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Daily Report – Romania

Date: 27.01.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,951.37	↓ -0.68	↓ -0.92
BETPlus	1,026.69	↓ -0.63	↓ -0.85
BET-FI	29,819.24	↓ -1.39	↑ 1.71
BET-XT	630.86	↓ -0.77	↓ -0.34
FP	0.8450	↓ -1.17	↓ -0.59
BRD	9.5000	↓ -0.42	↑ 1.50
TLV	1.9850	↓ -1.05	↓ -0.75
EL	12.1600	↓ -0.73	↓ -2.33
COTE	57.2000	↑ 2.51	↑ 0.26

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.19	↓ -3.0	↓ -1.5
12 month	1.34	↓ -1.0	↑ 0.5
3 year	1.92	↓ -1.0	↓ -7.5
5 year	2.11	↓ -3.5	↓ -8.0
10 year	2.73	↓ -10.0	↓ -28.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	8Y	RON 400 mn	RON 567 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.65	↓ -2.0	↑ 24.0
3M ROBOR	1.56	↓ -1.0	↓ -3.0
6M ROBOR	1.80	→ 0.0	↓ -4.0
1Y ROBOR	1.84	→ 0.0	↓ -3.0
5Y CDS	109.76	↓ 0.0	↓ -2.7

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4625	↓ -0.28	↓ -1.13
USD/RON	3.9212	↓ -1.53	↑ 0.37
CHF/RON	4.3449	↓ -1.43	↓ -2.66
100HUF/RON	1.4345	↓ -0.34	↑ 0.58

Source: Reuters, OTP Research

Summary

- In line with global trends, the BVB indices fell on Tuesday; the BET lost 0.7% yesterday.
- The RON strengthened for the fifth consecutive day compared to the EUR, closing around 4.46 on Tuesday.
- Residential building permits increased by 5.1% YoY in December after dropping 5.6% in November.

Tuesday's trading sentiment was unfavourable on stock markets. All of the main domestic equity indices fell yesterday. The BET-FI index lost the most (1.4%) but the BET also dropped by 0.7% as it was dragged down by Fondul Proprietatea (-1.2%), Banca Transilvania (-1.1%) and Romgaz (1.1%). Compared to Monday, the equities' total turnover more than doubled, nearly to RON 37 mn. Conpet (COTE) could reach to the top of most traded companies with a volume of RON 2.6 mn because of a large transaction in the first half of the day.

After an eight-day rally, boosted by ECB's monetary stimulus, European shares fell on Tuesday as weaker than expected results were released by companies such as Siemens or Philips, and concerns over Greece also renewed. The sentiment deteriorated further after disappointing company earnings were published in the USA too, and durable goods orders unexpectedly declined. The Stoxx 50 lost 1.2% and the DAX dropped 1.6%; the main US indices fell between 1.3% and 1.9%.

Bucking the regional trends, the RON strengthened further against the EUR. This was already the fifth consecutive day when the EUR/RON declined, closing around 4.46 yesterday. Compared to the EUR, the USD retreated close to 1.14 on Tuesday.

Government security yields continued to slide down by 1-10 bps yesterday; 5Y-10Y maturities saw the highest shift (3.5 and 10.0 bps respectively).

Residential building permits rose by 5.1% YoY in December. Regarding full year 2014, the decrease was at 0.3% compared to 2013.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	no data			
Monday	no data			
Tuesday	December	M3 (broad money, YoY, %)	7.8	6.1
		Non governmental loans (YoY, %)	-3.1	-2.7
		Non governmental deposits (YoY; %)	7.5	5.9
Wednesday	December	Licenses for residential buildings (monthly)	2,682	2,715

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		26-Jan-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.0813	↓	-0.16	↑	1.00	↑ 4.23
OTP Obligatiuni	RON	13.8217	↑	0.04	↑	0.29	↑ 5.35
OTP ComodisRO	RON	16.6236	↑	0.04	↑	0.73	↑ 5.03
OTP Euro Bond	EUR	12.0456	↑	0.02	↑	0.19	↑ 3.35
OTP Dollar Bond	USD	10.3294	↑	0.01	↑	0.08	n.a.

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