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Daily Report – Romania

Date: 26.02.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,372.95	↓ -1.66	↓ -0.91
BET-C	3,224.43	↓ -1.81	↓ -1.44
BET-FI	29,983.41	↓ -1.77	↓ -2.95
BET-XT	586.69	↓ -1.69	↓ -1.41
FP	0.8025	↓ -2.13	↓ -2.31
SNP	0.4467	↓ -2.38	↓ -2.25
TGN	188.9000	↓ -1.77	↑ 1.02
SIF1	1.2700	↓ -2.31	↓ -6.69
SNG	32.8100	↓ -2.26	↓ -1.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.24	↓ -4.0	↓ -8.0
12 month	3.36	↓ -2.5	↓ -7.5
3 year	4.08	↑ 2.0	↑ 7.0
5 year	4.95	↑ 17.5	↑ 18.5
10 year	5.47	↑ 0.5	↓ -0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	RON 440 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.65	↑ 24.0	↑ 3.0
3M ROBOR	3.40	↓ -6.0	↓ -23.0
6M ROBOR	3.62	↓ -1.0	↑ 1.0
1Y ROBOR	3.62	↓ -2.0	↑ 1.0
5Y CDS	159.79	→ 0.0	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5175	↑ 0.13	↑ 0.07
USD/RON	3.3004	↑ 0.54	↑ 0.39
CHF/RON	3.7064	↑ 0.20	↑ 0.22
100HUF/RON	145.41	↓ -0.46	↑ 0.91

Source: Reuters, OTP Research

Summary

- Domestic equity indexes fell between 1.5% -2% yesterday whereas in Europe evolution was mixed and most declines were lower than 1%; US warned Russia over military intervention in Ukraine
- The EUR/RON firmed to 4.5 this morning, but outlook is still negative
- Bond yields jumped 2 to 17 bps yesterday, especially for 5Y maturity.

Domestic equity indexes inched back 1.5% - 2% yesterday. Equities' turnover was rather unchanged (EUR 7.4 mn EUR). The sentiment was down in Europe as well, but the dynamics were lower, with corrections smaller than 1%. The local touch was stronger yesterday and the official breakup of the ruling coalition USL took its toll. More than one third of the liquidity was made by 7 deals with 3 stocks. On a weekly basis, BET lost 0.9%. Of the blue chips, Fondul Proprietatea declined the most in a week, by 2.3%.

European stocks' outlook is temporarily affected by events related to Ukraine's geopolitical situation. This set off an open dispute between Russia and the US. Both countries offered financial support to Ukraine but Russia withdrew its initial offering of USD15 bn. This aid was granted to the former president Viktor Yanukovich. Ukraine needs a USD 35 bn package of which US offered only USD 1 bn. Support for Ukraine goes further than the financial offer and US gave a warning to Russia, against military intervention.

For the moment, Romanian financial assets reacted moderately to the news of USL's breakdown. The leu was little changed, only 0.1% depreciation. The reaction was limited and diverged from peers. We saw more movement on the fixed income markets where bond yields gained between 2 to 17 bps, with the 5Y maturity climbing the most. This morning the leu firmed around 4.50. Depreciation spells are still under the radar, especially given the international context, with Ukraine clouding the outlook for European emerging markets at the moment.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		25.02.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.6493	↓ -0.15	↓ -2.27	↑ 8.13		
OTP Obligatiuni	RON	13.1645	↑ 0.02	↑ 0.65	↑ 5.77		
OTP ComodisRO	RON	15.8808	↑ 0.02	↑ 0.61	↑ 5.28		
OTP Eurobond	EUR	11.6738	↑ 0.01	↑ 0.38	↑ 3.87		
OTP Dollar Bond	USD	9.9955	↑ 0.00	↓ -0.04	n.a.		

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