

## Headquarter Treasury Sales

**Tania Fantana**

+4021 30758 76

tania.fantana@otpbank.ro

**Alexandru Tibuleac**

+4021 30758 52

alexandru.tibuleac@otpbank.ro

**Alina Gheorghita**

+4021 30758 25

alina.gheorghita@otpbank.ro

**Andreea Nica**

+4021 30758 27

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

+40755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

+4021 30758 76

tudor.zaman@otpbank.ro



# Daily Report – Romania

Date: 15.01.2015

**Summary**

- The BVB's indices closed in red on Thursday; the BET lost 1.1%
- Yesterday, the SNB abandoned the EUR/CHF 1.20 minimum threshold level
- The Treasury successfully sold the planned RON 300 mn in 4.4Y government securities at record low yields.

Yesterday, all of the BVB indices closed lower. The BET dropped 1.1%, the other indices declined by 0.4% to 1.1%. Compared to the previous days, equities' total turnover significantly increased to around RON 56 mn due to high volumes in the case of the FP (almost RON 18 mn) and the TLV (more than RON 11 mn). The CEE region's equity markets were negatively affected by the SNB's announcement to abandon the 1.20 minimum threshold level in the EURCHF.

The SNB's decision produced high swings on European equity markets, but at the end of the day, the main indices closed with significant gains. The CAC 40 went up by 2.4%, the DAX climbed 2.2% and the FTSE increased 1.7%. In the USA, the market sentiment deteriorated; the S&P 500 lost 0.9%.

The SNB's announcement caused extreme volatility on FX markets. After large movements, the Swiss currency stabilized around EUR/CHF 1:1; the USD also strengthened against the EUR. The regional currencies weakened compared to the EUR; mostly the PLN and the HUF were affected, but the EUR/RON also climbed higher.

The SNB's decision was highly unexpected by the markets due to several factors. Among others, Swiss consumer prices already were in the negative territory at the end of 2014 (-0.3% YoY in December), and based on low imported prices and the plunge in oil prices, deepening deflation was already forecasted for 2015. The CHF's appreciation will cause significant additional pressure on prices' evolution. On the other hand, Switzerland is an export oriented economy; the weight of the export of goods and services reaches more than 70% of the country's GDP, so the appreciation will have a significant negative impact on the economy; even in the previous period, Switzerland performed better than the Eurozone in terms of growth.

On Thursday, the Treasury sold the planned RON 500 mn in bonds with residual maturity of 4.4 years at record low average yields (2.19%).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	December	Consumer price index (YoY%)	0.8	0.9	1.3
	November	Industrial trade turnover index (YoY%)	2.4		5.5
	November	Index value of new orders in manufacturing (YoY%)	4.5		1.4
	November	Construction works index (YoY%)	2.2		-11.3
	November	CA balance (EUR mn, YTD)	-302		-263.0
Wednesday	Q3 2014	Detailed GDP growth rate (QoQ, sa - provisional data 2)	1.8		-0.4
	November	Industrial Production Index (YoY%)	0.2		3.7
	November	Households services turnover index (YoY%)	0.6		-6.0
	November	Wholesale and retail trade turnover (YoY%)	-0.5		0.4
Thursday	November	Wholesale services turnover index (YoY%)	6.4		3.8
Friday		no data			
Monday		no data			

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6,935.99	↓ -1.11	↓ -1.77	
BETPlus	1,025.21	↓ -1.03	↓ -1.77	
BET-FI	29,512.05	↓ -0.37	↓ -1.85	
BET-XT	627.35	↓ -0.97	↓ -1.64	
FP	0.8450	↓ -0.71	↓ -2.48	
TLV	1.9330	↓ -3.35	↓ -1.28	
BVB	38.8500	↑ 1.70	↑ 11.00	
EL	12.0000	↑ 0.17	↑ 0.76	
TEL	27.9400	↓ -1.31	↓ -4.32	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.24	↓ -2.5	↓ -8.0	
12 month	1.38	↓ -2.5	↓ -7.5	
3 year	2.00	↓ -3.5	↓ -12.5	
5 year	2.22	↓ -7.0	↓ -13.5	
10 year	3.13	↓ -8.5	↓ -18.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	10Y	RON 300 mn	RON 364 mn
Thursday	4Y	RON 500 mn	RON 500 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.43	↓ -2.0	↓ -1.0	
3M ROBOR	1.57	↑ 1.0	↓ -2.0	
6M ROBOR	1.84	↓ -1.0	↓ -4.0	
1Y ROBOR	1.86	↓ -1.0	↓ -5.0	
5Y CDS	113.80	↓ -1.3	↓ -5.8	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.5045	↑ 0.18	↑ 0.39	
USD/RON	3.8706	↑ 1.44	↑ 1.72	
CHF/RON	4.5087	↑ 20.39	↑ 20.69	
100HUF/RON	1.3934	↓ -0.99	↓ -1.86	

Source: Reuters, OTP Research

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		14-Jan-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	7.9971	↓	-0.06	↓	-0.05	↑ 1.49
OTP Obligatiuni	RON	13.8039	↑	0.01	↑	0.16	↑ 5.33
OTP ComodisRO	RON	16.5887	↑	0.00	↑	0.52	↑ 4.91
OTP Euro Bond	EUR	12.0313	↑	0.00	↑	0.07	↑ 3.33
OTP Dollar Bond	USD	10.3255	↑	0.00	↑	0.04	n.a.

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.