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Daily Report – Romania

Date: 03.09.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,127.48	↑ 0.41	↑ 1.13
BETPlus	1,057.16	↑ 0.41	↑ 1.11
BET-FI	30,829.92	↑ 0.35	↑ 1.17
BET-XT	641.94	↑ 0.38	↑ 1.11
EL	11.9900	↑ 1.61	↑ 5.92
FP	0.8845	↑ 0.51	↑ 1.32
BRD	8.8500	↓ -0.51	↑ 0.57
EBS	87.2000	↑ 1.99	↓ -0.17
TGN	227.0000	↑ 1.14	↑ 3.18

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.08	↓ -2.0	↑ 6.5
12 month	2.19	↓ -2.0	↑ 7.5
3 year	3.00	→ 0.0	→ 0.0
5 year	3.39	↓ -2.0	↑ 2.5
10 year	4.21	↓ -2.5	↓ -1.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.61	↑ 6.0	→ 0.0
3M ROBOR	2.38	↑ 8.0	↑ 14.0
6M ROBOR	2.67	↑ 7.0	↑ 10.0
1Y ROBOR	2.75	↑ 3.0	↑ 4.0
5Y CDS	121.84	↓ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4005	↓ -0.25	↑ 0.17
USD/RON	3.3462	↓ -0.39	↑ 0.44
CHF/RON	3.6474	↓ -0.25	↑ 0.21
100HUF/RON	1.4006	↑ 0.26	↓ -0.35

Source: Reuters, OTP Research

Summary

- BET added 0.4% yesterday in line with the rally seen in Europe, before today's ECB monetary policy announcement
- GDP slowed down significantly in Q2 and of main GDP drivers, only agriculture advanced on a quarterly basis; households' consumption dropped 0.3% QoQ after 4 quarters of continuous growth.

BET added 0.4% yesterday as European stocks rose forcefully too, on hopes that today's ECB decision will be to start quantitative easing and also as the Russian president presented plans for a cease fire in Ukraine. The weaker than expected weaker PMIs (Markit, August) were seen by the market as a sign that could tilt the balance to QE as well. Against this background, the euro lost marginally to the leu and its peers too yesterday. The EUR/RON pair trades below 4.41 this morning.

Yesterday's detailed GDP data revealed the mystery of the -1% QoQ fall in Q2. On a quarterly basis, the main GDP drivers fell significantly, except for agriculture which seemed to have added 2.6% QoQ. Constructions dipped 1.5% YoY, dragged down by the infrastructure segment, where lower public expenditure had a negative impact. Trade & transport & tourism, which weigh near 12% in GDP, lost 2.6% QoQ. Even, industry, for which we saw positive figures in terms of monthly volume indexes has retreated marginally (-0.1% QoQ). On the expenditures side, households consumption was down 0.3% QoQ, after having climbed for 4 quarter consecutively. All in all, H1 evolution points to an annual advance of 2.4% YoY, suggesting that a significant revision of the 2014 expected growth figure is needed. If we exclude agriculture, Q2 GDP rose by 1.5% YoY compared to 4% YoY in Q1.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	Q2 2014	Detailed GDP (%, QoQ)	-1.0		-0.2
Thursday		no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		02.09.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0082	↑ 0.09	↑ 2.32	↑ 12.22		
OTP Obligatiuni	RON	13.5016	↑ 0.01	↑ 3.23	↑ 5.07		
OTP ComodisRO	RON	16.2110	↑ 0.01	↑ 2.70	↑ 4.31		
OTP Eurobond	EUR	11.8728	↑ 0.01	↑ 2.09	↑ 3.09		
OTP Dollar Bond	USD	10.1564	↑ 0.00	↑ 1.57	n.a.		

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