



Date: 19.03.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,272.32	↓ -0.07	↑ 0.27
BET-C	3,186.35	↓ -0.23	↑ 0.53
BET-FI	28,984.48	↓ -1.15	↓ -0.29
BET-XT	576.05	↓ -0.31	↑ 0.13
FP	0.7885	↓ -0.50	↓ -0.19
SNP	0.4400	↓ -0.02	↑ 3.29
SIF4	0.8625	↓ -5.01	↓ -1.54
TLV	1.7000	↑ 0.59	↔ 0.00
SNG	33.3000	↓ -0.30	↑ 1.56

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.89	↑ 1.5	↑ 12.5
12 month	3.07	↓ -6.0	↑ 6.0
3 year	4.39	↓ -11.0	↑ 9.0
5 year	4.75	↓ -14.5	↑ 5.5
10 year	5.34	↓ -5.5	↓ -1.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	RON 400 mn	RON 400 mn
Thursday	5Y	EUR 200 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.85	↓ -3.0	↓ -32.0
3M ROBOR	3.05	↓ -1.0	↑ 5.0
6M ROBOR	3.47	↔ 0.0	↑ 2.0
1Y ROBOR	3.48	↔ 0.0	↔ 0.0
5Y CDS	153.09	↓ 0.0	↑ 2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4905	↓ -0.22	↓ -0.44
USD/RON	3.2465	↑ 0.52	↑ 0.07
CHF/RON	3.6882	↓ -0.29	↓ -0.64
100HUF/RON	143.79	↓ -0.71	↓ -0.01

Source: Reuters, OTP Research

**Summary**

- Domestic equities slid yesterday on low turnover; Fed continued diminishing the pace of asset purchases and surprised the markets, leaving the impression that rates will be hiked sooner than expected
- Following Fed's action, the leu went back to trading around 4.5 after yesterday's 0.2% firming
- Mid-term bond yield lost 11 to 14 bps yesterday.

Domestic equities inched back yesterday on small turnover: EUR 2.7 mn. In Europe, major indexes finished mixed as well as investors were looking forward to the Fed's monetary policy decision. As expected, the bank cut further (by another USD 10 bn) the monthly asset purchases and removed the unemployment rate from the forward guidance. Also, the market was left under the impression that interest rates will be hiked faster than expected. Janet Yellen said that the bond buying program could end this autumn. All in all, the surprise adds more weight to the negative effect that is to be expected to be seen on regional assets.

Following Fed's action, the EUR/RON opened higher than yesterday's close and it is trading around 4.5 this morning, after we have seen a marginal firming of the leu yesterday. Concomitantly, we saw mid-term bond yields adding 11 to 15 bps yesterday which means some foreigners may have seen a buying opportunity after the recent bond price correction. However, the base rate cut cycle has likely ended and inflation rate is expected to start rising in H2 2014, which plays down on bond price potential. The next monetary policy meeting will take place at the end of March so we will soon see the central bank's approach.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		18.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.3708	↑ 0.25	↓ -5.82	↑ 3.31		
OTP Obligatiuni	RON	13.2001	↑ 0.01	↑ 0.92	↑ 5.57		
OTP ComodisRO	RON	15.9139	↑ 0.01	↑ 0.82	↑ 5.13		
OTP Eurobond	EUR	11.6950	↑ 0.01	↑ 0.56	↑ 3.86		
OTP Dollar Bond	USD	10.0324	↑ 0.00	↑ 0.33	n.a.		

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