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Daily Report – Romania

Date: 17.04.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,500.30	↑ 0.04	↑ 0.44
BET-C	3,289.17	↑ 0.00	↑ 0.34
BET-FI	27,930.29	↓ -0.88	↑ 0.36
BET-XT	585.56	↓ -0.21	↑ 0.50
FP	0.8080	↑ 0.12	↓ -0.37
SNG	34.2600	↓ -0.12	↑ 1.12
TLV	1.8100	↑ 0.06	↑ 1.12
SNP	0.4485	↓ -0.33	↓ -0.99
TEL	18.3300	↔ 0.00	↑ 5.28

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.64	↑ 1.5	↑ 7.5
12 month	2.86	↓ 0.0	↑ 1.5
3 year	4.22	↑ 1.0	↑ 3.0
5 year	4.59	↑ 1.0	↑ 9.5
10 year	5.20	↑ 2.5	↑ 1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.86	↓ -5.0	↓ -38.0
3M ROBOR	2.96	↑ 1.0	↔ 0.0
6M ROBOR	3.32	↓ -1.0	↓ -1.0
1Y ROBOR	3.36	↓ -1.0	↔ 0.0
5Y CDS	150.88	↑ 0.0	↑ 1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4635	↓ -0.08	↑ 0.09
USD/RON	3.2309	↓ -0.08	↑ 0.59
CHF/RON	3.6585	↓ -0.21	↓ -0.17
100HUF/RON	1.46	↑ 0.57	↓ -0.15

Source: Reuters, OTP Research

Summary

- Domestic equity indexes finished mixed yesterday on low turnover; sentiment is improved this morning as the joint statement released by the US, Russia, Ukraine and EU is a step forward towards a resolution in Ukraine
- CEE currencies edged up yesterday; the EUR/RON trades around 4.46 this morning
- The yield curve is higher 1 – 9 bps on a weekly basis.

Domestic equity indexes finished mixed yesterday on a very low equities' turnover, only EUR 2.2 mn. Only the blue chips index ROTX and BET remained in the positive territory, led by 3 banking stocks and Fondul Proprietatea (+0.1%). Of the former, BRD added 0.9%, Erste Group gained 0.6% and Banca Transilvania remained almost flat (+0.06%). In Europe, major indexes ended in the green, most of them adding up to 1%. The US, Russia, Ukraine and the EU issued a joint statement calling for the end of violence in Ukraine. The statement also said that all "the illegal armed groups must be disarmed; all illegally seized buildings must be returned to legitimate owners". The US president said that the meeting was a step forward but more sanctions will be applied to Russia if it this conflict does not end and these measures will have long term economic impact on the country. The sentiment is improved this morning and the local market opened up, while European equity futures are in the green as well.

The CEE currencies edged up yesterday as the geopolitical tension was diminished after the common statement calling for peace in Ukraine was released. The EUR/RON pair opened at 4.4560 this morning and we expect it to trade between 4.455 – 4.47 today.

Money market rates between 1W and 3M climbed marginally yesterday and we saw a similar move of government securities yields. However, the market looks rather calm this morning. On a weekly basis, the yield curve shifted up 1-9 bps. Inflation rate is expected to rise to the higher end of the variation band this year, which is 250 bps higher from the current level of 1% (March). This will likely drive yields moderately higher in the months to come, without excluding bouts of larger volatility generated by the political context or Fed's decisions.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		16.04.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.5547	↑ 0.62	↓ -3.47	↑ 9.43		
OTP Obligatiuni	RON	13.2492	↑ 0.01	↑ 1.30	↑ 5.44		
OTP ComodisRO	RON	15.9629	↑ 0.01	↑ 1.13	↑ 4.96		
OTP Eurobond	EUR	11.7237	↑ 0.01	↑ 0.81	↑ 3.75		
OTP Dollar Bond	USD	10.0456	↑ 0.00	↑ 0.46	n.a.		

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