

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 16.05.2014

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 6,428.33  | ↑ 0.03         | ↓ -2.73         |
| BET-C  | 3,249.36  | ↑ 0.18         | ↓ -2.31         |
| BET-FI | 28,254.21 | ↑ 1.27         | ↓ -2.03         |
| BET-XT | 582.62    | ↑ 0.37         | ↓ -1.32         |
| FP     | 0.7965    | ↑ 0.19         | ↑ 1.46          |
| SNG    | 34.2500   | → 0.00         | ↓ -1.83         |
| SNP    | 0.4388    | ↓ -0.05        | ↓ -5.63         |
| TLV    | 1.8300    | ↓ -0.65        | ↓ -4.44         |
| SIF3   | 0.5750    | ↑ 1.95         | ↑ 7.28          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 2.53      | ↓ -4.5          | ↓ -18.0          |
| 12 month | 2.68      | ↓ -5.0          | ↓ -15.5          |
| 3 year   | 3.80      | ↓ -6.5          | ↓ -16.5          |
| 5 year   | 4.14      | ↓ -6.0          | ↓ -11.5          |
| 10 year  | 4.75      | ↓ -1.5          | ↓ -9.0           |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Monday   | 9Y       | RON 400 mn |      |
| Thursday | 6Y       | RON 500 mn |      |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.86     | ↓ -20.0        | ↓ -176.0        |
| 3M ROBOR | 2.77     | ↓ -1.0         | ↓ -27.0         |
| 6M ROBOR | 3.18     | ↓ -2.0         | ↓ -17.0         |
| 1Y ROBOR | 3.24     | ↓ -2.0         | ↓ -13.0         |
| 5Y CDS   | 135.00   | ↓ -1.6         | ↓ -2            |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.4325 | ↑ 0.02         | ↑ 0.11          |
| USD/RON    | 3.2322 | ↓ -0.12        | ↑ 0.43          |
| CHF/RON    | 3.6283 | ↑ 0.06         | ↑ 0.10          |
| 100HUF/RON | 1.45   | ↑ 0.19         | ↓ -0.38         |

Source: Reuters, OTP Research

**Summary**

- Major domestic equity indexes finished mixed on Friday; BET-FI added 1.3%; on a weekly basis, BET is down 2.7%; the macro data releases are light this week and attention could remain focused on Fed and the ECB this week
- Money market rates continue to ease as we approach the end of the current mandatory reserves period
- Government securities yields dropped 9 to 18 bps last week while on the primary market, yields fell 40 to 50 bps compared to similar auctions in April.

Domestic equities indexes ended mixed on Friday as the energy companies' index BET-NG (-0.1%) and the blue chips index ROTX (-0.3%) slid in the red. Meanwhile, the best performer was BET-FI which added 1.3% on the day. On a weekly basis, the market composite BET-C and BET slid 2% -3% as some companies corrected in the ex-dividend day. Among the top 5 most traded stocks on Friday the weekly results are quite diverse: SIF Transilvania gained 7.3% w-o-w while OMV Petrom and Banca Transilvania lost 5.6% and 4.4%, respectively. Year to date, BET and BET-NG are lower by 1% while BET-FI dropped the most (-9.7%). The blue chips' ROTX lost 3.8% year to date. In Europe, major stock indexes finished mixed last Friday while in the US, the good housing data helped the stocks. The macro calendar for this week is rather light so investors could remain focused on the expectations for further easing from ECB which is seen to come as soon as June. Also, on Wednesday eyes will turn to the Fed and the market is waiting for more clues on the exit strategy from the current ultra-easy monetary policy.

Money market rates eased significantly last week and continued to do so on Friday as well, as we come closer to the end of the current mandatory reserves period. The improved liquidity conditions cumulated with several events and created a positive momentum for the local debt market. Yields dropped up to 6 bps on Friday and between 9 to 18 bps on a weekly basis, continuing the previous week's decline.

The Treasury will hold an auction today to sell RON 400 mn in bonds with a residual maturity of 9 years. The auctions held last week were a success and demand was healthy. The Treasury managed to sell bonds with yields lower 40 to 50 bps than previous auctions in April. Only RON 800 mn come to maturity in May and June (each) and higher redemptions will be next witnessed in July: RON 5.8 bn.

| PERIOD | INDICATOR | FACT    | CONSENSUS | PREVIOUS |
|--------|-----------|---------|-----------|----------|
| Friday |           | no data |           |          |
| Monday |           | no data |           |          |

Source: Reuters, NIS, NBR, OTP Research

| OTP AM – Open-End Funds |     | 15.05.2014 |        |         |        |  |  |
|-------------------------|-----|------------|--------|---------|--------|--|--|
| Open-end fund           | ccy | last NAV/U | 1d%    | Ytd%    | 52W%   |  |  |
| OTP AvantisRO           | RON | 7.6386     | ↑ 0.56 | ↓ -2.40 | ↑ 9.02 |  |  |
| OTP Obligatiuni         | RON | 13.2862    | ↑ 0.02 | ↑ 1.58  | ↑ 5.24 |  |  |
| OTP ComodisRO           | RON | 16.0076    | ↑ 0.01 | ↑ 1.41  | ↑ 4.74 |  |  |
| OTP Eurobond            | EUR | 11.7464    | ↑ 0.01 | ↑ 1.00  | ↑ 3.01 |  |  |
| OTP Dollar Bond         | USD | 10.0679    | ↑ 0.01 | ↑ 0.68  | n.a.   |  |  |

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