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Daily Report – Romania

Date: 27.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,048.07	↑ 0.10	↓ -0.37
BETPlus	1,045.60	↑ 0.13	↓ -0.25
BET-FI	30,472.67	↑ 0.16	↑ 0.60
BET-XT	634.88	↑ 0.15	↓ -0.04
EL	11.3200	↑ 1.43	↑ 2.54
SNP	0.4805	↓ -0.10	↓ -0.72
FP	0.8730	↑ 0.40	↓ -0.23
BRD	8.8000	↑ 0.23	↔ 0.00
SNG	35.9400	↓ -0.17	↓ -0.72

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.02	↑ 0.5	↑ 2.5
12 month	2.11	↑ 1.0	↑ 2.5
3 year	3.00	↑ 0.5	↑ 1.0
5 year	3.36	↓ -1.0	↑ 2.0
10 year	4.22	↑ 0.5	↓ -2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.5Y	RON 200 mn	RON 200 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.61	↑ 22.0	↑ 195.0
3M ROBOR	2.24	↑ 3.0	↑ 6.0
6M ROBOR	2.57	↑ 3.0	↑ 5.0
1Y ROBOR	2.71	↑ 1.0	↑ 3.0
5Y CDS	126.31	↓ -1.3	↓ -1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3931	↓ -0.08	↓ -0.52
USD/RON	3.3317	↓ -0.25	↑ 0.03
CHF/RON	3.6399	↓ -0.01	↓ -0.17
100HUF/RON	1.4055	↑ 0.06	↑ 0.07

Source: Reuters, OTP Research

Summary

- BVB opened up this morning while in Europe major indexes moved lower, following comments from the ECB officials who said ECB will not make a policy change unless Friday's inflation showed significant evidence that the euro-zone is moving to deflation
- The leu opened weaker against the euro this morning, just like its peers; the EUR/RON pair trades below 4.40.

After posting small gains yesterday, BVB opened in the green this morning whereas in Europe, major stock indexes opened lower after official sources from ECB communicated on Wednesday that the ECB would in fact not go into QE next week unless euro-zone inflation data will not point significantly that the euro-zone was heading to deflation. Euro-zone CPI for August is going to be released on Friday and the consensus of economists is looking for a 0.8% YoY figure, unchanged from July. Yesterday's macroeconomic data releases were unfavorable for the euro, with German GFK consumer confidence index for September coming out lower than expectations and also lower than the previous month figure.

The EUR/RON pair is trading below 4.40 and leu's peers also felt a kick against the euro this morning. Despite the international context, the prospects for the leu are less favorable considering the widening of the current account deficit and the increased expectations towards a further easing of the monetary policy, in view of the recent GDP data that basically says that the output gap is higher than expected by the Central Bank at the last presentation of the inflation report.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		26.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9555	↑ 0.17	↑ 1.65	↑ 10.08		
OTP Obligatiuni	RON	13.4936	↑ 0.01	↑ 3.17	↑ 5.10		
OTP ComodisRO	RON	16.2024	↑ 0.01	↑ 2.64	↑ 4.38		
OTP Eurobond	EUR	11.8640	↑ 0.01	↑ 2.01	↑ 3.13		
OTP Dollar Bond	USD	10.1527	↑ 0.00	↑ 1.53	n.a.		

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