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Daily Report – Romania

Date: 19.05.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,456.60	↑ 0.44	↓ -2.26
BET-C	3,248.63	↓ -0.02	↓ -2.31
BET-FI	28,262.50	↑ 0.03	↓ -2.31
BET-XT	584.46	↑ 0.32	↓ -2.03
FP	0.7965	→ 0.00	↑ 0.70
SNG	34.0800	↓ -0.50	↓ -2.15
TLV	1.8850	↑ 3.01	↓ -1.31
TEL	18.2600	↓ -2.46	↓ -9.69
SNP	0.4388	→ 0.00	↓ -5.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.51	↓ -1.5	↓ -19.5
12 month	2.69	↑ 0.5	↓ -16.5
3 year	3.80	↑ 0.5	↓ -16.0
5 year	4.13	↓ -1.0	↓ -13.0
10 year	4.75	↑ 0.5	↓ -10.0

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.75	↓ -11.0	↓ -166.0
3M ROBOR	2.75	↓ -2.0	↓ -25.0
6M ROBOR	3.18	→ 0.0	↓ -17.0
1Y ROBOR	3.22	↓ -2.0	↓ -15.0
5Y CDS	135.00	↓ -1.6	→ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4288	↓ -0.06	↑ 0.03
USD/RON	3.2306	↓ -0.17	↑ 0.38
CHF/RON	3.6205	↓ -0.15	↓ -0.12
100HUF/RON	1.45	↑ 0.22	↓ -0.35

Source: Reuters, OTP Research

Summary

- BET added 0.4% yesterday whereas in Europe, stock indexes finished mixed and the negative vibe was sent by corporate news
- The EUR/RON trades above 4.43 this morning and MM rates remain low
- The Treasury sold 9Y bonds at 4.78%, 48 bps lower than in April, repeating last week's success.

Domestic equities indexes ended mixed yesterday as well, but BET added 0.4%. In Europe, major stock indexes finished mixed with corporate news making headlines rather than macro stories. The Russia –Ukraine story continues to loom in the background and the Russian PM stated that “we are slowly but surely moving toward a second Cold War”. In the US, stocks finished up, but investors have a hard time picking favorites between the debt and equities' markets and the expected correction of equities has not come yet. This is why the market is looking for more forward guidance from the Fed and expects the release of the minutes from the April FOMC meeting.

The markets are calm this morning and the EUR/RON pair trades just around the 4.43 level, which has not left in a while. Money market rates remain low and ROBOR on stood at 0.75% yesterday. The Treasury managed to successfully sell the RON 400 mn in planned amount of 9Y bonds at an average accepted yield of 4.78%, significantly lower than the previous similar tender in the beginning of April, when the yield was 48 bps higher. This result repeats the success of the previous week when the primary market yields fell 40 to 50 bps compared to April, for 3Y and 5Y bonds.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		16.05.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.6443	↑ 0.07	↓ -2.33	↑ 8.93		
OTP Obligatiuni	RON	13.2879	↑ 0.01	↑ 1.59	↑ 5.25		
OTP ComodisRO	RON	16.0102	↑ 0.02	↑ 1.43	↑ 4.74		
OTP Eurobond	EUR	11.7471	↑ 0.01	↑ 1.01	↑ 3.01		
OTP Dollar Bond	USD	10.0688	↑ 0.01	↑ 0.69	n.a.		

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