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Daily Report – Romania

Date: 01.09.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,089.51	↓ -0.79	↑ 0.67
BETPlus	1,051.21	↓ -0.76	↑ 0.70
BET-FI	30,638.95	↑ 0.25	↑ 1.07
BET-XT	638.53	↓ -0.59	↑ 0.78
FP	0.8770	→ 0.00	↑ 1.10
SIF2	1.5000	↑ 0.33	↑ 1.69
TLV	1.7700	↓ -1.12	↓ -1.06
SNG	36.2000	↓ -0.28	↑ 0.11
BRD	8.8900	↓ -1.11	↑ 1.60

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.08	↓ -1.0	↑ 6.5
12 month	2.19	↑ 2.0	↑ 9.0
3 year	3.00	↓ -0.5	→ 0.0
5 year	3.42	↑ 2.5	↑ 4.5
10 year	4.24	↑ 2.5	↑ 1.0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.58	↑ 5.0	↑ 34.0
3M ROBOR	2.28	→ 0.0	↑ 9.0
6M ROBOR	2.60	↑ 2.0	↑ 9.0
1Y ROBOR	2.71	↑ 1.0	↑ 3.0
5Y CDS	121.83	↓ -0.9	↓ -5.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3991	↓ -0.13	↓ -0.18
USD/RON	3.3482	↓ -0.05	↑ 0.49
CHF/RON	3.6415	↓ -0.19	↑ 0.01
100HUF/RON	1.3982	↑ 0.09	↓ -0.27

Source: Reuters, OTP Research

Summary

- After dropping 0.8% yesterday, BET opened higher this morning, in line with European stocks as investors look forward to Thursday's ECB announcement and as Ukraine news stopped coming
- Retail sales advanced by 6.3% YoY in July compared to 10.3% YoY in June and were up 0.4% MoM (SA). Q3 started modestly, as details show non-food trades dropping and the increase only driven by foods.

After a down day yesterday when BET lost 0.8%, the domestic market and the European markets opened higher this morning, as investors await more news from ECB's monetary policy meeting later on this Thursday. There is no more additional news from Ukraine and the CDS inched lower on a weekly basis. With an eye on a possible QE announcement and no more deterioration of risk perception, the euro inched lower against the leu and its peers yesterday. The EUR/RON pair is trading below 4.40 this morning.

Retail sales dynamics tempered in July, from 10.3% YoY (June) to 6.3% YoY (July). Food and non food trade continued to progress at fast pace, of 11.3% YoY and 8.7% YoY, respectively. However, fuels trade dropped by 3.1% YoY. On a seasonally adjusted basis, we notice a hike of 0.4% MoM, exclusively coming from food trade, whereas the rest of two categories fell. We would say that the third quarter started modestly as despite the monthly growth, there is a weakness in the non-food trade, which grows when confidence is at higher levels.

Producer prices

Producer prices rose by 0.5% YoY in July compared to 0.3% YoY in June. The difference comes from different evolution on the domestic and external market. After a drop of 0.3% YoY of external market prices in June, we see a correction of +1.1% YoY in July. In June, the leu was stronger by 1.8% YoY to the euro while in July only by 0.4% YoY. On the domestic market, the dynamics is much lower : +0.2% YoY in July compared to +0.6% YoY in June.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	no data			
Tuesday	July	Retail trade turnover index (y-o-y, %)	6.3	10.3
	July	Producer Price Index (y-o-y, %)	0.5	0.3

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		29.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0232	↑ 0.69	↑ 2.51	↑ 12.88		
OTP Obligatiuni	RON	13.4973	↑ 0.01	↑ 3.20	↑ 5.09		
OTP ComodisRO	RON	16.2062	↑ 0.01	↑ 2.67	↑ 4.32		
OTP Eurobond	EUR	11.8706	↑ 0.01	↑ 2.07	↑ 3.10		
OTP Dollar Bond	USD	10.1544	↑ 0.00	↑ 1.55	n.a.		

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