

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 29.07.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,892.89	↓ -0.03	↓ -0.05
BETPlus	1,021.11	↓ -0.06	↓ -0.08
BET-FI	30,121.15	↑ 0.09	↑ 0.18
BET-XT	623.24	↓ -0.02	↑ 0.18
SIF5	1.8800	↑ 0.97	↑ 2.90
FP	0.8260	↑ 0.06	↓ -1.61
TEL	21.8300	↑ 0.60	↑ 2.06
EL	10.9200	↑ 0.09	↑ 1.39
SIF3	0.3220	→ 0.00	↓ -0.40

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.83	↓ -5.5	↓ -8.5
12 month	1.92	↓ -8.0	↓ -14.5
3 year	2.70	↓ -6.0	↓ -12.5
5 year	3.18	↓ -7.0	↓ -17.0
10 year	4.01	↓ -7.0	↓ -18.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10.6Y	RON 500 mn	RON 687 mn
Monday	12M	RON 1 bn	RON 1 bn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.83	↓ -35.0	↑ 106.0
3M ROBOR	2.16	↓ -1.0	↓ -4.0
6M ROBOR	2.51	↓ -1.0	↓ -4.0
1Y ROBOR	2.61	↓ -1.0	↓ -6.0
5Y CDS	122.25	→ 0.0	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4028	↑ 0.37	↓ -0.94
USD/RON	3.2808	↑ 0.50	↓ -0.59
CHF/RON	3.6206	↑ 0.26	↓ -0.94
100HUF/RON	1.41	↓ -0.25	↓ -2.04

Source: Reuters, OTP Research

**Summary**

- BET was nearly flat yesterday, on thin volumes; in Europe, major stock indexes recorded gains after the release of earnings reports
- The yield curve dropped by 5 -8 bps yesterday, helped by good liquidity conditions as well
- The first budget revision was operated, with an estimated increase of the budget deficit by RON 271 mn which places the cash deficit within the target of 2.2%; a new revision will be made in September.

BET finished marginally in the red yesterday on thin market volumes. In Europe, major stock indexes ended in the green, following positive earnings reports. The Fed will conclude a two day monetary policy meeting today in which it will announce the level of asset purchases. Also, second quarter US GDP data will be released and the market expects to see an advance of 3% YoY (annualized) after the fall of the first quarter.

Government securities yields dropped significantly yesterday, shedding off between 5 and 8 bps while liquidity conditions help keep downward pressure on yields. Money market rates fell all over the curve and ROBOR ON stood at 1.83% yesterday. Prospect for the following period continue to be good, considering the large redemptions seen this month as well.

The 2014 budget revision proposal was made public: overall, the revenues of the consolidated budget are higher by RON 1.1 bn while expenditures are larger by RON 1.3 bn, resulting in a budget deficit that increases moderately, only RON 271 mn, remaining inside the target for this year, of 2.2% of GDP. The largest impact comes from an increased deficit of the state budget, by RON 893 mn. Government officials also estimate higher revenues (+RON 606 mn) for the institutions financed fully or partially by own revenues. The social insurance budget records a negative but small correction, of RON 5 mn. A new budget revision will be operated in September, after further discussion with the international institutions.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	June	Building permits growth rate (YoY, %)	7.3	6.6
Wednesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		28.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8472	↓ -0.57	↑ 0.26	↑ 14.09		
OTP Obligatiuni	RON	13.4554	↑ 0.03	↑ 2.87	↑ 5.27		
OTP ComodisRO	RON	16.1526	↑ 0.03	↑ 2.33	↑ 4.55		
OTP Eurobond	EUR	11.8448	↑ 0.02	↑ 1.85	↑ 3.19		
OTP Dollar Bond	USD	10.1350	↑ 0.02	↑ 1.35	n.a.		

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