

## Headquarter Treasury Sales

### Head of Sales

**Marius George Ionescu**

+40755 000 437

[marius.ionescu@otpbank.ro](mailto:marius.ionescu@otpbank.ro)

**Tania Fantana**

+4021 30758 17

[tania.fantana@otpbank.ro](mailto:tania.fantana@otpbank.ro)

**Alexandru Tibuleac**

+4021 30758 17

[alexandru.tibuleac@otpbank.ro](mailto:alexandru.tibuleac@otpbank.ro)

## Regional Treasury Sales

**Cezar Trandafirescu - Iasi**

+40755 000 246

[cezlar.trandafirescu@otpbank.ro](mailto:cezlar.trandafirescu@otpbank.ro)

**Szilamer Kozma - Cluj**

+40755 000 400

[szilamer.kozma@otpbank.ro](mailto:szilamer.kozma@otpbank.ro)

**Valentin Cioraneanu – Brasov**

+40755 000 464

[valentin.cioraneanu@otpbank.ro](mailto:valentin.cioraneanu@otpbank.ro)

**Radu Oprea – Bucharest**

+40755000474

[radu.oprea@otpbank.ro](mailto:radu.oprea@otpbank.ro)



# Daily Report – Romania

Date: 27.03.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,333.65	↑ 0.26	↑ 0.67
BET-C	3,209.36	↑ 0.20	↑ 0.57
BET-FI	28,900.18	↑ 0.20	↓ -0.30
BET-XT	577.66	↑ 0.14	↑ 0.07
FP	0.8220	↑ 1.48	↑ 3.92
TLV	1.7170	↑ 0.47	↑ 0.53
SNN	9.2900	↑ 2.65	↑ 3.57
SNP	0.4349	↓ -0.93	↓ -1.16
BRD	8.2500	↑ 0.61	↓ -1.20

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.62	↓ -2.5	↓ -23.5
12 month	2.93	↓ -3.5	↓ -16.5
3 year	4.27	↓ -2.0	↓ -14.5
5 year	4.68	↓ -1.5	↓ -10.0
10 year	5.32	↓ -1.5	↓ -2.5

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.39	↑ 25.0	↑ 158.0
3M ROBOR	2.97	→ 0.0	↓ -11.0
6M ROBOR	3.36	↓ -2.0	↓ -12.0
1Y ROBOR	3.41	↓ -1.0	↓ -9.0
5Y CDS	156.68	↑ 0.0	↓ -1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4676	↓ -0.15	↓ -0.42
USD/RON	3.2514	↑ 0.18	↓ -0.14
CHF/RON	3.6732	↑ 0.19	↓ -0.26
100HUF/RON	143.96	↑ 0.50	↑ 0.00

Source: Reuters, OTP Research

**Summary**

- BET added 0.3% yesterday; only the energy index slipped in the red; the market opened up this morning and macro data to be released in Europe is expected to be in favour of the risk on sentiment
- The EUR/RON trades between 4.45 - 4.47 this morning; the pair is trading below its 20 days moving average; this year's low for the pair was at 4.44 in February
- Government securities yields have dropped up to 23 bps in a week; the Treasury sold 12M T-bills at 2.88% and demand was impressive, with bid to cover at 4.7
- The Central Bank is expected to keep the base rate unchanged today.

After a slow market for the most of the day, stock indexes inched up by the end of yesterday's session and BET added 0.3%. Total equities' turnover was only EUR 5.1 mn. The only index that ended in the red was the energy one, due to the slide of oil & gas companies. In Europe, major stock indexes finished mixed and volatility was low, just like on the domestic market. The macro data to be released today is less rich compared to previous days, but it can still give direction to the markets: we will see the euro-zone consumer confidence indicator for March and later on the German consumer price index (March). The consensus sees a marginal improvement of sentiment and a lower inflation figure in case of the second macro indicator, which would justify more stimuli from ECB, thereby boosting risk sentiment.

The leu firmed this morning and yesterday as well. Its peers also added between 0.1%-0.5% yesterday. The EUR/RON is now trading between 4.45-4.47. The low of the year for the EUR/RON was in February, at 4.44. At the moment, the pair is significantly below its 20 days moving average and risks for the leu are to the downside.

The momentum is positive for government debt prices as well. Yields have fallen up to 23 bps on a weekly basis, especially at the low end of the curve. The Treasury sold the planned amount of RON 500 mn in 12M T- bills at an average accepted yield of 2.88%. Demand was extremely good, with total bids mounting to RON 2.4 bn and bid to cover standing at 4.7.

Today, the Central Bank holds a monetary policy meeting and the market expects no change from the current level of 3.5% of the base rate. Also, we look for no change in the reserve ratio at the moment either and see a greater probability for such a move later on this year.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	no data			
Friday	Base rate decision (%)		3.5	3.5

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		26.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.3903	↑ 0.95	↓ -5.57	↑ 4.58		
OTP Obligatiuni	RON	13.2098	↑ 0.01	↑ 1.00	↑ 5.54		
OTP ComodisRO	RON	15.9268	↑ 0.01	↑ 0.90	↑ 5.11		
OTP Eurobond	EUR	11.7048	↑ 0.01	↑ 0.65	↑ 3.87		
OTP Dollar Bond	USD	10.0380	↑ 0.05	↑ 0.38	n.a.		

**Chief Economist**  
**Gergely Tardos**  
 +36 1 3747273  
[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)

**Analyst**  
**Mihaela Neagu**  
 +4021 3075864  
[mihaela.neagu@otpbank.ro](mailto:mihaela.neagu@otpbank.ro)

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