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# Daily Report – Romania

Date: 21.03.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,239.38	↓ -0.83	↑ 1.69
BET-C	3,173.57	↓ -0.55	↑ 1.48
BET-FI	28,868.98	↓ -0.41	↑ 0.98
BET-XT	572.78	↓ -0.78	↑ 1.45
FP	0.7920	↑ 0.13	↑ 1.41
SNG	34.4000	↑ 2.87	↑ 6.14
TLV	1.7000	↓ -0.47	↑ 3.09
TGN	196.6000	↑ 1.29	↑ 3.86
SNP	0.4302	↓ -2.23	↓ -0.19

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.89	↑ 1.5	↑ 12.5
12 month	3.07	↓ -2.0	↓ -2.0
3 year	4.40	↓ -1.0	↑ 1.0
5 year	4.75	↓ -2.5	↓ -3.0
10 year	5.35	→ 0.0	↓ -3.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10Y	RON 300 mn	
Thursday	12M	RON 500 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.78	↓ -3.0	↓ -23.0
3M ROBOR	3.07	↓ -1.0	↑ 7.0
6M ROBOR	3.47	↓ -1.0	↑ 1.0
1Y ROBOR	3.48	↓ -2.0	→ 0.0
5Y CDS	157.56	→ 0.0	↑ 4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4865	→ 0.00	↓ -0.47
USD/RON	3.2494	↓ -0.21	↑ 0.31
CHF/RON	3.6804	↓ -0.07	↓ -1.02
100HUF/RON	143.09	↓ -0.60	↓ -0.97

Source: Reuters, OTP Research

**Summary**

- Domestic equities closed mixed on Friday, on low turnover; BET lost 0.8%; after the Chinese Markit PMI, the sentiment is down this morning
- The EUR/RON is trading below 4.49; its peers saw a small relief on Friday; we believe that the Russia-Ukraine story is not over yet, so political risks remain; The US is slowly advancing more sanctions on Russia
- The NBR is expected to hold the base rate unchanged at this Friday's monetary policy meeting.

Domestic equities closed mixed on Friday, on a low turnover: only EUR 4.2 mn. BET lost 0.8%, driven especially by BRD (-4.8%), OMV Petrom (-2.2%) and Banca Transilvania (-0.5%). Looking at the blue chips' index, ROTX, we see that most of the stocks in its composition dropped significantly in the last day of the week: to the already mentioned names, we add BVB which topped losses with a 9.7% fall and Transelectrica (-3.7%). Only 3 blue chips made it to the green territory: Erste Group Bank (+7.8%), Transgaz (+1.3%) and Fondul Proprietatea (+0.1%). In Europe, major indexes finished mostly in the green and posted small gains. Data released this morning is less than cheerful, as China disappoints again: the PMI for March came below expectations, reinforcing worries about China's economic growth. This Monday, we will see the PMI for March in the euro-zone and the US Markit PMI as well but the market consensus is slightly pessimistic in both cases.

Despite some small relief seen on the FX market, we see that risk aversion towards Romanian assets continues to increase. The 5Y CDS (EUR) is higher by 4 bps on a weekly basis. We believe that the Russia - Ukraine story is not over yet. The US continues slowly with more sanctions, even if they are not considered very significant. The EUR/RON closed at the same level with the previous day and it is trading around this level this morning as well but regional politics remains a risk factor.

Money market rates inched down on Friday, but they are higher on a weekly basis (except for the ON rate). A new reserve period starts today. This Friday, the NBR holds a monetary policy meeting, but the market and us believe that the rate cycle has ended. Also, we do not see a change of the reserve ratio for the moment and more chances are that it will be operated later this year.

The Treasury prepares to sell RON 300 mn bonds with a 7Y residual maturity today.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday		no data		
Monday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		20.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.3854	↑ 0.17	↓ -5.64	↑ 3.36		
OTP Obligatiuni	RON	13.2020	↑ 0.01	↑ 0.94	↑ 5.56		
OTP ComodisRO	RON	15.9162	↑ 0.01	↑ 0.83	↑ 5.12		
OTP Eurobond	EUR	11.7005	↑ 0.04	↑ 0.61	↑ 3.89		
OTP Dollar Bond	USD	10.0334	↑ 0.01	↑ 0.34	n.a.		

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