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Daily Report – Romania

Last data: 14.02.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.374,07	↑ 0,20	↑ 0,07
BET-C	3.256,73	↓ -0,36	↓ -1,05
BET-FI	31.081,53	↓ -0,45	↓ -0,49
BET-XT	591,90	↑ 0,05	↓ -0,19
FP	0,8235	↓ -0,42	↑ 0,24
SIF3	0,6150	→ 0,00	↓ -4,87
SNP	0,4515	↓ -2,48	↓ -2,90
TLV	1,7150	↑ 2,69	↑ 3,94
SNG	33,0100	↓ -0,06	↓ -0,24

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3,26	↓ -1,0	↑ 11,0
12 month	3,33	↓ -6,0	↑ 16,5
3 year	3,86	↓ -1,0	↑ 16,5
5 year	4,70	↓ -0,5	↑ 16,5
10 year	5,47	↓ -1,0	↑ 6,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 500 mn	
Thursday	5Y	EUR 200 mn	
Thursday	1Y	RON 1,2 bn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	4,42	↓ -6,0	↑ 81,0
3M ROBOR	3,59	→ 0,0	↑ 9,0
6M ROBOR	3,56	→ 0,0	↑ 16,0
1Y ROBOR	3,55	→ 0,0	↑ 16,0
5Y CDS	161,11	↑ 0,0	↓ -3,1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4915	↑ 0,06	↑ 0,37
USD/RON	3,2785	↓ -0,13	↓ -0,17
CHF/RON	3,6760	↑ 0,11	↑ 0,46
100HUF/RON	1,4539	↑ 0,71	↓ -0,13

Source: Reuters, OTP Research

Summary

- Blue chips moved up on Friday; energy stocks were mostly hit; global markets finished in the green, widely supported by the better than expected Q4 GDP growth figures in the euro-zone; Italy's outlook was raised by Moody's from "negative" to "stable"
- The yields gave signs of easing on Friday; this week, the Treasury will organize an auction that was postponed for February 20 of RON 1.2 Bn in 1Y T-bills; this time, worries related to the domestic political scene are weighing on RON assets
- MM rates are relatively high and ROBOR ON stood at 4.42% on Friday.

Domestic indices finished mixed on Friday, on a total equities' turnover of EUR 7.7 mn, of which one third was made by 12 deals with 4 stocks. BRD and Banca Transilvania had 5 deals each. Blue chips fared relatively well and ROTX moved up 0.4%. Energy stocks however, were hit the most and BET-NG lost 0.7%, driven especially by OMV Petrom (-2.5%). Global markets ended in the green and European stocks were supported by better than expected GDP growth in the euro-zone in Q4: +0.3% QoQ and + 0.5% YoY as opposed to consensus figures of 0.2% QoQ and 0.4% YoY, respectively. Also encouraging was the fact that Moody's rating agency lifted Italy's outlook from "negative" to "stable" last Friday. This decision welcomes the fact that the centre left leader Matteo Renzi is to be nominated Italy's prime minister. Altogether, this signals that confidence regarding the economic outlook of euro-zone's third largest economy is improving.

Government securities yields edged down marginally on Friday, after the positive mood set by the Q4 GDP results kicked in. However, yields were higher by 6 to 16 bps on a weekly basis. This week, the Treasury plans to sell RON 1.7 bn and EUR 200 mn in government securities, including the 1Y T-bills that were postponed for February 20. Even if pressure from external markets has relatively eased, we are facing worries related the political scene in Romania and this weighs on RON assets. MM rates jumped significantly last week and ROBOR ON was 4.42% on Friday, which is 81 bps higher on a weekly basis.

This morning, the EUR/RON is insignificantly lower than Friday's close.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	Dec			
	Constructions	-2,2		-7,9
Friday	Q4 GDP	5,2	2,8	4,1

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		13-Feb-14				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	7,6041	↓ -0,11	↓ -2,69	↑ 7,52	
OTP Obligatiuni	RON	13,1364	↑ 0,01	↑ 0,43	↑ 5,71	
OTP ComodisRO	RON	15,8615	↑ 0,01	↑ 0,48	↑ 5,35	
OTP Eurobond	EUR	11,6658	↑ 0,01	↑ 0,31	↑ 4,46	
OTP Dollar Bond	USD	9,9938	↑ 0,01	↑ 0,01	N/A	

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