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Daily Report – Romania

Date: 04.09.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,134.28	↑ 0.10	↑ 1.19
BETPlus	1,057.67	↑ 0.05	↑ 1.14
BET-FI	30,774.26	↓ -0.18	↑ 1.03
BET-XT	642.59	↑ 0.10	↑ 1.20
EL	12.1200	↑ 1.08	↑ 6.50
FP	0.8820	↓ -0.28	↑ 1.38
BRD	8.7600	↓ -1.02	↓ -0.40
TLV	1.7810	⇒ 0.00	↑ 1.25
SNG	36.0000	↑ 1.27	↓ -0.39

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.11	↑ 3.0	↑ 8.0
12 month	2.23	↑ 4.0	↑ 11.0
3 year	2.99	↓ -1.0	↑ 1.5
5 year	3.38	↓ -1.0	↑ 2.5
10 year	4.18	↓ -3.0	↓ -0.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.55	↓ -6.0	↑ 5.0
3M ROBOR	2.39	↑ 1.0	↑ 16.0
6M ROBOR	2.67	⇒ 0.0	↑ 9.0
1Y ROBOR	2.75	⇒ 0.0	↑ 6.0
5Y CDS	121.84	↓ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3993	↓ -0.03	↓ -0.13
USD/RON	3.3971	↑ 1.52	↑ 1.68
CHF/RON	3.6456	↓ -0.05	↓ -0.15
100HUF/RON	1.4023	↑ 0.12	↑ 0.43

Source: Reuters, OTP Research

Summary

- After yesterday's modest rise (+0.1%), BET opened up this morning; European stocks rallied yesterday after the ECB announced another rate cut of the refi rate to 0.05% ; ECB also announced to start buying asset backed securities and covered bonds
- In July, net wage rose 5.1% and the real wage by 4.1% YoY. So far, real wage increase has been among the most important drivers of consumption increase.

BVB indexes finished mixed yesterday whereas in Europe major stock indexes hit 6 -½ year high after the ECB surprisingly announced another cut of the main refinancing rate to 0.05% from 0.15%. Also, the ECB would buy asset backed securities and euro-denominated covered bonds in October, in a move to fight low inflation and to help stimulate lending further. The news pushed the EUR/USD to 1.2940 and the euro also took a minor hit against the leu and its peers. The domestic stock market opened up this morning, in a move that is lagging yesterday's evolution of European stocks.

In July, the net nominal wage rose by 5.1%, marginally faster than the previous month (+5% YoY). The average net wage stood at RON 1719 and the average gross wage at RON 2378. Most importantly, the real wage growth remained high (+4.1% YoY) and this has been one of the determining factors for the rise in private consumption witnessed so far. Even if on a quarterly basis, private consumption was nearly flat in Q2, the annual dynamics remains high at 3.9% YoY.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	no data			
Friday	July	Net wage growth rate (y-o-y, %)	5.1	5.0

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		03.09.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0436	↑ 0.44	↑ 2.77	↑ 13.15		
OTP Obligatiuni	RON	13.5021	↑ 0.00	↑ 3.23	↑ 5.07		
OTP ComodisRO	RON	16.2113	↑ 0.00	↑ 2.70	↑ 4.30		
OTP Eurobond	EUR	11.8734	↑ 0.01	↑ 2.10	↑ 3.09		
OTP Dollar Bond	USD	10.1676	↑ 0.11	↑ 1.68	n.a.		

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