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Daily Report – Romania

Date: 20.03.2014

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 6,291.44 | ↑ 0.30 | ↑ 1.00 |
| BET-C | 3,191.15 | ↑ 0.15 | ↑ 0.85 |
| BET-FI | 28,987.71 | ↑ 0.01 | ↑ 0.32 |
| BET-XT | 577.27 | ↑ 0.21 | ↑ 0.86 |
| FP | 0.7910 | ↑ 0.32 | ↑ 0.13 |
| BRD | 8.3500 | → 0.00 | ↓ -0.24 |
| SNP | 0.4400 | → 0.00 | ↑ 1.38 |
| SIF5 | 1.9590 | ↑ 0.46 | ↑ 1.50 |
| TLV | 1.7080 | ↑ 0.47 | ↑ 1.67 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 2.89 | ↑ 1.5 | ↑ 12.5 |
| 12 month | 3.09 | ↑ 2.0 | ↑ 9.0 |
| 3 year | 4.41 | ↑ 2.5 | ↑ 11.0 |
| 5 year | 4.78 | ↑ 3.0 | ↑ 6.5 |
| 10 year | 5.35 | ↑ 1.0 | ↑ 0.5 |

GOV'T BOND AUCTIONS

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

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.81 | ↓ -4.0 | ↓ -32.0 |
| 3M ROBOR | 3.08 | ↑ 3.0 | ↑ 9.0 |
| 6M ROBOR | 3.48 | ↑ 1.0 | ↑ 4.0 |
| 1Y ROBOR | 3.50 | ↑ 2.0 | ↑ 3.0 |
| 5Y CDS | 153.11 | ↑ 0.0 | ↑ 5 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.4865 | ↓ -0.09 | ↓ -0.55 |
| USD/RON | 3.2561 | ↑ 0.30 | ↑ 0.10 |
| CHF/RON | 3.6829 | ↓ -0.15 | ↓ -0.84 |
| 100HUF/RON | 143.96 | ↑ 0.12 | ↑ 0.17 |

Source: Reuters, OTP Research

Summary

- Domestic equities finished up yesterday, on low turnover;
- EUR/RON is trading below 4.49 this morning; the temporary firming is in line with its peers but leu's main drivers have not changed;
- The Treasury sold EUR 200 mn RON in 5Y bonds at an average accepted yield of 3.3%, unchanged since the end of February.

Domestic equity indexes finished up yesterday, adding up to 0.3% in case of BET, on low turnover, of only EUR 4.3 mn. In Europe, stocks finished mixed, climbing in the second part of the session after macroeconomic data coming from the US showed that factory activity was strong and therefore the economic growth scenario was on track. Later on today, we will see also how consumer confidence in the euro-zone changed in March: the market expects a mild improvement compared to February.

The leu and its peers got a boost yesterday and the EUR/RON pair closed at 4.4865. The pair is trading around this level this morning as well. This momentum of the leu could be temporary, especially since we believe the most important drivers remain unchanged. The technical picture shows also that at the moment, the leu is slightly in the overbought area.

The Treasury sold the EUR 200 mn in 5Y bonds at an average accepted yield of 3.3%, unchanged since the last similar auction at the end of February. Demand was however slightly higher and total bids mounted to EUR 312 mn. Yields for RON denominated debt climbed marginally yesterday, in line with higher money market rates. The 5Y CDS is higher by 5 bps on a weekly basis, a sign that risk aversion to Romanian assets has marginally deteriorated in the past week.

| PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|----------|-----------|---------|-----------|----------|
| Thursday | | no data | | |
| Friday | | no data | | |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds | | 19.03.2014 | | | | | |
|-------------------------|-----|------------|--------|---------|--------|--|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 7.3725 | ↑ 0.02 | ↓ -5.80 | ↑ 3.25 | | |
| OTP Obligatiuni | RON | 13.2009 | ↑ 0.01 | ↑ 0.93 | ↑ 5.56 | | |
| OTP ComodisRO | RON | 15.9154 | ↑ 0.01 | ↑ 0.83 | ↑ 5.13 | | |
| OTP Eurobond | EUR | 11.6958 | ↑ 0.01 | ↑ 0.57 | ↑ 3.86 | | |
| OTP Dollar Bond | USD | 10.0328 | ↑ 0.00 | ↑ 0.33 | n.a. | | |

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