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# Daily Report – Romania

Date: 09.01.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,015.87	↓ -0.64	↓ -0.95	
BETPlus	1,037.03	↓ -0.64	↓ -1.03	
BET-FI	30,001.53	↓ -0.22	↓ -0.93	
BET-XT	634.54	↓ -0.52	↓ -0.58	
FP	0.8625	↓ -0.46	↓ -3.74	
TLV	1.9910	↑ 1.69	↑ 4.35	
EL	11.7500	↓ -1.34	↑ 3.34	
TEL	28.6700	↓ -1.82	↓ -2.05	
BRD	9.0000	↑ 1.01	↑ 2.86	

  

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.29	↓ -3.0	↓ -20.0	
12 month	1.44	↓ -2.0	↓ -17.5	
3 year	2.08	↓ -4.0	↓ -20.0	
5 year	2.34	↓ -1.0	↓ -30.5	
10 year	3.28	↓ -3.0	↓ -32.5	

  

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	3Y	RON 500 mn	RON 500 mn
Monday	10Y	RON 300 mn	

  

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.43	↓ -1.0	↓ -14.0	
3M ROBOR	1.54	↓ -5.0	↓ -16.0	
6M ROBOR	1.81	↓ -7.0	↓ -20.0	
1Y ROBOR	1.85	↓ -6.0	↓ -17.0	
5Y CDS	119.62	↓ 0.0	↓ -0.9	

  

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4858	↓ -0.03	↓ -0.46	
USD/RON	3.7917	↓ -0.35	↑ 1.50	
CHF/RON	3.7390	↑ 0.09	↑ 0.22	
100HUF/RON	1.4163	↓ -0.24	↑ 0.45	

Source: Reuters, OTP Research

### Summary

- All of the BVB indices closed the first week of the year with losses.
- The EUR/RON changed little on Friday.
- ROBOR 3M reached a record low (1.54%).
- Today, the Treasury plans to sell RON 300 mn in 10Y government securities.
- Nominal wages are up by more than 5.6% in November, the growth in real wages is well above 4%.

Before closing on Friday, Romania's stock markets fell into the negative territory on low volumes as international sentiment deteriorated. The major equity index, the BET fell 0.6% compared to the previous day and more than 0.9% on weekly basis. The other indices had similar performance, dropping between 0.2% and 0.6% on Friday, and registering cumulative losses up to 1.0% in the first week of the year. The BVB indices mostly opened with small gains this morning.

In Europe, major indices fell significantly after news on the ECB's QE. According to official sources, the ECB considers purchasing investment grade assets only up to EUR 500 bn, which raises questions whether it will be enough to shore up the economy.

The major US indices also closed in red. The S&P 500 dropped 0.8% as the Bureau of Labor Statistics released that wages for nonfarm workers fell unexpectedly. Later in the afternoon, Fitch announced the downgrade of Russia's credit rating to BBB-, only one step above junk category.

The EUR/RON was traded in a relatively larger range, but it closed almost flat at the end of the day. Based on news related to the ECB's QE, the EUR could strengthen against the USD.

Interbank interest rates and government yields decreased further last week. The ROBOR 3M – an important benchmark rate for private loans – records a newer low of 1.54%.

Today, the Treasury aims to sell RON 300 mn in 10Y government bonds.

Average net earnings increased by 5.64% YoY in November after 5.57% in October. Real growth – after adjusting nominal wages for the rate of inflation – reached to 4.3% YoY.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	January	Base rate decision (%)	2.5	2.50	2.75
Wednesday	November	ILO unemployment rate (% , seasonally adjusted)	6.5		6.7
Thursday	November	Retail trade turnover index (YoY%, seasonally adjusted)	7.8		6.3
Friday	November	Exports (YoY%)	2.9		4.9
Friday	November	Imports (YoY%)	3.9		2.9
Monday	November	Net wage growth rate ( YoY%)	5.6		5.6
Tuesday	December	Consumer price index (YoY%)			1.3
Tuesday	November	Industrial trade turnover index (YoY%)			5.5
Tuesday	November	Index value of new orders in manufacturing (YoY%)			1.4
Tuesday	November	Construction works index (YoY%)			11.3

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		8-Jan-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.0143	↑	0.75	↑	0.16	↑ 1.73
OTP Obligatiuni	RON	13.7944	↑	0.01	↑	0.09	↑ 5.34
OTP ComodisRO	RON	16.5549	↑	0.20	↑	0.32	↑ 4.76
OTP Euro Bond	EUR	12.0281	↑	0.01	↑	0.05	↑ 3.34
OTP Dollar Bond	USD	10.3228	↑	0.00	↑	0.01	n.a.

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