

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 31.03.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,323.74	↓ -0.12	↑ 0.91
BET-C	3,201.69	↓ -0.14	↑ 0.84
BET-FI	28,935.81	↑ 0.25	↑ 1.22
BET-XT	576.53	↓ -0.02	↑ 0.54
FP	0.8300	→ 0.00	↑ 5.13
BRD	8.2000	↑ 0.12	↓ -1.20
TLV	1.7250	↑ 0.23	↑ 0.94
SIF4	0.8080	↓ -1.34	↓ -3.23
SNG	33.0000	↓ -0.48	↓ -0.54

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.54	→ 0.0	↓ -25.0
12 month	2.83	↑ 0.5	↓ -21.5
3 year	4.21	↑ 0.0	↓ -15.5
5 year	4.60	↓ -2.0	↓ -15.0
10 year	5.27	↓ -0.5	↓ -6.0

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.24	↓ -2.0	↓ -2.0
3M ROBOR	2.97	↓ -1.0	↓ -4.0
6M ROBOR	3.33	↓ -1.0	↓ -9.0
1Y ROBOR	3.38	→ 0.0	↓ -6.0
5Y CDS	154.42	↓ 0.0	↓ -3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4615	↓ -0.02	↓ -0.28
USD/RON	3.2400	↓ -0.12	↑ 0.21
CHF/RON	3.6625	↑ 0.10	↓ -0.24
100HUF/RON	1.45	↑ 0.43	↑ 1.62

Source: Reuters, OTP Research

**Summary**

- Domestic equity indexes finished mixed yesterday, in line with the European ones; the market is moderately optimistic this morning
- The Treasury plans to sell RON 4 bn in debt in April and redemptions stand at RON 5.7 bn; at the monetary policy meeting last Friday, the governor said that there is surplus liquidity but that it is unevenly distributed;
- Money market rates continued to ease while government securities yields movement was mixed.

Domestic equity indexes finished mixed yesterday, after having marginally stood in the green for most of yesterday's session. Total equity turnover was higher than the previous trading day, at EUR 9.4 mn and the deals market was also active, making one fifth of total liquidity. BET lost 0.1% on the day whereas the financial companies' index BET-FI and the blue chips' ROTX remained on the positive side, with gains of 0.2% and 0.5%, respectively. Of the top 5 most traded stocks, 4 of them were financial companies. Fondul Proprietatea closed at 0.83 RON/share, higher by 5.1% on a weekly basis. In Europe, major stock indexes finished mixed as well and volatility was moderate. The macroeconomic data supports the view that the ECB needs to step up stimulus to sustain the economy, as euro-zone inflation came out even lower than the previous month, at 0.5% YoY (March), compared to 0.8% YoY in February and it was lower than the consensus estimation as well. In a speech held yesterday, Janet Yellen expressed a dovish view on the expected behavior of the Fed, saying that there was "considerable" loose pace of economy and the job market is still weak. However, despite these comments, the tapering still continues at the moment. The market is looking forward to the release of German unemployment rate data (March) today and consensus expectations are for no change compared to the 6.8% seen in February.

Money market rates continued to slide yesterday, especially at the long end of the curve. Government securities yields were mixed. The Treasury announced planned sales of RON 4 bn and redemptions are RON 5.7 bn. At the monetary policy meeting held last Friday, the governor commented that although there is a surplus liquidity in the market, this is unevenly distributed. With external risks still on the horizon, this means the path to persistently lower rates is not smooth just yet.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday				
Tuesday	March	FX reserves (bn EUR)		31.7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		28.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.3972	↓ -0.02	↓ -5.49	↑ 5.32		
OTP Obligatiuni	RON	13.2115	↑ 0.01	↑ 1.01	↑ 5.52		
OTP ComodisRO	RON	15.9286	↑ 0.01	↑ 0.91	↑ 5.08		
OTP Eurobond	EUR	11.7064	↑ 0.01	↑ 0.66	↑ 3.87		
OTP Dollar Bond	USD	10.0386	↑ 0.00	↑ 0.39	n.a.		

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