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Daily Report – Romania

Date: 19.01.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6,971.36	↓ -0.24	↓ -0.66	
BETPlus	1,029.31	↓ -0.29	↓ -0.77	
BET-FI	29,176.23	↓ -0.90	↓ -1.93	
BET-XT	629.14	↓ -0.29	↓ -0.78	
FP	0.8450	↓ -0.71	↓ -1.74	
BRD	9.2000	↓ -0.54	↑ 2.22	
EL	12.4300	↑ 1.47	↑ 5.79	
BVB	39.0000	↑ 0.80	↑ 6.27	
SIF5	1.5980	↓ -1.96	↓ -3.73	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.24	↑ 0.5	↓ -4.5	
12 month	1.36	↓ -1.5	↓ -7.0	
3 year	2.00	↑ 0.0	↓ -8.5	
5 year	2.20	↓ -1.0	↓ -15.0	
10 year	3.07	↓ -5.0	↓ -21.0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	4Y	RON 500 mn	RON 500 mn
Monday	13Y	RON 200 mn	RON 250 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.42	↓ -1.0	↓ -2.0	
3M ROBOR	1.60	→ 0.0	↑ 5.0	
6M ROBOR	1.85	→ 0.0	↑ 2.0	
1Y ROBOR	1.88	→ 0.0	↑ 2.0	
5Y CDS	112.44	→ 0.0	↓ -7.2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.5038	↑ 0.00	↑ 0.38	
USD/RON	3.8812	↓ -0.30	↑ 2.37	
CHF/RON	4.4115	↓ -2.82	↑ 18.06	
100HUF/RON	1.4082	↓ -0.29	↓ -0.30	

Source: Reuters, OTP Research

Summary

- Romania's equity indices mostly decreased yesterday; the BET lost 0.2%, hence it was left behind the regional peers.
- The EUR/RON remained stable on Monday, it was traded in a relatively tight range; the EUR strengthened against the USD and CHF.
- The Treasury sold more than planned (RON 250 mn vs RON 200 mn) in 13Y government bonds on record low average yield (3.30%).

Yesterday, most of the BVB's indices slightly decreased between 0.2% and 0.3%, but there were also exceptions like the BET-FI, which lost 0.9%, while the ROTX index, which includes the ERSTE's (EBS) shares too, remained unchanged. Equities' total turnover was not convincing, it stood at only RON 31 mn. The BET closed 0.2% lower, hence it was slightly left behind by the region; the BUX gained 0.3%, the PX climbed 0.2% and the WIG-20 marginally advanced (0.1%). The BVB indices opened in green this morning.

The trading day was relatively more silent in the world, as US markets were closed on Monday. European investors are waiting for a possible ECB announcement regarding the QE. On Thursday, the European Central Bank may unveil the plans to purchase sovereign bonds in order to fight against deflation and enhance growth. Expectations for upcoming QE and positive news on regulatory changes for Italian cooperative banks helped European markets to advance. The Italian FTSE-MIB gained more than 1% and the DAX closed 0.7% higher.

The EUR/RON was traded in a relatively tight range yesterday, and closed the day unchanged. The other regional currencies had also relatively lower volatility, but registered some losses against the EUR.

On Monday, the EUR could strengthen compared to the USD, most probably due to profit takings before the ECB's announcement. The EUR/CHF also climbed higher yesterday.

The IMF released its updated World Economic Outlook report. According to the document, global GDP growth will be around 3.5% in 2015, 0.3% lower than expected before. In 2016, the rate of growth could advance to 3.7%. The forecast for the US was revised higher to 3.6% (+0.5%) for 2015, but it was lowered to 1.2% (-0.2%) in the case of the eurozone.

The Treasury sold more than planned (RON 250 mn vs RON 200 mn) in 12.5Y government bonds. The average yield was 3.30%; the bid-to-cover ratio was quite high, close to 4.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	November	Wholesale services turnover index (YoY%)	6.4	3.8
Friday		no data		
Monday		no data		
Tuesday		no data		
Wednesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		16-Jan-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9948	↑ 0.42	↓ -0.08	↑ 1.28		
OTP Obligatiuni	RON	13.8068	↑ 0.01	↑ 0.18	↑ 5.36		
OTP ComodisRO	RON	16.5896	↑ 0.00	↑ 0.53	↑ 4.91		
OTP Euro Bond	EUR	12.0327	↑ 0.01	↑ 0.08	↑ 3.33		
OTP Dollar Bond	USD	10.3258	↑ 0.00	↑ 0.04	n.a.		

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