came down in January, to 2.5% YoY as opposed to 3.6% YoY. The services was the only component which speeded up: +4.2% YoY from 3.4% YoY in November. In case of the services, prices have been affected by the leu's nominal depreciation of 3.3% YoY in January. The NBR expects inflation to jump to 3.5% YoY in December 2014.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday		no data			
Wednesday	Dec	Industrial Production Index (y-o-y, %)	10,2		9,2
	Jan	Consumer price index (y-o-y, %)	0,8	0,6	1,6

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		10-Feb-14					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,6157	↓ -0,32	↓ -2,34	↑ 7,82		
OTP Obligatiuni	RON	13,1333	↑ 0,03	↑ 0,38	↑ 5,75		
OTP ComodisRO	RON	15,8579	↑ 0,03	↑ 0,43	↑ 5,40		
OTP Eurobond	EUR	11,6638	↑ 0,02	↑ 0,28	↑ 4,48		
OTP Dollar Bond	USD	9,9934	↓ 0,00	↓ 0,00	N/A		

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