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Daily Report – Romania

Date: 05.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,980.25	↑ 0.35	↑ 1.27
BETPlus	1,033.85	↑ 0.36	↑ 1.25
BET-FI	30,426.04	↑ 0.01	↑ 1.01
BET-XT	629.52	↑ 0.30	↑ 1.01
FP	0.8505	↑ 0.06	↑ 2.97
SNG	34.1800	↓ -0.06	↑ 0.68
TLV	1.8150	↑ 0.28	↑ 0.83
EL	11.0400	↑ 0.55	↑ 1.10
SNN	8.4900	↑ 1.68	↑ 1.07

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.89	↓ -4.0	↑ 6.5
12 month	1.99	↓ -3.0	↑ 6.5
3 year	2.86	↓ -5.0	↑ 16.0
5 year	3.36	↓ -2.0	↑ 15.5
10 year	4.24	↑ 7.5	↑ 9.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	0 mn RON
Thursday	1Y	RON 600 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.51	↓ -52.0	↓ -32.0
3M ROBOR	2.10	↓ -5.0	↓ -6.0
6M ROBOR	2.50	↓ -2.0	↓ -1.0
1Y ROBOR	2.62	↓ -2.0	↑ 1.0
5Y CDS	123.60	→ 0.0	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4321	↓ -0.01	↑ 1.04
USD/RON	3.3168	↑ 0.51	↑ 1.10
CHF/RON	3.6486	↑ 0.26	↑ 0.77
100HUF/RON	1.40	↓ -0.60	↓ -0.75

Source: Reuters, OTP Research

Summary

- BET added 0.3% on low equities' turnover; European futures point to a negative mood this morning, as tensions in Ukraine intensify
- The EUR/RON pair trades higher this morning; leu's peers lost 0.3% -0.7% to the euro yesterday
- Money market rates continue to slide, but excess liquidity is not so high
- The yield curve moved higher by 6-16 bps on a weekly basis.

Domestic stock indexes finished in the green yesterday, on low equities' turnover (EUR 3 mn). The energy companies dominated the top 5 most traded stocks yesterday. Among them, Nuclearelectrica was the best performer (+1.7%), while BET-NG added a mere 0.2% and BET 0.3%. In Europe, major indexes closed mixed, but the US and Asian session ended in the red, as tensions in Ukraine intensified again. Futures point to a lower European start this morning.

In line with the risk off sentiment on the stock market, the EUR/RON pair is trading higher this morning and leu's peers already marked losses yesterday, giving up between 0.3% -0.7% to the euro. The forint was the most hit. More and more favorable macroeconomic data is released in the US, supporting the thesis that the Fed could hike rates earlier than mid 2015. For the moment, this will add to the geopolitical tensions in the region that exert depreciation pressure on the leu.

Money market rates all over the curve inched lower yesterday and July data regarding the ON deposits placed by banks at the NBR standing facility confirmed the existing excess liquidity. However, the surplus is not high and a deteriorated risk perception could push rates up relatively fast. In July, the average daily deposits placed at the NBR stood at RON 2.4 bn compared to RON 6.6 bn/day in January (transaction data).

Except for the 10Y maturity, yields inched lower yesterday. On a weekly basis, the yield curve shifted up by 6-16 bps.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday				
Wednesday	June	Net wage growth rate (y-o-y, %)		4.4

Source: NIS, NBR, Bloomberg, OTP Research

OTP AM – Open-End Funds		04.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8676	↑ 0.19	↑ 0.52	↑ 12.03		
OTP Obligatiuni	RON	13.4649	↑ 0.03	↑ 2.95	↑ 5.20		
OTP ComodisRO	RON	16.1708	↑ 0.03	↑ 2.44	↑ 4.54		
OTP Eurobond	EUR	11.8492	↑ 0.02	↑ 1.89	↑ 3.17		
OTP Dollar Bond	USD	10.1385	↑ 0.02	↑ 1.39	n.a.		

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