

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Tania Fantana

+4021 30758 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 17

alexandru.tibuleac@otpbank.ro

Alina Vrabioiu

+4021 30758 17

alina.vrabioiu@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma - Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755000474

radu.oprea@otpbank.ro



Daily Report – Romania

Date: 07.05.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,475.30	↑ 0.80	↑ 2.32
BET-C	3,280.88	↑ 0.71	↑ 1.57
BET-FI	26,807.82	↑ 0.72	↑ 0.87
BET-XT	579.56	↑ 0.69	↓ -0.56
FP	0.7745	↑ 1.91	↑ 1.97
SIF5	1.7300	↓ -2.26	↓ -1.37
SNG	34.7000	↑ 0.43	↑ 0.73
TEL	19.1800	↑ 3.62	↑ 6.50
SNN	9.5500	↑ 1.17	↑ 1.06

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.72	↑ 1.0	↑ 2.9
12 month	2.88	→ 0.0	↑ 4.0
3 year	4.03	→ 0.0	↑ 4.3
5 year	4.34	↓ -0.5	↓ -7.5
10 year	4.91	↓ -2.0	↓ -13.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	7Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.14	↓ -13.0	↓ -74.0
3M ROBOR	3.16	↑ 3.0	↑ 2.0
6M ROBOR	3.43	↑ 2.0	→ 0.0
1Y ROBOR	3.43	↑ 1.0	→ 0.0
5Y CDS	141.06	↓ -4.5	↓ -5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4265	↓ -0.16	↓ -0.25
USD/RON	3.1825	↓ -0.14	↓ -0.50
CHF/RON	3.6322	↓ -0.34	↓ -0.39
100HUF/RON	1.45	↑ 0.44	↓ -0.26

Source: Reuters, OTP Research

Summary

- BET added 0.8% yesterday and sentiment is up this morning after the dovish comments of Janet Yellen and Chinese trade data; also, tensions related to Ukraine have eased after Putin's intervention
- The leu and its peers strengthened marginally to the euro; the EUR/RON pair is trading below 4.43 this morning
- The excess liquidity in the banking system appears to have vanished in April; banks had only RON 103 mn/day at the ON standby facility of NBR
- Net wage climbed by 5.5% in March and real wage continued in the positive territory (+3.6% YoY), re-confirming the increased consumption appetite of households.

Domestic equities indexes gained between 0.4% and 0.8% yesterday on a total equities' turnover of EUR 9.7 mn. Meanwhile in Europe and the US we saw mixed results. Sentiment is up this morning after the Fed's Janet Yellen continued presenting a dovish view on the economy and said the central bank will continue to give support to the economy. Additionally, the Chinese trade data revealed that the second largest economy in the world may be stabilizing. Moreover, we see that Ukraine related tensions have taken a step back after president Putin asked pro-Russian supporters to postpone a secession vote.

The leu and its peer currencies strengthened to the euro following the speech of Janet Yellen. The EUR/RON pair is currently trading below 4.43 and the technical picture shows the euro is in the oversold territory. Money market rates have not yet adjusted to an up sloping curve. The Central Bank released the main monetary policy indicators for April: it looks like the excess liquidity almost vanished as the stock of deposits placed at the ON facility dropped to an insignificant amount of RON 103 mn/day in April, from RON 2.7 bn in March. Meanwhile, unlike in the previous two months, no bank went for Lombard loans. The restart of the weekly repo auctions by NBR helps reducing the asymmetry of liquidity distribution in the banking system.

The net monthly wage rose by 5.5% YoY in March, compared to 4.7%YoY. The real wage dynamics is still in the positive territory (+3.6% YoY) and this has helped consumption so far, a fact that was plainly revealed by the dynamics of the retail sales in the in Q4 2013 and Q1 2014.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	no data			
Thursday	March	Net wage growth rate (y-o-y, %)	5.5	4.7

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		06.05.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.4818	↓ -0.42	↓ -4.41	↑ 11.32		
OTP Obligatiuni	RON	13.2708	↑ 0.06	↑ 1.46	↑ 5.28		
OTP ComodisRO	RON	15.9902	↑ 0.06	↑ 1.30	↑ 4.80		
OTP Eurobond	EUR	11.7396	↑ 0.04	↑ 0.94	↑ 3.02		
OTP Dollar Bond	USD	10.0611	↑ 0.03	↑ 0.61	n.a.		

Chief Economist
Gergely Tardos
 +36 1 3747273
tardosg@otpbank.hu

Analyst
Mihaela Neagu
 +4021 3075864
mihaela.neagu@otpbank.ro

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