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Daily Report – Romania

Date: 3.04.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,457.69	↑ 0.40	↑ 1.96
BET-C	3,256.78	↑ 0.44	↑ 1.48
BET-FI	28,692.87	↓ -0.44	↓ -0.72
BET-XT	585.64	↑ 0.24	↑ 1.38
FP	0.8180	↓ -0.24	↓ -0.49
TGN	197.7000	↑ 0.36	↑ 1.28
SIF2	1.2810	↑ 0.23	↑ 1.18
TLV	1.8000	↑ 1.12	↑ 4.83
SIF1	1.1200	↓ -0.88	↓ -1.50

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.62	↑ 3.0	↑ 0.5
12 month	2.86	↑ 1.0	↓ -6.5
3 year	4.30	↑ 3.5	↑ 3.5
5 year	4.65	↑ 2.0	↓ -3.0
10 year	5.29	→ 0.0	↓ -3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	12M	RON 1 bn	RON 1 bn
Thursday	3Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.43	→ 0.0	↑ 4.0
3M ROBOR	2.95	↓ -1.0	↓ -2.0
6M ROBOR	3.31	↓ -2.0	↓ -5.0
1Y ROBOR	3.35	↓ -3.0	↓ -6.0
5Y CDS	154.42	↑ 2.3	↓ -2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4689	↑ 0.03	↑ 0.03
USD/RON	3.2572	↑ 0.40	↑ 0.18
CHF/RON	3.6563	↓ -0.09	↓ -0.46
100HUF/RON	1.46	↑ 0.09	↑ 1.09

Source: Reuters, OTP Research

Summary

- BET added 0.4% d/d and 2% w/w; ECB failed to deliver more easing measures for the moment and European stocks ended mixed; investors are optimistic about today's US non-farm payrolls release
- The Treasury sold 12M T-bills at 2.94%, higher than last week's 2.88% average accepted yield; the 3Y bonds (residual maturity) had an average yield of 4.35%, 10 bps higher than in the beginning of March
- Money market rates continued to decline but government debt yields climbed marginally, along with the CDS.

BET added 0.4% on the day and inched higher 2% on a weekly basis. Total equities' turnover stood at 8 mn EUR and more than half was made in the deals market. The only index which slid was BET-FI, driven by almost all the SIFs (except SIF Moldova) and Fondul Proprietatea. In Europe, stocks finished mixed as ECB meeting disappointed some investors who were looking forward to some easing measures. In line with the consensus, the ECB kept rate in place and fail to announce a particular easing measure. However, Mr. Draghi admitted to have discussed QE and negative deposit rates. He said the bank has not finished with the unconventional measures and that all instruments are according to mandate, including QE. The EUR/USD sank to 1.37 after ECB decision and the euro is under more depreciating pressure this morning, ahead of the US non-farm payrolls data. The economists' consensus expects a significant hike compared to the previous month, to 200K as opposed to 175K.

The improved macro data from the US could emphasize on expectations that some investors will exit some of the current portfolio holdings as they reassess the risk/reward profile. The EUR/RON is trading above 4.47 this morning after having reached an intraday high of 4.48 yesterday. Meanwhile, money market rates continue to decline. The 1Y ROBOR is 6 bps lower on a weekly basis.

The Treasury managed to sell the planned government debt amounts. The 12M T-bill had an average accepted yield of 2.94%, higher than the 2.88% recorded last week. Demand was much lower than the previous time, but good enough (RON 1.8 bn in bids). The second auction for bonds with residual maturity of 3.2Y had an average accepted yield of 4.35%, 10 bps higher than the similar auction in the beginning of March. On the secondary market, the yield curve edged marginally up, along with the 5Y CDS.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		02.04.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.4650	↑ 0.46	↓ -4.62	↑ 6.02		
OTP Obligatiuni	RON	13.2194	↑ 0.02	↑ 1.07	↑ 5.50		
OTP ComodisRO	RON	15.9410	↑ 0.01	↑ 0.99	↑ 5.08		
OTP Eurobond	EUR	11.7135	↑ 0.01	↑ 0.72	↑ 3.89		
OTP Dollar Bond	USD	10.0400	↑ 0.00	↑ 0.40	n.a.		

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