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Daily Report – Romania

Date: 2.04.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,431.97	↑ 1.15	↑ 1.82
BET-C	3,242.38	↑ 0.86	↑ 1.23
BET-FI	28,820.51	↓ -0.27	↓ -0.08
BET-XT	584.22	↑ 0.86	↑ 1.27
FP	0.8200	↓ -0.49	↑ 1.23
TLV	1.7800	↑ 2.89	↑ 4.15
TGN	197.0000	↑ 1.29	↑ 0.56
TEL	16.9000	↑ 0.06	↑ 0.48
SNG	33.6400	↑ 1.26	↑ 0.45

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.59	↑ 3.5	↓ -5.0
12 month	2.85	↓ -1.0	↓ -11.0
3 year	4.27	↑ 2.5	↓ -2.0
5 year	4.63	↑ 1.0	↓ -6.5
10 year	5.29	↑ 1.0	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	12M	RON 1 bn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.43	↓ -1.0	↑ 29.0
3M ROBOR	2.96	→ 0.0	↓ -1.0
6M ROBOR	3.33	→ 0.0	↓ -5.0
1Y ROBOR	3.38	↑ 2.0	↓ -4.0
5Y CDS	154.43	↑ 0.0	↓ -3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4675	↑ 0.10	↓ -0.16
USD/RON	3.2443	↑ 0.25	↓ -0.04
CHF/RON	3.6595	↓ -0.10	↓ -0.18
100HUF/RON	1.45	↑ 0.07	↑ 1.51

Source: Reuters, OTP Research

Summary

- BET mounted 1.15% yesterday and 1.8% on a weekly basis; the bunch of good US macro data supported investors' sentiment; the market is expecting the ECB monetary policy decision today and hopes to see more stimulus; however the consensus of economists sees no rate cut today
- The EUR/RON is trading higher, in the 4.47-4.485 interval; leu's peers are trading higher as well, before ECB decision;
- The Treasury plans to sell RON 1 bn in 12M T-bills; last week, the auction for 1Y debt had tremendous success and yields for that maturity were lower by 11 bps w/w at yesterday's fixing.

BET gained 1.15% on the day and 1.8% on a weekly basis. Total equities' turnover was good at EUR 10 mn. The advance was in line with the dynamics seen in Europe, although volatility seemed higher on the domestic market. Investors embraced the macroeconomic data released yesterday, among which the US ADP employment data showing higher numbers in March compared to February, as well as better than expected figures for US factory orders (February). The ECB will announce its base rate decision today and investors are hoping for more easing measures to be announced. However, the consensus of the economists does not see a cut in deposit rate just yet. Good news is coming from China, where cuts of taxes for small firms have been announced and also a fast forward on plans of building railway lines. This aids investors' sentiment, especially given concerns over slowdown in the Chinese economic growth, reverberating on the global economy as well.

The EUR/RON is trading higher this morning, around 4.48. All its peers are also facing depreciation pressure. The euro itself is at trial today, given the much awaited ECB decision. Aside from the current market sentiment and technical correction of the EUR/RON pair, the fundamentals also point to an expected moderate depreciation of the leu, considering the CA deficit evolution expected this year.

The Treasury plans to sell RON 1 bn of 12MT-bills today. Given last week's success with this maturity and the extraordinary demand, today's auction is likely to be successful as well. The 12M fixing pointed to a marginal drop in yield yesterday and of 11 bps on a weekly basis.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	Feb	Retail trade turnover index (y-o-y, %)	8.7	5.3
	Feb	Producer Price Index (YoY, %)	-1.2	-0.6
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		01.04.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.4310	↑ 0.33	↓ -5.05	↑ 5.92		
OTP Obligatiuni	RON	13.2174	↑ 0.01	↑ 1.06	↑ 5.50		
OTP ComodisRO	RON	15.9397	↑ 0.01	↑ 0.98	↑ 5.09		
OTP Eurobond	EUR	11.7128	↑ 0.01	↑ 0.71	↑ 3.89		
OTP Dollar Bond	USD	10.0396	↑ 0.00	↑ 0.40	n.a.		

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