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Daily Report – Romania

Date: 24.03.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,266.60	↑ 0.44	↑ 0.38
BET-C	3,175.04	↑ 0.05	↓ -0.20
BET-FI	28,586.49	↓ -0.98	↓ -2.06
BET-XT	573.46	↑ 0.12	↓ -0.23
FP	0.7895	↓ -0.32	↓ -0.44
SNG	33.1800	↓ -3.55	↓ -0.96
TLV	1.7090	↑ 0.53	↑ 2.34
SIF3	0.5200	↓ -3.44	↓ -3.88
EBS	107.0500	↓ -7.72	↓ -0.60

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.79	↓ -4.0	↓ -8.5
12 month	3.04	↓ -3.0	↓ -5.5
3 year	4.36	↓ -4.0	↓ -4.5
5 year	4.75	→ 0.0	↓ -10.0
10 year	5.33	↓ -1.5	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10Y	RON 300 mn	RON 535 mn
Thursday	12M	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.26	↑ 148.0	↑ 128.0
3M ROBOR	3.01	↓ -6.0	↓ -1.0
6M ROBOR	3.42	↓ -5.0	↓ -5.0
1Y ROBOR	3.44	↓ -4.0	↓ -4.0
5Y CDS	157.56	→ 0.0	↑ 4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4742	↓ -0.27	↓ -0.80
USD/RON	3.2333	↓ -0.50	↓ -0.21
CHF/RON	3.6713	↓ -0.25	↓ -1.05
100HUF/RON	142.86	↓ -0.16	↓ -1.25

Source: Reuters, OTP Research

Summary

- BET added 0.4% yesterday and total equities' turnover was almost double compared to Friday; the blue chips' index ROTX slid 1.3%; German IFO index to be released this morning but consensus is not optimistic;
- The EUR/RON is trading between 4.47- 4.48 this morning, at levels last seen in the beginning of February;
- RON yields eased; the Treasury sold RON 535 mn in bonds with 7Y residual maturity at 5.29%, 30 bps higher than in mid-January; demand was good and stood at RON 930 mn.

Domestic equity indexes closed mixed again and BET added 0.4% yesterday. Total equities' turnover nearly doubled compared to Friday: EUR 7.3 mn. There was not a clear pattern among the type of stocks that traded up yesterday: some financial blue chips finished in the green, such as BVB (+8.7%), BRD (+4.4%) or Banca Transilvania (+0.5%). Others posted losses: Fondul Proprietatea (-0.3%) or Erste Group Bank (-7.7%). Among indexes, the top loss was recorded by the blue chip's representative, ROTX (-1.3%), followed by BET-FI (-1%). The latter was dragged down by the SIFs' performance. In Europe, major indexes also finished in the red yesterday, most of them sliding up to 1.5% after weak Chinese data was released and on concerns related to further escalation of the conflict between Russia, the US & its European allies. Due to the geopolitical conflict, Russia was left out of the group of 8 industrialized countries supposed to hold a meeting at the Black Sea Resort of Sochi in June. On the macroeconomic data front, we are expecting the German index IFO release for March, but the consensus is not optimistic compared to February.

The leu strengthened further and this morning the EUR/RON is trading between 4.47-4.48, around levels last seen in the beginning of February. On the technical charts, the leu appears to be slightly overbought, signaling that the upside potential is limited and we could see a change of trend in the short term. Meanwhile, the RON yields are falling and liquidity seems to be in good conditions, with money market rates below the base rate of 3.5%.

The Treasury sold more than the planned amount of bonds with 7Y residual maturity yesterday, at an average accepted yield of 5.29%, which was 30 bps higher than the one at the similar auction in mid-January. Demand was good and total bids stood at RON 930 mn and the final sold amount was RON 535 mn.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	no data			
Tuesday	Feb	Non -governmental loans (y-o-y, %)		-2.1
	Feb	Non -governmental deposits (y-o-y, %)		9.9
	Feb	M3 aggregate (y-o-y, %)		9.7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		21.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.3466	↓ -0.53	↓ -6.13	↑ 3.32		
OTP Obligatiuni	RON	13.2030	↑ 0.01	↑ 0.94	↑ 5.56		
OTP ComodisRO	RON	15.9175	↑ 0.01	↑ 0.84	↑ 5.12		
OTP Eurobond	EUR	11.7012	↑ 0.01	↑ 0.61	↑ 3.89		
OTP Dollar Bond	USD	10.0338	↑ 0.00	↑ 0.34	n.a.		

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