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Daily Report – Romania

Date: 16.01.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6,988.12	↑ 0.75	↓ -0.40	
BETPlus	1,032.32	↑ 0.69	↓ -0.45	
BET-FI	29,441.12	↓ -0.24	↓ -1.87	
BET-XT	630.98	↑ 0.58	↓ -0.56	
FP	0.8510	↑ 0.71	↓ -1.33	
SNG	34.8500	↑ 0.72	↑ 0.14	
TEL	28.3200	↑ 1.36	↓ -1.22	
BRD	9.2500	↑ 2.15	↑ 2.78	
TLV	1.9400	↑ 0.36	↓ -2.56	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.24	↓ -0.5	↓ -5.5	
12 month	1.38	↓ -0.5	↓ -6.0	
3 year	2.00	→ 0.0	↓ -8.5	
5 year	2.21	↓ -1.0	↓ -13.5	
10 year	3.12	↓ -1.0	↓ -16.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	4Y	RON 500 mn	RON 500 mn
Monday	13Y	RON 200 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.43	→ 0.0	→ 0.0	
3M ROBOR	1.60	↑ 3.0	↑ 6.0	
6M ROBOR	1.85	↑ 1.0	↑ 4.0	
1Y ROBOR	1.88	↑ 2.0	↑ 3.0	
5Y CDS	112.44	↓ -1.4	↓ -7.2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.5037	↓ -0.02	↑ 0.40	
USD/RON	3.8930	↑ 0.58	↑ 2.67	
CHF/RON	4.5395	↑ 0.68	↑ 21.41	
100HUF/RON	1.4122	↑ 1.35	↓ -0.29	

Source: Reuters, OTP Research

Summary

- The majority of the BVB's indices registered gains on Friday; the BET climbed 0.8%, but it was not enough to offset the previous losses of the week; the index remained in the negative territory in week/week comparison.
- The EUR/RON closed almost flat at the end of the day (around 4.5).
- The yield curve shifted down by 6-17 bps last week; the highest decreases were registered at the long end.
- Today, the Treasury aims to sell RON 200 mn in 13Y government bonds.

The majority of Romania's equity indices climbed higher on Friday, with one exception: the BET-FI slightly decreased (-0.2%), first of all due to losses of SIF Moldova (-1.9%) and SIF Oltenia (-1.1%). The BET gained 0.8% on Friday, but it was not enough to close last week in the positive territory; the BVB's major index decreased by 0.4% week on week. Equities' total turnover stood at RON 39 mn, led by FP (RON 9 mn), SNG (RON 5.3 mn) and TEL (RON 4.4 mn). This morning, the BVB's indices mostly opened flat.

The shock caused by the SNB's decision was left behind on the global equity markets. European stocks performed well based on expectations of economic stimulus from the ECB. The DAX advanced 1.4% and was closely followed by the CAC 40 (+1.3%).

On Friday, US markets rebounded as crude oil prices rallied and consumer sentiment hit an 11-year high. At the same time, the USD strengthened further against the EUR.

On Friday, the EUR/RON was traded also slightly above 4.51, but it ended almost flat at the end of the day. Regional currencies, particularly the HUF strengthened significantly against the EUR. The EUR/RON pair is trading around 4.50 this morning.

Government bond yields changed little on Friday, but in weekly comparison, the yield curve shifted down by 6-17 bps; 5Y-10Y maturities saw the highest shift (14-17 bps respectively), average yields at Friday's fixing were 2.21% and 3.12%.

Today, the Treasury plans to sell RON 200 mn in bonds with a residual maturity of 12.5 years. Demand is likely to remain healthy, given the results seen so far.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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			
Tuesday		no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		15-Jan-15					
Open-end fund	ccy	last NAV/U	1d%	1d%	Ytd%	52W%	52W%
OTP AvantisRO	RON	7.9614	↓	-0.45	↓	-0.50	↑ 0.67
OTP Obligatiuni	RON	13.8055	↑	0.01	↑	0.17	↑ 5.36
OTP ComodisRO	RON	16.5892	↑	0.00	↑	0.52	↑ 4.92
OTP Euro Bond	EUR	12.0319	↑	0.00	↑	0.08	↑ 3.33
OTP Dollar Bond	USD	10.3257	↑	0.00	↑	0.04	n.a.

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