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Daily Report – Romania

Date: 19.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,059.41	↓ -0.11	↑ 1.62
BETPlus	1,045.69	↓ -0.15	↑ 1.56
BET-FI	30,123.71	↓ -0.98	↓ -0.75
BET-XT	633.16	↓ -0.33	↑ 1.02
FP	0.8750	↑ 0.11	↑ 2.76
SNG	35.9800	↑ 0.50	↑ 3.39
SNN	7.5800	↓ -4.65	↓ -9.76
SIF3	0.2860	↓ -4.92	↓ -7.70
TGN	221.0000	↑ 0.68	↑ 6.15

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.03	↑ 0.0	↑ 5.5
12 month	2.10	↓ -4.0	↑ 1.0
3 year	3.06	↓ -5.0	↓ -4.5
5 year	3.43	↓ -2.0	↓ -5.5
10 year	4.32	↓ -5.5	↓ -12.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.8Y	RON 300 mn	RON 300 mn
Thursday	2Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.71	↓ -12.0	↓ -40.0
3M ROBOR	2.18	↑ 1.0	↑ 8.0
6M ROBOR	2.53	↑ 1.0	↑ 5.0
1Y ROBOR	2.69	↑ 1.0	↑ 6.0
5Y CDS	129.91	↑ 1.4	↑ 2.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4305	↓ -0.08	↓ -0.24
USD/RON	3.3265	↑ 0.01	↑ 0.18
CHF/RON	3.6595	↑ 0.04	↑ 0.01
100HUF/RON	1.41	↑ 0.06	↓ -0.05

Source: Reuters, OTP Research

Summary

- BET slipped 0.1% yesterday; total equities' turnover doubled yesterday to EUR 13.6 mn; in the US and Europe, major stock indexes finished in the green
- Ahead of expected future announcements related to QE, the euro continues to depreciate against the dollar as well as against the leu and its peers, albeit on lower volumes
- Government securities yields dropped yesterday, as market continues to get some relief from the non – escalation of conflict at Ukraine's borders.

BVB's indexes finished in the red yesterday and total equities' turnover mounted to EUR 13.6 mn, double than the previous day. There were 5 deals which made up nearly 40% of liquidity, of which two with Fondul Proprietatea, summing up to EUR 3.9 mn. BET slipped in the red mainly due to Banca Transilvania (-1.1%) and two energy stocks (Transelectrica and Nuclearelectrica). Among the top traded 5 companies we counted Nuclearelectrica and SIF Transilvania which lost 4.7% and 4.9% respectively yesterday. In Europe and the US, most major equity indexes finished in the green yesterday.

In light of future announcements expected from the ECB on the QE topic, the euro continues to depreciate to the dollar, as well as against the leu and its peers, albeit on lower volumes. The EUR/USD pair trades around 1.33 this morning, the lowest level since November 2013.

Government bond yields continue to decline and they retreated up to 5 bps yesterday. The 10Y bonds (mid fixing) stood at 4.32% yesterday. At the moment, the market gets some relief from the non-escalation of conflict at Ukraine's borders. However, we expect yields to inflate in Q4 as inflation will rise significantly from 1% YoY in July to 2% YoY (NBR forecast for September 2014). In fact, the base effect from the VAT decrease for bread and bakery products will vanish as soon as September.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday		no data		
Wednesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		18.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9744	↑ 0.97	↑ 1.89	↑ 10.07		
OTP Obligatiuni	RON	13.4839	↑ 0.06	↑ 3.09	↑ 5.14		
OTP ComodisRO	RON	16.1920	↑ 0.05	↑ 2.58	↑ 4.44		
OTP Eurobond	EUR	11.8584	↑ 0.03	↑ 1.97	↑ 3.14		
OTP Dollar Bond	USD	10.1476	↑ 0.04	↑ 1.48	n.a.		

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