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Daily Report – Romania

Date: 13.05.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,588.84	↓ -0.26	↑ 2.57
BET-C	3,321.92	↓ -0.11	↑ 1.97
BET-FI	27,599.77	↑ 0.64	↑ 2.28
BET-XT	590.32	↓ -0.15	↑ 1.78
FP	0.7980	↑ 0.88	↑ 5.00
SNP	0.4595	↓ -0.52	↑ 0.79
SNG	34.7600	↓ -0.20	↑ 0.61
SNN	9.6000	↓ -1.54	↑ 1.69
TEL	20.5000	↑ 1.38	↑ 10.75

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.69	↓ -1.5	↓ -1.5
12 month	2.85	↓ -0.5	↓ -3.0
3 year	3.95	↓ -1.5	↓ -8.5
5 year	4.26	↓ -0.5	↓ -9.0
10 year	4.83	↓ -2.5	↓ -10.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3Y	RON 400 mn	RON 400 mn
Thursday	5Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.19	↓ -22.0	↓ -108.0
3M ROBOR	2.96	↓ -4.0	↓ -17.0
6M ROBOR	3.32	↓ -3.0	↓ -9.0
1Y ROBOR	3.35	↓ -2.0	↓ -7.0
5Y CDS	135.00	↓ -1.6	↓ -11

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4315	↑ 0.09	↓ -0.05
USD/RON	3.2345	↑ 0.00	↑ 1.63
CHF/RON	3.6339	↓ -0.02	↑ 0.05
100HUF/RON	1.46	↓ -0.01	↑ 0.40

Source: Reuters, OTP Research

Summary

- BET dropped 0.3% yesterday on large equities' turnover (EUR 33.8 mn). Most of the liquidity was made by 12 deals;
- Money market rates continue to slide; ROBOR ON fell 108 bps in a week; the yield curve shifts down
- Constructions pace climbed significantly in March (+10% MoM); the annual pace is still negative, exclusively dragged down by lack of civil engineering works (infrastructure).

Domestic equities indexes finished mostly in the red yesterday, on high equities' turnover, of EUR 33.8 mn. The market was dominated by 12 deals. The only index that managed to remain in the green was BET-FI with a jump of 0.6%. Looking at the top 5 most traded stocks yesterday, two of them stand out in terms of weekly performance: Transelectrica (+10.7% w-o-w) and Fondul Proprietatea (+5% w-o-w). Meanwhile, the market only added 2%. European major indexes traded up, albeit the volatility was rather reduced. In the US, major indexes finished mixed after lower than expected retail sales figure for April, much weaker than the previous month as well.

Money market rates fell further yesterday and ROBOR ON dropped more than 100 bps on a weekly basis. The yield curve continues to shift down, especially at the long end of the curve where the 10Y yield shed off 10 bps in a week. Yesterday's 10Y mid yield at the NBR fixing stood at 4.83%. We look forward to the S&P report due at the end of this week and the market expects a sovereign rating upgrade to investment grade.

Constructions activity saw a significant pickup in March, of 10.4% (MoM, seasonally adjusted). However, the annual dynamics did not manage to move to the positive territory (-0.3% YoY) and overall in Q1, constructions disappointed and will bring a negative contribution to the GDP growth rate. On an annual basis, only the civil engineering sector dropped sharply (-20% YoY), dragging down the headline. Otherwise, we notice a significant step up of non-residential works (+46% YoY) and of residential buildings as well (+9.9% YoY).

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	March	Construction works index (y-o-y, %)	-0.3	-17.0
Wednesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		12.05.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.5880	↑ 0.08	↓ -3.05	↑ 9.80		
OTP Obligatiuni	RON	13.2804	↑ 0.03	↑ 1.54	↑ 5.26		
OTP ComodisRO	RON	16.0010	↑ 0.03	↑ 1.37	↑ 4.73		
OTP Eurobond	EUR	11.7441	↑ 0.02	↑ 0.98	↑ 3.01		
OTP Dollar Bond	USD	10.0664	↑ 0.01	↑ 0.67	n.a.		

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